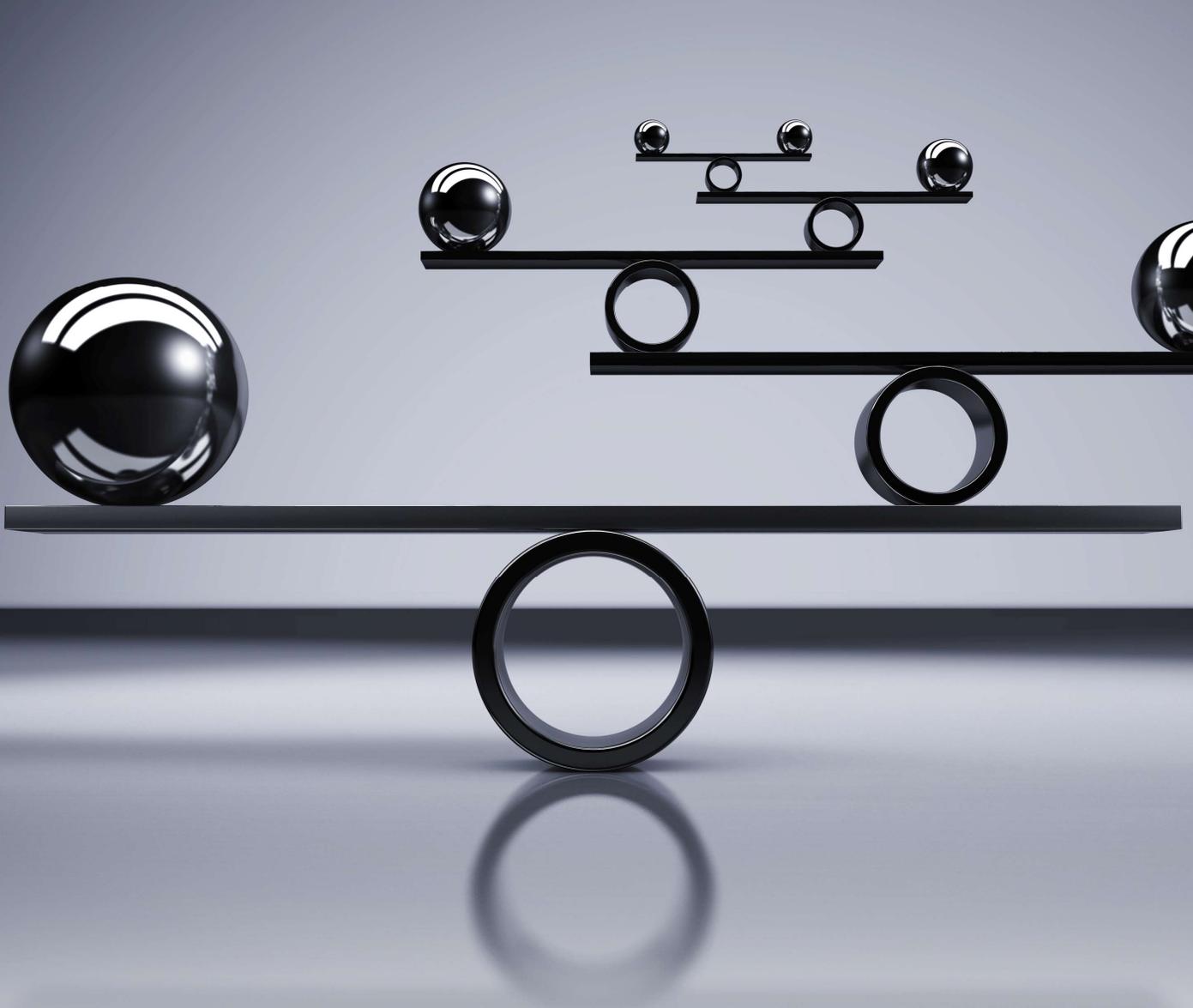


Broker Compensation Report

Prepared for:

Sample Employer



Prepared by: Broker-Benchmark.com





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1. About this report

Broker-Benchmark Data

Each year, Broker Benchmark aggregates and analyzes over 30,000 companies and their benefit compensation data. Sources include public filings, data partners, and surveys directly from employers. Our data comes from real employers throughout the United States.

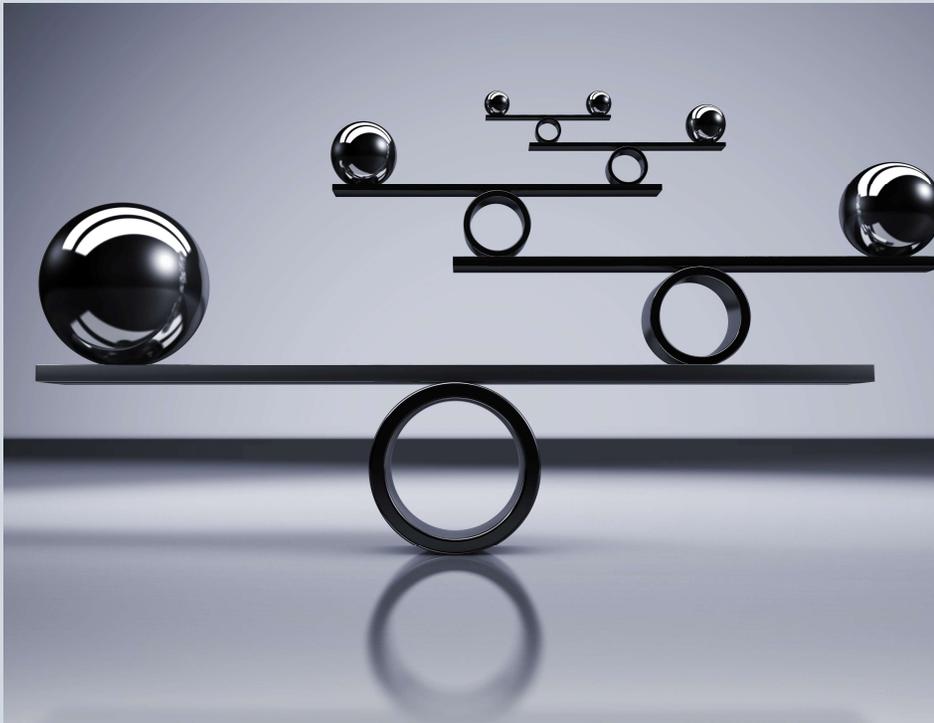
About Broker-Benchmark

Our mission at Broker Benchmark is to empower employers with the data necessary to make the appropriate decisions regarding their broker compensation strategy.

Employers in your data set

The employer data set we build is built upon size, industry, and region. Each data set includes 35 or more companies to ensure statistical relevancy and significance.

Understanding the report



Project Goals

1. Benchmark current broker fees against selected data set:
 - Employer Size
 - Industry
 - Region
 - Line of Coverage (Medical & Ancillary including Dental / Life / LTD & STD)
2. Provide reporting to assure your Executive team and Board of Directors that your broker compensation fees are appropriate compared to market data and satisfy your fiduciary responsibility under ERISA to manage broker compensation.
3. Provide an independent, data driven resource to allow you to accurately negotiate broker compensation fees with your current or prospective broker partners.

2. Medical Data

THE FOLLOWING DATA IS SHOWN IN TWO FORMATS:

- FEES ON A PER EMPLOYEE PER MONTH FEE
- FEES AS A PERCENTAGE OF THE TOTAL PREMIUM

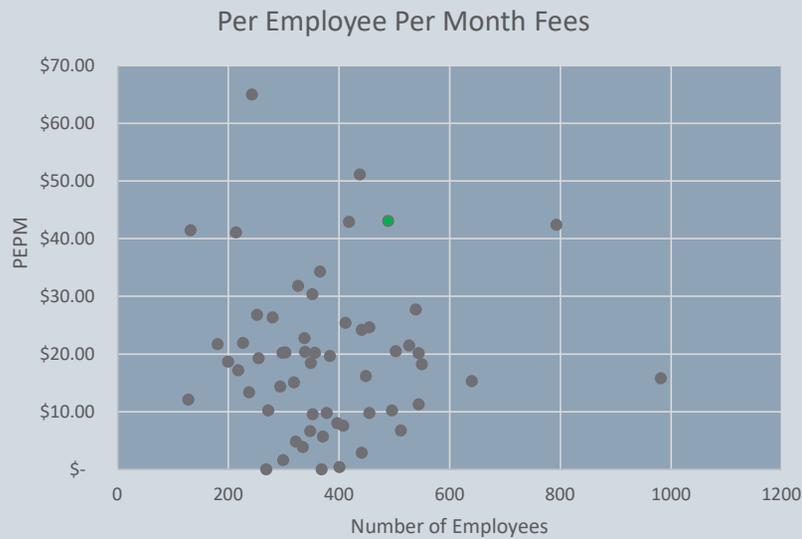
Medical Insurance – Fees based on Per Employee Per Month

Size: 250 – 1,000 Employees

Region: Great Lakes

Industry: Financial Activities /
Professional Services

MEDICAL PLAN – FEE ASSESSMENT



SUMMARY

- Average Compensation: **\$19.49 Per Employee Per Month**
- Median Compensation: **\$18.66 Per Employee Per Month**
- Employer Compensation: **\$43.03 Per Employee Per Month***

*Indicates data is pulled from Employer's most recent Form 5500 Filing
Note: Green dot is Employer in plot chart

Medical Insurance – Fees based on percentage of total premium

Size: 250 - 1,000 Employees

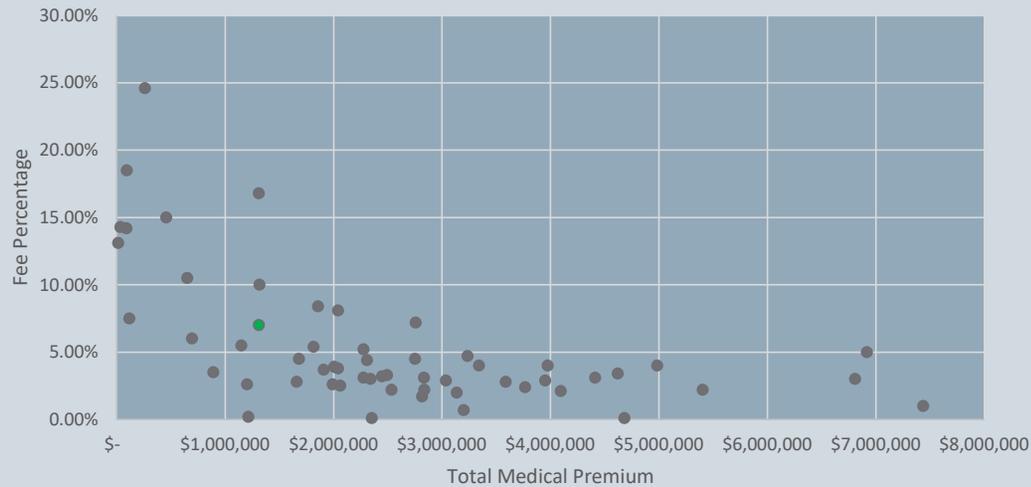
Region: Great Lakes

Industry: Financial Activities /
Professional Services

MEDICAL PLAN – FEE ASSESSMENT

SUMMARY

Broker Fees – Percentage of total premium



- Average Compensation: **5.57%**
- Median Compensation: **3.75%**
- Employer Compensation: **7.00%***

*Indicates data is pulled from Employer's most recent Form 5500 Filing
Note: Green dot is Employer in plot chart

3. Ancillary Data

THE FOLLOWING DATA REFLECTS EMPLOYERS WITH AT LEAST 2 ANCILLARY LINES OF COVERAGE (DENTAL / VISION / LIFE / STD / LTD)

Ancillary Plans – Fees based on percentage of total premium

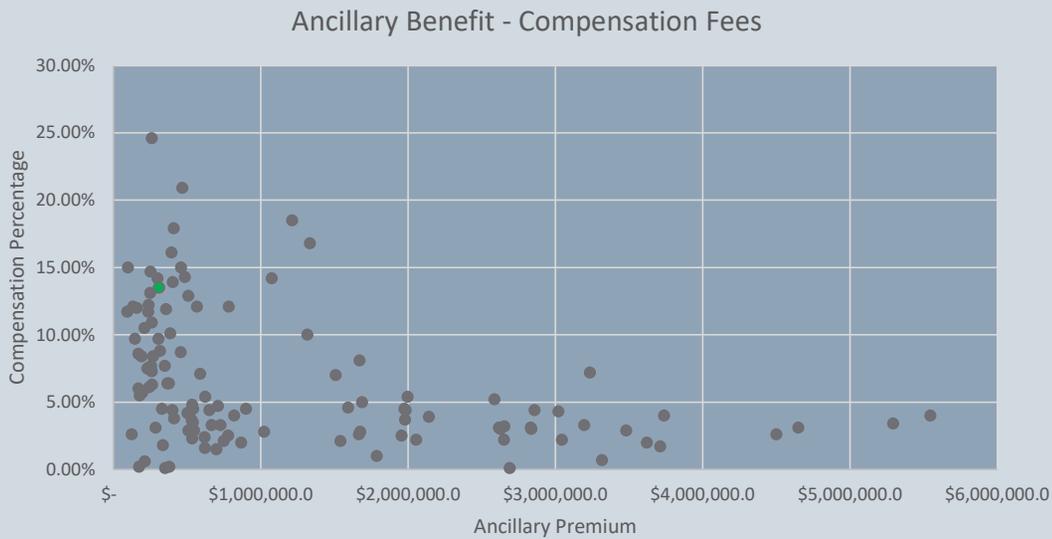
Size: 250 – 1,000 Employees

Region: Great Lakes

Industry: Financial Activities / Professional Services

ANCILLARY PLANS– FEE ASSESSMENT

SUMMARY



- Average Compensation: **6.56%**
- Median Compensation: **4.50%**
- Employer Compensation: **13.09%***

*Indicates data is pulled from Employer's most recent Form 5500 Filing
Note: Green dot is Employer in plot chart

Broker Compensation Tips

Medical – Broker fees should be based on a “per employee per month fee” (PEPM) or Flat Fee and not as a percentage of premium. Utilizing a PEPM structure aligns the broker desired outcomes with yours, minimizing your overall healthcare spend. Tying compensation to a percentage of premium may result in a difference of desired outcomes between Employer and Broker as their compensation will increase as the premium does.

Ancillary – Request that your Broker manage your Ancillary plans for the Carrier’s “Scale” compensation. Scale compensation is Standard commission for Ancillary carriers and does NOT increase your rates for Ancillary lines of coverage whereas a Flat percentage is likely to increase the overall cost to your Ancillary portfolio.

Contingent Compensation – Additional compensation a Broker may receive from insurance carriers for placing business. Typically, these payments are based on several factors such as number of groups, total premium, and retention with the Carrier and range from 0-3% of the aggregate premiums your Broker places with the Carrier on an annual basis. It is important to understand your Broker’s Contingent Compensation arrangements as it may affect their Carrier recommendations. Contingent Compensation is NOT included in this report.

Compensation Disclosure – The Consolidate Appropriations Act of 2021 amended ERISA (sec. 408(b)(2)) to require covered service providers (i.e. Brokers) to ERISA group health plans to provide WRITTEN disclosures regarding their services and compensation to their clients.



Executive Summary

Medical Compensation – The fees paid for management of the Medical plans was approximately **7.00% of the total premium*** or **\$43.03 Per Employee Per Month*** by “Sample Employer”*.

Broker Benchmark’s data indicates “sample employer” broker PEPM fee of **\$43.03** is approximately **115%** higher than the average employer compensation of **\$20.00 PEPM**.

Potential Savings - Compensation examples (fees are rounded to highest dollar from):

- Based on **Average compensation** (\$20.00) – Approximately \$135,000
- Based on **Median compensation** (\$19.00) – Approximately \$141,000

Ancillary Compensation –The fees paid for management of the Ancillary plans (Dental/Vision/Disability) was approximately **13.09% of the total premium** by “Sample Employer”*.

Broker Benchmark’s data indicates “sample employer” broker fee of **13.09%** are approximately **99.7%** higher than the average employer compensation of **6.56%**.

Potential Savings

- Based on **Average compensation** (6.56%) - Approximately \$65,000
- Based on **Median compensation** (4.50%) – Approximately \$85,000

*Indicates data is pulled from Employer’s most recent Form 5500 Filing

Broker Compensation Summary

Line of coverage	Employer Compensation	Average Compensation	Median Compensation	Potential Savings
Medical	\$43.03 PEPM	\$19.49 PEPM	\$18.66 PEPM	\$135,000 - \$140,000
Ancillary	13.09%	6.56%	4.5%	\$65,000 - \$85,000
	Red = >20% above average	Yellow = <20% above average	Green = At or below average	