

August 2024



Insurance Labor Market Study

The Jacobson Group and Ward, the Performance Benchmarking division within Aon's Strategy and Technology Group, 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 2024.

Summary of Findings

- 52% of companies plan to increase staff during the next 12 months, driven by the Life/Health segment at 69%
- 14% of companies are planning to decrease their number of employees. This is up from 10% in the July 2023 study
- 64% of small companies plan to add staff during the next 12 months. This is 12 and 23 points higher than medium-sized and large companies, respectively
- 79% of companies expect to grow revenue during the next 12 months. This is 2 points higher than the January survey
- Balanced Lines P&C companies are the most optimistic to increase revenue as 90% expect growth, compared to 80% of Commercial Lines and 71% of Personal Lines companies. 75% of Life/Health companies expect an increase in revenue
- Overall, 52% of the companies stated that change in market share will drive their expected revenue changes, while 39% cited pricing factors
- The primary reasons companies plan to increase staff during the next 12 months is an expected increase in business volume and expansion of business/new markets (both at 38%), followed by areas being understaffed (24%)
- Automation is the most common reason companies plan to reduce headcount during the next 12 months, followed by areas being overstaffed
- Underwriting, Claims, and Technology roles are expected to have the greatest growth during the next 12 months
- 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, 11% of companies feel the ability to hire talent has become more difficult compared to the prior year. This is down from 17% in the July 2023 survey
- At 5%, average 6-month voluntary turnover is 3.6 points lower than the 12-month average of 8.6%. The average 6-month involuntary turnover is also lower at 2.4%, compared to 3.5% for 12-month

- During the next 6 months, 72% of companies expect most employees to work a hybrid schedule. After the next 6 months, 6% are expecting to change their approach to require employees to be in-office more
- 4% of companies require their staff to be in-office every day, down from 6% in January

Notable Survey Trends from July 2023 to July 2024

- Insurance carrier employment has remained stable over the past year
- Companies with personal lines in their books have been more volatile in their headcount
- The entire industry is still growing substantially but heavily weighted toward brokers
- Total industry turnover, both voluntary and involuntary is slowing down

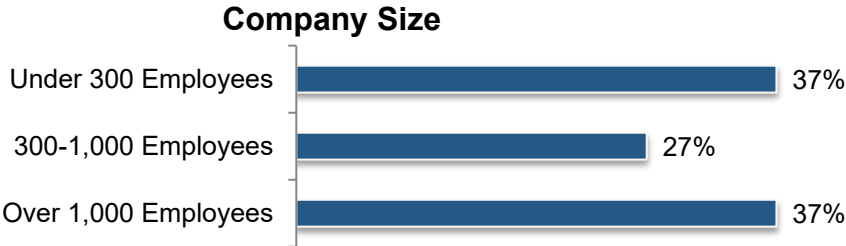
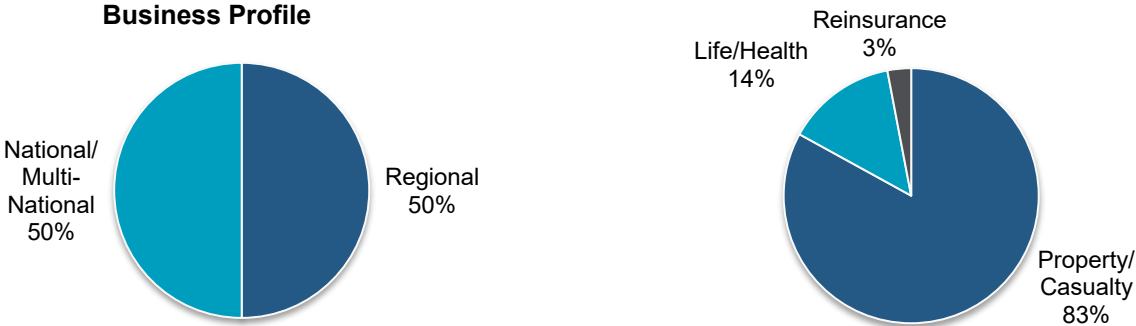
Projection

If the industry follows through on its plans, we will see a 0.58% increase in industry employment during the next 12 months, creating new jobs.

Projected Growth	
Total Benchmark	0.58%
Life & Health	1.49%
Property/Casualty (PC)	0.26%
<ul style="list-style-type: none"> • PC Personal 	-0.57%
<ul style="list-style-type: none"> • PC Commercial 	0.68%
<ul style="list-style-type: none"> • PC Balanced 	0.10%

Survey Results

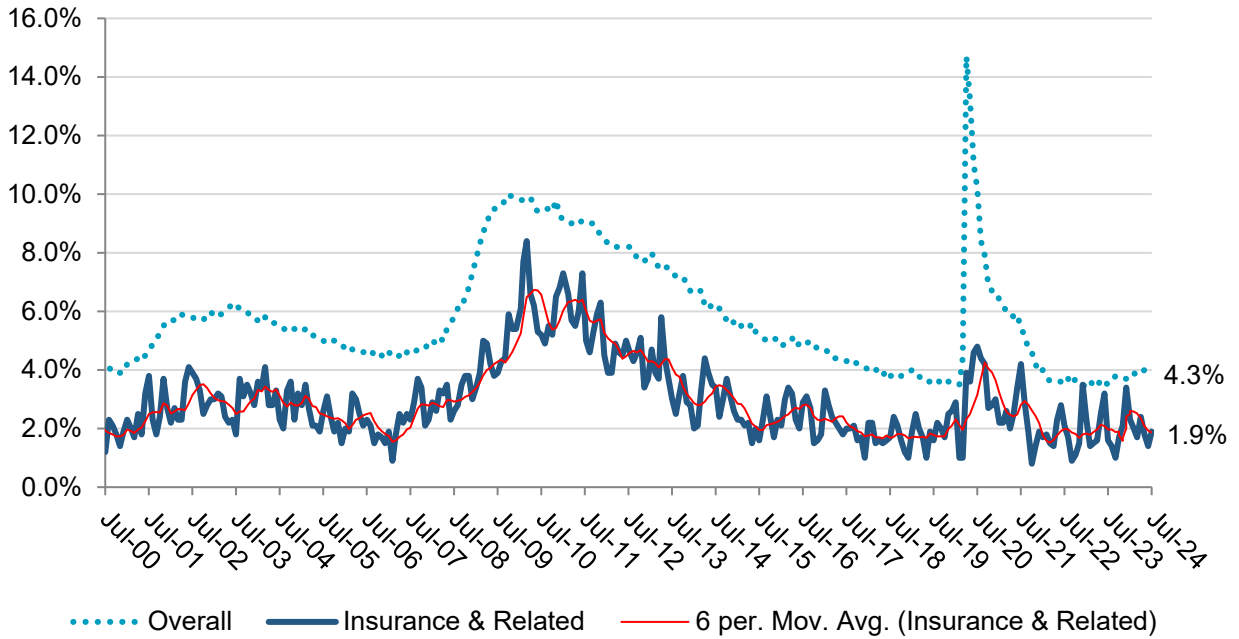
Participant Profile



The total average number of employees is 2,904

**Percentages in chart rounded to nearest whole number*

Unemployment Rates



Source: U.S. Bureau of Labor Statistics

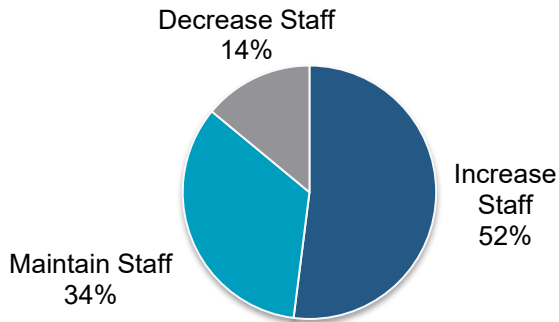
Insurance Carrier Employment



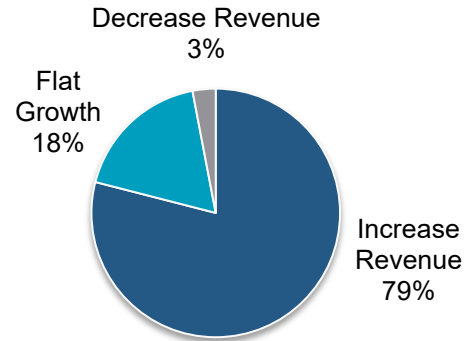
Source: U.S. Bureau of Labor Statistics

Revenue and Staffing Expectations

12-Month Staffing Plan

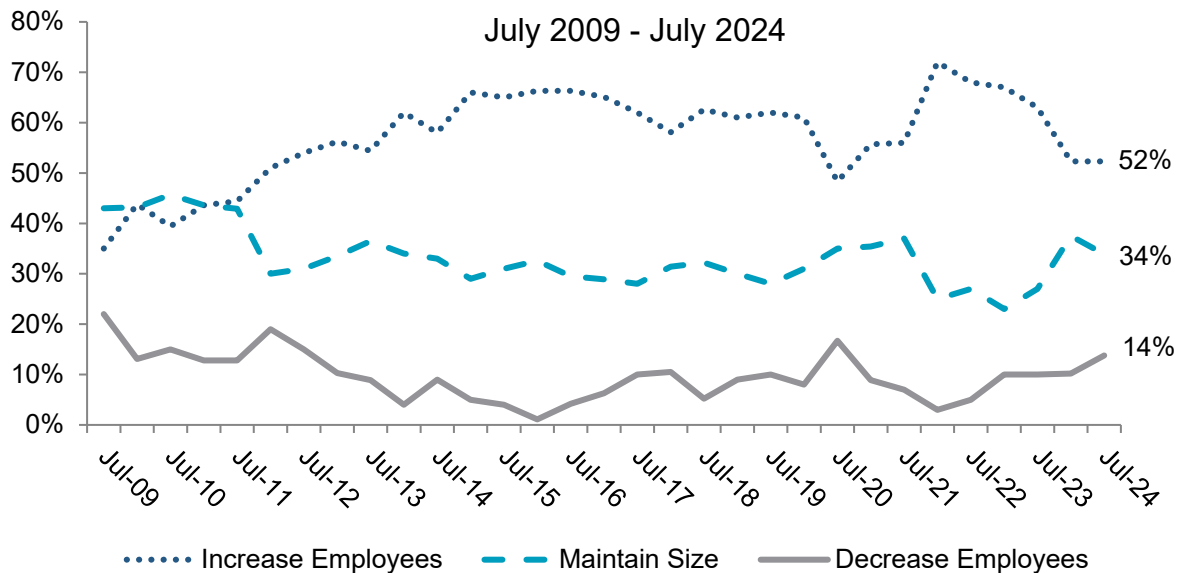


12-Month Revenue Plan



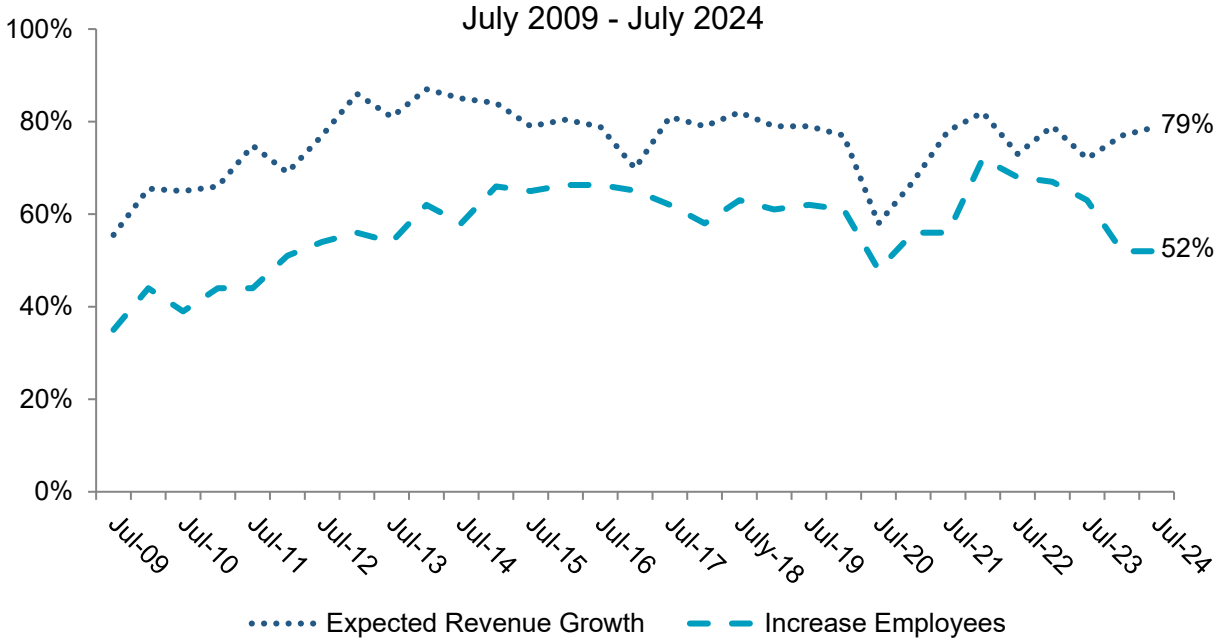
*Percentages in chart rounded to nearest whole number

12-Month Staffing Plans



*Percentages in chart rounded to nearest whole number

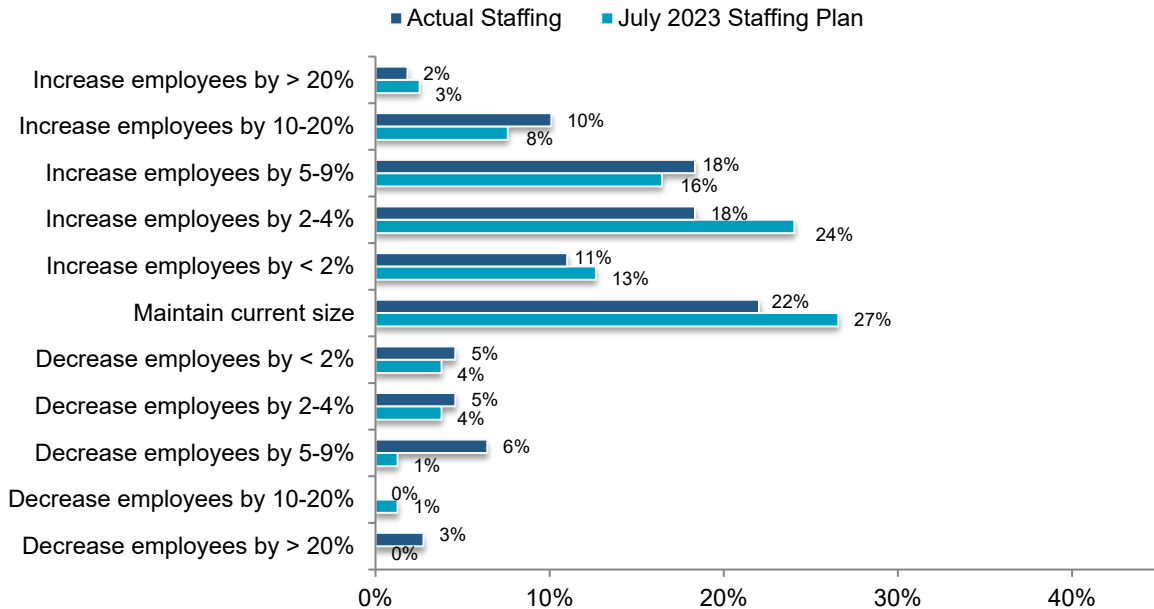
12-Month Staffing Plans Increase vs. Expected Revenue Growth



*Percentages in chart rounded to nearest whole number

- 79% of companies expect an increase in revenue growth, up 2 points from the January survey and up 7 points from the July 2023 outlook
- 14% of companies are expecting a decrease in staff, up from 10% in January
- 3% of companies expect a decrease in revenue growth, up 1 point from January
- At 52%, the primary driver for expected revenue changes will be an increase in market share

Prior Year 12-Month Plans vs. Actual Staffing

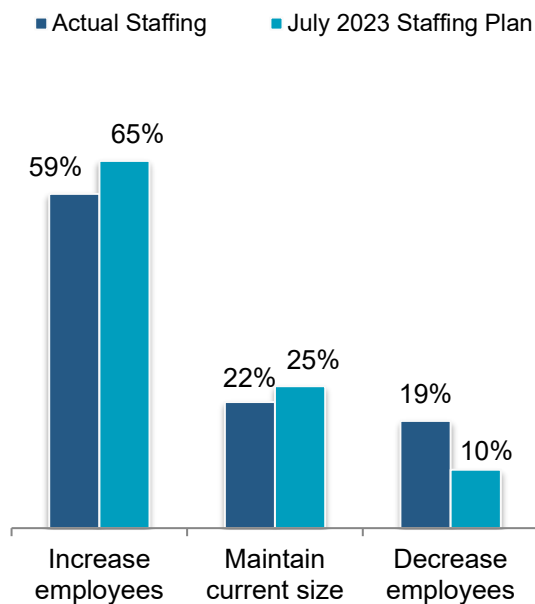


*Percentages in chart rounded to nearest whole number

60% of companies added staff since July 2023, while 18% reduced staff

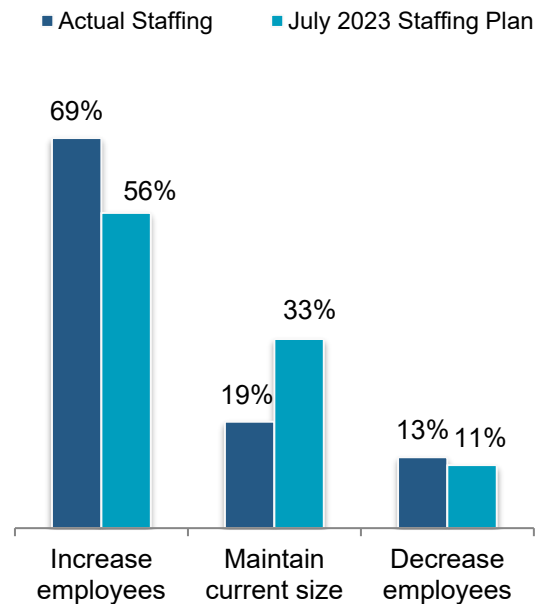
Prior Year 12-Month Staffing Plans vs. Actual - By Industry

Property/Casualty



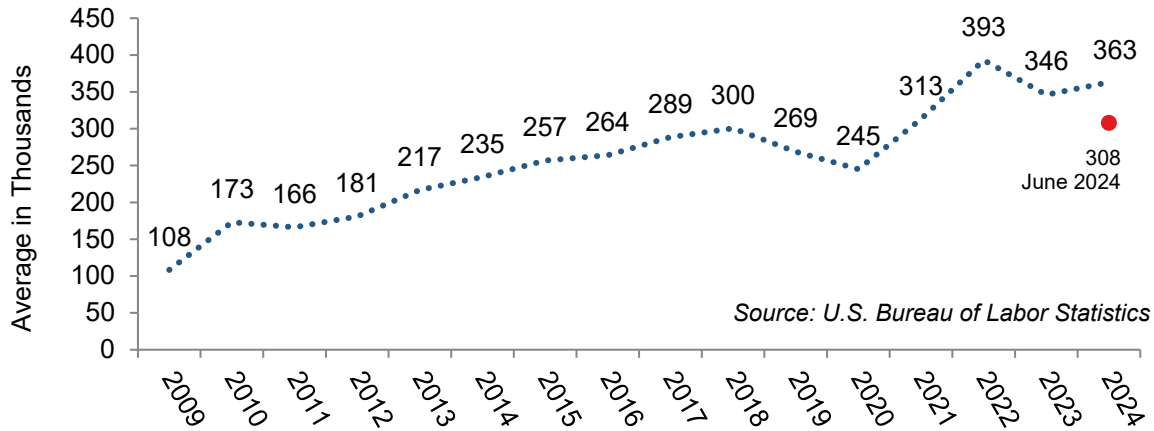
*Percentages in chart rounded to nearest whole number

Life/Health

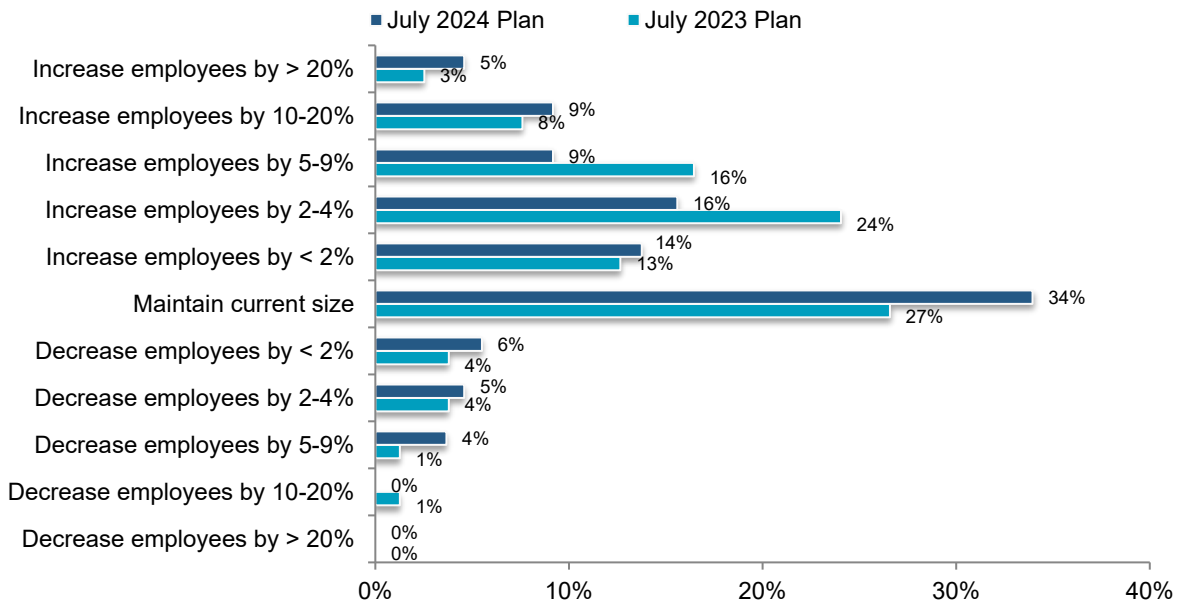


*Percentages in chart rounded to nearest whole number

Job Openings in Finance and Insurance

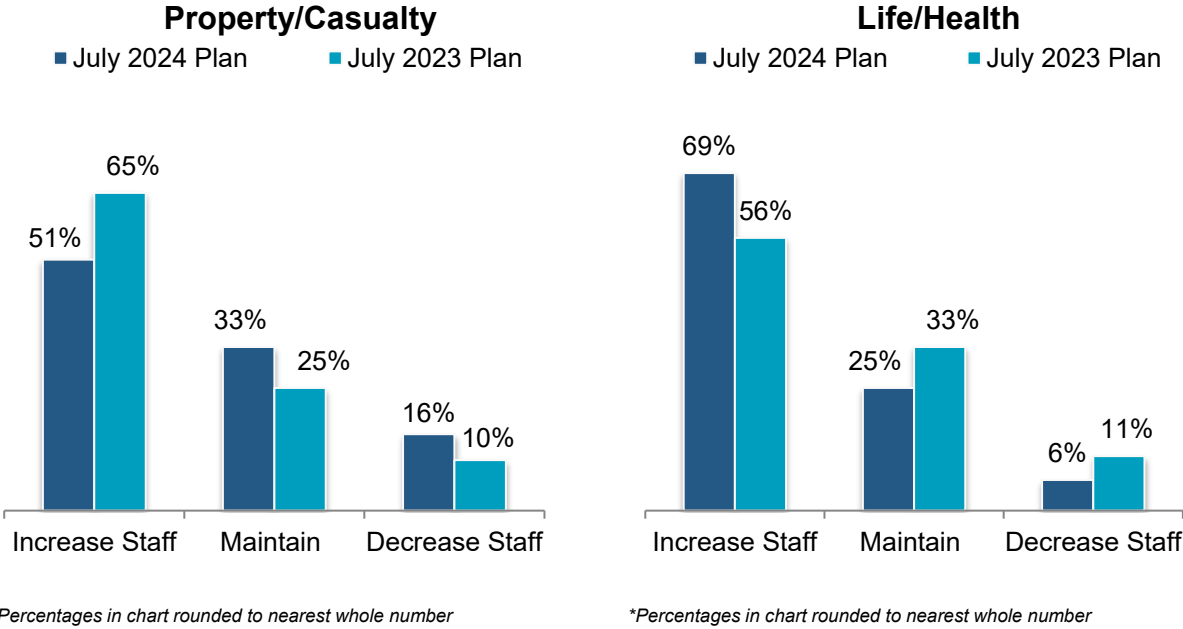


12-Month Staffing Plans

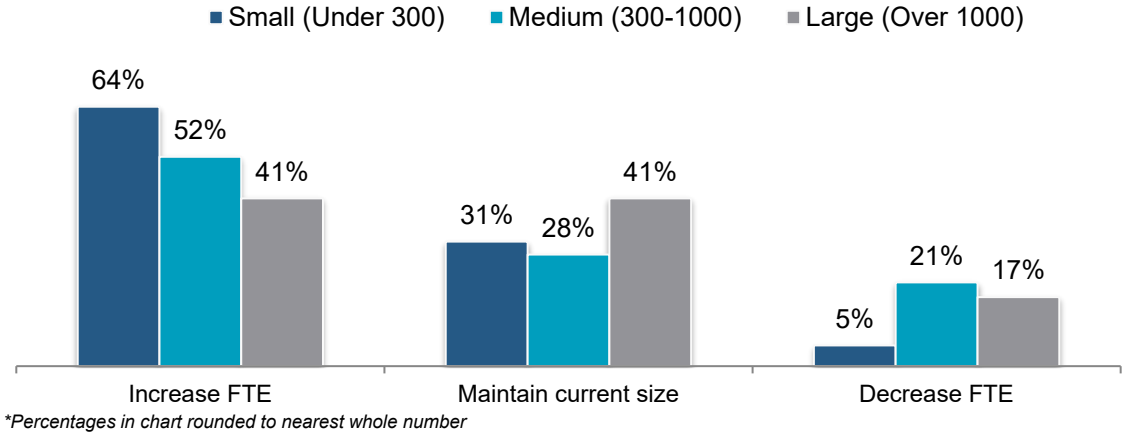


- 60% of Balanced Lines P&C companies are expecting to increase staff during the next 12 months. This is 39 and 5 points higher than Personal Lines and Commercial Lines P&C companies, respectively
- Overall, 43% of Personal Lines P&C companies are expecting to decrease staff during the next 12 months. 36% expect a decrease of less than 2%
- Of the companies who plan to add staff during the next 12 months, 91% expect an increase in revenue with 62% responding that it will be due to a change in market share. Of those planning a decrease in staff, 13% of companies expect a decrease in revenue
- 68% of companies who plan to maintain staff size during the next 12 months are expecting an increase in revenue. 3% of those companies are expecting a decrease

12-Month Staffing Plans - Comparison to July 2023 by Industry

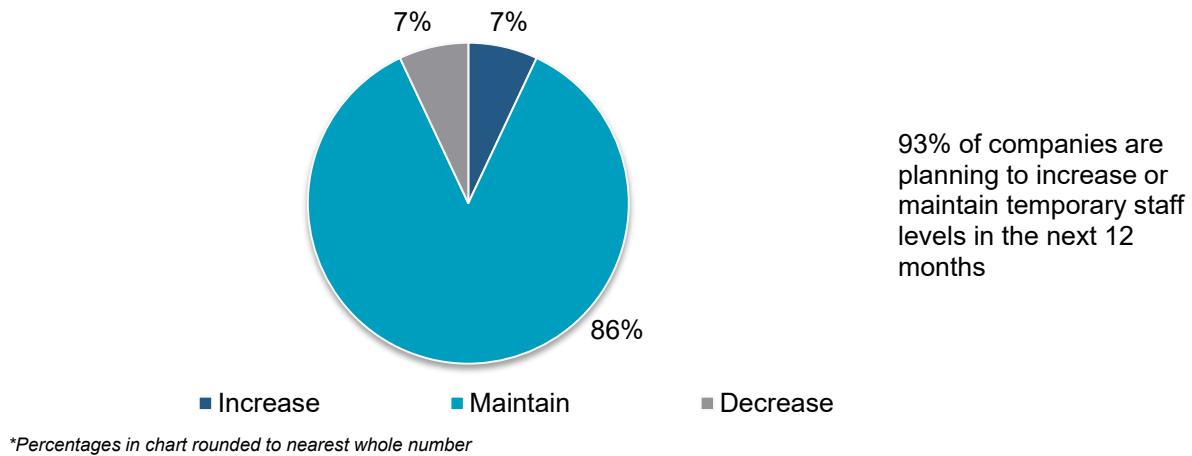


12-Month Staffing Plans - By Employee Size

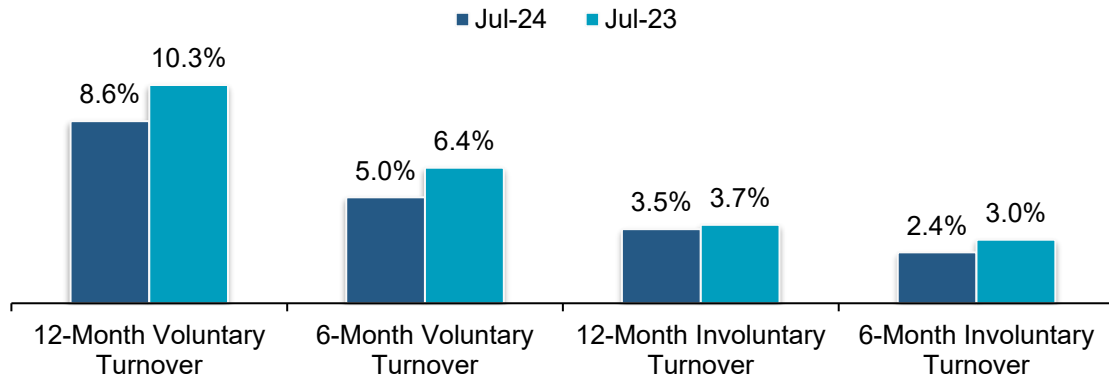


- Overall expectations to add staff remained at 52%, the same total reported in January. 64% of small companies are expecting an increase compared to 51% in January. Medium-sized companies slightly decreased their 12-month expectations from 53% in January to 52% in July. Large companies decreased from 53% to 41%.
- 54% of small companies and 42% of large companies expect growth in revenue/premium greater than 10% over the next 12 months. This compares to 21% for medium-sized companies
- All company size groups expect revenue changes to be primarily driven by market share

Use of Temporary Employees During Next 12 Months



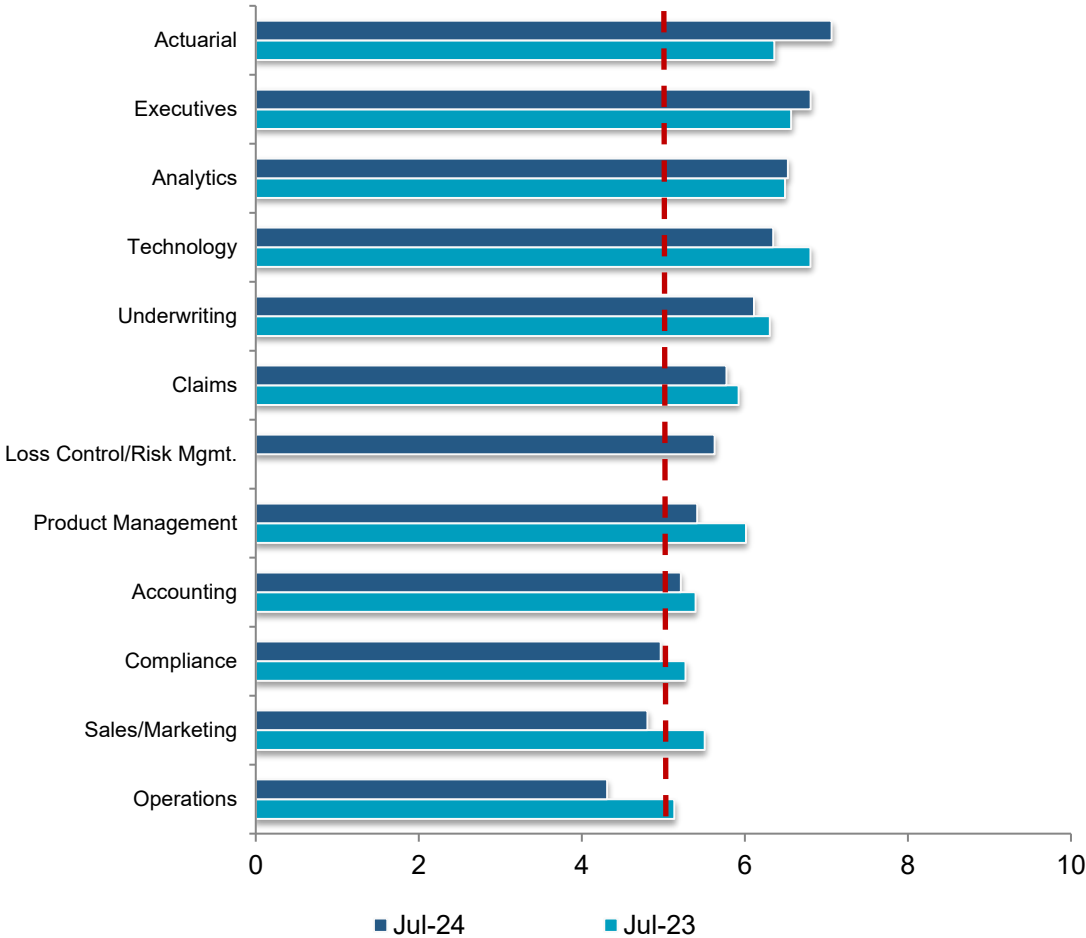
Voluntary and Involuntary Turnover Percentage



*Results include only those companies which provided turnover percentages

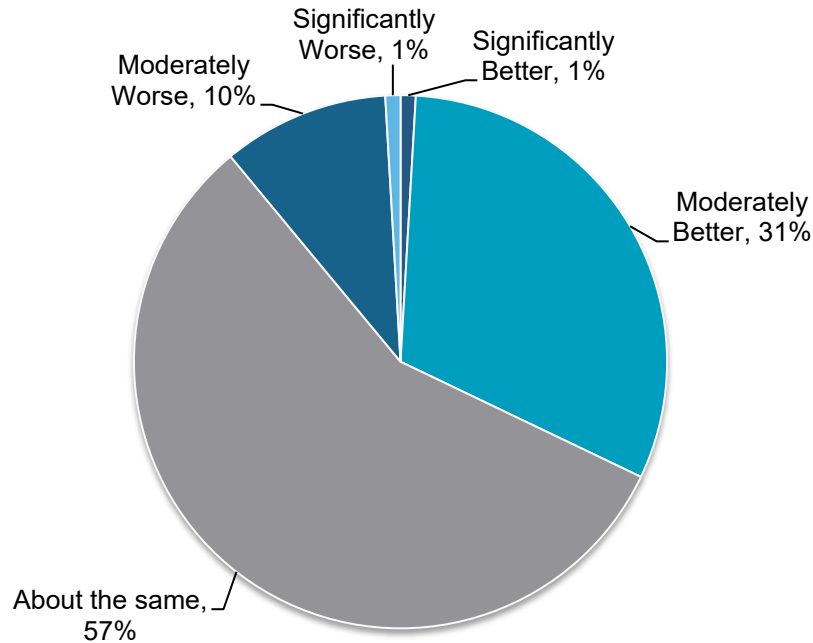
- At 8.6%, 12-month voluntary turnover is 1.7 points lower than July 2023. This is slightly higher than the change in 6-month voluntary turnover, which was down 1.4 points
- 12-month involuntary turnover is just slightly lower than July 2023, at 3.5% compared to 3.7%
- Compared to P&C companies, Life/Health 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 11.6%, compared to Balanced Lines and Commercial Lines companies at 9.3% and 7.4%, respectively
- Compared to small and large companies, medium-sized companies reported the highest 12-month voluntary and involuntary turnover percentage

Recruiting Difficulty Easing



- 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 July 2023, recruiting difficulty has eased in 8 of 11 categories

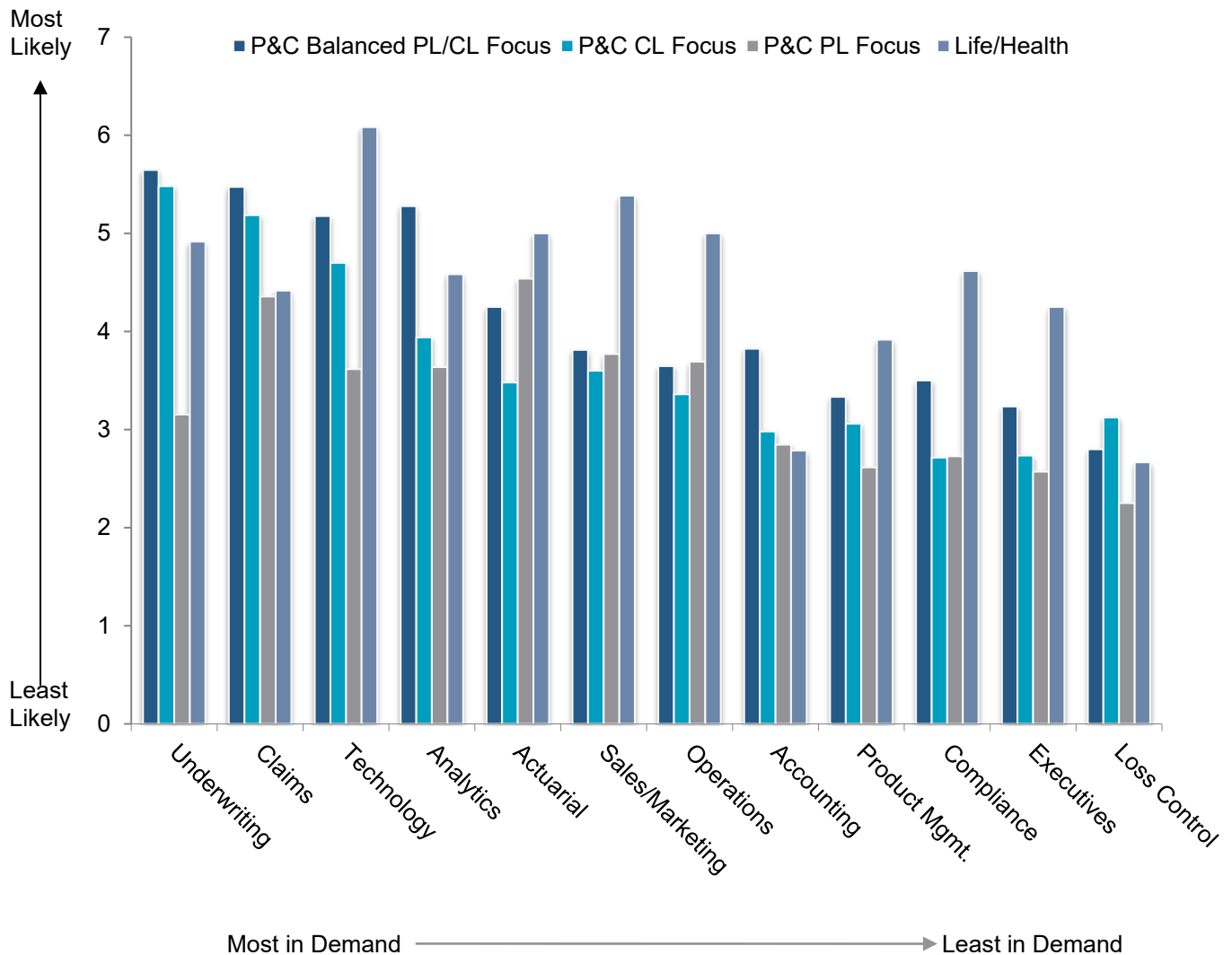
Ability to Hire Talent Compared to One Year Prior



**Percentages in chart rounded to nearest whole number*

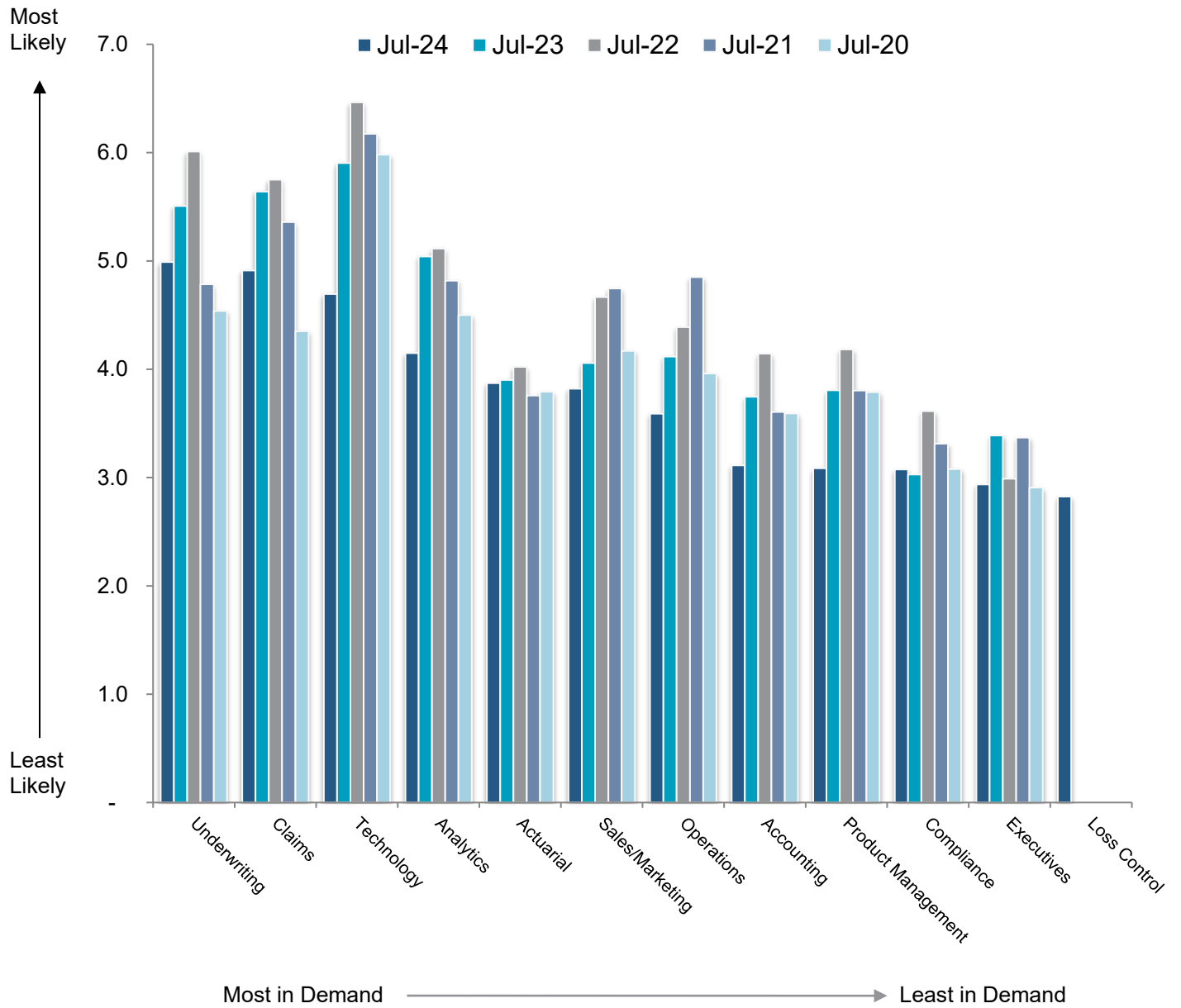
- In total, 11% of companies feel the ability to hire talent has become more difficult compared to the prior year. This is down from 17% in July 2023. 32% feel hiring difficulty has eased in the past year
- 12% of Life/Health companies feel the ability to hire has worsened, compared to P&C companies at 11%
- 14% of medium-sized companies feel it has been more difficult to hire talent, compared to large and small companies at 12% and 8%, respectively

Likelihood of Increasing Staff by Function

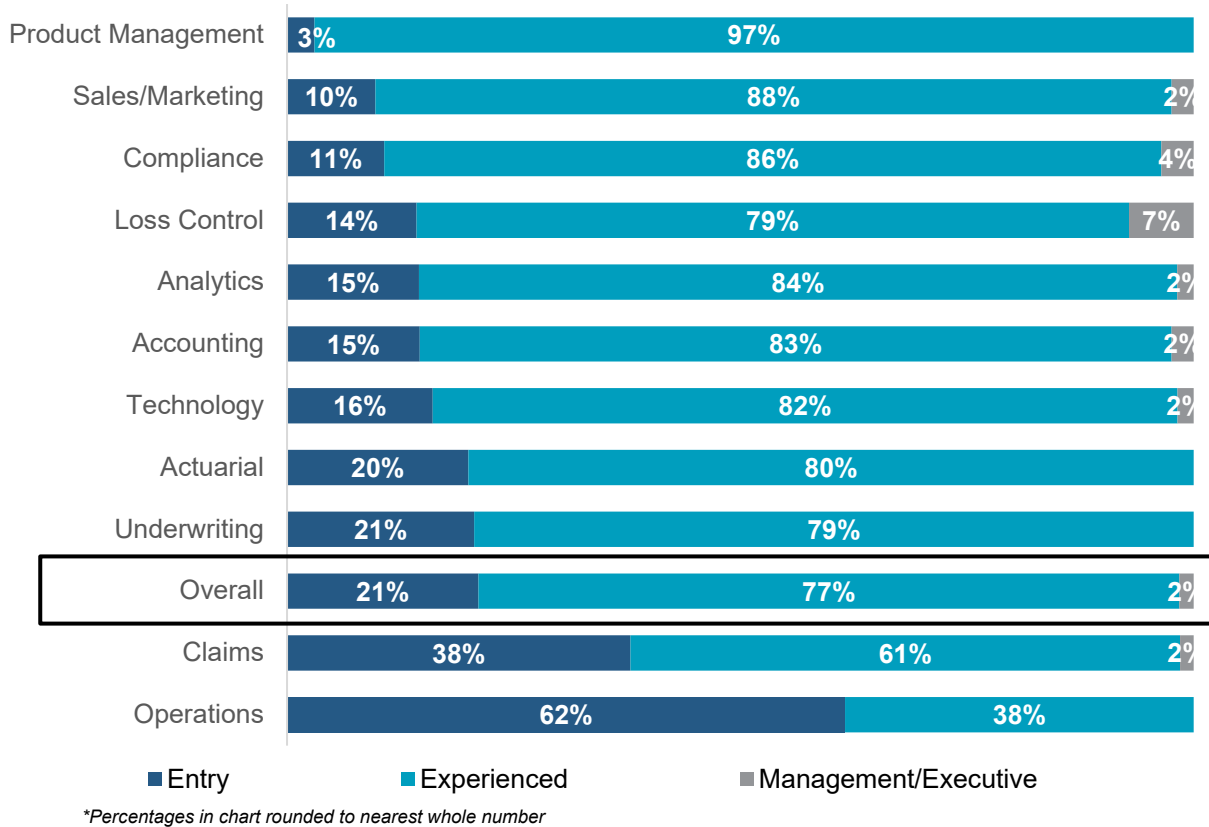


- In total, the industry's greatest need is Underwriting, Claims, then Technology staff
- For the first time in the history of the study, Technology is not the area most in demand overall
- Large companies are most likely to hire Underwriting roles in the next 12 months, followed by Technology and Claims. Medium-sized companies are looking toward Analytics then Technology, while small-sized companies have the greatest need in Claims, followed by Underwriting
- Technology and Sales/Marketing are the areas most in demand in the Life/Health segment

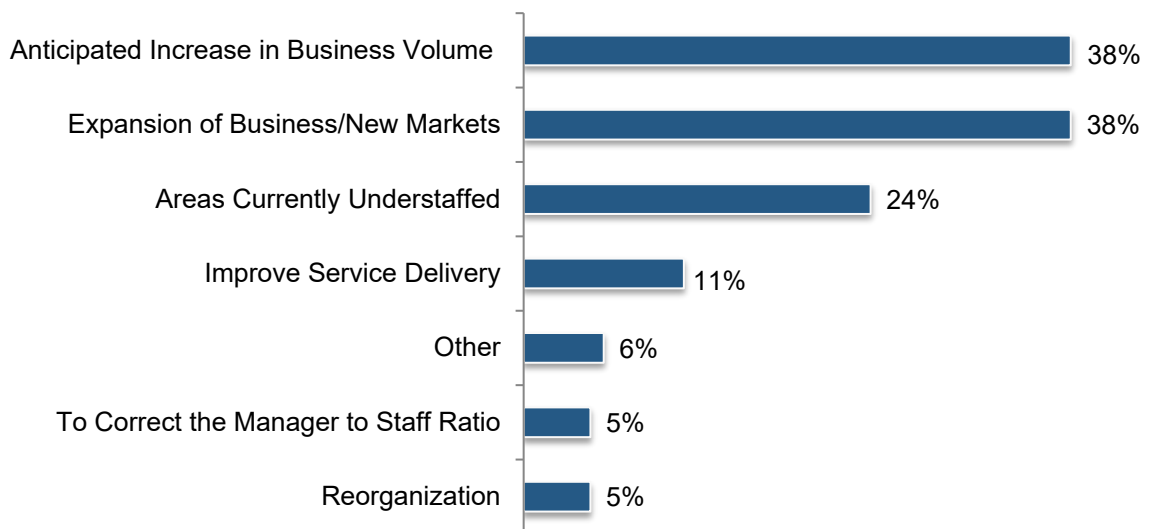
Likelihood of Increasing Staff by Function by Survey Period



Employee Types Most Likely to be Added by Function

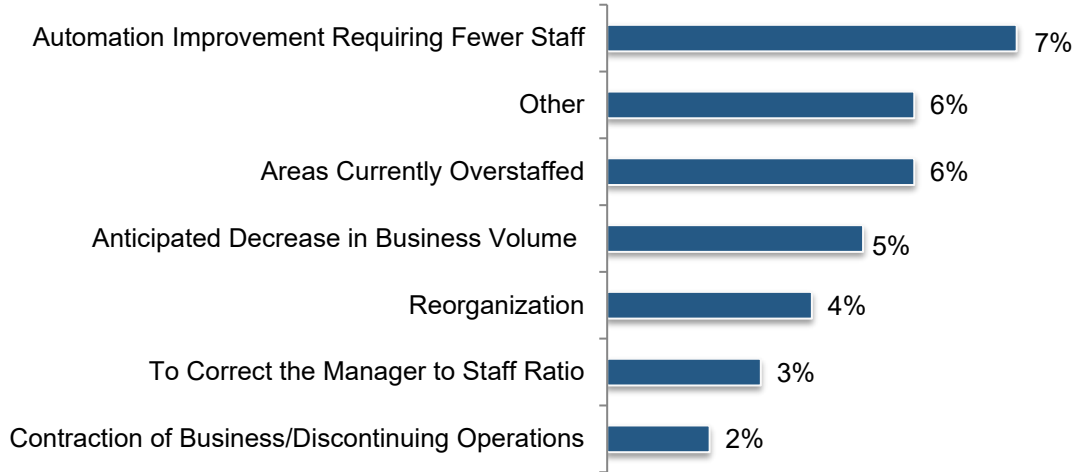


Reason to Increase Staff During Next 12 Months



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

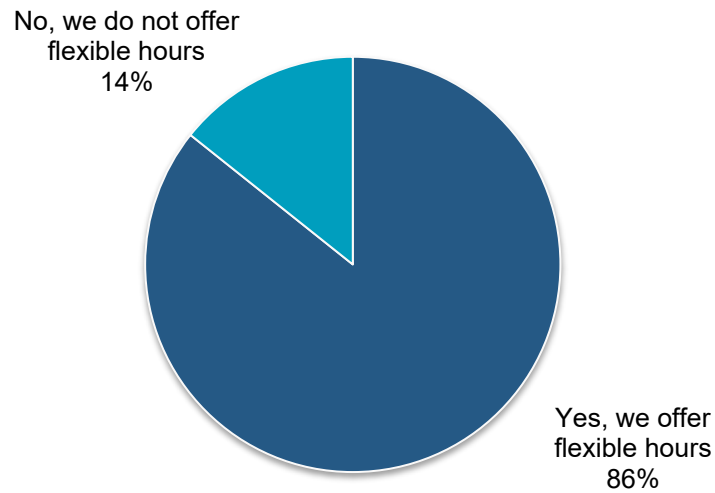
Reason to Decrease Staff During Next 12 Months



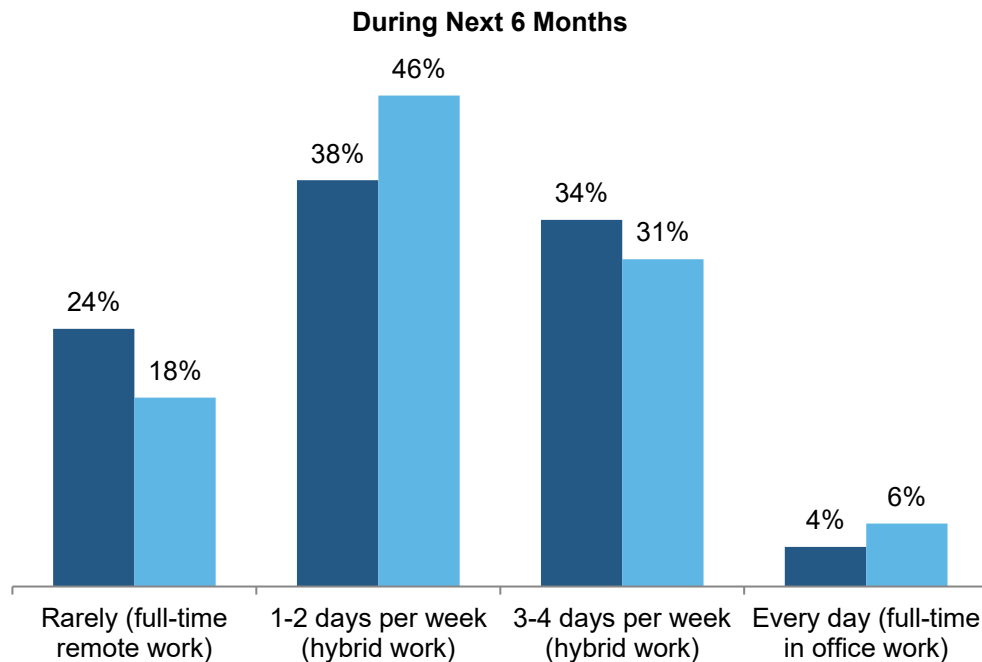
*Results are reflected as a percentage of all survey participants.

Current Workplace Flexibility

Flexible Work Hours Offered



Required In-Office Work for Majority of Employees

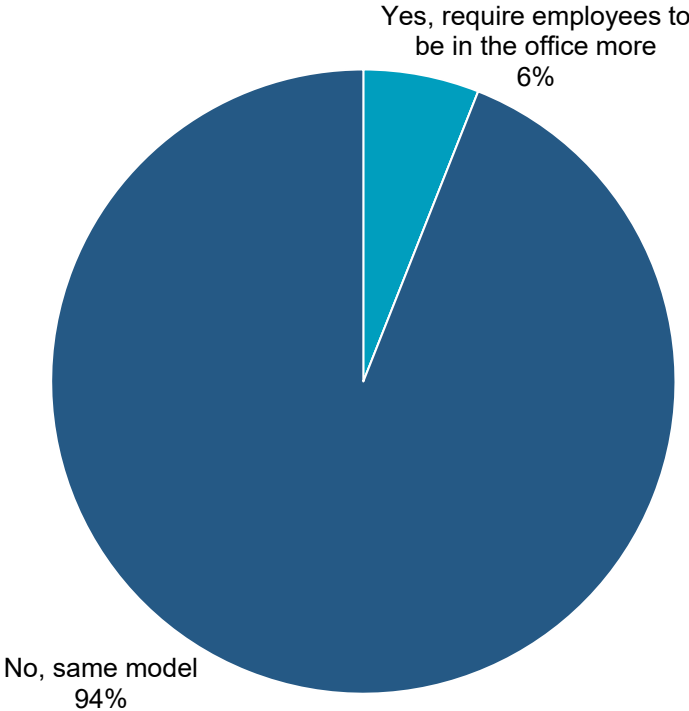


**Percentages in chart rounded to nearest whole number*

- During the next 6 months, 76% of companies are expecting most employees in-office at least 1 day per week, down from 82% in January. 72% have a hybrid model compared to 76% in January
- 73% of Life/Health companies and 78% 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 30%, compared to Balanced Lines and Personal Lines companies at 10% and 7%, respectively
- Hybrid staffing models are most common for large companies (76%) followed by small (71%) and medium-sized (69%)
- 4% of companies are requiring employees in-office every day, down from 6% in 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, 94% of companies expect no changes to in-office requirements. 6% anticipate requiring employees to come in more
- 13% of small companies expect employees to be required in the office more after 6 months, compared to large at 2%. Medium-sized companies expect no changes
- P&C companies expect employees to be required in the office more after the next 6 months (7%). Life/Health companies expect no changes
- Within P&C, Personal Lines companies are most likely to require employees in the office more after 6 months, at 14%, compared to 7% for Commercial Lines. Balanced Lines companies expect no changes
- No companies expect employees to be in the office less after 6 months

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About Ward / STG Performance Benchmarking

Ward is the Performance Benchmarking division within Aon's 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 Aon's Performance Benchmarking solutions for insurance companies, please visit ward.aon.com.

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