

### Earnings

Demonstrators and product promoters had median hourly earnings of \$9.51 in 2000. The middle 50 percent earned between \$7.71 and \$13.51. The lowest 10 percent earned less than \$6.82, and the highest 10 percent earned more than \$19.76. Median hourly earnings in the largest industries that employed demonstrators and product promoters in 2000 were as follows:

Personnel supply services .....	\$10.47
Advertising .....	8.90
Miscellaneous business services .....	8.29
Department stores .....	8.28

Employers of demonstrators, product promoters, and models generally pay for job-related travel expenses.

Median hourly earnings of models were \$9.17 in 2000. The middle 50 percent earned between \$7.00 and \$13.70. The lowest 10 percent earned less than \$6.11, and the highest 10 percent earned more than \$16.94. Earnings vary for different types of modeling, and depend on the experience and reputation of the model. Female models typically earn more than male models for similar work. Hourly earnings can be relatively high, particularly for supermodels and others in high demand, but models may not have work every day, and jobs may last only a few hours. Models occasionally receive clothing or clothing discounts instead of, or in addition to, regular earnings. Almost all models work with agents, and pay 15 to 20 percent of their earnings in return for an agent's services. Models who do not find immediate work may receive payments, called advances, from agents to cover promotional and living expenses. Models must provide their own health and retirement benefits.

### Related Occupations

Demonstrators, product promoters, and models create public interest in buying clothing and products. Others who create interest in a product or service include actors, producers, and directors; insurance sales agents; real estate brokers and sales agents; retail salespersons; sales representatives, wholesale and manufacturing; and travel agents.

### Sources of Additional Information

For information about careers in modeling, contact:

► Models Guild, Office and Professional Employees International Union, 265 W. 14th St., Suite 203, New York, NY 10011. Internet:

<http://www.opeciu.org/models/index.asp>

For information about modeling schools and agencies in your area, contact a local consumer affairs organization such as the Better Business Bureau.

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## Insurance Sales Agents

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(O\*NET 41-3021.00)

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### Significant Points

- Despite slower than average growth, job opportunities should be good for people with the right skills.
- Employers prefer to hire college graduates and persons with proven sales ability or success in other occupations.
- In addition to insurance policies, agents are beginning to sell more financial products such as mutual funds, retirement funds, and securities.

### Nature of the Work

Most people have their first contact with an insurance company through an insurance sales agent. These workers help individuals, families, and businesses select insurance policies that provide the best protection for their lives, health, and property. Insurance sales agents who work exclusively for one insurance company are referred to as captive agents. Independent insurance agents, or brokers, represent several companies and place insurance policies for their clients with the company that offers the best rate and coverage. In either case, agents prepare reports, maintain records, seek out new clients, and, in the event of a loss, help policyholders settle insurance claims. Increasingly, some may also offer their clients financial analysis or advice on ways they can minimize risk.

Insurance sales agents sell one or more types of insurance, such as property and casualty, life, health, disability, and long-term care. Property and casualty insurance agents sell policies that protect individuals and businesses from financial loss resulting from automobile accidents, fire, theft, storms, and other events that can damage property. For businesses, property and casualty insurance can also cover injured workers' compensation, product liability claims, or medical malpractice claims.

Life insurance agents specialize in selling policies that pay beneficiaries when a policyholder dies. Depending on the policyholder's circumstances, a cash-value policy can be designed to provide retirement income, funds for the education of children, or other benefits. Life insurance agents also sell annuities that promise a retirement income. Health insurance agents sell health insurance policies that cover the costs of medical care and loss of income due to illness or injury. They may also sell dental insurance and short- and long-term disability insurance policies.

An increasing number of insurance sales agents offer comprehensive financial planning services to their clients, such as retirement planning, estate planning, or assistance in setting up pension plans for businesses. As a result, many insurance agents are involved in "cross-selling" or "total account development." Besides insurance, these agents may become licensed to sell mutual funds, variable annuities, and other securities. This is most common for life insurance agents who already sell annuities; however, property and casualty agents also sell financial products. (See the statement on securities, commodities, and financial services sales representatives elsewhere in the *Handbook*.)

Technology has greatly impacted the insurance agency, making it much more efficient and giving the agent the ability to take on more clients. Agents' computers are now linked directly to the insurance companies via the Internet, making the tasks of obtaining price quotes and processing applications and service requests, faster and easier. Computers also allow agents to be better informed about new products that the insurance carriers may be offering.

The growth of the Internet in the insurance industry is gradually changing the relationship between the agent and client. In the past, agents devoted much of their time to marketing and selling products to new clients; however, this is changing. Increasingly, clients obtain insurance quotes from a company's website, then contact the company directly to purchase policies. This gives the client a more active role in selecting a policy at the best price, while reducing the amount of time agents spend actively seeking new clients. Because insurance sales agents also obtain many new accounts through referrals, it is important that agents maintain regular contact with their clients to ensure that their financial needs are being met. Developing a satisfied clientele who will recommend an agent's services to other potential customers is a key to success in this field.



*Insurance sales agents must have excellent communication skills in order to effectively explain complicated insurance policies to clients.*

Increasing competition in the insurance industry means that carriers and agents must find new ways to keep their clients satisfied. One solution is the increasing use of call centers, which usually are accessible to clients 24 hours a day, 7 days a week. Insurance carriers and sales agents are hiring customer service representatives to handle the routine tasks such as answering questions, making policy changes, processing claims, and selling more products to clients. This opportunity to cross-sell new products to clients will help agents' business grow. The use of call centers also allows agents to concentrate their efforts on seeking out new clients and maintaining relationships with old ones. (See separate *Handbook* statements on customer service representatives; and claims adjusters, appraisers, examiners, and investigators.)

**Working Conditions**

Most insurance sales agents are based in small offices, from which they contact clients and provide insurance policy information. However, much of their time may be spent outside their offices, traveling locally to meet with clients, close sales, or investigate claims. Agents usually determine their own hours of work and often schedule evening and weekend appointments for the convenience of clients. Although most agents work a 40-hour week, some work 60 hours a week or longer. Commercial sales agents, in particular, may meet with clients during business hours and then spend evenings doing paperwork and preparing presentations to prospective clients.

**Employment**

Insurance sales agents held about 378,000 jobs in 2000. The following tabulation shows the percent distribution of wage and salary jobs by industry:

Insurance agents, brokers, and services .....	34
Life insurance carriers .....	16
Property and casualty insurance carriers .....	8
Medical service and health insurance carriers .....	3
Pension funds and miscellaneous insurance carriers .....	2
Other industries .....	37

Most insurance sales agents employed in wage and salary positions work for insurance agencies. A decreasing number work directly for insurance carriers. Most of these are employed by life insurance companies, and a smaller number work for property,

casualty, and medical and health insurance companies. Although most insurance agents specialize in life and health or property and casualty insurance, a growing number of "multiline" agents sell all lines of insurance. Approximately 1 out of 3 insurance sales agents are self-employed.

Many agents also work for banking institutions, nondepository institutions, or security and commodity brokers. As more of these types of institutions begin to sell insurance policies, an increasing number of agents should be employed here, rather than in insurance agencies.

Insurance sales agents are employed throughout the country, but most work in or near large urban centers. Some are employed in the headquarters of insurance companies, but the majority work out of local offices or independent agencies.

**Training, Other Qualifications, and Advancement**

For insurance agency jobs, most companies and independent agencies prefer to hire college graduates—particularly those who have majored in business or economics. A few hire high school graduates with proven sales ability or who have been successful in other types of work. In fact, many entrants to insurance sales agent jobs transfer from other occupations. In selling commercial insurance, technical experience in a field can be very beneficial in helping to sell policies to those in the same profession. As a result, new agents tend to be older than entrants in many other occupations.

College training may help agents grasp the technical aspects of insurance policies and the fundamentals and procedures of selling insurance. Many colleges and universities offer courses in insurance, and a few schools offer a bachelor's degree in insurance. College courses in finance, mathematics, accounting, economics, business law, marketing, and business administration enable insurance sales agents to understand how social and economic conditions relate to the insurance industry. Courses in psychology, sociology, and public speaking can prove useful in improving sales techniques. In addition, familiarity with computers and popular software packages has become very important, as computers provide instantaneous information on a wide variety of financial products and greatly improve agents' efficiency.

Insurance sales agents must obtain a license in the States where they plan to sell insurance. Separate licenses are required for agents to sell life and health insurance and property and casualty insurance. In most States, licenses are issued only to applicants who complete specified prelicensing courses and pass State examinations covering insurance fundamentals and State insurance laws.

A number of organizations offer professional designation programs, which certify expertise in specialties such as life, health, property, and casualty insurance, or financial consulting. Although these are voluntary, such programs assure clients and employers that an agent has a thorough understanding of the relevant specialty. Many professional societies now require agents to commit to continuing education in order to retain their designation.

Indeed, as the diversity of financial products sold by insurance agents increases, employers are placing greater emphasis on continuing professional education. It is important for insurance agents to keep up to date with issues concerning clients. Changes in tax laws, government benefits programs, and other State and Federal regulations can affect the insurance needs of clients and the way in which agents conduct business. Agents can enhance their selling skills and broaden their knowledge of insurance and other financial services by taking courses at colleges and universities and by attending institutes, conferences, and seminars sponsored by insurance organizations. Most States have mandatory continuing education

requirements focusing on insurance laws, consumer protection, and the technical details of various insurance policies.

As the role of financial planners increases, many insurance agents are choosing to gain the proper licensing and certification to sell securities and other financial products. This includes passing an additional examination. Before agents can qualify as securities representatives, they must pass the General Securities Registered Representative Examination (Series 7 exam), administered by the National Association of Securities Dealers (NASD). To further demonstrate competency in the area of financial planning, many agents also find it worthwhile to obtain a Certified Financial Planner (CFP) or Chartered Financial Consultant (ChFC) designation.

Insurance sales agents should be flexible, enthusiastic, confident, disciplined, hardworking, willing to solve problems, and able to communicate effectively. They should be able to inspire customer confidence. Because they usually work without supervision, sales agents must be able to plan their time well and have the initiative to locate new clients.

An insurance sales agent who shows ability and leadership may become a sales manager in a local office. A few advance to agency superintendent or executive positions. However, many who have built up a good clientele prefer to remain in sales work. Some, particularly in the property/casualty field, establish their own independent agencies or brokerage firms.

### Job Outlook

Although slower than average employment growth is expected among insurance agents through 2010, opportunities for agents will be favorable for persons with the right qualifications and skills. This includes flexible and ambitious people who enjoy competitive sales work, have excellent interpersonal skills, and have developed expertise in a wide range of insurance and financial services. Multilingual agents also should be in high demand because they can serve a wider range of customers. Insurance language tends to be very technical, so it is important for insurance sales agents to have a firm understanding of relevant technical and legal terms. Because many beginners find it difficult to establish a sufficiently large clientele in this commission-based occupation, some eventually leave for other jobs. Most job openings are likely to result from the need to replace agents who leave the occupation and the large number of agent retirements expected in coming years.

Future demand for insurance sales agents depends largely on the volume of sales of insurance and other financial products. While sales of life insurance are down, rising incomes and a concern for financial security during retirement are lifting sales of annuities, mutual funds, and other financial products sold by insurance agents. Sales of health and long-term care insurance also are expected to rise sharply as the population ages and as the law provides more people access to health insurance. In addition, a growing population will increase the demand for insurance for automobiles, homes, and high-priced valuables and equipment. As new businesses emerge and existing firms expand coverage, sales of commercial insurance also should increase, including coverage such as product liability, workers' compensation, employee benefits, and pollution liability insurance.

Employment of agents will not keep up with the rising level of insurance sales, however. Many insurance companies are trying to contain costs. As a result, many are shedding their captive agents—those agents working directly for insurance carriers—and are relying more on independent agents or direct marketing through the mail, by phone, or on the Internet.

Agents who incorporate new technology into their existing business will remain competitive. More clients are turning to the Internet first as a source of information. Those agents who use the Internet

to market their products will reach a broader client base, and expand their business. But because most clients value their relationship with their agent, the Internet should not be a much of a threat to jobs. Many individuals prefer discussing their policies directly with their agents, rather than through a computer.

Agents will face increased competition from traditional securities brokers and bankers as they begin to sell insurance policies. Because of increasing consolidation among insurance companies, banks, and brokerage firms and increasing demands from clients for more comprehensive financial planning, insurance sales agents will need to expand the products and services they offer.

Agents who offer better customer service also will remain competitive. Call centers are the primary way companies and agents are offering better service because customers are demanding greater access to their policies.

Insurance and investments are becoming more complex, and many people and businesses lack the time and expertise to buy insurance without the advice of an agent. Insurance agents who are knowledgeable about their products and sell multiple lines of insurance and other financial products will remain in demand. Additionally, agents who take advantage of direct mail and Internet resources to advertise and promote their products can reduce the time it takes to develop sales leads, allowing them to concentrate on following up on potential clients. Most individuals and businesses consider insurance a necessity, regardless of economic conditions. Therefore, agents are not likely to face unemployment because of a recession.

### Earnings

The median annual earnings of wage and salary insurance sales agents were \$38,750 in 2000. The middle 50 percent earned between \$26,920 and \$59,370. The lowest 10 percent had earnings of \$20,070 or less, while the highest 10 percent earned more than \$91,530. Median annual earnings in the industries employing the largest number of insurance sales agents in 2000 were:

Fire, marine, and casualty insurance .....	\$46,320
Medical service and health insurance .....	38,900
Insurance agents, brokers, and service .....	38,470
Life insurance .....	35,920

Many independent agents are paid by commission only, whereas sales workers who are employees of an agency or an insurance carrier may be paid in one of three ways—salary only, salary plus commission, or salary plus bonus. In general, commissions are the most common form of compensation, especially for experienced agents. The amount of commission depends on the type and amount of insurance sold, and whether the transaction is a new policy or a renewal. Bonuses usually are awarded when agents meet their sales goals or when an agency's profit goals are met. Some agents involved with financial planning receive a fee for their services, rather than a commission.

Company-paid benefits to insurance sales agents usually include continuing education, paid licensing training, group insurance plans, and office space and clerical support services. Some may pay for automobile and transportation expenses, attendance at conventions and meetings, promotion and marketing expenses, and retirement plans. Independent agents working for insurance agencies receive fewer benefits, but their commissions may be higher to help them pay for marketing and other expenses.

### Related Occupations

Other workers who sell financial products or services include real estate agents and brokers; securities, commodities, and financial services sales representatives; financial analysts and personal financial

advisors; and financial managers. Other occupations in the insurance industry include insurance underwriters; claims adjusters, examiners, and investigators; and insurance appraisers.

### Sources of Additional Information

Occupational information about insurance sales agents is available from the home office of many life and casualty insurance companies. Information on State licensing requirements may be obtained from the department of insurance at any State capital.

For information about insurance sales careers and training, contact:

- Independent Insurance Agents of America, 127 S. Peyton St., Alexandria, VA 22314. Internet: <http://www.iiiaa.org>
- Insurance Vocational Education Student Training (INVEST), 127 S. Peyton St., Alexandria, VA 22314. Internet: <http://www.investprogram.org>
- National Association of Professional Insurance Agents, 400 N. Washington St., Alexandria, VA 22314. Internet: <http://www.pianet.com>

For information about health insurance sales careers, contact:

- National Association of Health Underwriters, 2000 N. 14th St., Suite 450, Arlington, VA 22201. Internet: <http://www.nahu.org>
- Health Insurance Association of America, 555 13th St. NW., Suite 600 East, Washington, DC 20004. Internet: <http://www.hiaa.org>

For information on the property and casualty field, contact:

- Insurance Information Institute, 110 William St., New York, NY 10038. Internet: <http://www.iii.org>

For information regarding training for life insurance sales careers, contact:

- LIMRA International, P.O. Box 203, Hartford, CT 06141. Internet: <http://www.limra.com>

For information about professional designation programs, contact:

- The American College, 270 Bryn Mawr Ave., Bryn Mawr, PA 19010-2195. Internet: <http://www.amercolledu>
- The National Alliance for Insurance Education and Research, P.O. Box 27027, Austin, TX 78755. Internet: <http://www.scic.com>

## Real Estate Brokers and Sales Agents

(O\*NET 41-9021.00, 41-9022.00)

### Significant Points

- Real estate brokers and sales agents often work evenings and weekends, and are always on call to suit the needs of clients.
- A license is required in every State and the District of Columbia.
- Not everyone is successful in this highly competitive field; well-trained, ambitious people who enjoy selling should have the best chance for success.

### Nature of the Work

One of the most complex and important financial events in peoples' lives is the purchase or sale of a home or investment property. As a result, people usually seek the help of real estate brokers and sales agents when buying or selling real estate.

Real estate brokers and sales agents have a thorough knowledge of the real estate market in their community. They know which neighborhoods will best fit clients' needs and budgets. They are familiar with local zoning and tax laws and know where to obtain financing. Agents and brokers also act as an intermediary in price negotiations between buyers and sellers.

Real estate agents usually are independent sales workers who provide their services to a licensed real estate broker on a contract

basis. In return, the broker pays the agent a portion of the commission earned from the agent's sale of the property. Brokers are independent business people who sell real estate owned by others; they also may rent and manage properties for a fee. When selling real estate, brokers arrange for title searches and for meetings between buyers and sellers where details of the transactions are agreed upon and the new owners take possession. A broker may help to arrange favorable financing from a lender for the prospective buyer that often makes the difference between success and failure in closing a sale. In some cases, brokers and agents assume primary responsibility for closing sales; in others, lawyers or lenders do this. Brokers supervise agents who may have many of the same job duties. Brokers also manage their own offices, advertise properties, and handle other business matters. Some combine other types of work, such as selling insurance or practicing law, with their real estate business.

There is more to an agent or broker's job than making sales. They must have properties to sell. Consequently, they spend a significant amount of time obtaining listings—owner agreements to place properties for sale with the firm. When listing a property for sale, agents and brokers compare the listed property with similar properties that have recently sold to determine its competitive market price. Once the property is sold, the agent who sold the property and the agent who obtained the listing both receive a portion of the commission. Thus, agents who sell a property they also listed can increase their commission.

Most real estate brokers and sales agents sell residential property. A small number, usually employed in large or specialized firms, sell commercial, industrial, agricultural, or other types of real estate. Every specialty requires knowledge of that particular type of property and clientele. Selling or leasing business property requires an understanding of leasing practices, business trends, and location needs. Agents who sell or lease industrial properties must know about the region's transportation, utilities, and labor supply. Whatever the type of property, the agent or broker must know how to meet the client's particular requirements.

Before showing residential properties to potential buyers, agents meet with buyers to get a feeling for the type of home the buyers would like. In this prequalifying phase, the agent determines how much buyers can afford to spend. In addition, they usually sign a loyalty contract which states the agent will be the only one to show them houses. An agent or broker uses a computer to generate lists of properties for sale, their location and description, and available sources of financing. In some cases, agents and brokers use computers to give buyers a virtual tour of properties in which they are interested. Buyers can view interior and exterior images or floor plans without leaving the real estate office.

Agents may meet several times with prospective buyers to discuss and visit available properties. Agents identify and emphasize the most pertinent selling points. To a young family looking for a house, they may emphasize the convenient floor plan, the area's low crime rate, and the proximity to schools and shopping centers. To a potential investor, they may point out the tax advantages of owning a rental property and the ease of finding a renter. If bargaining over price becomes necessary, agents must carefully follow their client's instructions and may have to present counter-offers in order to get the best possible price.

Once both parties have signed the contract, the real estate broker or agent must see to it that all special terms of the contract are met before the closing date. For example, the agent must make sure the mandated and agreed-to inspections, including the home, termite, and radon inspections, take place. Also, if the seller agrees to any repairs, the broker or agent must see they are made. Increasingly, brokers and agents handle environmental problems by making sure the properties they sell meet environmental regulations. For example,