

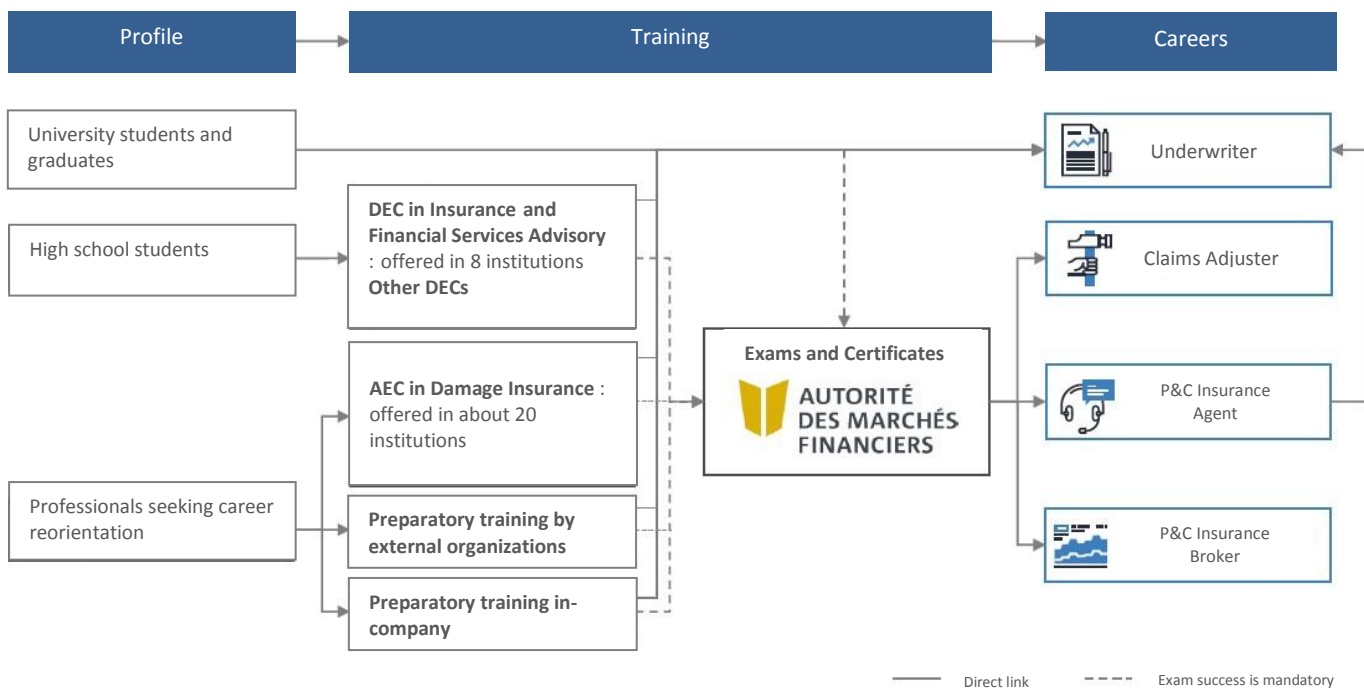
Prospective Study of the Property and Casualty Insurance Workforce Summary

Evolution of the Property and Casualty Insurance Industry

Over 50% of the employees hired between 2011 and 2016 were intended to cover employee departures, including retirement, while in 2017 and 2018, this number was less than 40%. This means that in 2017 and 2018 nearly 60% of the planned hires supported business growth.

The AEC in property and casualty insurance and the DEC in insurance and financial services advisory are the two preferred diplomas when it comes to hiring, followed by university degrees and other DEC's.

Many different paths can lead to careers in property and casualty insurance



Change in the Business Environment

- Less sales-oriented and more consulting-oriented
- Increasing automation of non-complex requests and operations
- Evolution of the role of professionals due to online distribution, the emergence of smart contracts, and consumer behaviour
- A new conception of the “industrialization” of consumers’ personal data can push industry players to change their customer approach
- Insurtechs change the face of the industry and present a major potential for businesses: 60% of Insurtechs’ agreements involved property and casualty insurance in 2017
- New ways of transmitting knowledge, online courses available for everyone (MOOC) and specialized online courses make knowledge more accessible, even in remote areas
- A two-tier transformation of the profession: it is necessary to keep current professionals up to date since they haven’t necessary evolved at the same pace as technology

Findings and Challenges related to the Availability of Training and Workforce

- The quality of training does not guarantee the quality of its graduates since not all the graduates have the correct profile to become professionals in the industry
- The main recruitment criteria are related to social and interpersonal skills: work organization, multi-tasking, analysis of client needs and bilingualism
- Many challenges threaten the sustainability of the AEC programmes, specifically easy access to the AMF (Financial Markets Authority) and the favourable economic conditions that weaken the demand for the diploma
- An increasing adoption by businesses of an approach based on “andragogy,” the principle that adults learn by doing
- The success rates for graduates with an AEC in property and damage insurance are among the lowest: the course for AEC candidates could be connected
- A common view by employers and education centers that a college degree is the minimum education level necessary to access professions and that the acquisition of future skills requires further training or development
- A lack of privileged relationships between companies and educational institutions: the teaching of interpersonal skills is left to the Cegeps, which must work on developing these skills together with the industry
- The multiple paths that lead to a job in property and casualty insurance make the skills of the labour pool heterogeneous

Evolution of the Four Major Professions in Property and Casualty Insurance

Property and Casualty Insurance Agent: an “augmented” profession

- Increasing the value of interactions and decreasing their frequency will require interpersonal and technological skills in order to be more productive in the organization and in data processing

Property and Casualty Insurance Broker: client relationships are at the heart of the change in the profession

- Interpersonal skills are ubiquitous in this profession. The role of a property and casualty insurance broker is to advise, in both French and English, similar to a lawyer, financial planner, and personal accountant

Claims Adjuster: an ever-relevant skill set

- In contact with the clientele, the claims adjuster’s skill set is constantly developing. However, new risks, including risks connected to the digital environment, will have to be evaluated by future claims adjusters who will need specialized training

Underwriter: an uncertain path

- Future technological capabilities will support the underwriter’s job. New needs have emerged in recent years, such as the need to think of new ways to assess risks linked to climate change, which could lead underwriters to think of new assessment methodologies

Methodology

This study was conducted in March 2018 by Avisa Conseil on behalf of the Coalition and Finance Montreal. Interviews were conducted with 70 representatives from 48 different organizations : 21 property and casualty insurance companies, 6 associative and regulatory organizations and 21 training organizations. Note that this sample represents 45% of the certified workforce.