

Insurance Industry Employment Trends: 1990- 2017 (May 2017)

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The U.S. Labor Department's Bureau of Labor Statistics (BLS) just published data as of May 2017 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 July 7 provides national data for June 2017 and industry/sector-specific data for May 2017.) 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 May 2017, on a year-over-year basis, employment in most major segments of the insurance industry was up by varying degrees. For the 12 months ending in May 2017, P/C carrier employment rose by 11,200 (+2.0 percent) to 566,800. May is generally a month in which P/C carriers add staff: since 1990, P/C carrier employment has risen in May 20 times and fell 8 times. Employment by life/annuity carriers rose in May 2017 vs. May 2016 (up 3,900, or +1.1 percent) to 349,900. But it is hard to see longer-term employment trends in the BLS data for life/annuity carriers because three times since March 2005 BLS has reclassified some employment that was previously in life/annuity carriers into other subsectors, therefore it is hard to know what to use as a baseline. The most recent reclassification ended in March 2015; from then, employment in the life/annuity a segment has generally risen from 318,500.

The health carrier segment had been gaining jobs quite steadily for decades. However, as with the life/annuity carrier sector, the health carrier sector had a major reclassification beginning in March 2015, which reset the sector's employment from 517,900 in March 2015 to 457,200 in March 2016. Since then, employment in this sector grew to 472,400, up 15,200 or 3.3 percent. Now that the Congress and President Trump aim to repeal ACA it will be interesting to watch whether this employment growth continues, stalls, or reverses. We have four months of data since President Trump took office; in those months, employment in the health carrier segment rose by 900 in February; fell by 800 in March; rose by 300 in April; and rose by 1,100 in May.

The agent/broker segment gained 8,600 jobs in May 2017 vs. May 2016 (up 1.1 percent) to 784,100. Employment growth in this category from 2013 through 2015 was extremely strong. Employment rose by 31,600 in 2013, by 52,300 in 2014, by 27,400 in 2015. Employment growth slowed in 2016 to 7,800 and has been +700 in the first five months of 2017.

Among the smaller industry segments, reinsurance carrier employment in the U.S. dropped by 100 in May 2017 vs. May 2016 to 24,700. Employment at independent claims-adjusting firms on a year-over-year basis for May 2017 rose by 600 (1.0 percent) to 58,500. This is near the highest that employment at independent claims-adjusting firms has been in at least the last 25 years (the peak was in November 2016 at 59,600). Year-over-year employment in the category of third-party administration of insurance funds rose by 1,300 (0.7 percent) to 187,000. This category has grown quite steadily for more than 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. It is currently near an all-time peak (187,700, reached in December 2016).

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