

February 2025



## 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 first quarter of 2025.

### Summary of Findings

- 55% of companies plan to increase staff during the next 12 months, driven by the Life/Health segment at 60%
- 12% of companies are planning to decrease their number of employees. This is up from 10% in the January 2024 study
- 64% of large companies plan to add staff during the next 12 months. This is 4 and 26 points higher than small and medium-sized companies, respectively
- 74% of companies expect to grow revenue during the next 12 months. This is 3 points lower than the January 2024 survey
- Commercial Lines P&C companies are the most optimistic to increase revenue as 79% expect growth, compared to 67% of Balanced Lines and 65% of Personal Lines companies. 73% of Life/Health companies expect an increase in revenue
- Overall, 49% of the companies stated that change in market share will drive their expected revenue changes, while 27% cited pricing factors
- The primary reasons companies plan to increase staff during the next 12 months is an expected increase in business volume (39%) followed by expansion of business or new markets (34%)
- Reorganization is the most common reason companies plan to reduce headcount during the next 12 months, followed closely by automation and areas being overstaffed
- Technology, Underwriting, and Claims roles are expected to have the greatest growth during the next 12 months
- Loss Control, Actuarial, Product Management, and Accounting are the areas where companies are most likely to add experienced staff. Claims and Operations 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 up from 11% in the July 2024 survey
- At 5.8%, average 6-month voluntary turnover is 2.7 points lower than the 12-month average of 8.5%. The average 6-month involuntary turnover is also lower at 2.9%, compared to 4.1% for 12-month

- During the next 6 months, 75% of companies expect most employees to work a hybrid schedule. After the next 6 months, 11% are expecting to change their approach to require employees to be in-office more
- 3% of companies require their staff to be in-office every day, down from 6% in the January 2024 study

## Notable Survey Trends from January 2024 to January 2025

- Insurance carrier employment expectations remained stable over the past year
  - The total industry headcount grew 1.17% versus an anticipated rate of 1.21%\*
- Companies with personal lines in their books have been more volatile in their headcount
  - Personal Lines companies are expecting further decreases in 12-month headcount compared to January 2024
  - Personal Lines companies reported increases in both 12- and 6-month involuntary turnover percentages
- The total industry 12-month turnover, both voluntary and involuntary, is slowing down compared to January 2024

*\*Data compares responses from the 2024 and 2025 Q1 labor market studies. Outliers have been excluded from calculations.*

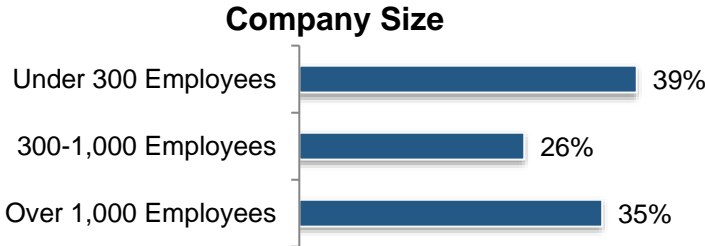
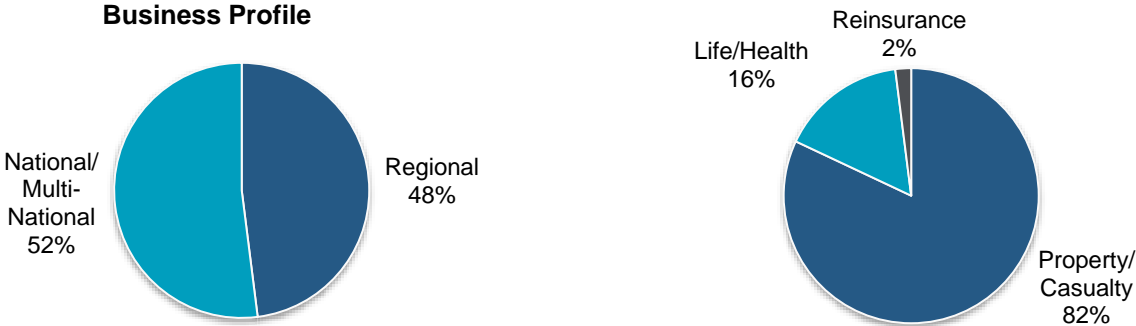
# Projection

If the industry follows through on its plans, we will see a 1.08% increase in industry employment during the next 12 months, creating new jobs.

Projected Growth	
Total Benchmark	1.08%
Life & Health	0.42%
Property/Casualty (PC)	1.42%
<ul style="list-style-type: none"> <li>• PC Personal</li> </ul>	-0.17%
<ul style="list-style-type: none"> <li>• PC Commercial</li> </ul>	2.41%
<ul style="list-style-type: none"> <li>• PC Balanced</li> </ul>	1.18%

# Survey Results

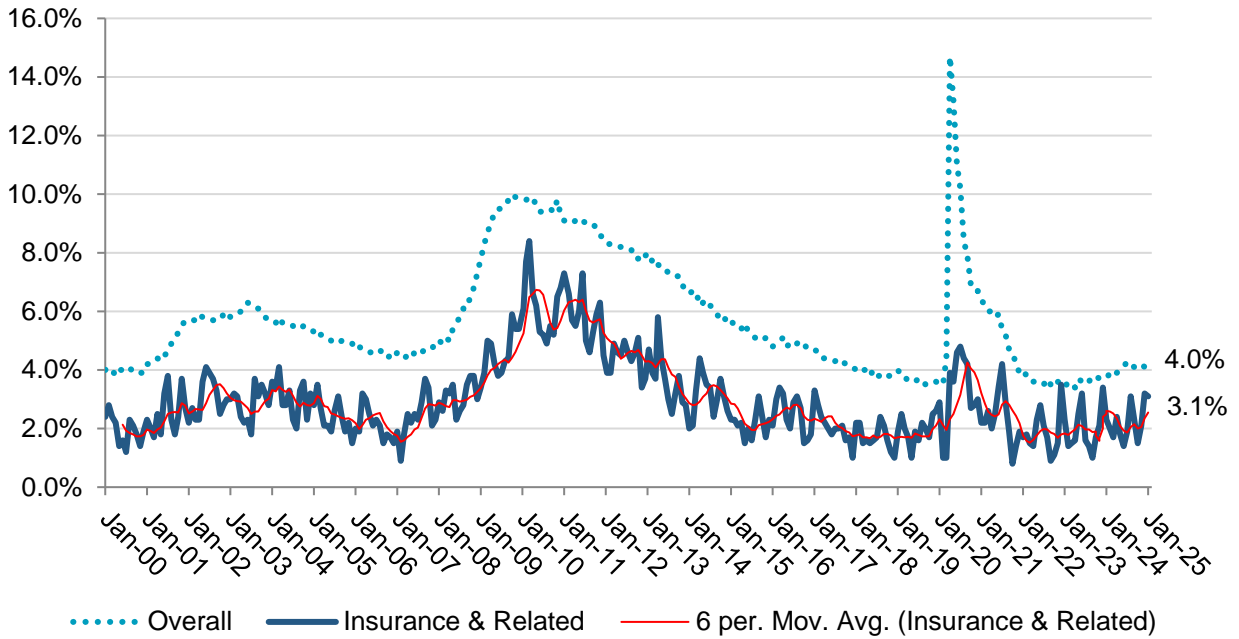
## Participant Profile



The total average number of employees is 2,226

*\*Percentages in chart rounded to nearest whole number*

## Unemployment Rates



Source: U.S. Bureau of Labor Statistics

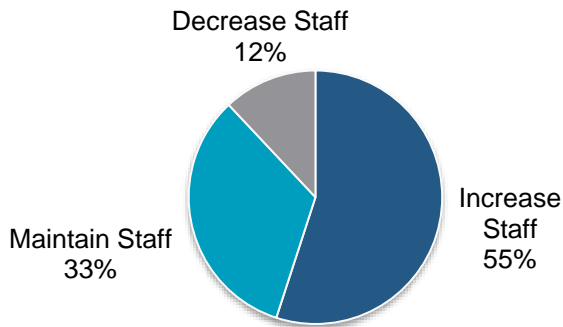
## Insurance Carrier Employment



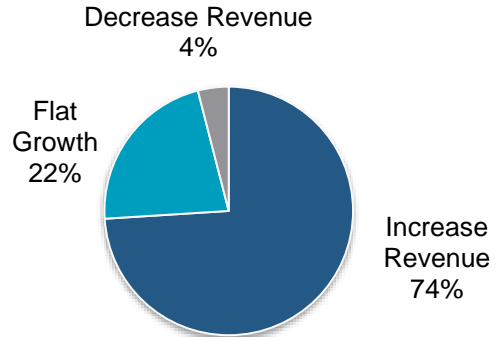
Source: U.S. Bureau of Labor Statistics

## Revenue and Staffing Expectations

### 12-Month Staffing Plan

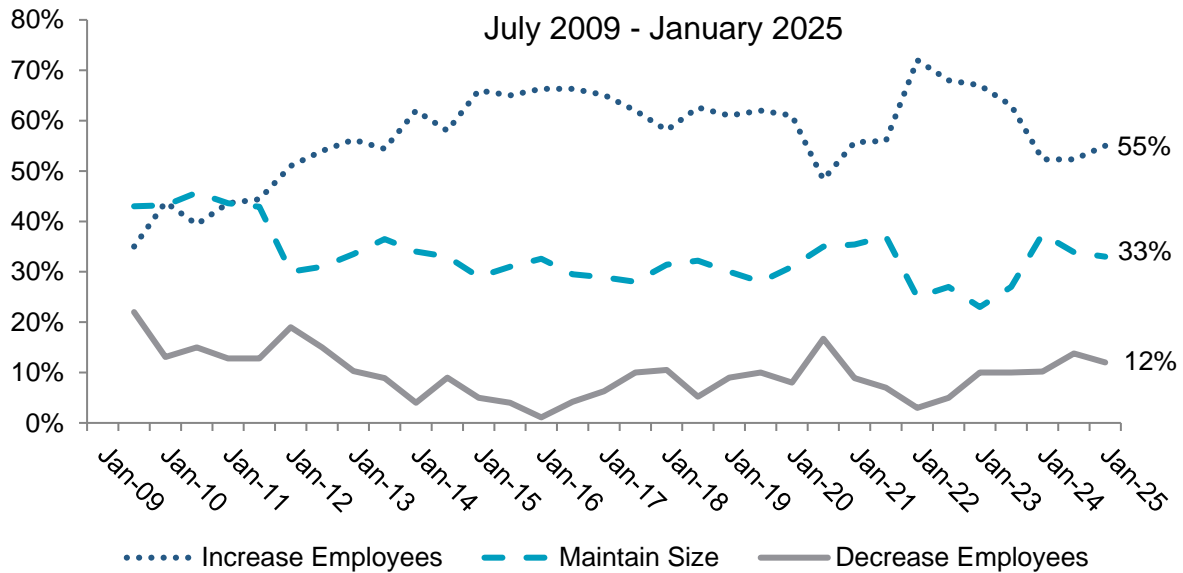


### 12-Month Revenue Plan



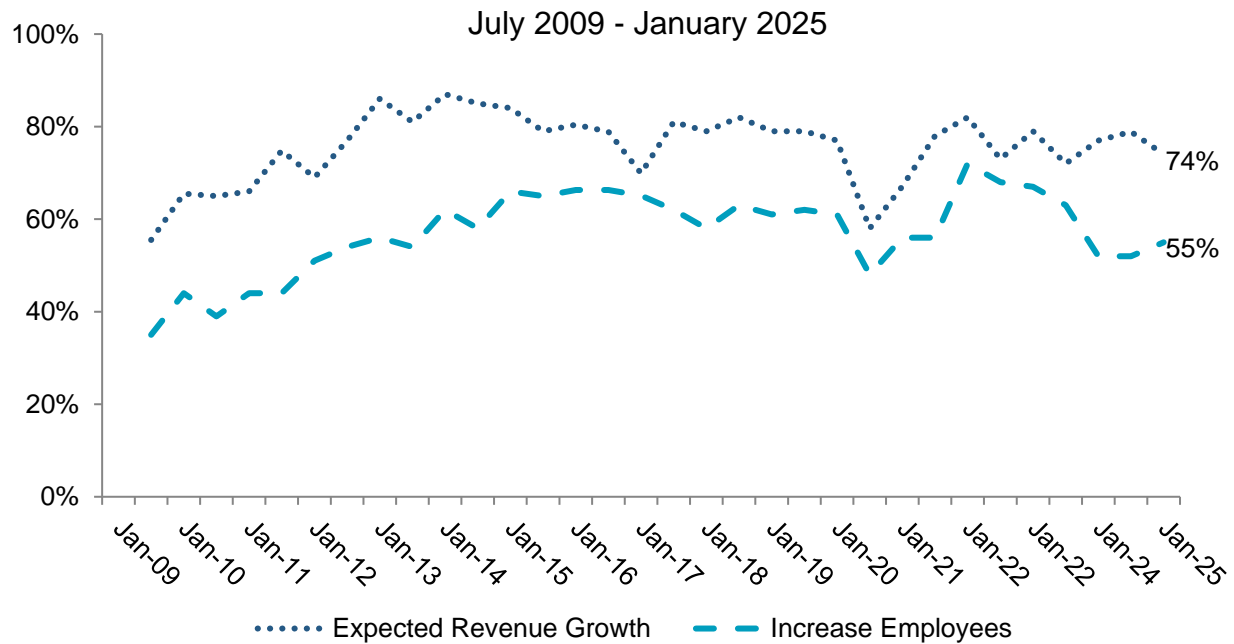
\*Percentages in chart rounded to nearest whole number

### 12-Month Staffing Plans



\*Percentages in chart rounded to nearest whole number

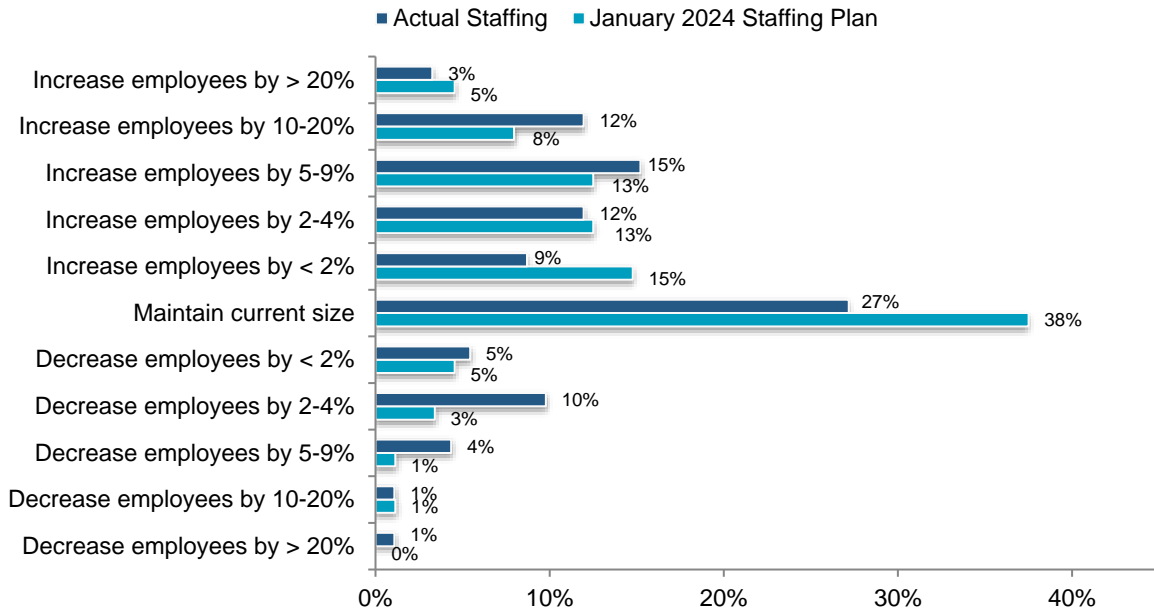
## 12-Month Staffing Plans Increase vs. Expected Revenue Growth



\*Percentages in chart rounded to nearest whole number

- 74% of companies expect an increase in revenue growth. This is 5 and 3 points lower than the July and January 2024 studies, respectively
- 4% of companies expect a decrease in revenue growth, up 1 point from July
- At 49%, the primary driver for expected revenue changes will be an increase in market share
- 12% of companies are expecting a decrease in staff, down from 14% in July

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

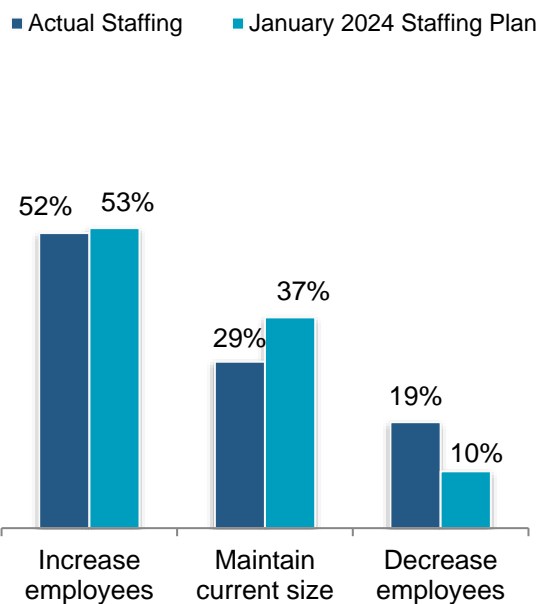


\*Percentages labels in chart rounded to nearest whole number

51% of companies added staff since January 2024, while 22% reduced staff

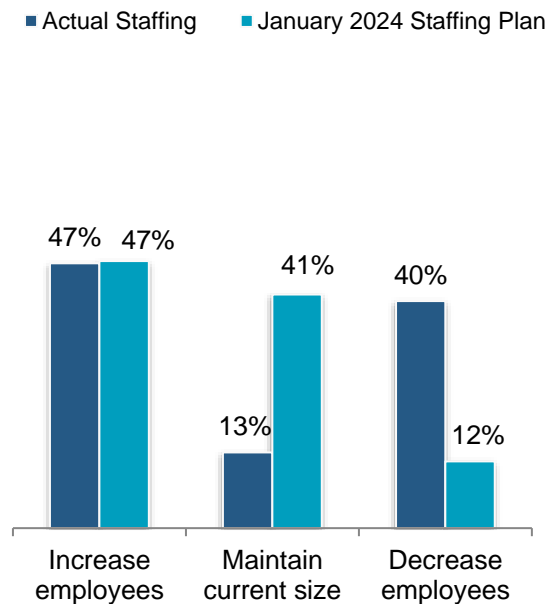
## Prior Year 12-Month Staffing Plans vs. Actual - By Industry

### Property/Casualty



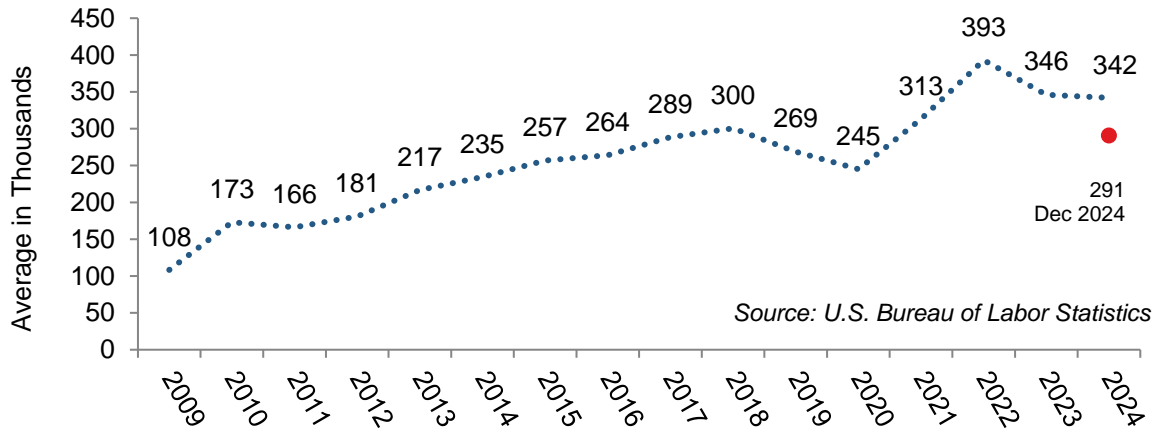
\*Percentages in chart rounded to nearest whole number

### Life/Health

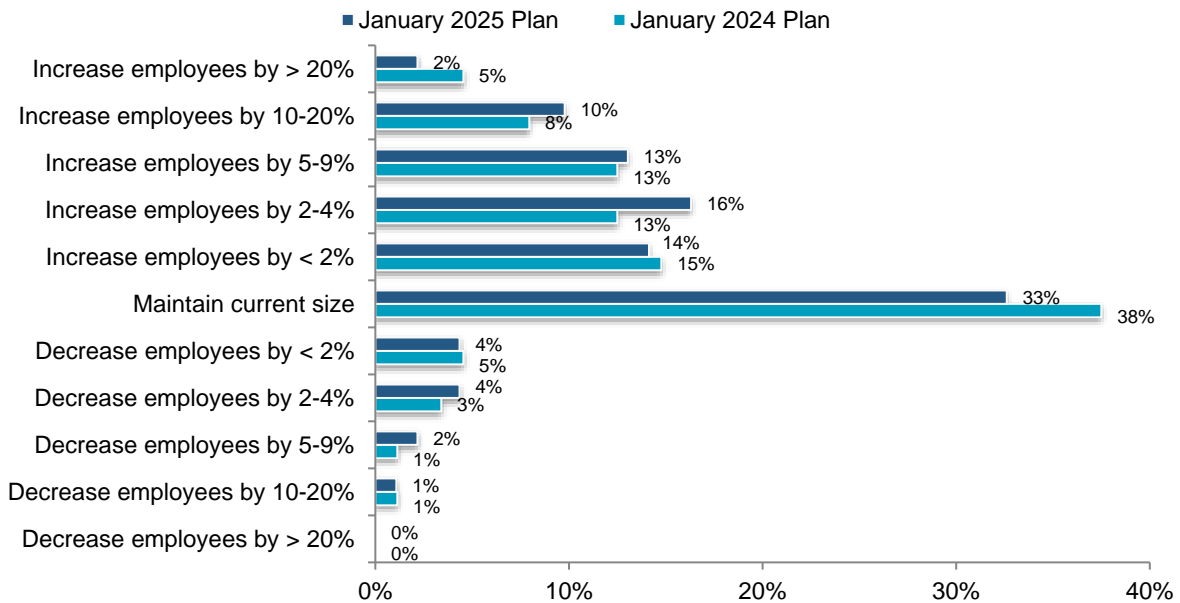


\*Percentages in chart rounded to nearest whole number

## Job Openings in Finance and Insurance



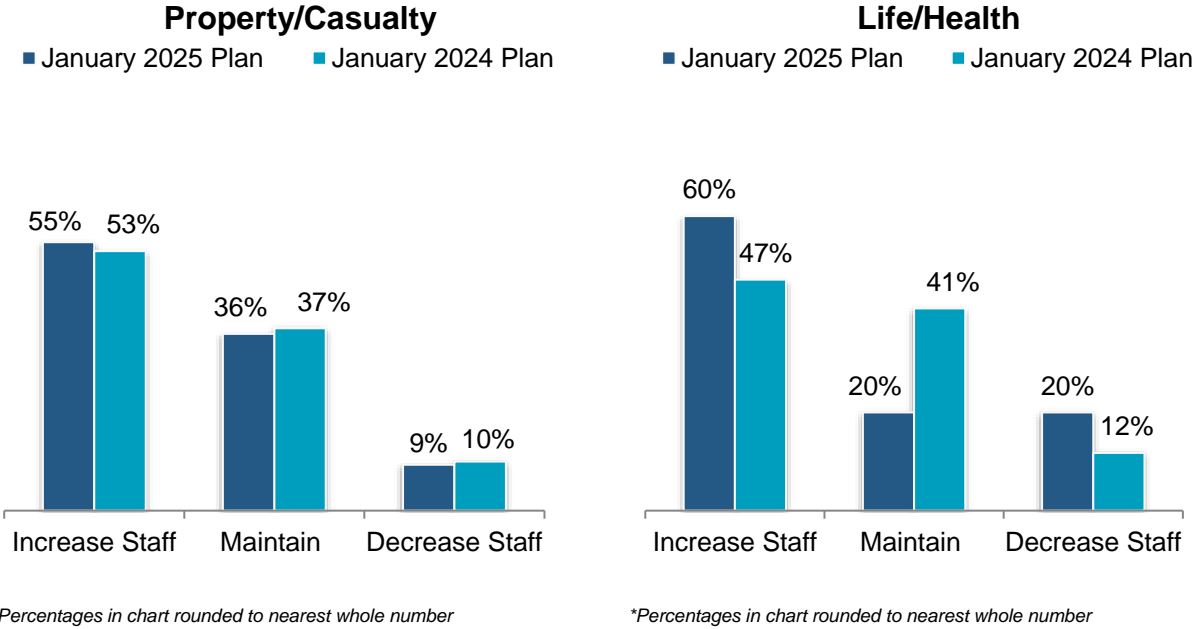
## 12-Month Staffing Plans



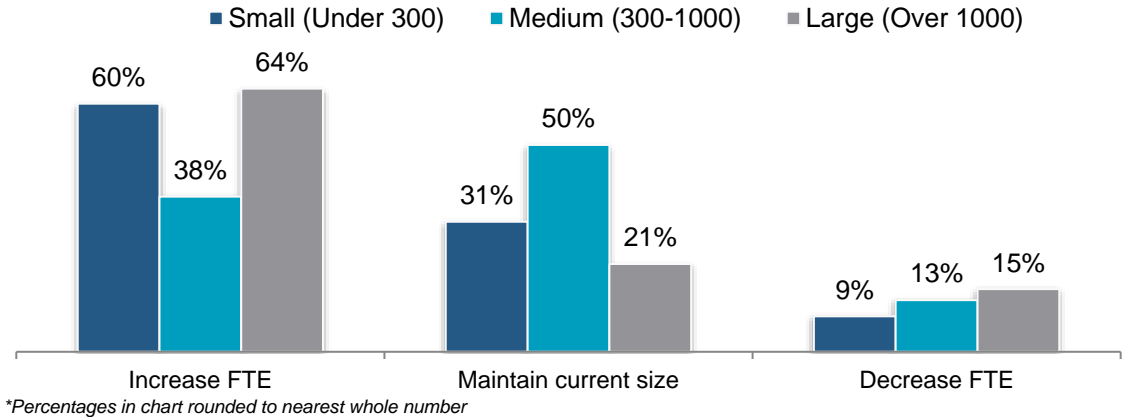
- 67% of Balanced Lines P&C companies are expecting to increase staff during the next 12 months. This is 43 and 4 points higher than Personal Lines and Commercial Lines P&C companies, respectively
- Overall, 29% of Personal Lines P&C companies are expecting a decrease in staff during the next 12 months; however, 18% expect this decrease to be less than 2%
- Of the companies who plan to add staff during the next 12 months, 84% expect an increase in revenue with 57% responding that it will be due to a change in market share. Of those planning a decrease in staff, 27% of companies 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. 3% of those companies are expecting a decrease



## 12-Month Staffing Plans by Industry - January 2025 to January 2024 Comparison

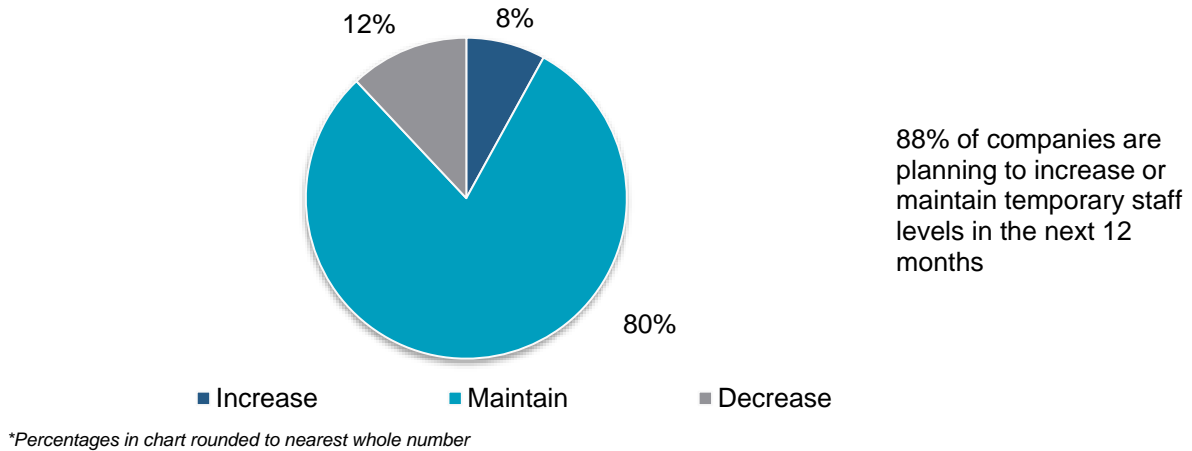


## 12-Month Staffing Plans - By Employee Size

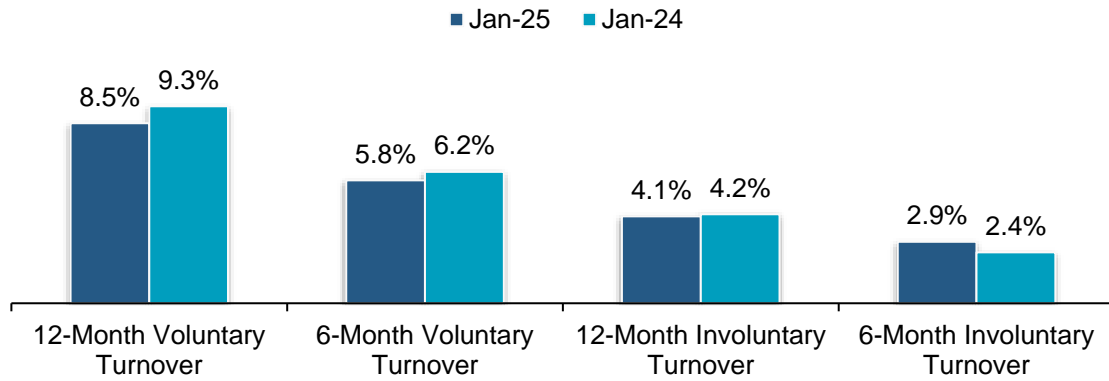


- Since July, overall expectations to add staff increased 3 points to 55%. 64% of large companies are expecting an increase compared to 41% in July. Medium-sized companies decreased their 12-month expectations from 52% in July to 38% in January. Small companies decreased from 64% to 60%
- 43% of small companies and 30% of large companies expect growth in revenue/premium greater than 10% over the next 12 months. This compares to 13% for medium-sized companies
- Small and large companies expect revenue changes to be primarily driven by market share, medium-sized companies expect it to be driven by economic expansion

## Use of Temporary Employees During Next 12 Months



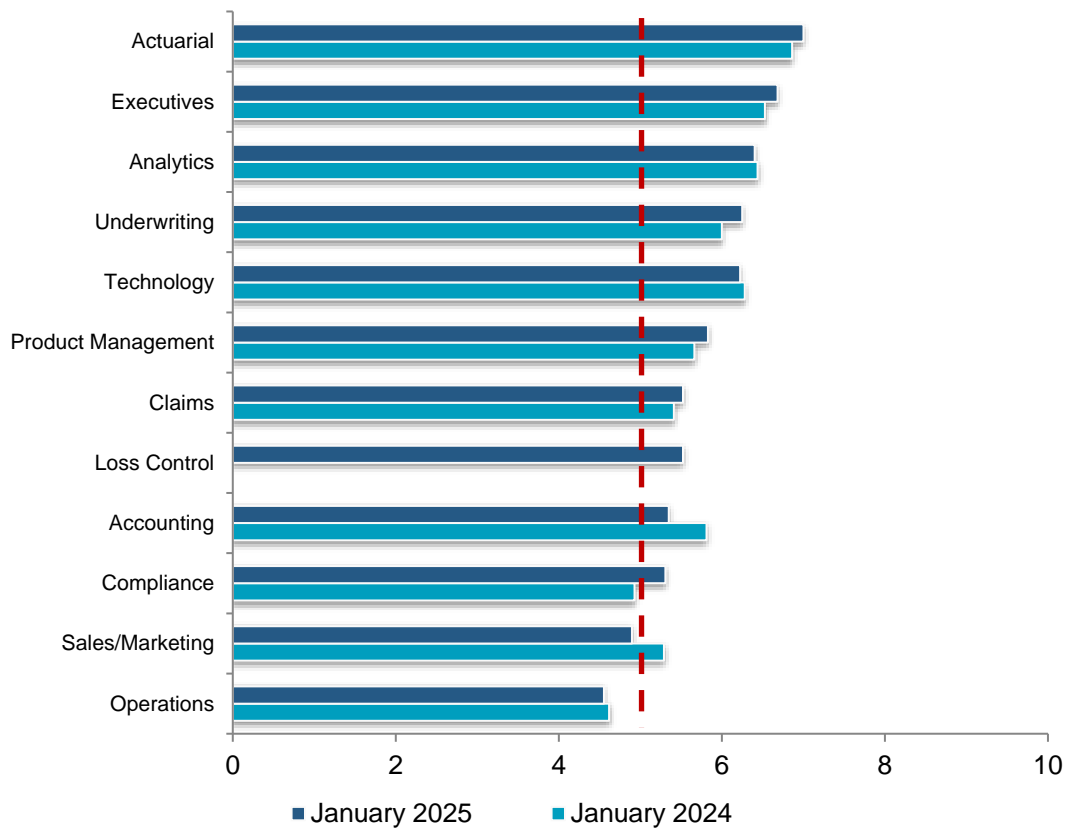
## Voluntary and Involuntary Turnover Percentage



\*Results include only those companies which provided turnover percentages

- At 8.5%, 12-month voluntary turnover is 0.8 points lower than January 2024. This is slightly higher than the change in 6-month voluntary turnover, which was down 0.4 points to 5.8
- 12-month involuntary turnover is just slightly lower than January 2024, at 4.1% compared to 4.2%
- Compared to P&C companies, Life/Health companies reported lower voluntary turnover percentages and lower involuntary turnover percentages for both time periods
- Within P&C, Personal Lines companies had the highest 12-month voluntary turnover at 11.3%, compared to Commercial Lines and Balanced Lines companies at 8.5% and 5.3%, respectively
- Compared to medium and large companies, small-sized companies reported the highest 12-month voluntary and involuntary turnover percentage

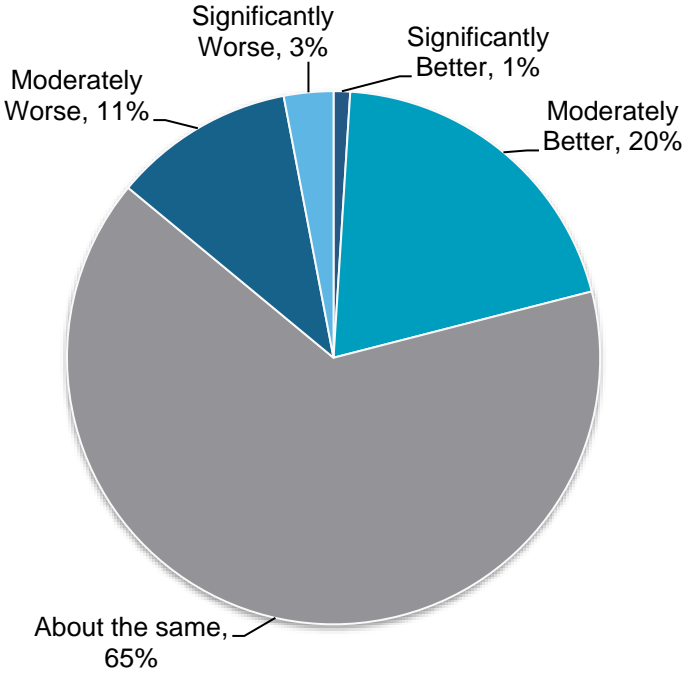
## Recruiting Difficult Persists



Note: Loss Control is new to study in July 2024

- 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 2024, recruiting difficulty has increased in 6 of 11 categories

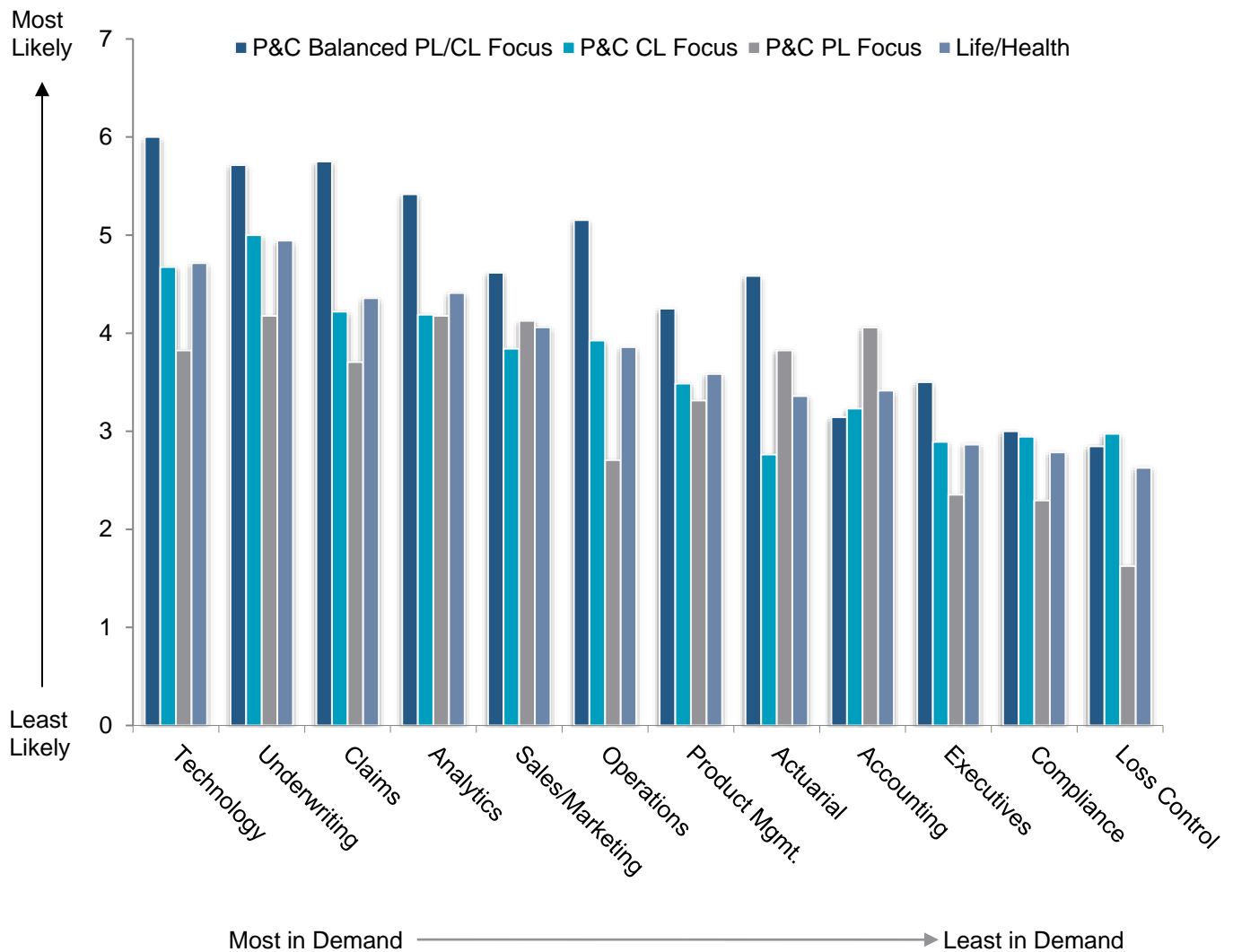
### Ability to Hire Talent Compared to One Year Prior



*\*Percentages in chart rounded to nearest whole number*

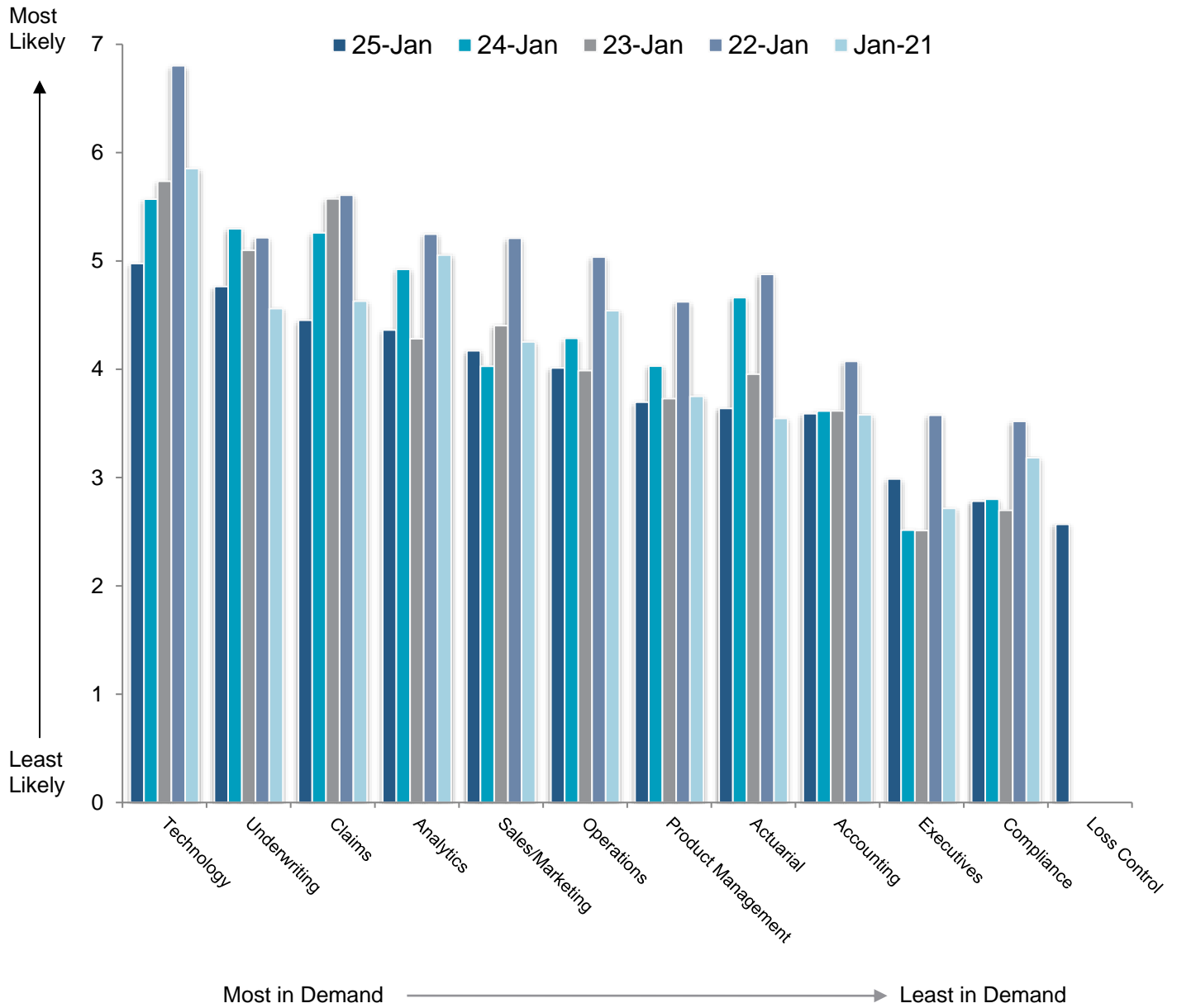
- In total, 14% of companies feel the ability to hire talent has become more difficult compared to the prior year. This is up from 11% in July 2024. 21% feel hiring difficulty has eased in the past year
- 7% of Life/Health companies feel the ability to hire has worsened, compared to P&C companies at 15%
- 18% of small companies feel it has been more difficult to hire talent, compared to medium-sized and large companies, both at 12%

## Likelihood of Increasing Staff by Function

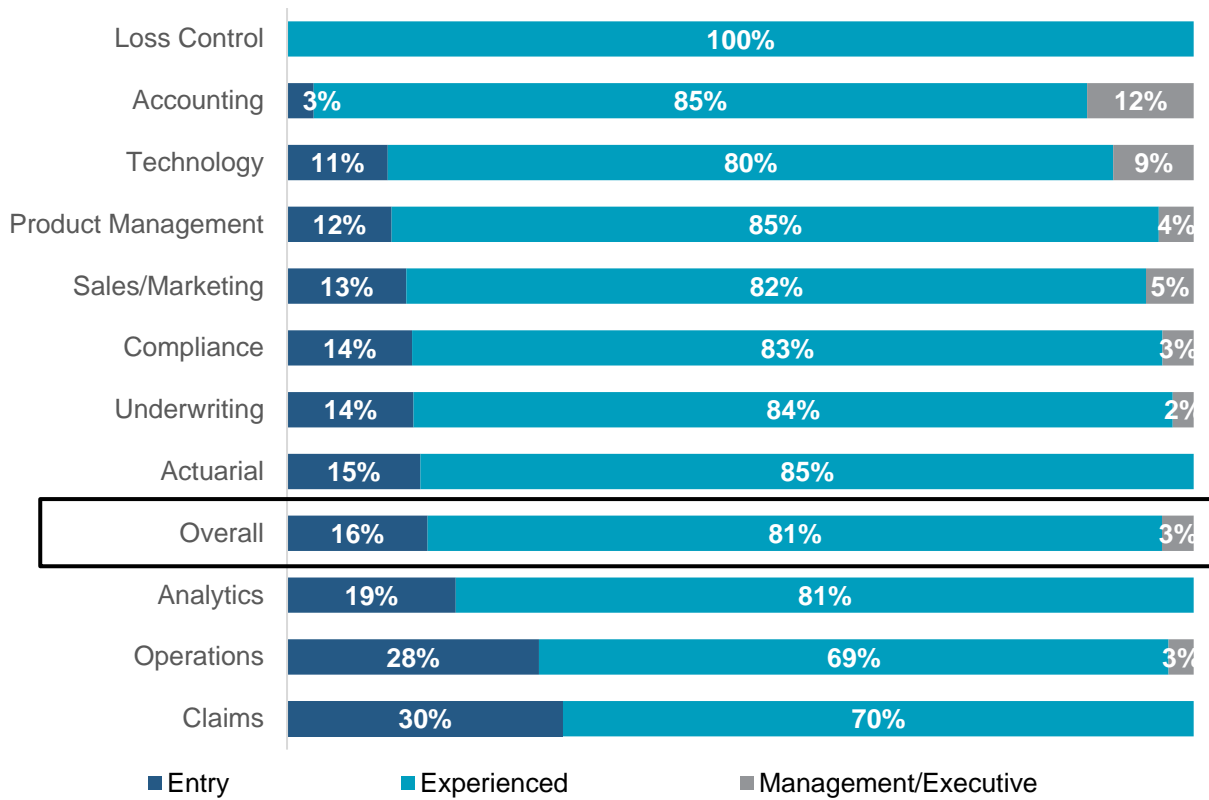


- In total, the industry's greatest need is Technology staff, followed by Underwriting and Claims
- Large and medium-sized companies are most likely to hire Technology roles in the next 12 months, followed by Underwriting and Claims. Small-sized companies have the greatest need in Claims, followed by Technology
- Technology and Claims are the areas most in demand in the Life/Health segment

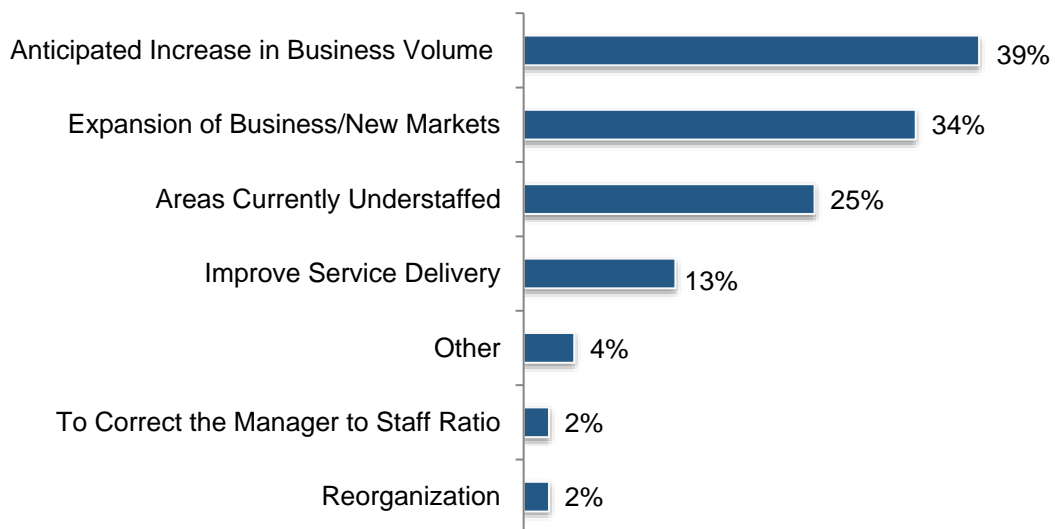
## Likelihood of Increasing Staff by Function by Survey Period



## Employee Types Most Likely to be Added by Function

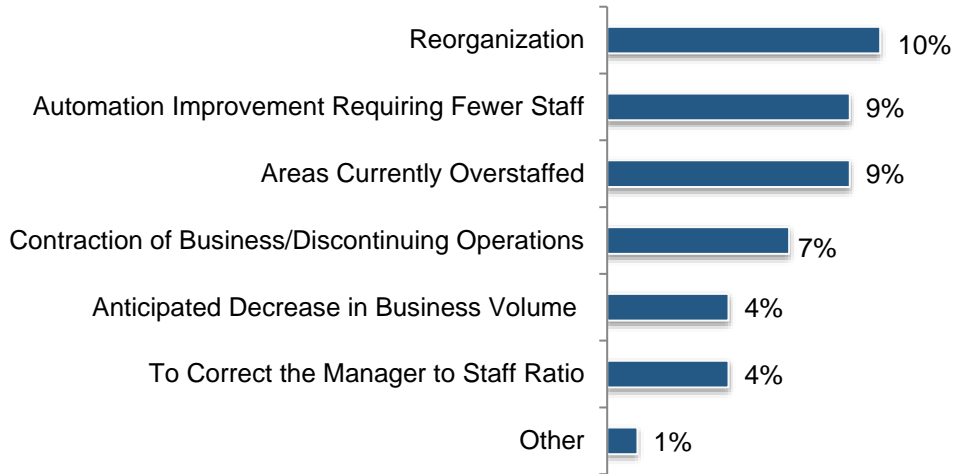


## Reason to Increase Staff During Next 12 Months



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

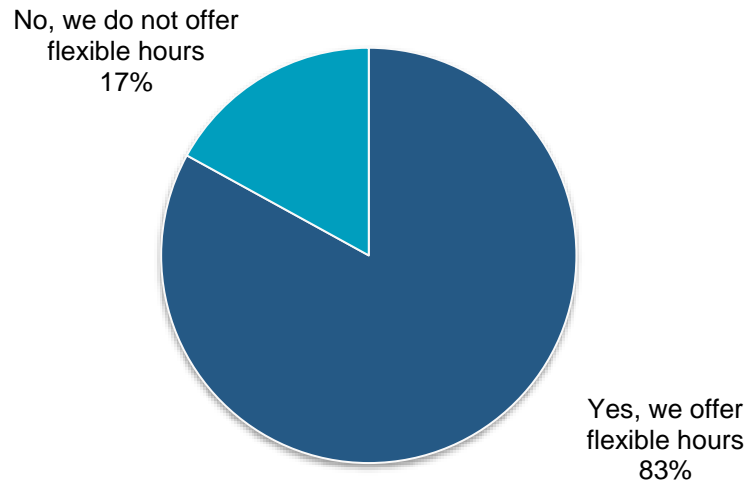
## Reason to Decrease Staff During Next 12 Months



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

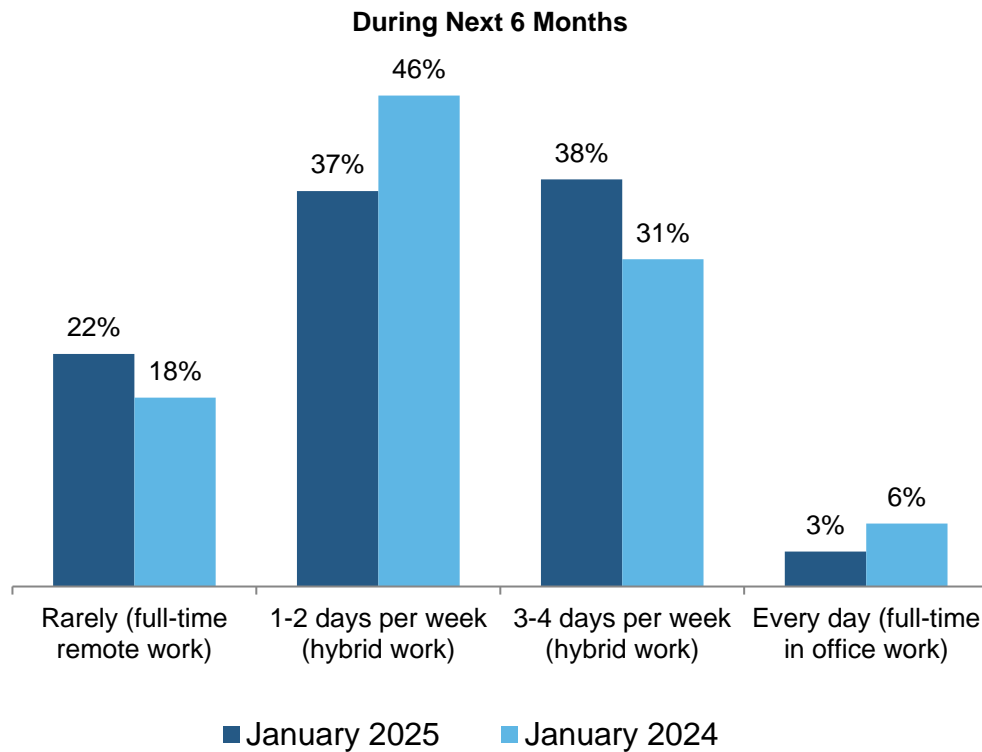
## Current Workplace Flexibility

### Flexible Work Hours Offered





## Required In-Office Work for Majority of Employees

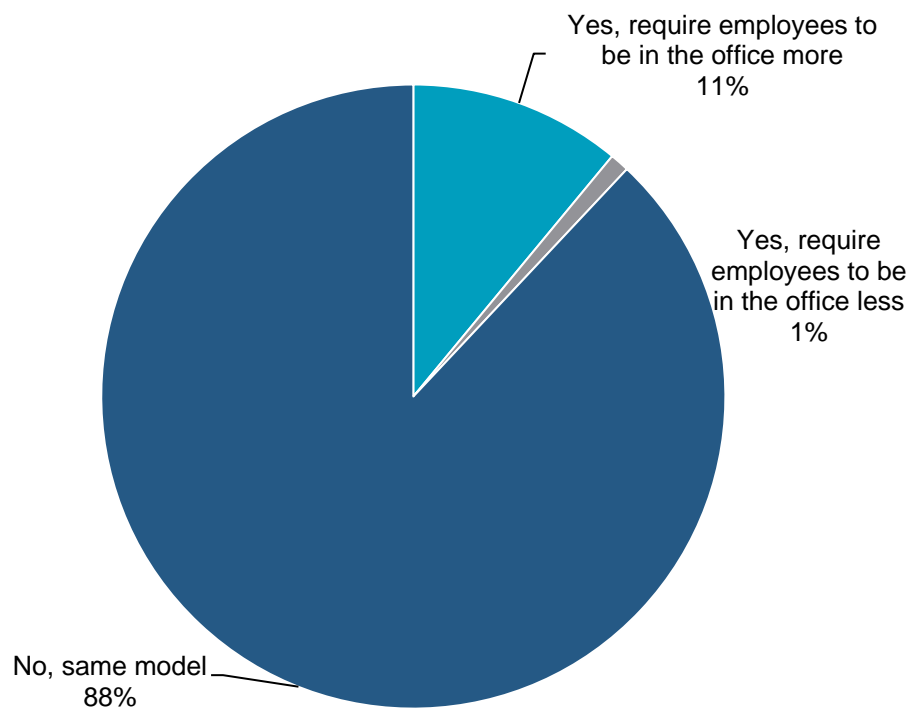


*\*Percentages in chart rounded to nearest whole number*

- During the next 6 months, 78% of companies are expecting most employees in-office at least 1 day per week, up from 76% in July. 75% have a hybrid model compared to 72% in July
- 87% of Life/Health companies and 76% of P&C companies expect most employees to come in at least once per week
- Personal Lines P&C companies are most likely to have the majority of employees working remotely full time at 29%, compared to Commercial Lines and Balanced Lines companies at 23% and 20%, respectively
- Hybrid staffing models are most common for medium-sized companies (83%) followed by small (74%) and large (70%)
- 3% of companies are requiring employees in-office every day, down from 6% in January 2024

## Expected Changes for Moving Forward

### Anticipated Requirements After Next 6 Months



*\*Percentages in chart rounded to nearest whole number*

- After the next 6 months, 88% of companies expect no changes to in-office requirements. 11% anticipate requiring employees to come in more
- 20% of small companies expect employees to be required in the office more after 6 months, compared to large at 9%. Medium-sized companies expect no changes
- P&C and Life/Health companies expect employees to be required in the office more after the next 6 months at 12% and 7%, respectively
- Within P&C, Commercial Lines companies are most likely to require employees in the office more after 6 months, at 16%, compared to 12% for Personal Lines. Balanced Lines companies expect no changes
- 1% of 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](http://ward.aon.com).

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