



INSURANCE LABOR MARKET STUDY

August 10, 2011

About Ward Group

- A consulting and analytical firm specializing in the insurance industry and the leading provider of industry benchmarking and best practices services for U.S. and Canada
- Expertise in staffing level analysis and expense management
- Annual evaluation of the financial performance of industry
- We help insurance companies measure results, optimize performance and be more profitable



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About The Jacobson Group

- The Jacobson Group is the nation's leading provider of insurance talent. For 40 years, we have been connecting organizations with insurance professionals through a variety of solutions including the following:
 - Executive search
 - Professional recruiting
 - Recruitment process outsourcing
 - Temporary staffing
 - Subject matter experts
 - Onsite and work-at-home operations support



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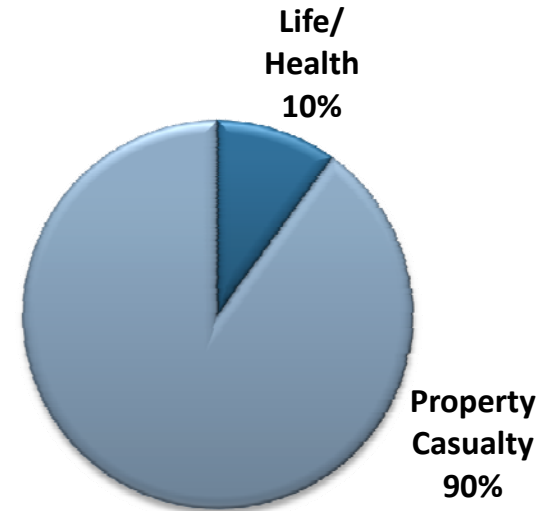
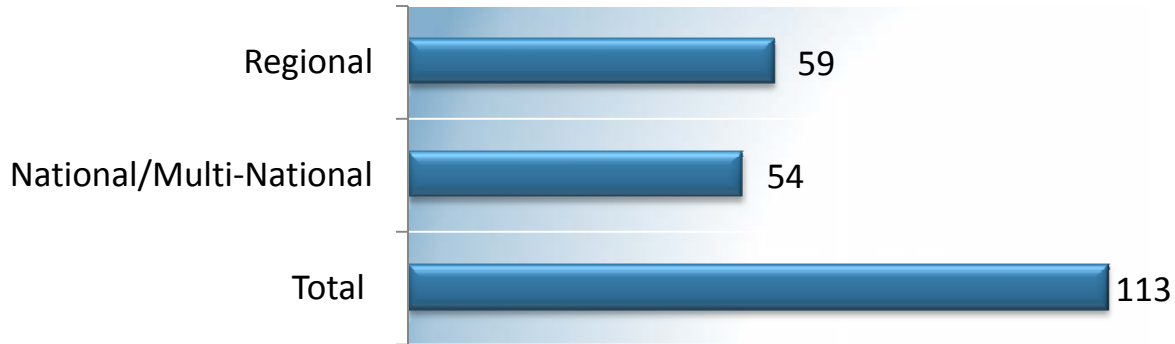


Study Objectives

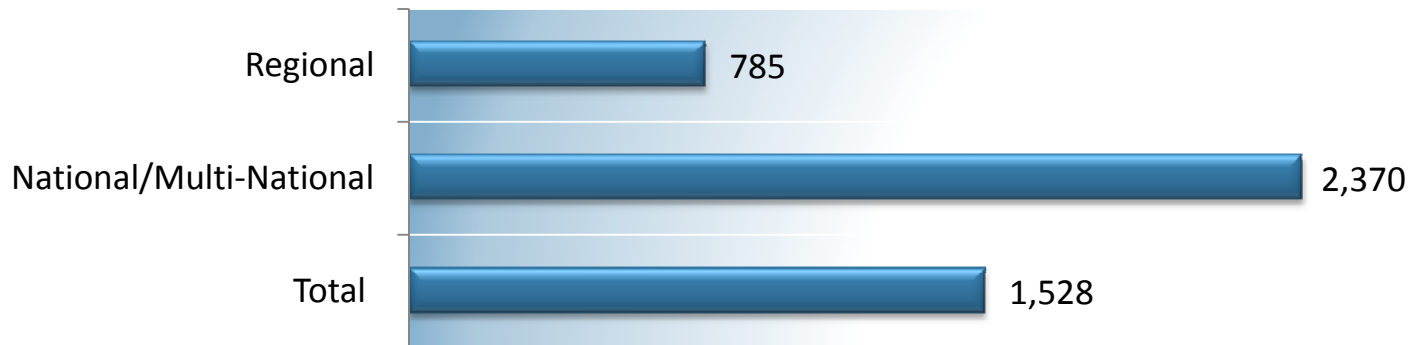
- Analyze current labor trends and future staffing expectations
- Provide an overview of staffing challenges by discipline
- Provide commentary on the industry's labor market

Participant Profile

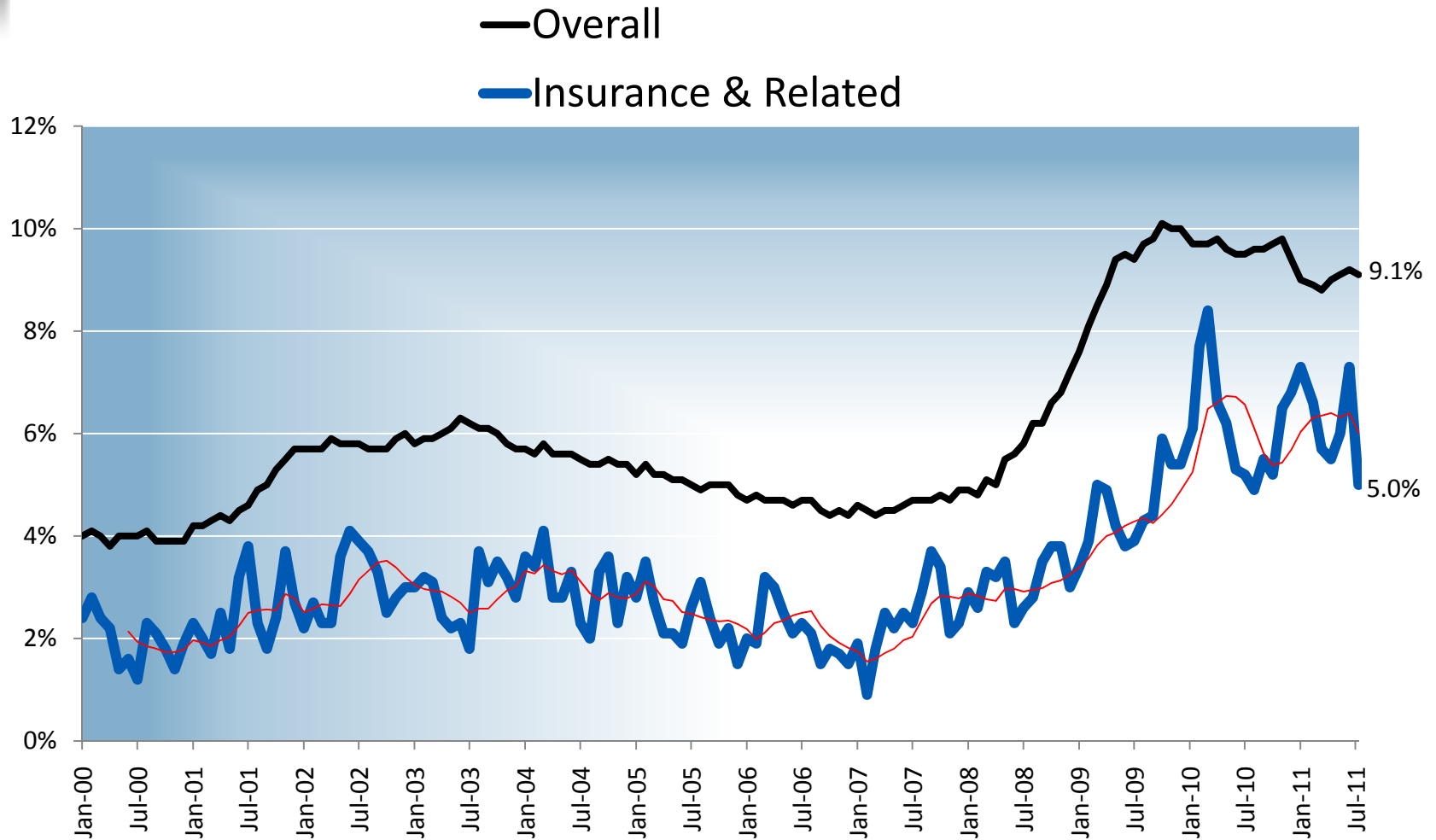
Number of Companies



Average Number of Employees



Unemployment Rates



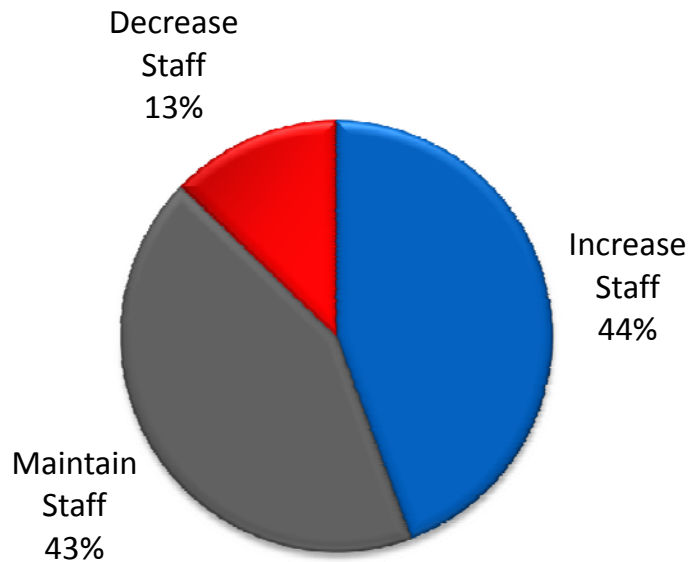
Source: U.S. Bureau of Labor Statistics

Insurance Carrier Employment

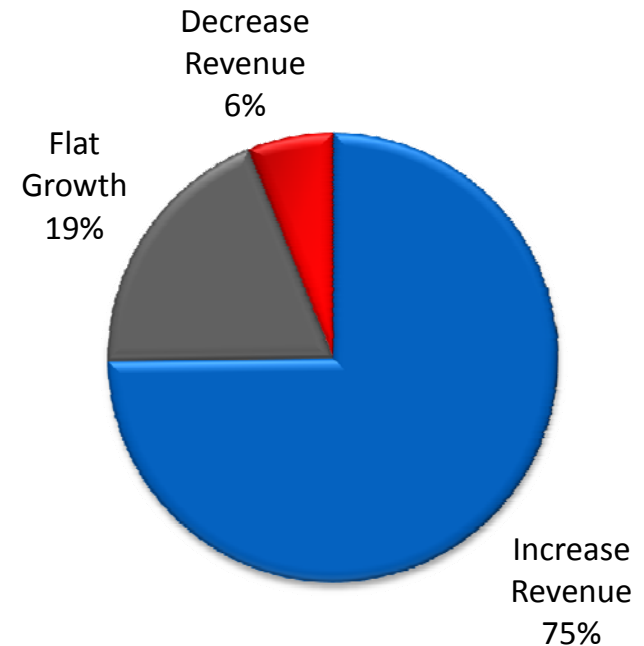


Revenue and Staffing Expectations

12-Month Staffing Plan



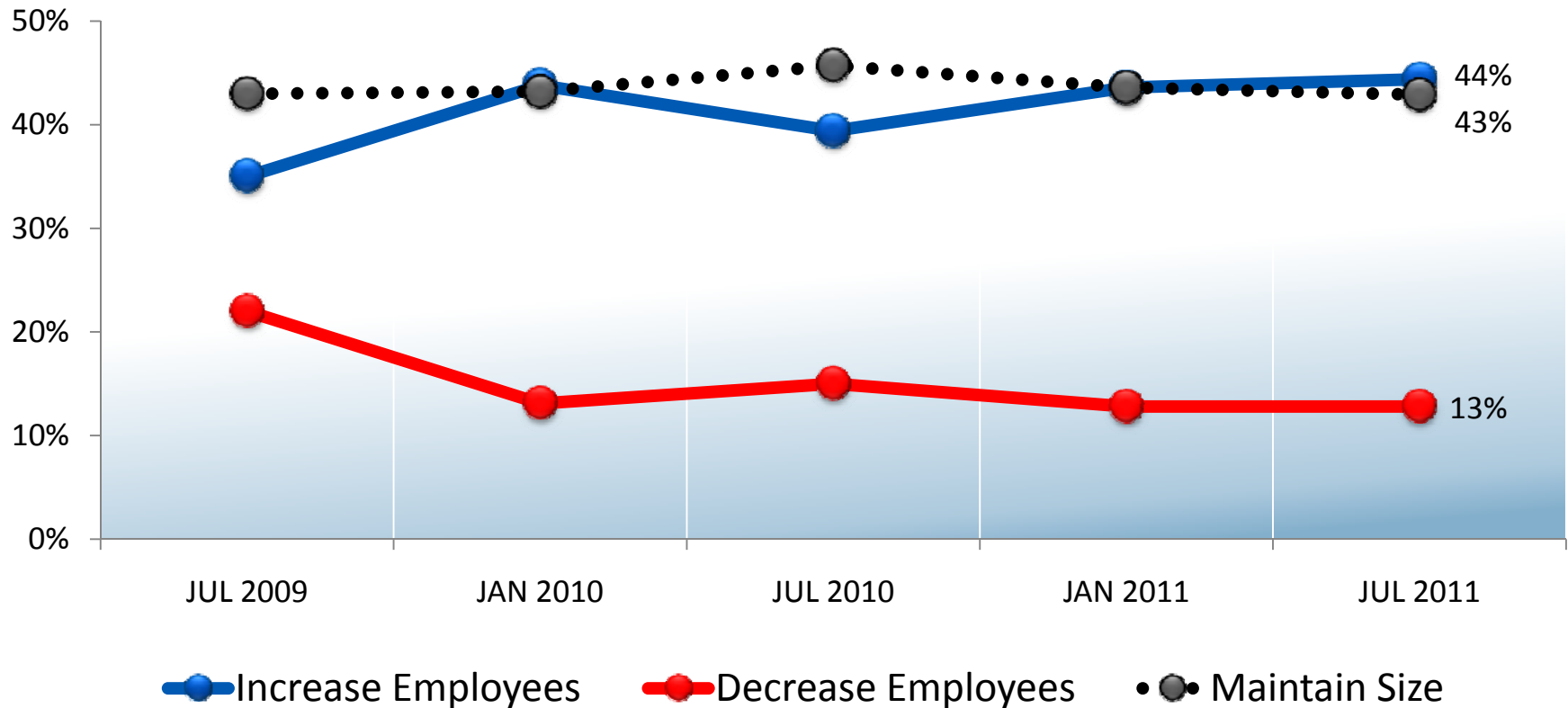
12-Month Revenue Plan



12-Month Staffing Plans

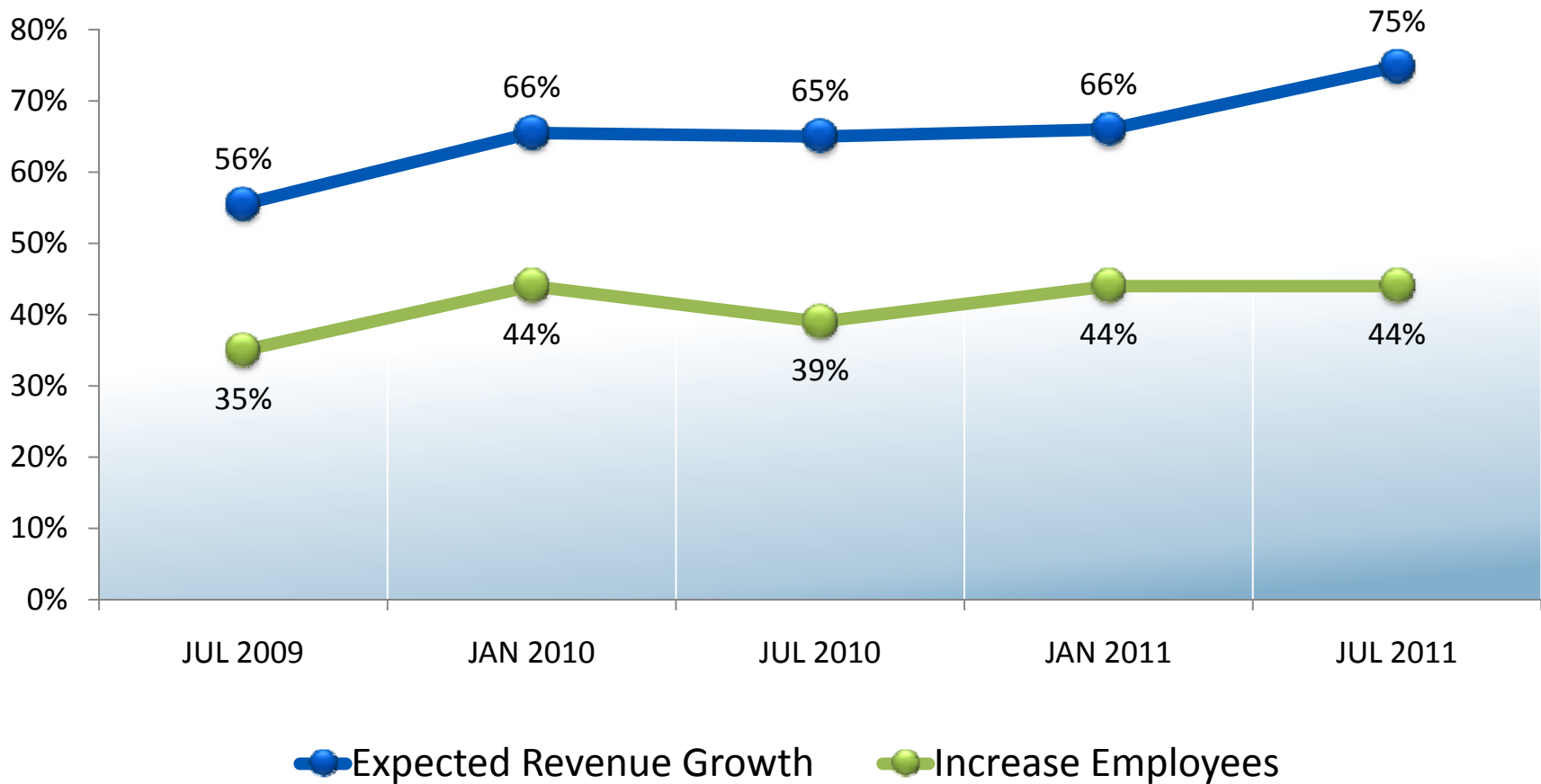
July 2009 – July 2011

Prior Survey Results

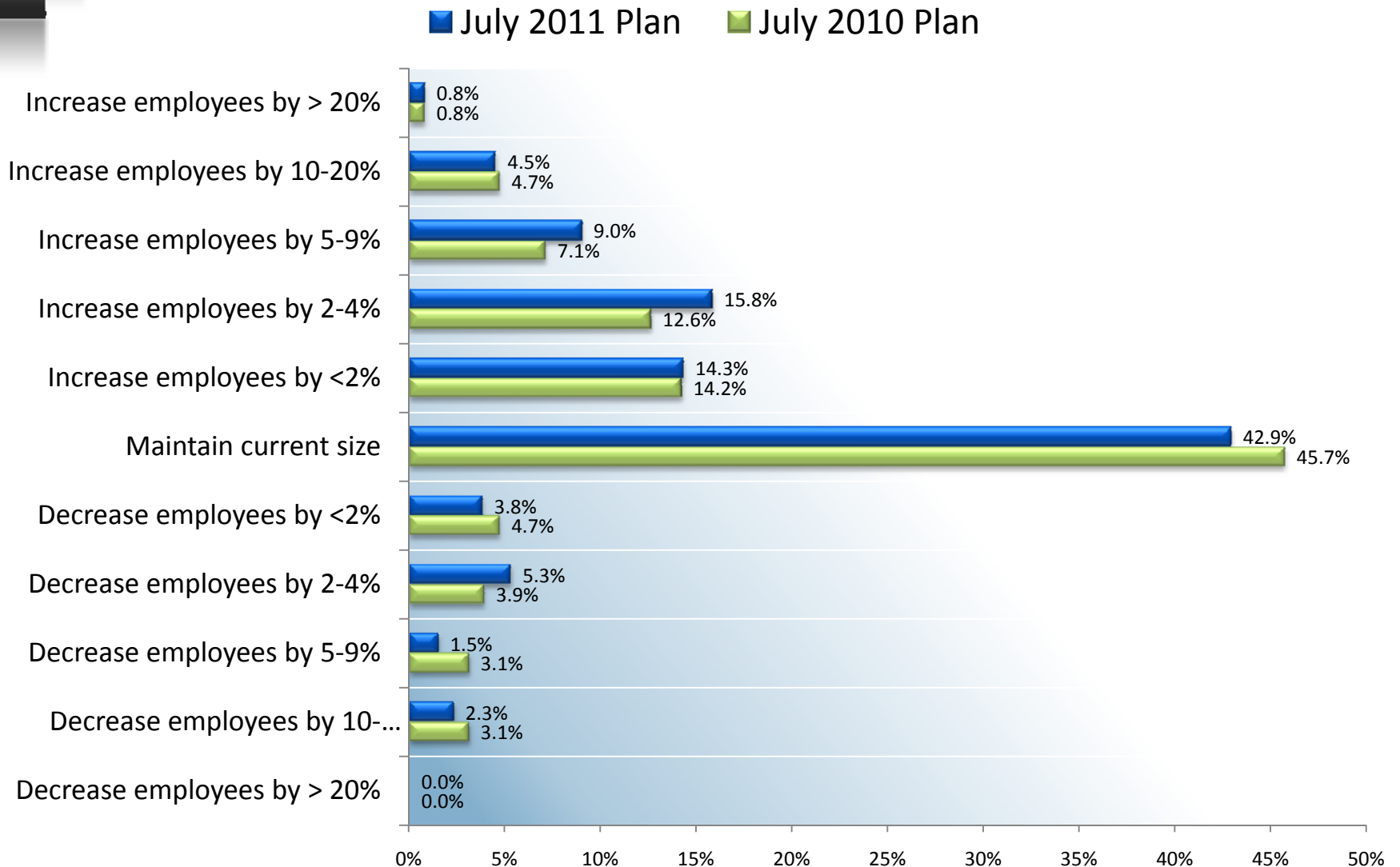


12-Month Staffing Plans Increase versus Expected Revenue Growth

July 2009 – July 2011

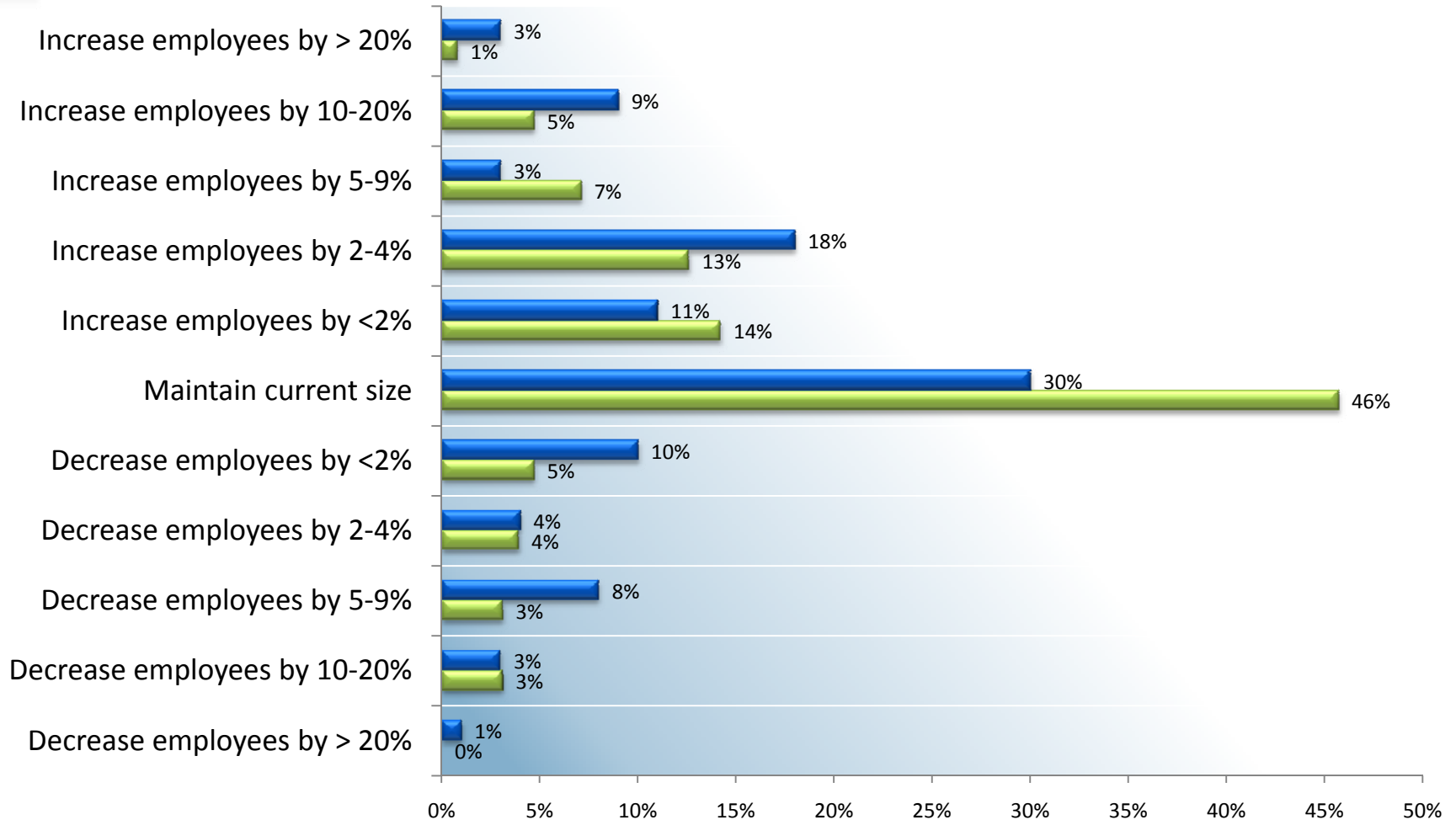


12-Month Staffing Plans



12-Month Staffing Plans vs. Actual

■ July 2011 Actual ■ July 2010 Plan



12-Month Staffing Plans

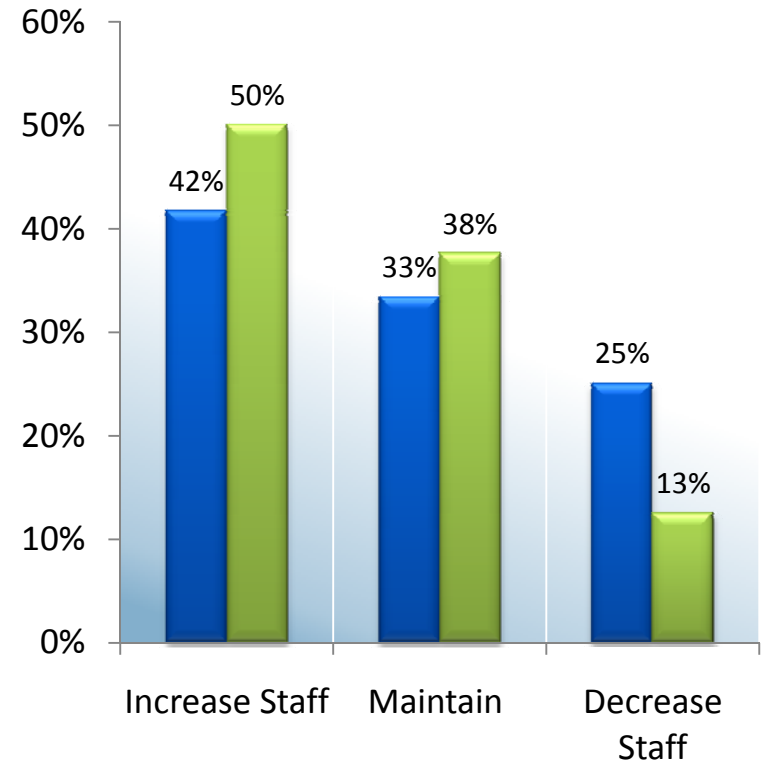
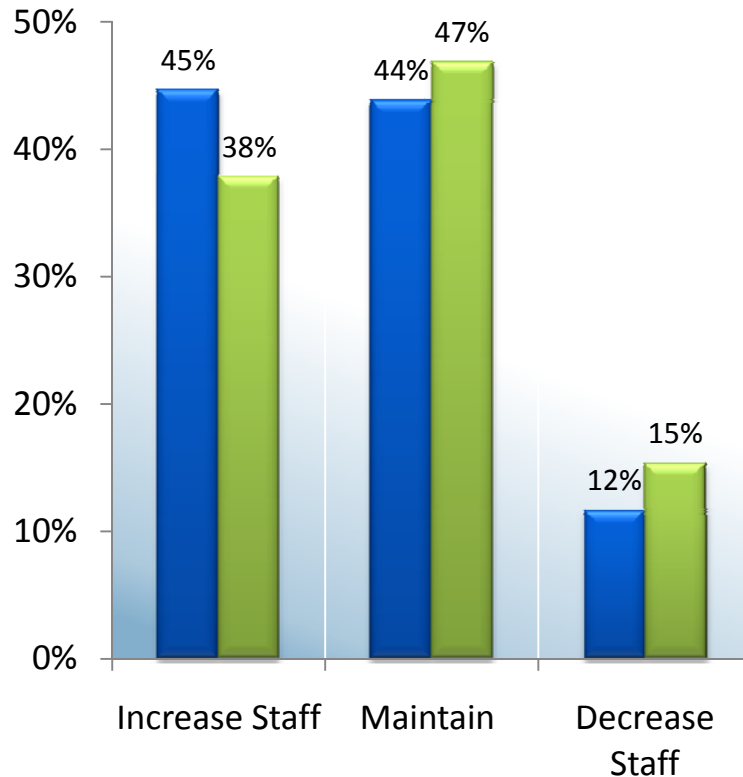
Comparison to July 2010 By Industry

Property/Casualty

Life/Health

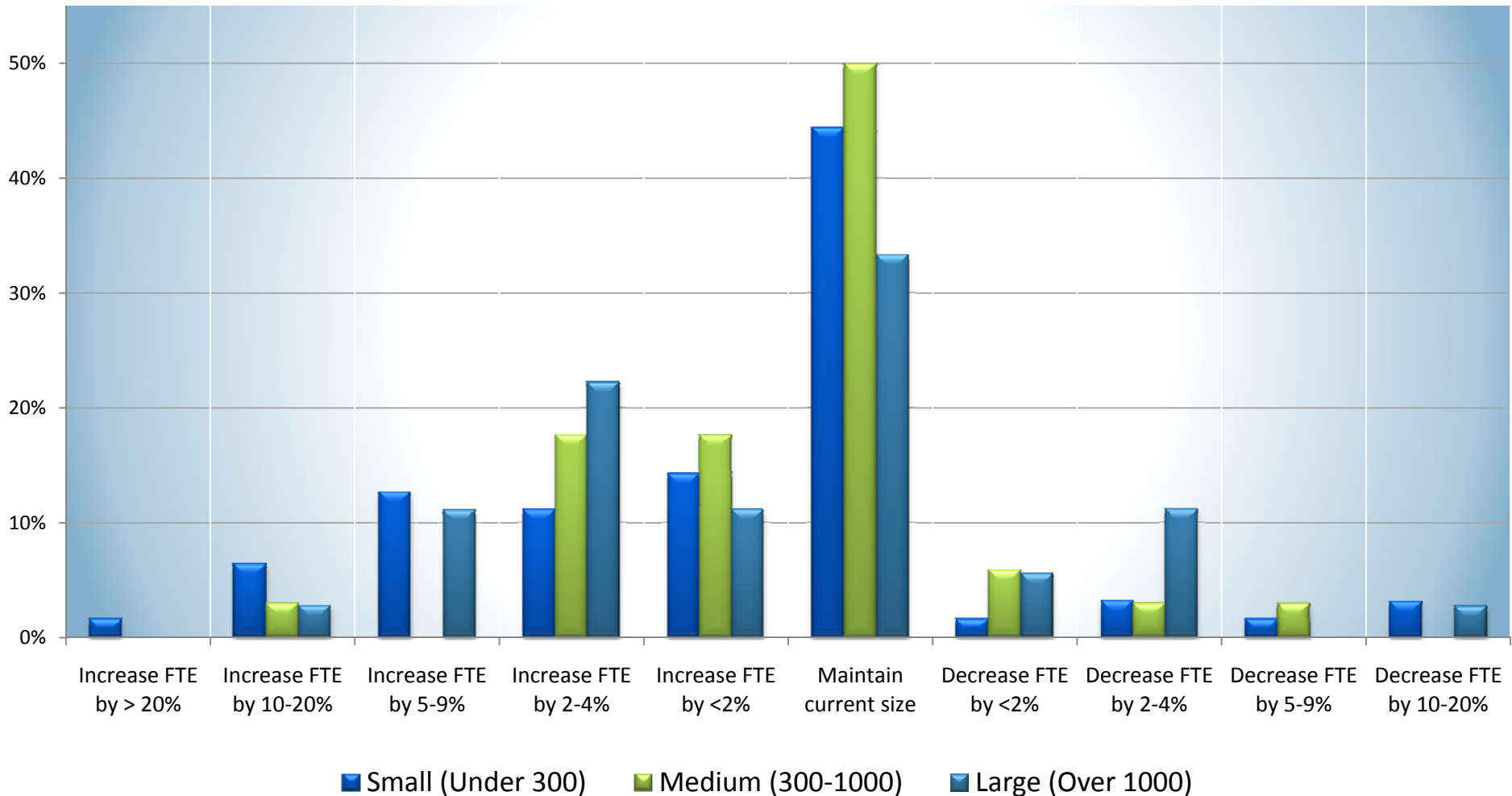
■ July 2011 Plan ■ July 2010 Plan

■ July 2011 Plan ■ July 2010 Plan

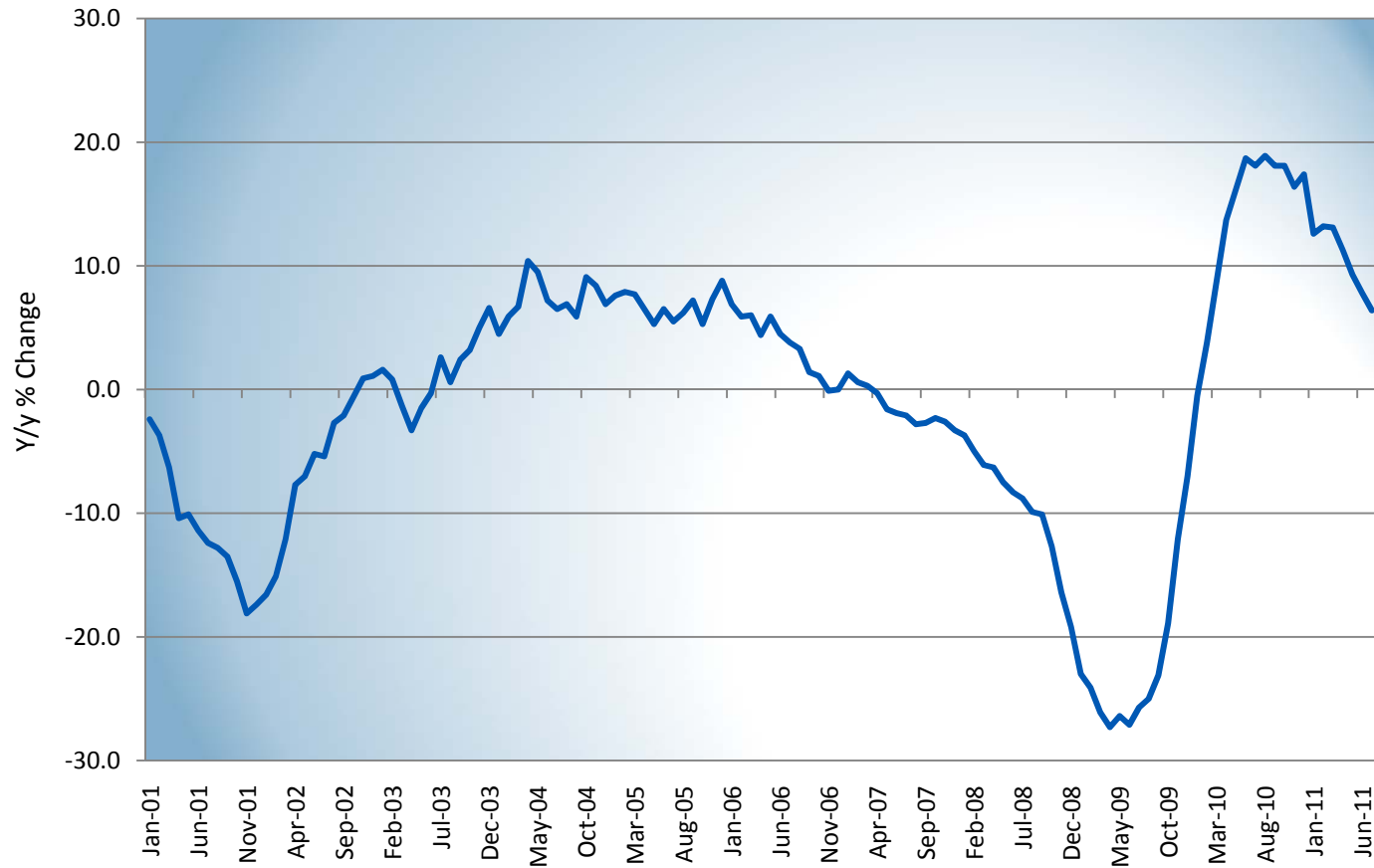


12-Month Staffing Plans

By Employee Size



Temporary Employment



26.3% of all jobs added by private sector employers in 2010 were temporary positions.

Notable Trends – 2010 to 2011

- The TOTAL industry grew 1.45% versus an anticipated rate of 1.30%.
- The P&C industry grew 1.30% versus an anticipated rate of 1.43%
- The L&H industry grew 1.54% versus an anticipated rate of 0.67%

Recruiting Challenges Still Exist

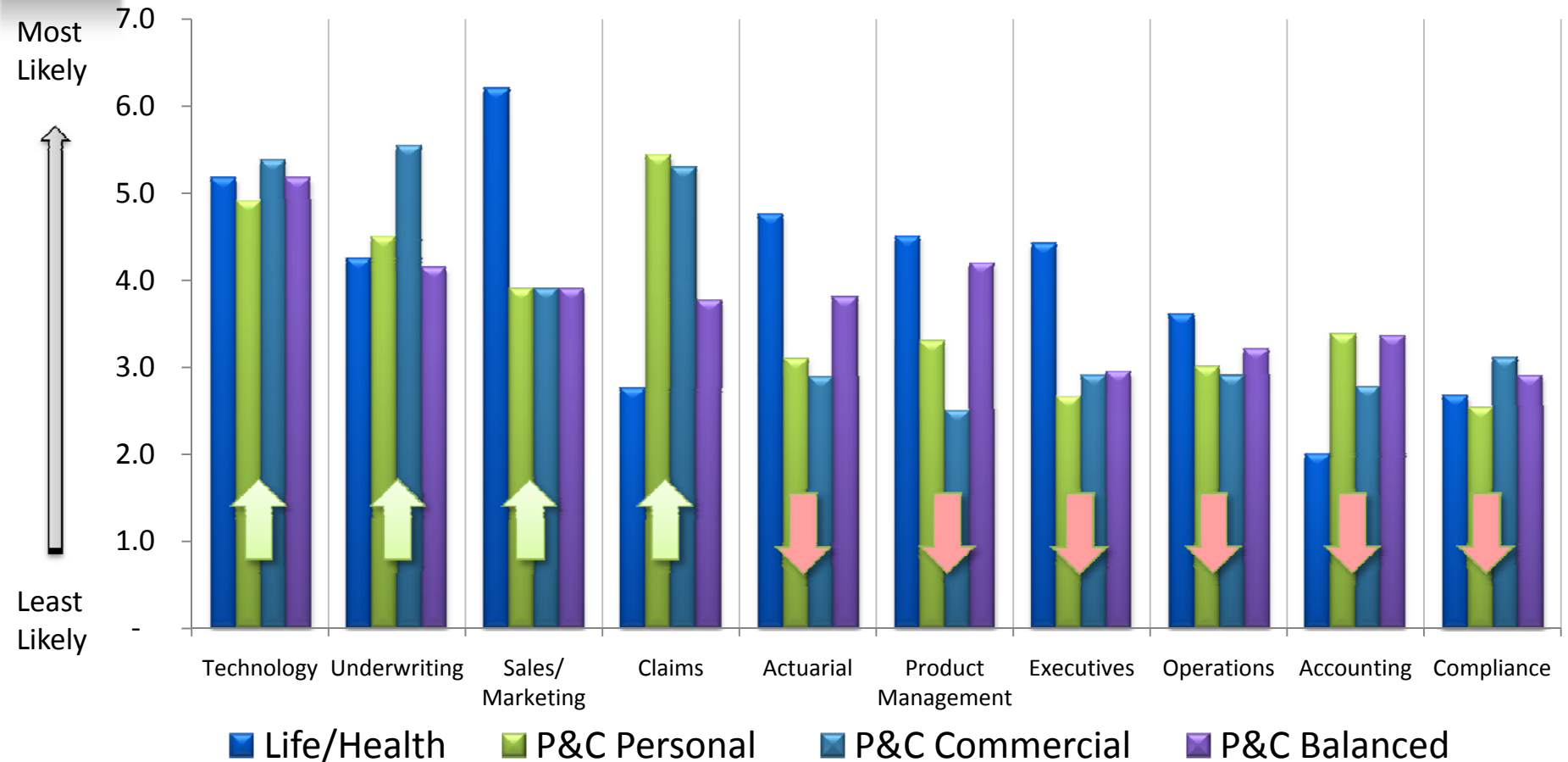


On a scale of 1 – 10 (10 being most difficult), companies responded that positions are still moderately difficult to fill; however, recruiting is slightly more difficult in most disciplines than it was a year ago.

Positions rated 5 or above are considered moderate or difficult to fill.

Product line has a significant impact on the ease of filling positions.

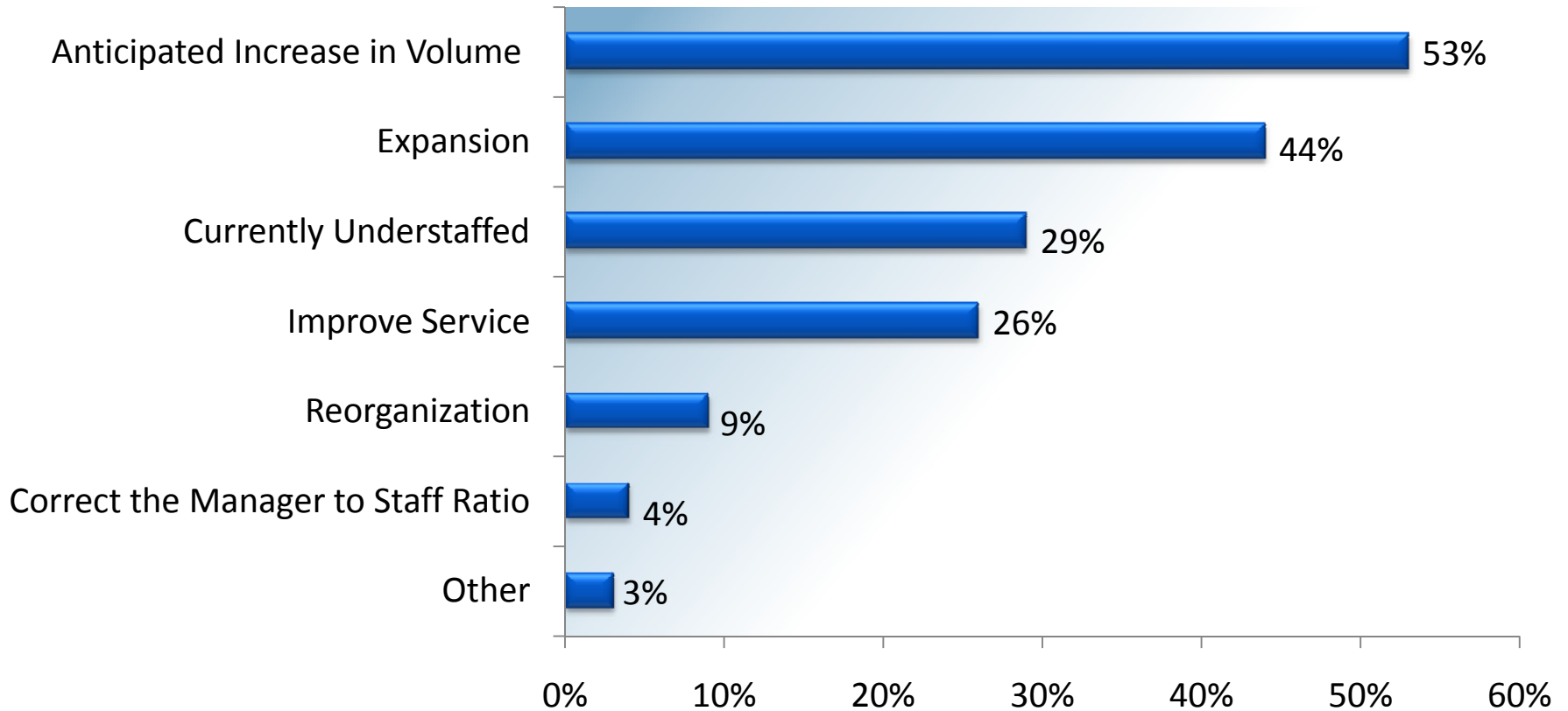
Likelihood of Increasing Staff By Function



Most in Demand ←————→ Least in Demand

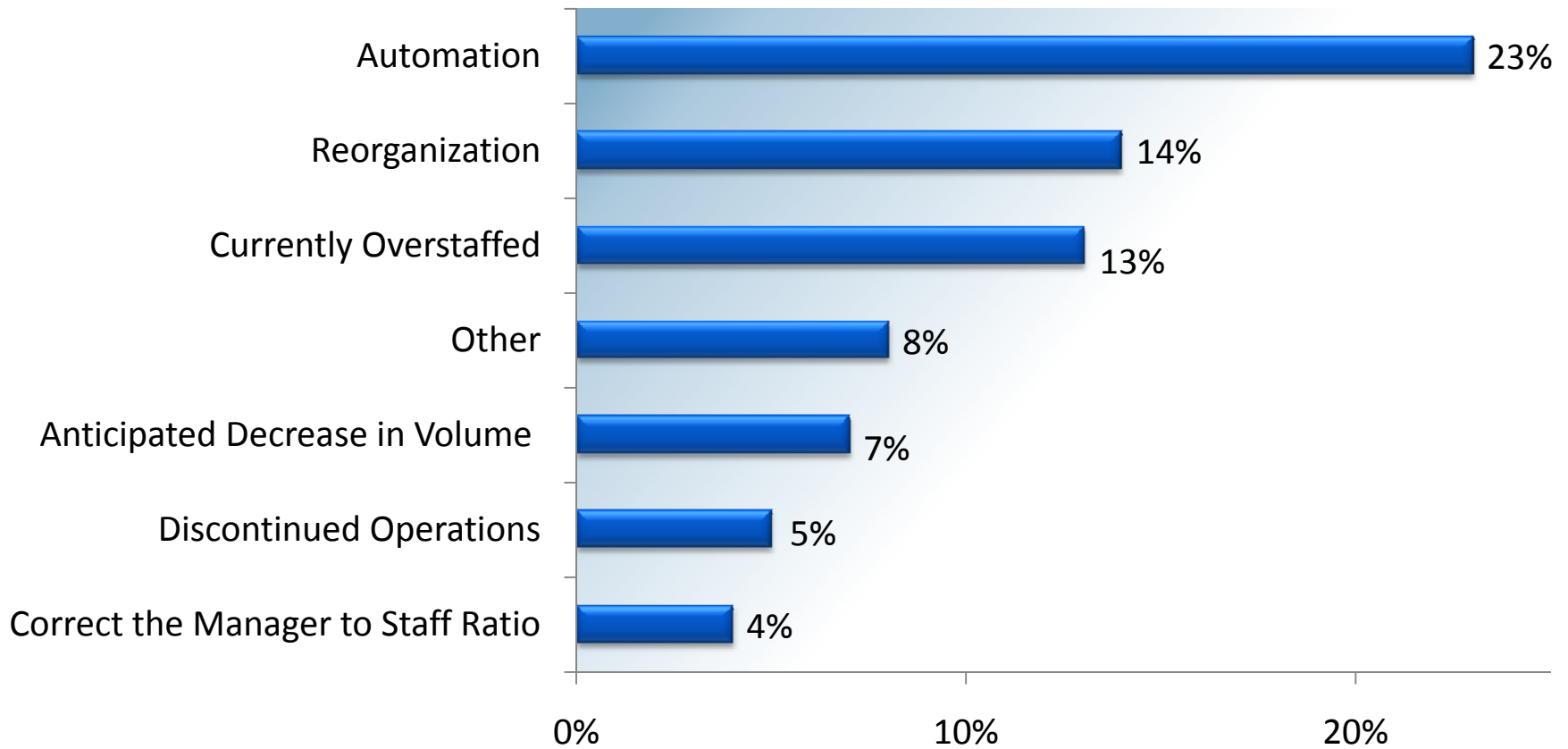
Staff Increases

Reason to Increase Staff Over Next 12 Months



Staff Decreases

Reason to Decrease Staff Over Next 12 Months





Summary and Closing Thoughts

Summary

- Optimism to grow revenue is at the highest point in the history of study (since July 2009).
- 44.4% of all companies plan to increase staff during the next 12 months. This is the greatest percentage of companies anticipating to increase staff in the history of the study .
- The likelihood of companies increasing staff is up 14% since beginning of year. This trend was consistent in nearly every function except Operations, which remained flat.
- The primary reason to increase staff has now become an increase in business volume. 53% of companies listed this reason to hire compared to a previous high level of 36% (a 17% increase since January!).
- Only 7% of companies reported decreasing staff due to a decrease in business volume, compared to 17% in July 2009.
- Only 13% of companies reported decreasing staff due to being overstaffed, compared to 22% in July 2009.



Summary

- 47% of large carriers plan to add additional staff over the next 12 months, which is 9 points higher than responses for mid-sized companies and 1 point higher than small companies.
- Technology and Underwriting roles are expected to grow the greatest over the next 12 months.
- Despite a reduction in permanent staffing and high unemployment, recruiting has remained difficult and increased slightly over past 18 months.
- Actuarial, Executive and Technology positions continue to be the most difficult to fill. Commercial P&C Underwriting positions are also in higher demand and becoming more difficult to fill.

Projection

- If the industry follows through on its plans, we will see a 1.03% increase in industry employment over the next 12 months, creating new jobs.

	Projected Growth
Total Benchmark	1.03%
Life & Health	0.46%
Property Casualty (PC)	1.28%
• PC Personal	1.10%
• PC Commercial	1.47%
• PC Balanced	1.54%



Staying Informed

Our next survey will be conducted in January 2012.

For information on how to participate, please email
valbers@wardinc.com

Thank you for your participation!

Questions?