



The Chartered Insurance Professional Designation.

Creating Value for Employers and Employees

At a Glance

- The Chartered Insurance Professional (CIP) Program is a key part of the school-to-work transition for professionals in the property and casualty insurance industry.
- Seventy-six per cent of employers see a quantifiable return on their investment in the CIP Program.
- Those who hold a CIP designation earn an average annual wage premium of about \$8,000 per year more than their colleagues with a similar level of experience but without the designation.
- The CIP Program is about making the insurance industry better; 77 per cent of employers report that employees with CIP designations offer higher quality service.

Introduction

Canada's property and casualty (P&C) insurance industry is a growing sector that offers rewarding careers for qualified individuals. However, the path toward becoming qualified and further developing those qualifications isn't offered in the mainstream post-secondary education system. This role is filled by the Chartered Insurance Professional (CIP) designation.

The CIP designation is a key part of preparing professionals in the P&C insurance industry in Canada and around the world. The designation is conferred by The Insurance Institute of Canada (IIC) upon applicants who successfully complete a designation program designed to provide the skills and knowledge required by employers in Canada's P&C insurance industry.

The CIP Program bridges the general education provided in university or college, and the specific training offered by individual firms. It provides industry-specific knowledge, key concepts, and industry best practices. Individual firms then build on these concepts with their specific approaches to brokerage, underwriting, and adjusting.

This briefing, which assesses the effectiveness of the CIP designation, was commissioned by The IIC and written by The Conference Board of Canada, based on interviews and surveys of more than 1,000 P&C insurance industry stakeholders in 2014.

Role of the CIP Program: Targeted Learning for P&C Professionals

Canadians are attending post-secondary institutions in ever-greater numbers. In 2012, 53 per cent of Canada's adult population held a post-secondary degree, diploma, or certificate. However, The Conference

Board of Canada's interviews suggest that most of these graduates likely have a very limited knowledge of the P&C industry. Even those with business or commerce degrees have minimal exposure to the concepts and business practices related to the industry. Indeed, our survey found that about 60 per cent of industry professionals felt they needed further education and training to prepare them for the demands of the P&C industry.

Employers' hiring practices for new graduates focus more on the attitudes, interpersonal skills, and communications skills of potential employees, rather than on their technical skills. Employers tend to develop the technical skills of their new hires once they have been brought into the organization. They identify the employees who are dedicated to and suitable for the P&C insurance industry, and focus their training efforts on these employees. This means that most employers begin their training programs after they have had a chance to observe their new hires in the workplace—sometimes for a year or more. For example, 62 per cent of employers begin to encourage employees to take the CIP Program when they have between one and five years of experience.

The CIP Program and Employers: Improving the Customer Experience

The P&C industry displays strong support for the CIP designation. That support is apparent in the widespread use of employer incentives that encourage employees to enrol in the program and appears to be justified when one considers the benefits that CIP-designated professionals bring to and receive from the workplace.

When it comes to incentives, 97 per cent of employers report having some form of support for employees taking the CIP Program. Paying for courses is the most common employer incentive available (offered by 91 per cent of employers), but time off work for study and exams (74 per cent of employers), bonuses for course completion (56 per cent of employers), and salary increases (24 per cent of employers) are other

forms of incentives reported. What is more, 70 per cent of employers encourage professional employees to earn the CIP designation as part of their performance review process.

The industry sees the CIP Program as a key bridge between the more generalized skills and knowledge acquired in university or college and industry-specific skills required by P&C employers. Employers most often look to the CIP Program to develop employee skills in these areas:

- general knowledge about the P&C industry (sought by 75 per cent of employers);
- technical skills specific to the industry (sought by 58 per cent of employers);
- specific knowledge for occupations common in the industry (sought by 44 per cent of employers).

The high level of employer support for the CIP Program speaks to the benefits that employers see in the program. When employers were asked whether their support for the CIP Program paid off in terms of returns to their business, about half answered “yes,” another quarter indicated “somewhat,” and 12 per cent said they didn’t know. Only 16 per cent of employers felt that they did not get a return on their investment in the CIP Program.

Among the employers that felt their support of the CIP Program had paid off, the top benefits reported were:

- employees who offer higher quality service (reported by 77 per cent of employers);
- more competent employees (reported by 73 per cent of employers).

Other reported benefits include employees having more respect for clients, lower employee turnover, and higher employee productivity.

The CIP Program is particularly effective when companies design their training and development programs around it. For example, CIP courses explain the general concepts and approaches to underwriting, allowing the employer’s training to focus specifically on the company’s

underwriting appetite and philosophy. Many firms already do this, with 55 per cent of employers reporting that their training system is at least partially connected with the CIP Program.

CIP Graduates: More Opportunities, Better Pay

Employees in the P&C insurance industry have a strong interest in completing the CIP Program. Nearly 80 per cent of respondents to the employee survey indicated that the CIP designation leads to better career prospects in the P&C industry. This is corroborated by employers: 79 per cent agree that there are more industry opportunities for those with a CIP designation and 71 per cent agree that job candidates with a CIP designation are more attractive potential hires. In job postings for experienced professionals, 25 per cent of employers require a CIP designation, while another 45 per cent indicate that the designation is preferred.

Given employers' preferences for job seekers with a CIP designation, it is not surprising that CIP holders are able to garner a wage premium. Indeed, 55 per cent of employees expect that a CIP designation will lead to higher pay, and 53 per cent indicate that it leads to higher mobility within their organization. In fact, on average, those with a CIP designation can expect to earn \$8,000 more a year than their colleagues with a similar level of experience but no CIP designation.

In addition to paving the way for better career opportunities and higher pay, the CIP designation can provide employees with additional benefits, such as increased self-respect and pride in their work. Among employers, 52 per cent believe that a CIP designation is either very or extremely beneficial in supporting the morale and confidence of their employees. Employees provided a similar response, with 56 per cent reporting these high levels of benefit from a CIP designation.

As well, the CIP Program contributes to developing a community of insurance professionals. In fact, 41 per cent of respondents to the employee survey reported that the CIP Program is either very or extremely beneficial in helping them engage with a community

of insurance professionals. These benefits were greatest in Atlantic Canada, where the number increased to 55 per cent. The only region with a below-average share was Quebec, where language barriers may limit the benefit of communicating with other P&C professionals across the country.

The CIP Program and Consumers: Rigorous Courses and Committed Learners

The CIP Program is an industry innovation that helps to address many of the gaps in Canada's post-secondary education system with respect to P&C industry-specific knowledge. The industry-accredited program is consistently applied across Canada, and employers widely trust its curriculum and pedagogy. It is also rigorous. Interviewees reported that some of the foundational courses are equivalent to college-level courses and some electives are equivalent to university-level courses. The rigour of the program is evident in the fact that it usually takes students several years to complete the CIP Program.

Interest in the program is high within the industry. Among P&C insurance professionals who have not already graduated from the program, 67 per cent are likely or extremely likely to take a CIP course in the next year.

The result of this high level of interest is that more than 17,000 people have graduated from the program since its inception, with about 900 more people graduating every year.¹ There were 18,542 professionals enrolled in the program in 2014. In comparison, the Insurance Bureau of Canada estimates that there are 118,000 people employed in the P&C industry in Canada.² This figure includes many other types of employees, such as those in administrative, information technology, accounting, and human resources positions, so it is reasonable to say that a significant share of the people working in occupations specific to the P&C industry take part in the program.

1 Insurance Institute of Canada, *Statistics 2013/2014*.

2 Insurance Bureau of Canada, *Facts of the Property and Casualty Insurance Industry 2015*.

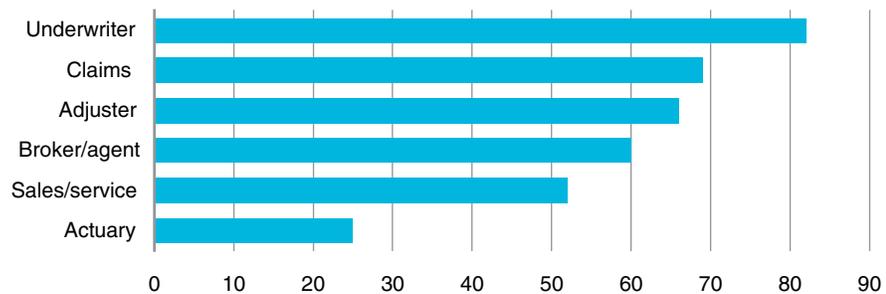
Considerations for Potential Entrants to the CIP Program

The survey findings provide some key insights for professionals in the P&C industry who are considering qualifying for the CIP designation. For example, while there are numerous continuing education opportunities for P&C professionals—especially brokers—the CIP Program is still seen as valuable to most in the industry. (See Chart 1.)

Chart 1

The CIP Designation Is of Benefit to People in Most Occupations

(share of employers agreeing that the CIP is of benefit to this type of professional)



Source: The Conference Board of Canada.

The CIP designation is also most important to those who are seeking to advance in their careers. Among employees seeking to advance, 67 per cent thought that having a CIP designation was either extremely or very important to their career objectives (versus 44 per cent for those planning to stay in their current roles). The expectation for an industry professional to have the CIP designation rises as a person becomes more senior. Almost 30 per cent of people who had reached 20 years or more of industry experience said that a CIP designation is a mandatory requirement for their role. A further 47 per cent reported that the CIP designation is preferred for people in their position.

It's also important to know that the CIP Program is regarded highly enough by employers that they are more likely to offer incentives to those pursuing the CIP designation than to those taking other courses. For example, employers were about twice as likely to offer bonuses and salary increases for course completion in the CIP Program than they were for other continuing education programs.

Studying for the CIP designation is a significant commitment. About 70 per cent of respondents indicated that time was a major barrier to taking courses to advance their career. More than 40 per cent said that family commitments were a barrier, which is another way of indicating a time constraint. However, 84 per cent of respondents to the employee survey agreed that the CIP Program provides flexible learning options, including in-class, distance, and virtual lessons and study opportunities. When combined with employer incentives, this can help to mitigate the costs associated with the program.

CIPs: Establishing Trust and Improving the P&C Experience

The survey results confirm what many interviewees expressed about the CIP Program: employers encourage P&C professionals to undertake the CIP Program in order to improve the quality of their work once they are already in the industry. By improving the quality of their work, they are improving the P&C industry as a whole, making it more trustworthy, more credible, and more knowledgeable. The CIP designation is ultimately about making the P&C insurance experience better for customers.

To learn more about the CIP designation and its role in the P&C insurance workplace, please visit the Insurance Institute of Canada at www.insuranceinstitute.ca/CIPvalue.

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APPENDIX A

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