

*When choosing a career as a health insurance agent for Medicare, one crucial decision to make is whether to become an independent agent or a captive agent. Both paths have their pros and cons, but choosing to become an independent agent offers several advantages. In this article, we will explore why.*

## Independent Agent vs. Captive Agent – What’s the Difference?

Captive insurance agents are contracted to work exclusively with a single carrier or umbrella group. Captive agents find potential clients for a carrier or group of carriers only.

An independent agent on the other hand, is not solely contracted to just one insurance company. They are able to contract with as many insurance carriers as they need to suit their clients’ needs.

## The Advantages of Being Independent

### 1. Represent Multiple Carriers

Representing multiple carriers is crucial for independent insurance agents who specialize in Medicare options. Selling insurance policies to seniors based on their health needs is the polar opposite of a ‘one-size-fits-all’ situation, which captive agents face. Offering a diverse range of coverage options from multiple carriers not only benefits clients, but also empowers agents.

As an independent agent, you have the flexibility to build a portfolio of insurance options from multiple carriers, allowing you to tailor coverage to each client’s unique needs. Here are some advantages to consider:

- Offering a diverse range of options enables you to serve a wider variety of clients.
- You can choose from different types of products, such as Medicare Supplements, Medicare Advantage, Part D, ancillary products (Dental, vision, accident, term-life), and more.
- Providing clients with more choices ensures they receive the best possible plan for their situation, which leads to greater satisfaction and more referrals.

### 2. Support When you Want It

Independent agents have the advantage of being supported by Marketing organizations FMO-IMO, that offer training and marketing resources to help them enhance their skills, particularly when it comes to acquiring clients. Marketing organizations contract GA or General agents to invest in hands on training routinely help new independent agents connect with insurance carriers to build their offerings portfolio, a stumbling block some new independent agents run into.

At JSA/SHIA we provide independent agents with a range of resources to help them build and improve their own business, including:

- Financial support to invest in business growth
- Administrative support to streamline operations and free up time
- A 50% marketing co-op program, that covers half of your marketing budget, allowing you to reach more potential clients and expand your customer base.

Find out the 3 Most Effective Co-op Resources Agents are Using to Increase Sales How to Start Selling Medicare Products

You DO NOT have to do it alone. Become a successful independent insurance agent and build a strong residual income.

JSA provides invaluable resources and the financial support you need to catapult your business as an independent broker even if you have zero experience with the senior market. We will help:

- alleviate the administrative workload.
- Pay 50% marketing costs
- ensure commissions are paid on time AND get you paid multiple times a month.
- grow business much faster.

By leveraging JSA/SHIA's unparalleled support and comprehensive marketing tools and technology, new agents just like you were able to substantially grow their Medicare Sales in just a few short years.

### 3. Be your own Boss

Heading down the independent route provides the freedom to work on your own terms, making it a great choice for those seeking flexibility in their career. As an independent agent, you can enjoy the following benefits:

- **Flexible hours:** You can choose your own hours and have the freedom to take time off when you need it. Don't feel like working on a Friday? That's your choice.
- **Work-life balance:** You have the power to set your own schedule and plan your work around your personal life. Schedule meetings in the evenings, weekends, or when the kids are in school.
- **No contractual obligations or sales quotas:** As an independent agent, you're not tied down to monthly or annual quotas imposed by a single insurance company. You have the freedom to set your own goals and work towards them at your own pace.

### 4. Potential for Higher Earnings

Representing different insurance companies as an independent insurance agent can lead to increased earnings potential. With more options available, clients have a greater chance of finding the best plan for their needs, which in turn leads to satisfied clients who are more likely to provide referrals. Additionally, independent agents typically earn a higher percentage commission than captive agents, further increasing their earning potential.

Becoming an independent agent offers numerous advantages over a captive agent, including the ability to represent multiple carriers, support when needed, being your own boss, and the potential for higher commission rates and earning potential. At JSA/SHIA, we can guide you every step of the way and help you succeed as an independent insurance agent.

*Now is a great time to be in Medicare sales. The maximum broker commissions have just increased for Medicare Advantage and Medicare Part D plans. If you plan on selling Medicare products in 2024, keep reading to see how you'll be affected, and how Medicare commissions work.*

## What is a Maximum Broker Commission?

Insurance agents earn commissions directly from insurers. When you sell Medicare Part D and Medicare Advantage plans, your agent compensation is based on your total number of enrollments and renewals each year, plus what kind of plans you sign beneficiaries up for.

The process for getting paid for Medicare Part D and Medicare Advantage plan signups each year is as follows:

- Centers for Medicare and Medicaid Services (CMS) determine the max commissions for Medicare Advantage plans and Medicare Part D plans each year. (The max commission is in line with fair market value.)
- It's important to note that carriers are not required to pay the maximum commission rate. Please check each individual carrier's commission rate for the most accurate payment amount.
- Agents get paid commissions when the beneficiary first enrolls in an MA or Part D plan.
- Agents will continue to get paid for each beneficiary yearly if stay with the plan, or switch through you – although the price is half of the original, first-time commission.

## What are the New Medicare Advantage Maximum Broker commissions?

The new MA maximum broker commissions vary by region.

What Are the New Medicare Part D Maximum Broker commissions?

## Broker Compensation for 2024

		Initial			Renewal		
Product	Region	2023	2024	%	2023	2024	%
<b>MAPD</b>	National	\$601	\$611	1.66%	\$301	\$306	1.66%
	CT, PA, DC	\$678	\$689	1.62%	\$339	\$345	1.77%
	<b>CA, NJ (Highest PAID STATES)</b>	<b>\$750</b>	<b>\$762</b>	<b>1.6%</b>	<b>\$375</b>	<b>\$381</b>	<b>1.6%</b>
	Puerto Rico, U.S. Virgin Islands	\$411	\$418	1.7%	\$206	\$209	1.46%
<b>PDP</b>	National	\$92	\$100	8.7%	\$46	\$50	8.7%

### What are the Medicare Supplement (Medigap) Maximum Broker commissions?

Medicare Supplement, or Medigap, commission rates are not dictated by CMS, but by the insurer. Medigap commissions are a percentage of the annual policy premium and can therefore vary. Usually 10-20% of premium.

### What Can I do to Make 2024 My Most Profitable Year Yet?

Partnering with an FMO is the ideal way to build your Medicare business. FMOs help cut down on costs that can impact your bottom line, and also help build your lead pipeline.

JSA/SHIA offers a cherry on top of the FMO cake – a Marketing Dollar Program and 50% co-op for marketing expenses that minimizes your out-of-pocket cost, so you can get more qualified Medicare leads, at a fraction of the cost – meaning you end up with more profits in your pocket.

We pledge to propel your career forward. That’s why we offer unparalleled marketing resources to help grow your customer base—and we pay half the bill.

### With JSA/SHIA as your partner, you benefit from:

Ads, emails and brochures tailored to your specific needs, with our pro shop, at no cost, so you can focus on selling and growing. Added to the Agency Website for free, agent comes up by zipcode.

Vast sales support with free multi-channel marketing plans readily available, semi-annual publications, **Access to retail locations** (Walmart & other), MG Kiosks, and important “follow-up” messages sent right to you.

Complimentary local event alerts conveniently provided, maximizing occasions to be at the forefront with clients.

Accessible promotional opportunities, with 50% of your co-op advertising dollars paid for:

- Traditional Media (print and radio ads)
- Digital Media (web ads)
- Social Media
- Signs
- Special Events (T-65, AEP, Community)

Benefit from JSA’s state of the art selling tools to personalize your selling portfolio that give you a competitive edge, with the convenience of rapid in-house Medicare marketing support, at an unmatched low cost.

### How to Start Selling Medicare Insurance?

Just like most career choices, getting started requires a little bit of legwork but the barriers to entry are low and can be completed in a short amount of time. For those completely new to insurance sales, you will need to first obtain a health insurance license before you can begin to sell. Here are the steps required to begin selling Medicare insurance as an independent insurance agent:

- Pre-license training (up to 52 hours, varies by state) (\$80 online/\$160 in person)
- Pass State Exam (\$85)
- Fingerprints/ Background Check (\$88)
- Contracting (\$0)
- AHIP Certification (\$125)
- Individual Carrier Certifications (most \$0)
- Errors & Omissions Insurance (\$395 1<sup>st</sup> year - \$445 2<sup>nd</sup> year)