



**THE COUNCIL**  
of INSURANCE  
AGENTS & BROKERS

Count on THE COUNCIL™

## **ROLE OF HEALTH CARE BROKER CONSULTANTS**

Commercial insurance agents and broker/consultants design and implement employer-provided health care group benefit programs, bringing employers insurance expertise to navigate the complex health care marketplace, implement health promotion and wellness programs for their employees, and balance specific workforce health care needs with financial resources, goals and objectives. Broker/consultants counsel and advise employers on ways to improve quality and reduce costs by designing and implementing health promotion and wellness programs matched to the workforce. Broker/consultants are advocates for the employee and bring high-level, personal service to resolve employee billing concerns, handle claims processing problems, and secure maximum entitled benefits.

The value proposition that agents and broker/consultants bring to the health care system is this: they serve as an integral extension of the benefits/finance/HR staffs of American businesses. For every business to employ personnel with this range of expertise would be expensive and inefficient. Broker/consultants are business advisors who bring added value to employers by identifying options to mitigate rising costs, improve the health of employees and their dependents, and represent them in complex negotiations with insurers over how best to design and finance their health and benefit programs.

Working in concert, employers and their broker/consultants review needs, match those needs to marketplace options, obtain quotes for coverage, and place the business with the insurers who best meet the employers' needs. Broker/consultants implement group health plans, managing employee enrollment, claims administrations and special services such as wellness programs, and serve as the employer's liaison and advocate with the insurer.

Broker/consultants are market innovators who have expertise in alternative coverage mechanisms such as self-insurance options. These are often favored by large employers, who rely on brokers to assess whether self-insurance is a good economic model for them, administer the health care program itself, and identify stop loss insurance coverage to limit the total employer exposure in the event that costs in a given year exceed what would be anticipated for that employer's group.

Broker/consultants navigate the complicated differences in state laws governing health care coverage, a service that is critical to employers with employees in multiple states, and they also help employers provide coverage for employees who work across national borders.

Insurance agents and broker/consultants are licensed by state insurance departments. In addition, their compensation is reported on IRS Form 5500 under ERISA law. Compensation comes in various forms, and is negotiated with the employer. Business can be placed on a commission basis, on a negotiated fee, or some combination of the two. It also varies depending on the range of services provided to the employer.

Because this is an efficient business model, the vast majority of all group health care coverage is designed, sold and administered by commercial insurance agents and broker/consultants. Over 179 million workers are covered by employer-sponsored health care plans brought to the workplace by broker/consultants.

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*Founded in 1913, The Council is the premier association for commercial insurance and employee benefits intermediaries. The Council represents the leading commercial brokers and agents in the United States and abroad. Council members annually place 80 percent of all commercial property/casualty premiums in the United States and administer billions of dollars in employee benefits accounts. [www.ciab.com](http://www.ciab.com)*