

## **Agent Compensation Disclosure**

When you enroll in a plan through a licensed insurance agent, you typically never pay the licensed agent directly. That is because the agent helping you enroll will usually receive a commission from the insurance company you are enrolling in. Commissions vary drastically based on company, type of plan, and even the state.

Please note that the commission your agent receives does not directly impact the price you pay for coverage and that if you were to shop for the coverage on your own, you would be shown the exact same prices quoted by your agent. Different Modern Health Solutions agents will receive different compensation amounts depending on multiple factors including but not limited to how many clients they have, whether or not our agency is helping them pay for supplies and technology, and their tenure with our agency. Once again, please note that the compensation differences / ranges do not change premiums being charged for coverage on an individual basis.

Additionally, agents may be eligible for bonus programs from time-to-time that vary at the insurance companies' sole discretion. Because these bonuses are not permanent, change often, and dramatically fluctuate in compensation and eligibility, we are unable to list the compensation for such programs. If you would like to know the state of any bonus programs that are currently going on, please contact our office directly.

Lastly, because compensation payout structures can get very complex and change year over year, it is important to note that the agent may not receive the same commission amount every year. Many policies pay agents more the first year the plan is in place, and then drop commission significantly or altogether in subsequent years (ex: agent

may receive 25% of the monthly premium paid for a dental insurance policy the first year the policy is in effect, but then receive 2% of the premium for the next six years the plan is active, then \$0 if the plan is in place longer than that). We have done our best to reflect these changes in this document and show you the compensation range for various durations for each product. Furthermore, some policies may not pay commissions to agents whatsoever. We have not included the \$0 payout in the minimum / low-end range of our compensation disclosures per product to ensure greater transparency in agent compensation and to better comply with the Agent Compensation Disclosure Notice laws and regulations.

Please note that, as a General Agency, Modern Health Solutions may receive administrative compensation fees, also known as overrides, by insurance companies and other entities on top of the below agents' commissions to help offset costs of administering, managing, and training agents. Modern Health Solutions may, at its sole discretion, pass along a portion or all of this additional compensation to its agents in the form of bonuses or extra commission. These numbers are not reflected in this document since they are paid out on a case-by-case basis.

For a breakdown range of compensation your agent may earn for enrolling you in a policy, please see below.

### **Affordable Care Act (ACA) Marketplace or State Exchange plans**

Agents are not compensated whatsoever on some plans.

First year range for majority of plans: \$10/member/month - \$25/member/month

Subsequent years range for majority of plans: \$10/member/month - \$25/member/month

### **Dental, Vision, & Hearing plans**

First year range: 3% - 55% of premium per month

Subsequent years range: 2% - 10% of premium per month

### **Group Major Medical Health Insurance Plans**

Agents are not compensated whatsoever on some plans.

First year range for majority of plans: \$8/member/month - \$38/member/month

Subsequent years range for majority of plans: \$8/member/month - \$38/member/month

### **Life Insurance**

First year range: 55% - 125% of premium per month

Subsequent years range: 0% - 11.5% of premium per month

### **Medicare Advantage and Cost Plans**

Agents are not compensated whatsoever on many plans.

First year range for plans that pay commissions: \$10/policy/month - \$57.84/policy/month

Subsequent years range for plans that pay commissions: \$10/policy/month -

\$28.92/policy/month

### **Medicare Prescription Drug Plans (PDPs)**

Agents are not compensated whatsoever on majority plans.

First year range for plans that pay commissions: \$1/policy/month - \$9.50/policy/month

Subsequent years range for plans that pay commissions: \$1/policy/month -

\$4.75/policy/month

### **Medicare Supplements (Medigap)**

Agents are not compensated whatsoever on some plans.

First six-year range for majority of plans: 10% - 26% of premium per month

Subsequent years range for majority of plans: 0%

### **Share Programs**

First year range: 13% - 19% of premium per month

Subsequent years range: 13% - 19% of premium per month

### **Short-Term Medical Plans**

First year range: 5% - 25% of premium per month

Subsequent years range: 5% - 20% of premium per month

### **Supplemental / Gap Insurance Plans**

Examples include: Accident, Cancer, Critical Illness, Disability, Hospital Indemnity (HIP), Minimum Essential Coverage (MEC), Short-Term Care (STC), Travel Medical Insurance

First year range: 8% - 65% of premium per month

Subsequent years range: 1% - 12% of premium per month