

How to Become a Health Insurance Agent for Government Programs



There may be no better time if you're considering a career change than now. The health care industry needs new talent to help with the growing demand for affordable healthcare coverage. By becoming a licensed health insurance agent, you can help millions of Americans get affordable health care coverage with a commission rate that pays per member.

There are two main government health insurance programs:

- [Affordable Care Act](#) (under 65)
- Medicare (over 65)

Because of these programs, more people need help in enrolling in these programs.

If you want to enter this lucrative field, it's essential that you understand all of the requirements needed to become a government health insurance agent:

1. **Pre-licensing Education**
2. **Life and Health Licensing**
3. **Get Certified**
4. **E&O**

5. Onboarding

Prelicensing Education

First, let's start with the basics. What is a life and health license? A life and health license is an insurance license that allows you to sell life and health insurance policies. This license is required in most states to sell these types of policies.

My first recommendation is to take a Prelicensing Course like [ExamFX](#) that prepares you to take the Life and Health Licensing Exam. These courses have a cost, but most insurance agents will tell you that it's definitely worth the money. Premier Insurance Contracts offers a discount of 50% off the listed price when you enter our code.

[Learn More](#)

The courses are online study solutions for individuals looking to become life and health insurance agent. The complete package includes an exam prep course that provides everything you need to pass your state licensing exam or receive 100% of your money back. The online courses cover all the necessary topics you'll need to know.



Life and Health Licensing

The Life and Health Licensing Exam is a two-part exam, with the first part being multiple-choice questions. The second part of the test will be in person, where you are required to answer 20 essay-type questions.

The best way to prepare for this exam is by making sure you have an understanding of the topics on the exam:

- 1) General Insurance Knowledge**
- 2) Life Insurance Principles and Practices**
- 3) Accident & Sickness Coverage - Basic Concepts**
- 4) Property & Casualty Insurance - Basic Concepts (including automobile insurance)**
- 5) Sales Practice Essentials (including life insurance sales; annuities; disability income; long term care coverage; Medicare supplements)**
- 6) State Laws and Regulations (including agent licensing requirements)**
- 7) Ethics**
- 8) Insurance Contracts**
- 9) Computers in Insurance**
- 10) Insurance Fraud**

Once you have a good understanding and have passed the pre-exam, you should be ready to take your test.

Walk-in visits are typically not permitted. The most efficient way to book an appointment for your exam is through the online reservations portal for your state. On the exam day, make sure you take an ID and a backup just in case.

In most states, fingerprinting is a required part of the application and must be completed before applying for a License. Visit your state department of insurance for more detailed information on how to achieve this.

After passing the examination, apply for your license by submitting an application on the [NIPR](#) website.

You will be given an NPN. This distinct number is generated during the licensing application procedure and keeps track of individuals and companies across the country. Many states utilize the NPN in place of a producer license number.

Get Certified

You are now licensed to sell Life and Health and now comes your next hurdle, Certifications.

Certifications provide reassurance to the customers and insurers that you are competent to offer life and health products.

First, let's discuss the Medicare Advantage Certification, the [AHIP](#). AHIP stands for American Health and Insurance Plans and is required by most carriers to sell Medicare Advantage or Prescription Drug Plans for the current certification year. AHIP Certifications need to be done yearly for both new and certified agents and have a cost of around \$175.

It is an open book test and with available training online. You do get two hours to answer the 50 questions on the test. A 90% or higher is considered passing, and you only receive three opportunities to pass the exam in a year.

Upon completion of your AHIP certification, you should receive a link to print your certificate.

Now let's talk about the Affordable Care Act Certification through the Centers for Medicare & Medicaid Services, also called CMS. This certification is taken yearly at no cost.

Premier Insurance Contracts offers a guide for completing this certification.

[CMS Certificate Guide](#)

Some states have established [State Based Marketplaces](#) that demand additional yearly certifications to sell on and off exchange.



Errors and Omissions Insurance

E&O insurance is professional liability insurance that provides coverage for agents/brokers if they are sued for negligence or breach of contract while doing their job. In the insurance world, E&O is sometimes called malpractice insurance. Our agency recommends [NAPA](#) to all of our new agents.

What kind of errors and omissions coverage do you need?

There are three main types of errors and omissions coverage available. The first is called "claims-made" which covers any mistakes made during the policy period. The second option is called "occurrence" which covers any mistakes made but does not cover pre-existing conditions. The third option is called "claims-made/occurrence," which covers both during the policy period and at any time in the past.

How much errors and omissions coverage should you get?

There is no set number for how much errors and emissions coverage an agent should have, but we recommend \$1M/\$3M limits, which is the typical requirement for most carriers.



Onboarded

You are in the home stretch!

As a new independent agent, you will most likely not be able to get a direct contract with the top carriers due to production requirements, but that's when FMO's come to the rescue.

What is an FMO for insurance agents?

An insurance agent FMO, or "field marketing organization," is a company that represents multiple health and property-casualty insurance companies in a given area. They will help connect you with the best carriers for your products and help get you started on your way to becoming a successful agent.

Having a good FMO is equivalent to having a good mentor.

FMO's will offer you a variety of services, but as a new agent, it is essential to find one that can provide the following:

- Contracting and appointment assistance
- Training and education
- Sales and marketing support

Once you find an FMO that can offer you the above services, it's time to get onboarded.

Now comes the time when you start selecting the carriers you are going to offer your customers. Depending on your area and license, you will be selecting carriers that line you with

the government program you have been certified to sell, that have networks that work for your potential customers, and that have the commission you agree to.

Most carriers will have online applications that can be filled out at home and have options to upload your required documents from your computer. The onboarding process can take anywhere from 2 days to 10, depending on the carrier. You should never assume your application has been approved until you get that golden ticket with your writing number for that carrier.

After that, you are ready to start selling policies!

Conclusion

Government Health Insurance can be complicated to start, but Premier Insurance Contracts agents are growing and becoming successful agents.

We want to help you become an independent health insurance agent!

Premier Insurance Contracts has been helping people like yourself become successful agents for over 30 years now, and we would love nothing more than to help bring your dream into reality. Join us in our mission of helping the world be healthier by providing them with access to affordable health insurance plans while earning an income and developing a new career.

[Join Our Team](#)



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