



Insurance Institute

NEWS RELEASE

For Immediate Release

Second Research Report Released ***A Demographic Analysis Part II:*** ***Recruitment and Retention Issues in the P&C Insurance Industry in Canada***

(Toronto, ON – September 10, 2009) – The Insurance Institute has released the findings of its second major demographic research study on the property and casualty insurance industry in Canada.

If the information contained in the two demographic research reports tells us anything, it should be this one inescapable conclusion: “in the next ten years, a proactive, strategic approach to human resource management is essential for industry sustainability. The current economic situation and the attitude that ‘we have always done it this way,’ are constraints that must be overcome,” says Richard Loreto, President of R.A.L. Consulting Inc. and research consultant to the Insurance Institute.

From the first Institute study, “A Demographic Analysis of the P&C Insurance Industry in Canada, 2007 to 2017,” we learned that the industry’s **workforce is aging** (in 2007, 49 percent of those working in the insurance industry were between the ages of 41 and 60; as compared to 45 percent in the labour force), that industry **employees tend to retire younger** (by two to three years), and that **retirement projections will have a significant impact** on the industry’s labour force (25 percent of the 2007 labour force could retire between 2012 and 2017. In BC, the retirement projection is 38 percent. In Crown Corporations, it’s 39 percent. For the management category, 40 percent could retire by 2017.).

“Now, in light of our current economic climate, there are some who would suggest that these retirement projections may be wrong,” says Loreto. “But it is important to recognize that even if some mature workers delay retirement and the timeframe shifts a little, the projected numbers or proportion of workers eligible to retire stays the same and therefore the pending mass exodus and leadership gap is still looming.”

The research tells us that there are not enough entrants to replace those exiting. Targeted recruitment of youth, including immigrants/new Canadians and aboriginals, is critical in an aging work force. The research also tells us that retention and succession planning – of younger employees/recent entrants and mature workers – is critical to the industry’s sustainability.

The second report picks up on the first report’s recommendation that there is a need for industry-wide and company-specific systematic work force planning required as applied to the four cohorts – **youth, immigrants, aboriginals and mature workers**. This second report has been compiled as a **resource guide** to help organizations create the strategies needed to meet a company’s hiring needs, training and development assessments and the potential leadership gaps.

"The most fundamental recommendation that can be made from this report is that employers should **develop a human resource management strategy** that is comprehensive and research based," writes Loreto in the report. "This resource provides those concerned about human capacity issues with a whole range of information – greater understanding of incentives and drivers, tools and checklists to reference, and examples from other sectors – that will help in the development of the necessary multi-pronged approach for recruitment and retention."

"The Insurance Institute of Canada is proud to present this second demographic research study of the property & casualty industry," says Peter Hohman, President & CEO of the Insurance Institute. "We are confident that the first and now this second research study provide information that is valuable to our stakeholders and the industry, inform the initiatives of the Institute's Career Connections program, and provide employers with the impetus and information to develop and implement appropriate strategies to meet their future human resource requirements."

An electronic copy of the Full Report and Executive Summary are available for download off the Institute Web site at www.insuranceinstitute.ca under "Research". For a hard copy, please call 1-866-362-8585.

About the researcher: Dr. Richard Loreto is an expert on demographic research, labour market analysis and strategy development projects. He speaks frequently to businesses and governments on topics of demographic trends in Canada and the U.S. and the implications on the labour market and consumer products and services. He was commissioned by the Insurance Institute, on behalf of the industry, to conduct this unique census and labour market analysis of the property and casualty insurance industry. Dr. Loreto came highly recommended by the renowned author and demographer David Foot. In authoring the report, Dr. Loreto used Foot's Boom, Bust and Echo cohort analysis and developed retirement projections using industry-supplied data to identify the future impacts of demographic change on the industry's core occupations.

About Career Connections: Career Connections is a career awareness and insurance education program coordinated by the Insurance Institute on behalf of the property & casualty insurance industry. Its mandate is to improve the understanding of insurance, illustrate its role in society and encourage young adults and career seekers to pursue one of the many skilled professions available in the insurance industry. As it launches its next five year strategic plan, Career Connections is expanding its messaging, its audiences and its outreach to provide the gateway for secondary school students, post-secondary school students and graduates, and career changers to find their career in insurance. For more information, visit: www.career-connections.info.

About The Insurance Institute: The Insurance Institute, with its 36,000 members, is the educational arm of the property and casualty insurance industry in Canada. It is the industry's premier source for professional development. Its mandate is to help people employed in the property and casualty insurance industry stay current with an evolving world and to stay connected with their employer's business and the needs of their clients. The Insurance Institute offers distance learning and in-class programs and is known for its internationally recognized Chartered Insurance Professional (CIP) and Fellow Chartered Insurance Professional (FCIP) designation programs.

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