

**FINDINGS REVEAL:
Industry recruitment over the last five years
has managed to lessen the potential impact of pending retirements.
But is it enough?**

(Toronto, ON –February 13, 2013) – The Insurance Institute’s “A Demographic Analysis of the P&C Insurance Industry in Canada 2012 – 2022” research report, released today, reveals three major trends in the industry’s work force:

- Substantial recruitment activity has taken place, despite the degree of economic turbulence in Canada since 2008.
- To date, the level of recruitment has compensated for the level of retirement.
- Going forward, the impact of retirement should increase substantially. Therefore, the level of recruitment (and retention) should also increase substantially.

The demographic composition of the industry’s work force has changed noticeably over the past five years, especially with respect to its age structure. The share of the echo cohort (ages 17 to 32 in 2012) has more than doubled (from 12% in 2007 to 27% in 2012) at the expense of the share of the boomer cohort (ages 46 to 65 in 2012; 49% to 37%). As a result, in 2012 the work force of the property and casualty insurance industry is both younger and more aligned with the age structure of Canada’s labour force than was the case in 2007.¹

This increase in the echo cohort is across every province, every region, every company type and size, as well as every occupational category (except management). “The rise in the share of the echo cohort is an indicator of substantial recruitment activity,” says Richard Loreto, President of R.A.L. Consulting Ltd, author of the research report. “The data from 20 companies who participated in both the 2007 and 2012 census clearly indicate that they have grown their collective workforce. Full-time employees working in the targeted occupations for these companies have increased by 40%.”

“This substantial recruitment activity has allowed the industry to, at best, stabilize the aging trend and counter the impact of retirement,” states Loreto in the final report. “However, in ten years, the boomer cohort will all be older than 55 and therefore, the impact of retirement should increase substantially. Going forward it will be imperative to recruit (and retain) at a level that mitigates the potentially adverse impacts of demographic trends, in terms of both supply and demand pressures.”

“The Insurance Institute of Canada is proud to have conducted this important demographic research study of the property & casualty industry on its behalf,” says Peter Hohman, FCIP, MBA, ICD.D, President & CEO of the Insurance Institute of Canada. “We know that the first two studies have provided information that was of value to our stakeholders and the industry. We know it has informed the initiatives of the Institute’s Career Connections program, the FCIP program and other professional development offerings. We anticipate that this third study will provide further information for employers’ recruitment and retention strategies and that collectively, these demographic studies will help to address their future human resource requirements.”

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).

“When the first census was released in 2008, there was quite a bit to say about the high proportion of the boomer cohort in the industry (nearly half), the low entry-to-exit ratios (for every 10 ready to retire, the industry was only recruiting 4), and the need for more targeted recruitment,” says Margaret Parent, director, Professionals’ Division, Insurance Institute and project lead for the demographic research studies. “Since the first census five years ago, the research reports have shone a light on the industry’s labour issues and Career Connections’ awareness and engagement strategies have increased and extended. As a result, I am pleased to see that change (i.e. recruitment) is evident.”

Copies of the report are available from the Insurance Institute and a series of seminars are being presented in 10 cities across the country. For more information and to register for a seminar, please visit: www.insuranceinstitute.ca/research.

About the Institute’s Research: The Insurance Institute published the landmark research study, *A Demographic Analysis of the P&C Insurance Industry in Canada: 2007 – 2017* in 2008 and then a second research study, *A Demographic Analysis – Part II: Recruitment and Retention Issues in the P&C Insurance Industry in Canada*, in 2009. The two previous studies, and the 2012 report, are available for download from the Institute website at www.insuranceinstitute.ca/research.

About Richard Loreto: Richard Loreto is president of **R.A.L. Consulting Limited**, a firm specializing in the development of business strategy and market research and the facilitation of stakeholder consultation processes. He is a former Ontario public servant and university professor and has been a consultant since 1974, serving numerous private and public sector clients across Canada and in the United States. Richard was contracted by the Insurance Institute to conduct the first census in 2007 and the subsequent research in 2009. He brings a wealth of knowledge about demographics, the Canadian labour market, other industry sectors, and now with five years of working with the Institute on these research studies, he has a great deal of knowledge about the P&C insurance industry as well.

About the Insurance Institute: The Insurance Institute is the premier source of professional education and career development for the country’s property and casualty insurance industry. Established in 1899, the Institute is a not-for-profit organization serving more than 38,000 members across Canada through 19 volunteer-driven provincial Institutes and chapters. It sets professional standards for the industry through education programs leading to a range of designations, including the internationally recognized Chartered Insurance Professional (CIP) and Fellow Chartered Insurance Professional (FCIP).

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