



# Beating the skills gap

|   | 2007   | 2008   | 2009  | 2010  | 2011   | 2012  |
|---|--|--|---|---|--|---|
| The stories   | What happened  |  |   |   |  | What's next?  |
| <p><b>CII's concern about lack of ability</b></p> <p>Annual surveys by the CII have indicated that skills shortages remain a chief concern in the industry.</p>   | <p><b>Skills Bill</b></p> <p>Publication of a damning report into insurance sector skills by the Financial Services Skills Council formed part of the Skills Bill. In conjunction with the Department for Education and Skills, the bill set out how to improve training in the financial services industry.</p> | <p><b>Investment needed</b></p> <p>The CII's second annual skills survey found that 76% of employers reported shortages of technical skills, up from 71% in 2007. CII president Lord Hunt said: "Cuts to training budgets to make a quick saving will in the end prove to be a false economy."</p>   | <p><b>CILA graduate push</b></p> <p>Loss adjuster Cunningham Lindsey launched a new graduate training scheme to boost the numbers who gain qualifications with the Chartered Institute of Loss Adjusters (CILA), after the institute reported low numbers taking loss adjusting examinations.</p>   | <p><b>Aldermanbury Declaration</b></p> <p>The CII's Insurance Profession Task Force published the Aldermanbury Declaration – a comprehensive framework outlining skills and qualification criteria for employers to agree in a bid to lift professional standards.</p>  | <p><b>Central bank regulation</b></p> <p>To comply with the European Communities (Insurance Mediation) Regulations 2005, loss adjusters in the Republic of Ireland became subject to Central Bank regulation.</p>  | <p><b>Stamp of competence</b></p> <p>The standards laid out in the Aldermanbury Declaration are slowly being met by companies, with the CII aiming for wider industry compliance by 2013. Firms' chartered status remains the most publicly recognisable stamp of competence, with more than 94 chartered broking firms currently operating, and 15 chartered insurers.</p> |
| <p><b>Graduate recruitment</b></p> <p>The industry has a longstanding concern that it is unable to compete on pay with big banks and accountancy firms. However, changes in the banking industry and in the job market since the financial crisis have given brokers and insurers confidence in targeting top talent.</p>                                 | <p><b>CII starts grad fair</b></p> <p>The CII's first graduate fair was hailed a success. It followed a CII survey in 2006 that showed that 90% of graduates chose to ignore opportunities in the insurance sector.</p>  | <p><b>No vacancies</b></p> <p>The Association of Graduate Recruiters released figures showing that while graduate vacancies were 16% higher overall, the insurance sector was out of step, with zero growth in graduate recruitment.</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>16%</b><br/>more graduate vacancies</p> </div> </div> <div style="display: flex; align-items: center; margin-top: 10px;">  <div style="margin-left: 10px;"> <p><b>0%</b><br/>growth in graduate recruitment</p> </div> </div> | <p><b>Skills grab is on</b></p> <p>As troubles in the banking sector began to worsen, CII chief executive Sandy Scott said graduates who would have considered banking may be persuaded to pursue opportunities in insurance.</p> <p><b>'Talent is a war that insurance cannot afford to lose'</b></p> <p>CII chief executive Sandy Scott</p> | <p><b>Lloyd's seeks talent</b></p> <p>The insurance sector increased its graduate intake despite the downturn, while Lloyd's of London launched a talent programme to attract graduates.</p> <p><b>'This has been set up in direct response to concerns from managing agents that they may soon be facing a skills shortage in the area'</b></p> <p>Lloyd's head of claims Kent Chaplin</p> | <p><b>A-Levels in demand</b></p> <p>Internships became more popular with insurance companies as they were found to deliver higher retention rates than graduate recruitment. A-Level recruits were targeted as university enrolment dropped.</p>   | <p><b>Graduate schemes grow</b></p> <p>The competition for top graduates will stay high on the agenda for insurers and brokers looking for the brightest and best. However, overcoming the perception that insurance is boring remains the big challenge.</p>   |
| <p><b>Job market</b></p> <p>A shift towards outsourcing claims handling affected the insurance jobs market as far back as 2004. After the banking crisis, however, recruitment fell off the industry's collective agenda as companies scaled back their operations. By late 2009 the market was picking up, as hiring began again, albeit cautiously.</p> | <p><b>Upbeat prospects</b></p> <p>The market was in pretty good shape in 2007, with Allianz, ABC, Aon and Aegis among companies announcing significant appointments.</p>   | <p><b>Redundancies hit</b></p> <p>The downturn hit hard. Norwich Union (now Aviva) announced cuts of up to 1,800 staff, while Zurich axed 870. AXA followed with 500 redundancies and Allianz with 90.</p> <p><b>'Staff costs make up 50% of operational costs'</b></p> <p>KPMG head of insurance Tony Hulse</p>   | <p><b>More job cuts</b></p> <p>RSA made 1,200 redundancies at the start of the year and Legal &amp; General cut 560 jobs. Aon reported job losses on top of a pay freeze and no bonuses, while Kent-based AXA PPP Healthcare staff voted in favour of longer hours and a pay cut to save 300 jobs.</p>  | <p><b>Cuts and hiring mix</b></p> <p>RBSI slashed 2,000 jobs to shape up for sale, while Quinn Insurance began a redundancy programme affecting 900 staff. However, later in the year, LV= and RSA began recruiting for hundreds of jobs.</p>   | <p><b>Rising claims and low rates hit Lloyd's</b></p> <p>Hastings Direct and Arista aimed to recruit 150 and 50 new staff respectively. The London market remained tough, however, as Lloyd's cited high levels of claims and low rates as reason for reduced spending and job cuts.</p> | <p><b>Soft market for jobs</b></p> <p>An excess of capacity has kept many markets soft, leading to little appetite for expensive new hires and recruitment drives. However, training remains on the agenda under the Aldermanbury Declaration.</p>  |