

Career Opportunities in the Iowa Insurance Industry

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EXECUTIVE SUMMARY

The Iowa insurance industry is an economic powerhouse, creating an \$8.9 billion impact in the Des Moines – West Des Moines MSA alone. The industry’s scale has spawned two start-up accelerators focused on insurtech, each with a global reach. The Iowa workforce has experienced twenty-five percent growth since 2000. Insurance carriers are attractive employers exhibited through a high level of compensation, wage growth at a rate above the national average, and a suite of employee benefits that are generous, flexible, and well-aligned with the desires of generation Z. Over the next decade, nearly twenty percent of the workforce will reach retirement age. This retirement wave will create rapid advancement opportunities for younger employees, especially those with skills in technology, data analytics, distribution, and product development.

The demand for actuaries is expected to grow at a rate three times greater than the average occupation while actuarial compensation exceeds the median annual salary of other mathematical science occupations. Actuarial careers are consistently ranked among the best in both business and STEM fields and have above-average upward mobility.

Subject Area: Insurance

Article Type: Viewpoint

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The Iowa Advantage

More than 210 insurers call Iowa homeⁱ. These include insurers writing coverage with a territory as small as one county, the entire United States, and as large as providing global coverage. Seventy-five insurers are domiciled in the Des Moines area including members of the Fortune 500ⁱⁱ.

In 2020, insurance carriers located in the Des Moines-West Des Moines, IA MSA produced \$8.9 billion in GDP (gross domestic product). ***Insurance represents a whopping 15.5% of state GDP compared to 1.6% for the nation as a whole***ⁱⁱⁱ.

By The Numbers:

15.5 – percent of state GDP generated by insurance carriers

18.25 – location quotient for direct life insurance carriers

212 – number of insurers domiciled in Iowa

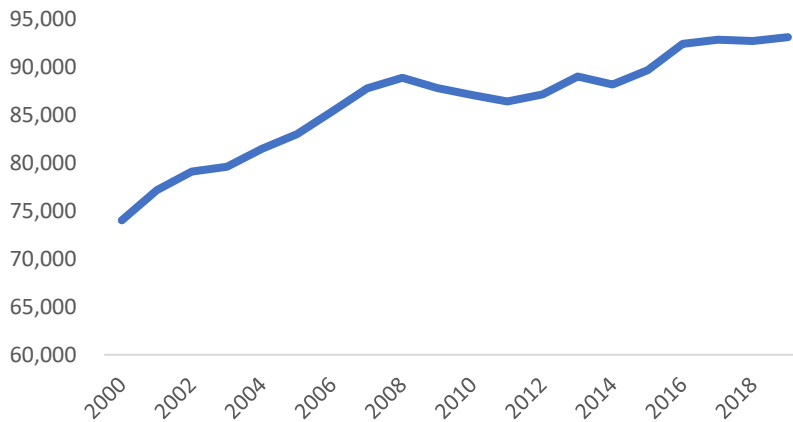
The Des Moines area boasts an LQ (location quotient) of 6.14 for insurance carriers and an especially high 18.25 for direct life insurance carriers^{iv}. High LQ levels lead to clusters of specialization resulting in increased productivity, more rapid innovation, and new business formation^v.

Benefits of clustering are seen in the Des Moines insurance ecosystem through the creation of two insurance accelerators and serving as host to the Global Insurance Symposium

- The ***Global Insurance Accelerator*** is a mentor-driven business accelerator designed to foster innovation in the insurance industry by supporting Insurtech startups targeting the global insurance industry. Since 2014, the GIA is driving innovation deep into the insurance industry with more than a dozen insurance company investors, 100+ program mentors, 50 portfolio companies, and a network of thousands of Insurtech influencers and supporters^{vi}.
- The ***BrokerTech Ventures Accelerator*** brings broker-centric Insurtech startups together to provide seed funding, a hyper-accelerated curriculum, and direct access to an Agency & Non-Agency Mentor circuit. In addition, BTV brings the opportunity for distribution, stakeholder engagement, and access to additional capital. BrokerTech Ventures is bending the innovation curve through strategic partnerships with some of the greatest Insurtech forces in the industry^{vii}.
- The ***Global Insurance Symposium*** annually brings together innovators, executive officers, students, and regulators from around the world to provide thought leadership to the industry. Since 2014, the event has drawn more than 3,200 attendees from 13 countries^{viii}.

A Growing Workforce

Employment in the Insurance Sector (Iowa)



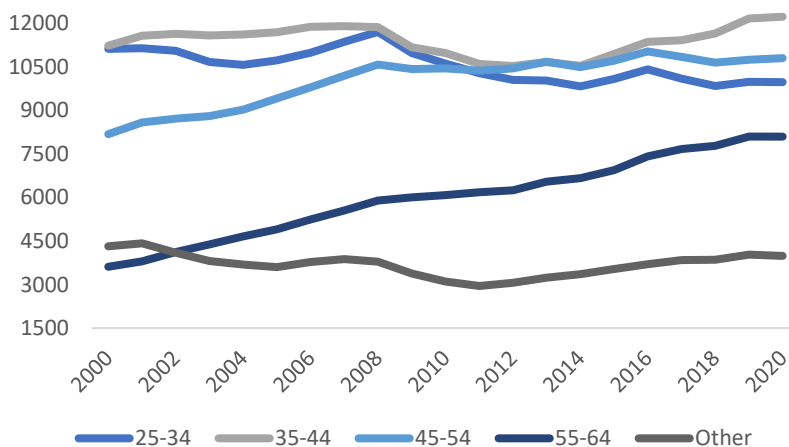
Over the past twenty years, the Iowa insurance industry workforce has grown by more than 19,000 jobs.

Source: www.bls.gov

Compensation has increased along with employment opportunities. Insurance carrier compensation rose at a 3.7% rate through the ten years ending June 30, 2021. The national average during this same period was only 3.0%^{ix}.

Advancement Opportunities

Insurance Employment by Age Group (Iowa)



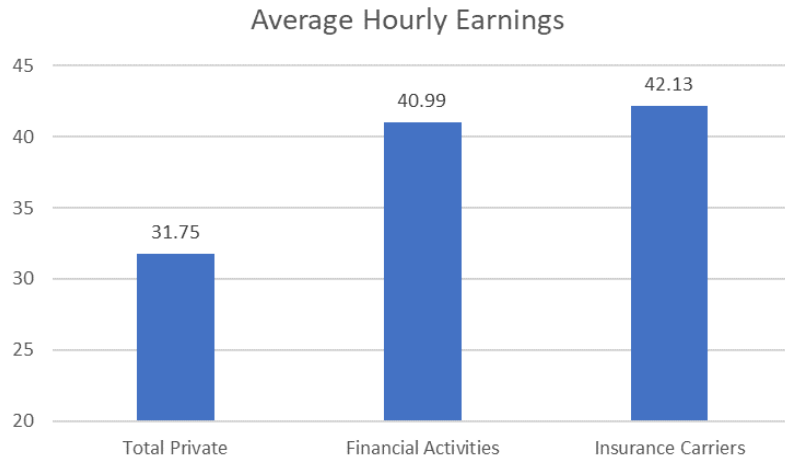
Over the next ten years, nearly twenty percent of the Iowa insurance workforce will reach retirement age.

Source: U.S. Census Bureau, 2021

Reliance on age 55 and older employees has doubled since 2000. ***The departure of these employees and their institutional knowledge creates rapid advancement opportunities for younger employees.*** Increasing usage of technology/data analytics, new distribution methods, and product development align well with generation Z's skills^x.

Financial Rewards & Benefits

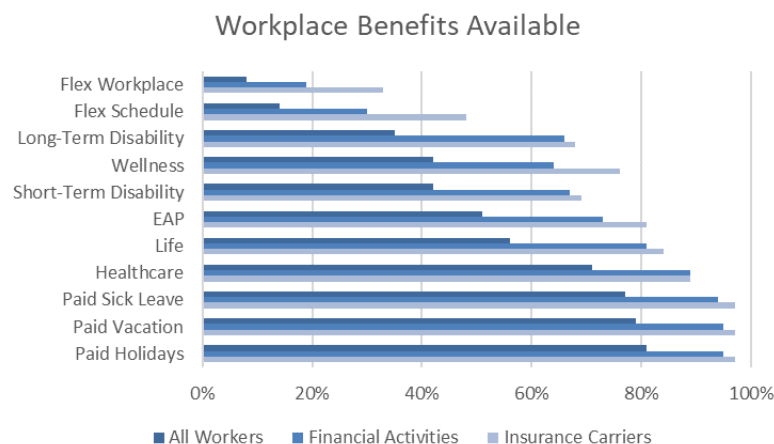
Employment in the insurance industry is financially rewarding and includes many benefits desired by generation Z.



The financial sector overall provides attractive wages, while insurance carriers compensate towards to top of the range.

Source: Bureau of Labor Statistics, March 2022

Out of the thirteen private employment sectors identified by the BLS, the financial activities sector (which includes insurance carriers) ranked third highest in average hourly earnings. Digging deeper within financial activities, it is comprised of ten sub-categories. Insurance carriers placed third highest in average hourly earnings within financial activities.



As provider of employee benefits, it is not surprising that insurance carriers provide a rich suite of benefits.

Source: National Compensation Survey of the Bureau of Labor Statistics, March 2021

Insurance carriers are leaders in providing benefits to attract and retain a talented workforce. The insurance industry provides a greater emphasis on flexibility than most employers. Physical and emotional well-being benefits are offered by insurance carriers more frequently than other employers. Insurance carriers embrace the importance of health, disability, and life benefits at a higher rate than most employers. **Insurance carriers provide 20% more paid time off benefits than what is available to all workers.** Seventy-seven percent of insurers provide an annual bonus.

Actuarial Profession

The outlook for the actuarial profession is bright. From 2020 to 2030, the demand for actuarial talent is expected to grow 24% compared to 8% for all jobs. The projected growth rate is considered much faster than the average occupation. **Approximately 2,400 actuarial jobs will need to be filled each year throughout the decade.** This compares to 27,700 people currently employed as actuaries. According to the Society of Actuaries, the supply of new actuaries will be muted. Due to a 44% decline in first-time test takers between 2013 and 2020, fewer people attained actuarial credentials starting in 2019.

A career with high income, high demand, and advancement opportunities.

Compensation levels for actuaries is high, with a median annual salary of \$105,900.

Compensation compares favorably to other mathematical science occupations that have a median annual salary of \$98,680. Actuarial compensation is nearly twice that of the annual income of the median occupation!

By The Numbers:

#7 in Best Business Jobs

#11 in Best STEM Jobs

#24 in Best Paying Jobs

Seventy-six percent of actuaries are employed in the finance and insurance industry. While actuaries do complete a slate of rigorous professional exams, a bachelor's degree is often the only level of education required^{xi}.

Annual job surveys consistently rank actuaries highly. The profession is noted for above-average upward mobility, average stress level, and average flexibility^{xii}.

ⁱ www.data.iowa.gov

ⁱⁱ <https://fortune.com/company/principal-financial/fortune500/>

ⁱⁱⁱ JobsEQ

^{iv} JobsEQ

^v <https://www.referenceforbusiness.com/small/Bo-Co/Clusters.html>

^{vi} <https://www.globalinsuranceaccelerator.com/>

^{vii} <https://www.brokertechventures.com/#about-the-team>

^{viii} <https://www.dsmpartnership.com/growing-business-here/key-industries/insurance--financial-services>

^{ix} JobsEQ

^x <https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/>

^{xi} <https://www.bls.gov/ooh/math/actuaries.htm>

^{xii} <https://money.usnews.com/careers/best-jobs/actuary>