

Myths About Health Insurance Brokers

Myth #1: Brokers Work for You

Most brokers are paid commissions by the carriers they recommend. That means they technically work for the insurer, not for you. A good broker will try to do right by their clients, but incentives matter. Higher commissions often come from higher-cost plans, and a broker might not suggest innovative structures because they pay less. Unless you ask, you may never know what your broker actually earns.



Myth #2: Brokers Are Free

This one gets repeated so often that it sounds like a fact. "There's no cost to you." Technically, it's sometimes true that you don't cut a check to your broker. However, no broker works for free. If you don't pay them directly, someone does, and that's usually the insurance company. The insurer pays the broker by taking money from your premiums. The more you spend, the more the insurer makes, and the broker earns.



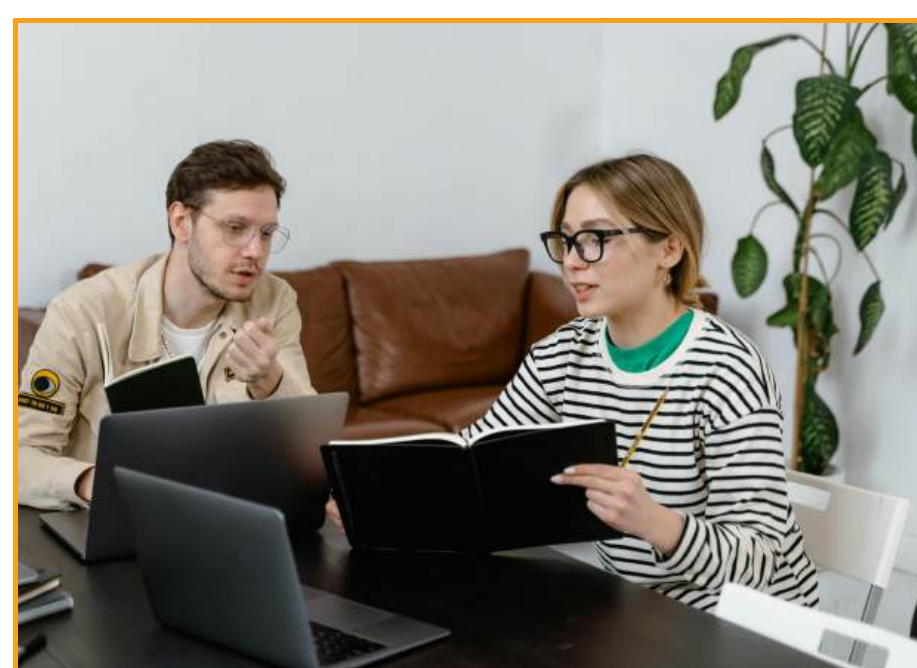
Myth #3: All Brokers Offer the Same Plans

Yes, most brokers have access to the big carriers in your area. But not all bring the same level of creativity or strategy. If your broker only shows you three options from the same household names every renewal season, you're missing out. They may not be quoting level-funded plans, exploring partially self-insured options, or partnering with TPAs (third-party administrators) who can design more tailored offerings.



Myth #4: Switching Brokers Is Too Complicated

Many employers stick with a less-than-stellar broker because they fear the hassle of switching. The truth? You don't need to change carriers. And you don't need to wait until year-end. In most cases, all it takes is signing a broker-of-record (BOR) letter that transfers your account to a new broker. Your employees won't even notice the change until they start seeing the improvements in their benefits.



Myth #5: Brokers Are Only for Big Companies

If you're running a 20-, 30-, or 50-person team, you might assume you're too small to benefit from a broker. But smaller businesses still benefit from using a broker. A strong broker helps build employee benefits packages for small businesses that avoid those pitfalls. They help ensure your plans are compliant, cost-effective, and attractive enough to retain talent.



Myth #6: Your Broker Is Proactively Monitoring Costs

You probably expect your broker to keep tabs on your costs throughout the year, especially if your premiums keep climbing. But in reality, many take a "renewal-only" approach. They show up once a year, present a few quotes, and disappear. A strong broker should help you track claims utilization, flag cost drivers, and forecast trends. That way, you're ready long before renewal season. Without that ongoing support, you're flying blind.



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