How brokers get paid
Understanding compensation trends

What real data reveals about building client trust and winning more business

Part of earning your clients' trust comes from the strategic recommendations you make—the ones that save clients money, make their plans more competitive, and get them the best deals on renewals.

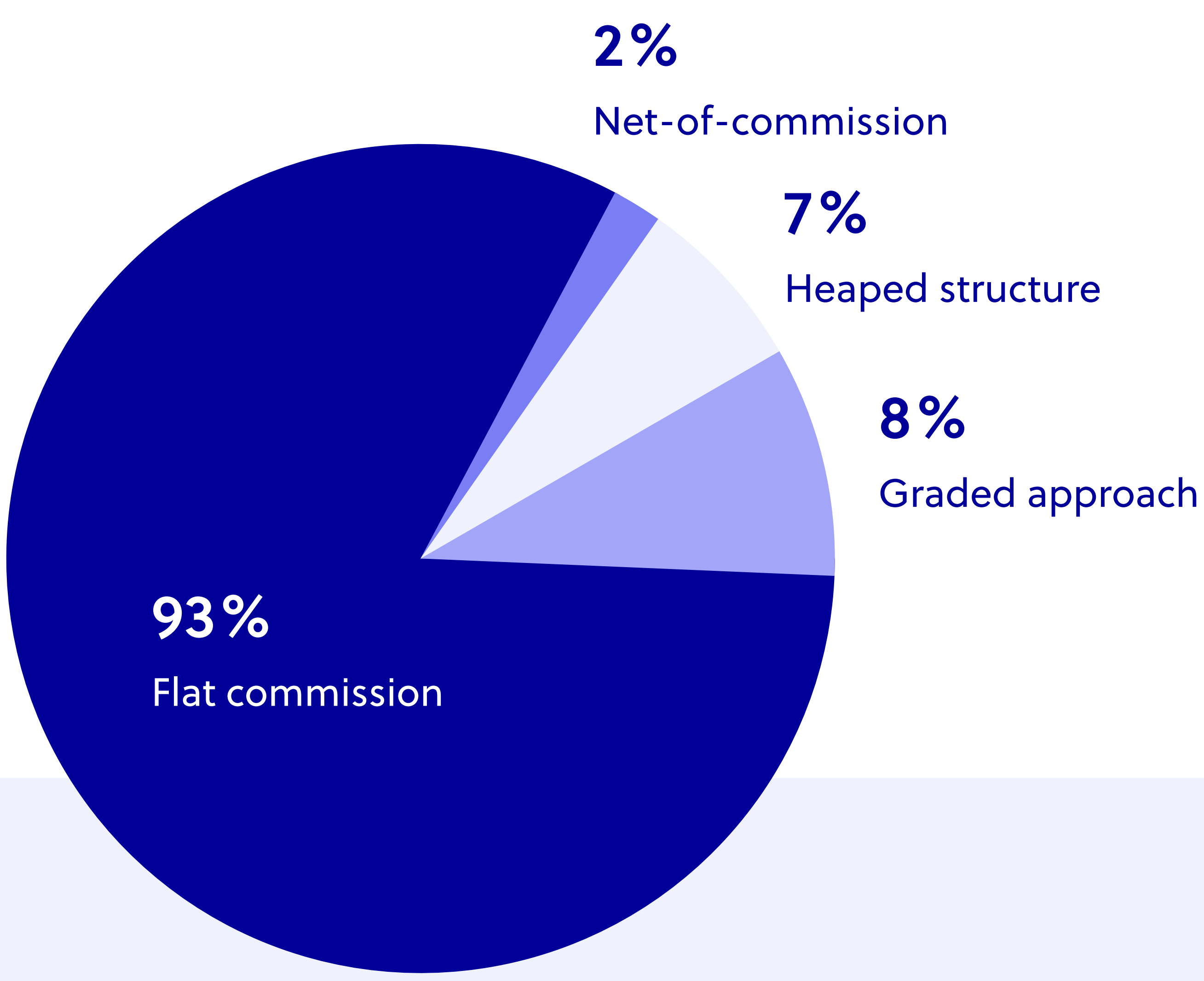
The other part comes down to how you structure payment. Charge too much, and clients hesitate. Charge too little, and they question your expertise.

Figuring out that middle ground is hard. That's why we asked more than 5,000 employers how their brokers get paid. Below, we share the most common compensation patterns today and what that means for you.

How thousands of employers are paying brokers

When you look across thousands of placements, three patterns stand out:

93% of plans include commissions.	**Worksite products** have higher comp.	**Most (83%), but not all,** structures were flat.
Most stuck to a **flat 6–15% commission.** A predictable flat range makes it easier for clients to budget and compare options.	Most stuck to a **flat 16–25% commission.** That showed up in 43.9% of Critical Illness, 43.3% of Accident, and 33.1% of Hospital Indemnity plans.	Alternative models still show up. 8% of plans used a graded approach, 7% used a heaped structure (front-loaded comp), and 2% used a net-of-commission approach.



DID YOU KNOW?

Worksite benefits carry the highest engagement—and the fairest commissions.

What this means for brokers

As you're thinking through your fee structure for next year, keep in mind:

→ Flat commissions dominate, but transparency drives differentiation

Flat structures are familiar and easy for clients to explain to stakeholders, which means less friction for you.

That being said, clients will still want to understand *why* you charge what you do, *how* your comp aligns with the work you'll deliver, and *how* you're avoiding conflicts of interest. **Answering those questions upfront is what sets you apart.**

→ Worksite lines warrant higher comp

These products require more employee education, more back-and-forth communication, and more year-round engagement than core coverage lines. **Our data shows that clients recognize that lift and are willing to pay for it.**

→ Employers expect clarity

Clients want to know what they're paying for and feel confident that your structure fits with their needs and budgets. **Your fees should never be a surprise—ever.**

3 ways to master the compensation conversation

1. Be transparent early.

Don't wait for clients to ask how you're paid. Bring it up first thing.
Walk them through everything your commission covers:

- Coordinating across carriers, HR, employees, and every other stakeholder in the mix
- Explaining coverage options in plain language so employees make informed choices
- Preparing renewals, digging into plan performance, and advising on next steps
- Keeping the client compliant as rules and filing requirements change

When they see the full scope of work, it's clear they're investing in your experience and expertise.

2. Use data as validation.

It's hard for clients to know what's reasonable to pay a benefits broker, especially if they've never worked with one before. So give them some context.

ThreeFlow's [State of Benefits Placement] report, for instance, breaks down broker compensation from thousands of employers—a neutral reference point that can turn a potentially tense discussion about budgets into a strategic one.

3. Shift the narrative.

Don’t let clients see your commission as “the cost of doing business.” Instead, frame it in terms of value:

- You catch issues before they turn into employee escalations
- You perform analysis that turns messy plan data into clear decisions
- You get and keep carriers, HR, and employees on the same page
- You give the team time back to do higher-priority work

In other words, you’re not just a line item. You’re the person who keeps their benefits program sustainable, competitive, and running smoothly all year.

OUR PREDICTION

Compensation design will play an even bigger role in how brokers differentiate their value next year and beyond. Bake conversations about your billing into your standard operating procedure to show your value early.

Revisiting your pricing model?

Download the full State of Benefits Placement report for deeper compensation insights, plan design benchmarks, and stop-loss trends—powered by ThreeFlow’s placement data.