



The Insurance Industry's “Talent Gap”

Griffith Foundation

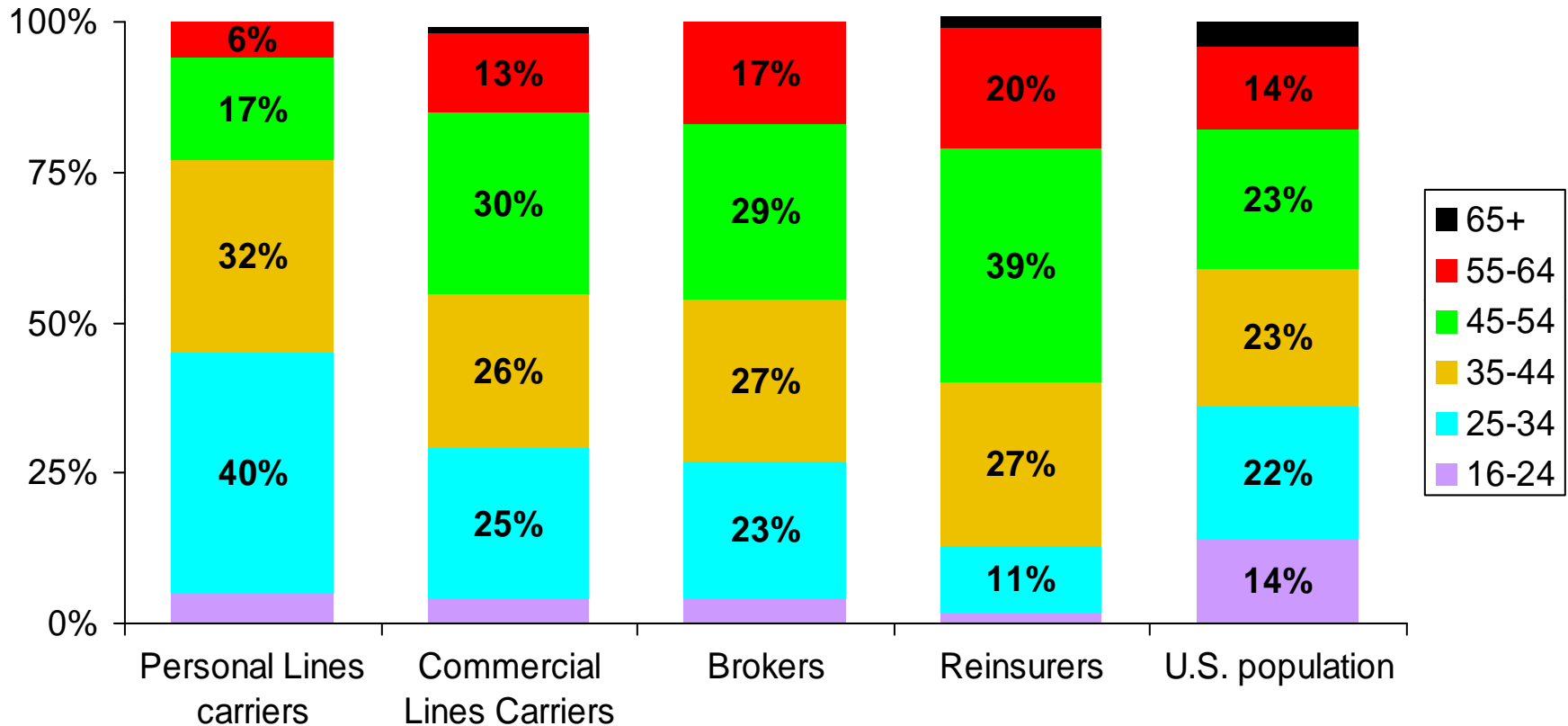
Insurance Education & Career Summit
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**The Industry Employs
Younger Workers in
Proportion to their Numbers
in the Labor Force**

Age Distribution: P-C Workers vs. the U.S. Labor Force, 2008



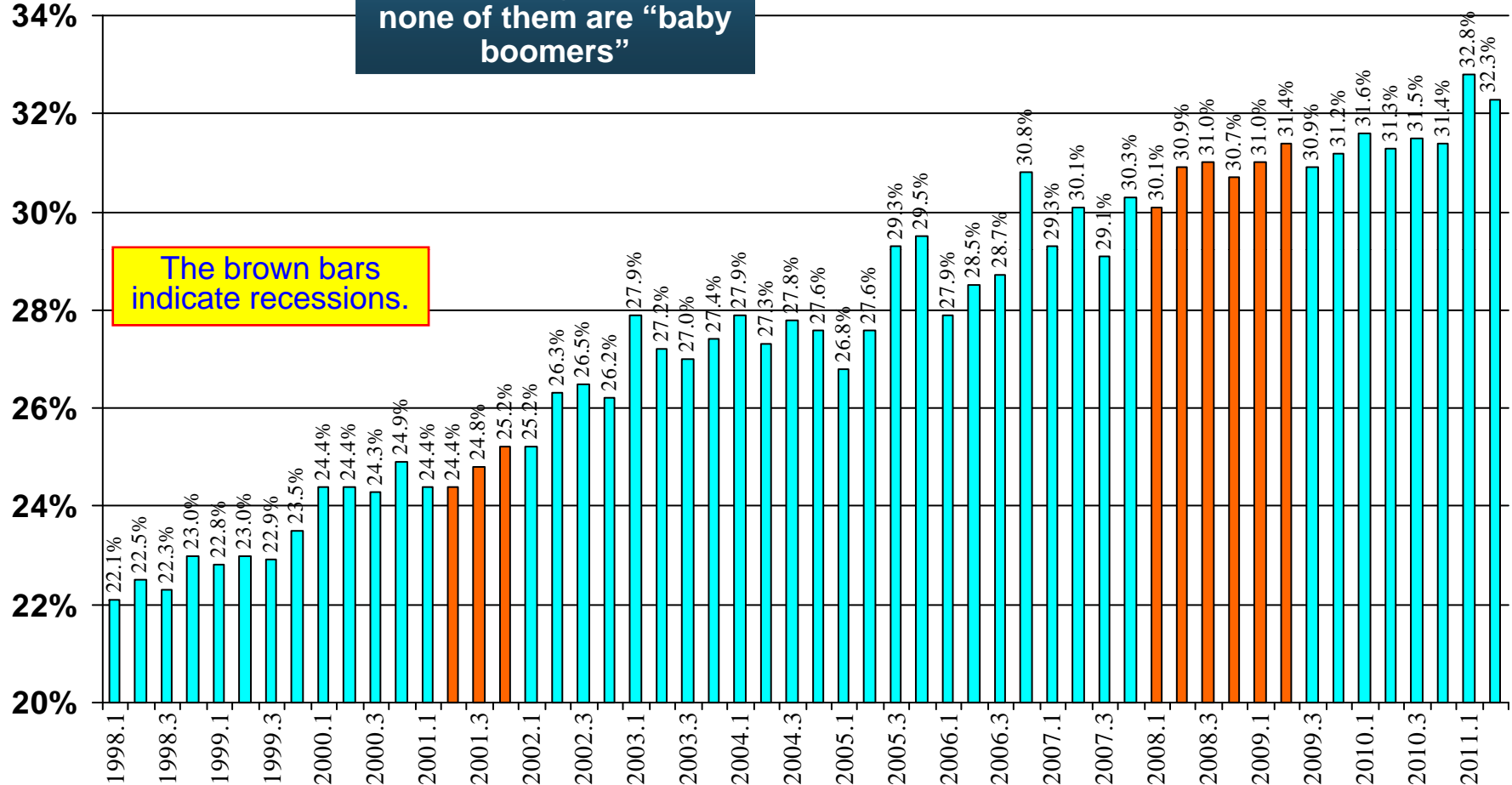
It appears that the workers at P-C personal lines carriers are, in general, *younger* than, and commercial lines employees and brokers are no older than, the U.S. workforce in general.

Only reinsurance workers might be a little older

Labor Force Participation Rate, Ages 65-69, Quarterly, 1998:Q1-2011:Q2

1 in 3 in this age group are working. Virtually none of them are “baby boomers”

Labor Force participation rate



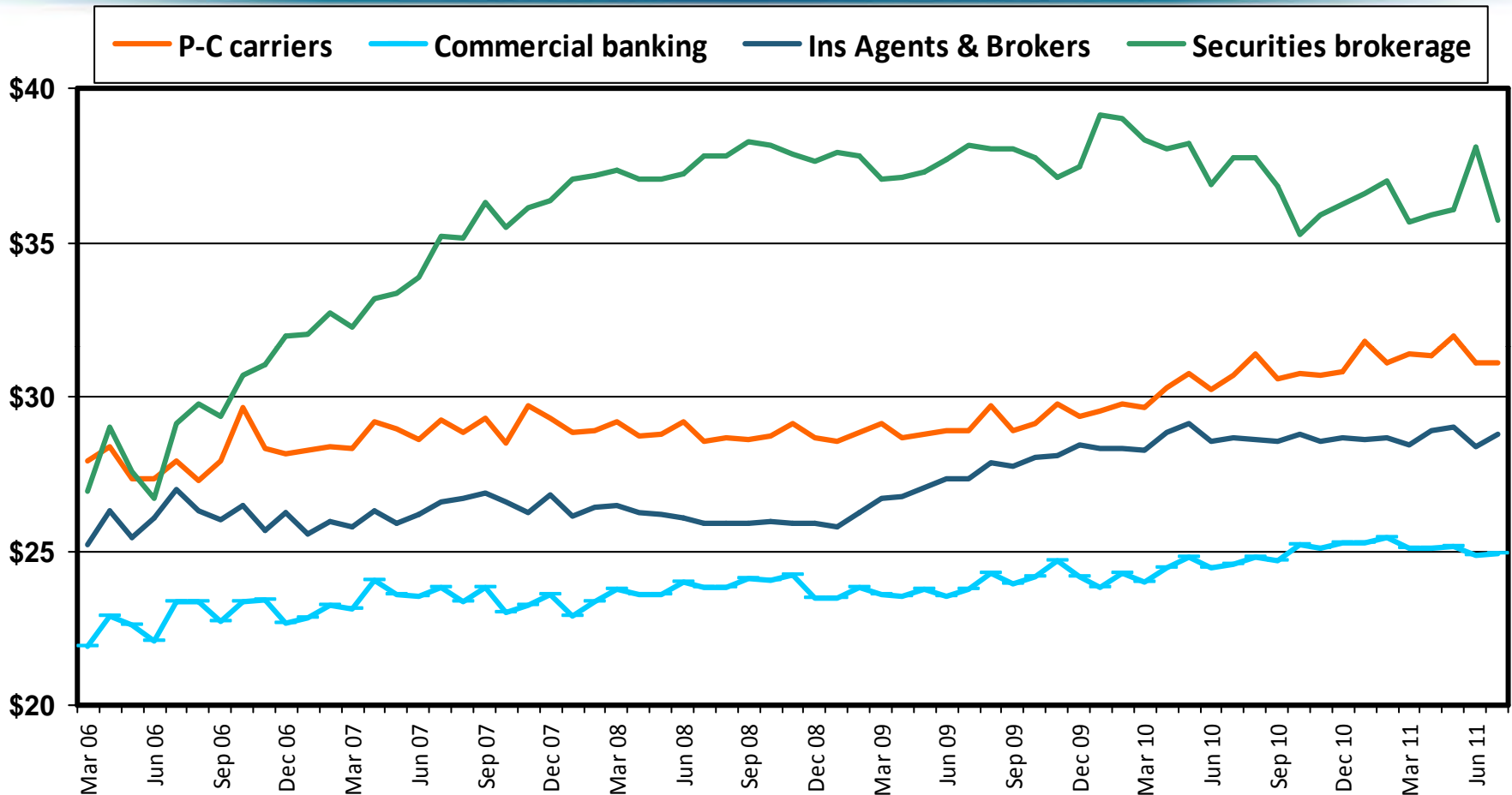
The brown bars indicate recessions.

The labor force participation rate for workers 65-69 might grow even faster in the future as seniors find they can't fully retire on their meager retirement savings.

Not seasonally adjusted. Sources: US Bureau of Labor Statistics, US Department of Labor; Insurance Information Institute.

**Does the P/C Insurance
Industry Pay as Well as
Other Employment?**

Average Hourly Earnings, Employees in Selected Financial Services, Mar 2006*–May 2011



From April 2007 through October 2009, average hourly earnings at P/C insurers were essentially flat at about \$29. In the 21 months since then, average hourly earnings grew by roughly \$3 (nearly 10%), but lost \$1 in June and July 2011

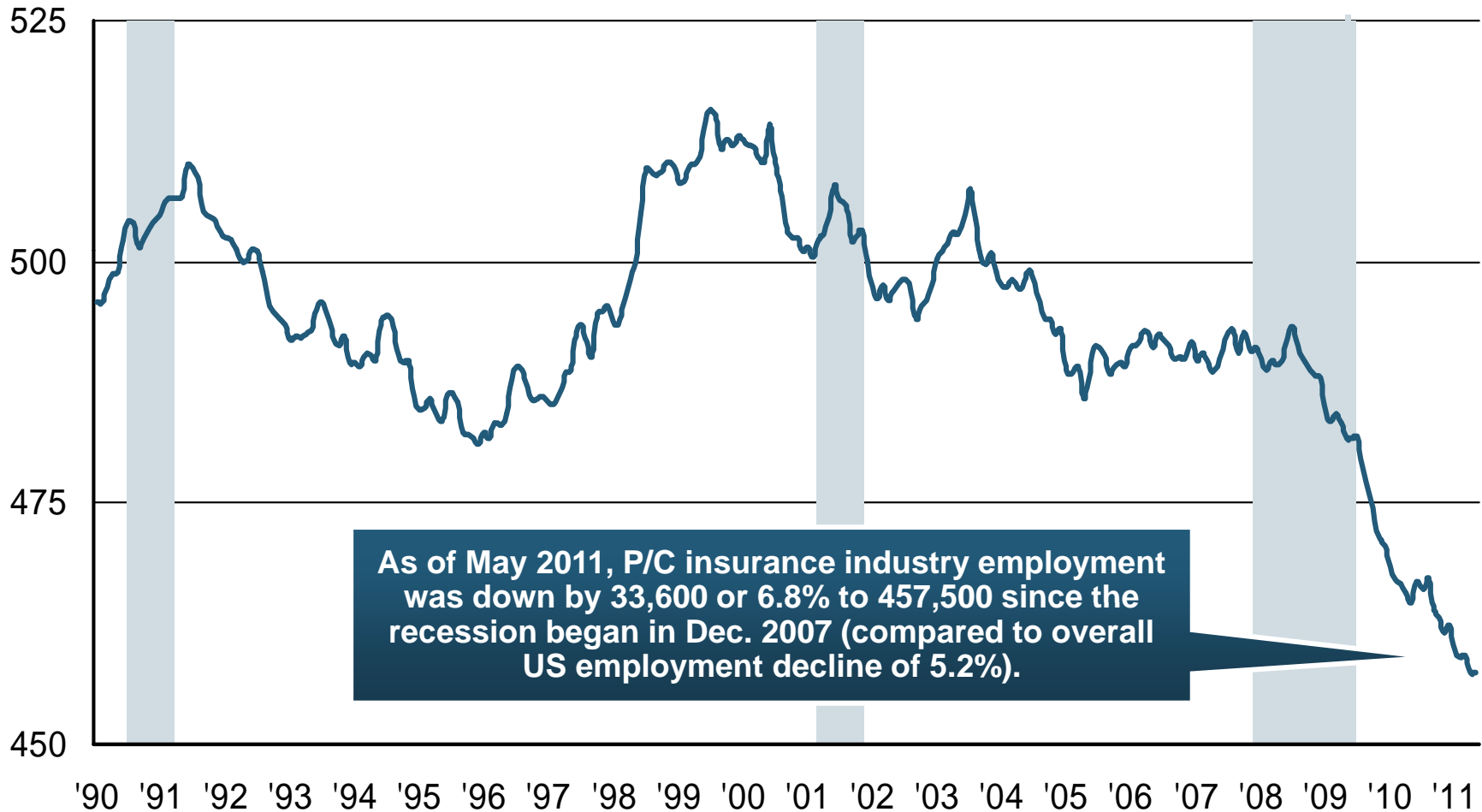
*start of BLS series; not seasonally adjusted

Source: <http://data.bls.gov/PDQ/servlet/SurveyOutputServlet>

Can We Attract New Hires to a Shrinking Industry?

U.S. Employment in the Direct P/C Insurance Industry: 1990–2011*

Thousands



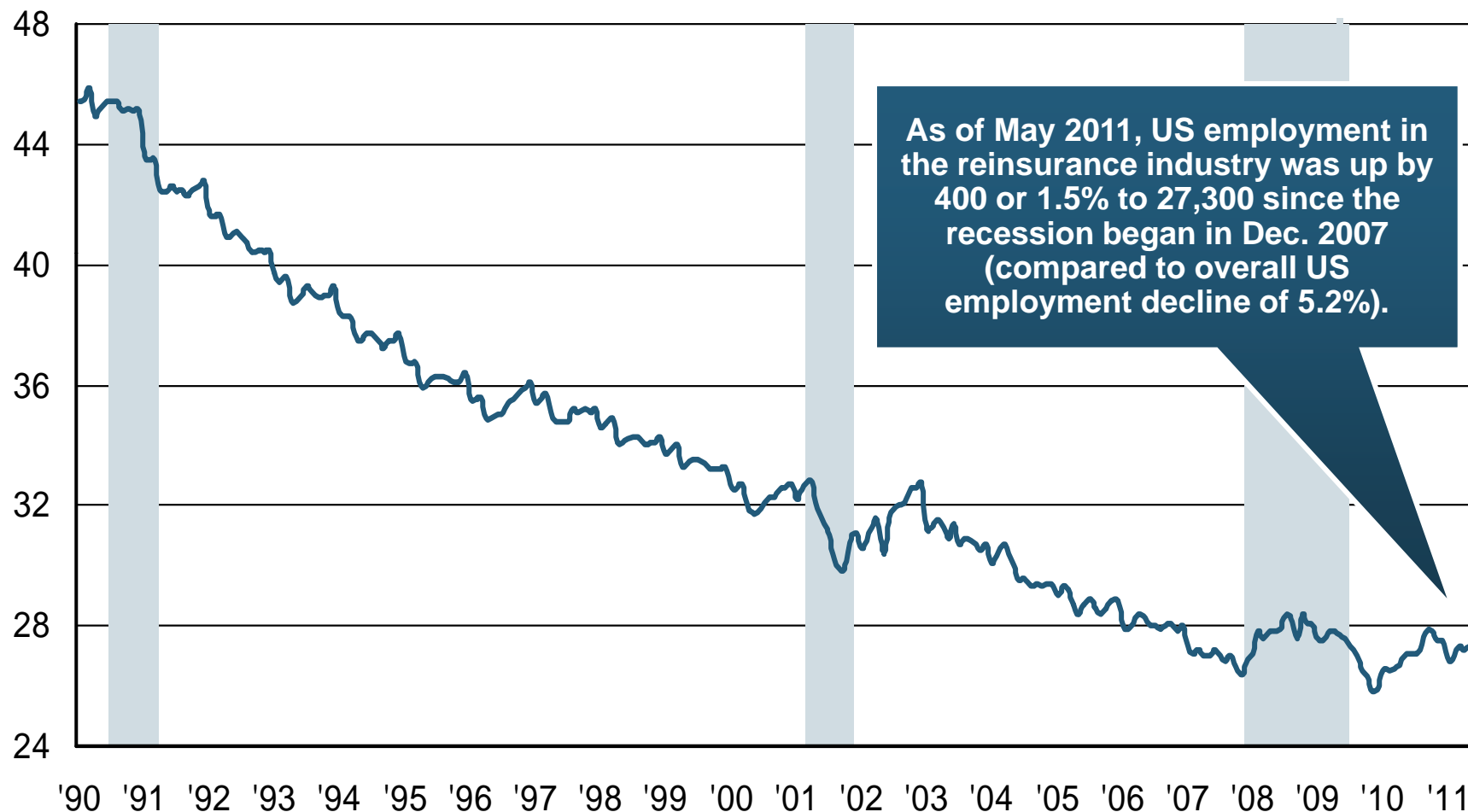
*As of May 2011; Not seasonally adjusted; Does not including agents & brokers.

Note: Recessions indicated by gray shaded columns.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research (recession dates); Insurance Information Institute.

U.S. Employment in the Reinsurance Industry: 1990–2011*

Thousands



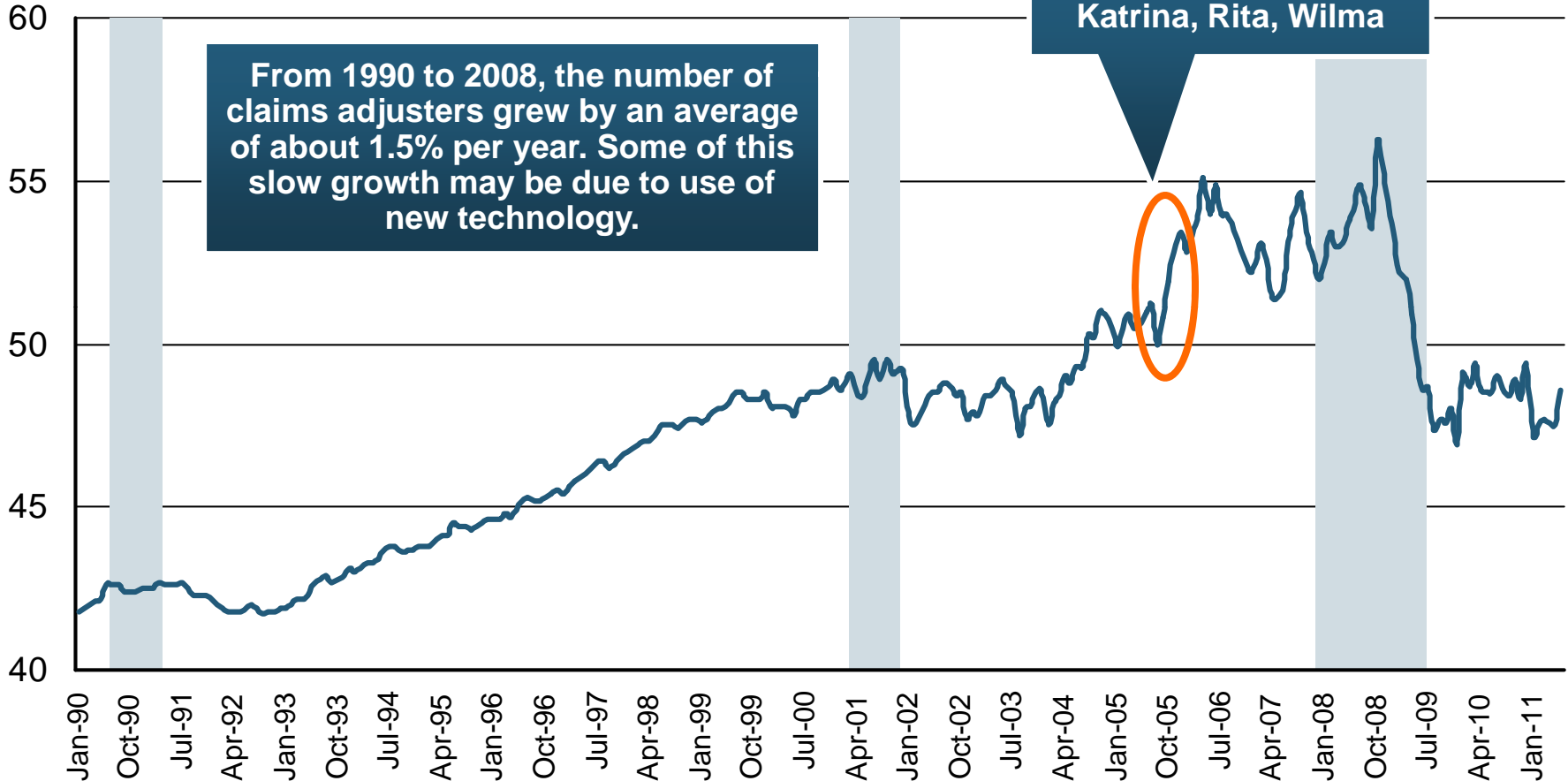
*As of May 2011; Not seasonally adjusted; Does not including agents & brokers.

Note: Recessions indicated by gray shaded columns.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research (recession dates); Insurance Information Institute.

U.S. Employment in Insurance Claims Adjusting: 1990–2011*

Thousands



Since October 2008, when employment peaked at 56,200, about 8,000 adjuster jobs were shed. Some of this may be due to strategies to pay small claims without adjustment.

*As of June 2011; Not seasonally adjusted.

Note: Recessions indicated by gray shaded columns.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research (recession dates); Insurance Information Institute.

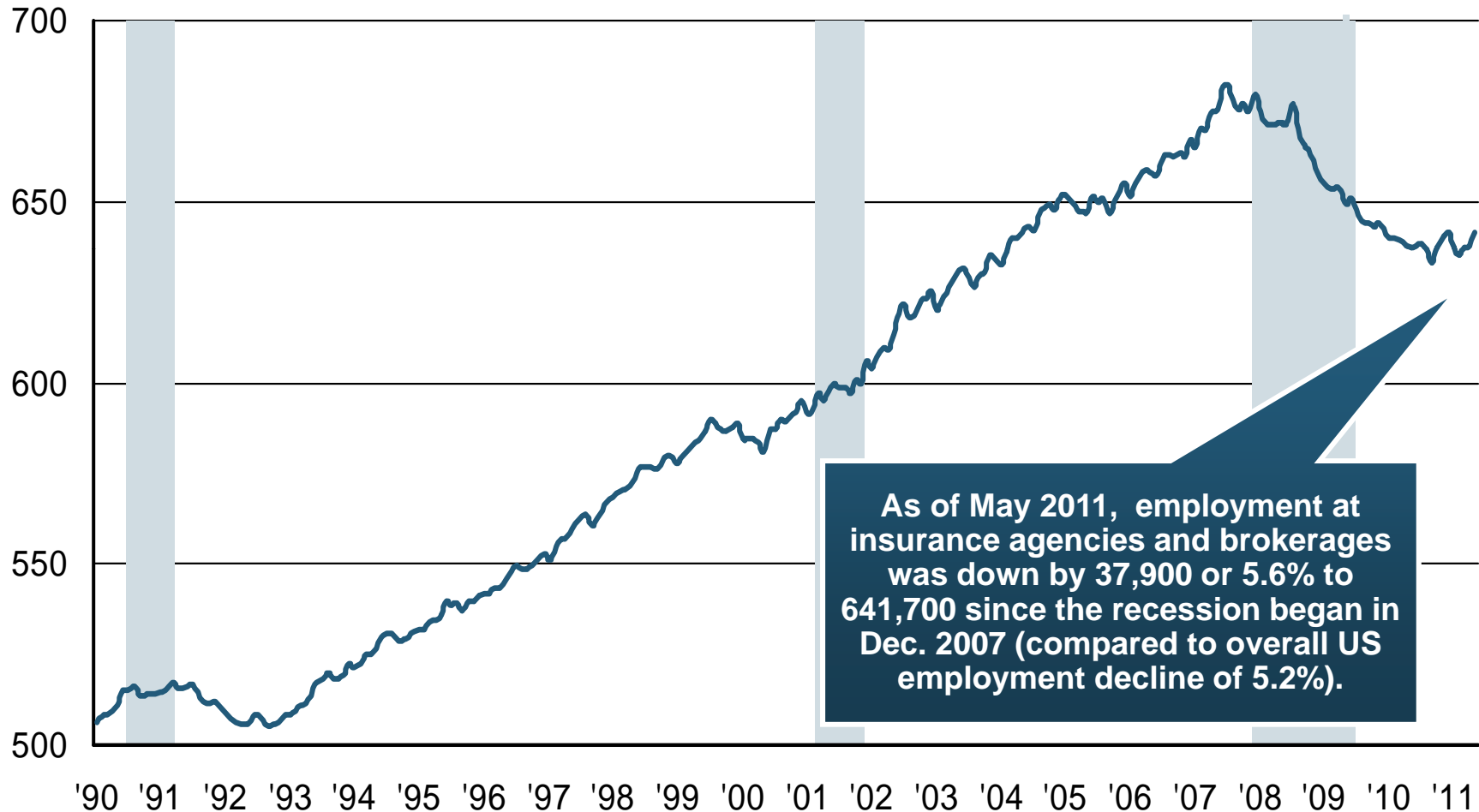


Is the Recent Decline in the Number of Agents/Brokers Temporary or Permanent?

**Is it a Result of a Trend
to Online Shopping for Insurance?**

U.S. Employment in Insurance Agencies & Brokerages: 1990–2011*

Thousands



*As of May 2011; Not seasonally adjusted. Includes all types of insurance.

Note: Recessions indicated by gray shaded columns.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research (recession dates); Insurance Information Institute.



Ideally, Where Do Young People Want to Work?

Top 150 Organizations Where Young Professionals Want to Work

Group	Insurers	Organization (% naming)
Top 50		Google (#1: 24.8%) Apple (#2: 13.5%) Disney (#3: 9.4%) U.S. State Department (#4: 9.3%) Amazon (#5: 8.8%) FBI (#6: 8.3%)
Ranked 51-100	Berkshire (#61: 2.1%) USAA (#81: 1.65%)	Nordstrom (#51: 2.3%) U.S. Air Force (#52: 2.3%) Federal Reserve Bank (#53: 2.2%) Accenture (#54: 2.2%) Time Warner (#55: 2.2%)
Ranked 101-150	Liberty Mutual (#126: 0.65%) Travelers (#128: 0.64%) NY Life (#130: 0.51%) Hartford (#135: 0.45%) Munich Re (#143: 0.16%)	



How Will We Know We've Closed the "Talent Gap"?

By Attracting People from the Most Prestigious Universities?

Top 10 Insurance Companies, CEO's and College Information

Rank	Company	CEO	College	Degree/Major
1	Berkshire Hathaway	Warren E. Buffett	Columbia Business School	MS in Economics
			University of Nebraska–Lincoln	BS in Business Administration
2	American International Group	Robert H. Benmosche	Alfred University	BS in Mathematics
3	State Farm Insurance Cos.	Edward B. Rust Jr.	Southern Methodist University	JD & MBA
4	MetLife	Steven A. Kandarian	Clark University	BA
			Georgetown University Law Center	JD
			Harvard Business School	MBA
5	Prudential Financial	John R. Strangfeld Jr.	Susquehanna University	BS in Business Administration
			Darden School of Business at the University of Virginia	MBA
6	New York Life Insurance	Theodore A. Mathas	Stanford University	AB
			University of Virginia	JD
7	Liberty Mutual Insurance Group	Edmund F. Kelly	Queen's University, Belfast	Bachelor's Degree
			Massachusetts Institute of Technology	PhD
8	TIAA-CREF	Roger W. Ferguson Jr.	Harvard University	B.A. in Economics <i>magna cum laud</i> , JD & PhD
9	Allstate	Thomas J. Wilson	Northwestern University's J.L. Kellogg Graduate School of Management	Masters degree in management
			University of Michigan	BS in Business Administration
10	Massachusetts Mutual Life Insurance	Roger W. Crandall	University of Vermont	Bachelor's degree in Economics

Note: Top companies as featured in Fortune 500. Source: Insurance Information Institute.

Top 11-20 Insurance Companies, CEO's and College Information



Rank	Company	CEO	College	Degree/Major
11	Travelers Cos.	Jay S. Fishman	Wharton School of Business at the University of Pennsylvania	BA in Business & MS Accounting
12	Northwestern Mutual	John E. Schlifske		
13	Hartford Financial Services	Liam E. McGee	Pepperdine University	Master's degree in Business Administration
			Loyola Law School	Law Degree
14	Aflac	Daniel P. Amos	University of Georgia	BS
15	Nationwide	Stephen S. Rasmussen	University of Iowa	Bachelor's degree in Business Administration
16	United Services Automobile Assn.	Josue Robles Jr.	Kent State University	BBA in Accounting
			Indiana State University	Master's in business administration
17	Progressive	Glenn M. Renwick	University of Canterbury	BA
			University of Florida	MS
18	CNA	Thomas F. Motamed	Adelphi University	BS in Biology
			Widener University	JD
			Wharton School of the University of Pennsylvania	MBA
19	Chubb	John D. Finnegan	Princeton University	Bachelor's Degree in Political Science
			Fordham Law School	Law Degree
			Rutgers University	Master's in Business Administration
20	Lincoln National	Dennis R. Glass	University of Wisconsin–Milwaukee	BA and MBA in Business Administration

Note: Top companies as featured in Fortune 500. Source: Insurance Information Institute.

Top 21-30 Insurance Companies, CEO's and College Information

Rank	Company	CEO	College	Degree/Major
21	Unum Group	Thomas R. Watjen	Virginia Military Institute	BS
			University of Virginia	MBA
22	Genworth Financial	Michael D. Fraizer		
23	Guardian Life Ins. Co. of America	Dennis J. Manning	Notre Dame University	Bachelor's Degree in Business Administration
24	Principal Financial		Drake University	BS Business Administration & MBA
25	Assurant	Robert B. Pollock	University of Wisconsin Madison	BBA
26	Reinsurance Group of America	A. Greig Woodring	University of Michigan	BS
			University of Illinois	MS
27	Thrivent Financial for Lutherans	Bradford L. Hewitt	University of Wisconsin	BS - Math
28	American Family Insurance Group	David R. Anderson	University of Wisconsin	BS - Finance & Marketing & MBA
29	Fidelity National Financial	George P. Scanlon	University of Notre Dame	BA
			University of Miami	MBA
30	Mutual of Omaha Insurance	Daniel P. Neary	University of Iowa	BA & MA

Insurance Information Institute Online:

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***Thank you for your time
and your attention!***