What type of insurance agent should I be?
It totally depends on what you are interested in. If you like dealing with investments, estate planning, family continuation, or business continuation, that'll be Life insurance. Health insurance interests include Medicare Supplement and Long Term Care needs as well as helping people get the type of insurance they need to meet their medical requirements. Property and Casualty would be for the agent who likes to deal more with tangibles such as covering people's home, business, auto, or boats. It also covers liability issues to protect people against lawsuits that might come their way. Be the best agent you can be!

What are the advantages to selling life and health insurance over property and casualty insurance?
The advantages to selling any type of insurance lies within the individual agent. What are you comfortable with and what do you most believe in?

What type of insurance is best to sell when you are just starting out?
Again, that depends on where your interests lie. Often a new agent is well advised to start with a company that has a training program. It's good to have a mentor whom you respect and can learn the ropes from. There are both Property/Casualty and Life/Health companies that have such programs. Some agencies also have training programs that encourage new agents to learn from more experienced agents. Often the new agent will share commissions with the experienced agent on these joint sales calls.

Does it make a difference (in terms of income and career expectations) what type of insurance I sell?
Yes. As far as income, larger first year commissions often come from Life or Health Insurance sales. Selling auto or home insurance (Casualty and Property, respectively) yields lower first year commissions, but agents often sell more of these types of policies. Second year and other future commissions are generally higher with the Property and Casualty customers.

Career Expectations- It is generally considered that P & C (property and Casualty) agencies require more maintenance, in that customers have more changes with buying and selling property and claims must be handled. For this reason agents find they need staff earlier on and on a consistent basis or the agent will get bogged down with the daily business and will be unable to maintain client relationships and build a bigger agency.
Life and Health agents do tend to narrow their focus, as well, as some will stay with the sale of individual policies, some will move into group sales, some will move into estate planning, and some will gravitate into securities. Many Life agents will develop agencies in which they have specialists to help in the various areas their clients need help; the agent uncovers the need and then works with the agency specialists to bring more focus on the particulars.

If I want to be a life insurance agent, should I sell health insurance too?
You can sell Life insurance by itself, or along with Health insurance. Often agents will have both licenses because opportunities come up and you don't want to leave an opportunity staring you in the face. Even if you end up referring the Health business to another agent, you can still split commissions or get a referral fee if you also have a Health license.

What insurance company should I work for?
You should work for an insurance company with which you feel comfortable- both in the types of policies sold as well as with the training, coaching, mentoring, and other assistance available through the company. Also, does it have standards with which you can identify and fit in?
What is an independent insurance agent? Would you recommend going independent?
An independent agent is one who is not an employee of the company. You might be a “captive” agent (working for one company) yet still be an independent agent because you pay your own taxes and benefits. This is different than being an independent broker or running an agency with which you may have contracts with several insurance companies. You may get a contract income or advances which will be forgiven if you hit your sales quotas.

It is difficult to begin as an independent broker, because you do not get the training available from companies when you are starting with them. However, as an independent agent, you also do not have contract sales quotas to meet that can sometimes add stress.

So, do you need to have some sort of income guarantee, or will you just work off the commission income you generate? The best thing to do is to interview several companies and get the best fit for yourself. Remember that you are ultimately your own employer, and you are doing the interviewing and decision making.

Which pays better, Property & Casualty or Life and Health?
I heard a saying once that fits wonderfully here. Sales can be the best paying hard job or the worst paying easy job. If you apply yourself in any of the areas, you can do well and also be an ethical person.

How easy is it to make a living as an insurance agent?
It is not easy. As I mentioned above, any type of sales can be the best paying hard job or the worst paying easy job. This applies to insurance sales.

How do I get started building my agency?
You start by studying to take the insurance producer licensing exam in your state. Some states require a prelicense course, others let you do it totally on your own. CPMI Professional Development, Inc, has an excellent study program to help you learn what you need to pass the state exam.

Once you pass the state exam, you will need to send in an application and appropriate fees to your state's Insurance Department and obtain your license.

You will need to talk with insurance companies or agencies and determine which one(s) is/are best for you to work with. Then the fun begins as you start learning company policies, start prospecting, and move onto the sales program.

As you grow, you will build an agency by hiring the staff to meet your customer needs and individual management style.

Can I transfer my license to a new state when I move?
If you move from one state where you are licensed to another, you can usually get a certificate of good standing from your current state Department of Insurance and send it along with an application and license fee to your new state. Generally, you do not need to take a new test in the new state.

One thing to consider is that you may lose customers you've developed over the years if you move. You can, however, keep a non-resident license in the state you are moving from so that you can keep that client base. You can also get a non-resident license in as many other states as you want if your business expands so you work with customers from all over.

What insurance company should I work for (Farmers, State Farm, Aflac, Allstate, etc.)?
You should work with the company that you feel offers you the best package of training, support, marketing and other assistance, and pay. Some companies also offer health insurance and other benefits. Talk to several agents from each of the companies you are considering so you get a feel for the company from the agent's viewpoint, but remember that it is ultimately up to you.
I have a background in sales, would I make a good insurance agent?
A sales background can be helpful, but is not essential, as long as you are willing to work hard and learn the people skills necessary to work with your customers and to sell and service the business you sell—either yourself or through staff.

How long does underwriting take? How long after underwriting do you see your commission?
Underwriting varies from one company to another, but companies are under legal guidelines that they must issue or decline a policy within a certain period of time. Many companies offer advance commissions to the agent when the policy is first written; just remember that the commission is not earned until the policy is issued—and the not fully earned until the policy has been in force for the full year. If the policy is subsequently declined by the company or dropped by the customer, any commission advance will have to be paid back to your company. Make sure your customer wants the policy. Don’t just sell it with the thought that your customer will not keep it.

How much can I make selling an auto/life/health/etc. insurance policy?
This is very vague, because it will vary from one company to another, and from one policy type to another. First year auto insurance policy commissions may be in the 10-15% range, Homeowners- 10-20%, Life- 15-50%, Health- 10-50%. You must talk with the individual companies and with agents that work for them.

I'm looking at becoming an insurance agent, but I need to make money now, not a year from now— is insurance even an option for me?
If you are saying that you need a weekly or monthly salary, good luck. There are some companies that will make you an employee with a salary for a year or two, but you still must meet the required sales quotas.
An insurance agent IS a salesman/woman. You must sell to earn money. You must get licensed, know the policies your company has, and hit the street. The more people you know whom you can contact for referrals or direct sales, the faster you will be earning money. Otherwise, you have to do what all salespeople do—prospect, prospect, prospect.

You can make money now. But, you must do the prospecting and sales calls so you can sell something and earn a commission. It takes time to build a great agency. You must also remember that some of the money you make must be reinvested in your business in order for your business to have a solid foundation and grow.

If I become an insurance agent, how long before I start making money?
Making money is an ambiguous term. Unless you have a salary of some sort, which most agents do not have, you have to get licensed, learn your products, be able to answer customer questions, and sell. It can take 1-4 weeks to get licensed and start learning your company policies, a few weeks to be setting appointments and start selling, and companies usually pay commissions monthly. So from day one, without a license, it could easily take 4-8 weeks before you will see your first commission check.

What does the phrase "Agent of Record" mean?
An agent of record is generally the agent to whom a customer is assigned. If you sell a policy to someone, you would be the agent of record. If someone else sells the policy but subsequently quits, you could become the agent of record if the company assigns the policies to you as the servicing agent.

What percent commission can I expect from the policies that I sell?
That varies with the type of policy and the company for whom you sell the policy.
**Additional Questions**

**Do I need a college degree to be an insurance agent?**
Some companies want their agents to have college degrees, but it is not required by the state. Even if a particular company wants their agents to have a college degree they may back down on that requirement if you can show you have a solid financial situation and have been successful in another line of business. States do not usually have a college degree requirement; in fact, I can't think of any that do. If a particular company will not appoint you because you do not have a deree, find one that will!

**What's this sales test the company wants me to take?**
Many insurance companies have insurance sales aptitude tests they have all potential recruits take. You need to score above a certain number for the company to accept you as a potential agent. Many times the test is designed to show whether you really believe in insurance, whether you have the financial reserves needed to get your business off the ground quickly, and what your background is. Different companies have different tests and even if the same test, the acceptable score may vary from one company to another.

**The manager is telling me I'll be making 6-figures within a year. Is this realistic?**
Insurance producers can make very good incomes and can have a lifestyle that allows for quite a bit of freedom.

A good agent can make a 6-figure income within the first year, but not every agent is going to earn 6 figures the first year- or even half that amount. Note that most agents are independent agents- not employees of a company. That means the agent will have expenses to take into consideration. Expenses such as transportation, phone, office, office supplies and staff. These expenses can be 20-50% of one's commission earnings. If you do not invest in yourself and your business, you will not grow your business. Some companies pay for some of these expenses, some do not. You may want to ask the manager what if any expenses the company does pay or reimburse for.

Even if you don't make 6-figures the first year, within a few years a hard working agent can have a very comfortable living. Much better than many people with salaried jobs they need to put in the 8am-5pm shift and never really see the income or freedom a good insurance agent can enjoy.

**What expenses will I have as a new agent?**
Initial expenses include a prelicense course or at least the study materials ($75-250, depending on the state where you live and if your state has classroom requirements), the state exam ($50-$105) and the insurance producer license ($100-$180 for a two year license). Then you ready to be called an insurance agent.

Business expenses include transportation, phone, office, office supplies, and staff. Many companies and agencies help cover some of these expenses. You need to establish a business plan, or work with your manager to develop a business plan that includes your marketing program, your projected sales potential, your prospect base, your expected expenses, and other items that may be peculiar to your type of insurance sales.