



Insurance Institute

A Demographic Analysis of the Property & Casualty Insurance Industry in Canada

2007 – 2017

Full Report



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of the Property & Casualty
Insurance Industry in Canada
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This document represents the Full Report of the Demographic Analysis of the Property & Casualty Insurance Industry. An Executive Summary as well as an Executive Brief are also available in hard-copy or as a PDF to download from The Insurance Institute. A series of seminars on this research, as presented by the consultant Richard Loreto, are being hosted across the country from May 27 to June 25, 2008. For more information, go to: www.insuranceinstitute.ca.

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Foreword

The Insurance Institute of Canada is proud to present this demographic research study conducted on behalf of the industry during the Summer and Fall of 2007.

At the forefront of industry concerns today are such human capacity issues as recruitment, succession planning, education and training. The need to attract new entrants to the insurance industry has become a resonant call from the industry's CEOs and HR departments.

In response, The Institute set out to conduct a census of the demographic composition of the insurance industry and to forecast human resources needs and capacity into the future.

Our primary objective in conducting this research is to provide information regarding future hiring needs, training and development requirements and potential leadership gaps. We know the industry will benefit from:

- data representing a snapshot of the industry today that is not currently available,
- some much needed predictions regarding human resource capacity in the industry in the future, and
- recommendations for addressing the identified needs.

We would like to thank the 43 insurance and reinsurance companies, adjusting firms and brokerage firms participated in the study, as well as the four insurance councils/regulators that provided demographic data on their membership. We were extremely pleased with the response and the submission of nearly 91,000 records (total represents 28,300 records of active employees within organizations, 12,500 terminated records, and 50,000 records from four regulatory bodies across the country).

Due to the high number of records received, the data analysis is highly credible and representative. For instance, the industry data not only compares with significant confidence levels to the Statistics Canada data from the *Labour Force Survey* and *2001 Census*, but also is verifiable when company data is cross-tabulated with the data from the regulatory bodies. The research consultant is extremely pleased with the data analysis for this preliminary census of the industry.

As this is the first effort to explore the demographics of the industry, there may be gaps in the research, understandably. We expect that the data will confirm what we know, or believe anecdotally, to be true. We anticipate that most will find analysis which was not known and which has meaning and implications for the future human resource capacity issues of the industry. We are confident that the research provides information that is of value to our stakeholders and the industry.

We would like to express our appreciation to the project team at R.A.L. Consulting, and in particular Richard Loreto, for his guidance and expertise through this research study and writing of the report.

Part I – Introduction

Purpose and Objectives of the Report

This report has been researched and written by R.A.L. Consulting Limited of Hamilton, Ontario under contract to The Insurance Institute of Canada. The purpose of the report is to:

- Analyze the demographic characteristics of selected occupations within the work force of the property and casualty insurance industry in Canada; and
- Establish a sound empirical foundation for the development of effective recruitment and retention strategies by the industry's employers and provincial and national associations.

The specific research objectives of the report are to:

- Analyze statistical data on insurance industry occupations in Canada that are available from Statistics Canada.
- Develop demographic profiles of both current and terminated employees by occupation from data supplied by participating employers and provincial regulators within the property and casualty insurance industry.
- Analyze the linkages between industry demographic profiles and current demographic profiles of Canada's labour force at the provincial and national levels.
- Conduct a survey of the perceptions of senior human resources professionals within the industry on the issues and trends impacting the recruitment and retention of workers in the selected occupations.
- Identify the degree to which the perceptions of senior human resources professionals are consistent with the demographic realities of the industry.
- Project the change in the property and casualty insurance industry's professional work force for the period from 2007 to 2017 that is attributable to demographic factors.
- Identify, on the basis of the research, the strategic implications of demographic trends for the property and casualty insurance industry's professional work force and make appropriate recommendations regarding the management of demographic change.

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 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

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.

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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:

The 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?).

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

Given the current labour market and apparent industry concerns about recruitment and retention, The Insurance Institute of Canada (The Institute), the educational arm of the industry, recognized that a comprehensive demographic research project was needed. The research project not only required retaining an external consultant with expertise in the demographic analysis of Canada's labour force but also a new approach to data collection.

The new approach involved conducting a "census" of industry employers. In addition, industry regulators in the four most populous provinces were asked to share their data on licensees. Forty-three (43) insurance employers from across Canada and the four provincial regulators provided primary demographic data during the period from August to October, 2007. Data on both current and terminated employees in seven occupational categories were collected. The seven categories are:

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.

⁷ Ibid.

Underwriter, Claims, Broker, Senior Management, Middle and Other Management, Sales and Service, Actuarial, and Information Technology (see APPENDIX 1).

Subsequently, a survey of Human Resources Professionals in the insurance industry was conducted during the period from November to December, 2007 to assess perceptions about recruitment and retention issues. Forty-four (44) human resources professionals from across Canada responded to the survey.

The research in the report is based on confidential industry data as well as public data. Most of the public data are from Statistics Canada. We acknowledge the strategic role of Canada's national statistical agency in the collection of demographic, economic, and social data that is important for planning and decision-making in both the public and private sectors.

Organization of the Report

The remainder of the report is organized in six parts:

- **Part II** sets out our general perspective on demographic analysis. It also looks at Canada's labour force from the perspective of past, current, and projected demographic trends, thereby establishing the macro context for the detailed analysis of the industry's work force.
- **Part III** uses data from Statistics Canada to illustrate the demographic characteristics of selected occupations within the "insurance" industry in Canada.⁸ The analysis of data from the *Census* and *Labour Force Survey* provides some basis for validating trends observed in the analysis of industry demographic data (Part V).
- **Part IV** contains an analysis of the results of the survey of senior human resource management professionals.
- **Part V** uses industry data to develop demographic profiles of current and terminated industry employees in the selected occupational categories.
- **Part VI** 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, work force size, and organizational structure. In addition to this "supply" perspective on the pressure generated by demographic change, consumer spending projections are employed to provide a "demand" perspective.
- **Part VII** 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 VII, 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.

⁸ Statistics Canada data do not distinguish between the property and casualty sector and other sectors of the insurance industry. Also, in some instances, data on the insurance industry are bundled with data from other financial services sectors (for example, banking).

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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

R.A.L. Consulting Limited gratefully acknowledges the assistance provided by the staff of The Insurance Institute of Canada, particularly, Margaret Parent, Director, Professionals' Division and Ted Hellyer, Vice President, Programs. We are also most indebted to the many individuals in the industry who complied cheerfully and efficiently with our many requests for data. Notwithstanding the substantial help that we received from various quarters of the industry, responsibility for the analysis and recommendations of the report rests solely with R.A.L. Consulting Limited.

Part II – A Demographic Analysis of Canada’s Labour Force

Introduction

From an economic perspective, a business such as an insurance company can be analyzed in terms of both *demand* and *supply* factors. The notion of *demand*, at its simplest, involves an understanding of the demographic and socio-economic characteristics of a company’s customers and their related need for goods or services. The *supply* side of business activities focuses on the capacity to deliver the demanded goods or services. Although a number of factors affect *supply*, the key one is labour. To ensure sustainability not only must there be customers exerting *demand* but there must also be a work force of trained individuals available to deliver the services.

This part of the report examines the macro labour *supply* factors attributable to demographics. Demographic profiles are developed for Canada’s labour force with emphasis on the factors of age, sex, and migration.

Demographic Analysis

Overview

Demographics are the study of human populations. In short, the focus is on people. Demographers are interested in understanding the trends and market or public policy implications associated with the

- natural increase in the population (i.e., the difference between births and deaths);
- migration of people from one city or region to another or between countries; and
- distribution in the population of characteristics such as age, sex, ethnicity, and race.

In the economy, people can generate demands for private or public goods and services and they can be involved in the production and supply of these goods and services. In other words, people can be customers and clients as well as employers and workers.

Canada’s “Cohorts”⁹

The aging of the “baby boomers” born between 1947 and 1966 is the key demographic trend within Canada’s population over the next ten years:

- In 2007, the *boomers* ranged in age from 41 to 60 (about 30 percent of the population). They constituted the experienced core of the labour force and were consuming an identifiable mix of public and private goods and services.
- Since “every year they will get a year older”, by 2017 the *boomers* will age into the 51 to 70 range. They will be fully embedded in the *45-plus generation*¹⁰ and will represent an unprecedented force in the marketplace as they consume a changing mix of goods and services and begin to leave the labour force.

⁹ See David K. Foot with Daniel Stoffman, *Boom, Bust & Echo*, Chapter 1. Please note that despite minor variations in the start and end years for the three cohorts, Foot’s Canadian references are often used interchangeably with American references so that the Bust cohort may be referred to as Generation X (born between 1967 and 1979 are aged 28 to 40 in 2007) and the Echo cohort may be referred to as Generation Y (born between 1980 and 1995 are aged 12 to 27 in 2007).

¹⁰ 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*. A study prepared for the Niagara Economic and Tourism Corporation by the Madison Avenue Demographics Group, 1999.

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- In 2012, the first members of the "big generation"¹¹ will reach the traditional retirement age of 65. Given the indelible stamp that the *boomers* have placed on all prior stages of the life cycle, there is concern about Canada's ability to sustain the pension and health care expenditures that will accompany this "seniors' boom." This concern is valid. However, from our current vantage point, there is time to prepare for the implications of *boomers'* retirement.
- The "baby bust" cohort, born between 1967 and 1979, is the group that followed the *boom* and its members ranged in age from 28 to 40 in 2007. The size of the *bust* cohort is only 60 percent of the *boom* and therefore, its significance is where the members of the *bust* cohort are currently positioned and will be positioned over the next ten years in the life cycle. At present, members of this cohort are attempting to establish themselves in their careers or purchase their first houses. During the next ten years, the *bust* cohort will age into the 38 to 50 range. Among other things, they will move up the corporate hierarchy and take their kids to museums but, given their relative size in Canada's population structure, the volume of their demands is substantially less than that generated earlier by the *boomers*.
- The "baby boom echo" essentially represents the children of the *boomers*. The members of this cohort were born between 1980 and 1995, with births across Canada reaching a peak in 1990. In 2007, "echo kids" represented the bulk of Canada's youth, ranging in age from 12 to 27. As the front end of this cohort prepares to leave college and university to enter the labour market, the back end is moving into the secondary level of the educational system. The *echo* is about 71 percent of the *boom* cohort. Therefore, as it ages over the next ten years, there will be a discernible impact on the post-secondary educational system and the market for young workers who understand the latest technology.

The *boom, bust & echo* template varies somewhat across Canada's provinces. For example, in Alberta, Canada's youngest province, *boomers* account for about 29 percent of the population, but the shares for the *bust* (68 percent of the *boom*) and *echo* (81 percent of the *boom*) cohorts are larger than is the case across Canada as a result of migration. In addition, births peaked in Alberta in 1983, well before they did so at the national level.

The Labour Force in Canada

Defining the Labour Force

The central data source for the labour market in Canada is the *Labour Force Survey* conducted monthly by Statistics Canada. This survey, first instituted in 1945, encompasses a sample of approximately 54,000 households across Canada's ten provinces. Before proceeding further, it is useful to explain a number of concepts employed to describe and analyze the labour market in Canada.

For analytical purposes the group from which the economy can draw workers – the labour force source population – is defined to include everyone 15 years of age and over not living on an Indian Reservation or not institutionalized (in a penal or mental facility) and who are of legal age to work and physically able to do so. The labour force source population consists of two key groups: those who participate in paid labour market activity and those who do not. The latter group includes primarily the elderly, students not working part-time, the disabled, and stay-at-home spouses.

¹¹ John Kettle, *The Big Generation*. Toronto: McClelland and Stewart Limited, 1980.

Part II – A Demographic Analysis of Canada’s Labour Force

$$\text{Source Population} = \text{Labour Force} + \text{Not In Labour Force}$$

Those participating in paid labour market activity are said to form the labour force. The participation rate – the share of the source population choosing to participate in labour market activity – is calculated as the labour force divided by the source population expressed as a percent. In 2006, the participation rate in Canada was about 67 percent.

$$\text{Participation Rate} = (\text{Labour Force} / \text{Source Population}) \times 100$$

Labour market participants, in turn, can be broken into two groups: those with jobs (whether full-time or part-time), and those without jobs but looking for work. The latter are designated as unemployed.

$$\text{Labour Force} = \text{Employed} + \text{Unemployed}$$

An employed person is anyone who during the labour force survey reference week did any work at all or who had a job but was not at work due to illness, family responsibilities, bad weather, labour dispute, vacation, etc. A person is considered to be employed if he or she works for pay or profit or is self-employed. Employment also includes unpaid family work that contributes directly to the operation of a farm, business, or professional practice owned by a related member of the household.

The unemployment rate is calculated as the number of unemployed expressed as a percentage share of the total labour force. The unemployment rate rises and falls with the business cycle and is considered a key indicator of overall economic performance.

$$\text{Unemployment Rate} = (\text{Unemployed} / \text{Labour Force}) \times 100$$

Unemployed persons are those who, during the reference week, were without work; had actively looked for work in the past four weeks and were available for work; had not actively looked for work but had been on layoff and were available for work; or had not actively looked for work but had a new job to start in four weeks or less and were available for work.

Profile of Canada’s Labour Force¹²

In 2006, the size of the labour force in Canada was estimated to be 17,592,800 persons. The participation rate was 67 percent. Males accounted for 53 percent of the labour force and females, 47 percent. The size of the labour force in 2006 was 18 percent larger than it was in 1996. Females accounted for 56 percent of the increase between 1996 and 2006.

Research on the labour force at both the national and provincial levels has demonstrated a number of findings that are relevant to an analysis of workers in the property and casualty insurance industry:

¹² The data used to compile this profile are taken from *Labour Force Historical Review 2006* (Ottawa: Statistics Canada, February 2007). In most instances, data are rounded to the nearest whole number. Percentage shares may not add up to 100 percent due to rounding.

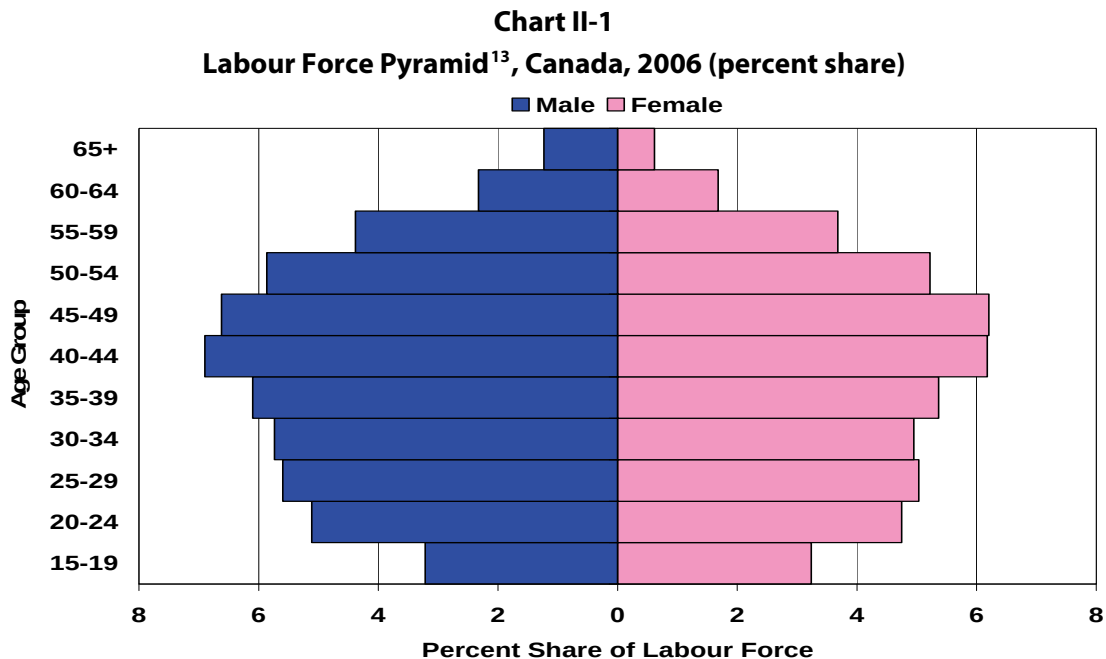
A Demographic Analysis of the P&C Insurance Industry

- Labour force participation varies by age and by sex and it declines with age.
- Since the 1950's, overall male participation has declined and female participation has increased. However, both male and female participation have been relatively stable since 1990.
- The *boomers* have driven labour force growth since they entered in the early 1960's. Since 1981, when the last of this cohort entered the labour force, Canada's labour force has been slowly aging.
- Over the past 30 years, the growth of the "labour force entry cohort" (workers under 25) has been much less than that of the "retirement cohort" (workers 55 and older).
- Between 1976 and 2006, the median age of retirement in Canada's public sector declined from 64.9 to 59.3 years for males and from 64.8 to 59.9 years for females. In the private sector, the median age for males dropped from 65.1 to 62.8 years, and for females, from 64.8 to 61.3 years.
- During the next ten years and beyond, workers 45 and older are projected to dominate labour force growth. The number and labour force share of workers under 25 are projected to be lower than the number and labour force share of workers 55 and older.

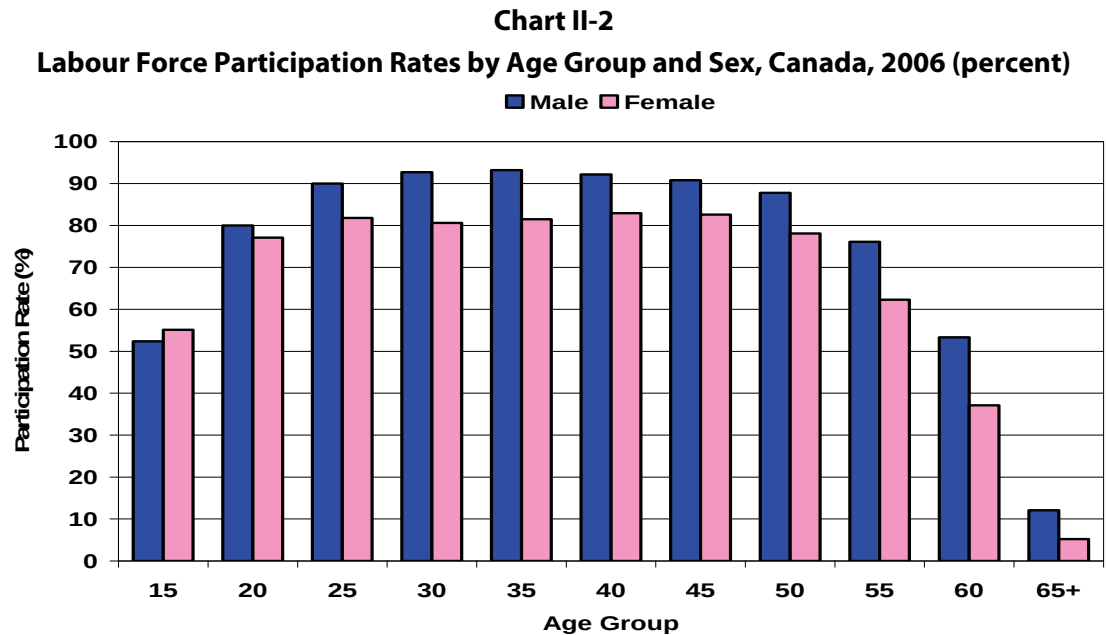
Labour Force Participation

The finding that labour force participation varies by age and by sex and declines with age is clear in both Chart II-1 (page 9) and Chart II-2 (page 9). Chart II-1 shows the distribution of Canada's labour force by age and sex in 2006. The share of males is higher than the share of females in each five-year age group with the exception of the 15 to 19 age group (where the shares are equal). However, the differences are less than one percentage point in each age group. Chart II-1 also demonstrates that *boomers* retain a strong presence in Canada's labour force. In 2006, *boomers* (i.e., 40 to 59) were 45 percent of the labour force (a decrease from their 50 percent share in 2001).

Part II – A Demographic Analysis of Canada’s Labour Force



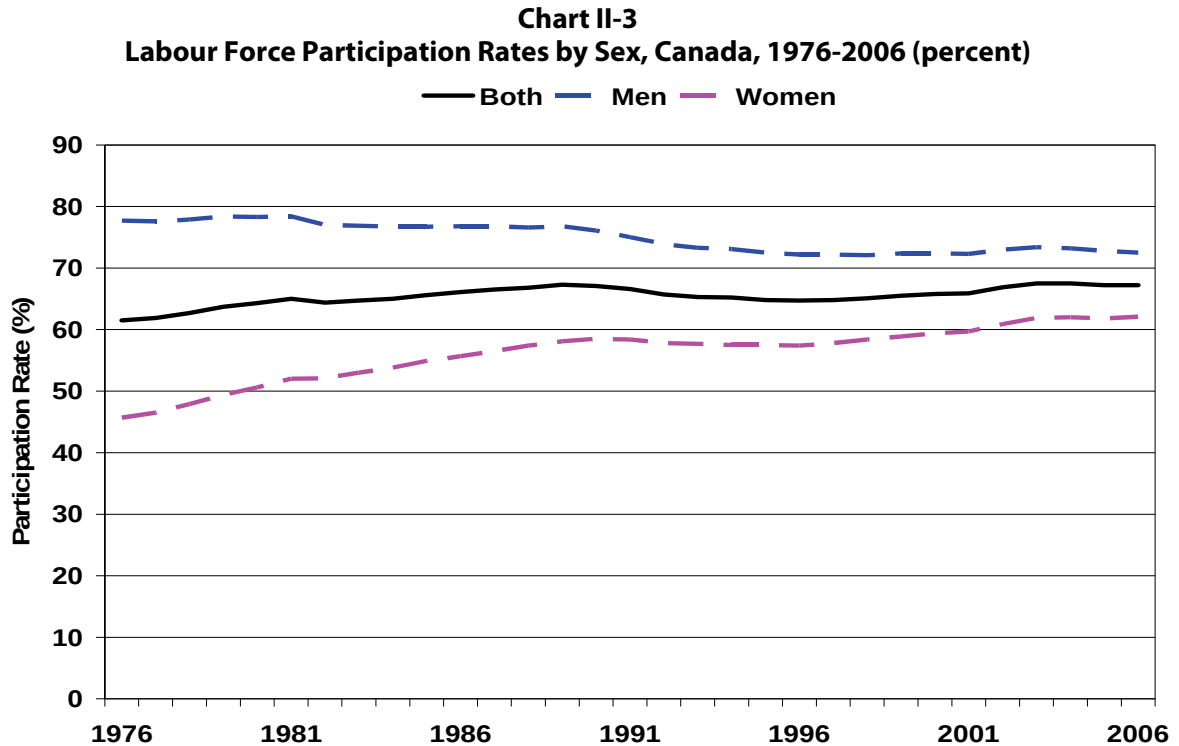
In Chart II-2, age and sex differences are depicted in terms of the labour force participation rate. The male rate was higher than the female rate in all age groups except the 15 to 19 age group. The greatest differentials were found in the 30 to 39 and 55 to 64 age groups, respectively. In 2006, the overall participation rate for males in Canada was 72.5 percent and for females, 62.1 percent (a gap of 10.4 percentage points). It is also evident from Chart II-2 that the highest levels of participation for both males and females are between the ages of 25 and 54.



¹³ A labour force “pyramid” portrays the distribution of workers by age and sex.

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Chart II-3 illustrates the trends towards decreasing male participation and increasing female participation. Between 1976 and 2006, the male rate declined by seven percent. For females, the rate increased by 36 percent. However, most of the change in the female rate occurred between 1976 and 1991 (an increase of 28 percent). Since 1991, both rates have changed little. The male rate has declined around three percent, and the female rate has increased by six percent.



Labour Force Aging

If the aging of the *boomers* is a well-established trend within Canada's population, then it is not surprising that the labour force is aging in lock step. The extent of this phenomenon can be portrayed in a number of ways.

Chart II-4 (page 11) presents labour force pyramids for Canada in 1976 and 2006, respectively, in absolute terms (i.e., the number of workers). An analysis of the data used to build the pyramids reveals that:

- The size of Canada's labour force grew by 68 percent between 1976 and 2006, with females accounting for 61 percent of the growth.
- The ranks of workers between the ages of 25 and 54 increased by 91 percent; the number of labour force participants under the age of 25 decreased by 0.8 percent; and there were 106 percent more labour force participants 55 and older in 2006 compared to 1976.
- The difference, in absolute terms, between the number of younger workers (under 25) and the number of older workers (55-plus) decreased by almost three-quarters between 1982 and 2006.

Part II – A Demographic Analysis of Canada’s Labour Force

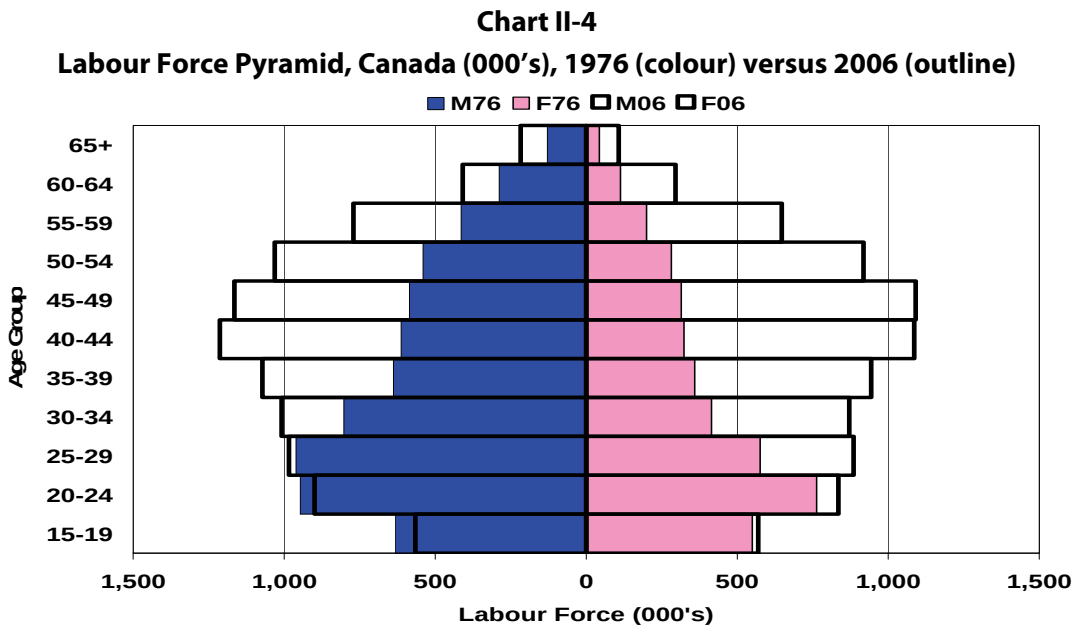
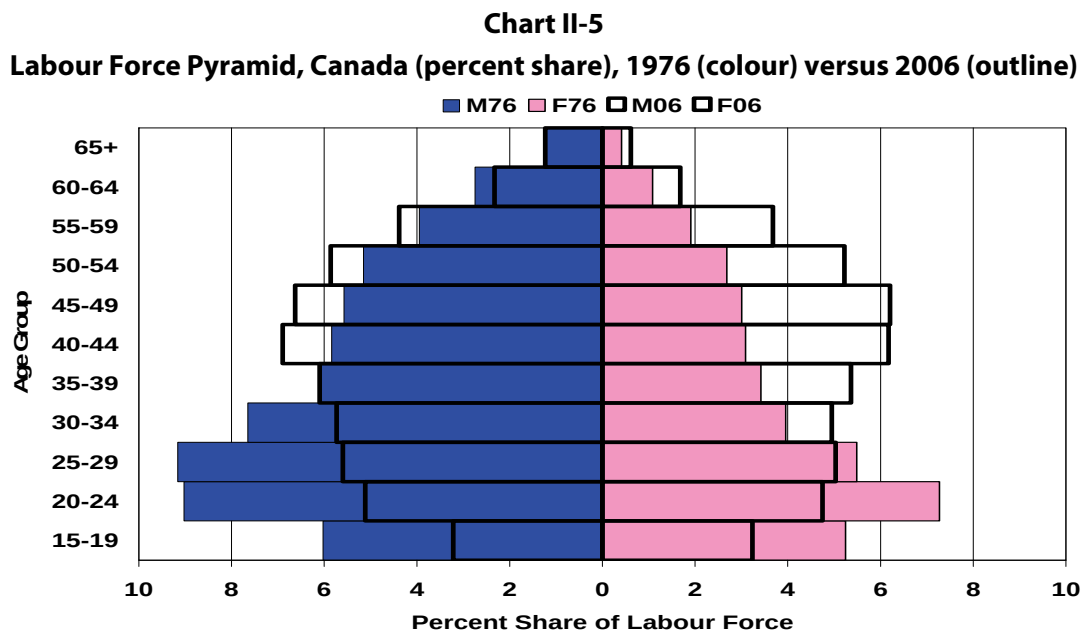


Chart II-5 presents labour force pyramids for Canada in 1976 and 2006, respectively, in relative terms (i.e., percentage share of the labour force). An analysis of these data reveals:

- The male share of the labour force declined from 62 percent in 1976 to 53 percent in 2006 or a drop of 15 percent. The female share increased from 38 percent to 47 percent (a 25 percent increase).
- The labour force shares of the 40 to 59 age group (i.e., the *boomers*) increased noticeably. The share of workers under 25 fell from 28 percent to 16 percent or a decline of 41 percent. The share of workers 55 and older remained in the range of 9 to 11 percent of the labour force between 1976 and 2002. Since 2002, the share has risen to 14 percent.



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The “pictures” of Canada’s labour force portrayed in Charts II-4 and II-5 are pictures of an aging labour force. About one in seven workers are in the “retirement cohort” (i.e., 55 and older), a share that is starting to increase. Fewer than two in ten workers are under 25 compared to three in ten 30 years ago. One-half (53 percent) of the workers in the prime labour force participation years (25 to 54) are *boomers*.

The aging trend varies somewhat by province. Table II-1 presents two indicators of labour force aging, the entry to exit ratio¹⁴ and the percentage share of *boomers* in the labour force. On the basis of these indicators, the youngest labour forces are in Western Canada – Manitoba, Saskatchewan, and Alberta.

Table II-1: Entry to Exit Ratio and Boomer Labour Force Share by Province, 2006

Province	Entry to Exit Ratio	Boomer % of Labour Force
Newfoundland & Labrador	1.1	48.1
Prince Edward Island	1.3	46.2
New Brunswick	1.3	46.5
Nova Scotia	1.4	46.8
Québec	1.3	46.3
Ontario	1.3	44.5
Manitoba	1.5	43.9
Saskatchewan	1.5	44.0
Alberta	1.6	42.4
British Columbia	1.3	46.1
Canada	1.4	45.0

Labour Force Projections

An important aspect of labour market analysis is to use past and current trends as a basis of identifying what might happen in the future. A labour force is a population of workers. To project the size of any population group it is necessary to make assumptions about how many people will enter and exit the population over a given time period.

The projections that follow utilize data from the 2006 *Labour Force Survey* and the general population projections developed by Statistics Canada. It is assumed that:

1. Workers can enter Canada’s labour force at the age of 15.
2. There is no labour force participation by persons 75 and older.
3. The average labour force participation rates for the 2001 to 2006 period in Canada remain the same for males and females in all age groups.

The projections are based on assumptions about fertility, mortality, and migration inherent in the “Medium Growth Population Scenario” developed by Statistics Canada. In addition, the labour force projections assume no major decline in the overall demand for labour as a result of technological or economic factors.

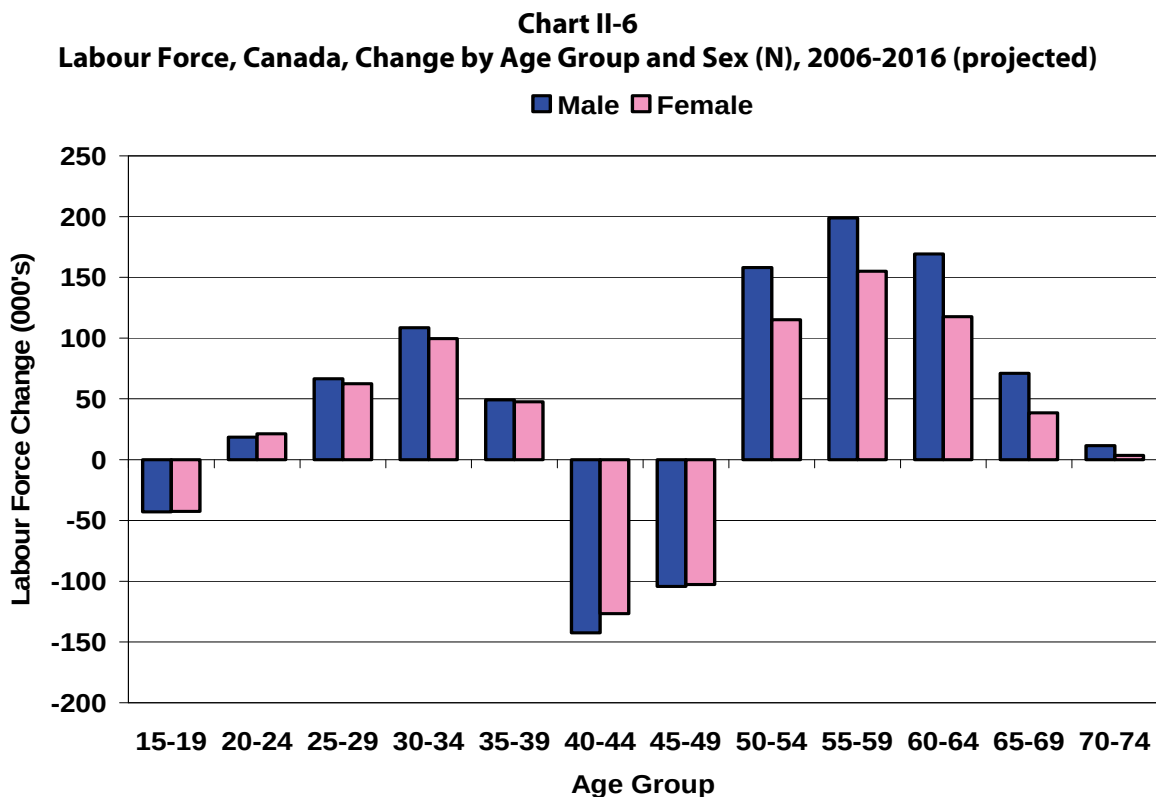
¹⁴ The entry to exit ratio in the labour force is the ratio of workers under the age of 25 to workers who are in the 55 to 64 age group. The under-25 age group is deemed the labour force entrants. The 55 to 64 age group represents workers who may leave the labour force through retirement. The higher the ratio, the younger the labour force.

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Between 2006 and 2016, R.A.L. Consulting Limited projects an increase of just over 952,000 persons in Canada’s labour force (5.4 percent) as a result of the changing age structure of the population. Males will account for 59 percent of this growth. Canada’s labour force ages substantially during the projection period.

An analysis of the data underlying Chart II-6 indicates that:

- The “labour force entry cohort” (under 25) decreases by 45,000 persons or 1.6 percent.
- The “core labour force cohort” (25 to 54) increases by 231,000 (1.8 percent) but there is a projected shortfall of 476,000 workers in their forties, a drop of 10 percent.
- The “retirement cohort” (55 to 64) grows by 641,000 or just less than one-third.
- Four in five of the workers added to the labour force will be 55 or older. This essentially reflects the aging of *boomers* into the 50 to 69 age group.
- The entry to exit ratio for men will fall from 1.30 to 0.97, and for women, from 1.61 to 1.21.
- The older cohorts increase their respective shares of the labour force, and those of the younger cohorts decline (see Table II-2, page 14).



A Demographic Analysis of the P&C Insurance Industry

Table II-2: Labour Force Cohorts, 2006 versus 2016 (percent share)

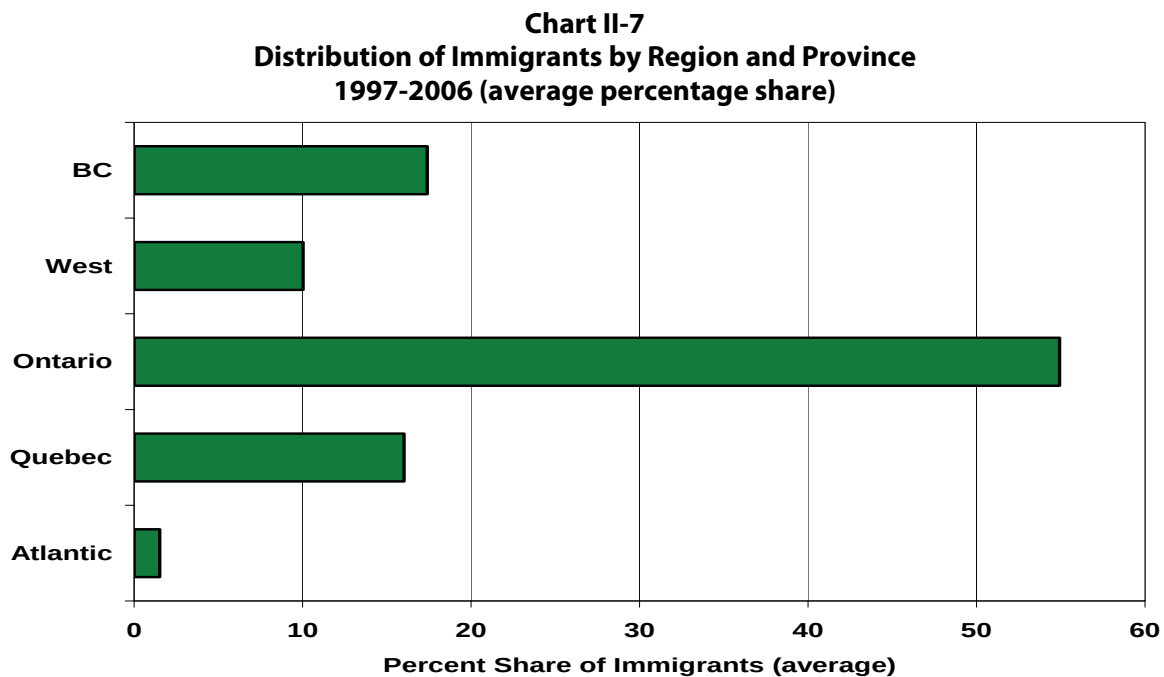
Cohort	2006			2016		
	Male	Female	Both	Male	Female	Both
<25	8.6	8.0	16.6	8.0	7.5	15.5
25-54	37.6	33.0	70.6	36.4	31.8	68.2
55+	7.5	5.4	12.9	9.5	6.8	16.3
55-64	6.6	5.0	11.6	8.2	6.2	14.4

Migration

Migration, as a source of population growth, can be broken down into two flows: international migration and inter-provincial migration.

INTERNATIONAL

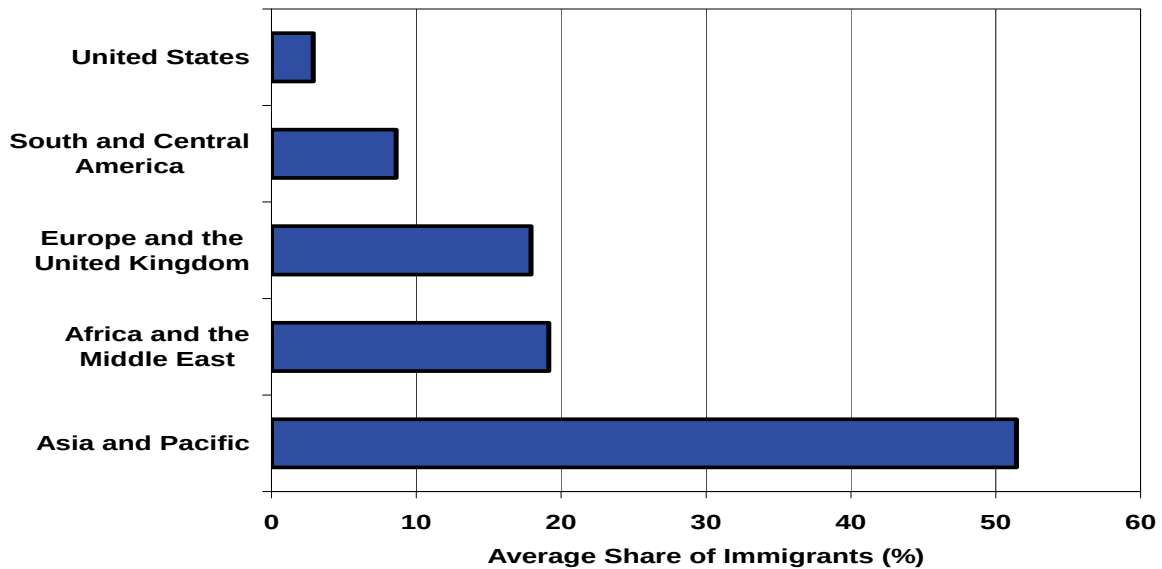
The impact of international migration on the labour force can be determined by an analysis of data published by Citizenship and Immigration Canada.¹⁵ Between 1997 and 2006, Canada received an average of 226,000 immigrants a year. Over one-half of the immigrants settled in Ontario, and one-third in either British Columbia or Québec (Chart II-7). Three-quarters of Canada's immigrants landed in Toronto, Vancouver, or Montréal (45 percent of immigrants came to Toronto alone). About one-half were from the Asia-Pacific region with one-fifth each from Africa and the Middle East and Europe and the United Kingdom (Chart II-8, page 15).



¹⁵ Unless noted otherwise, the analysis of labour force immigrants in this section is based on Citizenship and Immigration Canada, *Facts and Figures 2006: Immigration Overview – Permanent and Temporary Residents* (<http://www.cic.gc.ca/english/pdf/pub/facts2006.pdf>).

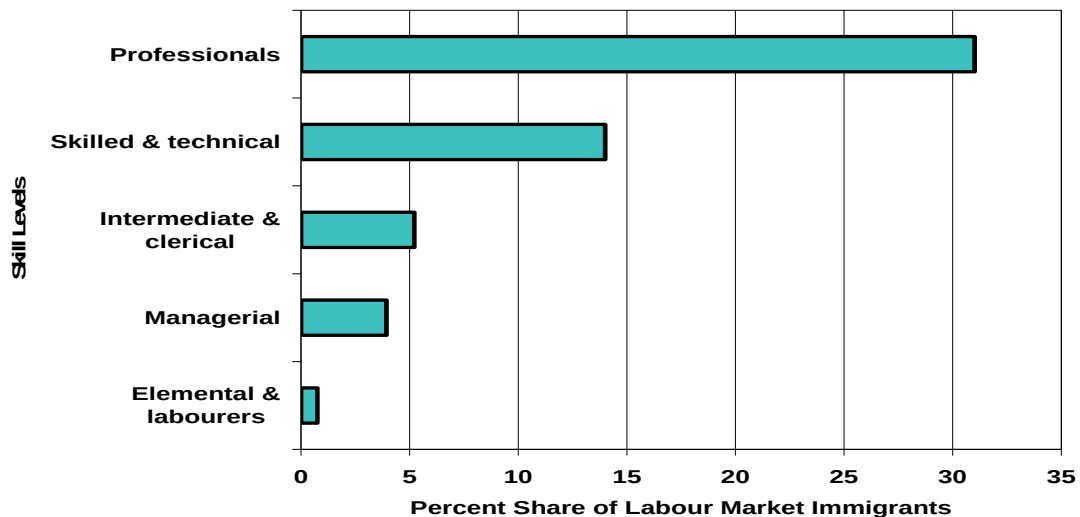
Part II – A Demographic Analysis of Canada’s Labour Force

Chart II-8
Distribution of Immigrants by Source Region
Canada, 1997-2006 (average percentage share)



Not all immigrants are ready or able to participate in the labour force upon arriving in Canada. Between 1997 and 2006, around one-half of immigrants on average “intended to work.”¹⁶ However, it was only possible to identify the skill level of just over one-half of those who intended to work. The distribution of immigrants by occupational skill level is set out in Chart II-9. These data show that almost one-half (45 percent) of labour market immigrants have either a professional or skilled and technical background.

Chart II-9
Distribution of Labour Market Immigrants by Occupational Skill Level¹⁷
Canada, 1997-2006 (average percentage share)



¹⁶ The principal groups not intending to work are children under the age of 15, students who are 15 or older, and retirees.

¹⁷ The occupational skill levels are defined at <http://www.cic.gc.ca/english/resources/statistics/facts2006/glossary/index.asp>.

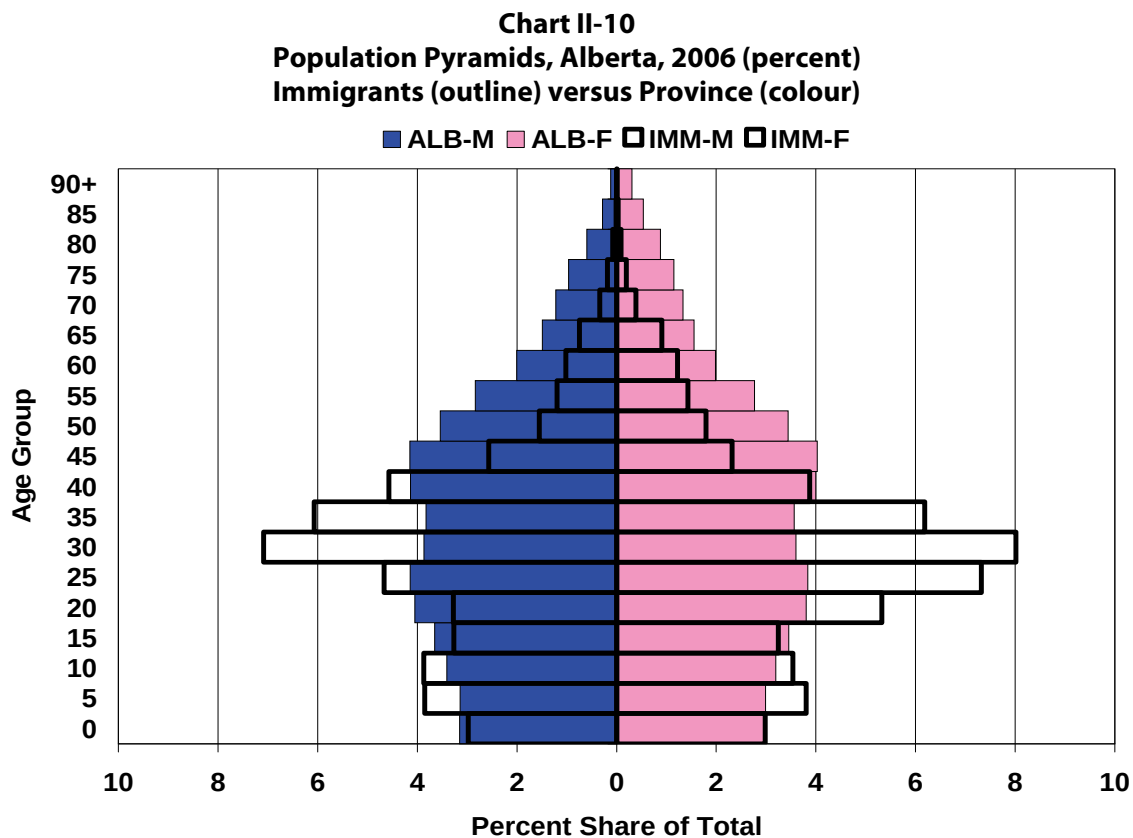
A Demographic Analysis of the P&C Insurance Industry

The age structure of the immigrant flow suggests its importance to the growth of the labour force. Chart II-10 compares the population pyramid of Alberta, Canada's youngest province, with the population pyramid of the immigrants who settled in Alberta in 2006. It is evident that immigrants are over-represented in the 25 to 39 age groups. This age group overlaps with the *bust* cohort (27 to 39 in 2006). In particular, the share of immigrants who are in their thirties is noticeably larger than the share of the province's population in their thirties (27 versus 15 percent). Moreover, female immigrants account for 61 percent of immigrants in their twenties. Therefore, the influx of immigrants provides the labour force of Canada's youngest province with more young workers. Moreover, immigrants are augmenting the ranks of the *bust* cohort and hence, mitigating, to some extent, the substantial projected decline of workers in their forties over the next ten years (see Chart II-6, page 13).

Given the distribution of Canada's immigrants by source region, it is no surprise that Statistics Canada projects the "visible minority" share of the population (and the labour force) to increase.¹⁸ By 2017, visible minorities will have

- A population share ranging from 19 to 23 percent compared to 13 percent in 2001;
- A median age of 35.5 compared to 43.4 for the rest of the Canadian population; and
- An entry to exit ratio of 1.42 compared to 0.75 for the rest of the labour force.

Furthermore, the concentration of visible minorities in two provinces – Ontario and British Columbia – and Canada's largest metropolitan areas is projected to continue.



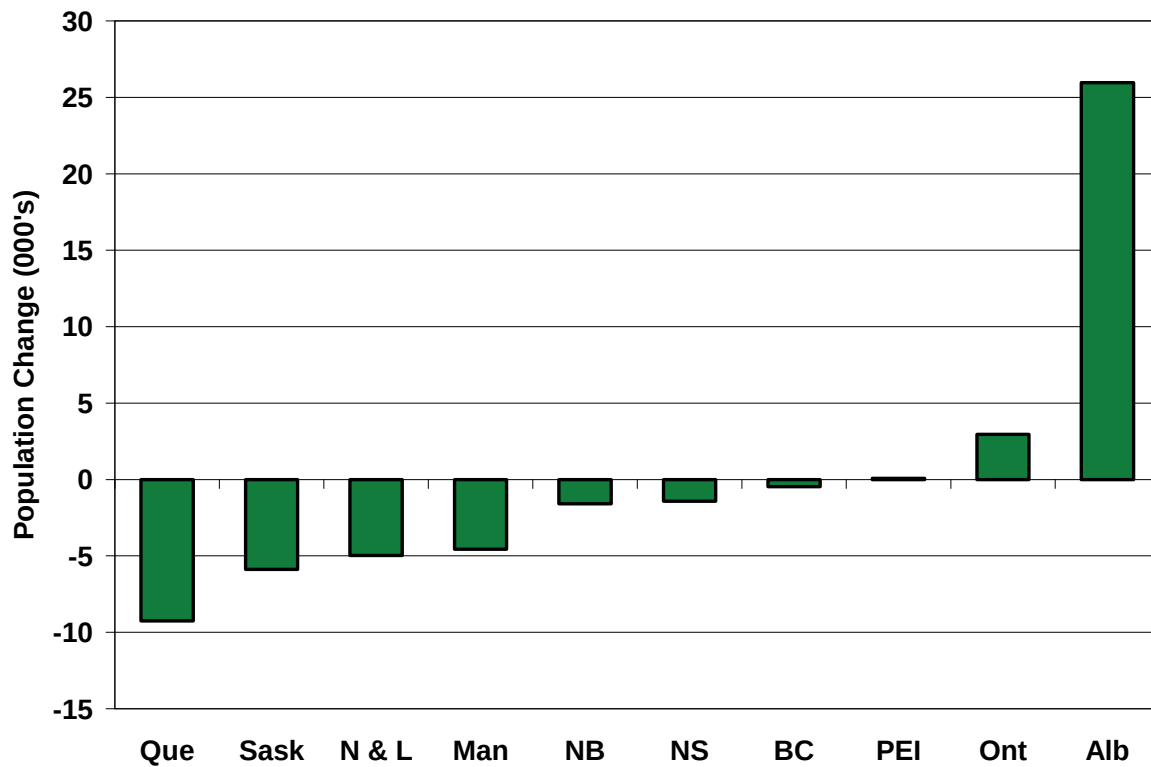
¹⁸ Demography Division, Statistics Canada, *Population Projections of Visible Minority Groups, Canada, Provinces and Regions, 2001-2017* (Ottawa: Minister of Industry, 2005).

Part II – A Demographic Analysis of Canada’s Labour Force

INTER-PROVINCIAL

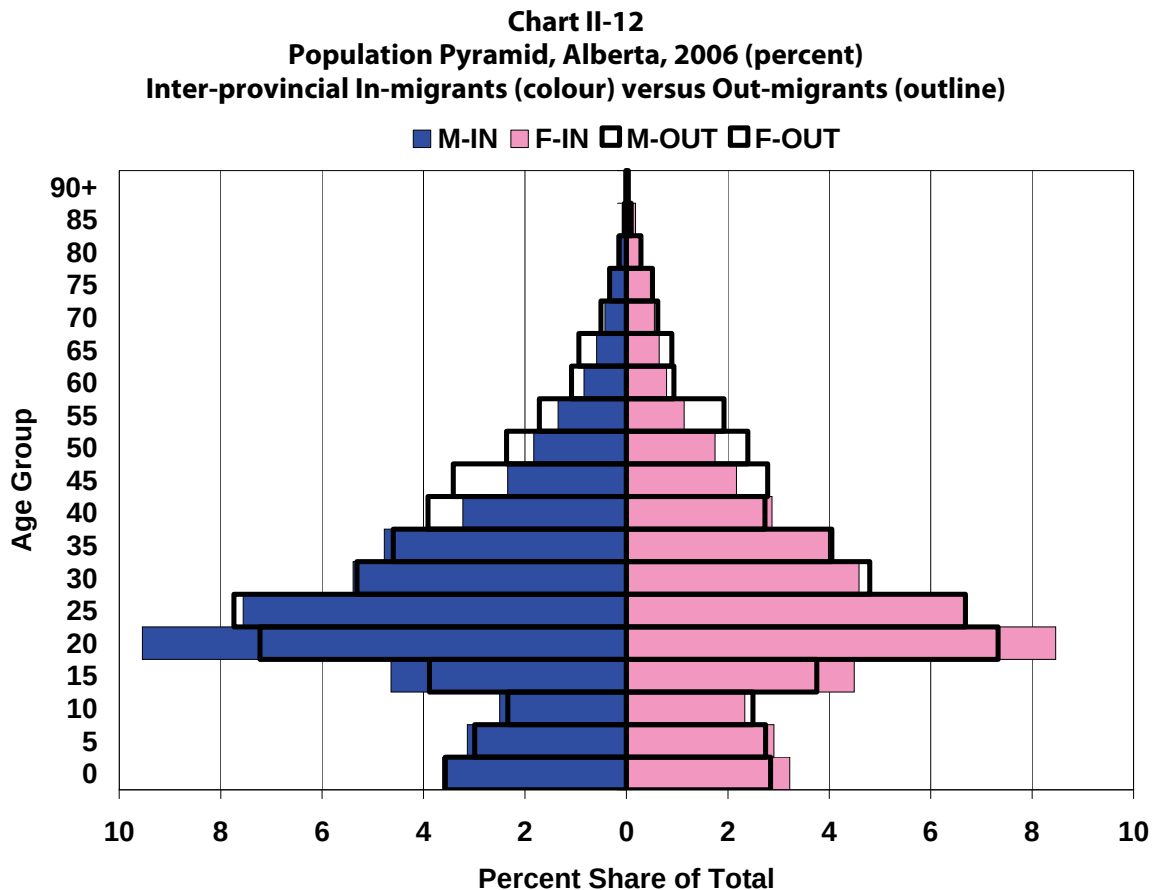
The flow from inter-provincial migration bolsters a province’s population and labour force during good economic times. In poor economic times, inter-provincial migration exerts a negative influence on the province’s population and labour force growth. Looking at the past ten years or so, Chart II-11 dramatically illustrates the pull of Alberta’s booming economy on migrants from other provinces. Seven of the ten provinces had an inter-provincial migration “deficit.”

Chart II-11
Inter-provincial Migration
Average Annual Change (thousands), 1996-2006



Like international migrants, inter-provincial migrants are relatively young and, therefore, represent an important source of growth for the labour force. Chart II-12 (page 18) shows the distribution by age and sex of inter-provincial migrants moving into and out of Alberta in 2006. Inter-provincial migrants, whether they are coming to Alberta or leaving, are predominately persons in their twenties and thirties. This is true for both men and women.

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Canada's Aboriginal Identity Population¹⁹

In an aging society, there is one group in the population that represents an oasis of youth – Canada's aboriginal peoples. Data available for the Aboriginal Identity population illustrate this fact clearly. In 2017, 45 percent of the Aboriginal Identity population will be under the age of 25. The share of Canada's population (including Aboriginals) under 25 will be 28 percent. Between 2007 and 2017, the Aboriginal Identity population will increase by 19 percent; Canada's population, by 8 percent.

¹⁹ The Aboriginal Identity population consists of three groups: North American Indians, Métis, and Inuit. Data on the Aboriginal Identity Population are taken from Statistics Canada, *Projections of the Aboriginal Populations – Canada, Provinces and Territories: 2001 to 2017* (91-547-SCB).

KEY POINTS

- Canada’s labour force consists of those persons 15 years and older who are either working full- or part-time or are unemployed.
- The Canadian labour force increased by 18 percent between 1996 and 2006.
- Since 1990, overall labour force participation rates for both men and women have stabilized in Canada.
- Since 1976, the country’s labour force has become more balanced in terms of gender, but men still account for the majority of the labour force participants.
- *Boomers* (in 2006) account for around one in two workers.
- The Canadian labour force is aging. Between 1976 and 2006, the entry to exit ratio fell from 2.8 to 1.4. The aging trend varies somewhat around the country, with the Western provinces having the youngest labour forces.
- The annual immigrant flow is a dynamic element in labour force growth in that immigrants are disproportionately represented in the 25 to 39 age group. However, across Canada, only about one-half of immigrants enter the labour market upon arrival. Most immigrants with an identified occupation are in the professional or skilled and technical categories. In addition, a substantial majority of immigrants is concentrated geographically in the country’s largest provinces and metropolitan areas.
- Immigrants have also brought greater ethnic and racial diversity to Canada’s labour force. During the past ten years, over one-half of immigrants came from the Asia and Pacific region. By 2017, visible minorities will account for about one-fifth of Canada’s population and will exhibit a substantially younger age profile than the rest of the population.
- The impact of inter-provincial migrants, who are also primarily in their twenties and thirties, is correlated with the economic cycle. In recent years, Alberta has been the only province to benefit substantially from this population flow.
- Over the next ten years with the continued aging of the *boomer* cohort, four in five of the workers added to the labour force will be 55 or older. In addition, there will be a significant drop in the number of workers in their forties as the *bust* cohort enters that age range.
- If current levels are maintained or augmented, the annual flow of immigrants will increasingly be a strategic element in labour force growth.
- Aboriginal peoples will be an important source of young workers in Canada’s aging labour force. Just less than one-half of aboriginals will be under the age of 25 in 2017.

Part III – Insurance Industry Occupations in Canada: A General Demographic Perspective

Introduction

One approach to constructing demographic profiles of occupations within a specific industry is to analyze data that are available from Statistics Canada. The two key sources are the national *Census* conducted every five years and the *Labour Force Survey*. The *Labour Force Survey* is conducted monthly; however, an annual compilation is typically not released until several months after the end of the year.²⁰

Although an analysis of data from Statistics Canada is likely to yield valuable results, there remain a number of limitations from the perspective of the property and casualty industry:

- There is only a general fit between the specific occupational definitions found in the property and casualty industry and the general occupational definitions deployed by Statistics Canada. The definitions used by Statistics Canada are based on the *National Occupational Classification* (NOC):

The NOC is the authoritative resource on occupational information in Canada. [It] provides a standardized framework for organizing the world of work in a coherent system ...²¹

- The NOC definitions do not make a distinction between different sectors within the “insurance” industry (for example, between the life and property and casualty sectors, respectively) or different occupations (e.g., agents versus brokers).
- Complete data for variables such as age or sex are often only available at higher levels of aggregation due to “data suppression.” For example, Canada-wide data from the *Labour Force Survey* that is under 1,500 cases are not released.²²
- The NOC sometimes combines different (but functionally similar) industries. For example, middle managers in the “insurance” industry are found in NOC 0121 – “Insurance, Real Estate and Financial Brokerage Managers.”²³
- Occupational data from Statistics Canada are based on estimates.

Therefore, using data from Statistics Canada cannot lead to a comprehensive demographic analysis of the work force within the property and casualty industry. Comprehensive analysis can only result from a data collection exercise in which there is a high degree of participation by employers within the industry. However, analyzing data collected regularly by Statistics Canada is useful in two ways. The first is that it can provide an invaluable historical perspective on trends. Secondly, it provides a qualified check on the validity of trends identified through any examination of industry-supplied data. Hence, our decision to include this type of analysis in the report.

²⁰ For example, the *Labour Force Historical Review 2007* was released on February 19, 2008.

²¹ Accessed at <http://www23.hrdc-drhc.gc.ca/2001/e/generic/welcome.shtml>.

²² See Statistics Canada, *Guide to the Labour Force Survey 2006* (Ottawa: Minister of Industry, 2006), page 22.

²³ Accessed at <http://www23.hrdc-drhc.gc.ca/2001/e/groups/0121.shtml>.

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Analysis of Labour Force Survey Data

Entry to Exit Ratio

Data from the *Labour Force Survey* furnish an historical and comparative perspective on the entry to exit ratio, an important indicator of both work force aging and the need to focus on recruitment. Chart III-1 shows the decline in the ratio for the “Finance, Insurance, Real Estate and Leasing” industry over the last 30 years. In 1976, the ratio was 3.5; in 2006, 0.6. Chart III-2 illustrates changes over time in the labour force shares of the cohorts that are embedded in this indicator. A significant observation derived from the data in Chart III-2 is that the “retiree” (i.e., 55-plus) share exceeded the entrant share for the first time in 1996 and has remained higher ever since.

Chart III-1
Entry to Exit Ratio, Finance, Insurance, Real Estate and Leasing Industry
Canada, 1976-2006

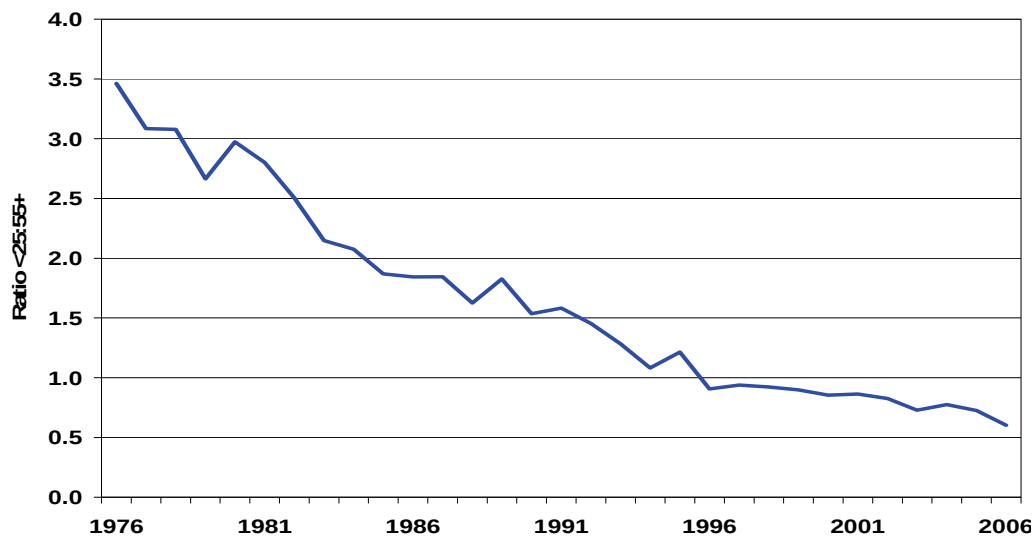
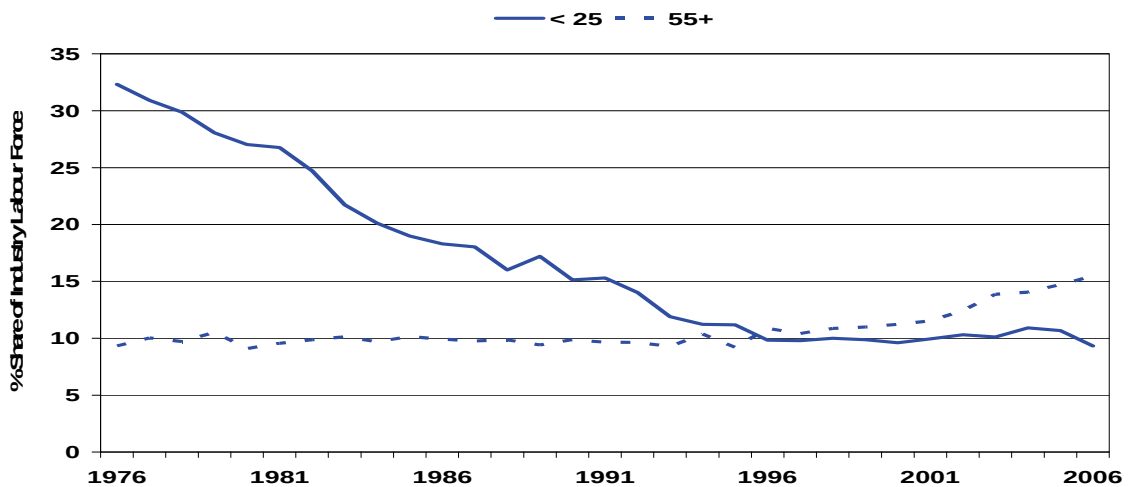


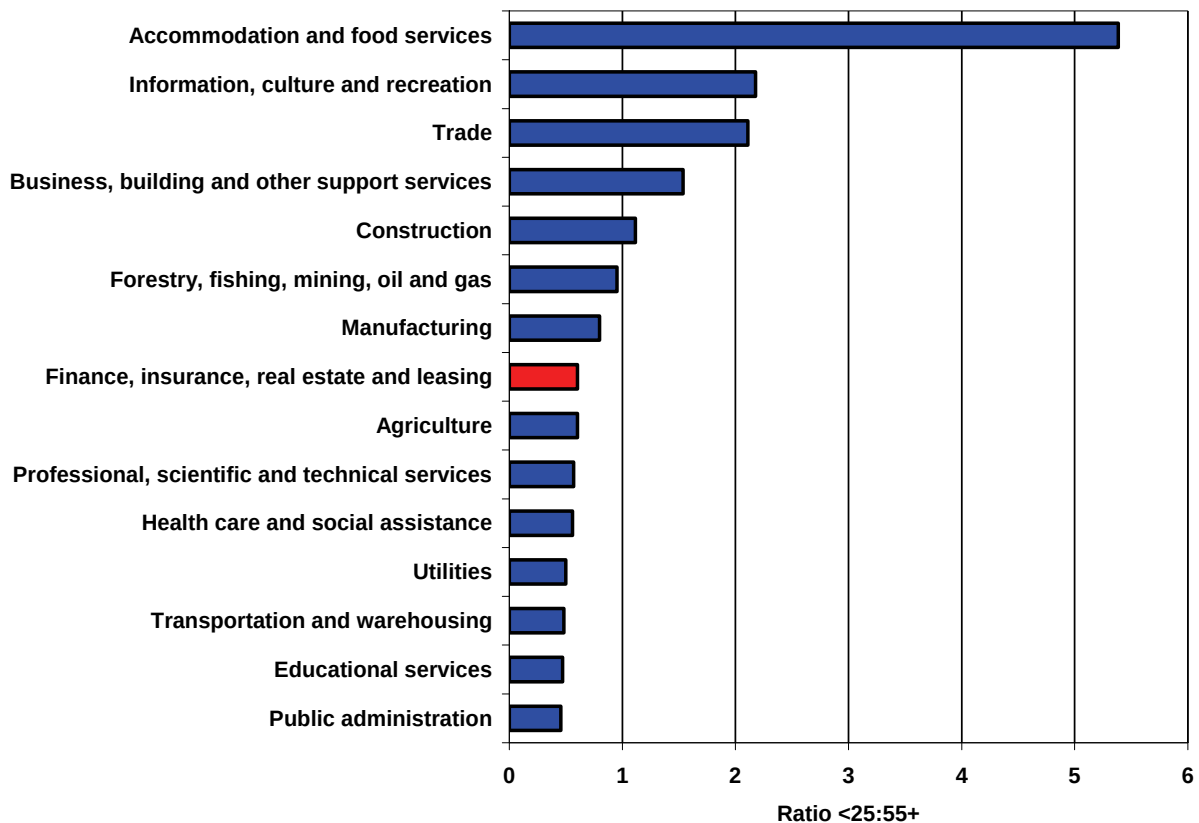
Chart III-2
Age Cohort Share (percent) of Labour Force, Under-25 versus 55-Plus
Canada, 1976-2006



Part III – Insurance Industry Occupations in Canada

In 1976, the entry to exit ratio of the “Finance, Insurance, Real Estate and Leasing” industry ranked third highest among Canada’s major industries. Only “Accommodation and Food Services” and “Information, Culture and Recreation”, respectively, had higher ratios. Chart III-3 demonstrates what has happened over time. By 2006, the “Finance, Insurance, Real Estate and Leasing” industry had the eighth highest ratio and it was well below the 1:1 threshold (i.e., one entrant for every potential retiree). The industries with the two highest ratios remained the same, and the ratio for “Accommodation and Food Services” had even increased (from 4.5 to 5.4).

Chart III-3
Entry to Exit Ratio by Industry
Canada, 2006



Therefore, the first trend to test against our analysis of industry data in Part V is that the entry to exit ratio for the property and casualty industry is less than one.

Age and Sex Profiles

A custom tabulation of *Labour Force Survey* data at the national and provincial levels was obtained for 11 occupational classifications that are relevant to the property and casualty insurance industry. Some classifications encompass the insurance and other industries (for example, *Senior Managers - Finance, Community & Other Business Services*). Others are purely insurance industry classifications (for example, *Insurance Agents and Brokers*). Age and sex data were requested. Unfortunately, as a result of data suppression, much of the provincial-level data were incomplete. Hence, our analysis was less fulsome than originally intended and restricted to the national level.

A Demographic Analysis of the P&C Insurance Industry

Chart III-4 portrays the age and sex profile of the industry's *Senior Managers* in 2006. This snapshot tells us several things about senior managers that can be tested in the industry analysis:

- Three in four senior managers are male.
- One in five is in the “exit” cohort (55 to 64).
- One in three is under the age of 45.

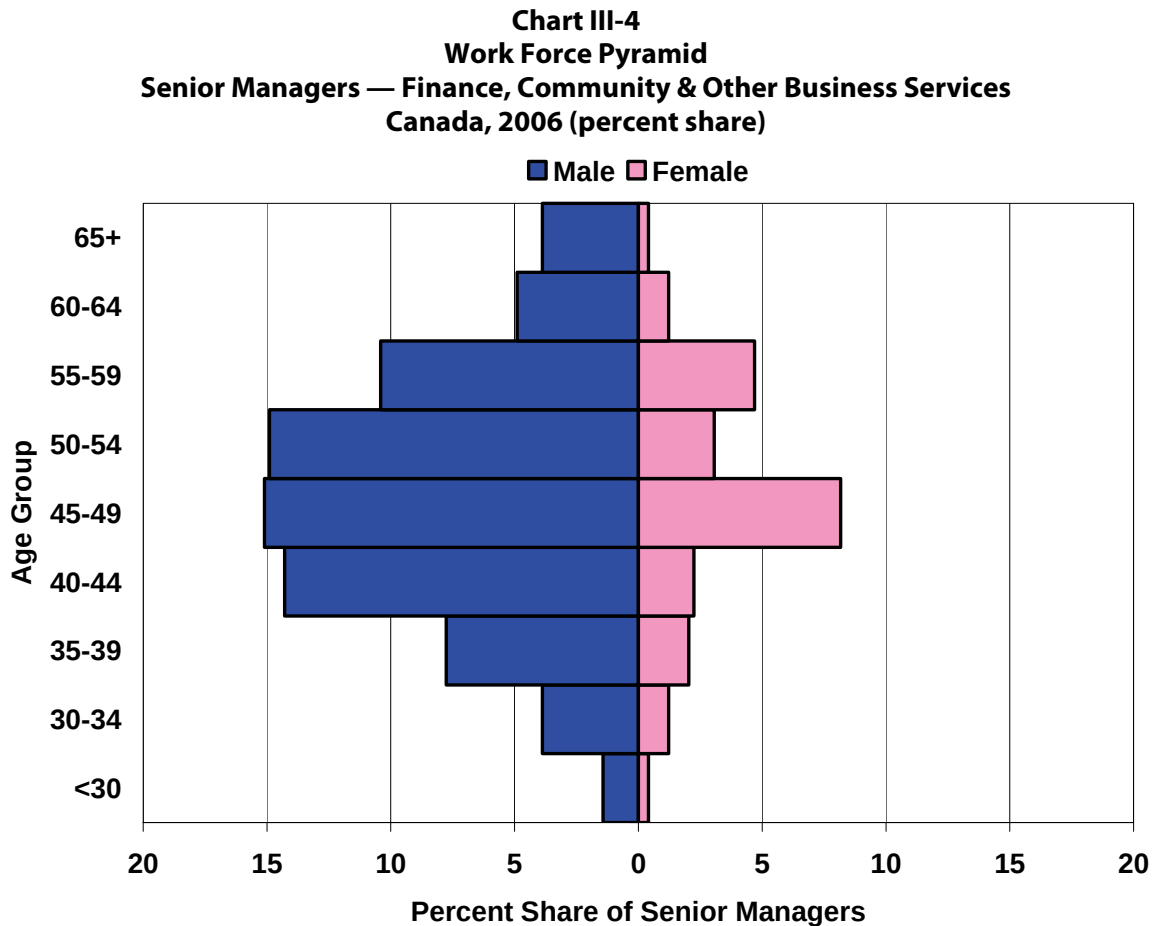
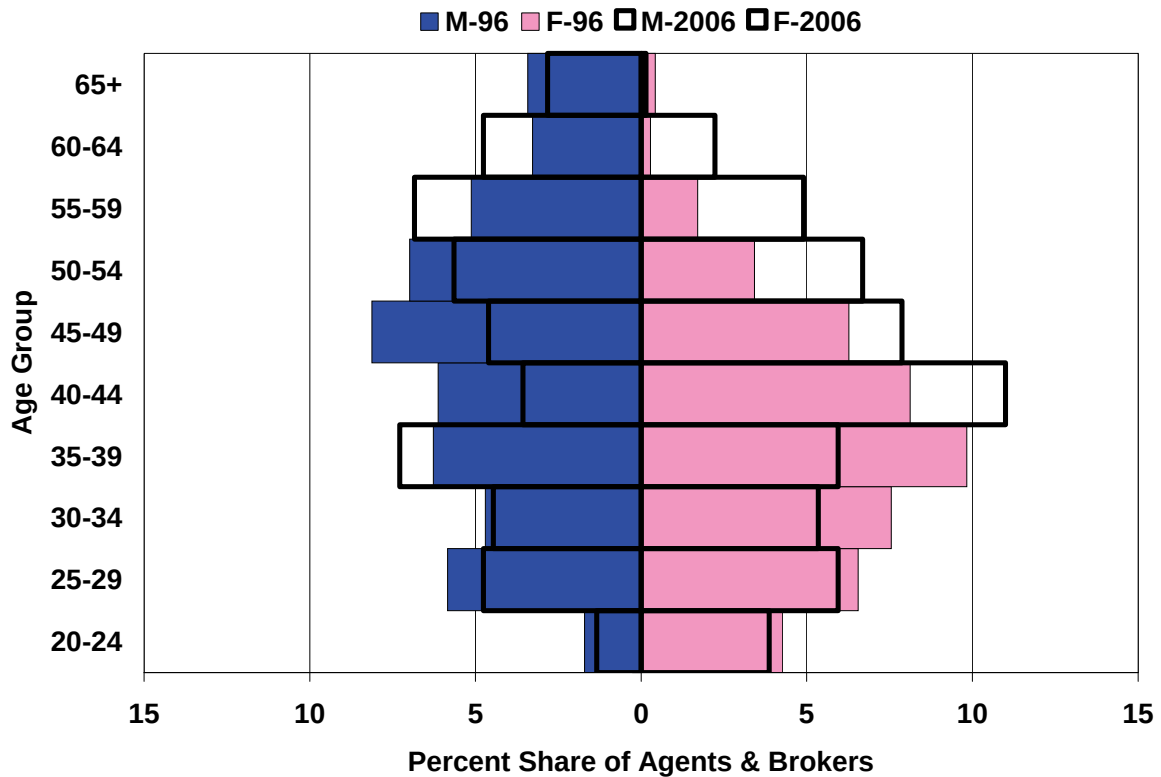


Chart III-5 (page 25) not only provides an age and sex profile of *Insurance Agents and Brokers* but it also shows an historical dimension to this form of demographic analysis. Between 1996 and 2006:

- Women acquired majority status (54 percent).
- Agents and brokers, both males and females, grew older. The entry to exit ratio for males fell from 0.9 to 0.5. The ratio for females dropped even more dramatically from 5.4 to 1.4. Overall, the ratio went from 1.8 to 0.8.
- The share of agents and brokers in the “exit” cohort doubled from 10 to 19 percent.

Chart III-5
Work Force Pyramid, Insurance Agents and Brokers
Canada, 1996 (colour) versus 2006 (outline) [percent share]



The Gender Divide

The respective shares of men and women working in the selected occupational classifications are depicted in Table III-1 (page 26). In 1996, women constituted a majority in three classifications – supervisors, underwriters, and customer service. In three others – middle and other managers, adjusters and claims examiners, and brokers and agents – there were essentially equal shares of men and women. The final three classifications were male-dominated. By 2006, women had obtained majority status in two new classifications – adjusters and claims examiners and brokers and agents – and increased their share in the classification of assessors, valuers, and appraisers.

This analysis suggests that over the past ten years the female share of the insurance industry work force has increased somewhat. The greatest gains have been made in several of the “insurance” classifications (e.g., adjusters and claims examiners). However, three male bastions remain: senior management, computer and information systems, and actuaries. The male-female template evident through the lens of data from Statistics Canada can be compared to the findings of the industry-based analysis.

A Demographic Analysis of the P&C Insurance Industry

Table III-1: Male and Female Shares (percent) by Occupational Classification, 1996 and 2006, Canada

Occupational Classification	% Share, 1996		% Share, 2006	
	Male	Female	Male	Female
Senior Managers	78	22	77	23
Middle & Other Managers	50	51	50	50
Supervisors	24	75	30	70
Insurance Adjusters & Claims Examiners	50	49	30	70
Insurance Underwriters	28	72	29	71
Assessors, Valuers & Appraisers	76	24	69	31
Insurance Agents & Brokers	51	49	46	54
Computer & Information Systems	74	26	76	24
Customer Service, Information & Related Clerks	24	76	34	66
Mathematicians, Statisticians & Actuaries	54	46	54	46

Employment Change

A final piece of analysis that can be culled from the *Labour Force Survey* data is the change in employment over time in insurance industry occupations (Table III-2). With respect to the classifications that are directly pertinent to either the insurance industry or financial services sector, several trends are clear. The tremendous growth in management positions has occurred at either the top or the bottom ranks, not in the middle. An increasing female share has driven the healthy growth in the number of adjusters and claims examiners. Thirdly, the decline in the male share is the reason for the employment decline in two classifications: assessors, valuers, and appraisers and brokers and agents. The growth in classifications that cut across all industries was substantial. In particular, the customer service classification has exploded during the last ten years, with the male share increasing five-fold.

Table III-2: Percentage Change in Employment by Occupation, Canada, 1996 versus 2006

Occupation	Percent Change, 1996-2006		
	Both	Male	Female
Senior Managers	212	207	229
Middle & Other Managers	-1	0	-3
Supervisors	82	120	70
Insurance Adjusters & Claims Examiners	80	8	155
Insurance Underwriters	24	26	23
Assessors, Valuers & Appraisers	-8	-17	22
Insurance Agents & Brokers	-4	-14	6
Computer & Information Systems	84	91	65
Customer Service, Information & Related Clerks	333	507	278
Mathematicians, Statisticians & Actuaries	39	38	41

Part III – Insurance Industry Occupations in Canada

Analysis of Census Data

The *Census of Canada* provides data on the labour force using the same occupational classifications as the *Labour Force Survey*. At the time of writing, data for the 1991 to 2001 period are available.²⁴

Work Force Aging

Census data provide many ways to gauge the impact of work force aging. We use three:

1. Entry to exit ratios;
2. Cohort analysis; and
3. Age and sex profiles.

ENTRY TO EXIT RATIOS

Occupational data from the *Census* furnish a basis for identifying the occupational trajectories of entry to exit ratios during the 1990's. These paths are discernible in the data presented in Table III-3. The most obvious observation is that, with the exception of customer service classification, the ratios decreased dramatically. The average drop was 48 percent and three occupations were above that mark: assessors, valuers, and appraisers; adjusters and claims examiners; and underwriters. By 2001, male ratios in the "insurance" occupations (e.g., agents and brokers) were perilously low. Therefore, the trend of a declining entry to exit ratio identified through the *Labour Force Survey* for the financial services sector is supported by the *Census* data findings for occupations that are essentially located within the insurance industry.

Table III-3: Entry to Exit Ratios by Sex, Selected Occupations, Canada, 1991 and 2001

Occupational Classification	Entry to exit ratios (15-24:55-64)					
	1991	2001	1991 M	2001 M	1991 F	2001 F
Insurance Adjusters & Claims Examiners	1.2	0.5	0.5	0.2	4.4	1.0
Insurance Underwriters	1.4	0.8	0.6	0.4	2.6	1.1
Assessors, Valuers & Appraisers	0.9	0.3	0.7	0.2	2.3	1.3
Insurance Agents & Brokers	0.7	0.4	0.4	0.2	1.9	0.9
Computer & Information Systems	5.7	3.8	6.2	3.8	5.0	3.6
Customer Service, Information & Related Clerks	4.2	4.8	4.3	6.5	4.1	4.1
Mathematicians, Statisticians & Actuaries	2.5	1.3	1.7	0.9	4.9	2.6

²⁴ Release of the data on occupation by age and sex from the 2006 *Census* is scheduled for July 29, 2008.

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COHORT ANALYSIS

A cohort is a group of people within a population that share one or more common characteristics. For example, Foot states that

The baby boom is a cohort that includes everyone born during a 20-year span of sustained high numbers of births in Canada. It also includes those born elsewhere during those same years but now living in Canada.²⁵

Hence, the defining characteristic of *boomers* as well as the *bust* and *echo* cohorts is age.

In 1991, all *boomers* were part of the labour force source population and ranged in age from 25 to 44. In 2001, they were in the 35 to 54 age group; on average, well over 80 percent of them were labour force participants. Furthermore, in 2001 across Canada, one in two members of the labour force was a *boomer*.

Table III-4 depicts the *boomer* content of the occupations relevant to the insurance industry and how the *boomer* presence shifted over the 1990's. Although the *boomer* share declined noticeably over the decade in all but three occupations, in each of the "insurance" occupations, the share in 2001 was higher than the overall labour force share. For example, approximately two-thirds of managers and supervisors were *boomers* compared to one-half of the labour force. Only the customer service classification had a *boomer* share decidedly below that of the labour force.

Table III-4: Boomer Share (percent), Selected Occupations, Canada, 1991 versus 2001

Occupational Classification	Boomer % Share		
	1991	2001	% Change, 1991-2001
Senior Managers	51	65	27
Middle & Other Managers	55	63	16
Supervisors	70	64	-9
Insurance Adjusters & Claims Examiners	66	59	-11
Insurance Underwriters	71	58	-17
Assessors, Valuers & Appraisers	62	64	2
Insurance Agents & Brokers	59	56	-6
Computer & Information Systems	76	48	-37
Customer Service, Information & Related Clerks	59	41	-30
Mathematicians, Statisticians & Actuaries	70	51	-28

Is a higher *boomer* share a tell-tale sign of an aging work force? After all, one-half of this cohort was under the age of 45 in 2001. Table III-5 (page 29) illustrates the trend with respect to the share of workers who were 45 or older in 1991 and 2001, respectively. Following the trail of the 45-plus cohort, it is clear that the insurance industry work force aged considerably during the last decade of the 20th century as the front half of the *boom* made its entrance. The share of 45-plus workers increased in all occupations and, in most cases, substantially. To illustrate, the 45-plus share of underwriters went from one-fifth to one-third.

²⁵ David K. Foot with Daniel Stoffman, *Boom, Bust & Echo*, page 19.

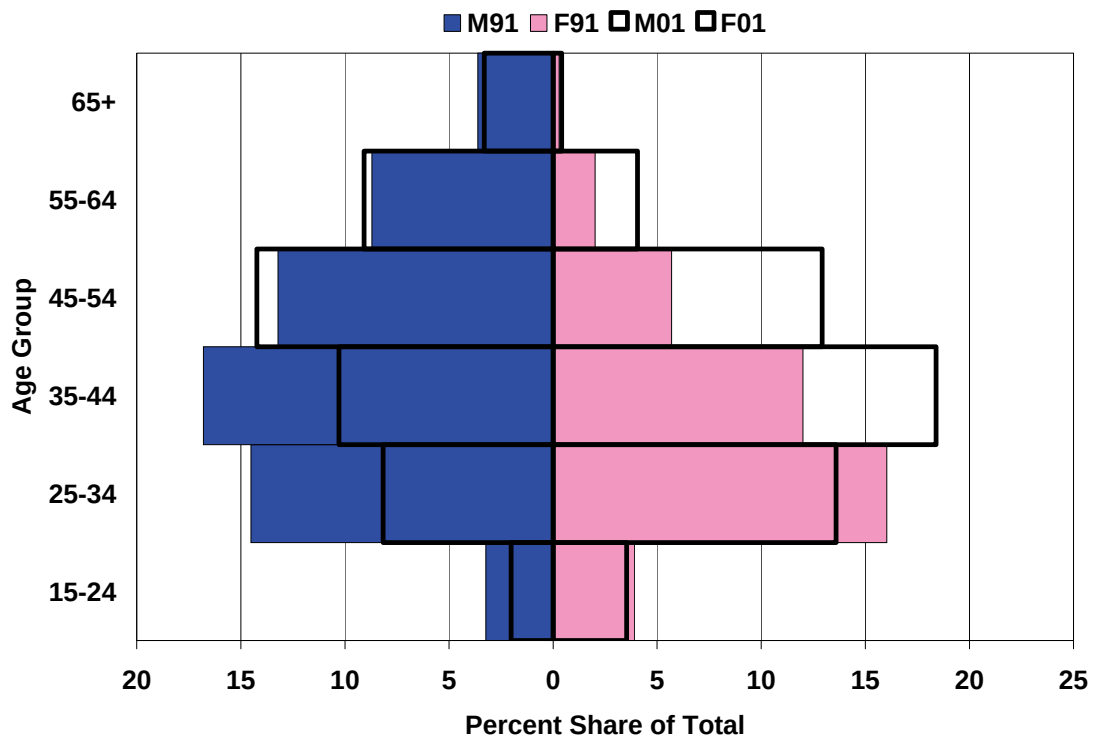
Part III – Insurance Industry Occupations in Canada

Table III-5: 45-plus Share (percent), Selected Occupations, Canada, 1991 versus 2001

Occupational Classification	45+ % Share		
	1991	2001	% Change, 1991-2001
Senior Managers	48	53	10
Middle & Other Managers	44	54	23
Supervisors	24	35	44
Insurance Adjusters & Claims Examiners	25	35	42
Insurance Underwriters	20	33	66
Assessors, Valuers & Appraisers	31	47	54
Insurance Agents & Brokers	34	44	31
Computer & Information Systems	12	19	63
Customer Service, Information & Related Clerks	18	23	24
Mathematicians, Statisticians & Actuaries	18	29	64

Comparing the age and sex profiles of insurance industry occupations on an historical basis is another way to crystallize the aging trend. Chart III-6 shows not only the greater share of agents and brokers who were 45 or older in 2001 but also the fact that the increase was led by the women. The female dimension to this indicator of aging is evident in most of the occupational classifications.

Chart III-6
Work Force Pyramid, Insurance Agents and Brokers
Canada, 1991 (colour) versus 2001 (outline) [percent share]



A Demographic Analysis of the P&C Insurance Industry

THE GENDER DIVIDE

Table III-6 portrays the male and female shares, respectively, in each occupational classification that can be calculated from *Census* data. Over the course of the 1990's, female representation made substantial gains in the insurance industry's work force. In 1991, females were the majority in three occupations; by 2001, they formed the majority in five. On average, the overall female share grew by just less than one-fifth. It increased by almost one-half in both the senior manager and middle and other manager categories (although males still held a strong majority).

Table III-6: Male and Female Shares (percent) by Occupational Classification, 1991 and 2001, Canada

Occupational Classification	% Share, 1991		% Share, 2001	
	Male	Female	Male	Female
Senior Managers	84	16	76	24
Middle & Other Managers	73	27	60	40
Supervisors	24	76	23	77
Insurance Adjusters & Claims Examiners	53	47	40	60
Insurance Underwriters	35	65	27	73
Assessors, Valuers & Appraisers	81	19	74	26
Insurance Agents & Brokers	60	40	47	53
Computer & Information Systems	66	34	73	27
Customer Service, Information & Related Clerks	29	71	29	71
Mathematicians, Statisticians & Actuaries	61	39	59	41

Comparing the data in Table III-6 with that in Table III-1 (page 26), it can be said that, with the exception of the middle and other manager classification, the data are highly comparable. This suggests that the progressive "feminization" of the industry's work force occurred mostly during the 1990's and the pace may have slowed since the beginning of this decade.

KEY POINTS

- From the perspective of the property and casualty industry, analysis based on data available from Statistics Canada is inherently limited in a number of ways. However, it can provide an invaluable historical perspective on trends in the insurance industry as well as a qualified check on the validity of trends identified through any analysis of industry-supplied data.
- An analysis of Statistics Canada data from the *Labour Force Survey* and *2001 Census* shows a significant aging trend in the industry's work force. The aging trend is confirmed by a number of indicators: entry to exit ratios, cohort analysis, and demographic profiling. Furthermore, it is evident across most of the industry's professional occupations.
- The insurance industry remains the domain of *boomers*, although their share declined over the 1990's. *Boomers* are especially ascendant in the management ranks.
- The "feminization" of the insurance industry work force accelerated during the 1990's but appears to have slowed during the current decade. Women are still the minority at the senior management level and in "technical" areas such as computer and information technology.

Part IV – Survey of Senior Human Resource Management Professionals

Target Population and Purpose of the Survey

The target population of the survey was senior human resource professionals working in a select group of 93 companies within the Institute's membership base. The purpose of the survey was to obtain their perceptions on the issues of recruitment and retention of employees in key occupational categories. The occupational categories were the same ones employed in the work force demographic analysis (Part V), and they represent the core occupations within the property and casualty insurance industry:

- Underwriter
- Claims
- Broker
- Senior Management
- Middle and Other Management
- Sales and Service
- Actuarial
- Information technology

The survey questionnaire was designed to solicit their views on both current and future trends and developments as well as to provide profile data on their respective companies. The survey results represent an important companion piece of research to the demographic analysis presented later in Part V.

Survey Sample

Questionnaires were distributed by e-mail. Responses were received from 44 companies.²⁶ A number of observations can be made about the organizational characteristics of the responding companies (see Table IV-1, page 34):

- One-third have 1,000 or more employees; one-half, 500 or more.
- The three Crown Corporations that serve markets in Western Canada are among the respondents.
- Eight in ten companies are "insurers."
- Reinsurer respondents all have less than 100 employees.
- The majority of direct response companies have 1,000 or more employees.
- Three-quarters of the independent adjusters are within the 500-999 size range.
- Compared to the overall membership of The Institute, the sample over-represents mutual insurers, direct response insurers, and independent adjusters; under-represents broker represented insurers and independent brokers; and mirrors the share for reinsurers.

²⁶ The 95 percent confidence interval for the sample is ± 10.78 percentage points. Therefore, the results for all survey questions are accurate to within plus or minus 10.78 percentage points, 19 times out of 20. What this means is that 95 percent of the time any results from the survey are reflected in the population by an error of plus or minus 10.78 percentage points. For example, if 75 percent of respondents perceive recruitment as an issue that is important "to a great extent", there is a 95 percent level of certainty that roughly 64 to 86 percent of the entire population of companies perceive the issue that way (i.e., 75 ± 11 percent). The interval for sub-groups of respondents will be higher than ± 10.78 percentage points.

A Demographic Analysis of the P&C Insurance Industry

In addition, four in five companies have offices in different provinces, and one in two companies have offices in different types of local communities.

Table IV-1: Respondents' Companies by Size and Organizational Structure²⁷ (number)

Company Size (# of employees)	Organizational Structure						Total
	MI	DRI	BRI	RI	IB	IA	
<100	2	1	1	4	1	0	9
100-499	3	1	6	0	2	1	13
500-999	0	2	2	0	1	3	8
1,000+	2	5	6	0	1	0	14
Total	7	9	15	4	5	4	44
% share of sample	16	20	34	9	11	9	100
% share of IIC membership	10	14	43	9	18	6	100

Approach to Data Analysis

The questionnaire consisted of 20 questions: nine questions on recruitment; eight on retention; and three on selected organizational characteristics of the respondent's company (see APPENDIX 3). Respondents were assured of confidentiality at the individual response level.

The initial analysis of the data focused on a review of response "frequencies", i.e., the distribution in both absolute and percentage terms of the responses to each of the questions. A second approach involved the cross-tabulation of the responses to all questions with the variables of

- Size (measured by the number of employees);
- Organizational structure;
- Crown Corporation status;
- Geography (province/region and local community type); and
- Use of selected human resource planning and analysis tools (i.e., retention bonuses and retirement forecasts).

Survey Results

Value and Limitations of Survey Research

Opinion surveys are useful social science tools but they do have limitations. Inevitably, a survey is a snapshot in time of the perceptions of the target population. Notwithstanding the desire on the part of the party conducting the survey to be comprehensive, it is neither possible nor practical to ask every conceivable question on the subject under examination. In addition, it is often difficult to know definitely what underlies a respondent's perception (i.e., what criteria are respondents using). Finally, depending on sample size and representativeness, survey results may or may not reflect accurately the views of the larger population. In particular, the confidence interval for respondent sub-groups is often higher than the confidence level for all respondents.

²⁷ The "broker represented insurer" category includes the Crown Corporations in the Manitoba, Saskatchewan, and British Columbia, respectively. Respondents from the three corporations identified their organizational structure in this manner.

Part IV – Survey of Senior Human Resources Professionals

Surveys also provide valuable insight into trends and issues. The largely “subjective” data gleaned from a survey are a useful complement to the analysis of more “objective” data (e.g., financial information). In this report, a survey research component was deliberately included to supply “value-added” analysis to the demographic analysis of the work force data supplied by the participating companies. Moreover, to our knowledge, the survey represents a landmark within the property and casualty insurance industry in Canada. It is the first systematic attempt to solicit the views of senior human resource professionals on the strategic issues of recruitment and retention in an aging and more diverse Canadian labour market. Hence, the survey findings provide a baseline for future research within the industry on these important issues.

Finally, two points should be made about the meaning of cross-tabulated findings. The first point is that the confidence interval for a cross-tabulation may be higher due to a small sub-sample (e.g., mutual companies) or it may not be possible to calculate the confidence interval because the size of the population is not known (e.g., the number of companies with 100 to 499 employees). Therefore, in many cases, cross-tabulated findings should be interpreted with caution and regarded as possible relationships that can be probed more fully in future survey research. The second point is that the findings for Crown Corporations do represent the population since all three Crown Corporations participated in the survey.

Results of Survey Research

RECRUITMENT

The issue of recruitment was probed from five interrelated vantage points:

- Intensity
- Importance
- Challenges
- Supportive factors
- Future urgency

Intensity

Recruitment intensity was measured by the responses to two questions: did the company recruit during the past two years and how many employees were recruited? Nine in ten companies had recruited employees. Over one-half of the companies had recruited 50 or more employees; over two-fifths, 100 or more. Recruitment intensity was directly related to work force size (Chart IV-1, page 36). All companies with 1,000 or more employees had recruited 50 or more employees as had 70 percent of the companies with 500 to 999 employees. The share of companies in the 100 to 499 category that had recruited 50 or more employees was 30 percent.

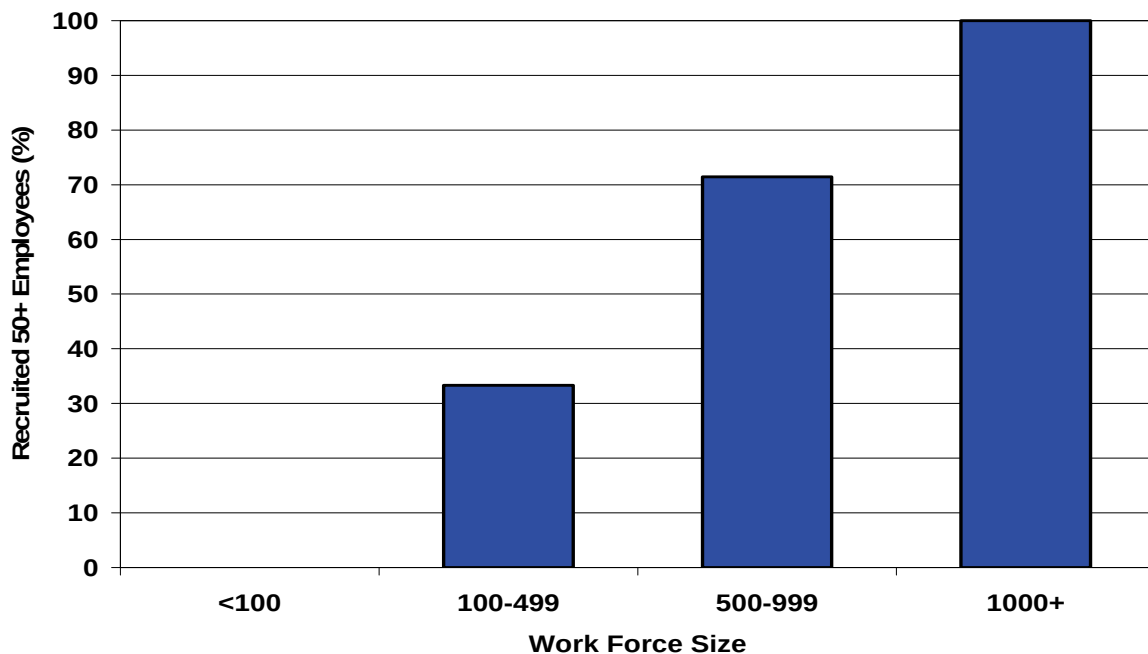
Respondents were also asked about a related aspect of recruitment intensity – whether postings had been conducted on an open/external basis. Open/external postings proved to be the norm for four in five companies. However, seventy percent of companies with 1,000 or more employees adopted this recruitment approach compared to all companies with less than one hundred employees. Upon further analysis, the tendency to use open/external postings was less evident in two types of companies: Crown Corporations and broker represented insurers.

A Demographic Analysis of the P&C Insurance Industry

Importance

Respondents were asked to situate the importance of recruitment in relation to other human resource management issues. Overall, recruitment is an issue of *great importance* for three in four companies. The importance of recruitment varies directly with company size (see Chart IV-2). The recruitment issue is also more important for direct response insurers and companies with offices in both different provinces and different-sized communities²⁸. This is to be expected since the majority of direct response insurers who participated in the survey are large companies as are the majority of companies who have offices in different provinces and communities.

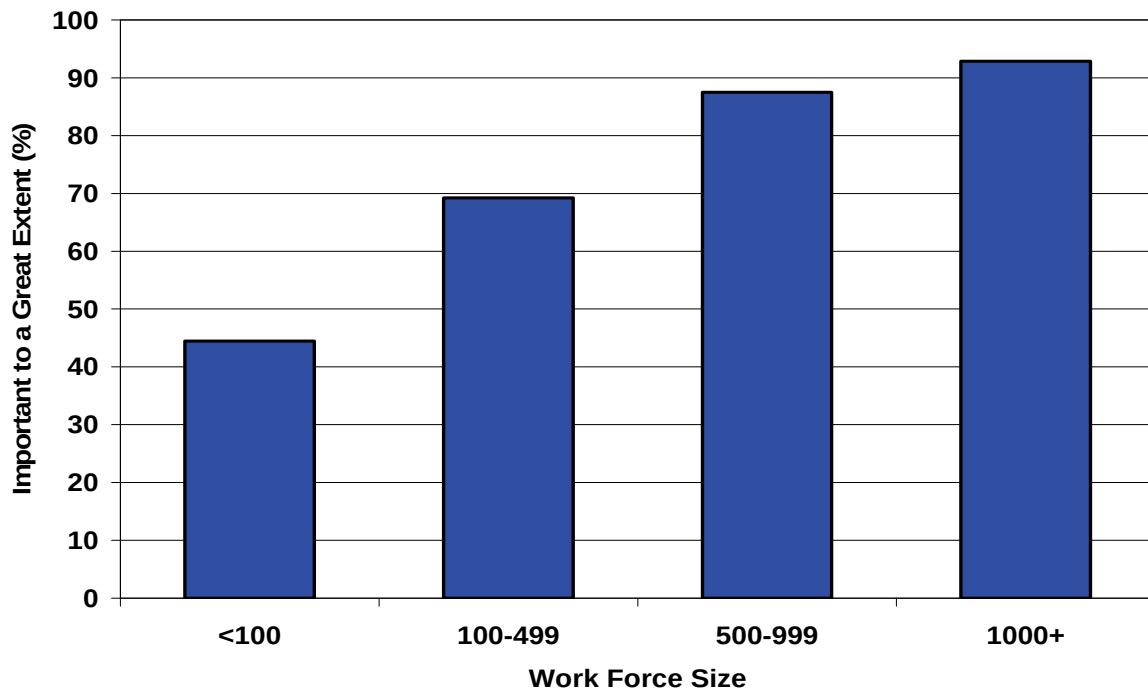
Chart IV-1
Recruitment Intensity by Work Force Size
(percent share of companies recruiting 50+ employees)



²⁸ The community categories are: metropolitan areas (100,000+ population); small to medium cities (10,000 to 99,999 population); and small towns and rural areas (under 10,000 population).

Part IV – Survey of Senior Human Resources Professionals

Chart IV-2
Importance of Recruitment by Work Force Size
(percent share *important to a great extent*)



Challenges

The first aspect of our approach to determining the current challenges characterizing recruitment was to ask respondents how difficult it was to recruit employees in the selected occupational groups. The results to that question are presented in Table IV-2. The least recruited (measured by the number of companies responding) occupations were brokers (there were only five respondents from the Independent Broker sector) and actuaries. Almost all companies needed claims employees. Demand was also substantial for the other occupations. Although not recruited as actively as the other occupations, brokers and actuaries were perceived as *very difficult* to recruit while the other occupations were *somewhat difficult* to recruit.

Cross-tabulating the findings on recruitment difficulty (defined as *very difficult* to recruit) with the variables of work force size and organizational structure, respectively, it can be observed that

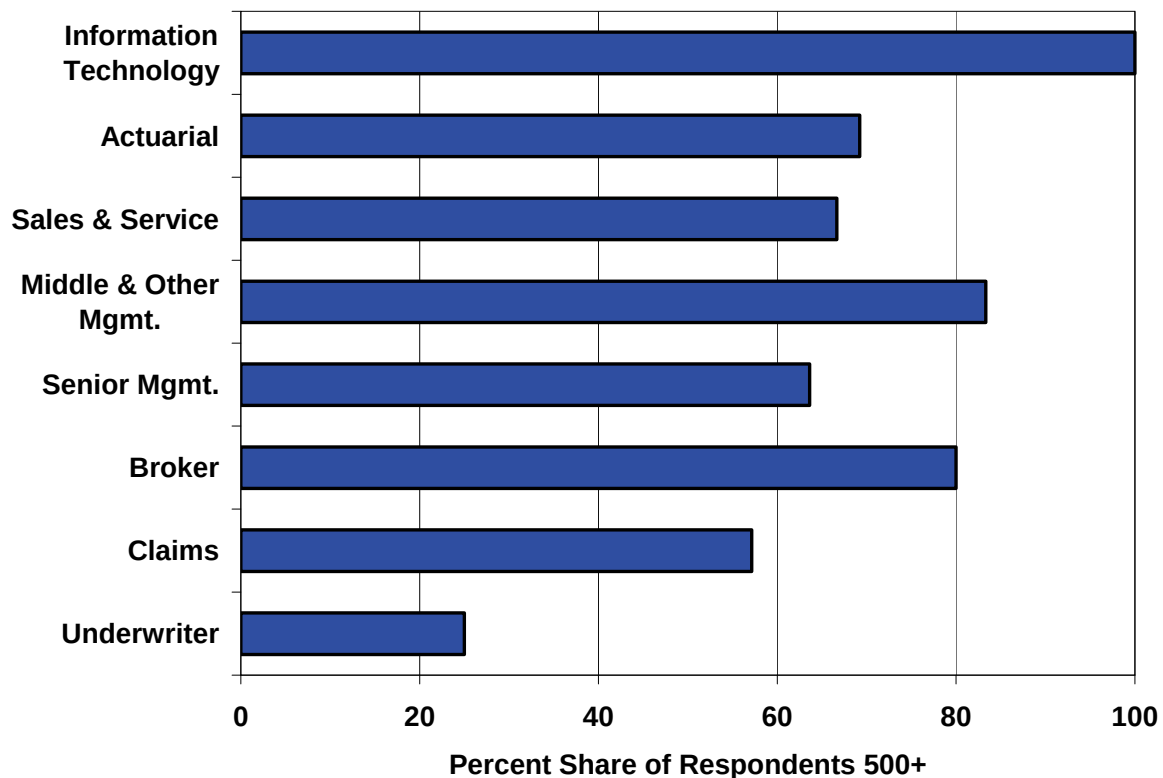
- With the exception of underwriters, a majority of the companies that found it *very difficult* to recruit were those with 500-plus employees (see Chart IV-3).
- Companies in the 100-499 size category were more likely to find it *very difficult* to recruit underwriters; companies with less than 100 employees, senior management; and companies with 1,000 or more employees, middle and other management and information technology staff.
- Crown Corporations were less likely to find it *very difficult* to recruit managers.
- Independent adjusters were more likely to find it *very difficult* to recruit claims employees; independent brokers, brokers and sales and service staff; mutual insurers, senior management; and direct response insurers, middle and other management and information technology staff.

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Table IV-2: Recruitment Difficulty by Occupational Group (percent share)

Occupation	N	Percent Share of Companies		
		Very Difficult	Somewhat Difficult	Not at all Difficult
Broker	8	62.5	37.5	0.0
Actuarial	20	65.0	30.0	5.0
Senior Management	29	37.9	37.9	24.1
Underwriter	30	26.7	66.7	6.7
Sales & service	33	18.2	51.5	30.3
Middle & other management	33	18.2	69.7	12.1
Information technology	35	8.6	71.4	20.0
Claims	38	18.4	71.1	10.5

Chart IV-3
Very Difficult to Recruit by Occupation and Work Force Size
(percent share of companies with 500+ employees)



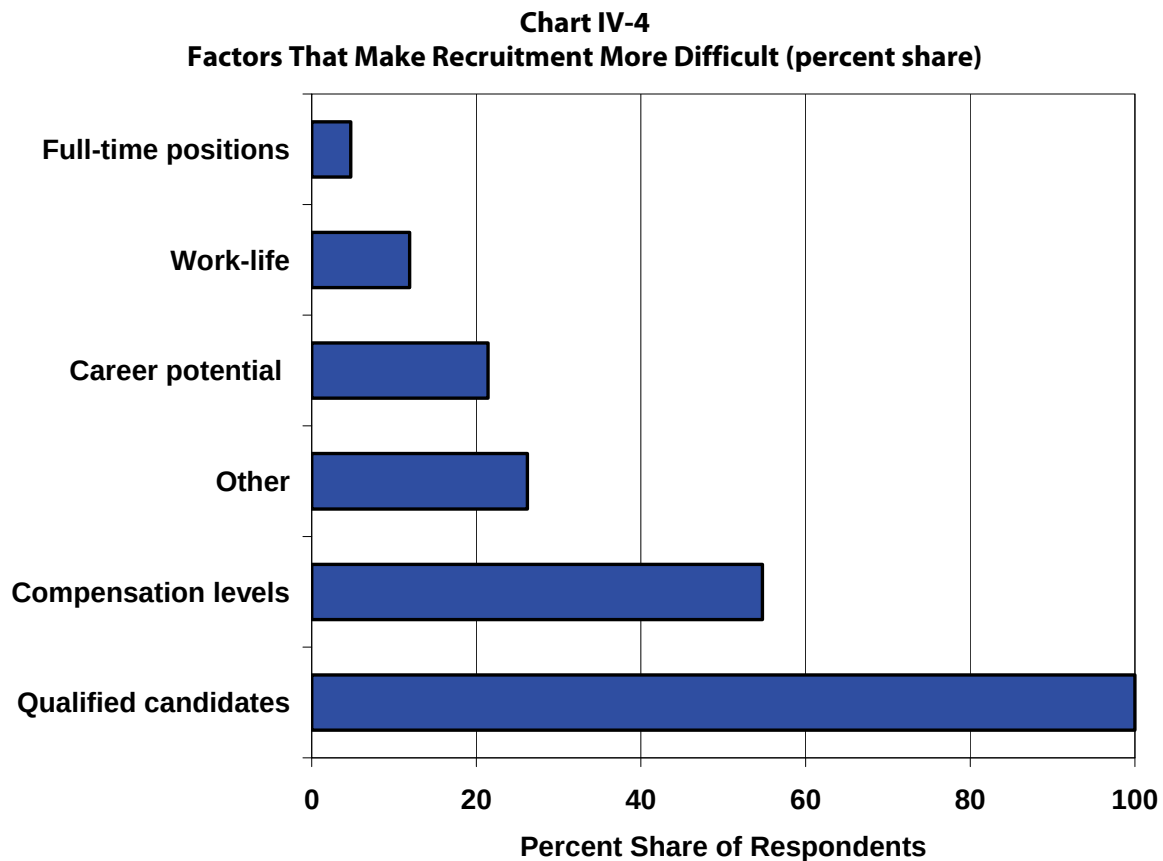
The second aspect of understanding the challenges of recruitment was to ask respondents to identify the “top three” factors that generally made recruitment difficult. Respondents were presented with a list of five factors:

- Too few qualified candidates*
- Uncompetitive compensation levels*
- Too few full-time positions*
- Failure to accommodate work-life balance issues*
- Limited career potential of position*

Part IV – Survey of Senior Human Resources Professionals

In addition, they could write in “other” factors.

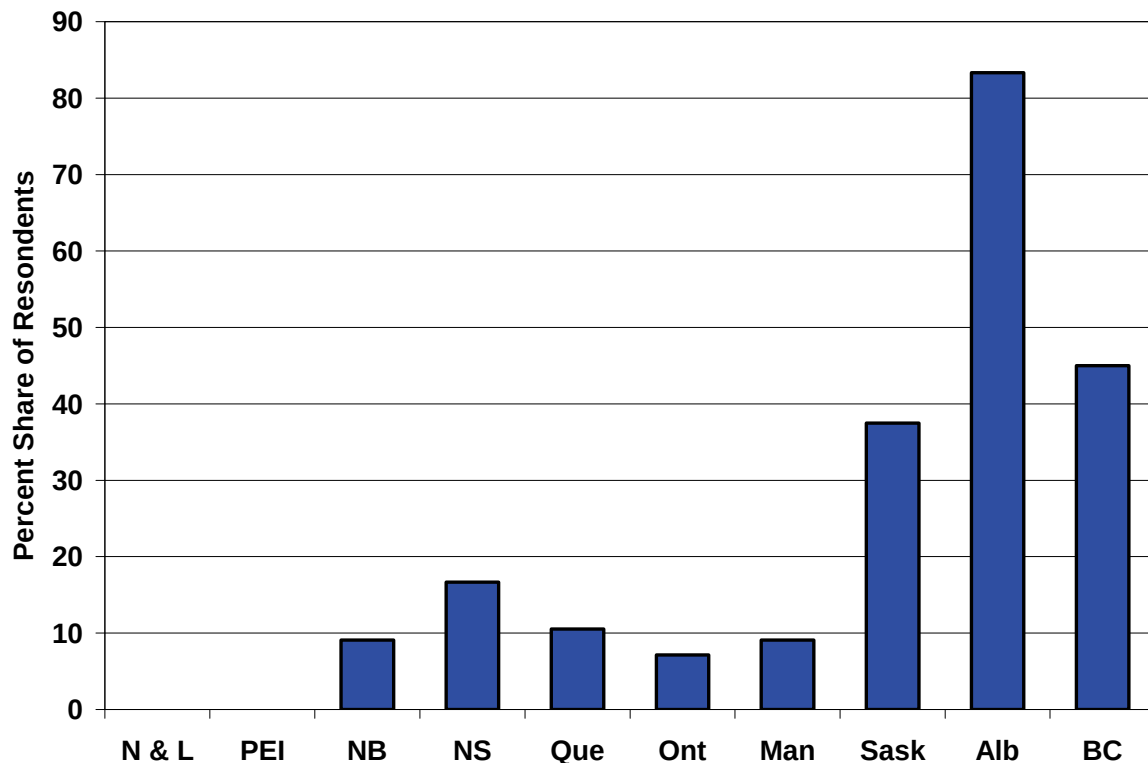
Two factors stood out among the respondents’ perceptions of what made recruitment difficult – *too few qualified candidates* and *uncompetitive compensation levels* (Chart IV-4). The “other” factors mentioned by 11 respondents can be summarized in terms of four factors: location, compensation, organizational fit, and public perception of careers in the insurance industry. The “location” factor is well illustrated by the comment of one respondent that it is “difficult to attract industry people to Regina and difficult to fill claims jobs in rural branches.” Compensation was viewed as both uncompetitive at the entry level and an unrealistic expectation on the part of job applicants. Public perception of insurance careers was perceived as limited. Finally, cross-tabulating the findings with the variable of organizational structure, *limited career potential of the position* was a more salient factor for mutual companies and *failure to accommodate work-life balance issues*, for independent adjusters.



The final aspect to understanding the challenges of recruitment was to analyze how difficult generally it was to recruit at different levels of geography. Eighty percent of the respondents had offices in more than one province or territory. Of this sub-group, over 80 percent of the companies recruiting in Alberta characterized their recruiting efforts as *very difficult* (see Chart IV-5). Across the country in Newfoundland and Labrador and Prince Edward Island, nobody stated that it was *very difficult* to recruit. The norm, except in Alberta, was that it was *somewhat difficult* to recruit across Canada, with both Saskatchewan and British Columbia approaching “somewhat-very difficult” boundary. In the cross-tabulated data, the only relationship that stood out was that it appeared to be more difficult for independent adjuster companies than other types of companies to recruit in Saskatchewan and British Columbia.

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Chart IV-5
Very Difficult to Recruit by Province (percent share)



The difficulty of recruiting in three types of local communities – metropolitan areas, small- and medium-sizes cities, and small towns and rural areas – was probed. Almost 60 percent of the responding companies had offices in different types of local communities. Overall, it was *very difficult* to recruit in small towns and rural areas and only *somewhat difficult* in other communities. Variations on this theme emerging from the cross-tabulations were:

- It was more likely to be *very difficult* for companies with between 500 and 999 employees as well as independent broker and independent adjuster companies to recruit in small towns and rural areas.
- It was more likely to be *very difficult* for independent broker companies to recruit in small and medium cities.

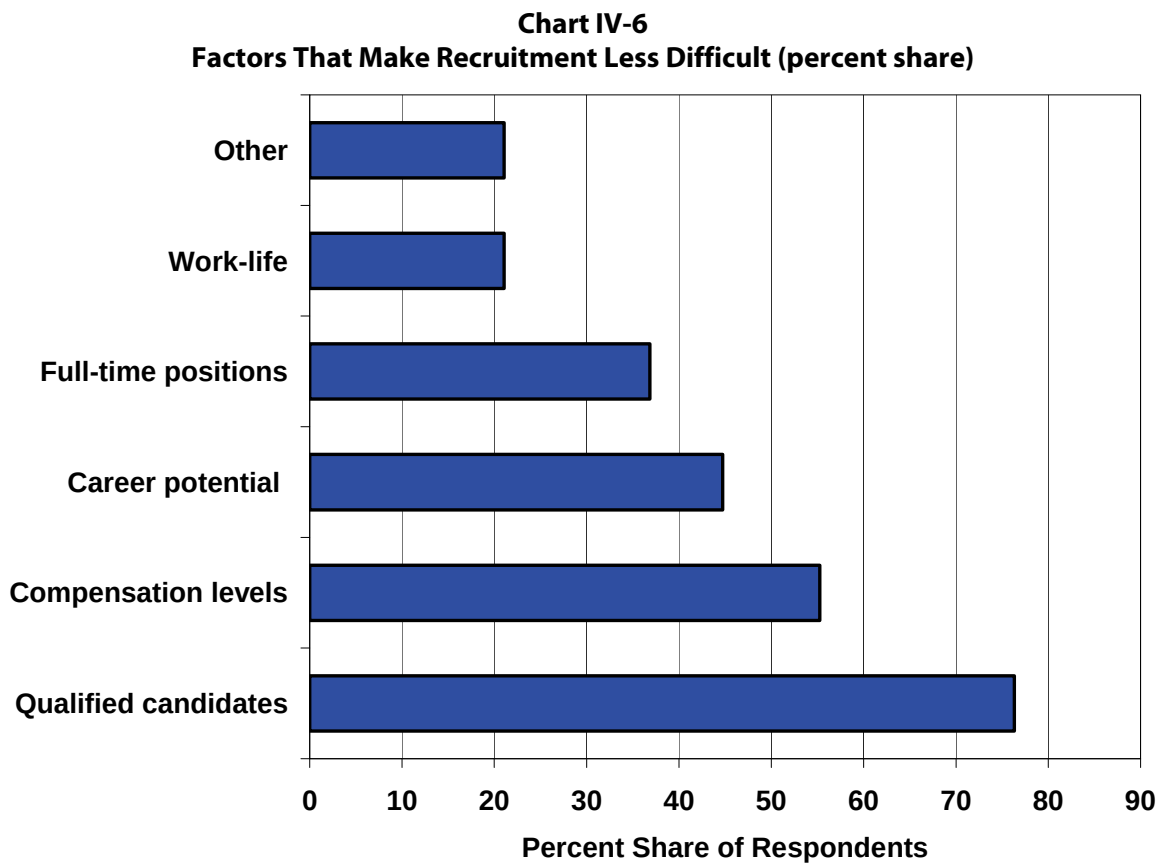
Supportive Factors

Respondents were also asked to identify factors (“top three”) that made recruitment less difficult. They were again given a list of five factors and had the option of identifying others:

- Adequate supply of qualified candidates*
- Competitive compensation levels*
- Availability of full-time positions*
- Accommodation of work-life balance issues*
- High career potential of position*

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The results, portrayed on Chart IV-6, are not surprising given what respondents think makes recruitment difficult. The major supportive factors for recruitment are an *adequate supply of qualified candidates* and *competitive compensation levels*, the antidotes to the major factors that make recruitment difficult. In addition, the relative importance of the factors of career potential and full-time employment is greater than in the opposite context. Only eight respondents cited other factors but the one that was mentioned the most can be defined as “company reputation.” The attractiveness of the position, “a good supply of internal candidates”, and “referrals from our own employees who promote our company” were also cited. Two findings are noteworthy in the cross-tabulated data: career potential is viewed as more salient by respondents working in companies in the 500-999 size category, and compensation is more salient for the Crown Corporations and companies with offices in one province.



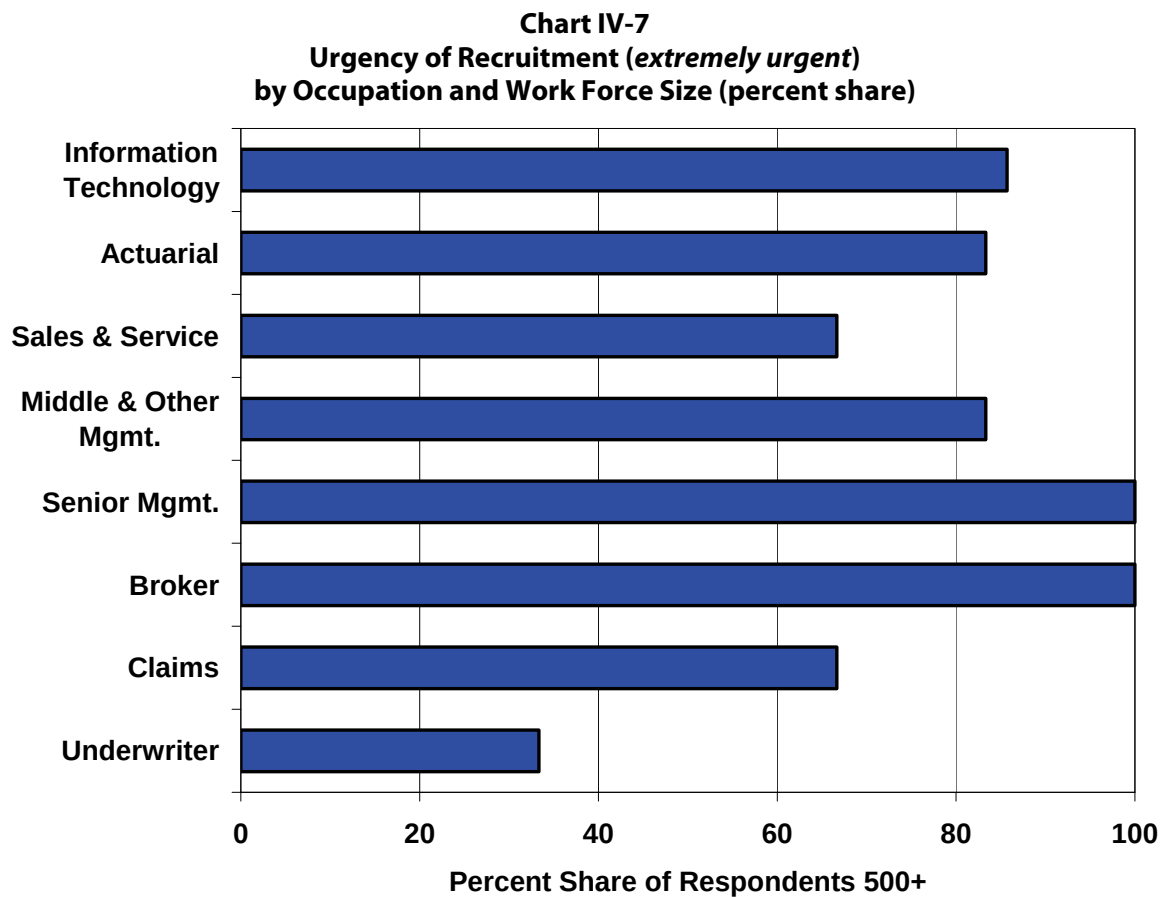
Future Urgency

Finally, the urgency of the need to recruit in each of the occupational categories over the next two years was probed. *Somewhat urgent* was the norm across all occupations for the next two years. Within the range of responses, the degree of urgency for management staff, especially senior management, was lower. For example, just over one-half of respondents stated that it is *not at all urgent* to recruit senior managers. Alternatively, with respect to brokers, a higher degree of urgency was evident. Two in five respondents (N = 12 for this sub-group) perceived the need to recruit brokers as *extremely urgent*.

Cross-tabulating the response of *extremely urgent* with the variables of work force size, organizational structure, and Crown Corporation status identified several variations on the general findings about recruitment urgency:

A Demographic Analysis of the P&C Insurance Industry

- With the exception of underwriters, the majority of companies that perceive recruitment as *extremely urgent* over the next two years are companies with 500 or more employees (Chart IV-7). All companies in this size category viewed the need to recruit senior managers and brokers, respectively, as *extremely urgent*.
- The need to recruit claims staff is more likely to be perceived as *extremely urgent* by reinsurers and independent adjusters; sales and service staff, by independent brokers and direct response insurers; and information technology staff, by direct response insurers.
- There is a lower degree of urgency regarding all occupations for the three Crown Corporations.



Part IV – Survey of Senior Human Resources Professionals

RETENTION

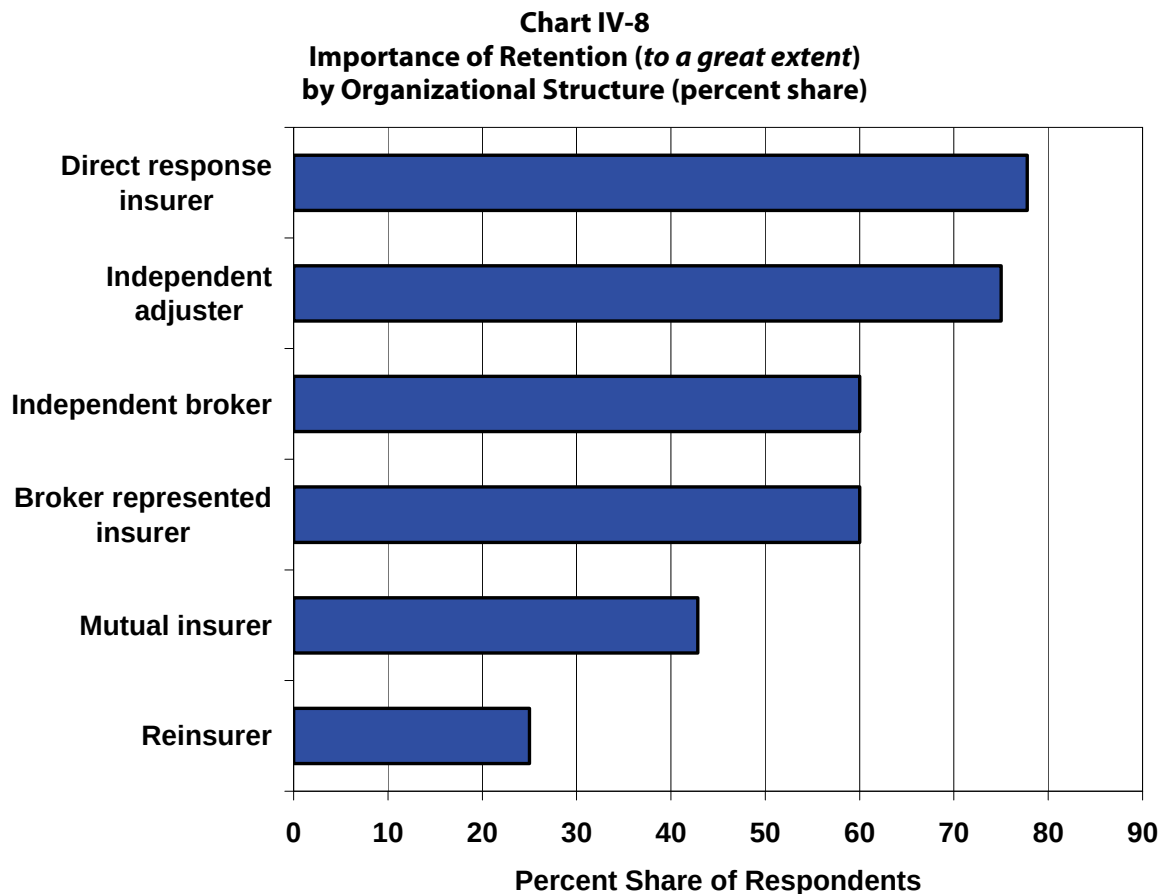
The issue of retention was examined from four interrelated perspectives:

- Importance
- Challenges
- Supportive factors
- Future urgency

Importance

Compared to other human resource management issues, retention was perceived as important *to some extent*. It certainly ranked lower in importance than recruitment. Three-fifths of respondents viewed retention as important *to a great extent*. Three-quarters of respondents viewed recruitment as important *to a great extent*.

The importance of retention was related to both work force size and organizational structure. Retention had a higher salience for companies in 500-999 size category than companies with fewer than 100 employees. It was more important for direct response and independent adjuster organizations than reinsurers and mutual insurers (Chart IV-8).

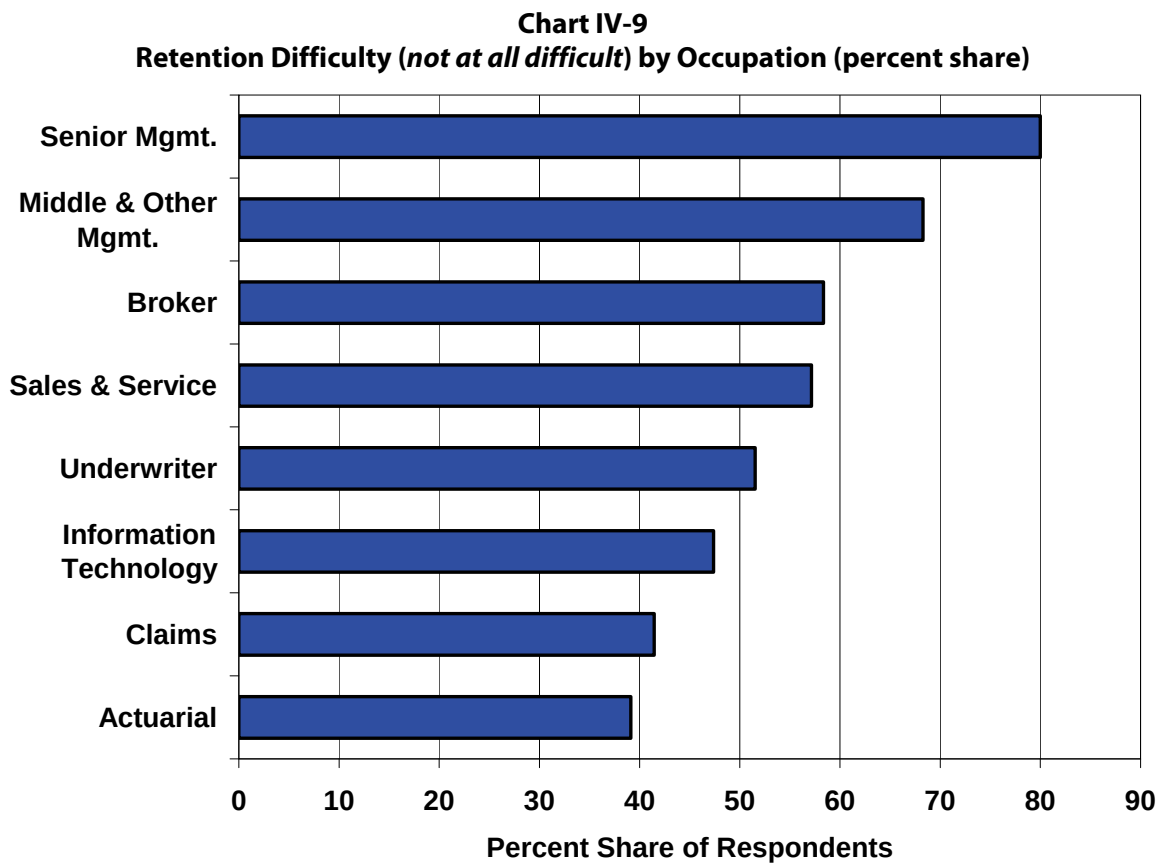


A Demographic Analysis of the P&C Insurance Industry

Challenges

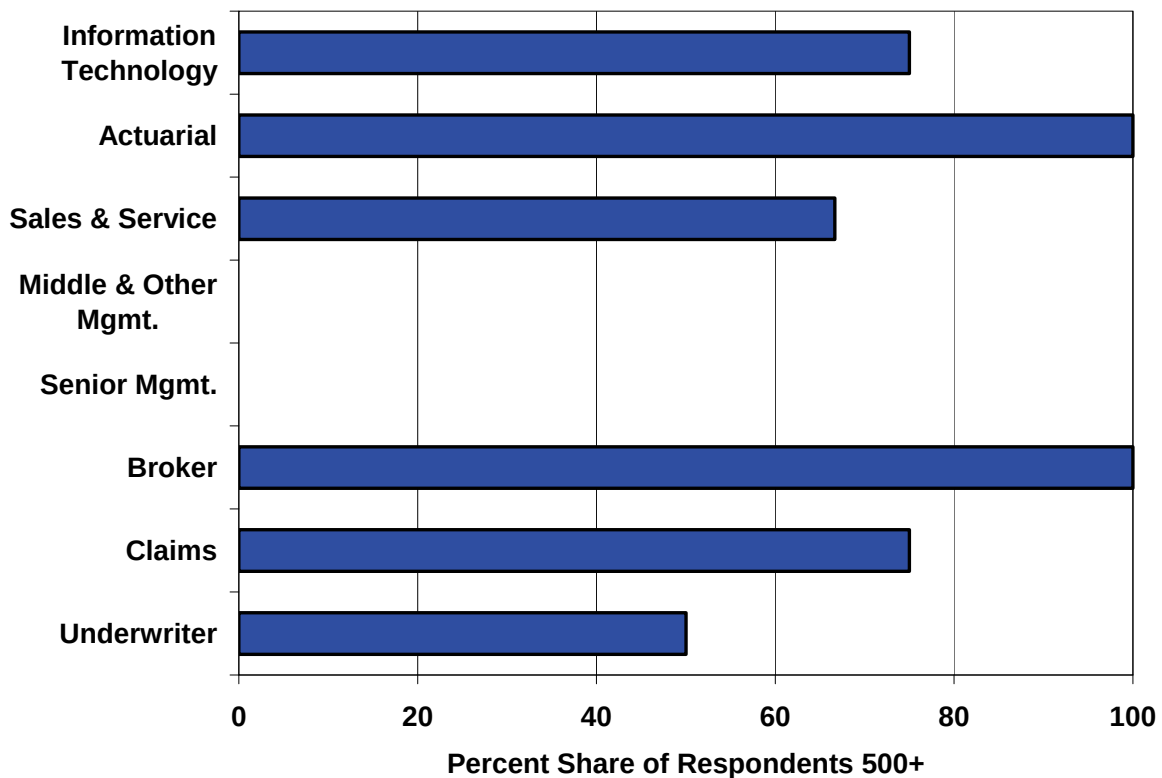
The questionnaire allowed respondents to comment on three aspects of the challenges involved in retaining employees: the degree of difficulty by occupation; the factors that make retention difficult; and the relative difficulty of retaining employees in different geographic locations.

Respondents perceived little difficulty in retaining employees across all occupational categories, with the retention of managers posing the least difficulty. The data in Chart IV-9 indicate that large shares of respondents felt that it was *not at all difficult* to retain employees in the various occupational categories. With the exception of the management occupations, the majority of companies finding it *very difficult* to retain staff were larger companies with 500-plus employees (Chart IV-10).



Part IV – Survey of Senior Human Resources Professionals

Chart IV-10
Retention Difficulty (*very difficult*) by Occupation and Work Force Size (percent share)

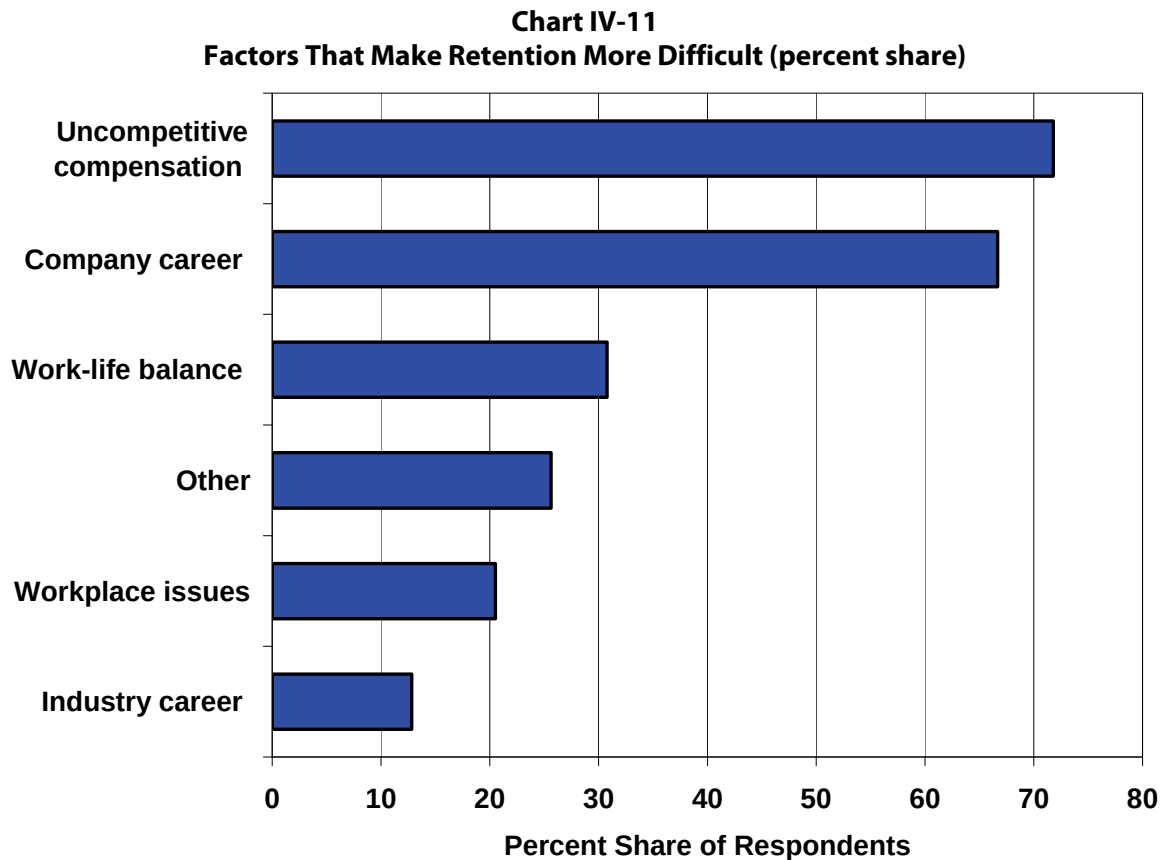


With respect to what makes retention more difficult, respondents were presented with a list of five factors and had an opportunity to write in others. The five factors were:

- Uncompetitive compensation levels*
- Failure to accommodate work-life balance issues*
- Failure to accommodate workplace issues*
- Limited career prospects within company*
- Limited career prospects within industry*

Respondents could select up to three factors. The only factors chosen by a majority of respondents were *uncompetitive compensation levels* and *limited career prospects within company* (Chart IV-11). The "other" factors written in by respondents (N= 10) included location (i.e., staff moving out of an area), the "hot" labour market, and "demographics."

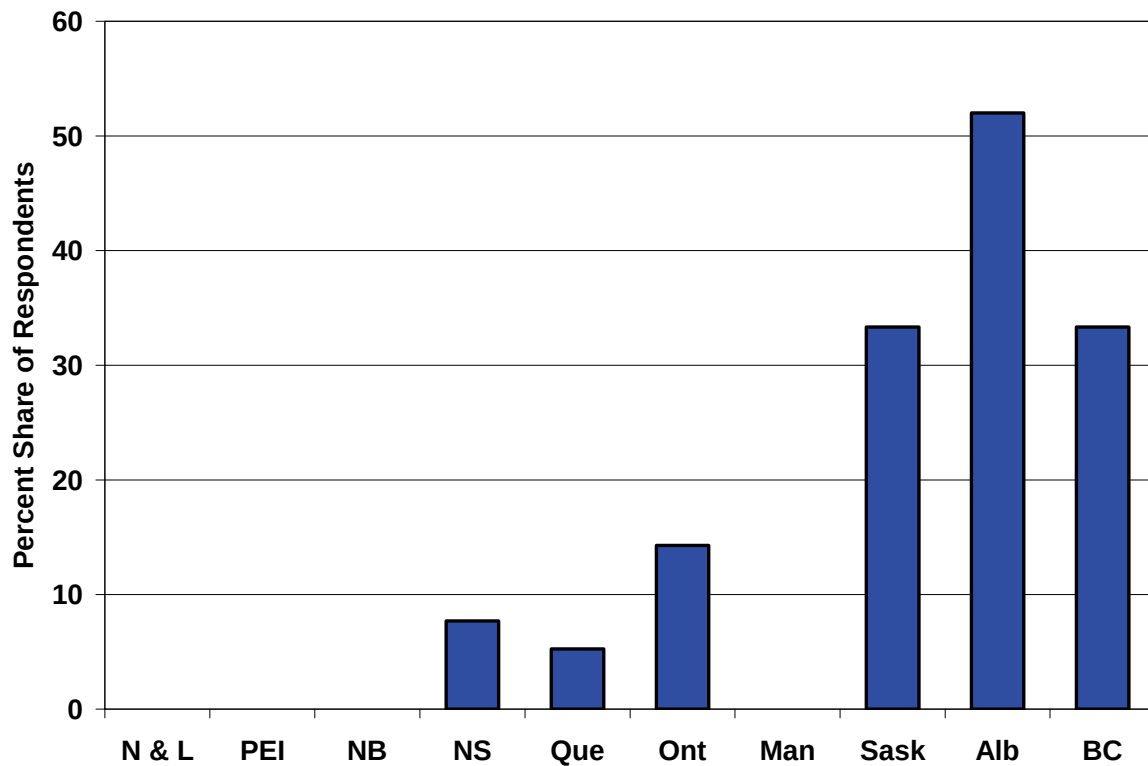
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Sifting through the cross-tabulated findings, there is some suggestion that the compensation factor had greater impact for independent brokers and Crown Corporations, and that the company career factor had greater impact for companies with fewer than 500 employees as well as broker represented insurers.

From a geographic perspective, minimal retention difficulties were perceived in Atlantic Canada, Québec, and Manitoba. The norm in the other provinces was *somewhat difficult*, with Alberta approaching the “somewhat-very difficult” transition point (Chart IV-12). Cross-tabulations of the *very difficult* response showed that companies with 500 to 999 employees had more difficulty with retention in Alberta and British Columbia. Independent adjusters had more difficulty in Saskatchewan, Alberta, and British Columbia.

Chart IV-12
Very Difficult to Retain by Province (percent share)



At the local community level, it was *somewhat difficult* to retain employees in the metropolitan areas. In the non-metropolitan areas, the overall perception bordered between *somewhat difficult* and *not at all difficult*. An analysis of the cross-tabulated data (*very difficult*) yielded several findings of interest:

- Independent adjusters and direct response insurers were more likely to find it *very difficult* to retain staff in the metropolitan areas.
- Companies with 500 to 999 employees were more likely to find it *very difficult* to retain staff in the non-metropolitan areas.

Supportive Factors

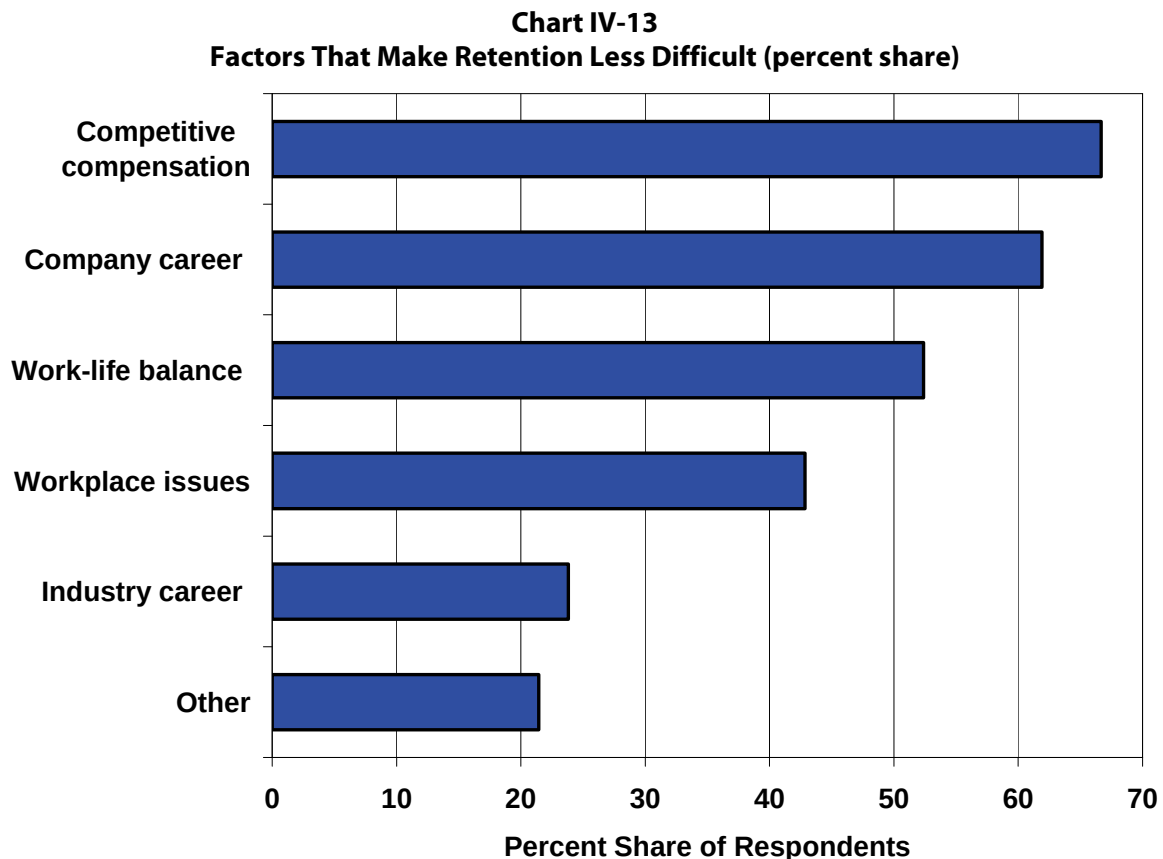
Respondents were also asked to gauge the impact of five factors that potentially made retention less difficult:

- Competitive compensation levels*
- Accommodation of work-life balance issues*
- Accommodation of workplace issues*
- High career prospects within company*
- High career prospects within industry*

Chart IV-13 shows that if uncompetitive compensation and limited company career prospects make retention more difficult, then competitive compensation and high company career prospects make it

A Demographic Analysis of the P&C Insurance Industry

less difficult. In addition, the impact of *accommodation of work-life balance issues* as a supportive factor is greater than its impact as a challenge. Only nine respondents identified “other” factors but the dominant theme was “corporate culture and the work environment.” An analysis of the cross-tabulated data hinted at a higher salience for the company career factor in the case of the largest companies (i.e., 1,000-plus work force), direct response insurers, and Crown Corporations. The work-life balance factor also had greater resonance with Crown Corporations.



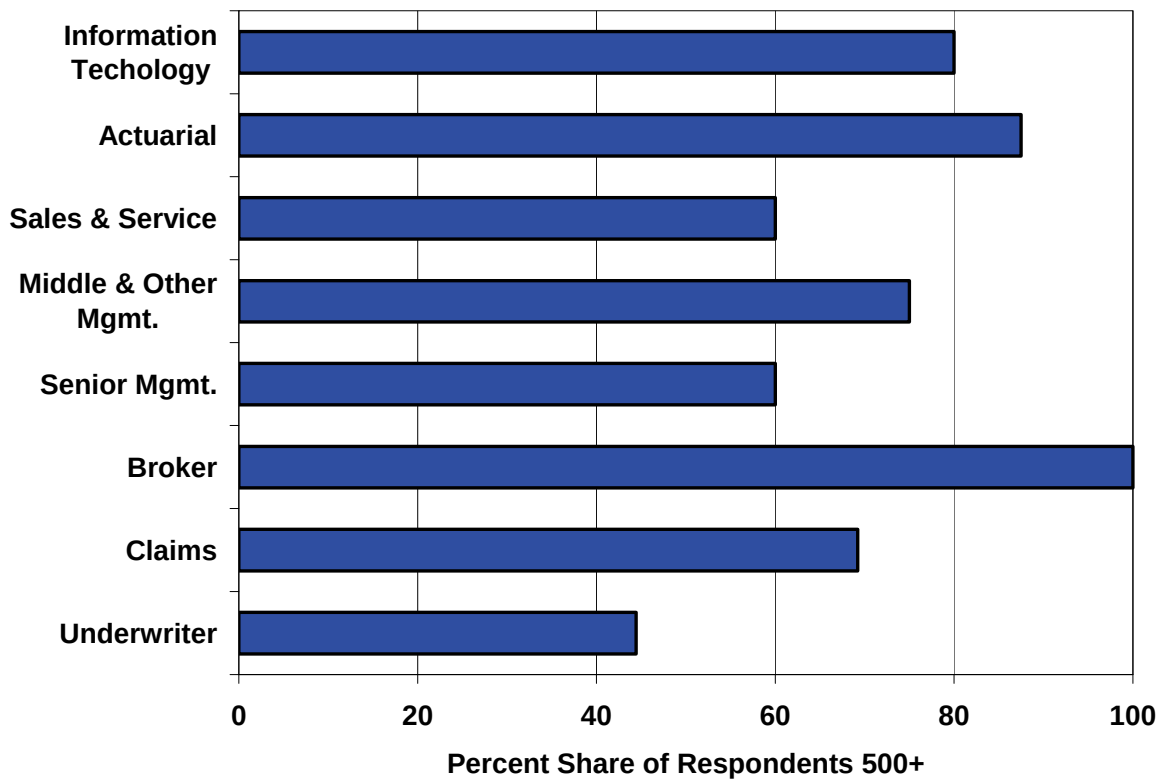
Future Urgency

Over the next two years, how do the industry’s senior human resource professionals see the urgency of the retention issue? The general answer is that their perception of retention is similar to their perception of recruitment. Retention is *somewhat urgent* in all occupational categories. As well, a slightly lower urgency is perceived with regard to the retention of management staff. However, a review of the cross-tabulated findings in terms of the *extremely urgent* response indicates:

- With exception of the underwriter category, a majority of the companies with 500 or more employees saw retention as *extremely urgent* (Chart IV-14).
- There is a higher degree of urgency across the board for “inter-provincial” companies (also likely to be large companies).
- Independent adjusters were more likely to regard the retention of claims employees as *extremely urgent*. For reinsurers, there was heightened urgency to retain senior management; for independent brokers and direct response insurers, sales and service staff.

Part IV – Survey of Senior Human Resources Professionals

Chart IV-14
Urgency of Retention (*extremely urgent*)
by Occupation and Work Force Size (percent share)



HUMAN RESOURCE MANAGEMENT TOOLS

Respondents were given a chance to signify whether their companies made use of a number of human resource management tools related to the issues of recruitment and retention, respectively. Six tools were listed:

- Conduct exit interviews*
- Have a formal succession planning process*
- Award retention bonuses*
- Have targeted recruitment initiatives*
- Periodically prepare retirement forecasts*
- Periodically analyze workforce demographics*

Overall, a majority of the companies use all these tools except retention bonuses which are only used by about one-third of the companies (see Chart IV-15). The findings from the cross-tabulated data are interesting:

- With a few exceptions, the larger the company, the greater the use of the tools (Table IV-3).
- With the exception of retention bonuses, Crown Corporations have higher utilization rates than private sector companies.
- The use of retirement forecasts is the preserve of the largest companies (i.e., 1,000-plus employees).

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- Mutual insurers are less likely to conduct exit interviews.
- There is lower use of targeted recruitment by companies operating only in one province.

Chart IV-15
Use of Human Resource Management Tools (percent share)

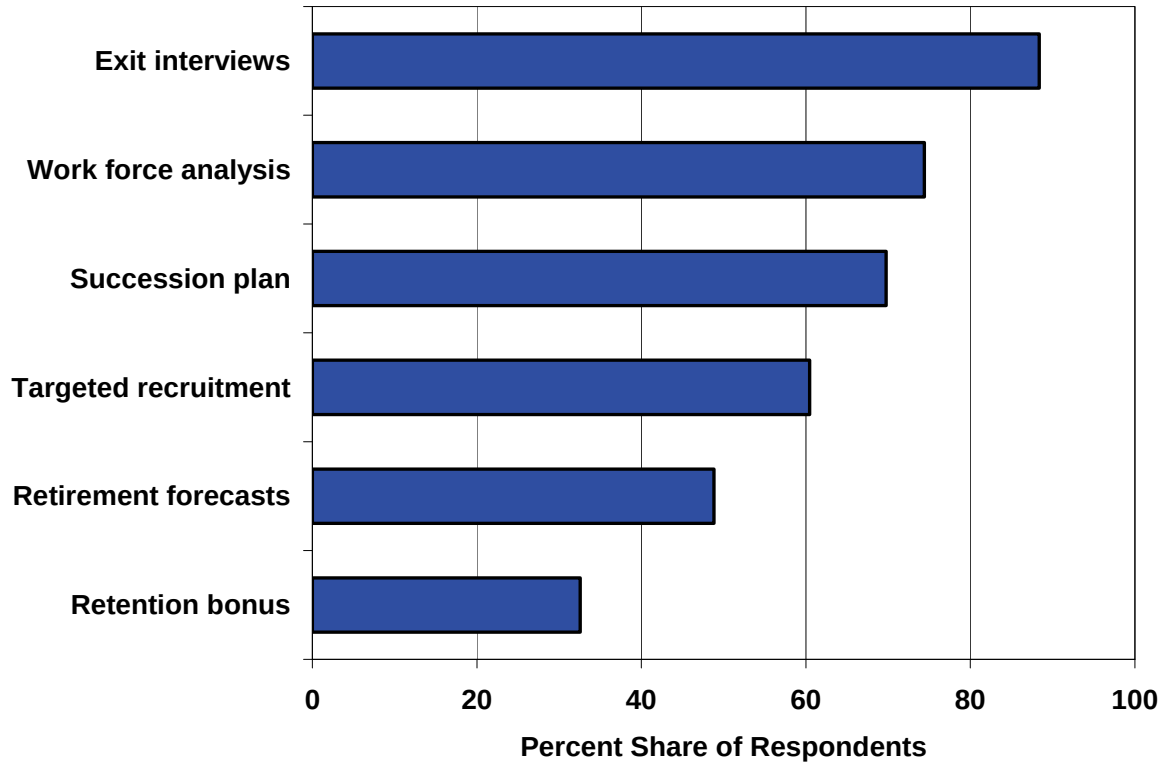


Table IV-3: Use of Human Resource Management Tools by Work Force Size (percent share)

Human Resource Management Tool	Percent Share				All
	<100	100-499	500-999	1000+	
Exit interviews	66.7	92.3	75.0	100.0	86.4
Succession planning	55.6	61.5	62.5	85.7	68.2
Retention bonuses	22.2	23.1	25.0	50.0	31.8
Targeted recruitment	11.1	69.2	50.0	85.7	59.1
Retirement forecasts	33.3	23.1	37.5	85.7	47.7
Demographic analysis	66.7	61.5	87.5	78.6	72.7

Part IV – Survey of Senior Human Resources Professionals

Conclusion

An effective survey should both validate what we think that we know and tell us some things that we did not know or expect. By this standard, our survey of senior human resource professionals in Canada's property and casualty insurance industry is an effective one. On the one hand, some of the findings were not surprising. For example, the difficulty of recruiting and retaining staff in Western Canada, especially in Alberta, is common knowledge within the industry. On the other hand, the perceived lower urgency to recruit and retain management staff is surprising (although it may be an artifact of the two-year time horizon associated with the questions). Also, the low utilization of retirement forecasts in all but the largest companies might fall under the heading of a surprise.

KEY POINTS

Recruitment

- Recruitment is perceived as “difficult”:
 - *Very difficult* for brokers and actuaries
 - *Somewhat difficult* for other occupations
- Work force size directly impacts
 - Recruitment intensity
 - Perceived importance of recruitment as an issue
 - Perceived difficulty of recruitment
- Factors identified that “make recruitment less difficult” were
 - Pool of qualified candidates
 - Competitive compensation
 - Positions with career potential
 - Full-time employment
- The West and small town and rural Canada pose the greatest challenges for recruitment.
- Recruitment is *somewhat urgent* over the next two years:
 - Urgency is highest for larger companies, but Crown Corporations are an exception to this trend.
 - Urgency is lowest for management positions, especially senior management. It is highest for brokers.

Retention

- Retention is perceived as less “important” and less “difficult” than recruitment.
- Retention of management staff is not perceived as a major problem over the next two years.
- The salience of retention as an issue is greater for the larger companies.
- Factors identified that “make retention less difficult” were
 - Competitive compensation
 - Good career prospects within the company
 - Accommodation of work-life balance issues

Human Resource Management Tools

- With the exception of retention bonuses (retention is not perceived as either highly important or difficult), the tools are utilized by most companies.
- Larger companies are more likely to use the tools.

The extent to which these above perceptions of the industry’s senior human resources professionals align with the facts and trends that are emerging from the demographic analysis, is further discussed in Part VII – Conclusions and Recommendations.

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

Introduction

We have demonstrated in Part III that using Statistics Canada as the foundation for a demographic analysis of the work force of the property and casualty industry in Canada is an approach with a number of limitations. Therefore, the best approach is to collect and analyze data that are available directly from the many industry employers and regulators across Canada. Unfortunately, there is no one organization that retains a comprehensive data base that is suitable for demographic analysis (i.e., data on the age and sex of employees by occupation, company, etc.).

The Insurance Bureau of Canada (IBC), the national trade association for the property and casualty insurance industry, publishes a *Facts* book annually.²⁹ This document contains much information about the industry but none of it provides a basis for demographic analysis or human resource planning. *Appendix J* of this document provides an estimate of industry employment by province (for 2005-2006) disaggregated by three occupational categories: employees of insurance companies; brokers and employees; and independent adjusters and appraisers. Data sources for the estimate are the IBC's survey of 50 percent of private insurers; provincial brokers' associations; and provincial government agencies.

Provincial regulators such as the Registered Insurance Brokers of Ontario (RIBO) do have the data required for demographic analysis. However, going this route is not without its problems. A national study would require the cooperation of all (or, at least, the largest) provincial regulators. Some provincial regulators cover all industry employee categories, others do not. Finally, these regulator data bases may not have complete, consistent, and updated information.

Data Sources and Collection

The industry's employers participating in this research 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 eight demographic and related variables (see APPENDIX 2):

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 early August and the last one over two months later in early October. At the close of the data collection process, data had been received on over 28,300 current employees and 12,500 terminated employees (80 percent of whom had been terminated between 2003 and 2007). Forty-three (43) companies submitted data (a response rate of 46

²⁹ The latest edition is *Facts of the General Insurance Industry in Canada 2006*. Accessed at http://www.ibc.ca/en/Need_More_Info/documents/FactsBook2006.pdf.

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percent). Twenty-eight of the companies participating in the industry “census” also participated in the survey of senior human resource management professionals (see Part IV).

In addition, data were received from four provincial regulators (47,900 records):

- Insurance Council of British Columbia
- Alberta Insurance Council
- Registered Insurance Brokers of Ontario
- La chambre de l'assurance de dommages

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 occupation categories.

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 work force size, company type, 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.

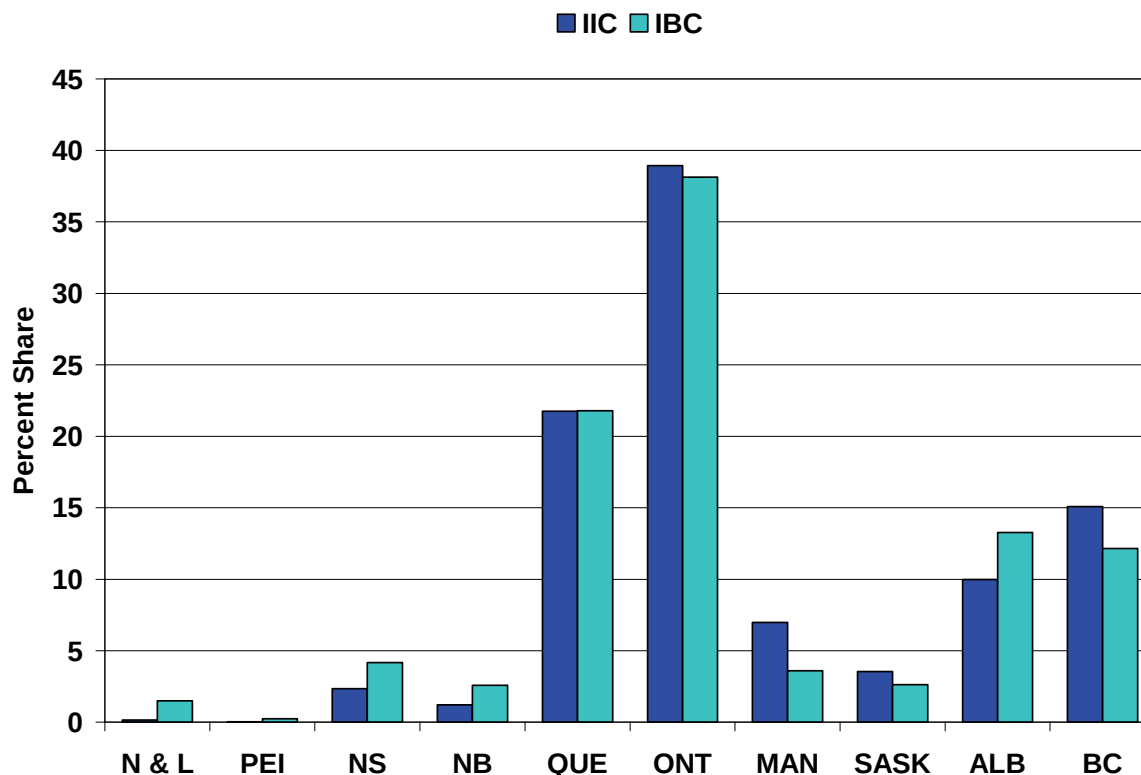
Research Sample

The total number of employees working currently in the occupational categories 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 IBC (for 2006) is a proxy for the target population. Chart V-1 compares the distribution of employees in The Institute sample by province with the employment estimates by province available from the IBC. The Institute sample mirrors the IBC data fairly closely. In The Institute sample, the Atlantic region (i.e., Newfoundland and Labrador, Prince Edward Island, New Brunswick, and Nova Scotia) is somewhat under-represented; the Western region (i.e., Manitoba, Saskatchewan, Alberta, and British Columbia) is somewhat over-represented.

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

Chart V-1
Distribution of Industry Employees by Province (percent share of total)
Institute (IIC) Sample (2007) versus IBC (2006)



Another perspective on the high quality of The Institute sample is provided by the data in Table V-1. Table V-1 shows the confidence intervals (95 percent level)³⁰ for each province, the Atlantic region, and Canada. With the exception of the individual Atlantic provinces, the values are small. Furthermore, if the IBC data includes employees not working in the selected occupations (for example, clerical staff), then the quality of The Institute sample is even higher (since the population sizes will be lower). The confidence intervals portrayed in Table V-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).

In the particular case of the Crown Corporations in Manitoba, Saskatchewan, and British Columbia, respectively, all three submitted complete data sets. Therefore, data analysis for this sector of the industry is on a population, not a sample, basis.

³⁰ Our calculation of the confidence interval assumes that the population is defined by the IBC's estimate. See footnote 26 on page 38 for an explanation of the terms, confidence level and confidence interval.

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

Jurisdiction	Confidence Interval
Newfoundland	14.74
PEI	34.15
Nova Scotia	3.50
New Brunswick	5.17
Atlantic	2.83
Quebec	1.11
Ontario	0.79
Manitoba	1.53
Saskatchewan	2.47
Alberta	1.65
British Columbia	1.22
Canada	0.50

Research Sample: Profiles

General Profile

Overall, “insurers” account for four-fifths of the companies in the research sample (Table V-2). Nine in ten of the employees in the sample work for insurers, and one in five employees work for Crown Corporations. The sample is skewed towards large companies, i.e., companies with 1,000 or more employees in the selected occupational categories. The data in Table V-3 show that seven in ten employees work in large companies.

Table V-2: Research Sample by Company Type

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
Total	43	28,327	100.0

Table V-3: Research Sample by Work Force Size

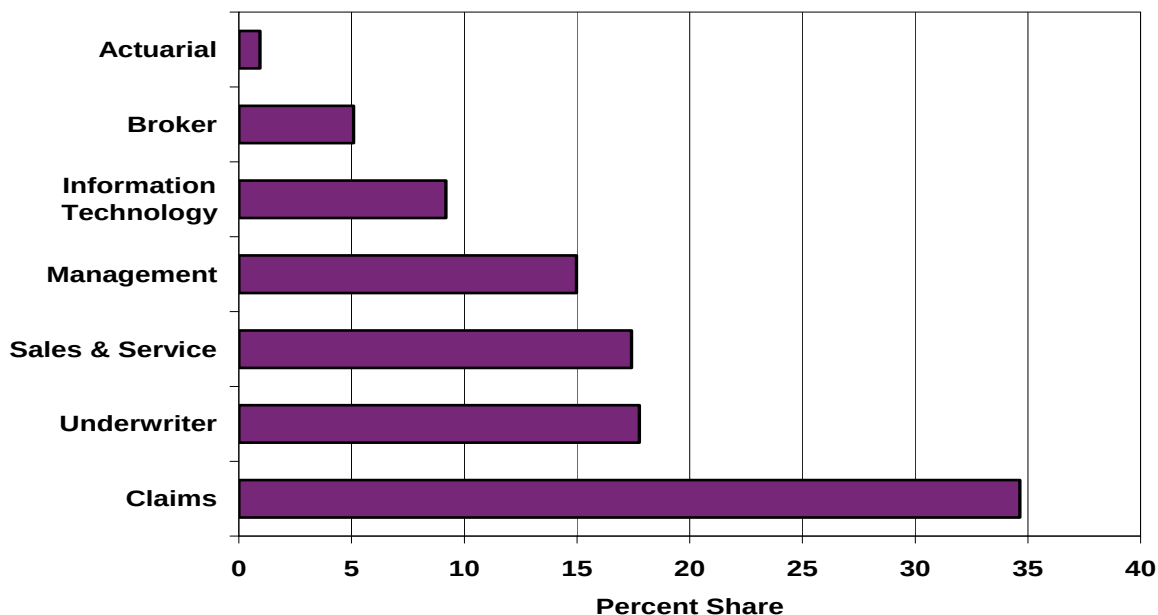
Work Force Size	Number	Employees	% Share
<100	16	666	2.4
100-499	10	2,644	9.3
500-999	8	4,739	16.7
1,000+	9	20,274	71.6
Totals	43	28,323	100.0

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

Profile by Occupational Category

Claims employees account for one-third of the employees in the sample (Chart V-2). The underwriter, sales & service, and management categories each account for roughly one-sixth of the sample. Information technology employees represent just less than one-tenth; brokers, one-twentieth. Actuarial employees have the lowest share (0.9 percent).

Chart V-2
Distribution of Employees by Occupational Category (percent)
Institute Research Sample



With the exception of brokers, large companies (1,000-plus) account a substantial majority of employees in each occupational category (Table V-4). Within the management category, middle and other managers account for two-thirds of the employees and the bulk of middle and other managers work for large companies.

Table V-4: Research Sample by Work Force Size and Occupational Category (percent of category total)

Occupational Category	Work Force Size			
	<100	100-499	500-999	1,000+
Actuarial	3	7	12	78
Underwriter	4	14	18	65
Claims	2	8	20	71
Broker	6	27	49	18
Information Technology	2	6	13	78
Sales & Service	0	4	3	93
Management	4	13	20	63
Senior Management	10	28	27	35
Middle Management	5	19	27	49
Other Management	3	5	21	72

A Demographic Analysis of the P&C Insurance Industry

Cross-tabulating the variables of occupational category and company type, several additional observations about the structure of the sample can be made:

- A majority of employees in the actuarial, underwriter, information technology, and management categories work for broker represented insurers.
- Private sector insurers account for two-thirds of claims employees.
- A large majority of brokers work for independent brokers.
- A large majority of sales and service employees work for direct response insurers.

Profile by Sex

Across Canada, the female work force share is 61 percent (Table V-5). This share is close to the 54 percent share that can be calculated from 2006 *Labour Force Survey* data.³¹ The female share is higher than the national share in the Atlantic region and Alberta; lower in Manitoba and British Columbia.

Table V-5: Research Sample, Male/Female Share (percent) by Province/Region

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

The female share is somewhat lower in companies with fewer than 1,000 employees. For example, the female share for companies with 100 to 499 employees is 54 percent. Table V-6 demonstrates that females represent the majority in four of the seven occupational categories: underwriter, claims, broker, and sales & service. Males are the majority in the actuarial, information technology, and management categories. The national occupational pattern by sex holds generally across regions and provinces (Table V-6) as well companies of different size (Table V-7). There are, however, a few exceptions to this trend. Female brokers are not the majority in either Manitoba or Saskatchewan. They do constitute the majority of managers in both Québec and Alberta. Females do not represent the majority of sales and service employees in the 100 to 499 work force size range. They are the majority of managers in companies with 1,000 or more employees. Moreover, the female management share at all levels increases as work force size increases.

³¹ The female share in the *Labour Force Survey* data may be understated from the perspective of the property and casualty insurance industry because the data encompass categories that cover all industries and several occupations (for example, Mathematicians, Statisticians and Actuaries).

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

Table V-6: Research Sample, Female Share (percent) by Occupational Categories and Province/Region

Province/Region	Occupational Category						
	Actuarial	Underwriter	Claims	Broker	IT	Sales & Service	Mgmt
Atlantic	0	79	61	63	38	64	49
Québec	44	81	56	54	29	75	51
East	44	80	57	55	29	74	51
Ontario	46	74	63	69	41	61	47
Manitoba	38	73	60	29	41	71	37
Saskatchewan	14	79	63	36	53	50	30
Alberta	36	80	67	64	38	65	51
West	32	79	63	54	43	67	43
British Columbia	43	73	59	66	41	67	47
Canada	43	77	61	63	38	69	47

Table V-7: Research Sample, Female Share (percent) by Occupational Category and Work Force Size

Occupation	Work Force Size			
	<100	100-499	500-999	1,000+
Actuarial	33	42	35	45
Underwriter	68	73	72	79
Claims	74	52	58	63
Broker	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

The cross-tabulation of the female share variable with the variables of company type and occupational category, respectively, unearths a number of trends within the sample:

- The female share is higher than the national share for broker represented insurers, direct response insurers, and mutual insurers (Table V-8). In addition, females form the majority of employees in all company types except reinsurers and independent adjusters.
- The female claims share is noticeably higher for mutual insurers and lower for independent adjusters (Table V-9).
- The female broker share is markedly higher for broker represented insurers and independent brokers.
- Females constitute the majority of managers in only two types of companies: broker represented and direct response insurers.

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Table V-8: Research Sample, Male/Female Share (percent) by Company Type

Company Type	Male %	Female %
Crown Corporation (CC)	43	57
Broker Represented Insurer (BRI)	36	64
Direct Response Insurer (DRI)	37	63
Mutual Insurer (MI)	31	69
Reinsurer (RI)	56	44
Independent Broker (IB)	43	57
Independent Adjuster (IA)	63	37
All Companies	39	61

Table V-9: Research Sample, Female Share (percent) by Occupational Category and Company Type³²

Occupational Category	Company Type						
	CC	BRI	DRI	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	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

A key trend emanating from the analysis of the management occupational category deserves brief comment. The male management share and management level are directly related (i.e., the higher the level, the higher the share) for all regions and provinces (Table V-10), work force sizes (Table V-7), and company types (Table V-9).

Table V-10: Research Sample, Male/Female Share (percent) by Management Level and Province/Region³³

Province/Region	Senior Management		Middle Management		Other Management	
	Male	Female	Male	Female	Male	Female
Québec	75	25	52	48	35	65
East	74	26	54	46	35	65
Ontario	71	29	55	45	42	58
West	77	23	62	38	46	54
British Columbia	71	29	61	39	38	62
Canada	72	28	56	44	41	59

³² NA means "not applicable." For the meaning of the company type abbreviations, see Table V-8.

³³ The East region is the four Atlantic provinces and Québec. The West region is made up of the provinces of Manitoba, Saskatchewan, and Alberta.

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

Finally, it is interesting to compare the sample profile by sex and occupational category with the data from the *Labour Force Survey*. At first glance, it may appear that the two data sets do not match up well. For example, the *Labour Force Survey* indicates that 70 percent of *insurance adjusters and claims examiners* were female in 2006 compared to a 61 percent share in the research sample in 2007. However, we do not know the confidence intervals for sample data by sex at the national level of analysis. It is plausible that the confidence intervals fall within the range of the percentage differences in Table V-11 (i.e., from 11 to 14 percentage points). Therefore, it is our view that this comparison again illustrates the high quality of the research sample in terms of its capacity to represent trends in the population (i.e., the work force of the property and casualty insurance industry).

Table V-11: Female Share (percent) by Occupational Classification, *Labour Force Survey* versus Research Sample³⁴

Occupational Classification	Female % Share		
	LFS 2006	Institute Sample	Percentage Difference
Senior Managers	23	28	5
Middle & Other Managers	50	44	-6
Supervisors	70	59	-11
Insurance Adjusters & Claims Examiners	70	61	-9
Insurance Underwriters	71	77	6
Assessors, Valuers & Appraisers	31	NA	NA
Insurance Agents & Brokers	54	63	9
Computer & Information Systems	24	38	14
Customer Service, Information & Related Clerks	66	69	3
Mathematicians, Statisticians & Actuaries	46	43	-3

Profile by Employment and Activity Status

About six percent of employee records submitted did not identify either employment or activity status. Over 75 percent of these “unknown” records were from the independent broker category. Therefore, the analysis of employment status excludes the “unknown” records.

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, particularly, in Québec and British Columbia (Table V-12). This trend is also discernible across all company size categories (Table V-13). Moreover, the part-time share for both men and women increases as company size increases. Both the male and female shares for Crown Corporations and direct response insurers are higher than the respective national shares (Table V-14). The male share is also higher for reinsurers. Finally, the national part-time share is highest in the sales and service occupational category for both men (8.5 percent) and women (15.5 percent).

The share of part-time workers in the property and casualty insurance industry is considerably below the share evident in Canada’s economy. Eighteen percent of employed Canadians worked part-time in 2006. The male share was 10 percent and the female share, 27 percent.³⁵

³⁴ As noted in Part III, there is not a complete correspondence between the NOC definitions employed by Statistics Canada and the occupational categories employed in this report. The NOC titles are used in Table V-11, and the data from the Institute categories have been allocated on a “best fit” basis. For example, Institute research data on brokers has been matched with the “Insurance Agents & Brokers” classification, and the Institute data on sales and service employees has been slotted into the “Customer Service” classification.

³⁵ Calculated from data in the *Labour Force Historical Review 2006*.

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Table V-12: Research Sample, Part-time Employee Share (percent) by Sex and Province/Region

Province/Region	Male Share	Female Share
Atlantic	0.3	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	0.5	4.1
West	1.0	5.0
British Columbia	3.0	15.6
Canada	2.3	7.2

Table V-13: Research Sample, Part-time Employee Share (percent) by Sex, Work Force Size, and Employment/Activity Status

Status	Company Size			
	<100	100-499	500-999	1,000+
Male Part-time	0.8	0.7	1.3	2.8
Female Part-time	1.2	2.4	4.3	8.5
Part-time	1.0	1.6	3.0	6.4
Male Inactive	0.0	0.8	1.4	2.1
Female Inactive	4.7	5.0	5.3	6.6
Inactive	2.7	3.1	3.6	5.0

Table V-14: Research Sample, Part-time Employee Share (percent) by Sex, Company Type, and Employment/Activity Status

Status	Organizational Structure						
	CC	BR	DR	MI	RI	IB	IA
Male Part-time	2.6	1.6	3.5	0.0	3.2	1.5	1.5
Female Part-time	13.8	2.8	11.1	1.7	0.0	0.7	6.8
Part-time	8.9	2.3	8.3	1.2	1.8	1.0	3.5
Male Inactive	2.8	0.8	2.7	0.0	0.0	0.0	1.5
Female Inactive	7.0	4.3	9.8	5.1	0.0	2.1	4.2
Inactive	5.2	3.1	7.2	3.5	0.0	1.2	2.5

The trends for inactive employees are similar to those for part-time employees. Across the industry, the share of inactive employees is low (4.5 percent). However, the female share is higher than the male share in all regions and provinces (Table V-15) and across all company size categories (Table V-13). The total share increases as company size increases. The female share (10.7 percent) and the male share (2.7 percent) in sales and service are the highest among occupations nationally.

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Table V-15: Research Sample, Inactive Employee Share (percent) by Sex and Province/Region

Province/Region	Male Share	Female Share
Atlantic	1.2	4.4
Québec	2.3	8.3
East	2.2	7.7
Ontario	1.2	5.6
Manitoba	1.7	2.6
Saskatchewan	2.9	5.1
Alberta	1.0	4.9
West	1.6	4.2
British Columbia	3.2	8.7
Canada	1.8	6.3

Profile by Community Type

In the survey of senior human resource professionals, respondents were asked if their companies had offices in more than one type of local community. Using definitions developed by Statistics Canada, three community types were identified: metropolitan areas, small and medium cities, and small towns and rural areas (see footnote 28). Three in five of the responding companies had offices in metropolitan areas.

Over 90 percent of the employees covered by the research sample work in one of Canada's 27 Census Metropolitan Areas (CMA). As of the *2006 Census*, 65 percent of Canada's population lived in these areas. These observations do not necessarily mean that the research sample is unrepresentative of the industry's work force population. They may simply suggest that the industry's work force is disproportionately located in CMAs.

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. Age profiling; and
4. Entry to exit ratios.

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Cohort Analysis

In 2007, the age ranges of the three *cohorts* are

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

The last of the *boomers* entered their labour force participation years in 1981; the *bust*, in 1994. By 2007, most of the *echo* was also in a position to participate.

Table V-16 sets out the industry's cohort shares by region and province as well as *boomer* share of the overall labour force in 2006. Several comments are pertinent:

- The industry's share of *boomers* (49 percent) is somewhat higher than that for the labour force as a whole (45 percent).
- In central and eastern Canada, the industry *boomer* share parallels the labour force share.
- With exception of Alberta, industry *boomer* shares in western Canada are much higher.
- Ontario has the highest industry share for the *bust* cohort.
- The industry *echo* share is highest in Alberta; lowest in Saskatchewan and British Columbia.

Table V-16: Industry Cohort Shares and Boomer Share of Labour Force by Province/Region (percent)

Province/Region	Cohort Industry Share			Boomer Labour Force Share
	Boomers	Bust	Echo	
Atlantic	47	38	12	47
Québec	46	37	14	46
East	47	37	14	46
Ontario	46	40	12	45
Manitoba	58	29	11	44
Saskatchewan	66	24	8	44
Alberta	42	37	19	42
West	51	32	15	43
British Columbia	61	31	6	46
Canada	49	36	12	45

Cross-tabulating the industry cohort shares with other variables yields a number of findings:

- The *boomer* share increases dramatically as the population size of the local community decreases (i.e., an inverse relationship). The share in metropolitan areas is 49 percent; in small and medium cities, 59 percent; and in small towns and rural areas, 64 percent.
- The *bust* and *echo* are more prominent in companies with 1,000 or more employees (Table V-17). The *boomer* share is highest in companies with fewer than 100 employees.

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- *Boomers* dominate the management category and account for a majority of employees working in the information technology area. The *bust* and *echo* dominate both the actuarial and sales and service categories (Table V-18).
- *Boomers* are a substantial majority in both the Crown Corporations and mutual insurers. The *bust* and *echo* are most prominent in the direct response insurer category (Table V-19).

Table V-17: Industry Cohort Shares (percent) by Work Force Size and Sex

Cohorts	Work Force Size							
	<100		100-499		500-999		1,000+	
	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

Table V-18: Industry Cohort Shares (percent) by Occupational Category

Occupational Category	Cohorts		
	Boomers	Bust	Echo
Actuarial	14	43	43
Underwriter	48	35	15
Claims	50	36	12
Broker	48	37	10
Information Technology	52	40	6
Sales & Service	32	44	22
Management	70	26	1

Table V-19: Industry Cohort Shares (percent) by Company Type and Sex

Company Type	Cohorts					
	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

The *boomer* occupational shares calculated from the 2001 Census (see Table III-4) are comparable to the industry shares for, at least, two reasons. First, with the exception of the management category, the industry shares are lower (i.e., between 2001 and 2007 some *boomers* undoubtedly left the industry). Second, with the exception of actuaries, the industry shares are within 10 percentage points of Census shares (and, therefore, likely within the confidence interval).

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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 lie 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 V-20 indicate that 50 percent of the industry's male work force is below the age of 42 and 50 percent of the female work force is below the age of 41. These values are close to those identified by the 2006 *Census* for the whole labour force – 41.5 for males and 40.8 for females.³⁶ Within the industry, the provincial/regional median age is lower than the overall median age in Ontario, Québec, the Atlantic region, and Alberta, and higher in Manitoba, Saskatchewan, and British Columbia. For full-time employees (both male and female), the median is lowest in the metropolitan areas and highest in the small towns and rural areas.

In the Canadian labour force, the median age of part-time employees (both sexes) is about 35. The industry's male part-time employees are younger than this mark but its female part-time employees are older. Within the industry, the provincial pattern holds for male part-time employees (i.e., older in Western provinces) but it is more mixed for female part-time (e.g., higher median age in the Atlantic region).

Table V-20: Industry Median Age by Sex, Employment Status, and Province/Region³⁷

Province/Region	Median Age			
	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	32.8	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

It is clear from Table V-21 that the largest companies (i.e., 1,000-plus employees) have the youngest employees, both male and female and full- and part-time.

³⁶ Accessed at <http://www12.statcan.ca/english/census06/data/highlights/labour/Table601.cfm?SR=1>

³⁷ DS means data suppressed due to confidentiality. FT means full-time employment; PT, part-time employment.

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Table V-21: Industry Median Age by Sex, Employment Status, and Work Force Size

Work Force Size	Median Age			
	Male FT	Female FT	Male PT	Female PT
<100	43.8	42.5	DS	DS
100-499	42.8	41.5	DS	47.0
500-999	44.0	41.6	27.6	38.0
1,000+	41.1	40.7	25.9	38.0

Employees in Crown Corporations are older than their counterparts in the private sector, but the oldest full-time male employees work for mutual insurers and the oldest full-time female employees work for reinsurers (Table V-22).

Table V-22: Industry Median Age by Sex, Employment Status, and Company Type

Company Type	Median Age			
	Male FT	Female FT	Male PT	Female PT
Crown Corporation	46.2	44.9	32.0	39.0
Broker Represented Insurer	40.6	41.0	25.6	38.0
Direct Response Insurer	37.2	37.3	24.6	37.6
Mutual Insurer	48.0	43.1	NA	DS
Reinsurer	44.9	50.6	DS	NA
Independent Broker	44.8	40.7	DS	DS
Independent Adjuster	45.5	41.0	22.8	24.3

The female median age is higher in all occupational categories except claims, broker, and management (Table V-23). Management employees, whether male or female, have the highest median age among full-time employees. Within the management category, the female median age is higher only for other management category. The youngest occupations are actuarial and sales and service.

Table V-23: Industry Median Age by Sex, Employment Status, and Occupational Category

Occupational Category	Male Full-time	Female Full-time
Actuarial	27.0	31.0
Underwriter	37.0	41.4
Claims	43.6	40.3
Broker	43.0	40.1
Information Technology	40.0	43.1
Sales & Service	33.3	35.0
Management	46.8	45.3
Senior Management	48.7	46.8
Middle Management	46.5	44.5
Other Management	44.3	44.8

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Cross-tabulating the occupation variable for full-time employees with the variables of sex, geography, work force size, and company type produces a mixed pattern of results (see detailed data in APPENDIX 4). Among the many trends that can be discerned are

- **GEOGRAPHY:** The youngest underwriters are in the Western provinces and the oldest in Québec. Claims employees are youngest in Ontario and oldest in British Columbia. Sales and service employees are much older in the Western provinces than in the rest of the country. Management employees are also somewhat older in the West than elsewhere.
- **WORK FORCE SIZE:** The smallest companies (i.e., fewer than 100 employees) have the oldest employees in all categories except claims and information technology. The largest companies (i.e., 1,000-plus employees) have the youngest sales and service and management employees.
- **COMPANY TYPE:** Underwriters working for mutual insurers and Crown Corporations are older than those in either broker represented or direct response insurers. The oldest claims employees work for Crown Corporations and independent brokers. The oldest brokers, information technology, and sales and service employees work in the Crown Corporations. The youngest managers work for broker represented or direct response insurers.

Age Profiles

The profiling approach involves a more fulsome look at the age variable. One technique is to identify the “demographic footprint” of the industry (or its related sub-groups) on the labour market at either the national or sub-national levels. 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.

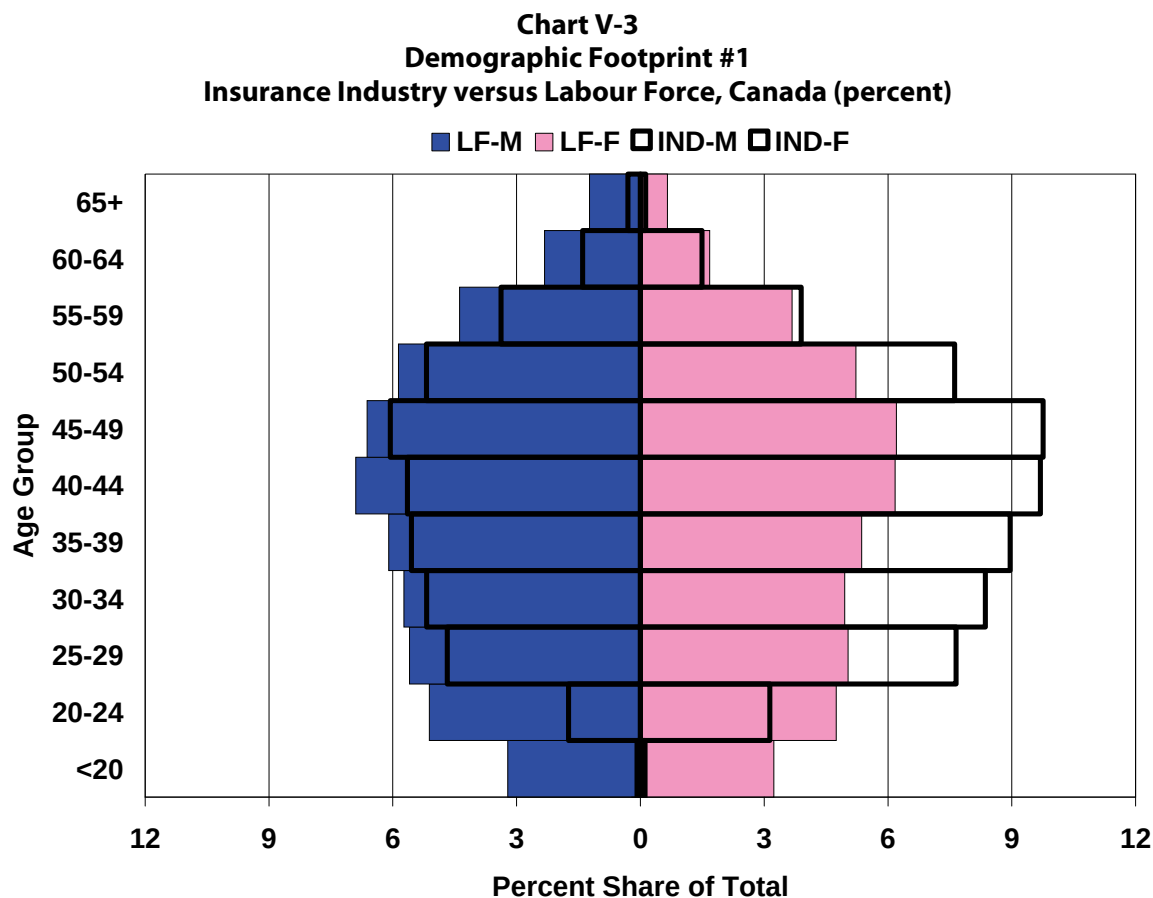
We have analyzed the industry’s “footprints” with respect to four variables: geography, occupation, work force size, and company type. The results can be summarized in terms of six footprints:

1. The most common footprint has substantial over-representation of female employees in the core labour force age groups (i.e., 25 to 54). This footprint is characteristic of
 - a. Canada
 - b. Atlantic region
 - c. Québec
 - d. Ontario
 - e. Alberta
 - f. Underwriter
 - g. Claims
 - h. Broker
 - i. 100 to 499 work force size
 - j. 500 to 999 work force size
 - k. 1,000-plus work force size

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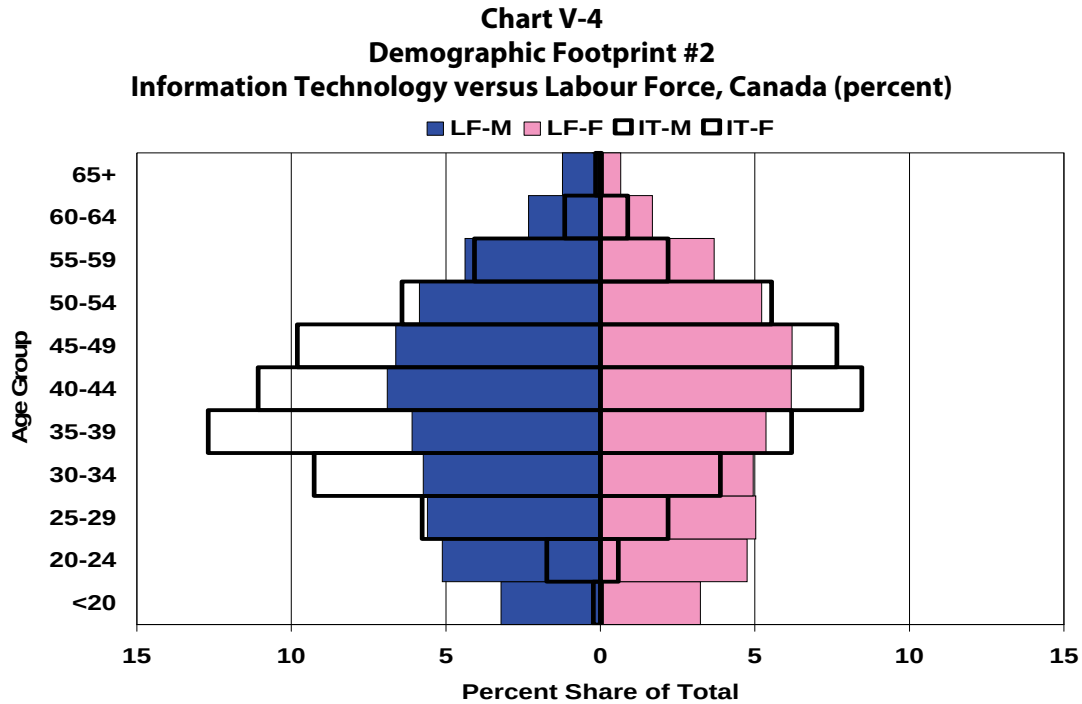
- l. Broker represented insurers
- m. Independent brokers
- n. Metropolitan areas

Chart V-3 illustrates this footprint.

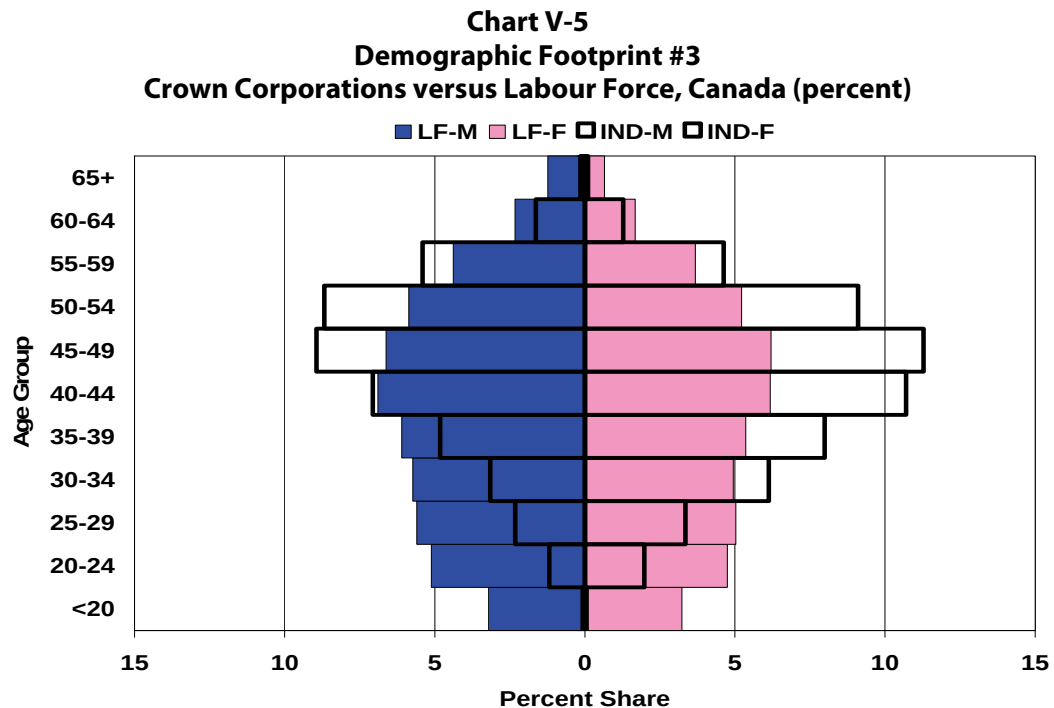


2. The “mirror image” of the first footprint is one that has substantial over-representation of males in the core labour force age groups. An additional nuance is some over-representation of females in their forties (i.e., boomers). The only example of this footprint is the information technology occupational category (Chart V-4).

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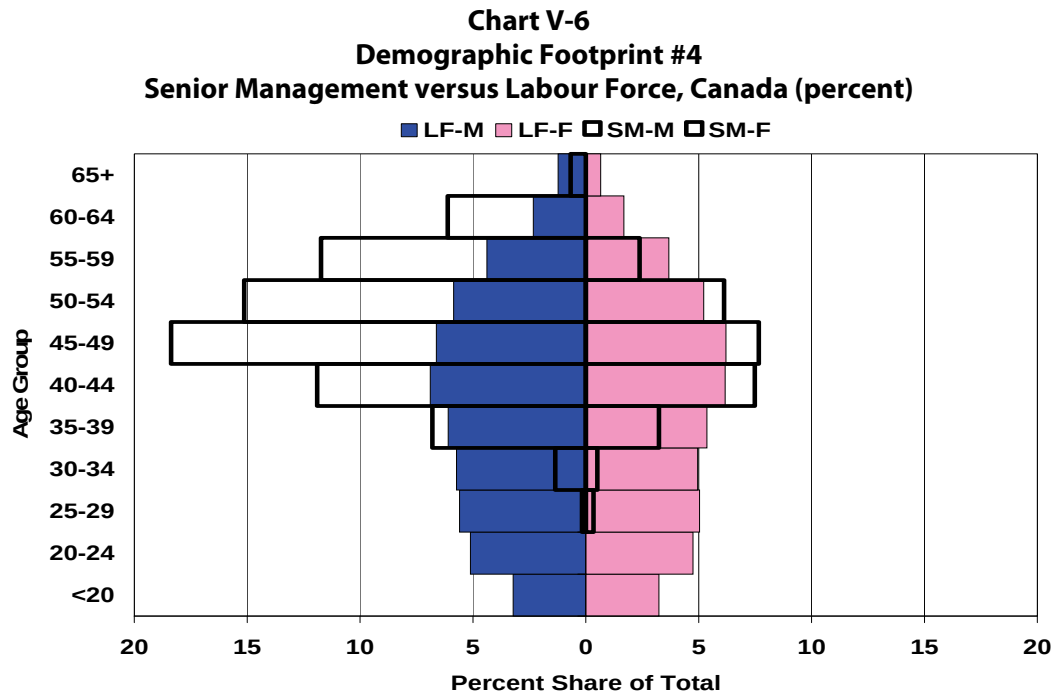


- The third footprint has substantial over-representation of the age groups over 40 (Chart V-5). In addition, female over-representation is more pronounced than male over-representation. It is seen in Manitoba, Saskatchewan, the other management category, companies with fewer than 100 employees, Crown Corporations, mutual insurers, medium and small cities, and small towns and rural areas.

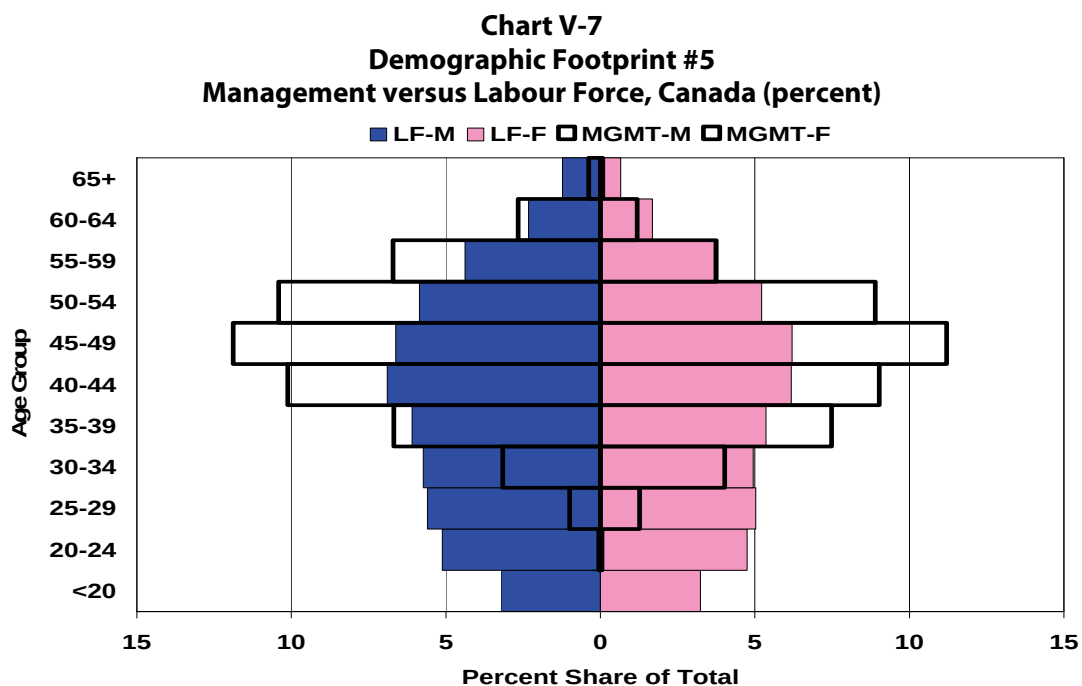


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4. The fourth footprint is the mirror image of the third. It has substantial over-representation of males and some over-representation of females in the age groups over 40 (Chart V-6). This footprint is evident in British Columbia, both the senior and middle management categories, reinsurers, and independent adjusters.

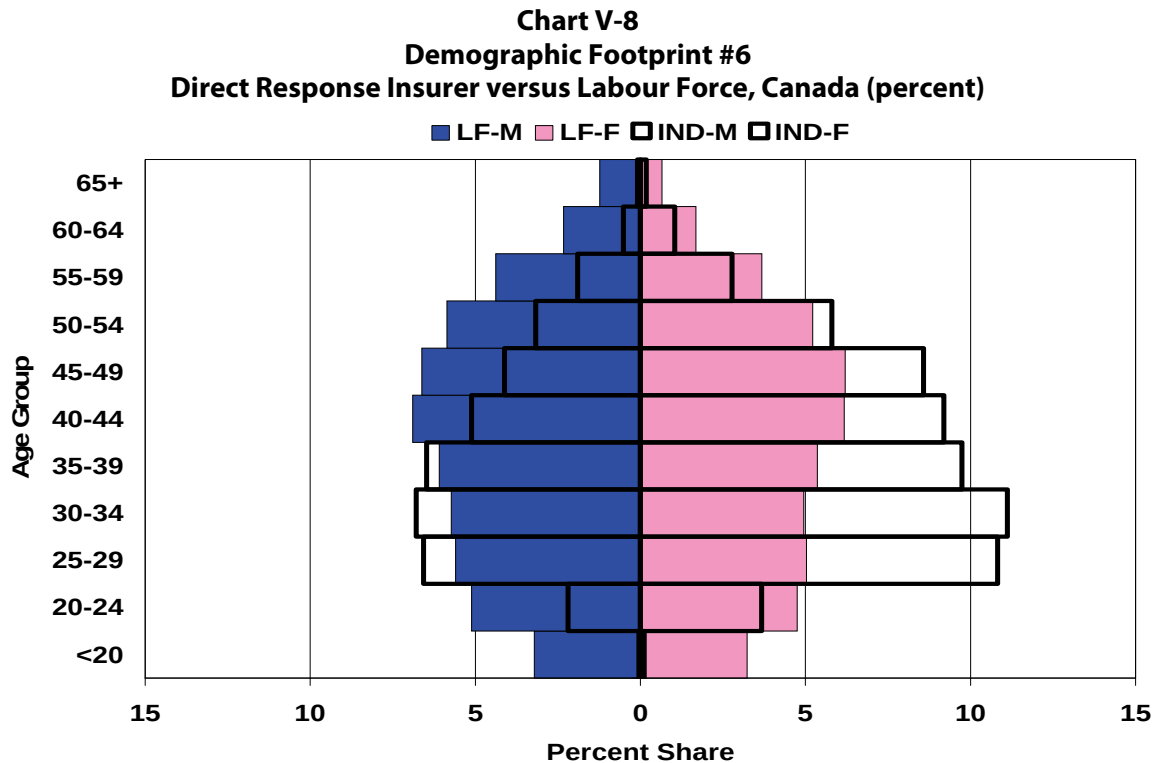


5. A fifth footprint is skewed towards the age groups over 40, but is balanced in terms of male and female representation (Chart V-7). The management category overall reflects this pattern.



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- The final footprint over-represents females in the age groups under 40. This is the case with direct response insurers (Chart V-8).



Given the demographic trends characterizing the Canadian labour force (see Part II), a number of strategic challenges are associated with each of the footprints:

- The over-representation of females in the core labour force age groups leaves the industry dependent on workers who constitute less than 50 percent of the labour force and who have lower participation rates. As competition for workers heats up over the next ten years, this dependence could become problematic. A similar concern exists with regard to the situation where males are over-represented in the core labour market age groups. Both recruitment and retention become strategic challenges.
- The central issue with a footprint that tilts towards the age groups over 40 is the prospect of losing significant numbers of workers through retirement (see Part VI). Recruitment to replace retiring workers is the key strategic challenge.
- The over-representation of females in the age groups under 40 creates both recruitment (of males) and retention challenges. The retention challenge is the possibility of losing young workers in an increasingly competitive and aging labour market.

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Entry to Exit Ratios

In both Part II and Part III of the report, we examined the concept of an entry to exit ratio in the context of Canada's labour force. In the labour force, the ratios across provinces and regions are greater than one for both men and women. With the exception of British Columbia, the ratios are higher west of Ontario. The trend for ratios at both the industry (see Table III-1) and occupational levels (see Table III-3) is a steady downward movement over time to the point where there is less than one work force entrant for every potential worker who can retire. From the standpoint of looking at the "insurance" industry through the lens of entry to exit ratios calculated Statistics Canada data, the conclusion is clear – the industry has been aging significantly.

This trend of low entry to exit ratios is confirmed by our research (Table V-24). Industry ratios for both sexes in all provinces and regions are generally much lower than labour force ratios, and, with a few exceptions (e.g., females in Alberta), are less than one. Some of the lowest industry ratios are in the relatively young labour markets of Western Canada (for example, male ratios in Manitoba and Saskatchewan). Female ratios in the industry are consistently higher than male ratios, although the differences are miniscule.

At the local community level, male and female industry ratios are highest in the metropolitan areas and lowest in the small towns and rural areas. However, in all types of communities the ratios are well below one. For example, the ratio for males in metropolitan areas is 0.4 and for females, 0.6.

Entry to exit ratios increase with the size of the work force but do not exceed one. The highest ratios are in the largest companies (0.5 for males and 0.7 for females).

Only direct response insurers have a ratio that is not less than one (Table V-25). Mutual insurers have the lowest overall ratio. The Crown Corporations have ratios that are noticeably lower than those for the largest companies.

Table V-24: Entry to Exit Ratios by Sex, Industry, and Province/Region

Province/Region	Male		Female	
	Labour Force	Industry	Labour Force	Industry
Atlantic	1.2	0.4	1.5	0.5
Québec	1.2	0.6	1.4	0.9
East	1.2	0.6	1.4	0.8
Ontario	1.2	0.4	1.4	0.5
Manitoba	1.4	0.3	1.5	0.7
Saskatchewan	1.4	0.3	1.6	0.4
Alberta	1.5	0.6	1.8	1.4
West	1.4	0.4	1.7	1.0
British Columbia	1.1	0.1	1.5	0.2
Canada	1.2	0.4	1.5	0.6

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Table V-25: Industry Entry to Exit Ratios by Sex and Company Type

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

Table V-26 contains the ratios for the industry's non-management occupations, both at the national and sub-national levels. The ratios are low across all non-management occupations except actuarial and sales & service (with the exception of British Columbia). There are also several other places where they are greater than one: male underwriters in British Columbia; female claims staff in the West region; and male information technology staff in the East region.

Table V-26: Industry Entry to Exit Ratios by Sex, Occupation, and Province/Region

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 Male	0.1	NA	0.1	0.3	0.1	0.1
Broker 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

The entry to exit ratio concept had 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 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 over that age. The under-45 group is the immediate feeder group to management.

Table V-27 shows the ratio of employees under 45 to those 45 and over for all occupational categories. The data reveal three trends. The first is that overall the ratios for both men and women are greater than one. The ratios for Canada's labour force as a whole are comparable, i.e., 1.6 for men and 1.7 for women with little variation across the provinces. Secondly, the ratios for the different management levels do not exceed one. Finally, the data pinpoint where the internal pools of younger workers are located. Actuaries, male underwriters, male information technology staff, and sales and service employees have ratios of around two or higher. It is these younger groups that may be fertile grounds for the development not only of the industry's future managers but also workers in other areas where the aging trend is creating the need for recruitment.

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Table V-27: Industry Entry to Exit Ratios by Sex and Occupation

Occupational Category	<45:45+ Ratio	
	Male	Female
Actuarial	15.8	9.4
Underwriter	2.1	1.4
Claims	1.2	1.9
Broker	1.2	1.5
Information Technology	1.9	1.3
Sales & Service	4.2	2.6
Management	0.7	0.9
Senior Management	0.4	0.7
Middle Management	0.7	1.0
Other Management	1.0	1.0
All occupations	1.4	1.7

Provincial Regulators: Age Analysis of Current Licensees

Overview

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 Insurance Council of BC (BC Council) is made up of industry and consumer representatives. In 1984, the BC Council was delegated the authority to license insurance agents, salespersons, and adjusters; and was subsequently given authority to investigate and discipline licensees. The BC Council is accountable to the provincial government and reports to the Minister of Finance.³⁸
- **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.³⁹
- **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.⁴⁰
- **Chambre de l'assurance de dommages:** The chambre de l'assurance de dommages (ChAD) brings together more than 13 000 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

³⁸ Accessed at <http://www.insurancecouncilofbc.com/PublicWeb/AboutCouncil.html>.

³⁹ Accessed at <http://www.abccouncil.ab.ca>.

⁴⁰ Accessed at <http://www.ribo.com>.

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damage insurance and claims adjustment. It oversees the compulsory development training of more than 13,000 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.⁴¹

British Columbia

The BC Council provided age data by occupational classification in the general insurance sector.⁴² Data on sex, service, company affiliation, and geography were not provided. A comparison of the BC Council data and The Institute research sample data is contained in Table V-28. Data are presented for two occupational categories: adjuster and broker and agent. In the case of adjuster, the BC Council data is compared with data on claims employees in the British Columbia segment of The Institute research sample. For the broker and agent category, the sample data for the province in the categories of broker and sales and service, respectively, have been combined. The BC Council data does not distinguish between a broker and an agent.

The median age of adjusters calculated from the BC Council data (48.0) is somewhat higher than the median ages (by sex) calculated from The Institute sample data.⁴³ The entry to exit ratios for this occupational category are essentially the same. The median age of brokers and agents calculated from the ICBC data (42.0) is also somewhat higher than the median ages (by sex) calculated from The Institute sample data. The BC Council entry to exit ratio is higher than the ratios derived from The Institute research sample.

Chart V-9 illustrates the demographic footprint of the adjuster category on the provincial labour force. The adjuster footprint clearly fits the "over 40" model.

⁴¹ Accessed at <http://www.chad.qc.ca/eng/chad/who/chad.html>.

⁴² Definitions can be accessed at <http://www.insurancecouncilofbc.com/PublicWeb/LicenceQualifications.html>.

⁴³ The Institute sample median age for all insurance employees in British Columbia is 44.

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Table V-28: Demographic Data by Occupational Category, BC Council and Institute Sample (IIC), British Columbia

Indicators	BC Council	IIC
	Adjuster	
Number	473	2,107
Male %		41
Female %		59
Median Age	48.0	
Median Age-Male		46.0
Median Age-Female		42.0
Entry:Exit Ratio	0.1	
Entry:Exit Ratio Male		0.1
Entry:Exit Ratio Female		0.2
Indicators	Broker and Agent	
Number	10,355	412
Male %		33
Female %		67
Median Age: Broker & Agent	42.0	
Median Age-Male: Broker		40.7
Median Age-Female: Broker		39.3
Median Age-Male: Agent		46.0
Median Age-Female: Agent		44.0
Entry:Exit Ratio	0.5	
Entry:Exit Ratio Male		0.1
Entry:Exit Ratio Female		0.3

Chart V-9
Adjusters by Age Group, BC Council (BBC) versus Labour Force, British Columbia (percent)

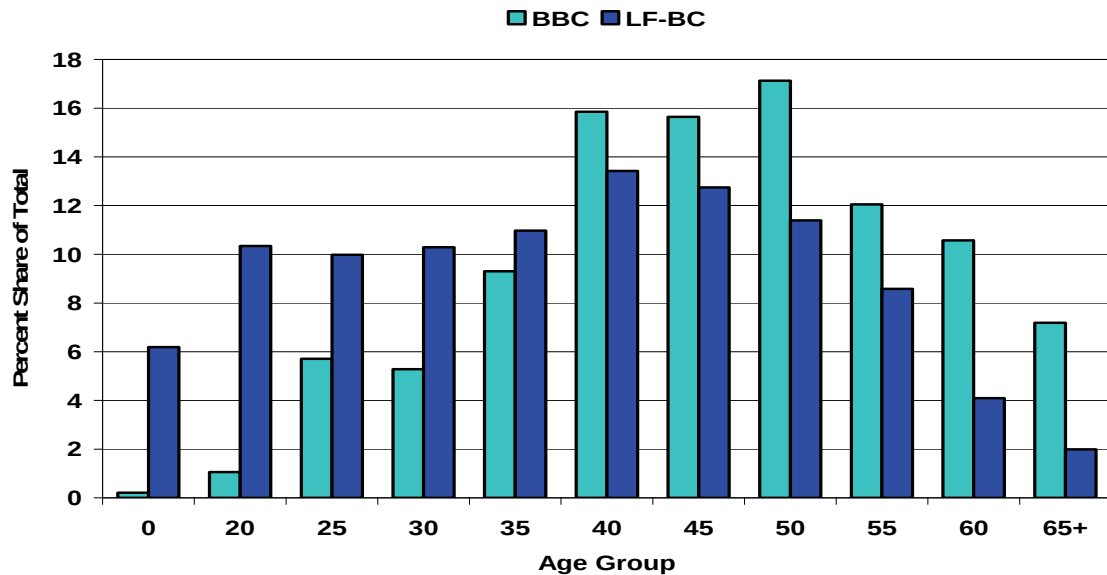
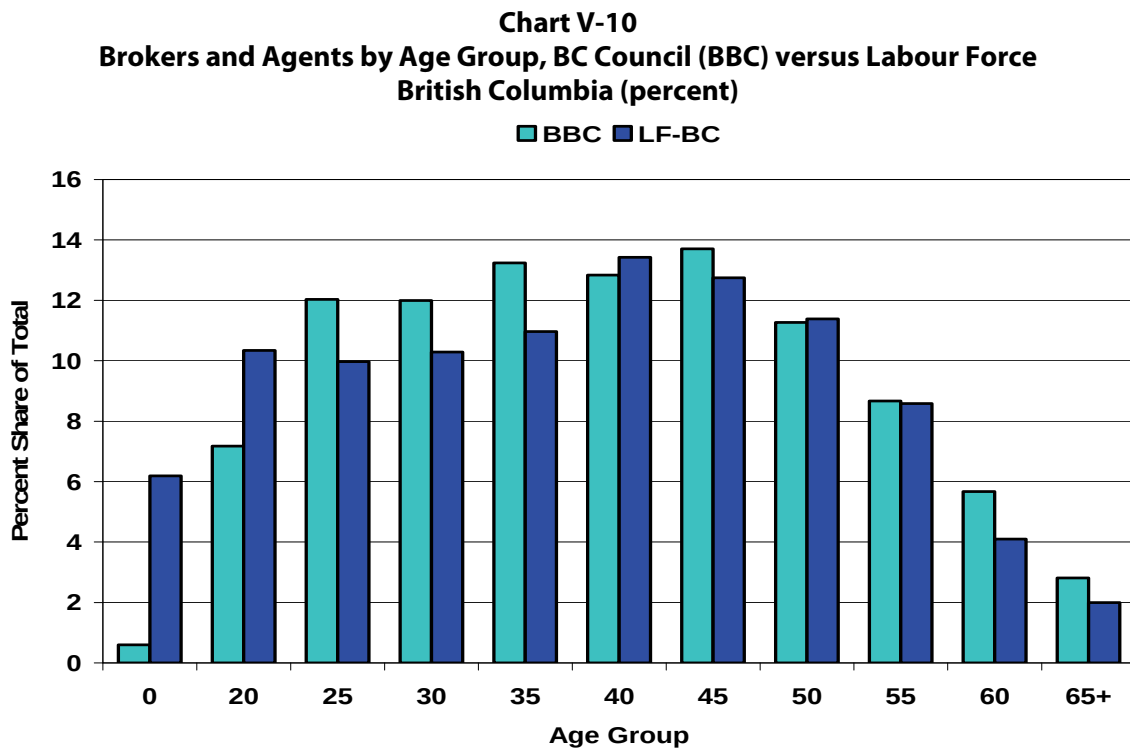


Chart V-10 positions the broker and agent category within the footprint that over-represents the core labour force age groups (i.e., 25 to 54).

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Alberta

The AIC provided data by age, sex, certification level in the general insurance sector⁴⁴, service date, activity status, and agency affiliation. A comparison of the AIC data and The Institute sample data is contained in Table V-29. Data are presented for two occupational categories: adjuster and broker and agent. In the case of the adjuster occupation, the AIC data are compared with data on claims employees in the Alberta segment of The Institute research sample. For the broker and agent category, The Institute sample data for the province in the categories of broker and sales & service, respectively, have been combined. The AIC data do not distinguish between a broker and an agent.

The median ages of adjusters calculated from the AIC data are much higher than the median ages calculated from The Institute sample data. Hence, the AIC entry to exit ratios for this occupational category are noticeably lower. The median ages of brokers and agents calculated from the AIC data are also higher than the median ages calculated from The Institute sample data. Accordingly, the AIC entry to exit ratios are lower than the ratios derived from The Institute sample, particularly, for females.

With respect to the male/female split, the AIC adjuster data are the “mirror image” of The Institute sample data. The splits for the broker and agent categories are comparable.

⁴⁴ Definitions can be accessed at http://www.abccouncil.ab.ca/html%20pages/License%20Requirements_page.htm.

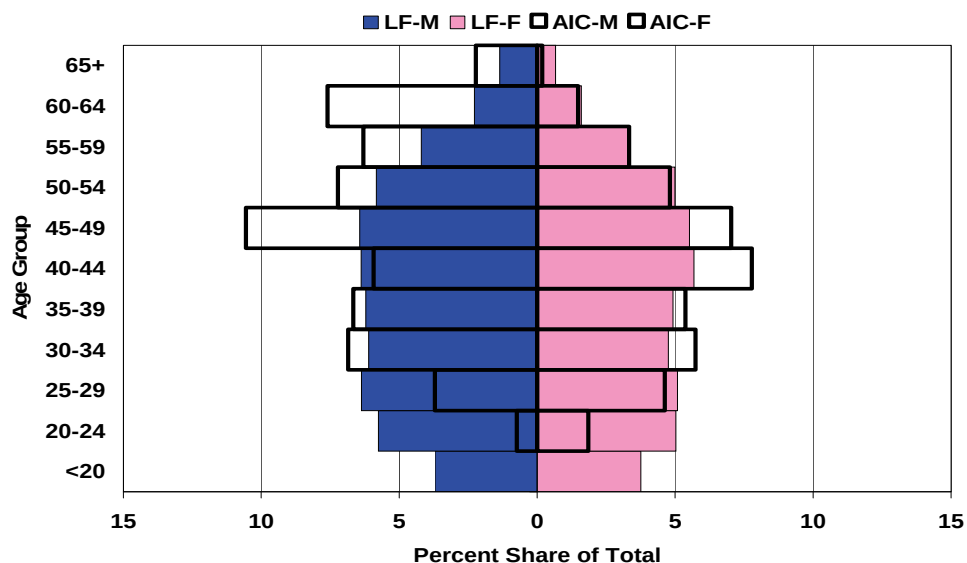
Part V –Analysis of the Work Force of the P&C Insurance Industry in Canada

Table V-29: Demographic Data by Occupational Category, AIC and Institute Sample (IIC), Alberta

Indicators	AIC	IIC
	Adjuster	
Number	540	970
Male %	58	33
Female %	42	67
Median Age-Male	46.8	39.0
Median Age-Female	42.0	36.0
Entry:Exit Ratio Male	0.1	0.9
Entry:Exit Ratio Female	0.4	1.8
Indicators	Broker and Agent	
Number	7,629	508
Male %	39	35
Female %	61	65
Median Age-Male: Broker & Agent	44.1	
Median Age-Female: Broker & Agent	40.9	
Median Age-Male: Broker		41.3
Median Age-Female: Broker		41.9
Median Age-Male: Agent		33.2
Median Age-Female: Agent		34.8
Entry:Exit Ratio Male	0.2	0.7
Entry:Exit Ratio Female	0.7	1.6

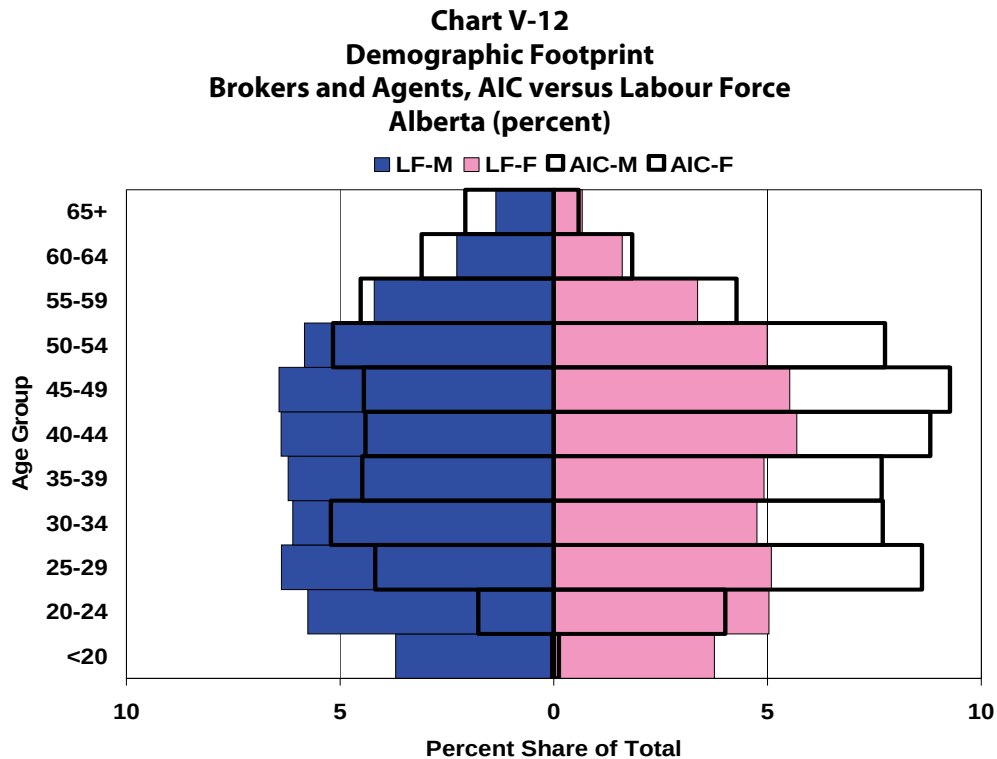
Chart V-11 displays the demographic footprint of the adjuster category on the provincial labour force. The adjuster footprint over-represents males over the age of 40.

Chart V-11
Demographic Footprint
Adjusters, AIC versus Labour Force
Alberta (percent)



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Chart V-12 positions the broker and agent category within the footprint that over-represents females in the core labour force age groups (i.e., 25 to 54).



In British Columbia and Alberta, the profile of adjusters tilts towards the age groups over 40, and the profile of brokers and agents leans in the direction of over-representation of workers in the core labour force age groups.

Québec

The ChAD provided data by age, sex, occupational category, geographic location, and employer name. A comparison of the ChAD data and The Institute sample data is contained in Table V-30. Data are presented for three occupational categories: adjuster, broker, and agent. In the case of the adjuster occupation, the ChAD data are compared with data on claims employees in the Québec segment of The Institute sample. For both the broker and agent categories, The Institute data for the province in the categories of broker and sales & service, respectively, have been used.

The median ages of adjusters calculated from the ChAD data are higher than the median ages calculated from The Institute sample data. Hence, the ChAD entry to exit ratios for this occupational category are lower. The median age of male brokers calculated from the ChAD data is much higher than the median age calculated from The Institute sample data. The female median ages are the same. The entry to exit ratios in both cases are extremely low. The median ages of agents calculated from the ChAD data are much higher than the median ages calculated from The Institute sample data. Therefore, the ChAD entry to exit ratios are much lower than the ratios in The Institute sample.

In statistical terms, the male/female splits for each of three occupational categories are fairly comparable.

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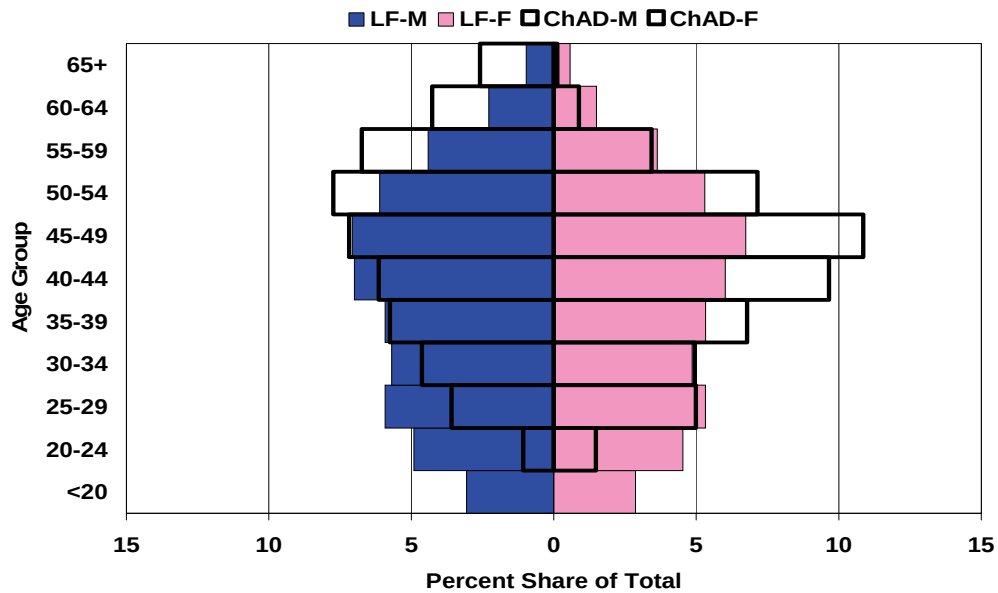
Table V-30: Demographic Data by Occupational Category, ChAD and Institute Sample (IIC), Québec

Indicators	ChAD	IIC
	Adjuster	
Number	2,506	1,386
Male %	50	44
Female %	50	56
Median Age-Male	47.0	43.2
Median Age-Female	43.0	40.4
Entry:Exit Ratio Male	0.1	0.3
Entry:Exit Ratio Female	0.3	0.9
Indicators	Broker	
Number	6,151	192
Male %	41	46
Female %	59	54
Median Age-Male	50.0	44.8
Median Age-Female	45.0	45.2
Entry:Exit Ratio Male	0.1	0.0
Entry:Exit Ratio Female	0.2	0.3
Indicators	Agent	
Number	4,172	1,988
Male %	31	25
Female %	69	75
Median Age-Male	39.0	31.2
Median Age-Female	40.0	35.4
Entry:Exit Ratio Male	0.2	1.9
Entry:Exit Ratio Female	0.5	1.6

Chart V-13 displays the demographic footprint of the adjuster category. The adjuster footprint is a hybrid of two of our models. There is male over-representation over the age of 40 as well as female over-representation in the upper half of the core labour force age groups.

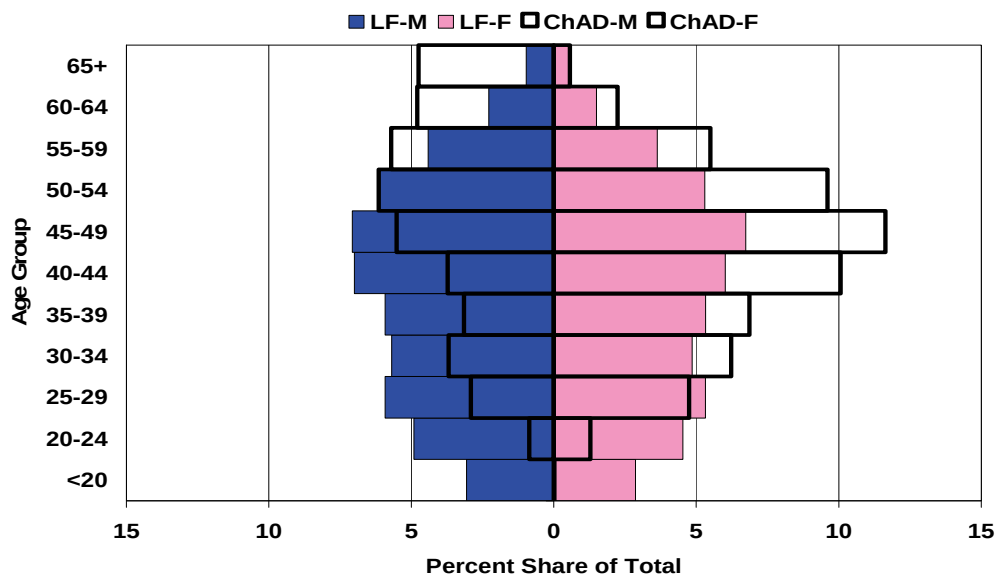
A Demographic Analysis of the P&C Insurance Industry

Chart V-13
Demographic Footprint
Adjusters, ChAD versus Labour Force, Québec (percent)

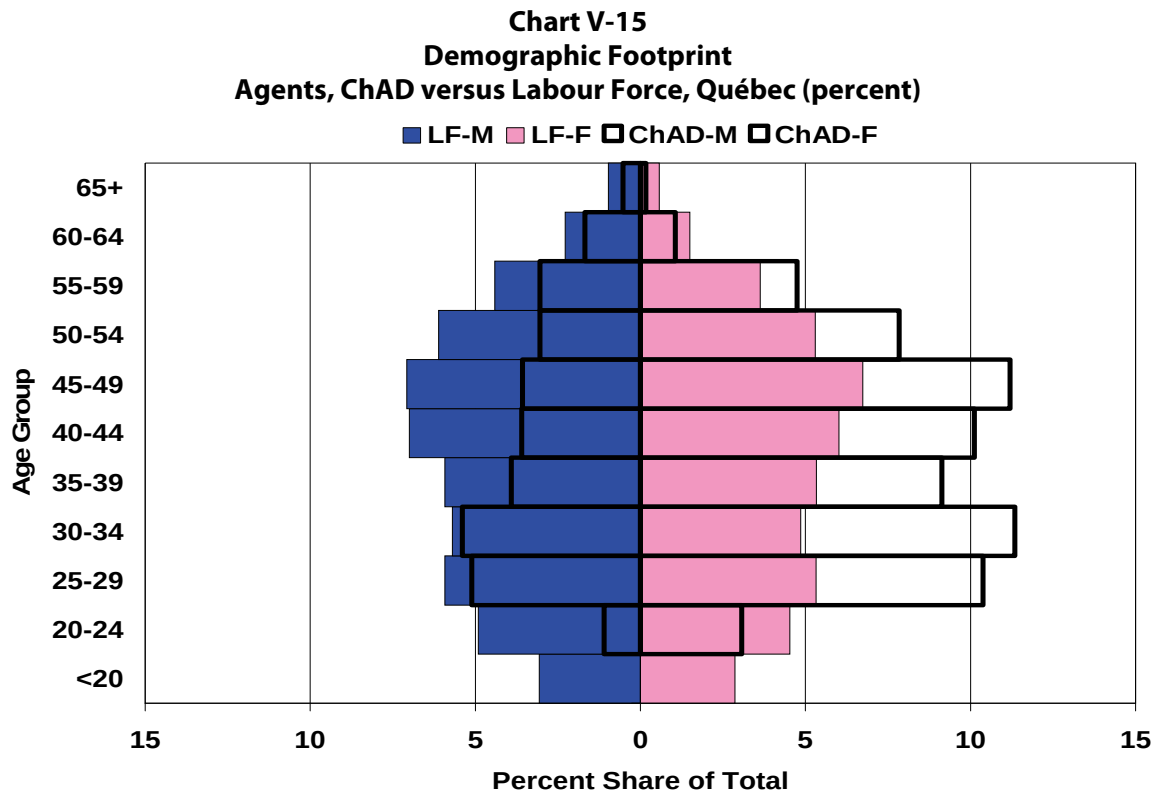


The footprint for brokers discernible in Chart V-14 is the same “hybrid” that characterizes adjusters. For agents (Chart V-15), the footprint is the most common one in the industry – female over-representation in the core labour force age groups.

Chart V-14
Demographic Footprint
Brokers, ChAD versus Labour Force, Québec (percent)



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Ontario

The RIBO provided data by age, sex, licensing level, geographic location, and employer name. A comparison of the RIBO data and The Institute sample data is contained in Table V-31. Data are presented for three licensing levels – unrestricted, unrestricted technical, and restricted – as well as inactive members. The Institute research data are drawn from the Ontario broker sub-group.

A few explanatory comments are in order about the comparison between the RIBO and Institute sample data. The unrestricted and unrestricted technical categories are management categories. The Institute sample treats managers as a generic category. The RIBO data in these two licensing categories match up well with the sex profile for senior and middle management (see Table V-10). The RIBO median ages for the unrestricted technical level also are roughly aligned with those for middle managers in The Institute sample (see Table V-23). However, the RIBO median ages at the unrestricted level are much higher than of senior managers in The Institute sample.

The best fit conceptually between the RIBO data and Institute sample is the restricted licensing level. Seventy-five percent of RIBO's members are at the restricted level. Restricted members are the non-management group of the broker category. In statistical terms, the age and sex comparisons between the RIBO data and Institute sample are sound. Both fall within the range of the confidence interval (± 4.13 percentage points⁴⁵). The entry to exit ratios are also aligned. Finally, if we assume that the inactive RIBO group are mostly former members of the restricted level, then the age and sex profiles of the Ontario broker sub-group in The Institute sample are further confirmed.

⁴⁵ This assumes that the 12,092 members at the restricted level are the population.

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Table V-31: Demographic Data by Occupational Category, RIBO and Institute Sample (IIC), Ontario

Indicators	RIBO	IIC
	Unrestricted	
Number	2,995	539
Male %	72	31
Female %	28	69
Median Age-Male	58.0	41.8
Median Age-Female	53.0	40.0
Entry:Exit Ratio Male	0.0	0.1
Entry:Exit Ratio Female	0.0	0.2
Indicators	Unrestricted Technical	
Number	332	539
Male %	51	31
Female %	49	69
Median Age-Male	43.5	41.8
Median Age-Female	44.0	40.0
Entry:Exit Ratio Male	0.0	0.1
Entry:Exit Ratio Female	0.0	0.2
Indicators	Restricted	
Number	12,092	539
Male %	33	31
Female %	67	69
Median Age-Male	44.0	41.8
Median Age-Female	42.0	40.0
Entry:Exit Ratio Male	0.2	0.1
Entry:Exit Ratio Female	0.3	0.2
Indicators	Inactive	
Number	657	539
Male %	38	31
Female %	62	69
Median Age-Male	41.0	41.8
Median Age-Female	38.0	40.0
Entry:Exit Ratio Male	0.3	0.1
Entry:Exit Ratio Female	0.3	0.2

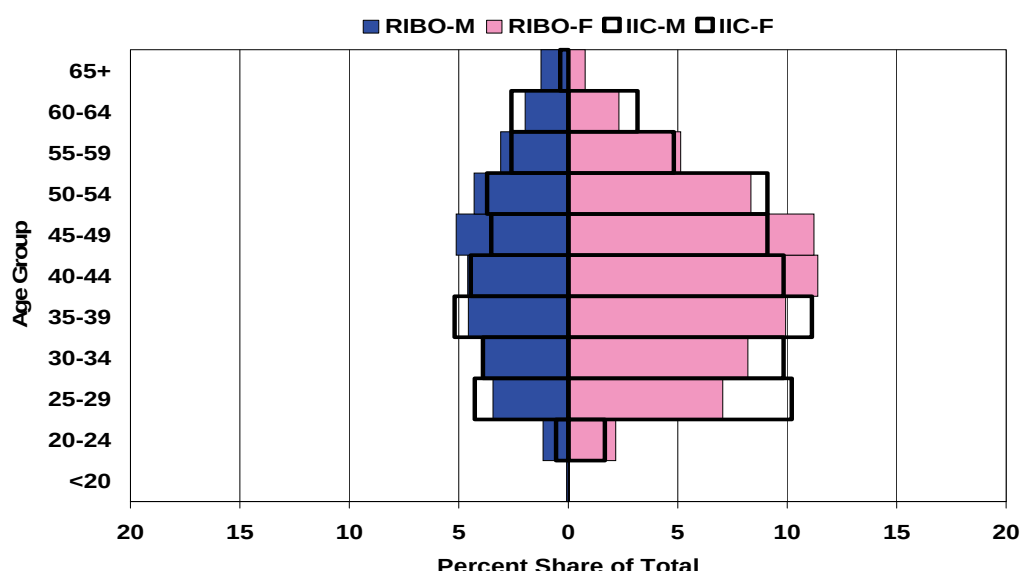
Applying the demographic footprint concept to the four RIBO groups leads to the following observations:

- The footprint for the unrestricted level shows a substantial over-representation of males over the age of 50. Almost one in five unrestricted brokers is 65 or older.
- At the unrestricted technical level, there is over-representation of the upper half of the core labour force age groups (i.e., 40 to 54). The over-representation is balanced in terms of sex.
- The footprint for the restricted group is the one that is most common in the industry, i.e., over-representation of females in the core labour force age groups. In addition, the representative character of The Institute broker sub-sample for Ontario is aptly illustrated by Chart V-16.

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- The inactive group’s footprint reflects the model that characterizes the industry’s sales and service category, i.e., the over-representation of females in the under-40 age groups.

Chart V-16
Demographic Footprint
RIBO Restricted versus Brokers in Institute Research Sample, Ontario (percent)



Conclusions

Data from the four provincial regulators ultimately provide a test for the validity and representative nature of The Institute data sample. The Institute sample has passed the test on several levels. The sample’s sex profile by occupation has essentially been confirmed in each of the jurisdictions (with the exception of adjusters in Alberta). The age profile of the broker sub-group of the Ontario sample appears to be well aligned. The demographic footprints for brokers and agents developed from the analysis of provincial data parallel those derived from The Institute research sample.

The analysis of the provincial data exposes some weaknesses in the sample. The sample contains younger age profiles for the selected occupations than those found in British Columbia, Alberta, and Québec. However, the analysis of the provincial data reinforces the fundamental work force aging trend evident in the sample analysis.

Companies: Service Patterns of Current Employees

Companies submitted data on the service dates for 94 percent of current employees. These data 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 V-32)

- The typical full-time employee has worked for her or his company between six to seven years. The duration of part-time female employees is even higher (almost eight years), and the lowest duration is among part-time male employees (just over one year).

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- The most “experienced” (if company service is viewed as a proxy for work experience) full-time male and female workers are in the three Western provinces where Crown Corporations are the major property and casualty insurance companies. The least experienced are in Alberta, Canada’s youngest labour market.
- The provincial/regional pattern for full-time employees does not hold for part-time employees. The bulk of part-time male employees work in Québec, Ontario, or British Columbia. Among these provinces, male employees in British Columbia have the highest median service duration (2.0 years). With the exception of the Atlantic region (N = 8), female part-time employees are distributed more substantially across the country. British Columbia has the most experienced female part-time employees; Saskatchewan the least.

Table V-32: Median Service Duration (years) by Sex, Employment Status, and Province/Region

Atlantic			Saskatchewan		
Full-time	Male	4.5	Full-time	Male	17.9
	Female	6.3		Female	14.4
Part-time	Male		Part-time	Male	0.3
	Female	15.2		Female	2.8
Quebec			Alberta		
Full-time	Male	5.3	Full-time	Male	3.2
	Female	7.5		Female	3.1
Part-time	Male	1.3	Part-time	Male	3.5
	Female	6.0		Female	5.5
Ontario			British Columbia		
Full-time	Male	5.2	Full-time	Male	12.0
	Female	6.0		Female	11.0
Part-time	Male	0.8	Part-time	Male	2.0
	Female	6.2		Female	10.4
Manitoba			Canada		
Full-time	Male	9.8	Full-time	Male	6.4
	Female	8.8		Female	6.8
Part-time	Male	2.7	Part-time	Male	1.3
	Female	7.3		Female	7.9

- Using the indicator of median service duration, the most experienced non-management employees, male and female, work in the claims and information technology areas, respectively (Table V-33). Within the male segment of the management cadre, service increases as the level increases (hence, senior managers have the highest median value). The opposite is true for female managers (although the differentials among the levels are small).

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Table V-33: Median Service Duration (years) by Sex and Occupational Category, Full-time Employees, Canada

Occupational Category	Male	Female
Actuary	1.9	3.0
Underwriter	4.2	6.1
Claims	7.0	6.7
Broker	2.4	3.6
Information Technology	6.8	8.2
Sales & Service	3.5	5.3
Management	11.7	12.3
Senior Management	14.0	10.9
Middle Management	10.2	11.2
Other Management	9.1	11.4
All Occupations	6.4	6.8

- The three provinces where Crown Corporations exist have the highest median service values for both men and women working full-time in four of the occupational categories: claims, information technology, sales & service, and management. The most experienced full-time underwriters and brokers are in Saskatchewan.
- Alberta has the least experienced male and female full-time employees in all occupational categories except sales & service. The Atlantic region has the lowest median values for the sales & service category followed by Alberta.
- Table V-34 demonstrates that generally service duration increases with work force size for both full-time employees and female part-time employees. The pattern for male part-time employees is mixed (nine in ten work for companies with 1,000 or more employees).

Table V-34: Median Service Duration (years) by Sex, Employment Status, and Work Force Size, Canada

		<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	26.2	5.0	0.3	1.3
	Female	1.5	7.2	10.2	7.9

- The smaller the community, the higher the duration of company service. This trend is clearly depicted by the data in Table V-35.

Table V-35: Median Service Duration (years) by Sex and Community Type, All Industry Employees, Canada

Community Type	Male	Female
Metro Areas	5.9	6.3
Cities	8.4	10.1
Towns & Rural	10.8	12.1

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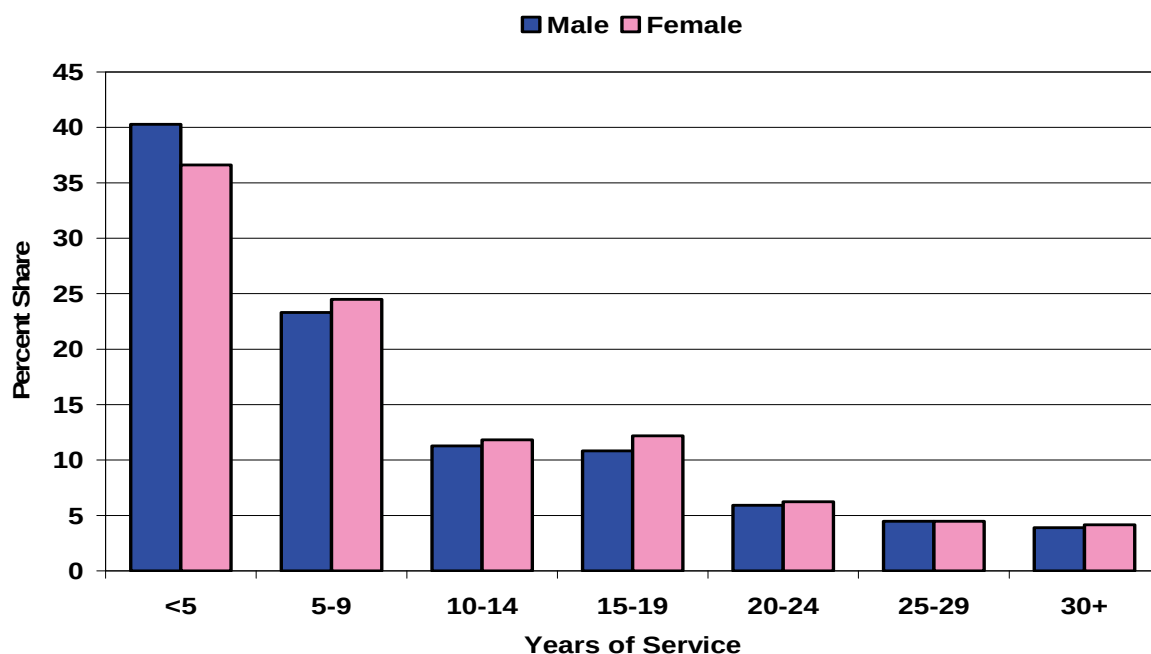
- The data in Table V-36 confirm a result embedded in the analysis of the data in Table V-32 – the employees of Crown Corporations, whether male or female or full- or part-time, have much higher median values for service duration than the employees in the private sector. The values for full-time employees are around three times higher. In the private sector, reinsurers have the most experienced full-time employees. The least experienced work for independent brokers. Only broker represented and direct response insurers, respectively, have significant numbers of part-time employees in the sample. Those working for direct response insurers are somewhat more experienced.

Table V-36: Median Service Duration (years) by Sex, Employment Status, and Company Type, Canada

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		0.4
Reinsurer	8.9	11.5	25.4	
Independent Broker	3.0	2.0	10.8	2.2
Independent Adjuster	3.8	2.6		

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 V-17. Two in five employees have less than five years of service; three in ten, less than ten years.

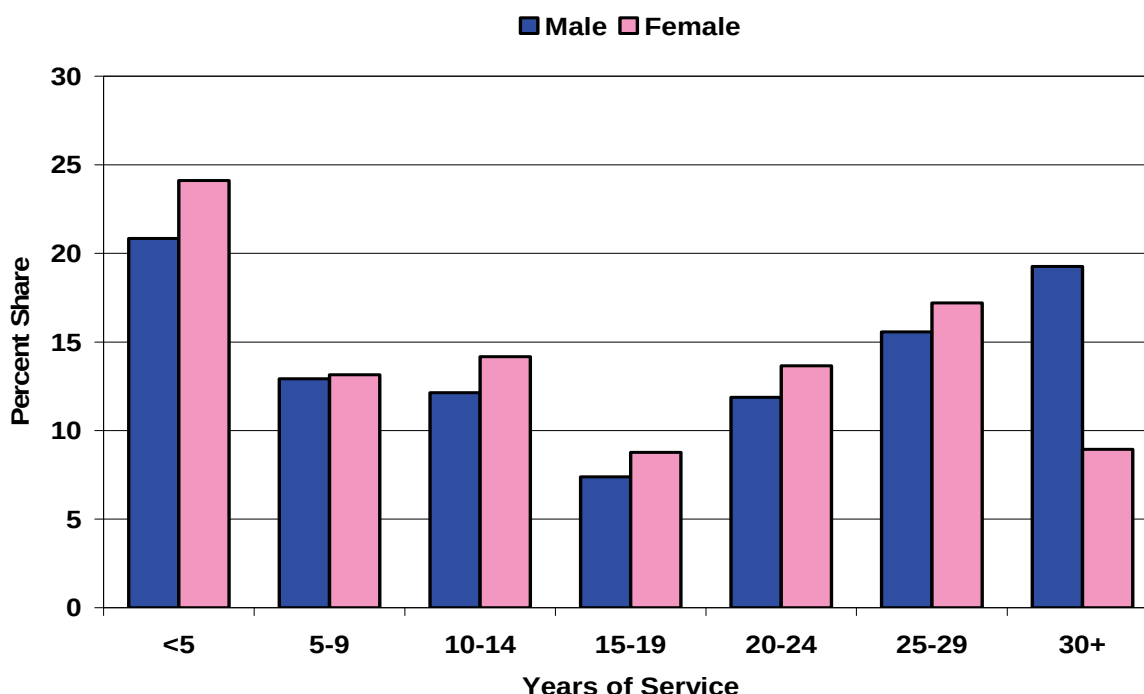
Chart V-17
Distribution of Industry Employees by Service Duration, Canada (percent)



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The national template holds in the provinces east of Manitoba. In the three provinces with Crown Corporations, the share of employees with less than ten years of service ranges from one-third (Saskatchewan) to one-half (Manitoba). In Saskatchewan, almost one-third of employees have 25 or more years of service (Chart V-18). Alberta's relatively inexperienced industry work force is symbolized by the fact that three in five workers have less than five years of service and four in five less than ten years.

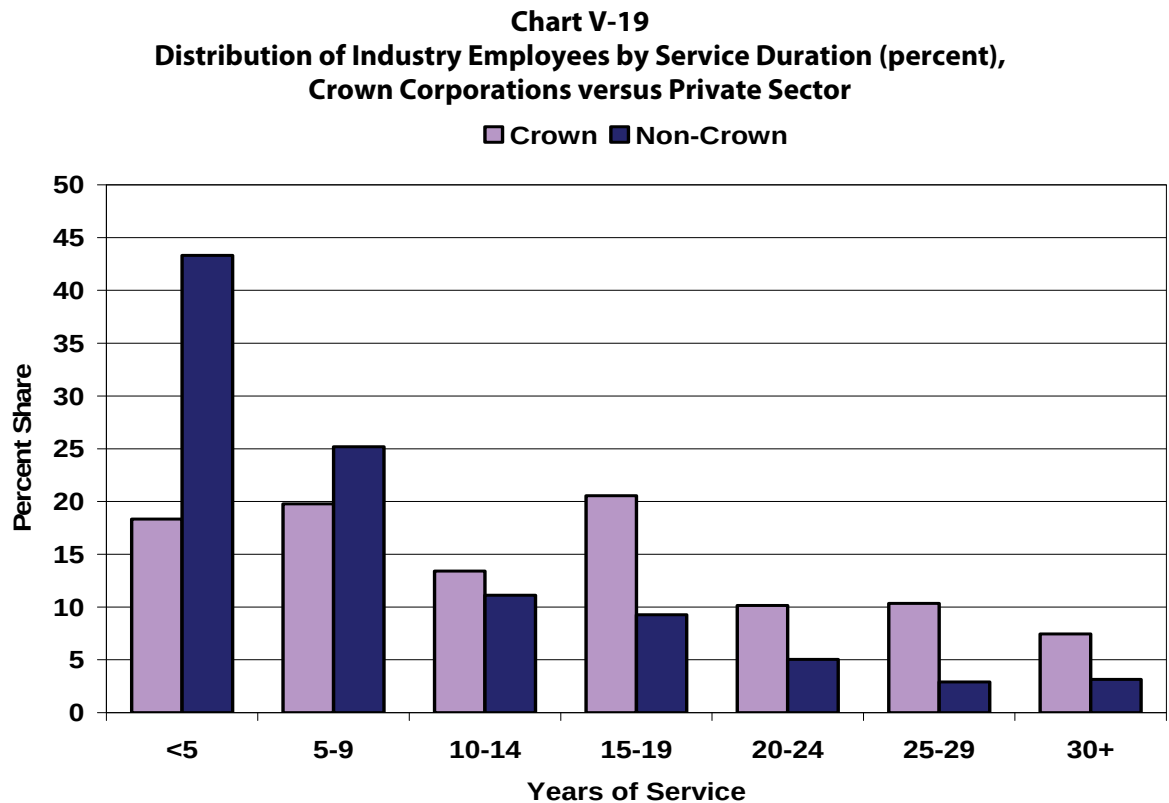
Chart V-18
Distribution of Industry Employees by Service Duration, Saskatchewan (percent)



Additional cross-tabulated analysis yields other trends regarding service duration:

- About one-half of the work force in companies with fewer than 500 employees has less than five years of service. The corresponding share for the work force of companies in the 500-plus category is approximately one-third.
- The share of the work with less than five years of service declines directly in relation to community population size. The highest share is in the metropolitan areas (two-fifths); the lowest, in the small towns and rural areas (one-fifth).
- Two-fifths of the employees of Crown Corporations have less than ten years of service compared to two-thirds in the private sector (Chart V-19). Within the private sector, the two-thirds share is evident for broker represented, direct response, and mutual insurers. The share for reinsurers is less than one-half. For both independent brokers and adjusters, the share is around three-quarters.

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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.

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 participating in the industry “census” to provide demographic data on terminated employees for a time period that was compatible with their data systems. The data requested were (see APPENDIX 2):

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

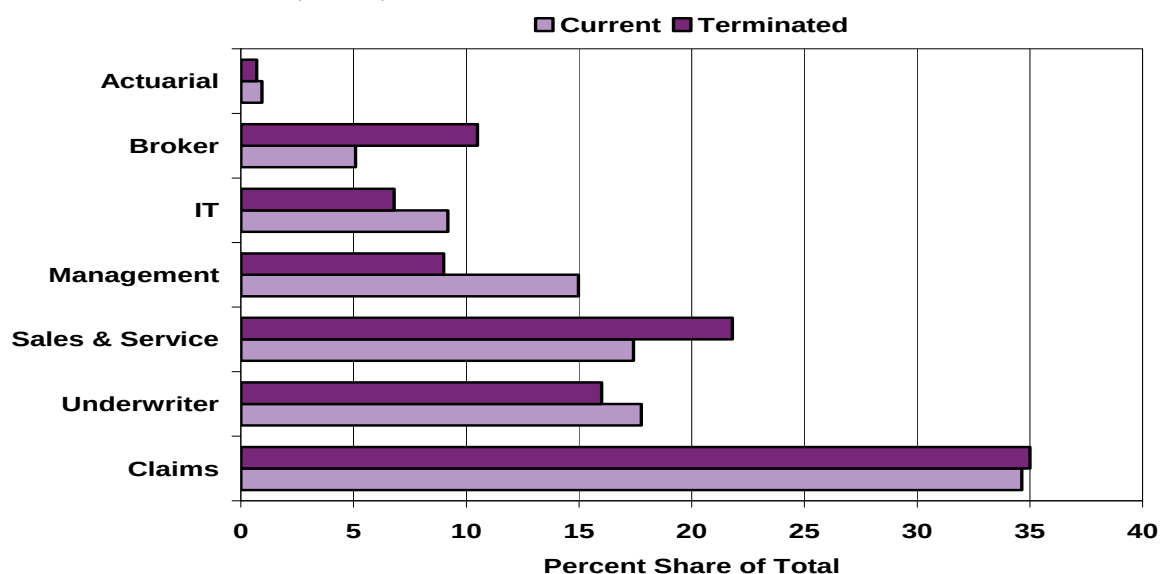
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Records were provided on an anonymous basis for over 12,500 terminated employees, 80 percent of whom were terminated between the start of 2003 and the fall of 2007. Almost all of them (96 percent) were terminated between 2000 and 2007.

An overall profile of these employees reveals:

- Fifty-nine percent of terminated employees were female.
- About 60 percent of the terminated employees worked in Ontario or Québec.
- Compared to the provincial distribution of current industry employees (IBC), The Institute research sample of terminated employees under-represents Eastern Canada and over-represents Ontario and Western Canada (by only $\pm$ five percentage points).
- In terms of occupation, The Institute sample data of terminated employees reasonably mirrors the current employee profile (see Chart V-20).
- Non-voluntary and voluntary terminations accounted for vast majority of records.
- Four-fifths of the terminations were full-time employees, and two-thirds of terminated worked for either broker represented or direct response insurers.

Chart V-20
Distribution of Employees by Occupation, Institute Research Samples, Canada (percent)



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Reasons for Termination

Data on the reason for termination were collected in terms of four categories: death; retirement; non-voluntary exit; and voluntary exit.⁴⁶ The distribution by category was non-voluntary exit (51 percent), voluntary exit (42 percent), retirement (6 percent), and death (1 percent).

Further analysis of Canada-wide data on the reason for termination yields the following results:

- The West accounts for largest share of retirements (Table V-37). This is likely a reflection of the older work forces of the three Crown Corporations that operate in that region.
- Ontario accounts for largest shares of both non-voluntary and voluntary terminations. Its shares of these terminations are somewhat higher than its share of current employees (39 percent) in the sample.
- Larger companies, especially those with 1,000 or more workers, account for the bulk of the terminations.

Table V-37: Terminations by Reason, Province/Region, and Work Force Size (percent share)

Reason	Province/Region				
	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	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
Reason	Company Size				
	<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	

- Employees in claims (one-third) and management (one-quarter) represent the majority of retirements (Table V-38). Recall that management is the oldest occupational category, and, next to management, male claims employees have the oldest median age.
- Claims and sales & service each represent about one-quarter of the non-voluntary exits. Both categories are female-dominated. The median age for sales and service staff is the second lowest.
- The claims and underwriter categories combined account for just less than two-thirds of the voluntary exits. Both categories are female-dominated. The median age for male underwriters

⁴⁶ No reason was given in about seven percent of the cases. In the original data request, the "voluntary exit" category was described as "voluntary resignation." The original categories of "termination without cause" and "termination with cause" have been collapsed to create the "non-voluntary exit" category used in the analysis presented in this section of the report.

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is the third lowest among all occupations. The median age for female underwriters is the third highest.

- With respect to the variable of company type, Crown Corporations have the largest share of retirements (42 percent), followed by broker represented insurers in the private sector (30 percent). Crown Corporations have the second highest median age for full-time employees; broker represented insurers, the second lowest.
- Broker represented and direct response insurers together account for a substantial majority of both non-voluntary (64 percent) and voluntary exits (80 percent). These two types of companies have the lowest median ages.

Table V-38: Terminations by Reason, Occupation, and Company Type (percent share)

Reason	Occupation						
	Actuarial	Underwriter	Claims	Broker	IT	Sales & Service	Mgmt
Death	0.9	14.7	22.9	23.9	7.3	11.0	19.3
Retirement	0.4	14.2	35.7	12.5	6.3	6.9	24.0
Non-voluntary	0.3	8.9	27.8	18.4	6.9	28.9	8.6
Voluntary	1.3	23.9	40.6	1.9	7.4	18.4	6.5
All	0.8	15.5	33.5	11.3	7.1	23.1	8.8
Reason	Organizational Structure						
	CC	BRI	DRI	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

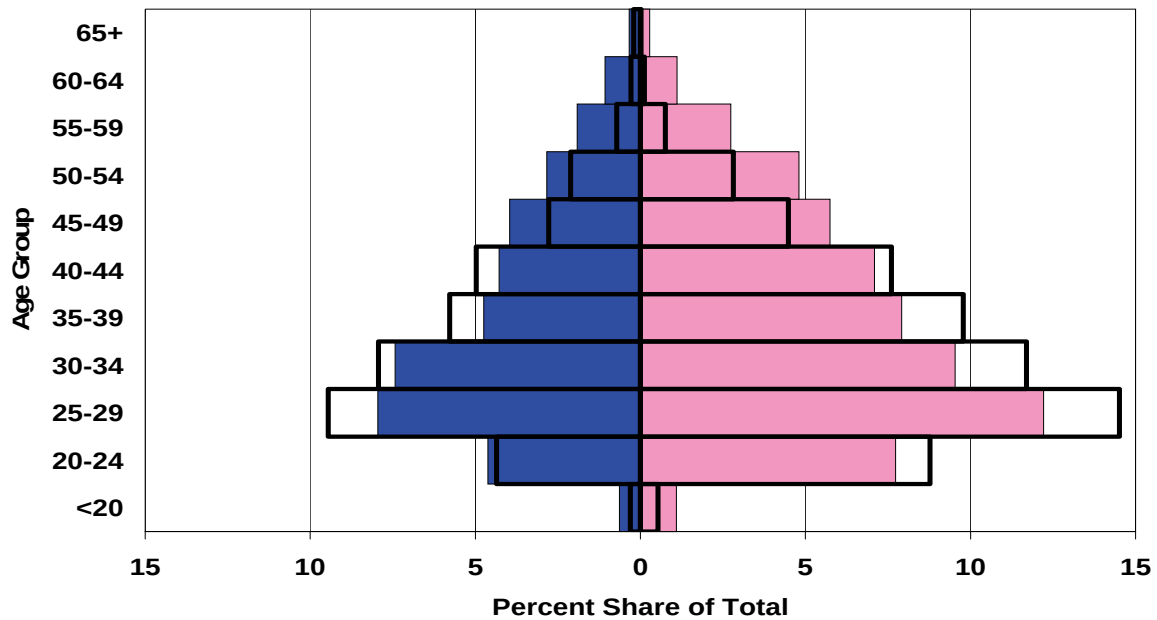
Age and Service Analysis⁴⁷

The median age for non-voluntary exits is 34 and for voluntary exits, 32. The median ages are the same for both men and women. Chart V-21 shows that the under-30 age group accounts for one-third of non-voluntary exits and the under-40 age group, almost two-thirds. The under-30 age group accounts for about two-fifths of voluntary exits and the under-40 age group, almost three-quarters. Hence, the age profile of voluntary exits skews somewhat younger than that of non-voluntary exits.

⁴⁷ Retirement is examined in detail in Part VI of the report. An analysis of the death factor, which is modest in terms of its impact on organizational attrition, is not undertaken.

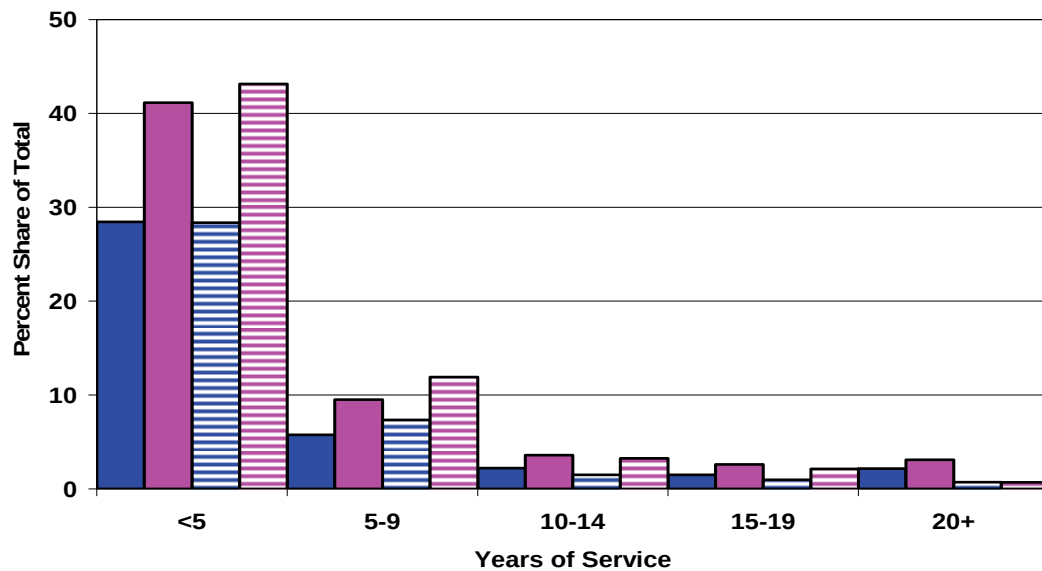
A Demographic Analysis of the P&C Insurance Industry

Chart V-21
Industry Work Force Pyramid (percent),
Non-Voluntary versus Voluntary Exits, Canada
 ■ Male-Non ■ Female-Non □ Male-Vol □ Female-Vol



Overall, median service duration is roughly 2.5 years for both men and women and both types of exits. Around seven in ten employees leave, either voluntarily or not, with fewer than five years of service (Chart V-22).

Chart V-22
Years of Service by Duration Category (percent),
Non-Voluntary versus Voluntary Exits, Canada
 ■ Male-Non ■ Female-Non ■ Male-Vol ■ Female-Vol



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

Permanent full-time and part-time employees who leave by either route are older and have more service than temporary employees who exit (Table V-39). The typical full-time, permanent employee who exits is in her or his mid-thirties. The typical temporary employee, whether full- or part-time, is in her or his mid-twenties. Mid-twenties is also the age profile of the exiting employee who is male and working on a permanent, part-time basis. Permanent, part-time female employees have a median exit age that is comparable to that of full-time employees.

Table V-39: Age and Service (median) by Sex, Employment Status, and Termination Reason⁴⁸, Canada

Employment Status	Median Age		
	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
Employment Status	Years of Service (median)		
	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

Conclusions

Although our data set on terminations is large in terms of the number of employees, we have no way of knowing whether it is a representative sample of the industry's population of terminated employees in a given period of time. Moreover, it is difficult to put the termination data in a broader labour market context. These limitations can be illustrated by a couple of examples. The first concerns attrition rates. In simple terms, the number of terminations for 2006 in our sample is 3.11 percent of the industry employee estimate for 2006 made by the IBC. Using the same approach for the 2005 data, the share is 2.14 percent. Data on terminations are generally not made public by private sector companies. There are some data from the public sector. In 2004-2005, the general attrition rate for the Ontario Government was 3.94 percent. A second example is the data on duration of service. Calculations from the *Labour Force Survey* indicate that the average job tenure in the *Finance, Insurance, Real Estate and Leasing Industry* is 9.12 years. Our data indicate that the average duration of service is about the same (9.5 years) for current employees. In the end, our data on terminations provides a much sounder foundation for testing hypotheses about the industry's work force than has existed previously. However, this component of the Institute research sample does require refinement in future research efforts.

⁴⁸ Combined data for non-voluntary and voluntary exits.

KEY POINTS

Current Employees: Companies

Research Sample

- The research sample covers over 28,000 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 divide within the industry's work force.
- The Crown Corporation sub-group within the sample represents the population for that sector of the industry.
- The potential areas of bias within the sample are that it may over-represent large companies, especially, the Crown Corporations, and under-represent the occupational category of brokers as well as mutual insurance companies. However, the analysis of the data from RIBO indicates that the Ontario sample data is statistically comparable to the data for the "restricted" category of broker.

Cohort Analysis

- The industry is somewhat more reliant on *boomers* (41 to 60 in 2007), both overall and in specific occupations, than the labour force as a whole. This finding parallels the results of our analysis of data from the *2001 Census*.
- The industry *boomer* share is highest in the Western provinces (except Alberta); the smallest companies; the management group; small towns and rural areas; and Crown Corporations and mutual insurers.
- The younger *bust* and *echo* cohorts are most prominent in the largest companies (except the Crown Corporations); the actuarial and sales & service occupational categories; and direct response insurers.

Median Age

- The typical full-time industry employee is in her or his early forties. The industry's median age for full-time employees is slightly older than the labour force as a whole. The typical part-time employee is in his mid-twenties; the typical female part-time employee is in her late thirties.
- In terms of geography, the Western provinces (except Alberta) have the highest median ages within the industry. Employees in the small towns and rural areas are also older than those in other types of communities.

- The youngest employees are found in the largest companies but the Crown Corporations are an exception to this trend. The oldest employees work for the smallest companies.
- Actuaries and sales and service, respectively, are the youngest occupations.

Age Profiles

- The strategic human resource management challenges facing the property and casualty industry are evident in “demographic footprints” that the industry makes on the labour force. From every vantage point, these footprints create situations of “demographic imbalance.”
- The principle areas of demographic imbalance are: female over-representation in the core labour force age groups (25 to 54); over-representation of both men and women in the age groups over 40; and female over-representation in the age groups under 40.
- Demographic imbalance raises issues of recruitment and retention within the different segments of the industry’s work force. For example, the “over 40” footprint pinpoints the need for the recruitment of younger workers over the next ten years, a period during which Canada’s labour market will continue to age.

Entry to Exit Ratios

- Compared to the overall labour force and to the minimal standard that there should be one work force entrant for every worker who can retire, the industry’s entry to exit ratios are low. Furthermore, they have been in a pattern of steady decline for some time.
- Using the yardstick of the entry to exit ratio to measure the impact of work force aging, some of the most problematic areas are Western Canada, the small towns and rural areas, companies with fewer than 100 employees, mutual companies, and Crown Corporations.
- From an occupational perspective, actuaries and sales and service employees have the highest ratios (all well above one). All other occupations are below one.
- Assuming that the under-45 age group is the immediate feeder group to management, there is less than one worker under the age of 45 for every manager currently in the industry’s work force. The occupational categories where the under-45 to 45-plus ratio is higher (for example, sales and service) may be potential targets for strategic management development or internal recruitment activity.

Current Licensees (Agents, Brokers, Adjusters): Provincial Regulators

- Data from the four provincial industry organizations ultimately provide a test for the validity and representative nature of The Institute data sample. The sample has passed the test on several levels. The sample's sex profile by occupation has essentially been confirmed in each of the jurisdictions (with the exception of adjusters in Alberta). The age profile of the broker sub-group of the Ontario sample appears to be well aligned. The demographic footprints for brokers and agents developed from the analysis of provincial data parallel those derived from The Institute sample.
- The analysis of the provincial data exposes some weaknesses in the sample. The sample contains younger age profiles for the selected occupations than those found in British Columbia, Alberta, and Québec. However, the fundamental reality emerging from the analysis of The Institute sample data, that the industry work force is aging, is reinforced substantially by the analysis of the provincial data.

Companies: Service Profiles of Current Employees

- The most salient fact to arise out of the analysis of data on an employee's years of service with her or his company is that service duration, whatever the measure, is much higher for the Crown Corporations than in the private sector. From this central trend springs a number of other major trends including the higher experience levels characterizing Western Canada and the largest companies.
- A number of interpretations of the service data analysis are possible in terms what it signifies for the issues of recruitment and retention. For example, low service values can suggest high recruitment intensity or high work force turnover or both. Furthermore, the extent to which the variable of company service is a good proxy for career service is unknown.

Companies: Age and Service Profiles of Terminated Employees

- Data on over 12,500 employees across Canada, most of whom had left the industry since 2000, were analyzed.
- The prototypical terminated employee was a mid-thirties female working full-time for a large private sector company in Central Canada. She likely worked in the claims, underwriter, or sales and service areas and had around three years of experience with the company. She left on either a non-voluntary or voluntary basis and not through retirement.

PART VI – Retirement Trends and Demographic Work Force Projections

Overview

In Canada's labour force, one of the key trends of the past 30 years has been a steady decline in the age of retirement. This trend is evident for both men and women and characterizes both the public and private sectors⁴⁹. Between 1976 and 2006, data from the Labour Force Survey demonstrate that the median age of retirement in all industries has dropped:

- From 64.9 to 59.3 for men and 64.8 to 59.9 for women in the public sector; and
- From 65.1 to 62.8 for men and 64.8 to 61.3 for women in the private sector.

Retirement at 65 only remains the norm for the self-employed.

Property and Casualty Insurance Industry Retirement Trends

Table VI-1 (page 100) contains the median retirement ages for full-time industry employees on a cross-tabulated basis. We observe that:

- Overall, the male retirement age is 59.2 and the female retirement age is 59.9. These ages are similar to those for the public sector segment of the labour force in Canada.
- With the exception of the occupations categories of broker and management, respectively, and companies with fewer than 500 workers, the differential between male and female ages is one year or less.
- In the East and Ontario, males are slightly older than females when they retire. In the West, females are slightly older.
- In terms of occupation, females in claims and information technology areas, respectively, are slightly older than men at retirement, and females in the middle management category are much older (3.2 years).
- Females in the middle-sized and large companies as well as in the Crown Corporations retire at a slightly older age than men.
- The median retirement age is:
 - Highest in Ontario, followed by the East, West, and British Columbia.
 - Highest for brokers and lowest for other management.
 - Lower for companies with 1,000 or more employees than those with fewer than 1,000 employees.
 - Lower for employees of Crown Corporations than private sector employees.
- Median retirement ages are lower in the
 - Industry Crown sector than the Canadian public sector.
 - Industry private sector than Canadian private sector.

⁴⁹ Excludes self-employed persons.

A Demographic Analysis of the P&C Insurance Industry

Therefore, from all perspectives, the industry appears to be in the vanguard of the early retirement trend.

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

	Male	Female	Both
Region			
East	60.1	58.9	60.0
Ontario	62.3	61.4	61.9
West	58.5	58.9	58.5
B.C.	58.0	59.0	58.5
Canada	59.2	59.9	59.5
Occupation			
Actuarial	NA	57.7	57.7
Underwriter	60.1	60.1	60.1
Claims	59.1	60.0	59.8
Broker	63.8	60.0	60.5
Information Technology	57.5	58.5	58.0
Sales & Service	60.0	59.0	59.1
Management	59.0	58.1	59.0
Senior Management	61.0	59.3	60.0
Middle Management	59.0	62.2	59.1
Other Management	58.4	56.7	57.1
Company Size			
<500	61.2	59.3	60.1
500-999	60.0	60.4	60.1
1,000+	58.8	59.3	59.1
Organizational Structure			
Crown Corporation	58.0	58.7	58.1
Private Sector	60.5	60.0	60.3

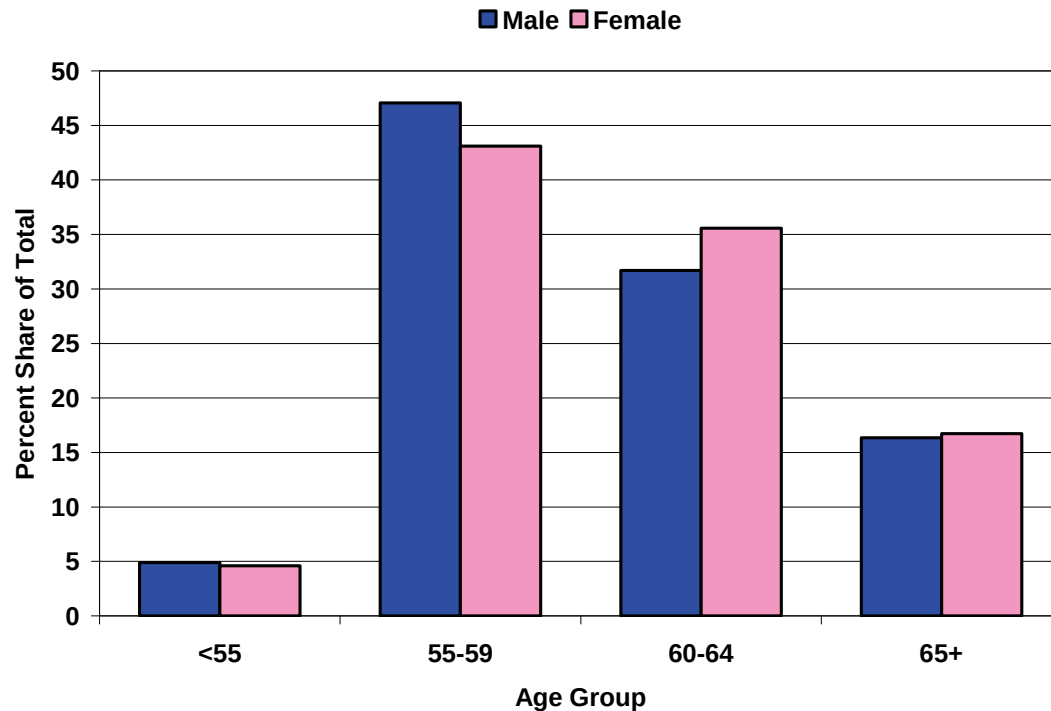
Nationally, in the industry (see Chart VI-1)

- Only 1 in 20 employees retires before age 55.
- Only 3 in 20 retire at 65 or older.
- One-half retire by age 60.
- One-third retire between the ages of 60 and 64.
- Four-fifths retire before age 65.

A higher share of men than women retire between 55 and 59; a higher share of women retire between 60 and 64. Shares by sex are similar for the under-55 and 65-plus groups.

PART VI – Retirement Trends and Work Force Projections

Chart VI-1
Industry Retirements by Age Group and Sex, Canada (percent)



Deviation from the national “retirement template” is evident when cross-tabulated analysis is carried out. Some of these trends are

- **GEOGRAPHY** (Table VI-2): Compared to the national share, the male share for the 55 to 59 age group is lower in Ontario and the East and higher in the West and British Columbia. The female share is much higher in the East and British Columbia and much lower in Ontario. The 60 to 64 male share is much higher in the East and in Ontario than in the West. Ontario has the highest shares in the 65-plus age group. The lowest is in the East.

Table VI-2: Retirees by Age Group, Sex, and Province/Region (percent)

Jurisdiction	Age Group			
	<55	55-59	60-64	65+
East-Male	0	39	55	6
East-Female	7	54	32	7
Ontario-Male	5	22	44	30
Ontario-Female	1	31	41	27
West-Male	7	56	23	14
West-Female	8	46	35	11
B.C.-Male	0	57	30	13
B.C.-Female	3	53	28	18
Canada-Male	5	47	32	16
Canada-Female	5	43	36	17

A Demographic Analysis of the P&C Insurance Industry

- OCCUPATION (Table VI-3): Across Canada, brokers are the most likely occupational category to wait until 65 or older to retire. Almost nine in ten managers are retired by the age of 65. Senior managers are more likely than either middle or other managers to retire after the age of 60.

Table VI-3: Retirees by Age Group, Sex, and Occupational Category, Canada (percent)

Occupation	Age Group							
	<55		55-59		60-64		65+	
	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	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
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

- WORK FORCE SIZE (Table VI-4): In the 500-999 category, the share of retirees under 55 (13 percent) is almost triple the national share (5 percent). Within the 55 to 59 age group, the share for male retirees is lowest in companies with fewer than 500 employees. In the 65-plus age group, only companies with fewer than 500 employees have retiree shares that match the national shares for that age group.

Table VI-4: Retirees by Age Group, Sex, Work Force Size, and Company Type, Canada (percent)

Work Force 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
Company Type	<55		55-59		60-64		65+	
	Male	Female	Male	Female	Male	Female	Male	Female
Crown	4	2	38	19	15	11	7	4
Private	1	2	16	18	21	19	12	11

PART VI – Retirement Trends and Work Force Projections

- COMPANY TYPE (Table VI-4): In the 55 to 59 age group, Crown Corporations have a much higher male share than the private sector. The private sector has higher shares in the 65-plus age group but they are still somewhat below the national shares (see Table VI-2).

Work Force Projections

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 2007 and making the following assumptions:

- The retirement scenarios are based on the median retirement ages⁵⁰ by sex for each of the four macro variables: geography, occupation, work force size, and company type (see Table VI-1).
- Each employee retires upon reaching the median age. In other words, the retirement rate is 100 percent.
- 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 "steady state" projection covers each year from 2007 to 2017. The results illustrate the maximum retirement potential and future recruitment and retention challenges faced by the industry stemming from the natural erosion of its existing work force base under the various retirement scenarios.

Results

Nationally, we project that the maximum impact of retirement as a result of demographic factors is a 25 percent decrease in the industry's 2007 work force base by 2017 (Table VI-5). This share will be higher:

- In Western Canada and, especially, in British Columbia.
- For all levels of management but particularly senior management and other management.
- For Crown Corporations, where the projected decrease is twice that of the private sector.

The youngest occupational groups, actuaries and sales and service, have projected decreases well below the national mark. Indeed, the decrease for actuaries is a mere four percent.

⁵⁰ There are minimal differences between the mean and median ages in each of the four areas of analysis: geography, occupation, work force size, and company type.

A Demographic Analysis of the P&C Insurance Industry

Table VI-5: Projected Maximum Decrease (percent) in Industry Work Force as a Result of Retirement: By Region, Occupation, Work Force Size, and Company Type, 2007 to 2017

Region	Projected Decrease (%)
East	23
Ontario	18
West	29
British Columbia	38
Canada	25
Occupation	%
Actuarial	4
Underwriter	24
Claims	26
Broker	23
Information Technology	26
Sales & Service	16
Management	40
Senior Management	42
Middle Management	32
Other Management	40
Work Force Size	%
<500	26
500-999	26
1000+	26
Company Type	%
Crown Corporation	39
Private Sector	20

The full blast of the retirement wave will not be felt until the latter part of the projection period. The middle management category can be used to illustrate this trend. The data in Table VI-6 indicate that in 2007 4 percent of middle managers could be lost if they all retired at the median retirement age (see Table VI-1). By 2012, the decrease is projected to be 14 percent, an increase in the retirement share of 10 percentage points from 2007. By 2017, the projected decrease is 32 percent, an increase of 18 percentage points from 2012.

PART VI – Retirement Trends and Work Force Projections

Table VI-6: Projected Maximum Decrease (percent) in Industry Work Force as a Result of Retirement: By Region, Occupation, Work Force Size, Company Type, and Time Period

Region	2007	2012	2017
East	3	10	23
Ontario	2	8	18
West	4	14	29
BC	6	20	38
Canada	4	12	25
Occupation	2007	2012	2017
Actuarial	0	2	4
Underwriter	3	11	24
Claims	4	12	26
Broker	5	12	23
IT	4	11	26
Sales & Service	3	8	16
Management	6	20	40
Senior Management	5	21	42
Middle Management	4	14	32
Other Management	7	20	40
Company Size	2007	2012	2017
<500	6	14	26
500-999	4	12	26
1000+	4	12	26
Organizational Structure	2007	2012	2017
Crown Corporation	6	19	39
Private Sector	3	9	20

We have also developed retirement projections based on the data provided by the four provincial regulators. The projections are based on the same assumptions that were employed in the projections based on the data provided by individual companies (see page 104). The specific assumptions regarding the median retirement ages for the various occupations are set out below:

- Adjuster level 1 and 2 (Alberta and British Columbia) and Adjuster (Québec): men = 59, women = 60, both = 60 [median ages for claims in the Institute sample].
- Adjuster level 3 (Alberta and British Columbia): men = 59, women = 58, both = 59 [median ages for management].
- General Insurance Salesperson and Agent levels 1 and 2 (British Columbia) and General Insurance Agent level 1 (Alberta) and Agent (Québec): men = 60, women = 59, both = 59 [median ages for sales & service].
- General Insurance Salesperson and Agent level 3 (British Columbia) and General Insurance Agent D/R (Alberta) and General Insurance Agent level 2 (Alberta): men = 59, women = 58, both = 59 [median ages for management].
- Unrestricted Broker (Ontario): men = 61, women = 59, both = 60 [median ages for senior management].
- Restricted Broker (Ontario) and Broker (Québec): men = 64, women = 60, both = 61 [median ages for broker].

A Demographic Analysis of the P&C Insurance Industry

The results of the projections using the data from the provincial regulators are contained in Table VI-7. In most cases, the projected decreases are greater than those identified on the basis of the data supplied by individual companies. For example, in Québec, the number of licensed brokers could decline by as much as one-third (34 percent), not the one-quarter share (23 percent) identified in Table VI-5. In Ontario, the management cadre of the broker group ("unrestricted") could decline by as much as 72 percent (compared to a projected maximum decline of 40 percent for all managers based on the company data). Using the regulators' data as the basis for projections shows that retirement could significantly reduce the ranks of the most experienced members of the selected occupational groups. In British Columbia, for example, one-third of adjusters are licensed at Level 3. Almost three-quarters (72 percent) of Level 3 adjusters may retire by 2017. The implications for recruitment, retention, and training and development are profound.

Table VI-7: Projected Maximum Decrease (percent) in Licensees as a Result of Retirement: By Province and Occupation, 2007 to 2017

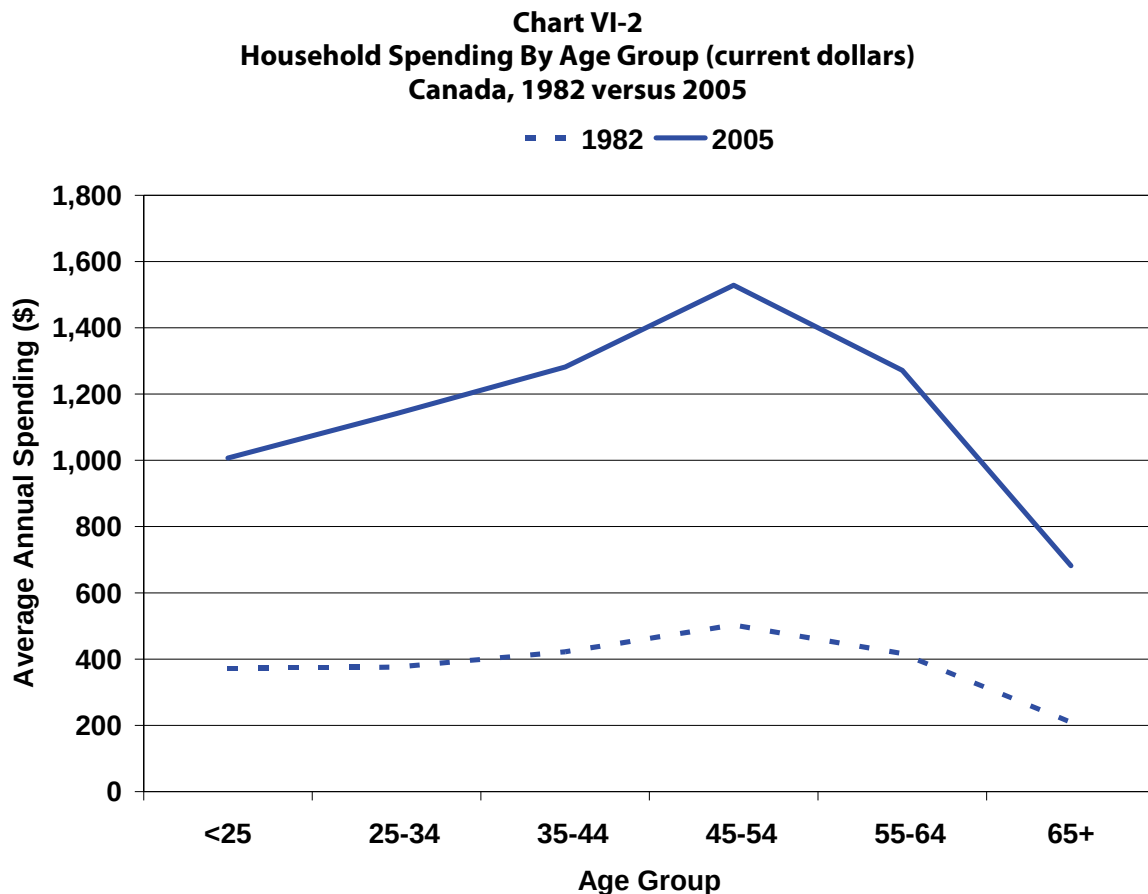
Insurance Council of British Columbia	Projected Decrease (%)
Adjuster Levels 1 & 2	36
Adjuster Level 3	72
General Insurance Salesperson & Agent Levels 1 & 2	26
General Insurance Salesperson & Agent Level 3	59
Alberta Insurance Council	Projected Decrease (%)
Adjuster Levels 1 & 2	18
Adjuster Level 3	53
General Insurance Agent Level 1	10
General Insurance Agent Level D/R	59
General Insurance Agent Level 2	38
Registered Insurance Brokers of Ontario	Projected Decrease (%)
Unrestricted	72
Restricted	24
Chambre de l'assurance de dommages (Quebec)	Projected Decrease (%)
Adjuster	35
Broker	34
Agent	24

PART VI – Retirement Trends and Work Force Projections

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. Although it declines somewhat after the age of 65, the spending of the 75-plus household remains 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.⁵¹

A second assumption in our spending analysis is that life cycle spending patterns are durable over time. Chart VI-2 illustrates the validity of this assumption with respect to vehicle insurance. In 1982, many of the parents of the *boomers* were over the age of 45. Their spending per household on vehicle insurance rose until the age of 55 then declined. In 2005, a majority of the *boomers* were over the age of 45. Their spending per household on vehicle insurance rose until the age of 55 then declined. In other words, from a demographic perspective, consumers “tend to act their age.”



In Table VI-8, 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 0.98

⁵¹ 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*.

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percent annually. Total household spending is projected to increase by 1.01 percent annually. The annual growth of the industry's products exceeds or matches these rates. In fact, the growth in spending on house and vacation property insurance, respectively, is well above the two benchmarks. The property and casualty industry is well positioned in Canada's aging consumer marketplace. With the exception of tenants' insurance, the 45-plus consumer drives the spending on the other products. For example, 80 percent of the spending on vacation property insurance is by households headed by a person 45 or older.

Table VI-8 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 139, then this product is projected to grow 39 percent faster than overall household spending. The same logic works for the RGI-Population number. Spending on homeowners' insurance (RGI = 143) is projected to grow 43 percent faster than the population.

Table VI-8: Projected Household Spending Growth, Property and Casualty Insurance, Canada, 2007-2017

Household Spending Item	Annual Growth (%)	RGI-Population	RGI-Spending	45+ Spending Share
Tenants' insurance premiums	1.08	110	107	43.4
Homeowners' insurance premiums	1.41	143	139	65.5
Vacation property insurance premiums	1.89	192	187	80.9
Private and public vehicle insurance premiums	1.01	102	100	51.7
Recreational vehicle insurance premiums	1.09	111	107	54.0

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.

KEY POINTS

- Across the labour force in Canada, the age of retirement has been declining for the past thirty years. This trend is discernible for both men and women, whether they work in the private or public sectors.
- The median age of retirement for men working in the property and casualty insurance industry over the past number of years is 59. For women, the median age is 60. 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.
- Regionally, Ontario has the highest retirement age. Among the industry's occupations, brokers exhibit the highest age. Companies with fewer than 1,000 employees have a higher age than larger companies. The retirement age for the industry's private sector is higher than it is for the Crown Corporations.
- One-half of the employees in The Institute's retirement sample retired before the age of 60. Four-fifths retired before the age of 65. There is some variation in these trends by region, occupation, work force size, and company type. For example, 63 percent of the retirees in the Crown Corporations retired by 60; 96 percent, by 65.
- We project a maximum decrease of 25 percent in the industry's 2007 work force base by 2017 as a result of demographic factors. The projected decline will be greater than the national mark in Western Canada, the management category, and for Crown Corporations.
- The retirement challenge is "back-end loaded." The full impact of the retirement wave will hit during the 2012 to 2017 period.
- 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 VII – Conclusions and Recommendations

What the Data Tell Us about the Industry's Work Force

Current Work Force

- The typical full-time industry employee is a female in her early forties likely working in the claims, underwriter, or sales and service areas.
- The industry's part-time employees are younger than full-time employees, predominantly female, and work for the larger companies in the most populous provinces. Male part-time employees are considerably younger than both their female counterparts and full-time employees.
- The management cadre is a "man's world." The male management share rises as one ascends the management hierarchy. The senior management group largely consists of *boomers*, a substantial majority of whom are male. Females are more evident in the management feeder groups, and the youngest cohorts are found in the largest companies.
- Outside the management ranks, most everywhere else in the industry's work force is a "woman's world." Women hold a substantial majority in four occupational categories – underwriter, sales and service, broker, and claims. This dominant position exists across the country with only a few exceptions.
- The age profile of the full-time work force of the property and casualty insurance industry skews older than Canada's labour force. Within the industry, the work force in the West (except Alberta) is older than the work force in the rest of the country. The largest companies (except the Crown Corporations) are younger than the smaller companies such as the mutual insurers.
- Actuaries and sales and service, respectively, are the youngest occupational categories. One-half of the male actuaries are under the age of 27 and one-half of the female actuaries are under the age of 31. One-half of male sales and service employees are under 33 and one-half of their female counterparts are under 35. Within the underwriter category, one-half of the minority male group are under 37.
- Males are older than females in two of the three occupations where they hold a majority position. Crown employees are older than counterparts in private companies of similar size in a majority of occupations.⁵²
- Entry to exit ratios are the warning signs along the road to a demographically-challenged work force. In the property and casualty insurance industry, the ratios for non-management positions are lower than they are in Canada's steadily aging labour force. What is even more problematic is that the industry's ratios are well less than one. This means that there is not even one new work force entrant for each potential retiree.
- Recruitment is perhaps the most important human resource management challenge. This reality is plainly evident in the perceptions of the industry's senior human resource professionals. It is also clear in the demographic analysis of the industry's work force. With the exception of Alberta, the

⁵² The Crown sector of the industry appears to reflect the age profile of the public sector in Canada. For example, 14 percent of public sector workers in Canada are 55 or older (*Labour Force Survey*). The share for the three Crown Corporations is 13 percent.

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highest shares of workers under 45 are east of Manitoba. If recruitment intensity has been high in the younger and more competitive labour markets of the West, then the results are unimpressive.

- The existence of pockets of youth in occupational areas such as sales and service hints at the potential for an internal recruitment strategy. The age divide between the industry's smaller and larger companies that overlaps the age divide between the metropolitan and non-metropolitan areas suggests a scenario in which the need to recruit becomes competitive internally. Finally, in an ironic twist, retaining a significant share of "older" workers by "re-inventing" them may be an important recruitment tool in an aging labour market.
- The analysis of the data from the provincial regulators both validates and extends the demographic trends derived from the industry "census." The provincial regulators' data push the work force further along the aging path.

Past Work Force

- Whether the exit is non-voluntary or voluntary, the analysis of the data on terminated employees confirms the "thirty something" demographic profile of the non-retiring, exiting employee that we have seen elsewhere in the labour force. This employee is in the relatively small cohort (the *bust*) that will age into its forties during the next ten years. Although the volume of the flow out of the industry cannot be gauged from our analysis, the "thirty something" employee is someone that the industry needs urgently to retain. Yet, retention is perceived as less important and challenging by industry's human resource professionals.
- Claims is a "hot area" for all sources of attrition. The youthful sales and service area is an important venue for the employee who exits in her or his thirties.
- The property and casualty industry is at the head of the long march towards earlier retirement. Industry retirement ages are not only lower than the labour force overall but are also virtually identical to those currently found in the public sector segment of the labour force. The industry's Crown sector has lower retirement ages than its private sector as well as the rest of the public sector.
- Allowing demographic factors to play out in a steady state scenario over the next ten years results in a substantial reduction of the industry's current work force. The retirement "hot spots" are Western Canada (except Alberta), the management cadre, and the Crown Corporations.
- The retirement challenge appears to be manageable. The impact is "back-end loaded", thereby permitting sufficient time to plan. It is unlikely that the retirement rate will be 100 percent, an assumption in the steady state model. However, basing projections on the older age profile derived from the analysis of provincial regulators' data increases the demographic pressure in key industry occupations (for example, brokers).

What the Data Do Not Tell Us about the Industry

- The analysis of the data on terminations, although based on a large sample, cannot lead to a precise delineation of the scope and severity of the industry's retention issue. The size and other characteristics of the industry's "terminated worker population" are unknown. Also, the historical data required to calculate age-based attrition rates may not be available (see Recommendation #1, page 116). However, our data do indicate a substantial degree of "churn" in the industry primarily generated by non-voluntary and voluntary exits by younger workers.
- Using age-based retirement rates would sharpen the results of the projection model. However, this requires the collection of demographic data on an historical basis.
- If "demographics explain about two-thirds of everything" (David K. Foot), then economic factors or the introduction of new technology are the remaining one-third. These factors should be addressed in any comprehensive work force strategy for the industry.

Demographics and Human Resource Management: Perception versus Reality

To what extent are the perceptions of the industry's senior human resource management professionals aligned with the facts and trends that emerge from the demographic analysis?

Recruitment

- SURVEY FINDING: Participants in the survey of the industry's senior human resource management professionals perceive the issue of recruitment as "difficult." In particular, it is *very difficult* to recruit two occupations, brokers and actuaries. The recruitment of other occupations is perceived as *somewhat difficult*.

DEMOGRAPHIC ANALYSIS: The age groups under 45 are the prime targets for recruitment. Our analysis shows that these groups now have less representation in the broader labour force than before and a lower degree of representation in the industry's work force currently. Therefore, the concern of the industry's senior human resource professionals is well founded. Also, our projections for both the labour force and the industry's work force suggest that recruitment difficulty will only increase over the next ten years as both groups of workers continue to age and retirement activity picks up.

Actuaries are *very difficult* to recruit because they are disproportionately drawn from the youth segment of the labour market. Given the high entry to exit ratios for this occupational group, the industry has had some success recruiting actuaries. However, this observation begs the question of whether a sufficient number has been recruited. Data from Statistics Canada suggest that the occupational area in which actuaries reside experienced substantial growth over the past ten years (see Table III-2, page 26). Hence, there appears to be an opportunity for the industry to continue to compete for these young workers.

The perception that brokers are *very difficult* to recruit must be placed along side the demographic realities embedded in the data from provincial regulators that brokers are a female-dominated, older occupational group. In light of the demographic characteristics of brokers and general labour force trends (for example, lower participation rates by women), the perception regarding recruitment appears to be sound.

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- SURVEY FINDING: Work force size directly impacts recruitment intensity.

DEMOGRAPHIC ANALYSIS: The more youthful *bust* and *echo* cohorts are more evident in the work forces of the industry's largest companies (Table V-17, page 65). This trend may be an indication that the larger companies have been more active recruiters than the smaller companies.

- SURVEY FINDING: The West and small town and rural Canada pose the greatest challenges for recruitment.

DEMOGRAPHIC ANALYSIS: This perception is right on the mark. It was validated at many points in the analysis. For example, our projections show that one of the retirement "hot spots" will be the work force in Western Canada.

- SURVEY FINDING: Recruitment is *somewhat urgent* over the next two years. The urgency is highest for larger companies, but Crown Corporations are an exception to this trend. Urgency is lowest for management positions, especially senior management. It is highest for brokers.

DEMOGRAPHIC ANALYSIS: Over the next two years, this perception may be accurate. Over the next ten years, it is not accurate for both the Crown Corporations and the senior management cadre. Staff in the Crown Corporations have an older age profile and a tendency to retire earlier than their private sector colleagues. The median ages of senior managers are the oldest among the industry's occupations (Table V-23, page 67).

As noted earlier, the urgency around the recruitment of brokers is well placed.

Retention

- SURVEY FINDING: Retention is perceived as less "important" and less "difficult" than recruitment.

DEMOGRAPHIC ANALYSIS: This perception may be problematic. The demographic analysis shows that the industry's work force is somewhat older than the wider labour force, characterized by a high degree of demographic imbalance, and projected to decline significantly as a result of retirement. Effective recruitment and retention initiatives will be essential to deal with these demographic challenges. In addition, the analysis of terminated employees hints at losses in a strategic work force cohort, i.e., workers in their thirties. It is this group that will move into their forties in the next ten years. The "forty something" worker is not only a candidate for graduation to the management ranks that will be hit hard by retirement but also an increasingly scarce resource in the Canadian labour force (see Chart II-6, page 13).

- SURVEY FINDING: Retention of management staff is not perceived as a major problem over the next two years.

DEMOGRAPHIC ANALYSIS: One in five managers in the Crown Corporations was 55 or older in 2007. In recent years, almost two-thirds of retirees in this sector of the industry have left by the age of 60. Should retention (and recruitment) of managers be a matter of urgency for the Crown Corporations?

- SURVEY FINDING: The salience of retention as an issue is greater for the larger companies.

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DEMOGRAPHIC ANALYSIS: This perception hits the mark. Our analysis of terminated employees demonstrates that the exodus on either a voluntary or non-voluntary basis by workers in their thirties is most prevalent in the large, private sector companies.

- SURVEY FINDING: One of the factors that supports effective retention is accommodation of work-life balance issues.

DEMOGRAPHIC ANALYSIS: Historically, retention is a more salient issue with younger worker than older workers. Work-life balance issues are more important to workers under the age of 55 who may have responsibilities towards children or aging parents. In particular, these responsibilities fall disproportionately on the shoulders of women. In the feminized work force of the property and casualty insurance industry, it is not surprising that this factor is recognized. Looking forward, accommodating work-life balance for older workers will become equally important if the industry wants to retain them as a means of combating the ravages of the aging trend (see Recommendation #4, page 119).

Human Resource Management Analysis and Planning Tools

- SURVEY FINDING: With the exception of retention bonuses (retention is not perceived as either highly important or difficult), the tools are utilized by most companies. Larger companies are more likely to use the tools.

DEMOGRAPHIC ANALYSIS: The response to the data request for this project can be taken as an indication that the tools are used. However, not all the data received was ready for analysis. A substantial amount of “data cleaning” was required even with submissions from the largest companies. A high need for data cleaning may suggest that analysis and planning rooted in demographic concepts is not practiced. Failure to participate in the project may also signal this situation.

Finally, our analysis points to the increased use of retention incentives in the future, especially, as a way of securing younger workers in a more competitive labour market and preventing the best of the older workers from retiring fully.

Does perception match reality? Yes, with respect to the issue of recruitment. No, with respect to retention, particularly, the emerging issue of retaining older workers who might otherwise retire. Both perception and reality furnish a basis for the industry taking the right strategic actions to maintain an adequate, effective, and efficient work force in the years ahead.

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Recommendations

Six strategic recommendations are made in order of priority:

1. **DATA:** There is no question that the response by a majority of industry stakeholders to this research project was overwhelming. Stakeholders were asked to share strategic and confidential information on their workers. They worked diligently to provide the data in the systematic framework developed by the consultant. Once again, a note of gratitude is in order.

This project was a novel one for the industry. Given its novelty, the data request was kept to the minimum necessary to do an effective job the first time around. Stakeholders were asked for data on existing employees. Ideally, historical snapshots of employees would have allowed for even finer analysis.

The industry's many employers and regulators may now have the capacity to provide demographic data on an historical basis. We chose not to place that additional burden on respondents in this initial project. Certainly, complying with our minimal request (and it was actually not that minimal) was difficult for some respondents. In our extensive experience with work force analysis in other industries, historical demographic data are not typically available.

Therefore, we recommend to the property and casualty insurance industry, as we have to other industries, that a snapshot of employees or members be taken at periodic intervals by both employers and regulators. The snapshots should encompass the kinds of demographic data used in our analysis of both current and terminated employees. These data should be archived for future company, association, or industry use (for example, in partnership with The Institute). The snapshots should be taken, at least annually, and preferably semi-annually.

In addition, we recommend that industry stakeholders clean up their existing demographic data bases. Up to one record in twenty that we received did not indicate an employee's employment status, activity status, or reason for termination. With respect to reasons for termination, some entries were allocated to systematic data categories and others were anecdotal and of limited use for analysis.

Finally, with regard to the variable of occupation, we recommend that employers and regulators re-classify their positions in terms of the NOC definitions.

2. **ANALYSIS:** We conducted analysis at the occupational category level. Our occupational categories were based on the generic NOC definitions. In addition, we did not conduct analysis at the company level. In this first iteration of demographic research, securing industry participation regarding the use of confidential data and detecting trends at the industry-wide level were the priorities.

We recommend that the type of research carried out in this project be replicated by employers and regulators. Ideally, it would be done annually and, at least, every two years. This report provides a template that can be used by the industry's human resource management professionals in their analysis and planning efforts. Furthermore, research at the company level should encompass a finer analysis of the occupational variable that meets the specific needs of the organization.

We also recommend that an industry-wide analysis along the lines of this project should be done every two years. In the next iteration, consideration should be given to the collection of historical data, thereby creating a platform for the calculation of age-based attrition rates. The continuing need for this kind of research needs to be promoted within the industry (see Recommendation #6, page 120).

3. **RECRUITMENT:** Labour force realities in Canada over the next ten years are really quite straightforward from a demographic perspective – there will be a slow down in the growth of the labour force; there will be more older workers, many of whom will retire in the absence of an alternative career option; and there will be a much greater reliance on the relatively younger workers who enter the labour force from the immigration stream.

Therefore, both recruitment and retention are strategic issues in this labour force context. Our analysis clearly identifies the targets for recruitment. They are

- a. **YOUTH:** The children of the *boomers*, the *echo* cohort, will all be eligible for labour force participation by 2010. The time is opportune to recruit what will be the last major indigenous infusion of young workers until the arrival of the children of the *echo* some years from now.

Where are the youth? Our analysis shows that a good share of the current crop of young workers are in industries such as accommodation and food services; information, culture, and recreation; and trade (see Chart III-3, page 23). Moreover, our experience with other industries that are youth-challenged suggest that catching the attention of the future labour force entrants during the latter years of primary school is not too early. Catching their attention at the secondary and post-secondary levels is imperative.

How can they be enticed into the property and casualty insurance industry? Full-time employment with a competitive compensation package is a good place to start. This view is verified in our survey of the industry's senior human resource management professionals. Compared to the three industries with the highest entry to exit ratios, the financial services sector as identified by Statistics Canada appears to have an edge on the compensation factor (Table VII-1).

Table VII-1: Weekly Median Wage Rate (\$) by Industry and Sex, Full-time Employment, 15-24 Age Group, Canada, 2006

Industry	Both	Men	Women
Finance, insurance, real estate, and leasing	512	520	500
Trade	379	400	350
Information, culture, and recreation	420	440	420
Accommodation and food services	330	340	324

Source: Statistics Canada, *Labour Force Historical Review 2006*.

Is this edge being used in recruitment initiatives directed at young employees in these industries?

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- b. IMMIGRANTS: A good share of labour market immigrants have post-secondary education and professional or technical skills. Yet, at the 2007 *Internationally Educated Professionals Conference* in Toronto, no sector of the insurance industry was to be found among either the sponsors or exhibitors.⁵³ The property and casualty insurance industry is, no doubt, involved in many effective recruitment initiatives. Understanding these initiatives is beyond the scope of this report. However, the findings of this report clearly demonstrate that the immigrant stream is and will continue to be a strategic source of new workers. Furthermore, immigrants are essentially in the age band occupied by the relatively smaller *bust* cohort and where exits appear to be substantial.

One challenge in the recruitment of immigrants is that they are neither equally nor even equitably available across the country. There is no supply problem in the largest provinces such as Ontario or the metropolitan areas. Attracting immigrants to the less populated provinces and communities is more problematic. However, a starting point is for the industry to have a presence at forums such as the annual *Internationally Educated Professionals Conference*.

- c. ABORIGINALS: Our analysis paints a picture of an aging industry work force in the midst of the relatively youthful and highly competitive labour markets of Canada's Western provinces. However, within these same markets, there is a group that has both high economic need and low labour force participation. This group is Canada's aboriginal peoples.

Aboriginals represent an oasis of youth in the desert of an aging labour force. In Manitoba and Saskatchewan, respectively, the aboriginal population is approximately 15 percent of the provincial population.⁵⁴ In addition, 20 percent of the 15 to 24 age group in each province is aboriginal. Looking to the long-term, over one-quarter of the population under the age of 15 in both provinces is aboriginal.

A few of our former clients have pioneered aboriginal recruitment initiatives. BC Hydro provides educational assistance in the form of "Aboriginal Scholarships."⁵⁵ The City of Grande Prairie, Alberta has launched the "Aboriginal Workplace Participation Initiative."⁵⁶ The property and casualty insurance industry would be well advised to work in partnership with Aboriginal communities and organizations, particularly, in the West.

- d. WORKERS IN THE INDUSTRY: Recruitment should not just be externally focused. Our analysis shows that the industry has internal pockets of younger employees. Sales and service is the second youngest occupational category. It is also the area with the largest number of part-time employees. Across Canada, around eight percent of the male employees in sales and service work part-time. Over three-quarters of these employees are under 30 compared to one-third of full-time, male sales and service employees. Around 16 percent of the female employees in this occupational area are part-time. Two-

⁵³ Accessed at <http://www.iep.ca/index.php>.

⁵⁴ Accessed at <http://www12.statcan.ca/english/census06/data/highlights/Aboriginal/pages/Page.cfm?Lang=E&Geo=CMA&Code=46&Table=1&Data=Dist&Sex=1&Age=1&StartRec=1&Sort=2&Display=Page>.

⁵⁵ Accessed at <http://www.bchydro.com/community/scholarships/scholarships878.html>.

⁵⁶ Accessed at <http://www.cityofgp.com/citygov/dept/hr/awpi/default.htm>.

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fifths of these employees are under 30 compared to one-quarter of full-time, female sales and service employees.

There may be young employees in this occupational area who work part-time by choice. However, part-time employment is generally not the preferred career option for workers who no longer attend school full-time. It is recommended that companies analyze the demographic characteristics of their part-time employees and conduct internal surveys focused on the identification of career aspirations and training and development needs. To some extent, the solution to recruitment difficulties may lie within the walls.

- e. **MANAGERS:** Managers have the highest median age among the occupations examined in this report. Ten years from now, up to 40 percent of the industry's current managers may be retired. A clear implication of our analysis is that a substantial level of training and development will be required to sustain the management cadre. Training and development efforts should be directed at both non-management and management groups.
4. **RETENTION:** In an aging work force situation, retention is of equal importance to recruitment. Our analysis points to two retention "hot spots": the *bust* cohort and the *boomer* cohort. Currently, the *bust* are in their thirties. Over the next ten years, this cohort will migrate to their forties. As noted previously, the *bust* is a relatively small cohort. From a labour force perspective, our projections show that they will not replace the current cohort of workers in their forties, even factoring in the supportive element of immigration. From an industry perspective, the *bust* cohort appears to be the breeding ground for voluntary and non-voluntary exit, a trend that compounds the impact of the labour force trend at the company level.

In the survey of senior human resource management professionals, exit interviews had the highest utilization rate among the different planning and analysis tools. We recommend that companies revisit their policies and analyses of the retention issue in relation to younger employees. It is essential to both understand the reasons for exit and the incentives for staying.

The aging and potential retirement of large numbers of *boomers* brings a new retention issue to the fore. The property and casualty insurance industry, especially in the West, has a substantial *boomer* component. By 2017, they will range in age from 51 to 70 in an industry where 60 percent of employees retire by age 60 and 80 percent by age 65. In the aging labour force scenario sketched out in Part II of this report, can the industry let its most experienced workers simply leave?

The aging of the industry's work force calls for human resource management policies that facilitate the "re-invention of the mature worker." A new balance needs to be struck between the mature worker and the company. With this group, part-time, flexible employment is a good option.

It is recommended that employers undertake a survey of employees in the 55 to 64 age group to determine perceptions around alternative career options to full retirement. In addition, a review of the policy and other barriers to "re-inventing" mature workers should be carried out.⁵⁷

⁵⁷ The City of Grande Prairie has instituted a number of initiatives to deal with retention issues. See *Strategic Human Resources Management: A Demographic Analysis of the Work Force of the City of Grande Prairie, Alberta*. A report prepared by R.A.L. Consulting Limited (October 2007). Available at www.ralconsulting.ca.

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5. **TRAINING AND DEVELOPMENT:** The recommendations regarding recruitment and retention imply that the industry will make a substantial investment in training and development. In making this comment, there is no suggestion that current and past efforts have been either insufficient or ineffective. Evaluating those efforts is beyond the scope of this project. The statement is made simply to fortify the notion that managing recruitment and retention in the context of an aging work force is, to a large extent, a new path for many industries.

Reference has already been made to the heightened need for management training and development. In addition, training and development will be an important aspect of recruiting from the immigrant stream. Internationally trained professionals bring to their new country a high level of education and impressive skill set but they do not bring an instant capacity to function effectively in the Canadian work place. In addition, entry into the insurance industry will likely involve a career transition for these individuals. In short, the support systems must be in place to realize the full potential of immigrants or Aboriginal persons.

6. **MARKETING:** The participation in this project by industry stakeholders was excellent. However, participation should not end with the submission of this report.

The results of the demographic research project must be shared widely and effectively across the industry. Stakeholders must not only receive the information but they must also have an opportunity to react to and work with the information, particularly, the report's recommendations.

Therefore, it is recommended that findings and recommendations of this research project receive the widest possible dissemination in order to generate increased stakeholder support for systematic work force planning.

Final Comments

A general consideration that should underlie the industry's recruitment efforts emanates from one of the areas of demographic imbalance. The industry is currently female-dominated. In its recruitment efforts, the industry should do what it can to reduce the degree of imbalance. The reason is practical not ideological and it is equally applicable to industries such as construction that are male-dominated. In an aging work force context, labour force participation must be maximized. The lack of participation by certain groups historically is a liability when there is pressure on labour supply. Recruiting from just one-half of the labour force is simply a bad strategy.

A final comment is that more must be done to increase the involvement of the industry's smaller companies in this type of research and planning. Smaller companies lack the resources to engage in these activities but they still need to benefit from, and be part of, the process going forward as the industry addresses the issues revealed through this research.

LAST WORD FROM THE INSURANCE INSTITUTE

We are confident that this research provides the industry with useful information and data not presently available on current and future recruitment and retention issues. We are pleased with the credibility of the data and the verification of our sample size against Statistics Canada, Labour Force Data, and the four regulator data sets. While the data confirm some anecdotal beliefs, the data also reveal new information and unknown facts about the aging and gender imbalances in the industry. The research does not merely confirm that recruitment is currently difficult, but it indicates that current recruitment levels are insufficient and seriously deficient to meet the needs of the 2012 to 2017 labour requirements. Further, while recruitment is top of mind, the research demonstrates that retention is important as well. Given the significance and relevance of the findings, we believe that this research will provide employers with sufficient lead time to implement appropriate strategies to meet their future human resource requirements.

APPENDIX 1: Occupational Categories

1. UNDERWRITER

Personal lines underwriter
Commercial lines underwriter
Reinsurance underwriter

2. CLAIMS

Insurance adjuster
Independent adjuster
Examiner
Estimator
Claims assistant
Reinsurance claims adjuster

3. BROKER

Independent broker
Producer (commercial)
CSR-personal
CSR-commercial
Reinsurance broker
Broker marketing

4. MANAGEMENT

Senior / Executive
Middle Management
Supervisor / Field Manager

5. SALES & SERVICE

Call centre operator
Field representative
Customer service representative

6. ACTUARIAL

7. INFORMATION TECHNOLOGY

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APPENDIX 2: Data Request

NOTES ON DATA COLLECTION AND SUBMISSION OF CURRENT EMPLOYEE DATA

DATA SHOULD BE ENTERED IN THE TEMPLATE CONTAINED IN THE "DATA" WORKSHEET. DATA CATEGORIES ARE DESCRIBED BELOW.

DATE OF BIRTH/AGE

Date of birth (e.g., 14/02/1971) is the preferred format. Data can also be entered in terms of years (e.g., 48).

SEX

Male or **M**

Female or **F**

OCCUPATION

Enter appropriate occupational descriptor (see "OCCUPATION" worksheet).

You may not have all occupations represented in your company.

Complete for all occupations that are relevant to your company.

SERVICE

Service start date (e.g., 10/05/1980) is the preferred format. Data can also be entered in terms of years or months (e.g., 10 years or 120 months).

Please specify whether you are using years or months. Use months/years format for service only if using years format for age.

EMPLOYMENT STATUS

Full-time (FT): permanent employee working 30-plus hours per week.

Part-time (PT): permanent employee working less than 30 hours per week.

Temporary Full-time (TEMP FT): non-permanent employee working 30-plus hours per week for a limited time period (e.g., one-year contract).

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

ACTIVITY STATUS

Active: employee is currently performing the responsibilities of her/his position.

Inactive: employee is not currently performing the responsibilities of her/his position due to illness, disability, or leave of absence.

CITY

Name of city or major municipality where the employee is located (e.g., Toronto or Kingston).

PROVINCE

Abbreviations are acceptable (e.g., ONT).

NOTES ON DATA COLLECTION AND SUBMISSION OF DATA ON TERMINATED EMPLOYEES DATA SHOULD BE ENTERED IN THE TEMPLATE CONTAINED IN THE "DATA" WORKSHEET. DATA CATEGORIES ARE DESCRIBED BELOW.

AGE

Date of birth (e.g., 14/02/1971) is the preferred format.

Date of birth must be linked with a service start date in "Service Start" column and date of termination in "Service End" column. Data can also be entered as age at termination (e.g., 48).

SEX

Male or **M**

Female or **F**

OCCUPATION

Occupation at time of termination. Enter appropriate occupational descriptor (see "OCCUPATION" worksheet). You may not have all occupations represented in your company.

Complete for all those that are relevant to your company.

REASON

Reasons for termination:

Death

Voluntary resignation

Termination without cause

Termination with cause

Retirement

SERVICE START

Enter service start date (e.g., 01/06/97). A service start date is the preferred format.

Leave blank if age at termination is entered as years.

TERMINATION DATE

Enter termination date (e.g., 06/29/07). A termination date is the preferred format.

Duration of service can be entered as years or months (specify in column title) if age at termination is entered as years.

YEAR OF TERMINATION

Enter the year of termination only if age is specified in years and service is specified in years or months.

EMPLOYMENT STATUS

Full-time (FT): permanent employee working 30-plus hours per week.

Part-time (PT): permanent employee working less than 30 hours per week.

Temporary Full-time (TEMP FT): non-permanent employee working 30-plus hours per week for a limited time period (e.g., one-year contract).

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

CITY

Name of city or major municipality where the employee was located (e.g., Toronto or Kingston).

PROVINCE

Abbreviations are acceptable (e.g., ONT).

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APPENDIX 3: Survey of Human Resource Management Professionals

Introduction and Instructions

The purpose of the survey is to identify your perceptions, as senior human resource professionals in Canada's property and casualty insurance industry, on the issues of recruitment and retention of employees in key occupational categories. This questionnaire is designed to solicit your views on both current and future trends and developments. The results of the survey will form part of the analysis of the Demographic Research Project initiated by The Insurance Institute of Canada earlier this year.

To complete the questionnaire:

1. Read each question carefully and reflect for a moment on your response. Please answer all questions in each of the three parts of the questionnaire.
2. Note the instructions for responding to each question. You can use an "X" to mark your response(s).
3. Answer the questions from the perspective of your company. Also, remember that the questions pertain only to employees working in the property and casualty business line and in the selected occupational categories.
4. Please employ the following definitions in this questionnaire:
 - a. **Senior managers** develop and establish objectives for the company and develop or approve policies and programs. They plan, organize, direct, control and evaluate, through middle managers, the operations of their organization in relation to established objectives.
 - b. **Middle and other managers** plan, organize, direct, control and evaluate the activities of departments or establishments that provide services. They are generally responsible for business development and must ensure that their group reaches performance levels related to established objectives.

The survey has been designed by R.A.L. Consulting Limited, the firm retained by The Insurance Institute of Canada to conduct the Demographic Research Project. Please complete the questionnaire by November 21st and return it by e-mail to ralconsulting@cogeco.ca. DO NOT SEND YOUR QUESTIONNAIRE TO THE INSURANCE INSTITUTE OF CANADA. If you have any questions, please call Richard Loreto, Project Manager, at 1-877-573-2777 (toll free) or contact him by e-mail (ralconsulting@cogeco.ca).

Individual submissions will be retained by the consultant on a confidential basis until six months after the completion of the Demographic Research Project. At that point, the submissions will be destroyed. The consultant will provide The Institute with a signed, written statement confirming the destruction of the submissions. The analysis of the survey results will not identify the views of specific companies or individuals. The analysis will distinguish between the responses of companies of different size (i.e., number of employees) or type (e.g., mutual insurer).

As senior human resource professionals, your views on the trends and developments impacting the industry's most important resource – its people – are a crucial part of what The Insurance Institute of Canada is attempting to achieve with the implementation of the Demographic Research Project. The results of the survey and the analysis of demographic data collected from 43 companies and associations across Canada will provide a sound foundation for managing the future work force of Canada's property and casualty insurance industry. We look forward to receiving your views.

Part 1: Recruitment

1. Compared to other human resource management issues facing your company at this time, to what extent is the recruitment of employees an important issue (select one response):

- a. To a great extent _____
- b. To some extent _____
- c. To a very little extent _____

2. In the past two years, have you recruited employees on either an open/external or closed competition basis (select one response):

Yes _____

No _____ **(GO TO PART 2)**

If yes, how many employees have you recruited (select one response):

- Under 10 employees _____
- 10-49 employees _____
- 50-99 employees _____
- 100 or more employees _____

3. During the past two years, how many of your company's job postings have been conducted on an open/external basis (select one response):

- All postings _____
- Most postings _____
- Some postings _____
- No postings _____

4. During the past two years, how difficult has it been to recruit employees in the occupational categories listed below (select one response for each category):

Occupational Category	Recruiting employees has been:			
	Very difficult	Somewhat difficult	Not at all difficult	Not applicable
Underwriter				
Claims				
Broker				
Senior Management				
Middle and other management				
Sales & service				
Actuarial				
Information technology				

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5. Where recruitment has been difficult, what are the top three factors that make recruitment more difficult (select up to three factors):

- a. Too few qualified candidates _____
- b. Uncompetitive compensation levels _____
- c. Too few full-time positions _____
- d. Failure to accommodate work-life balance issues _____
- e. Limited career potential of position _____
- f. Other (specify: _____)

6. Where recruitment has not been difficult, what are the top three factors that make recruitment less difficult (select up to three factors):

- a. Adequate supply of qualified candidates _____
- b. Competitive compensation levels _____
- c. Availability of full-time positions _____
- d. Accommodation of work-life balance issues _____
- e. High career potential of position _____
- f. Other (specify: _____)

7. Does your company have offices in more than one province or territory (select one response):

Yes _____
 No _____ (**GO TO QUESTION #8 ON PAGE 4**)

If yes, in each province or territory, how difficult has it been to recruit during the past two years (select one response for each province or territory):

Province or Territory	Recruitment in this province or territory has been:			
	Very difficult	Somewhat difficult	Not at all difficult	Not applicable
Newfoundland & Labrador				
Prince Edward Island				
New Brunswick				
Nova Scotia				
Québec				
Ontario				
Manitoba				
Saskatchewan				
Alberta				
British Columbia				
Territories				

8. Does your company have offices in more than one local community (select one response):

Yes ☐

No ☐ **(GO TO QUESTION #9)**

If yes, in each type of community, how difficult has it been to recruit during the past two years (select one response for each type of community):

Type of Community	Recruitment in this type of community has been:			
	Very difficult	Somewhat difficult	Not at all difficult	Not applicable
Metropolitan areas (100,000+ population)				
Small to medium cities (10,000 to 99,999 population)				
Small towns and rural areas (under 10,000 population)				

9. Over the next two years, how urgent is your recruitment need in each of the occupational categories (select one response for each category):

Occupational Category	My company's recruitment need is:			
	Extremely urgent	Somewhat urgent	Not at all urgent	Not applicable
Underwriter				
Claims				
Broker				
Senior Management				
Middle and other management				
Sales & service				
Actuarial				
Information technology				

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Part 2: Retention

1. Compared to other human resource management issues facing your company at this time, to what extent is the retention of employees an important issue (select one response):
 - a. To a great extent _____
 - b. To some extent _____
 - c. To a very little extent _____

2. Over the past two years, how difficult has it been to retain employees in each of the occupational categories (select one response for each category):

Occupational Category	Retaining employees has been:			
	Very difficult	Somewhat difficult	Not at all difficult	Not applicable
Underwriter				
Claims				
Broker				
Senior Management				
Middle and other management				
Sales & service				
Actuarial				
Information technology				

3. Where it has been difficult to retain employees, what are the top three factors that make retention more difficult (select up to three factors):
 - a. Uncompetitive compensation levels _____
 - b. Failure to accommodate work-life balance issues _____
 - c. Failure to accommodate workplace issues _____
 - d. Limited career prospects within company _____
 - e. Limited career prospects within industry _____
 - f. Other (specify: _____)
4. Where it has not been difficult to retain employees, what are the top three factors that make retention less difficult (select up to three factors):
 - a. Competitive compensation levels _____
 - b. Accommodation of work-life balance issues _____
 - c. Accommodation of workplace issues _____
 - d. High career prospects within company _____
 - e. High career prospects within industry _____
 - f. Other (specify: _____)
5. Does your company have offices in more than one province or territory (select one response):

Yes _____ **(GO TO TOP OF PAGE 6)**

No _____ **(GO TO QUESTION #6 ON PAGE 6)**

If yes, in each province or territory, how difficult has it been to retain employees during the past two years (select one response for each province or territory):

Province or Territory	Retention in this province or territory has been:			
	Very difficult	Somewhat difficult	Not at all difficult	Not applicable
Newfoundland & Labrador				
Prince Edward Island				
New Brunswick				
Nova Scotia				
Québec				
Ontario				
Manitoba				
Saskatchewan				
Alberta				
British Columbia				
Territories				

6. Does your company have offices in more than one local community (select one response):

Yes ☐
 No ☐ **(GO TO QUESTION #7 ON PAGE 7)**

If yes, in each type of community, how difficult has it been to retain employees during the past two years (select one response for each type of community):

Type of Community	Retention in this type of community has been:			
	Very difficult	Somewhat difficult	Not at all difficult	Not applicable
Metropolitan areas (100,000+ population)				
Small to medium cities (10,000 to 99,999 population)				
Small towns and rural areas (under 10,000 population)				

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7. Over the next two years, how urgent is the issue of retention in each of the occupational categories (select one response for each category):

Occupational Category	The issue of retention is:			
	Extremely urgent	Somewhat urgent	Not at all urgent	Not applicable
Underwriter				
Claims				
Broker				
Senior Management				
Middle and other management				
Sales & service				
Actuarial				
Information technology				

8. Does your company (select one response for each category):

- | | |
|--|----------------|
| a. Conduct exit interviews | Yes ___ No ___ |
| b. Have a formal succession planning process | Yes ___ No ___ |
| c. Award retention bonuses | Yes ___ No ___ |
| d. Have targeted recruitment initiatives | Yes ___ No ___ |
| e. Periodically prepare retirement forecasts | Yes ___ No ___ |
| f. Periodically analyze workforce demographics | Yes ___ No ___ |

Part 3: Your Company

1. What is the total number of employees in your company (all locations and all occupations related to the property and casualty business line):

- | | |
|------------------------|-----|
| Under 50 employees | ___ |
| 50-99 employees | ___ |
| 100-499 employees | ___ |
| 500-999 employees | ___ |
| 1000 or more employees | ___ |

2. Is your company a Crown corporation (select one response):

Yes ___ No ___

3. Which category best represents the organizational structure of your company (select one response):

- | | |
|-------------------------------|-----|
| a. Mutual insurer | ___ |
| b. Direct response insurer | ___ |
| c. Broker represented insurer | ___ |
| d. Reinsurer | ___ |
| e. Independent broker | ___ |
| f. Independent adjuster | ___ |

APPENDIX 4: Median Age Analysis

Cross-tabulating the occupation variable for full-time employees with the variables of sex, geography, work force size, and company type produces a mixed pattern of results. The many trends discernable are summarized in Part V, page 68.

Table A4-1: Median Age by Sex, Occupation, and Province/Region, Full-time Employees

Occupation (full-time)	East	Québec	Ontario	West	British Columbia	Canada
Actuarial Male	26.9	26.9	27.9	25.3	29.0	27.0
Actuarial Female	29.4	29.4	33.0	32.2	30.5	31.0
Underwriter Male	37.1	39.1	37.3	35.4	34.0	37.0
Underwriter Female	44.0	44.3	41.0	39.3	37.9	41.4
Claims Male	43.3	43.2	39.1	44.3	47.0	43.6
Claims Female	41.0	40.5	38.5	39.8	43.0	40.3
Broker Male	44.7	44.3	41.5	44.9	40.8	43.0
Broker Female	43.7	46.3	40.0	39.5	38.1	40.1
IT Male	38.1	38.1	42.0	39.3	43.0	40.0
IT Female	42.4	42.5	43.0	44.7	45.0	43.1
Sales & Service Male	32.1	32.4	33.1	37.0	46.1	33.3
Sales & Service Female	35.0	35.6	35.1	40.4	45.5	35.0
Management Male	45.4	45.1	46.0	48.8	47.4	46.8
Management Female	44.4	43.7	44.1	46.7	47.0	45.3
Senior Mgmt. Male	48.1	47.9	48.5	51.3	50.5	48.7
Senior Mgmt. Female	46.0	45.8	45.4	48.7	49.3	46.8
Middle Mgmt. Male	46.0	45.1	46.1	49.5	43.1	46.5
Middle Mgmt. Female	44.4	44.3	43.0	46.9	NA	44.5
Other Mgmt. Male	42.5	42.1	43.8	47.4	48.5	44.3
Other Mgmt. Female	43.9	42.6	44.2	46.4	42.0	44.8

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Table A4-2: Median Age by Sex, Occupation, and Work Force Size, Full-time Employees

Occupation (full-time)	Work Force Size			
	<100	100-499	500-999	1,000+
Actuarial Male	35.3	26.7	25.0	27.1
Actuarial Female	44.9	27.4	32.7	31.5
Underwriter Male	41.8	37.6	35.0	37.0
Underwriter Female	41.6	41.4	41.0	41.6
Claims Male	43.0	43.6	43.2	43.8
Claims Female	39.2	41.1	40.1	40.2
Broker Male	43.5	41.9	48.5	38.0
Broker Female	43.0	38.3	41.8	41.0
IT Male	34.2	39.6	42.9	40.0
IT Female	43.2	42.4	46.4	42.9
Sales & Service Male	39.1	39.0	39.2	32.9
Sales & Service Female	42.2	38.4	40.5	35.5
Management Male	48.6	47.2	48.0	46.0
Management Female	47.5	45.2	44.1	45.6
Senior Mgmt. Male	50.1	48.6	49.9	48.0
Senior Mgmt. Female	47.9	47.4	46.8	45.5
Middle Mgmt. Male	48.0	46.7	48.0	46.0
Middle Mgmt. Female	46.8	43.8	41.6	45.8
Other Mgmt. Male	48.0	38.3	47.0	43.5
Other Mgmt. Female	49.1	44.1	45.8	44.5

Table A4-3: Median Age by Sex, Occupation, and Company Type, Full-time Employees

Occupation (full-time)	Organizational Structure						
	CC	BR	DR	MI	RI	IB	IA
Actuarial Male	27.0	26.0	28.8	NA	NA	42.0	NA
Actuarial Female	34.6	32.3	29.2	NA	NA	NA	NA
Underwriter Male	42.5	36.0	35.4	56.0	NA	NA	NA
Underwriter Female	46.6	41.0	42.0	43.0	NA	NA	NA
Claims Male	46.5	41.1	37.7	43.8	NA	52.6	44.5
Claims Female	43.1	39.1	37.1	42.6	NA	47.0	40.6
Broker Male	46.9	32.0	NA	NA	NA	42.5	NA
Broker Female	37.0	42.0	NA	NA	NA	39.3	NA
IT Male	42.0	41.0	37.9	30.2	NA	39.9	33.1
IT Female	46.1	42.1	42.7	54.5	NA	38.8	40.7
Sales & Service Male	45.7	33.2	32.5	38.0	NA	NA	38.2
Sales & Service Female	46.0	35.4	34.8	42.2	NA	NA	42.7
Management Male	49.0	45.3	44.6	51.9	NA	49.6	48.9
Management Female	47.0	45.7	42.3	48.7	NA	46.9	42.4
Senior Mgmt. Male	55.2	48.2	47.6	52.0	NA	49.6	50.8
Senior Mgmt. Female	53.0	47.1	46.0	44.4	NA	47.1	44.0
Middle Mgmt. Male	51.9	46.0	44.4	49.2	NA	53.1	47.2
Middle Mgmt. Female	47.8	46.0	41.8	49.9	NA	38.5	41.3
Other Mgmt. Male	50.9	43.0	41.5	47.1	NA	25.9	49.6
Other Mgmt. Female	46.8	45.0	41.6	48.7	NA	NA	40.5

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APPENDIX 5: Research Study Participants

Census Data Collection: Participating Employers	Human Resources Survey: Participating Employers
ACE INA Insurance Aon Reed Stenhouse BFL Canada Chubb Insurance Company of Canada CNA Canada Crawford & Company (Canada) Cunningham Lindsey Canada Limited Dominion of Canada Insurance Company, The Economical Insurance Group, The ENCON Group Farm Mutual Reinsurance Plan Inc. Federated Insurance Company of Canada Folksamerica Reinsurance Company Gore Mutual Insurance Company Groupe Desjardins Hamilton Township Mutual Insurance Company Hunter Keilty Muntz & Beatty Limited ING Canada Insurance Corporation of British Columbia Integro Insurance Brokers Kingsway General Insurance Company KRG Insurance Brokers Liberty International Underwriters Lombard Canada London & Midland General Insurance Company L'Union Canadienne Compagnie D'Assurances Manitoba Public Insurance (MPI) Corporation Marsh Canada Limited Mutual Fire Insurance Company of BC, The Old Republic Insurance Company of Canada Peace Hills General Insurance Company Royal & Sun Alliance Insurance Group Saskatchewan Mutual Insurance Company SCM Adjusters Canada SGI Canada (Saskatchewan) Southeastern Mutual Insurance Company Sovereign General Insurance Company, The State Farm Insurance Company Swiss Reinsurance Company Canada TD Meloche Monnex The CUMIS Group Wawanesa Mutual Insurance Company, The Zurich Canada	ACE INA Insurance Allstate Insurance Company of Canada CGI Adjusters Inc. Chubb Insurance Company of Canada CNA Canada Co-operators General Insurance Company Cowan Insurance Brokers Limited Crawford & Company (Canada) Dominion of Canada Insurance Company, The Echelon General Insurance Company Economical Insurance Group, The ENCON Group Farm Mutual Reinsurance Plan Inc. Federated Insurance Company of Canada FM Global Folksamerica Reinsurance Company Gore Mutual Insurance Company Groupe Desjardins Hub International Ontario Ltd. Hunter Keilty Muntz & Beatty Limited ING Canada Insurance Corporation of British Columbia KRG Insurance Brokers La Capitale Compagnie D'Assurance Generale Liberty International Underwriters Lombard Canada London & Midland General Insurance Company McLarens Canada Manitoba Public Insurance (MPI) Mutual Fire Insurance Company of BC, The Old Republic Insurance Company of Canada RBC General Insurance Company Royal & Sun Alliance Insurance Group Saskatchewan Mutual Insurance Company SCM Adjusters Canada Ltd. SCOR Canada Reinsurance Company SGI Canada (Saskatchewan) Sovereign General Insurance Company, The State Farm Insurance Company Swiss Reinsurance Company Canada TD Meloche Monnex Western Financial Group Zurich Canada

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