SURROGACY AGENCIES — GUIDE

Financing and Insurance for Surrogacy: Options and Strategies

How intended parents fund surrogacy: savings, loans, grants, employer benefits, and insurance strategies. Covers health insurance for the surrogate, life insurance, and financial planning for a journey that can exceed $200,000.

Updated November 1, 2026

Surrogacy is a major financial commitment. This guide covers funding sources, insurance navigation, and financial planning. It is not financial advice; consult a qualified financial advisor.

1. Understand the total cost

Typical US agency gestational surrogacy: $58,000 – $220,000+ (CNY Fertility 2022). Major categories:

| Category | Range | When paid | |----------|-------|-----------| | Agency fee | $15K–$50K | Milestones (match, contract, transfer, pregnancy) | | Surrogate compensation | $35K–$70K base + $0–$40K reimbursements | Monthly installments + event-based | | Legal fees | $6K–$10K | Upfront and at parentage | | Fertility clinic | $7K–$50K | Per cycle (stimulation, retrieval, transfer, PGT-A) | | Escrow management | $1K–$3K | Upfront or monthly | | Insurance (surrogate) | $0–$30K+ | Premiums monthly; delivery costs at birth | | Travel/lodging | $2K–$10K | As incurred | | Contingency (10–15%) | $6K–$30K | Held in escrow | | **Worst case (every line at its top end)** | **$72K–$293K+** | An upper bound, not the typical total — the sourced CNY 2022 range is $58K–$220K |

2. Funding sources

Personal savings and investments

- Most common source. Liquidate taxable accounts first (lower tax impact than retirement accounts).
- Avoid early 401(k)/IRA withdrawals (10% penalty + income tax) unless using **Substantially Equal Periodic Payments (SEPP/72(t))** or **first-time homebuyer exception** (not applicable here).
- **Roth IRA contributions** (not earnings) can be withdrawn penalty-free at any time.

Home equity

- **HELOC** or **cash-out refinance**: Rates are often lower than personal loans.
- Risk: Your home secures the loan.

Personal loans

- **Unsecured personal loans**: amounts, terms and rates depend on your credit.
- **Medical-specific lenders**: LightStream, SoFi, Upstart, Prosper offer "medical loans" or "fertility loans".
- Compare APR, origination fees, prepayment penalties. Check each lender's current terms.

Fertility financing programs

| Program | What they finance | Typical terms | |---------|-------------------|---------------| | **LendingClub Patient Solutions** | IVF, surrogacy, agency fees | Terms vary; check current rates | | **CapexMD** | Fertility treatment + agency | Customised | | **Future Family** | IVF, egg donation, surrogacy | Monthly subscription model | | **Sunfish** | Fertility loans | 3–7 years, fixed rates |

Employer fertility benefits

Many large employers offer fertility benefits through platforms that **may cover surrogacy-related costs**:

| Platform | Typical coverage | Check | |----------|------------------|-------| | **Carrot Fertility** | IVF, egg donation, surrogacy coordination, agency fees (varies by employer plan) | Benefits portal or HR | | **Progyny** | Smart cycles (IVF, FET, PGT-A), some surrogacy coordination | Benefits portal | | **Maven Clinic** | Virtual care, care advocacy, some fertility coverage | Benefits portal | | **Kindbody** | Clinic network + employer benefits; may include surrogacy coordination | Benefits portal | | **WINFertility** | Bundled IVF cycles, some third-party reproduction | Benefits portal | | **ARC Fertility** | Discounted IVF packages, financing | Benefits portal |

Action: Log into your benefits portal or ask HR: "Does my plan cover gestational surrogacy agency fees, surrogate compensation, or legal fees?" Get written confirmation.

Grants and scholarships

| Organisation | Typical award | Eligibility | Application window | |--------------|---------------|-------------|--------------------| | **Baby Quest Foundation** | Amount not published — check the official source | US permanent residents, medical need for fertility treatment, financial need; separate surrogacy grant programme (checked 2026-11-01) | Twice yearly | | **Tinina Q. Cade Foundation** | Up to $10K for infertility treatment or adoption (checked 2026-11-01) | Infertile families with financial need | Annual | | **Baby Steps** | Check the official source | Jewish families, infertility | Check the official source | | **Footsteps for Fertility** | Typically $5,000, or a donated IVF cycle from a partner clinic (checked 2026-11-01) | Applicants must meet the SART infertility definition; awarded by random selection at fundraising events | Event-based | | **Kevin J. Lederer Life Foundation** | Check the official source | US residents, infertility | Check the official source | | **Pay It Forward Fertility Foundation** | Check the official source | US residents, financial need | Check the official source | | **Local RESOLVE chapters** | Varies by chapter — check the official source | Chapter members | Varies |

Tip: Apply to multiple grants. Deadlines and criteria vary. Most require a clinic letter of medical necessity and financial documentation.

Crowdfunding

- GoFundMe, Generosity, GiveSendGo.
- Share your story (respecting surrogate privacy).
- Money you receive as a gift is generally not taxable income to you, and donors cannot deduct personal gifts. Platform fees apply, and platforms may report proceeds to the IRS — ask a CPA

if you are unsure.

- **Caution:** Public fundraising may affect surrogate privacy and agency confidentiality agreements.

Family loans/gifts

- Formalise a loan with a promissory note (even if interest-free) so it is not treated as a gift.
- Annual gift tax exclusion (2026): $19,000 per donor per recipient (IRS, checked 2026-11-01).
- Lifetime gift/estate tax basic exclusion (2026): $15,000,000 per individual (IRS, checked 2026-11-01). Amounts above the annual exclusion generally only reduce the donor's lifetime exclusion; gift tax is the donor's concern, not yours. Confirm your situation with a CPA.

3. Insurance strategy

Surrogate's health insurance

This is the single biggest insurance variable.

Scenario	Action	Estimated cost
Surrogate's employer plan **covers surrogacy**	Obtain written confirmation from insurer; verify no caps on delivery/NICU	$0 additional (intended parents pay deductibles/copays)
Surrogate's plan **excludes surrogacy**	Purchase ACA marketplace plan (open enrollment or qualifying event)	$10K–$25K/year in premiums + out-of-pocket max
Surrogate has **no insurance**	Purchase ACA plan or surrogacy-specific policy	$15K–$30K+
Surrogate on **Medicaid**	Medicaid typically excludes surrogacy; must transition to private plan	$10K–$25K

Key steps:

1. **Before matching**, ask agency to run insurance verification on candidate surrogates.
2. **Budget $15K–$30K** for insurance if not covered.
3. **Confirm NICU coverage** — a premature or complicated birth can lead to very large neonatal intensive care bills, so verify NICU coverage and out-of-pocket maximums in writing.
4. **Coordinate with escrow** — premiums paid monthly from escrow.

Life insurance on surrogate

- **Required by most agencies and GCAs.**
- **Minimum**: $250,000 for surrogate's beneficiary + $100,000 for intended parents.
- **Cost**: ~$500–$1,500 for term policy (surrogate's age/health dependent).
- **Paid by**: Intended parents (from escrow).
- **Timing**: Must be in force before embryo transfer.

Disability insurance on surrogate

- **Often required** by agency/GCA.
- Covers lost wages if surrogate is disabled due to pregnancy complications.
- **Cost**: ~$1,000–$3,000 for policy term.
- **Alternative**: Some GCAs use a "lost wages" escrow reserve instead.

Intended parents' insurance

- **Your health insurance** may cover **your** IVF costs (egg retrieval, medications, embryo creation, PGT-A).
- **Does not cover**: Surrogate's care, agency fees, legal fees, surrogate compensation.
- **Check**: Does your plan cover "fertility preservation" or "IVF"? Any lifetime maximums?

4. Tax considerations (US)

| Item | Tax treatment | Notes | |------|---------------|-------| | **Surrogate compensation** | Not deductible | Considered personal expense, not medical | | **Agency fees** | Not deductible | Personal expense | | **Legal fees** | Not deductible | Personal expense | | **IVF/medical costs (your own)** | **Potentially deductible** as medical expenses | Only amounts > 7.5% of AGI; must itemise. Includes your egg retrieval, meds, embryo creation, PGT-A. | | **Surrogate's medical costs** | Not deductible | Not your medical expense | | **Donor egg fees** | **Potentially deductible** | If medically necessary for you; consult CPA | | **Adoption tax credit** | **Not available** for surrogacy | Only for legal adoption of non-biological child |

Strategy: Bundle your own IVF costs in a single tax year to exceed 7.5% AGI threshold. Consult a CPA familiar with ART taxation.

5. Financial planning worksheet

| Category | Estimated cost | Funding source | Timing | |----------|----------------|----------------|--------| | Agency fee | $ | Savings / Loan / Employer benefit | Milestones | | Surrogate base comp | $ | Savings / Loan | Monthly from heartbeat | | Surrogate reimbursements | $ | Escrow | As incurred | | Legal fees | $ | Savings / Loan | Upfront + parentage | | IVF cycle(s) | $ | Savings / Employer benefit / Loan | Per cycle | | PGT-A | $ | Savings / Employer benefit | Per cycle | | Donor eggs (if needed) | $ | Savings / Loan | Upfront | | Surrogate insurance | $ | Escrow (monthly premiums) | Monthly | | Life/disability insurance | $ | Escrow | Pre-transfer | | Escrow management | $ | Escrow | Upfront/monthly | | Travel/lodging | $ | Escrow | As incurred | | Contingency (10%) | $ | Escrow | Held in reserve | | **Total** | **$** | | |

6. Cost-saving strategies (without cutting corners)

1. **Use an experienced surrogate** — fewer failed transfers, lower medical costs.
2. **Choose a clinic with transparent, lower pricing** (e.g., CNY Fertility, other high-volume clinics) — saves $10K–$30K on medical.
3. **PGT-A on all embryos** — reduces failed transfers and miscarriage risk; cost $2K–$4.5K per cycle vs. $7K–$20K per failed FET.
4. **Frozen embryo transfer (FET)** — more flexible timing, allows PGT-A, often higher success than fresh.
5. **Employer benefits** — maximise Carrot/Progyny/Maven/Kindbody coverage before paying out of pocket.
6. **Grants** — apply to 5+; even $5K helps.
7. **Negotiate agency payment schedule** — milestone-based preserves cash flow.
8. **Avoid international surrogacy unless legally necessary** — adds $30K–$80K in legal, travel, and agency coordination.

7. Red flags in financing

- Agency requires **full payment upfront** before any matching.
- Agency **does not use independent escrow**.
- Agency **cannot provide written cost breakdown**.
- Lender offers "surrogacy loan" with **no credit check** or **>36% APR** (predatory).
- Insurance broker sells "surrogacy policy" that **excludes NICU or complications**.
- Anyone guarantees **success** or **specific outcome** for a fee.

8. International intended parents: additional costs

| Cost | Range | Notes | |------|-------|-------| | US immigration attorney | $5K–$15K | CRBA, passport, visa for child | | Home country parentage recognition | $3K–$10K | Local attorney | | Travel (multiple trips) | $10K–$30K | Flights, lodging, per diem | | Document translation/apostille | $1K–$3K | Birth certificate, court orders | | **Total additional** | **$19K–$58K** | Budget separately |

Summary checklist

- [ ] Total cost estimate in writing from agency (line items)
- [ ] Escrow agent identified, licensed, bonded
- [ ] Surrogate insurance verified or replacement policy budgeted
- [ ] Life insurance ($250K + $100K) quoted and budgeted
- [ ] Employer fertility benefits confirmed in writing
- [ ] Grant applications submitted (5+)
- [ ] Loan pre-approval obtained (if using financing)
- [ ] Tax strategy discussed with CPA
- [ ] Contingency fund (10–15%) in escrow
- [ ] Financial plan reviewed with partner/spouse and advisor

Sources:

- CNY Fertility, "Surrogacy Cost – The True Price of Using a Surrogate Mother", 2022-03-11.
- IRS Publication 502, "Medical and Dental Expenses", 2026.
- Baby Quest Foundation, Tinina Q. Cade Foundation, Baby Steps grant guidelines, accessed 2026-11-01.
- Carrot Fertility, Progyny, Maven Clinic, Kindbody employer benefit descriptions, accessed 2026-11-01.
- LendingClub Patient Solutions, CapexMD, Future Family, Sunfish financing terms, accessed 2026-11-01.

Frequently asked questions

Does health insurance cover surrogacy?

Some employer plans and ACA marketplace plans cover the surrogate's prenatal care and delivery, but many explicitly exclude surrogacy. Review the plan's Certificate of Coverage or call the insurer. If excluded, you must purchase a surrogacy-friendly policy ($10K–$30K+).

Are there grants for surrogacy?

Yes. Organisations like Baby Quest Foundation, Tinina Q. Cade Foundation, and Baby Steps offer fertility and family-building grants. Award amounts vary — from small awards up to $10K for some programmes — and most have eligibility rules and competitive applications. Check each organisation's official page for current amounts, and apply early.

Can I use an FSA or HSA for surrogacy expenses?

Generally, no. IRS rules allow FSA/HSA funds for your own medical expenses or your tax dependents'. A surrogate is not your dependent. Some intended parents use FSA/HSA for their own IVF costs (egg retrieval, medications) but not surrogate compensation or agency fees.

What employer fertility benefits exist?

Companies like Carrot Fertility, Progyny, Maven Clinic, and Kindbody provide employer-sponsored fertility benefits that may cover IVF, egg donation, and sometimes surrogacy-related costs. Check your benefits portal or HR.