ECONOMIC UPSWING AND REGULATIONS DRIVING UP DEMAND

Morgan McKinley is active in recruiting professionals for insurance companies around the globe. We asked consultants in three of our key markets to provide their thoughts and insights into the state of employment across the sector (including consulting, direct, brokerage and reinsurance). It is clear that overall demand for talent has increased recently, and this trend will be sustained by a generally optimistic economic outlook combined with tougher regulatory frameworks.

- Solvency II, which comes into force on 1 January 2016, is having a major impact on European insurers
- Similar capital adequacy measures and regulatory frameworks are having an impact elsewhere around the world
- In Ireland many insurers are building up their sales and marketing teams with a view to business development
- In Hong Kong there is inadequate supply of senior candidates who combine technical knowledge with communication skills
- In Mainland China there are excellent opportunities for actuaries and other specialists early in their career
The insurance sector has been relatively stable and robust over the past year or two so we have seen no major surprises, and certainly no negative changes,” says Rio Goh, Country Head, Morgan McKinley China. Demand for insurance professionals has been steadily increasing, in particular to fill specialist compliance, risk and actuarial roles and for sales and marketing executives. We expect to see this trend continue and also increased demand for investment specialists.

On the other hand, the organisational changes that are in progress at many insurance companies may result in the consolidation of some functions, while others have applied the brakes after a period of expansion. Hiring processes can often be lengthy.

Professionals who are early in the career and have a relevant actuarial qualification (e.g. Institute and Faculty of Actuaries) will find suitable roles easily. The same is true of risk specialists with an MSc in risk or an FRM or GARP certificate. Other financial qualifications that are highly regarded in China’s insurance sector include HKCPA, CPA, CA, CIA, CISA, CFA.

Average salary increases in 2015 will be in the range of 10-15%, though specialists moving between jobs can expect rather more.
Companies are looking for people who combine technical experience with communication skills.

Companies therefore often are obliged to look beyond Hong Kong, typically to North America, Europe and Australia, to find suitable talent. Demand is greatest at senior levels (Assistant Vice President and above).

 Though some companies are restructuring and going through cost-saving measures, the overall outlook is positive for 2015 and beyond.

Salaries have not fluctuated significantly but hiring organisations have demonstrated a willingness to be more flexible in order to attract top calibre professionals from overseas. For internal reviews, professionals have reported salary increases in the 3-7% range. However, on average, professionals changing employers are still getting increases of 10-18%.
Due largely to the improving economic landscape and growing recruitment budgets, Ireland’s insurance sector is recruiting new and replacement headcount in the first half of 2015. Projects like Solvency II implementation are returning to the priority list, and we expect to see particularly strong demand for programme managers, project managers and compliance and risk specialists in Q1 and Q2 of this year. In addition, many companies are going through organisational changes and implementing new IT systems, which is likely to stimulate further demand. “While operations always accounts for the biggest absolute volume of recruitment, we expect to see relative increases in the numbers being recruited into compliance, as well as an upturn in the numbers of risk and actuarial professionals being recruited. In addition, we are already seeing a big jump in the numbers of sales and marketing professionals into roles such as marketing manager, business development manager and financial advisor, as insurers seek to capitalise on the economic upswing,” says Louise Parkinson, Team Lead, Financial Services, at Morgan McKinley.

“Talent availability is quite tight in specialist areas so insurance companies are advised to speed up hiring processes if they want to snap up the best professionals before the competition,” she adds. However, for more general operational roles there is adequate local supply, and insurance companies are open to recruiting from outside the sector to get new ideas at management level.

“On occasion, insurance companies may need to source from overseas but we normally only see this when they are recruiting into specialist positions such as risk managers or commercial actuaries,” says Grace Gilbert, Senior Consultant, General Insurance and Actuarial.

Talent in the Irish market would generally be highly qualified, with the Central Bank of Ireland’s minimum competency code ensuring that the majority of professionals in the market would have achieved a level of minimum professional competency (APA or CIP qualification). The Insurance Institute of Ireland is the local industry body for General Insurance and would design and deliver all relevant local qualifications for insurance professionals. Increasingly, as the market for talent becomes more competitive, to differentiate in the market, more professionals are continuing on to advanced qualifications such as the DLDU, MDI, ACII and FCII, particularly at senior or specialist level. These qualifications also often passport to other jurisdictions; in the UK, Canada and Australia.

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SALARIES & BENEFITS

While the market has improved considerably over the past year or two, salary levels are taking time to catch up with the new realities. Employers also need to be aware that there is a growing trend towards candidates being encouraged to stay put with counter-offers if their expectations are not met. Generally speaking, those staying in their current role can expect an increase in the range 2-8%, depending on level of seniority and degree of specialisation, while those making a move or getting a counter offer something in the range of 10-12%.

In Life Assurance, the Institute of Bankers and the LIA also provide training and development through provision of the APA, QFA, FLIA, MII qualifications, with other professional qualifications also being sought after in the insurance market; FIA (actuarial), ACA (operational risk) and CISA (IT risk) plus the usual compliance qualifications such as ACOI and ICA.

The market for trainee actuaries is very competitive so many hiring organisations are engaging more intensively with recruitment agencies rather than recruiting directly from colleges and career services. This is especially true of University of Limerick graduates taking a major in Insurance, with an option for Risk Management, who leave their programme with five of the six exams towards a CIP qualification under their belt and are highly in demand for operational roles. Other sources of quality candidates include those from University College Dublin (MSc in Actuarial Science) and Dublin City University (for example the MSc in Computational Finance). Graduates with strong statistical qualifications and an analytical mind-set are in demand as risk trainees. “In short Ireland’s academic institutions are producing some very bright and well-qualified trainees, but they will often receive multiple offers in the current climate,” says Parkinson.