

Briefing

Insurance Jobs

The U.S. insurance industry lost 2,100 jobs in June, the fifth consecutive month of losses, according to seasonally adjusted data released July 2 by the U.S. Bureau of Labor Statistics. Industry payrolls were 2.266 million, down from a seasonally adjusted 2.268 million in May. The number of insurance jobs has contracted in seven of the past nine months, though June's loss is less than many previous declines.

Jobs by Sector

The U.S. Bureau of Labor Statistics also provided detailed data by industry segment on an unadjusted basis for May 2009.

Sector	# Employees	% Change From a Year Ago
Agents and Brokers	652,700	↓ 2.9
Property/Casualty Insurers	479,200	↓ 2.0
Health Insurers	459,800	↑ 2.6
Life Insurers	349,300	↓ 1.5
Third-Party Administrators	125,200	↓ 4.4
Title Insurers	68,500	↓ 17.4
Claims Adjusters	48,300	↓ 9.7
Reinsurers	29,200	↑ 3.9
Other Segments	53,700	↑ 2.5

Average Earnings

Average weekly earnings for the industry's nonsuperisory positions increased in most industry categories from May 2008 to May 2009.

Sector Employees	Average Weekly Earnings	% Change From a Year Ago
Property/Casualty	\$995.11	↑ 3.0
Life Insurers	977.65	↑ 6.6
Health Insurers	944.79	↑ 6.2
Claims Adjusters	884.73	↑ 3.7
Title Insurers	837.88	↑ 5.7
Reinsurers	828.57	↑ 12.3
Agents and Brokers	755.79	↑ 4.3
Third-Party Administrators	755.16	↓ 1.0

Source: U.S. Bureau of Labor Statistics



Career Wise

By Gregory P. Jacobson

Question: How does the soft P/C market impact hiring decisions?

The state of the insurance marketplace plays a large role in companies' hiring decisions. Historically, significant adjustments in hiring practices are made when the market is emerging into either a hard or a soft segment of the underwriting cycle. While the property/casualty industry is currently in a soft market, insurers should consider all stages of the cycle when developing their human capital strategies.

Typically, substantial hiring decisions occur when the industry enters a soft market. Due to less than adequate pricing, claims and financial professionals are hired for expense control purposes. However, more disciplined underwriting companies tend to lose meaningful market share in soft market situations. As a result, expense control often does not translate to additional hiring for some companies. Less disciplined underwriting companies, or those writing business in a broad spectrum of industry segments, may look to improve their results by making personnel changes.

When the industry begins to emerge from a soft market, there is increased competition for marketing and underwriting professionals. In most hard market situations, the focus is on moving toward more profitable underwriting results. The most successful companies are those that are well-positioned to accept new business and therefore are able to take advantage of higher prices in achieving premium growth. In order to be situated this way, companies must have an adequate human capital infrastructure, a profitable book of business and sufficient financial capacity. Most companies wait too long to invest in the necessary talent and miss the opportunity to achieve significant premium growth at adequate pricing.

While there is no consensus that the market will turn anytime soon, industry organizations should focus on building human capital now to avoid future added expenses.

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