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## Insurance Industry Labor Market Study

February 10, 2022

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## About Ward

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Ward, a business unit of Aon plc, is an advisory consulting and analytical firm specializing in the insurance industry and the leading provider of industry benchmarking and best practices services. We analyze staff levels, compensation, business practices and expenses for all areas of company operations and help insurers measure results, optimize performance and improve profitability.

Our services include:

- Expense, staffing & performance analysis for all functions
- Compensation and pay practices surveys
- Executive compensation consulting
- Sales and distribution effectiveness
- Annual evaluation of the financial performance of industry

For more information about Ward's solutions for insurance companies, please visit [ward.aon.com](http://ward.aon.com).

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## About The Jacobson Group

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The Jacobson Group is the leading provider of talent to the insurance industry. For 50 years, Jacobson has been connecting organizations with insurance professionals at all levels across all industry verticals. We provide an array of services:

- Executive search
- Professional recruiting
- Temporary staffing
- Subject matter experts

For more information about Jacobson's talent solutions, please visit [jacobsononline.com](http://jacobsononline.com).

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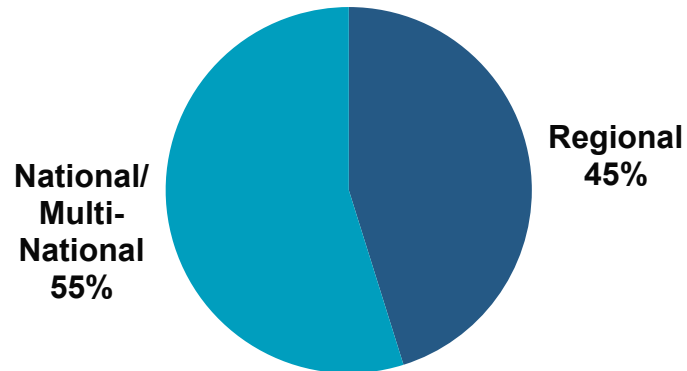
## Study Objectives

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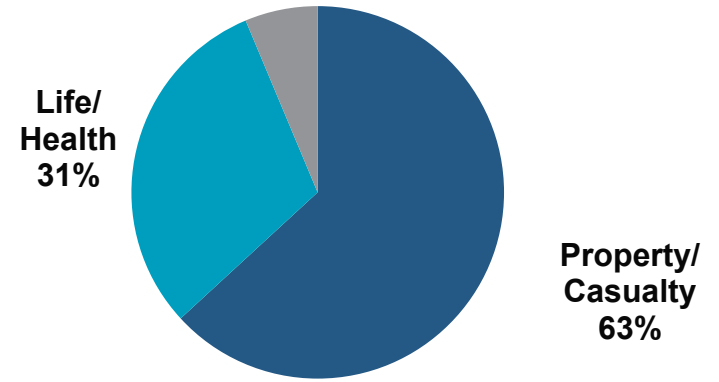
- Analyze current labor trends and future staffing expectations
- Provide an overview of staffing challenges by discipline
- Provide commentary on the industry's labor market

# Participant Profile

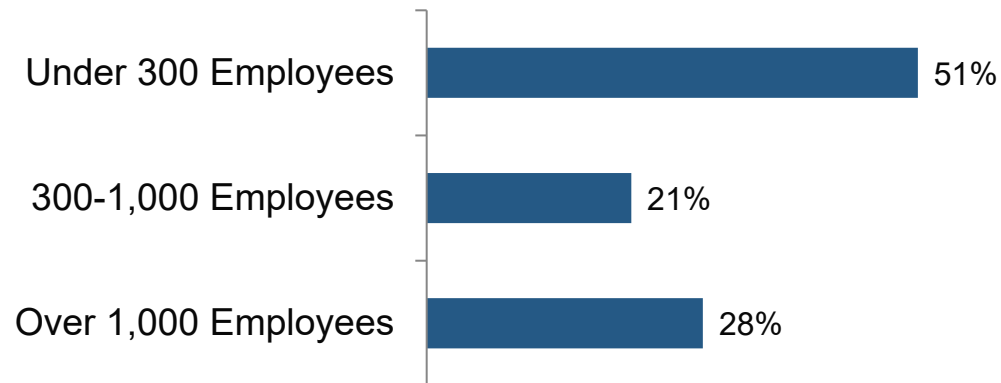
## Business Profile



## Reinsurer



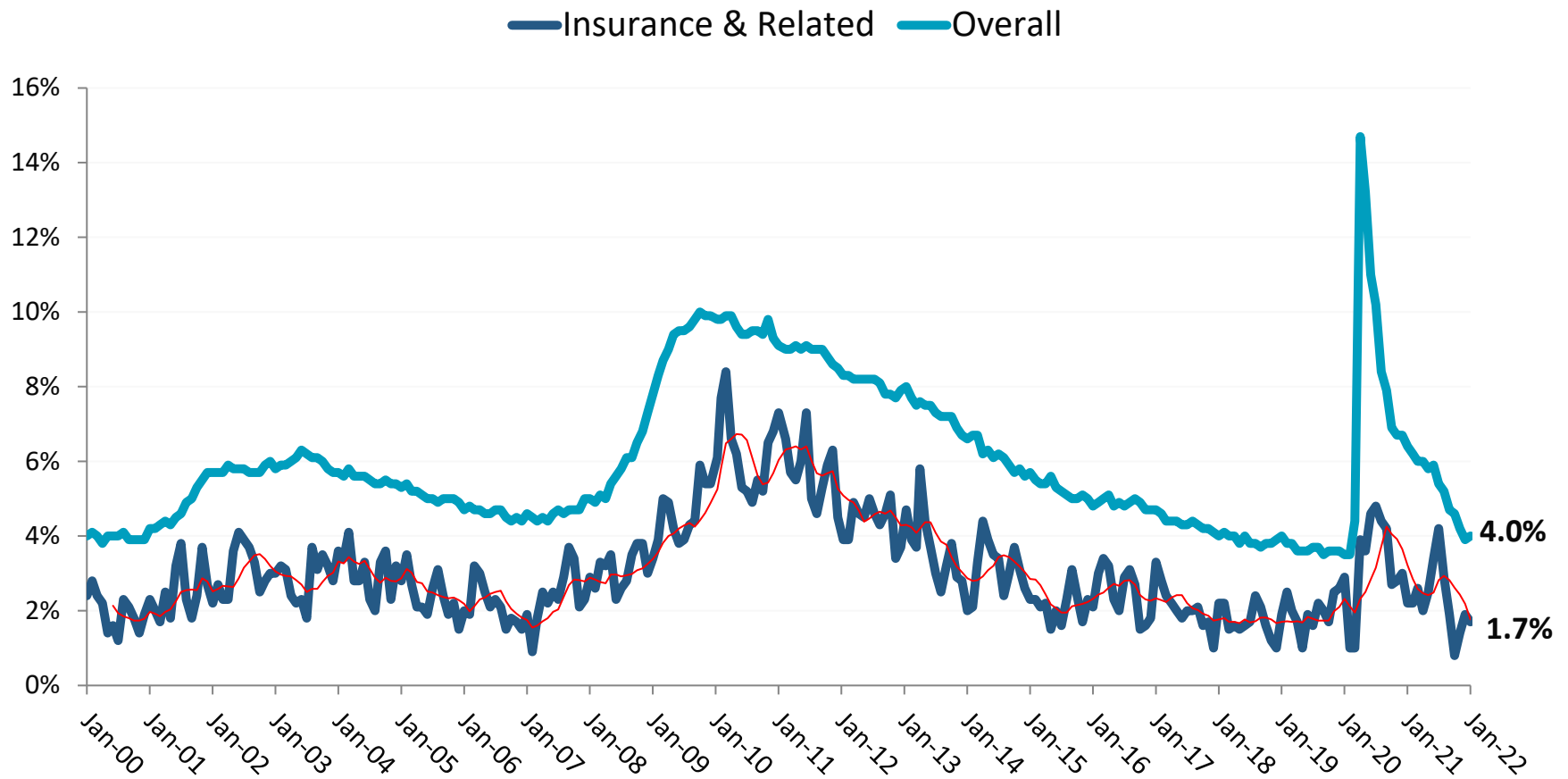
## Company Size



The total average number of employees is 2,157

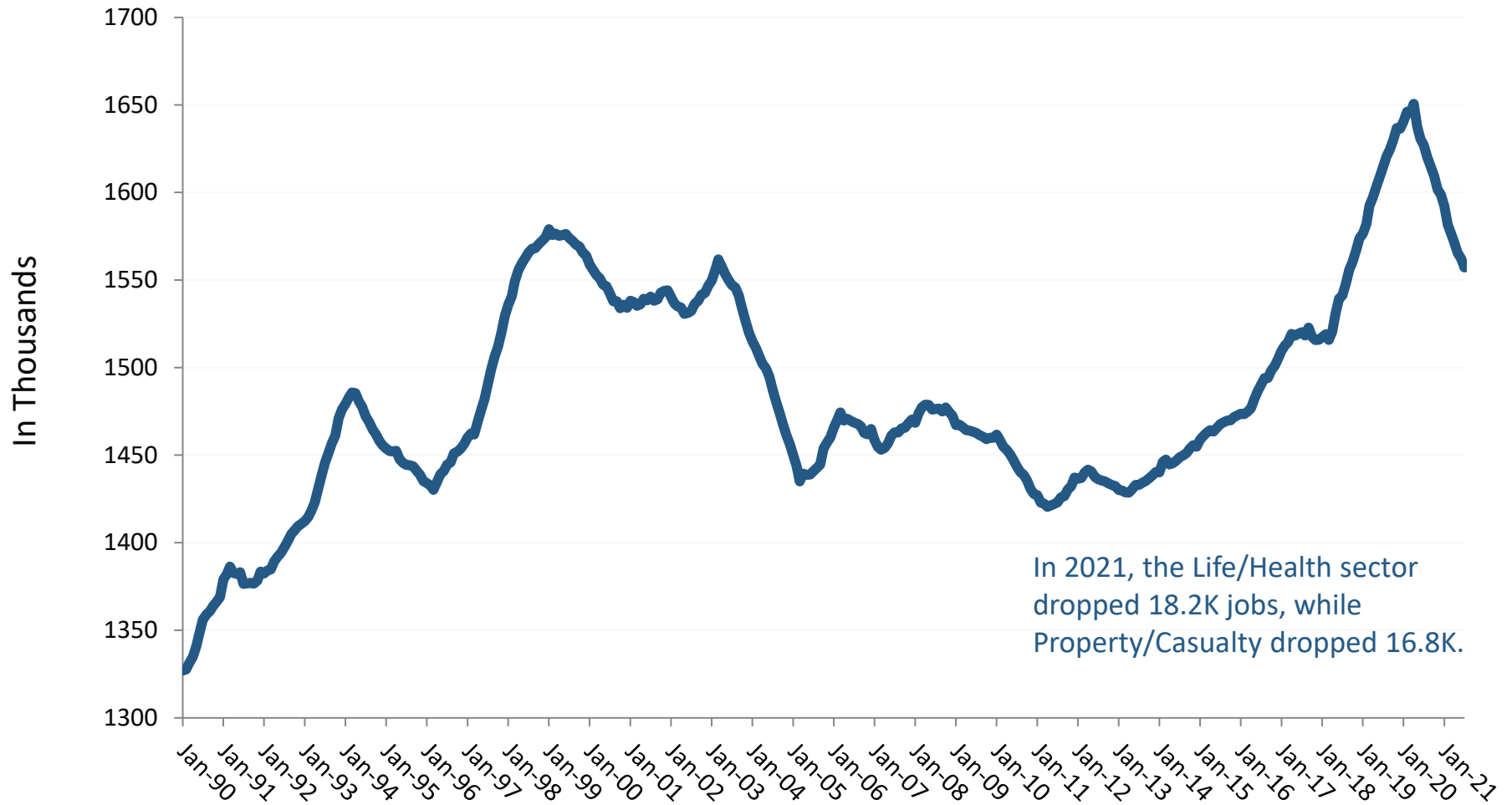
\*Percentages in chart rounded to nearest whole number

# Unemployment Rates



Source: U.S. Bureau of Labor Statistics

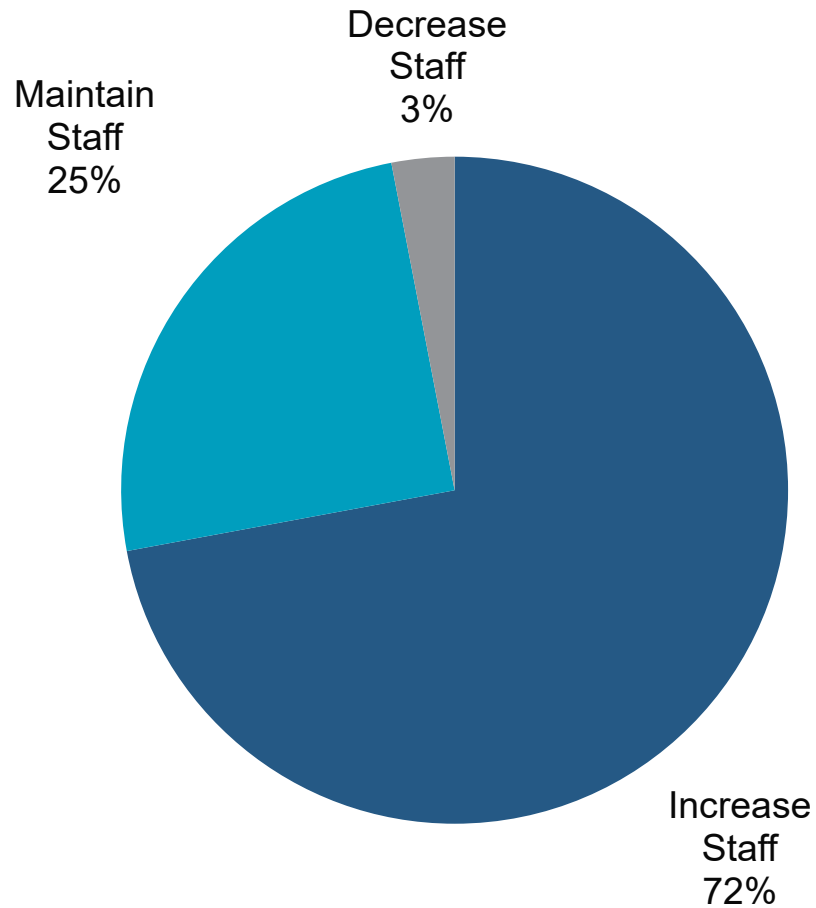
# Insurance Carrier Employment



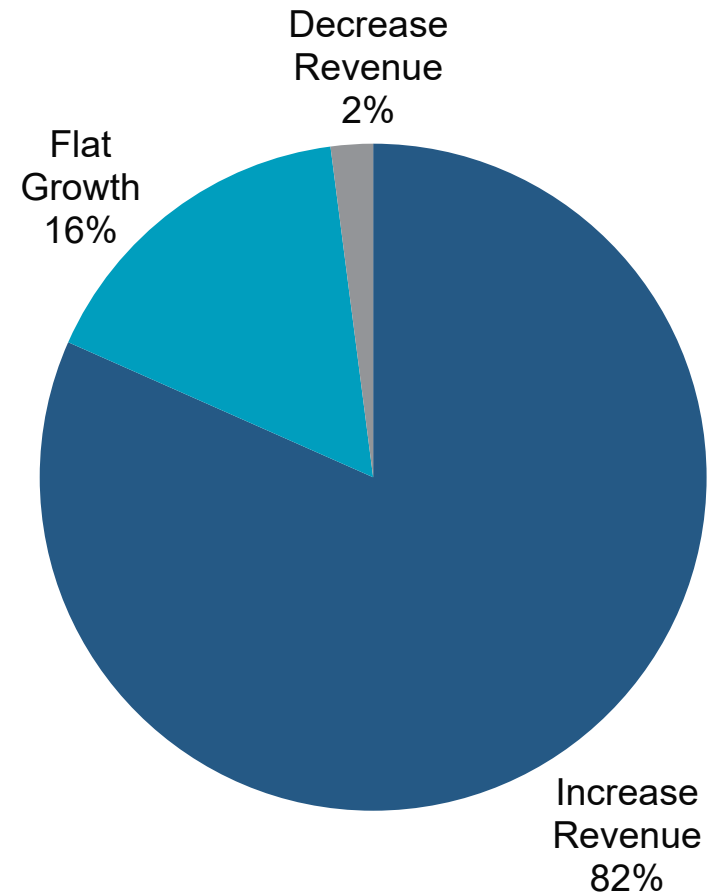
Source: U.S. Bureau of Labor Statistics

# Revenue and Staffing Expectations

## 12-Month Staffing Plan



## 12-Month Revenue Plan



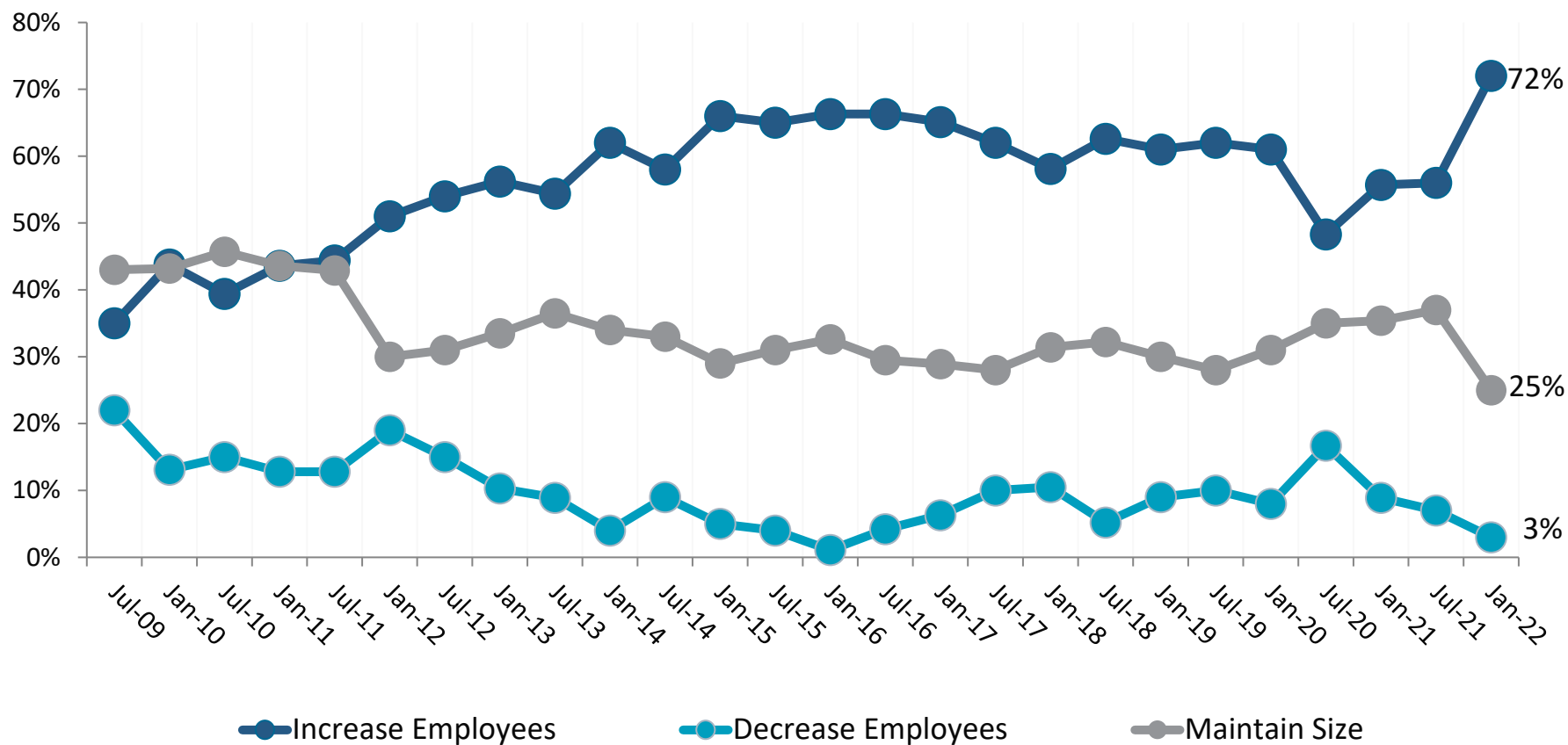
\*Percentages in chart rounded to nearest whole number



# 12-Month Staffing Plans

July 2009 – January 2022

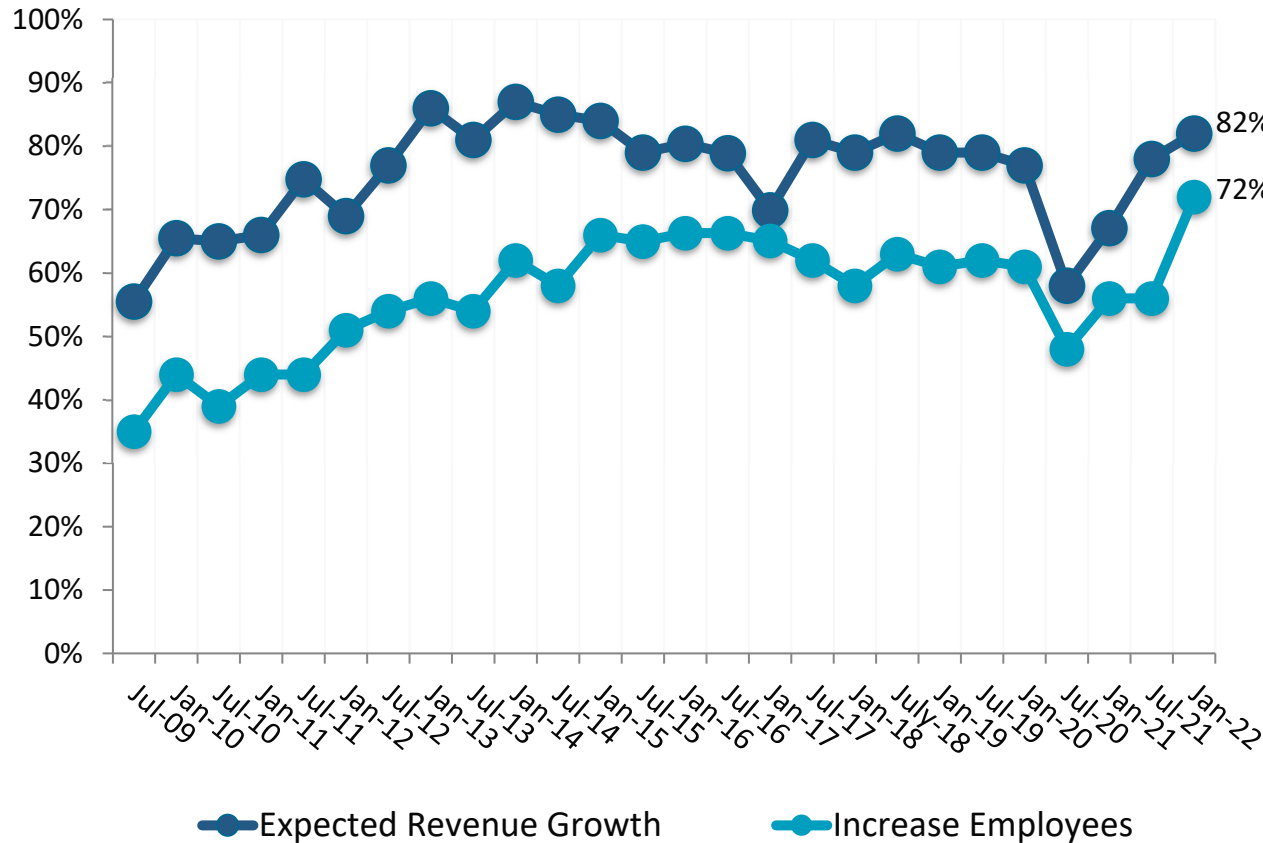
## Prior Survey Results



\*Percentages in chart rounded to nearest whole number

# 12-Month Staffing Plans Increase vs. Expected Revenue Growth

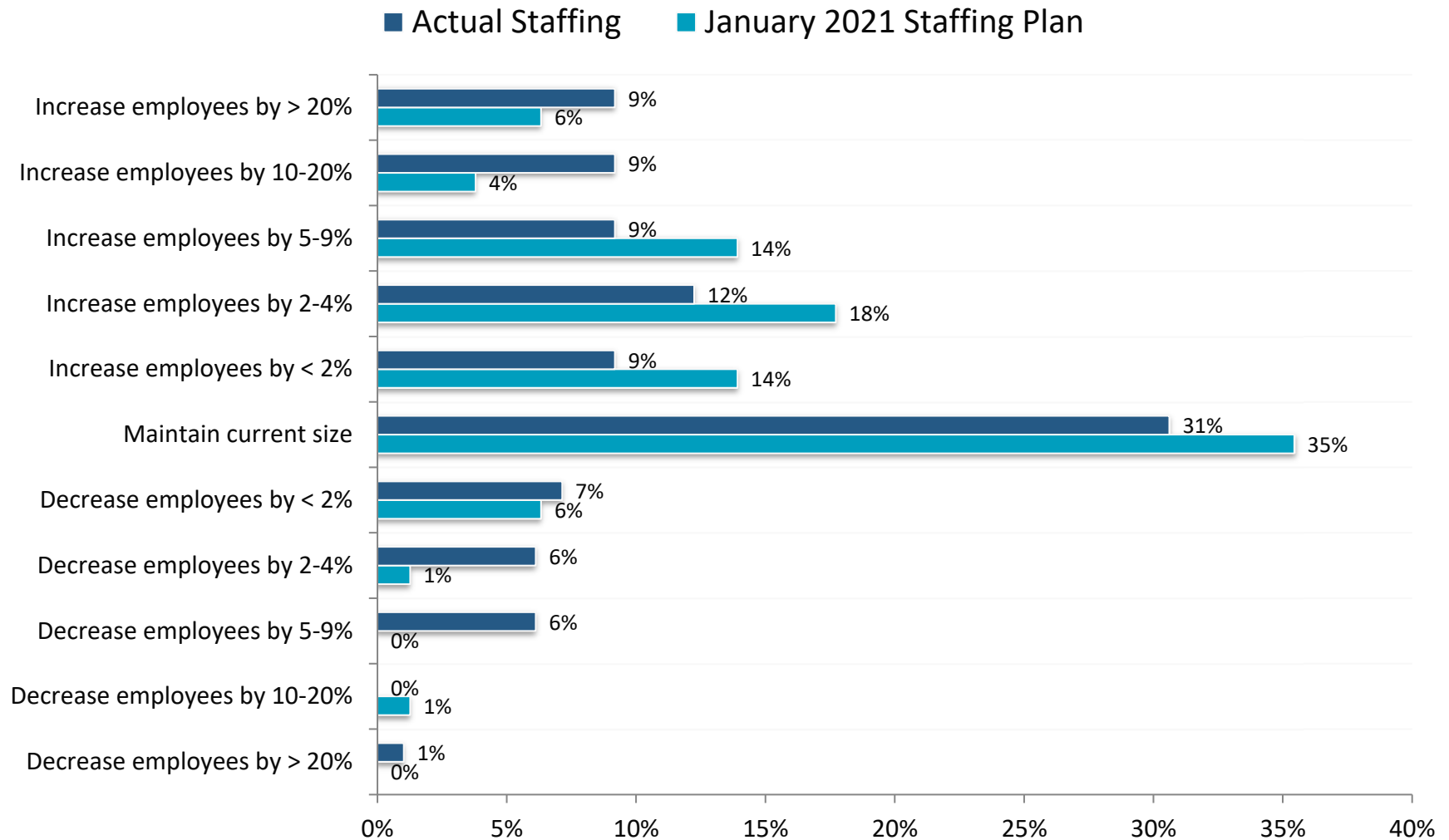
July 2009 – January 2022



- 82% of companies expect an increase in revenue growth, up 4 points from the July survey and 15 points higher than the January 2021 outlook
- 72% increase is the highest 12-month staffing plan in the history of this study
- In July, 7% of companies were expecting a decrease in staff. The January 2022 expectations reduce to 3%, driven by both P&C and Life/Health segments
- 2% of companies expect a decrease in revenue growth, up 1 point from the July survey
- P&C and Life/Health companies responded that the primary driver for expected revenue changes will be market share at 71% and 83%, respectively

\*Percentages in chart rounded to nearest whole number

# Prior Year 12-Month Plan vs. Actual Staffing

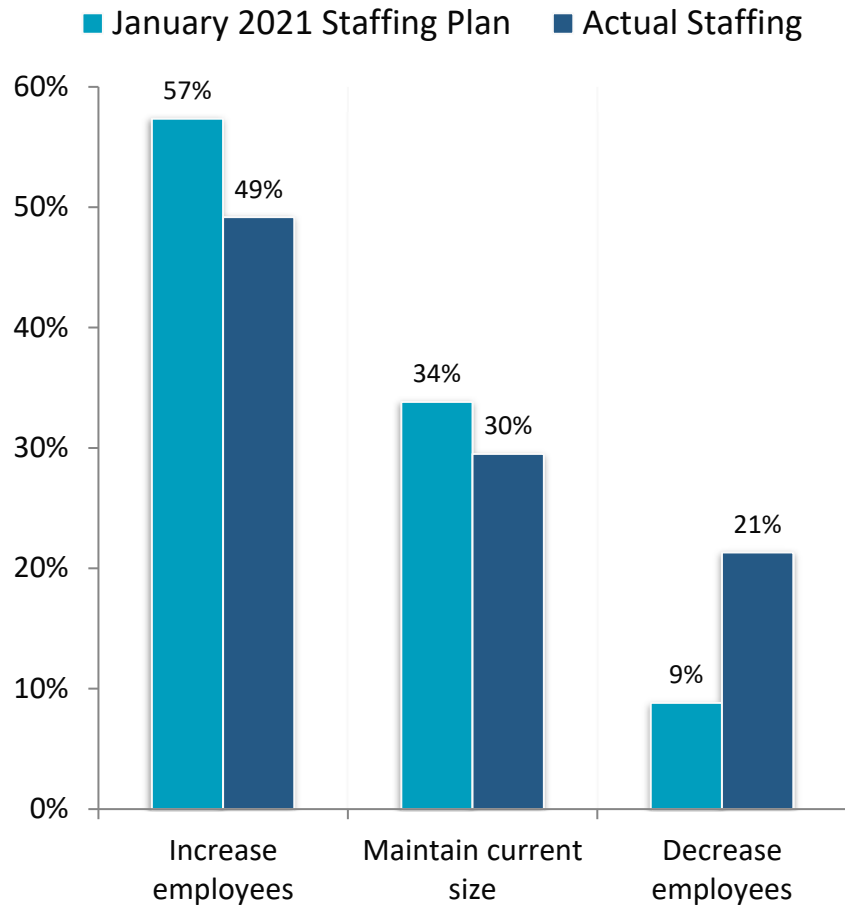


49% of companies added staff since January 2021, while 20% reduced staff

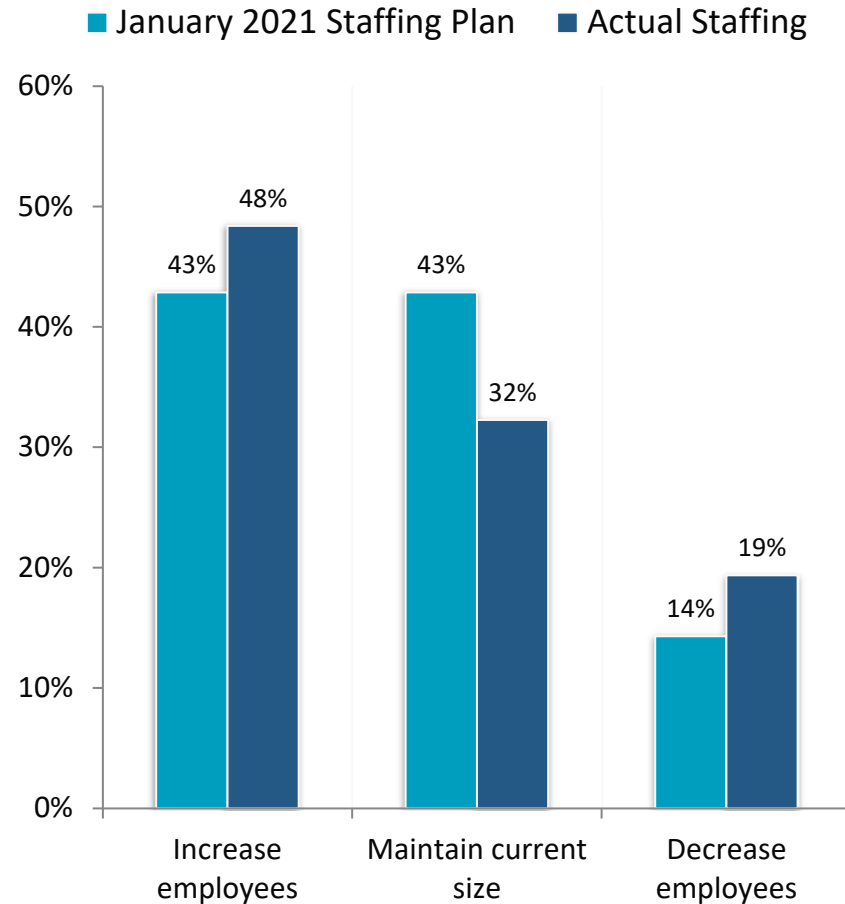
\*Percentages in chart rounded to nearest whole number

# Prior Year 12-Month Plan vs. Actual Staffing - By Industry

## Property/Casualty

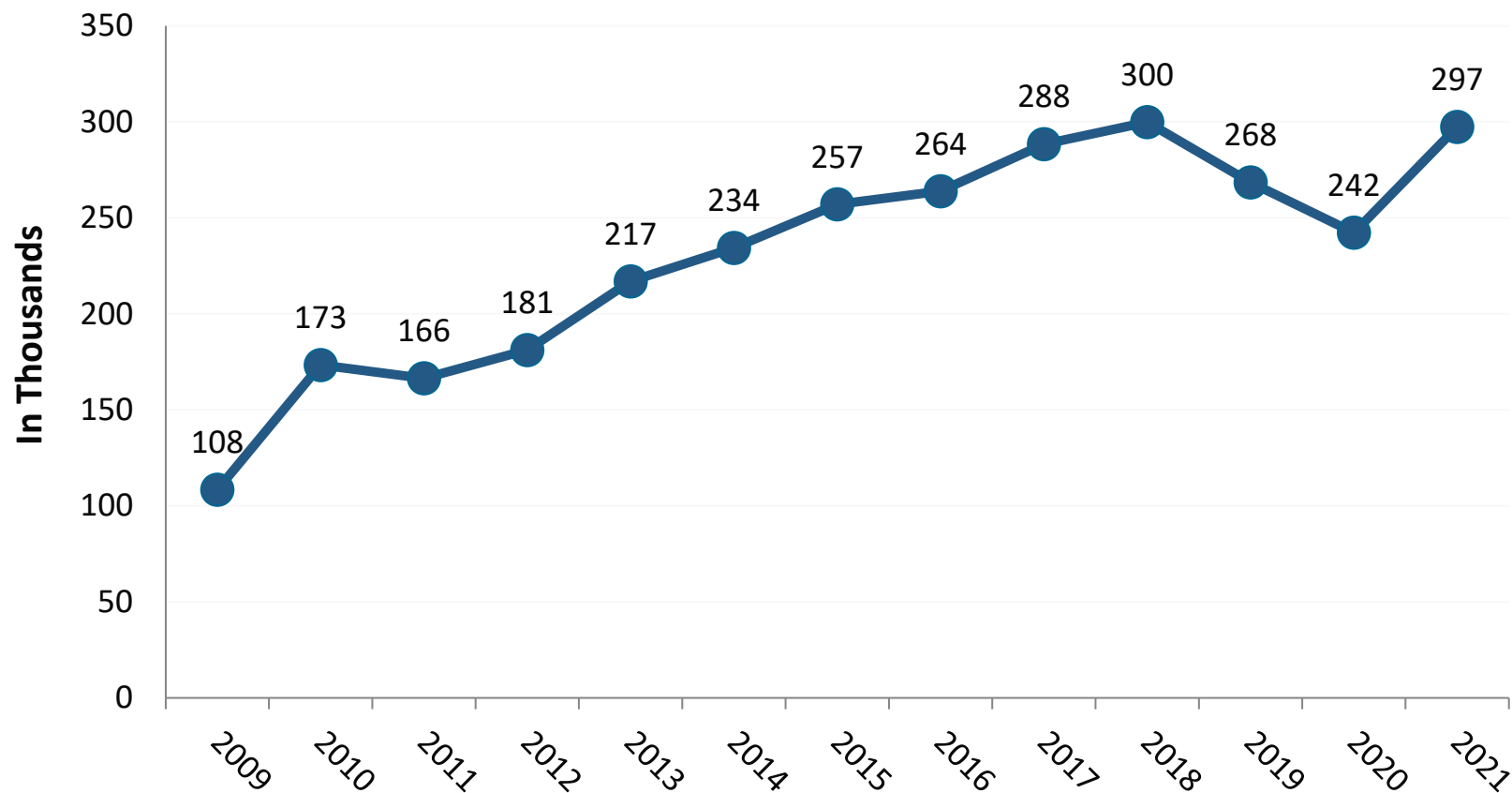


## Life/Health



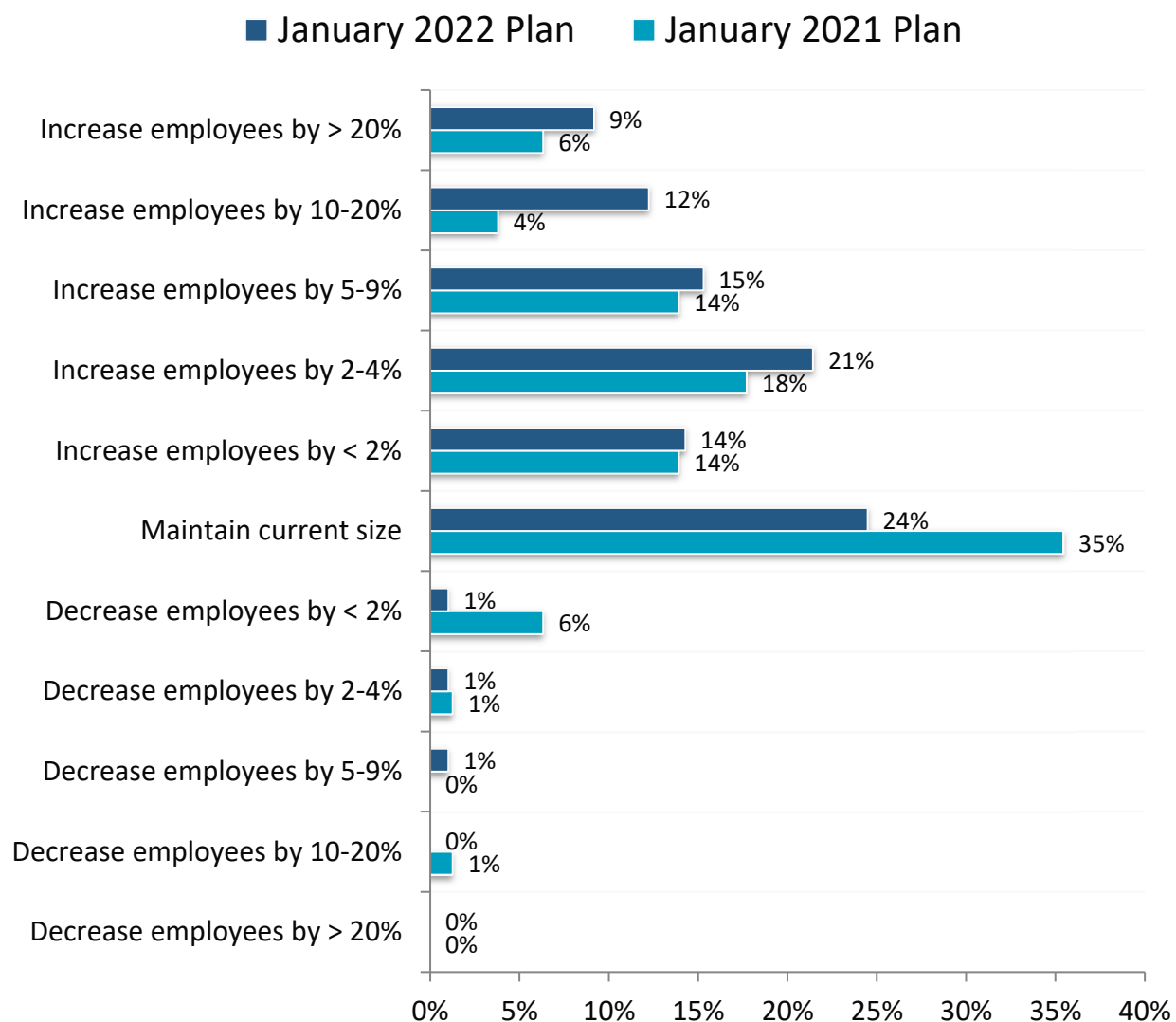
\*Percentages in chart rounded to nearest whole number

## Job Openings in Finance and Insurance



Source: U.S. Bureau of Labor Statistics

# 12-Month Staffing Plans



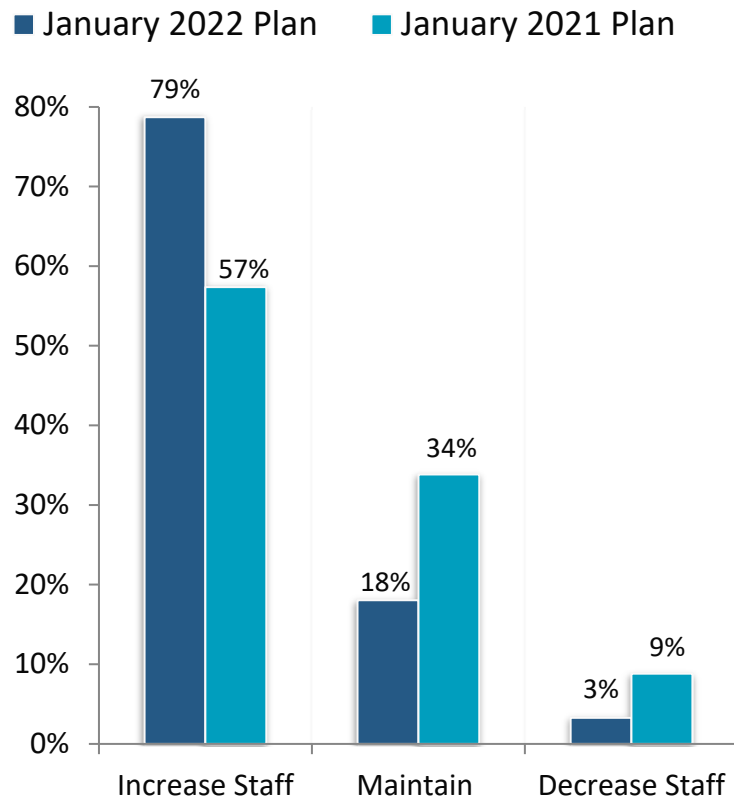
- 82% of Personal Lines P&C companies are expecting to increase staff during the next 12 months. This is 1 and 7 points higher than Balanced and Commercial Lines P&C companies, respectively
- Of the companies who plan to add staff during the next 12 months, 89% expect an increase in revenue with 70% responding that it will be due to a change in market share. Of those planning a decrease in staff, none expect a decrease in revenue
- 63% 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

\*Percentages in chart rounded to nearest whole number

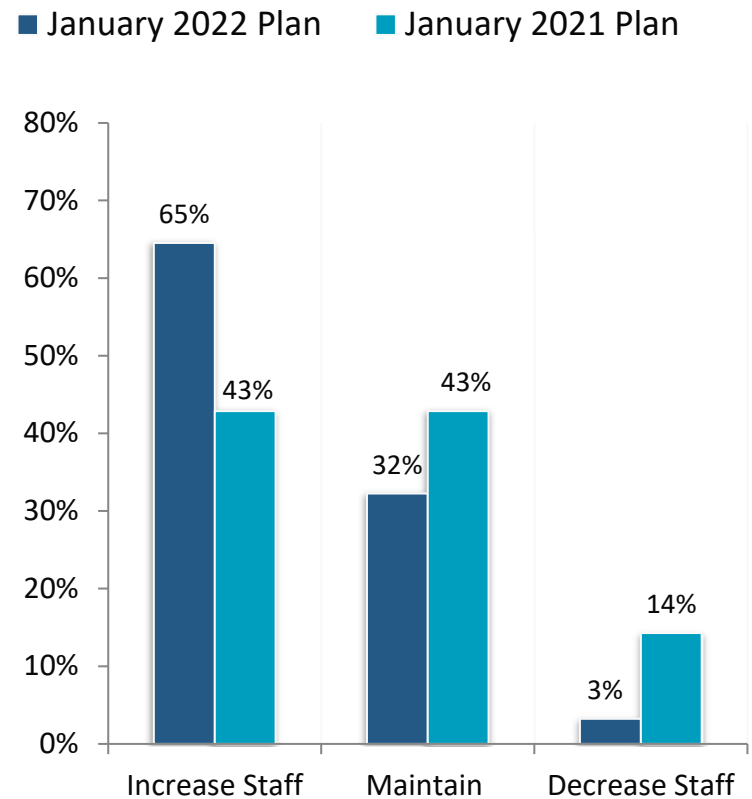
# 12-Month Staffing Plans

## Comparison to January 2021 by Industry

### Property/Casualty



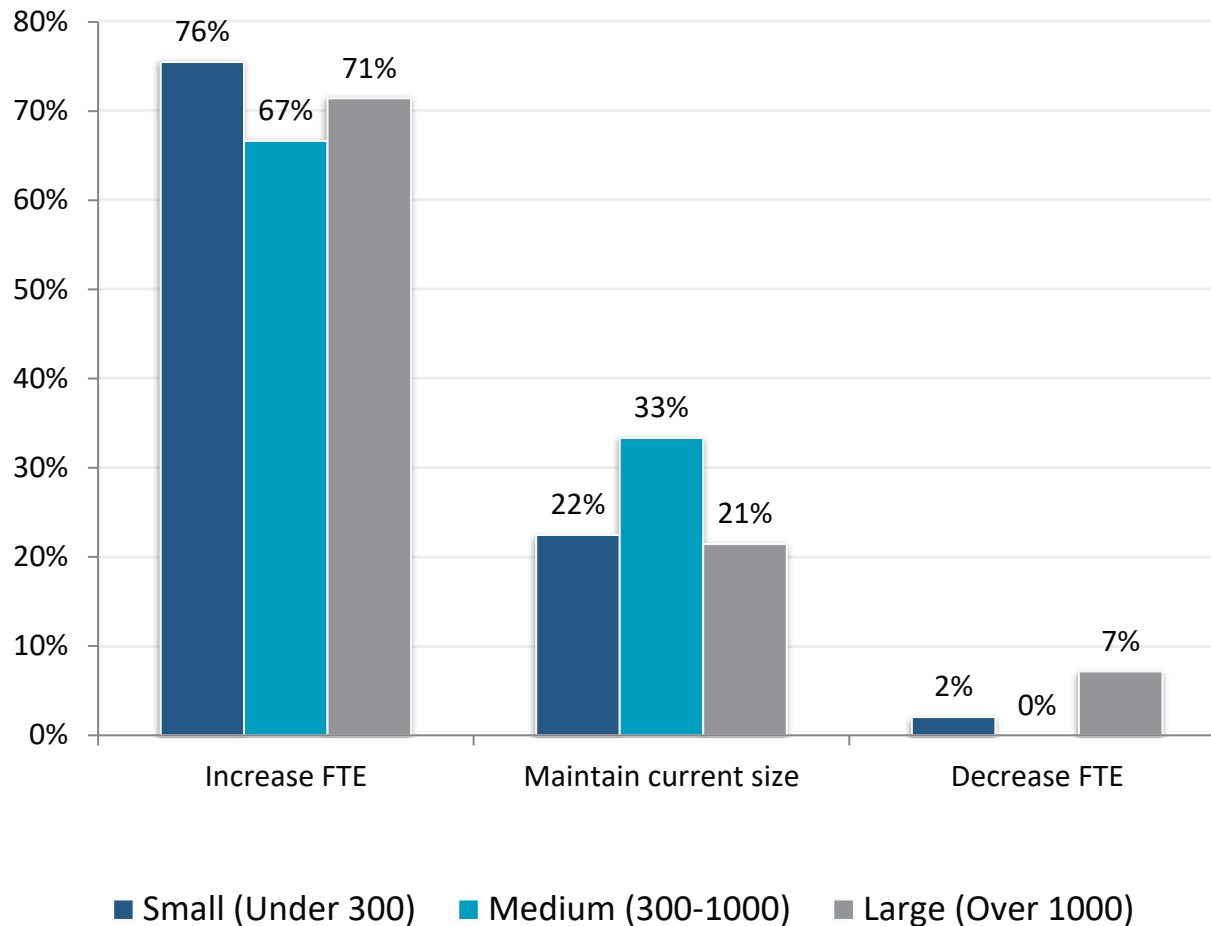
### Life/Health



\*Percentages in chart rounded to nearest whole number

# 12-Month Staffing Plans

## By Employee Size



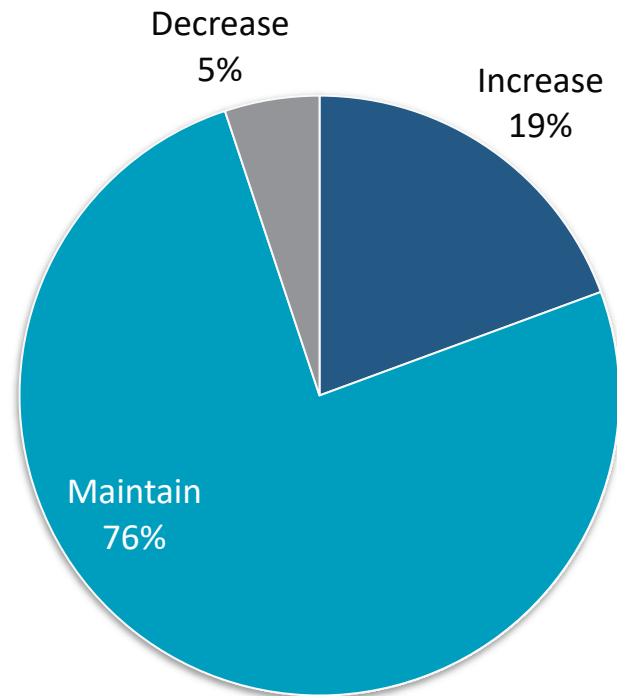
- Since July, overall expectations to add staff increased 16 points to 72%. Small companies are expecting an increase of 76% compared to 62% in July. Medium-sized companies increased their 12-month expectations from 47% in July to 67% in January while large companies increased from 52% to 71%
- 48% of medium-sized companies are expecting growth in revenue/premium greater than 10%. This compares to 31% for small and 25% for large companies
- All segments expect revenue changes to be driven by market share

\*Percentages in chart rounded to nearest whole number



# Temporary Employees

## Use of Temporary Employees During Next 12 Months



- With an expected increase of 19% over the next 12 months, temporary staffing demand is at the highest point in the history of this study

\*Percentages in chart rounded to nearest whole number

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## Notable Survey Trends

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### January 2021 to January 2022

- The Total industry grew 0.44% versus an anticipated rate of 0.74%
- The P&C industry grew 0.90% versus an anticipated rate of 0.76%
- The L&H industry grew 0.32% versus an anticipated rate of 0.49%

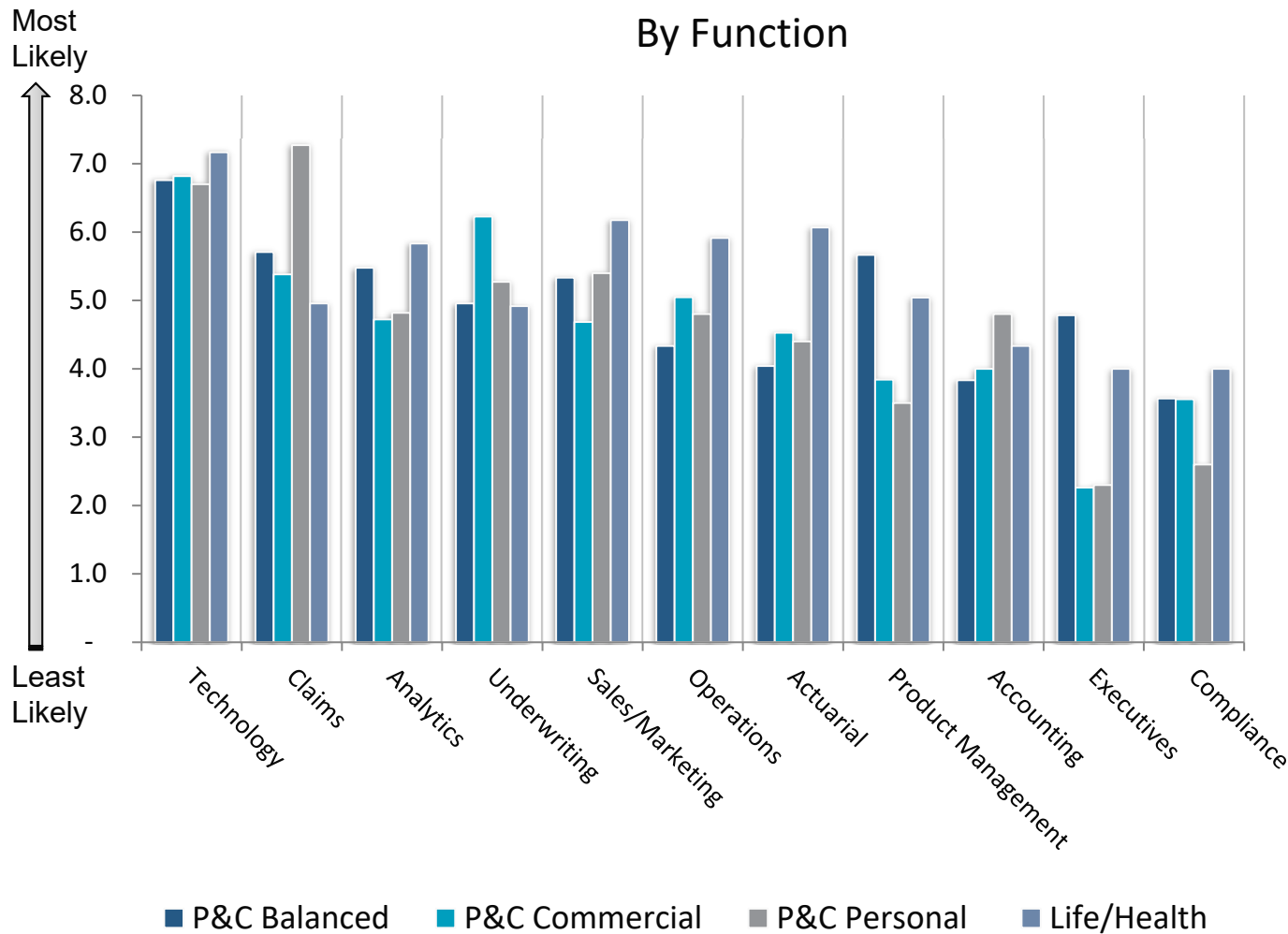
Note: Outliers have been excluded from calculations

# Recruiting Difficulty Reaches All Time High



- 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 is the most difficult recruiting environment in the study's history with an average difficulty rating of 6.2 and all functions rated at a 5 or above

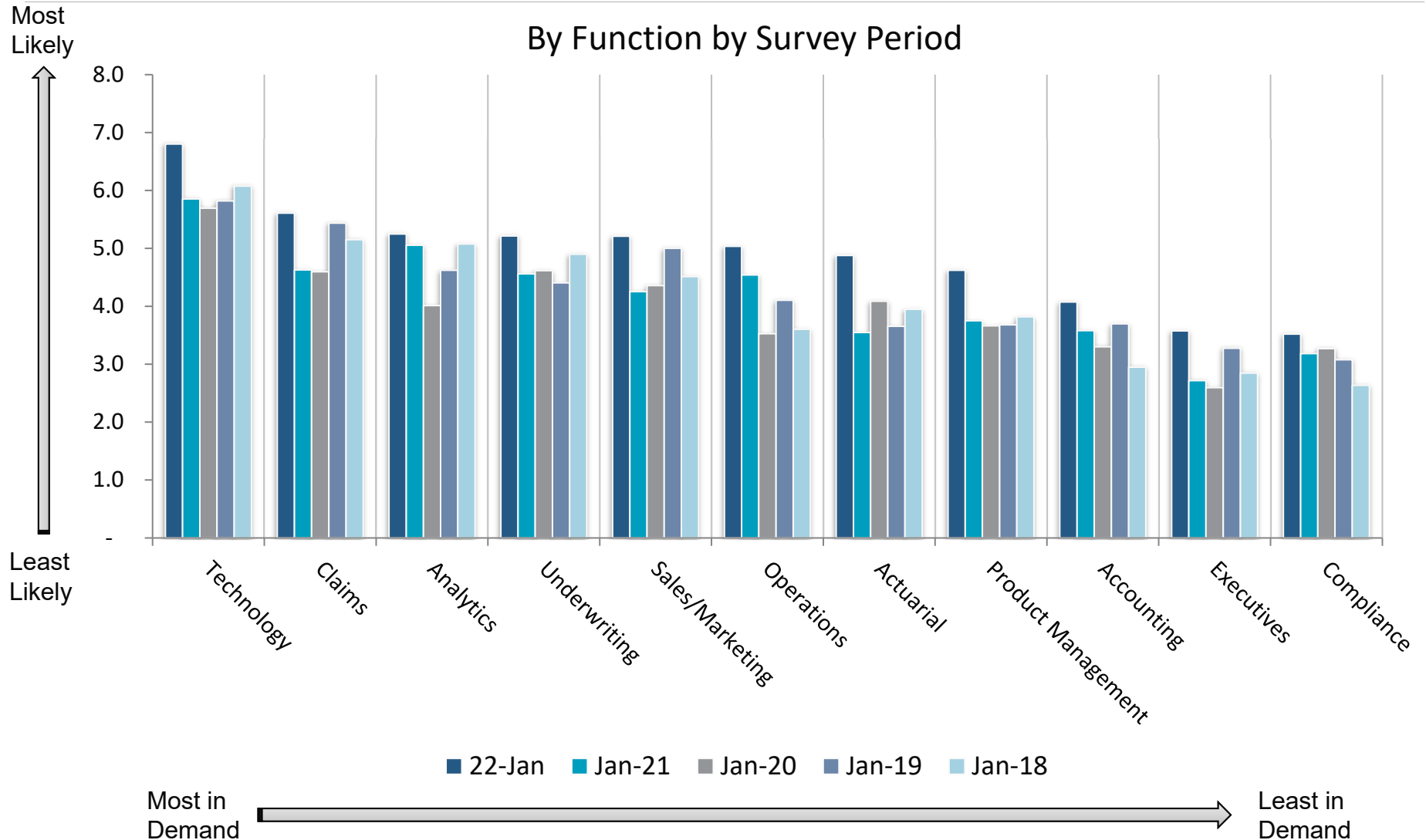
# Likelihood of Increasing Staff



- 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 Analytics. Medium-sized companies are looking towards Technology then Analytics in the next 12 months. After Technology, small companies have the greatest need in Claims
- Technology, Sales/Marketing, and Actuarial are the most likely areas for hiring in the Life/Health segment

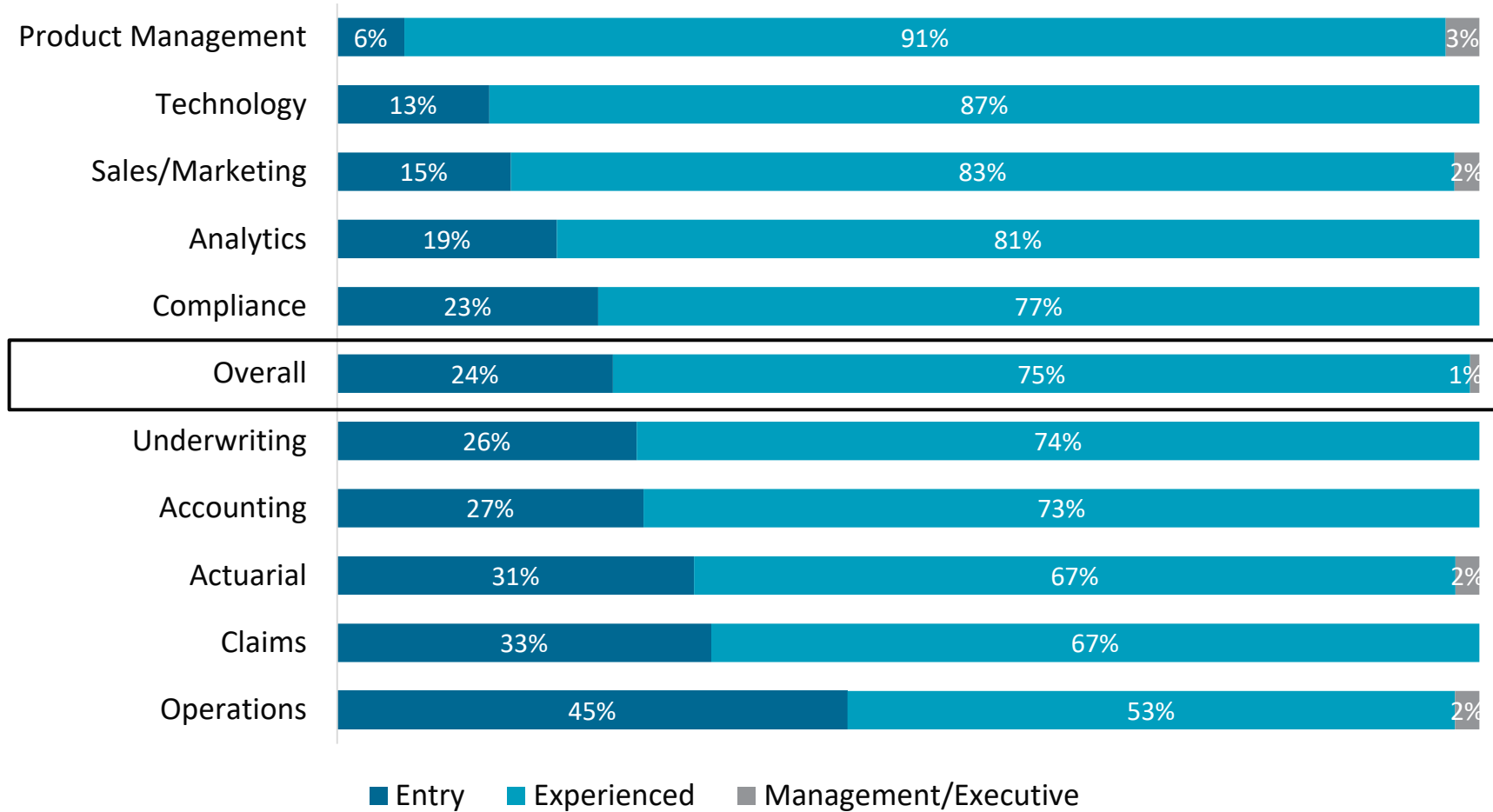
Most in Demand ←————→ Least in Demand

# Likelihood of Increasing Staff



# Employee Types Most Likely to Be Added

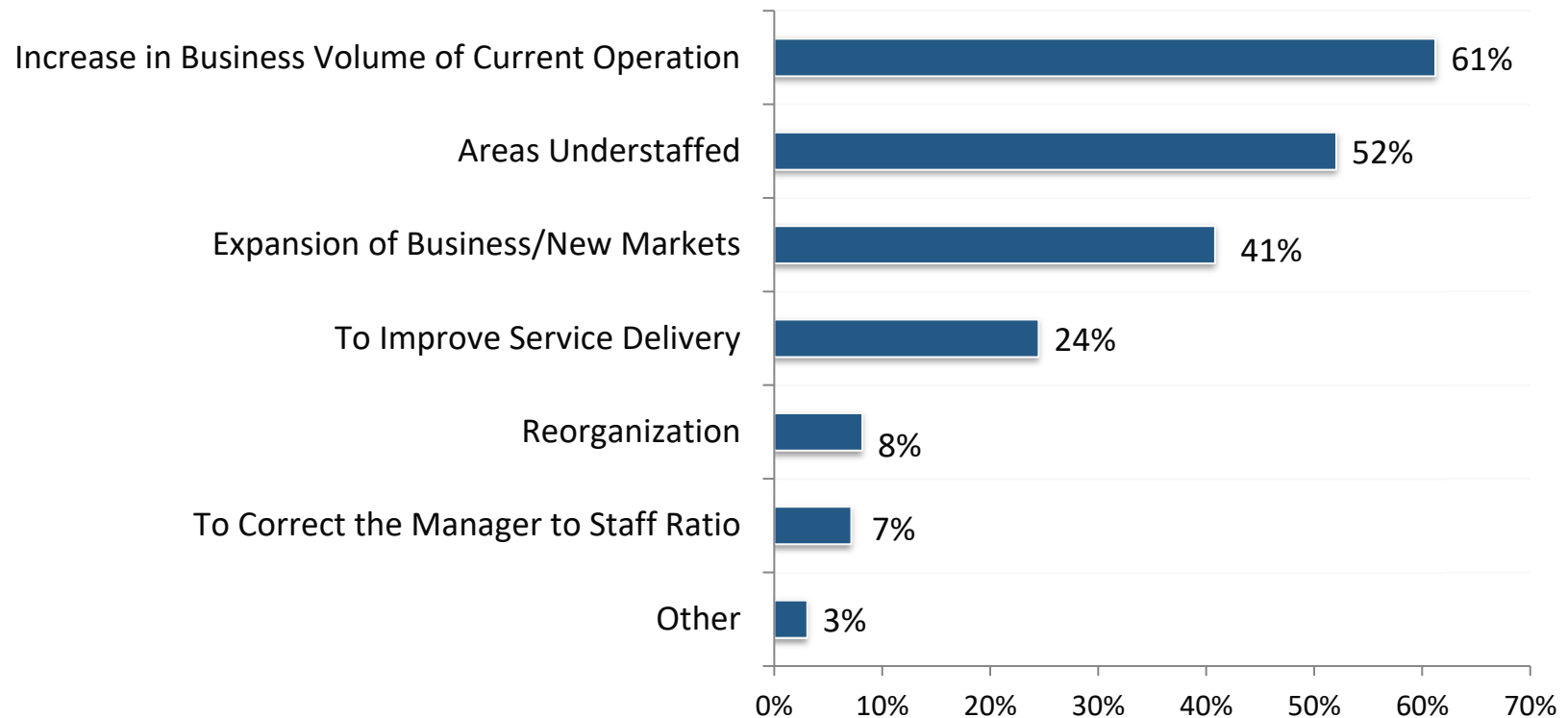
## By Function



\*Percentages above rounded to nearest whole number

# Staff Increases

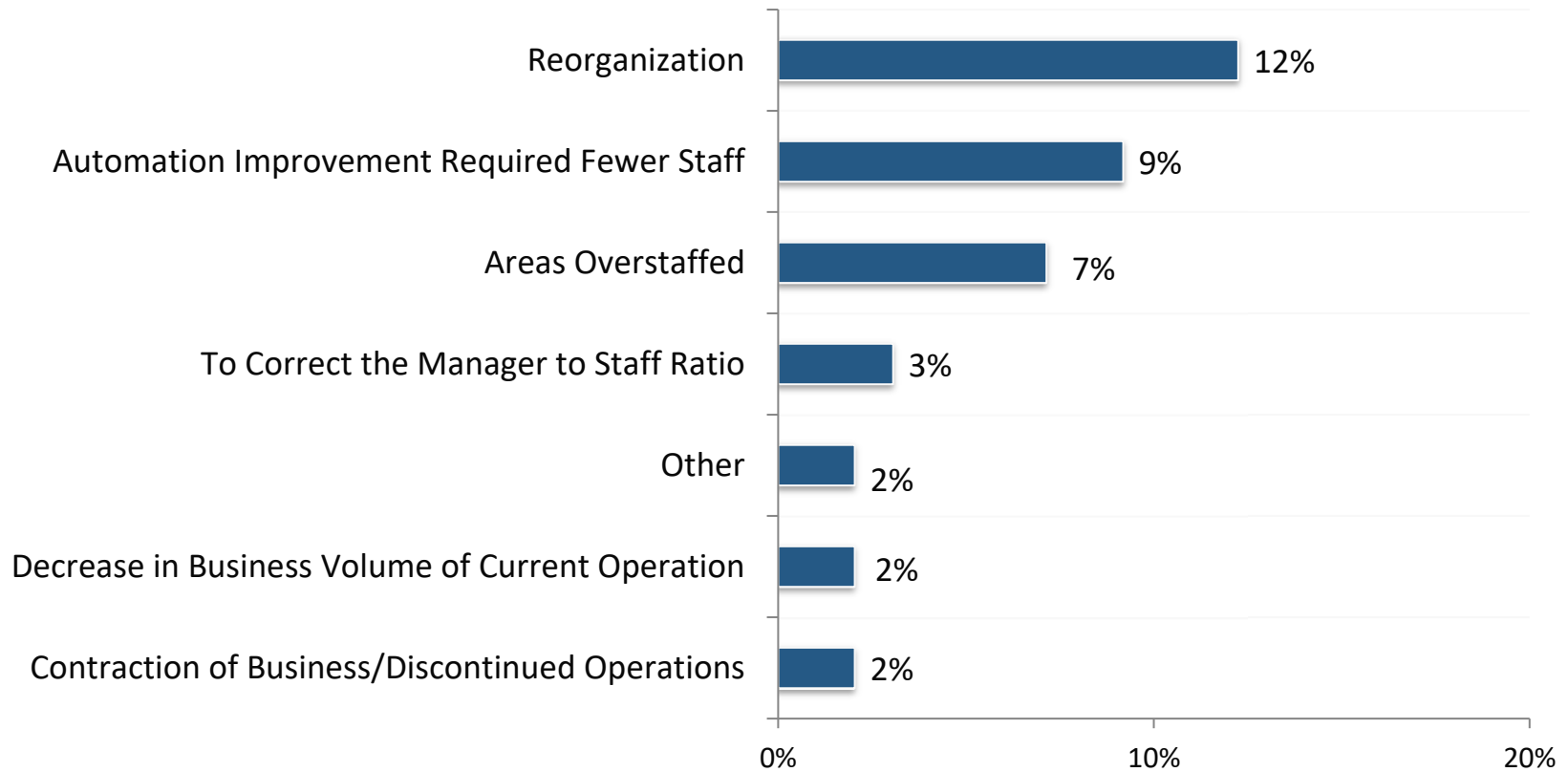
## Reason to Increase Staff During Next 12 Months



- Over the last 3 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

# Staff Decreases

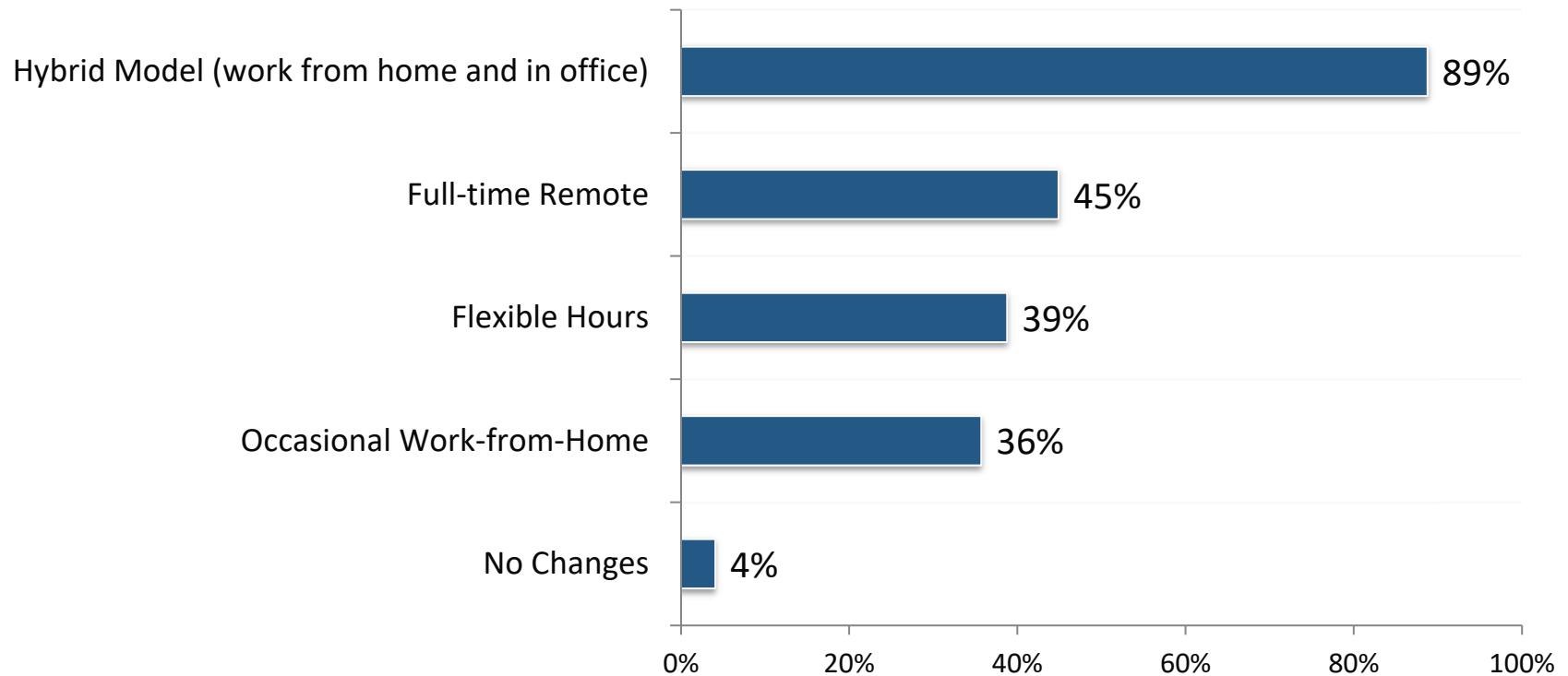
Reason to Decrease Staff During Next 12 Months





# COVID-19 Impact on Employee Offerings

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





## Summary and Closing Thoughts

## Summary

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- 72% of companies plan to increase staff during the next 12 months driven by the Property/Casualty segment at 79%
- 3% of companies are planning to decrease their number of employees. This is down from the 7% expected in the July study
- 76% of small companies plan to add staff during the next 12 months. This is 5 and 9 points higher than large and medium-sized companies, respectively
- 82% of companies expect to grow revenue during the next 12 months. This is 4 points higher than the July survey and driven by medium-sized companies
- Commercial lines companies are the most optimistic to increase revenue as 83% expect growth, compared to 82% of personal lines companies and 81% of balanced.
- 71% of the companies stated that change in market share will drive their expected revenue changes, while 20% cited pricing factors

## Summary

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- The primary reason to increase staff during the next 12 months is companies expecting an 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 reorganization will be the primary reason for reductions in headcount during the next 12 months
- Technology, Claims, and Analytic roles are expected to grow the greatest during the next 12 months
- The talent landscape is further intensifying as the industry hits a record amount of job openings. Evolving candidate expectations have set the stage for continued movement and ongoing reshuffling, creating one of the most difficult recruiting climates the industry has ever seen.
- Product Management and Technology are the top two areas where companies are looking to add experienced staff. Operations and Claims roles were identified as areas most likely to add entry positions
- Technology, Actuarial, and Analytics positions are the most difficult to fill

## Projection

If the industry follows through on its plans, we will see a 1.84% increase in industry employment during the next 12 months, creating new jobs.

	Projected Growth
Total Benchmark	1.84%
Life & Health	1.69%
Property/Casualty (PC)	2.60%
PC Personal	2.05%
PC Commercial	4.50%
PC Balanced	1.64%

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## Staying Informed

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Our next survey will be conducted in July 2022.

For information on how to participate, please email  
[vincent.albers@aon.com](mailto:vincent.albers@aon.com)

**Thank you!**