



LABOR STUDY RESULTS

2022 Semi-Annual Insurance Labor Market Study Results
Quarter Three

August 2022



Insurance Labor Market Study

The Jacobson Group and Ward, part of Aon plc (NYSE: AON), conducted a study to investigate hiring trends within the insurance industry. The following presents the findings of an Insurance Labor Market Survey conducted in the third quarter of 2022.

Summary of Findings

- 68% of companies plan to increase staff during the next 12 months driven by the Property/Casualty segment at 71%
- 5% of companies are planning to decrease their number of employees. This is up from the 3% expected in the January study
- 80% of medium-sized companies plan to add staff during the next 12 months. This is 8 and 19 points higher than large and small companies, respectively
- 73% of companies expect to grow revenue during the next 12 months. This is 9 points lower than the January survey
- Balanced Lines P&C companies are the most optimistic to increase revenue as 81% expect growth, compared to 79% of Commercial Lines companies and 75% of Personal Lines. 52% of Life/Health companies expect an increase in revenue
- 50% of the companies stated that change in market share will drive their expected revenue changes, while 29% cited pricing factors
- The primary reason companies plan to increase staff during the next 12 months is an expected increase in business volume. 61% of companies listed this as the primary reason to hire followed by areas being understaffed
- 12% of companies report that improved automation will be the primary reason for reductions in headcount during the next 12 months
- Technology, Underwriting, and Claims roles are expected to grow the greatest during the next 12 months
- Organizations are focused on establishing more concrete plans for moving forward and operating in the post-pandemic climate. This realignment, coupled with a record number of open jobs, is further fueling the competitive recruiting climate
- Technology and Compliance are the top two areas where companies are looking to add experienced staff. Actuarial and Operations roles were identified as areas most likely to add entry-level positions
- Technology, Actuarial, and Analytics positions are the most difficult to fill
- 48% of companies feel the ability to hire talent has become more difficult compared to the prior year

Notable Survey Trends from July 2021 to July 2022

- The Total industry grew 0.59% versus an anticipated rate of 1.81%
- The P&C industry grew 1.88% versus an anticipated rate of 1.61%
- The L&H industry grew 0.10% versus an anticipated rate of 2.46%

Note: Outliers have been excluded from calculations

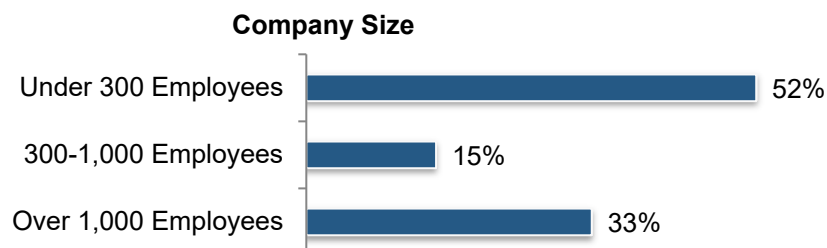
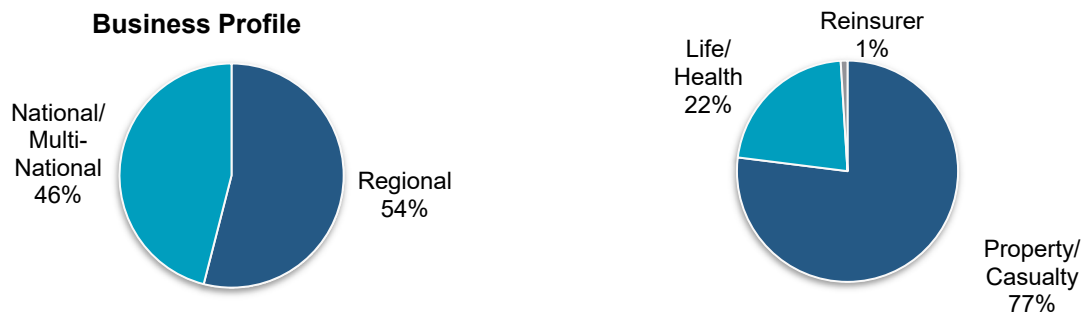
Projection

If the industry follows through on its plans, we will see a 0.94% increase in industry employment during the next 12 months, creating new jobs.

Projected Growth	
Total Benchmark	0.94%
Life & Health	0.28%
Property/Casualty (PC)	2.14%
– PC Personal	1.27%
– PC Commercial	2.56%
– PC Balanced	2.54%

Survey Results

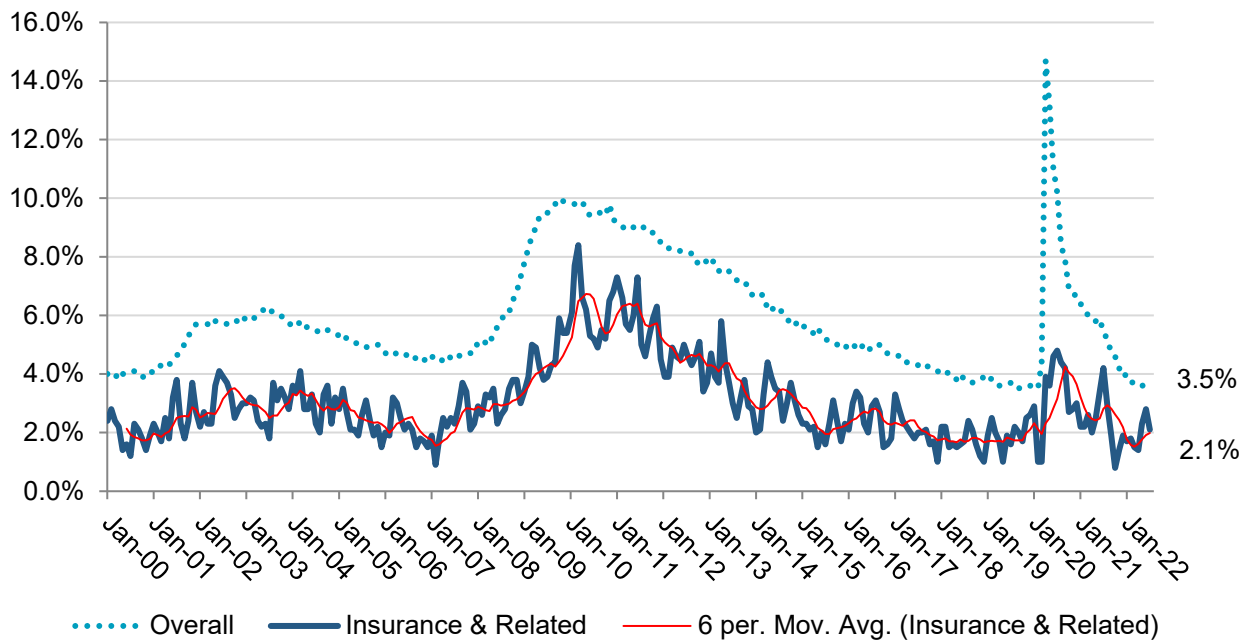
Participant Profile



The total average number of employees is 2,766

*Percentages in chart rounded to nearest whole number

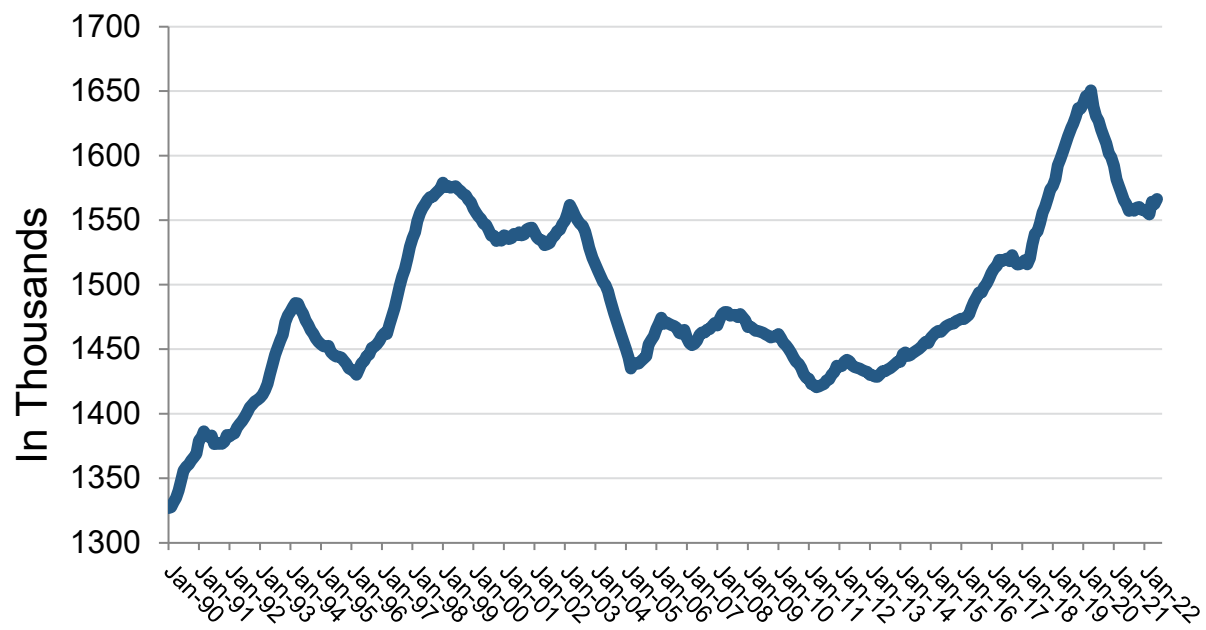
Unemployment Rates



**Percentage indicated 6-month trailing average*

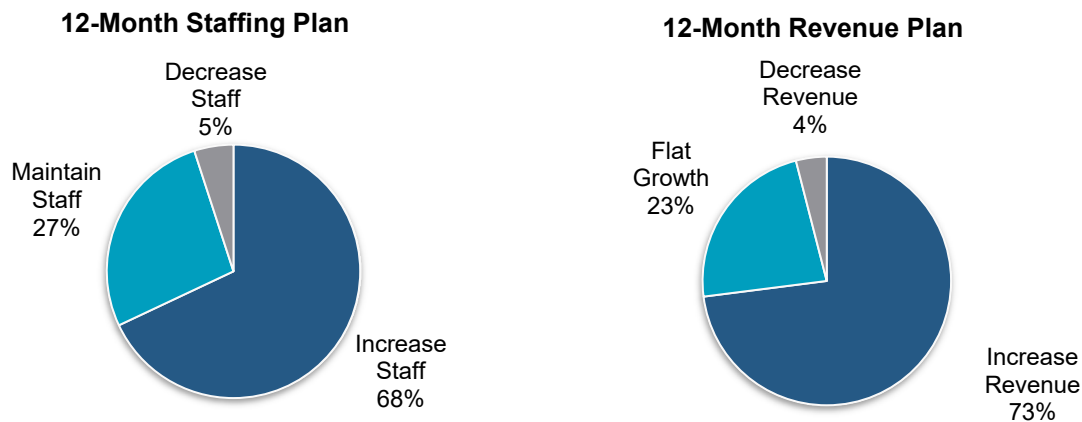
Source: U.S. Bureau of Labor Statistics

Insurance Carrier Employment



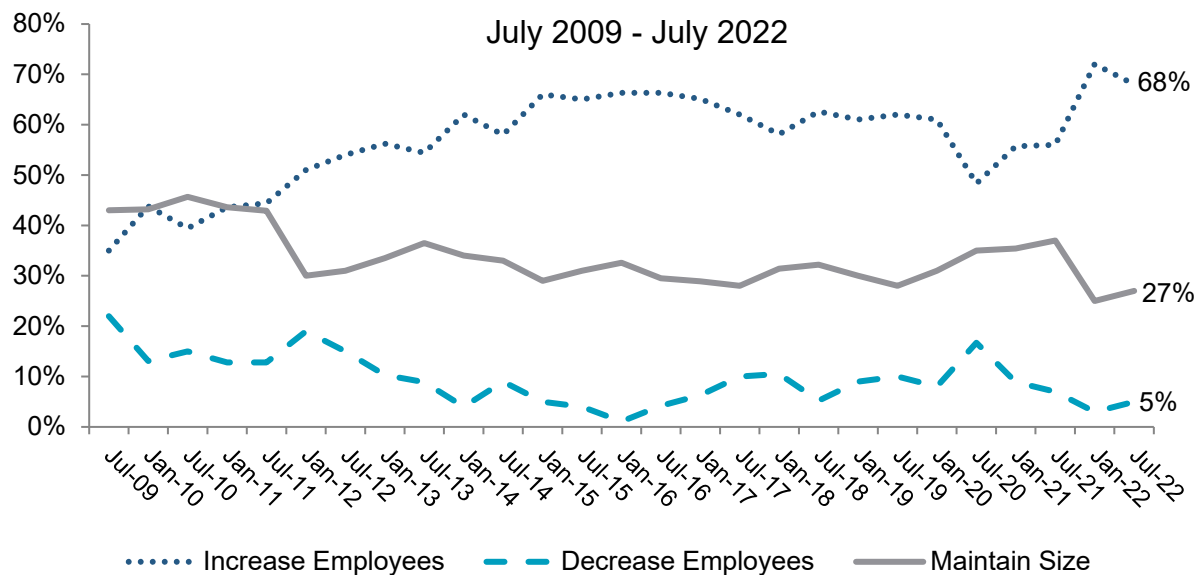
Source: U.S. Bureau of Labor Statistics

Revenue and Staffing Expectations



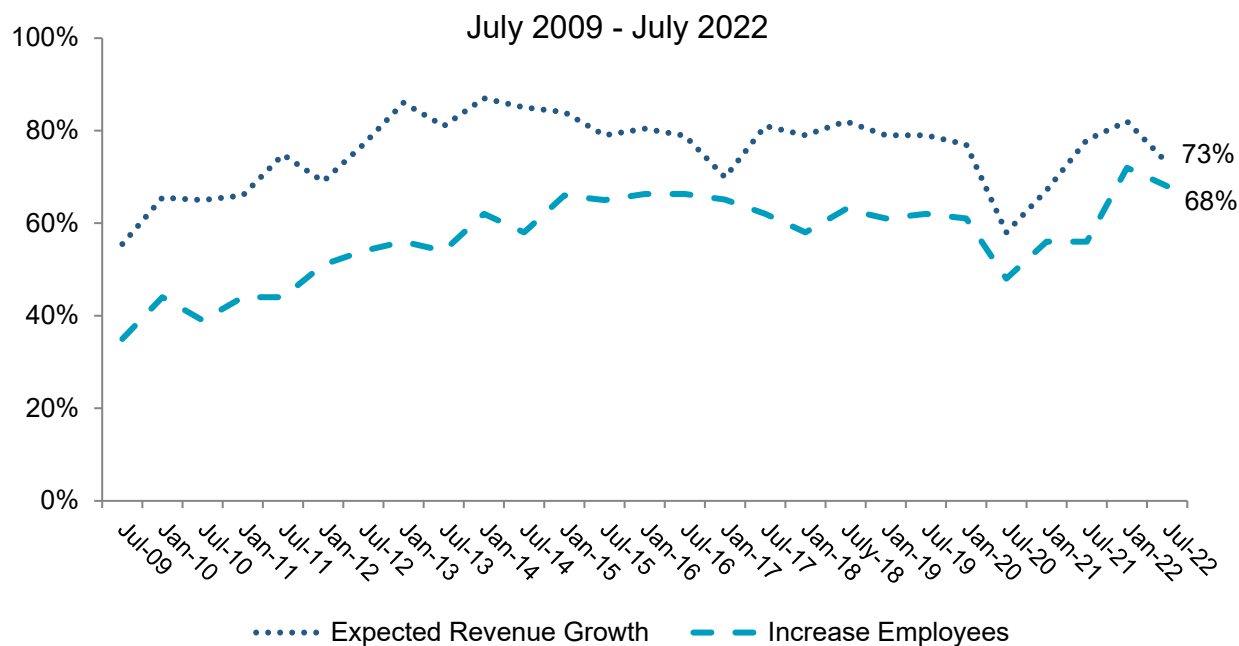
*Percentages in chart rounded to nearest whole number

12-Month Staffing Plans



*Percentages in chart rounded to nearest whole number

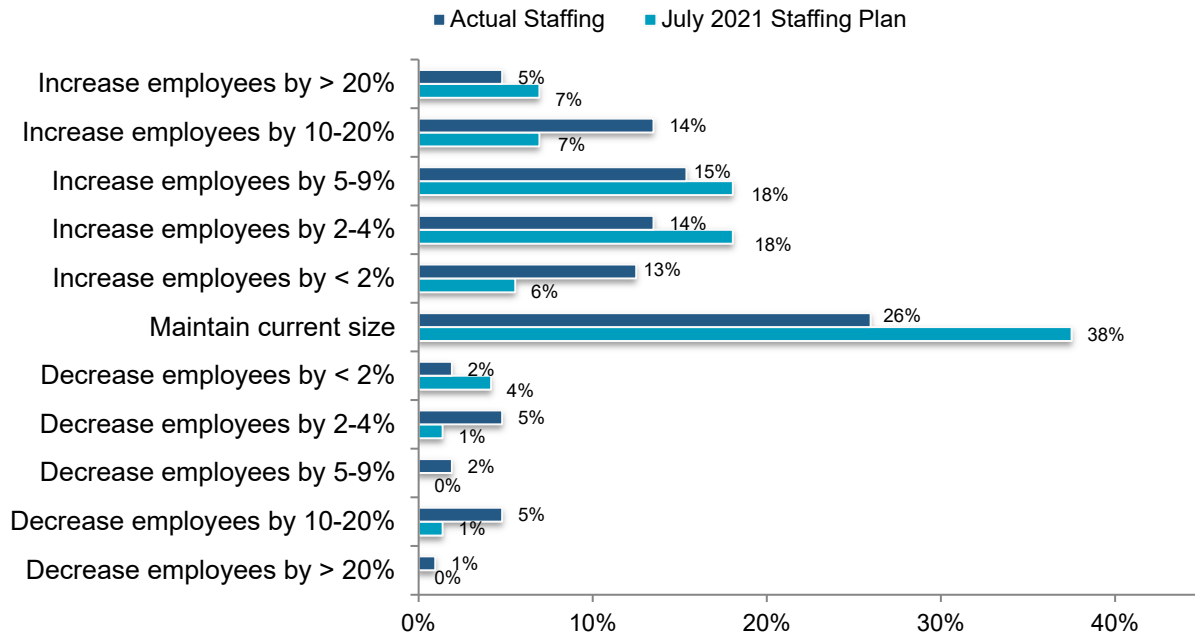
12-Month Staffing Plans Increase vs. Expected Revenue Growth



*Percentages in chart rounded to nearest whole number

- 73% of companies expect an increase in revenue growth, down 9 points from the January survey and 5 points from the July 2021 outlook
- In January, 3% of companies were expecting a decrease in staff. The July 2022 expectations increase to 5%, driven by the Life/Health segment
- 4% of companies expect a decrease in revenue growth, up 2 points from the January survey
- P&C and Life/Health companies responded that the primary driver for expected revenue changes will be market share at 49% and 50%, respectively

Prior Year 12-Month Plans vs. Actual Staffing

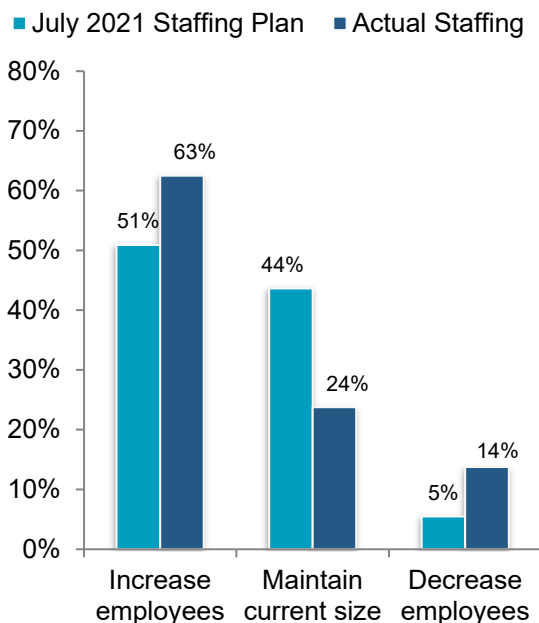


*Percentages in chart rounded to nearest whole number

60% of companies added staff since July 2021, while 14% reduced staff

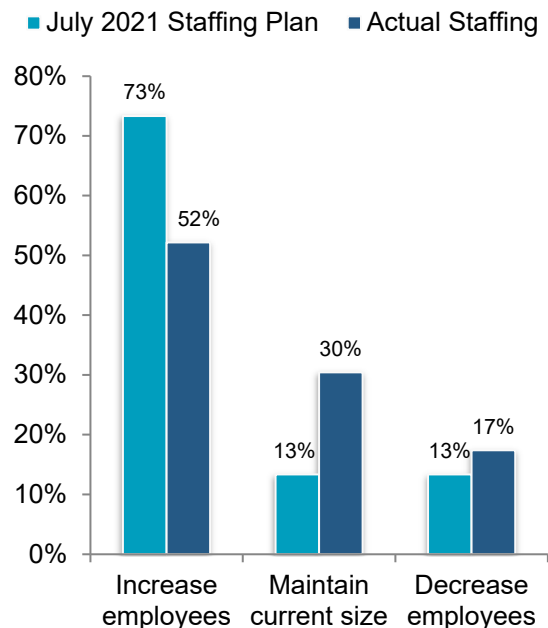
Prior Year 12-Month Staffing Plans vs. Actual - By Industry

Property/Casualty



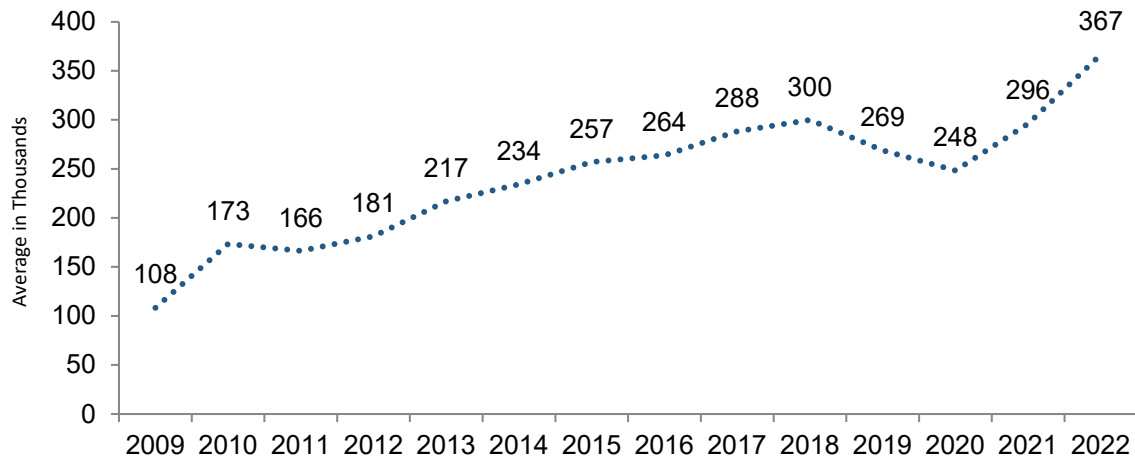
*Percentages in chart rounded to nearest whole number

Life/Health



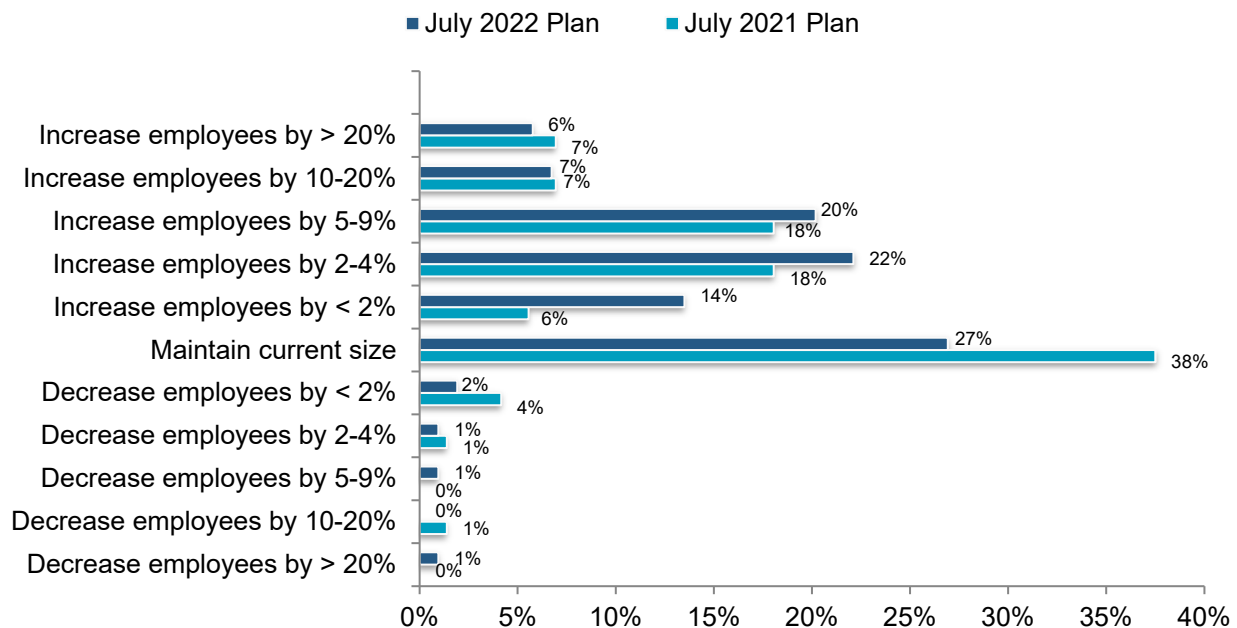
*Percentages in chart rounded to nearest whole number

Job Openings in Finance and Insurance



Source: U.S. Bureau of Labor Statistics

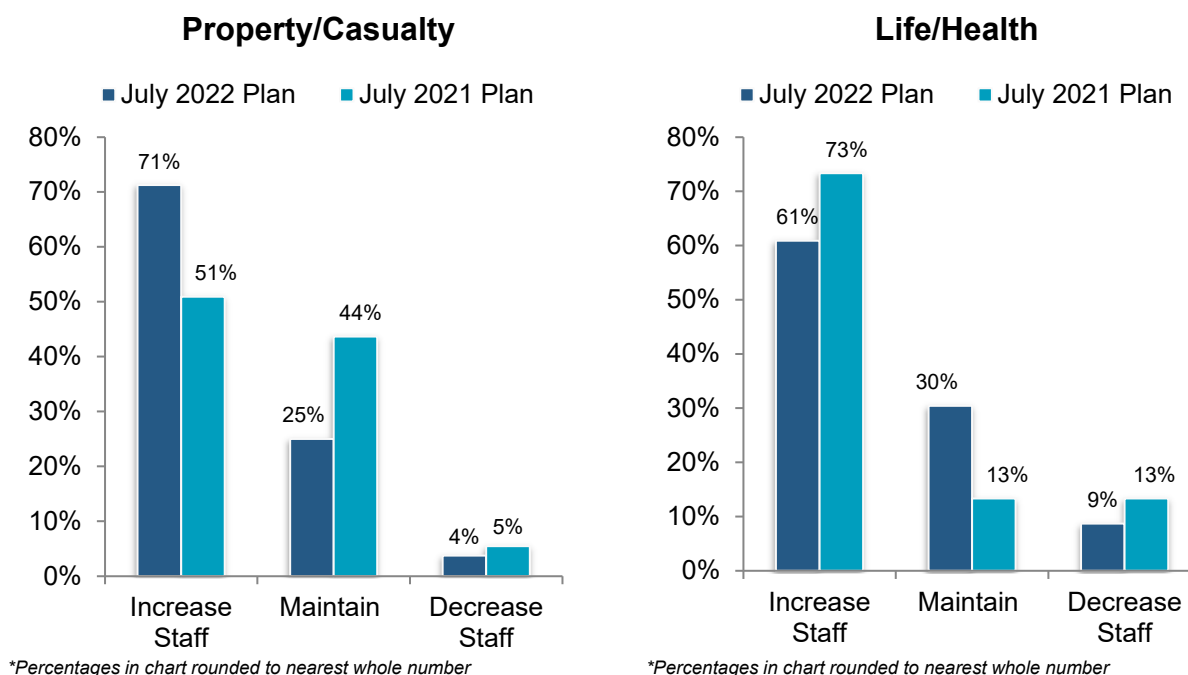
12-Month Staffing Plans



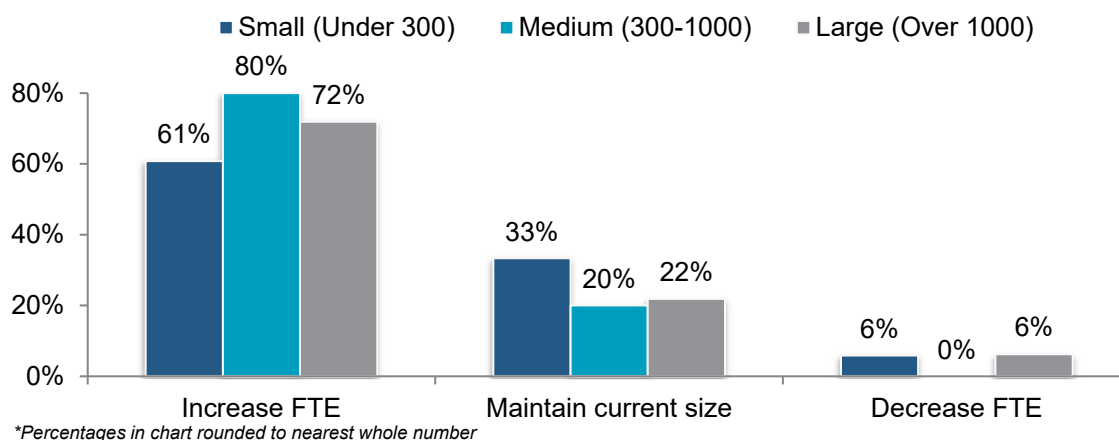
*Percentages in chart rounded to nearest whole number

- 77% of Balanced Lines P&C companies are expecting to increase staff during the next 12 months. This is 8 and 15 points higher than Commercial and Personal Lines P&C companies, respectively
- Of the companies who plan to add staff during the next 12 months, 83% expect an increase in revenue with 55% responding that it will be due to a change in market share. Of those planning a decrease in staff, 20% expect a decrease in revenue
- 57% of companies who plan to maintain staff size during the next 12 months are expecting an increase in revenue growth. 4% of those companies are expecting a decrease

12-Month Staffing Plans - Comparison to July 2021 by Industry

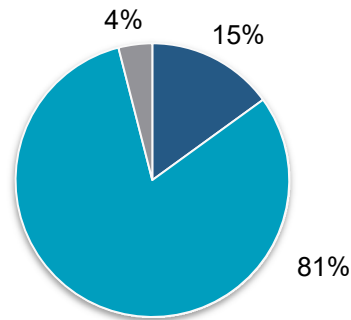


12-Month Staffing Plans - By Employee Size



- Since January, overall expectations to add staff decreased 4 points to 68%. Small companies are expecting an increase of 61% compared to 76% in January. Medium-sized companies increased their 12-month expectations from 67% in January to 80% in July while large companies increased from 71% to 72%
- 31% of both small and large companies are expecting growth in revenue/premium greater than 10% over the next 12 months. This compares to 27% for medium-sized companies
- All segments expect revenue changes to be driven by market share

Use of Temporary Employees During Next 12 Months

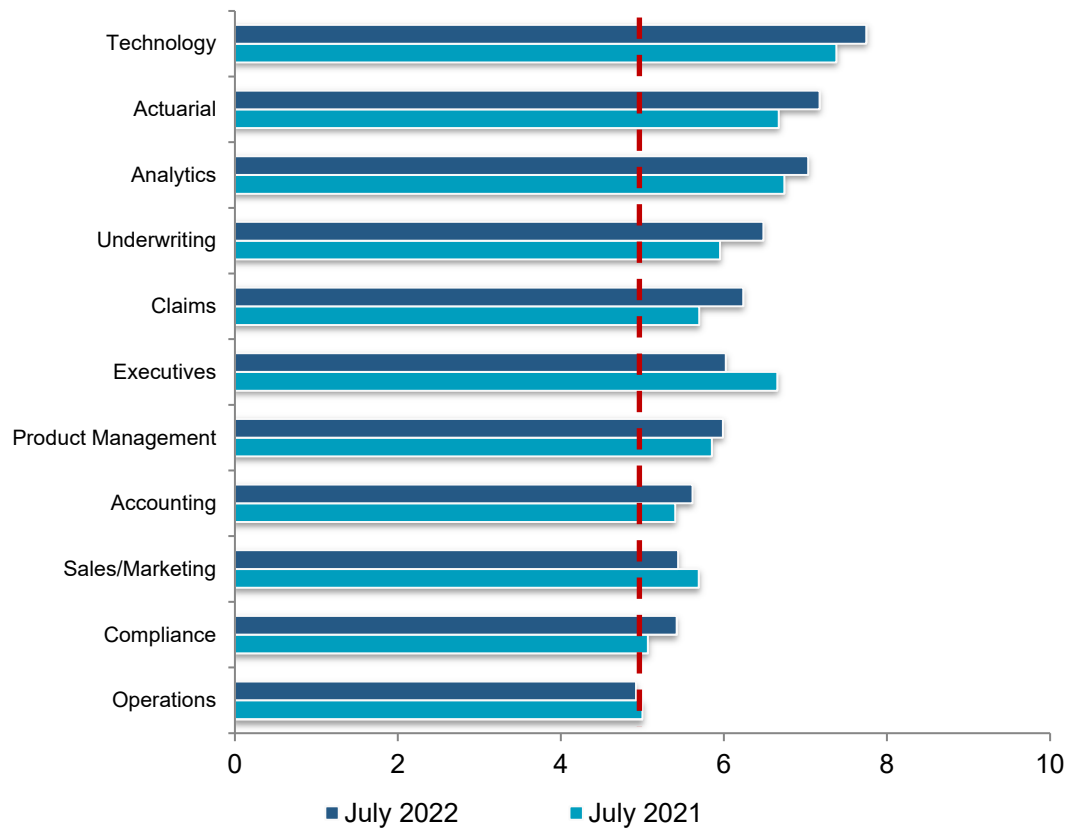


■ Increase ■ Maintain ■ Decrease

**Percentages in chart rounded to nearest whole number*

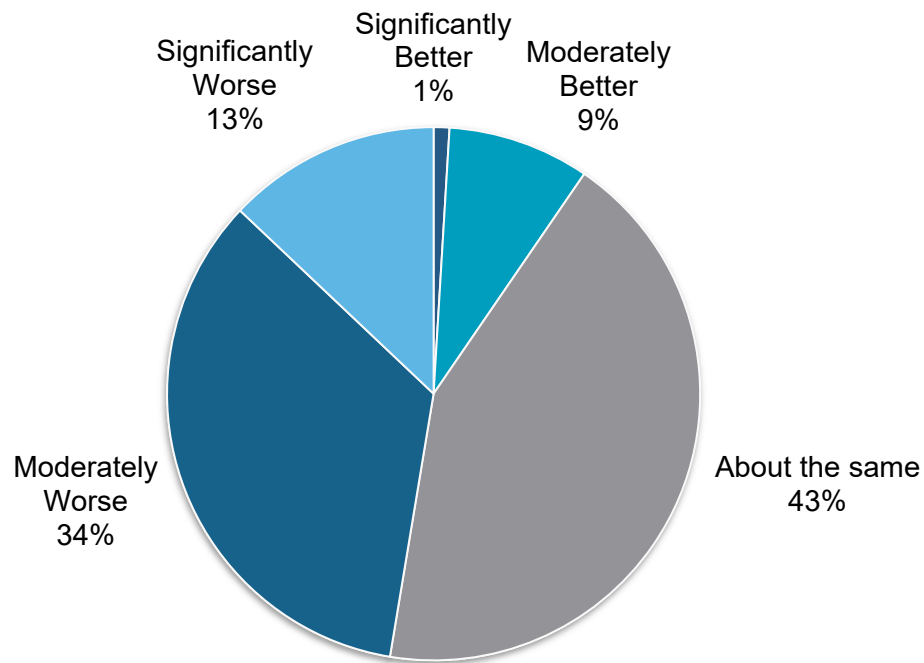
With 96% of companies planning to increase or maintain temporary staff levels in the next 12 months, temporary staffing demand is at the highest point in the history of the study

Recruiting Difficulty Continues



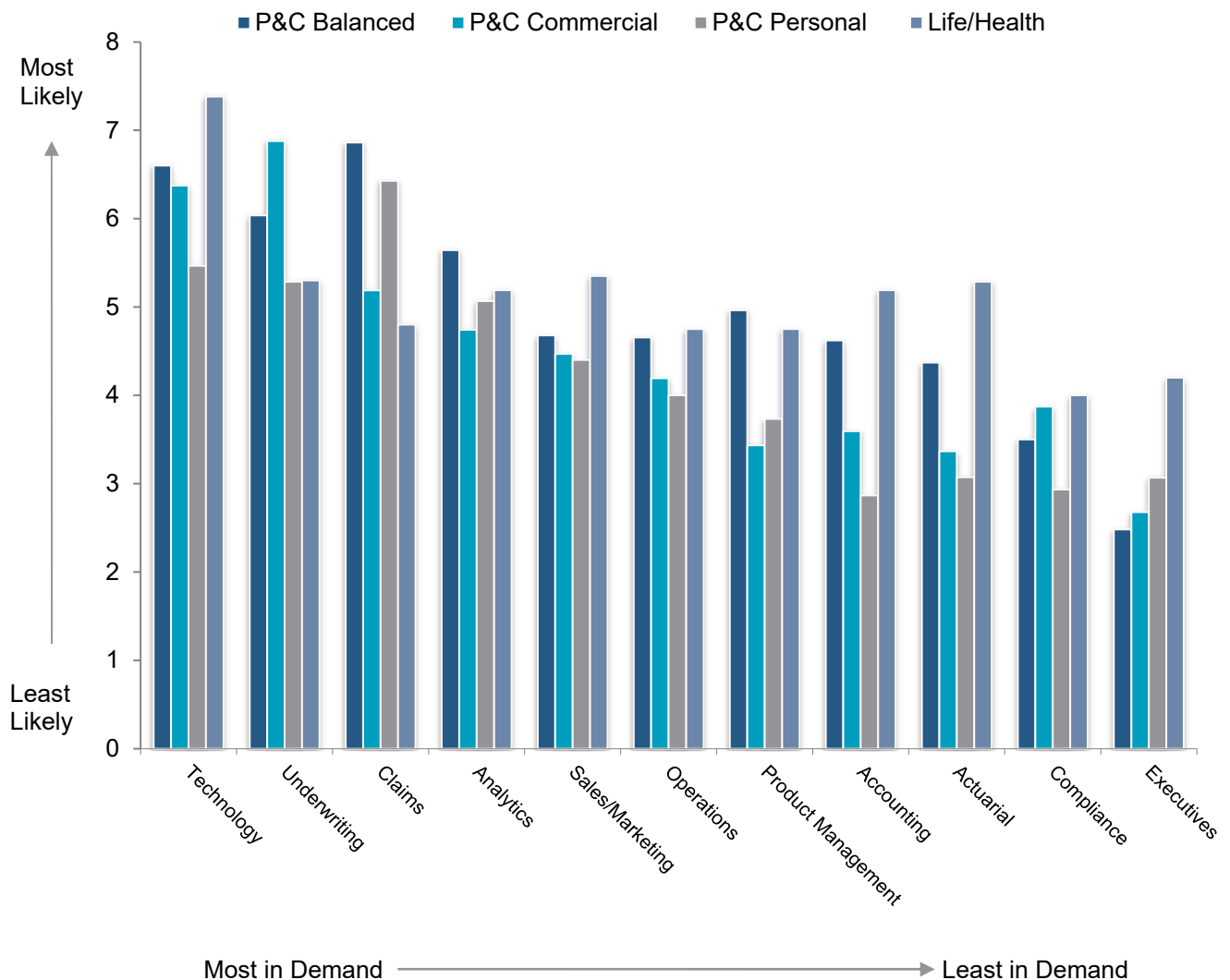
- On a scale of 1 – 10 (10 being most difficult), companies responded that positions are still moderately difficult to fill
- Positions rated 5 or above are considered moderate or difficult to fill
- Product line has a significant impact on the ease of filling positions
- This remains one of the most difficult recruiting environments in the study's history with an average difficulty rating of 6.2, the same as reported in January

Ability to Hire Talent Compared to One Year Prior



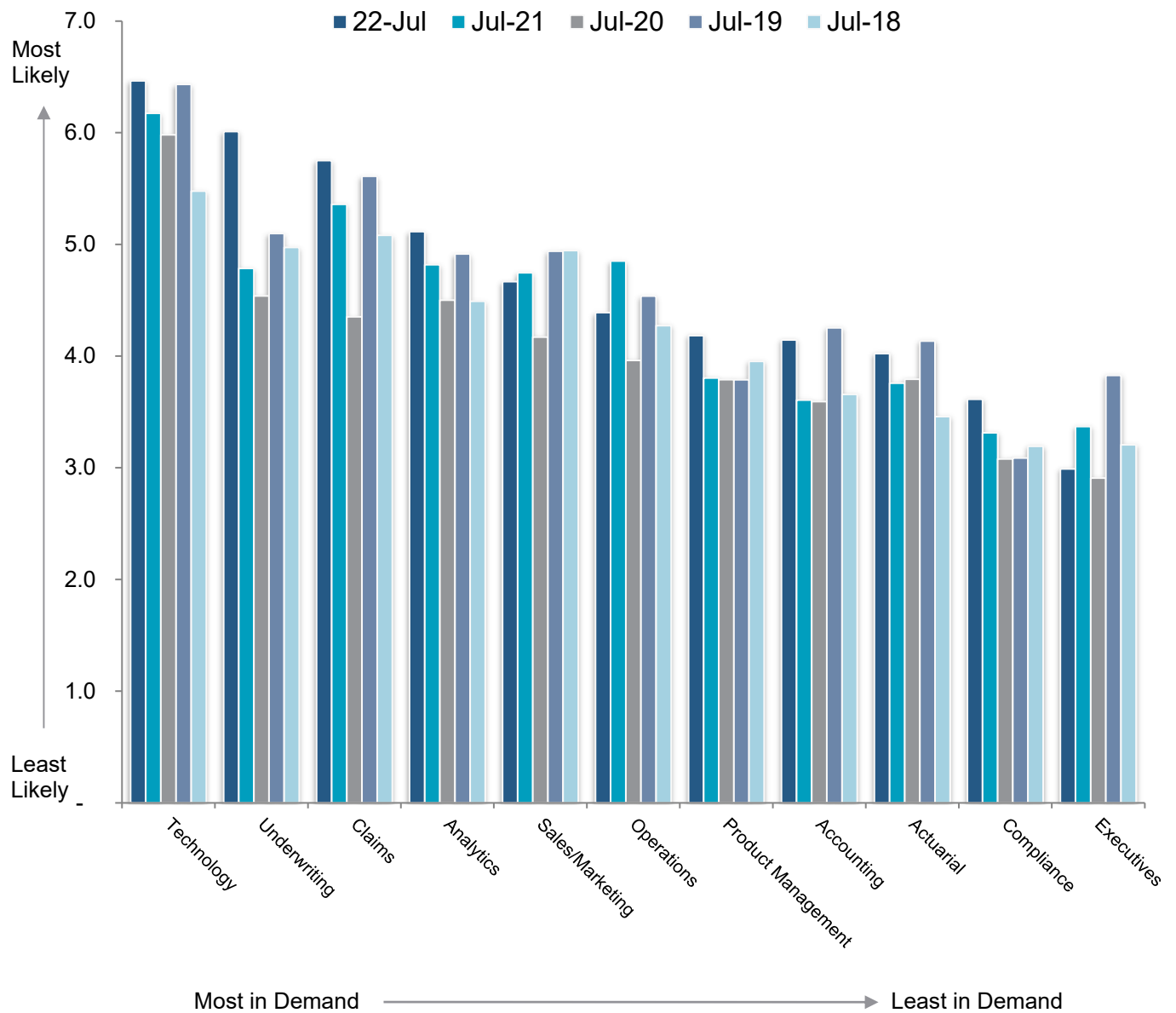
- In total, 48% of companies feel the ability to hire talent has become more difficult compared to the prior year. 10% responded it became less difficult
- 52% of Life/Health companies feel it has worsened compared to P&C companies at 45%
- Medium-sized companies had the most difficulty with 60% responding that it was more challenging, compared to 59% and 33% for large and small companies, respectively

Likelihood of Increasing Staff by Function

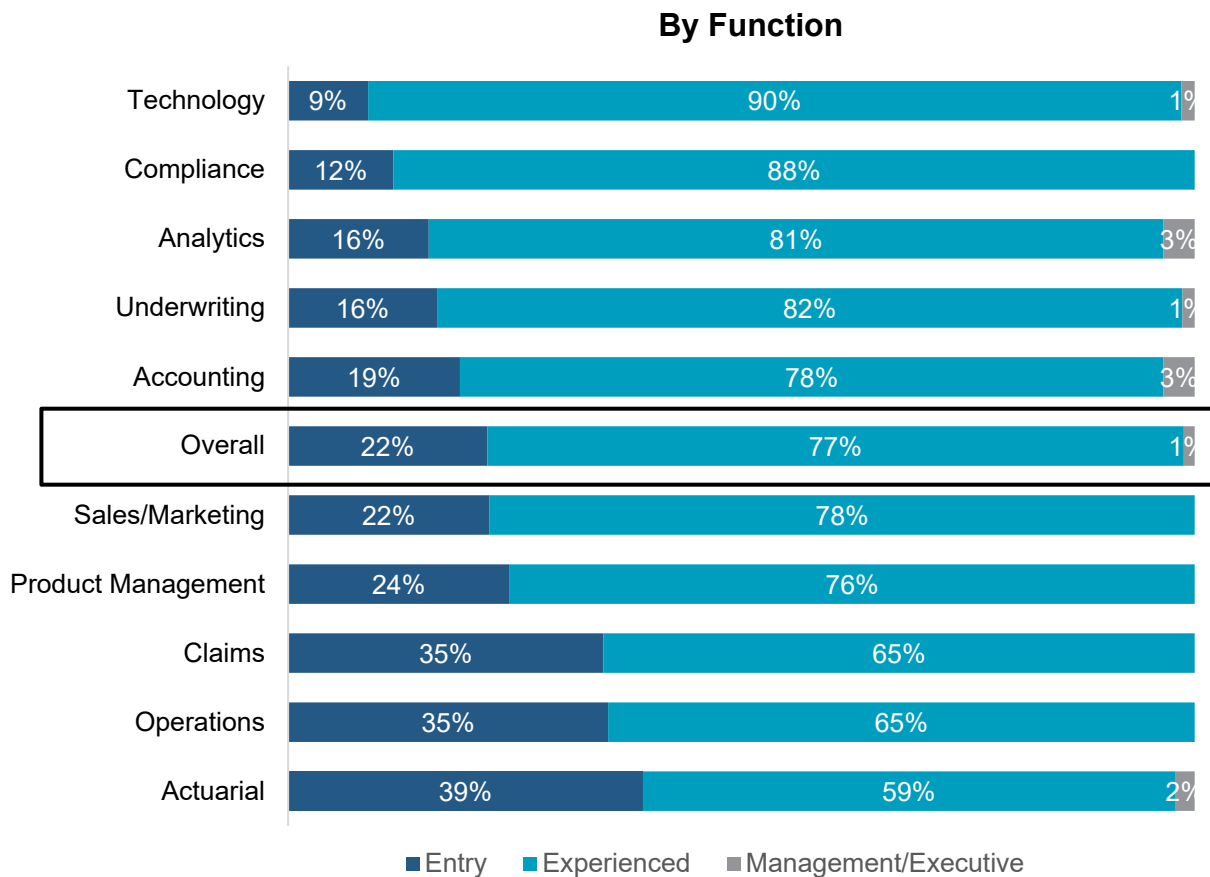


- In total, the industry's greatest need is in Technology staff
- Technology is the area most likely to increase staff for large companies, followed by Underwriting and Claims. Medium-sized companies are looking towards Technology then Claims in the next 12 months. After Technology, small companies have the greatest need in Underwriting
- Technology, Sales/Marketing, and Underwriting are the most likely areas for hiring in the Life/Health segment

Likelihood of Increasing Staff by Function by Survey Period

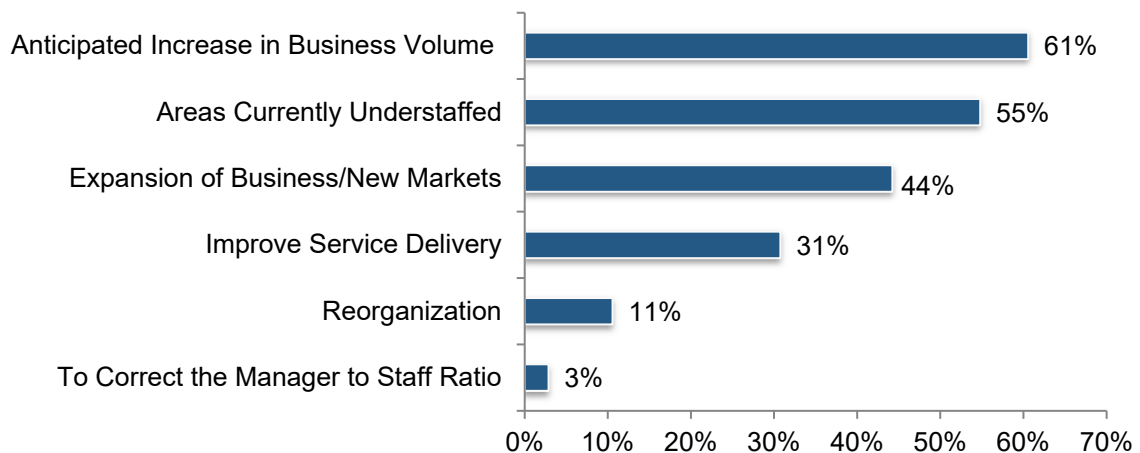


Employee Types Most Likely to be Added



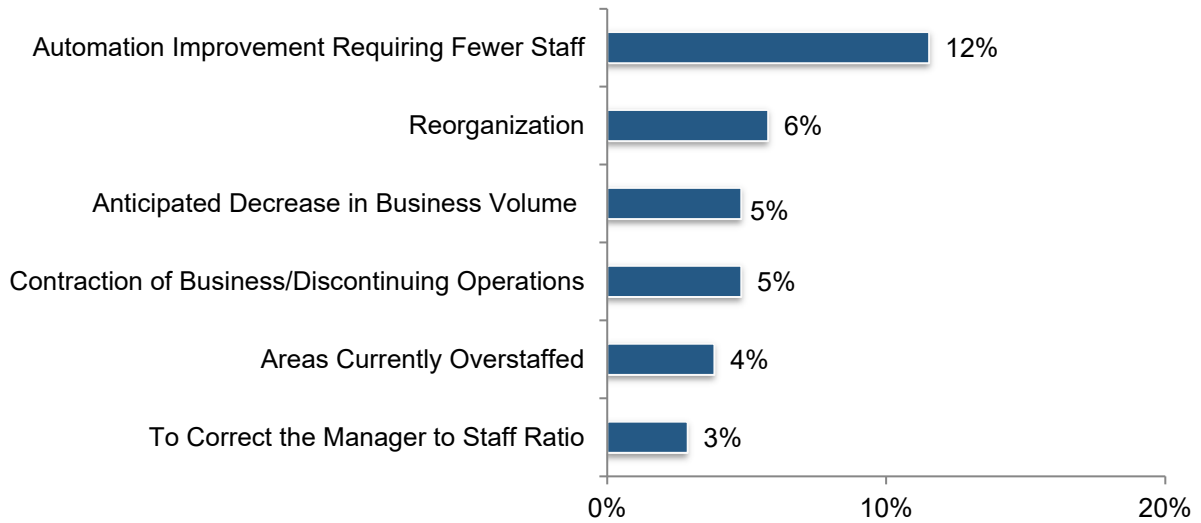
**Percentages in chart rounded to nearest whole number*

Reason to Increase Staff During Next 12 Months



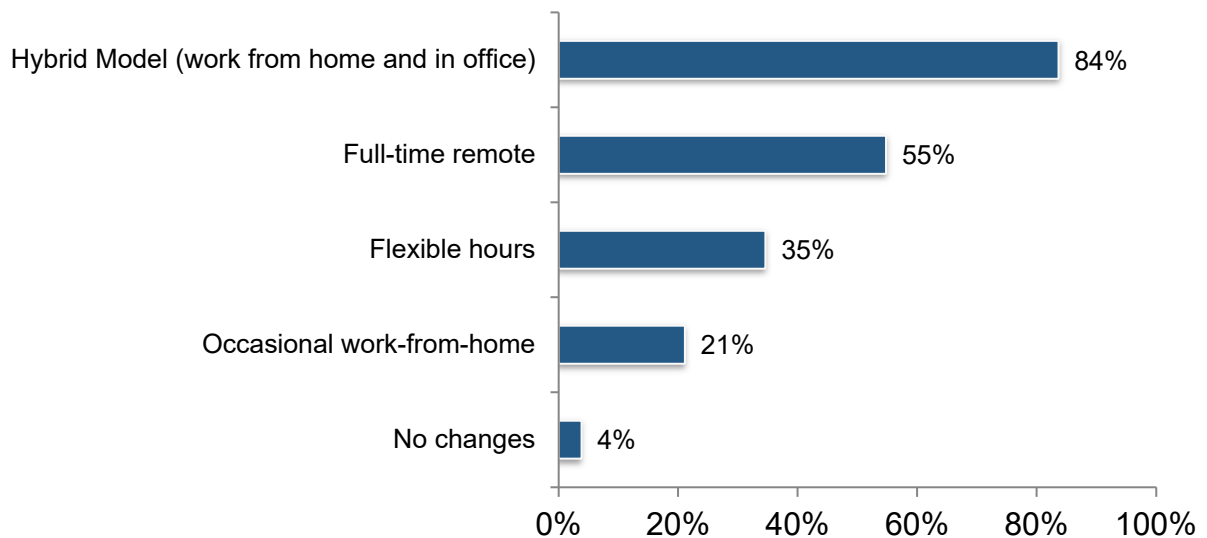
Over the past 4 studies, there has been a significant shift in companies responding that areas are understaffed. The average during that time is 53%, which is 18 points higher than the average of all prior studies

Reason to Decrease Staff During Next 12 Months



Flexible Options for Employees When Offices Reopen From COVID-19

Flexible Options Offered for Employees When Offices Open or Have Reopened from COVID-19



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About Ward

Ward is the leading provider of benchmarking and best practices studies for the industry. We analyze staff levels, compensation, business practices and expenses for all areas of company operations and help insurers to measure results compared to peer groups, optimize performance and improve profitability. Since 1991, we have performed more than 3,000 operational and compensation benchmarking exercises for companies of all sizes.

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About The Jacobson Group

The Jacobson Group is the leading provider of talent to the insurance industry. For more than 50 years, Jacobson has been connecting organizations with insurance professionals at all levels across all industry verticals. We provide an array of services including executive search, professional recruiting, temporary staffing and subject matter experts. Regardless of the need or situation, Jacobson is the insurance talent solution. Further information is available at jacobsononline.com.

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