

Insurance Employment Market Study

The Jacobson Group and McLagan conducted a study to investigate hiring trends within the insurance industry. The following presents the findings of an Insurance Employment Market survey conducted in the first quarter of 2014.

■ Survey Objectives

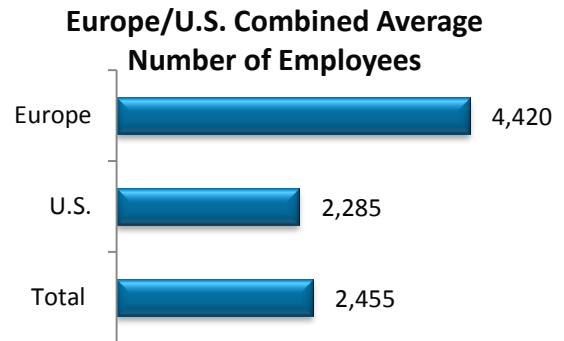
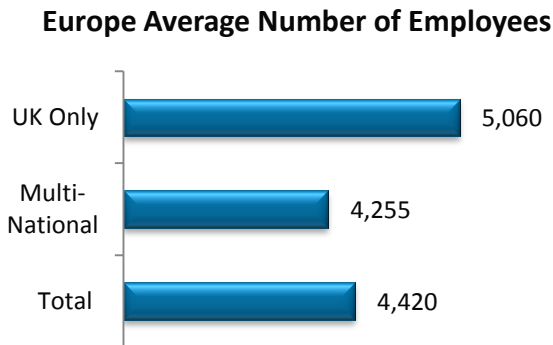
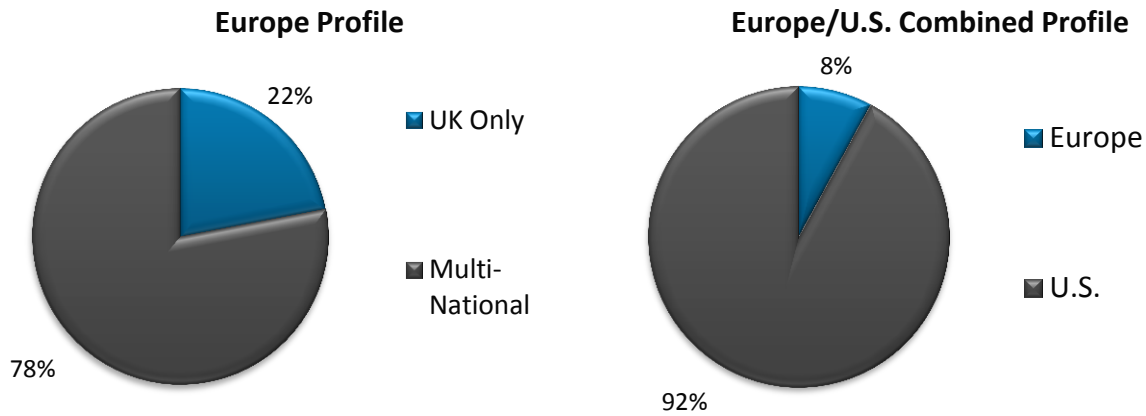
- Analyse current employment trends and future employment expectations
- Provide an overview of human resource challenges by discipline
- Provide commentary on the insurance industry's employment market

■ Summary of Findings

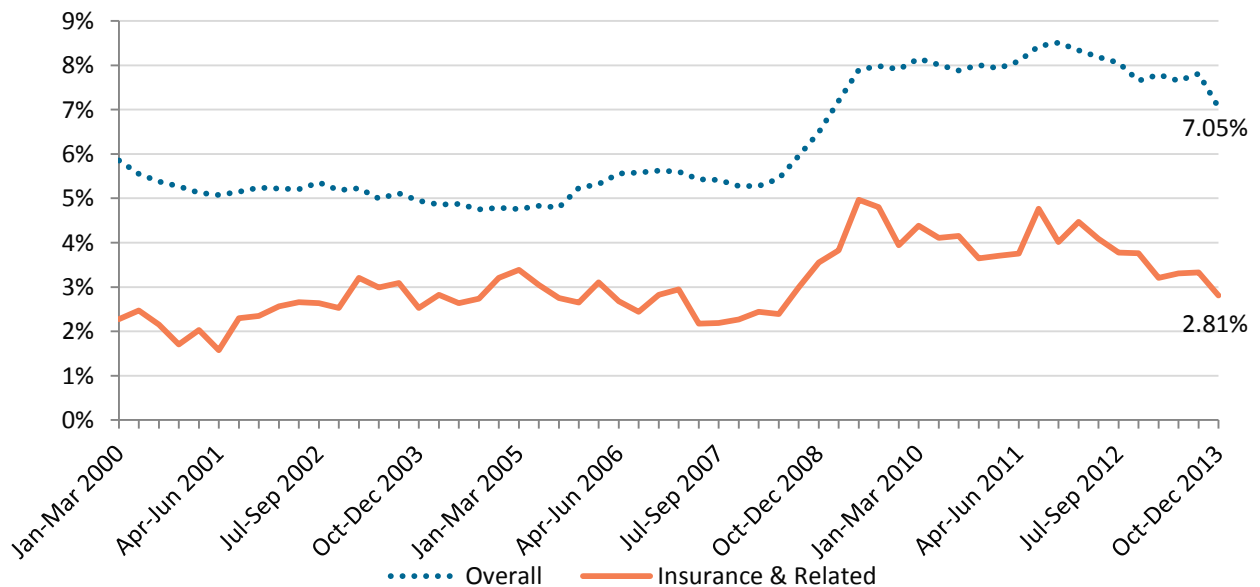
- **European Employment Projection: If the benchmark follows through on its plans, this will result in a 0.67% increase in employment during the next 12 months.**
- The European benchmark grew 1.14% versus an anticipated rate of 0.24% during the past 12 months.
- Outlook remains stable with most European firms looking to expand the business in the next 12 months. Nearly 64% plan to increase resources during the next 12 months compared to 52% of companies responding the same in January 2013. Compared to the Europe/U.S. combined benchmark, the resource trend is almost identical since July 2012.
- While medium-sized companies in Europe are expecting the greatest percentage of resource growth, all segment sizes are expecting it to be done through expansion into new markets.
- Expectations to grow revenue increased from the July survey. With 91% of European companies expecting revenue growth during the next 12 months, company expectations are up more than 21 points in the six-month period.
- In terms of roles for European companies, underwriting and analytics are most likely to see increased demand, followed by technology and actuarial. Compared to the Europe/U.S. combined benchmark, technology then underwriting are the primary areas expecting resource growth.
- Lower unemployment in the UK sector may result in continued difficulty recruiting.
- Actuarial, executive and underwriting positions continue to be the most difficult to fill in Europe. All three are more difficult to fill compared to the survey results from January 2012.
- European companies expecting an increase in employment during the next 12 months look to expansion of markets and to service delivery improvements as the primary drivers compared to increases in business volume impacting the Europe/U.S. combined benchmark.
- Companies expecting decreases in staffing see the primary driver as reorganization in Europe compared to automation requiring fewer staff for the Europe/U.S. combined benchmark.
- Plans to reduce the use of temporary staff in Europe increased from 25% in the July survey to 55%, which is 38 points higher than the Europe/U.S. combined benchmark.

■ Survey Results

Participant Profile

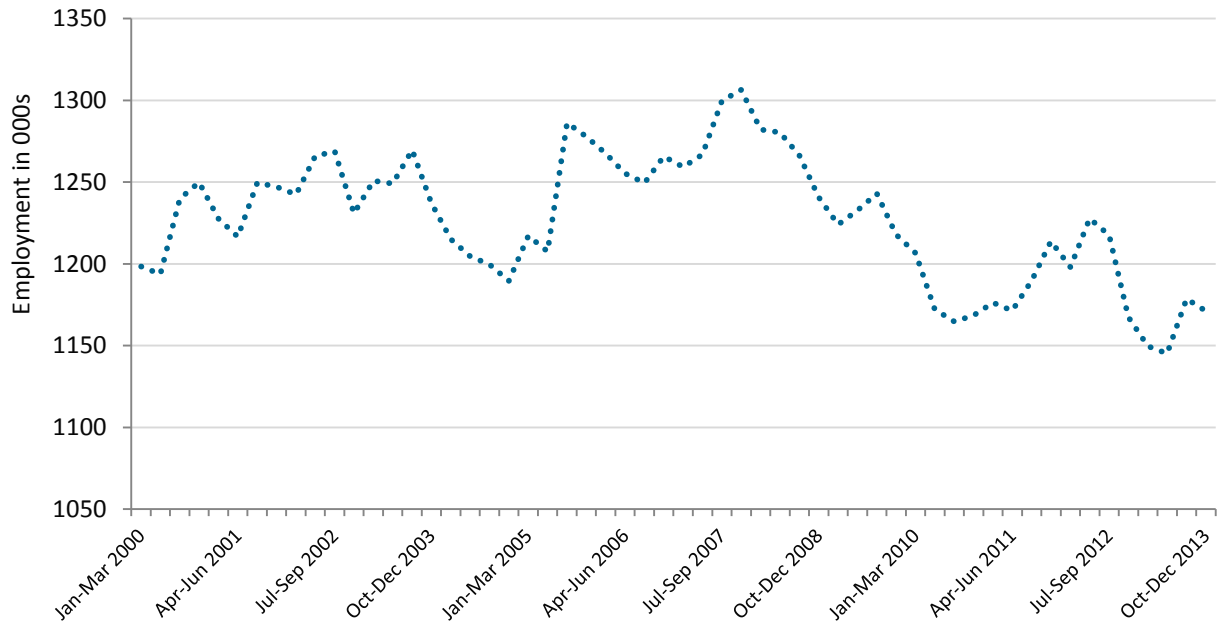


UK Unemployment Rates



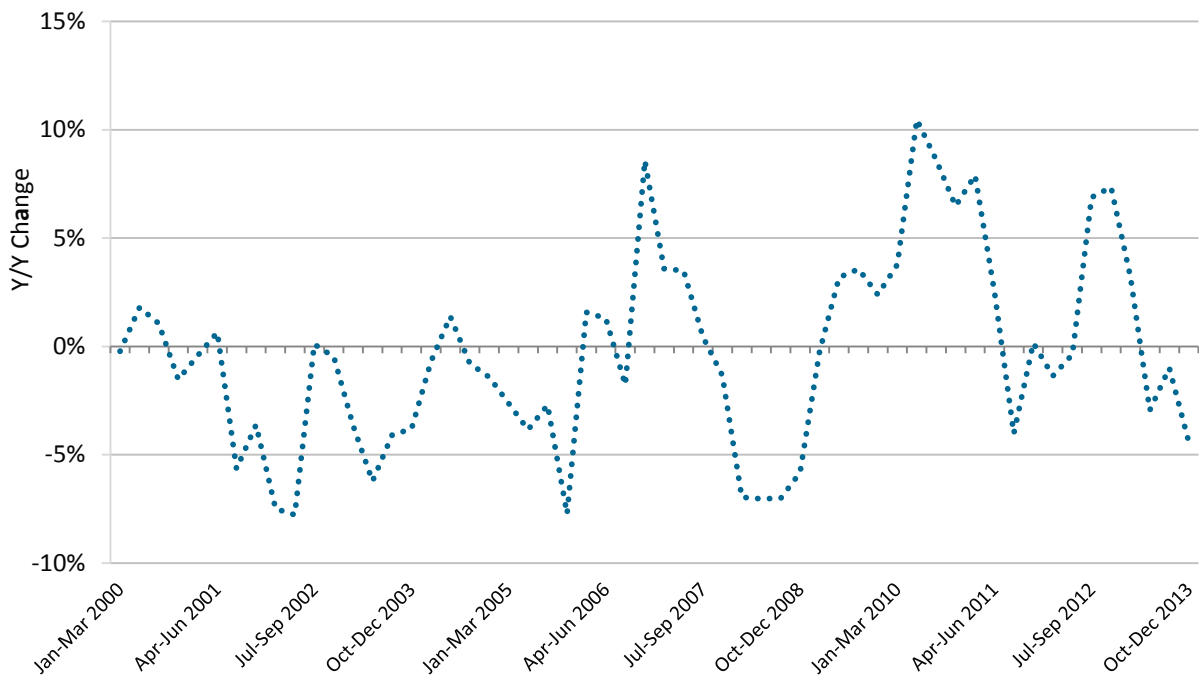
Source: Office for National Statistics

UK Insurance Companies Employment



Source: Office for National Statistics

Temporary Employment

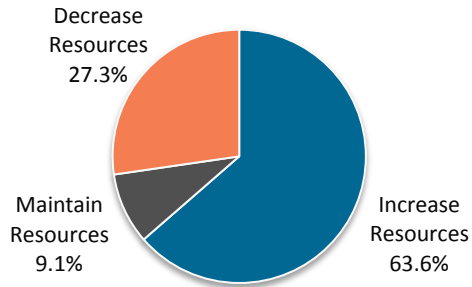


Source: Office for National Statistics

Revenue and Employment Expectations

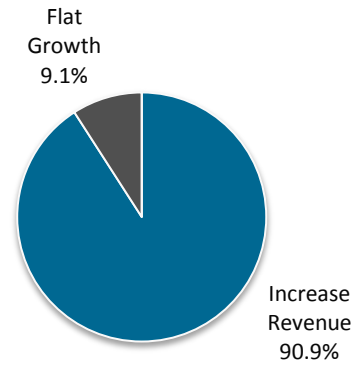
12-Month Employment Plan

Europe

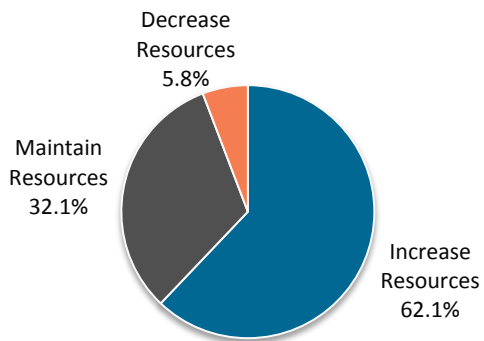


12-Month Revenue Plan

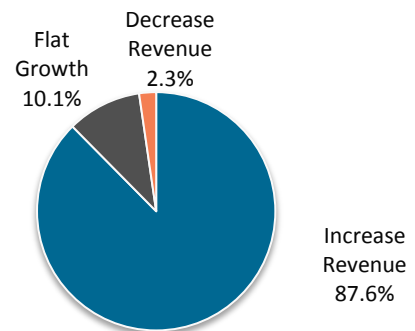
Europe



Europe/U.S Combined

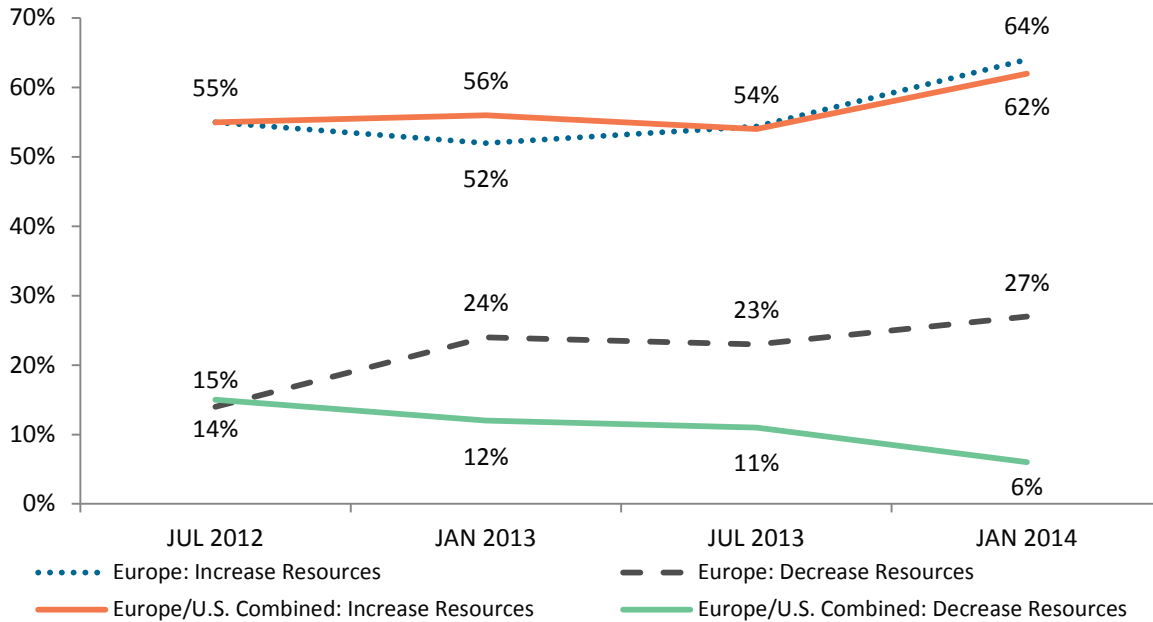


Europe/U.S Combined



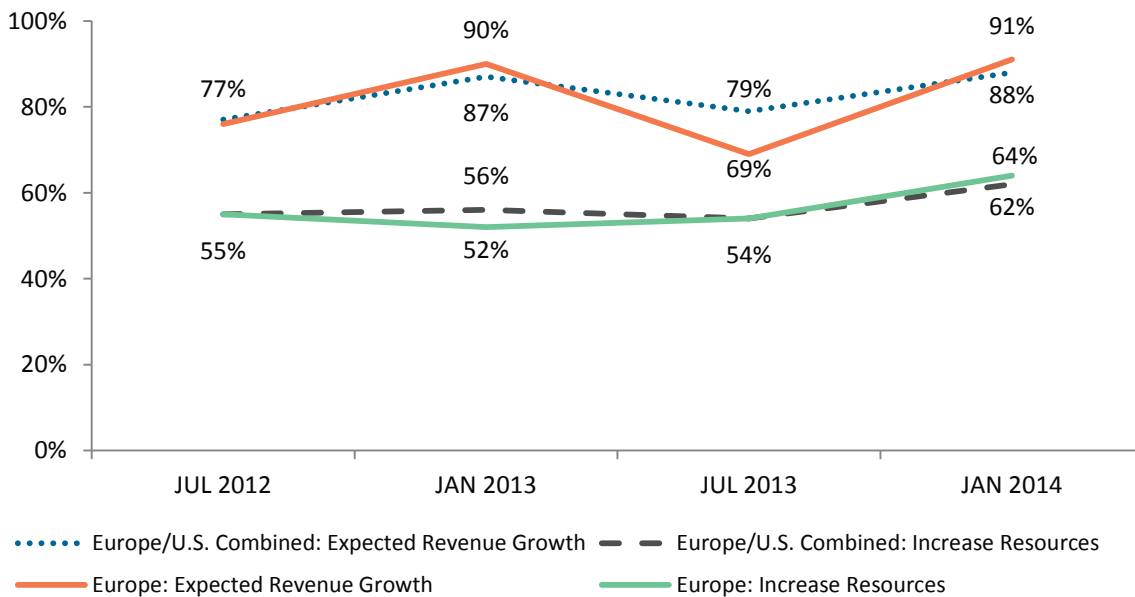
12-Month Talent Acquisition Plans

July 2012 – January 2014



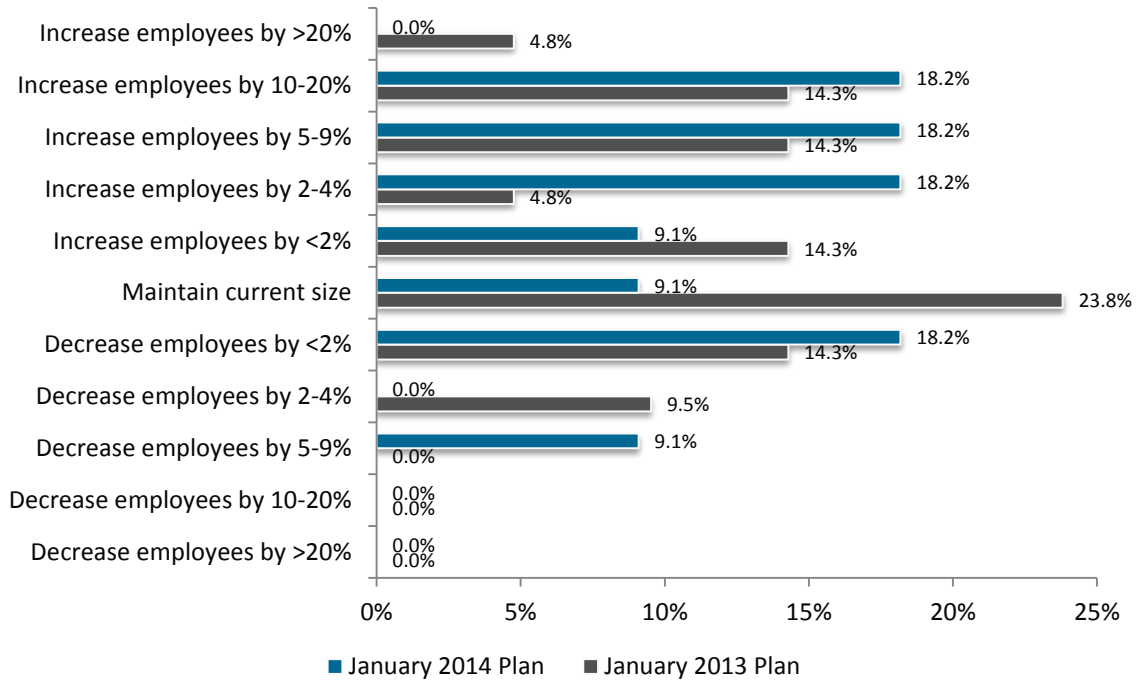
12-Month Talent Acquisition Plans Increase versus Expected Revenue Growth

July 2012 – January 2014



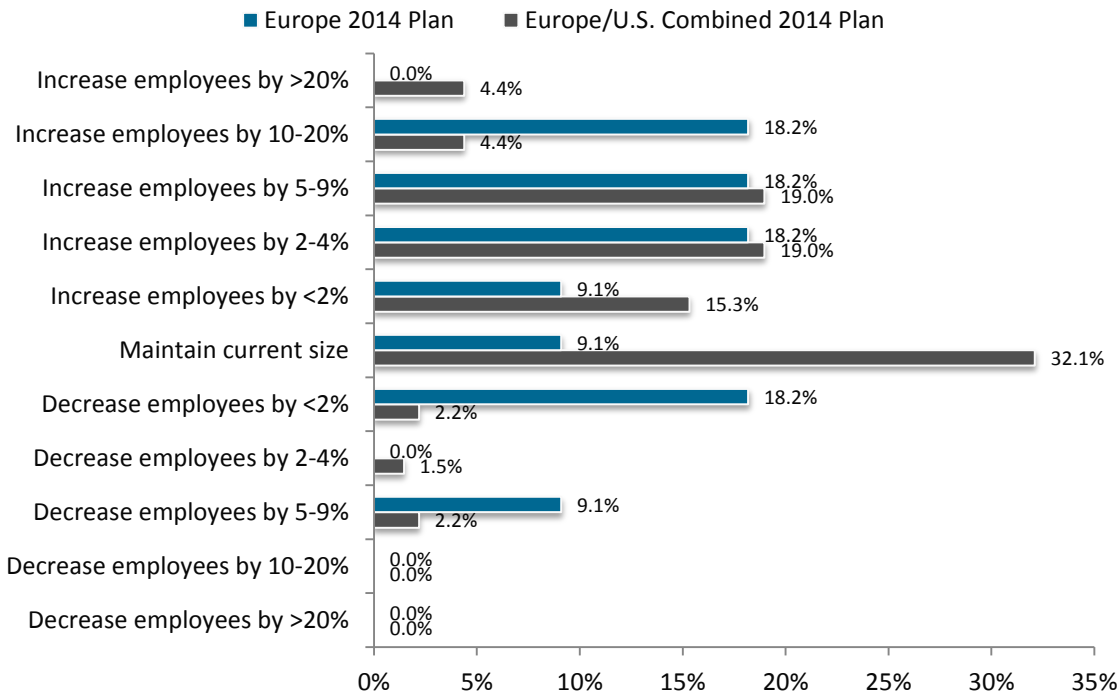
Europe 12-Month Talent Acquisition Plans

January 2013 Plan versus January 2014 Plan



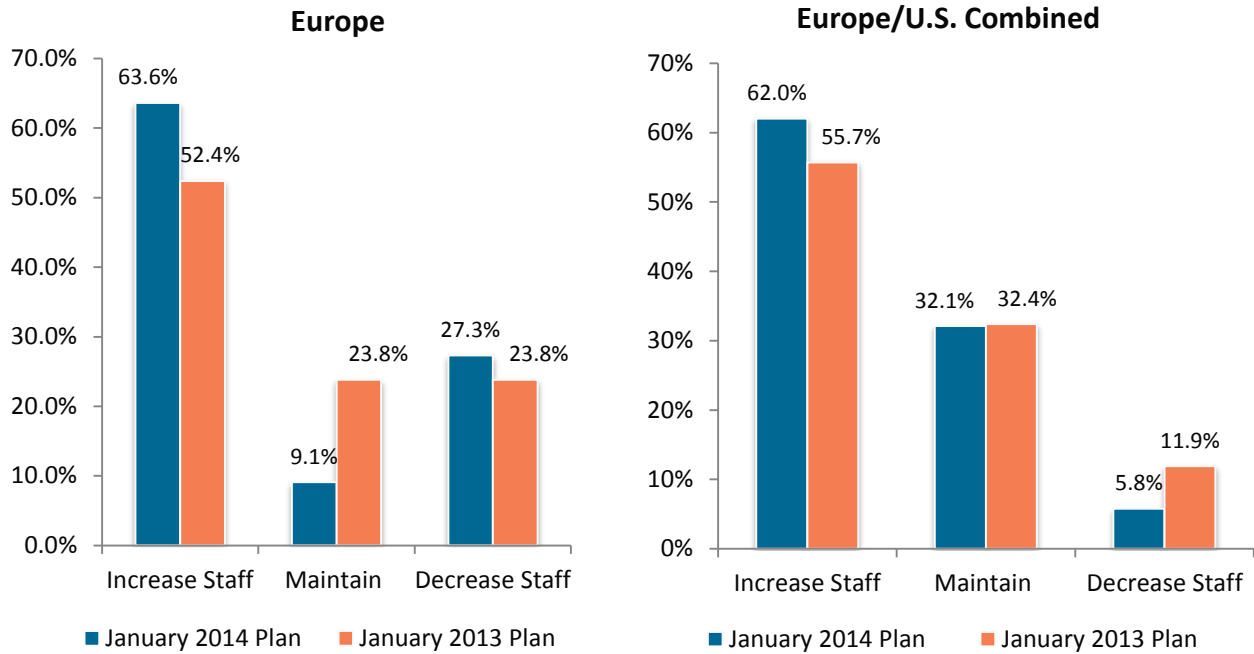
12-Month Talent Acquisition Plans

2014 Plan: Europe Compared to Europe/U.S. Combined

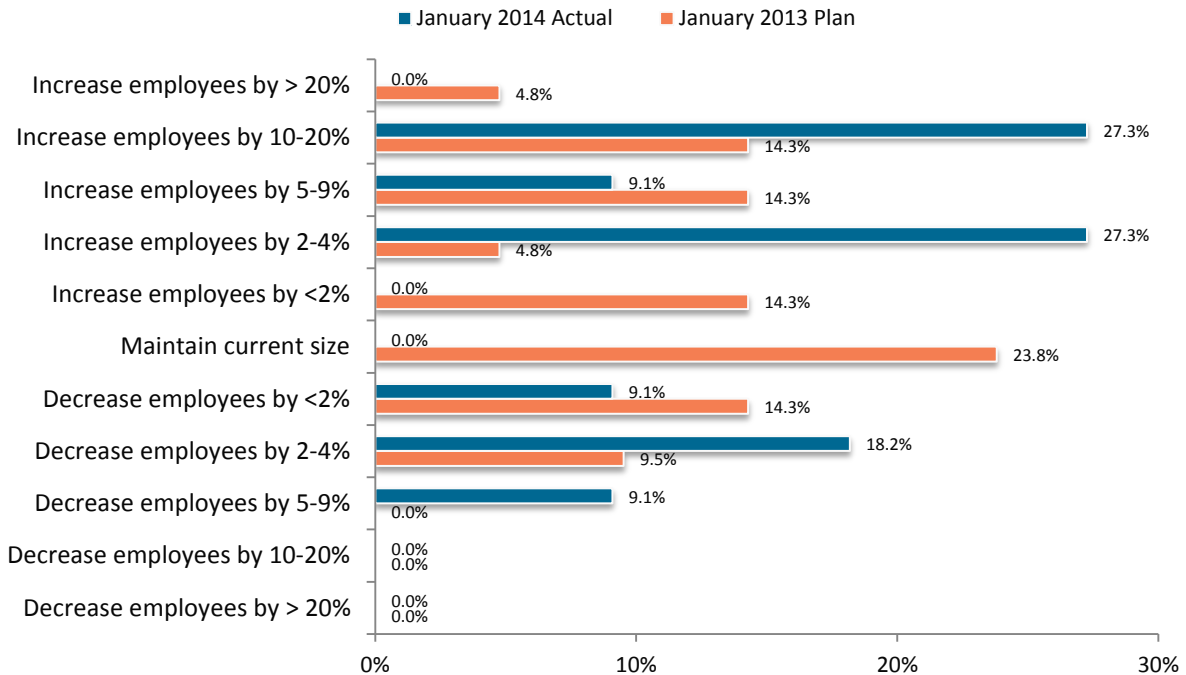


12-Month Talent Acquisition Plans

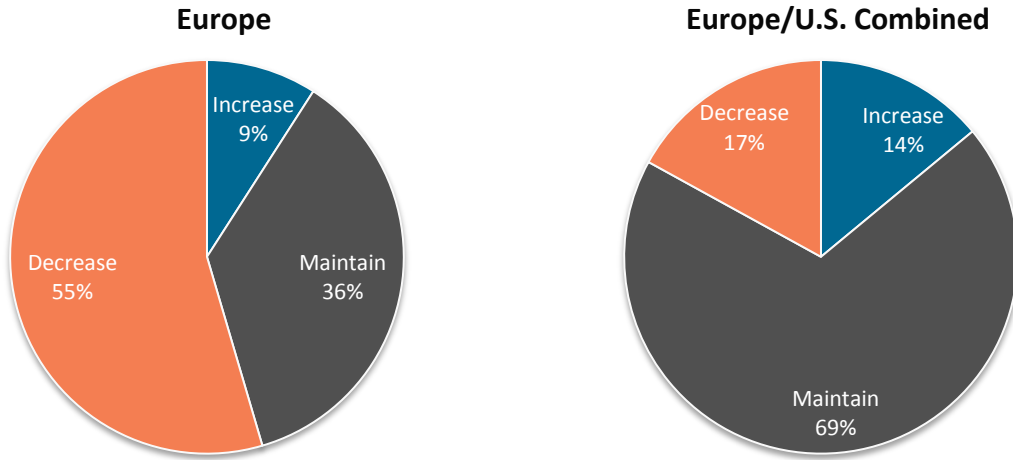
January 2014 Plan versus January 2013 Plan



Europe 12-Month Talent Acquisition Plans vs. Actual



Temporary Employees – Next 12 Months



Recruiting Difficulty Continues

European Environment

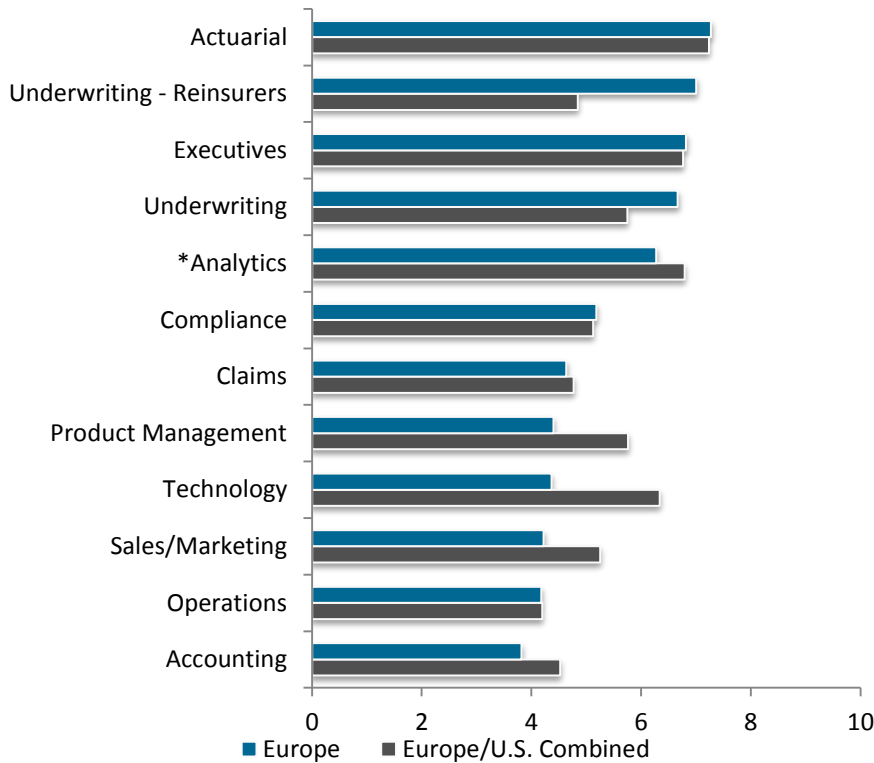


*Analytics included as additional function in July 2013 survey

- On a scale of 1 – 10 (10 being most difficult), companies responded that positions are still moderately difficult to fill and recruiting is slightly more difficult in most disciplines than it was a year ago.
- Positions rated 5 or above are considered moderate or difficult to fill.
- Product line has a significant impact on the ease of filling positions.

Recruiting Difficulty Continues

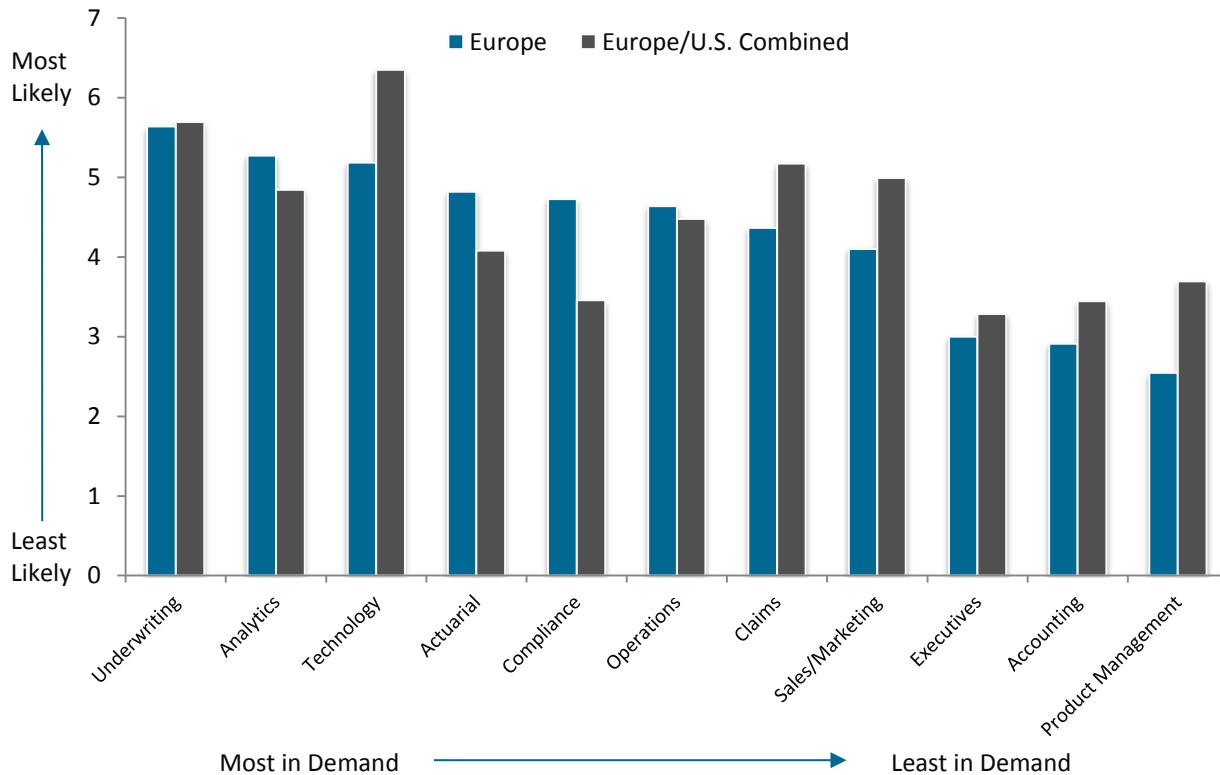
European Compared to Europe/U.S. Combined



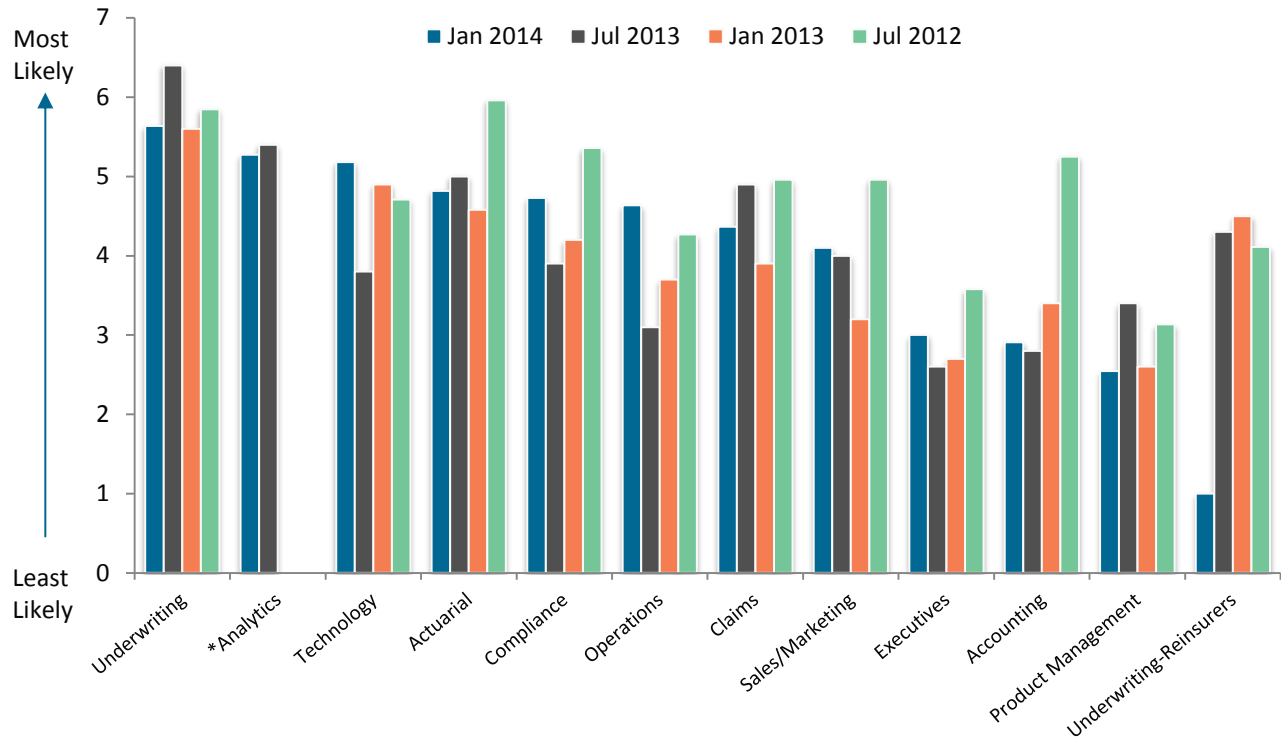
*Analytics included as additional function in July

- On a scale of 1 – 10 (10 being most difficult), companies responded that positions are still moderately difficult to fill in both environments.
- Positions rated 5 or above are considered moderate or difficult to fill.
- Product line has a significant impact on the ease of filling positions.

Likelihood of Increasing Resources By Function



Likelihood of Increasing Resources By Function By Survey Period European Market



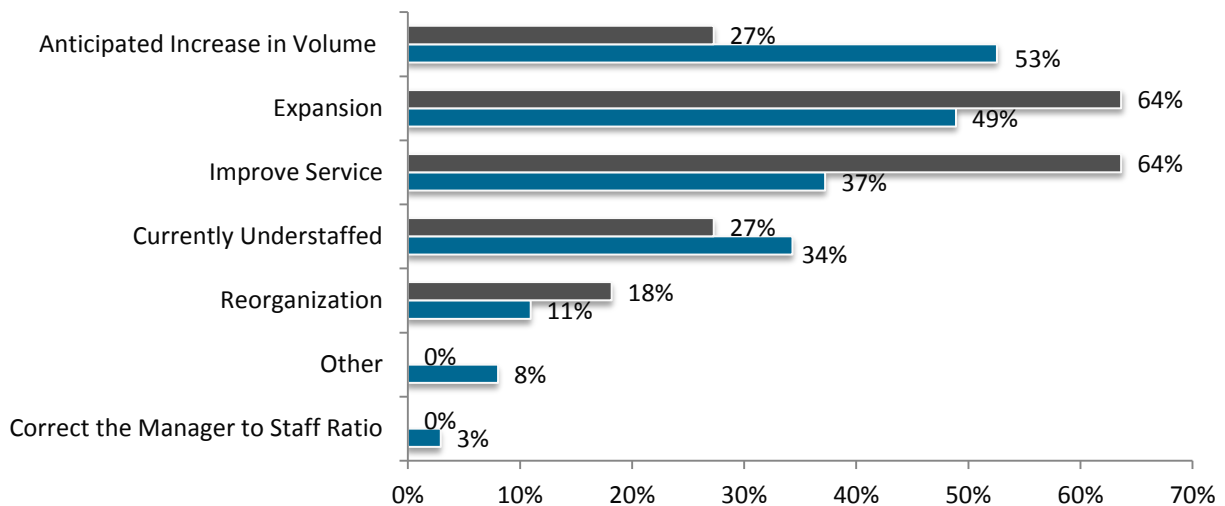
*Analytics included as additional function in July 2013

Most in Demand → Least in Demand

Resource Increases

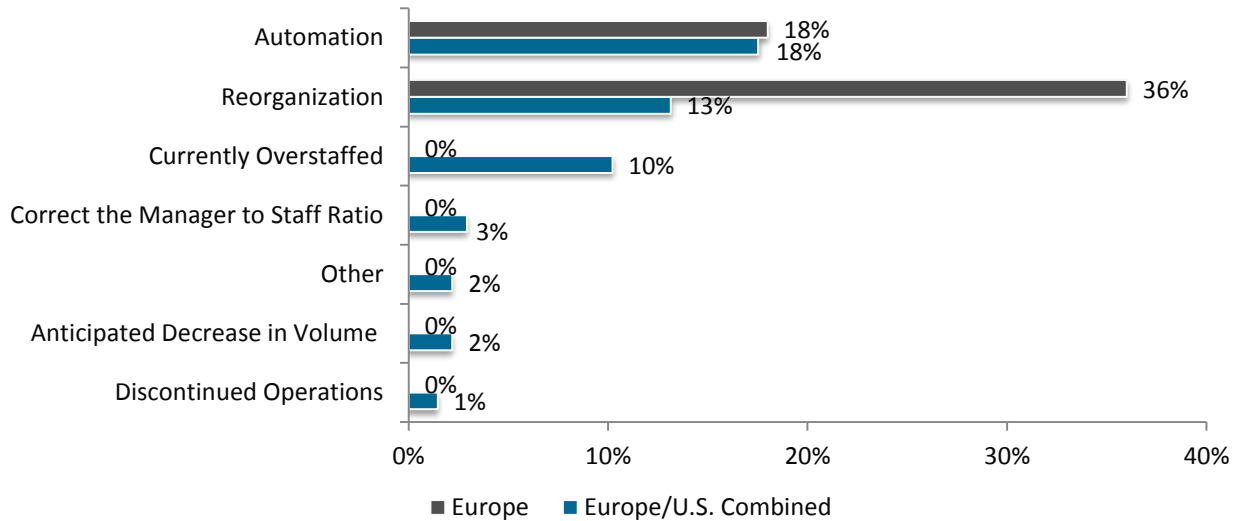
Europe Compared to Europe/U.S. Combined

Reason to Increase Resources During Next 12 Months



Resource Decreases
Europe Compared to Europe/U.S. Combined

Reason to Decrease Resources During Next 12 Months



Contact

For more information about the Insurance Employment Market Study, contact Barbara Schönhofer, Senior Vice President and CEO, Executive Search, of The Jacobson Group at bschonhofer@jacobsononline.com or Jeff Rieder, Partner of Ward Group, a division of McLagan, at jrieder@wardinc.com.

About McLagan

McLagan is the global leader in financial services performance benchmarking and executive compensation and has been advising for almost half a century all the major blue-chip financial services organisations in the world, from Asia to North America. Our insurance division, Ward Group, is the leading provider of benchmarking and best practice studies for insurance companies. Ward specializes in revenue, expense, headcount and operational analysis and has worked with over 400 insurance companies, performing nearly 2,000 benchmarking exercises since 1991. www.mclagan.com.

About The Jacobson Group

The Jacobson Group is the leading global provider of insurance talent. For more than 40 years, Jacobson has been connecting insurance organisations with the talent required to succeed in a competitive environment. We offer a variety of solutions including executive search, subject matter experts and global talent solutions. Regardless of the need or situation, Jacobson is the insurance talent solution. Further information is available www.jacobsononline.com.