

Medicare Agents and your book of Business

As a Medicare agent, you sell as many Medicare plans as you can (or as many as you want to).

If you sell Medicare Advantage plans you know your 1st year commission are increasing almost 6% as of Jan 1st, 2021 (\$636 to \$672) and renewal commission are also increasing almost 6% (\$318 to \$336).

I say this because, if for example, in the last 10 years you wrote one Medicare Advantage plan a week your annual renewal commissions this year would be over \$165K. If you sold two plans a week your annual renewal commissions this year would be over \$330K.

These numbers do not include any Medicare Supplement commissions, IFP, group commissions or any other insurance commissions you receive.

So why am I saying this?? Because your book of business over the next 10 to 20 years if you keep doing what you are doing now could be providing you an annual commission of \$500K to \$1M per year. A nice income that we all would like to have continue for the rest of our life. However, did you know that your Medicare Advantage commissions will end if you do not get recertified every year or if you pass away??

You may be thinking "It's OK I will just sell my Medicare Advantage clients to another Medicare agent". Did you know that many insurance companies that sell Medicare Advantage plans do not allow agents to sell their book of business?? So, what happens to your commissions?? Your commissions will end unless you are incorporated. The corporation must have a licensed agent who is also certified to sell Medicare Advantage plans to continue to receive the commissions.

If you do sell your Medicare business or your whole insurance practice to another Medicare or health agent, what will you get out of it?? Do you have a written plan in place that states what you both have agreed on?? What % of commissions do you or your family receive at your retirement, disability, or death??

How do you protect your commissions?? We always recommend being incorporated for tax purposes and for protecting your commissions for you and your family. You always want to have a written plan in place (with another Health/Medicare agent) that discusses what happens to your book of business, employees, etc. What will you receive in commissions and for how long??

You will probably want your CPA and Attorney involved in these discussions.

Your Medicare commission will probably be your biggest asset. Plan accordingly and protect it for you and your family.

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