



# Key Findings from BDO's 2024 Health Insurance Sales Force Compensation Survey

Effectively navigating the complexities of sales force compensation is essential for health insurance companies striving to motivate and retain top-performing sales professionals.

The 2024 Health Insurance Industry Sales Force Compensation Survey provides an in-depth look at compensation levels, plan designs, and incentive practices for industry-specific sales roles. This insight highlights key findings based on the comprehensive survey report, which provides extensive data and analysis to participants.

 **PAY LEVELS INCREASED, WITH TOTAL CASH COMPENSATION FOR NEW SALES ROLES INCREASING DRAMATICALLY YEAR OVER YEAR**

Pay levels for sales representatives saw a significant rise from 2022 to 2023, particularly for new sales representatives, many of whom are concentrating on Medicare Advantage. This sector continues to expand due to the aging U.S. population. Figure 1 shows the substantial growth observed in total cash compensation (TCC), which includes salary plus annual and sales incentives, while salary increases were more in line with standard merit increase budgets: 6.1% for junior representatives and 5.4% for senior representatives.

Additional factors likely contributing to the pay increases include the heightened demand for talent and the rise in incentive payouts, reflecting sales resulting from the reshuffling of plans as companies and employees switched providers.

**FIGURE 1: Change in TCC by Nature of Sales Responsibility**

NATURE OF SALES ROLE	SENIOR REPRESENTATIVE	JUNIOR REPRESENTATIVE
New Sales	+25.7%	+13.6%
Account Management/Renewals	+4.3%	+7.7%
New Sales and Account Management	+17.0%	+8.6%



## PAY LEVELS AND PLAN DESIGN ARE INFLUENCED BY MULTIPLE FACTORS

Pay levels can be influenced by multiple factors, including the nature of sales responsibility (new sales vs. account management/renewals), the product (health insurance and specialty products), and market segment (individual, group, or national accounts).

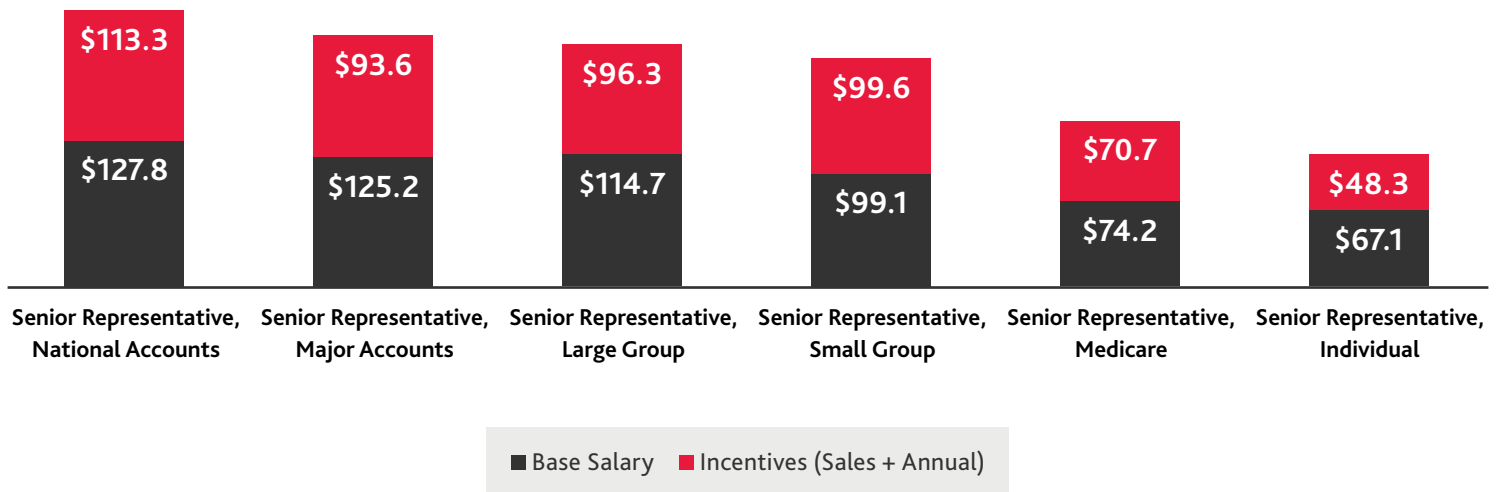
The two factors with the most significant influence on pay levels are the size of the account managed and selling specialty products. However, other factors influence pay levels, as described below in Figures 2 through 4.



## SALES REPRESENTATIVE PAY LEVELS INCREASE AS THE SIZE OF ACCOUNTS INCREASES

Compensation scales with the size of account, with representatives who manage national accounts and major accounts being the most highly paid team members.

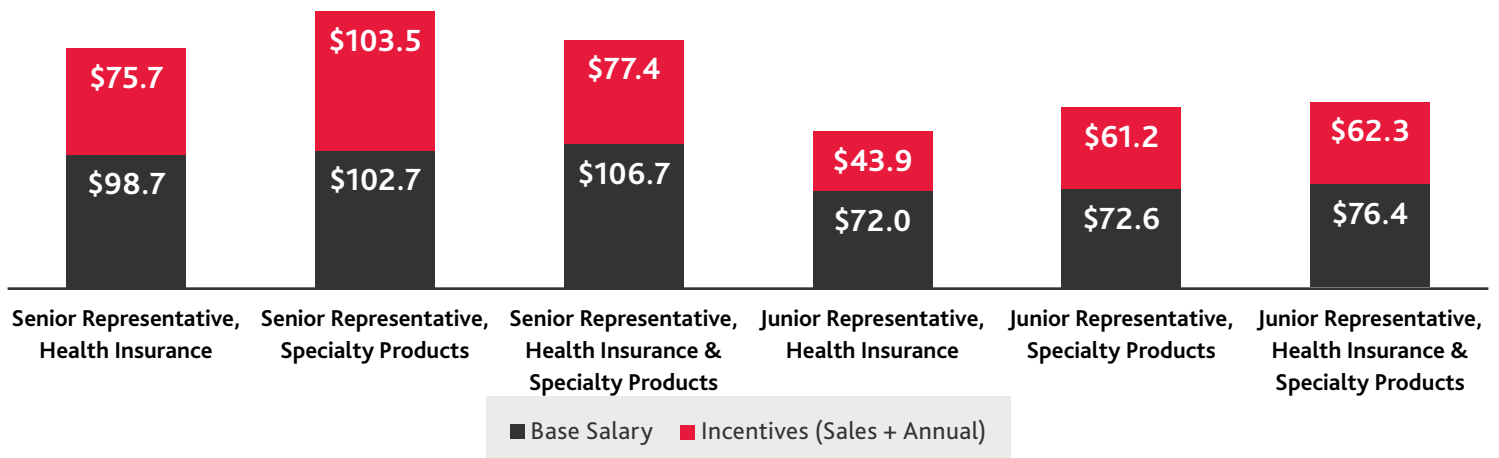
FIGURE 2: Median TCC by Market Segment (\$000)



## SELLING SPECIALTY PRODUCTS RESULTS IN HIGHER COMPENSATION THAN SELLING ONLY HEALTH INSURANCE

Sales representatives who sell specialty products only, or both health insurance and specialty products, are paid more than those who sell health insurance alone. Sales representatives of specialty products sometimes require additional training, education, and certification to sell those products, which warrants higher compensation.

FIGURE 3: Median TCC by Product (\$000)



 **SALES REPRESENTATIVE PAY LEVELS ARE IMPACTED BY THE NATURE OF SALES RESPONSIBILITY**

- ▶ Among senior representatives, those focusing on new sales received the highest TCC.
- ▶ Among junior representatives, TCC is nearly the same for new sales and account management/renewals.

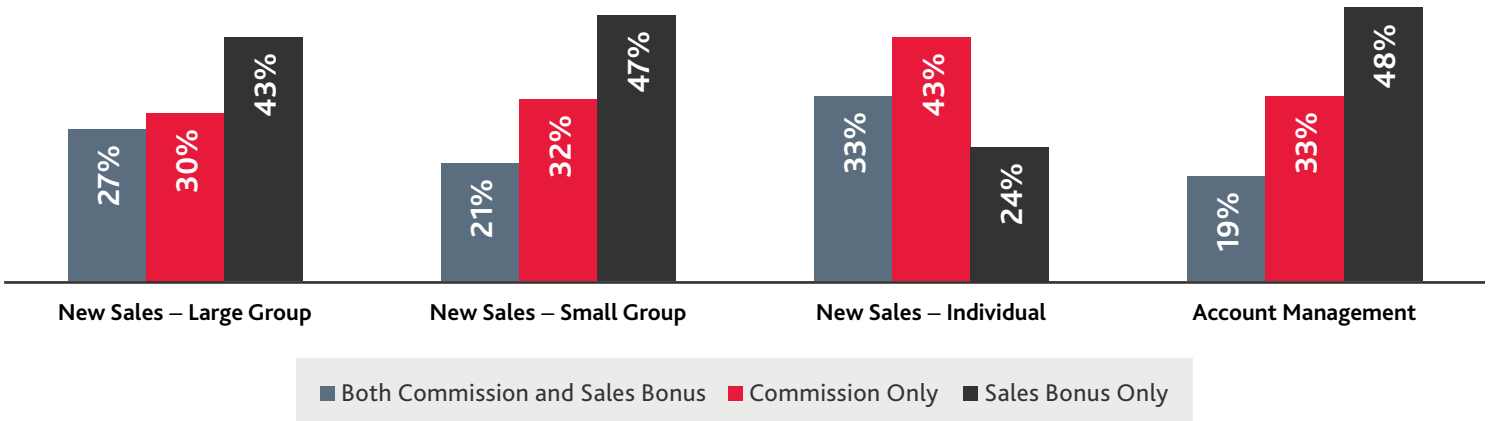
**FIGURE 4: Median TCC by Nature of Sales Responsibility**

NATURE OF SALES ROLE	2024 MEDIAN TCC (\$000)		
	SENIOR REPRESENTATIVE	JUNIOR REPRESENTATIVE	JUNIOR REPRESENTATIVE PAY AS PERCENTAGE OF SENIOR REPRESENTATIVE PAY
New Sales	\$215.7	\$131.5	61%
Account Management/Renewals	\$197.9	\$135.5	68%
New Sales and Account Management	\$164.5	\$104.8	64%

 **SALES BONUS PLANS REMAIN DOMINANT, EXCEPT FOR REPRESENTATIVES FOCUSING ON INDIVIDUAL NEW SALES**

Consistent with [last year's survey](#), for three of the four roles, the most prevalent plan type is the stand-alone sales bonus plan (one that is not coupled with a commission). Only roles focusing on new sales for individuals had a higher prevalence of commission-only plans, focusing representatives on sales volume only. This is a logical design feature for a role that focuses primarily on sales and less so on account management.

**FIGURE 5: Sales Incentive Plan Types**



## USING SURVEY DATA TO INFORM COMPENSATION DECISIONS

The primary goal of a sales compensation plan is to motivate sales representatives to excel in selling and managing accounts. Ideally, the highest performers should earn the most. "Top performance" should be evaluated using metrics that align with the company's strategic goals.

A well-crafted sales compensation plan should be directly linked to the company's go-to-market strategy. In the health insurance industry, where there are multiple channels and products and a need for representatives who can both generate new sales and manage existing accounts, incentive plans are often highly tailored.

Successful plan design involves finding a balance: not underpaying representatives, which could lead to losing them to competitors, and not overpaying them, which could increase sales costs. In the health insurance sector, cash compensation for sales representatives varies based on factors like seniority, product type, and the nature of the sales role. Typically, more seniority, larger account size, and product specialization lead to higher total cash compensation. Quality survey data provides insights into both plan design and pay levels.

When determining sales representative compensation, it's important to consider all these factors and seek advice from a qualified advisor to develop a comprehensive and competitive compensation strategy.

BDO helps companies design compensation strategies to meet business goals while providing advice to evaluate the tax implications of the programs. For more information, [contact BDO](#).

## ABOUT THE SURVEY

BDO's annual Health Insurance Industry Sales Force Compensation Survey of 1,900 positions reports:

- ▶ Compensation levels including base salary, sales incentives, commissions, and corporate incentives.
- ▶ Prevalence of use of long-term incentives.
- ▶ Plan design information for sales representatives, account managers, inside sales, and customer service staff.
- ▶ Pay-for-performance relationships that are fundamental to developing effect sales incentive plans.

Survey responses are gathered annually from participating health insurance organizations with three categories of analysis: compensation levels, sales incentive plan design, and pay for performance. [Learn more, including how to participate in next year's survey.](#)

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