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PULSE of the Industry's Labor Market

derived from the seasonally-adjusted data released by the U.S. Bureau of Labor Statistics

- The total U.S. unemployment rate held steady at 10 percent from November 2009 to December 2009.
- Year-over-year, national nonfarm payrolls fell by 3.1 percent. Insurance industry payrolls fell by 2 percent in the same 12-month period.
- The unemployment rate for insurance carriers and related activities was reported as 5.4 percent in December.
- The insurance industry saw an increase of 2,700 jobs in December.
- Health insurance continues to be the only insurance sector to see growth in year-to-year employment, rising 1.7 percent since November 2008.
- Most industry sectors saw payrolls decline from November 2008 to November 2009. Claims adjusters declined by 15 percent, title insurers fell by 7.9 percent, third party administrators were down 6.2 percent, reinsurers decreased by 5.5 percent, property/casualty insurers dropped 3.4 percent, life insurers fell 3.2 percent, and brokers decreased by 2.2 percent.
- However, title insurers, agents and brokers, third party administrators and claims adjusters saw month-to-month gains.
- Average weekly earnings for the industry's nonsupervisory positions rose in most categories from November 2008 to November 2009.
- Life insurers saw an average increase in weekly earnings of 6 percent from November 2008, reinsurers rose 14 percent, agents and brokers were up 3.4 percent, health insurers rose 1.9 percent, and property and casualty insurers were up 1.9 percent. ▲

Did you know?

- According to Workplace HR and Safety, many experts agree that hiring the wrong person will cost three times the individual's annual salary.
- The Bureau of Labor Statistics reports that as a whole, the employment services industry added 55,700 jobs in December.

Read more in "The Bridge to Economic Recovery" on page 3.

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The Jacobson Group is the leading provider of professional and human capital services to the insurance, healthcare and financial services industries. For nearly four decades, Jacobson has met the needs of its client organizations through three operating divisions: professional recruiting, executive search and interim staffing.

industry executives ON THE MOVE



Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

- **Ronald Bendes**, *Chief Marketing Officer*, Sterling Life Insurance Company
- **Kenneth Berger**, *President of the Environmental Division*, Berkley Specialty Underwriting Managers LLC
- **W. Robert Berkley**, *President and Chief Operating Officer*, W.R. Berkley Corporation
- **Art Bocek**, *Vice President of Reinsurance*, Axis Global Accident and Health
- **Michael Carr**, *Vice President of Technology and Media Professional Liability*, Navigant Consulting
- **Alec Cunningham**, *Chief Executive Officer*, WellCare Health Plans
- **Andres Vargas Escobar**, *Vice President of Multicultural Sales Operations*, ING Group
- **Lynne Ford**, *Chief Executive Officer of ING Financial Solutions*, ING Group
- **Jeff Frazee**, *Senior Vice President and Chief Information Officer*, Aviva USA
- **J. Lynn Greenstein**, *President of Nationwide Bank*, Nationwide Mutual Insurance Company
- **Scott Herchenbach**, *Senior Vice President of Retirement Plans*, Mutual of Omaha
- **Scot Housh**, *President and Chief Executive Officer of Minnesota Operations*, Willis Group Holdings Limited
- **Gary Huffman**, *Vice Chairman and Chief Operating Officer*, Ohio National Financial Services
- **Steve Jacobs**, *Vice President of Marketing*, Arbella Insurance Group
- **Tom Johnson**, *Head of Business Development for Retirement Income Security*, New York Life
- **Thomas Kaehr**, *Vice President of Internal Audit*, Conseco, Inc.
- **Andrew Kielty**, *Senior Vice President and Managing Director*, CIGNA International
- **Joshua King**, *Senior Vice President of Group Marketing and Communication*, Willis Group Holdings Limited
- **Tanya Krochta**, *Vice President and Chief Administrative Officer*, ACORD
- **Joseph Lacher, Jr.**, *President of Allstate Protection*, Allstate
- **Paul Lafferty**, *Vice President and Property Claims Manager*, Torus Insurance
- **Doreen Miller**, *Senior Vice President of U.S. Excess Casualty*, Endurance Specialty Holdings Ltd.
- **Tim Olson**, *President and Chief Executive Officer*, Arch Reinsurance Company
- **John Pollock**, *President and Chief Executive Officer*, Canal Insurance Company
- **David Rutkowski**, *Senior Vice President of Commercial Segments*, CNA Financial Corporation
- **Steven Sheinheit**, *Chief Strategy and Technology Officer*, QBE the Americas
- **Dale Vincent**, *Chief Underwriting Officer*, Arch Reinsurance Company
- **John Zinno**, *President of Insurance Agency*, GEICO

The Bridge to Economic Recovery

by David E. Coons, *Senior Vice President*, The Jacobson Group

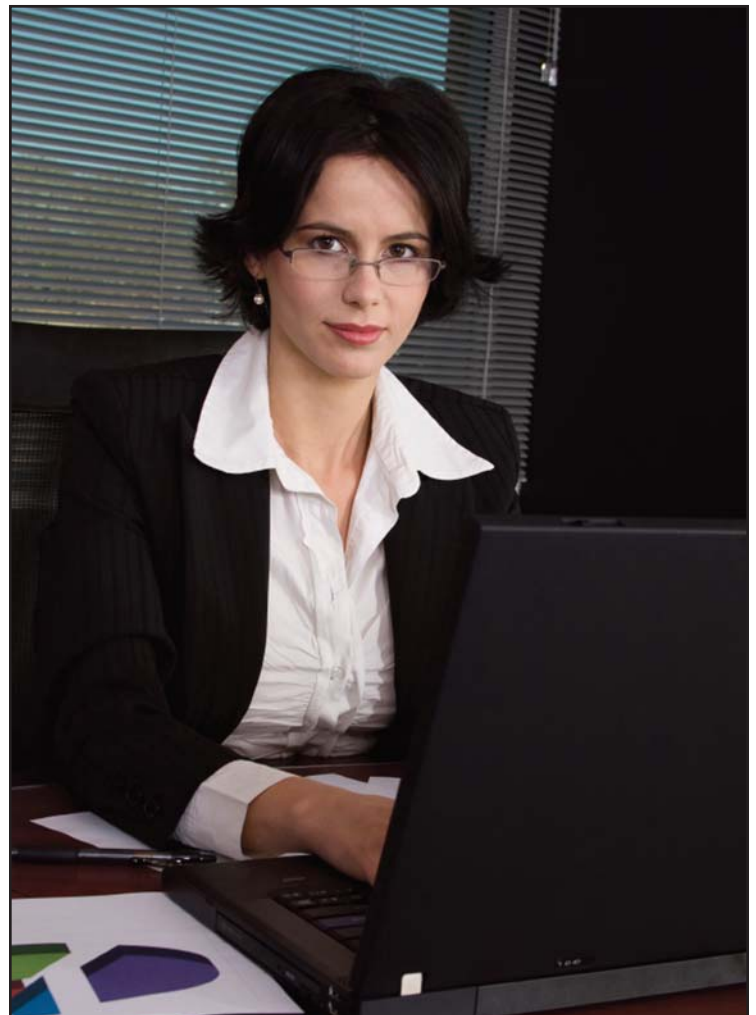
Traditionally, interim executives have filled unexpected vacancies or assisted with special projects. However, as we approach the early stages of economic recovery, many organizations are employing these subject matter experts to help revitalize their businesses for a fraction of the cost and ramp-up time of a full-time hire.

In light of recent economic challenges, many companies have reduced their staffs despite unchanging workloads. Employees begin to take on tasks once owned by others, while continuing to fulfill the responsibilities of their own positions. Without the necessary manpower, organizations struggle to keep up. Added to this is the challenge of addressing special projects and other critical business issues that cannot await full economic recovery. There is a sense of urgency to complete projects that have been shelved for several months, though companies may not yet be positioned to rehire the necessary full-time resources.

In the search industry, we often hear clients stress the need for flexibility. Subject matter experts provide just that - the opportunity for companies to complete critical projects without committing to a new hire. In fact, the U.S. Bureau of Labor Statistics estimates that the number of managerial-level temporary workers grew 78 percent from 1996 to 2006.

Why do organizations use contract employees?

Companies should be nimble enough to take advantage of economic conditions. Interim executive-level professionals can ease the transition from survival to growth mode by eliminating risk in the changing economic environment. For instance, a large national company recently consolidated four branches into one combined location, causing a significant backlog. Four interim commercial lines underwriters – each with unique product line expertise – arrived onsite within eight days to assist with this transition



and to bring service levels back in-line.

The demand for such flexibility and urgency on short-term projects is increasingly evident. There are several reasons companies use interim executives:

Minimal ramp-up time: According to a Corporate Insights Limited survey, interim executives achieve goals 20 times faster than permanent senior managers, since no transition time is needed. However, while interim talent may ramp-up faster than full-time employees, it should be noted that interim executives have much different endgoals and long-term value than permanent employees.

Experience transitioning from one position to another: Most companies are looking for little or no learning curve when initiating contract assignments. They desire individuals who can acclimate quickly and are

comfortable performing in a variety of cultures and work environments. Contract employees regularly begin new projects; and, as a result, they are able to smoothly adapt to unfamiliar work environments and collaborate with various personality types while focusing on the task at hand. Corporate Insights Limited found that most interim senior-level employees learn 90 percent of what they need to know on the first day on the job and 99 percent by the end of their first week.

Results focused: Interim executives often have short tenures and therefore a limited amount of time to complete a project. This results-oriented nature allows them to remain focused on achieving the organization's goals.

More cost-effective than traditional consulting firms: In addition to their ability to create an action plan and play a hands-on role in project completion, interim executives often prove more budget-friendly than a traditional consulting firm. In response to economic conditions, several companies tightened their budgets last year. Many of these organizations adjusted their strategies and sought out interim professionals for projects that they typically entrusted to consulting firms. For example, one industry leader strove to increase the percentage of business that could be put through an automated system, bypassing an underwriter. An underwriting systems subject matter expert was able to walk onto the project and develop a thorough implementation plan for approximately half the cost of a consulting firm's competing bid.

How can you ensure a successful relationship?

There is a stigma that contract employees often settle for temporary work because they cannot find a full-time position. In reality, most contract workers consciously choose this career path as opposed to a permanent position. They enjoy the flexible lifestyle, find the diversity of work exciting and challenging, and are dedicated to solving business problems by

applying their unique expertise.

Qualified staffing firms are skilled in identifying individuals who are ultimately searching for a full-time job. It reflects poorly on a firm if they place an individual on an assignment and the employee leaves prematurely. Therefore, ensure that your staffing firm requires candidates to undergo an in depth interview and screening process prior to being placed on a project.

Along with locating dedicated interim employees, staffing organizations can provide value by guiding and directing clients, while uncovering the qualifications and skills required for success on their particular projects. Providing rapid access to high-quality, cost-effective talent is the trademark of a successful firm.

As the industry awaits an official economic upswing, professional interim employees are a cost-effective and efficient alternative to full-time hires and consulting firms. Employ the brainpower of a seasoned and dynamic executive to help steer your company to future success. ▲

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