

August 2010

## Insurance Labor Market Study

Ward Group and The Jacobson 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 second semester of 2010.

### ■ Survey 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

### ■ Summary of Findings

- Companies are more conservative in increasing staff compared to 6 months ago.
- 61% of companies are still anticipating revenue growth over the next 12 months; only 39% of companies plan on increasing staff over the next 12 months, 11% less than the previous survey.
- Staffing has not increased to the extent expected.
- Since July 2009, companies are 5% more likely to add staff and 4% less likely to reduce staff.
- Fewer staff reductions are expected and substantial layoffs are not expected.
- Large carriers plan to add 13% more staff than mid-size carriers and 8% more than small carriers.
- Technology and Underwriting roles are expected to grow the most.
- Recruiting is slightly easier for most positions in 2010 versus 2009.
- Actuarial, Executive and Technology positions are the most difficult to fill. Commercial P&C Underwriting positions are also in high demand.

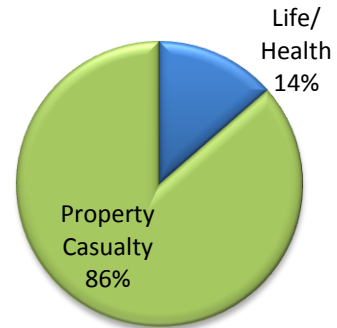
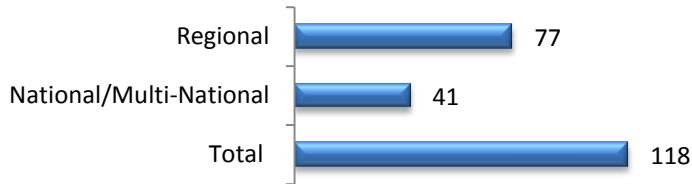
### ■ Projection

- If the industry follows through on its plans, we predict a 1.04% increase in industry employment over the next 12 months, creating new jobs.

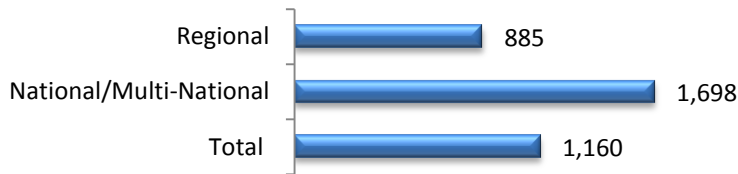
■ Survey Results

Participant Profile

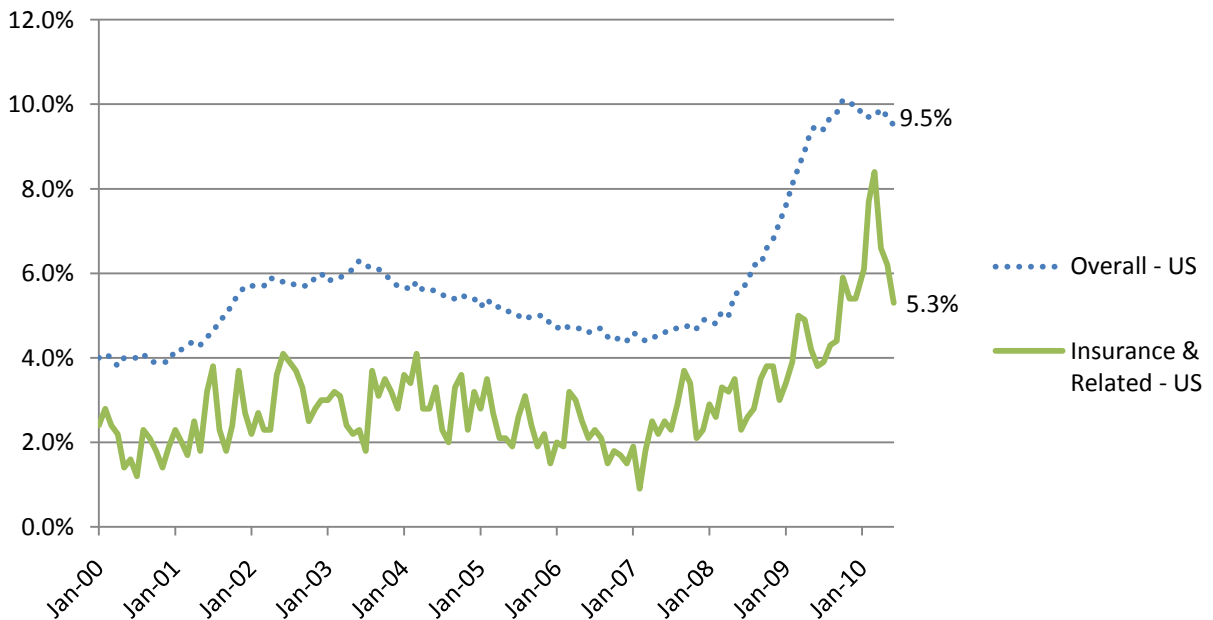
Number of Companies



Average Number of Employees

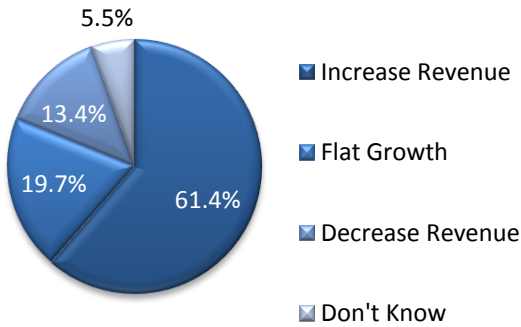


Unemployment Rates

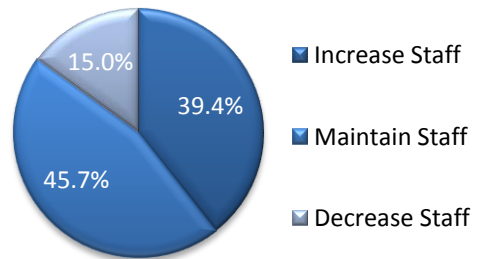


### Revenue and Staffing Expectations

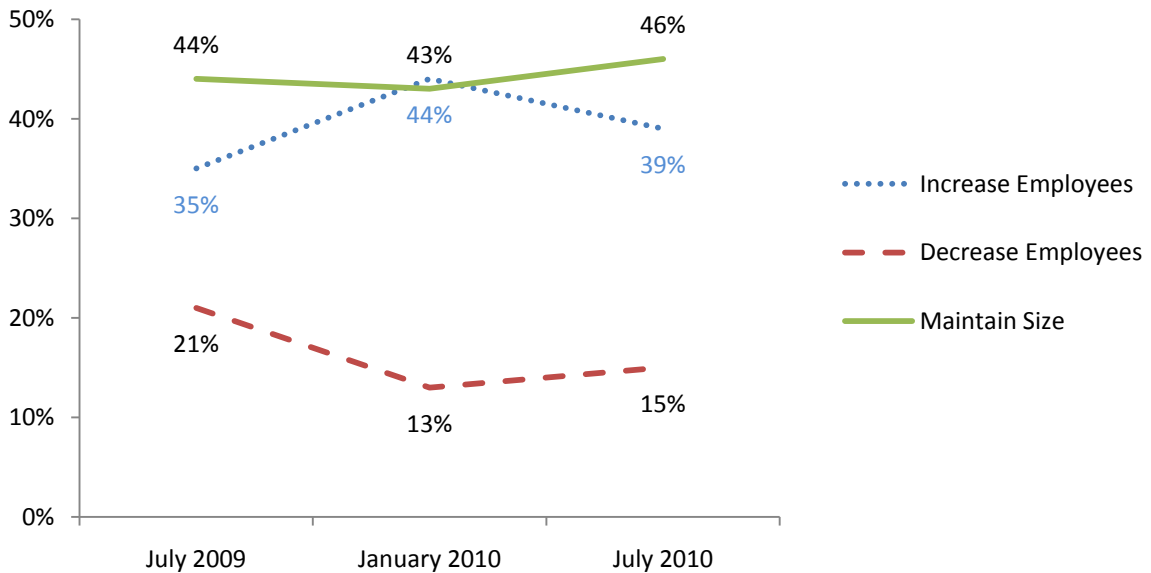
12 Month Revenue Plan



12 Month Staffing Plan

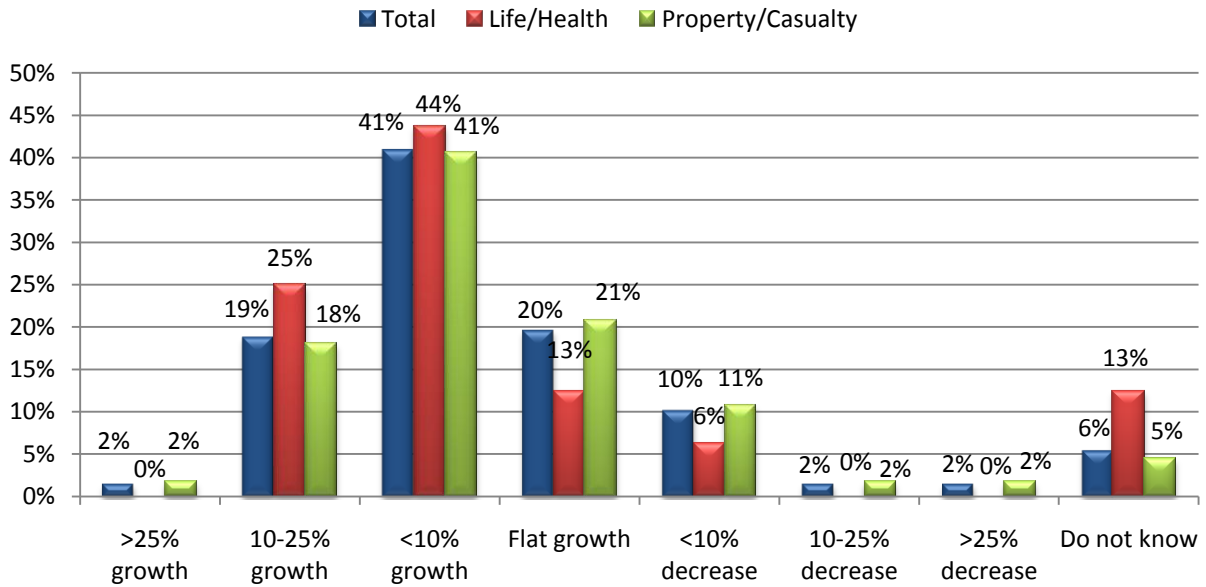


12-Month Staffing Plans  
July 2009 – July 2010

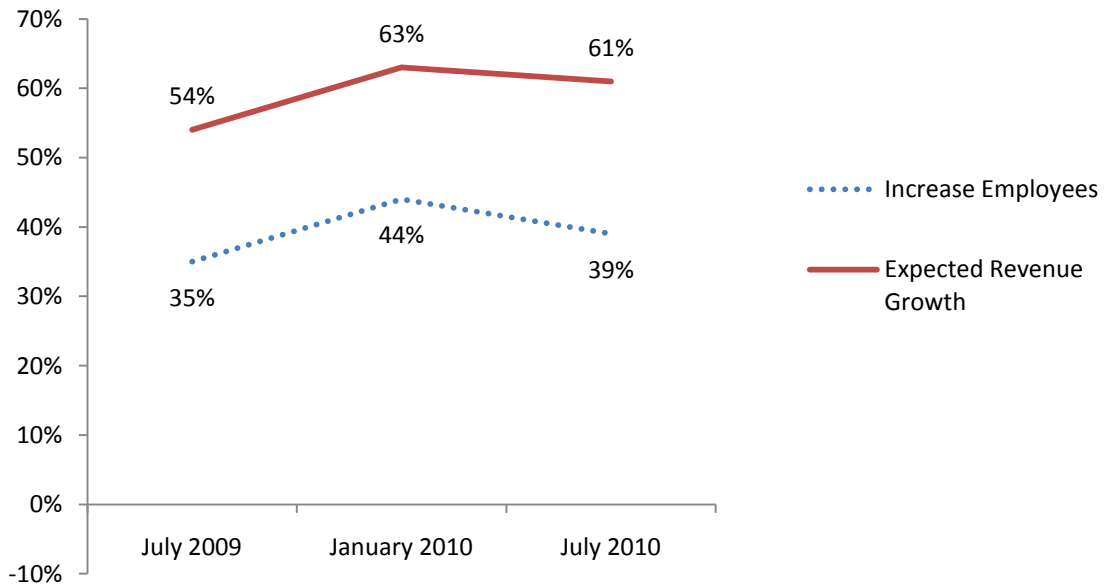


### Revenue Outlook

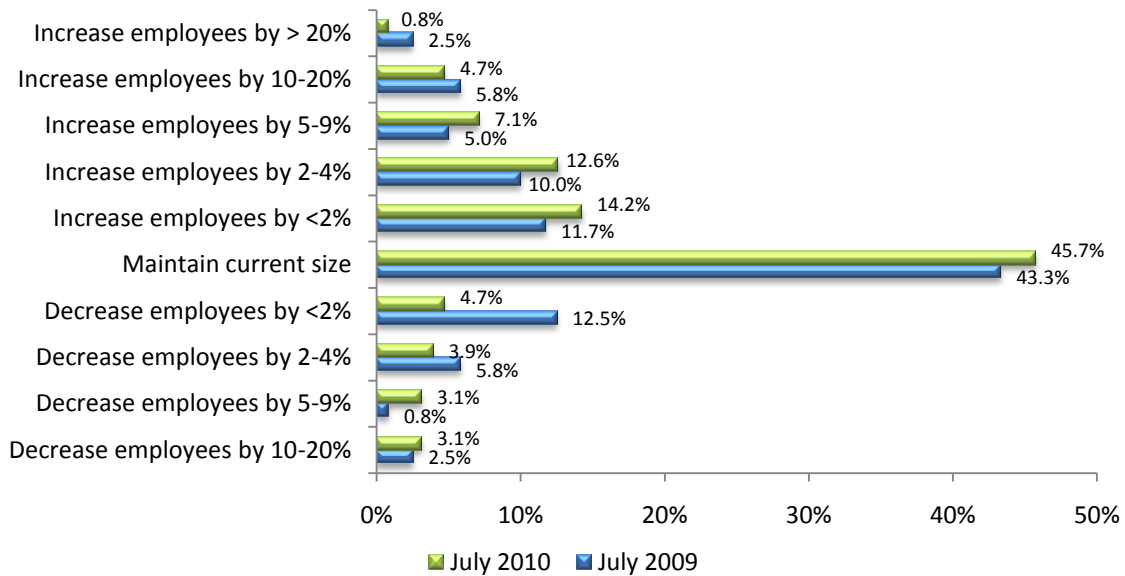
#### Percentage of Respondents Expecting Changes



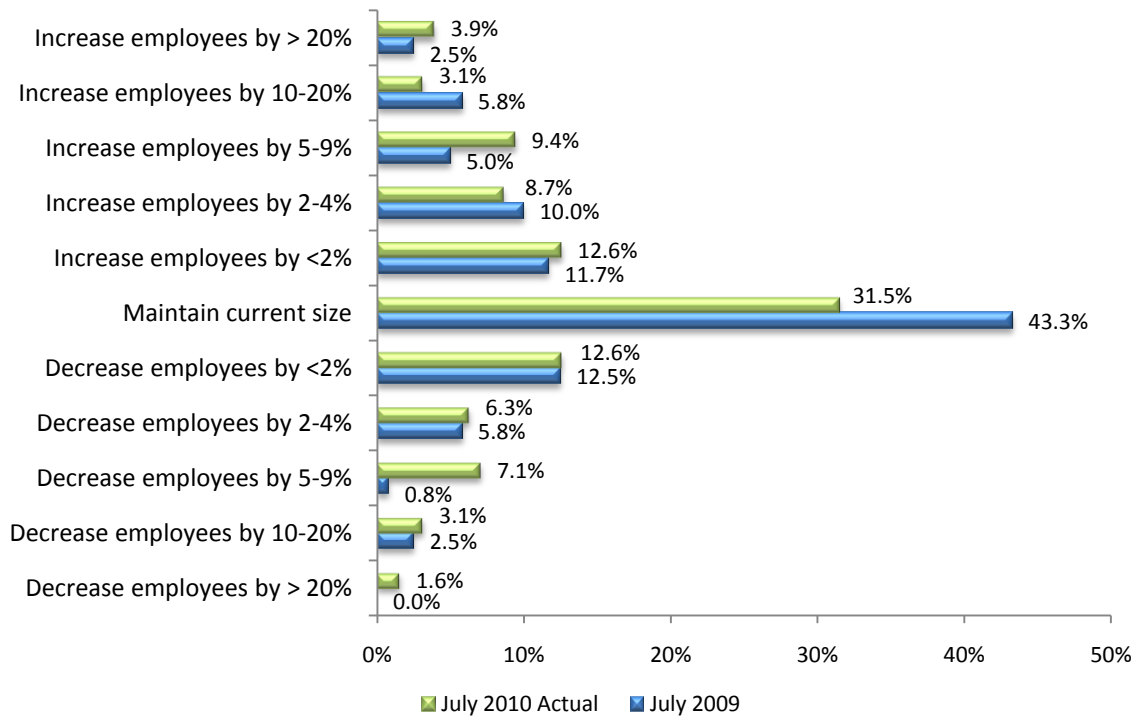
#### 12-Month Staffing Plans Increase vs. Expected Revenue Growth



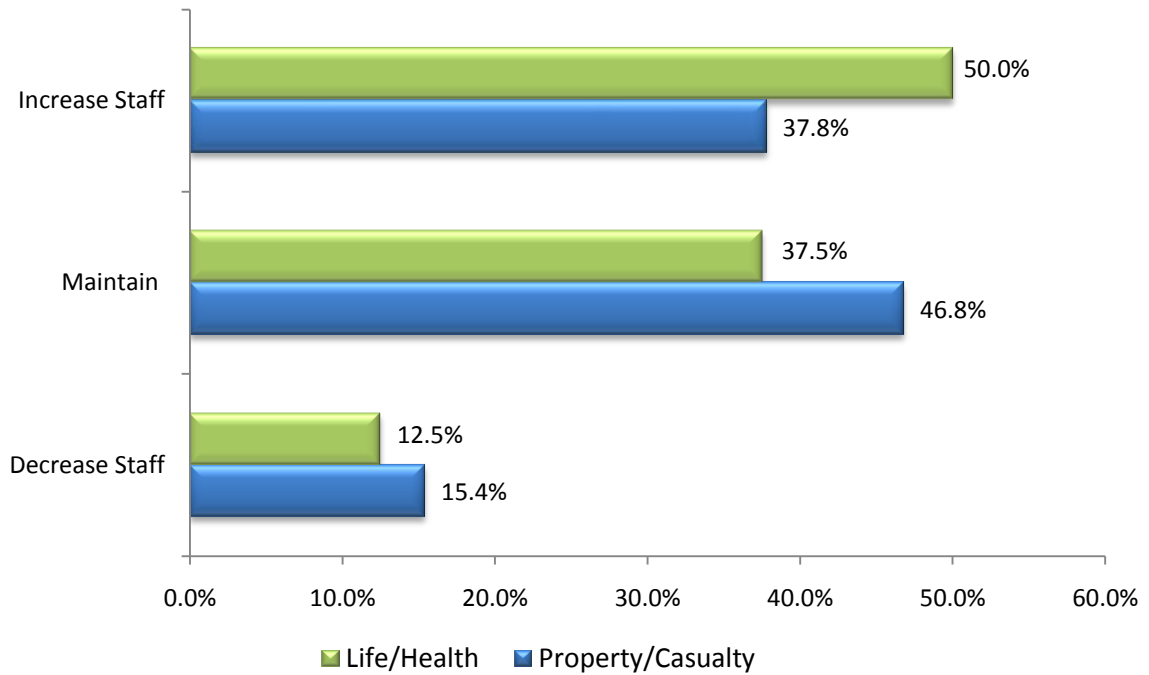
### 12-Month Staffing Plans July 2009 – July 2010



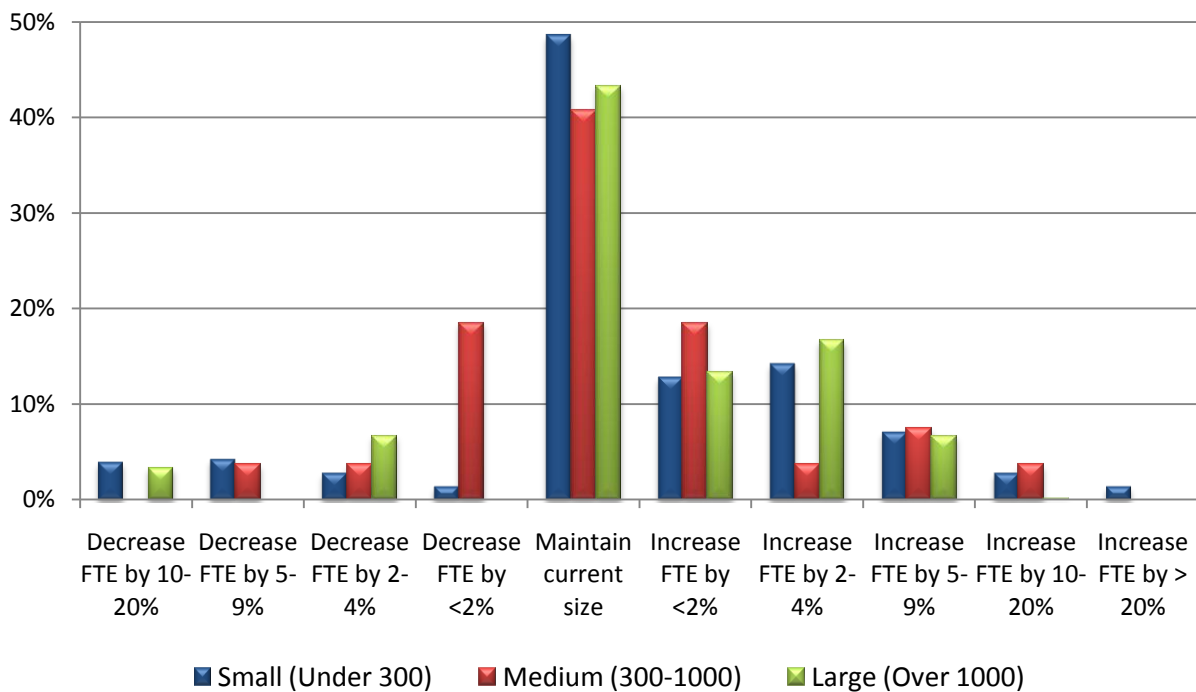
### 2009 12-Month Staffing Plans vs. Actual



### 12-Month Staffing Plans By Industry



### 12-Month Staffing Plans By Employee Size



### Recruiting Challenges Still Exist

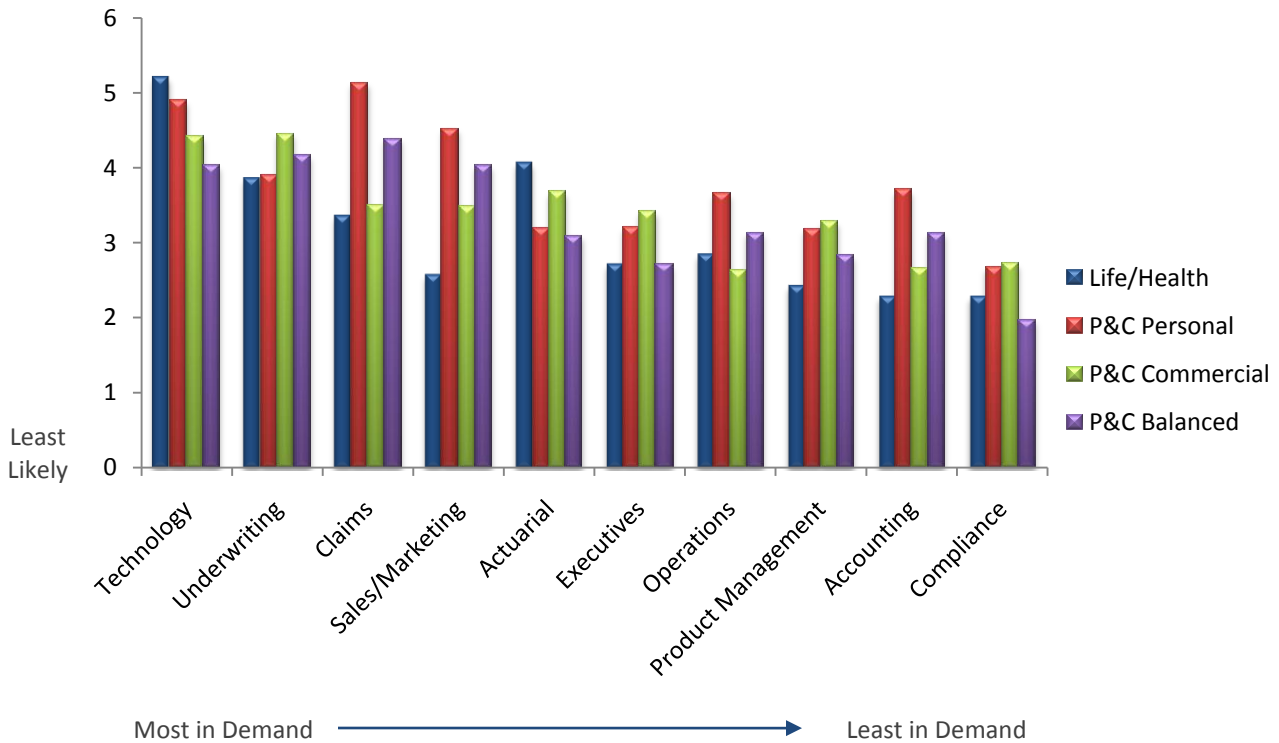


On a scale of 1 – 10 (10 being most difficult), companies responded that positions are still moderately difficult to fill; however, recruiting is slightly easier in most disciplines than it was a year ago.

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

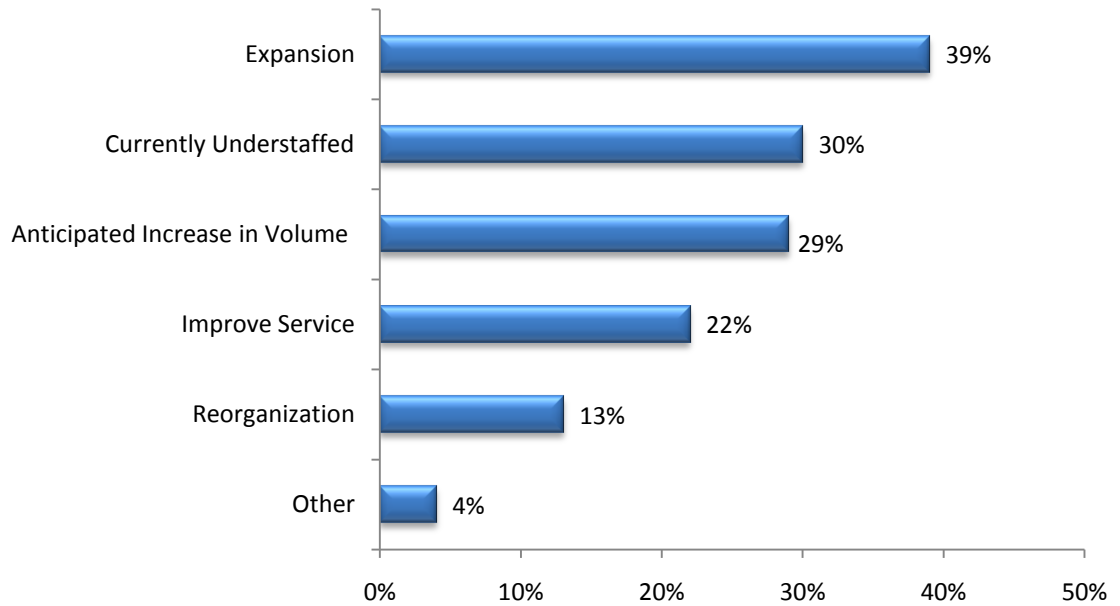
Product line has a significant impact on the ease of filling positions.

### Likelihood of Increasing Staff By Function



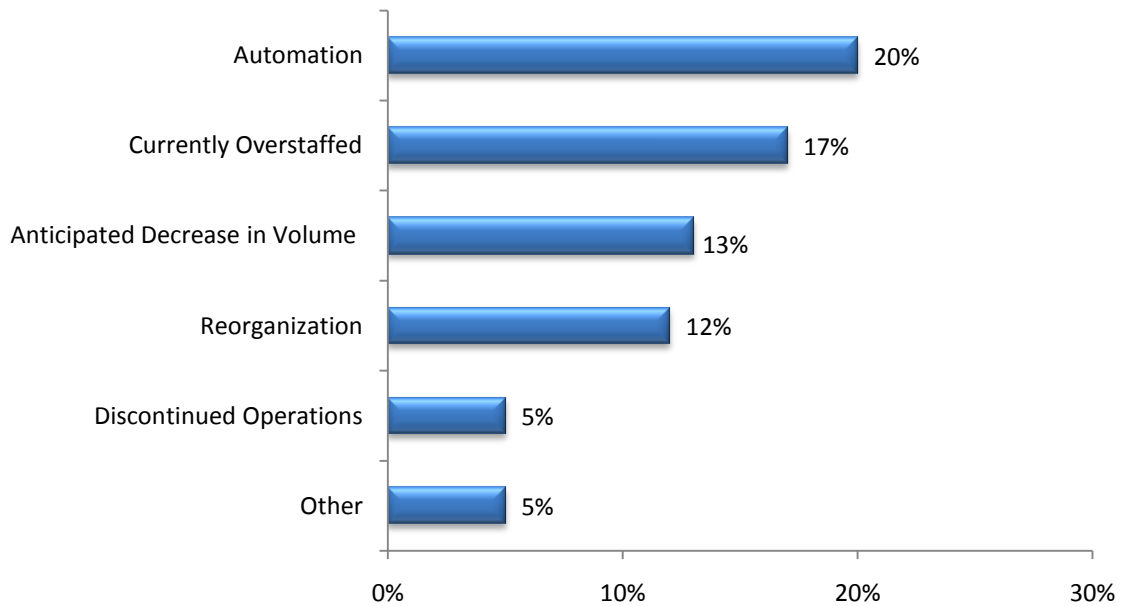
### Staff Increases

Reason to Increase Staff Over Next 12 Months



### Staff Decreases

Reason to Decrease Staff Over Next 12 Months



## ■ Contact

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## ■ About Ward Group

Ward Group is the recognized leader in insurance company benchmarking and best practices and a major sponsor of primary operational research studies. Ward Group analyzes staff levels and expenses for all areas of insurance company operations. The firm's professional staff is uniquely qualified to help companies measure results, optimize performance and be more profitable. For more information about Ward Group, visit [www.wardinc.com](http://www.wardinc.com).

## ■ About The Jacobson Group

The Jacobson Group is the leading provider of human capital solutions to the insurance industry. For nearly four decades, The Jacobson Group has met the needs of its client organizations through a diverse portfolio of search and staffing services: executive search and selection, professional recruiting, high caliber temporary talent, turnkey project solution teams, and consulting services. The Jacobson Group maintains offices throughout the country. Further information is available at [www.jacobsononline.com](http://www.jacobsononline.com).