

# Insurance Agent Commissions Explained Simply



**Base Commission:**  
Percentage of  
Premium Sold



**Renewal Commission:**  
Ongoing Earnings for  
Retaining Clients



**Bonus & Overrides:**  
Performance-Based  
Incentives & Team  
Growth

**Understanding the Structure for Sustainable Career Growth.**

# Master Your Income

- Stop guessing when money arrives
- Understand why checks vary
- Plan finances with certainty

# Two Types of Commissions

## First-Year



Earned the first time a  
client enrolls

Larger one-time payment

## Renewal



Earned every year a  
client stays active

Smaller but recurring  
payment

# 100 Clients = Ongoing Income Stream

Every enrollment builds your renewal foundation.



# Commission Structures Vary

Set by CMS

Medicare Advantage

Part D

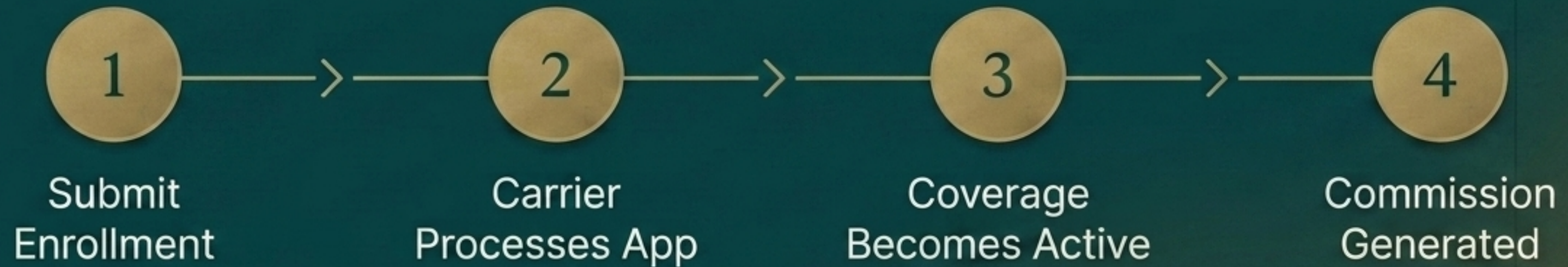
Set by Carrier

Medicare Supplement

Life & Hospital Indemnity

Dental, Vision, Hearing & ACA

# From Enrollment to Payment



**Timeline:** 2 to 8 weeks  
after effective date



## Set Up Direct Deposit Early

Link your banking with each carrier or FMO system to prevent payment delays.



# Understanding Chargebacks

If a client drops coverage within the first year, the carrier recoups the commission.



# Prevention Through Education

A well-served client stays on their plan.

- ✓ Ensure total comprehension
- ✓ Confirm plan satisfaction
- ✓ Avoid rushed enrollments

# Building Your Income



Year 1

Income relies entirely on new first-year commissions



Year 2

Renewal commissions begin + new first-year sales

# Year 3: **Predictable** Monthly Income

Your renewal base provides sustained revenue before you write a single new policy.

# Action Step

Request your commission schedules.

- Contact your FMO
- Review first-year and renewal amounts by product
- Set realistic income goals

