



Axial Benefits Group

Employee Benefits Reengineered

Groups with less than 50 employees enrolled in a healthcare program.

For companies with less than 50 employees enrolled, broker commissions vary from carrier to carrier. Most commission at this size are paid to the broker on a **Per Employee, Per Month basis**.

Below you will find a range of commissions carriers pay to brokers in the New England Marketplace.

Low	High
\$23 PEPM	\$32 PEPM

The monthly commission payment is calculated by multiplying the actual number of employees enrolled for medical coverage during any month, by the appropriate commission rate.

For example, a first-year case with an effective date in March with an initial enrollment of 35 enrolled employees will be paid \$27 per enrolled employee per month, which equals \$945 for the first month. If the actual enrollment in June is 41 employees, the commissions for June will be 41 multiplied by \$27, which equals \$1,107.

These above amounts are paid to the broker on a monthly basis, depending on enrollment the previous month. The brokers' commission does not include any retention or override commission that is paid to the broker on an annual basis.

The retention commission is to encourage brokers to keep business that they have placed with a carrier year over year, and is seldom fully disclosed. These annual bonuses vary in payment and are dependent on how big a "block of business", (total premium), that a broker has with the carrier.

Below you will find a range of retention or override commissions that carriers pay to brokers in the New England Marketplace.

Low	High
.75% of annual premium	2% of annual premium

Groups with more than 50 employees enrolled in a healthcare program.

For companies with more than 50 employees enrolled, broker commissions vary from carrier to carrier. Most commission at this size are paid to the broker, as a percentage of the premium the client pays on monthly basis.

Some carriers “scale down” percentages at higher premium thresholds, but in general, the range of the percentage of premium, paid to brokers by carriers in New England is shown below.

Low	High
2.5% of premium	5% of premium

The monthly commission payment is calculated by multiplying the actual premium a client pays to the carrier by the appropriate commission rate as referenced above.

For example, a first-year case with an effective date in March with a monthly premium of \$65,000 will be paid 3% per month, which equals \$1950 per month, or \$23,400 annualized.

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