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Insurance Industry 2011 Employment Outlook and Hiring Survey

The national Insurance Industry 2011 Employment Outlook and Hiring Survey is the latest in a bi-annual series of whitepapers by GreatInsuranceJobs.com. The main goal of this 2011 survey is to give jobseekers and employers a detailed look into what is actually happening with employment and unemployment in the insurance industry.

These ground-breaking surveys offer industry watchers and insiders some much-needed insight into the projected state of insurance hiring for the coming year. With a current industry unemployment rate of 7.3%, more than double the rate from three years ago, this survey uncovers 15,000 positions currently open across the United States, excluding commission-only sales positions. In an industry that has lost 145,000 jobs since 2006, defying the common view of it by outsiders as “recession-proof,” an employment projection of more than 36,000 more positions opening this year is welcome news.

GreatInsuranceJobs.com surveyed 25% of this sector, specifically 152 insurance companies, agents and brokers, third party administrators and managing general agents by phone. All previous hiring outlook whitepapers can be found at GreatInsuranceJobs.com/whitepaper. The survey included the following questions:

- 1. Is your company currently hiring in the insurance industry?**
- 2. What insurance jobs do you currently have open?**
- 3. What is your hiring forecast for 2011 and what types of positions that will be open?**
- 4. Is your hiring going to be worse, the same or better in 2011?**
- 5. What are the biggest hiring challenges for the insurance industry in 2011?**



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Insurance Industry 2011 Employment Outlook Survey

MAJOR FINDINGS

- **84% of all surveyed companies have at least one current job opening.** Only 22 companies indicated that they have no current jobs open. This survey found more than 15,000 currently open jobs (excluding sales positions, which are most often commission-only).
- **Only twelve companies out of 152 reported they do not plan to hire a single person in 2011.**
- **Twenty-three companies indicated they would be hiring more than 200 employees in 2011.**
- **Thirty-five companies indicated hiring was going to be better in 2011 compared to 2010.**
- **Ninety-five companies indicated hiring will be the same as 2010.**
- **The employers surveyed combined predicted they would hire 36,060 employees in 2011.**
- **Only five companies reported believing hiring would be worse than 2010.**
- **The most insurance industry hires in 2011 will be sales and financial representatives, customer service representatives, marketing representatives, claims adjusters and underwriters.**
- **Insurance employers are very clear about one thing; finding qualified candidates for certain types of positions, including IT, actuarial, claims, underwriting and sales, is still extremely difficult.** Human resource departments are completely overworked, from going through mounds of unqualified resumes.
- **Employers indicated concern that key employees may leave and go to their competitors once the insurance industry employment market rebounds.** This finding was voiced by more than 8% of our surveyed companies. Many report feeling this vulnerability because, with the prolonged soft insurance market, salary increases and bonuses have been frozen for their workforce. Also, their budgets for retaining and recruiting have been cut.

METHODOLOGY

GreatInsuranceJobs.com surveyed 152 insurance entities from across the United States by phone and asked them the above five questions. Combined, these 152 companies represent 507,667 employees, which equates to 25% of all insurance sector employees in the nation.

Breakdown of Surveyed Insurance Entities

Insurance Entity	Number of Companies Surveyed	Number of Total Employees	OPEN JOBS December 2010
Property and Casualty	88	246,602	9,485
Life and Health	21	121,140	3,558
Managed Care	12	103,703	1,983
Broker/Agent	14	31,849	410 (excludes sales)
MGA	3	927	35
Third Party Administrators	11	2,965	41
Other (Independents)	3	481	23
TOTALS:	152	507,667	15,535



Insurance Industry Employment and Unemployment Statistics

According to a U.S. Bureau of Labor Statistics (BLS) report in January of 2011, the unemployment rate for the insurance industry was 7.3%. This rate, that historically has been lower than 3% for years, has been trending higher since 2006. The insurance industry saw the loss of 3,700 jobs in December 2010 and 3,400 in November of 2010.

Insurance Industry Unemployment Rate (BLS)

YEAR	2011	2010	2009	2008	2007	2006
Unemployment Rate (Insurance)	7.3	6.2	4.6	3.1	2.4	2.1

The insurance industry has been losing jobs since 2006 and that trend has shown an overall loss of over 145,000 jobs since that time. Total employment in the insurance industry is approximately 2.2 million workers as of December 2010.

Insurance Industry Total Employee Count (thousands) (BLS)

YEAR	2011	2010	2009	2008	2007	2006
All Employees	2222.8*	2224.1	2261.4	2281.3	2313.1	2301.8

* projected

Breakdown of the Insurance Industry Sector (BLS)

Insurance Entity	Percentage of Total Insurance Jobs
Insurance Carriers	61%
Insurance Agencies, Brokers, TPA's, MGA's, all other related insurance providers	39%



The Jobs in the Insurance Industry (BLS)

Occupation	Employment, 2008		Percent Change, 2008-18
	Number	Percent	
All Occupations	2,308.8	100.0	2.9
Management, business and financial occupations	672.2	29.1	1.4
General and operations managers	40.4	1.8	-6.9
Financial managers	27.6	1.2	0.5
Claims adjusters, examiners and investigators	212.8	9.2	3.6
Management analysts	34.5	1.5	-3.9
Accountants and auditors	40.0	1.7	3.0
Insurance underwriters	90.8	3.9	-4.3
Professional and related occupations	263.0	3	4.8
Computer systems analysts	36.1	1.6	11.1
Legal occupations	41.3	1.8	-7.9
Sales and related occupations	381.5	16.5	11.7
Supervisors, sales workers	17.5	0.8	1.4
Insurance sales agents	321.6	13.9	14.1
Office and administrative support occupations	973.7	42.2	0.2
Bookkeeping, accounting and auditing clerks	43.1	1.9	2.2
Customer service representatives	271.3	11.8	8.4
Secretaries and administrative assistants	123.1	5.3	-1.1
Insurance claims and policy processing clerks	223.9	9.7	-1.7
Office clerks, general	95.4	4.1	3.2

NOTE: Columns may not add to totals due to omission of occupations with small employment.

Occupation Highlights:

- * **42% of the all jobs in the insurance industry are administrative.**
- * **13.7% of all jobs in the insurance industry are either claims adjusters or underwriters.**
- * **Over 16% of all jobs in insurance are in the field of sales.**
- * **The insurance industry dedicates more than 11% of its workforce to customer service support.**

The U.S Bureau of Labor Statistics report in January of 2011 confirmed the total number of insurance employees nationwide is at a twenty year low. Although the January numbers have not been seasonally adjusted, many insurance sectors lost employees between December of 2010 and January of 2011. Property and casualty companies lost 3,200 workers, the claims sector lost over 2,000 adjusters and agents and brokers saw a drop of over 4,000 employees.



Will the insurance industry ever start hiring again? GreatInsuranceJobs.com talked with 152 insurance companies to find out who is hiring and what type of positions they are hiring for in 2011.

THE SURVEY RESULTS

1. Do you have any *current* insurance job openings?

	December 2010 (Current)	February 2010	September 2009
YES	84%	74%	83%
NO	16%	26%	17%

We found over 15,000 current job openings. For comparison, in February of 2010, we found 6,716 and in September of 2009 we found 8,841 open jobs. While 15,000 jobs may sound like a lot of open insurance positions, this represents only 3% of the total number of employees at the surveyed companies.

The majority of the open positions are found at property and casualty carriers. The jobs found in the life and health and broker agency sectors revealed many types of sales positions. In addition, insurance companies are looking for customer service professionals, call center, claims and underwriting.

Most of the major carriers surveyed are rapidly adding customer service representatives to their call centers. GEICO, Century 21 and Farmers Insurance are examples of companies hiring right now for call center positions. The technology to underwrite auto and home insurance products has given insurance companies the opportunity to strategically place call centers in desired cities where they can recruit and hire qualified talent.

Sales positions are abundant; especially for financial representatives, insurance sales agents and insurance brokers. Even with the downturn in the economy, the need for talented sales professionals is a must in almost every surveyed company. The majority of companies indicated that with most sales jobs, the challenge is they pay a very low or no salary, instead relying on commission-only compensation, and have a long ramp-up time before success is realized. Recruiting this type of person during a recession has proved problematic, and thus many positions are left unfilled.

Claims, underwriting, loss control and risk management positions held steady. Companies that have openings for these types of people are looking for individuals with a lot of experience. Underwriting jobs were found in property, ocean marine, professional liability and farm underwriting.



2. What is your hiring outlook for the next twelve months?

	2012	FEBRUARY 2010	SEPTEMBER 2009	Projected # of Hires in 2011
NO HIRES	5%	15.3%	21%	
1-5 HIRES	32%	31.5%	36%	150
6-10 HIRES	11%	13.5%	11.3%	180
11-20 HIRES	11%	5.4%	9.1%	255
21-50 HIRES	11%	12.6%	8.6%	866
51-100 HIRES	8%	6.3%	4.1%	2310
101-200 HIRES	7%	2.7%	3.2%	3925
201 or More Hires	15%	12.6%	8.1%	28374
	Total of Projected Insurance Industry Hires in 2011 (152 surveyed companies)			36,060

For an industry that has lost over 145,000 jobs since 2006, this year's hiring outlook certainly indicates companies are ready to at least begin replacing some of those jobs. Only 5% of the 152 companies surveyed do not expect to hire anyone in 2011!

It also appears that more large companies are going to step-up their hiring in a big way during 2011. The cumulative total of jobs surveyed insurance employers anticipate hiring in 2011 is 36,060. Twenty-three companies are projected to hire more than 200 employees this year. Companies like Nationwide, which already hired over 7,700 employees in 2010, are expecting to hire 8,000 people in 2011. Farmers Insurance is predicting to hire 4,000 employees in 2011. American Family projects 500 hires this year. Broker Sedgwick Claims Management Services is planning on hiring more than 1,000 employees. This is all very positive news for an industry that has been in a hiring holding pattern the last few years in most sectors.

Once again, many companies are looking for insurance sales professionals. Allstate Insurance Agency business is looking for 500 financial services representatives. New York Life, Lincoln



Heritage, North Carolina Mutual, Americo Life and Brown and Brown are hiring insurance sales professionals.

The companies surveyed for this survey did have more optimism for 2011 than in previous surveys. One thing for sure, the outlook for 2011 is a shining light compared to the survey from 2009. Hopefully once the economy begins to grow, the insurance industry will be able to write more premiums and have their investments grow.

2011 Job Openings in the P&C Insurance Industry (Top 10-Order of Need)

P&C Companies Surveyed: 88

Total Number of Employees: 246,602 (Surveyed Companies)

Customer Service Representatives

Sales Agents

Claims Adjusters (personal lines)

Marketing Representatives (Commercial)

Call Center (claims and customer service)

Underwriters

Account Executive

Administration

Claims Adjusters (WC/Property)

IT (internal, web, database)

2011 Job Openings in the Life & Health Insurance Industry (Top 10-Order of Need)

L&H Companies Surveyed: 21

Total Number of Employees: 139,144 (Surveyed Companies)

Sales Positions (entry level, commissioned)

Customer Service Representatives

Financial Services Representatives

Call Center Personnel

Life Agents

Account Managers

Administration

Claims

IT

Risk Analyst



2011 Job Openings in the Brokers & Agents, TPA's, MGA's, Managed Care (Top 10-Order of Need)

Companies Surveyed: 40

Total Number of Employees: (Surveyed Companies)

Insurance Producers (Commercial P & C)

Customer Service Representatives (CSR's)

Account Managers (P/C, Benefits)

Underwriters

Administration (Client Services)

Underwriters

IT (Database administration)

Claims

Case Managers

Call Center

3. How will hiring in the coming year be different than the past year?*

	December 2010 (Current)	February 2010	November 2009
WORSE	3%	8%	18%
SAME	70%	56.3%	72%
BETTER	25%	35.7%	7%

* Numbers may not total 100% since not all respondents answered the question.

Many companies surveyed had a clear hiring plan for 2011. This didn't always mean they were going to add jobs, but they did have thoughts on how 2011 will compare with 2010. The majority of the companies are planning on staying on the same course this year.

The companies that feel that they will not be hiring much in 2011 also are companies that have some internal challenges like ratings downgrades and units that have been sold off and in lines of insurance business tied heavily to construction.

On the other hand, the companies that feel hiring will be better are in many cases larger companies that will add to staff as the economy grows. Examples of companies with better hiring outlooks are Nationwide, Allianz, PMA Insurance Group, GMAC, New York Life, Lockton, Gainsco, Union Standard and Northwestern Mutual. Smaller companies like Flynn Insurance Agency, Newport General Agency and Berkley Regional Specialty are also looking to hire more employees in 2011.



The unemployment rate in the insurance business has risen to over seven percent. While this survey cannot predict the future, it offers some reason to hope that with more than 95% of the responding companies indicating the same or better hiring for 2011, the insurance unemployment rate will go down.

4. What are the hiring challenges for companies that are hiring right now?

Employers indicated that not much has changed in their hiring challenges from the previous survey last year. More than 75% of survey respondents were very clear: finding qualified insurance talent is extremely challenging, even in times of high unemployment. As a matter of fact, the process of filtering through unqualified candidates has added a significant workload to many human resource departments. This survey also uncovered some very interesting observations when it comes to hiring:

1. Many companies indicated that they had to spend extra time verifying applicants with long-term unemployment gaps in their background. Many had to make a decision based on old references if the candidate was laid off because of the economy or poor performance.
2. Human resource departments are being asked to find very hard-to-fill positions (actuary, modelers, large line property underwriters, IT, etc.) with limited recruiting budgets.
3. For some companies, the hiring process takes more than four weeks and they indicated they are losing desired talent to other companies who have a much faster process.
4. Twenty-seven companies indicated hiring producers, agents or insurance sales professionals is extremely difficult. With a lack of recruiting budget and limited recruiting resources, sourcing and developing potential candidates who “fit the mold” is challenging.
5. Employers found they couldn’t hire some desired candidates due to salary grades and compensation packages not being attractive.
6. A few employers indicated that hiring talent from other cities is still challenging. The main reason cited was that candidates from other cities cannot sell their homes or sell them at a price that would not cause them to lose money.
7. Twelve surveyed companies felt that they had no clear direction from management, no long-term hiring plan and were operating on a need basis verses a growth basis.

CONCLUSION

GreatInsuranceJobs.com knows there are many issues are affecting rising unemployment rate in the insurance industry. The insurance industry has seen a consistent year after year decline in net written premium. In addition, with the current economic conditions, insurance rates remain low and therefore less business is written.



In this comprehensive survey, encompassing approximately one-quarter of the insurance industry, the key findings speak volumes about the state of the sector today, and the projections for the coming year. Despite the high unemployment rate in the industry right now, which is more than double the rate from three years ago, this survey uncovered 15,000 current job openings, and hiring managers expect there to be more than 36,000 anticipated hires during the rest of 2011. BLS also projects that employment in the insurance industry will increase but at a much slower pace than other sectors. In addition, wage and salary in the insurance industry is projected to grow about 3% from 2008-2018, while all other industries combined are predicted to have 11% growth.

It was very clear throughout this survey that finding qualified candidates for open insurance positions is still extremely difficult. HR departments in insurance have been stretched as thin as those in most other industries. In addition, insurance employers are concerned about rigid salary structures and uncertainty in a long-term hiring plan, as well as retention of any new hires. If future insurance industry wage and salary growth caps at 3% in the next seven years how will the insurance industry stay competitive for top talent in the years to come?

Our survey did find a lot of positives: only 5% of surveyed companies indicated that they will not hire anyone in 2011. This is a significant improvement from February of 2010. Beyond that, 30% of insurance employers are going to **add** more than 50 employees in 2011, up from 20% in February 2010. Furthermore, the most insurance industry hires in 2011 will be sales and financial representatives, customer service representatives, marketing representatives, claims adjusters and underwriters. The breadth of these projected hires is overall good news for an insurance industry that has lost many jobs over the last five years.

Even though the unemployment rate in insurance is at an all time high (7.3%), the employers who participated in this survey were very optimistic that hiring would get better. However, unless the national economy starts seeing sustained growth and an increase in net written premium, the insurance industry and its hiring outlook will remain flat.





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