

# Insurance broking fundamentals

## I10 2023 and 2024 editions

### Web update 1: 18 October 2023

Please note the following update(s) to your copy of the I10 study text:

#### Chapter 1, section C4A, page 1/22

Should now read (amendment in **bold**):



#### Example 1.2

The following is a simple example of how commission is calculated for a home insurance policy.

One of your clients has just paid the renewal premium for their home insurance policy, a gross premium of £500.

The insurer pays you a commission of 15% for this home insurance policy. **To calculate the commission payment, or this example, the commission is calculated as follows:**

**Gross Premium x 15% = Commission.**

**£500 x 15% = £75.**

**Note that gross premium includes Insurance Premium Tax.**