Insurance Talent
JACOBSON

# LABOR STUDY RESULTS

2024 Semi-Annual Insurance Labor Market Study Results
Quarter One

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February 2024

# Insurance Labor Market Study

The Jacobson Group and Ward/STG Performance Benchmarking, 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 first quarter of 2024.

## Summary of Findings

- 52% of companies plan to increase staff during the next 12 months, driven by the Property/Casualty segment at 53%
- 10% of companies are planning to decrease their number of employees. This is the same total expected in both the January and July 2023 studies
- 53% of both medium-sized and large companies plan to add staff during the next 12 months. This is 2 points higher than small companies
- 77% of companies expect to grow revenue during the next 12 months. This is 5 points higher than the July survey
- Commercial Lines P&C companies are the most optimistic to increase revenue as 84% expect growth, compared to 78% of Personal Lines and 75% of Balanced Lines companies. 71% of Life/Health companies expect an increase in revenue
- Overall, 46% of the companies stated that change in market share will drive their expected revenue changes, while 37% cited pricing factors. This is the first time since July 2012 that P&C companies responded that the primary driver for expected revenue changes will be pricing, at 43%
- The primary reason companies plan to increase staff during the next 12 months is an expected increase in business volume. 34% of companies listed this as the primary reason to hire, followed by expansion of business/new markets
- Automation is the most common reason companies plan to reduce headcount during the next 12 months, followed by reorganization
- Technology, Underwriting, and Claims roles are expected to have the greatest growth during the next 12 months
- With 90% of companies planning to increase or maintain staff this year and voluntary turnover showing slight signs of slowing, recruitment will still be a challenge for the industry throughout 2024. Insurers will concurrently be focused on retaining top talent as they continue to navigate shifting complexities and expectations
- Product Management and Sales/Marketing 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-level positions
- Actuarial, Executive, and Analytics positions are the most difficult to fill

- In total, 14% of companies feel the ability to hire talent has become more difficult compared to the prior year. This is down from 25% in the January 2023 survey
- At 6.2%, average 6-month voluntary turnover is 3 points lower than the 12-month average of 9.3%. The average 6-month involuntary turnover is also lower at 2.4%, compared to 4.2% for 12-month
- During the next 6 months, 76% of companies expect most employees in the office at least one day a week (hybrid). After the next 6 months, 16% are expecting to change their approach to require employees to be in-office more
- 6% of companies require their staff to be in-office every day, up from 4% last January

## Notable Survey Trends from January 2023 to January 2024

- The Total industry headcount grew 1.17% versus an anticipated rate of 1.67%
- The P&C industry headcount grew 1.22% versus an anticipated rate of 2.07%
- The L&H industry headcount grew 0.72% versus an anticipated rate of 0.51%
- Total industry turnover, voluntary and involuntary, was 13.5% for the past 12 months

*Note: Data compares responses from the 2023 and 2024 labor studies. Outliers have been excluded from calculations.*

# Projection

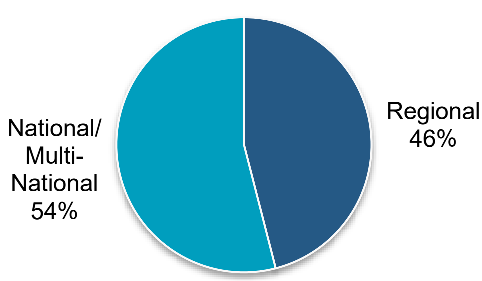
If the industry follows through on its plans, we will see a 1.21% increase in industry employment during the next 12 months, creating new jobs.

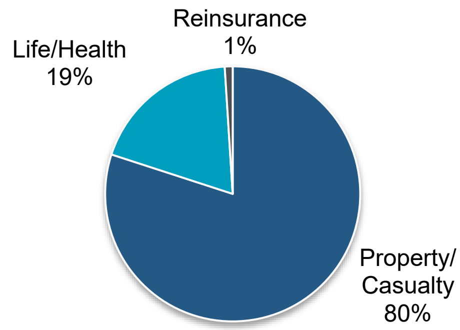
| | Projected Growth |
|---|---|
| Total Benchmark | 1.21% |
| Life & Health | 0.92% |
| Property/Casualty (PC) | 1.35% |
| – PC Personal | 0.26% |
| – PC Commercial | 2.30% |
| – PC Balanced | 0.96% |

# Survey Results

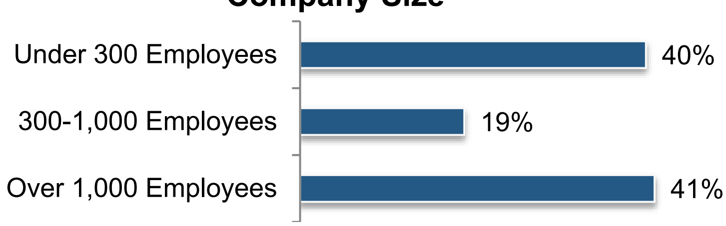
## Participant Profile

**Business Profile**



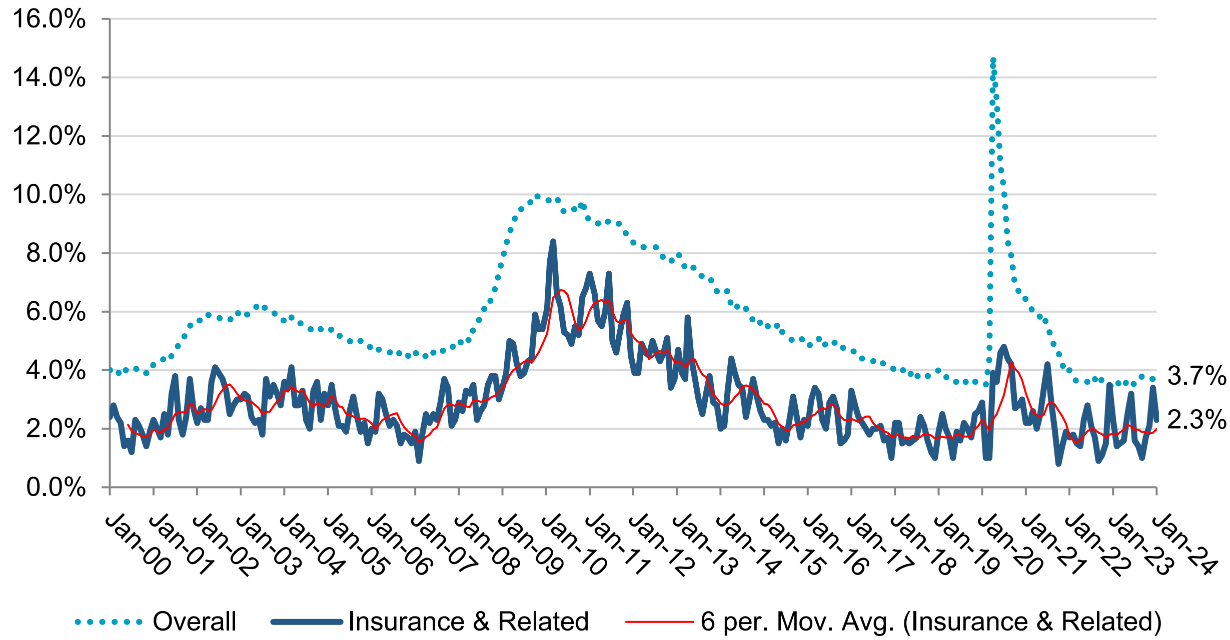

**Company Size**




The total average number of employees is 3,439

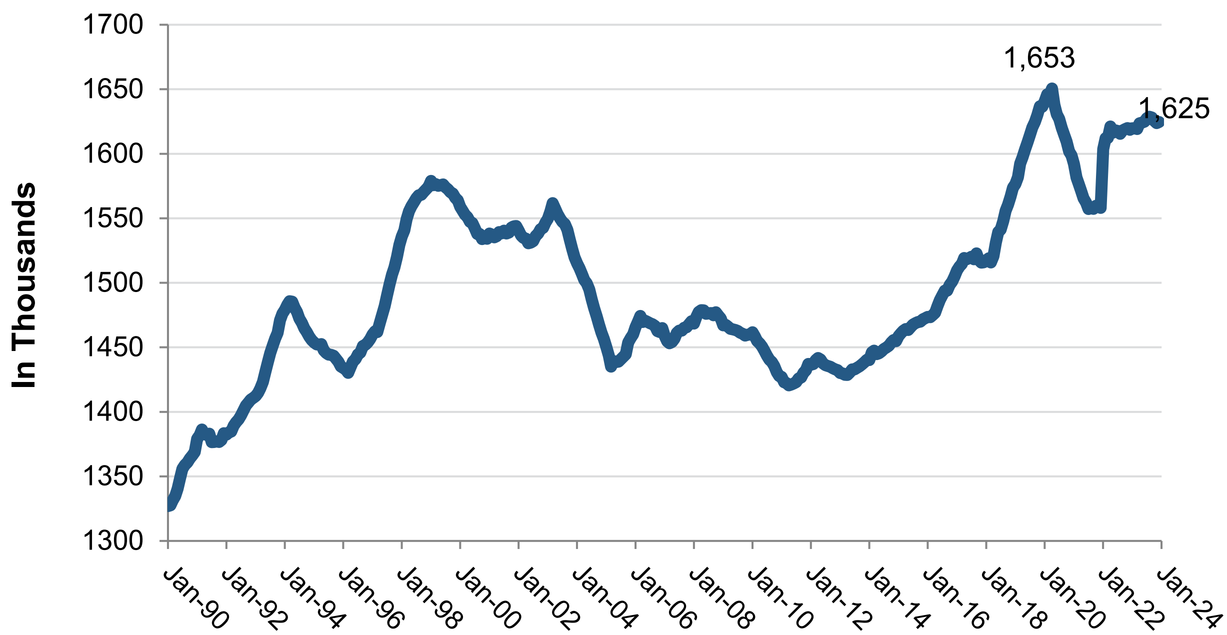
**Percentages in chart rounded to nearest whole number*

## Unemployment Rates



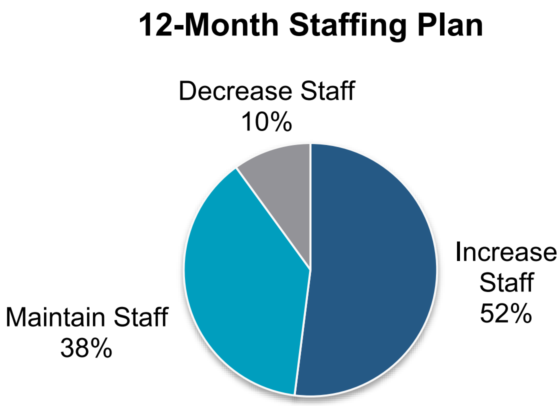

*Source: U.S. Bureau of Labor Statistics*

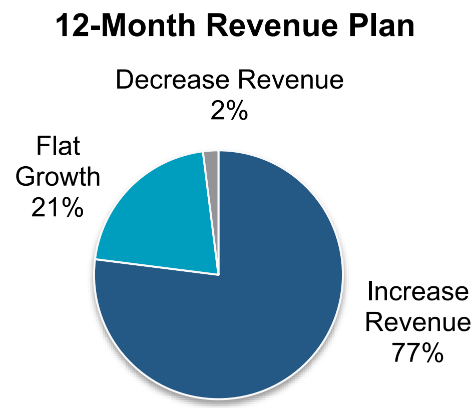
## Insurance Carrier Employment




*Source: U.S. Bureau of Labor Statistics*

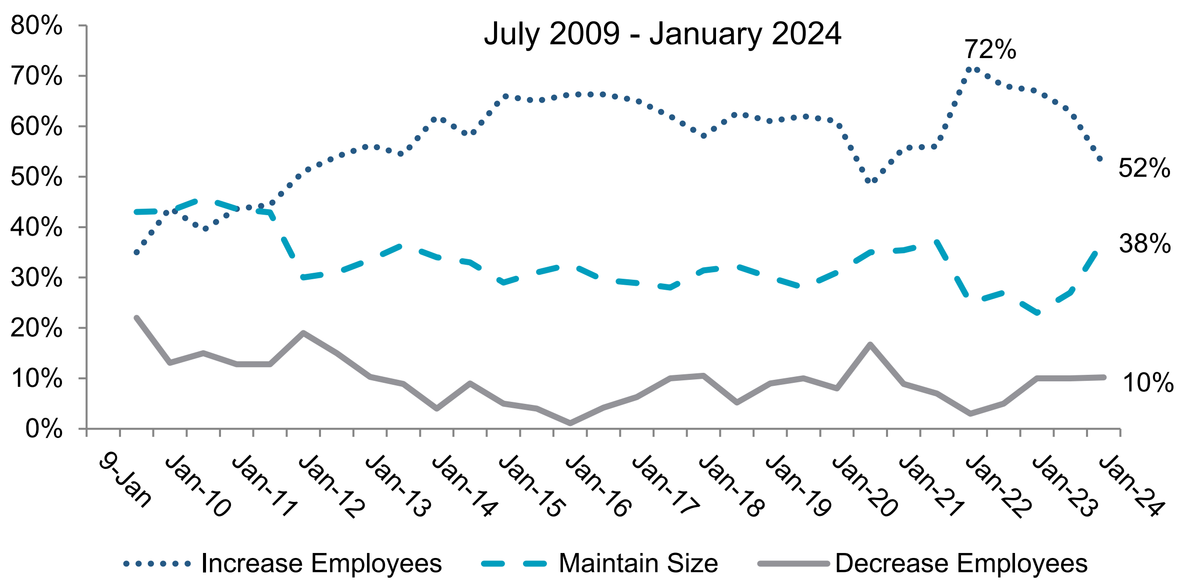
## Revenue and Staffing Expectations



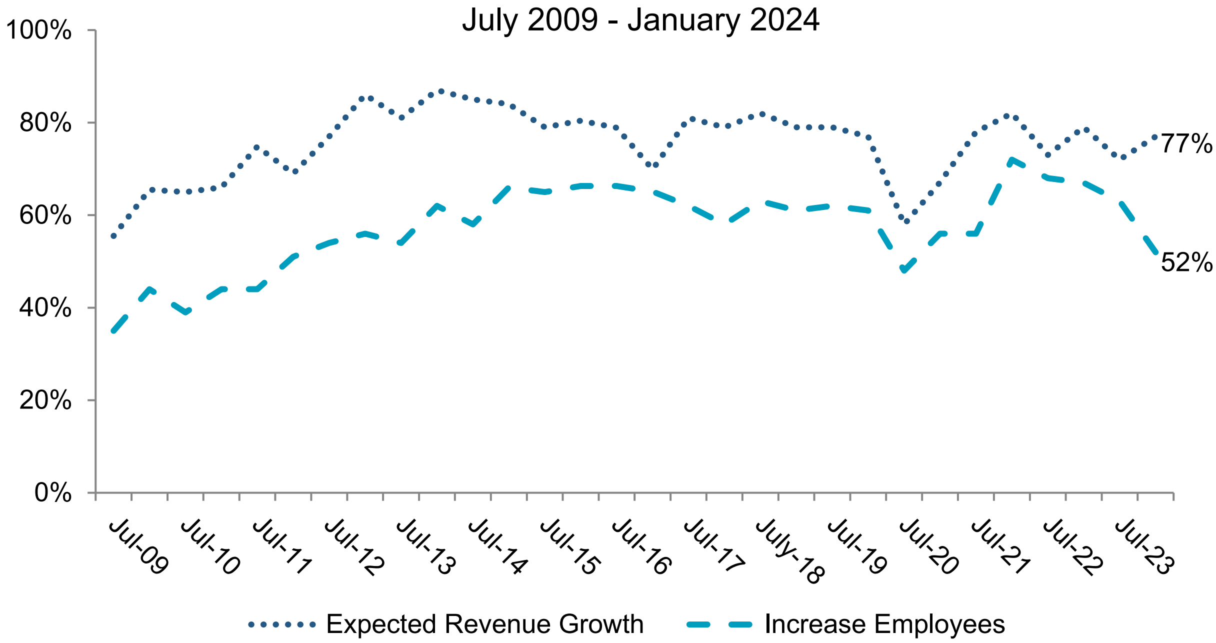

**Percentages in chart rounded to nearest whole number*

## 12-Month Staffing Plans




**Percentages in chart rounded to nearest whole number*

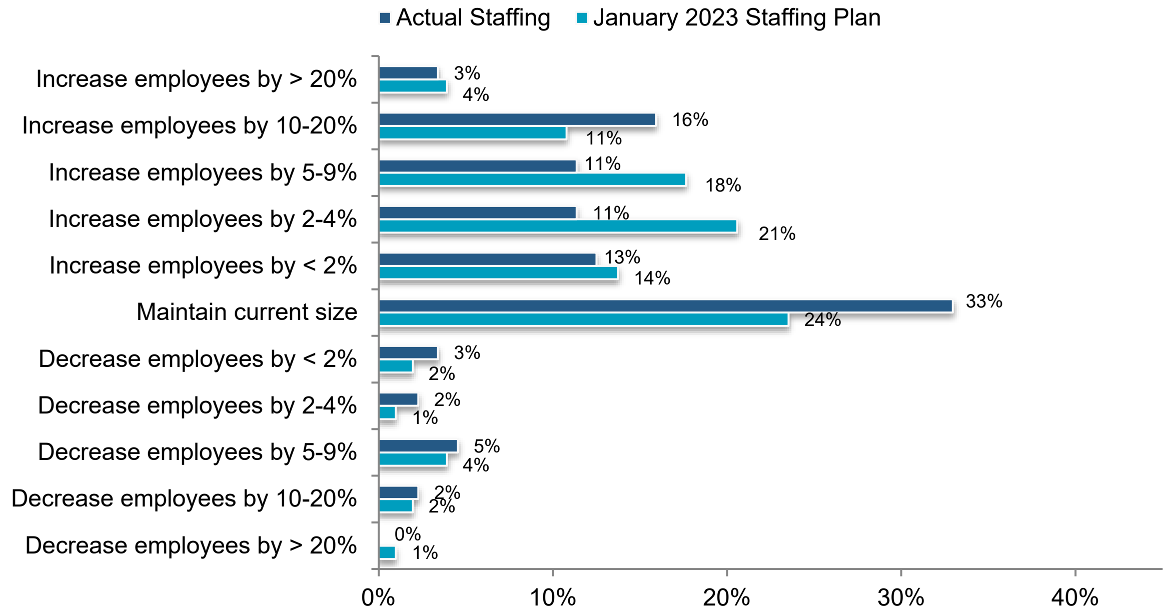
## 12-Month Staffing Plans Increase vs. Expected Revenue Growth




**Percentages in chart rounded to nearest whole number*

- 77% of companies expect an increase in revenue growth, up 5 points from the July survey and down 2 points from the January 2023 outlook
- 10% of companies are expecting a decrease in staff, matching July and January 2023 expectations
- 2% of companies expect a decrease in revenue growth, down 6 points from January 2023
- This is the first time since July 2012 that P&C companies responded that the primary driver for expected revenue changes will be pricing, at 43%
- Life/Health companies responded that market share will be the primary reason for expected revenue changes

## Prior Year 12-Month Plans vs. Actual Staffing

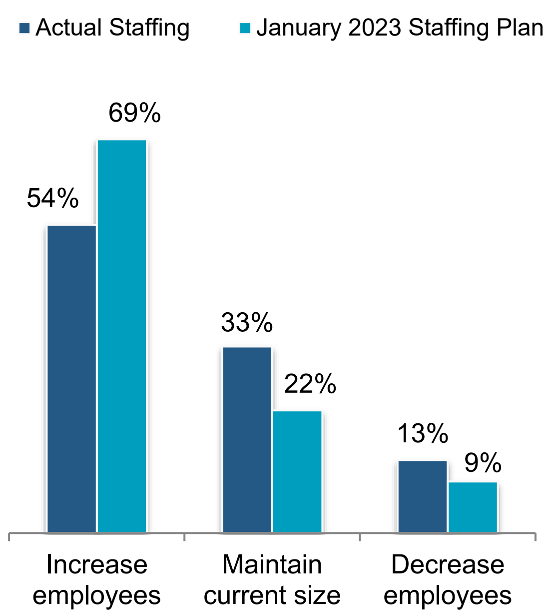



*Percentages in chart rounded to nearest whole number

55% of companies added staff since January 2023, while 13% reduced staff

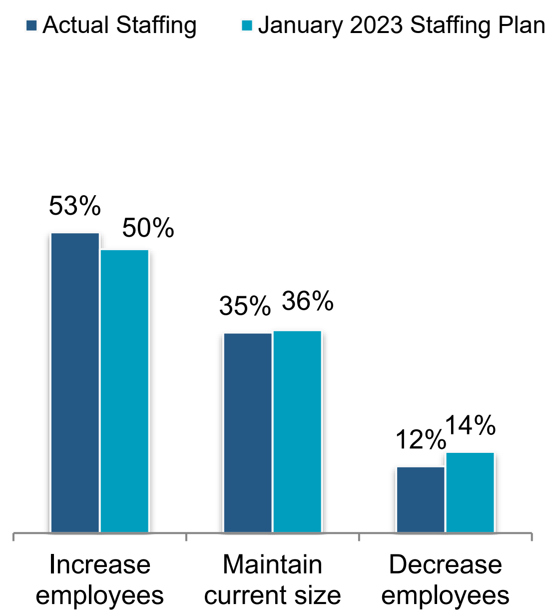
## Prior Year 12-Month Staffing Plans vs. Actual - By Industry

### Property/Casualty



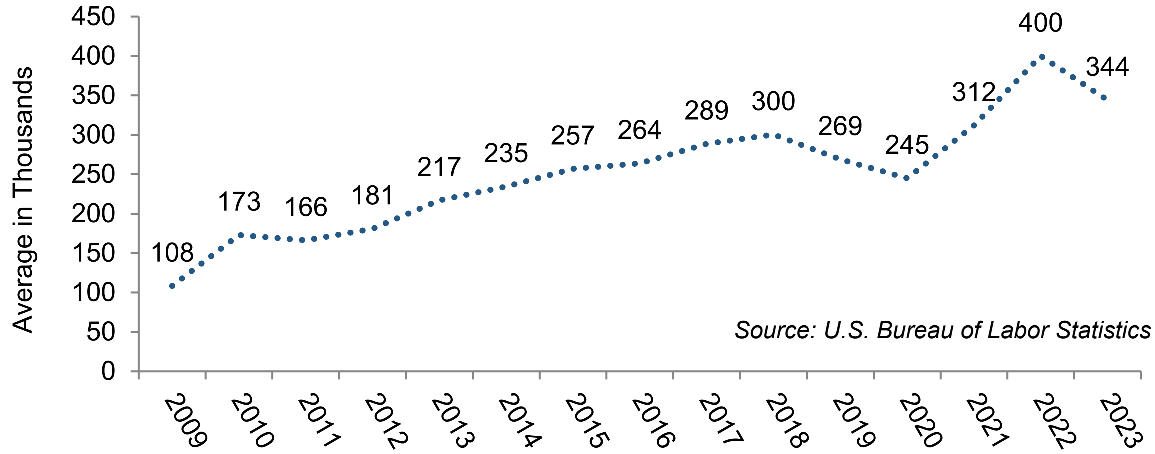

*Percentages in chart rounded to nearest whole number

### Life/Health

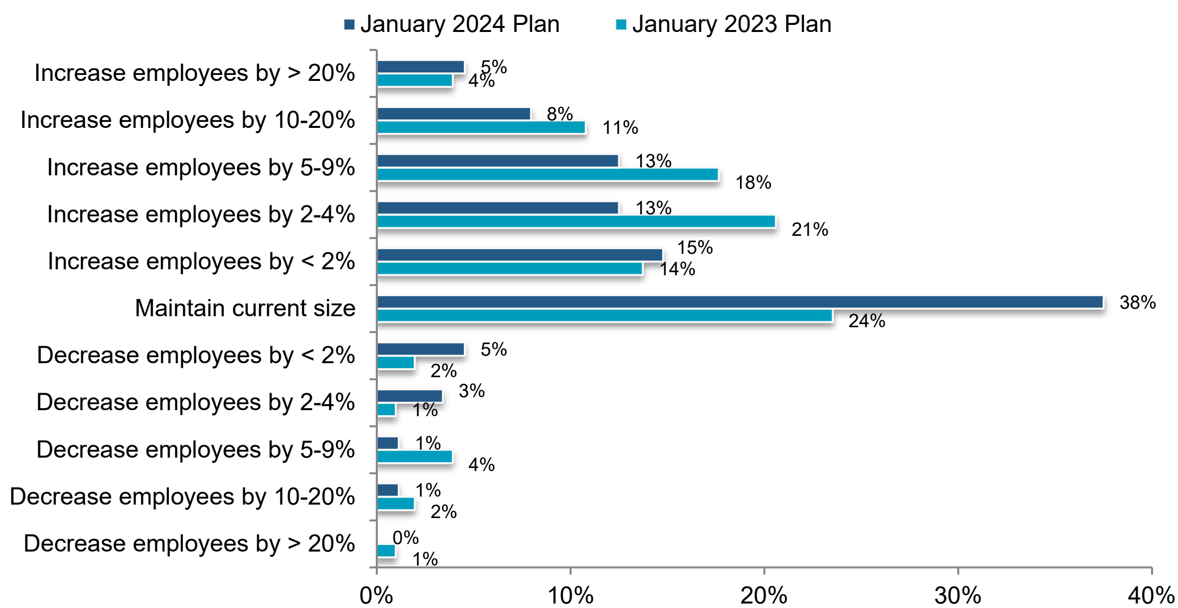



*Percentages in chart rounded to nearest whole number

## Job Openings in Finance and Insurance

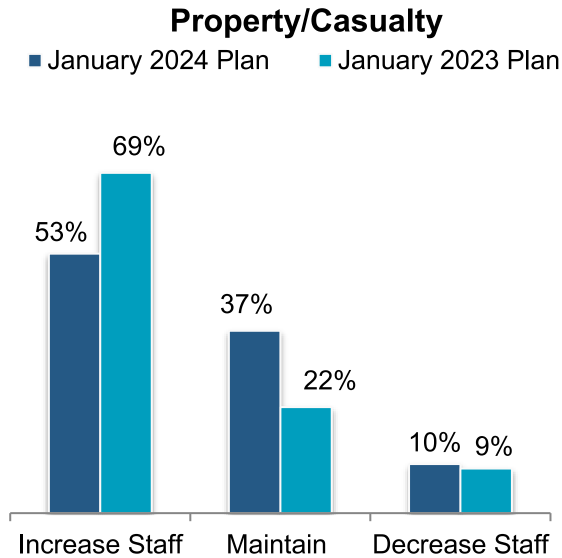



## 12-Month Staffing Plans

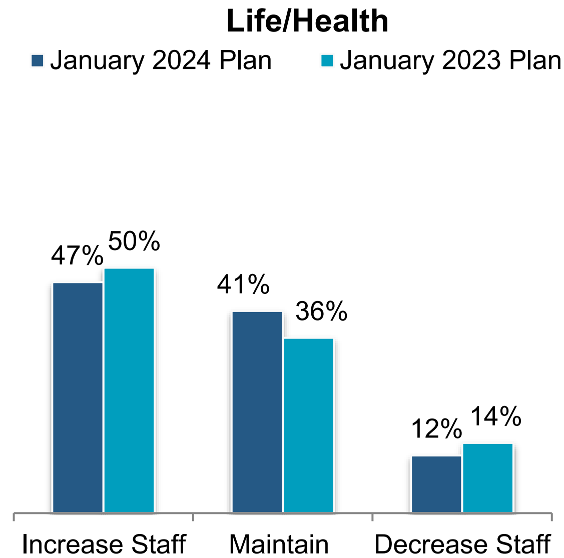



- 66% of Commercial Lines P&C companies are expecting to increase staff during the next 12 months. This is 32 and 16 points higher than Personal Lines and Balanced Lines P&C companies, respectively
- Of the companies who plan to add staff during the next 12 months, 89% expect an increase in revenue with 60% responding that it will be due to a change in market share. Of those planning a decrease in staff, 11% of companies expect a decrease in revenue
- 64% of companies who plan to maintain staff size during the next 12 months are expecting an increase in revenue growth. 3% of those companies are expecting a decrease

## 12-Month Staffing Plans - Comparison to January 2023 by Industry

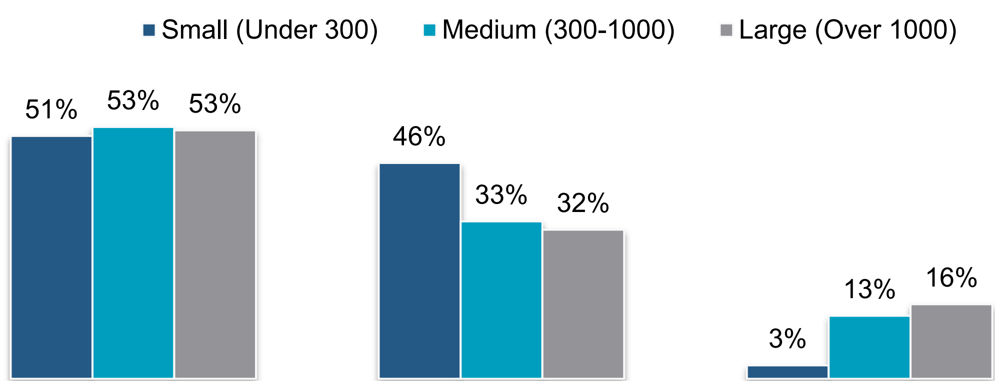



**Percentages in chart rounded to nearest whole number*




**Percentages in chart rounded to nearest whole number*

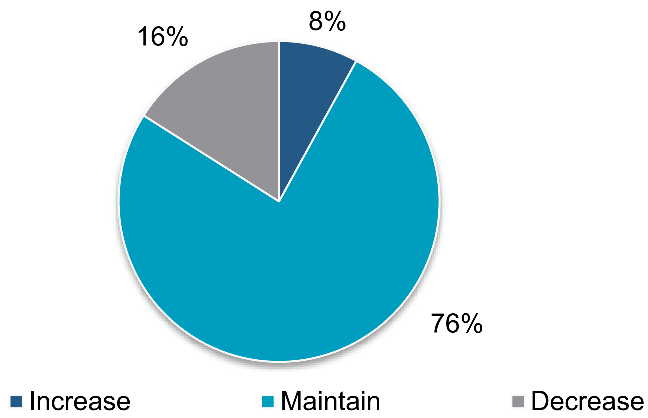
## 12-Month Staffing Plans - By Employee Size




**Percentages in chart rounded to nearest whole number*

- Since July, overall expectations to add staff decreased 11 points to 52%. 51% of small companies are expecting an increase compared to 82% in July 2023. Both medium-sized and large companies increased their 12-month expectations from 50% in July to 53% in January
- 42% of large and 37% of small companies expect growth in revenue/premium greater than 10% over the next 12 months. This compares to 13% for medium-sized companies
- While large and small companies expect revenue changes to be primarily driven by market share, medium-sized companies expect it to be driven by pricing

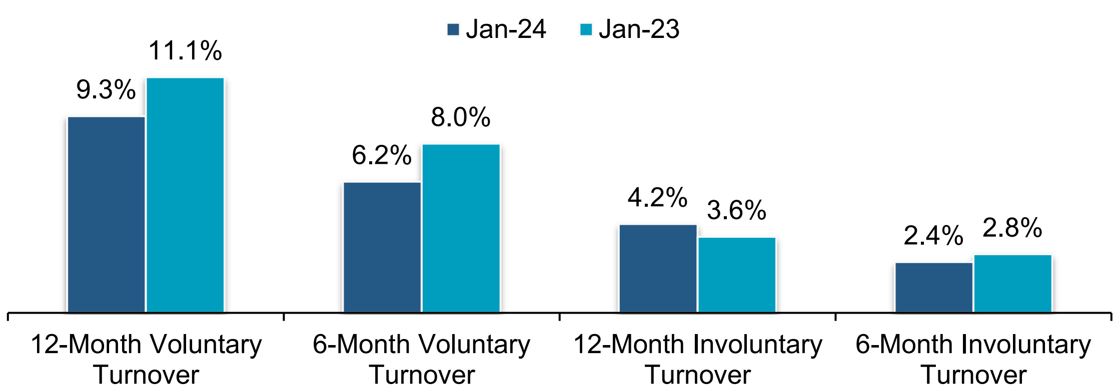
## Use of Temporary Employees During Next 12 Months




84% of companies are planning to increase or maintain temporary staff levels in the next 12 months

**Percentages in chart rounded to nearest whole number*

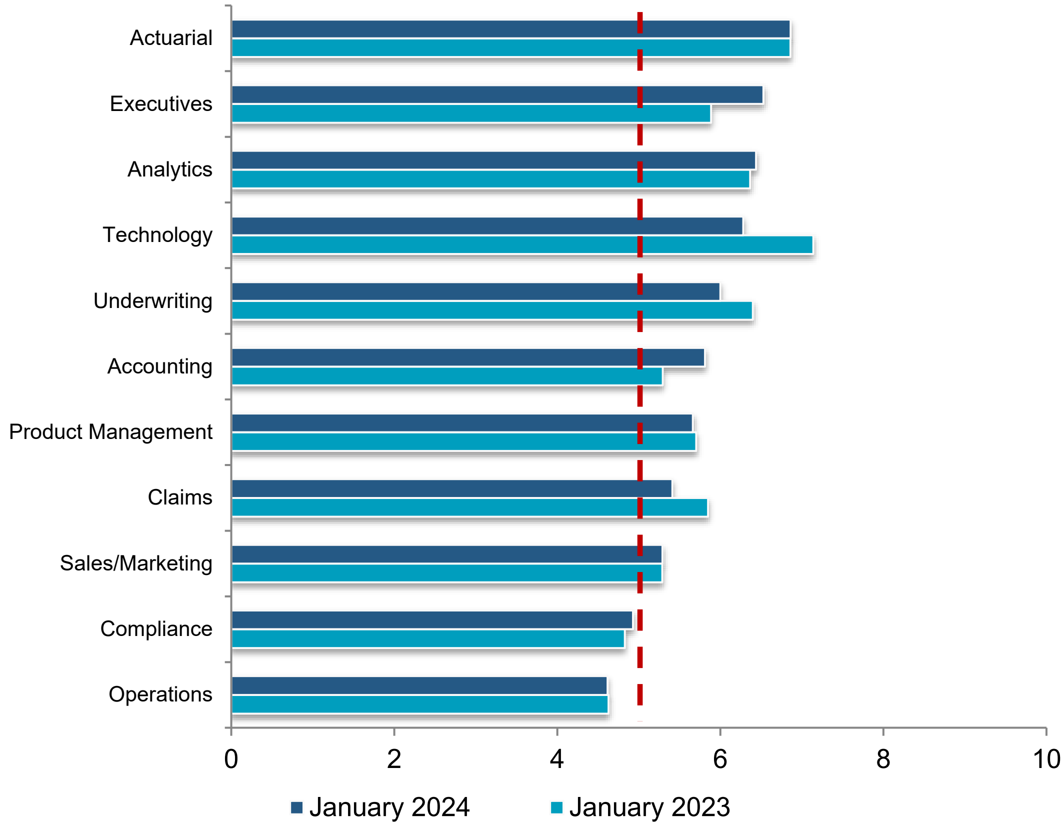
## Voluntary and Involuntary Turnover Percentage




*Results include only those companies which provided turnover percentages

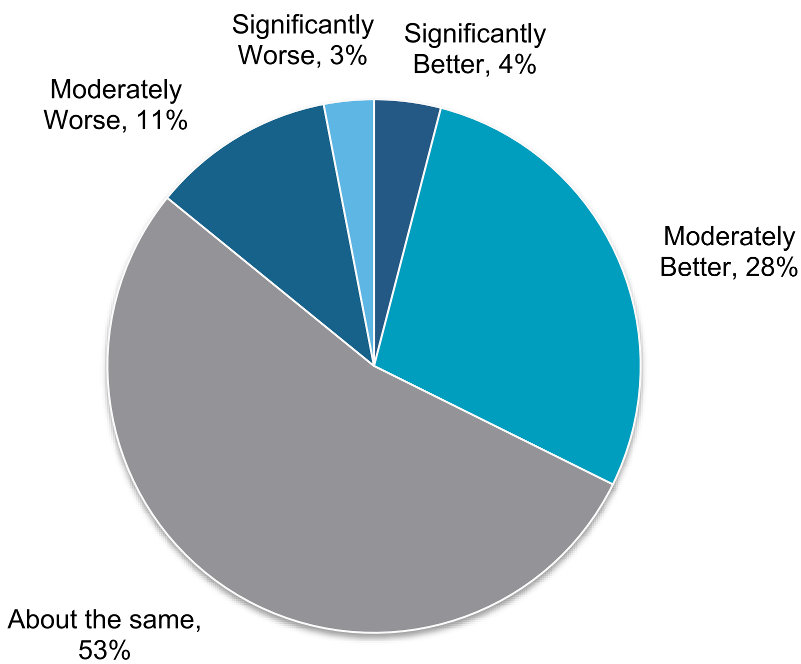
- At 9.3%, 12-month voluntary turnover is nearly 2 points lower than January 2023. This is a similar ratio for the 6-month voluntary turnover
- 12-month involuntary turnover is just slightly higher than January 2023, at 4.2% compared to 3.6%
- Compared to P&C companies, Life/Health companies reported higher voluntary turnover percentages and lower involuntary turnover percentages
- Within P&C, Personal Lines companies had the highest 12-month voluntary turnover at 12.6%, compared to Balanced Lines and Commercial Lines companies at 8.3% and 7.2%, respectively
- Compared to small and large companies, medium-sized companies reported the lowest 12-month voluntary turnover percentage

## Recruiting Difficulty Remains High




- On a scale of 1 – 10 (10 being most difficult), companies responded that most positions are at least 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
- Compared to January 2023, recruiting difficulty has slightly eased in 5 of 11 categories

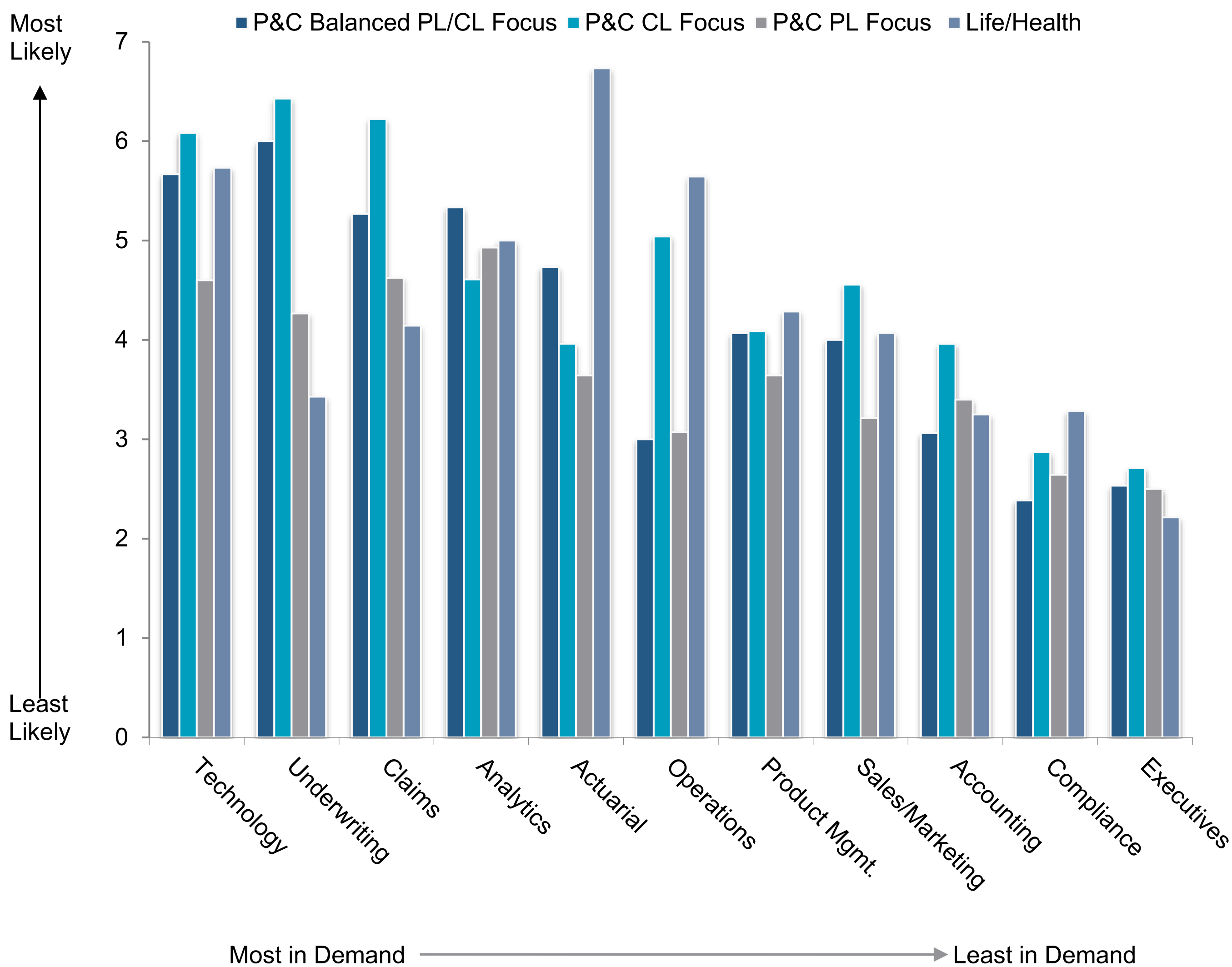
## Ability to Hire Talent Compared to One Year Prior




**Percentages in chart rounded to nearest whole number*

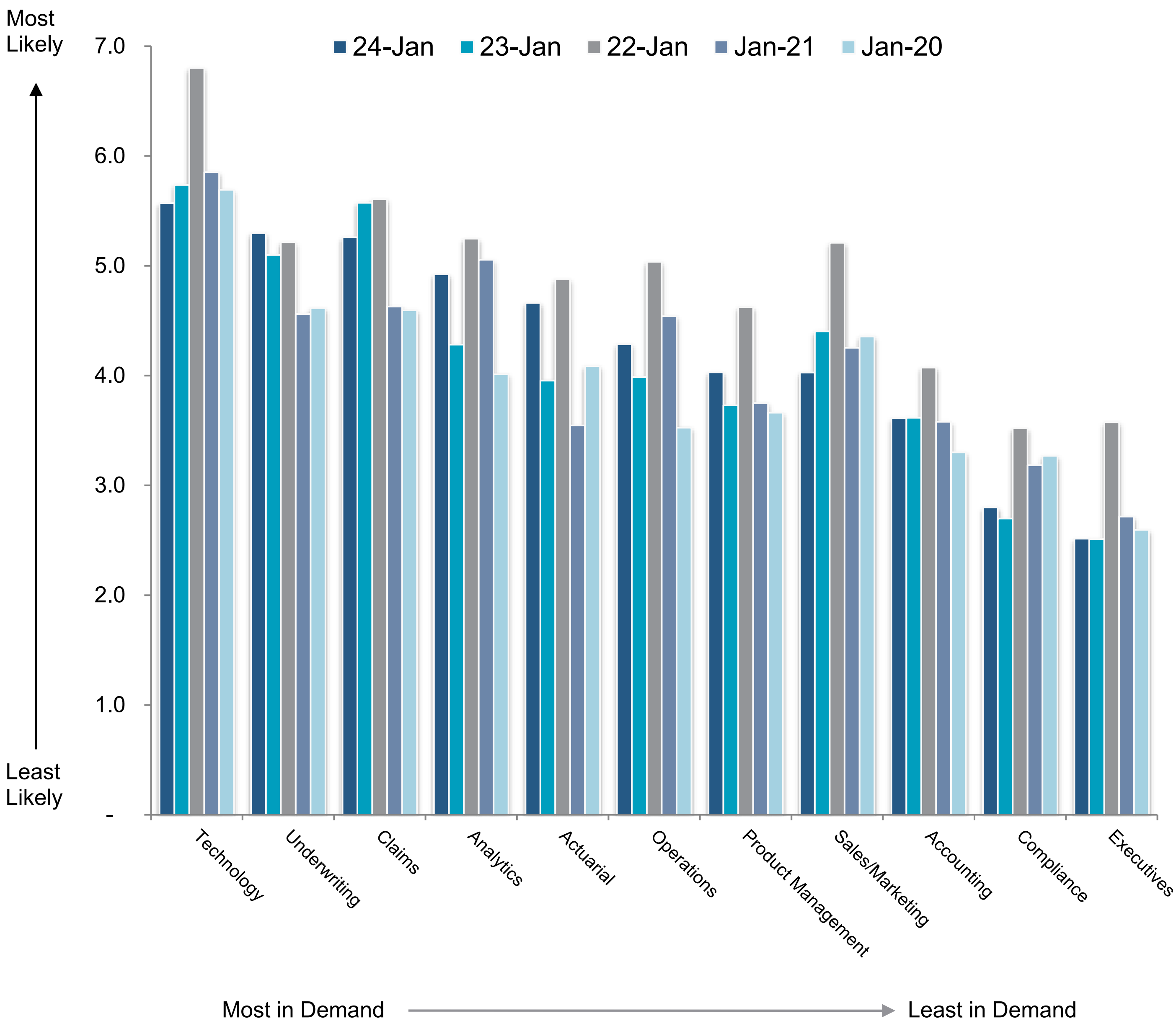
- In total, 14% of companies feel the ability to hire talent has become more difficult compared to the prior year. This is down from 17% in January 2023. 32% feel hiring difficulty has eased in the past year
- 12% of Life/Health companies feel the ability to hire has worsened, compared to P&C companies at 15%
- 20% of medium-sized companies feel it has been more difficult to hire talent, compared to large and small companies, both at 14%

### Likelihood of Increasing Staff by Function

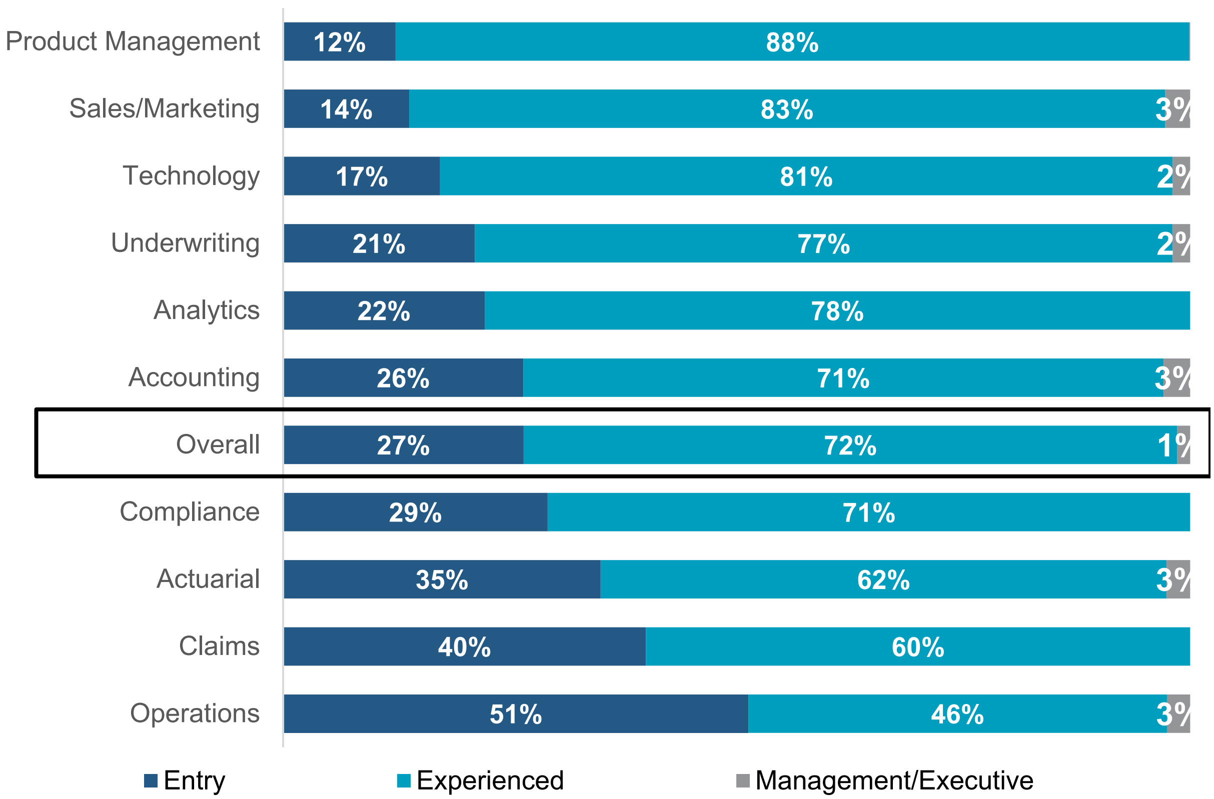



- In total, the industry's greatest need is Technology staff
- Large companies are most likely to hire Technology roles in the next 12 months, followed by Analytics and Operations. Medium-sized companies are looking toward Actuarial then Underwriting, while small-sized companies have the greatest need in Technology, followed by Claims
- Actuarial, Technology, and Operations are the areas most in demand in the Life/Health segment

## Likelihood of Increasing Staff by Function by Survey Period

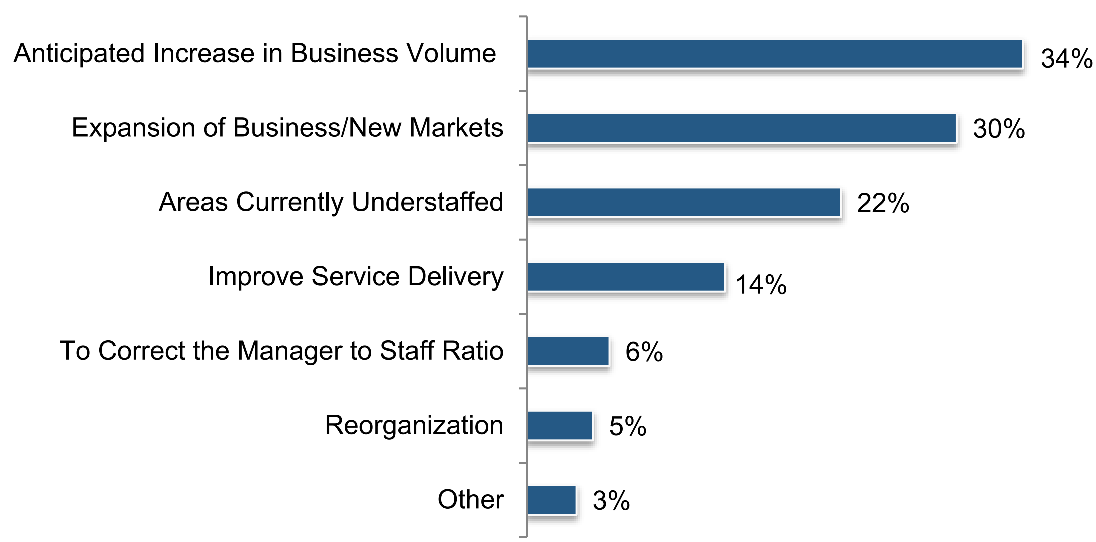


## Employee Types Most Likely to be Added by Function



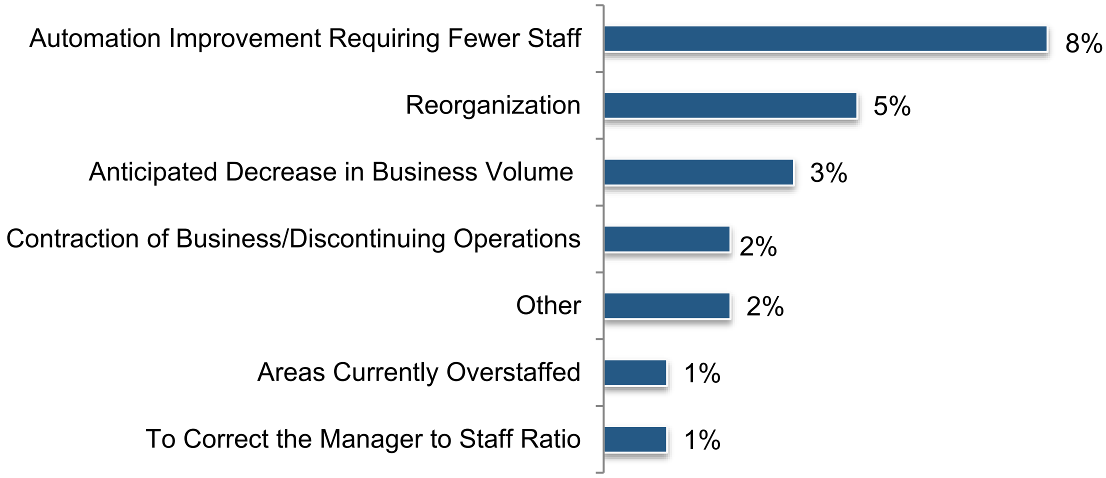

*Percentages in chart rounded to nearest whole number*

## Reason to Increase Staff During Next 12 Months




*Results are reflected as a percentage of all survey participants.

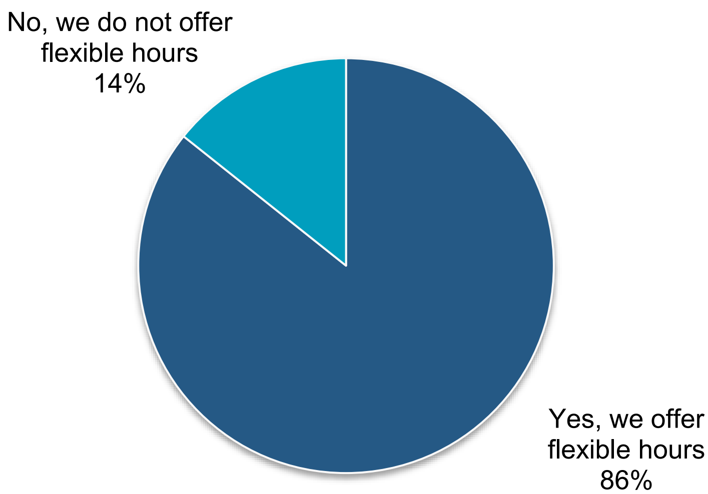
## Reason to Decrease Staff During Next 12 Months



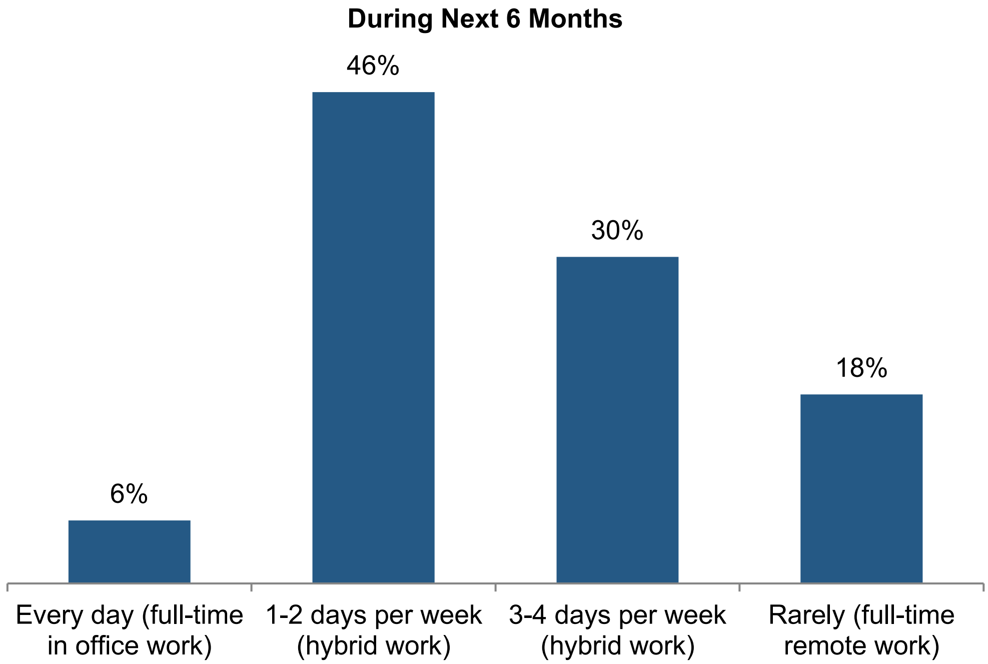

*Results are reflected as a percentage of all survey participants.

## Current Workplace Flexibility

**Flexible Work Hours Offered**



## Required In-Office Work for Majority of Employees

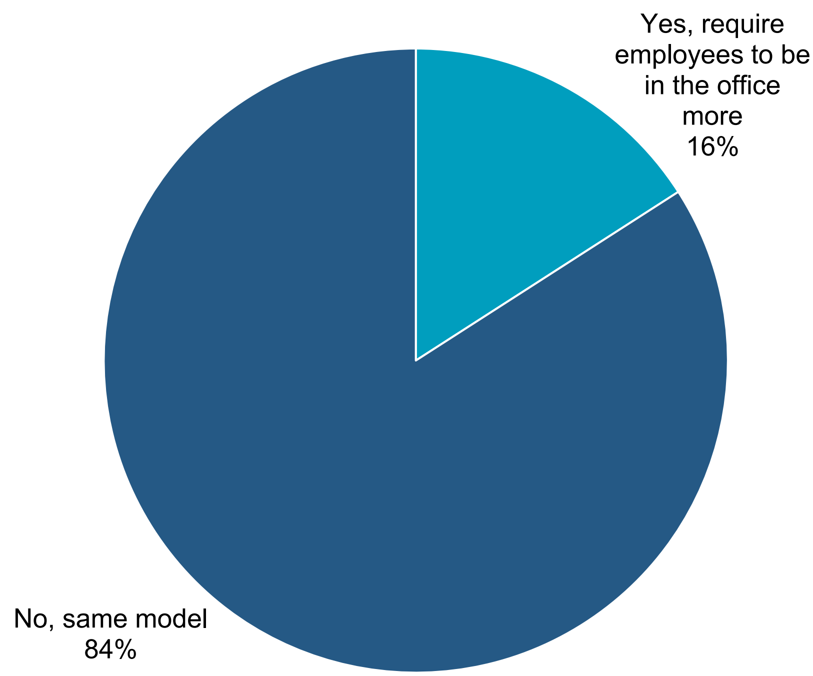



**Percentages in chart rounded to nearest whole number*

- During the next 6 months, 82% of companies are expecting most employees in-office at least 1 day per week, up from 76% last January. 76% have a hybrid model compared to 72% last year
- 94% of Life/Health companies and 81% of P&C companies expect most employees to come in at least once per week
- Commercial Lines P&C companies are most likely to have the majority of employees working remotely full time at 23%, compared to Personal and Balanced Lines companies at 18% and 16%, respectively
- Hybrid staffing models are most common for large companies (84%) followed by medium-sized (73%) and small (70%)
- 6% of companies are requiring employees in-office every day, up from 4% last January

## Expected Changes for Moving Forward

**Anticipated Requirements After Next 6 Months**




**Percentages in chart rounded to nearest whole number*

- After the next 6 months, 84% of companies expect no changes to in-office requirements.16% anticipate requiring employees to come in more
- 20% of medium-sized companies expect employees to be required in the office more after 6 months, compared to small and large companies at 17% and 13%, respectively
- Life/Health companies expect employees to be required in the office more after the next 6 months (18%), compared to P&C companies (16%)
- Within P&C, Personal Lines companies are most likely to require employees in the office more after 6 months, at 28%, compared to 15% for Balanced Lines and 9% of Commercial Lines
- No companies expect employees to be in the office less after 6 months

## Contact Information

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## About Ward / STG Performance Benchmarking

Ward is the Performance Benchmarking division within Aon Strategy and Technology Group (STG), providing consulting and performance benchmarking for the insurance industry. 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.

For more information about STG Performance Benchmarking solutions for insurance companies, please visit ward.aon.com.

## About Aon

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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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 insurance organizations with professionals at all levels across all industry verticals. Jacobson provides insurance talent solutions to support virtually any human capital need. We offer executive search services and comprehensive staffing solutions, including professional recruiting, temporary staffing and interim experts.

Further information is available at jacobsononline.com.