

# Frequently Asked Questions

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## Compensation

### 1. What type of compensation is available on health insurance sales?

There are three health insurance compensation scenarios:

- A) Potential to earn a percentage of the full “writing agent” commissions and subsequent renewal commissions, if you are eligible to be appointed to the carrier and Flex acts as the General Agency. This will vary by state and is dependent on whether Flex has a General Agency designation from the health insurance carrier.
- B) Potential to earn a split of the writing agent commissions if Flex must act as the writing agent. This will vary by state and will result from a situation where Flex does not have General Agency designation from the health insurance carrier.
- C) Potential to earn a one-time “finders fee” if you decide to only refer the client to Flex, rather than fulfill the responsibilities of the writing agent. To qualify for any compensation, the health insurance plan must stay active for at least 90 days from the effective date of the plan.

### 2. What does a typical case pay for commissions?

Similar to most insurance products, commissions earned will vary based on carrier and health product sold. In addition, commissions paid will depend on the structure of our relationship with the insurance carrier.

**Flex as General Agent:** If Flex acts as “General Agent” for the insurance carrier, then the broker can act as the “writing agent” and full commissions can be paid to the broker-dealer company for the first year and subsequent renewal years. These writing agent commissions are then split 60% for you and 40% to the broker-dealer company. This applies for both first year and renewal commissions.

**Flex as Writing Agent:** If Flex does not have a General Agency agreement with the carrier whose health coverage is sold to your prospect; or if you as a broker are not yet appointed with the carrier, then Flex must act as writing agent for the health sale. We split the writing agent commissions, 60% for Flex and 40% for the broker-dealer company. You would receive 60% of this commissions split paid to the broker-dealer company for both first year and renewal commissions.

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### Examples:

For individual health sales, first year commissions can range from between 9% and 15% of the annual premium. Commissions are paid by the carrier once the health plan is underwritten, issued to the member and premiums are paid by the member. Renewals each subsequent year are less and typically range between 3% and 8% of the annual premium.

Average Annual Premium Per Life	Percent of Commissions	Writing Agent Commission
\$2,400	9% to 15% first yr	\$216 - \$360
\$2,520	3% to 8% renewal	\$75 - \$201

For group health sales, the commission schedules are usually tiered based on the annual premium for the entire group and the number of insured members. Generally speaking, small group (average 10 lives) commissions will range between 2% and 8% of the annual premium for both the first year and renewal years.

Average Annual Premium Per Group	Percent of Commissions	Writing Agent Commission
\$24,000	2% to 8% first yr	\$480 - \$1,920
\$25,200	2% to 8% renewal	\$504 - \$2,016

### 3. How will I receive my compensation?

Commissions, renewals and finders fees earned from a health insurance sale are paid directly to the broker-dealer company from either the insurance carrier or Flex. You are entitled to 60% of these commissions, with the broker-dealer company retaining 40%. The broker-dealer company will facilitate compensation to brokers.

### 4. Is there commission for renewals?

Yes, brokers are entitled to renewal commissions for health plans sold. These renewal commissions will vary based on health insurance carrier, type of product and whether Flex acts as General Agent or Writing Agent for the health insurance sale. If you are the writing agent and appointed to the carrier, the commissions will be paid directly to the broker-dealer company by the carrier each month as premiums are received from the client. The broker-dealer company will pay 60% of all commissions, renewals or finders fees to each broker.



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## **Education & Training**

### **5. What type of training is available?**

Recorded training seminars are available in the Education section of the Flex web site, including:

- Sales Processes & Guidelines
- Carrier Products
- Health Savings Accounts ... and more!

These training seminars are available through our WebEx platform, which we previously recorded. The training seminars are available for you to playback at your convenience.

To view these recorded seminars, you must use the WebEx Player. The WebEx Player will automatically download the first time you view a recorded session.

## **Marketing**

### **6. What kind of marketing resources are available for use with prospects and clients?**

Flex has developed a prospecting sheet that details the health insurance opportunity, which you might consider sending to your prospects and clients. This document can be used as part of a mail or email campaign. It can be customized, directly from the web site, with your specific contact information.

NOTE: There are special requirements to access and utilize these resources. Please follow the instructions indicated for each marketing resource.

These marketing tools are available in the Marketing section of the Flex web site.

### **7. Will this marketing information be approved for our use with the public?**

Yes, it is very important that all materials be approved prior to being implemented as part of your marketing efforts. Materials used as part of our education and training efforts have legal disclaimers that indicate that they cannot be used for use with the public.

### **8. Where can I get insurance carrier brochures and sales materials to present and use for my prospects?**

Once you complete and submit the profile in the Getting Started section of the Flex web site, you will be contacted by Flex to begin the process of becoming appointed with those health carriers who offer product in your state(s). Upon receipt of the completed paperwork, Flex will email product and benefit information for the appropriate carriers(s).

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## Carriers

### **9. Do I need to be appointed with every carrier in my state(s)?**

No, you do not need to be appointed with every carrier in your state(s).

### **10. Is the appointment process different from individual products versus group products?**

Yes, the appointment processes are different for individual versus group health insurance.

### **11. How do I get appointed with carriers?**

Flex is contracted with various carriers nationwide. Each carrier is more competitive in specific states, of which, Flex has made available to the broker-dealer company.

Flex will provide appointment paperwork for competitive individual health insurance carriers in each state you are licensed to sell in. It will be at your discretion to complete the paperwork and be appointed with these carriers.

### **12. Should I get appointed immediately or should I wait until I have a prospect?**

You should complete the individual and/or group health insurance carrier appointment paperwork upon receiving it from Flex. Do not wait until you have a prospect because appointments can take 2 to 4 weeks and you do not want to risk losing your prospect.

If you need carrier appointment paperwork, please contact a Flex service representative today.

### **13. Which carriers are available to me?**

You can view the current list of carriers available by going to the Carriers section of the Flex web site.

NOTE: Carrier availability will vary by geographic location. Flex will make every effort to provide competitive options for carriers to deliver health insurance to your clients. Often times the carrier selection will be based on your region, state and sometimes even for specific counties.

### **14. What types of individual or group health insurance plans can I market?**

You will be trained to focus on the marketing of High Deductible Health Plans (HDHPs). Flex, however, can provide access to all types of health insurance plans, including HMOs, Traditional PPOs, Low-deductible PPOs and more.

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### 15. How do I get a health insurance quote for my client?

Individual quotes are requested by submitting a Individual Quote Request Form, which is available in the Quotes section of the Flex web site. This form can be e-mailed or faxed to Flex to begin the quoting process.

Group quotes are requested by submitting a Group Census Form, which is available in the Quotes section of the Flex web site. This form can be e-mailed or faxed to Flex to begin the quoting process.

### 16. What carrier(s) can or will I receive quotes for once I submit a request?

You will only receive quotes from carriers in which you are appointed through the Flex General Agency or where Flex is the writing agent.

### 17. Where do I send licensing paperwork, quote requests and applications?

Licensing paperwork, quote requests and applications should always be sent to Flex—never to the broker-dealer company or a carrier. Quote requests and applications should never be sent directly to a carrier. Sending this information to the broker-dealer company and/or a carrier will lead to lost or unaccounted business and commissions will not be paid correctly.