2012–2022

Full Report

Insurance Institute

A Demographic Analysis of the P&C Insurance Industry in Canada

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N.B. The following questionnaires used in this research study, are available for reference on the Insurance Institute's website at: www.insuranceinstitute.ca/research

- Survey of Human Resource Management Professionals in the P&C Insurance Industry: Perspectives on recruitment and retention (referenced in Part III)
- Survey of Professional Employees in Canada's Property and Casualty Insurance Industry: Career and Job Perspectives (referenced in Part IV)

FOREWORD

A Demographic Analysis of the P&C Insurance Industry in Canada 2012 – 2022
The third research report on the industry's work force published by the Insurance Institute of Canada on behalf of the industry.

The Insurance Institute of Canada (The Institute) is proud to present this demographic research report of the property and casualty insurance industry. On behalf of the industry, and in recognition that human capital issues – such as recruitment, retention and succession planning, education and training – were (and still are) at the forefront of industry concerns today, the Institute has been conducting demographic research since 2007.

The Institute believes that these research studies have provided – and continue to provide – information that (a) is valuable to industry employers as they develop and implement appropriate human resources strategies, (b) informs the initiatives of the Institute's Career Connections program, and (c) has influenced the educational programs offered by the Institute, on behalf of the industry.

The 2007-08 Research Study
A Demographic Analysis of the P&C Insurance Industry in Canada 2007-2017 (2008)
This landmark research study conducted a census of the demographic composition of the insurance industry and forecasted the industry's human resources needs and capacity into the future. From this first Institute study, we learned that the industry's **workforce is aging** (in 2007, 49 percent of those working in the insurance industry were between the ages of 41 and 60; as compared to 45 percent in the labour force), that industry **employees tend to retire younger** (by two to three years), and that **retirement projections will have a significant impact** on the industry's labour force (25 percent of the 2007 labour force could retire between 2012 and 2017).

The 2009 Research Study
A Demographic Analysis – Part II: Recruitment and Retention Issues in the P&C Insurance Industry in Canada (2009)
The second report picked up on the first report's recommendation that there was a need for industry-wide and company-specific systematic work force planning required as applied to the four cohorts – **youth, immigrants, aboriginals and mature workers**. This second report was compiled as **a resource guide** to help organizations create the strategies needed to meet their hiring needs, training and development assessments and the potential leadership gaps.

The 2012 Research Study
A Demographic Analysis of the P&C Insurance Industry in Canada 2012-2022 (2013)
This third study **replicates the census of the industry's work force five years after the first census** and surveys both the human resources professionals and current employees in order to investigate the impact, if any, of recent economic and other events on employment trending and to again forecast the future human resource requirements of the industry.

The Institute would like to express its appreciation to the industry Research Steering Committee that provided guidance and insight through the three phases of the research project. Their input into the design and implementation of the survey tools helped to ensure the two online surveys and census garnered relevant and valuable data.

The Institute would also like to express our gratitude to the industry employers that participated in the surveys and the census, the industry employees who took the time to answer our on-line survey, and to the four regulatory bodies that provided key data on their licensees. Thank you. Without your participation we would not have such insight into the industry's insurance professionals.

The Institute is indebted to the project team at R.A.L. Consulting, and in particular Dr. Richard Loreto, for his expertise and guidance throughout these research studies and writing of the reports.

Part I – Introduction

Scope and Objectives of the Report

This report has been researched and written by the consulting team at R.A.L. Consulting Limited of Hamilton, Ontario under contract to the Insurance Institute of Canada (hereinafter referred to as the Institute). The scope of the report encompasses three sequential research phases that were carried out over a period of 18 months (starting on June 1, 2011):

1. ***Survey of senior human resource professionals (employers)*** in Canada's property and casualty insurance industry to identify their perceptions on the issues of recruitment and retention of employees in key occupational categories and in strategic labour market cohorts. The survey instrument is a hybrid version of the instruments deployed in 2007 and 2009 and was accessed online. (September 2011)

2. ***Survey of current industry employees*** in strategic occupations and labour market cohorts to identify their perceptions on career development as a means of providing a sound foundation for the creation of recruitment and retention programs at the company, sector, and industry levels. The survey replicates many of the questions asked in the survey conducted in 2009 as well as adds several new questions. It was conducted online. (February to March, 2012)

3. ***Demographic analysis of the industry's work force*** based on data supplied by individual companies and provincial regulators. This "census" of the industry's work force replicates the work first carried out in 2007. In the first census, the data collected enabled forecasting on retirement projections of the industry's labour force to 2017. With the 2012 census, it is possible not only to formulate new projections going forward to 2022 but also to compare past projections with the reality in 2012. (June to September 2012)

Specific research objectives of the report were set for each research phase:

PHASE 1: Survey of Senior Human Resource Professionals

OBJECTIVES:

1. To assist industry stakeholders with the recruitment and retention of strategic labour market cohorts – immigrants, aboriginals, youth, career changers, and mature workers – by identifying the views of senior human resource professionals on:

    - The relative importance of recruitment and retention activities at the company level;
    - Company recruitment and retention tools that are targeted at one or more of the labour force cohorts; and
    - The effectiveness of these tools in recruiting or retaining workers in the four strategic labour force cohorts.

2. To compare the results of this survey with those conducted in 2007 and 2009.

PHASE 2: Survey of Current Industry Employees

OBJECTIVES:

1. To identify the perceptions of current industry employees in strategic occupations and labour market cohorts on a variety of career development matters.
2. To link employees' views on career development with employers' views on recruitment and retention strategies and programs.
3. To compare the results of this survey with the employee survey conducted in 2009.

PHASE 3: Demographic Analysis of the Industry's Work Force

OBJECTIVES:

1. To analyze the context for recruitment and retention initiatives by updating empirical research on the labour market characteristics of the target cohorts and the trends characterizing their participation in the labour market across Canada.
2. To collect comprehensive statistical data from participating companies and provincial regulators on the demographic characteristics of current and terminated employees in strategic occupations and labour market cohorts.
3. To develop demographic profiles of current and terminated employees at the national and provincial levels.
4. To compare the results of the 2012 industry census with those of the 2007 industry census.
5. To identify the recruitment gap attributable to demographic and other factors during the period from 2012 to 2022.
6. To analyze the degree of congruence between the data collected from the employers' and employees' surveys, respectively, and the demographic analysis of the industry's current and terminated employees.
7. To recommend how the effectiveness of recruitment and retention initiatives at both the company and industry-wide level can be maximized.

Organization of the Report

The remainder of the report is organized in five parts:

- **Part II** uses industry data to develop demographic profiles of current and terminated industry employees in the selected occupational categories. It also links the industry analysis with major demographic trends within Canada's labour force.
- **Part III** contains the analysis of the results of the survey of senior human resource management professionals.
- **Part IV** sets forth the analysis of the survey of current industry employees who hold one of the targeted professional occupations.

- **Part V** profiles retirement trends within the property and casualty insurance industry and sets out projections of the change in the industry's professional work force over the next ten years that is attributable to demographic factors. Projections are made by geographic region, occupational category, company size, and company type. In addition to this "supply" perspective on the pressure generated by demographic change, consumer spending projections are employed to provide a "demand" perspective.
- **Part VI** identifies the major conclusions and recommendations emanating from the research. The emphasis is on a synthesis of the various streams of analysis and the setting out of practical courses of action. In addition, empirical findings are compared with perceptions from the human resource management survey.

With the exception of Part I and Part VI, all parts of the report have a KEY POINTS section at the end. In addition, an *Executive Summary* of the report is available. For a complete and in-depth understanding of the labour market research undertaken by R.A.L. Consulting Limited on behalf of the Insurance Institute of Canada, please consult this final report.

Project Team

R.A.L. Consulting Limited has carried out this project under contract to the Insurance Institute of Canada. The members of the R.A.L. project team are:

Richard Loreto, project manager and report author

Gerald Bierling, researcher

Biographies for the project team and information on R.A.L. Consulting Limited can be found at the company's web site (www.ralconsulting.ca).

Acknowledgement

This report would not have been possible without the support of stakeholders within Canada's property and casualty insurance industry. First and foremost, we thank the industry employees and human resource management professionals who participated in any of the three phases of the project. Next, we owe a substantial debt of gratitude to the senior staff of the Institute. Peter Hohman, President and CEO of the Institute, has been a strong advocate of this type of research. Peter's sense of advocacy is shared by Ted Hellyer, Vice President, Programs and Margaret Parent, Director, Professionals' Division. Ted is a valuable source of advice on the nature of the insurance industry. Margaret has been our principal contact person and her substantial organizational skills have been instrumental in moving this project along in an effective and timely manner. We also are in the debt of the industry Research Steering Committee that provided valuable input on each phase of the project. Without the input of these industry professionals, we would not have been able to design and implement successfully the two online surveys and the census.

The substantial support received from the industry's stakeholders, however, does not relieve the consultant of the ultimate responsibility for the findings and recommendations contained in this report.

Part II – A Demographic Analysis of the Professional Work Force of the Property and Casualty Insurance Industry in Canada

Conceptual Approach

Our approach to the demographic analysis contained in this report is based on the pioneering work of David K. Foot.[1] Foot's central contention is that "… demographics explain about two-thirds of everything."[2] Although demographic analysis utilizes a wide range of data (for example, birth and death rates), Foot observes that the most useful variable for projecting economic behaviour is the age composition of the population:

> Who is more likely to join a gang that "swarms" people and steals their basketball jackets, a senior citizen or a teenager? Who is more likely to attend a chamber music concert, an 11-year-old or a 51-year-old? Because age is so powerful a predictor of human behaviour the answers to these questions are obvious. If you know how many people of each age group are around today, you can make a reliable forecast about how those same people will behave tomorrow.[3]

In constructing a demographic projection based on Foot's approach, two factors are essential:

> …the number of people in each age group and the probability that each person will participate in a given behaviour. Express the number of people doing a certain thing as a percentage of the number of people in the population and you get the activity participation rate for society as a whole.... Multiply the participation rate by the population, and you get the actual number of people who are [doing] whatever … you may want to measure.[4]

The prestigious Population Reference Bureau, founded in 1929 and based in Washington, D.C., supports Foot's observation regarding the robust nature of the age composition variable:

> The focus on population size and growth has largely ignored a critical demographic variable: the age structure of the population (that is, the way the population is distributed across different age groups). Because individual economic behavior varies at different stages of life, changes in age structure can significantly affect national economic performance.[5]

Foot acknowledges that participation rates can also be impacted by such "… economic factors as recessions, income levels, and unemployment rates [and] … by such social factors as marital status and ethnicity." However, the impacts of these factors do not diminish the analytical power of the age factor:

> [T]he number of people who will participate in a given activity is two-thirds predictable because of the age factor. Age is the best forecasting tool because it is guaranteed to change.[6]

Although behaviour can change over time (for example, the decline in smoking precipitated by the increased knowledge of the health effects of this behaviour), Foot suggests that participation rates for many activities are stable over time. In addition, "… age is a proxy for many of the socioeconomic variables that differentiate human beings"[7] (for example, who is more likely to have a higher income, a 30-year-old or a 40-year-old?).

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1 David K. Foot with Daniel Stoffman, *Boom, Bust & Echo: Profiting From the Demographic Shift in the 21st Century* (Toronto: Stoddart Publishing Co. Limited, 2000).
2 Ibid., page 8.
3 Ibid., page 13.
4 Ibid.
5 Population Reference Bureau Staff, *Transitions in World Population*, Population Bulletin (Volume 59, Number 1, March, 2004), page 20.
6 Ibid., page 14.

In this report, we adapt the general principles of Foot's approach to analyze the implications of demographic change for both Canada's labour force and the professional work force of the property and casualty insurance industry.

Data Sources and Collection

As was the case in 2007, the industry's employers were asked for data on current and terminated employees. The data on current employees constituted a "snapshot" at the time of submission. The time frame for the collection of data on terminated employees was left to the discretion of the responding companies. The data set encompassed the same eight demographic and related variables that were used in 2007:

1. Age
2. Sex
3. Occupation
4. Service dates
5. Employment status
6. Activity status
7. Municipality of employment
8. Province of employment

The first company data submission was received in late June, 2012 and the last one over two months later. At the close of the data collection process, data had been received on 26,085 current employees and 13,982 terminated employees (86 percent of whom had been terminated between 2008 and 2012). In 2007, we received data on 28,327 current and 12,529 terminated employees.

Twenty-nine (29) companies (compared to 43 in 2007) submitted data, a response rate of 35 percent. The response rate in 2007 was 46 percent. Twenty (20) of the companies participating in the 2012 census also participated in the 2007 census. In 2007, these companies accounted for 56 percent of current employees; in 2012, 78 percent.

In addition, in both 2007 and 2012 data were received from the provincial regulators in the four largest provinces:[8]

- Insurance Council of British Columbia (ICBC)
- Alberta Insurance Council (AIC)
- Registered Insurance Brokers of Ontario (RIBO)
- La chambre de l'assurance de dommages (CHAD)

The number of records on current licensees collected from the provincial regulators in 2012 (55,935) exceeded the total in 2007 (47,900) by 17 percent.

The consultant and Institute staff carried out a process of "data cleaning" to ensure validity and consistency. As part of the data cleaning process, certain respondents were asked to verify data revisions regarding the coding of the occupational categories.

7 Ibid.

8 All provincial regulators were invited to participate in the census in 2012.

Part II – Analysis of the Work Force of the P&C Insurance Industry in Canada

Scope of Analysis

Data from companies on both current and terminated employees were analyzed in accordance with the demographic template provided by the eight variables in the data set. Analysis was conducted at both the descriptive and cross-tabulated levels. The major cross-tabulated variables were: company size, company type[9], occupation, and geography. Data were not analyzed at the individual company level.

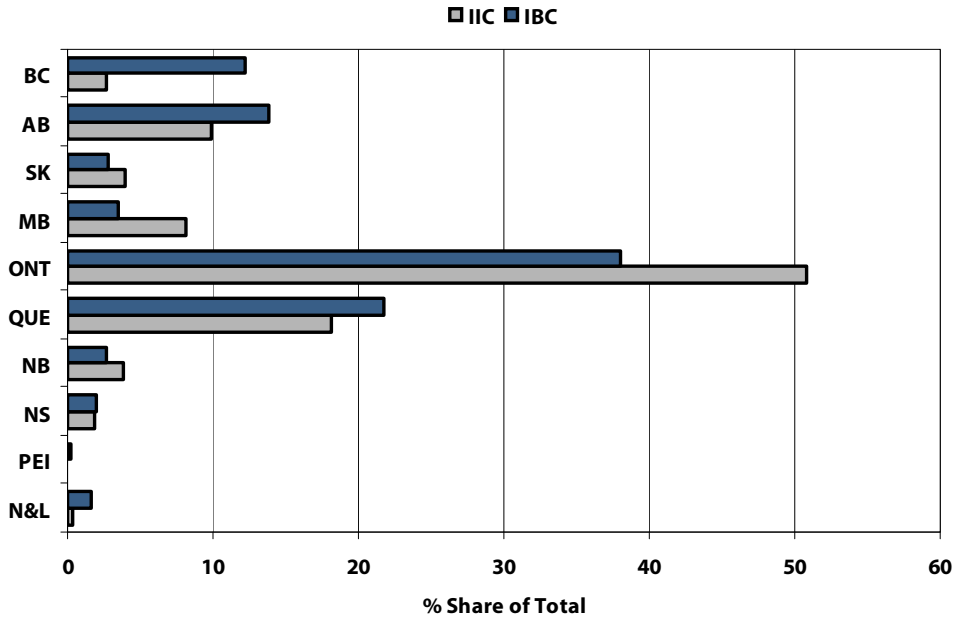
The data from the regulators either did not include all the requested demographic variables or posed other conceptual issues. Therefore, analysis was concentrated on the age and sex variables.

Research Sample

The total number of employees working currently in the occupational categories[10] targeted in this study is not known. Although the response to the data request was excellent, it was not 100 percent. Therefore, the representative character of our sample and the confidence interval cannot be determined precisely.

It is possible, however, to gain a reasonably good sense of the quality of the sample by assuming that the employment estimate published by the Insurance Bureau of Canada (the latest estimate is for 2009) is a proxy for the target population. Chart II-1 compares the distribution of employees in the Institute sample by province with the employment estimates by province available from the Insurance Bureau of Canada (IBC).[11] The 2012 Institute sample mirrors the IBC data reasonably closely. In the Institute sample, British Columbia, Alberta, Québec, and several of the Atlantic provinces are under-represented. The Ontario share of the Institute's sample presents the most noticeable instance of over-representation.

Chart II-1
Distribution of Industry Employees by Province (percent share of total)
Institute (2012) versus IBC (2009)



9 Each responding company was asked to identify its "company type".
10 See APPENDIX 1 for a definition of the targeted occupations.
11 Insurance Bureau of Canada, *2009 Facts of the General Insurance Industry in Canada*, Appendix B. page 22.

Using the IBC estimate as the proxy population, Table II-1 shows the confidence intervals (95 percent level)[12] for each province, four regions, and Canada. With the exception of two of the Atlantic provinces, the values are small at the national, regional, and provincial levels. Furthermore, if the IBC data include employees not working in the selected occupations (for example, clerical staff), then the quality of the Institute's sample is even higher (since the population size will be lower). The confidence intervals portrayed in Table II-1 only pertain to analysis of all employees at the specified geographic levels. They do not apply to sub-groups within the sample (for example, actuaries in Ontario or female employees in Alberta).

Table II-1: Confidence Intervals, Research Sample (95 percent level)

Province	Margin of Error (%)
Newfoundland	9.63
PEI	14.17
Nova Scotia	3.92
New Brunswick	2.20
Quebec	1.28
Ontario	0.70
Manitoba	1.42
Saskatchewan	2.51
Alberta	1.77
British Columbia	3.62
Region[13]	**Margin of Error (%)**
Atlantic	2.13
Quebec	1.28
Ontario	0.70
West	1.11
Canada	**0.53**

Research Sample: Profiles of Current Employees

General Profile

In 2012, "insurers" account for all but two of the companies in the research sample (Table II-2). In 2007, insurers represented about four-fifths of the companies in the sample. Ninety-three (93) percent of employees work for insurers (compared to 88 percent in 2007). In the 2012 sample, the share of employees working for Crown Corporations is one-half as large as it was in 2007. Compared to 2007, employees in direct response insurance companies occupy a much larger share of the sample (56 versus 24 percent). Representation of mutual insurers, reinsurers, and independent adjusters is substantially higher in 2012 than in 2007. The share of employees working for broker represented insurers has fallen dramatically over the five years, from 44 to 18 percent. The absence in 2012 of companies in the independent broker category is counter-balanced by the data on the broker occupation supplied by the four provincial regulators.

12 The **confidence interval** (also called margin of error) is the plus-or-minus figure usually reported in newspaper or television opinion poll results. For example, if you use a confidence interval of 4 and 47% percent of your sample picks an answer you can be "sure" that if you had asked the question of the entire relevant population between 43% (47-4) and 51% (47+4) would have picked that answer. The **confidence level** tells you how sure you can be. It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the confidence interval. The 95% confidence level means you can be 95% certain; the 99% confidence level means you can be 99% certain. Most researchers use the 95% confidence level. When you put the confidence level and the confidence interval together, you can say that you are 95% sure that the true percentage of the population is between 43% and 51%. The wider the confidence interval you are willing to accept, the more certain you can be that the whole population answers would be within that range. Accessed at http://www.surveysystem.com/sscalc.htm#one.

13 The Atlantic Region encompasses the provinces of Newfoundland and Labrador, Nova Scotia, Prince Edward Island, and New Brunswick. The West Region encompasses the provinces of Manitoba, Saskatchewan, Alberta, and British Columbia.

Table II-2: Research Sample by Company Type, 2007 versus 2012

2007			
Company Type	**Companies (N)**	**Employees (N)**	**% Share of Employees**
Crown Corporation	3	5,646	19.9
Broker Represented	17	12,363	43.6
Direct Response	4	6,808	24.0
Mutual	8	171	0.6
Reinsurer	2	55	0.2
Insurer sub-total	**34**	**25,043**	**88.4**
Independent Broker	6	2,131	7.5
Independent Adjuster	3	1,153	4.1
2007 Total	**43**	**28,327**	**100.0**
2012			
Company Type	**Companies (N)**	**Employees (N)**	**% Share of Employees**
Crown Corporation	2	2,481	9.5
Broker Represented	8	4,731	18.1
Direct Response	5	14,631	56.1
Mutual	9	2,292	8.8
Reinsurer	3	209	0.8
Insurer sub-total	**27**	**24,344**	**93.3**
Independent Broker	0	0	0.0
Independent Adjuster	2	1,741	6.7
2012 Total	**29**	**26,085**	**100.0**

The skewing of the sample towards large companies (i.e., companies with 1,000 or more employees in the selected occupational categories) has increased in the 2012 sample. The data in Table II-3 show that 86 percent of current employees work in large companies compared to 72 percent in 2007. The shares of all other company size categories have declined accordingly.

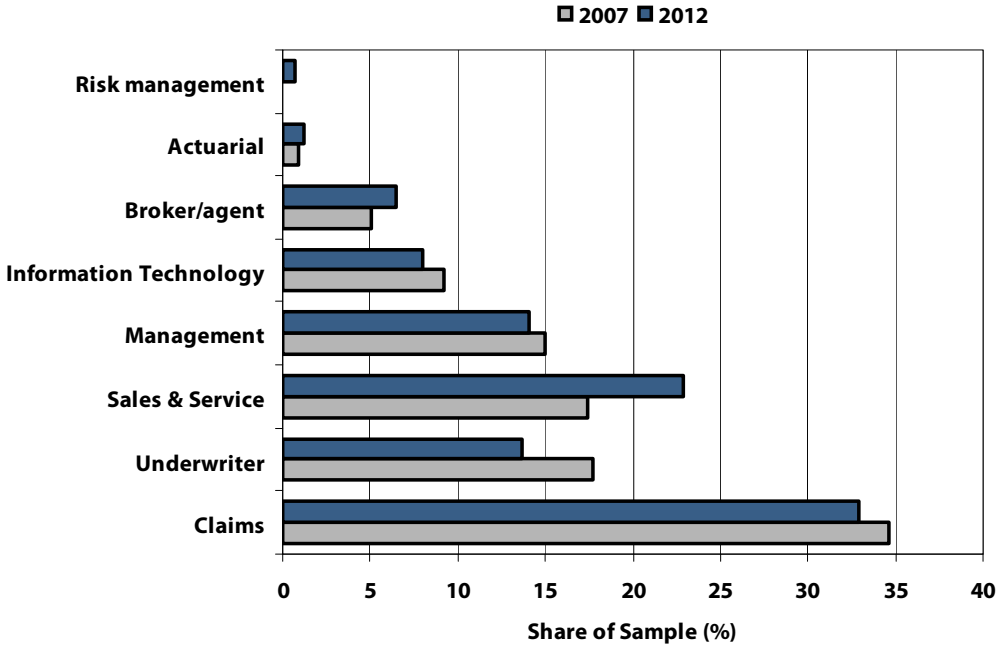
Table II-3: Research Sample by Company Size, 2007 versus 2012

2007			
Company Size	**Number**	**Employees (N)**	**% Share**
<100	16	666	2.4
100-499	10	2,644	9.3
500-999	8	4,739	16.7
1,000+	9	20,274	71.6
Total	**43**	**28,323**	**100.0**
2012			
Company Size	**Number**	**Employees (N)**	**% Share**
<100	9	342	1.3
100-499	7	1,378	5.3
500-999	3	1,969	7.5
1,000+	10	22,396	85.9
Total	**29**	**26,085**	**100.0**

Profile by Occupational Category

The sample profile by occupational category is similar in 2007 and 2012 (Chart II-2). With the exception of the sales & service category, the differentials are within two percentage points. Claims employees still account for about one-third of the sample. The next largest share is sales & service, a category that has increased from 17 percent of the sample in 2007 to 23 percent in 2012. The underwriter category has decreased from 18 to 14 percent. The shares for the management (14 percent) and information technology (8 percent) categories are slightly lower than in 2007; the shares for the broker/agent[14] (6.5 percent) and actuarial categories (1.2 percent), slightly higher. Risk management, a new category in 2012, has the lowest share (0.7 percent).

Chart II-2
Research Sample by Occupational Category (percent)



Large companies (1,000-plus employees) account for an even greater share of employees in each occupational category (Table II-4) in 2012 than in 2007. The large company share ranges from two-thirds of risk managers to almost all brokers/agents. Almost all sales & services employees (96 percent) in the sample work in large companies as do four in five managers (all levels).

14 The category is identified as "broker/agent (includes commercial CSR/producer)". Almost all of the data in this category is provided by two direct response insurers. One of the companies identified its employees as an "agent", the other as a "broker/agent".

Table II-4: Research Sample by Company Size and Occupation (percent)

2007 (%)				
Occupation	Company Size			
	<100	100-499	500-999	1,000+
Actuarial	3.4	7.2	11.7	77.7
Underwriter	4.2	13.7	17.6	64.5
Claims	1.5	7.5	20.2	70.7
Broker/agent	5.8	26.9	49.2	18.1
Information technology	1.7	6.5	13.5	78.4
Sales & service	0.5	4.3	2.6	92.6
Management	4.1	13.2	20.1	62.5
2012 (%)				
Occupation	Company Size			
	<100	100-499	500-999	1,000+
Actuarial	1.3	6.3	4.4	87.9
Underwriter	3.2	14.7	10.5	71.6
Claims	0.8	3.1	10.6	85.6
Broker/agent	2.0	0.0	0.0	98.0
Information technology	0.7	8.5	6.9	83.8
Sales & service	0.5	1.9	1.3	96.3
Risk management	9.9	4.2	20.8	65.1
Management	1.7	7.2	11.3	79.7

Cross-tabulating the variables of occupational category and company type for 2012 sample only (Table II-5), it is clear that direct response insurers account for a majority of employees in the claims, broker/agent, sales & service, and actuarial categories. Around one in two underwriters (47 percent) and risk managers (49 percent) work in broker represented insurers. One-quarter (24 percent) of risk managers are employed by direct response insurers.

Table II-5: Research Sample by Company Type[15] and Occupation, 2012 (percent)

Occupation	CC	BR	DR	MI	RI	IA
Underwriter	6	47	27	19	2	0
Claims	11	13	53	8	0	14
Broker/agent	1	0	97	2	0	0
Management	11	25	47	8	1	8
Sales & service	10	4	78	4	0	3
Actuarial	3	31	59	4	3	0
Information technology	10	28	44	14	2	2
Risk management	3	49	24	7	7	10

15 CC = Crown Corporation; BR = broker represented; DR = direct response; MI = mutual insurer; RI = reinsurer; and IA = independent adjuster. No independent broker (IB) companies participated in the census in 2012.

Profile by Sex

Across Canada, the female work force share edged up one percentage point to 62 percent between 2007 and 2012 (Table II-6). In 2012, the female share is higher than the national share in the Atlantic region, Québec, and Alberta; lower in Ontario, Manitoba, Saskatchewan, and British Columbia.

Table II-6: Research Sample by Province/Region[16] and Sex (percent)

2007 (%)		
Province/Region	**Male Share**	**Female Share**
Atlantic	**34**	**66**
Québec	38	62
East	**38**	**62**
Ontario	39	61
Manitoba	44	56
Saskatchewan	39	61
Alberta	31	69
West	**37**	**63**
British Columbia	43	57
Canada	**39**	**61**
2012 (%)		
Province/Region	**Male Share**	**Female Share**
Atlantic	**33**	**67**
Québec	36	64
East	**35**	**65**
Ontario	39	61
Manitoba	41	59
Saskatchewan	40	60
Alberta	33	67
West	**37**	**63**
British Columbia	43	57
Canada	**38**	**62**

Although 62 percent of employees across Canada are female, the female share varies somewhat by company size (Chart II-3). The share is noticeably lower for both companies with less than 50 (53 percent) and 500 to 999 (55 percent) employees. It is substantially higher in companies with 50 to 99 (68 percent) employees.

16 "East" includes the four Atlantic provinces plus Québec. "West" includes the provinces of Manitoba, Saskatchewan, and Alberta (see footnote 13 for a different definition of West region).

Chart II-3
Research Sample by Company Size and Female Share (percent)

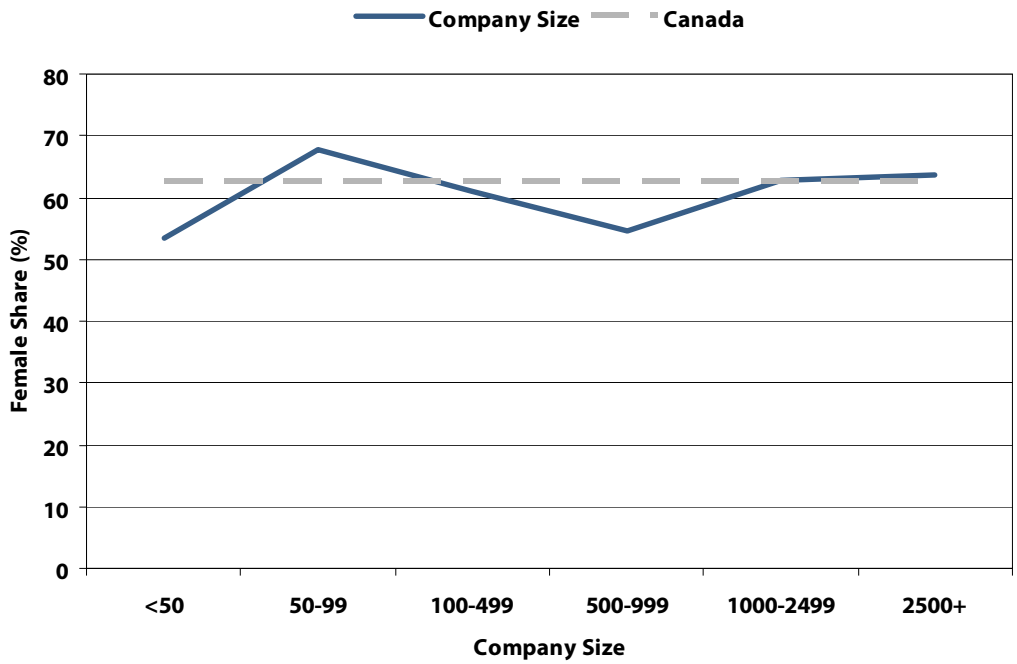


Table II-7 demonstrates that in 2012 females represent the majority in the occupational categories of underwriter, claims, and sales & service across all company size categories. This pattern was also evident, for the most part, in 2007. In 2012, males are the majority in the other occupational categories but there are several deviations from this trend. One in two actuaries working in companies with 100 to 499 employees is female. Females account for just less than one-half (45 percent) of the risk managers working in the largest companies (1,000-plus). The female share of management positions (all levels) has increased from 2007 to 2012 for all company size categories except the 500 to 999 category. Female representation in the senior management cadre has risen across all company size categories. Female representation in middle management has improved substantially in companies with fewer than 500 employees and remained constant in companies with 500-plus employees.

Table II-7: Research Sample by Occupation, Company Size, and Female Share (percent)

2007 Female Share (%)				
Occupation	**Company Size**			
	<100	**100-499**	**500-999**	**1,000+**
Actuarial	33	42	35	45
Underwriter	68	73	72	79
Claims	74	52	58	63
Broker/agent	54	68	54	83
Information technology	39	42	40	37
Sales & service	73	40	77	70
Management	**33**	**35**	**41**	**52**
Senior management	22	25	29	31
Middle management	36	34	42	49
Other management	44	59	48	63
2012 Female Share (%)				
Occupation	**Company Size**			
	<100	**100-499**	**500-999**	**1,000+**
Actuarial	0	50	31	47
Underwriter	81	72	70	79
Claims	64	65	62	66
Broker/agent	27	NA	NA	47
Information technology	47	41	35	40
Sales & service	79	72	51	70
Risk management	42	0	10	45
Management	**43**	**47**	**39**	**54**
Senior management	25	41	33	35
Middle management	57	47	39	49
Other management	63	51	41	60

The occupational pattern by sex holds generally across regions and provinces (Table II-8), however, there are a few exceptions. Unlike the situation in 2007, the female share of actuaries in the West and British Columbia has risen to majority status in 2012. Over the five-year period, the strong female presence in the categories of underwriter, claims, and sales & service in all provinces and regions has not changed. The female share of the management category has grown everywhere except British Columbia.

Across Canada, 51 percent of the industry's managers are female (Table II-8). The shares by management level are: senior, 36 percent; middle, 48 percent; and front-line, 58 percent. These shares are noticeably higher than those in Canada's labour force. In the labour force, 37 percent of all managers are female. The labour force share for female senior managers is 29 percent and the share for "other" managers (i.e., middle and front-line combined) is 38 percent.

Table II-8: Research Sample by Occupation, Province/Region[17], and Female Share (percent)

2007 Female Share (%)								
Province/ Region	Occupational Category							
	Actuarial	Under-writer	Claims	Broker/ Agent	IT[18]	Sales & Service	Mgmt.	Risk Mgmt.
Atlantic	**0**	**79**	**61**	**63**	**38**	**64**	**49**	**NA**
Québec	44	81	56	54	29	75	51	NA
East	**44**	**80**	**57**	**55**	**29**	**74**	**51**	**NA**
Ontario	46	74	63	69	41	61	47	NA
Manitoba	38	73	60	29	41	71	37	NA
Saskatchewan	14	79	63	36	53	50	30	NA
Alberta	36	80	67	64	38	65	51	NA
West	**32**	**79**	**63**	**54**	**43**	**67**	**43**	**NA**
British Columbia	43	73	59	66	41	67	47	NA
Canada	**43**	**77**	**61**	**63**	**38**	**69**	**47**	**NA**
2012 Female Share (%)								
Province/ Region	Occupational Category							
	Actuarial	Under-writer	Claims	Broker/ Agent	IT	Sales & Service	Mgmt.	Risk Mgmt.
Atlantic	**NA**	**87**	**71**	**43**	**60**	**68**	**50**	**0**
Québec	44	82	60	53	34	74	56	40
East	**44**	**84**	**64**	**49**	**34**	**73**	**55**	**38**
Ontario	45	76	67	49	41	66	52	38
Manitoba	61	78	57	42	43	73	42	80
Saskatchewan	50	79	66	32	33	71	45	0
Alberta	60	79	69	38	40	70	58	0
West	**59**	**79**	**65**	**38**	**40**	**72**	**49**	**24**
British Columbia	100	68	58	42	23	67	40	0
Canada	**46**	**77**	**65**	**47**	**39**	**70**	**51**	**35**

The cross-tabulation of the female share variable with the company type variable (Table II-9) demonstrates that in 2012 females are the majority in all types of companies (49 percent of the reinsurer category). In 2007, females were a minority in both reinsurer and independent adjuster categories. Female representation remains highest among mutual insurance companies (67 percent). Reinsurers post the lowest female share.

17 See footnote 16 for the definitions of the East and West regions.
18 IT = information technology.

Table II-9: Research Sample by Company Type and Sex (percent)

2007 (%)		
Company Type	**Male**	**Female**
Crown Corporation	43	57
Broker Represented Insurer	36	64
Direct Response Insurer	37	63
Mutual Insurer	31	69
Reinsurer	56	44
Independent Broker	43	57
Independent Adjuster	63	37
All companies	**39**	**61**
2012 (%)		
Company Type	**Male**	**Female**
Crown Corporation	40	60
Broker Represented Insurer	38	62
Direct Response Insurer	37	63
Mutual Insurer	33	67
Reinsurer	51	49
Independent Broker	NA	NA
Independent Adjuster	42	58
All companies	**38**	**62**

Table II-10 displays the female share by occupation and company type for both 2007 and 2012. Females remain in a minority position across all company types with respect to the occupations of actuary and information technology, respectively. They have consolidated even further their substantial majority representation in three occupations: underwriter, claims, and sales & service. Across all levels of management, female representation is higher in 2012, particularly in the case of mutual insurers, reinsurers, and independent adjusters. For example, the share for reinsurers has almost tripled from 11 to 31 percent. Within the management category, the gains by women are most noticeable in the senior and middle management levels. The female share of senior management has increased the most for three company types: Crown Corporations, broker represented insurers, and direct response insurers.

Table II-10: Research Sample by Occupation, Company Type, and Female Share (percent)[19]

	Company Type 2007						
Occupational Category	**CC**	**BR**	**DR**	**MI**	**RI**	**IB**	**IA**
Actuarial	37	41	49	NA	33	0	NA
Underwriter	74	77	76	85	50	NA	NA
Claims	61	65	63	82	55	62	41
Broker/agent	44	86	NA	NA	NA	59	NA
Information technology	39	40	31	63	40	36	19
Sales & service	71	63	70	67	60	NA	57
Management	**43**	**51**	**52**	**37**	**11**	**37**	**23**
Senior management	28	32	24	31	0	25	16
Middle management	21	45	54	29	17	54	20
Other management	46	62	67	54	NA	0	30

	Company Type 2012						
Occupational Category	**CC**	**BR**	**DR**	**MI**	**RI**	**IB**	**IA**
Actuarial	40	38	49	71	44	NA	NA
Underwriter	79	75	81	79	63	NA	NA
Claims	62	65	67	66	79	NA	64
Broker/agent	56	NA	47	27	NA	NA	NA
Information technology	33	39	40	48	23	NA	36
Sales & service	72	70	70	79	63	NA	56
Management	**43**	**53**	**55**	**55**	**31**	**NA**	**36**
Senior management	45	41	32	32	9	NA	22
Middle management	34	49	54	50	29	NA	30
Other management	57	62	58	64	50	NA	43
Risk management	0	21	52	43	46	NA	60

Profile by Employment Status

Companies were asked to identify the employment status of their employees in accordance with one of the following categories:

- *Full-time*: a permanent employee working 30-plus hours per week.
- *Temporary full-time*: a non-permanent employee working 30-plus hours per week for a limited time period (e.g., one-year contract).
- *Part-time*: a permanent employee working less than 30 hours per week.
- *Temporary part-time*: a non-permanent employee working less than 30 hours per week for a limited time period (e.g., one-year contract).

In both 2007 and 2012 (see Table II-11):

- Part-time employees account for five percent of the sample.
- The female share of part-time employment is higher than male share in all regions and provinces.
- The highest female share is in Québec.

With a few exceptions, the part-time share is higher in 2012 than in 2007.

The share of part-time workers in the property and casualty insurance industry is considerably below the share evident in Canada's economy. Nineteen (19) percent of employed Canadians in all industries worked part-time in 2011. The male share was 12 percent and the female share, 27 percent.[20]

19 NA = data not available.

20 Calculated from data accessed at http://www5.statcan.gc.ca/cansim/home-accueil?lang=eng.

Table II-11: Research Sample by Part-time Status, Province/Region[21], and Sex (percent of sex category total)[22]

2007 (%)		
Province/Region	**Male Share**	**Female Share**
Atlantic	**DS**	**1.4**
Québec	5.1	12.7
East	**4.4**	**10.9**
Ontario	1.2	2.7
Manitoba	1.3	5.9
Saskatchewan	1.3	5.8
Alberta	DS	4.1
West	**1.0**	**5.0**
British Columbia	3.0	15.6
Canada	**2.3**	**7.2**
2012 (%)		
Province/Region	**Male Share**	**Female Share**
Atlantic	**2.3**	**5.0**
Québec	5.0	13.3
East	**4.3**	**11.1**
Ontario	2.1	4.4
Manitoba	6.4	10.7
Saskatchewan	1.9	5.7
Alberta	1.7	4.9
West	**3.6**	**7.0**
British Columbia	DS	5.8
Canada	**2.9**	**6.7**

With the exception of an occasional disconnect in the 100 to 499 category, the part-time share for both men and women increases as company size increases. This relationship is apparent in both 2007 and 2012 (Table II-12).

Table II-12: Research Sample by Part-time Status, Company Size, and Sex (percent)

2007 (%)				
Status	**Company Size**			
	<100	**100-499**	**500-999**	**1,000+**
Male part-time	DS	0.7	1.3	2.8
Female part-time	DS	2.4	4.3	8.5
Part-time	**1.0**	**1.6**	**3.0**	**6.4**
2012 (%)				
	Company Size			
Status	**<100**	**100-499**	**500-999**	**1,000+**
Male part-time	DS	DS	2.2	3.1
Female part-time	2.9	1.1	6.3	7.1
Part-time	**2.6**	**0.9**	**4.5**	**5.7**

21 See footnote 16 for definitions of East and West regions.

22 N <10 in highlighted cells. DS means data suppressed due to confidentiality (N <5).

In 2007 and 2012, sales & service is the occupational category with the highest share of men and women working part-time (Table II-13). The next highest share for men is in the claims category; for women, in the actuarial category.

Table II-13: Research Sample by Part-time Status, Occupation, and Sex (percent)

2007		2012	
Occupation	**Part-time**	**Occupation**	**Part-time**
Actuarial male	DS	Actuarial male	DS
Actuarial female	7.0	Actuarial female	6.2
Underwriter male	0.8	Underwriter male	1.3
Underwriter female	3.2	Underwriter female	3.9
Claims male	2.2	Claims male	2.9
Claims female	8.1	Claims female	5.9
Broker/agent male	DS	Broker/agent male	DS
Broker/agent female	1.2	Broker/agent female	1.8
IT male	1.2	IT male	1.1
IT female	5.4	IT female	4.7
Sales & service male	8.5	Sales & service male	9.3
Sales & service female	15.5	Sales & service female	13.7
Management male	DS	Management male	0.2
Management female	1.0	Management female	0.6
		Risk management male	NA
		Risk management female	8.8

In 2007, Crown Corporations and direct response insurers had the highest part-time shares among company types (Table II-14). By 2012, the highest share of part-time employees is found among independent adjusters, followed by Crown Corporations and direct response insurers. The 2012 pattern holds when analyzed against the sex variable.

Table II-14: Research Sample by Part-time Status, Company Type, and Sex (percent)

Company Type 2007							
Occupational Category	**CC**	**BR**	**DR**	**MI**	**RI**	**IB**	**IA**
Male part-time	2.6	1.6	3.5	NA	DS	DS	1.5
Female part-time	13.8	2.8	11.1	DS	NA	DS	6.8
Part-time	**8.9**	**2.3**	**8.3**	**1.2**	**1.8**	**1.0**	**3.5**
Company Type 2012							
Occupational Category	**CC**	**BR**	**DR**	**MI**	**RI**	**IB**	**IA**
Male part-time	6.0	0.7	2.3	2.7	DS	NA	8.6
Female part-time	9.7	2.4	7.2	3.8	DS	NA	15.1
Part-time	**8.2**	**1.7**	**5.4**	**3.4**	**1.0**	**NA**	**12.4**

The share of inactive employees[23] is, in most provinces and regions, higher in 2012 than in 2007. In 2007, it was highest for both men and women in British Columbia. In 2012, it is highest in Québec for both sexes. The female share is higher than the male share in all regions and provinces (Table II-15). The female share of all inactive employees in both time periods was 85 percent.

Table II-15: Research Sample by Inactive Status, Province/Region[24], and Sex (percent)

2007 (%)			2012 (%)		
Province/Region	**Male Share**	**Female Share**	**Province/Region**	**Male Share**	**Female Share**
Atlantic	**DS**	**4.4**	**Atlantic**	**2.1**	**7.6**
Québec	2.3	8.3	Québec	2.5	9.5
East	**2.2**	**7.7**	**East**	**2.4**	**9.0**
Ontario	1.2	5.6	Ontario	1.3	5.5
Manitoba	0.9	2.0	Manitoba	1.3	3.9
Saskatchewan	2.9	5.1	Saskatchewan	2.2	7.4
Alberta	0.8	4.9	Alberta	1.5	5.7
West	1.2	4.0	West	1.5	5.4
British Columbia	3.2	8.7	British Columbia	DS	5.0
Canada	**1.8**	**6.3**	**Canada**	**1.6**	**6.4**

The female share of inactive employees is higher than the male share across all company size categories in both 2007 and 2012 (Table II-16). The share of inactive employees increases as company size increases.

Table II-16: Research Sample by Inactive Status, Company Size, and Sex (percent)

2007 (%)				
Status	**Company Size**			
	<100	**100-499**	**500-999**	**1,000+**
Male inactive	NA	0.9	1.4	2.1
Female inactive	4.7	5.0	5.3	6.6
Inactive	**2.7**	**3.1**	**3.6**	**5.0**
2012 (%)				
Status	**Company Size**			
	<100	**100-499**	**500-999**	**1,000+**
Male inactive	DS	DS	2.1	1.6
Female inactive	4.3	5.2	5.6	6.5
Inactive	**2.9**	**3.5**	**4.0**	**4.7**

23 An inactive employee is not currently performing the responsibilities of her or his position due to illness, disability, or leave of absence. The share is calculated as a percentage of the total of active and inactive employees in each sex category.

24 See footnote 16 for definitions of East and West regions.

The female share and the male share in sales & service are the highest among occupations in 2007 and 2012 (Table II-17).

Table II-17: Research Sample by Inactive Status, Occupation, and Sex (percent)[25]

2007		2012	
Occupation	**Inactive**	**Occupation**	**Inactive**
Actuarial male	DS	Actuarial male	NA
Actuarial female	7.0	Actuarial female	5.5
Underwriter male	1.0	Underwriter male	0.9
Underwriter female	4.6	Underwriter female	5.0
Claims male	2.1	Claims male	2.0
Claims female	6.5	Claims female	5.9
Broker/agent male	DS	Broker/agent male	0.6
Broker/agent female	3.7	Broker/agent female	4.7
IT male	1.5	IT male	1.3
IT female	3.9	IT female	5.2
Sales & service male	2.7	Sales & service male	2.5
Sales & service female	10.7	Sales & service female	9.0
Management male	1.3	Management male	0.6
Management female	3.5	Management female	3.5
		Risk management male	DS
		Risk management female	DS

In 2007, direct response insurers and Crown Corporations had the highest inactive shares among company types (Table II-18). By 2012, the highest share of inactive employees is held by direct response insurers and the second highest by independent adjusters. The 2012 pattern by company type was evident for women but not men. For men, the highest share is found in the independent adjuster category and the second highest in the Crown Corporation category.

Table II-18: Research Sample by Inactive Status, Company Type, and Sex (percent)[26]

Company Type 2007							
Occupational Category	**CC**	**BR**	**DR**	**MI**	**RI**	**IB**	**IA**
Male inactive	2.8	0.8	2.7	NA	NA	NA	1.6
Female inactive	7.0	4.3	9.8	5.1	NA	2.1	4.2
Inactive	**5.2**	**3.1**	**7.2**	**3.5**	**NA**	**1.2**	**2.6**
Company Type 2012							
Occupational Category	**CC**	**BR**	**DR**	**MI**	**RI**	**IB**	**IA**
Male inactive	1.9	1.3	1.6	DS	NA	NA	2.6
Female inactive	5.2	5.5	7.2	4.3	DS	NA	6.1
Inactive	**3.9**	**3.9**	**5.2**	**3.1**	**DS**	**NA**	**4.6**

25 N <10 in highlighted cells.
26 N <10 in highlighted cells.

Companies: Age Analysis of Current Employees

Overview

Central to our approach to demographic analysis is an understanding of the impacts of the age variable on the industry's work force. We analyze the age variable from four conceptual vantage points:

1. Cohort analysis using the *boom, bust & echo* template pioneered by Foot;
2. Median age;
3. Demographic footprints; and
4. Entry to exit ratios.

Cohort Analysis: Research Sample

In 2007, the age ranges of the three *cohorts* were:

- *Boom*: 41 to 60
- *Bust*: 28 to 40
- *Echo*: 12 to 27 (15 to 27 within the labour force)

By 2012, the age range of each cohort has increased by five years:

- *Boom*: 46 to 65
- *Bust*: 33 to 45
- *Echo*: 17 to 32

The last of the boomers entered their labour force participation years in 1981; the bust, in 1994; the echo, in 2010.

Table II-19 sets out the industry's cohort shares by region and province for 2007 and 2012. Chart II-4 compares the cohort shares for Canada between 2007 and 2012.

Several comments are pertinent:

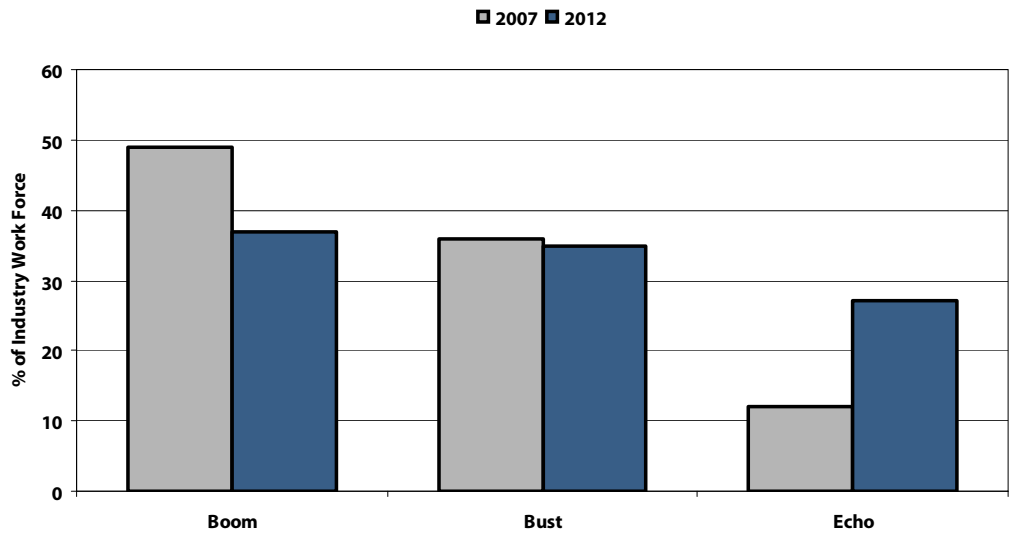
- The share of boomers has fallen across Canada from roughly one-half to one-third of the industry's professional work force. This decline is evident in every province and region. British Columbia has witnessed the sharpest decline (24 percentage points) and Alberta, the lowest (five percentage points).
- With the exception of Alberta, the shares for the bust cohort are slightly higher. The bust cohort continues to represent around one-third of the work force.
- The share for the echo has more than doubled overall from about one-eighth to just over one-quarter. The growing salience of this cohort is clear in every province and region.
- The 2012 industry cohort shares for the boom and echo cohorts also track the shares in the broader labour force in Canada: boom, 37 percent; bust, 28 percent; and echo, 29 percent.[27]

27 Calculated from data accessed at http://www5.statcan.gc.ca/cansim/home-accueil?lang=eng

Table II-19: Industry Cohort Shares by Province/Region (percent)

	2007 (%)			2012 (%)		
Province/Region	**Boom**	**Bust**	**Echo**	**Boom**	**Bust**	**Echo**
Atlantic	**47**	**38**	**12**	**31**	**40**	**29**
Québec	46	37	14	33	38	29
East	**47**	**37**	**14**	**33**	**38**	**29**
Ontario	46	40	12	36	36	28
Manitoba	58	29	11	44	31	24
Saskatchewan	66	24	8	52	26	21
Alberta	42	37	19	37	34	29
West	**51**	**32**	**15**	**42**	**32**	**26**
British Columbia	61	31	6	37	33	28
Canada	**49**	**36**	**12**	**37**	**35**	**27**

Chart II-4
Industry Cohort Shares, 2007 and 2012, Canada (percent)



The general trend regarding the change in cohort shares applies when the data are filtered through the variable of company size (Table II-20). Although the boomer share has declined for companies in all size categories, it has declined the most in two size categories, 100 to 499 employees and 1,000-plus employees, where boomers have been replaced by employees in the echo cohort. In both 2007 and 2012, the boomer share is highest in the smallest companies (fewer than 100 employees).

Table II-20: Industry Cohort Shares by Company Size and Sex (percent)

Company Size 2007								
	<100		100-499		500-999		1,000+	
Cohorts	Male	Female	Male	Female	Male	Female	Male	Female
Boom	57	56	50	51	54	51	49	48
Bust	33	35	35	35	31	36	37	37
Echo	5	7	8	11	10	11	12	13
Company Size 2012								
	<100		100-499		500-999		1,000+	
Cohorts	Male	Female	Male	Female	Male	Female	Male	Female
Boom	56	47	31	36	46	50	35	36
Bust	32	30	40	34	30	27	36	36
Echo	11	23	29	29	23	21	29	27

The data in Table II-21 show that in 2007 boomers were the majority in three occupations: management, information technology, and claims. In addition, they accounted for just less than one-half (48 percent) of both the broker/agent and underwriter categories. In 2012, boomers retain a much diminished majority in the management category (51 percent). Within the management category, the share for the bust has grown by 16 percentage points while the boomer share has fallen by 19 percentage points. The echo cohort is occupying a much larger share of all occupations except management.

Table II-21: Industry Cohort Shares by Occupation (percent)

	Cohorts 2007				Cohorts 2012		
Occupation	Boom	Bust	Echo	Occupation	Boom	Bust	Echo
Actuarial	14	43	43	Actuarial	10	30	60
Underwriter	48	35	15	Underwriter	38	33	28
Claims	50	36	12	Claims	36	33	30
Broker/agent	48	37	10	Broker/agent	35	32	31
Information technology	52	40	6	Information technology	42	43	15
Sales & service	32	44	22	Sales & service	27	35	38
Management	70	26	1	Management	51	42	7
				Risk management	48	38	15

In 2007, boomers held a majority or near majority share in all types of companies except direct response insurers where the bust cohort held sway (Table II-22). Moreover, within both the Crown Corporations and mutual insurers, the boomer share was well above the industry average. Five years later, only the Crown Corporations and reinsurers have boomer shares approaching 50 percent. Consistent with the general pattern of cohort change, for most types of companies the share of boomers has fallen, the bust share has remained steady (higher in some cases but lower in others), and the echo share has doubled and even tripled in the case of the Crown Corporations.

Table II-22: Industry Cohort Shares by Company Type and Sex (percent)

Cohorts 2007						
Company Type	Boom		Bust		Echo	
	Male	Female	Male	Female	Male	Female
Crown Corporation	68	61	23	30	6	7
Broker Represented Insurer	47	49	37	36	13	13
Direct Response Insurer	36	39	47	44	15	15
Mutual Insurer	66	65	21	27	4	6
Reinsurer	NA	NA	NA	NA	NA	NA
Independent Broker	49	52	34	36	6	9
Independent Adjuster	55	47	28	37	7	14
Cohorts 2012						
Company Type	Boom		Bust		Echo	
	Male	Female	Male	Female	Male	Female
Crown Corporation	51	46	28	29	20	24
Broker Represented Insurer	38	41	35	33	26	25
Direct Response Insurer	30	33	38	38	31	29
Mutual Insurer	40	37	34	35	26	27
Reinsurer	49	54	36	25	14	20
Independent Broker	NA	NA	NA	NA	NA	NA
Independent Adjuster	44	44	26	28	24	25

Cohort Analysis: Selected Company Population

The preceding cohort analysis has been based on the research samples collected in 2007 and 2012, respectively. Therefore, when extrapolating results from the sample to the larger population of all companies within the property and casualty insurance industry, the concepts of margin of error and sample bias are relevant. However, we can examine cohort data on a longitudinal basis for a selected population of companies. This is possible because, as noted earlier, 20 companies of varying types and sizes submitted data in both 2007 and 2012.

The results of a cohort analysis of full-time employees for the "Group of 20" are presented in Table II-23. The results uphold the general pattern of change identified from the research sample, i.e., a declining boomer share, stable bust share, and growing echo share. Furthermore, they are within the overall margin of error for the two research samples, thereby providing additional support for the validity of the "census" data.

Table II-23: Group of 20 Cohort Shares, Full-time Employees (percent)

2007				
Cohort (age)	Male	Female	Both	
Boom (41-60)	47.2	46.2	46.6	
Bust (28-40)	39.0	39.2	39.1	
Echo (15-27)	11.2	13.0	12.3	
2012				
Cohort (age)	Male	Female	Both	% change, 2007-2012
Boom (46-65)	35.3	36.0	35.7	-23.2
Bust (33-45)	35.9	35.9	35.9	-8.3
Echo (17-32)	28.0	27.7	27.8	126.8

The cohort analysis, whether from the research sample or selected population, leads to certain observations about the issues of recruitment and retention within the industry:

- The first is that decline in the share of boomers is likely due to retirement.[28] Around four in five of the industry employees who retired between 2007 and 2012 across Canada did so before the age of 65.
- The second observation is that the rise in the echo share is an indicator of substantial recruitment activity.
- Finally, the overall stability of the bust share implies that companies are having a degree of success in retaining employees in an age group where the probability of exit for reasons other than retirement is high. This is important since the property and casualty insurance industry has a higher reliance on this smaller cohort than is the case in the broader labour force.

Analyzing the data from the "Group of 20" with regard to the variable of occupation produces hard numbers on the magnitude of recruitment activity. The data in Table II-24 show the absolute increase between 2007 and 2012 in the number of full-time employees working in each occupation; the percentage change in the size of the occupational group over the five-year period; and the occupational share of the total population work force in both 2007 and 2012. It is clear that the "Group of 20" have grown their collective work force:

- Full-time employees working in the targeted occupations for these companies have increased by 40 percent between 2007 and 2012.
- Three occupations – actuarial, sales & service, and management – have grown by 50 percent or more.
- In absolute terms, the greatest gains are registered in the claims and sales & service categories, respectively.
- However, substantial growth has not altered the occupational shares of the total work force to a great extent. Instead, it appears that recruitment has allowed these companies to maintain occupational shares in 2012 that closely approximate the occupational shares in 2007.

Table II-24: Change in Group of 20 Full-time Employees by Occupation (number and percent)

	N	N	Change (N)	Change (%)	% Share	% Share
Occupation	**2007**	**2012**	**2007-12**	**2007-12**	**2007**	**2012**
Actuarial	141	263	122	86.5	1.0	1.4
Underwriter	2,111	2,856	745	35.3	15.4	14.8
Claims	5,125	6,881	1,756	34.3	37.3	35.7
Broker/agent	21	28	7	33.3	0.2	0.1
Information technology	1,335	1,507	172	12.9	9.7	7.8
Sales & service	3,067	4,648	1,581	51.5	22.3	24.1
Management	1,936	2,918	982	50.7	14.1	15.1
Senior management	309	331	22	7.1	2.2	1.7
Middle management	912	1,133	221	24.2	6.6	5.9
Other management	715	1,454	739	103.4	5.2	7.5
Risk management	NA	164	NA	NA	NA	0.9
Total	**13,736**	**19,265**	**5,529**	**40.3**	**100.0**	**100.0**

28 The retirement trends of the Group of 20 companies are analyzed in more detail in both Part V and Part VI (see Table VI-1).

A cohort analysis of part-time employees of the 20 companies is presented in Table II-25. In 2007, each cohort occupied approximately a one-third share of the part-time work force. In 2012, the boom and bust shares, respectively, are lower and the echo share is higher, however, the shifts are less pronounced than in the case of full-time employees (see Table II-23). Another observation is that the echo cohort accounts for almost two-thirds of male part-time employees.

Table II-25: Group of 20 Cohort Shares, Part-time Employees (percent)

2007				
Cohort (age)	**Male**	**Female**	**Both**	
Boom (41-60)	8.5	39.6	34.5	
Bust (28-40)	22.0	34.2	32.2	
Echo (15-27)	62.7	24.4	30.7	
2012				
Cohort (age)	**Male**	**Female**	**Both**	**% change, 2007-12**
Boom (46-65)	16.9	34.2	30.6	-11.4
Bust (33-45)	13.8	31.7	27.9	-13.3
Echo (17-32)	63.1	31.7	38.3	24.8

Table II-26 shows the absolute increase between 2007 and 2012 in the number of part-time employees working in each occupation; the percentage change in the size of the occupational group over the five-year period; and the occupational share of the total population work force in both 2007 and 2012. Overall, the number of part-time employees increased by around 70 percent, a development that likely includes a trend towards part-time, post-retirement employment by mature workers.[29] Most of the increase was in three occupations: claims, sales & service, and underwriter. The addition of more part-time employees between 2007 and 2012 resulted in a higher work force share for claims; a lower share but still a majority share for sales & service; and a stable share for underwriter.

Table II-26: Change in Group of 20 Part-time Employees by Occupation (number and percent)

	N	N	Change (N)	Change (%)	% Share	% Share
Occupation	**2007**	**2012**	**2007-12**	**2007-12**	**2007**	**2012**
Actuarial	8	11	3	37.5	1.1	0.9
Underwriter	55	92	37	67.3	7.6	7.4
Claims	143	376	233	162.9	19.8	30.4
Broker/agent	0	0	0	NA	NA	NA
Information technology	29	39	10	34.5	4.0	3.2
Sales & service	481	703	222	46.2	66.4	56.8
Management	8	11	3	37.5	1.1	0.9
Senior management	3	2	-1	-33.3	0.4	0.2
Middle management	2	4	2	100.0	0.3	0.3
Other management	3	5	2	66.7	0.4	0.4
Risk management	NA	5	NA	NA	NA	0.4
Total	**724**	**1,237**	**513**	**70.9**	**100.0**	**100.0**

29 See Part VI.

Median Age

Cohort analysis is one way of obtaining a better understanding of the demographic profile of the industry's workers. Another way is to calculate the mean and median ages of the workers and to cross-tabulate that information with other variables such as geographic location, sex, occupation, and employment status. The mean age is the average age. The mean is sensitive to extreme values – for example, when there are a relatively small number of very old employees. When the distribution of the data are skewed in this manner the mean is a less accurate measure of the centre (i.e., what is typical). A better indicator of what is typical is the median. The median is the mid-point of the data in that one half of the values lies above the median and one half below it. In the analysis that follows, reference will be made to the median age.

The data in Table II-27 indicate that in 2012 fifty (50) percent of the industry's male, full-time work force is below the age of 40.5 years and 50 percent of the female, full-time work force is below the age of 41. Comparing 2012 with 2007, the male median age has fallen by 1.5 years and the female median age has remained the same. Across all industries in Canada, 47 percent of the labour force (i.e., full-time, part-time, and unemployed) are below the age of 40.[30] Hence, the median ages of full-time employees in the property and casualty insurance industry are essentially tracking the trend in the broader labour force.

Table II-27: Industry Median Age by Sex, Employment Status, and Province/Region[31]

2007				
	Median Age			
Province/Region	Male FT	Female FT	Male PT	Female PT
Atlantic	**38.0**	**40.6**	DS	**43.3**
Québec	39.4	40.7	24.7	37.2
East	**39.4**	**40.7**	**24.9**	**37.5**
Ontario	40.4	39.9	24.2	35.8
Manitoba	44.4	42.2	37.4	43.4
Saskatchewan	47.4	45.8	27.9	40.0
Alberta	38.2	37.5	DS	41.4
West	**43.0**	**41.0**	**31.2**	**41.7**
British Columbia	46.0	44.0	32.5	39.0
Canada	**42.0**	**41.0**	**26.3**	**38.3**
2012				
	Median Age			
Province/Region	Male FT	Female FT	Male PT	Female PT
Atlantic	**37.8**	**39.4**	**28.8**	**33.9**
Québec	38.1	40.0	23.0	40.2
East	**38.0**	**40.0**	**23.1**	**39.0**
Ontario	**40.1**	**41.0**	**30.3**	**41.2**
Manitoba	45.9	43.0	32.1	35.1
Saskatchewan	47.1	46.4	30.7	49.1
Alberta	40.8	40.0	60.6	38.7
West	**44.0**	**42.2**	**32.8**	**38.2**
British Columbia	40.7	40.0	DS	56.6
Canada	**40.5**	**41.0**	**28.8**	**40.0**

30 Calculated from data accessed at http://www5.statcan.gc.ca/cansim/home-accueil?lang=eng.

31 See footnote 16 for the definitions of the East and West regions. N <10 in highlighted cells. FT means full-time employment; PT, part-time employment.

The median ages of part-time male and female employees have each increased by around two years between 2007 and 2012 with females having the older age. The median ages of both groups of industry employees do not track the trend in the wider Canadian labour force where one-half of part-time workers are under the age of 35.[32] Compared to Canada's part-time labour force, the male age in the industry is lower and the female age is higher by a noticeable margin.

Comparing changes at the provincial/regional level, the median ages of full-time employees have fallen somewhat in the East and risen somewhat in the West. The median age of Ontario females working full-time is up by about one year. Although the median ages of full-time male and female employees in British Columbia have fallen over the five-year period, the 2012 data do not include the employees of the Insurance Corporation of British Columbia (as did the 2007 data). Finally, changes in the median ages of part-time employees at the provincial/regional level do not reveal a consistent trend. With the exception of Alberta, female part-time employees continue to be older than their male counterparts.

It remains the case that, for the most part, the largest companies have the youngest employees, both male and female and full- and part-time (Table II-28). With respect to full-time employees, median ages of both men and women have increased by one to four years for two company size categories, under-100 employees and 500 to 999 employees. Companies in the other two categories exhibit a decrease for full-time males and stability for full-time females. For both male and female part-time employees working in companies with 500 or more employees, median ages are noticeably higher in 2012 than in 2007.

Table II-28: Industry Median Age by Sex, Employment Status, and Company Size[33]

2007				
Company Size	Median Age			
	Male FT	Female FT	Male PT	Female PT
<100	44	43	DS	DS
100-499	43	41	62	47
500-999	44	42	28	38
1,000+	41	41	26	38
2012				
Company Size	Median Age			
	Male FT	Female FT	Male PT	Female PT
<100	47	45	DS	35
100-499	38	41	DS	42
500-999	45	46	31	49
1,000+	40	41	28	39

In 2007, the oldest full-time, male employees worked for mutual insurers and the oldest full-time, female employees worked for reinsurers (Table II-29). Five years on the oldest female employees still work for reinsurers (although their median age is lower by four years) but the oldest male employees are found in the Crown Corporation sector. The aging trend is evident for all company types except mutual insurers. The median age of full-time, males working for mutual insurers has gone down by six years and that for females, by one year. The pattern of change for part-time employees is mixed. However, the median ages are higher for three types of companies: broker represented insurers, direct response insurers, and independent adjusters.

32 Calculated for 2011 from data accessed at http://www5.statcan.gc.ca/cansim/home-accueil?lang=eng.
33 N <10 in highlighted cells.

Table II-29: Industry Median Age by Sex, Employment Status, and Company Type

2007				
Company Type	Median Age			
	Male FT	Female FT	Male PT	Female PT
Crown Corporation	46	45	32	39
Broker Represented Insurer	41	41	26	38
Direct Response Insurer	37	37	25	38
Mutual Insurer	48	43	NA	DS
Reinsurer	45	51	DS	NA
Independent Broker	45	41	DS	DS
Independent Adjuster	46	41	23	24
2012				
Company Type	Median Age			
	Male FT	Female FT	Male PT	Female PT
Crown Corporation	47	45	33	39
Broker Represented Insurer	41	42	62	48
Direct Response Insurer	38	40	26	40
Mutual Insurer	42	42	22	23
Reinsurer	45	47	DS	DS
Independent Broker	NA	NA	NA	NA
Independent Adjuster	46	45	26	41

The median age of female full-time employees was higher than male full-time employees in all occupational categories except claims, broker, and management in 2007 (Table II-30). This pattern persists in 2012. Management employees, whether male or female, have the highest median age among full-time employees in both 2007 and 2012. Within the management category, the median ages of both men and women has increased at the senior and middle levels, respectively, and essentially remained stable in the other management category. The youngest occupations remain actuarial and sales & service. In 2012, the occupation of risk management has the second highest median age among male employees and the highest median age (along with the management category) among female employees.

Table II-30: Industry Median Age by Sex, Employment Status, and Occupation

	2007		2012	
Occupation	Male Full-time	Female Full-time	Male Full-time	Female Full-time
Actuarial	27	31	30	30
Underwriter	37	41	35	42
Claims	44	40	41	40
Broker/agent	43	40	39	39
Information Technology	40	43	42	44
Sales & Service	33	35	34	38
Risk Management	NA	NA	45	45
Management	47	45	47	45
Senior Management	49	47	51	49
Middle Management	46	45	47	47
Other Management	44	45	44	44

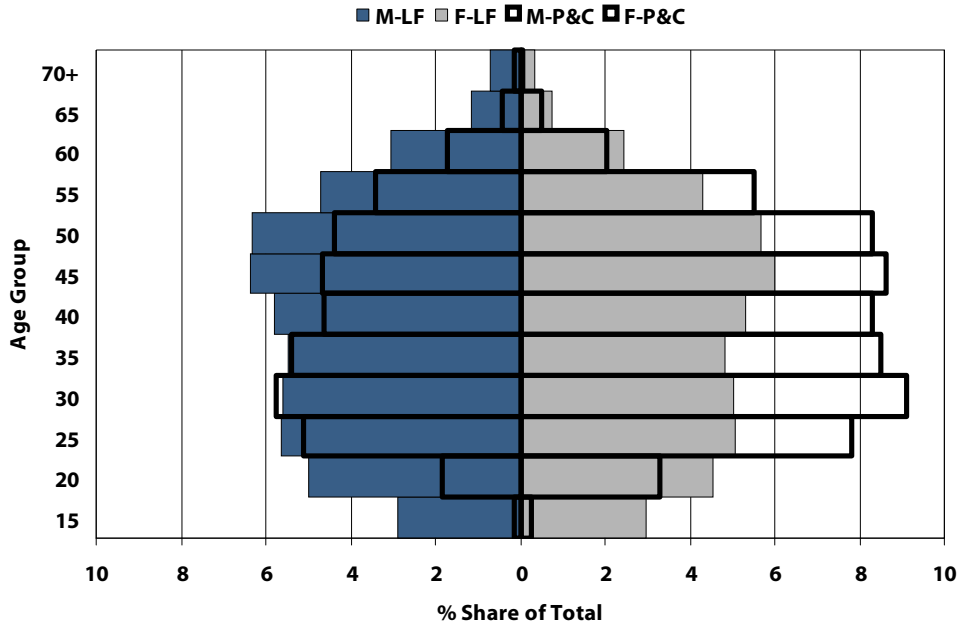
Demographic Footprints

Identifying the "demographic footprint" of the property and casualty insurance industry on the broader labour market represents a more robust approach to analyzing the impact of the age variable. To do this, it is necessary to create work force "pyramids" for both the industry and the relevant labour market. A work force pyramid shows the distribution of male and female workers at every age group. Superimposing the industry's pyramid over that of the relevant labour market illustrates the "footprint" and exposes the degree of "demographic imbalance".

Demographic imbalance may or may not be problematic. To document a situation of demographic imbalance does not imply poor work performance or ineffectiveness in human resource management processes such as recruitment or promotion. Demographic imbalance has the potential to create strategic challenges (for example, the loss of key employees through retirement and insufficient recruitment to fill the gaps) in the effective management of the industry's most important organizational resource – its people.

The basic features of the property and casualty insurance industry's demographic footprint on the labour force across Canada are depicted in Chart II-5. It is clear that the industry over-represents women in most age groups. Conversely, men are under-represented in most age groups, although this is less true for men who are in their thirties. Over 15 percent of Canada's labour force is in the 15 to 24 age group but only just over five percent of the industry's work force. At the other end of the age spectrum, a little more than 14 of the labour force are in the 55 to 64 age group compared to almost 13 percent in the property and casualty insurance industry. This age group comparison is important since it illustrates the degree of balance between young work force entrants (15 to 24) and mature workers in the age band where the potential to retire is relatively high (55 to 64).[34]

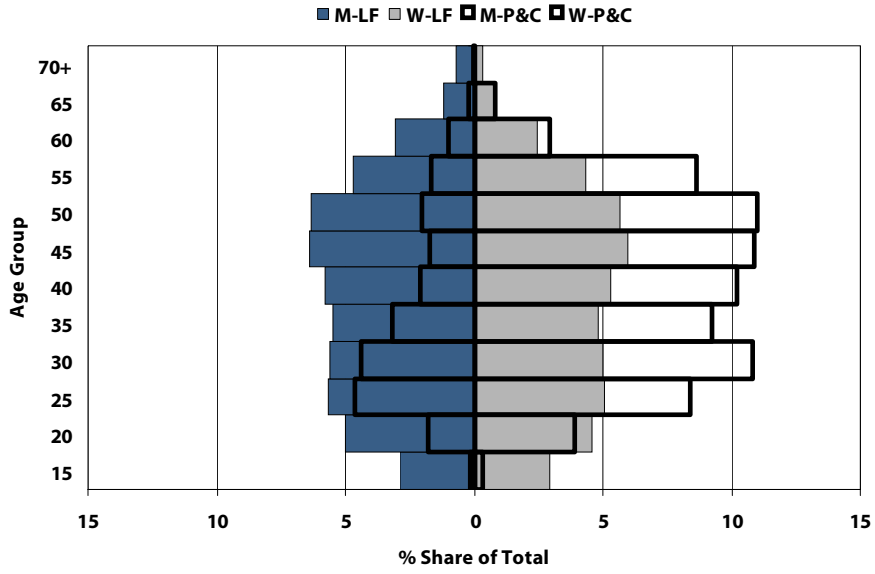
Chart II-5
Demographic Footprint: Industry versus Labour Market, Canada, 2012[35]



34 Trends regarding entry to exit ratios within the property and casualty insurance industry are discussed in detail in the next section of Part II.
35 Labour market data are for 2011.

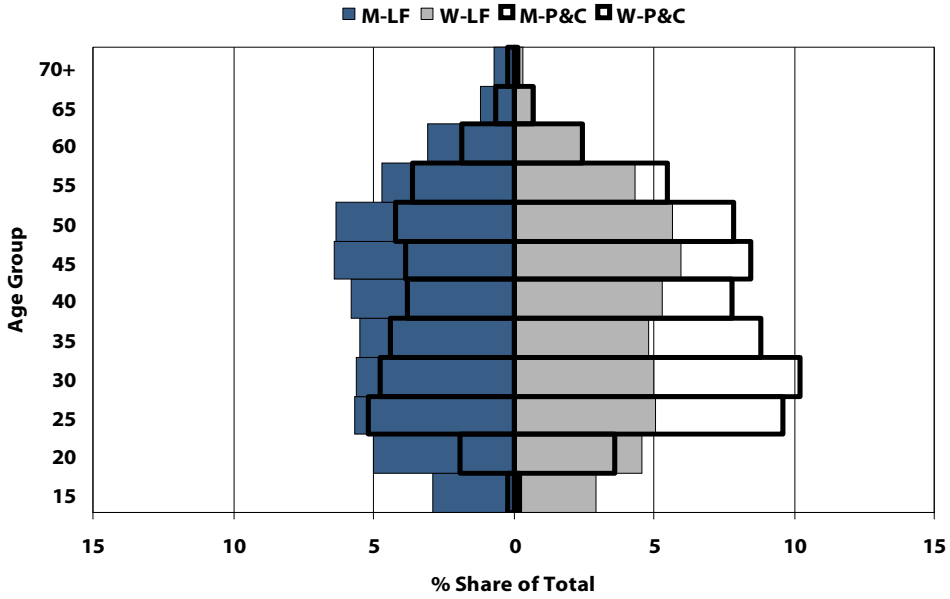
The industry's overall footprint is evident in some occupations but not in others. One occupation where it is evident is underwriter (Chart II-6). The demographic footprint of the underwriter occupation exhibits female over-representation across most age groups and a low share of entry-level workers to mature workers. This is true whether the position is identified as underwriter, commercial underwriter, or underwriting support.

Chart II-6
Demographic Footprint: Underwriter[36] versus Labour Market, Canada, 2012



The claims category also presents a footprint similar to that of the industry overall (Chart II-7).

Chart II-7
Demographic Footprint: Claims[37] versus Labour Market, Canada, 2012

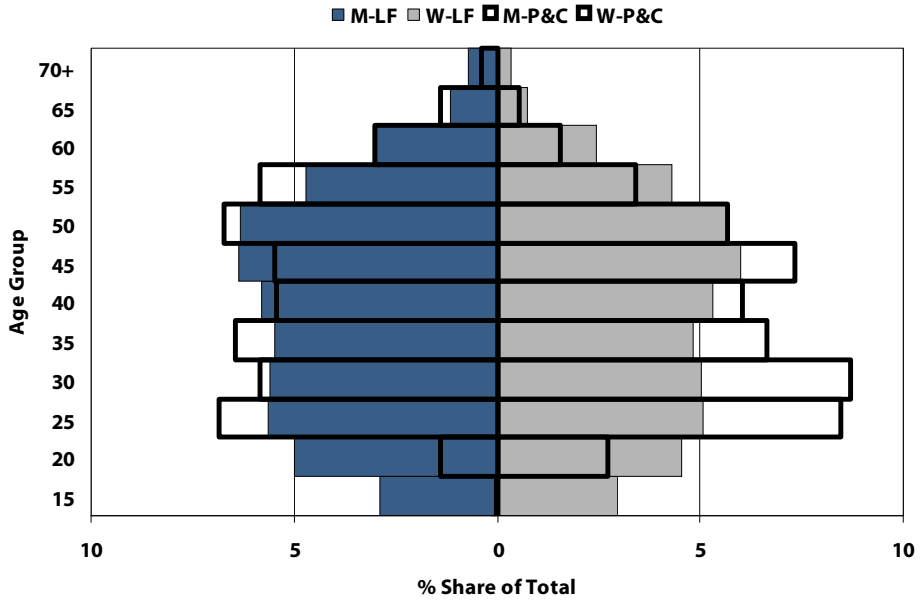


36 Includes occupations identified as underwriter, commercial underwriter, or underwriting support.
37 Occupations identified as claims, claims adjuster, casualty adjuster, accident benefit adjuster, or claims support.

Within the claims category, the occupation of claims adjuster (Chart II-8) is more balanced in terms of both age and sex when compared to the wider labour market.

Chart II-8

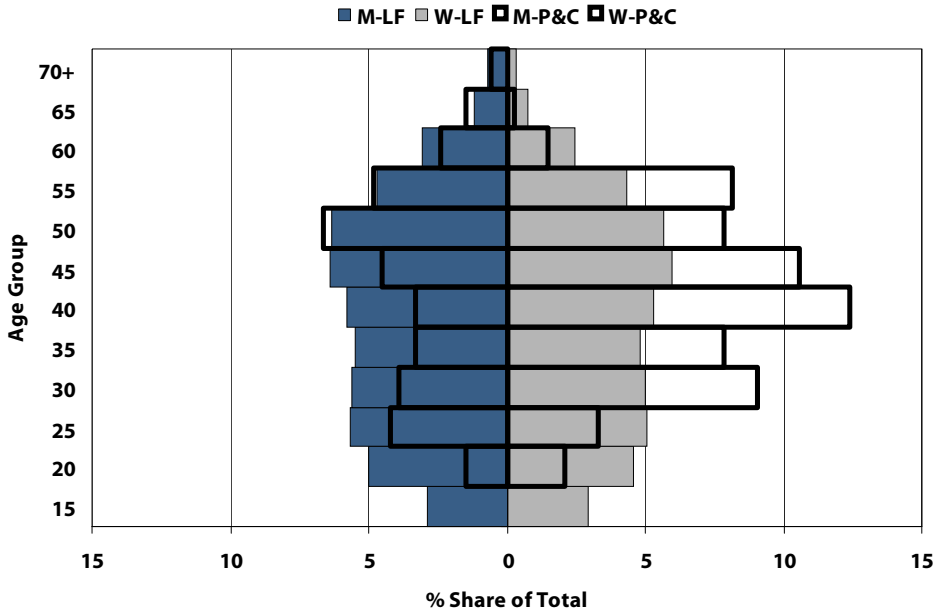
Demographic Footprint: Claims Adjuster versus Labour Market, Canada, 2012



The footprint for casualty adjuster presents an older age profile compared to the claims category overall.

Chart II-9

Demographic Footprint: Casualty Adjuster versus Labour Market, Canada, 2012



The footprint for the sales & service category resembles that of the industry (Chart II-10) but the footprint for marketing/field representative is more balanced in terms of the respective shares of men and women (Chart II-11).

Chart II-10
Demographic Footprint: Sales & Service[38] versus Labour Market, Canada, 2012

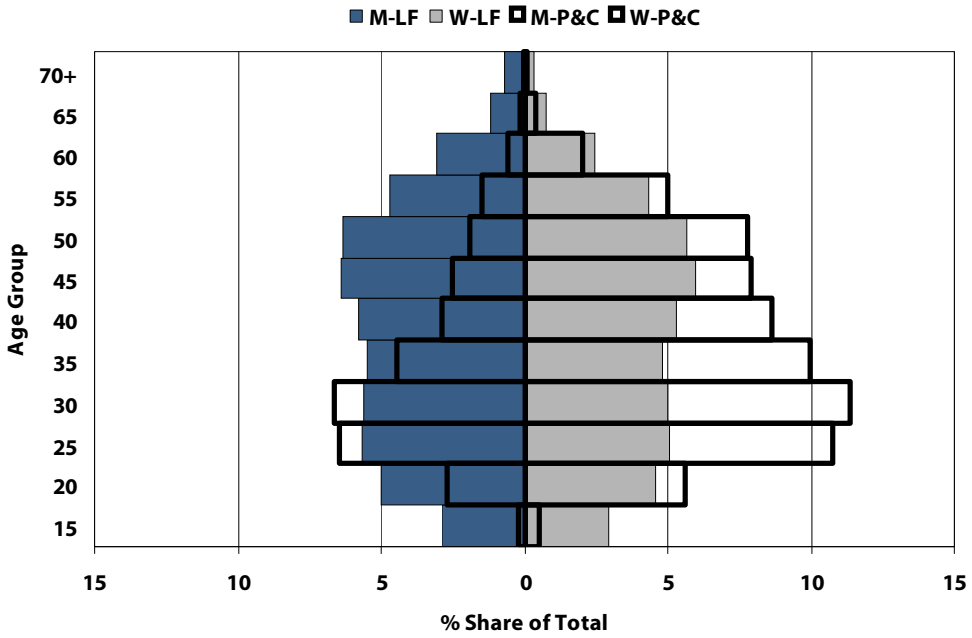
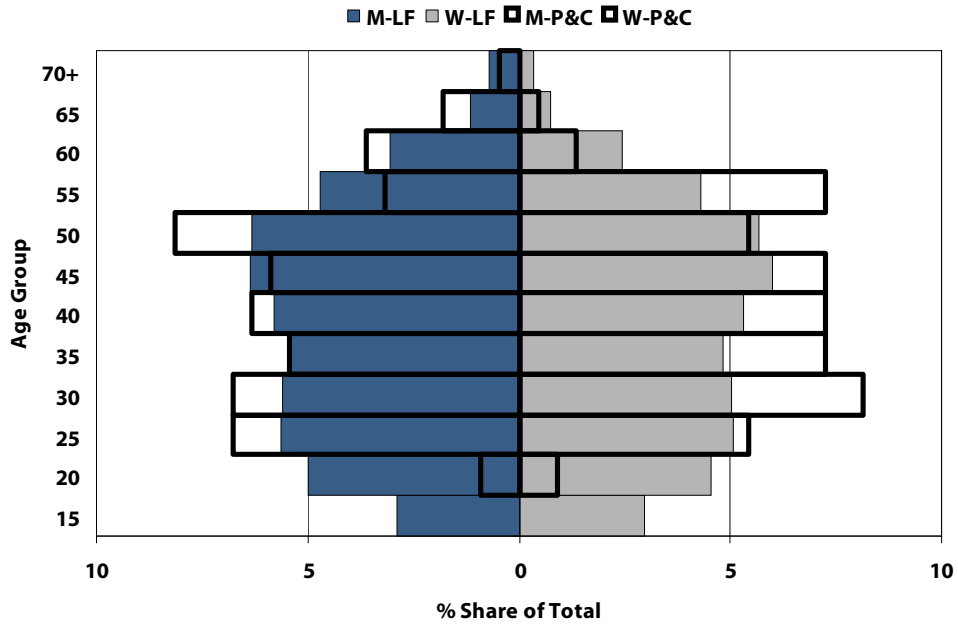


Chart II-11
Demographic Footprint: Marketing/Field Representative versus Labour Market, Canada,2012



38 Includes marketing/field representative, customer service representative, and sales support.

The footprints for the occupations of broker/agent (Chart II-12) and actuary (Chart II-13) both deviate from the industry footprint in that they are characterized by a sex profile that is similar to Canada's labour market and an age profile that is younger than that of the industry.

Chart II-12
Demographic Footprint: Broker/Agent[39] versus Labour Market , Canada, 2012

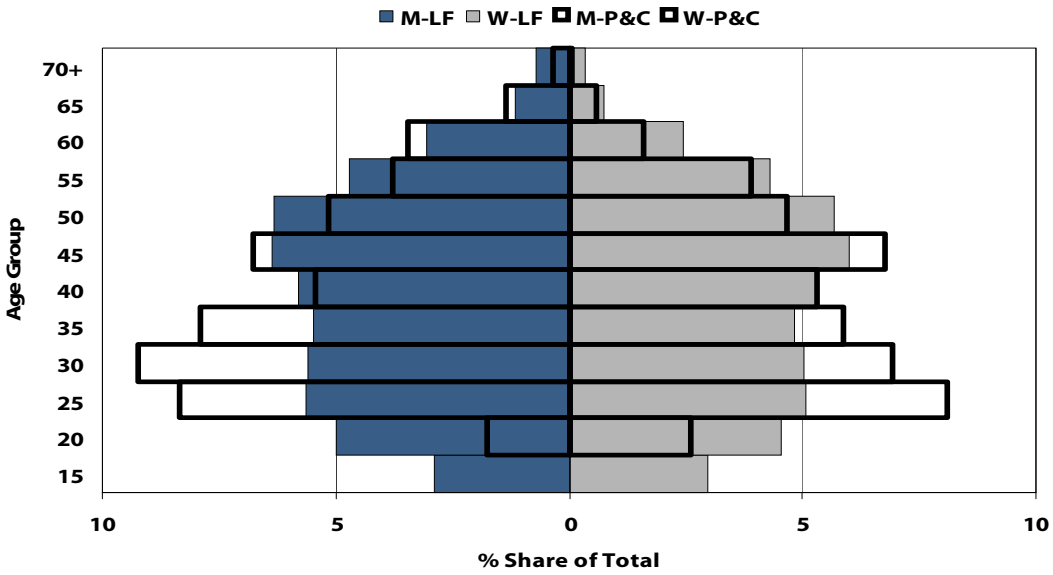
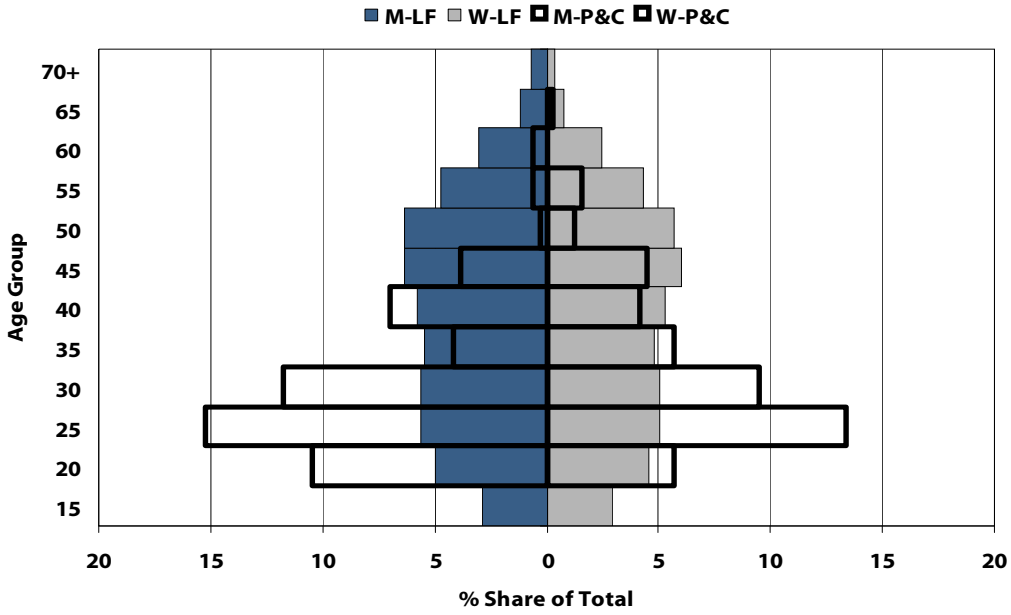


Chart II-13
Demographic Footprint: Actuary versus Labour Market, Canada, 2012



39 See Footnote 14 for clarification on broker/agent occupation; includes commercial CSR/producer.

The footprints for the occupations of information technology (Chart II-14) and risk manager (Chart II-15) also both deviate from the industry footprint in that they are characterized by male over-representation and an age profile that is somewhat older than that of the industry.

Chart II-14
Demographic Footprint: Information Technology versus Labour Market, Canada, 2012

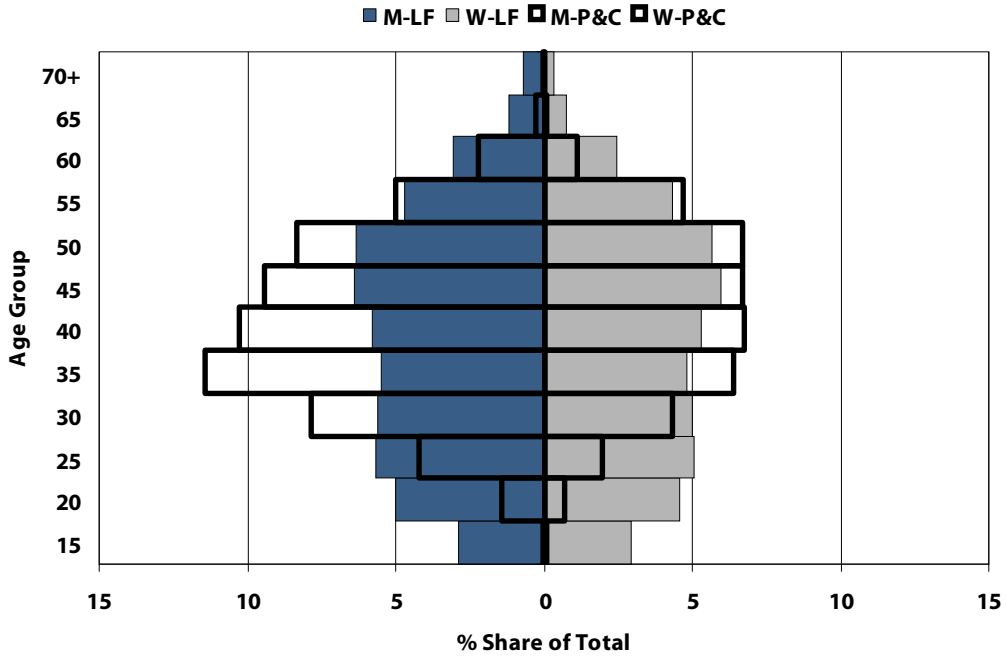
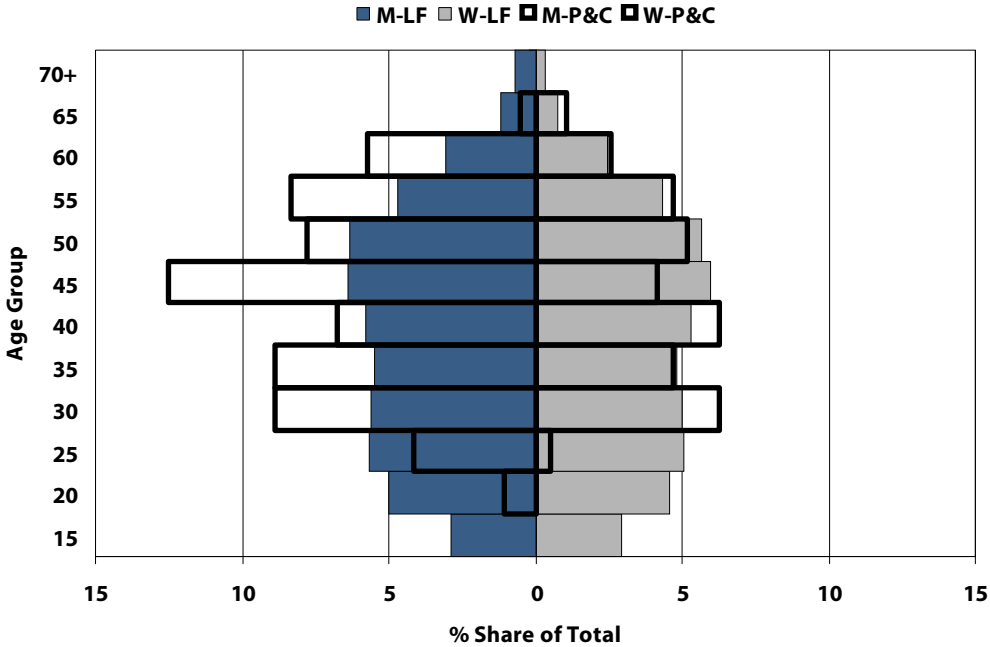
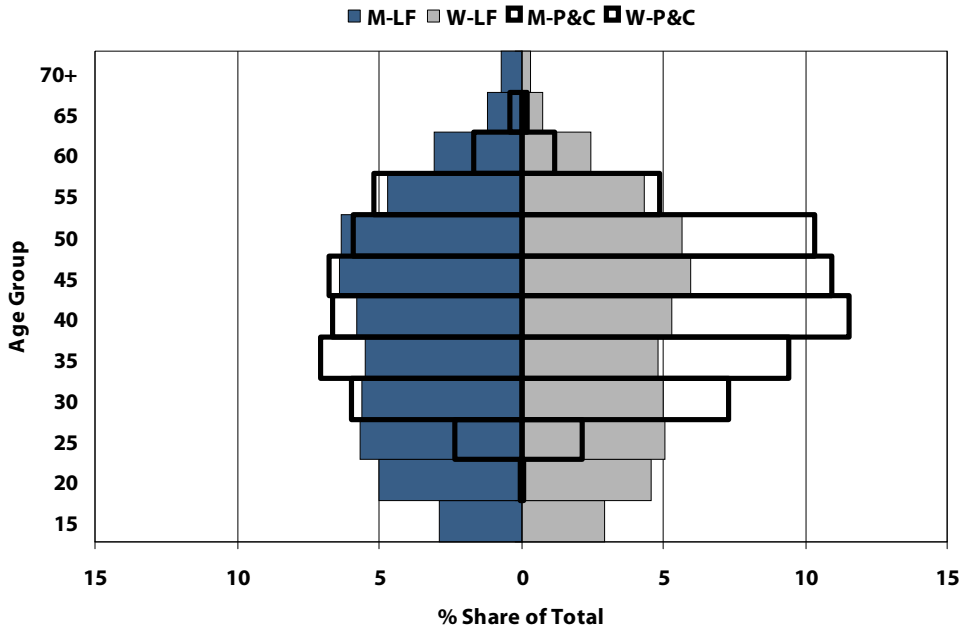


Chart II-15
Demographic Footprint: Risk Management versus Labour Market, Canada, 2012



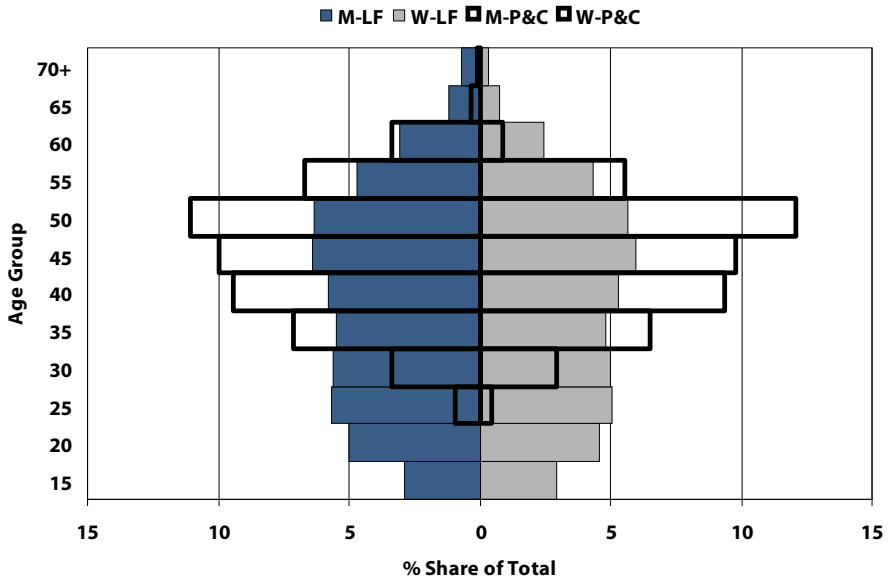
Given the nature of the management function, it is not expected that the age dimension of the management footprint will mirror that of the labour force. The dimension to note when examining the management footprint is the changing female share across the different management levels – senior or executive, middle, and front line (other). Chart II-16 displays the footprint for the industry's front line management group. It is characterized by a degree of female representation (58 percent) that is near the industry-wide share.

Chart II-16
Demographic Footprint: Front Line (Other) Management versus Labour Market, Canada, 2012



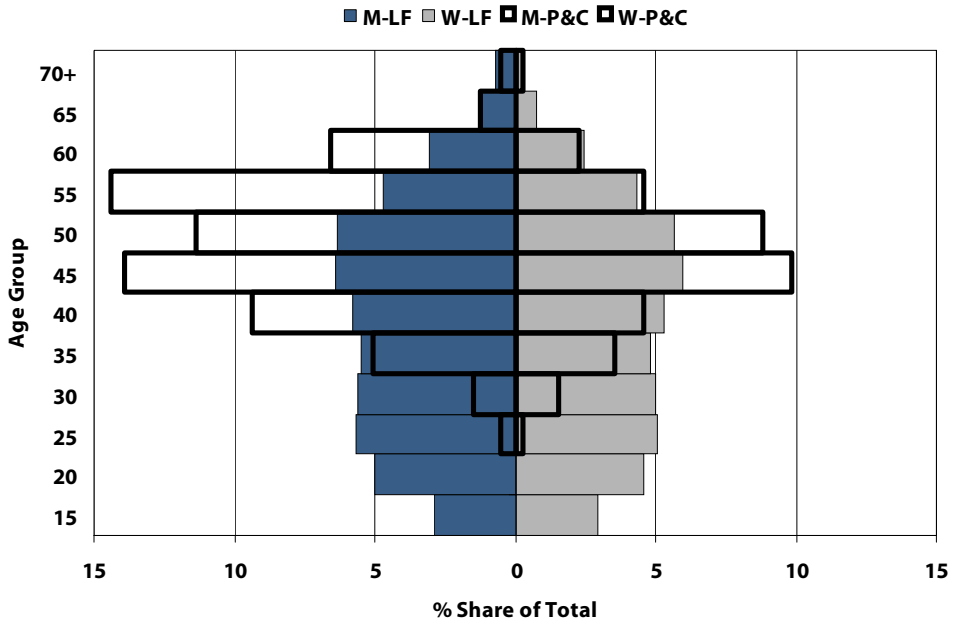
At the middle management level (Chart II-17), the degree of female representation (48 percent) approximates that of all occupations in Canada's labour market.

Chart II-17
Demographic Footprint: Middle Management versus Labour Market, Canada, 2012



Two-thirds of senior management are men and two-thirds of senior managers, male and female, are boomers (Chart II-18).

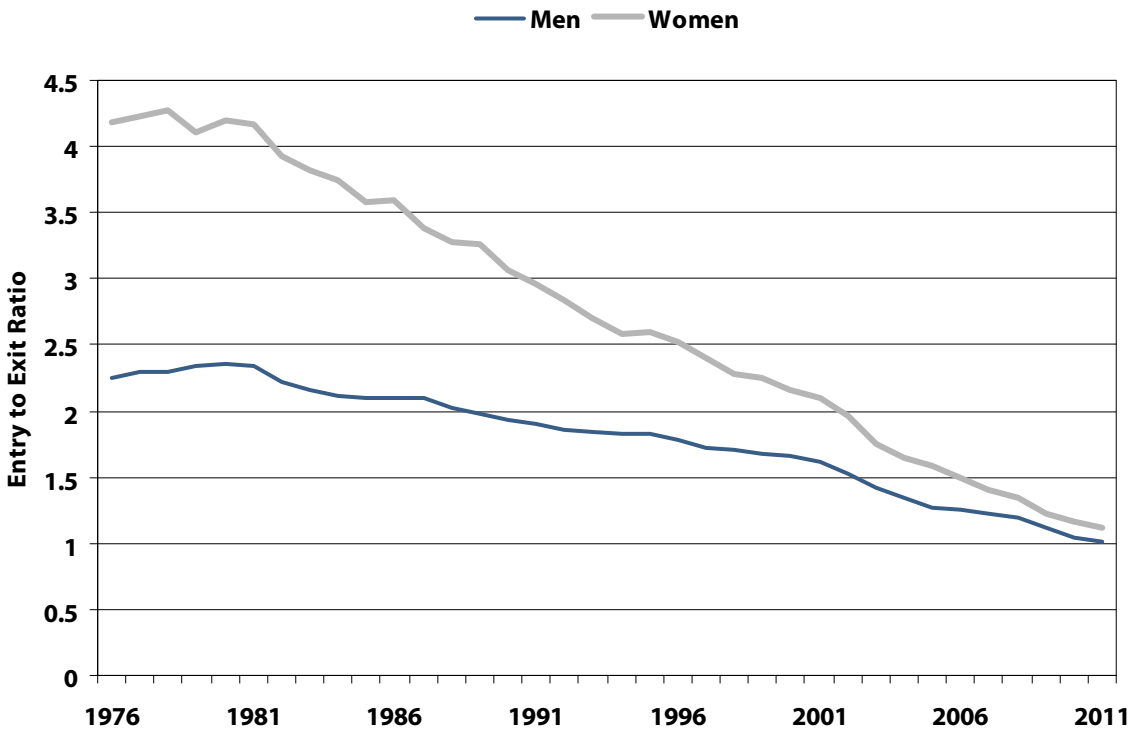
Chart II-18
Demographic Footprint: Senior Management versus Labour Market, Canada, 2012



Entry to Exit Ratios

The entry to exit ratio in the labour force is the ratio of workers under the age of 25 to workers who are in the 55 to 64 age group. The under-25 age group is deemed the labour force entrants. The 55 to 64 age group represents workers who may leave the labour force through retirement. The higher the ratio, the younger the labour force. Entry to exit ratios for both men and women in Canada's labour force have been falling steadily since the 1970's (Chart II-19). By 2011, the ratio was 1.0 for men and 1.1 for women. In other words, for workers of both sexes there was one young worker entering the labour force for every older worker who might retire.

Chart II-19
Entry to Exit Ratio by Sex, Labour Force, Canada, 1976-2011



Source: Statistics Canada, *Labour Force Historical Review*.

The trend of low entry to exit ratios[40] in the property and casualty insurance industry was confirmed by our research in 2007. It is re-confirmed by the 2012 census results (Table II-31). Although the Canada-wide ratios are essentially the same in the two time periods, there are some noticeable declines at the sub-national level. This is especially true in the three western provinces.

40 The entry to exit ratio is defined as the ratio of employees in the targeted professional occupations under the age of 25 to employees who are in the 55 to 64 age group.

Table II-31: Industry Entry to Exit Ratios by Sex and Province/Region

	2007		2012	
Province/Region	**Male**	**Female**	**Male**	**Female**
Atlantic	**0.4**	**0.5**	**0.2**	**0.5**
Québec	0.6	0.9	1.0	0.6
East	**0.6**	**0.8**	**0.7**	**0.6**
Ontario	0.4	0.5	0.4	0.4
Manitoba	0.3	0.7	0.1	0.5
Saskatchewan	0.3	0.4	0.1	0.2
Alberta	0.6	1.4	0.4	0.5
West	**0.4**	**1.0**	**0.2**	**0.4**
British Columbia	0.1	0.2	0.1	0.3
Canada	**0.4**	**0.6**	**0.4**	**0.5**

In 2007, entry to exit ratios were directly correlated with the size of the work force (Table II-32). In 2012, this trend is not apparent. The highest ratios are in companies with 100 to 499 employees.

Table II-32: Industry Entry to Exit Ratios by Sex and Company Size

	2007		2012	
Company Size	**Male**	**Female**	**Male**	**Female**
<100	0.2	0.2	0.1	0.5
100-499	0.2	0.3	0.4	0.6
500-999	0.3	0.5	0.2	0.2
1,000+	0.5	0.7	0.4	0.5

Between 2007 and 2012, ratios have fallen for all company types except mutual insurers (Table II-33). Mutual insurers have the highest ratio for women (0.6); direct response insurers, for men (0.6). Reinsurers have the lowest ratios.

Table II-33: Industry Entry to Exit Ratios by Sex and Company Type

	2007			2012		
Company Type	**Male**	**Female**	**Both**	**Male**	**Female**	**Both**
Crown Corporation	0.2	0.3	0.3	0.1	0.3	0.2
Broker Represented Insurer	0.5	0.6	0.6	0.3	0.4	0.4
Direct Response Insurer	0.9	1.0	1.0	0.6	0.5	0.5
Mutual Insurer	0.1	0.3	0.1	0.4	0.6	0.5
Reinsurer	1.0	0.0	NA	0.0	0.2	0.1
Independent Broker	0.1	0.2	0.2	NA	NA	NA
Independent Adjuster	0.2	1.1	0.3	0.3	0.4	0.3

Table II-34 contains the ratios in both time periods for the industry's non-management occupations, both at the national and sub-national levels. Across Canada ratios have dropped substantially in relative terms (i.e., percentage change) for all groups except male underwriters, male employees in claims, and brokers/agents (both sexes). At the provincial and regional levels, substantial relative declines are also the norm. Ratios for the occupation of risk management are quite low.

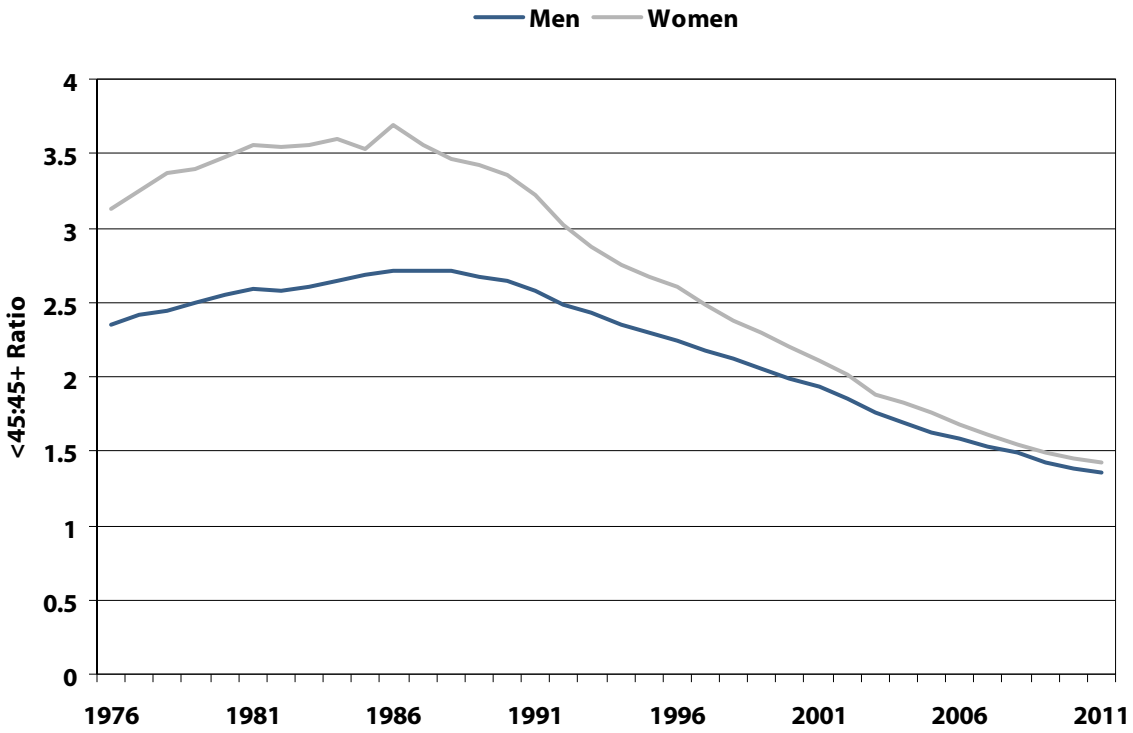
Table II-34: Industry Entry to Exit Ratios by Sex, Occupation, and Province/Region[41]

2007						
Occupation	**East**	**Québec**	**Ontario**	**West**	**BC**	**Canada**
Actuarial male	NA	NA	12.0	NA	NA	41.0
Actuarial female	6.0	6.0	NA	NA	NA	7.5
Underwriter male	0.4	0.3	0.6	0.6	1.5	0.6
Underwriter female	0.4	0.4	0.3	0.8	0.6	0.5
Claims male	0.3	0.3	0.5	0.6	0.1	0.4
Claims female	0.7	0.9	0.5	1.3	0.2	0.7
Broker/agent male	0.1	NA	0.1	0.3	0.1	0.1
Broker/agent female	0.3	0.3	0.2	0.6	0.2	0.3
IT male	1.2	1.2	0.3	0.6	0.2	0.4
IT female	0.3	0.3	0.3	0.3	NA	0.2
Sales & service male	1.9	1.9	3.2	1.0	0.2	1.6
Sales & service female	1.6	1.6	1.7	1.3	0.3	1.4
2012						
Occupation	**East**	**Québec**	**Ontario**	**West**	**BC**	**Canada**
Actuarial male	8.0	8.0	7.0	NA	NA	8.3
Actuarial female	NA	NA	1.5	3.0	NA	3.6
Underwriter male	0.4	0.2	0.9	0.8	0.1	0.7
Underwriter female	0.3	0.2	0.3	0.5	0.3	0.4
Claims male	0.5	0.6	0.5	0.2	0.0	0.4
Claims female	0.5	0.5	0.5	0.5	0.2	0.5
Broker/agent male	0.0	0.1	0.4	0.1	0.3	0.2
Broker/agent female	0.1	0.1	0.7	0.2	0.6	0.5
IT male	0.6	0.6	0.2	0.1	NA	0.2
IT female	0.2	0.2	0.1	0.1	NA	0.1
Sales & service male	2.3	2.7	1.9	0.4	0.0	1.4
Sales & service female	0.9	0.9	0.9	0.8	0.6	0.9
Risk management male	0.2	0.2	0.1	0.0	0.0	0.1
Risk management female	0.0	0.0	0.0	0.0	NA	0.0

The entry to exit ratio concept has to be applied differently at the management level of analysis. A person under 25 may become a manager later in her or his career but, at best, this cohort is a long-term feeder group to the management ranks. Forty-five (45) is approximately the median age for all managers in the property and casualty insurance industry. Therefore, a better approach to the entry to exit notion at the management level might be the ratio of employees under the age of 45 to those who are at or over that age. The under-45 group is the immediate feeder group to management. Across the broader labour force, this ratio has been in decline since the late 1980's (Chart II-20) for both men and women. As well, the gap between the male and female ratios has narrowed considerably.

41 See footnote 16 for the definitions of the East and West regions.

Chart II-20
Under-45 to 45-plus Ratio by Sex, Labour Force, Canada, 1976-2011



Source: Statistics Canada, *Labour Force Historical Review*.

Table II-35 shows the ratio of employees under 45 to those 45 and over for all occupational categories in both time periods. The data reveal four main trends:

- There is a mixed pattern of change between 2007 and 2012. Some occupations have lower ratios (for example, sales & service) and others have higher ratios (for example, broker/agent).
- Overall, the industry ratios for both men and women are slightly greater than those of the labour force (1.4 for both men and women).
- The ratios for the senior and middle management levels, respectively, have declined and remain well below one.
- As was the case in 2007, the data pinpoint where the internal pools of younger workers are located. Actuaries, male underwriters, and sales & service employees have ratios of two or higher. It is these younger groups that may be fertile ground for the development of not only the industry's future managers but also workers in other areas where the aging trend is creating the need for recruitment.

Table II-35: Industry <45:45+ Ratios by Sex and Occupation

2007			2012		
	<45:45+ Ratio			<45:45+ Ratio	
Occupation	Male	Female	Occupation	Male	Female
Actuarial	15.8	9.4	Actuarial	9.0	5.0
Underwriter	2.1	1.4	Underwriter	2.4	1.2
Claims	1.2	1.9	Claims	1.4	1.6
Broker/agent	1.2	1.5	Broker/agent	1.6	1.6
Information technology	1.9	1.3	Information technology	1.4	1.0
Sales & service	4.2	2.6	Sales & service	3.5	2.0
Management	**0.7**	**0.9**	**Management**	**0.8**	**0.9**
Senior management	0.4	0.7	Senior management	0.3	0.4
Middle management	0.7	1.0	Middle management	0.7	0.7
Other management	1.0	1.0	Other management	1.1	1.1
			Risk management	0.9	1.0
All occupations	**1.4**	**1.7**	**All occupations**	**1.6**	**1.5**

Provincial Regulators: Age Analysis of Current Licensees

Overview

Again in 2012, provincial regulators in Canada's four largest provinces were invited by the Institute to submit demographic data. All four complied with the request. The four regulators are:

- ***Insurance Council of British Columbia***: The Council (ICBC) is made up of industry and consumer representatives. In 1984, the ICBC was delegated the authority to license insurance agents, salespersons, and adjusters and was subsequently given authority to investigate and discipline licensees. The ICBC is accountable to the provincial government and reports to the Minister of Finance.[42]
- ***Alberta Insurance Council***: The Alberta Insurance Council (AIC) is the regulatory body responsible for licensing and discipline of insurance agents, brokers, and adjusters in the Province of Alberta. The AIC derives its authority under a delegation from the Minister of Finance for the province. In addition to its responsibilities surrounding all classes of agents, brokers, and adjusters, the AIC investigates complaints into the actions of insurance companies in the Province of Alberta.[43]
- ***Registered Insurance Brokers of Ontario***: The Registered Insurance Brokers of Ontario (RIBO) is the self-regulatory body for insurance brokers in Ontario. Established in October 1981, RIBO regulates the licensing, professional competence, ethical conduct, and insurance-related financial obligations of all independent general insurance brokers in the province.[44]
- ***Chambre de l'assurance de dommages***: The chambre de l'assurance de dommages (ChAD) brings together members of the three damage insurance professions: damage insurance agents, damage insurance brokers, and claims adjusters. The mission of the chambre de l'assurance de dommages is to ensure the protection of the public in the fields of damage insurance and claims adjustment. It

42 Accessed at http://www.insurancecouncilofbc.com/PublicWeb/AboutCouncil.html.
43 Accessed at http://www.abcouncil.ab.ca.
44 Accessed at http://www.ribo.com.

> oversees the compulsory development training of agents and brokers in damage insurance and claim adjusters. It acts in a preventive capacity and discipline professional practice of individuals who work in these fields.[45]

The data from the provincial regulatory authorities are data on the populations (not samples) of insurance professionals working in the occupations of adjuster, broker, and agent. We shall analyze these provincial work forces from two demographic vantage points. The first is to compare the demographic characteristics of each occupation in 2007 and 2012. Secondly, we shall construct the demographic footprints of the occupations in relation to the relevant provincial labour market.

British Columbia

In 2012, the ICBC provided age and sex data for two licensing classes, adjuster and broker and agent (in 2007, data on age only were submitted). The ICBC informed us that the licensing structure had changed since 2007, and that the change affected the categorization of the data provided. The data are provided by class rather than the constituent levels or types within each class since "[a] licensee can have multiple license types under that one class."[46]

A comparison of the 2007 and 2012 demographic profiles of the two occupations is presented in Table II-36. A number of observations can be made about adjusters:

- The number of adjusters has increased by 25 percent over the five years.
- In 2012, three in five adjusters are men (one in two in the national research sample).
- The median age of adjusters is the same but it is almost five years higher for men.
- Both the entry to exit and under-45 to 45-plus ratios are low (i.e., well below 1) and unchanged.

Similar observations can be made about brokers and agents:

- The number of brokers and agents has also increased by 25 percent since 2007.
- In 2012, three in five brokers and agents are women.
- The median age is the same but it is around 1.5 years higher for men.
- Both the entry to exit and under-45 to 45-plus ratios have declined. The former ratio is extremely low; the latter, noticeably below that for the broker/agent occupation in the national research sample (see Table II-35).

In summary, the comparison of data from 2007 and 2012 indicates that recruitment into these two occupations is increasing in British Columbia at a pace well above the growth of the overall provincial labour force. The size of these occupational groups increased 25 percent while the labour force expanded by seven percent. Furthermore, in both cases recruitment has kept the median age and entry to exit ratio stable. The median ages calculated from the ICBC data are substantially higher than those calculated from the national research sample (see Table II-30). The ICBC entry to exit ratios are much lower than those for the claims occupation in the national research sample and comparable to the ratios for the broker/agent occupation (see Table II-34).

45 Accessed at http://www.chad.qc.ca/eng/chad/who/chad.html.

46 E-mail communication from ICBC to M. Parent, July 31, 2012. For definitions, see APPENDIX 2.

Table II-36: ICBC, Adjuster and Broker and Agent, Selected Demographic Indicators, 2007 and 2012

Adjuster		
Indicators	**2007**	**2012**
Number	473	589
Male %	NA	62
Female %	NA	39
Median Age	48.0	48.2
Median age-male	NA	50.4
Median age-female	NA	45.9
Entry:exit ratio	0.06	0.07
Entry:exit ratio-male	NA	0.08
Entry:exit ratio-female	NA	0.05
<45:45+ ratio	0.60	0.60
<45:45+ ratio-male	NA	0.48
<45:45+ ratio-female	NA	0.86
Broker and Agent		
Indicators	**2007**	**2012**
Number	10,355	12,971
Male %	NA	37
Female %	NA	63
Median age	42.0	42.2
Median age-male	NA	43.1
Median age-female	NA	41.6
Entry:exit ratio	0.54	0.35
Entry:exit ratio-male	NA	0.28
Entry:exit ratio-female	NA	0.40
<45:45+ ratio	1.37	1.28
<45:45+ ratio-male	NA	1.15
<45:45+ ratio-female	NA	1.36

The demographic footprint of adjusters compared to that of the overall labour force in British Columbia is portrayed in Chart II-21. Compared to the labour force, the demographic footprint of adjusters is male-dominated (62 versus 52 percent) and boomer-dominated (52 versus 38 percent). Recruitment activity has not reduced the high degree of demographic imbalance embedded in the footprint.

The demographic footprint of brokers and agents compared to that of the overall labour force in British Columbia is portrayed in Chart II-22. Compared to the labour force, the demographic footprint of brokers and agents is female-dominated (63 versus 48 percent) and balanced in terms of the age structure. For example, 38 percent of brokers and agents are boomers, the same share as in the labour force. Thirty-two (32) percent are in the bust cohort compared to 27 percent in the labour force. The shares for the echo cohort are almost identical, i.e., 27 percent in the ICBC population and 28 percent in the labour force. Hence, recruitment activity appears to have mitigated demographic imbalance regarding age but not gender.

Chart II-21
Demographic Footprint, Adjusters
ICBC versus Labour Force, 2012 (percent)

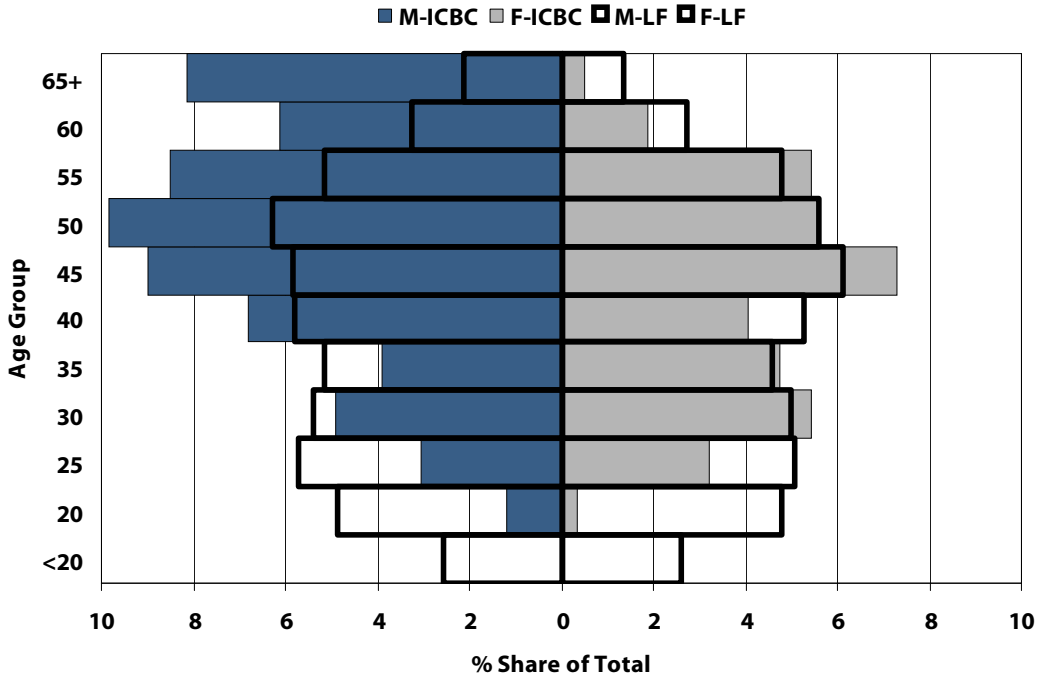
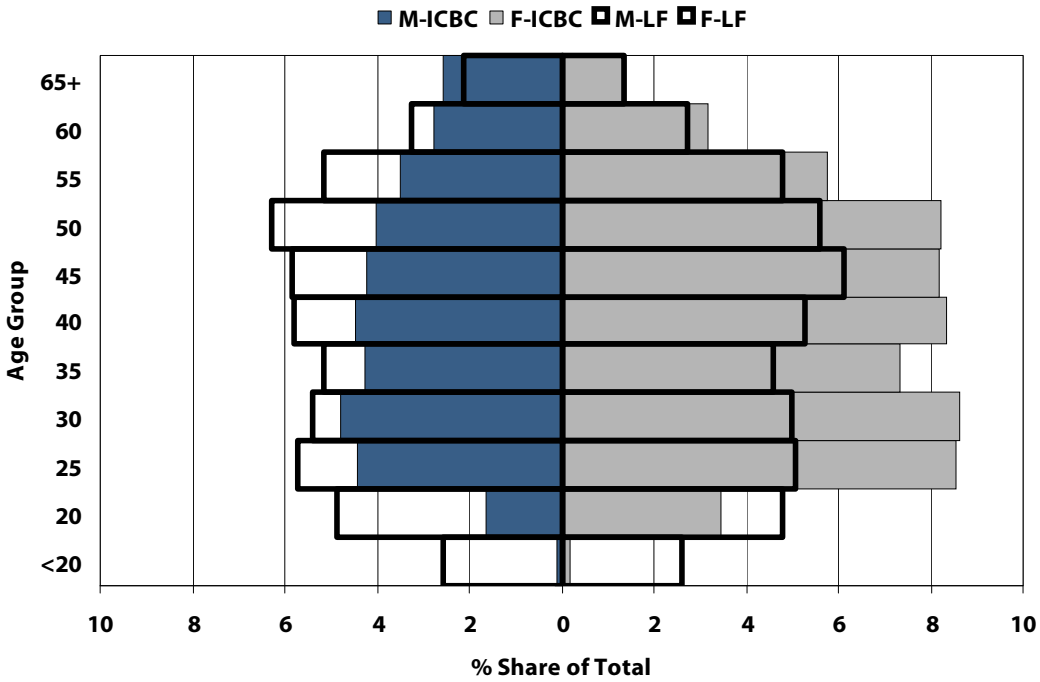


Chart II-22
Demographic Footprint, Brokers and Agents
ICBC versus Labour Force, 2012 (percent)



Alberta

The submission from the AIC included data on the age and sex of employees in two certification classes: adjuster and general agent (broker and agent).[47] The data are provided by class rather than the constituent certification levels within each class.

A comparison of the 2007 and 2012 demographic profiles of the two occupations is presented in Table II-37.

Table II-37: AIC, Adjuster and Broker and Agent, Selected Demographic Indicators, 2007 and 2012

Adjuster		
Indicators	**2007**	**2012**
Number	540	735
Male %	58	57
Female %	42	43
Median Age	44.8	45.2
Median age-male	46.8	47.4
Median age-female	42.0	43.4
Entry:exit ratio	0.14	0.09
Entry:exit ratio-male	0.05	0.07
Entry:exit ratio-female	0.38	0.12
<45:45+ ratio	0.97	0.91
<45:45+ ratio-male	0.70	0.74
<45:45+ ratio-female	1.51	1.19
Broker and Agent		
Indicators	**2007**	**2012**
Number	7,629	9,422
Male %	39	39
Female %	61	61
Median age	41.9	41.3
Median age-male	44.1	42.0
Median age-female	40.9	40.8
Entry:exit ratio	0.43	0.31
Entry:exit ratio-male	0.24	0.22
Entry:exit ratio-female	0.68	0.39
<45:45+ ratio	1.33	1.37
<45:45+ ratio-male	1.04	1.27
<45:45+ ratio-female	1.56	1.44

A number of observations can be made about adjusters:

- The number of adjusters has increased by 36 percent over the five years.
- In 2012 and 2007, around three in five adjusters are men.
- The median age has increased more than a year for women but less than a year for men.
- Both the entry to exit and under-45 to 45-plus ratios are low and on declining paths.

47 See definitions in APPENDIX 2.

The observations that can be made about brokers and agents are:

- The number of brokers and agents has also increased by 24 percent since 2007.
- In 2012 and 2007, three in five brokers and agents are women.
- The median age is the same for women but has fallen by over two years for men.
- The entry to exit ratio is low and in decline, especially for women. The under-45 to 45-plus ratio has increased for men and decreased for women but both ratios remain below the overall industry averages.

In summary, the comparison of data from 2007 and 2012 indicates that recruitment into these two occupations is increasing in Alberta at a pace well above the growth of the overall provincial labour force. The size of these occupational groups increased by 36 and 24 percent, respectively, compared to a nine percent expansion of the labour force over the five-year period. Recruitment has provided a degree of stability in the median ages of the two occupations but has neither boosted the entry to exit ratios nor altered the male/female distribution.

The demographic footprint of adjusters compared to that of the overall labour force in Alberta is portrayed in Chart II-23. Compared to the labour force, the demographic footprint of adjusters is gender-balanced (57 versus 55 percent male) but boomer-dominated (45 versus 34 percent). Substantial recruitment activity has not reduced the high degree of demographic imbalance related to age.

The demographic footprint of brokers and agents compared to that of the overall labour force in Alberta is portrayed in Chart II-24. Compared to the labour force, the demographic footprint of brokers and agents is female-dominated (61 versus 45 percent) and balanced in terms of the age structure. Thirty-eight (38) percent of brokers and agents are boomers, compared to 34 percent of the labour force. Thirty-two (32) percent are in the bust cohort compared to 28 percent in the labour force. The shares for the echo cohort are close, i.e., 28 percent in the AIC population and 31 percent in the labour force. Hence, recruitment activity appears to have mitigated demographic imbalance regarding age but not gender.

Chart II-23
Demographic Footprint, Adjusters
AIC versus Labour Force, 2012 (percent)

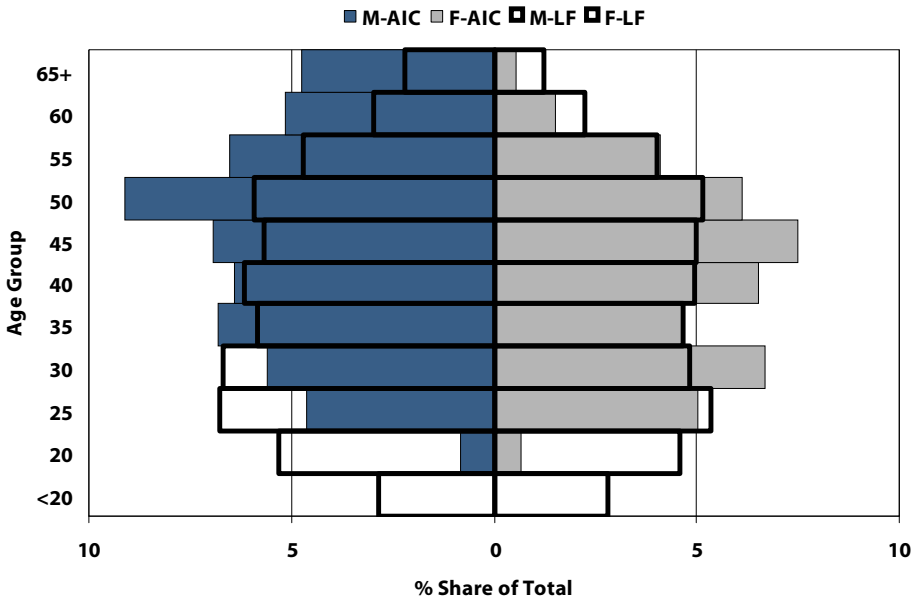
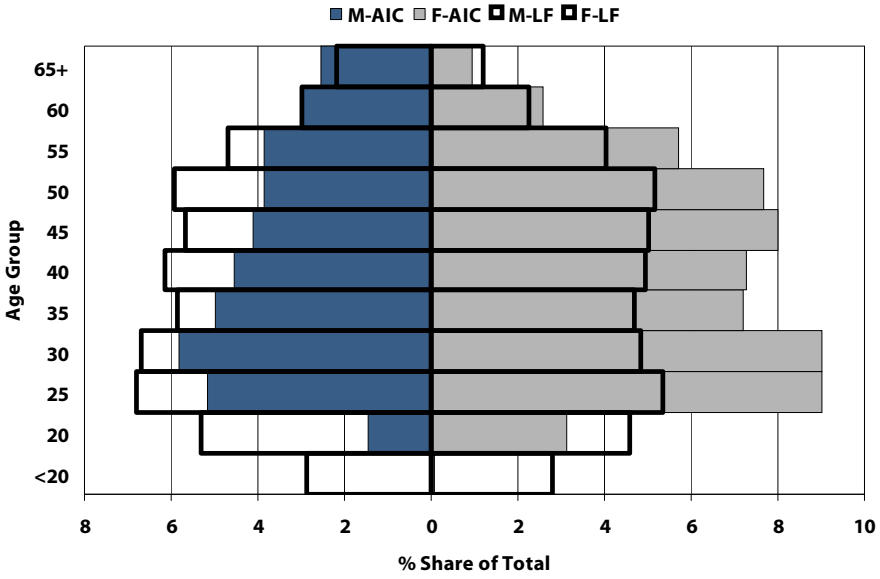


Chart II-24
Demographic Footprint, Brokers and Agents
AIC versus Labour Force, 2012 (percent)



Québec

The ChAD submission included data by age and sex for three classes of certification: adjuster, broker, and agent (see APPENDIX 2 for definitions). Comparing the 2007 and 2012 demographic profiles of the three occupations (Table II-38) yields the following observations:

Adjusters

- The number of adjusters has increased by 12 percent over the five years.
- By 2012, the majority of adjusters were female (52 percent).
- The median age has increased more than two years for women and remained the same for men.
- The entry to exit and under-45 to 45-plus ratios for both sexes are low and on declining paths.

Brokers

- The number of brokers has increased by 9 percent since 2007.
- In 2012 and 2007, three in five brokers are women.
- The median age has remained stable (one year increase for women).
- The entry to exit and under-45 to 45-plus ratios for both sexes are low and on declining paths.

Agents

- The number of agents has increased by 18 percent since 2007.
- In 2012 and 2007, seven in ten agents are women.
- The median age has remained stable and is much lower than the median ages for adjusters and brokers, respectively.
- The entry to exit and ratios are low. Over the past five years, the male ratio has gone up and the female ratio, down. The under-45 to 45-plus ratio has risen for men and fallen for women but overall remains around the industry-wide average.

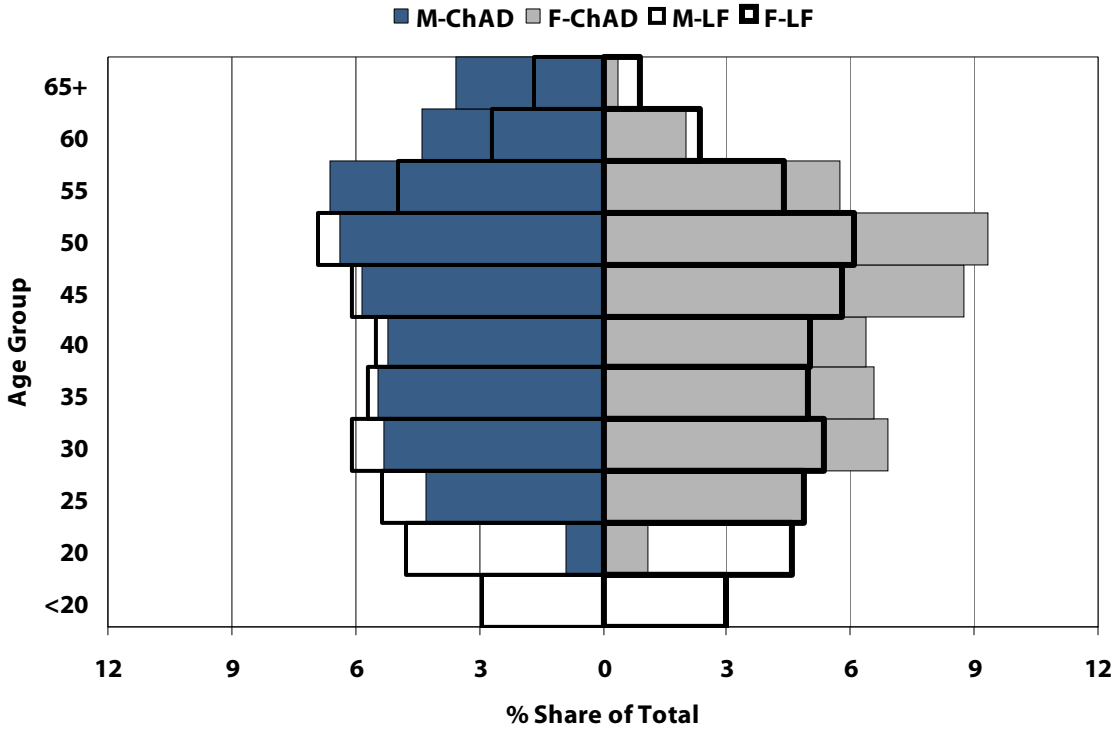
Since 2007 the growth rate for all three occupations is well above the 4.5 percent growth of the provincial labour force. Recruitment has provided a degree of stability in the median ages of the three occupations but has neither boosted the entry to exit ratios nor altered the male/female distribution.

Table II-38: ChAD, Adjuster, Broker, and Agent, Selected Demographic Indicators, 2007 and 2012

Adjuster		
Indicators	**2007**	**2012**
Number	2,506	2,817
Male %	50	48
Female %	50	52
Median Age	45.0	46.0
Median age-male	47.0	47.0
Median age-female	43.0	45.0
Entry:exit ratio	0.17	0.11
Entry:exit ratio-male	0.10	0.08
Entry:exit ratio-female	0.34	0.14
<45:45+ ratio	0.96	0.88
<45:45+ ratio-male	0.74	0.79
<45:45+ ratio-female	1.24	0.98
Broker		
Indicators	**2007**	**2012**
Number	6,151	6,727
Male %	41	40
Female %	59	60
Median age	47.0	47.0
Median age-male	50.0	50.0
Median age-female	45.0	46.0
Entry:exit ratio	0.12	0.09
Entry:exit ratio-male	0.08	0.07
Entry:exit ratio-female	0.17	0.10
<45:45+ ratio	0.77	0.73
<45:45+ ratio-male	0.53	0.65
<45:45+ ratio-female	0.99	0.79
Agent		
Indicators	**2007**	**2012**
Number	4,172	4,938
Male %	31	32
Female %	69	68
Median age	40.0	40.0
Median age-male	39.0	38.0
Median age-female	40.0	41.0
Entry:exit ratio	0.40	0.34
Entry:exit ratio-male	0.23	0.42
Entry:exit ratio-female	0.53	0.31
<45:45+ ratio	1.71	1.55
<45:45+ ratio-male	1.61	1.96
<45:45+ ratio-female	1.76	1.39

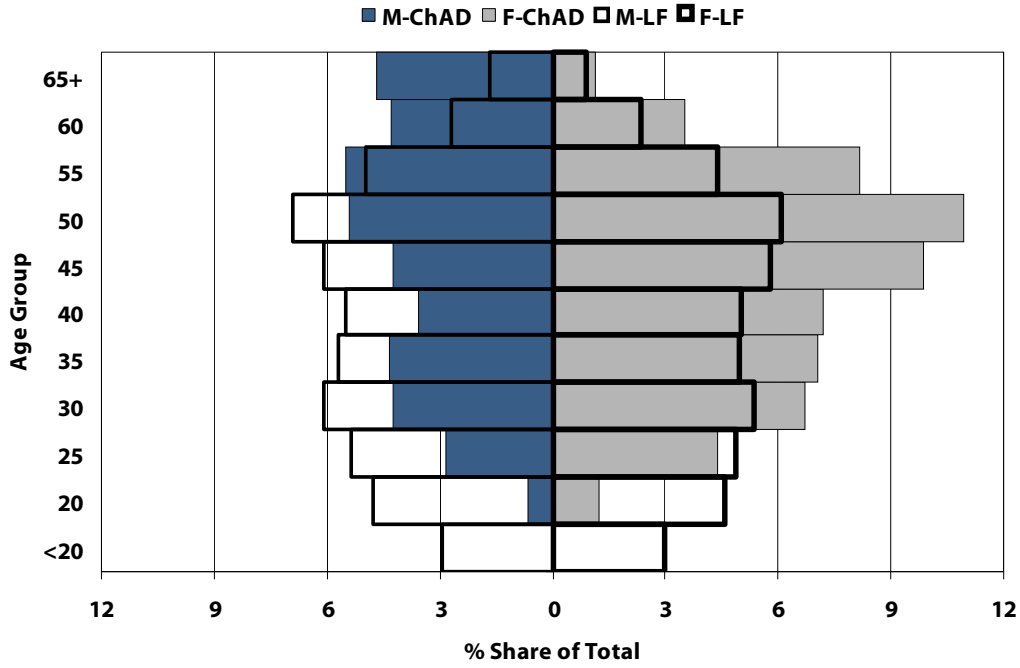
The demographic footprint of adjusters compared to that of the overall labour force in Québec is portrayed in Chart II-25. Compared to the labour force, the demographic footprint of adjusters is reasonably balanced in terms of gender (48 versus 53 percent male) but not age. The data in Table II-39 show that the occupation is dominated by boomers and under-populated by the echo cohort. Hence, substantial recruitment activity has not reduced the high degree of demographic imbalance related to age.

Chart II-25
Demographic Footprint, Adjuster
ChAD versus Labour Force, 2012 (percent)



The demographic footprint of brokers compared to that of the overall labour force in Québec is portrayed in Chart II-26. Compared to the labour force, the demographic footprint of adjusters is female-dominated (60 versus 47 percent) and imbalanced in age terms. The data in Table II-39 show that the occupation is dominated by boomers (51 percent of brokers) and under-populated by the echo cohort (15 percent). Substantial recruitment activity has not reduced the high degree of demographic imbalance related to age and sex.

Chart II-26
Demographic Footprint, Broker
ChAD versus Labour Force, 2012 (percent)

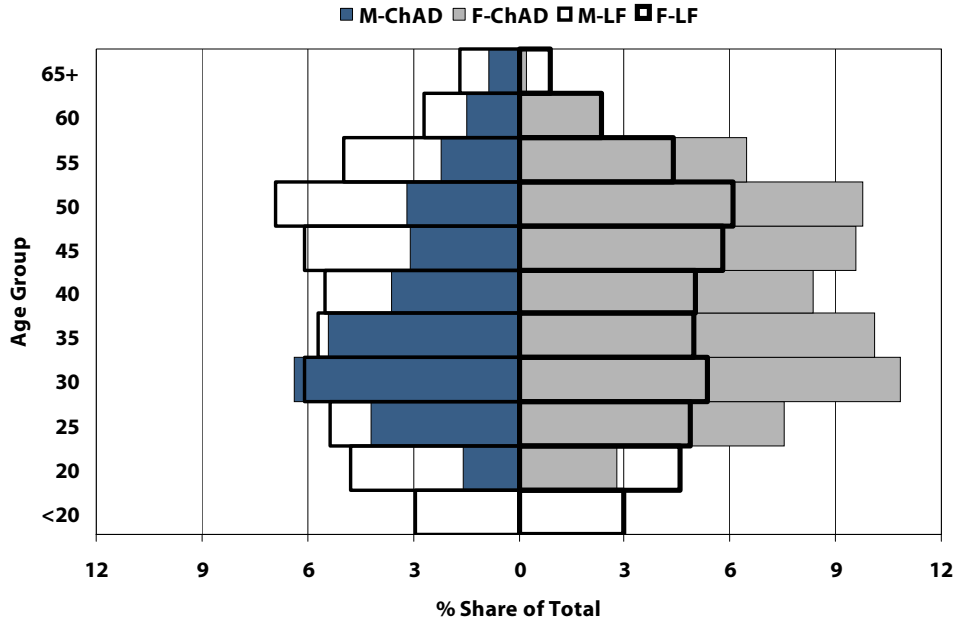


The demographic footprint of agents compared to that of the overall labour force in Québec is portrayed in Chart II-27. Compared to the labour force, the demographic footprint of adjusters is female-dominated (60 versus 47 percent) but reasonably balanced in terms of age. The data in Table II-39 show that the bust cohort has the largest share of agents. The shares for boomers (36 percent) and the echo cohort (26 percent) are close to the shares in the broader labour market. However, the highest growth rate among the three occupations has not reduced the high degree of demographic imbalance related to the variable of sex.

Table II-39: Cohorts by Occupation, ChAD and Labour Force, 2012 (percent)

Cohort	Labour Force	Adjuster	Broker	Agent
Boom	37.2	47.3	50.6	35.9
Bust	28.0	31.7	29.3	37.1
Echo	28.9	17.9	15.4	26.2

Chart II-27
Demographic Footprint, Agent
ChAD versus Labour Force, 2012 (percent)



Ontario

The RIBO submission included data by age, sex, and licensing level. Data are presented for three licensing levels – unrestricted, unrestricted technical, and restricted (see APPENDIX 2 for definitions) – as well as inactive members.

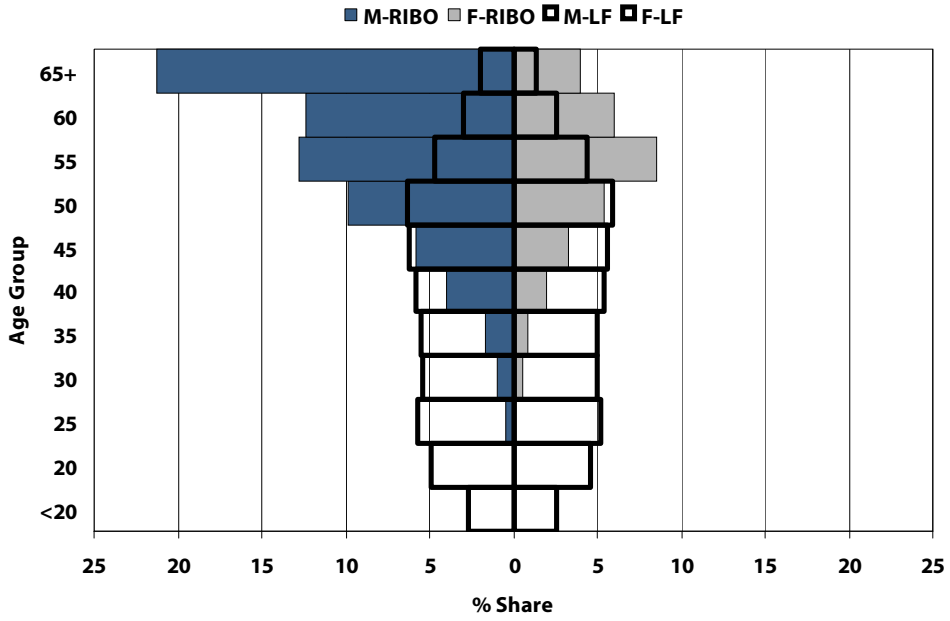
Between 2007 and 2012, the ranks of the unrestricted level declined by 13 percent (Table II-40). There was a minimal share in the male-dominated nature of this occupational group and a modest upward adjustment in the median age of men and a more substantial increase for women (i.e., three years). The under-45 to 45-plus ratio remained stable.

Table II-40: RIBO, Unrestricted Level, Selected Demographic Factors, 2007 and 2012

Unrestricted		
Indicator	**2007**	**2012**
N	2,995	2,601
Male %	72	69
Female %	28	31
Median age	57.0	58.0
Median age-male	58.0	59.0
Median age-female	53.0	56.0
Entry:exit ratio	0.00	0.00
Entry:exit ratio-male	0.00	0.00
Entry:exit ratio-female	0.00	0.00
<45:45+ ratio	0.11	0.12
<45:45+ ratio-male	0.10	0.12
<45:45+ ratio-female	0.14	0.13

The prime attribute of the demographic footprint of the unrestricted level is the dominance of boomers. Two-thirds (66 percent) of persons licensed at this level are boomers compared to just over one-third (37 percent) across Ontario's labour force. Two-thirds (66 percent) of the boomers are men. The degree of demographic imbalance is substantial for both the age and sex variables.

Chart II-28
Demographic Footprint
RIBO Unrestricted versus Labour Force, 2012 (percent)

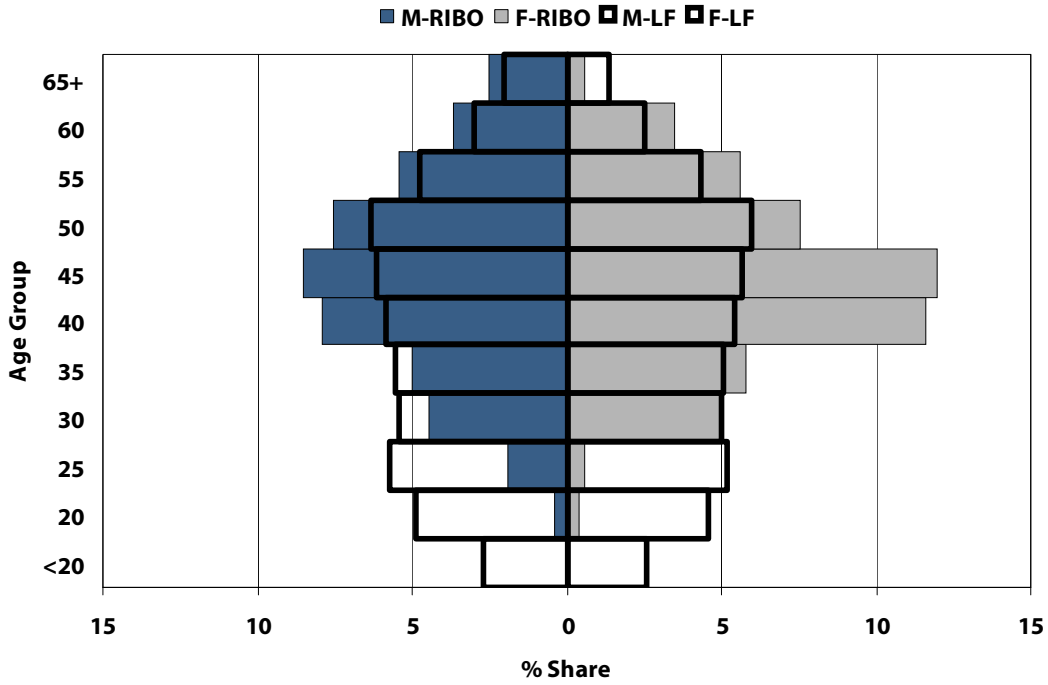


Over the five-year period, the number in the unrestricted technical level rose by 56 percent (Table II-41). By way of contrast, the Ontario labour force only grew by 4.9 percent. Women acquired the majority position (53 percent), and there was an increase of over three years in the median age of men and two years for women. The under-45 to 45-plus ratio declined sharply. The demographic footprint in Chart II-29 shows that one in two (52 percent) persons at this level are boomers, with a roughly equal number of men and women in the cohort. The echo cohort has minimal representation (9 percent compared to 28 percent of the labour force).

Table II-41: RIBO, Unrestricted Technical Level, Selected Demographic Factors, 2007 and 2012

Unrestricted Technical		
Indicator	**2007**	**2012**
N	332	517
Male %	51	47
Female %	49	53
Median age	44.0	46.0
Median age-male	43.5	47.0
Median age-female	44.0	46.0
Entry:exit ratio	0.00	0.04
Entry:exit ratio-male	0.00	0.04
Entry:exit ratio-female	0.00	0.04
<45:45+ ratio	1.18	0.76
<45:45+ ratio-male	1.15	0.71
<45:45+ ratio-female	1.22	0.80

Chart II-29
Demographic Footprint
RIBO Unrestricted Technical versus Labour Force, 2012 (percent)

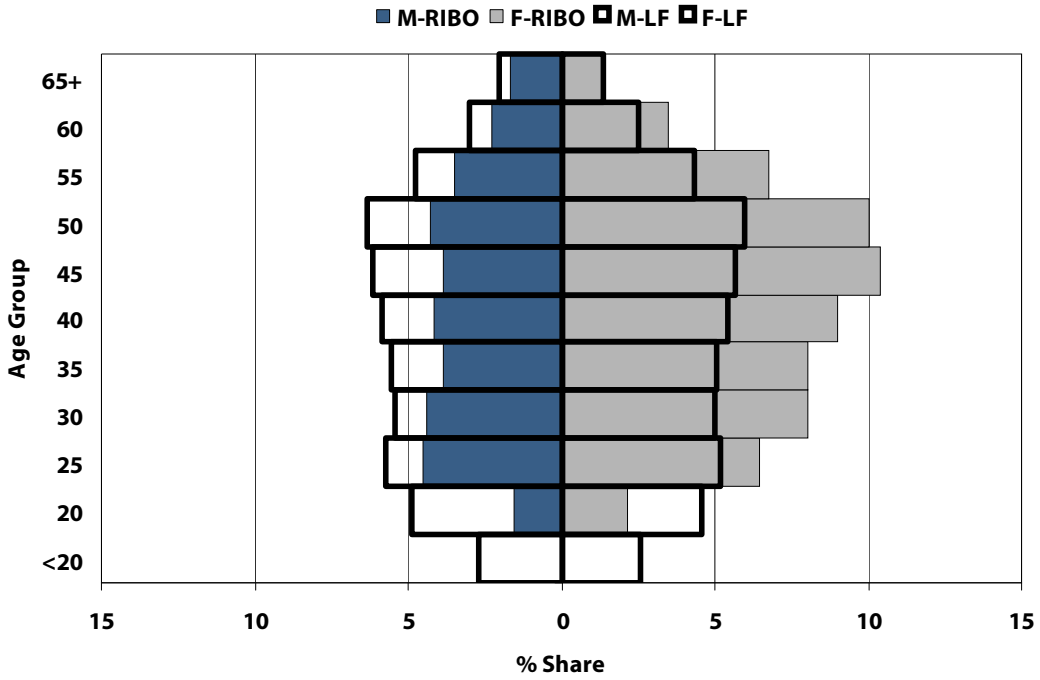


Since 2007, the number in the restricted level has gone up by 13 percent (Table II-42). Women maintain a substantial majority position (66 percent) in 2012, and their median age has increased by two years (one year for men). The entry to exit and under-45 to 45-plus ratios declined for women and went up for men. The demographic footprint in Chart II-30 shows that two in five (43 percent) persons at this level are boomers but one in five (22 percent) are from the echo cohort.

Table II-42: RIBO, Restricted Level, Selected Demographic Factors, 2007 and 2012

Restricted		
Indicator	**2007**	**2012**
N	12,092	13,656
Male %	33	34
Female %	67	66
Median age	43.0	44.0
Median age-male	44.0	43.0
Median age-female	42.0	44.0
Entry:exit ratio	0.28	0.24
Entry:exit ratio-male	0.24	0.27
Entry:exit ratio-female	0.30	0.22
<45:45+ ratio	1.30	1.09
<45:45+ ratio-male	1.13	1.19
<45:45+ ratio-female	1.40	1.05

Chart II-30
Demographic Footprint
RIBO Restricted versus Labour Force, 2012 (percent)

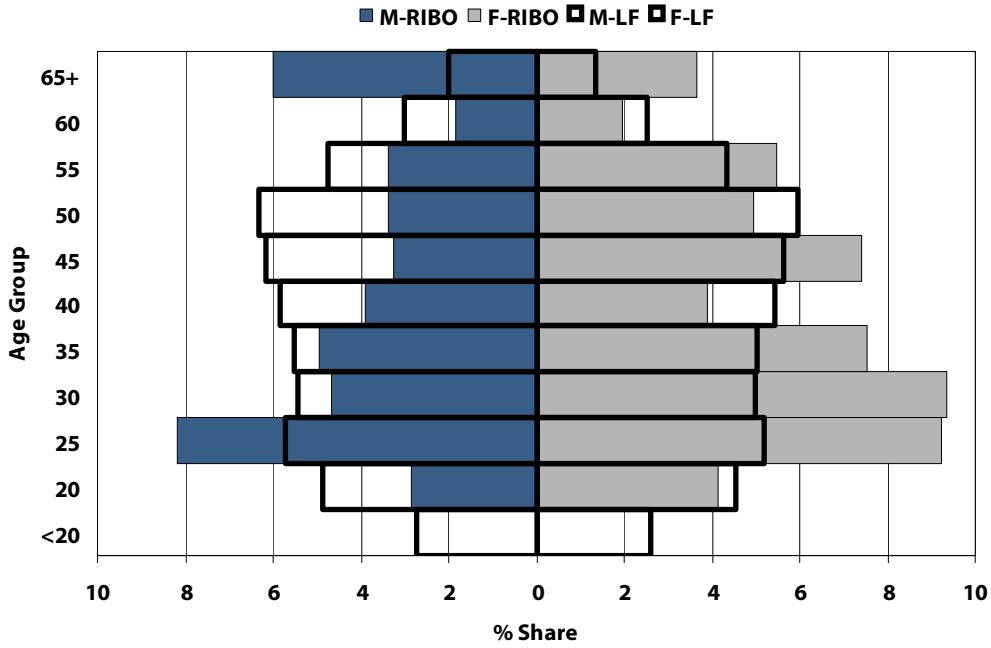


The data in Table II-43 indicate that the ranks of the inactive level increased by 17 percent between 2007 and 2012. The profile is skewed towards female-dominance and a younger age structure and it remained stable over the five years. The entry to exit ratio rose but the under-45 to 45-plus ratio went in the other direction, particularly for women. The cohort structure of the inactive level approximates that of the labour force but the echo retains the largest share (32 percent).

Table II-43: RIBO, Inactive Level, Selected Demographic Factors, 2007 and 2012

Inactive		
Indicator	**2007**	**2012**
N	657	769
Male %	38	42
Female %	62	58
Median age	39.0	39.0
Median age-male	41.0	41.0
Median age-female	38.0	39.0
Entry:exit ratio	0.31	0.56
Entry:exit ratio-male	0.31	0.55
Entry:exit ratio-female	0.31	0.56
<45:45+ ratio	1.88	1.43
<45:45+ ratio-male	1.49	1.38
<45:45+ ratio-female	2.19	1.46

Chart II-31
Demographic Footprint
RIBO Inactive versus Labour Force, 2012 (percent)



Observations: Age Profiles Derived From Provincial Data

Data from the four provincial regulators furnish the opportunity to analyze the industry's work force on a population basis. Using the median age as the demographic indicator, what do the provincial council data tell us about the aging of the industry's work force over the last five years (Table II-44)?

In British Columbia, there appears to have been no appreciable increase in the aging trend with respect to the occupation of adjuster. In Québec and Alberta, however, a rise in the median age points to a continuation of the aging trend, especially for females.

It is also the case that in British Columbia there appears to have been no appreciable increase in the aging trend with respect to the occupational category of broker and agent. Lower median ages for both men and women in Alberta in 2012 suggest that recruitment may be mitigating the aging trend. In Québec and Ontario (restricted), respectively, median ages are the same or slightly down for men and higher for women. Women account for a substantial majority of brokers and agents in these two provinces.

Comparing the provinces, the median age for male and female adjusters is highest in British Columbia. The highest median age for male and female brokers/agents is in Québec (excluding the unrestricted level in Ontario).

Table II-44: Median Age by Occupation, Provincial Councils, 2007 and 2012

Council	2007			2012		
	Male	Female	Both	Male	Female	Both
Adjuster						
ICBC	NA	NA	48.0	50.4	45.9	48.2
AIC	46.8	42.0	44.8	47.4	43.4	45.2
ChAD	47.0	43.0	45.0	47.0	45.0	46.0
Broker and Agent						
ICBC	NA	NA	42.0	43.1	41.6	42.2
AIC	44.1	40.9	41.9	42.0	40.8	41.3
ChAD	47.0	43.0	44.0	45.0	44.0	44.0
RIBO	44.0	42.0	43.0	43.0	44.0	44.0

A final comment based on the analysis of the data from provincial regulators in the four largest provinces is that the ranks of the identified occupations increased much faster than the increase in their respective labour forces. Yet, this substantial growth only appeared to slow down or stabilize the aging of the industry's work force.

Companies: Service Patterns of Current Employees

Data on the service dates for current employees were analyzed in a manner similar to that of the analysis of the age data. The key results of an analysis of the median values for service duration are (Table II-45):

- Across Canada, the median length of service for full-time male employees is 5.5 years. This is lower than a median of 6.4 years in 2007. The median length of service in 2012 for full-time female employees at 6.5 years is higher than it is for males. In 2007, the median for females was slightly higher at 6.8 years.
- In 2012, the most "experienced" (if company service is viewed as a proxy for work experience) full-time male and female employees are in Saskatchewan and the least experienced are in British Columbia.
- In 2012, part-time male employees in Alberta (N = 14) have the least experience followed by those in Ontario (N = 105) and Atlantic Canada (N = 12), respectively. Part-time female employees in Saskatchewan (N = 35) have the most experience followed by those in Québec (N = 405). Part-time females in Manitoba (N = 130) have the least experience.

Table II-45: Median Service Duration (years) by Sex, Employment Status, and Province/Region[48]

Province/Region	Status	Sex	Median (years)	
			2007	2012
Atlantic	**Full-Time**	**Male**	**4.5**	**4.6**
		Female	**6.3**	**4.8**
	Part-Time	Male	DS	1.3
		Female	15.2	2.6
Quebec	Full-Time	Male	5.3	5.0
		Female	7.5	8.4
	Part-Time	Male	1.3	2.1
		Female	6.0	10.0
Ontario	Full-Time	Male	5.2	5.4
		Female	6.0	6.5
	Part-Time	Male	0.8	1.3
		Female	6.2	5.9
Manitoba	Full-Time	Male	9.8	9.5
		Female	8.8	7.9
	Part-Time	Male	2.7	1.7
		Female	7.3	2.4
Saskatchewan	Full-Time	Male	17.9	15.6
		Female	14.4	14.0
	Part-Time	Male	DS	3.6
		Female	2.8	14.8
Alberta	Full-Time	Male	3.2	4.7
		Female	3.1	5.0
	Part-Time	Male	DS	0.9
		Female	5.5	4.8
West	**Full-Time**	**Male**	**7.2**	**7.4**
		Female	**5.6**	**6.2**
	Part-Time	Male	1.8	1.7
		Female	5.8	3.7
British Columbia	Full-Time	Male	12.0	4.3
		Female	11.0	4.0
	Part-Time	Male	2.0	DS
		Female	10.4	4.8
Canada	**Full-Time**	**Male**	**6.4**	**5.5**
		Female	**6.8**	**6.5**
	Part-Time	**Male**	**1.3**	**1.5**
		Female	**7.9**	**5.9**

48 N <10 in highlighted cells. West region includes Manitoba, Saskatchewan, and Alberta.

The data in Table II-46 show that among non-management employees, the level of experience in 2012 is greatest for men working in risk management and women in underwriting. As was the case in 2007, information technology remains an occupation populated by experienced employees. Within the management cadre, experience increases as the level increases for men. For women, those with most experience work as middle managers. Below the senior management level, women who are either middle or front-line (other) managers have more experience than their male counterparts at those levels.

Table II-46: Median Service Duration (years) by Sex and Occupation, Full-time Employees, Canada

2007			2012		
Occupation	**Male**	**Female**	**Occupation**	**Male**	**Female**
Actuary	1.9	3.0	Actuary	3.0	4.5
Underwriter	4.2	6.1	Underwriter	4.9	8.1
Claims	7.0	6.7	Claims	5.2	5.5
Broker/agent	2.4	3.6	Broker/agent	3.7	3.5
Information technology	6.8	8.2	Information technology	5.9	8.0
Sales & service	3.5	5.3	Sales & service	3.6	5.7
Management	**11.7**	**12.3**	**Management**	**11.5**	**12.7**
Senior management	14.0	10.9	Senior management	16.8	12.3
Middle management	10.2	11.2	Middle management	11.7	13.9
Other management	9.1	11.4	Other management	10.3	11.8
			Risk management	6.1	6.4
All Occupations	**6.4**	**6.8**	**All Occupations**	**6.1**	**6.9**

Table II-47 demonstrates that between 2007 and 2012 the experience level of both male and female full-time employees dropped for the largest companies (i.e., 1,000 or more employees). In 2012, male full-time employees with the most experience worked for the smallest companies (fewer than 100 employees). Female full-time employees with the most experience worked in companies with 500 to 999 employees. The pattern is different for part-time employees. Female employees (N = 68) with the most experience are found in companies with 500 to 999 employees.

Table II-47: Median Service Duration (years) by Sex, Employment Status, and Company Size, Canada[49]

		Company Size - 2007			
Status	**Sex**	**<100**	**100-499**	**500-999**	**1,000+**
Full-Time	Male	4.6	4.2	8.0	6.9
	Female	5.1	4.5	6.9	7.1
Part-Time	Male	DS	5.0	0.3	1.3
	Female	DS	7.2	10.2	7.9
		Company Size - 2012			
Status	**Sex**	**<100**	**100-499**	**500-999**	**1,000+**
Full-Time	Male	7.5	4.2	6.5	5.5
	Female	5.8	5.5	8.6	6.5
Part-Time	Male	DS	DS	2.2	1.5
	Female	4.0	5.4	7.3	5.9

49 N <10 in highlighted cells.

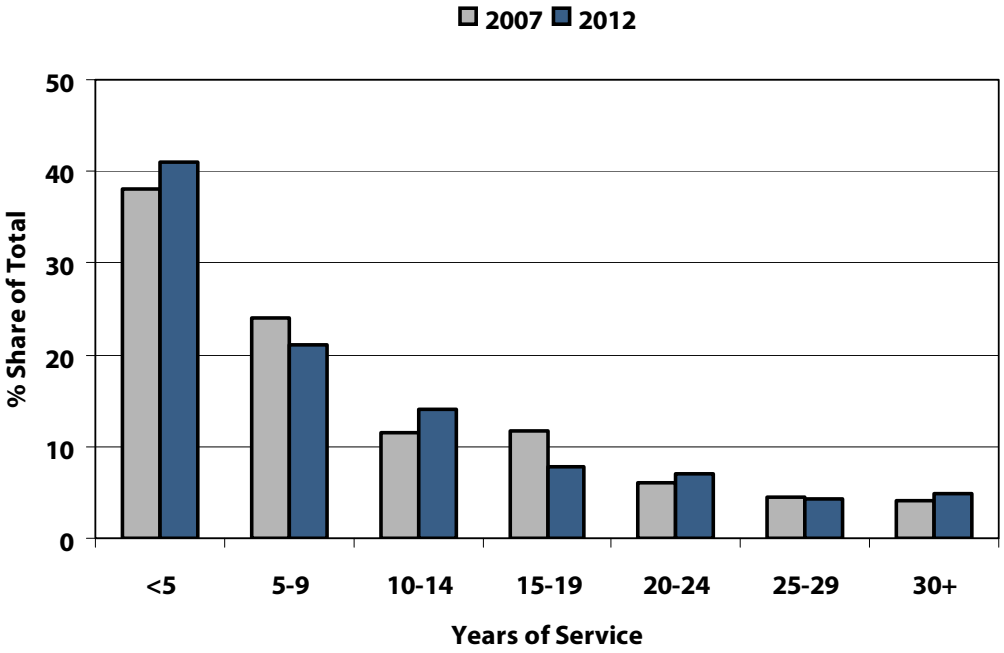
The data in Table II-48 confirm, for the most part, a result observed in 2007. The employees of Crown Corporations have much higher median values for service duration than the employees in the private sector (part-time female employees are the exception). In the private sector, reinsurers continue to have the most experienced full-time employees. The least experienced work for independent adjusters. Part-time employees with the greatest experience work for either broker represented or direct response insurers, a finding that was also registered in 2007.

Table II-48: Median Service Duration (years) by Sex, Employment Status, and Company Type, Canada

2007				
Company Type	**Male FT**	**Female FT**	**Male PT**	**Female PT**
Crown	15.0	14.0	2.0	10.0
Non-Crown	**5.0**	**5.8**	**1.3**	**6.0**
Broker Represented	5.1	5.9	1.1	4.6
Direct Response	5.1	6.1	1.4	6.6
Mutual	5.4	6.0	NA	0.4
Reinsurer	8.9	11.5	25.4	NA
Independent Broker	3.0	2.0	10.8	2.2
Independent Adjuster	3.8	2.6	NA	NA
2012				
Company Type	**Male FT**	**Female FT**	**Male PT**	**Female PT**
Crown	13.3	10.7	2.2	3.7
Non-Crown	**5.1**	**6.2**	**1.4**	**6.7**
Broker Represented	5.0	6.3	4.7	8.3
Direct Response	5.4	6.6	2.1	9.4
Mutual	4.7	5.7	0.1	0.1
Reinsurer	8.5	6.0	1.0	2
Independent Broker	NA	NA	NA	NA
Independent Adjuster	4.4	4.4	1.1	3.3

The variable of service duration was also analyzed in terms of the distribution of employees across pre-defined duration categories. The categories and the template for the industry as a whole (i.e., both full- and part-time employees) are depicted in Chart II-32. Two in five employees have less than five years of service; three in five, less than ten years. This trend is evident in both 2007 and 2012.

Chart II-32
Service Duration, Both Sexes, 2007 and 2012, Canada (percent)



As was true in 2007, the national template holds in the provinces east of Manitoba. In the two western provinces with Crown Corporations, the share of employees with 25 or more years of service is much higher (for example, in Saskatchewan one-third of employees fall into this category). Both Alberta and British Columbia have close to one-half of their employees with fewer than five years of service.

In 2007, we observed that about one-half of the employees in companies with fewer than 500 employees had less than five years of service compared to around a one-third share for companies with 500 or more employees. The data in Table II-49 indicate that this trend generally remains in place in 2012.

Table II-49: Service (years) by Company Size, Both Sexes, Canada, 2012

Company Size (% share of size category)						
Service (years)	**<50**	**50-99**	**100-499**	**500-999**	**1,000-2,499**	**2,500+**
<5	34.7	49.7	47.4	36.0	42.9	39.3
5-9	19.8	16.0	22.6	19.1	19.9	22.3
10-14	14.4	10.9	13.1	11.1	13.2	15.4
15-19	12.0	2.9	5.4	8.2	7.1	8.9
20-24	5.4	8.0	4.4	6.4	7.0	7.4
25-29	6.6	9.1	3.4	7.1	4.7	3.3
30+	7.2	3.4	3.6	12.0	5.2	3.3

Cross-tabulating service data with the variable of company type yields the results displayed in Table II-50. The most salient trend is the different distribution between Crown Corporations and private sector companies. About one-quarter of Crown employees have fewer than five years of service and one-quarter have 25 years. The share of employees with fewer than five years of service ranges from two-fifths to one-half for other types of companies. With the exception of reinsurers (13 percent), other types of companies only have six to seven of their employees with 25 or more years of service.

Table II-50: Service (years) by Company Type, Both Sexes, Canada, 2012

Company Type (% share of type category)						
Service (years)	**CC**	**BR**	**DR**	**IA**	**MI**	**RI**
<5	26.6	41.4	41.0	53.1	48.4	42.6
5-9	19.2	24.8	20.6	17.6	18.5	16.7
10-14	14.2	14.2	14.9	11.6	12.7	9.6
15-19	8.4	7.2	8.5	6.5	8.0	10.0
20-24	7.1	5.8	7.6	4.8	5.2	8.1
25-29	10.0	3.5	3.6	3.1	2.8	6.2
30+	14.5	3.1	3.8	3.3	4.4	6.7

The analysis of service data is subject to more interpretation than our earlier analysis of age data. High median service values can imply a strong retention capacity. Low values can suggest high recruitment intensity or high work force turnover or both. Furthermore, the analysis cannot clarify the degree to which the impacts are industry-wide or company-based since the precise extent to which company service is a proxy for career service is not known.

Table II-51 indicates that average job tenure in the industry for full-time employees is similar to the trends in the broader labour force. For part-time employees, there is more variation between the industry and labour force. For example, part-time, male employees in the labour force have average job tenure of 13.7 years. Within the industry, it is considerably less for this cohort (8.1 years).

Table II-51: Service (average years) by Labour Force Cohort and Employment Status, Both Sexes, Labour Force versus P&C Industry, Canada, 2012[50]

Full-time				
	Labour Force	**P&C Industry**	**Labour Force**	**P&C Industry**
Cohort (age)	**Male**		**Female**	
15-24	1.6	1.6	1.5	1.8
25-54	8.5	7.9	8.2	9.1
55+	16.9	17.4	15.3	17.6
15+	9.2	9.0	8.6	9.8
Part-time				
15-24	1.4	1.1	1.4	1.2
25-54	5.4	4.0	6.2	10.2
55+	13.7	8.1	12.6	14.3
15+	5.4	3.8	5.9	9.3

50 Labour force data is the 2007 to 2011 average.

Companies: Profiles of Terminated Employees

General Profile

People leave or are terminated from employment in a variety of ways and for a variety of reasons. We asked the companies to provide demographic data on terminated employees for a time period that was compatible with their data systems. The data requested were:

- Age
- Sex
- Occupational category
- Employment status
- Location of employment
- Service dates
- Reason for termination

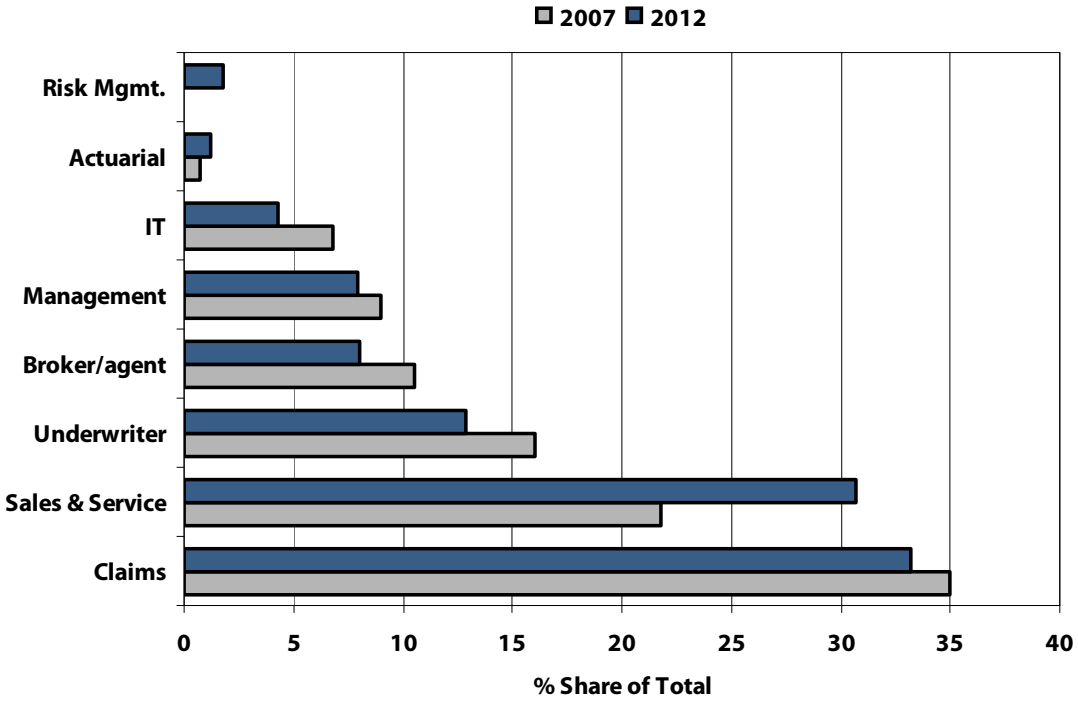
Records were provided on an anonymous basis for 13,998 terminated employees, almost all of whom were terminated between 2007 and the summer of 2012.

An overall profile of these employees reveals that:

- Sixty (60) percent of terminated employees were female.
- Fifty-eight (58) percent of the terminated employees worked in Ontario or Québec.
- Compared to the provincial distribution of current industry employees in the research sample, the sample of terminated employees under-represents New Brunswick, Québec, Ontario, and Saskatchewan and over-represents Alberta and British Columbia. The degree of over- or under-representation exceeds five percentage points only in the cases of Ontario (8.2), Alberta (-7.0), and British Columbia (-5.3).
- In terms of occupation, the terminated research sample reasonably mirrors the current employee sample with two exceptions. The terminated sample over-represents sales & service employees by around eight percentage points and under-represents management employees by six percentage points.
- The occupational distributions of the 2007 and 2012 research samples are reasonably comparable with the exception of the sales & service occupation which is over-represented in 2012 sample (see Chart II-33).
- Voluntary terminations accounted for vast majority of terminations (62 percent) followed by termination without cause (14 percent), termination with cause (10 percent), and retirement (9 percent).
- Almost nine in ten (88 percent) of terminated employees were employed on either a permanent full-time basis (76 percent) or temporary full-time basis (12 percent).

- Seven in ten of terminated employees worked for either broker represented companies (51 percent) or direct response companies (19 percent). Independent adjusters accounted for 13 percent of terminated employees and mutual insurers, 10 percent.
- Nine in ten (90 percent) of terminated employees worked for companies with 1,000 or more employees (42 percent for companies with 2,500 or more employees).

Chart II-33
Terminated Employees by Occupation, 2007 and 2012, Canada (percent)



Reasons for Termination

In 2012, data on the reason for termination were collected in terms of six categories: death; retirement; voluntary resignation; termination without cause; termination with cause; and transfer to another business entity.[51]

Analyzing the termination data on a geographic basis shows that in 2012 Ontario has a share of the terminated research sample that approximates its share of the current employee research sample (Table II-52). Ontario accounts for largest share of terminations for any reason. The West accounts for the second largest share (for any reason).

51 Three companies included among their terminated employees 568 employees who were transferred to another business entity. Since we have no information on the business entity that they were transferred to, we have not included these employees in our analysis of termination.

Table II-52: Terminations by Reason and Province/Region[52] (percent)

2007					
	Province/Region				
Reason	Atlantic	Quebec	Ontario	West	B.C.
Death	4.9	9.7	37.9	31.1	16.5
Retirement	2.7	9.6	28.1	42.5	17.1
Non-voluntary[55]	3.6	17.5	45.5	26.1	7.3
Voluntary	3.0	17.0	44.1	27.3	8.7
All	**3.3**	**16.7**	**43.8**	**27.6**	**8.5**
2012					
	Province/Region				
Reason	Atlantic	Quebec	Ontario	West	B.C.
Death	8.2	9.6	50.7	30.1	1.4
Retirement	8.2	12.7	41.5	35.5	2.1
Non-voluntary	5.0	17.2	46.1	27.0	4.7
Voluntary	6.7	16.4	47.9	24.5	4.6
All	**6.4**	**16.2**	**46.9**	**26.2**	**4.3**

In both 2007 and 2012, the largest companies (1,000-plus) accounted for the highest share of terminations for any reason (Table II-53).

Table II-53: Terminations by Reason and Company Size (percent)

2007				
	Company Size			
Reason	<100	100-499	500-999	1,000+
Death	5.5	4.6	33.0	56.9
Retirement	2.4	7.1	27.4	63.0
Non-voluntary	1.3	6.9	17.1	74.7
Voluntary	3.1	13.0	18.9	65.0
All	**2.2**	**9.4**	**18.6**	**69.8**
2012				
	Company Size			
Reason	<100	100-499	500-999	1,000+
Death	2.6	2.6	1.3	93.6
Retirement	1.3	2.6	17.3	78.7
Non-voluntary	1.0	6.4	3.0	89.6
Voluntary	0.9	5.1	3.7	90.3
All	**1.0**	**5.2**	**4.8**	**89.0**

Employees in claims (36 percent) and management (20 percent) continue to represent the majority of retirements (Table II-54). In 2012, claims and sales & service, respectively, each represent substantial shares of both non-voluntary and voluntary exits. Both categories are female-dominated. The median age for sales & service staff is the second lowest among the occupations (see Table II-30).

52 The West includes the provinces of Manitoba, Saskatchewan, and Alberta.
53 For purposes of comparison, terminations either with or without cause have been collapsed into the "non-voluntary" exit category.

Table II-54: Terminations by Reason and Occupation (percent)

2007								
	Occupation							
Reason	Actuarial	Under-writer	Claims	Broker/ Agent	IT	Sales & Service	Mgmt.	Risk Mgmt.
Death	0.9	14.7	22.9	23.9	7.3	11.0	19.3	NA
Retirement	0.4	14.2	35.7	12.5	6.3	6.9	24.0	NA
Non-voluntary	0.3	8.9	27.8	18.4	6.9	28.9	8.6	NA
Voluntary	1.3	23.9	40.6	1.9	7.4	18.4	6.5	NA
All	**0.8**	**15.5**	**33.5**	**11.3**	**7.1**	**23.1**	**8.8**	**NA**
2012								
	Occupation							
Reason	Actuarial	Under-writer	Claims	Broker/ Agent	IT	Sales & Service	Mgmt.	Risk Mgmt.
Death	1.3	12.8	33.3	6.4	3.8	19.2	19.2	3.8
Retirement	0.7	16.4	35.5	7.1	4.6	15.2	19.9	0.6
Non-voluntary	1.2	11.6	30.7	2.6	6.0	38.8	7.5	1.6
Voluntary	1.2	13.7	35.3	8.6	3.9	29.1	6.3	2.0
All	**1.1**	**13.4**	**34.2**	**7.0**	**4.5**	**30.1**	**8.0**	**1.8**

The data in Table II-55 demonstrate that in 2007, Crown Corporations had the largest share of retirements (42 percent). In 2012, direct response insurers account for 41 percent of retirements, and Crown Corporations, 22 percent. Collectively, broker represented and direct response insurers together account for a substantial majority of both non-voluntary (64 percent) and voluntary exits (73 percent). These two types of companies have the lowest median ages (see Table II-29). This pattern was also evident in 2007. Finally, the share of voluntary and non-voluntary exits combined has increased dramatically for independent adjusters from 9 to 29 percent.

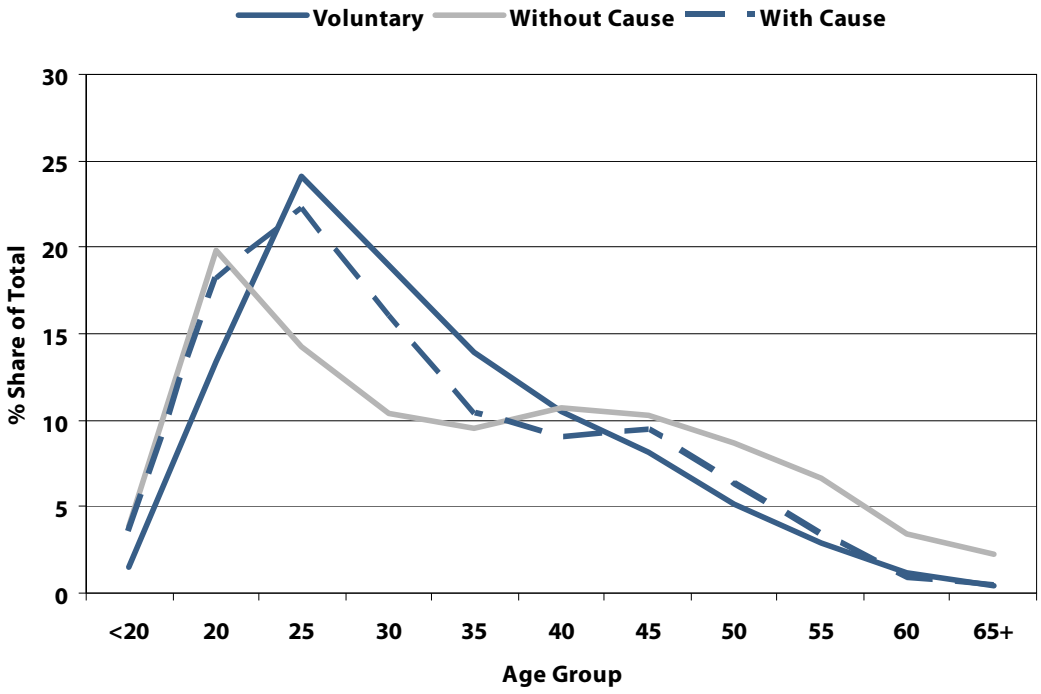
Table II-55: Terminations by Reason and Company Type (percent)

Company Type 2007							
Reason	CC	BR	DR	MI	RI	IB	IA
Death	22.9	28.4	11.9	2.8	1.8	29.4	2.8
Retirement	42.1	29.9	11.7	1.3	0.3	14.3	0.4
Non-voluntary	11.2	31.5	32.8	0.2	0.6	22.9	0.7
Voluntary	9.3	66.5	13.3	0.8	0.0	2.2	7.9
All	**12.4**	**46.0**	**23.2**	**0.5**	**0.3**	**13.8**	**3.7**
Company Type 2012							
Reason	CC	BR	DR	MI	RI	IB	IA
Death	7.7	16.7	43.6	20.5	0.0	NA	11.5
Retirement	22.3	12.8	41.0	9.9	0.5	NA	13.6
Non-voluntary	11.8	21.7	41.8	8.1	0.2	NA	16.3
Voluntary	2.8	20.6	52.7	10.6	0.1	NA	13.1
All	**6.9**	**20.1**	**48.9**	**10.0**	**0.2**	NA	**13.9**

Age and Service Analysis: Voluntary and Non-voluntary Exits

In 2012, roughly two-fifths of both voluntary and non-voluntary exits are by persons under the age of 30 (Chart II-34). The median age for voluntary exit is 32.2 years; for termination without cause, 35.2 years; and for termination with cause, 31.4 years. These trends are similar for men and women.

Chart II-34
Non-Voluntary versus Voluntary Exits by Age Group
All Employees, Canada, 2012 (percent)



Several observations can be made based on the data in Table II-56. Between 2007 and 2012:

- The median age of exiting permanent full-time and temporary part-time employees, respectively, has not changed. The median age for temporary full-time and permanent part-time employees, respectively, has increased.
- There has been little change in median years of service for employees of all statuses.
- There is minimal difference in median age and service values based on sex.

Table II-56: Voluntary and Non-voluntary Exits by Age, Years of Service (median), Sex, and Employment Status, Canada

	Median Age 2007		
Employment Status	**Male**	**Female**	**Both**
Full-time	36.3	35.0	35.5
Temporary FT	25.6	25.2	25.3
Part-time	26.0	33.2	31.6
Temporary PT	23.4	23.5	23.4
	Years of Service 2007		
Employment Status	**Male**	**Female**	**Both**
Full-time	2.9	2.9	2.9
Temporary FT	0.3	0.4	0.4
Part-time	1.0	2.6	2.2
Temporary PT	0.4	0.5	0.5
	Median Age 2012		
Employment Status	**Male**	**Female**	**Both**
Full-time	35.8	35.6	35.7
Temporary FT	29.9	29.9	29.9
Part-time	28.5	34.4	33.0
Temporary PT	23.0	24.1	23.5
	Years of Service 2012		
Employment Status	**Male**	**Female**	**Both**
Full-time	2.7	2.9	2.8
Temporary FT	0.5	0.7	0.6
Part-time	1.5	2.9	2.4
Temporary PT	0.4	0.5	0.5

KEY POINTS
Research Sample

- The 2012 research sample covers over 26,000 employees currently working in the industry across Canada.
- The representative character of the sample is strengthened by its narrow confidence intervals at the national and provincial/regional levels of analysis and its reflection of the male/female shares within the industry's work force.

Age Analysis: Current Employees

Cohorts: Boom, Bust & Echo

- Between 2007, and 2012, the industry's share of boomers (46 to 65 in 2012) has fallen across Canada from roughly one-half to one-third of the industry's professional work force. This decline is evident in every province and region and across all occupations, company types, and companies of different size. The industry's boomer share matches that in the wider labour force in Canada (37 percent).
- With the exception of Alberta, the industry's share for the bust cohort (28 to 40) is slightly higher than in 2007. In 2012, the bust cohort (33 to 45) continues to represent around one-third of the industry's work force but only 28 percent of Canada's labour force.
- The share for the echo (17 to 32 in 2012) has more than doubled overall from about one-eighth to just over one-quarter (27 percent). The growing salience of this cohort is clear in every province and region and across all occupations, company types, and companies of different size. The industry's echo share is just under that of the labour force (29 percent).

Median Age

- In 2012, fifty (50) percent of the industry's male, full-time work force is below the age of 40.5 years and 50 percent of the female, full-time work force is below the age of 41. Comparing 2012 with 2007, the male median age has fallen by 1.5 years and the female median age has remained the same. Across all industries in Canada, 47 percent of the labour force is below the age of 40.
- The median ages of part-time male and female employees in the industry have each increased by around two years between 2007 and 2012 with females having the older age. The median ages of both groups of industry employees do not track the trend in the wider Canadian labour force where one-half of part-time workers are under the age of 35. Compared to Canada's part-time labour force, the male age in the industry is lower and the female age is higher by a noticeable margin.
- The median ages of full-time employees of both sexes have fallen somewhat in the East region (Atlantic Canada and Québec) and risen somewhat in the West region (Manitoba, Saskatchewan, and Alberta). Median ages of part-time employees at the provincial/regional level do not reveal a consistent trend. With the exception of Alberta, female part-time employees continue to be older than their male counterparts.
- The largest companies (i.e., 1,000 or more employees) continue to have the youngest employees, both male and female and full- and part-time.
- In 2007, the oldest full-time, male employees worked for mutual insurers and the oldest full-time, female employees worked for reinsurers. Five years on the oldest female employees still work for reinsurers (although their median age is lower by four years) but the oldest male employees are

found in the Crown Corporation sector. The aging trend is evident for all company types except mutual insurers.

- The median age of female full-time employees was higher than male full-time employees in all occupational categories except claims, broker/agent, and management in 2007. This pattern persists in 2012. Management employees, whether male or female, have the highest median age among full-time employees in both 2007 and 2012.

Demographic Footprints

- Superimposing the age and sex profile of the industry's work force over that of Canada's labour force illustrates the industry's "demographic footprint" and exposes the degree of "demographic imbalance".
- The prime feature of the industry's demographic footprint on the labour force is the over-representation of women in most age groups. Conversely, men are under-represented in most age groups, although this is less true for men who are in their thirties. Over 15 percent of Canada's labour force is in the 15 to 24 age group but only just over five percent of the industry's work force. At the other end of the age spectrum, a little more than 14 percent of the labour force are in the 55 to 64 age group compared to almost 13 percent in the property and casualty insurance industry.
- The industry's overall demographic footprint is evident in all occupational categories except actuary, information technology, risk management, and broker/agent.

Entry to Exit Ratios

- The entry to exit ratio in the labour force is the ratio of workers under the age of 25 to workers who are in the 55 to 64 age group. The under-25 age group is deemed the labour force entrants. The 55 to 64 age group represents workers who may leave the labour force through retirement. The higher the ratio, the younger the labour force. Entry to exits ratios for both men and women in Canada's labour force have been falling steadily since the 1970's. By 2011, the ratio was 1.0 for men and 1.1 for women.
- The trend of low entry to exit ratios in the property and casualty insurance industry was identified in 2007 and is re-confirmed by the 2012 census results. Although the industry's Canada-wide ratios are essentially the same in the two time periods, there are some noticeable declines at the sub-national level. This is especially true in the three western provinces.
- In 2007, entry to exit ratios were directly correlated with the size of the work force. In 2012, this trend is not apparent. The highest ratios are in companies with 100 to 499 employees.
- Between 2007 and 2012, ratios have fallen for all company types except mutual insurers. Mutual insurers have the highest ratio for women; direct response insurers, for men. Reinsurers have the lowest ratios.
- Across Canada ratios have dropped substantially in relative terms for all occupational groups except male underwriters, male employees in claims, and brokers/agents (both sexes). At the provincial and regional levels, substantial relative declines are also the norm. Ratios for the occupation of risk manager are near zero.
- The under-45 age group is the feeder group to management. Across the broader labour force, the under-45 to 45-plus ratio has been in decline since the late 1980's for both men and women. By

2011, there were roughly 1.5 labour force participants under the age of 45, both male and female, for every participant 45 or older. The industry's ratio for all professional occupations tracks the labour force ratio. However, the ratios for both men and women who are either senior or middle managers are well below one.

Current Licensees: Provincial Regulators

- Data from the four provincial regulators furnish the opportunity to analyze the industry's work force on a population rather than a sample basis. This analysis indicates that:
  - In British Columbia, there appears to have been no appreciable increase in the aging trend with respect to the occupation of adjuster. In Québec and Alberta, however, a rise in the median age points to a continuation of the aging trend.
  - In British Columbia, there also appears to have been no appreciable increase in the aging trend with respect to the occupational category of broker and agent. Lower median ages for both men and women in Alberta in 2012 suggest that recruitment may be mitigating the aging trend. In Québec and Ontario (restricted license), respectively, median ages are the same or slightly down for men and higher for women. Women account for a substantial majority of brokers and agents in these two provinces.
  - The median age for male and female adjusters is highest in British Columbia. The highest median age for male and female brokers is in Québec (excluding the unrestricted level in Ontario).

Service Analysis: Current Employees

- Two in five employees (both full- and part-time) have less than five years of service; three in five, less than ten years. This trend is evident in both 2007 and 2012.
- Across Canada, the median length of service for full-time male employees is 5.5 years. This is lower than a median of 6.4 years in 2007. The median length of service in 2012 for full-time female employees at 6.5 years is higher than it is for males. In 2007, the median for females was slightly higher at 6.8 years.
- Among non-management employees, the level of service in 2012 is greatest for men working in risk management and women in underwriting. Within the management cadre, length of service increases directly with the management level for men.
- Between 2007 and 2012, the service level of both male and female full-time employees dropped for the largest companies.
- The employees of Crown Corporations continue to have much higher median values for service duration than the employees in the private sector. In the private sector, reinsurers continue to have the most "tenured" full-time employees. The least "tenured" work for independent adjusters.
- The job tenure pattern is similar for full-time employees in the property and casualty insurance industry and the broader labour force.

Age and Service Analysis: Terminated Employees (non-retirement)

- Data on almost 14,000 employees across Canada, most of whom had left the industry since 2007, were analyzed.
- In both 2007 and 2012, the profile of the typical terminated employee (excluding retirement) is the same. The typical terminated employee is a mid-thirties female working full-time for a large private sector company in Central Canada. She likely works in the claims, underwriter, or sales & service areas and has around three years of experience with the company. She left on either a non-voluntary or voluntary basis and not through retirement.

Part III – Survey of Human Resource Professionals

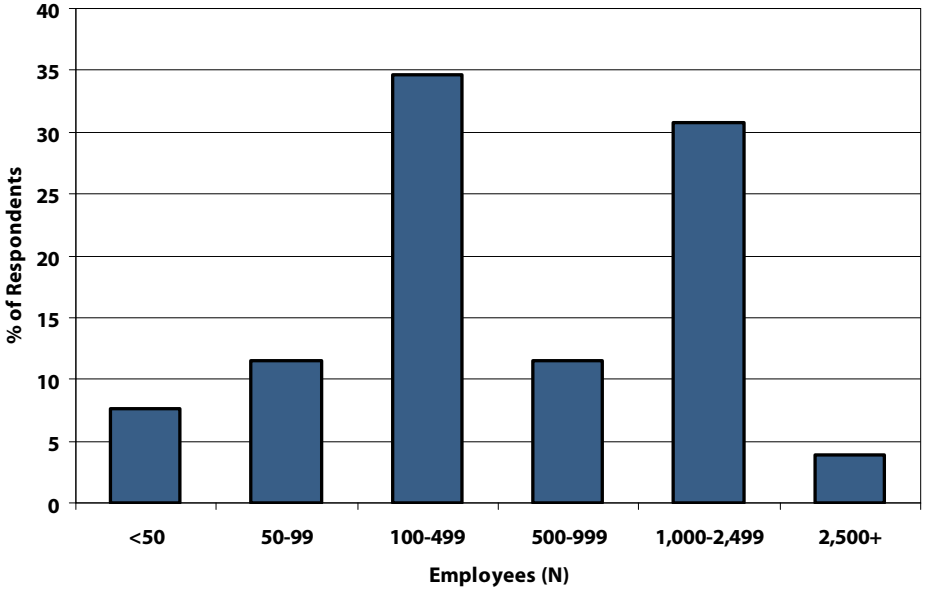
Target Population and Validity of Results

The survey was conducted online using SurveyMonkey[54] during September, 2011. The questionnaire[55] was a hybrid version of the questionnaires deployed in the surveys conducted in 2007 and 2009 (see also the description of survey objectives in Part I). The target population of the survey was the senior human resource managers working in 73 companies that are subscribers of the Institute. Twenty-six (26) companies completed the questionnaire for a response rate of 36 percent. This compares with a response rate of 47 percent in 2007 and 45 percent in 2009. The overall margin of error is plus or minus 15.5 percent (at the 95 percent confidence level).[56]

Sample Profile

Seventy (70) percent of the responding companies have offices in more than one province. One-half has offices in different types of communities. One-third of the companies in the sample has 1,000 or more employees; one-fifth, fewer than 100 employees (Chart III-1).

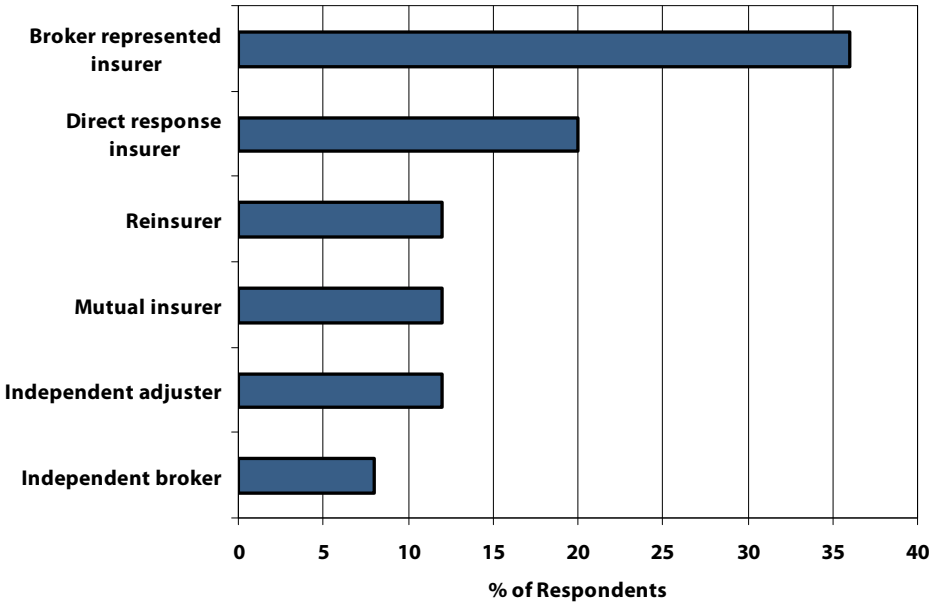
Chart III-1
Respondents by Company Size (percent)



54 http://www.surveymonkey.com
55 See www.insuranceinstitute.ca/research to reference a copy of the questionnaire.
56 The validity of the results for sub-groups (e.g., different types of companies) is lower since the margin of error is higher. Therefore, the results for sub-groups should be regarded with caution and viewed as possible hypotheses for future research.

In terms of company type, only one of the three Crown Corporations responded.[57] One-third of the respondents are broker represented insurers; one-fifth, direct response insurers (Chart III-2). The majority of both broker represented and direct response insurers have 500 or more employees; offices in more than one province; and offices in different types of communities.

Chart III-2
Respondents by Company Type (percent)



One in three of the respondents participated in all three surveys and the majority of this group were companies with 500 or more employees. One in four responded to both the 2007 and 2011 surveys; one in ten responded to only the 2009 and 2011 surveys. One in three respondents was new in 2011. The 2007 survey focused on general recruitment and retention trends and issues, and the 2009 survey was aimed at targeted recruitment and retention programs. Two in five respondents in 2011 were asked previously about targeted programs.

57 To maintain confidentiality, the responses of the one Crown Corporation participating in the survey have been included under the broker represented insurer company type.

Survey Results: Recruitment in General

Overview

The data from the 2011 survey were analyzed on a cross-tabulated (for example, by company type) and comparative basis. The results in this section are presented with respect to general recruitment and therefore, the comparisons are between the 2007 and 2011 surveys.

Recruitment Trends

Importance of Recruitment

In both 2007 and 2011, senior human resource management professionals were asked to identify the relative importance of recruitment compared to other human resource management issues. In 2007, 75 percent of respondents gave recruitment the highest level of importance (*to a great extent*). In 2011, its importance had increased noticeably with 87 percent of respondents stating that compared to other issues recruitment was important *to a great extent*.

Impact of Economic and Organizational Changes

Respondents to the 2011 survey were asked for the first time to indicate the extent to which (1) changing economic conditions or (2) continuing organizational consolidation within the industry impacted the ability of their companies to recruit. A substantial majority of respondents perceived that their ability to recruit was impacted *to some extent* by changing economic conditions (67 percent) and industry consolidation (77 percent). An additional 20 percent thought that changing economic conditions affected recruitment *to a great extent* and 7 percent perceived the effect of industry consolidation similarly. However, cross-tabulated analysis indicated that one-third of the respondents in companies with 1,000-plus employees were impacted "to a great extent" by changing economic conditions.

Recruitment Activity: Past Two Years

When asked about the nature of recruitment activity over the past two years, only seven percent of respondents stated that their companies had not engaged in the recruitment of employees in the targeted occupations. On average, for the companies that did recruit:

- Two-thirds (67 percent) of the recruitment had taken place on an open/external basis (median = 75 percent). The share for direct response insurers was lower at one-half.
- Almost all of the recruitment was directed at hiring employees on either a full- time (84 percent) or temporary full-time (12 percent) basis.
- Three-quarters of positions required less than five years experience. Only 20 percent of the vacant positions required a candidate with 5 to 10 years of experience. In the case of reinsurers, however, three-fifths of the recruited positions required 5 to 10 years of experience.

Overall, about one-third (32 percent) of respondents recruited fewer than 50 employees during the two years preceding the survey. Just less than one-half (46 percent) of the respondents recruited 150 or more employees. This higher level of activity was more common for large companies (i.e., 1,000 or more employees) operating in different provinces and communities.

Recruitment Difficulty

Respondents were asked to identify the degree of difficulty that they had experienced in the prior two years in recruiting for specific occupations such as underwriter or sales support. The possible responses were *very difficult, somewhat difficult,* or *not at all difficult*. Table III-1 converts the responses into a score that ranges from 0 (*not at all difficult*) to 100 (*very difficult*). On average, these occupations were perceived as *somewhat difficult* to recruit. The occupations that were the most difficult to recruit were actuarial, accident benefit adjuster, and claims adjuster/examiner. The least difficult were marketing/field representative, customer service representative, underwriting support, sales support, and claims support. Part of the difficulty in recruiting actuaries may be linked to the fact that this occupation has the lowest median age (30) among the industry's professionals and hence, the demand/supply situation for this occupation is likely competitive in Canada's aging labour market.

Table III-1: Recruitment Difficulty by Occupation, Past Two Years (score)

Occupation	Difficulty Score
Actuarial	78
Accident benefit adjuster	69
Claims adjuster/examiner	67
Casualty adjuster	61
Commercial underwriter	61
Underwriter	61
Senior management (all disciplines)	60
Risk management	60
Commercial CSR/producer	55
Middle management (all disciplines)	52
Broker/agent	50
Information technology	48
Front line management (all disciplines)	45
Marketing/field representative	38
Customer service representative	33
Underwriting support	28
Sales support	27
Claims support	22
Average	**51**
Scores: very difficult = 100/somewhat difficult = 50/not at all difficult = 0	

Cross-tabulated analysis reveals that there is some variation in the degree of recruitment difficulty across different company types. In addition to actuaries, the occupations of marketing/field representative and underwriter were both more difficult to recruit for direct response insurers than other types of companies. However, recruiting employees to work in information technology was perceived as less difficult by direct response insurers. It was more difficult for mutual insurers to recruit risk managers and brokers/agents as well as actuaries. Actuaries were among the most difficult occupations for broker represented insurers to recruit but so too were the occupations of claims adjuster/examiner, accident benefit adjuster, and commercial CSR/producer.

Cross-tabulated analysis also suggests that recruitment generally was most difficult in Alberta and British Columbia and in small towns and rural areas (under 10,000 in population). The degree of difficulty was heightened for direct response insurers in Ontario and Québec and independent adjusters in Manitoba and Québec.

What are the factors that make recruitment either more or less difficult? When asked to choose the "top five factors that make recruitment more difficult" from a list of 11 factors identified by the project's Research Committee, respondents clearly pointed to the quality of the candidate pool (external and internal) as the top factor (Table III-2). Other factors that garnered the attention of at least one-third of the respondents were *uncompetitive compensation levels, limited public understanding of insurance industry careers,* and the *failure to accommodate work-life balance issues. Too few full-time positions* were not a salient factor, ranking a distant last.

Table III-2: "Top 5" Factors Making Recruitment More Difficult (percent)

Factor	% of Respondents
Too few qualified external candidates	**89**
Too few qualified internal candidates	**64**
Uncompetitive compensation levels	**39**
Limited public understanding of insurance industry careers	**39**
Failure to accommodate work-life balance issues	**32**
Type of community where office is located	21
Limited career potential of position	21
Inconvenient to commute to work	21
Inability to meet bilingualism requirement	21
Not an employer of choice	7
Too few full-time positions	4

The data in Table III-3 break down the responses regarding recruitment difficulty by company type:

- *Uncompetitive compensation* is a more salient factor for both direct response insurers and independent adjusters.
- *Limited public understanding of insurance industry careers* looms larger for both broker represented insurers and reinsurers.
- *Failure to accommodate work-life balance issues* is of greater concern for direct response insurers, mutual insurers, and reinsurers.

Table III-3: "Top 5" Factors Making Recruitment More Difficult by Company Type (percent)[58]

Factor	BR	DR	RI	MI	IB	IA
Too few qualified external candidates	100	80	100	67	50	100
Too few qualified internal candidates	67	80	100	100	0	67
Uncompetitive compensation levels	44	60	0	33	0	67
Limited public understanding of insurance industry careers	56	40	50	0	0	33
Failure to accommodate work-life balance issues	22	60	50	67	0	33
Type of community where office is located	0	40	50	33	0	33
Limited career potential of position	22	20	50	33	50	0
Inconvenient to commute to work	22	40	0	67	0	0
Inability to meet bilingualism requirement	22	40	0	0	0	33
Not an employer of choice	11	0	0	0	0	33
Too few full-time positions	0	0	0	33	0	0

58 BR = broker represented insurer; DR = direct response insurer; RI = reinsurer; MI = mutual insurer; IB = independent broker; IA = independent adjuster.

The data in Table III-4 show the "top five factors that make recruitment less difficult". *Referrals by employees* and *competitive compensation levels* had the strongest impact overall. Three other factors – *employer of choice, accommodation of work-life balance issues,* and *adequate supply of external candidates* – attracted the attention of around one-half of the respondents. The geographic location of a position was not identified as an important factor.

Table III-4: "Top 5" Factors Making Recruitment Less Difficult (percent)

Factor	%
Referrals by employees	**75**
Competitive compensation levels	**64**
Employer of choice	**57**
Accommodation of work-life balance issues	**54**
Adequate supply of external qualified candidates	**46**
Adequate supply of internal qualified candidates	39
Convenient to commute to work	36
High career potential of position	25
Availability of full-time positions	25
Type of community where office is located	11
Ability to meet bilingualism requirement	4

There is some variation in the factors making recruitment less difficult when the data are cross-tabulated by company type (Table III-5). *Employer of choice* was the second most important factor for direct response insurers. *Competitive compensation levels* were less salient for independent adjusters. *Accommodation of work-life balance issues* and *adequate supply of qualified external candidates* were the most important factors for mutual insurers. The geographic location of a position had a greater resonance with independent adjusters.

Table III-5: "Top 5" Factors Making Recruitment Less Difficult by Company Type (percent)

Factor	BR	DR	RI	MI	IB	IA
Referrals by employees	67	100	100	33	50	67
Competitive compensation levels	78	60	100	67	50	33
Employer of choice	44	80	50	67	50	67
Accommodation of work-life balance issues	44	40	100	100	50	33
Adequate supply of external qualified candidates	56	20	0	100	0	67
Adequate supply of internal qualified candidates	44	40	0	67	0	33
Convenient to commute to work	33	60	50	0	0	67
High career potential of position	22	20	0	33	0	67
Availability of full-time positions	33	40	50	0	0	0
Type of community where office is located	11	20	0	0	0	33
Ability to meet bilingualism requirement	0	20	0	0	0	0

Recruitment Activity: Next Years

Forty-one (41) percent of respondents expected to hire fewer than 50 employees over the next two years. Forty-one (41) percent also expected to hire 100 or more employees. With respect to company type, 44 percent of broker represented insurers and 60 percent of direct response insurers stated that they intended to hire 150 or more employees over the next two years.

Respondents were asked about the intended employment status of the positions as well as whether they were vacancies or new positions as a result of business growth. On average, 69 percent of hiring was targeted at filling vacancies in existing positions. Eighty-one (81) percent of intended hires were on a permanent, full-time basis (14 percent on a temporary full-time basis). The most important finding on a cross-tabulated basis was that direct response insurers anticipated higher shares for new positions (52 percent) and temporary full-time positions (24 percent).

Recruitment Urgency

Respondents were asked to identify the degree of urgency that they anticipated in recruiting for specific occupations. The possible responses were *extremely urgent, somewhat urgent,* or *not at all urgent*. Table III-6 converts the responses into a score that ranges from 0 (*not at all urgent*) to 100 (*extremely urgent*). On average, these occupations were perceived as *somewhat urgent* in terms of recruitment need. In addition, there appeared to be a direct relationship between recruitment difficulty and urgency. The occupations where recruitment was of the highest urgency were casualty adjuster, accident benefit adjuster, broker/agent, actuarial, and claims adjuster/examiner. All but broker/agent were also identified as difficult positions to recruit during the past two years (see Table III-1). The least urgent were underwriting support, sales support, and claims support, three positions that were identified as the least difficult to recruit in the recent past.

Table III-6: Recruitment Urgency by Occupation, Next Two Years (score)

Occupation	Urgency Index
Casualty Adjuster	69
Accident Benefit Adjuster	68
Broker/agent	60
Actuarial	59
Claims adjuster/examiner	59
Commercial Underwriter	56
Underwriter	52
Risk management	47
Information technology	45
Senior Management (all disciplines)	43
Marketing/field representative	39
Middle management (all disciplines)	39
Front line management (all disciplines)	39
Customer service representative	38
Commercial CSR/producer	36
Claims support	29
Underwriting support	25
Sales support	23
Average	**46**
Scores: extremely urgent = 100/somewhat urgent =50; not at all urgent =0	

Looking at the issue of recruitment urgency by occupation and company type, the recruitment of actuaries was more urgent for direct response insurers and mutual insurers than other company types. Direct response insurers also placed a higher degree of urgency on the hiring of customer service representatives. For mutual insurers, filling positions in the information technology area was among their top three occupational needs. Broker represented insurers saw greater urgency in the recruitment of marketing/field representatives than other types of companies.

Strategic Work Force Planning

In the 2007 survey, employers were asked about two of the analytical components of a strategic work force planning process: retirement forecasts and work force demographics. One in two (49 percent) respondents indicated that they prepared periodically retirement forecasts; three in four (74 percent) stated that they had analyzed the demographic characteristics of their work forces.

In 2011, respondents were asked about not only the use of these analytical tools but also their perceived effectiveness in assisting their companies with the management of recruitment issues. Four years later, the use of the two tools had increased, especially with respect to the preparation of retirement forecasts. Two-thirds (67 percent) of respondents stated that their companies prepared retirement forecasts. Independent adjusters and independent brokers were less likely to use this tool than other company types. Four-fifths (83 percent) of respondents regarded retirement forecasts as "somewhat effective" in helping their companies manage recruitment issues. Four-fifths (82 percent) of respondents analyzed work force demographics. Direct response insurers were less likely than other types of companies to use this tool. Four-fifths (86 percent) of respondents viewed demographic analyses as "somewhat effective" in helping their companies manage recruitment issues.

2007 and 2011 Survey Results

Comparing the results of the 2007 survey with those of the 2011 survey leads to the following observations:

- The importance of recruitment as a human resource management issue has increased.
- Recent recruitment activity has increased in that a higher share of respondents recruited 100 or more employees during the past two years in 2011 (57 percent) than in 2007 (42 percent).
- Claims staff remained the most difficult and urgent to recruit. The more specific 2011 occupational data showed that within the claims category the top recruitment priorities were accident benefit adjuster, claims adjuster/examiner, and casualty adjuster.
- Availability of qualified candidates was still the top factor that made recruitment difficult. Competitive compensation was among the top factors that made recruitment less difficult. Between 2007 and 2011, the relative importance of work-life balance as a factor in recruitment increased substantially. For example, only one-fifth (21 percent) of respondents in 2007 identified work-life balance as a factor that made recruitment less difficult. In 2011, the share was one-half (54 percent).
- In 2011, competitive compensation was the top factor that made recruitment less difficult. It was the second most important factor in 2007.
- Alberta and British Columbia remained the most difficult provinces to recruit in. Small towns and rural areas, not metropolitan areas, were perceived as the places where recruitment was relatively difficult.

Survey Results: Targeted Recruitment

Overview

The results in this section are presented with respect to targeted recruitment and therefore, the comparisons are between the 2009 and 2011 surveys.

Recruitment Tools

As noted earlier, most of the companies participating in the 2011 survey (93 percent) had recruited employees on either an open/external or closed/internal basis over the past two years. These respondents were then asked about the use of specific recruitment tools and targeted recruitment approaches.

Table III-7 shows the list of recruitment tools and the percentage share of respondents indicating that their companies had used the tools. On average, 40 percent of respondents utilized the identified tools (average number of tools use was 11). Overall utilization of tools varied from no use of *day care* to the use of *financial assistance for insurance industry designation and development* by 82 percent of the respondents. The majority of tools with above average use involved financial assistance or enhancement (e.g., *financial assistance for post-secondary education*). Other tools with above average use focused on workplace/job arrangements (e.g., *work/life balance programs*). The tools with the lowest utilization were: d*ay care support, scholarships, job rotation,* and *language support*.

Table III-7: Use of Recruitment Tools (percent)

Recruitment Tool	%
Financial assistance for insurance development & designation	82
Flexible work arrangements	71
Work/life balance programs	64
Financial assistance for non-insurance designations	64
Internships/co-op programs	54
Financial assistance for post-secondary education	50
Enhanced salary	46
Developmental project assignments	46
Hiring bonus	43
Telecommuting	36
Enhanced benefits	36
Volunteer opportunities	32
Trainee program	29
Part-time work	29
Language support	18
Job rotation	11
Scholarships	7
Day care support	0

With respect to the variation among different types of companies, broker represented insurers were the most likely to use the tools and independent brokers, the least likely.

Targeted Recruitment Tools

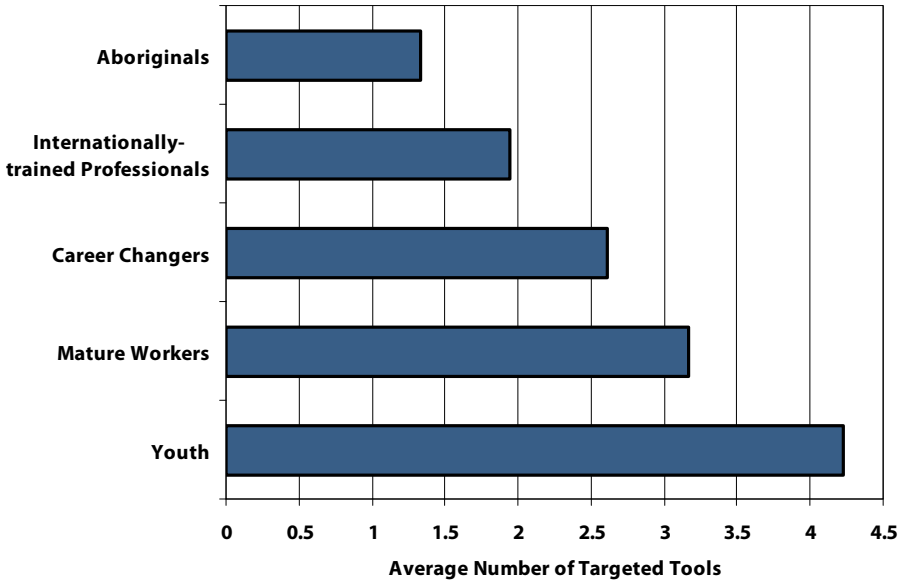
Respondents were next asked if any of the tools use had been specifically targeted at one or more of five labour market cohorts:

- Youth
- Internationally-trained professionals
- Aboriginals
- Career changers[59]
- Mature workers

The data displayed in Chart III-3 suggest that targeting as a share of overall recruitment activity was low. The average number of tools deployed ranged from 1.3 for Aboriginals to 4.2 for youth (compared to a general average use of 11 tools). The targeting "hierarchy" was:

Youth
Mature Workers
Career Changers
Internationally-trained Professionals
Aboriginals

Chart III-3
Targeted Recruitment Tools by Labour Market Cohort (average)



59 Career changer: a person who is hired into the property and casualty insurance industry from another industry and includes persons who have retired from employment in another industry. The career changer cohort was added in 2011, but had not been included in 2009, reflecting a change in the industry's labour market.

Table III-8 casts some light on the matter of which tools are used with specific cohorts.

Table III-8: "Top Five" Targeted Recruitment Tools by Labour Market Cohort (percent using tool)

Youth (60-100%)
Scholarships
Job rotation
Trainee program
Internships/co-op programs
Enhanced benefits
Mature Workers (42-50%)
Part-time work
Enhanced salary
Flexible work arrangements
Work/life balance programs
Hiring bonus
Career Changers (30-39%)
Work/life balance programs
Part-time work
Job rotation
Financial assistance for insurance development & designation
Flexible work arrangements
Enhanced benefits
Internationally-trained Professionals (25-40%)
Enhanced benefits
Job rotation
Developmental project assignments
Work/life balance programs
Flexible work arrangements
Aboriginals (15-33%)
Job rotation
Developmental project assignments
Work/life balance programs
Internships/co-op programs
Flexible work arrangements

In summary, it can be observed that:

- Training and financial support were targeted towards youth.
- Mature workers were the object of programs regarding workplace/job arrangements and financial incentives.
- Workplace/job arrangement and financial support initiatives represented the primary emphasis in the targeting of career changers.
- Workplace/job arrangement programs were aimed at internationally-trained professionals.
- Aboriginals were primarily targeted with training and workplace/job arrangement initiatives.

Purpose of Targeted Recruitment

Seventy (70) percent of respondents indicated that targeting was initiated in 2008 or before. Chart III-9 shows that the prime purpose of targeting was to meet overall staffing needs (50 percent of respondents). The next most important reason was to *bring new skills into the* organization. One in three respondents viewed targeting as a way to *replace retiring employees, position their organization as an employer of choice with the targeted group,* or *create greater diversity in the workplace* overall. Targeting was much less likely to be seen as a means of recruiting specific occupations (11 percent).

Table III-9: Purpose of Targeted Recruitment (percent)

Purpose	%
Meet overall staffing needs	50
Bring new skills into the organization	39
Replace retiring employees	32
Position organization as employer of choice with targeted group	32
Create greater diversity in the workplace overall	32
Meet the needs of specific occupations	11

Comparing the 2009 and 2011 surveys, 2009 respondents identified *meeting the needs of specific occupations* as the main reason for targeting. This reason ranked last in 2011. The second most important reason in 2009 was *meeting overall staffing needs*, the prime reason identified in 2011. *Creating greater diversity in the workplace overall* comes up in standing between 2009 and 2011 from one in five (21 percent) to one in three (32 percent) of respondents. *Bringing new skills into the organization* and *replacing retiring employees* have roughly the same level of support as rationales for targeted recruitment in both time periods.

Targeted Recruitment: Communication Management

In 2011, two-thirds (65 percent) of respondents developed communication strategies for their targeted programs (compared to 88 percent in 2009). Table III-10 suggests that traditional tools were utilized the most. *Newspaper advertisements, brochures and other print materials*, and participation at *career fairs* were the top tools, used by at least two-thirds of the respondents. At least one-half of the respondents used social media – *LinkedIn, Facebook*, and the *company web site* – as well as *recruitment agencies*, another traditional tool. In 2009, the most utilized tool was the *company's Internet/Intranet* web site. *Presentations at educational institutions* were deployed by less than one-half of the respondents. As was the case in 2009, such presentations were essentially aimed at the post-secondary level, particularly universities. *Twitter* and *television and radio advertisements* were not utilized at all.

Table III-10: Targeted Recruitment Communication Tools (percent using tool)

Communication Tool	%
Newspaper advertisements	73
Brochures and other print materials	64
Booths at career fairs	64
Recruitment agencies	55
LinkedIn	55
Facebook	55
Company's Internet web site	55
Presentations: Universities	45
Electronic job boards (e.g., Workopolis)	45
Presentations: Community colleges/CEGEP	36
Company's Intranet web site	36
Presentations: High school	27
Other Internet web sites	18
Twitter	0
Television advertisements	0
Radio advertisements	0

Effectiveness of Targeted Recruitment

Twenty (20) percent of respondents stated that over the past two years fewer than 10 staff was hired as a result of deploying the tools. Sixty (60) percent indicated that 10 to 49 staff was hired. One respondent identified hiring in the range of 50 to 99 employees; another, 100 to 149 employees. Finally, one respondent could not identify the number of employees hired as a result of targeting.

When asked "to what extent have targeted recruitment tools facilitated the attainment of your organization's recruitment needs," just over one-quarter (27 percent) of respondents thought that, compared to other tools, targeted tools facilitated attainment of recruitment needs *to a great extent* (60 percent *to some extent*).

With respect to the recruitment of specific occupations, targeted tools were viewed as more effective than other tools for recruiting: actuarial, broker/agent, and middle and senior management positions. They were deemed less effective for: front line management, claims support, underwriting support, and risk management. However, overall the tools were perceived as at least *somewhat* effective for all occupations. The full results regarding the relative effectiveness of targeting are displayed in Table III-11.

Table III-11: Relative Effectiveness of Targeted Recruitment Tools (score)

Occupation	Effectiveness Score
Broker/agent	75
Actuarial	75
Middle management (all disciplines)	70
Senior executive/management (all disciplines)	68
Sales support	67
Marketing/field representative	67
Casualty adjuster	64
Underwriter	64
Commercial underwriter	64
Information technology	61
Commercial CSR/producer	60
Claims adjuster/examiner	59
Customer service representative	58
Accident benefit adjuster	57
Front line management (all disciplines)	55
Claims support	55
Underwriting support	50
Risk management	50
Scores: very effective=100/somewhat effective=50/not at all effective =0	

2009 and 2011 Survey Results

Comparing the results of the 2009 survey with those of the 2011 survey leads to the following observations:

- Overall, about the same share of respondents used the identified recruitment tools.
- *Financial assistance for insurance development & designation* remained the recruitment tool used by most of the respondents.
- Use of *flexible work arrangements* and *work/life balance programs* increased markedly.
- Targeted recruitment activity increased for all work force cohorts. Youth were the most targeted cohort in both time periods.
- *Meeting overall staffing needs* was the most important purpose of targeting in 2011 and second most important in 2009. *Meeting the need for specific skills* was the most important reason for targeting in 2009 and the least important by a wide margin in 2011.
- A lower share of respondents (65 percent) had a communication strategy in place for targeted initiatives in 2011 (88 percent in 2009).
- *Newspaper advertisement* was the communication tool used the most in 2011 but it was the third lowest in terms of use in 2009. A *company's internet/intranet* was the most used tool in 2009. In 2011, a company's Internet web page was used by 55 percent of respondents and its Intranet by 36 percent.
- Participation at *career fairs* was a highly used communication tool in both 2009 and 2011.
- The perceived capacity of targeted tools to facilitate recruitment *to a great extent* declined dramatically (27 percent in 2011 versus 76 percent in 2009).
- The perceived relative effectiveness of targeted recruitment tools in supporting the recruitment of specific occupations varied noticeably between the two time periods.

Survey Results: Retention in General

Overview

The data from the 2011 survey were analyzed on a cross-tabulated (for example, by company type) and comparative basis. The results in this section are presented with respect to general retention and therefore, the comparisons are between the 2007 and 2011 surveys.

Retention Trends

Importance of Retention

In both 2007 and 2011, senior human resource management professionals were asked to identify the relative importance of retention compared to other human resource management issues. In 2007, 59 percent of respondents gave retention the highest level of importance (*to a great extent*). In 2011, its importance had increased noticeably with 77 percent of respondents stating that compared to other issues retention was important *to a great extent*. However, the importance of retention relative to recruitment was somewhat lower (i.e., 77 versus 87 percent).

Retention was only important *to some extent* (43 percent) for companies operating in one province. All direct response insurers and independent adjusters gave retention the highest level of importance (*to a great extent*).

Impact of Economic and Organizational Changes

Respondents to the 2011 survey were asked for the first time to indicate the extent to which (1) changing economic conditions or (2) continuing organizational consolidation within the industry impacted the ability of their companies to retain employees. A bare majority of respondents perceived that their ability to retain employees was impacted *to some extent* by changing economic conditions (54 percent) and industry consolidation (50 percent). Additionally, thirty-one (31) percent thought that changing economic conditions affected recruitment *to a great extent* but only 12 percent perceived the effect of industry consolidation similarly. Compared to the perceptions regarding recruitment, the impact of these factors was lower. Cross-tabulated analysis revealed that reinsurers were affected *to a great* extent by changing economic conditions (67 percent).

Exit Activity: Past Two Years

Respondents were asked about the level of activity regarding three types of organizational exit: voluntary and involuntary exit before retirement eligibility and retirement. Most of the companies had lost employees through one of these forms of exit over the past two years. One-half (50 percent) of the respondents had lost 1 to 49 employees through voluntary exit; two-thirds (64 percent), through involuntary exit; three-quarters (77 percent), through retirement. The share of respondents losing 1 to 49 employees through retirement was higher for broker represented insurers (89 percent), mutual insurers (100 percent), and reinsurers (100 percent). The largest companies (1,000-plus employees) were more likely to lose 50 or more employees through either voluntary (66 percent) or involuntary (44 percent) exit.

In addition, respondents were asked whether departing employees who obtained new employment were still working in the property and casualty insurance industry and if so, what type of company they were working for. On average, three-quarters (73 percent) of exited employees who remained employed stayed

within the industry. The share was much higher (90 percent or more) for employees exiting from reinsurance companies and companies with fewer than 100 employees.

One-third (35 percent) obtained new employment with a broker represented insurer; one-fifth (21 percent) with an independent broker; one-fifth (20 percent) with an independent adjuster.

Fifty-one (51) percent of the employees leaving a broker represented insurer and staying within the industry found new employment with another broker represented insurer. Twenty-one (21) percent went to independent brokers. Only 33 percent of employees leaving reinsurers went to another reinsurer. Thirty-three (33) percent obtained employment with an independent adjuster and 33 percent, with a direct response insurer.

Retention Difficulty

Respondents were asked to identify the degree of difficulty that they had experienced in the prior two years in retaining employees in specific occupations such as customer service representative or information technology. The possible responses were *very difficult, somewhat difficult,* or *not at all difficult.* Table III-12 converts the responses into a score that ranges from 0 (*not at all difficult*) to 100 (*very difficult*).

Whereas, on average, these occupations were perceived as *somewhat difficult* to recruit (see Table III-1), they tipped towards the *not at all difficult* to retain end of the response scale. However, with the exception of the broker/agent occupation, the top six most difficult occupations to retain were the same as the top six most difficult to recruit. Another comparative observation is that managers at all levels appeared to be more difficult to recruit than to retain.

Table III-12: Retention Difficulty by Occupation, Past Two Years (score)

Occupation	Difficulty Score
Broker/agent	50
Accident benefit adjuster	47
Claims adjuster/examiner	41
Commercial underwriter	41
Actuarial	41
Underwriter	40
Commercial CSR/producer	39
Casualty adjuster	39
Marketing/field representative	32
Sales support	31
Customer service representative	28
Information technology	28
Risk management	25
Senior management (all disciplines)	20
Middle management (all disciplines)	20
Claims support	18
Underwriting support	14
Front line management (all disciplines)	13
Average	**31**
Scores: very difficult = 100/somewhat difficult = 50/not at all difficult = 0	

Cross-tabulated analysis demonstrates that retention generally is most difficult in Alberta and British Columbia and in metropolitan areas (compared to small towns and rural areas for recruitment). The degree of difficulty is heightened for independent adjusters in Ontario, Québec, and British Columbia.

What are the factors that make retention either more or less difficult? When asked to choose the "top five factors that make retention more difficult" from a list of 11 factors identified by the project's Research Committee, two-thirds (65 percent) of all respondents saw *limited career prospects within the organization* as the top factor making retention more difficult (Table III-13). Close to one-half regarded *high degree of worker mobility within the industry* (48 percent) and *uncompetitive compensation levels* (45 percent) as other factors that increased the difficulty of retaining employees. The *type of community where the office is located* impacted retention very little (six percent of respondents chose this factor).

Table III-13: "Top 5" Factors Making Retention More Difficult (percent)

Factor	%
Limited career prospects within organization	**65**
High degree of worker mobility within the industry	**48**
Uncompetitive compensation levels	**45**
Failure to accommodate work-life balance issues	**39**
Poor fit with corporate culture	**32**
Absence of corporate talent management strategy	29
Size of the organization	19
Failure to accommodate workplace issues	13
Type of community where office is located	6
Not an employer of choice	3
Limited career prospects within insurance profession	3

The data in Table III-14 show that *limited career prospects within the organization* were a less salient factor for both direct response insurers and independent adjusters. *High degree of worker mobility within the industry* was the top factor for both broker represented insurers and independent adjusters. *Failure to accommodate work/life balance issues* was the top factor for direct response insurers and also important to mutual insurers.

Table III-14: "Top 5" Factors Making Retention More Difficult by Company Type (percent)

Factor	BR	DR	RI	MI	IB	IA
Limited career prospects within organization	89	40	100	100	100	33
High degree of worker mobility within the industry	89	20	0	33	50	100
Uncompetitive compensation levels	56	60	67	0	50	67
Failure to accommodate work-life balance issues	33	80	33	67	50	33
Poor fit with corporate culture	33	20	0	100	50	67
Absence of corporate talent management strategy	33	40	67	33	0	33
Size of the organization	33	20	33	33	0	0
Failure to accommodate workplace issues	11	20	0	33	0	33
Type of community where office is located	0	20	0	0	50	0
Not an employer of choice	0	0	0	0	0	33
Limited career prospects within insurance profession	11	0	0	0	0	0

The data in Table III-15 show the "top five factors that make retention less difficult". Three-fifths (61 percent) of all respondents cited *accommodation of work-life balance issues* and *fit with corporate culture* as the top factors making retention less difficult. Around one-half thought that a *competitive compensation level* (55 percent) and being perceived as an *employer of choice* (48 percent) were important in reducing the difficulty associated with the issue of employee retention. Having a *corporate talent management strategy in place* was deemed important by only one-fifth (19 percent) of respondents. Only one-quarter (26 percent) perceived the *accommodation of workplace issues* as important in relation to mitigating the risk of exit.

Table III-15: "Top 5" Factors Making Retention Less Difficult (percent)

Factor	%
Fit with corporate culture	**61**
Accommodation of work-life balance issues	**61**
Competitive compensation levels	**55**
Employer of choice	**48**
High career prospects within organization	**39**
Accommodation of workplace issues	26
Type of community where office is located	19
Size of organization	19
Corporate talent management strategy in place	19
High career prospects within insurance profession	13
Limited worker mobility within the industry	6

Table III-16 shows a cross-tabulated analysis of the data in Table III-15 by company type. *Fit with corporate culture* was a less salient factor and *employer of choice* and *accommodation of workplace issues* were more salient factors for mutual insurers. *Employer of choice* and *type of community where the office is located* key factors for independent brokers. *Competitive compensation level* was the top factor for both broker represented insurers and direct response insurers.

Table III-16: "Top 5" Factors Making Retention Less Difficult by Company Type (percent)

Factor	BR	DR	RI	MI	IB	IA
Fit with corporate culture	78	60	67	33	100	100
Accommodation of work-life balance issues	56	80	67	100	100	67
Competitive compensation levels	78	80	67	33	50	67
Employer of choice	56	40	33	100	100	67
High career prospects within organization	78	20	0	33	50	67
Accommodation of workplace issues	22	20	33	100	0	0
Type of community where office is located	0	60	0	33	100	0
Size of organization	22	20	33	67	0	0
Corporate talent management strategy in place	22	40	0	0	0	33
High career prospects within insurance profession	22	40	0	0	0	0
Limited worker mobility within the industry	11	20	0	0	0	0

Retention Urgency

Respondents were asked to identify the degree of urgency that they anticipated in retaining employees in specific occupations. The possible responses were *extremely urgent, somewhat urgent,* or *not at all urgent.* Table III-17 converts the responses into a score that ranges from 0 (*not at all urgent*) to 100 (*extremely urgent*).

On average, these occupations were perceived as *somewhat urgent* in terms of retention (average = 55). With the exception of the occupation of marketing/field representative, the seven most urgent retention priorities were the same as the seven most urgent recruitment priorities (see Table III-6). The occupation of accident benefit adjuster bordered on the boundary of the *extremely urgent* response category. This occupation also had the second highest level of recruitment urgency (see Table III-6). The least urgent occupations to retain were underwriting support, sales support, and claims support, three positions that were perceived as having low levels of retention difficulty (see Table III-12) and low levels of recruitment difficulty (see Table III-1).

Table III-17: Retention Urgency by Occupation, Next Two Years (score)

Occupation	Urgency Score
Accident benefit adjuster	75
Casualty adjuster	72
Marketing/field representative	69
Actuarial	66
Claims adjuster/examiner	65
Commercial underwriter	65
Underwriter	64
Commercial CSR/producer	60
Middle management (all disciplines)	58
Senior management (all disciplines)	56
Risk management	50
Front line management (all disciplines)	50
Broker/agent	50
Information technology	45
Customer service representative	44
Claims support	36
Sales support	30
Underwriting support	29
Average	**55**
Scores: extremely urgent = 100/somewhat urgent =50; not at all urgent =0	

Looking at the issue of retention urgency by occupation and company type, the retention of marketing/field representatives was urgent for both direct response insurers and reinsurers. For mutual insurers, the occupations with the highest urgency were actuary and risk manager. Senior managers and risk managers were the top retention priorities for independent brokers. Broker represented insurers placed the greatest urgency on employees in the occupation of claims adjuster/examiner.

Strategic Work Force Planning

In the 2007 survey, employers were also asked about two other analytical components of a strategic work force planning process, exit interviews and succession planning. Almost nine in ten respondents (88 percent) stated that they conducted exit interviews with departing employees and seven in ten (70 percent) said that their companies had a formal succession planning process.

In 2011, respondents were asked about not only the use of these tools but also their perceived effectiveness in assisting their companies with the management of retention issues. Four years later, the use of exit interviews was about the same (84 percent). Three-quarters of the companies that conducted exit interviews perceived them as *somewhat effective* in the management of retention issues. Direct response insurers regarded them as more effective than other types of companies.

The use of succession planning in 2011 was close to the 2007 benchmark (62 percent versus 70 percent). Both independent adjusters and reinsurers were less likely to use this tool than other types of companies. The effectiveness of succession planning was linked to three employee groups: senior managers, other managers, and non-management employees. Overall, succession planning was rated as more effective for managers, especially senior managers, than non-management employees. This observation held across different company types with the exception of direct response insurers. Direct response insurers viewed succession planning as more effective for other managers than either senior managers or non-management employees. Finally, the management of succession planning is cited later (see Table III-20) as one of main purposes of targeted retention.

2007 and 2011 Survey Results

Comparing the results of the 2007 survey with those of the 2011 survey leads to the following observations:

- The importance of retention as a human resource management issue has increased but it still ranks lower than recruitment.
- Claims staff remained the most difficult and urgent to retain. The more specific 2011 occupational data show that within the claims category the top retention priorities were accident benefit adjuster, claims adjuster/examiner, and casualty adjuster.
- *Limited career prospects within the organization* and *uncompetitive compensation levels* were important factors with respect to retention difficulty in both time periods.
- *Accommodation of work-life balance issues* was the top factor in 2011 that made retention less difficult. It was the third most important factor in 2007.
- Alberta and British Columbia remained the most difficult provinces to retain employees. Newfoundland and Labrador was perceived as a province where retention difficulty was much higher in 2011 than it was in 2007.
- Metropolitan areas remained the types of communities where retention was relatively difficult.
- The use of exit interviews and succession planning remained the same.

Survey Results: Targeted Retention

Overview

The results in this section are presented with respect to targeted retention and therefore, the comparisons are between the 2009 and 2011 surveys.

Retention Tools

In 2011, respondents were asked about the use of specific retention tools and targeted retention approaches. Table III-18 shows the list of retention tools and the percentage share of respondents indicating that their companies had used the tools. On average, around one-third (34 percent) of respondents utilized the identified tools (average number of tools use was 11). This was a lower share than in 2009 when just less than one-half of respondents (46 percent) stated that they had used the tools. In addition, the average number of tools used in 2009 (16) was higher.

Overall the utilization of tools in 2011 varied from no use of *sabbaticals* to the use of *financial assistance for insurance industry designation and development* by 68 percent of the respondents. The majority of tools with above average use involved financial assistance or enhancement (e.g., *financial assistance for post-secondary education*); workplace/job arrangements (e.g., *work-life balance programs*); or training (e.g., mentoring). *Retention* bonuses were used by one in five respondents (19 percent). *Day care support* had minimal support (three percent).

Comparing the usage of retention tools in 2009 and 2011, it can be said that:

- Many of the tools that have above average use are the same in the two time periods. *Financial assistance for insurance development and assistance* is the tool used the most in both 2009 and 2011.
- Use of *sabbaticals* and *day care support* ranked at the bottom in both time periods.
- Use of *retention bonuses* has fallen (29 versus 19 percent).
- Use of *work-life balance programs* has risen (38 versus 48 percent).

Table III-18: Use of Retention Tools (percent)

Retention Tool	%
Financial assistance for insurance development & designation	68
Flexible work arrangements	61
Financial assistance for non-insurance designations	58
Mentoring	55
Developmental project assignments	55
Work/life balance programs	48
Financial assistance for post-secondary education	48
Differentiated compensation	45
Telecommuting	42
Individualized career development	42
Part-time work	39
Volunteer opportunities	32
Technical expertise development & networking	32
Phased retirement	29
Pension arrangements	29
Stock ownership	26
Job rotation	23
Retention bonus	19
Day care support	3
Sabbatical	0

Similar to the situation with respect to recruitment tools, broker represented insurers were the most likely to use the retention tools.

Targeted Retention Tools

Respondents were next asked if any of the tools used had been specifically targeted at one or more of five labour market cohorts:

- Youth
- Internationally-trained professionals
- Aboriginals
- Career changers
- Mature workers

Although targeting as a share of overall retention activity was somewhat higher in 2011 than in 2009, Chart III-4 demonstrates that retention targeting activity remained at a low level. The average number of tools deployed ranged from 0.3 for Aboriginals to 3.7 for mature workers (compared to a general average use of 11 tools). The targeting "hierarchy" for retention was similar to that for recruitment except that mature workers and youth changed spots at the top.

Chart III-4
Targeted Retention Tools by Labour Market Cohort (average)

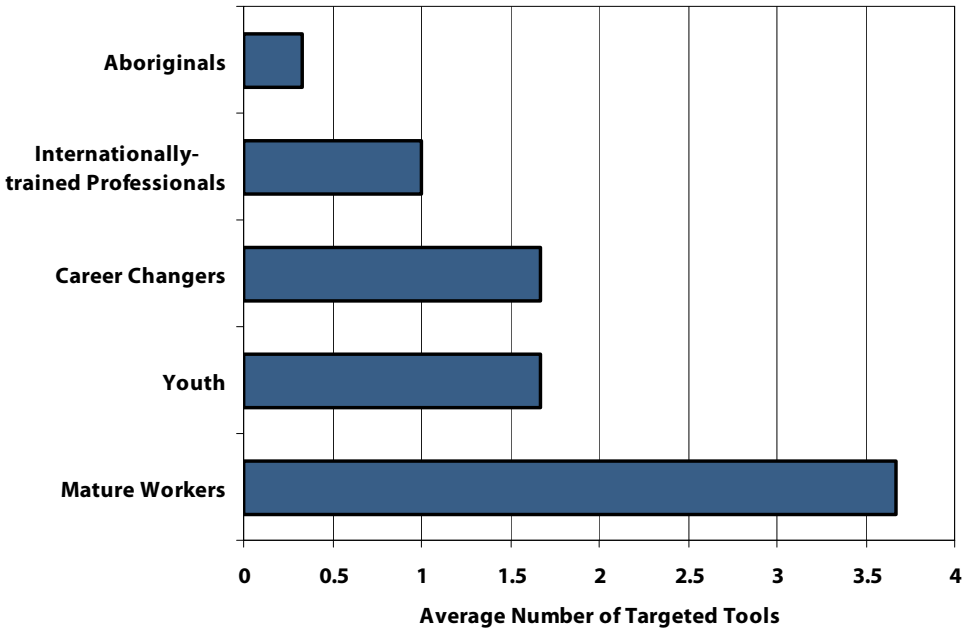


Table III-19 shows the top five retention tools targeted at each cohort and the range of use (percent) by respondents for each set of tools. It can be observed that:

- Mature workers were the object of programs regarding workplace/job arrangements and financial incentives.
- Training and career development was a key emphasis for youth.
- On balance, training and career development initiatives were aimed at career changers. In addition, there was some attention to financial (pension) and work-life balance issues.
- A mixture of workplace/job arrangement and career development programs were aimed at internationally-trained professionals.
- Aboriginals were primarily targeted with career development initiatives.

Table III-19: "Top Five" Targeted Retention Tools by Labour Market Cohort (percent using tool)

Mature Workers (33-67%)
Phased retirement
Pension arrangements
Stock ownership
Retention bonus
Work/life balance programs
Part-time work
Youth (50-71%)
Job rotation
Individualized career development
Work/life balance programs
Mentoring
Technical expertise development & networking
Career Changers (40-46%)
Individualized career development
Pension arrangements
Mentoring
Work/life balance programs
Technical expertise development & networking
Internationally-trained Professionals (29-100%)
Day care support
Job rotation
Work/life balance programs
Individualized career development
Mentoring
Aboriginals (13-29%)
Job rotation
Work/life balance programs
Mentoring
Individualized career development
Stock ownership

Purpose of Targeted Retention

Seventy (70) percent of respondents indicated that retention targeting was initiated in 2008 or before. Table III-20 shows that the most frequently mentioned purpose of targeting was to *retain specific skills in the company* (39 percent of respondents). This was ranked last as a purpose of targeted recruitment (see Table III-9). The next most important reason, identified by one in three (35 percent) respondents, was to *meet overall staffing needs*, the highest purpose identified for targeted recruitment (Table III-9). One in three respondents also viewed retention targeting as a way to *manage succession planning* (35 percent) and *facilitate the mentoring of younger workers* (32 percent). Targeting for retention was much less likely to be seen as a means of *creating greater diversity in the workplace overall* than was the case with targeted recruitment (13 versus 32 percent).

Table III-20: Purpose of Targeted Retention (percent)

Purpose	%
Retain specific skills in the company	39
Meet overall staffing needs	35
Manage succession planning	35
Facilitate mentoring of younger workers	32
Meet the needs of specific occupations	26
Replace retiring employees	23
Create greater diversity in the workplace overall	13

Comparing the 2009 and 2011 surveys, *retaining specific skills in the company* was the main reason for retention targeting for both groups of respondents. *Replacing retiring employees* and *creating greater diversity in the workplace overall* were the lowest rated reasons in both 2009 and 2011.

Targeted Recruitment: Communication Management

Three-fifths (60 percent) of respondents developed communication strategies for their targeted programs (compared to 94 percent in 2009). Table III-21 suggests that in 2011 traditional tools were utilized by at least one-third of the respondents. *Management communication* was used by all respondents. *LinkedIn* (67 percent) was the only tool to break above a low level of social media use. Among different types of companies, mutual insurers and reinsurers were less likely to have strategies in place.

Table III-21: Targeted Retention Communication Tools (percent using tool)

Communication Tool	%
Management communication	100
LinkedIn	67
Brochures and other print materials	56
One-on-one conversations with leaders	33
Facebook	22
Company's Intranet web site	11
Twitter	0

In the 2009 survey, respondents only had four response options regarding the use of communication tools: one-on-one conversations with leaders; print materials; management communication; and the organization's Internet/Intranet web site. Traditional tools were favoured in 2009. *One-on-one conversations with leaders* was the tool utilized the most; the *organization's Internet/Intranet web site* was the tool that was used the least.

Effectiveness of Targeted Retention

Almost one-half (47 percent) of the respondents stated that over the past two years they did not know how many staff were retained as a result of deploying the targeted tools. An equal share of respondents indicated that, for their companies, the number of employees retained by the deployment of the tools ranged from none to 49.

When asked "to what extent have targeted retention tools facilitated the attainment of your organization's need to retain employees," about three-quarters (73 percent) of respondents in 2011 thought that,

compared to other tools, targeted tools facilitated attainment of retention needs *to some extent* (13 percent *to a great extent*). This assessment was much lower than that for targeted recruitment tools. However, it was aligned with the result from 2009 (69 percent *to some extent*).

With respect to the retention of specific occupations, targeted tools were perceived as *somewhat* effective overall (Table III-22), a drop from the perceived level of *very* effective in 2009. In both 2009 and 2011, the effectiveness scores for targeted retention tools were high with regard to the occupations of actuarial, broker/agent, and senior/executive management. The lowest effectiveness score in 2011 was for the retention of marketing/field representatives.

Table III-22: Relative Effectiveness of Targeted Retention Tools (score)

Occupation	Effectiveness Score
Broker/agent	67
Actuarial	67
Senior/executive management (all disciplines)	65
Front line management (all disciplines)	63
Claims adjuster/examiner	63
Accident benefit adjuster	63
Middle management (all disciplines)	62
Casualty adjuster	61
Sales support	60
Customer service representative	58
Risk management	56
Information technology	55
Commercial underwriter	55
Underwriting support	50
Underwriter	50
Commercial CSR/producer	50
Claims support	50
Marketing/field representative	43
Average	**58**
Scores: very effective=100/somewhat effective=50/not at all effective =0	

2009 and 2011 Survey Results

Comparing the results of the 2009 survey with those of the 2011 survey leads to the following observations:

- Overall, a lower share of respondents used retention tools (34 percent in 2011 versus 46 percent in 2009).
- *Financial assistance for insurance development & designation* remained the retention tool used by most of the respondents.
- The relative importance of *flexible work arrangements* and *mentoring* increased.
- Targeted retention activity increased for all work force cohorts. Mature workers were the most targeted cohort in 2011; youth, in 2009.

- *Retaining specific skills* and *managing succession planning* remained among the top reasons for targeting.
- A lower share of respondents (60 percent) had a communication strategy in place for targeted initiatives in 2011 (94 percent in 2009).
- The use of *management communication* as a communication tool increased dramatically (100 percent in 2011 versus 53 percent in 2009). *Print materials* retained high use as a communication tool.
- Participation at *career fairs* was a highly used communication tool in both 2009 and 2011.
- The perceived capacity of targeted tools to facilitate retention *to a great extent* declined dramatically (13 percent in 2011 versus 31 percent in 2009).
- The effectiveness of targeting as a means of retaining middle and front-line managers improved between 2009 and 2011.

KEY POINTS

Target Population and Sample Profile

- The broad purpose of the survey was to obtain the views of senior human resource managers working in 73 companies that are subscribers of the Institute on the issues of recruitment, retention, and the use of selected work force planning tools. The 2011 survey was built on the foundation established by surveys conducted in 2007 and 2009.
- Thirty-two (32) companies completed the questionnaire for a response rate of 44 percent. The overall margin of error is plus or minus 13 percent (at the 95 percent confidence level).
- One-third of the companies in the sample has 1,000 or more employees; one-fifth, fewer than 100 employees. In terms of company type, only one of the three Crown Corporations responded. One-third of the respondents are broker represented insurers; one-fifth, direct response insurers.

Recruitment in General

- In 2007, 75 percent of respondents gave recruitment the highest level of importance (*to a great extent*) relative to other human resource management issues. In 2011, its importance had increased with 87 percent of respondents stating that it was important *to a great extent*.
- A substantial majority of 2011 respondents perceived that their ability to recruit was impacted *to some extent* by changing economic conditions (67 percent) and industry consolidation (77 percent). An additional 20 percent thought that changing economic conditions affected recruitment *to a great extent* and 7 percent perceived the effect of industry consolidation similarly. One-third (33 percent) of the respondents in companies with 1,000-plus employees were impacted *to a great extent* by changing economic conditions.
- In the two years prior to 2011, about one-third (32 percent) of respondents recruited fewer than 50 employees and just less than one-half (46 percent) recruited 150 or more employees. This higher level of activity was more common for large companies (i.e., 1,000-plus employees) operating in different provinces and communities.
- Two-thirds (67 percent) of the recruitment had taken place on an open/external basis. Almost all of the recruitment was directed at hiring employees on either a full-time (84 percent) or temporary full-time (12 percent) basis. Three-quarters of positions required less than five years experience. Only 20 percent of the vacant positions required a candidate with 5 to 10 years of experience.
- On average, the different professional occupations in the industry were perceived as *somewhat difficult* to recruit. The occupations that were the most difficult to recruit were actuarial, accident benefit adjuster, and claims adjuster/examiner. The least difficult were marketing/field representative, customer service representative, underwriting support, sales support, and claims support. There is some variation in the degree of recruitment difficulty across different company types. Recruitment generally was most difficult in Alberta and British Columbia and in small towns and rural areas (under 10,000 in population).
- The top five factors that made recruitment more difficult were: the quality of the candidate pool (external and internal); uncompetitive compensation levels; limited public understanding of insurance industry careers; and the failure to accommodate work-life balance issues.

- The top five factors that made recruitment less difficult were: referrals by employees; competitive compensation levels; employer of choice; accommodation of work-life balance issues; and adequate supply of external candidates.
- Forty-one (41) percent of respondents expected to hire fewer than 50 employees over the next two years and an equal share expected to hire 100 or more employees. On average, 69 percent of hiring was targeted at filling vacancies in existing positions. Eighty-one (81) percent of intended hires were on a permanent, full-time basis (14 percent on a temporary full-time basis).
- The overall need to recruit for the industry's various professional occupations was perceived as *somewhat urgent*. The occupations where recruitment was of the highest urgency were casualty adjuster, accident benefit adjuster, broker/agent, actuarial, and claims adjuster/examiner. The least urgent were underwriting support, sales support, and claims support.

Targeted Recruitment

- On average, 40 percent of respondents utilized a number of different recruitment tools. The majority of tools with above average use involved financial assistance or enhancement. Other tools with above average use focused on workplace/job arrangements. The tool used by the highest share of respondents (82 percent) was *financial assistance for insurance development & designation*. Use of *flexible work arrangements* and *work/life balance programs* increased markedly.
- Targeting as a share of overall recruitment activity was low. The targeting "hierarchy" was (in descending order of importance): youth; mature workers; career changers; internationally-trained professionals; and Aboriginals.
- Training and financial support were targeted towards youth. Mature workers were the object of programs regarding workplace/job arrangements and financial incentives. Workplace/job arrangement and financial support initiatives represented the primary emphasis in the targeting of career changers. Workplace/job arrangement programs were aimed at internationally-trained professionals. Aboriginals were primarily targeted with training and workplace/job arrangement initiatives.
- Seventy (70) percent of respondents indicated that targeting was initiated in 2008 or before. The prime purpose of targeting was to meet overall staffing needs (50 percent of respondents). The next most important reason was to *bring new skills into the* organization. Targeting was much less likely to be seen as a means of recruiting specific occupations (11 percent).
- In 2011, two-thirds (65 percent) of respondents developed communication strategies for their targeted programs (compared to 88 percent in 2009). Traditional tools (e.g., newspaper advertisements) were utilized the most. At least one-half (54 percent) of the respondents used Facebook and LinkedIn.
- Twenty (20) percent of respondents stated that over the past two years fewer than 10 staff was hired as a result of deploying the tools. Sixty (60) percent indicated that 10 to 49 staff was hired. Just over one-quarter (27 percent) of respondents thought that, compared to other tools, targeted tools facilitated attainment of recruitment needs *to a great extent* (60 percent *to some extent*).
- Overall, targeted tools were perceived as *somewhat* effective. With respect to the recruitment of specific occupations, targeted tools were viewed as more effective than other tools for recruiting: actuarial, broker/agent, and middle and senior management positions. They were deemed less effective for: front line management, claims support, underwriting support, and risk management.

Retention in General

- In 2007, 59 percent of respondents gave retention the highest level of importance (*to a great extent*). In 2011, its importance had increased noticeably with 77 percent of respondents stating that compared to other issues retention was important *to a great extent*. However, the importance of retention relative to recruitment was somewhat lower (i.e., 77 versus 87 percent).
- A bare majority of respondents perceived that their ability to retain employees was impacted *to some extent* by changing economic conditions (54 percent) and industry consolidation (50 percent). Thirty-one (31) percent thought that changing economic conditions affected recruitment *to a great extent* but only 12 percent perceived the effect of industry consolidation similarly.
- One-half (50 percent) of the respondents had lost 1 to 49 employees through voluntary exit; two-thirds (64 percent), through involuntary exit; three-quarters (77 percent), through retirement. The largest companies (1,000-plus employees) were more likely to lose 50 or more employees through either voluntary (66 percent) or involuntary (44 percent) exit.
- On average, three-quarters (73 percent) of exited employees who remained employed stayed within the industry. One-third (35 percent) obtained new employment with a broker represented insurer; one-fifth (21 percent) with an independent broker; one-fifth (20 percent) with an independent adjuster.
- In general, professional occupations were perceived as *somewhat difficult* to recruit but *not at all difficult* to retain. With the exception of the broker/agent occupation, the top six most difficult occupations to retain were the same as the top six most difficult to recruit. In addition, managers at all levels appeared to be more difficult to recruit than to retain.
- Overall, retention is most difficult in Alberta and British Columbia and in metropolitan areas (compared to small towns and rural areas for recruitment).
- The top five factors that made retention more difficult were: limited career prospects within the organization; a high degree of worker mobility within the industry; uncompetitive compensation levels; failure to accommodate work-life balance issues; and poor fit with corporate culture.
- The top five factors that made retention less difficult were: accommodation of work-life balance issues; fit with corporate culture; competitive compensation levels; employer of choice; and high career prospects within the company.
- On average, professional occupations were perceived as *somewhat urgent* in terms of retention. With the exception of the occupation of marketing/field representative, the seven most urgent retention priorities were the same as the seven most urgent recruitment priorities. The least urgent occupations to retain were underwriting support, sales support, and claims support, three positions that were perceived as having low levels of retention difficulty and low levels of recruitment difficulty.

Targeted Retention

- On average, around one-third (34 percent) of respondents utilized a number of different retention tools. This was a lower share than in 2009 when just less than one-half of respondents (46 percent) stated that they had used the tools.
- The majority of tools with above average use involved financial assistance or enhancement; workplace/job arrangements; or training. The tool utilized the most in both 2009 and 2011 was *financial assistance for insurance industry designation & development* (68 percent).

- Although targeting as a share of overall retention activity was somewhat higher in 2011 than in 2009, retention targeting activity remained at a low level. The targeting "hierarchy" for retention was similar to that for recruitment except that mature workers and youth changed spots at the top.
- Mature workers were the object of targeted programs regarding workplace/job arrangements and financial incentives. Training and career development was a key emphasis for youth. On balance, training and career development initiatives were aimed at career changers. In addition, there was some attention to financial (pension) and work-life balance issues. A mixture of workplace/job arrangement and career development programs were aimed at internationally-trained professionals. Aboriginals were primarily targeted with career development initiatives.
- Seventy (70) percent of respondents indicated that retention targeting was initiated in 2008 or before. The most frequently mentioned purpose of targeting was to *retain specific skills in the company* (39 percent of respondents). This was ranked last as a purpose of targeted recruitment. Targeting for retention was much less likely to be seen as a means of *creating greater diversity in the workplace overall* than was the case with targeted recruitment (13 versus 32 percent). Comparing the 2009 and 2011 surveys, *retaining specific skills in the company* was the main reason for retention targeting for both groups of respondents.
- Three-fifths (60 percent) of respondents developed communication strategies for their targeted programs (compared to 94 percent in 2009). In 2011, traditional tools were utilized by at least one-third of the respondents. *Management communication* was used by all respondents. *LinkedIn* (67 percent) was the only tool to break above a low level of social media use.
- Almost one-half (47 percent) of the 2011 respondents stated that over the past two years they did not know how many staff were retained as a result of deploying the targeted tools.
- About three-quarters (73 percent) of respondents in 2011 thought that, compared to other tools, targeted tools facilitated attainment of retention needs *to some extent* (13 percent *to a great extent*). Although this assessment was much lower than that for targeted recruitment tools, it was aligned with the result from 2009 (69 percent *to some extent*).
- In 2011, targeted tools were perceived as *somewhat effective* overall, a drop from the perceived level of *very effective* in 2009. In both 2009 and 2011, the effectiveness scores for targeted retention tools were high with regard to the occupations of actuarial, broker/agent, and senior/executive management. The lowest effectiveness score in 2011 was for the retention of marketing/field representatives.

Strategic Work Force Planning

- In 2007, one in two (49 percent) respondents indicated that they prepared periodically retirement forecasts; three in four (74 percent) stated that they had analyzed the demographic characteristics of their work forces. In 2011, two-thirds (67 percent) of respondents stated that their companies prepared retirement forecasts and four-fifths (82 percent) analyzed work force demographics. Four-fifths of respondents regarded both retirement forecasts (82 percent) and demographic analyses (86 percent) as *somewhat effective* in helping their companies manage recruitment issues.
- In 2007, almost nine in ten respondents (88 percent) stated that they conducted exit interviews with departing employees and seven in ten (70 percent) said that their companies had a formal succession planning process. In 2011, the use of exit interviews was about the same (84 percent) and the use of succession planning in 2011 was close to the 2007 benchmark (62 percent versus 70 percent). Three-quarters of the companies that conducted exit interviews perceived them as *somewhat effective* in the management of retention issues. Overall, succession planning was rated as more effective for managers, especially senior managers, than non-management employees.

Part IV – Survey of Industry Employees: Career and Job Perspectives

Survey Population

The survey was conducted online using SurveyMonkey during February and March 2012. The questionnaire[60] was largely based on the questionnaire deployed in the 2009 survey of industry employees. In general, it probed employees' views on education and training; career entry, progression, and exit; and job satisfaction (see also the description of survey objectives in Part I). The target population of the survey was employees currently working in the industry's various professional occupations such as underwriter or actuary.

Validity of Survey Results

Overview

As is the case with most surveys, all members of the target population (property and casualty insurance industry employees) did not complete the questionnaire. Therefore, how do we know that the views of those who responded (sample) are similar to those who did not (population)? To know the extent to which the survey results are a valid reflection of the views of all employees working in the selected professional occupations, we must know both the margin of error of the sample and the degree of sample bias.

Margin of Error

The *confidence interval* (also called the margin of error) is the plus-or-minus figure usually reported in newspaper or television opinion poll results. For example, if we have a confidence interval of ±2 and 64 percent of our sample picks an answer, we can be "sure" that, if we had asked all industry employees, between 62 percent (64-2) and 66 percent (64+2) would have picked that answer.

The *confidence level* tells us how sure we can be. It is expressed as a percentage and represents how often the true percentage of industry employees that would pick an answer lies within the confidence interval. The 95 percent confidence level means we can be 95 percent certain (or 19 times in 20).

When we put the confidence level and the confidence interval together, we can say that we are 95 percent sure that the true percentage of industry employees is between 62 and 66 percent.[61]

The first step in calculating the margin of error is to determine the size of the target population. This is not a straightforward matter in the case of the property and casualty insurance industry. The Insurance Bureau of Canada (IBC) estimates that in 2009 there were 110,135 employees working in all industry occupations. However, given that our focus is on the industry's professional occupations, the IBC estimate does not provide precision with regard to the size of the survey population. Therefore, we have adopted another approach.

All member companies of the Institute were asked to allow their employees to participate in the survey. Although for reasons of practicality the survey was directed to all employees of the participating companies, analysis of the results was restricted to the responses of employees working in the targeted occupations (see APPENDIX 1).

60 See www.insuranceinstitute.ca/research to reference a copy of the questionnaire.
61 Accessed at http://www.surveysystem.com/sscalc.htm#one.

Twenty-one (21) member companies accepted the Institute's invitation to participate in the employee survey. Potentially, the 2012 employee survey could be accessed online by the 16,147 employees working in all occupations in the 21 participating companies. The number of employees who did access the survey was 4,614. Eighty-seven (87) percent of these employees worked in the targeted professional occupations. Therefore, for purposes of calculating the margin of error, we assume that the size of the survey population is 87 percent of the total number of employees in the participating companies (16,147).

This assumption yields a sample of 4,020 respondents from a net population of 14,048 employees. The survey response rate is 29 percent, and the margin of error is ±1.31 percent at the 95 percent confidence level. If the IBC population estimate is used as the reference point, the margin of error (±1.52 percent) remains low.

Although the overall or national margin of error is low, response rates vary by occupation, geographic location, etc. and the margins of error for these sub-samples are higher.

Sample Bias

To determine sample bias one must answer two questions:

1. How does the profile of the sample compare to the profile of all industry employees in terms of variables such as age, sex, employment status, or occupation?

2. If there are noticeable differences between the profiles of the sample and all industry employees, are these differences reflected in the survey results?

The data in Tables IV-1, IV-2, and IV-3 allow us to answer the first question. These data compare the profile of the industry population (i.e., the census results identified in Part II) with the profiles of the samples of the 2012 and 2009 employee surveys, respectively. Comparing only the 2012 survey sample with the 2012 census, we observe that there is some sample bias with respect to the representation of female employees; employees working in the East and Ontario; employees working in the occupations of underwriter and sales & service; and employees working for reinsurers, independent brokers, and independent adjusters. On the other selected factors, the alignment between the 2012 survey sample and the population is good. For example, the median ages of male and female employees, respectively, are close. Finally, the fit between the two employee surveys is also a good one overall.

Therefore, we can be highly confident that the survey results reflect the views of all industry employees at the national level. The overall margin of error is very low and the demographic profile of the 2012 respondents, on balance, mirrors that of all industry employees in the selected occupations. In addition, there is a high degree of congruence between the employee survey samples in both 2009 and 2012.

Part IV – Survey of Industry Employees: Career and Job Perspectives

Table IV-1: Sample Profile, Selected Factors – 2012 Census, 2012 Employee Survey, and 2009 Employee Survey

Sample			
Factor	**2012 Census**	**2012 Survey**	**2009 Survey**
% Female	62	68	69
% East[62]	24	9	11
% Ontario	51	64	49
% West[63]	25	27	40
% Full-time	95	97	96
% Aboriginal	NA	2.8	3.2
% Born in Canada	NA	80	81
Median Age -Men	40.1	41.0	40.0
Median Age-Women	41.0	42.0	41.0
Margin of Error (%)	+/- 0.53	+/- 1.31	+/- 1.8
# of Companies	29	21	23
Sample Size (N)	26,085	4,020	2,894

Table IV-2: Sample Profile, Occupation – 2012 Census, 2012 Employee Survey, and 2009 Employee Survey

% Share of Respondents			
Occupation	**2012 Census**	**2012 Survey**	**2009 Survey**
Claims	32.9	34.4	21.5
Underwriting	13.7	20.8	21.0
Sales & service	22.9	12.7	16.7
Brokers	6.5	8.7	19.9
Management	14.1	14.9	14.7
Information technology	8.0	5.8	6.3
Actuarial	1.2	1.4	0.7
Risk management	0.7	1.3	NA

Table IV-3: Sample Profile, Company Type – 2012 Census, 2012 Employee Survey, and 2009 Employee Survey

% Share of Respondents			
Company Type	**2012 Census**	**2012 Survey**	**2009 Survey**
Crown Corporation	9.5	11.6	15.0
Broker Represented	18.1	17.0	26.5
Direct Response	56.1	60.2	40.7
Mutual	8.8	7.9	4.2
Reinsurer	0.8	NA	NA
Independent Broker	NA	1.2	13.3
Independent Adjuster	6.7	1.3	NA

62 Atlantic Canada provinces and Québec.
63 Manitoba, Saskatchewan, Alberta, and British Columbia.

Answering the second question, i.e., does sample bias skew the survey results, will be done as we roll out the analysis.

Sample Profile

Geography

Table IV-1 indicates that around two-thirds of respondents work in Ontario and one-quarter in the West. Almost all (95 percent) are in a Census Metropolitan Area (CMA), with 39 percent found in the Greater Toronto Area (GTA) in Ontario. About four in five (81 percent) of respondents born outside Canada work in Ontario.

Social Background

Aboriginal respondents account for 2.8 percent of the 2012 sample compared to 3.2 percent in 2009 (Table IV-1). In 2006, Aboriginals had a 3.75 percent of Canada's population.[64]

Twenty (20) percent of respondents were born outside Canada (19 percent in 2009). Approximately one-third were born in Asia/Middle East (37 percent) and one-third in Europe (32 percent). The share of respondents born outside Canada was lower for employees working for independent adjusters (12 percent), mutual insurers (12 percent), and Crown corporations (3 percent).

Median years in Canada for respondents who are immigrants are 23.0 (mean = 25.0). Median years in Canada for 55-plus respondents are 13.4.

Seventy-two (72) percent of respondents are married or living with a partner, and 18 percent are single (never married). Around two in five (42 percent) single respondents are under the age of 35.

Age

The median age of all respondents is 42 years. For men, the median age is 41 and for women, 42. Ontario respondents have lowest median age (41), followed by the West (42), and the East (45). Chart IV-1 shows that respondents working for a Crown corporation have the highest median age (44); mutual insurers, the lowest (40). In terms of occupation, actuaries have the lowest median age (41).

64 Calculated from data accessed at http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo60a-eng.htm.

Chart IV-1
Respondents by Median Age and Company Type, 2012

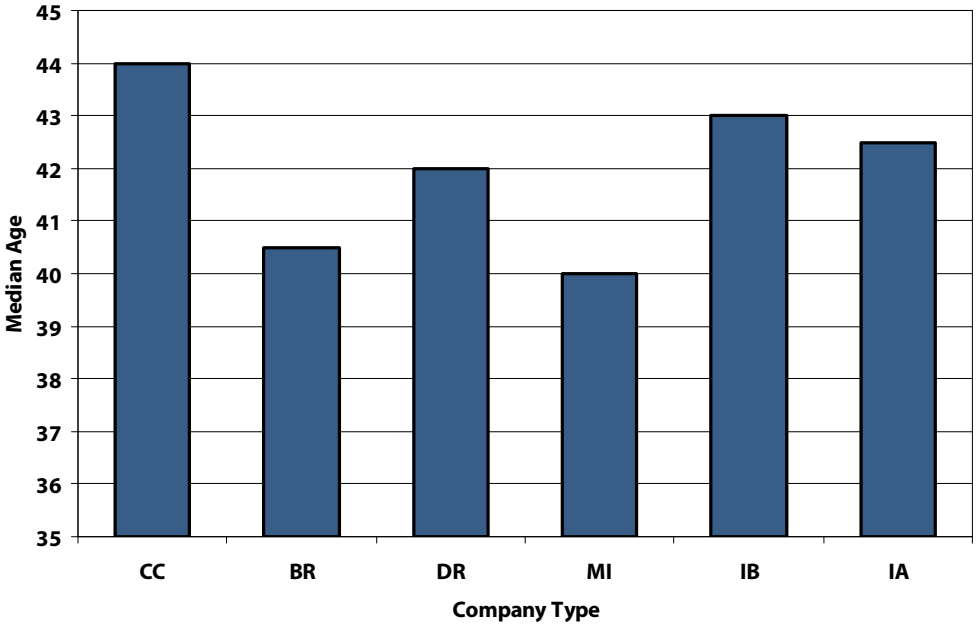


Chart IV-2 illustrates the distribution of respondents by age group and sex. About one-third (32 percent) of men are under the age of 35; one-half (52 percent) are between 35 and 54; and one-sixth (15 percent) are 55 or older. The comparable shares for women are 29, 58, and 13 percent.

The occupation that accounts for about one-third of respondents in each of the age groups is claims (Chart IV-3). One-fifth of respondents in the 35 to 54 and 55-plus age groups, respectively, are managers. Thirty (30) percent of respondents who are under-35 work in sales & service.

Chart IV-2
Respondents by Age Group and Sex, 2012 (percent)

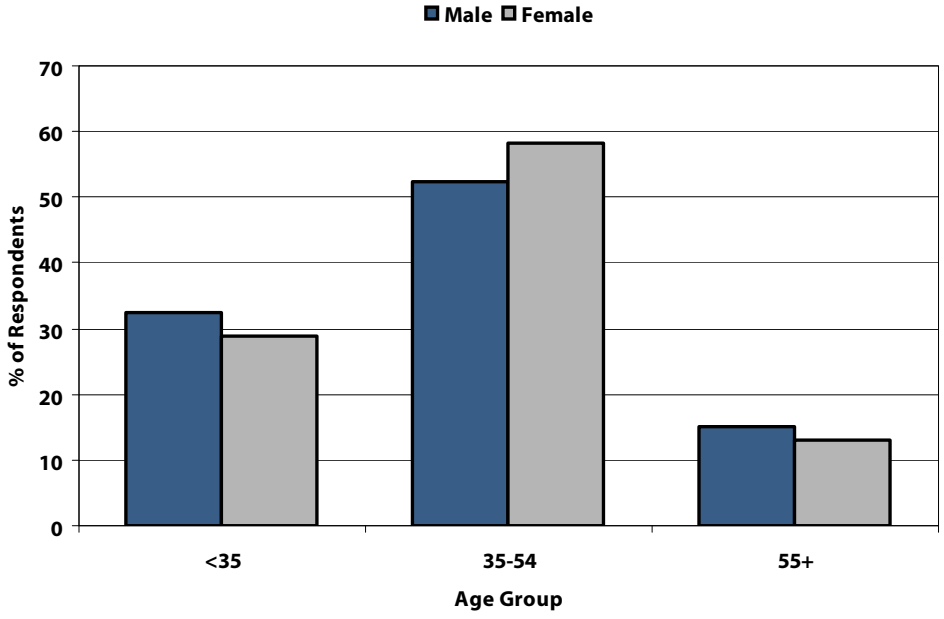
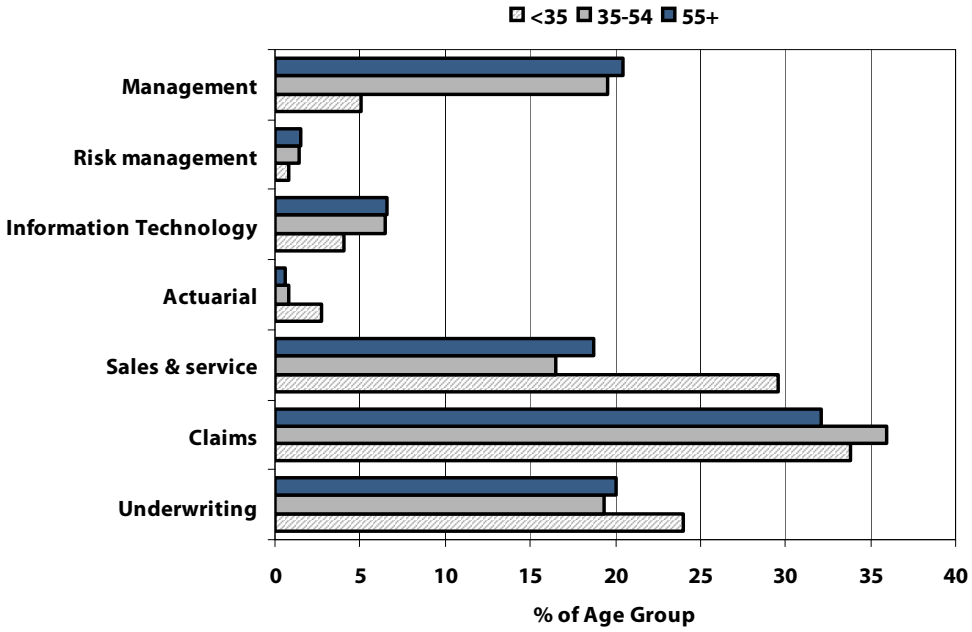


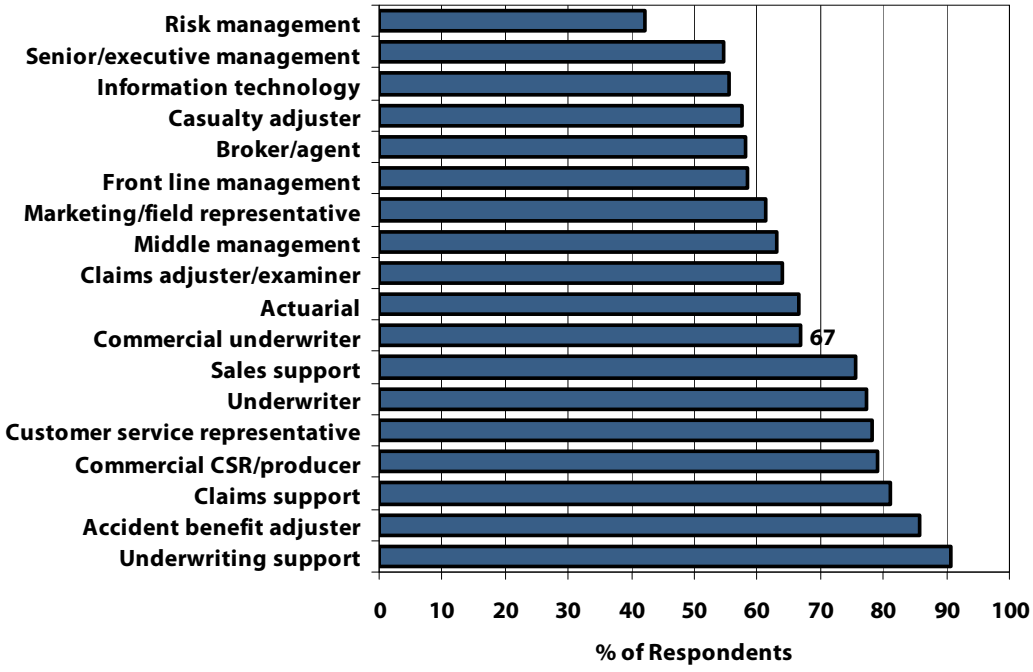
Chart IV-3
Respondents by Age Group and Occupation, 2012 (percent)



Sex

Two in three (68 percent) of the survey respondents are women. In terms of company type, the lowest share of female respondents is found among employees working for broker represented insurers (61 percent). Compared to their overall share in the sample, women are over-represented in occupations such as accident benefit adjuster and commercial CSR/producer and under-represented in management, information technology, and risk management (Chart IV-4).

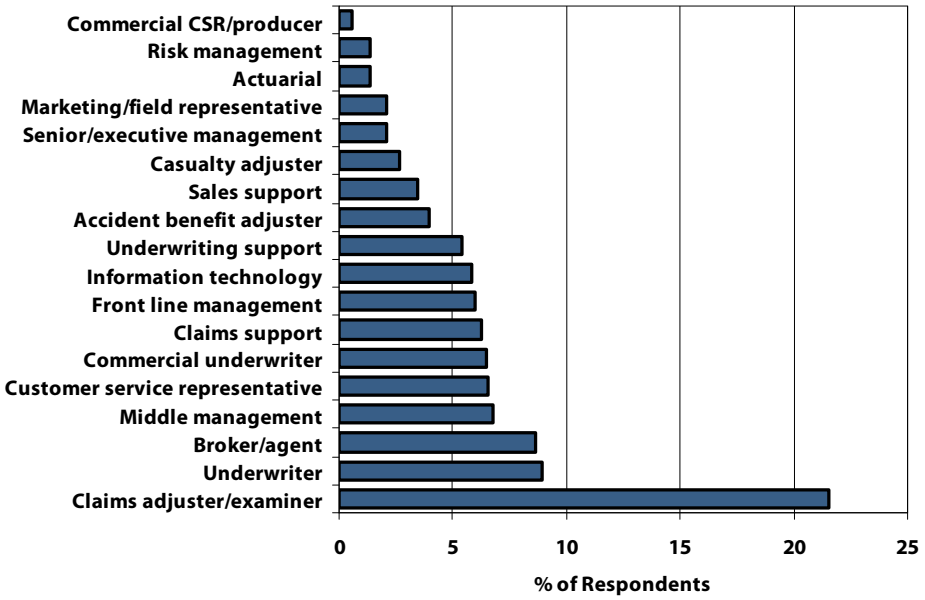
Chart IV-4
Female Respondents by Occupation, 2012 (percent)



Occupation

The distribution of respondents by occupation is depicted in Chart IV-5. The largest share (22 percent) is in claims adjuster/examiner where one in five respondents works. Thirty (30) percent West respondents work as a claims adjuster/examiner. Collectively, the occupations of broker/agent, commercial CSR/producer, customer service representative, marketing/field representative, and sales support account for one in five respondents (21 percent). Three in ten of the under-35 age group work in one of these occupations. One in five (21 percent) respondents works in underwriting, i.e., underwriter, commercial underwriter, and underwriting support. One in seven (15 percent) works in management; one in twenty (6 percent), in information technology.

Chart IV-5
Respondents by Occupation, 2012 (percent)



Three in five (60 percent) respondents are employed by direct response insurers. The data in Table IV-4 indicate that around two-thirds of respondents from both broker represented insurers (66 percent) and Crown corporations (68 percent) are in either underwriting or claims. One-half of respondents from direct response insurers (51 percent) and mutual insurers (56 percent) are in either underwriting or claims.

Table IV-4: Distribution of Respondents by Occupation and Company Type, 2012 (percent)

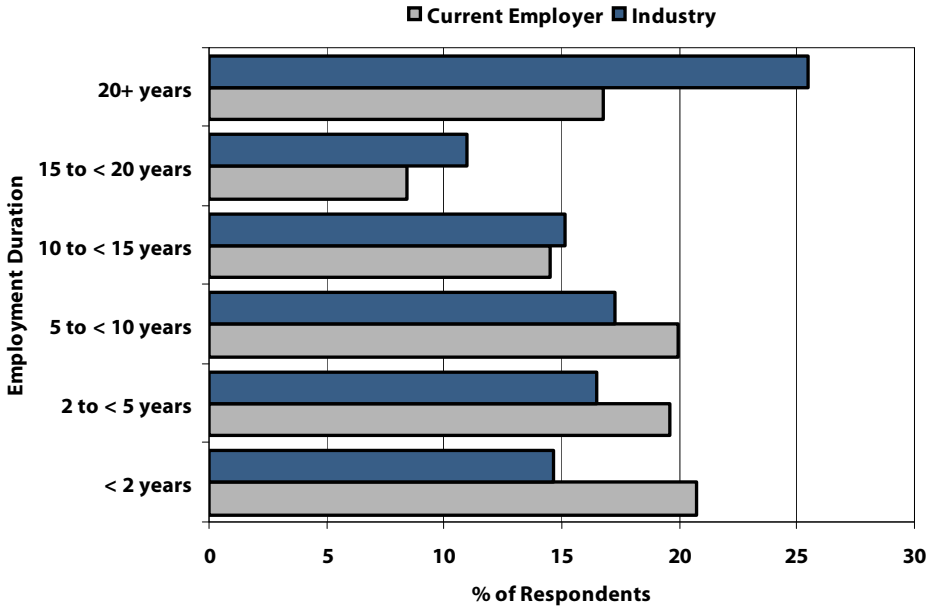
Company Type (% of company type total)							
Occupation	**CC**	**BR**	**DR**	**MI**	**IB**	**IA**	**All**
Underwriting	23.1	41.2	13.4	36.4	6.2	0.0	**20.8**
Claims	45.2	25.3	37.4	20.1	0.0	92.9	**34.8**
Sales & service	5.7	4.6	27.6	8.7	78.5	4.8	**20.4**
Actuarial	2.3	0.7	1.2	3.0	0.0	0.0	**1.4**
Information technology	7.3	9.4	3.8	12.1	3.1	2.4	**5.8**
Risk management	0.3	2.7	1.2	0.8	1.5	0.0	**1.3**
Front line management	7.8	4.1	7.0	6.4	1.5	0.0	**6.3**
Middle management	5.7	8.5	7.2	8.0	4.6	0.0	**7.2**
Senior/executive management	2.6	3.7	1.1	4.5	4.6	0.0	**2.0**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Employment Status, Experience, and Mobility

Ninety-three (93) percent of respondents have full-time, permanent employment status and four percent have a full-time, contract position.

Just over one-half (52 percent) of respondents have worked in the property and casualty insurance industry for 10 or more years compared to two-fifths (40 percent) who have worked 10-plus years for their current employer (Chart IV-6).

Chart IV-6
Respondents by Employment Duration, 2012 (percent)



Over one-third (36 percent) of all respondents have worked for two or more employers in the property and casualty insurance industry. Employer mobility is greater for certain occupations. Approximately one-half of senior/executive managers (56 percent), commercial underwriters (54 percent), commercial CSR/producers (48 percent), marketing/field representatives (46 percent), and actuaries (45 percent) have worked for two or more employers. Casualty adjusters have the highest share (67 percent).

Just under two-thirds (63 percent) of respondents have worked in another industry. The median duration of this employment experience is five years. Men are somewhat more likely than women to have worked outside the property and casualty insurance industry (69 versus 62 percent). A higher than average share (74 percent) of respondents in the broker/agent, commercial CSR/producer, and information technology occupations has experience in another industry.

Educational Attainment

Thirty-eight (38) percent of all respondents have a university degree (33 percent in 2009). This compares to a 27 percent share for persons employed full-time in Canada's labour force in 2011.[65] Forty-four (44) percent of respondents under the age of 35 have a university degree but only 19 percent of respondents who are 55 or older. Respondents born outside Canada are more likely than Canadian-born respondents to have a university degree (52 versus 34 percent). Men (48 percent) are more likely than women (33 percent) to have

65 Calculated from data accessed at http://www5.statcan.gc.ca/cansim/a47.

graduated from university. In both 2009 (34 percent) and 2012 (35 percent), just over one-third of respondents held a community college diploma or certificate.

What academic disciplines have industry employees studied? Thirty-one (31) percent have studied *business, management* and *public administration* (57 percent in 2009). Both female (29 percent) and 55-plus (26 percent) respondents are somewhat less likely to have undertaken studies in this academic area.

Fifteen (15) percent of all respondents attained their highest level of education outside Canada. Over one-third (37 percent) of respondents born outside Canada attained their highest level in another country.

Chartered Insurance Professional Designation

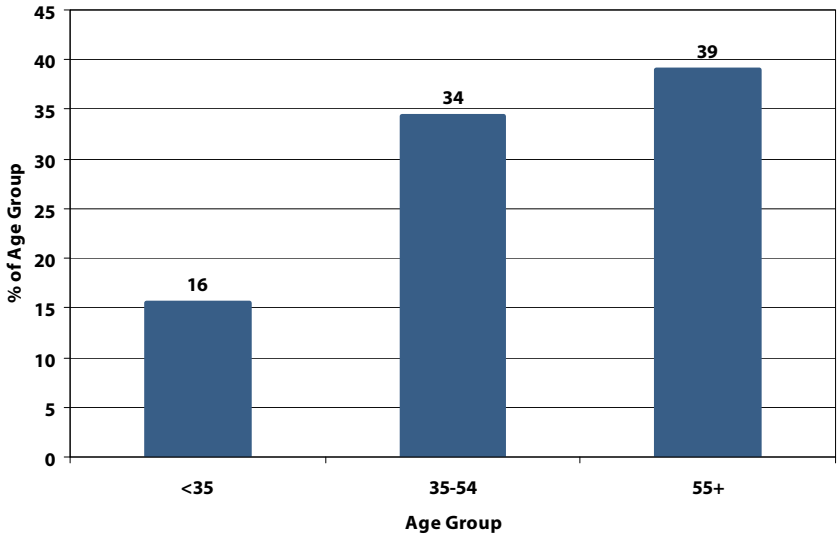
The Chartered Insurance Professional (CIP) designation represents the industry's standard of excellence and professionalism.[66] Financial support to obtain a CIP designation was identified in the human resource professionals' survey (see Part III) as the tool used most frequently deployed in recruitment (Table III-7) and retention (Table III-18) initiatives.

Just over one in four (26 percent) of the 2012 respondents have the CIP designation (22 percent in 2009). What is the profile of this group?

- Their median age is 46, and the regional distribution of respondents with the CIP designation is: East, 9 percent; Ontario, 63 percent; and West, 28 percent.
- They are more likely than all respondents to have a university degree (40 percent). Twenty (20) percent of respondents who obtained their highest education outside Canada have the CIP designation compared to 32 percent of those who obtained their highest education in Canada.
- Respondents working for mutual insurers (38 percent) have highest share of employees with the designation followed by broker represented and direct response insurers (both 30 percent).

The share of respondents with the CIP designation increases with age (Chart IV-7)

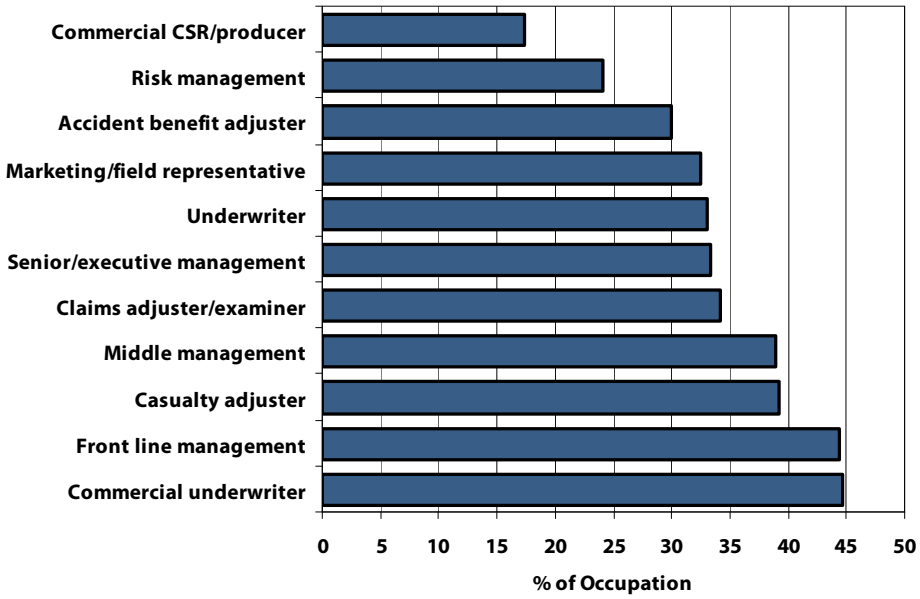
Chart IV-7
Respondents with CIP Designation by Age Group, 2012 (percent)



66 http://www.insuranceinstitute.ca/insuranceeducation/Default.aspx?DN=22&pg=CIP.

The share varies by occupation (Chart IV-8). Only the occupations of commercial CSR/producer (17 percent) and risk manager (24 percent) are below the overall share of 26 percent. The highest share is held by both front-line managers and commercial underwriters (44 percent).

Chart IV-8
Respondents with CIP Designation by Occupation, 2012 (percent)



Survey Results

Overview

Survey results are based on perceptions. Perceptions are what respondents think, see, hear, or feel. Perceptions can be based on belief, fact, or analysis. Whatever their basis, perceptions are part of reality and influence behaviour.

Surveys often tell you things you already know. Why do a survey? Now you can state these things with confidence, not on the basis of "small samples". Also, you can conduct more in-depth analysis, and you always learn something that you did not know. Finally, the people you consult appreciate the opportunity to have their say.

Education and Training

Content

Survey participants were asked whether they had taken education or training programs in a variety of areas during 2011. A similar question was posed in 2009. The comparative results are set out in Table IV-5. In 2009, 17 percent of respondents did not take any training/education programs during the past 12 months. In 2012, this share increased to 21 percent. About one-quarter (26 percent) of the 55-plus age group in 2012 did not take any programs. In both 2009 and 2012:

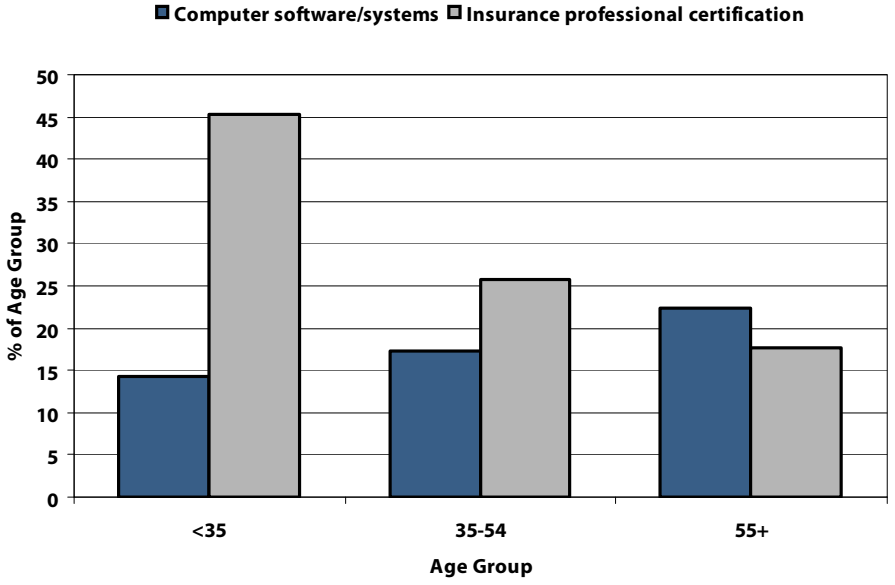
- Participation in programs is widely dispersed.
- The largest share of respondents took programs focused on industry certification and education.
- The next tier of programs focused on interpersonal and management skills as well as computer applications.

In 2012, the share of respondents taking computer software courses increases with age and the share taking courses for industry certification decreases with age (Chart IV-9).

Table IV-5: Education/Training Programs, 2009 and 2012

Program	% 2009	Program	% 2012
Insurance professional certification	30	Insurance professional certification	28
Insurance education (non-certification)	26	Insurance education (non-certification)	22
Team building	16	Customer service	17
Computer software or systems	14	Computer software or systems	16
Leadership	14	Team building	12
Management/supervisory skills	14	Leadership	12
Sales and marketing	13	Management/supervisory skills	11
Ethics	12	Ethics	9
Group decision-making/problem-solving	8	Group decision-making/problem-solving	8
Orientation for new employees	8	Sales and marketing	7
Oral communication	6	Occupational health and safety	7
Written communication	5	Orientation for new employees	6
Occupational health and safety	4	Oral communication	5
Numeracy/financial skills	2	Written communication	5
Computer hardware	2	Project management	3
English as a second language	0.2	French	2
		Numeracy/financial skills	2
		Computer hardware	2
		English as a second language	0.4

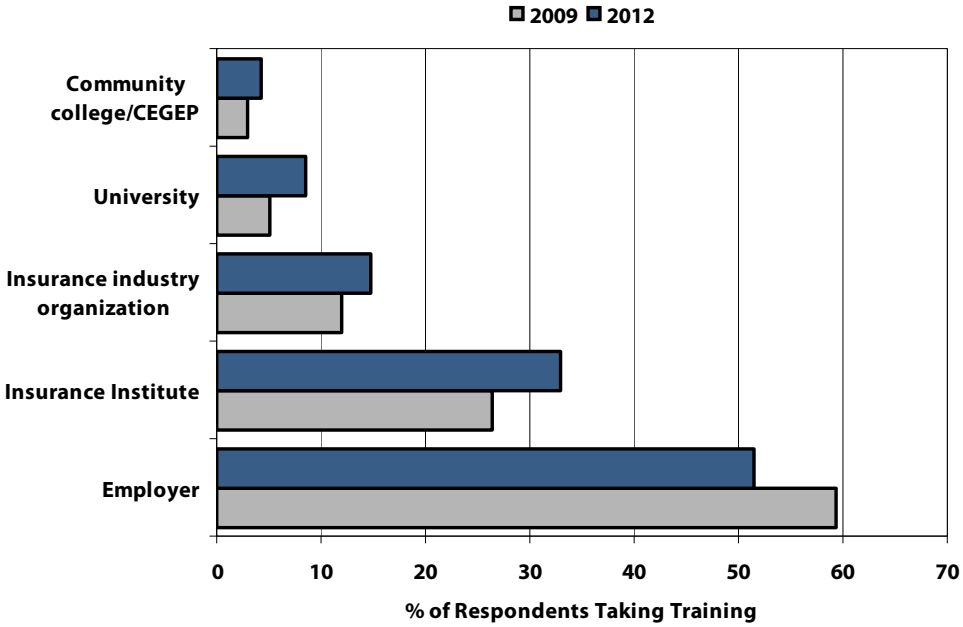
Chart IV-9
Training/Education Programs Taken by Age Group, 2012 (percent)



Delivery

Respondents who stated that they took at least one training/education program in 2011 were also given the opportunity to identify who delivered or sponsored the program. In both 2009 and 2012, the principal delivery or sponsorship organizations are a respondent's employer and the Insurance Institute. The Institute's share is higher in 2012 and the employer's share lower (but still accounts for one-half of the training/education). The post-secondary share higher in 2012 than in 2009 but it only accounts for one in seven of respondents who took training/education programs.

Chart IV-10
Training/Education Programs by Organization, 2009 and 2012 (percent)



The tendency to take programs either delivered or sponsored by an employer or the Institute holds across all age groups (Table IV-6). However, the Institute's share declines with age and that of the employer increases with age.

Table IV-6: Education/Training Program Delivery by Age Group, 2012 (percent)

	Age Group (%)		
Delivery Agent	**<35**	**35-54**	**55+**
Community college/CEGEP	5	4	5
Insurance industry organization	11	17	20
Insurance Institute	52	31	23
University	13	8	3
Your employer	50	58	68
Other	5	9	10

Career Path: Entry, Progression, Exit and Retirement

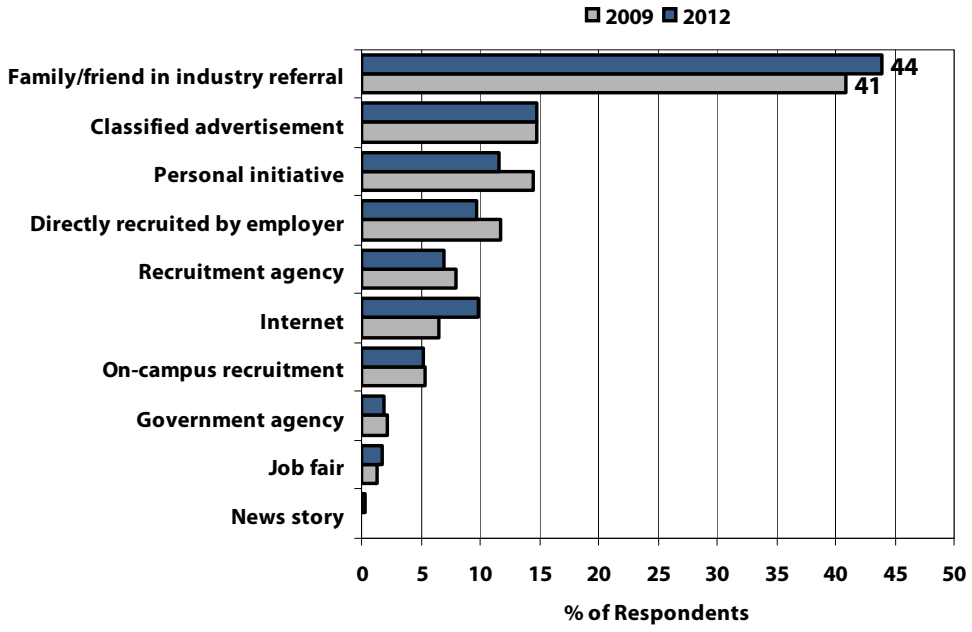
Entry

Survey participants were asked two questions relating to how they entered a career in the property and casualty insurance industry. The first question, asked in both 2009 and 2012, is: "When you were hired into your first job in the property and casualty insurance industry, how did you learn about the job opening?" The overall results are depicted for both time periods in Chart IV-11.

There is a similar pattern in 2009 and 2012. The most important source is a referral by a family member or friend (two in five respondents). Yet, the referral source is less likely for employees working in the actuarial (22 percent) and information technology (30 percent) occupations. Other traditional sources (e.g., classified advertisements) are more important than the Internet (includes Facebook and LinkedIn in 2012[67]). However, the impact of the Internet as an information source has increased modestly from 6.5 to 9.9 percent over the three years. Respondents working for mutual insurers (17 percent) are more likely than employees working for other types of companies to turn to the Internet.

An exception to the observation regarding the greater importance of traditional sources is the fact that on-campus recruitment and job fairs have a low take up in both 2009 and 2012. However, both on-campus recruitment (24 percent) and the Internet (14 percent) are more salient sources for the actuarial occupation. It is also interesting to note that on-campus recruitment and job fairs are relatively important tools in the industry's approach to targeted recruitment (see Table III-10).

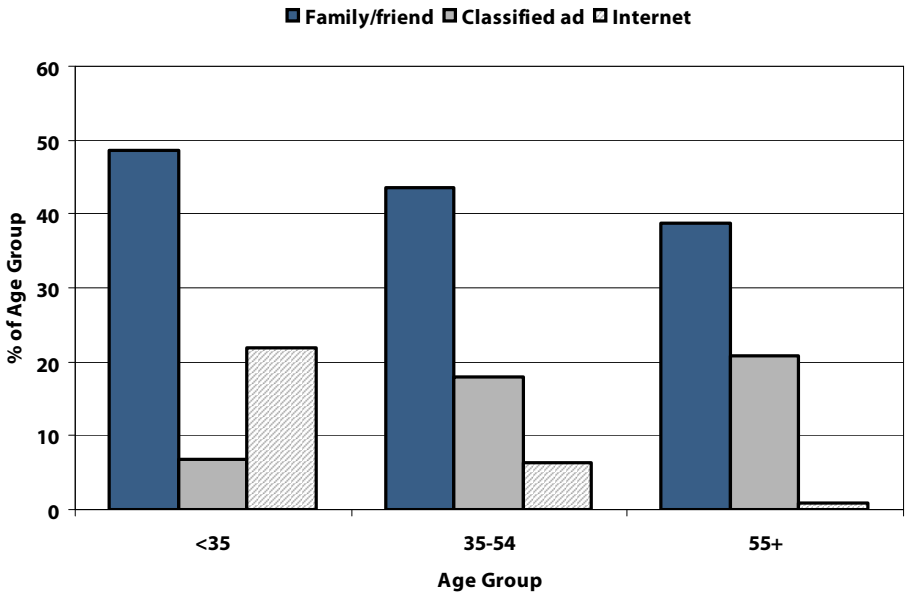
Chart IV-11
First Job Information by Source, 2009 and 2012 (percent)



In 2012, under-35 respondents are the most likely to be referred by a family member or friend as well as to use the Internet (Chart IV-12).

67 Only two respondents selected Facebook and one, LinkedIn.

Chart IV-12
First Job Information by Source and Age Group, 2012 (percent)



The second question with some relationship to career entry (as well as career progression or change) is: "How influential would you say each of the following has been on your career and employment choices?" Table IV-7 shows the results for 2009 and 2012 converted to scores that range from *not at all influential* (0) to *very influential* (100).

The patterns of influence in 2009 and 2012 are remarkably the same. No source approaches the *very influential* level. In addition, influence appears to be directly related to the degree of social distance, i.e., the higher the influence, the smaller the social distance. People who are closest at work and immediate family are the most important sources of influence.

Table IV-7: Influence on Career and Employment Choices, 2009 and 2012 (score)

Source of Influence	Score 2009	Source of Influence	Score 2012
Manager/supervisor at work	52	Manager/supervisor at work	55
Colleague/co-worker	50	Colleague/co-worker	51
Spouse	47	Spouse	49
Parent	43	Parent	45
Friend/acquaintance similar age	37	Friend/acquaintance similar age	37
Workplace leader	35	Older friend/acquaintance	32
Older friend/acquaintance	32	Workplace leader	31
Other close relative	28	Other close relative	27
Teacher/professor	21	Teacher/professor	22
Counselor/advisor	15	Counselor/adviser	16
Motivational speaker	14	Motivational speaker/writer	14
Community leader	10	Community leader	10
High profile public figure	9	High-profile public figure	9
Very influential = 100/Somewhat influential = 66			
Not too influential = 33/Not at all influential = 0			

Looking at the data in Table IV-8, it is evident that the influence of all sources declines with age (top three sources in bold) but workplace groups and one's spouse are at the top of the influence hierarchy across all age groups.

Table IV-8: Influence on Career and Employment Choices by Age Group, 2012 (score)

	Age Group (score)		
Source of Influence	**<35**	**35-54**	**55+**
Parent	**59**	41	31
Spouse	49	**50**	**44**
Other close relative	34	25	21
Teacher/professor	29	20	15
Counselor/adviser	19	15	13
Manager/supervisor at work	**58**	**55**	**50**
Colleague/co-worker	**55**	**51**	**46**
Workplace leader (e.g., CEO)	34	31	29
Older friend or acquaintance	35	32	27
Friend or acquaintance of similar age to you	41	37	32
Community leader	12	10	6
High-profile public figure	11	9	6
Motivational speaker or writer	16	14	12

Progression

For most employees, job promotion is a crucial element of career progression. The surveys in 2009 and 2012 provided respondents with an opportunity to express their views on job promotion and career progression. In both 2009 and 2012, 55 percent of respondents had been promoted by their current employer. When these respondents are asked to identify the most important factors in securing their most recent promotion, the results are the same in both time periods: experience, performance, and familiarity of the hiring manager with the respondent's work (Table IV-9). Career planning and education rate lower.

Table IV-9: Perceived Reasons for Most Recent Promotion, 2009 and 2012 (promoted respondents)

Factor	% 2009	Factor	% 2012
Previous experience	71	Previous experience at current employer	71
Past performance evaluations	69	Past performance evaluations	70
Hiring manager knew your work directly	55	Hiring manager knew your work directly	49
Training/education programs	34	Level of education	33
Career developmental plan	27	Career developmental plan	32
Succession planning process	21	Succession planning process	19
Acquisition of industry or other accreditation	17	Previous experience at another employer	17
		Acquisition of industry or other accreditation	16

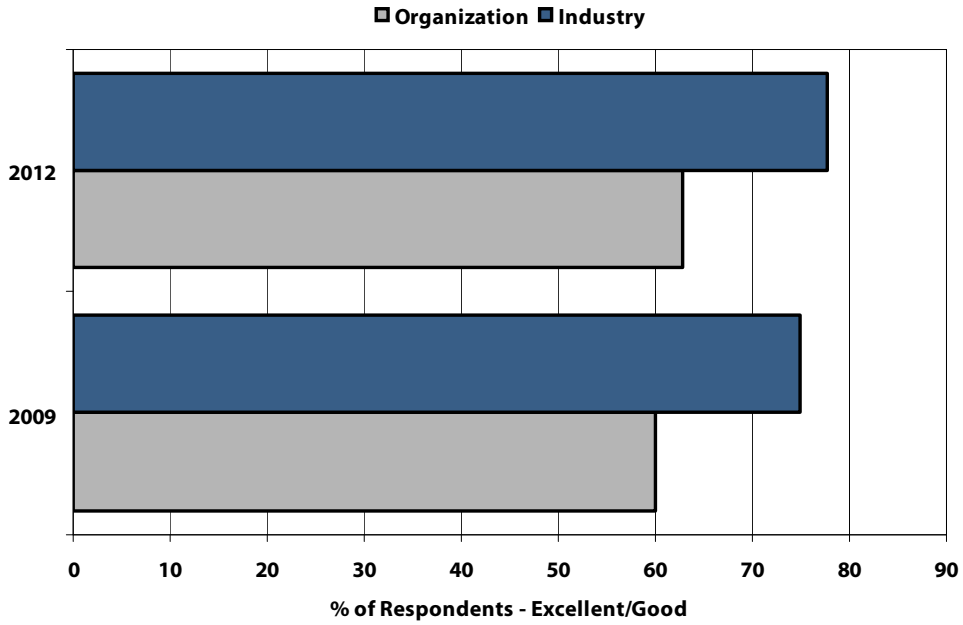
In 2012, the impact on promotion of a majority of the factors, especially *previous experience at current employer* and *hiring manager knew your work directly*, increases with age. Alternatively, the impact of career planning and education declines with age.

Do respondents think that they have the opportunity for career advancement either through promotion or another means? Part of the answer is illustrated in Chart IV-13. In 2009 and 2012, three in five respondents rate their opportunity for career advancement within their current organization as either *excellent* or *good* (given their education, training, and experience). Three in four respondents rate their opportunity for career advancement within the industry as either *excellent* or *good*.

For 2012 respondents, cross-tabulated analysis reveals several deviations from the overall trend displayed in Chart IV-13:

- Opportunity declines with age but more so for opportunity within a respondent's current organization.
- Perceived opportunity within a respondent's organization is lower (around 50 percent *excellent* or *good)* for certain occupations*:* commercial underwriter; casualty adjuster, information technology, and risk management.
- Perception of internal and external opportunity by respondents working for a Crown corporation is split between *excellent/good* and *fair/poor*.

Chart IV-13
Opportunity for Career Advancement, 2009 and 2012 (percent)



Given respondents' generally buoyant assessment of career opportunity, the results portrayed in Table IV-10 are not surprising. Respondents were asked: "To what extent have any of the following factors adversely affected your career progress over the last three years?" In general, the answer is *to a very little extent*. The top four factors focus on a competitive internal market for promotion. Conflict between work and one's personal world is also salient.

Table IV-10: Factors Adversely Affecting Recent Career Progress, 2009 and 2012 (score)

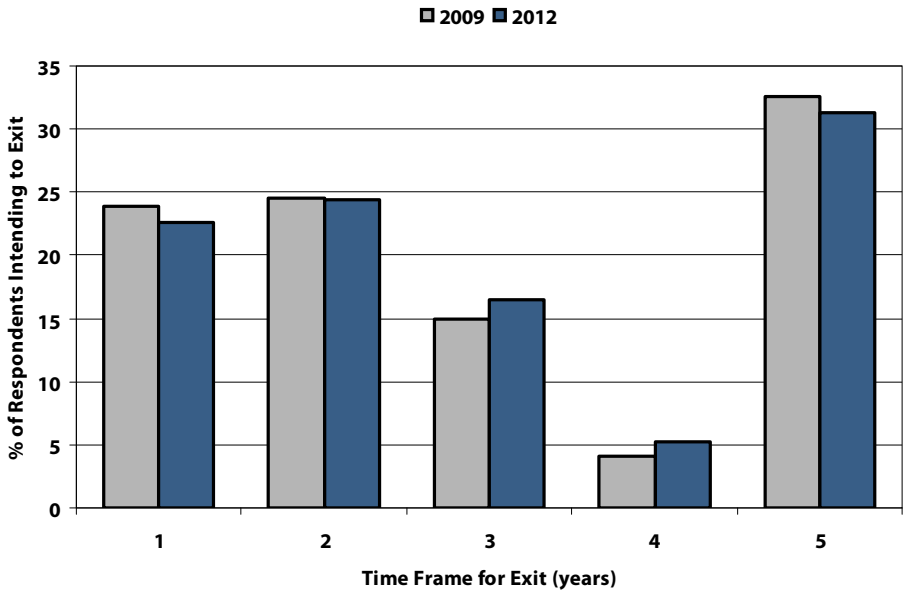
Factor	Score 2009	Factor	Score 2012
Insufficient number of positions above you	44	Insufficient number of positions above you	46
Conflict between work and family/personal obligations	38	Conflict between work and family/personal obligations	38
Insufficient access to developmental assignments	37	Insufficient access to developmental assignments	37
Too many qualified workers	33	Too many qualified workers	36
Your level of education and training	29	Your level of education and training	27
Poor information about or awareness of job opportunities	27	Insufficient access to learning opportunities	25
Insufficient access to learning opportunities	26	Lack of support from my manager	25
Discrimination	13	Poor information about or awareness of job opportunities	25
		Passed over unfairly in a competition	21
		Technological change	16
		Outsourcing of jobs	16
To a great extent = 100/To some extent =66/To a very little extent = 33/Not at all =0			

In 2012, respondents across all age groups cite *insufficient number of positions above [me]* as the factor having the greatest effect. In addition, the impact of the majority of the factors declines with age.

Exit

In both 2009 and 2012 (Chart IV-14), about one-third of respondents indicate that they intend to leave their current employer within the next five years. Of those stating an intention to leave one-half intend to exit within two years; one-fifth within three to four years; and one-third within five years.

Chart IV-14
Intent to Leave – Time Frame, 2009 and 2012 (percent)



Cross-tabulated analysis of the 2012 data produces the following profile of the "leavers":

- One-third of the under-35 age group plan to leave; one-quarter of the 35 to 54 age group; and three-fifths of the 55-plus ager group.
- Thirty-six (36) percent of men versus 30 percent of women intend to leave.
- Higher shares of commercial underwriters (43 percent), commercial CSR/producers (45 percent), and senior/executive managers (47 percent) intend to leave.
- A higher share (43 percent) of respondents from broker represented insurers intends to leave.
- Seventeen (17) percent of respondents who are *very satisfied* and 35 percent who are *somewhat satisfied* with their job overall intend to leave (see analysis of job satisfaction later in this part of the report).

Why are they leaving? The answer is to be found in the data displayed in Table IV-11. In both 2009 and 2012, the "top 5" reasons to leave are related to career path considerations:

- Higher salary
- Career advancement in the industry
- Retirement
- Career change/opportunities outside the industry
- Make better use of skills

"Personal" reasons (e.g., family obligations) are much less important.

Table IV-11: Reasons for Intended Exit, 2009 and 2012 (percent)

Reason for Exit	% 2009	Reason for Exit	% 2012
Offer of higher salary	56	Offer of higher salary	46
Career advancement within the industry	42	Career advancement within the industry	37
Employment opportunities outside the industry	36	Retirement	32
Retirement	36	To make better use of my training and skills	26
To make better use of my training and skills	31	Career change	22
Family obligations	17	Family obligations	10
Workplace difficulties with supervising manager	12	Workplace difficulties (e.g., conflict with colleagues)	8
Spouse's relocation	10	Return to school	6
Return to school	7	Inability to meet employer's expectations	4
Workplace difficulties with colleagues	7	End of contract or term of employment	4
Inability to meet employer's expectations	6	Spouse's relocation	4
Health reasons	5	Health reasons	4
End of contract or term of employment	3		

In 2012, 66 percent of the under-35 and 54 percent of the 35 to 54 age group respondents would leave their current employer for a higher salary. Fifty-six (56) percent of the under-35 respondents and 43 percent of the 35 to 54 respondents would leave to pursue career advancement within the industry. By way of contrast, 90 percent of the 55-plus age group would leave to retire.

Retirement

Exit through retirement is an issue that we examine in great detail in Part V of the report. Using the data from the industry census, we are able to profile the employees who have retired from the industry in the last five years and to use this profile to develop possible future retirement scenarios.

The data from the 2012 employee survey provides an opportunity not only to validate further the census data but also to understand better the emerging trend of "post-retirement employment", a key element in the recruitment and retention of "mature workers" (i.e., 55-plus).

One-third of the 2012 respondents intend to leave their current employer within five years. One-third (32 percent) of those intending to exit further indicate that they will retire. The median age of this potential group of retirees is 57, an age that is a few years higher than the overall median age of 59.6 years calculated from the industry census data (see Table V-1). Other aspects of the retiree group profile are:

- Two-thirds (67 percent) are women.
- One in four (26 percent) are between the ages of 50 to 54.
- Eighty-six (86) percent were born in Canada.
- One in four (24 percent) have the CIP designation.
- Almost one-half (48 percent) work in Ontario; one-fifth (21 percent), in Saskatchewan; and one-eighth (12 percent), in Alberta.
- One-fifth (20 percent) work in the claims adjuster/examiner occupation. Just over one-fifth (22 percent) are managers (all levels).
- Three in four (76 percent) have 20 or more years of experience in the industry and three in five (61 percent) have only worked for one employer.

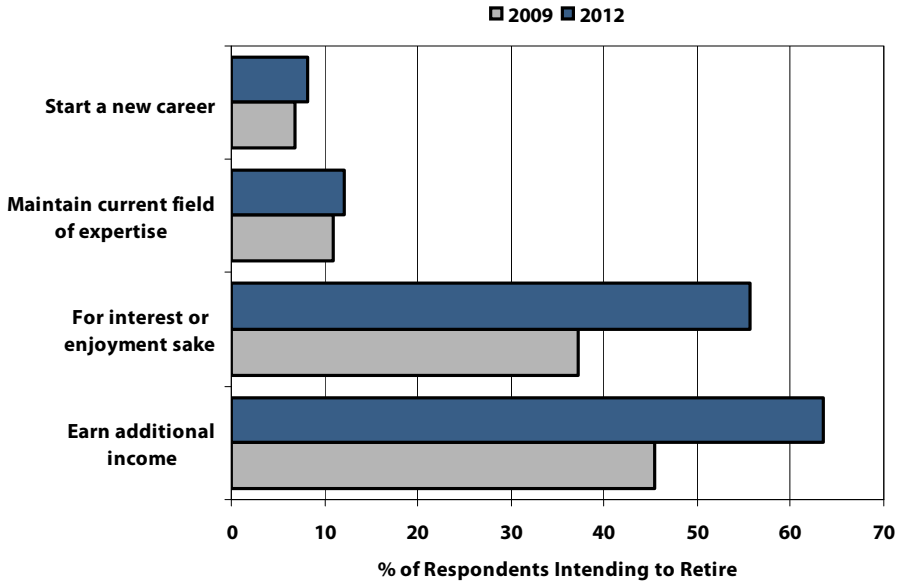
We asked this group of potential retirees if they intended to work after formal retirement and if so, under what conditions and why. These questions were posed in both 2009 and 2012.

In 2009, 73 percent of respondents intending to retire within five years said that they wanted to continue to work. Eighty-seven (87) percent preferred to work part-time and 90 percent stated that they were willing to continue working for their current employer.

In 2012, 65 percent of respondents intending to retire within five years say that they want to continue to work. Eighty-eight (88) percent prefer to work part-time and 85 percent are willing to continue working for current employer. Eighty-nine (89) percent of this group want part-time work either on a permanent (47 percent) or contract (42 percent) basis. One variation that emerges from cross-tabulated analysis is that only 43 percent of respondents from mutual insurers want to work post-retirement.

In both 2009 and 2012, respondents intending to work after retirement do so primarily to earn additional income and out of interest (Chart IV-15). In 2012, the intensity of the support for these reasons has increased markedly. Maintaining current expertise and starting a new career have modest but stable support as reasons for post-retirement employment.

Chart IV-15
Reasons for Working after Retirement, 2009 and 2012 (percent)

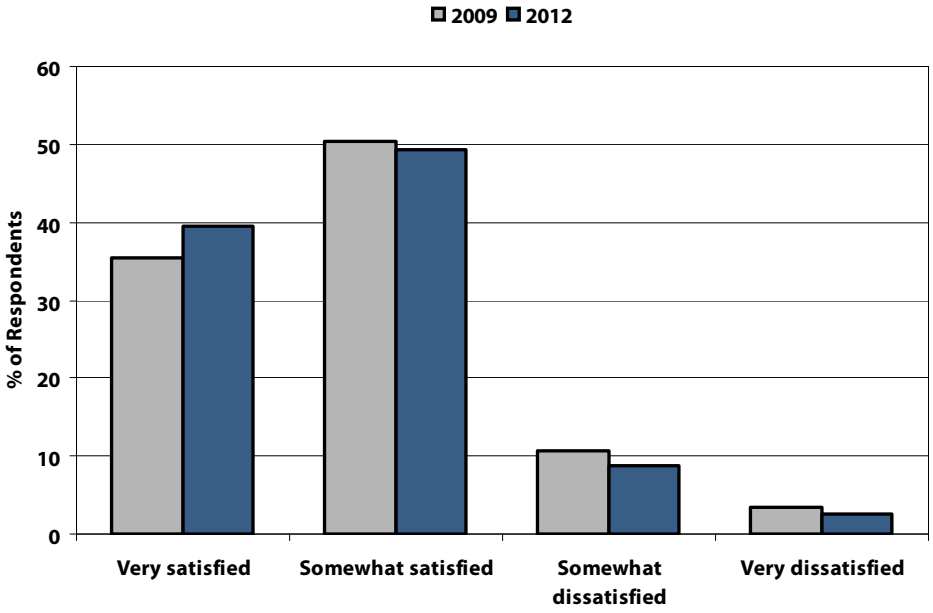


Job Satisfaction

General Level of Job Satisfaction

In both 2009 and 2012, respondents were asked: "Considering all aspects of your job, how satisfied are you with the job?" The response options were *very satisfied, somewhat satisfied, somewhat dissatisfied,* and *very dissatisfied.* Chart IV-16 depicts the results. The general level of job satisfaction is similar in 2009 and 2012 in that almost nine in ten respondents are either *very satisfied* or *somewhat satisfied*. Overall, 40 percent of respondents are *very satisfied*. There is variation by occupation. A majority of actuaries (51 percent), front-line managers (50 percent), middle managers (54 percent), and senior/executive managers (60 percent) are *very satisfied* with their jobs. At the other end of the spectrum, only one-quarter of both commercial underwriters and commercial CSR/producers are *very satisfied* with their jobs.

Chart IV-16
Satisfaction with Job, 2009 and 2012 (percent)



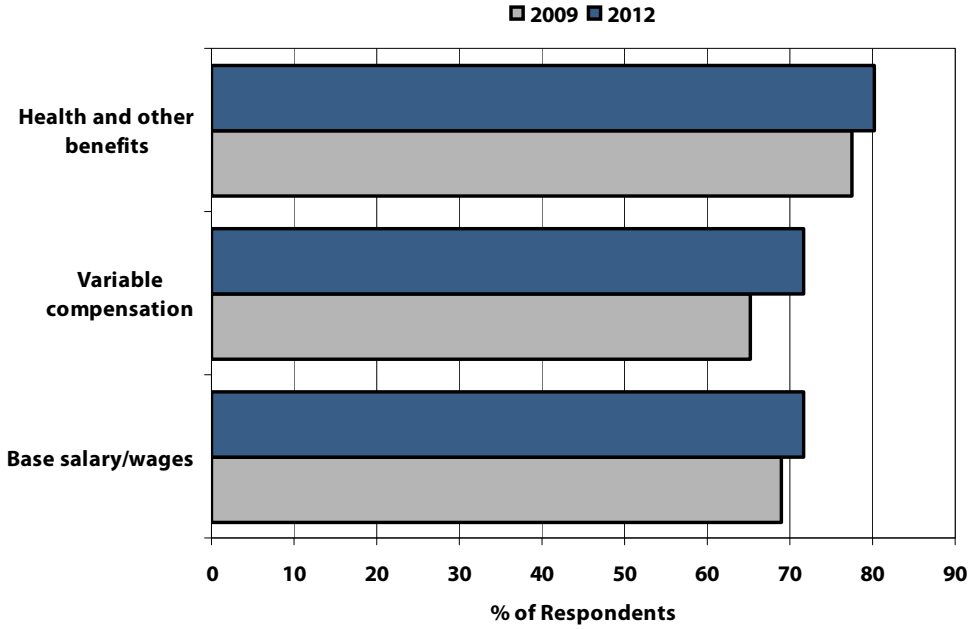
Compensation

Chart IV-17 shows that around one-half (47 percent) of all respondents have an annual salary under $50,000. Women (39 percent) are more likely than men (24 percent) to have a salary less than $50,000.

Chart IV-17
Annual Salary by Sex, 2012 (percent)

The high level of general job satisfaction is partially explained by the data portrayed in Chart IV-18. In both 2009 and 2012, a substantial majority of respondents are either *very satisfied* or *somewhat satisfied* with different elements of compensation. However, there is some variation by company type with respect to base salary/wages. About two-thirds of employees working for either broker represented insurers, independent adjusters, or Crown Corporations are "satisfied" with this element of compensation. This compares to three-quarters to four-fifths of employees working in other types of companies.

Chart IV-18
Satisfaction with Elements of Compensation, 2009 and 2012 (percent very/somewhat satisfied)



Ideal Job

Participants in both the 2009 and 2012 surveys were asked to identify the most important aspects of their job from a list of 20 items such as a *competitive salary* or *flexible work arrangements*. They were limited to selecting no more than five of the items.

The data in Table IV-12 indicate that the highest ranked aspects of the "ideal job" are essentially unchanged between 2009 and 2012. A majority of the "top 5" aspects in 2012 -- *competitive salary, benefits, flexible work, pension,* and *work/life balance* -- mostly reflect Maslow's physiological and safety needs.[68] This is also true in 2009. "Higher order" needs (e.g., job autonomy) have a low ranking. Having a "diverse workplace" has a low ranking. In 2012, a more diverse workplace is twice as important to those born outside Canada (15 percent) than to those born in Canada (7 percent).

68 See, for example, Abraham Maslow, *Motivation and Personality,*New York: Harper, 1954. Second Ed. New York: Harper, 1970. Third Ed. New York: Addison-Wesley, 1987.

Table IV-12: Aspects of Ideal Job, 2009 and 2012 (percent)

Job Aspect	% 2009	Job Aspect	% 2012
Competitive salary	85	Competitive salary	71
Good healthcare and other benefits	63	Good healthcare and other benefits	52
Flexible work arrangements	59	Flexible work arrangements	47
Full-time, permanent employment	55	Good pension benefits	47
Good pension benefits	53	Accommodation of work/life balance issues	46
Adequate paid time off (e.g. vacation)	52	Full-time, permanent employment	44
Challenging work	46	Adequate paid time off (e.g., vacation)	36
Collegial and respectful work environment	40	Opportunity for promotion	32
Opportunity for promotion	39	Challenging work	32
A short commute	36	Relationship with my manager	29
Access to training/education	27	Relationship with my co-workers	29
Corporate culture that support your values	25	A short commute	29
Job autonomy	19	Collegial and respectful work environment	23
Corporate social responsibility of the organization	15	Access to training/education	20
Opportunity for part-time work	9	Corporate culture that supports your values	16
Diverse workplace in ethnic and racial terms	9	Job autonomy	14
		Working for an employer of choice	10
		Corporate social responsibility of the organization	9
		Diverse workplace	8
		Opportunity for part-time work	6

Cross-tabulating the data on the ideal job by age demonstrates that the highest ranked aspects vary (Table IV-13). Although the importance of a *competitive* salary declines with age, it remains the highest ranked aspect for all age groups. Respondents are not only satisfied with their current compensation (Chart IV-18) but also think that fair compensation in the form of a salary or wages is the key aspect of an ideal job. *Good pension benefits*, not surprisingly, are more important to respondents who are 55 or older than other respondents. Compared to the 55-plus age group, the under-35 age group places more value on:

- Competitive salary
- Accommodation of work/life balance issues
- Adequate paid time off
- Full-time, permanent employment
- Opportunity for promotion
- Access to training/education

"Higher order needs" show little variation across age groups.

Table IV-13: Aspects of Ideal Job by Age Group, 2012 (percent)

	% of Age Group		
Job Aspect	**<35**	**35-54**	**55+**
Flexible work arrangements	47	**56**	**49**
Accommodation of work/life balance issues	**51**	**54**	**42**
A short commute	35	31	28
Good healthcare and other benefits	**57**	**56**	**61**
Good pension benefits	39	**55**	**65**
Competitive salary	**84**	**79**	**66**
Adequate paid time off (e.g., vacation)	46	39	34
Full-time, permanent employment	57	48	37
Opportunity for part-time work	3	6	13
Opportunity for promotion	**54**	32	12
Access to training/education	31	20	11
Challenging work	37	36	35
Job autonomy	14	17	16
Collegial and respectful work environment	24	26	26
Working for an employer of choice	12	10	10
Relationship with my manager	35	32	28
Relationship with my co-workers	36	32	28
Corporate culture that supports your values	17	18	19
Diverse workplace	9	9	7
Corporate social responsibility of the organization	11	11	10

Variation in what constitutes the ideal job is also evident when the data are viewed from an occupational perspective:

- *Flexible work arrangements* are ranked higher than average by respondents working in the underwriter, claims adjuster/examiner, casualty adjuster, and accident benefit adjuster occupations.
- *Accommodation of work/life balance issues* is ranked higher than average by respondents in the underwriter, claims adjuster/examiner, accident benefit adjuster occupations, marketing/field representative, and middle manager occupations.
- Having a *corporate culture that supports your values* is more important to managers (all levels) and risk managers than non-management occupations. Twenty-five (25) percent of middle managers and 36 percent of senior/executive managers cite this job aspect.

Employer's Policies and Programs

The issue of job satisfaction was also explored by asking respondents to register their degree of satisfaction with a long list of policies and programs that may exist in their current organizations. This question was asked in both 2009 and 2012 (although there were some changes in wording).

The results in Table IV-14 (converted to scores) depict a similar pattern in 2009 and 2012. Overall, the response is *somewhat satisfied*. Financial support for industry development and designation retains the highest rating. Indeed, there is a high degree of symmetry between "top 10" programs or policies in each time period. Respondents are *somewhat satisfied* with phased retirement policies but *somewhat dissatisfied*

with policies regarding retention bonuses and day care support. In 2012, there is no significant variation for any policy/program across the age groups.

Table IV-14: Satisfaction with Employer's Policies/Programs, 2009 and 2012 (score)

Policy/Program	Score 2009	Policy/Program	Score 2012
Financial assistance insurance development/ designation	79	Financial assistance insurance development/designation	81
Flexible work arrangements	73	Volunteer opportunities	75
Volunteer opportunities	69	Wellness programs	71
Financial assistance post-secondary education	67	Enhanced benefits	68
Enhanced benefits	67	Long-term financial incentives or pension	68
Language support	65	Financial assistance post-secondary education	67
Part-time work	63	Language support	67
Internships/co-op programs	62	Work/life balance programs	64
Work/life balance programs	62	Telecommuting	64
Long-term financial incentives/pension	62	Developmental project assignments	62
Scholarships	60	Part-time work	62
Differentiated compensation	59	Trainee program	61
Enhanced salary	59	Scholarships for family members	61
Telecommuting	59	Enhanced salary	61
Financial assistance non-insurance designations	59	Individualized career development	61
Developmental project assignments	59	Networking	61
Job rotation	59	Differentiated compensation	60
Trainee program	58	Mentoring	60
Technical expertise development & networking	58	Scholarships	60
Individualized career development	56	Financial assistance non-insurance designations	60
Hiring bonus	56	Technical expertise development	60
Mentoring	55	Job rotation	59
Phased retirement	55	Phased retirement	58
Sabbatical	53	Hiring bonus	58
Retention bonus	45	Sabbatical	56
Day care support	41	Retention bonus	50
		Day care support	35
Very satisfied = 100/Somewhat satisfied = 66 Somewhat dissatisfied = 33/Very dissatisfied = 0			

An interesting nuance in these data is that, on average, the listed policies and programs are applicable to only 30 percent of the respondents. Six out of the 27 policies or programs are identified as "not applicable" to a majority of the respondents. These policies include part-time work (61 percent), day care support (59 percent), and phased retirement (57 percent). In the case of phased retirement, 38 percent of 55-plus respondents indicated that it was "not applicable".

Current Job and Opportunity

Being satisfied with a job may mean that you view it as a bridge to opportunities for career advancement and skill development. Participants in both surveys provided a perspective on this matter through the following question: "How would you rate your current job in terms of the opportunity for …?" Participants were presented with a list of eight opportunities and asked to rate each one on a four-point scale ranging from *excellent* to *poor*. The results (converted to scores) are available in Table IV-15.

Once again, there is minimal variation in the evaluative pattern for each time period. The "top 5" opportunities are essentially the same and even the scores are close. The opportunity to *work with respected colleagues* garners the highest rating ("good"). Opportunities that are closer to the "fair" response are *salary increases* and *access latest technology*. In 2012, respondents working for broker represented insurers, independent adjusters, and Crown corporations rate the opportunity for *salary increases* lower than those working in other types of companies. However, there is little variation in the assessments by age group.

Table IV-15: Current Job and Opportunity, 2009 and 2012 (score)

Opportunity for	Score 2009	Opportunity for	Score 2012
Work with respected colleagues	70	Work with respected colleagues	72
Access training/education	64	Access training/education	64
Acquire new knowledge or expertise	61	Acquire new knowledge or expertise	62
Career advancement	55	Participate in or influence workplace decisions	56
Participate in or influence workplace decisions	54	Career advancement	56
Access developmental assignments	51	Receive recognition and rewards for performance	54
Lateral moves to broaden experience	50	Access developmental assignments	53
Access latest technology	49	Lateral moves to broaden experience	52
Receive recognition and rewards for performance	49	Access latest technology	49
Salary increases	42	Salary increases	42
Excellent = 100/Good = 66/Fair = 33/Poor = 0			

Job Competition Process

A final dimension of the issue of job satisfaction focuses on the perceptions that respondents hold regarding the process of competing for jobs in their organizations. This issue was analyzed in terms of the responses to the following question:

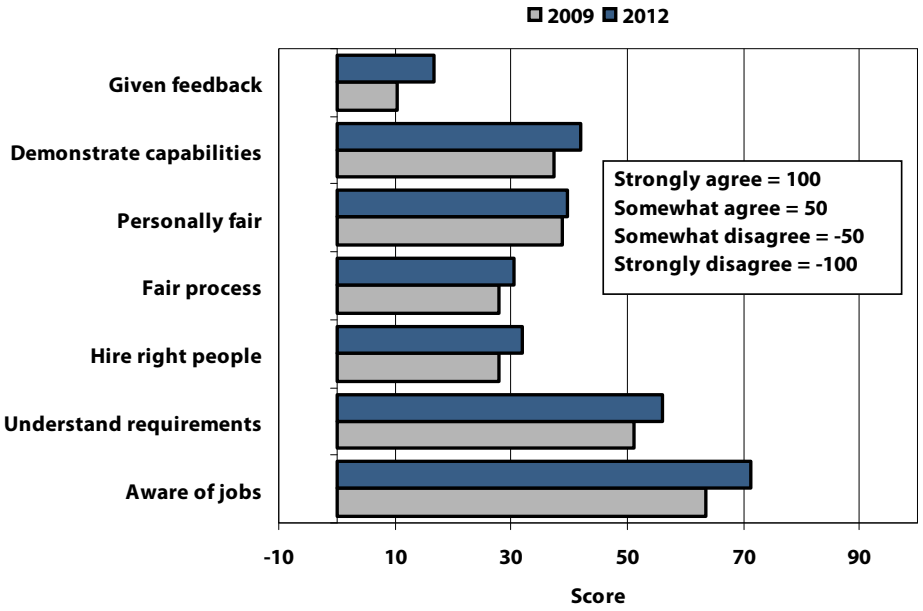
Thinking about the job competition process within your organization, state your level of agreement with the following statements (select one response for each statement):

- *I am aware of jobs that are available.*
- *I understand what it takes to get the job I am seeking.*
- *I believe that we hire people who can do the job.*
- *I believe the process of selecting a person for a job is fair.*

- *When I was a candidate for a job during the past three years, I found that the competition was run fairly.*
- *When I was a candidate for a job during the past three years, I had the opportunity to demonstrate my capabilities for the job.*
- *When I was a candidate for a job during the past three years, I was given feedback about why I was not successful.*

The trend of no substantial difference in the results of the 2009 and 2012 surveys continues with the responses to this question. The data displayed in Chart IV-19 shows that overall respondents *somewhat agree* that they are aware of job opportunities and understand what it takes to get the job. However, there is a much lower level of agreement with the other aspects of process, particularly, receiving feedback about the lack of success in a job competition.

Chart IV-19
Satisfaction with the Job Competition Process, 2009 and 2012 (score)



Cross-tabulated analysis reveals that respondents who are generally not satisfied with their jobs are much more likely to register a lower level of agreement with these statements. Also, for a majority of the statements, the level of agreement declines with age (Table IV-16).

Table IV-16: Satisfaction with the Job Competition Process by Age Group, 2012 (score)

	Score		
Statement	**<35**	**35-54**	**55+**
Aware of jobs	70	73	72
Understand job requirements	56	57	57
Hire the right people	35	30	32
Fair process	36	29	28
Personally fair	47	39	30
Demonstrate capabilities	50	39	33
Given feedback	25	16	-4

KEY POINTS

Target Population and Survey Validity

- The survey was conducted online using SurveyMonkey during the spring of 2012. The questionnaire probed employees' views on education and training, career entry, progression, and exit, and job satisfaction and it is similar to the 2009 employee survey questionnaire. The target population of the survey was employees currently working in the industry's various professional occupations.
- Twenty-three (23) member companies accepted the Institute's invitation to participate in the employee survey. The survey response rate is 29 percent (N = 4,020), and the margin of error is ±1.31 percent at the 95 percent confidence level.

Sample Profile

- Around two-thirds of respondents work in Ontario and one-quarter in the West. Almost all (95 percent) are in a Census Metropolitan Area (CMA), with 39 percent found in the Greater Toronto Area (GTA) in Ontario.
- Aboriginal respondents account for 2.8 percent of the 2012 sample compared to 3.2 percent in 2009. Twenty (20) percent of respondents were born outside Canada (19 percent in 2009). Seventy-two (72) percent of respondents are married or living with a partner, and 18 percent are single (never married).
- The median age of all respondents is 42 years. For men, the median age is 41 and for women, 42. Ontario respondents have lowest median age (41), followed by the West (42), and the East (45). Respondents working for a Crown corporation have the highest median age (44); mutual insurers, the lowest (40). In terms of occupation, actuaries have the lowest median age (41).
- Two in three (68 percent) of the survey respondents are women.
- One in five respondents (22 percent) is a claims adjuster/examiner. One in five (21 percent) respondents also works in underwriting. One in seven (15 percent) works in management; one in twenty (6 percent), in information technology. Three in five (60 percent) respondents are employed by direct response insurers.
- Ninety-three (93) percent of respondents have full-time, permanent employment status and four percent have a full-time, contract position. Just over one-half (52 percent) of respondents have worked in the property and casualty insurance industry for 10 or more years compared to two-fifths (40 percent) who have worked 10-plus years for their current employer. Over one-third (36 percent) of all respondents have worked for two or more employers in the property and casualty insurance industry. Just under two-thirds (63 percent) of respondents have worked in another industry.
- Thirty-eight (38) percent of all respondents have a university degree (33 percent in 2009). In both 2009 (34 percent) and 2012 (35 percent), just over one-third of respondents held a community college diploma or certificate. Thirty-one (31) percent have studied *business, management* and *public administration* (57 percent in 2009). Fifteen (15) percent of all respondents attained their highest level of education outside Canada.
- Just over one in four (26 percent) of the 2012 respondents have the CIP designation (22 percent in 2009).

Part IV – Survey of Industry Employees: Career and Job Perspectives

Survey Results

Education and Training

- In 2009, 17 percent of respondents did not take any training/education programs during the past 12 months. In 2012, this share increased to 21 percent. In both 2009 and 2012, participation in programs is widely dispersed. The largest share of respondents took programs focused on industry certification and education.
- In both 2009 and 2012, the principal delivery or sponsorship organizations for education and training are a respondent's employer and the Insurance Institute.

Career Entry

- In 2009 and 2012, the most important source of information for a respondent's first industry job is a referral by a family member or friend (two in five respondents). Other traditional sources (e.g., classified advertisements) are more important than the Internet (includes Facebook and LinkedIn in 2012).
- Factors influencing a respondent's career appear to be directly related to the degree of social distance, i.e., the higher the influence, the smaller the social distance. People who are closest at work and immediate family are the most important sources of influence. This relationship is evident in both the 2009 and 2012 surveys.

Career Progression

- In 2009 and 2012, three in five respondents rate their opportunity for career advancement within their current organization as either *excellent* or *good* (given their education, training, and experience). Three in four respondents rate their opportunity for career advancement within the industry as either *excellent* or *good*.
- In both 2009 and 2012, 55 percent of respondents have been promoted by current employer. When these respondents are asked to identify the most important factors in securing their most recent promotion, the results are the same in both time periods: experience, performance, and familiarity of the hiring manager with the respondent's work. Career planning and education rate lower.
- When asked about factors that have adversely affected their career progress over the last three years, respondents focus on a competitive internal market for promotion as well as conflict between work and personal matters.

Career Exit

- In both 2009 and 2012, about one-third of respondents indicate that they intend to leave their current employer within the next five years. Of those stating an intention to leave: one-half intend to exit within two years; one-fifth within three to four years; and one-third within five years. The "top 5" reasons to leave are related to career path considerations: higher salary; career advancement in the industry; retirement; career change/opportunities outside the industry; and opportunity to make better use of skills. "Personal" reasons (e.g., family obligations) are much less important.
- The median age of 2012 respondents intending to retire within the next five years is 57.
- In 2009, 73 percent of respondents intending to retire within five years said that they wanted to continue to work. Eighty-seven (87) percent preferred to work part-time and 90 percent stated that

they were willing to continue working for their current employer. In 2012, 65 percent of respondents intending to retire within five years say that they want to continue to work. Eighty-eight (88) percent prefer to work part-time and 85 percent are willing to continue working for current employer.

- In both 2009 and 2012, respondents intending to work after retirement primarily do so to earn additional income and out of interest.

Job Satisfaction

- Almost nine in ten respondents are either *very satisfied* or *somewhat satisfied* with their jobs. Overall, 40 percent of respondents are *very satisfied*. The general level of job satisfaction is similar in 2009 and 2012.
- In both 2009 and 2012, a substantial majority of respondents are either *very satisfied* or *somewhat satisfied* with different elements of their compensation.
- The highest ranked aspects of the "ideal job" are essentially unchanged between 2009 and 2012. The "top 5" aspects in 2012 are: competitive salary, benefits, flexible work, pension, and work/life balance.
- Respondents to both the 2009 and 2012 surveys are *somewhat satisfied* overall with a variety of human resource management policies and programs implemented by their employers. Financial support for industry development and designation retains highest rating, and there is a high degree of symmetry between "top 10" programs or policies in each time period. An interesting nuance in these data is that, on average, the listed policies and programs are applicable to only 30 percent of the respondents.
- When asked how their current job enhances the opportunity to advance their career or develop skills, respondents had similar views in 2009 and 2012. The opportunity to *work with respected colleagues* garners the highest rating. Opportunities that are ranked lower are *salary increases* and *access latest technology*.
- With respect to the job competition process within their organizations, overall respondents *somewhat agree* that they are aware of job opportunities and understand what it takes to get the job. However, there is a much lower level of agreement with the other aspects of process, particularly, its fairness and receiving feedback about the lack of success in a job competition.

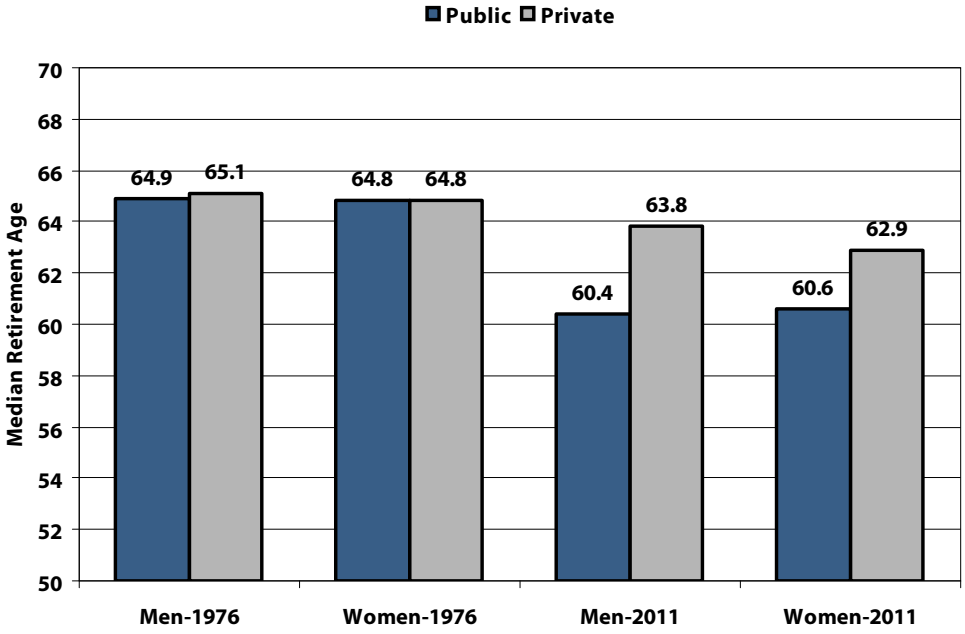
Part V – Retirement Trends and Work Force Projections

Retirement Trends in Canada's Labour Force

In Canada's labour force, one of the key trends since the 1970's has been a decline in the age of retirement. Excluding the self-employed, this trend is evident for both men and women and characterizes both the public and private sectors. Between 1976 and 2011, data from the *Labour Force Survey* demonstrate that the median age of retirement across all industries and levels of government has dropped.

Chart V-1 illustrates the magnitude of this drop as well as the differences between the public and private sectors. For men and women in the public sector, the median age has fallen in the range of four to five years. The decline in the private sector has been less dramatic. Male employees in the private sector had a median retirement age in 2011 that was 1.3 years lower than that of male employees in 1976. For female, private sector employees, the differential was somewhat more at 1.9 years. Only the self-employed defied the trend to a lower median retirement age. In 1976, the median retirement age of self-employed persons (both sexes) was 65.6 years; in 2011, it was 65.1 years.

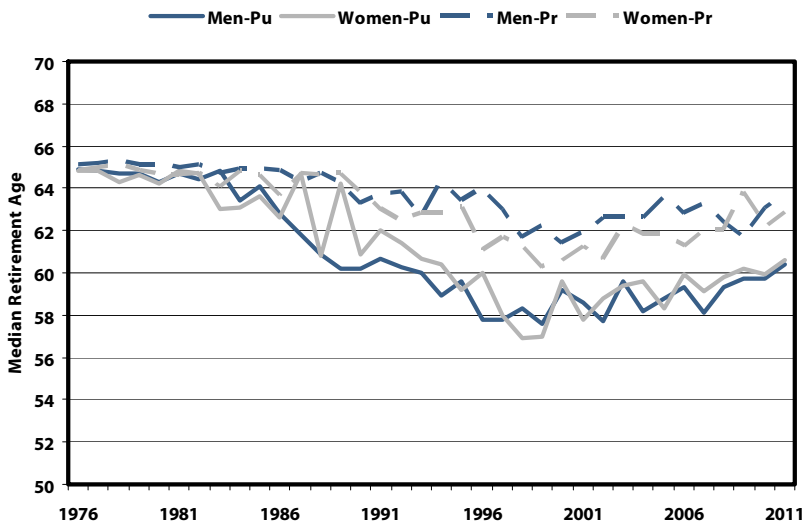
Chart V-1
Median Retirement Age by Sector and Sex, 1976 and 2011



Source: Statistics Canada, CANSIM (Labour Force Survey).

Data on the lowering of the median retirement age masks another trend that is evident in Canada's labour market – a gradual rise in this indicator during the past 15 years (see Chart V-2). Within the public sector, the decline in median retirement age for male employees bottomed out at 57.6 years in 1999. Since then, it has increased by 2.8 years. For female employees in the public sector, the low point of the period was a median age of 56.9 years in 1998. The median age for this group of employees in 2011 was 3.7 years higher than in 1998. The median age for private sector male employees was 61.4 in 2000 and 63.8 in 2011. Female, private sector employees had a median age of 60.3 in 1999 and 62.9 in 2011. Therefore, although over the long-term the median age of retirement in Canada has fallen from the notional age of 65, the more recent trend is a gradual rise in this labour market indicator.

Chart V-2
Median Retirement Age by Sector and Sex, 1976 to 2011

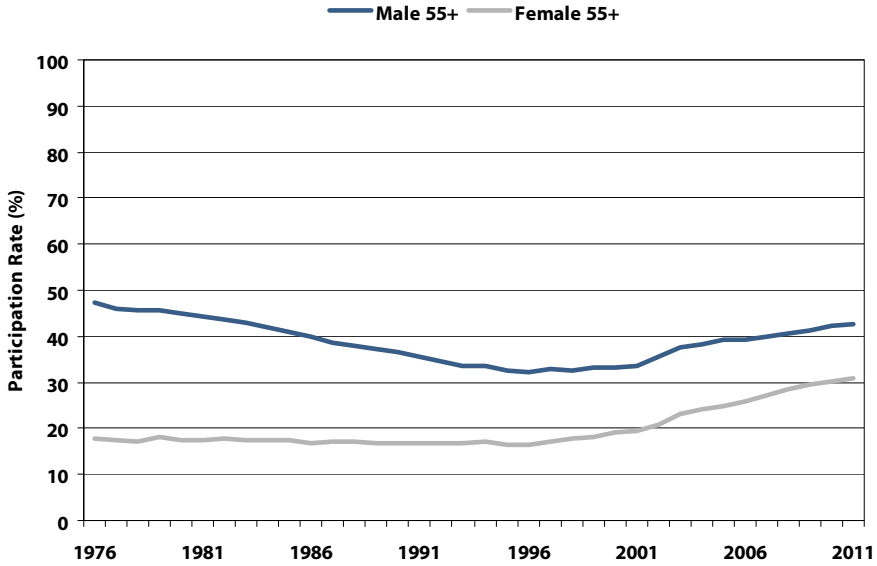


Source: Statistics Canada, CANSIM (Labour Force Survey).

The trend of a rising retirement age can be confirmed by data on labour force participation rates by age and sex. Participating in the labour force means that you are either employed full-time, employed part-time (less than 30 hours per week), or unemployed.

Chart V-3 shows the participation rates for women and men in all industries in Canada who are 55 years or older. After a steady decline since 1976, the rate for men started an upward track in 1999. Since then, the rate for 55-plus men has increased by 28 percent. The lower rate for women remained in the 16 to 17 percent range until 1998. From 1998 to 2011, this rate has gone up by 74 percent.

Chart V-3
Labour Force Participation Rate by Age Group and Sex
All Industries, Canada, 1976 to 2011



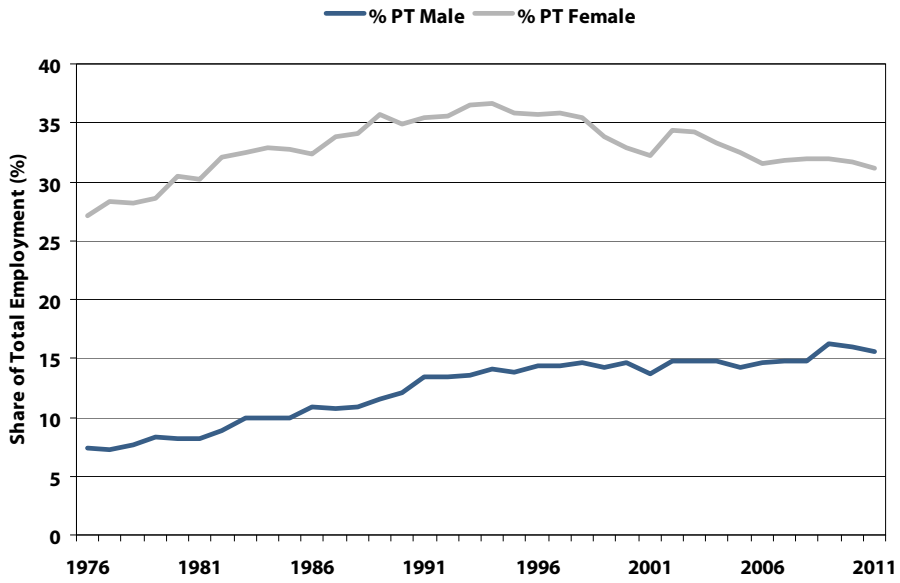
Source: Statistics Canada, CANSIM (Labour Force Survey).

In 2011, 12 percent of employed males in the labour force across all industries worked part-time. The share for females was 27 percent. What is the part-time employment status of 55-plus labour force participants?

The data displayed in Chart V-4 and Chart V-5 provide an answer. Chart V-4 shows the percentage of men and women 55-plus who work part-time; thereby demonstrating that the majority of employees in this age group, both men and women, work full-time. However, the trend towards part-time employment has grown over the years. The share of men and women working part-time rose steadily until the early 1990's. Since then, it has remained relatively stable for men and fallen somewhat for women. Chart V-4 also demonstrates that in 2011 55-plus women were twice as likely as men to work part-time.

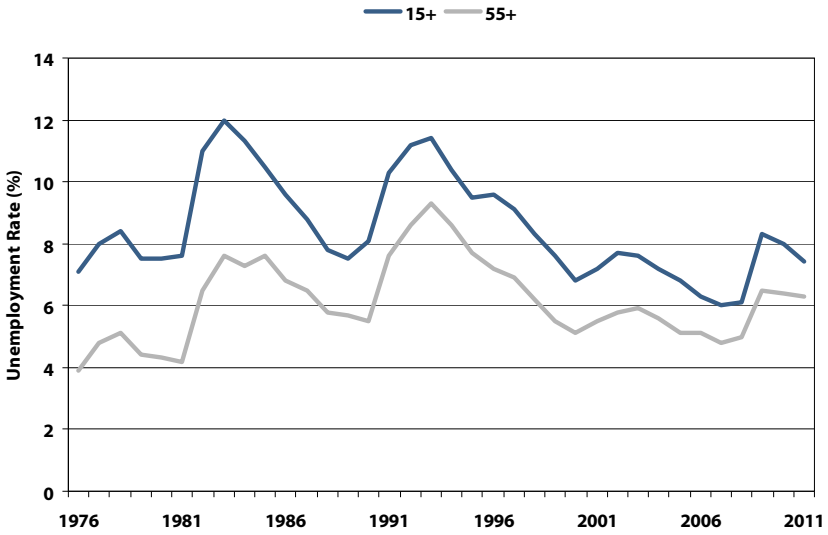
The trend regarding unemployment in the 55-plus age group of labour force participants is depicted well in Chart V-5. The unemployment rate of the 55-plus age group has consistently over the past 35 years both tracked the path of and been lower than the general unemployment rate.

Chart V-4
Part-time Employment Share (percent) Sex, 55-plus Age Group
All Industries, Canada, 1976 to 2011



Source: Statistics Canada, CANSIM (Labour Force Survey).

Chart V-5
Unemployment Rate by Age Group, Both Sexes
All Industries, Canada, 1976 to 2011



Source: Statistics Canada, CANSIM (Labour Force Survey).

By way of summary, several conclusions can be made about retirement trends in Canada's labour force:

- Although over the long term there has been a trend towards a lower median age of retirement, a more recent development is a rise in the median age of retirement from the level evident in the late 1990's.
- The median age of retirement is lower in the public sector than in the private sector. This gap has been evident since the 1980's.
- The recent increase in the median age of retirement is reflected in higher labour force participation rates for men and women who are 55 years or older.
- Employees who are 55 years or older are more likely than all employees to work part-time, especially female employees. However, the majority of 55-plus men and women in the labour force are employed full-time.
- Labour force participants who are 55 or older are less likely than all labour force participants to be unemployed.

Finally, it should be noted that these macro trends may or may not apply to specific industries. In the analysis that follows, the fit between these trends and the trends within the property and casualty insurance industry will be highlighted.

Retirement Trends: Property and Casualty Insurance Industry in Canada

Table V-1 contains the median retirement ages for full-time industry employees on a cross-tabulated basis. The data show the results for the retiree group analyzed in 2007 and the group analyzed in 2012. Comparing the 2007 and 2012 data, we observe that:

- Overall, the median retirement age is still 59, an age that is more comparable to the trend in the public sector segment of the labour force in Canada. Since 2007, the male retirement age has increased by one year and the female age has decreased by one year.

- At the regional/provincial level, median retirement ages have remained fairly stable over the five-year period. In the majority of cases, the gap between median retirement ages in 2007 and 2012 is one year or less.
- In terms of occupation, overall median retirement ages are essentially the same in 2012 with four exceptions – actuarial, brokers/agents (male), sales & service (male), and middle management (female).
- The median retirement age for men has increased in both the smallest and the largest companies. It has fallen for men and women in companies with 500 to 999 employees.
- The median retirement age of women has fallen in the Crown Corporation sector. The retirement age in the private sector in 2012 is the same as in 2007.

Table V-1: Median Age of Retirement, Full-time Employees

2007			2012		
Median Retirement Age (full-time)			Median Retirement Age (full-time)		
	Male	Female		Male	Female
Region/Province			**Region/Province**		
Atlantic	DS	DS	Atlantic	59	57
Quebec	NA	NA	Quebec	60	59
East[70]	60	59	East	60	59
Ontario	62	61	Ontario	61	60
West[71]	58	59	West	58	58
British Columbia	58	59	British Columbia	60	59
Canada	59	60	Canada	60	59
Occupation			**Occupation**		
Actuarial	NA	58	Actuarial	55	60
Underwriter	60	60	Underwriter	60	60
Claims	59	60	Claims	59	59
Broker/agent	64	60	Broker/agent	61	60
Information technology	58	59	Information technology	59	58
Sales & service	60	59	Sales & service	58	60
Management	59	58	Management	60	57
Senior management	61	59	Senior management	60	59
Middle management	59	62	Middle management	59	57
Other management	58	57	Other management	59	57
			Risk management	65	58
Company Size			**Company Size**		
<500	61	59	<500	63	59
500-999	60	60	500-999	59	57
1,000+	59	59	1,000+	60	59
Company Type			**Company Type**		
Crown Corporation	58	59	Crown Corporation	58	57
Private sector	61	60	Private sector	61	60

The data in Table V-1 suggest that the property and casualty insurance industry remains in the vanguard of the early retirement trend. The industry's Crown Corporation sector has a lower median retirement age than

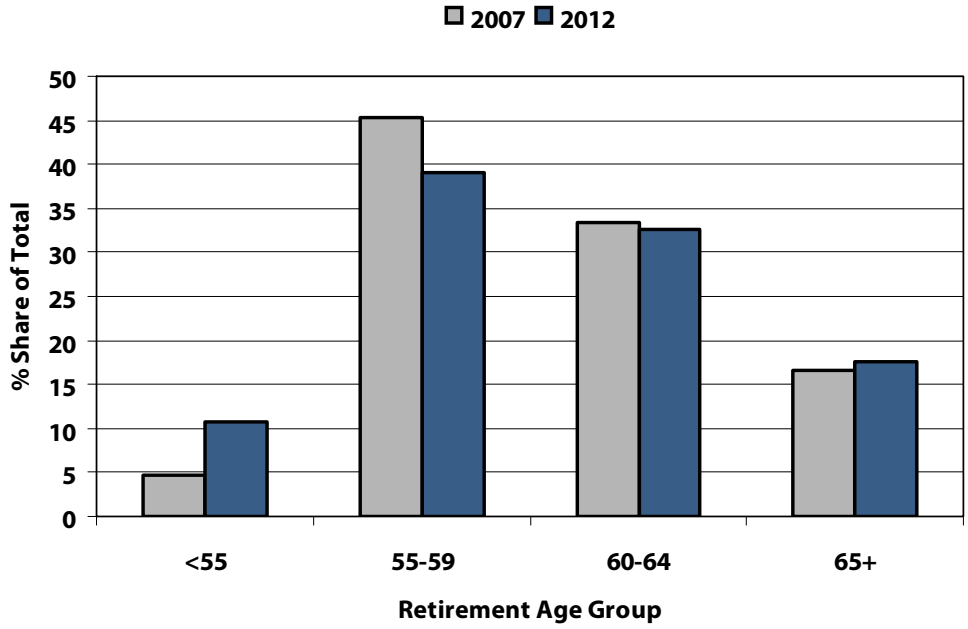
69 The Atlantic provinces and Québec constitute the East region. Records for Atlantic Canada and Québec were combined for both analytical and data suppression reasons. In 2007, there were only 18 retirements in the four Atlantic provinces and 64 in Québec.

70 The West region includes Manitoba, Saskatchewan, and Alberta.

the Canadian public sector; the industry's private sector has a lower median retirement age than the Canadian private sector.

The national pattern of retirement by age group established in 2007 is essentially the same in 2012 (Chart V-6). The only discernible difference is a higher share of retirees in the under-55 age group (11 versus 5 percent) in 2012.

Chart V-6
Industry Retirees by Age Group, 2007 and 2012, Canada (percent)



However, when the age group data are cross-tabulated by sex, some differences appear (Table V-2). For example, the share of male retirees in the 55 to 59 age group is 11 percentage points lower in 2012 than in 2007. The share of female retirees in the under-55 age group is 7 percentage points higher in 2012 than in 2007.

Table V-2: Industry Retirees by Age Group and Sex, 2007 and 2012, Canada (percent)

	2007		2012		Differential	
Age Group	Male	Female	Male	Female	Male	Female
<55	5	5	9	12	4	7
55-59	47	43	36	41	-11	-2
60-64	32	36	36	30	4	-5
65+	16	17	19	16	3	0

Extending the cross-tabulated analysis of the data on the distribution of retirees by age group leads to a number of additional observations:

- PROVINCE/REGION (Table V-3):
  - In 2007 and 2012, the highest share of employees retiring before the age of 60 is in the West (61 and 63 percent, respectively).
  - In 2007, the highest share retiring at 65 or older was in Ontario (28 percent). In 2012, the highest share is in British Columbia (41 percent).

Table V-3: Retirees by Age Group, Sex, and Province/Region (percent)

2007 (% of province/region total)								
	Age Group							
	<55		55-59		60-64		65+	
Region	Male	Female	Male	Female	Male	Female	Male	Female
East	0	3	20	25	29	15	3	3
Ontario	2	1	10	17	20	23	13	15
West	5	3	36	17	15	13	9	4
B.C.	0	1	30	24	16	13	7	8
Canada	**3**	**2**	**26**	**19**	**18**	**16**	**9**	**7**
2012 (% of province/region total)								
	Age Group							
	<55		55-59		60-64		65+	
Region	Male	Female	Male	Female	Male	Female	Male	Female
East	2	4	16	28	17	19	6	8
Ontario	4	7	9	22	15	20	10	13
West	5	7	26	25	15	13	5	3
B.C.	5	9	0	14	23	9	23	18
Canada	**4**	**6**	**17**	**24**	**15**	**17**	**8**	**9**

- COMPANY TYPE (Table V-4):
  - In 2007 and 2012, almost three-fifths of retirees in the Crown Corporation sector left employment between the ages of 55 to 59 compared to one-third of private sector retirees.
  - Within the private sector, direct response insurers retain the largest share of employees who retire before the age of 60.
  - In 2007 and 2012, one-fifth of private sector retirees were 65 or older, a share that is considerably higher than in the Crown Corporation sector.
  - By 2012, the share of retirees in the 65-plus age group from the mutual insurer companies had fallen dramatically from 67 to 23 percent.

Table V-4: Retirees by Age Group, Sex, and Company Type (percent)

2007 (% of category total)								
	Age Group							
	<55		55-59		60-64		65+	
Occupation	Male	Female	Male	Female	Male	Female	Male	Female
Crown Corporation	***4***	***2***	***38***	***19***	***15***	***11***	***7***	***4***
Private Sector	***1***	***2***	***15***	***18***	***21***	***19***	***12***	***11***
Broker Represented Insurer	2	2	15	20	19	22	11	10
Direct Response Insurer	1	1	21	18	26	16	8	8
Mutual Insurer	0	0	11	0	11	11	11	56
Independent Broker/Insurer	0	7	0	7	36	7	29	14
Independent Adjuster	0	33	0	0	33	0	33	0
Reinsurer	NA	NA	NA	NA	NA	NA	NA	NA
2012 (% of category total)								
	Age Group							
	<55		55-59		60-64		65+	
Occupation	Male	Female	Male	Female	Male	Female	Male	Female
Crown Corporation	***5***	***7***	***31***	***27***	***13***	***11***	***5***	***1***
Private Sector	***4***	***6***	***12***	***23***	***16***	***19***	***9***	***11***
Broker Represented Insurer	2	4	8	22	12	26	9	17
Direct Response Insurer	2	2	16	28	19	18	7	9
Mutual Insurer	1	1	6	23	11	33	7	16
Independent Broker/Insurer	NA	NA	NA	NA	NA	NA	NA	NA
Independent Adjuster	17	29	8	6	12	5	14	9
Reinsurer	0	0	17	0	17	17	17	33

- OCCUPATION (Table V-5):
  - In 2007, around two-fifths of retiring brokers were 65 or older; in 2012, one-fifth is 65 or older.
  - In 2007 and 2012, about one-fifth of underwriters retired before the age of 60.
  - In 2007 and 2012, over one-half of managers retired before the age of 60.
  - In 2007, front-line (other) managers had the highest share of retirements before the age of 60 (69 percent). In 2012, middle managers have the highest share (54 percent).
  - In both 2007 and 2012, over one-half of employees in the claims, information technology, and sales & service occupations retired before the age of 60.

Table V-5: Retirees by Age Group, Sex, and Occupational Category, Canada (percent)

2007 (% of occupation total)								
	Age Group							
	<55		55-59		60-64		65+	
Occupation	Male	Female	Male	Female	Male	Female	Male	Female
Actuarial	0	0	0	100	0	0	0	0
Underwriter	3	3	11	26	11	26	4	17
Claims	4	1	27	17	18	15	11	6
Broker/agent	0	5	10	10	19	19	29	10
Information technology	0	7	32	20	10	20	7	5
Sales & service	0	0	14	39	11	19	8	8
All Management	2	1	41	13	26	7	8	3
Senior management	8	3	27	5	41	3	14	0
Middle management	0	0	51	2	24	11	9	2
Other management	0	0	43	26	22	7	0	2
2012 (% of occupation total)								
	Age Group							
	<55		55-59		60-64		65+	
Occupation	Male	Female	Male	Female	Male	Female	Male	Female
Actuarial	0	0	13	25	0	63	0	0
Underwriter	2	9	3	31	8	27	3	17
Claims	6	10	18	22	14	14	8	8
Broker/agent	8	1	26	3	37	4	18	3
Information technology	10	4	20	31	14	12	4	6
Sales & service	1	1	10	38	5	26	5	15
All Management	2	6	26	20	24	11	10	1
Senior management	4	4	34	2	40	4	12	0
Middle management	1	4	29	25	23	10	8	1
Other management	3	9	16	25	16	18	10	3
Risk management	0	0	17	17	0	17	50	0

- COMPANY SIZE (Table V-6):
  - In 2012, the share of retirees under 55 in the 500-999 category (45 percent) is four times the national share (11 percent). In 2007, the share of retirees under 55 in the 500-999 category (13 percent) was almost three times the national share (5 percent).
  - The share for male retirees within the 55 to 59 age group was lowest in companies with fewer than 500 employees, both in 2007 and 2012.
  - In 2007 and 2012, around one-third of the retirees in companies with fewer than 500 employees were 65 or older.
  - In 2007 and 2012, companies with 1,000 or more employees had the largest share of employees who retire between the ages of 55 and 59 (53 and 44 percent, respectively).

Table V-6: Retirees by Age Group, Sex and Company Size, Canada (percent)

2007 (% of size category total)								
Company Size	Age Group							
	<55		55-59		60-64		65+	
	Male	Female	Male	Female	Male	Female	Male	Female
<500	4	5	13	20	20	5	15	18
500-999	9	4	21	9	20	18	13	6
1,000+	1	1	31	22	17	16	7	6
500+	3	2	29	18	18	16	8	6
2012 (% of size category total)								
Company Size	Age Group							
	<55		55-59		60-64		65+	
	Male	Female	Male	Female	Male	Female	Male	Female
<500	2	15	8	19	8	13	15	21
500-999	18	27	17	9	10	9	6	4
1,000+	1	2	17	27	17	19	8	9
500+	4	6	17	24	16	17	7	8

Work Force Projections: Companies - High Scenario

Methodology

The extent to which the age structure of the property and casualty insurance industry work force poses challenges for future recruitment and retention can be determined by projecting forward its likely future age composition. We have developed projections starting with the detailed age data collected from the participating companies on their full-time work forces as of September, 2012 and making the following assumptions:

- The retirement projections are based on the median retirement ages by sex for each of the four macro variables: geography, occupation, company size, and company type (see Table V-1).
- Each employee retires upon reaching the median age. In other words, the retirement rate is 100 percent at that point.
- No current employee leaves the industry work force except through retirement, and no new recruitment takes place.
- There are no changes in industry demand as a result of either economic factors or technological change.

This projection covers each year from 2012 to 2022. It represents the "high scenario", i.e., it illustrates the maximum retirement potential as well as the future recruitment and retention challenges faced by the industry stemming from the erosion of its 2012 professional work force base under the various retirement age assumptions.

Results

The results of the high scenario projection by region/province are set out in Table V-7. The data identify the percentage reduction in the 2012 work force over the period from 2012 to 2022. The projection period is

further sub-divided into two five-year periods. The results derived from the 2012 retirement sample are shown as well as the results projected for the 2012 to 2017 period from the 2007 retirement sample. This comparison is captured by the data in the "differential" column of the table. A negative differential means that the projected 2007 reduction is higher than the projected reduction for the 2012 to 2017 period based on the 2012 data. A positive differential means that the projected reduction based on 2007 data is lower than the projection based on the 2012 data.

Between 2012 and 2022, we project a potential maximum reduction of 28 percent in the industry's professional work force across Canada. The projected potential maximum reduction is higher than the national mark in the West and British Columbia and lower in Ontario, Québec, and Atlantic Canada.

Comparing the projections for the 2012 to 2017 period based on the two research samples, the 2007 projections for Canada, the West, and Ontario are lower and they are higher for the East and British Columbia. With the exception of the West, the differential is modest ranging from one to three percentage points.

Table V-7: Projected Maximum Work Force Reduction due to Retirement by Region/Province, High Scenario, Both Sexes, 2012 – 2022 (percent)

% Reduction in 2012 Work Force					
Region/Province	2012 Sample			2007 Sample	Differential
	2012-2017	2017-2022	2012-2022	2012-2017	
Atlantic	16	13	27	NA	NA
Quebec	12	14	24	NA	NA
East	**12**	**14**	**24**	**13**	**-1**
Ontario	13	14	25	10	3
West	22	21	38	15	7
British Columbia	17	14	29	18	-1
Canada	**15**	**15**	**28**	**13**	**2**

We project a potential maximum reduction of 43 percent in the industry's management ranks over the next ten years with the greatest hit affecting the senior management level (Table V-8). Given the current age structure of the management occupation (see Table II-30) and somewhat lower median retirement ages (see Table V-1), particularly for female managers, this result is not surprising. The projected impact will be greatest among senior managers. One in two senior managers could be in a position to retire by 2022. Other occupations where a substantial reduction may occur are information technology (33 percent), claims (29 percent), underwriting (28 percent), and risk management (28 percent).

Comparing the projections for the 2012 to 2017 period based on the two research samples, the 2007 projections for all occupations are lower. With the exception of the senior management occupation, the differential ranges from one to three percentage points.

Table V-8: Projected Maximum Work Force Reduction due to Retirement by Occupation, High Scenario, Both Sexes, 2012 – 2022 (percent)

% Reduction in 2012 Work Force					
	2012 Sample			2007 Sample	Differential
Occupation	2012-2017	2017-2022	2012-2022	2012-2017	
Actuarial	4	5	9	2	1
Underwriter	15	15	28	13	2
Claims	16	15	29	14	3
Broker/agent	14	12	24	10	3
Information technology	18	19	33	15	3
Sales & service	10	12	20	8	1
Management	**23**	**26**	**43**	**21**	**2**
Senior management	32	30	53	21	11
Middle management	20	24	39	18	2
Other management	20	24	39	20	0
Risk management	16	15	28	NA	

Table V-9 shows that the greatest potential maximum work force reduction is projected to take place in medium-sized companies (i.e., 500 to 999 employees). The reductions for companies in the other two size categories are just below the national mark of 28 percent (see Table V-7).

Comparing the projections for the 2012 to 2017 period based on the two research samples, the 2007 projections for companies with 500 or more employees are lower, and the projection for companies with fewer than 500 employees is the same. The differential for companies with 500 to 999 employees is substantial at 12 percentage points.

Table V-9: Projected Maximum Work Force Reduction due to Retirement by Company Size, High Scenario, Both Sexes, 2012 – 2022 (percent)

% Reduction in 2012 Work Force					
	2012 Sample			2007 Sample	
Company Size	2012-2017	2017-2022	2012-2022	2012-2017	Differential
<500	13	15	26	13	0
500-999	27	24	44	14	12
1,000+	15	15	27	14	1

The data in Table V-10 suggest that the potential impact of retirement on the Crown Corporation sector will be almost twice as great as the impact on private sector companies. We project that over the next ten years around one in two (46 percent) of the professional employees working for a Crown Corporation may retire. In the private sector, the projected rate is one in four (25 percent).

The projections based on the 2012 sample are both higher than those identified in 2007. The differential for the Crown Corporation sector is seven percentage points but it is only one percentage point for the private sector.

Table V-10: Projected Maximum Work Force Reduction due to Retirement by Company Sector, High Scenario, Both Sexes, 2012 - 2002 (percent)

% Reduction in 2012 Work Force					
Company Sector	2012 Sample			2007 Sample	Differential
	2012-2017	2017-2022	2012-2022	2012-2017	
Crown Corporation	27	27	46	20	7
Private sector	12	14	25	11	1

The smaller size of the 2007 retirement sample did not permit the development of projections by specific company type in the private sector. A much larger sample in 2012 does support projections by specific company type and the results are set out in Table V-11. The most notable observation is the substantial reduction projected for independent adjusters.

Table V-11: Projected Maximum Work Force Reduction due to Retirement by Company Type, High Scenario, Both Sexes, 2012 – 2022 (percent)

% Reduction in 2012 Work Force			
Company Type	2012 Sample		
	2012-2017	2017-2022	2012-2022
Broker Represented Insurer	14	16	28
Direct Response Insurer	10	12	21
Mutual Insurer	10	15	24
Independent Adjuster	41	23	55
Reinsurer	14	17	28

The comparison of the 2007 and 2012 projections, respectively, for the 2012 to 2017 period shows that with four exceptions the differential does not exceed three percentage points and, in most instances, the differential is only one or two percentage points. The four exceptions are the projections for the West region; senior managers; medium-sized companies; and Crown Corporations. With two exceptions (East and British Columbia), the 2007 projections are lower.

A differential is to be expected given that the projections are based on samples and also that there are changes in the key projection variable – age. Age has changed in two ways in 2012. The first is that the age structures of the sub-samples are different. This is certainly true for medium-sized companies. Table II-28 shows an increase in the median ages of full-time employees between 2007 and 2012, particularly for female employees (55 percent of the professional employees working in medium-sized companies are female). The second major change in the age variable is summarized in Table V-12. Table V-12 displays the differential in the median retirement ages used in the 2007 and 2012 projections, respectively. A negative differential means that the 2012 median retirement age was lower. In the four instances where the projection differential[71] exceeded three percentage points – West region, senior managers, medium-sized companies, and Crown Corporations – the 2012 projections are based on noticeably lower median retirement ages.

71 The "projection differential" is the difference between the projected maximum reduction due to retirement based on the 2007 and 2012 samples, respectively. See page 166.

Table V-12: 2007 and 2012 Research Samples, Median Retirement Age Differential by Sex (years)

Region/Province	Male	Female
East	0.04	0.07
Ontario	-1.20	-1.35
West	-0.40	-1.17
British Columbia	2.00	0.20
Occupation	**Male**	**Female**
Underwriter	0.04	-0.11
Claims	-0.09	-1.10
Broker/agent	-2.59	-0.03
Management	0.58	-0.99
Senior Management	-0.82	-0.02
Sales & Service	-1.84	0.58
Actuarial	NA	2.34
Information Technology	1.00	-0.83
Company Size	**Male**	**Female**
<500	1.46	-0.02
500-999	-1.42	-3.53
1,000+	1.06	-0.02
Company Type	**Male**	**Female**
Crown Corporation	-0.18	-1.53
Private Sector	0.08	-0.05

The 2007 sample and the 2012 sample of current employees differ in other ways. In 2007, employees in Crown Corporations represented one-fifth of the sample compared to one-tenth in 2012 (see Table II-2). In 2007, employees working in medium-sized companies were 17 percent of the sample compared to eight percent in 2012 (see Table II-3). Therefore, a degree of sample bias may also have an influence on the differential projection results.

Work Force Projections: Reference Scenario

The national survey of industry employees conducted by the Institute in 2009 and 2012 (see Part IV) furnishes a basis for developing an alternative projection model. The alternate projection model is based on age-specific (five-year age groups) retirement rates developed using responses from the 2009 and 2012 employee surveys. In both surveys respondents were asked the following question:

Are you planning to leave your current employer within the next (select one response):

___ *12 months*
___ *2 years*
___ *3 years*
___ *4 years*
___ *5 years*
___ *No plan to leave within the next five years*

Full-time respondents were chosen who selected an answer other than "No plan to leave within the next five years" *and* who answered in the follow-up question that the reason for intending to leave was due to retirement. These respondents were divided by the total number of full-time respondents (in the five-year

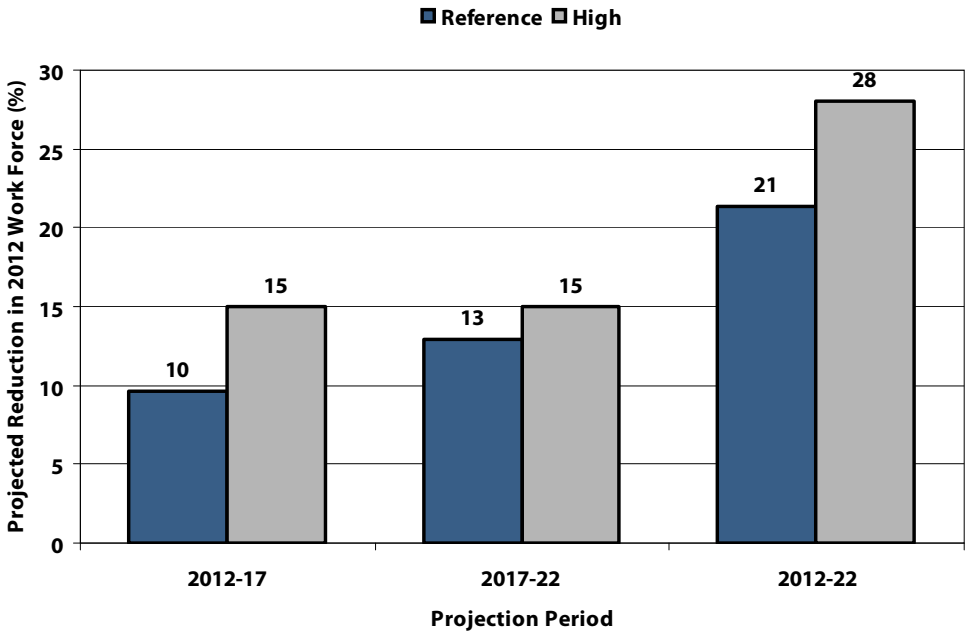
age groups) to determine the age-specific retirement rates (Table V-13). These rates were then applied to the current (2012) full-time workforce as determined from the industry census. Therefore, in this approach, the retirement rate is not 100 percent at the median age but rather it increases progressively with each five-year age group.

Table V-13: Age-Specific Retirement Rates, Reference Scenario (percent)

Retirement Rate (%)			
Age Group	**Male**	**Female**	**Both**
<50	0.7	0.9	0.8
50-54	11.3	19.2	17.0
55-59	43.2	42.0	42.4
60-64	72.0	78.0	75.4
65-69	90.9	76.9	83.3
70+	100.0	100.0	100.0
Total	**9.8**	**9.4**	**9.5**

The results of this "reference scenario" are portrayed in Chart V-7. The methodology has only been applied to the national level of analysis since the margin of error at other levels of analysis is likely to be high. Given the use of lower, age-specific retirement rates, the reference scenario results are understandably lower than the national rates in the high scenario. However, the projected reductions under the reference scenario are still formidable and illustrate the momentum towards retirement that is created by the gradual aging of the industry's work force. Whether the property and casualty insurance industry loses one-fifth (reference) or one-quarter (high) of its professional work over the next ten years, both projections point to the need for continuing and effective recruitment and retention programs.

Chart V-7
Projected Work Force Reduction due to Retirement
Reference and High Scenarios, Both Sexes, 2012 – 2022 (percent)



Retirement Trends: Group of 20 Companies

Data provided by the Group of 20 companies (see Part II) creates a unique opportunity to examine retirement trends based on a population of employees not a sample. Our high projection, based on a sample, demonstrates the maximum potential impact of retirement. An analysis of the data from the Group of 20 shows what actually happened.

Between 2007 and 2012, 17 of the companies in this group had employees who retired (N = 865). The key trends were:

- The median age of retirement during the five-year period was 59.3 years, almost identical to that in our research sample.
- On average, six percent of the 2007 work force (in the targeted occupations) had retired by 2012. Seven companies had an above average retirement rate (15 percent).
- Two in five (38 percent) of the retirees were in claims; one in four (24 percent), in management (all levels); and one in seven (15 percent), in either sales & service or underwriter. Our high scenario shows management and claims as two occupations with a high retirement potential.
- Two in five (39 percent) of the retirees worked for Crown Corporations; one in five (21 percent), for broker represented insurers; and one in seven, for either direct response insurers (15 percent) or independent adjusters (14 percent). Our high scenario indicates that the potential maximum retirement impact on Crown Corporations will be twice as great as the impact on the industry's private sector.

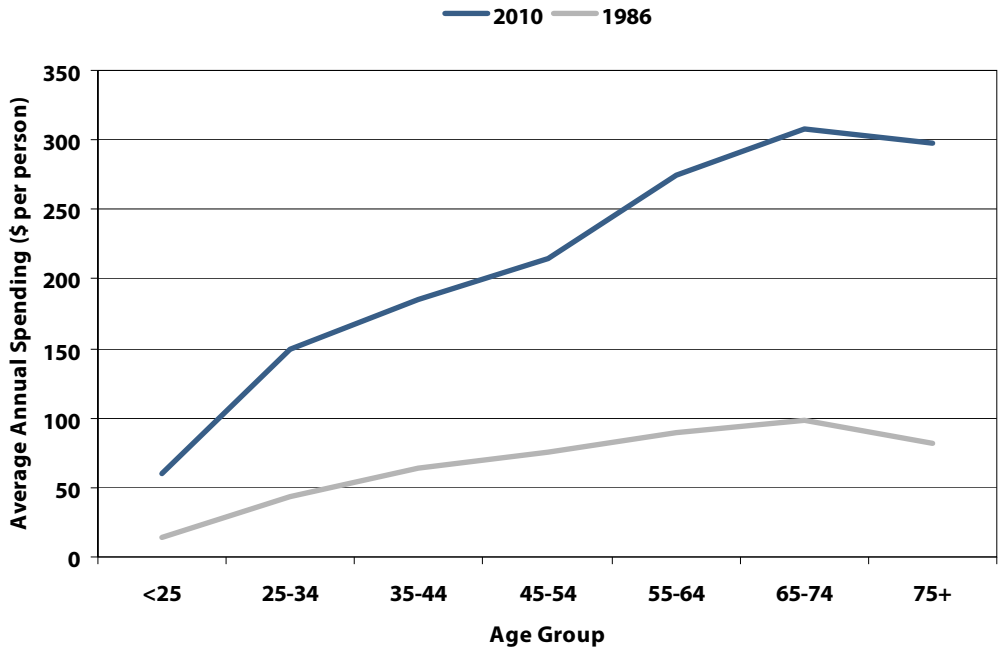
Demographic Trends: A Demand Perspective

R.A.L. Consulting Limited regularly analyzes the impacts of demographic trends on consumer spending in Canada for its many clients. To do this, we combine population projection data and household spending data by age group that are available from Statistics Canada. A key assumption in our spending analysis is that household spending varies by age group. Total household spending per capita rises steadily through the life cycle peaking in the 55 to 64 age group. It declines thereafter but, in per capita terms, spending by the 75-plus household is higher than that of the under-25 household Therefore, a good share of household spending is driven by the older (i.e., 45-plus) consumer.[72]

A second assumption in our spending analysis is that life cycle spending patterns are durable over time. Chart V-8 illustrates the validity of this assumption with respect to homeowners' insurance. In 1986, many of the parents of the *boomers* were over the age of 45. Their spending per person on homeowners' insurance rose until the age of 65 and then declined. In 2010, almost all of the *boomers* were over the age of 45. Their spending per person on vehicle insurance rose until the age of 65 and then declined. In other words, from a demographic perspective, consumers "tend to act their age".

72 David K. Foot, Richard A. Loreto, and Thomas W. McCormack, *A Competitive Analysis of Niagara's Business Opportunities Associated with Adult Lifestyle: A Demographic Perspective.*

Chart V-8
Household Spending By Age Group (current dollars per person)
Homeowners' Insurance Premiums
Canada, 1986 versus 2010



Source: Statistics Canada, *Survey of Household Spending* and R.A.L. Consulting Limited.

In Table V-14 we have developed our projected growth rates for products in the property and casualty insurance industry. Over the projection period, Canada's population is expected to grow by 0.99 percent annually. Total household spending is projected to increase by 1.04 percent annually. The annual growth of the industry's products exceeds or matches these rates. In fact, the growth in spending on homeowners', tenants', and vacation property insurance, respectively, is well above the two benchmarks. The property and casualty insurance industry is well positioned in Canada's aging consumer marketplace where the 45-plus consumer drives the spending on its products. For example, 82 percent of the spending on vacation property insurance is by households headed by a person 45 or older.

Table V-14 also shows the Relative Growth Index (RGI) for the industry's products. An RGI-Spending number of 100 represents the growth of all household spending. If the RGI for homeowners' insurance is 140, then this product is projected to grow 40 percent faster than overall household spending. The same logic works for the RGI-Population number. Spending on homeowners' insurance (RGI = 146) is projected to grow 46 percent faster than the population.

Table V-14: Projected Household Spending Growth, Property and Casualty Insurance, Canada, 2012 - 2022

	2012	2012-22	2012-22	2012-22
Consumer Item	**45+ % Share**	**Annual % Growth**	**RGI-Population**	**RGI-Spending**
Tenants' insurance premiums	50	1.16	116	111
Homeowners' insurance premiums	68	1.45	146	140
Vacation property insurance premiums	82	1.79	180	173
Vehicle insurance premiums	55	0.98	98	94
Recreational vehicle insurance premiums	63	0.97	98	94

Our point is that demographic trends will not only produce substantial attrition in the property and casualty insurance industry's work force but they will also create demand pressure on the products' side. How this demand pressure translates into the need for more workers is beyond the scope of this report. The industry may well be able to cope with increased demand through efficiency gains attributable to the use of new technology. Alternatively, it may need to find more workers than will be required as a result of work force attrition.

Part V – Retirement Trends and Work Force Projections

KEY POINTS

Canada's Labour Force

- Although over the long term there has been a trend towards a lower median age of retirement, a more recent development is a rise in the median age of retirement from the level evident in the late 1990's.
- The median age of retirement is lower in the public sector than in the private sector. This gap has been evident since the 1980's.
- The recent increase in the median age of retirement is reflected in higher labour force participation rates for men and women who are 55 years or older.
- Employees who are 55 years or older are more likely than all employees to work part-time, especially female employees. However, the majority of 55-plus men and women in the labour force are employed full-time.
- Labour force participants who are 55 or older are less likely than all labour force participants to be unemployed.

Property and Casualty Insurance Industry Professional Work Force: Retirement Profile

- Between 2007 and 2012, the median age of retirement for men working in the property and casualty insurance industry was 60. For women, the median age was 59. Industry retirement ages are more in line with those in the public sector in Canada. They are two to three years lower than median retirement ages in the private sector.
- The property and casualty insurance industry remains in the vanguard of the early retirement trend. The industry's Crown Corporation sector has a lower median retirement age than the Canadian public sector; the industry's private sector has a lower median retirement age than the Canadian private sector.
- At the regional/provincial level, median retirement ages have remained fairly stable over the five-year period. In the majority of cases, the gap between median retirement ages in 2007 and 2012 is one year or less.
- In terms of occupation, overall median retirement ages are essentially the same in 2012 with four exceptions – actuarial, broker/agent (male), sales & service (male), and middle management (female).
- The median retirement age for men has increased in both the smallest (under-100 employees) and the largest (1,000-plus employees) companies. It has fallen for men and women in companies with 500 to 999 employees.
- The median retirement age of women has fallen in the Crown Corporation sector. The retirement age in the private sector in 2012 is the same as in 2007.

Property and Casualty Insurance Industry Professional Work Force: Projections

- In our *high scenario* (based on company data), we project a potential maximum decrease of 28 percent nationally in the industry's 2012 work force base by 2022 as a result of demographic factors. The projected potential maximum reduction is higher than the national mark in the West (three

prairie provinces) and British Columbia and lower in Ontario, Québec, and Atlantic Canada. In addition, we project:

  - A potential maximum 43 percent reduction in the industry's management ranks over the next ten years with the greatest hit affecting the senior management level;
  - Substantial potential reductions in the occupations of information technology (33 percent), claims (29 percent), underwriting (28 percent), and risk management (28 percent);
  - A potential maximum 44 percent work force reduction in medium-sized companies (i.e., 500 to 999 employees); and
  - A potential maximum 46 percent reduction in the number of professional employees working for a Crown Corporation compared to 25 percent in the private sector.

- A national projection based on our *reference scenario* identifies a 21 percent reduction in the industry's 2012 work force base by 2022.
- Projections of consumer spending by R.A.L. Consulting Limited indicate that there will be above average growth for the products of the property and casualty insurance industry. This growth may add additional pressure to recruit and retain workers.

Part VI – Key Findings, Conclusions and Recommendations

Overview

Collecting the data properly and analyzing the data comprehensively are the necessary conditions for success in a project of this type. Understanding what the data are telling us and how this analysis leads to specific courses of action are the sufficient conditions for success in a project of this type.

In this part of the report, we set forward what we think the data are telling us and how these conclusions are related to the steps that the industry should take to ensure that it has a productive workforce over the next 10 years and beyond. We shall pose a number of questions regarding the issues of recruitment and retention. On the basis of the answers, we shall recommend courses of action Canada's property and casualty insurance industry should follow.

Findings and Conclusions

Recruitment

How has the demographic composition of the industry's work force changed between 2007 and 2012?

Earlier in the report we provided an answer to this central question using four related demographic concepts: cohort analysis, median age, demographic profiling ("footprints"), and entry to exit ratios. It is useful at this point to review our findings and extract a clear conclusion from them.

The relative salience of Foot's boom, bust, and echo cohorts within the industry's work force has shifted dramatically from 2007 to 2012 (see Chart II-4). The industry's share of *boomers* (aged 46 to 65 in 2012) has fallen across Canada from roughly one-half to one-third of the industry's professional work force. This decline is evident in every province and region and across all occupations, company types, and companies of different size. The industry's boomer share matches that in the wider labour force in Canada (37 percent). With the exception of Alberta, the industry's share for the *bust* cohort is slightly higher than in 2007. In 2012, the bust cohort (aged 33 to 45) continues to represent around one-third of the industry's work force but only 28 percent of Canada's labour force. The share for the *echo* (aged 17 to 32 in 2012) has more than doubled overall from about one-eighth to just over one-quarter (27 percent). The growing salience of this cohort is clear in every province and region and across all occupations, company types, and companies of different size. The industry's echo share is just under that of the labour force (29 percent).

Across all industries in Canada, 47 percent of the labour force is below the age of 40. The work force of the property and casualty insurance industry parallels this trend. In 2012, the median age of the industry's male, full-time employees is 40.5 years and that of its female, full-time employees is 41. Comparing 2012 with 2007, the male median age has fallen by 1.5 years and the female median age has remained the same.

The prime feature of the industry's demographic "footprint" on the labour force is the over-representation of women in most age groups. Conversely, men are under-represented in most age groups, although this is less true for men who are in their thirties. There is also an imbalance with respect to age. Over 15 percent of Canada's labour force is in the 15 to 24 age group but only just over five percent of the industry's work force. At the other end of the age spectrum, a little more than 14 percent of the labour force are in the 55 to 64 age group compared to almost 13 percent in the property and casualty insurance industry.

The age imbalance evident in the industry's demographic footprint produces low work force entry to exit ratios.[73] The trend of low entry to exit ratios in the property and casualty insurance industry was identified in 2007 and is re-confirmed by the 2012 census results. Although the industry's Canada-wide ratios are essentially the same in the two time periods, there are some noticeable declines at the sub-national level. This is especially true in the three western provinces. Furthermore, the industry's ratios are well below those in the wider labour force (1.0 for men and 1.1 for women in 2011).

The notion of an entry to exit ratio for management employees must be considered differently. The under-45 age group is the feeder group to management. Across the broader labour force, the under-45 to 45-plus ratio has been in decline since the late 1980's for both men and women. By 2011, there were roughly 1.5 labour force participants under the age of 45, both male and female, for every participant 45 or older. The industry's ratio for all professional occupations tracks the labour force ratio. However, the ratios for both men and women who are either senior or middle managers are well below one.

CONCLUSION: The demographic composition of the industry's work force has changed noticeably over the past five years, especially with respect to its age structure. The best indicator of the changing age structure is Foot's template of the boom, bust, and echo cohorts. The share of the echo cohort has increased at the expense of the share of the boom cohort. As a result, in 2012 the work force of the property and casualty insurance industry is both younger and more aligned with the age structure of Canada's labour force than was the case in 2007. The driver of this trend is found in the answer to the next question.

Has the level of recruitment increased or decreased?

In the view of the industry's human resource management professionals, recruitment activity has increased. Several pieces of evidence support this observation. The first is that human resource management professionals assigned a higher level of importance in 2011 to recruitment compared to other issues. Secondly, it was their perception that both changing economic conditions and continuing organizational consolidation within the industry, at most, had a modest impact on recruitment activity. Thirdly, although the participation rate for recruitment (nine in ten employers) was the same in both time periods, the share of employers who said that they had hired 100 or more employees in the past two years was greater in 2011 (57 percent) than in 2007 (42 percent).

The best answer to this question using the census data[74] comes from an analysis of the collective work force of the 20 companies that submitted information in both 2007 and 2012. During this five-year period, the overall increase in the collective full-time work force of these companies was 40 percent (see Table II-24).

CONCLUSION: Recruitment activity within the industry has increased noticeably. More recruitment has taken place despite the degree of economic turbulence in Canada since 2008.

What have been the trends with respect to the recruitment of specific occupations?

Although the industry's human resource management professionals suggests that on average recruitment is "somewhat difficult" there are three occupations that are perceived as the most difficult to recruit: actuary, accident benefits adjuster, and claims adjuster/examiner. At the other end of the difficulty continuum,

73 The labour/work force entry to exit ratio is defined as the ratio of employees in the targeted professional occupations under the age of 25 to employees who are in the 55 to 64 age group.

74 Unless otherwise stated, any reference to the industry census data in this part of the report is with respect to the data submitted by the 20 companies that participated in both 2007 and 2012.

customer service representatives and technical support positions in the areas of claims, underwriting, and sales are perceived as the least difficult to recruit. In general, recruitment is made more difficult by the relative absence of qualified internal and external candidates. It is made less difficult when employees provide referrals and the company has a competitive level of compensation.

The soundness of these perceptions is reinforced by several findings from employees' survey. Both in 2009 and 2012, the most important source of information regarding a respondent's first job in the industry came from a family member or friend working in the industry (see Chart IV-11). In addition, a "competitive salary" was ranked highest as an aspect of a respondent's ideal job (see Table IV-12) and the "offer of a higher salary" was the most likely reason a respondent might leave his or her current employer within the next five years (see Table IV-11).

Industry census data suggest that recruitment activity has been substantial across most occupations (see Table II-24). The occupations of actuary (86 percent), sales & service (52 percent), and manager (51 percent) are above the 40 percent average increase for all occupations. Within the managerial category, the number of front line managers has gone up 103 percent. However, information technology (13 percent) stands out as an occupation where the increase has been well below average.

CONCLUSION: Recruitment activity has been broadly based in occupational terms. There is a high degree of congruence between employer and employee perceptions of what factors lead to successful recruitment.

Have new employees been recruited on a full-time or part-time basis?

According to the human resource management professionals who responded to the 2011 survey, almost all of the vacancies filled in the last two years were filled on either a permanent, full-time (84 percent) or a temporary, full-time (12 percent) basis.

Data from the industry census shows that full-time employees accounted for 92 percent of the increase in employment between 2007 and 2012.

CONCLUSION: Recruitment activity has primarily focused on the hiring of full-time employees.

Has there been more or less use of targeting as a strategy for recruiting particular labour market cohorts such as youth or mature workers?

Between 2009 and 2011, the utilization of targeting as a recruitment strategy for each of the labour market cohorts increased, however, the level of utilization remained relatively low. In both time periods, youth and mature workers were targeted the most. Training and financial support (especially for industry designation and development) were targeted towards youth; mature workers were the object of programs regarding workplace/job arrangements and financial incentives. The primary purpose of targeting did not differ from that of recruitment in general, i.e., to meet overall staffing needs.

The results of the employee survey shed some light on the use of a targeting strategy. Accommodation of work/life balance issues and flexible work arrangements are among the top five aspects of the ideal job for respondents who are 55-plus (see Table IV-13). Access to training/education is relatively more important to younger (under-35) respondents than those in older age groups. These findings are aligned with the key tools deployed in the targeted recruitment of youth and mature workers, respectively.

The survey also tells us that the vast majority of the workers who intend to retire over the next five years want to continue working part-time. This is true in both 2009 and 2012. Yet, in 2012 three in five respondents who intend to retire indicate that part-time work (58 percent) is "not applicable" to them. One in three (32 percent) of this group of respondents state that phased retirement programs are "not applicable" to their situation. In the case of phased retirement, 20 percent of respondents who intend to retire and 14 percent of 55-plus respondents indicate that it is "not available". It would appear that a number of employers either do not target mature workers or have a less than comprehensive strategy.

CONCLUSION: Targeting is slowly evolving as a recruitment strategy within the industry. However, the apparent fixation on youth means the industry's approach lacks the diversification that is required to recruit successfully in Canada's aging and more diverse labour market.

Has the effectiveness of targeting as a strategy increased or decreased?

Our analysis provides two avenues of response to this question. The first is what employer representatives said about the number of employees hired (during the past two years) as a result of targeted recruitment. In 2009, two-thirds (64 percent) of respondents hired fewer than 50 employees; in 2011, the share was four-fifths (80 percent). When asked to what extent the use of targeting facilitated the recruitment of particular cohorts, three-quarters of employers (76 percent) said "to a great extent" in 2009 but only one-quarter (27 percent) held a similar view in 2011.

A second avenue of response is based on the industry census data and it is, at best, indirect. The census tells us that the youngest occupations are actuary and sales & service, respectively. It also shows us that over the five years the second largest employment gain in absolute terms was in the sales & service occupation, and the second largest in relative terms was in the actuary occupation. This may suggest a link between youth as the labour market cohort that is targeted the most and the age groups where significant employment growth is taking place.

CONCLUSION: The effectiveness of targeted recruitment is difficult to gauge. Effectiveness, imperfectly measured, appears to have declined between 2009 and 2011.

Has the level of recruitment activity been sufficient to offset the impact of retirement?

The best answer to this question emerges from our analysis of the census data and it is embedded in the data displayed in Table VI-1 (full-time employees). One way to isolate the level of recruitment activity is to assume that all employees in a five-year age group in 2007 move into the next five-year age group by 2012. If this occurs the differential between the age groups in 2007 and 2012 will be zero (with the exception of the under-20 age group). For example, in 2007 there were 1,651 employees in the 50 to 54 age group. In 2012, there were 1,651 employees in the 55 to 59 age group, the next five-year group. Hence, the differential is zero.

A differential of zero means that neither recruitment nor exit has taken place. If the differential is above zero (positive), there has been recruitment. If it is below zero (negative), there has been exit. With the exception of the information technology (IT) occupation, the differentials are positive until the 50 to 54 age group when they turn negative. Therefore, our observation is that substantial recruitment activity took place in the age groups under 50 and especially in the age groups under 30. For actuaries, the concentration was on the under-25 age group; for front line and middle managers, people in their thirties. For the occupations of underwriter, claims, and information technology recruitment was concentrated on persons in their twenties. However, we also note that for the information technology occupation the differential turns negative at 35 to 39 age group, a sign of a potential retention problem.

Starting with the 50 to 54 age group, the differentials for full-time employees are generally negative. Therefore, exit took place. Was the exit to retirement or post-retirement employment on a part-time basis, a trend identified in the employee surveys carried out in 2009 and 2012? Conducting a "differential" analysis for the part-time employees of the Group of 20 companies suggests that about one-quarter (27 percent) of the exits may have been to post-retirement employment with the same employer. "Doing the math", recruitment, including post-retirement, part-time employment, more than compensated for any exits.

Table VI-1: Age Group Differential by Occupation, Group of 20 Companies, Full-time Employees (N)[75]

	Occupation						Management		
Age Group	All	Under-writer	Claims	Sales & service	Actuary	IT	Front line	Middle	Senior
<20	918	168	372	1	42	28	1	0	0
20-24	1,976	297	782	90	49	71	69	18	3
25-29	1,061	118	377	251	5	75	187	54	11
30-34	637	29	122	301	5	87	176	104	22
35-39	475	48	63	232	10	-2	144	68	21
40-44	497	57	114	160	11	-17	120	29	12
45-49	336	68	66	100	-3	-3	59	44	-6
50-54	0	26	-52	-16	2	-30	18	-27	-8
55-59	-177	-26	-47	-72	0	-19	-10	-41	-21
60-64	-213	-42	-55	-59	0	-15	-22	-23	-14
65-69	-22	-5	-5	-7	0	-3	-3	-5	1
70-74	2	0	1	1	0	0	0	0	1
75+	-1	0	-1	0	0	0	0	0	0

CONCLUSION: Our analysis of the census data indicates that recruitment, including post-retirement, part-time employment, has more than compensated for the impact of retirement. However, in ten years, the boomer cohort will all be older than 55 and therefore, the impact of retirement should increase substantially.

Looking ahead two years, will recruitment continue to be important as a means of sustaining the industry's work force?

Two in five respondents to the employer survey expect to hire 100 or more employees mostly to fill vacancies in existing positions (69 percent of employers) and on a full-time basis (95 percent). Given the survey's margin of error (±13 percent), between one-quarter (27 percent) and one-half (53 percent) of employers expect to hire 100 or more employees.

From the employee survey we know that in both 2009 and 2012 about one-third of respondents indicate that they intend to leave their current employer within the next five years. Moreover, of those stating an intention to leave one-half intend to exit within two years (see Chart IV-14).

Census data demonstrate the gradual aging of the industry's work force over the last five years. Although the median age (both sexes) has remained stable at 41 years[76], the entry to exit ratio for all employees

75 Differential between 2007 and 2012.

among the Group of 20 companies has fallen from 0.53 to 0.42. The ratio of employees under-35 to those who are 55 or older has also declined from 3.68 to 2.61.

The retirement age of the industry's employees continues to track lower than that of the Canadian labour force (see Table V-1). Between 2007 and 2012, the median age of retirement for men working in the property and casualty insurance industry was 60. For women, the median age was 59. Industry retirement ages are more in line with those in the public sector in Canada. They are two to three years lower than median retirement ages in the private sector. The property and casualty insurance industry remains in the vanguard of the early retirement trend. The industry's Crown Corporation sector has a lower median retirement age than the Canadian public sector; the industry's private sector has a lower median retirement age than the Canadian private sector.

Our projections indicate that the share of employees currently working in the industry who may retire over the next ten years is potentially substantial. In our *high scenario*, we project a potential maximum decrease of 28 percent nationally in the industry's 2012 work force base by 2022 as a result of demographic factors. The projected potential maximum reduction is higher than the national mark in the West (three prairie provinces) and British Columbia and lower in Ontario, Québec, and Atlantic Canada. In addition, we project:

- A potential maximum 43 percent reduction in the industry's management ranks over the next ten years with the greatest hit affecting the senior management level; and
- Substantial potential reductions in the occupations of information technology (33 percent), claims (29 percent), underwriting (28 percent), and risk management (28 percent).

A national projection based on our *reference scenario* identifies a 21 percent reduction in the industry's 2012 work force base by 2022. From a demand perspective, projections of consumer spending by R.A.L. Consulting Limited indicate that there will be above average growth for the products of the property and casualty insurance industry. This growth may add additional pressure to recruit and retain workers.

The industry may well be able to cope with reduced supply and increased demand through efficiency gains attributable to the use of new technology. Alternatively, it may need to find more employees as a result of both attrition and increased need.

CONCLUSION: What would be the industry age profile if large numbers of younger employees had not been recruited over the last five years? Substantial recruitment activity has allowed the industry to, at best, stabilize the aging trend and counter the impact of retirement. Going forward it will be imperative to recruit (and retain) at a level that mitigates the potentially adverse impacts of demographic trends, in terms of both supply and demand pressures.

Which positions will be the most urgent to recruit?

From the employer's perspective, claims staff remains the most difficult and urgent to recruit (for example, accident benefit adjuster). About one in three of the industry's employees work in claims (see Chart II-2). One in three of the employees who retired between 2007 and 2012 worked in claims (see Table II-54). From the employee's perspective, someone working as a commercial underwriter has a one in two chance of leaving her or his current employer within the next five years (compared to one in three for all occupations). Excluding management, the three highest median ages by occupation are (Table II-30): risk management, information technology, and claims. Front line managers (both sexes) have a median age of 44; middle

76 Calculated on the basis of the total samples in each year.

managers, 47; and senior/executive managers, 50. These data point to a high potential for retirement over the next ten years (the data in Table II-54 show that one in five employees who retired between 2007 and 2012 were managers).

CONCLUSION: Although recruitment urgency is moderate overall, there are occupations where the urgency is higher (for example, claims).

Retention

What has been the general pattern for retention?

The industry's human resource management professionals have a heightened sense of the importance of retention but this issue is still deemed to be of somewhat lesser importance than recruitment. Changing economic conditions are perceived to have a somewhat greater impact on retention than continuing organizational consolidation within the industry. One-half (50 percent) of the respondents to the 2011 survey indicated that they had lost from one to 49 employees through voluntary exit during the previous two years. The share for involuntary exit was 64 percent, and the share for retirement was 77 percent. On average, three-quarters (73 percent) of exited employees who remained employed stayed within the industry.

The results of the employee survey point out that job satisfaction is high, both in general and with regard to specific aspects of work (for example, compensation). Furthermore, a competitive salary is the highest rated aspect of the ideal job. The majority of respondents have worked for only one employer within the industry. In 2012, 66 percent of the under-35 and 54 percent of the 35 to 54 age group respondents would leave their current employer for a higher salary. Fifty-six (56) percent of the under-35 respondents and 43 percent of the 35 to 54 respondents would leave to pursue career advancement within the industry.

The data in Table VI-1 show that across all occupations retention emerges as a trend at the age of 55. Employees who are 55 or older appear to be exiting the industry through retirement. The census data show that voluntary terminations account for vast majority of terminations (62 percent) followed by termination without cause (14 percent), termination with cause (10 percent), and retirement (9 percent). In 2012, claims and sales & service, respectively, each represent substantial shares of both non-voluntary and voluntary exits. Seventy-two (72) percent of voluntary resignations are by employees under the age of 40. The under-40 share for termination without cause is 58 percent and for termination with cause, 71 percent.

CONCLUSION: Retirement is the retention issue that dominates the 55-plus age groups. A substantial majority of the voluntary and involuntary exits occur before the age of 40 and salary and career considerations factor into these decisions. At present, the level of recruitment activity appears to be mitigating the effects of the different types of exit.

What are the retention trends for specific occupations?

Across all occupations, human resource management professionals perceive that, on average, retention is not difficult. The occupations of broker/agent and accident benefit adjuster, respectively, are viewed as somewhat difficult to retain (see Table III-12). In general, retention is made more difficult when there are limited career prospects within the organization. It is made less difficult when there is a fit between employees and the corporate culture and companies attempt to accommodate work/life balance issues.

The perception that retention is not difficult corresponds with the finding from the employee survey that the general level of job satisfaction is high across all occupations. Yet, persons working as either casualty adjusters or actuaries are more likely to leave their current employer to obtain a higher salary. If limited

internal career opportunities are perceived as making retention more difficult, this factor is counterbalanced by the perception of substantial majorities of employees in both 2009 and 2012 that their opportunity for career advancement within their organization and the industry is either excellent or good.

As noted earlier, the analysis of the census data (see Table VI-1) suggests that retention may be an issue for the occupation of information technology. The employee survey data tell us that employees working in this area are more likely to exit to make better use of their training and skills.

CONCLUSION: Retention is an issue for a few occupations but overall the level of job satisfaction appears to be a mitigating factor.

Has there been more or less use of targeting as a strategy for retaining particular labour market cohorts such as youth or mature workers?

In the view of human resource management professionals, targeting as a share of overall retention activity was somewhat higher in 2011 than in 2009 but it remained at a low level. The targeting "hierarchy" for retention was similar to that for recruitment except that mature workers and youth changed spots at the top. Mature workers were the object of programs regarding workplace/job arrangements and financial incentives; training and career development was a key emphasis for youth. Targeted retention was perceived as serving a number of purposes including meeting specific occupational needs and facilitating the management of succession planning (see Table III-20).

Work/life balance programs are a targeted retention tool for all labour market cohorts (see Table III-19). This approach aligns well with the fact that respondents to the 2012 employee survey cite work/life balance as one of the top five aspects of the ideal job (see Table IV-12). There is a disconnect between employer and employee perceptions regarding the deployment of phased retirement and part-time work as retention tools targeted at mature workers. As mentioned earlier, these tools are not available to just over a third of workers who are 55 or older.

CONCLUSION: The use of targeted retention tools has increased over the past few years and embraces cohorts other than mature workers and youth. However, the level of activity remains low and some cohorts (for example, Aboriginals) are "under-targeted".

Has the effectiveness of targeting as a strategy increased or decreased?

In 2009, only six percent of human resource management professionals did not know how many employees had been retained by the deployment of targeted tools during the previous year. Fifty (50) percent said fewer than ten; 25 percent, 50 or more. In 2011, almost one-half (47 percent) of respondents did not know how many had been retained over the past two years. One-quarter (24 percent) estimated that 10 to 49 employees had been retained as a result of targeting.

In terms of comparative effectiveness, 13 percent of 2011 respondents versus 31 percent in 2009 felt that, compared to other tools, targeted tools facilitated retention "to a great extent".

CONCLUSION: The effectiveness of targeted retention appears to be an area that has not been systematically assessed by the industry's human resource management professionals. In addition, their perception of the effectiveness of targeting has declined dramatically.

Which positions will be the most urgent to retain?

The perception of the industry's human resource management professionals is that, on average, retention of specific occupations is "somewhat urgent" over the next two years. With the exception of the occupation of marketing/field representative, the seven most urgent retention priorities are the same as the seven most urgent recruitment priorities (see Table III-6 and Table III-17). Retaining accident benefit adjusters is rated as the most urgent priority followed closely by casualty adjusters. The least urgent occupations to retain are underwriting support, sales support, and claims support, three positions that are perceived as having low levels of retention difficulty and low levels of recruitment difficulty.

Our analysis regarding the likelihood of employee exit over the next five years and the age profile of particular occupations applies to retention as well as recruitment.

CONCLUSION: Although retention urgency is moderate overall, there are occupations where the urgency is higher (for example, claims).

Strategic Work Force Planning

The results of the survey of human resource management professionals clearly shows increased use of four tools associated with the process of strategic work force planning: retirement forecasts, demographic profiling, exit interviews, and succession planning. On average, the tools are perceived as "somewhat effective". Effectiveness is perceived as lower regarding succession planning for non-management employees.

CONCLUSION: The industry's senior human resource management professionals are increasingly engaged in strategic work force planning. There appears to be room for improvement in the effectiveness of this type of planning.

SWOT Analysis

Overview

A SWOT analysis is typically an important part of any strategic thinking process. Strengths are what the property and casualty insurance industry, either collectively or at the individual company level, is currently doing well. Weaknesses can be divided into three categories: what the industry is not doing well; what the industry is doing but should not; and what the industry is not doing but should. Opportunities emerge from a consideration of strengths and weaknesses. Pursuing opportunities will allow the property and casualty insurance industry to fortify existing strengths, create new strengths, and mitigate or eliminate weaknesses. Threats represent the constraints that militate against the successful pursuit of opportunities.

We approach the development of recommendations for action by the industry from a SWOT perspective. Our detailed analysis can be distilled into a listing of strengths and weaknesses. Opportunities can be derived from this assessment. These opportunities form a basis for action. The practicality of any recommended action must factor in threats.

Industry Strengths (not in order of importance)

- Heightened awareness of recruitment and retention as strategic human resource management issues
- Vigorous recruitment to mitigate the impact of retirement
- Availability of full-time positions, mostly permanent
- Increased utilization of targeting as a strategy for both recruitment and retention
- Greater use of strategic work force planning tools: retirement forecasts, demographic profiling, exit interviews, and succession planning
- Consistent and effective financial support for the acquisition of industry-recognized certification by employees
- High level of employee job satisfaction

Weaknesses

- Recruitment and retention of employees working in claims occupations
- Potential for substantial retirement by managers at all levels
- Insufficient targeting of labour market cohorts other than youth and mature workers, i.e., career changers, internationally-trained professionals, and Aboriginals
- Program gaps in the targeting of mature workers (for example, availability of phased retirement programs)
- Perceived decline in the effectiveness of targeting especially with regard to retention tools
- Imperfect measurement of targeting effectiveness
- Low entry to exit ratios compared to the labour force overall
- Lower effectiveness of succession planning for non-management employees
- High under-40 share of voluntary and involuntary exits

Opportunities

- Diversification of the targeting of labour market cohorts
- Renewed focus on retention
- Training for the next generation of managers

Threats

- Complacency regarding the need for action
- Jeopardizing the long-term sustainability of the industry's work force by focusing on short-term economic factors
- Potential for a higher level of retirement over the next ten years as all members of the boomer cohort move past the age of 55
- Failure to train and develop the next generation of managers on a proactive basis
- Failure to analyze the industry's situation on a systematic and timely basis and to make appropriate corrections in recruitment and retention strategies

RECOMMENDATIONS

On balance, the property and casualty insurance industry Canada is doing a number of things right with respect to recruitment and retention. However, there is always room for improvement. It is with an emphasis on improvement that we put forward three principal recommendations.

RECOMMENDATION: The industry's targeted recruitment and retention strategies must be diversified by placing greater emphasis on labour market cohorts that have historically received less attention. Youth are the traditional target of recruitment and retention programs. In the past few years, mature workers have emerged as an important target. Over the next 10 years, it is imperative that three other labour market cohorts – career changers, internationally-trained professionals, and aboriginals – receive greater emphasis in targeted recruitment and retention programs. Actions to implement this recommendation should be taken at both the company and industry-wide levels.

The thrust of this recommendation is to align industry recruitment and retention programs with the changing realities of Canada's labour market:

- By 2031, the visible minority share of Canada's population is projected to be 31 percent.[77] In 2031, over one-third (36 percent) of Canadians in the 15 to 44 age group, the younger side of the labour force source population, will belong to a visible minority group. This compares with a one-fifth (19 percent) share in 2006.[78]
- In 2020, the boomer cohort will range in age from 54 to 73 years in age; the bust, from 41 to 53; and the echo, from 25 to 40. The millennium bust cohort will range in age from 10 to 24. A projection of Canada's labour force by age and sex for the period from 2010 to 2020 prepared by R.A.L. Consulting Limited suggests that:
  - Both the under-25 and 40 to 49 age groups will decline by around six percent as the millennium bust and bust cohorts, respectively, move through these age groups.
  - The size of the prime labour market cohort (25 to 54) will increase by less than three percent.
  - The 55-plus age group will grow by 27 percent (the 55 to 64 age group by 24 percent).

Therefore, in Canada's aging and more diverse labour market:

- the supply of youth will be tighter;
- there will be an overlap between the youth and visible minority cohorts;
- there will be fewer workers in their forties and early fifties to assume management positions or to fill professional jobs that require a degree of experience; and
- there will be a surplus of mature workers.

Given these trends, a diversified and targeted approach to recruitment and retention are essential.

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77 Statistics Canada, Demography Division, *Projections of the Diversity of the Canadian Population: 2006 to 2031*. Ottawa: Minister of Industry, 2010. Calculated from data contained in Table A-1, page 43 (Scenario B - Reference scenario). There is currently a substantial overlap between the visible minority and internationally-trained professional cohorts.

78 *Projections of the Diversity of the Canadian Population: 2006 to 2031*, Figure 9, page 24.

The Institute's current and past research provides additional insight into the demographic and related characteristics of the three "under-targeted" groups. In our 2009 study, we analyzed the situation of Aboriginals as a labour market cohort.[79] The results of the 2012 employee survey shed greater light on the respective profiles of career changers and internationally-trained professionals.

Respondents to the employee survey were asked if they had ever worked in another industry and if so, for how long. We view respondents who said that they had worked outside the property and casualty insurance industry as career changers. Based on this definition, 63 percent of the respondents were career changers. How does their profile differ from respondents who have only worked in the industry? For the most part, there are few differences but career changers:

- Are more likely to be men (34 versus 28 percent).
- Have a median age of 42 (same as those who have only worked in the industry).
- Have worked fewer years both for their current employer and in the property and casualty insurance industry.
- Have worked outside the industry an average of six years (median = 5.0).
- More likely to state that previous experience at another employer was a factor in their most recent promotion.
- More likely to leave their current employer to obtain a higher salary or to advance their career within the industry.

Respondents were also asked whether they had attained their highest level of education in Canada or elsewhere. We view respondents who said that they had attained their highest level outside Canada as internationally-trained professionals. Based on this definition, 15 percent of the respondents were internationally-trained professionals. How does their profile differ from respondents who attained their highest level of education in Canada? Internationally-trained professionals:

- Have a slightly lower median age (41 versus 42).
- Are less likely to have been born in Canada (50 versus 85 percent).
- Are less likely to be an Aboriginal person
- Are more likely to have a university graduate or professional degree.
- Are less likely to have obtained the CIP designation (20 versus 32 percent).
- Are less likely to have worked in the industry for 20 or more years.
- Are more likely to earn under $50,000 annually (40 versus 32 percent).
- Are less likely to have been promoted by their current employer (47 versus 57 percent).
- Are less likely to regard good pension benefits and adequate paid time off as aspects of an ideal job.

79 Insurance Institute, *A Demographic Analysis – Part II: Recruitment and Retention Issues in the P&C Insurance Industry in Canada, Full Report.* Toronto: The Insurance Institute of Canada, 2009.

RECOMMENDATION: Although the perceived and actual importance of retention has increased in recent years, it is still considered an issue of lesser importance than recruitment. Given the trends in Canada's labour market, this is a perception that must change. Increasingly, as the supply of younger workers grows more slowly, recruitment will need to focus more on attracting workers already in the labour force and retention will have to ensure that an organization's existing workers are not unduly tempted by the potential advantages of working for a new employer.

Retention programs should target two key labour market cohorts. The first is workers in their thirties who are the most likely to leave an organization through either voluntary or involuntary means. The second is mature workers who are the most likely to leave through retirement but who have expressed in the employee surveys of 2009 and 2012 a clear preference for continuing to work on a part-time basis with their current employer. In a more slowly growing labour market as a result of the aging trend, these are two groups of employees that the industry's companies cannot afford to lose.

In the design of targeted retention programs, the industry should pay close attention to the wealth of detail contained in this report. In particular, the findings of the employee survey, cross-tabulated by variables such as age and sex, provide insight into the preferences of the targeted groups. The following example illustrates the point. Flexible work arrangements and accommodation of work/life balance are among the top five aspects of an ideal job for each of the under-35, 35 to 54, and 55-plus age groups. Therefore, these two factors should be taken into account in designing retention (and recruitment) programs. The nuance is that given where the employees in the three age groups are positioned in terms of the life cycle different meanings will be ascribed to the concepts of flexible work and work/life balance. The research upon which this report is based as well as follow-up projects can support successful retention initiatives.

RECOMMENDATION: Given the potential maximum reduction in the industry's management ranks due to retirement, management training and education remains a high priority. Employees in the feeder group to management (i.e., under the age of 45) must be trained on a proactive basis. Consideration should be also given to creating post-retirement employment for managers based on the need to mentor both new recruits to the management occupation or current managers who are stepping up a level (for example, from front line to middle management).

Under the high scenario retirement projection, up to one-half of managers could retire over the next ten years (see Table V-8). Potential attrition is projected to be greatest at the senior management level. The results of the employee survey tell us that managers are much more likely than non-managers to take courses on "leadership" and "management/supervisory skills". For example, while in 2011 45 percent of front-line managers took a course in management/supervisory skills, no more than 11 percent of employees in any of the non-management occupations took a similar course. The cohort that will move into the management ranks over the next ten years is the smaller bust cohort. These trends and a number of others suggest that succession planning for managers remains important and that training and development on a proactive basis is a key component of the planning process.

APPENDIX 1: Occupational Categories and Groups

The following are the instructions that were provided to insurance organizations in the gathering of census data and that reflect the categorization and grouping of occupations within the P&C insurance industry for the purposes of this research.

Eight major "occupational categories" are identified in relation to the delivery of insurance products and services (e.g., claims or information technology as it relates to service delivery). Within the underwriter, claims, management, and sales & service categories, specific "occupational groups" are identified.

Instructions:

- For underwriter, claims, management, and sales & service, enter data at the "occupational group" level where possible.
- If it is not possible to enter the data at the occupational group level, enter the data at the occupational category level.
- For broker/agent, information technology, actuarial, and risk management enter the data at the "occupational category" level.
- It may be that you do not have all occupational categories or groups represented in your organization.
- Complete the data collection for those categories groups that are represented in your organization.

1. UNDERWRITER
   Underwriter
   Commercial underwriter
   Underwriting support

2. CLAIMS
   Claims adjuster/examiner
   Casualty adjuster
   Accident benefit adjuster
   Claims support

3. BROKER/AGENT (includes Commercial CSR/producer)

4. MANAGEMENT
   Senior/Executive
   Middle Management
   Front line management

5. SALES & SERVICE
   Marketing/field representative
   Customer service representative
   Sales support

6. ACTUARIAL

7. INFORMATION TECHNOLOGY

8. RISK MANAGEMENT

APPENDIX 2: Definitions of Licensing Categories

The data from the four provincial regulatory authorities are data on the insurance professionals working in the occupations of adjuster, broker and agent. The data may differ between provinces depending on the regulations in each province and the definitions of licensing categories, as per the descriptions below.

Insurance Council of British Columbia (ICBC)

The occupational definitions for adjuster and broker and agent, respectively, (according to Section 168 of the Act), are:

An insurance adjuster is: "… a person who makes an adjustment or settlement of a claim under a contract of insurance other than a contract of marine insurance."[80]

An insurance agent is: "…a person, other than an insurance company or an extra-provincial insurance corporation, who solicits, obtains or takes an application for insurance, or negotiates for or procures insurance, or signs or delivers a policy, or collects or receives a premium."

An insurance salesperson is: "…an individual who is employed by an insurance agent or by an insurer to solicit, obtain or take an application for general insurance, or to negotiate for or procure general insurance, or to collect or receive a premium for general insurance."[81]

Alberta Insurance Council (AIC)

According to the Code of Conduct for Adjusters in Alberta, adjuster is defined "as an individual that holds an adjuster's certificate of authority. Adjusting is defined as the negotiation of the settlement of a loss under a contract of insurance."[82]

According to the Code of Conduct for Agents (including Brokers) in Alberta, agent is defined "as an individual that holds a certificate of authority to transact insurance business as defined in the Act." Agency is defined "as a corporation or partnership, or an individual sole proprietorship agent, holds a certificate of authority to transact insurance business and meets the requirements as set out in the Act."[83]

Chambre de l'assurance de dommages (ChAD)

A damage insurance agent is a natural person who, on behalf of a firm that is an insurer or that is bound by an exclusive contract with a single damage insurer, offers damage insurance products directly to the public. A damage insurance agent also acts as an advisor in the field of damage insurance.

A damage insurance broker is a natural person who offers a range of damage insurance products from several insurers directly to the public, or who offers damage insurance products from one or more insurers to a firm, an independent representative or an independent partnership. A damage insurance broker also acts as an advisor in the field of damage insurance.

A claims adjuster is a natural person who, in the field of damage insurance, investigates insured losses, appraises damages and negotiates the settlement of claims.[84]

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80 Accessed at http://www.insurancecouncilofbc.com/PublicWeb/LQ_InsuranceAdjusting.html.

81 Accessed at http://www.insurancecouncilofbc.com/PublicWeb/LQ_GeneralInsurance.html.

82 http://www.abcouncil.ab.ca/media/docs/Pdf/COC/2010%20ADJUSTERS%20CODE%20OF%20CONDUCT%20BM.pdf

83 http://www.abcouncil.ab.ca/media/docs/Pdf/COC/2010%20GENERAL%20CODE%20BM.pdf as found on: http://www.abcouncil.ab.ca publications/codes_of_conduct.html

84 Accessed at http://www.chad.ca/en/regulations.html; From An Act Respecting the Distribution of Financial Products and Services; http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/D_9_2/D9_2_A.html

Registered Insurance Brokers of Ontario (RIBO)

"Insurance broker" means any person who for any compensation, commission or other thing of value, with respect to persons or property in Ontario, deals directly with the public and,

(a) acts or aids in any manner in soliciting, negotiating or procuring the making of any contract of insurance or reinsurance whether or not the person has agreements with insurers allowing the person to bind coverage and countersign insurance documents on behalf of insurers,

(b) provides risk management services including claims assistance where required,

(c) provides consulting or advisory services with respect to insurance or reinsurance, or

(d) holds himself, herself or itself out as an insurance consultant or examines, appraises, reviews or evaluates any insurance policy, plan or program or makes recommendations or gives advice with regard to any of the above.[85]

RIBO has three license levels for insurance brokers:

Restricted License Level: Upon completion of the Entry Level or Equivalency examination, an individual is eligible with the restriction of "Acting Under Supervision". A broker "Acting Under Supervision" cannot control trust funds, act as a "Principal Broker", or operate as a sole proprietor. The restriction of "Acting Under Supervision" can be removed by passing the second level of examinations, the "Unrestricted - Technical" and the "Unrestricted - Management".

Unrestricted – Technical: This restriction assists individuals who wish to remove the "Acting Under Supervision" restriction from their license but have no intention of pursuing the full "Unrestricted" registration. Successful completion of the "Unrestricted - Technical Only" examination does not qualify an individual to be the Principal Broker of a member corporation, partnership or sole proprietorship. The individual is still under the direction of the Principal Broker of the firm they are employed by.

To qualify as a Principal Broker, the Management examination must be successfully completed. There is a two (2) year mandatory waiting period from first registration before application to write the Management examination can be submitted.

Unrestricted: To be eligible, an individual must be personally registered as an insurance broker and hold an "Unrestricted" class of license (successful completion of both the "Unrestricted - Technical" and "Unrestricted - Management" examinations). The individual must also be a Director and/or Officer of the corporation, a partner of the partnership or a full-time employee and/or sole proprietor of the sole proprietorship with authority to act in the name of, and on behalf of the firm, regarding information filed to comply with all RIBO requirements.

85 http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90r19_e.htm as found at: http://www.ribo.com/index.php?option=com_content&view=article&id=132&Itemid=120

APPENDIX 3: List of Charts

APPENDIX 4: List of Tables

APPENDIX 5: List of Participating Companies

The Insurance Institute of Canada would like to thank the following organizations for their participation in any or all of the research phases of this 2012 study. Without which there would be no research or informed insight into the demographic composition of our industry.

Participating Insurance Organizations	Company Type[86]	Phase I: HR Survey	Phase II: Employee Survey	Phase III: Census
ACE INA Insurance	BR		X	X
Askari General Insurance Co Ltd	DR	X		
Allstate Insurance Company of Canada	DR		X	X
Ayr Farmer's Mutual Insurance Company	MI			X
Chubb Insurance Company of Canada	BR	X	X	X
Co-operators General Insurance Company	DR		X	X
Crawford & Company (Canada) Inc.	IA	X		X
Cunningham Lindsey Canada Limited	IA	X	X	X
Desjardins Group	DR	X	X	X
The Dominion	BR	X	X	X
Ecclesiastical Insurance Office plc	BR	X		
Economical Insurance (TEIG)	BR		X	X
ENCON Group Inc.	BR	X	X	X
Family Insurance Solutions (a member company of TEIG)	BR	X	X	X
Farm Mutual Reinsurance Plan Inc.	RI	X	X	X
Foster Park Baskett Insurance Brokers	IB		X	
Gore Mutual Insurance Company	MI	X	X	X
Knox Insurance Brokers	IB		X	
La Mississquoi compagnie d'assurance (a member company of TEIG)	BR	X	X	
Liberty International Underwriters	BR	X		
Lombard Canada Ltd.	BR	X		
Manitoba Public Insurance (MPI)	CC			X
Marsh Canada Ltd.	IB	X		
Munich Reinsurance	RI			X
Old Republic Insurance Company of Canada	DR	X		
Peace Hills General Insurance Company	BR		X	X
RBC Insurance	DR	X		
Red River Mutual	MI			X
RRJ Insurance Group Limited	IB	X	X	
Saskatchewan Government Insurance (SGI)	CC	X	X	X
Saskatchewan Mutual Insurance (SMI)	MI		X	X
SCM Insurance Services	IA	X		
SCOR Canada Reinsurance	RI	X		
Southeastern Mutual Insurance Company	MI			X
State Farm Insurance Company	MI	X	X	X
Swiss Reinsurance Company Canada Ltd.	RI	X		X

Participating Insurance Organizations	Company Type	Phase I: HR Survey	Phase II: Employee Survey	Phase III: Census
Town & Country Mutual Insurance Company	MI			X
TD Insurance	DR	X		X
Trillium Mutual Insurance Company	MI			X
Usborne & Hibbert Mutual Fire Insurance Company	MI			X
Wawanesa Mutual Insurance Company	MI	X		X
Zurich Canada	BR	X	X	X
		26	21	29

86 CC= Crown Corporation; BR= Broker-Represented Insurer; DR=Direct Response Insurer; MI=Mutual Insurer; RI=Reinsurer; IB= Independent Insurance Broker; IA= Independent Adjuster.

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