VyRal

A LeakReceipts Field Guide

# LeakReceipts for Independent Insurance Agencies

The Field Guide: where the money leaks, how to prove it, and how to close it

For: Independent Insurance Agency — Carrier Commission Statements

by VyRal Dynasty

**LeakReceipts for Independent Insurance Agencies** The Field Guide: where the money leaks, how to prove it, and how to close it

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**How every number in this book is labeled.**

- **VERIFIED** means the figure comes from a named, dated source, and the source is printed next to it.
- **CALCULATED** means it is arithmetic on verified numbers or on your own numbers, and the math is shown.
- **ESTIMATE** means a reasoned range, and it is always called one.
- **STRUCTURAL** marks a standing rule of the trade (a law, a contract term, how the paperwork works), not a market figure.
- **STILL BEING MEASURED** means VyRal has not verified a figure yet, so no number is printed.

If a number is not labeled, it is a blank for you to fill from your own paper.

**What this book is not.** This is education, not legal, tax, accounting or financial advice. Where a fix says a professional decides, a professional decides. Nothing here says that any company, customer or person did anything wrong. The fixes show you how to check your own paper and ask in writing.

**About how this book was made.** This book was assembled with AI from VyRal's sourced research on this trade and checked against those sources. AI can make mistakes. Before you act on a figure, check it against the source printed beside it. Rules and rates change, and every figure carries its date for that reason.

**Before you share any document with anyone, Vera included,** black out account numbers, Social Security numbers and anything else you would not hand a stranger.

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# The short answer for your trade

Your commission gets calculated by someone else. As an independent agency owner, almost every dollar you earn arrives as a number the carrier computed on a periodic statement — not one you checked. This audit reconciles that statement against your own book, policy by policy, so you know whether the trust you've been extending is actually being honored.

## Your leak map

Every leak this book covers, biggest first. The size grade is VyRal's research grade for how much money a leak tends to move in this trade. It is a grade, not a dollar figure. Your own paper sets the dollars.

| # | Leak | Size grade | Evidence | Fixes |
|---|---|---|---|---|
| 1 | Direct-Bill Trust Structure | Major | STRUCTURAL | 1 |
| 2 | Producer Licensing Is a State-Law Boundary, Not a Reconciliation Call | Moderate | STRUCTURAL | 1 |
| 3 | Self-Employment Tax Boundary | Small but common | STRUCTURAL | 1 |
| 4 | Agency Valuation Prices the Commission Book | Major | STILL BEING MEASURED | 1 |
| 5 | Contingent Bonus Sits on an Unverified Carrier Grid | Major | STILL BEING MEASURED | 1 |
| 6 | Base-Commission Leak Types | Significant | STILL BEING MEASURED | 1 |
| 7 | Chargeback Clawback Has No Standard Lookback Window | Significant | STILL BEING MEASURED | 1 |

Then there are 2 more leaks to check, each with its own fixes, in the chapter called More leaks to check.

# What people in your trade say hurts

Before we built a single fix, we went and read what people in this trade say out loud: forums, trade press, regulators' complaint files and court records. These are the pains that kept coming up, the ones with the most sources first. If one of them is yours, you're not imagining it.

## Every carrier sends a different statement and I can't prove I got paid on every policy

Direct-bill commission arrives on carrier statements in thousands of formats that don't line up with the policies in my system. My staff spend hours or days matching them, and missed or short commissions slip through every month. Direct-bill commission can also take up to a quarter to arrive, so a missing line is easy to miss.

*Found in 5 public sources; newest dated 2026-09-24. VERIFIED count from VyRal's public research log; the sources are listed at the back.*

## The carrier pulled my appointment or left the state, and I have to re-shop the whole book

In hard markets carriers stop writing new business, cancel appointments when profit or production targets are missed, or wind down a line. One carrier cancelled about half of its California appointments and paused new ones nationwide; another is moving thousands of California policies to a different carrier. I re-quote every client for the same or less pay.

*Found in 4 public sources; newest dated 2025-08-06. VERIFIED count from VyRal's public research log; the sources are listed at the back.*

## When I leave or get terminated, who owns my book, and what do I really get for it?

My agreement decides whether I keep my expirations, and some contracts hand ownership to the carrier if I owe it money. Captive agents describe termination payments worth well under half of what buyers offered. Carriers have sued departing agents over customer data and moving clients.

*Found in 4 public sources; newest dated 2026-03-16. VERIFIED count from VyRal's public research log; the sources are listed at the back.*

## Holding clients' premium money is a license-ending risk if one payment bounces or gets mixed in

On agency-bill business I hold client premium in trust and send it to the carrier net of my commission. Regulators revoke licenses over premium mixed with operating money, bounced payments not replaced, and late remittance. Switching to direct bill removes the trust work but slows my commission and squeezes cash.

*Found in 3 public sources; newest dated 2026-01-26. VERIFIED count from VyRal's public research log; the sources are listed at the back.*

# Get your paper together

Every fix in this book starts with paper, not memory. Memory rounds in the other side's favor. Paper doesn't.

Pull the last 90 days. Put it all in one folder, paper or phone, and label each piece with its date. Black out account numbers and Social Security numbers before you share anything with anyone.

**The paper that proves each leak:**

- Your contracts, invoices, statements, pay records and the messages around them.

**The records this trade runs on:** Carrier commission statements, Commission schedules and agency agreements, Policy lists by carrier, Bank deposits, Errors and omissions policy, License and appointment records

**My folder checklist**

Last 90 days of statements or pay records _____

Every contract or agreement I work under _____

Every invoice, ticket or settlement for the same 90 days _____

The messages that changed a price, a scope or a date _____

# Leak 1: Direct-Bill Trust Structure

Size grade: Major · Evidence: STRUCTURAL

**What it is.** In the dominant direct-bill model, the carrier bills the insured, computes the commission itself, and delivers it to the agency as a periodic statement. The agency never independently calculates its own revenue — it receives a number and trusts it.

**Why it leaks.** There is no independent arithmetic on the agency's side to check the statement against unless someone builds it. A wrong rate, a missed policy, or a misapplied chargeback can ride through unnoticed for years because the counterparty computes the agency's own income.

> **Ask yourself:** When was the last time you matched every line of a carrier statement against your own book, policy by policy, instead of just checking that the total looked about right?

## 1. Direct-bill statements: the carrier computes your income and no one checks it

Fix approved · leak evidence: Structural

**Fix 1 — Do it yourself (free).**

1. Pick one carrier and one month.
2. Export that month's direct-bill policies from your AMS: policy number, premium, commission rate you were promised for that line and that term (new or renewal).
3. Put the carrier statement next to it, line by line.
4. Mark: policies missing from the statement, wrong rate, wrong premium, chargebacks you can't match.
5. Send the carrier the list and ask for corrections on the next statement.
6. Once that carrier is clean, move to the next. Then do it every month.

**Fix 2 — The words to send, under your own name.** Fill in the brackets, keep a copy, and send it from your own email or by mail. Nobody sends it for you.

Subject: Direct-bill statement differences — [AGENCY NAME], [MONTH YEAR]

Dear [Carrier contact name],

I matched your direct-bill commission statement for [MONTH YEAR] against my agency's policy records. The lines below do not match. For each, please confirm the correct figure or explain the difference:

1. Policy [POLICY #] — [missing from statement / rate shown [X]% vs. [Y]% in our commission schedule dated [DATE] / premium shown [AMOUNT] vs. [AMOUNT] on the declarations page].
2. Policy [POLICY #] — [… ].

If corrections are due, please show them as separate lines on the next statement so I can match them. I'd appreciate a reply by [DATE].

Thank you,
[YOUR NAME]
[AGENCY NAME] | Agency code [CODE] | [PHONE]

**Fix 3 — Done for you.** LeakReceipts · Statement Audit

WE DO: read each carrier statement line by line against your AMS export and your commission schedule, list every line that doesn't match, and draft the difference letter. YOU DO: confirm the list, send it, and track the carrier's answers.

**Keep it closed.** Match every direct-bill statement monthly, policy by policy — not just the total. Keep each carrier's current commission schedule on file so the rate check is possible.

**What this fix can't decide for you.** Commission rates come from the agency's own contracts. We never say a carrier underpaid; we show where its statement and the agency's records differ.

| My receipt for this leak | | | |
|---|---|---|---|
| Owed by my paper | Paid or billed | Gap (CALCULATED: owed − paid) | Fix 2 sent · answer |
| | | | |

FREE FIRST CHAPTER

# That's Leak 1 of 7.

The full Field Guide for Independent Insurance Agencies walks through every leak on the map you just read: why it happens, the paper that proves it, and three fixes for each one — one you do yourself for free, the words to send under your own name, and what LeakReceipts can do for you while the decision stays yours.

**Get the full guide:**
leakreceipts.com/ebooks/independent-insurance-agencies

**Run it on your own numbers:**
leakreceipts.com

**WE WALK BY FAITH NOT BY SIGHT — 2 Corinthians 5:7**