

Insurance Industry Employment Trends: 1990- 2016 (August 2016)

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The U.S. Labor Department's Bureau of Labor Statistics (BLS) just published data as of August 2016 on detailed insurance industry employment, and the Insurance Information Institute (I.I.I.) website contains updated multi-decade trend data in chart form. (The insurance industry/sector-specific data are not seasonally adjusted and are one month behind the national data; accordingly, the report released on October 7 provides national data for September 2016 and industry/sector-specific data for August 2016.) Data for the last few months are preliminary and are often revised later, but revisions are usually small. The I.I.I.'s slides show employment trends for property/casualty (P/C), life/annuity, health (mainly medical expense) insurers, and reinsurers, agents & brokers, independent claims adjusters, and third-party administrators.

In August 2016, on a year-over-year basis, employment in most segments of the insurance industry was up by roughly 2 percent.

For the 12 months ending in August 2016, P/C carrier employment rose by 10,500 (+2.0 percent) to 524,700. However, in just the month of August (vs. July), P/C carrier employment fell by 2,900. This last result should not be surprising, as P/C carrier employment fell in 14 of the 27 Augusts since 1990, including all six of them from 2011 through 2016. The month of September likely will not provide any relief from this pattern, with P/C carrier employment falling in 13 of the 26 Septembers since 1990.

Employment by life/annuity carriers rose in August 2016 vs. August 2015 (up 6,500, or +2.0

percent) to 335,800. Since March 2006 (when a reclassification between life/annuity and health carriers ended), employment in the life/annuity segment has generally been falling. It was 366,500 in March 2006 and reached a bottom in March 2015, at 318,500. It has been generally rising since then (up 3,700 in June 2016 alone), so that from March 2015 to date the segment has gained 17,300 jobs.

The health carrier segment has been gaining jobs quite steadily for decades. In August 2016 vs. August 2015 it rose sharply (up 20,500, or 3.9 percent) to 549,300. At least some of this growth is undoubtedly connected with the flood of health insurance applications, purchases, and claims attributable to the Affordable Care Act, and some to population growth, but it is important to acknowledge that this rate of growth has been characteristic of this sector for decades—long before the ACA was proposed.

The agent/broker segment gained 10,900 jobs in August 2016 vs. August 2015 (up 1.4 percent) to 774,400. Employment growth in this category in the last three years has been extremely strong. In July 2012 this segment employed 660,700, so that in 49 months, employment rose by 113,700, or 17.1 percent. More granularly, employment rose by 31,600 in 2013, by 52,300 in 2014, and by 26,600 in 2015. However, the spurt might be ending: with eight months of 2016 in, employment in this segment is up only 400.

Among the smaller industry segments, reinsurance carrier employment in the U.S. fell in August 2016 vs. August 2015 (down 700, or 2.7 percent) to 25,000. Employment at independent claims-adjusting firms on a year-over-year basis for August 2016 rose by 2,200 (3.9 percent) to 58,400. Year-over-year employment in the category of third-party administration of insurance funds rose by 1,900 (1.1 percent) to 176,100. This category has grown quite steadily for over two decades, though not as fast as employment at medical expense insurers. It was set back slightly by the Great Recession, but has generally added jobs since then.

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