

The Insurance Agency Employment Crisis

Business Insurance has been doing a series of stories on the age of the industry and possible solutions. Insurance agencies are facing an employment crisis. That statement isn't a surprise to the more observant of agency owners or agency managers. A recent McKinsey & Co. report says the average age of today's insurance agent is 59. When you do the math it appears that at least a quarter of the agents in the nation will be retired by 2018.



That means 25% of the industry's producer workforce will be gone.

The magazine focuses on a MarshBerry study of the problem — and by the way, it agrees with McKinsey & Co. — and concluded that three young producers need to be hired today for every one that is currently employed. That is the only way to balance the workforce by 2018.

In other words — agencies need to get to work. “This data makes it clear that agencies cannot afford to continue to do business as usual when it comes to hiring new producers. The most relevant agencies of the next decade will not only hire aggressively in the short-term, they will work to improve their retention in the long-term to ensure success,” the MarshBerry researchers concluded.

Here's the biggest problem **Business Insurance** found with the three for one theory. Millennials — those born in the early 1980s to 2000 — have a negative view of insurance as an industry and as a career. Or so says a survey done by The Institutes and the Griffith Insurance Education Foundation.

Most — the report says — find insurance “boring.”

We know it isn't but they don't. The study concludes that agencies must find a different sales angle when recruiting. That means moving away from selling to problem-solving and people-helping. Recruiters need to change the notion that this is a sales job and move recruitment toward a career philosophy.

“Messages need to avoid a focus on selling insurance, as this was the most common reason why millennials were not interested in working in the insurance industry. Also, the messaging needs to combat the image of a boring industry,” the study said.

There's another solution, too, says Sharon Emek who heads Working at Home Vintage Employees. That's telling Millennials that they can work from home or from another remote location. A flexible work place is very enticing to this group.

In an interview with ***Business Insurance***, Emek said, “If they know they’re working for an agency that offers the opportunity to have a career with flexibility, you will definitely have more young hires. It’s a good opportunity for young people to be mentored by aging workers with institutional knowledge, while having them stay engaged with the industry as long as possible.”