



**ECONOMIC &
WORKFORCE
DEVELOPMENT**
through the
CALIFORNIA
COMMUNITY
COLLEGES

**BUSINESS AND WORKFORCE
PERFORMANCE IMPROVEMENT INITIATIVE**



**Strategic Possibility Report
Los Angeles/Orange/Inland Empire**

**Finance, Insurance, & Real Estate
Cluster (FIRE)**

Focus on Insurance



Centers of Excellence

Los Angeles, Orange County, and Inland Empire

April, 2007



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Strategic Possibility Summary for Los Angeles/Orange County/Inland Empire Community Colleges

FIRE: Focus on Insurance

April, 2007

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GODBE Research

THE BUSINESS AND WORKFORCE PERFORMANCE IMPROVEMENT INITIATIVE IS A GRANT-FUNDED PROJECT THROUGH THE ECONOMIC & WORKFORCE DEVELOPMENT NETWORK OF THE CALIFORNIA COMMUNITY COLLEGES. OUR MISSION IS TO STRENGTHEN CALIFORNIA'S WORKFORCE AND ADVANCE ECONOMIC GROWTH THROUGH EDUCATION, TRAINING AND JOB DEVELOPMENT.

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THERE ARE APPROXIMATELY 100,000 PEOPLE EMPLOYED IN THE INSURANCE INDUSTRY IN LOS ANGELES, ORANGE COUNTY, AND THE INLAND EMPIRE. A SURVEY CONDUCTED OF EMPLOYERS IN THE TRI-REGION AREA INDICATED THAT OVER 50% OF EMPLOYERS HAVE DIFFICULTY FINDING NON-ENTRY LEVEL EMPLOYEES AND OVER 40% STATED DIFFICULTY FINDING ENTRY-LEVEL WORKERS. – SOURCE: GODBE RESEARCH.

Executive Summary

Community Colleges are in a position to identify and develop programs in high-growth, well-paying industries to assist students to gain marketable skills and be able to compete in our constantly evolving economy. Economic restructuring and globalization have dramatically changed how companies operate. Demand for highly educated, highly skilled workers in the state is projected to grow over the next twenty years to meet the needs of a high-tech, high-end service economy.¹

The Los Angeles Economic Development Corporation (LAEDC) and labor market information data indicate that Finance and Insurance Industries in Southern California maintain a solid base of jobs and project steady growth². The Real Estate industry has also been growing at a rapid rate. The Centers of Excellence of Los Angeles, Orange County, and the Inland Empire recently partnered to explore opportunities for community colleges in the identified cluster area of Finance, Insurance, and Real Estate (FIRE).

Multiple occupations within the North American Industrial Classification System (NAICS) codes 52 (Finance and Insurance) and 53 (Real Estate and Rental and Leasing) were investigated to identify those with the strongest potential for growth and best areas for community college programs. Eleven occupations were chosen³. This report looks at three occupations identified within the Insurance Industry, NAICS 52:

- **Insurance Sales Agent** - SOC Code 41-3021,
- **Claims Adjusters, Examiners, and Investigators** – SOC Code 13-1031, and
- **Insurance Underwriters**- SOC Code 13-2053.

¹ Ellen Hanak and Mark Baldassare, California 2025: Taking on the Future, Public Policy Institute of California, July 2005.

² Los Angeles Economic Development Corporation (LAEDC): 2007-2008 Economic Forecast and Industry Outlook.

³ Reports summarizing opportunities in Real Estate and Finance are also available at www.ccewd.net/industryscans.

The following multiple factors create an opportunity for the community colleges to respond:

The Insurance industry is a large employer. There are currently over 10,000 people employed in the Insurance industry in the Inland Empire, over 34,000 in Orange County, and over 54,000 in Los Angeles County for a total just short of 100,000 people employed in this industry in the tri-county region.

There is unmet demand for qualified employees. A survey conducted of 130 employers by Godbe research indicates that employers face difficulty finding qualified applicants for the insurance occupations. Industry changes such as the anticipated growth of the medical and health insurance fields are also affecting demand. While turnover in the Finance, Insurance, and Real Estate Cluster is somewhat below average, the average age of employees is increasing; this is creating concern among employers that baby boomer retirements over the next three to seven years will create large numbers of openings. In fact, in Los Angeles County, there are approximately 800,000 employees over the next ten years that will reach retirement age.

The Insurance industry pays well and offers advancement opportunities. The industry provides higher than average wages with clear career pathways for advancement; additionally, many jobs do not require a Bachelor's Degree. In fact, median wage levels were higher than the median for all industries (\$38,759 vs. \$34,059). This is important to Southern California as concerns regarding the dwindling middle class continue and the divide between rich and poor widens. The colleges must assist students to enter careers with good wages and upward mobility.

Insurance is part of a larger cluster identified as Finance, Insurance and Real Estate (FIRE). The cluster as a whole is a large contributor to jobs in the three regions and there is an opportunity to create cross-disciplinary programs offering students multiple pathways. Many financial institutions are beginning to offer an array of insurance services available within their banking institutions or what they are beginning to call "stores". As these services continue to integrate, it will benefit students to acquire skills in the FIRE cluster in order to be flexible and adaptable to evolving workforce needs.

Finally, as colleges often lack the resources to create new programs, **there is a statewide program that offers resources to colleges interested in developing courses.** The program offers a 12-unit curriculum including a paid internship. It also provides free industry certified faculty training and additional marketing and teaching resources.

All of these factors combine to make Insurance an excellent option for colleges seeking to attract new students and support economic development in their communities.

How Do Industry Clusters Impact Community Colleges?

The California Regional Economies Project identifies an industry cluster as:

“A concentration of companies and industries in a geographic region, which are interconnected by the markets they serve and the products they produce, as well as the network of suppliers and key economic foundation such as research universities, capital, physical infrastructure, and labor market.”

Clusters are important for community colleges because as globalization continues, employees need to be flexible with a strong base of technical and soft skills. Employees within clusters may work across industries during their careers. Programs that provide entry into one industry will also provide students with opportunities to be employed across the cluster.

FIRE Industry Cluster Overview

The finance, insurance, and real estate cluster includes agencies and services such as commercial banking, credit unions, credit card issuing, consumer lending, securities, commodity contracts, portfolio management, direct life, health, and medical insurance, pension, health and welfare funds, and real estate renting, leasing and sales, property management, and real estate appraisal.

According to the 2002 U.S. Census Bureau’s Economic Census, the finance and insurance industries generated nearly \$4 trillion in revenue, while the real estate industry generated approximately \$244 billion nationwide. According to the latest information available through the California Department of Finance⁴, banks generated \$13.5 billion in net income, investment institutions and other financial institutions generated \$4.1 billion, and real estate generated \$5.2 billion in net income statewide.

Table 1. FIRE Cluster Projected Growth Through 2015

	% of Workforce	2005	2015	New Jobs	% Change
Los Angeles County	55%	216,971	247,490	30,518	14.1%
Orange County	34%	133,594	162,180	28,586	21.4%
Inland Empire	11%	41,612	47,504	5,891	14.2%
Total	100%	392,178	457,174	64,995	16.6%

Economy.com 2006

According to Economy.com, the Finance, Insurance, and Real Estate Cluster in the tri-county region currently employs 392,178 people and is projected to grow by 17% over the next ten years. With strong short-term hiring expectations (greater than four percent) and increased employment of approximately 65,000 employees by 2015, the FIRE cluster provides solid growth for the three counties. As a mature cluster with current employment close to 400,000 and solid growth expectations for employment, the FIRE cluster is a low risk, relatively high reward cluster for the

⁴ California Department of Finance, 2003 California Statistical Abstract

development and expansion of training and education programs by community colleges in Los Angeles, Orange County, and the Inland Empire.

While the study looked at eleven promising occupations, this report focuses on three within the Insurance Industry. In Table 2, projections for insurance-related occupations within the FIRE cluster show positive growth both in the short-term and ten years out.⁵ Survey respondents indicated an immediate need for additional employees over the next year and expect that demand will continue to grow or stabilize over the next ten years. And as was mentioned previously, students who prepare for employment within the Insurance Industry will have access to the entire range of positions available within this cluster.

Table 2. Expected Growth within Organizations Interviewed

SOC Code	Job Title	Current Employees	Projected Employees	Number Change	1 Year Growth	10 Year Growth
41-3021	Insurance Sales Agents	227	250	23	10.1%	10.1%
13-1031	Claims Adjusters, Examiners, and Investigators	254	259	5	2.0%	4.8%
13-2053	Insurance Underwriters	221	225	4	1.8%	7.6%

Regional Employer Priorities

Los Angeles County

With over five percent growth in employment projected over the next 12 months and over 200,000 current employees, the FIRE cluster in Los Angeles County reveals the strongest demand for new qualified applicants. Employers in Los Angeles County indicated the greatest difficulty recruiting non entry-level employees with adequate skills and experience, but also had close to 50 percent of employers state at least some difficulty recruiting individuals with cross-disciplinary skills. These include the written, verbal, and technical skills that are required of positions in the FIRE industry including Insurance Sales Agents and Insurance Underwriters. It can also refer to the ability to work in multiple departments such as finance, risk management, and budgeting. The term “cross disciplinary skills” is increasingly found in multiple job advertisements and descriptions. Given the difficulty recruiting non entry-level employees, it is not surprising that employers in Los Angeles County were most interested in working with the community colleges on a *customized training program for current finance, insurance, and real estate employees*.

⁵ These projections are calculated from 130 in-depth interviews focusing on current and emerging workforce demands in the tri-county regional area.

Orange County

With over 20 percent growth in employment projected over the next 10 years and over 130,000 current employees, the FIRE cluster in Orange County also showed strong demand for new qualified applicants, particularly for entry-level employees. *At least 80 percent of Orange County employers indicated at least some interest in partnering with their local community colleges.*

Inland Empire

With over four percent growth in employment projected over the next 12 months, the FIRE cluster in the Inland Empire revealed relatively strong short-term demand for new qualified applicants and overall growth expectations of 14 percent in employment by 2015. Employers in the Inland Empire indicated the greatest difficulty recruiting non-entry-level employees with adequate skills and experience. They also reported that close to 50 percent of employers experienced some difficulty recruiting individuals with cross-disciplinary skills required by the industry. *Inland Empire employers in the FIRE cluster were most interested in partnering with the community colleges on a cross-disciplinary two-year associate's degree program.*

Occupations in Demand

Survey respondents identified three occupations within the Insurance Industry that are likely to be undersupplied in the future:

- Insurance Sales Agents
- Claims Adjusters, Examiners, and investigators
- Insurance Underwriters

Insurance Sales Agent

Insurance sales agents sell life, property, casualty, health, automotive, or other types of insurance. They may also refer clients to independent brokers, work as independent broker, or be employed by an insurance company.

Current Employment and Projected Growth

There were 11,657 insurance sales agents employed in the tri-region FIRE sector in 2005 and the number is expected to increase by 1,177 jobs by 2015. While growth rates for insurance sales agents are not as robust as other occupations in the sector, employers are finding it difficult to find qualified applicants to replace those who are retiring or leaving the workforce.

Table 3. Insurance Sales Agents – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles	7,233	7,996	763	10.6%
Orange County	3,231	3,538	307	9.5%
Riverside County	470	473	3	12.5%
San Bernardino County	773	827	54	7.0%
Total All Regions	11,657	12,834	1,177	10.1%

Economy.com 2006

Wages

The median annual wage for insurance sales agents in the tri-county region in 2004 was \$59,779.⁶ The 25th percentile wage⁷ in the three regions was \$56,287, while the 75th percentile wage was \$68,305.

Claims Adjusters, Examiners, and Investigators

Claims adjusters, examiners, and investigators review settled claims to determine that payments and settlements have been made in accordance with company practices and procedures, ensuring that proper methods have been followed. They also report overpayments, underpayments, and other irregularities, and may confer with legal counsel on claims requiring litigation.

Current Employment and Projected Growth

There were 9,270 claims adjusters, examiners, and investigators employed in Los Angeles, Orange and San Bernardino Counties in 2005; data was not available for Riverside County. It is expected to rise to 9,714 by 2015. This is another occupation where the growth rate is not exploding, but there is a solid base of jobs that employers are finding difficult to fill.

Table 4. Claims Adjusters, Examiners, and Investigators – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles	4,819	5,031	212	4.4%
Orange County	4,007	4,200	193	4.8%
Riverside County*				
San Bernardino County	443	483	39	8.8%
Total All Regions	9,270	9,714	444	4.8%

Economy.com 2006

Wages

The median annual wage for claims adjusters, examiners, and investigators in the tri-county region in 2004 was \$53,461. The 25th percentile wage in the three counties was \$52,064, while the 75th percentile wage was \$55,832.

⁶ The median is the middle number in a series of data. If there is an even number of data points, the average of the two middle values is taken as the median.

⁷ A percentile orders data in a way that easily demonstrates what percentage of the data falls above or below a certain point. For example, if the 75th percentile wage were \$100,000, then 75 percent of employees in the occupation would make less than \$100,000 and twenty-five percent would make more than \$100,000.

Insurance Underwriters

Insurance underwriters review individual applications for insurance to evaluate degree of risk involved and determine acceptance of applications.

Current Employment and Projected Growth

There were 3,454 insurance underwriters employed in Los Angeles and Orange Counties in 2005. Over 3,700 are projected to be employed within the area by 2015. This number is slightly lower than statewide projections, but again, this is an area emphasized by employers as one in which it is difficult to find skilled workers.

Table 5. Insurance Underwriters – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles	2,099	2,278	179	8.5%
Orange County	1,355	1,437	82	6.0%
Riverside County*				
San Bernardino County*				
Total All Regions	3,454	3,715	261	7.6%

Economy.com 2006 (*Data not available for Riverside and San Bernardino Counties)

Wages

The median annual wage for insurance underwriters employed in the tri-county region in 2004 was \$62,831. The 25th percentile wage in the tri-county region was \$48,135, while the 75th percentile wage is \$64,465.

For additional information on the above occupations see the full occupational profiles in Appendix C.

Occupational Summary

Insurance Sales Agent, Claims Adjusters, Examiners and Investigators, and Insurance Underwriters offer strong career opportunities for students wishing to enter the industry. More detailed information on each of the occupations can be found in Appendix C, along with possible positions held prior to the aforementioned occupations and possible advancement opportunities. The table below includes additional occupations in the insurance industry including entry-level positions which are easily transferable within the greater FIRE Cluster.

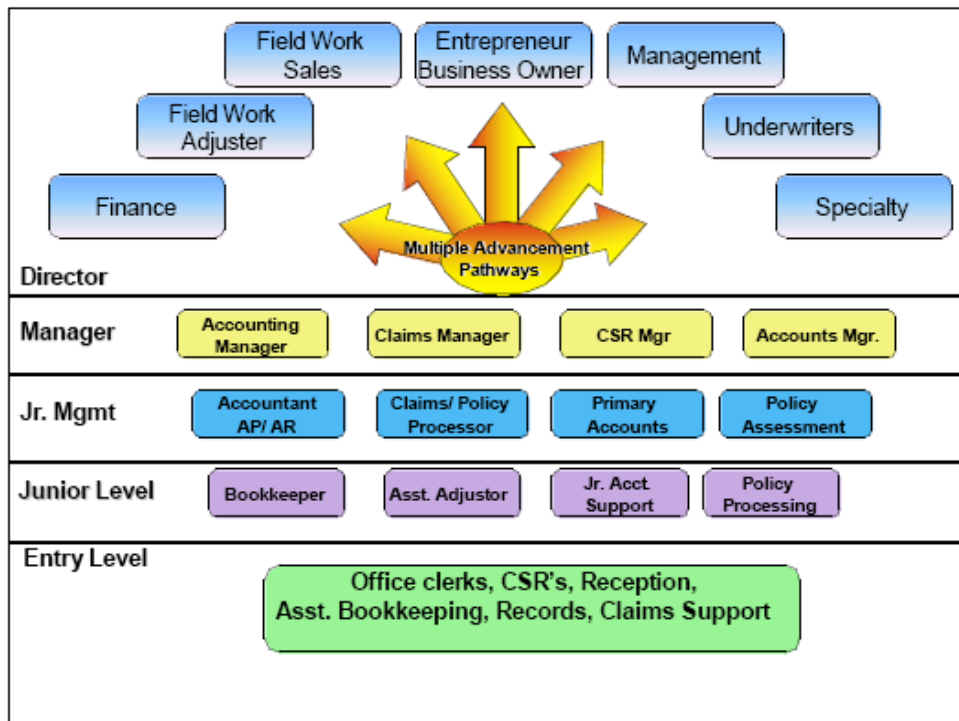
Insurance Industry Occupations:

- 41-3021 Insurance Sales Agents
- 43-4051 Customer Service Representatives
- 43-9041 Insurance Claims and Policy Processing Clerks
- 13-1031 Claims Adjusters, Examiners, and Investigators
- 13-2053 Insurance Underwriters
- 43-6011 Executive Secretaries and Administrative Assistants
- 43-1011 First-line Supervisors/Managers of Office and Administrative Support Workers
- 41-1012 First-line Supervisors/Managers of Non-Retail Sales Workers
- 43-6014 Secretaries, Except Legal, Medical, and Executive
- 43-9061 Office Clerks, General
- 43-3031 Bookkeeping, Accounting, and Auditing Clerks

Source: Economic Modeling Specialists, Inc. • 3/07

Possible career pathways are shown in the career ladder below provided by the California Insurance Careers Program.

CBICP Career Ladder



CBICP Career Ladder

Community Colleges Programs in Insurance

As of March, 2007, there are six colleges statewide that have approved insurance programs under top code 0512.00 listed in the California Community Colleges Chancellor's Office Program Inventory. The six colleges are Glendale, Palomar, San Joaquin Delta, San Mateo, Solano, and Southwestern. Most of these are relatively new programs created within the last two years; only one of these (Glendale) is located in the tri-county region. Appendix D has additional information on these programs.

The California Insurance Careers Program is also working with multiple colleges to create additional offerings to address entry-level positions in the industry. They are working with Glendale, Palomar, Feather River, San Mateo, Solano, and Merritt. The Program is working with additional colleges for fall 2007 implementation. These include Cerritos, Pierce, Riverside, Sacramento, Santa Rosa, Southwestern, and San Joaquin Delta.

California Insurance Careers Program

The California Insurance Careers Program was created in response to a need identified by a statewide consortium of insurance companies, community colleges, and other professional insurance associations. In response to the need for entry-level workers, a grant was awarded under the President's Community-Based Job Training Grant through the Department of Labor. The grant is held by Solano Community College. The Insurance Careers Program is a 12-unit curriculum with three core three unit classes (including a paid internship) that prepare students for entry-level positions in the Insurance Industry. These courses are available both online and in class settings for colleges to adapt. The program also provides free industry certified faculty training and additional marketing and teaching resources and materials. More information can be accessed at www.ca-icp.com or view the press release included as Appendix E.

Conclusions and Recommendations

The Finance, Insurance, and Real Estate (FIRE) cluster offers an opportunity for colleges to develop cross-disciplinary programs for students to gain marketable skills to obtain well-paying jobs with upward mobility. Clusters and cross-disciplinary skills are important because as economic restructuring and globalization continue, workers need to be flexible and adaptable with a solid base of technical and soft skills.

Within the FIRE cluster, the insurance industry is a large employer (close to 100,000 employees) and projects stable growth in the tri-county region. The industry is also concerned with the high rate of retirements predicted over the next three to seven years. Three occupations have been identified as having strong potential for students wishing to pursue careers in the insurance industry: Insurance Sales Agent (41-3021), Claims Adjusters, Examiners, and Investigators (13-2053), and Insurance Underwriters (13-2053).

As concerns regarding the “hollowing out” of the middle class continue, this industry provides higher than average wages with clear career pathways for advancement and many jobs do not require a Bachelor’s Degree. This is also true to the related industries of Finance and Real Estate.

Additionally, employers have indicated that they have difficulty finding qualified applicants for entry-level *and* more advanced positions. The colleges have an opportunity to create programs to arm students with the necessary skills to enter into the industry. They can also provide existing workers with little or no previous knowledge of the industry an affordable alternative to high cost classes provided by private companies and educational institutions.

In fact, since this industry was identified as a high-growth, high-wage industry nationwide, a statewide program has been created to support colleges wishing to develop new programs. The California Insurance Careers Program offers colleges an opportunity to adopt courses to prepare students for entry-level jobs that can be offered in a classroom or in an online setting. The program also offers faculty support and resources. This program is well underway and ready to assist colleges.

The majority of employers who were surveyed also reported difficulty recruiting individuals with cross-disciplinary skills required by the industry and expressed an interest in a program that would provide a cross-disciplinary certificate or an associate’s degree preparing students for a bachelor’s degree related to the FIRE cluster. Cross-disciplinary skills include the written, verbal, and technical skills that are required of positions in the FIRE industry. It also refers to the ability to work in multiple departments such as finance, risk management, and budgeting.

The term “cross disciplinary skills” is increasingly found in multiple job advertisements for the FIRE industry.

Overall, survey findings indicate a demand for education and training that is more tailored to the FIRE cluster and the different disciplines needed by finance, insurance, and real estate employers.

Workforce-specific training could be combined in a certificate program provided by the community college system that is focused on a specific industry (finance, insurance, or real estate) and/or a specific occupation type (analysts, managers, or sales agents). This program would provide specific training for the FIRE cluster while also providing students the choice of a fast-track into the FIRE cluster or a more traditional approach with career specific training building towards a bachelor’s degree. It should be noted that for 10 of the 11 occupations evaluated for this cluster, only financial analysts had an average “typical” education requirement closer to a bachelor’s degree than a certificate, associate’s degree, or lower.

All of these factors combine to create an opportunity for the community colleges to respond. It is an excellent option for colleges seeking to attract new students, integrate a cross-disciplinary approach to courses, and introduce students to a vital industry cluster while supporting economic development in their communities.

References

California Community Colleges Chancellor's Office, Inventory of Approved Programs

California Department of Finance, 2003 California Statistical Abstract

CA Employment Development Department, Occupational Profiles, SOC 41-3021, SOC 13-1031, SOC 13-2053

California Insurance Careers Program (www.ca-icp.com)

California State EDD LMID (www.calmis.ca.gov)

Economic Modeling Specialists, Inc. Insurance Occupations March, 2007

Godbe Research, Finance, Insurance, and Real Estate (FIRE) Employer Survey 2006

Los Angeles Economic Development Corporation, (LAEDC) 2006-2007 Economic Forecast and Industry Outlook

Public Policy Institute of California, California 2025: Taking on the Future July 2005

U.S. Department of Labor ETA, Career Voyages (www.careervoyages.gov/index.cfm)

Appendix A: How to Utilize this Report

About Us - Description of BWPI

The Business and Workforce Performance Improvement (BWPI) initiative is focused on building the capacity of the colleges in the area of economic and workforce development to enhance their ability to deliver education and training services to businesses and workers in high growth industries, new technologies, and other clusters of opportunities.

The Centers of Excellence (COE) within BWPI provide information regarding workforce trends, increasing awareness and visibility about the colleges economic and workforce development programs and services, and building partnerships with business and industry.

The difference this will make to the colleges is that it will position them as THE workforce partners of choice to business and industry and ensure that college programs are current and responsive. This will contribute to the overall economic vitality of the communities in which they serve.

How to Use This Strategic Possibility Report

The Centers of Excellence within the Business and Workforce Performance Improvement Initiative of the California Community College Economic and Workforce Development Program have undertaken Industry Scanning to provide targeted and valuable information to community colleges on high growth industries and occupations.

This report, while not a full industry scan, is intended to assist the decision-making process of California community college administrators and planners in addressing local and regional workforce needs and emerging job opportunities in the workplace as they relate to college programs. The information contained in this report can be used to guide program offerings, strengthen grant applications, and support other economic and workforce development efforts.

This report is designed to provide current industry data that will:

- Define potential strategic opportunities relative to an industry's emerging trends and workforce needs;
- Influence and inform local college program planning and resource development; and
- Promote a future-oriented and market responsive way of thinking among stakeholders.

This Industry Scan included a review of the California Regional Economies Project reports and Employment Development Department (EDD) Labor Market

Information (LMID) projections that cover the communities in this region, as well as many other sources as listed.

Important Disclaimer:

All representations included in this Environmental Scan product/study have been produced from a secondary review of publicly and/or privately available data and/or research reports. Efforts have been made to qualify and validate the accuracy of the data and the reported findings. The purpose of the Environmental Scan is to assist the California Community Colleges to respond to emerging market needs for workforce performance improvement. However, neither the Business and Workforce Performance Improvement Centers of Excellence, COE host college or California Community Colleges Chancellor's Office are responsible for applications or decisions made by recipient community colleges or their representatives based upon this study including components or recommendations.

Appendix B: Associations

Adapted from the INSURANCE JOURNAL: <http://www.insurancejournal.com/>

American Agents Alliance

1768 Arrow Highway, #105
La Verne, CA 91750
Phone: (909) 392-0836
Toll Free: (866) 280-3222
Fax: (909) 392-0892

American Association of Insurance Services

1745 S. Naperville Rd.
Wheaton, IL 60187-8132
Phone: (630) 681-8347
Toll Free: (800) 564-AAIS
Fax: (630) 681-8356

Brokers & Reinsurance Markets Association

P.O. Box 1131
Park Ridge, IL 60068
Phone: (847) 720-3666
Fax: (847) 720-4257

Central Claims Executives Association

527 Colman Center Dr.
Rockford, IL 61125
Phone: (815) 229-1500
Fax: (815) 229-6513

Chartered Property Casualty Underwriters Society

720 Providence Rd.
Malvern, PA 19355
Phone: (610) 251-2738
Toll Free: (800) 932-2728
Fax: (610) 251-2761

IADA (Independent Automotive Damage Appraisers Association)

PO Box 12291
Columbus, GA 31917-2291
Toll Free: (800) 369-4232
Fax: (706) 569-5173

Insurance Brokers & Agents of the West

7041 Koll Center Parkway, Ste 290
Pleasanton, CA 94566
Phone: (925) 426-3300
Toll Free: (800) 772-8998
Fax: (818) 244-7306

Insurance Educational Association

2670 North Main Street, Suite 350
Santa Ana, CA 92705
(800) 655-4432, or (714) 689-0090
Fax: (714)689-0112
Info@ieatraining.com

Latin American Agents Association

11819 Valley Blvd.
El Monte, CA 91744
Phone: (626) 444-0999
Fax: 626444

National Association of Insurance Women

6528 E. 101st St., PMB 750
Tulsa, OK 74133
Phone: (918) 744-5195
Toll Free: (800) 766-6249
Fax: (918) 743-1968

National Auto Agents Alliance, Inc.

2910 Roxburgh Drive
Roswell, GA 30076
Phone: (770) 312-2342
Fax: (770) 751-6548

Risk and Insurance Management Society

655 Third Avenue, 2nd Floor
New York, NY 10017
Phone: (212) 286-9292
Fax: (212) 655-4899

Appendix C: Occupational Profiles

Insurance Sales Agent

Occupation Description

Insurance sales agents sell life, property, casualty, health, automotive, or other types of insurance. They may also refer clients to independent brokers, work as independent broker, or be employed by an insurance company.

Secondary Titles

Other job titles include insurance agent, agent, sales agent, sales representative, account executive, insurance broker, insurance sales agent, underwriting sales representative, customer service representative (CSR), and district sales coordinator.

Job level

Entry-level

Assessment of Need

Lower than average projected job growth in the tri-region area, 2005-2015

Mean wage lower in the tri-region area than in California

Current Employment and Projected Growth

There were 11,657 insurance sales agents employed in the tri-region FIRE sector in 2005. Twelve thousand eight hundred and thirty-four (12,834) are projected to be employed within the tri-region area by 2015, an average annual growth rate of one percent. By comparison, the annual average growth rate expected within the finance and insurance industries in California between 2005 and 2015 is expected to be higher at 1.35 percent.

Table C1. Insurance Sales Agents – Employment Forecasts

	2005	2015	New Jobs	% Growth
Lus Angeles	7,233	7,996	763	10.6%
Orange County	3,231	3,538	307	9.5%
Riverside County	420	473	53	12.5%
San Bernardino County	773	827	54	7.0%
Total All Regions	11,657	12,834	1,177	10.1%

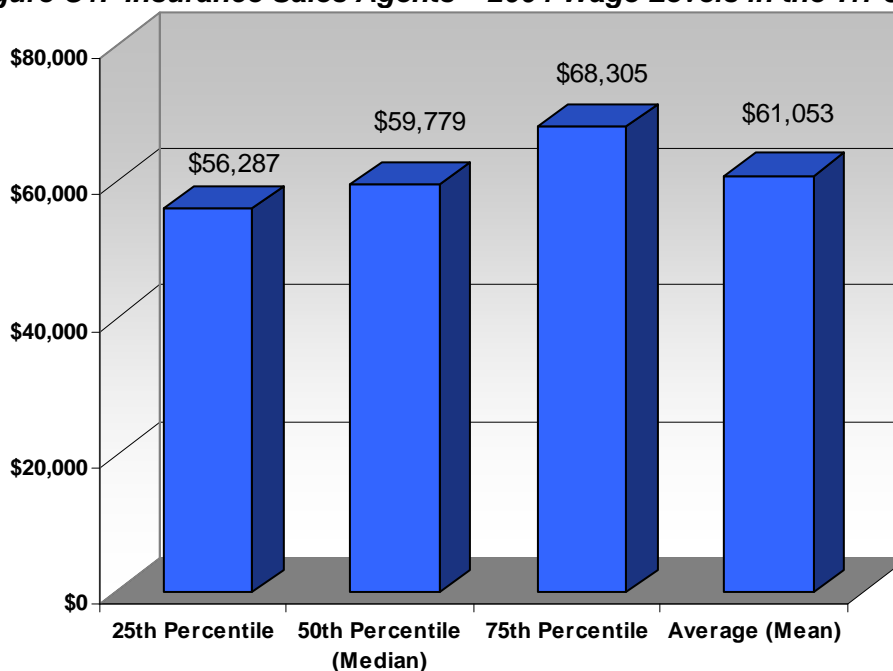
Insurance sales agents are employed primarily (82%) within the agencies, brokerages, and other insurance related activities sub-segment of the real estate industry. The remaining percent of insurance sales agents are employed in the insurance carriers sub-sector of the real estate industry.

Table C2. Employment of Insurance Sales Agents by NAICS Code

NAICS	NAICS Description	2005 Employment	Percent of Employment in FIRE Cluster
5241	Insurance Carriers	2147	18.42%
5242	Agencies, Brokerages, and Other Insurance Related Activities	9510	81.58%

Wages

The median annual wage for insurance sales agents in the tri-county region in 2004 was \$59,779.⁸ The 25th percentile wage⁹ in the tri-county region was \$56,287, while the 75th percentile wage was \$68,305.

Figure C1. Insurance Sales Agents – 2004 Wage Levels in the Tri-County Region**Career Ladders (Survey Results)**

During the survey, employers were asked which occupations successful candidates may have held before they were hired as well as after working successfully in their current position.

Previous Occupations: Sales, Account Manager, Insurance Underwriter

Following Occupations: Sales, Branch Manager, Escrow Officer

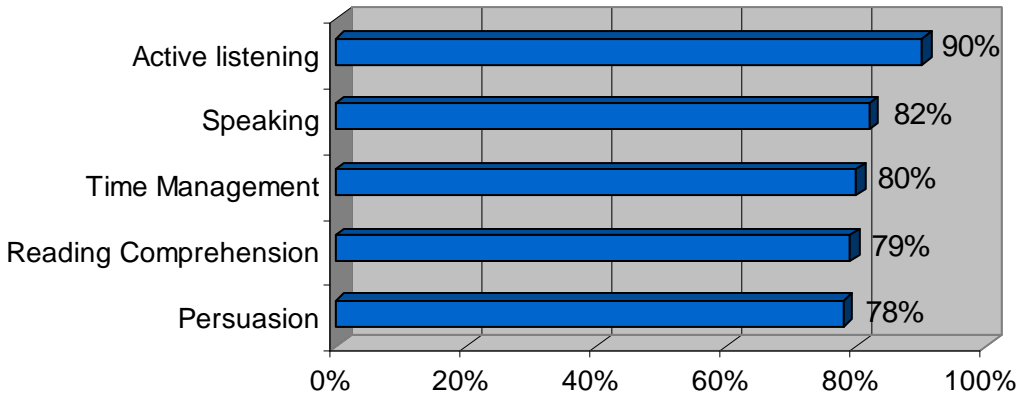
⁸ The median is the middle number in a series of data. If there is an even number of data points, the average of the two middle values is taken as the median.

⁹ A percentile orders data in a way that easily demonstrates what percentage of the data falls above or below a certain point. For example, if the 75th percentile wage were \$100,000, then 75 percent of employees in the occupation would make less than \$100,000 and twenty-five percent would make more than \$100,000.

Skill Assessment

For insurance sales agents, active listening was ranked as the most important skill.

Figure C2. Insurance Sales Agents – Skill Importance (General Across Industries)



For insurance sales agents, the three most important skills are:

Active Listening — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Speaking — Talking to others to convey information effectively.

Time Management — Managing one's own time and the time of others.

Education and Training

Educational requirements for insurance sales agents range from required training in vocational schools, related on-the-job experience, or an associate's degree. Some may require a bachelor's degree. Employers may also accept a high school education or equivalency education.

Insurance sales agents are required to have passed a licensing exam prior to selling policies. A list of state approved licensing authorities is provided in

Table C3. These licenses may be obtained through local agencies acting as a representative of the State Agency associated with each particular license.

Figure C3. Distribution of Educational Attainment – Insurance Sales Agents

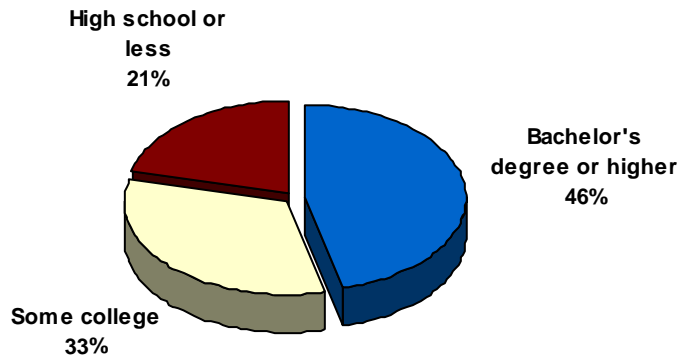


Table C3. Possible Licenses Required and Issuing Authority

License Title	License Authority
Surplus Lines Broker	Department of Insurance, Producer Licensing Bureau 320 Capitol Mall Sacramento, CA 95814- Phone: 916-322-3555
Travel Insurance Agent	Department of Insurance, Producer Licensing Bureau 320 Capitol Mall Sacramento, CA 95814- Phone: 916-322-3555
Fire and Casualty Broker-Agent	Department of Insurance, Producer Licensing Bureau 320 Capitol Mall Sacramento, CA 95814- Phone: 916-322-3555
Life Agent	Department of Insurance, Producer Licensing Bureau 320 Capitol Mall Sacramento, CA 95814- Phone: 916-322-3555
Motor (Automobile) Club Agent	Department of Insurance, Producer Licensing Bureau 320 Capitol Mall Sacramento, CA 95814- Phone: 916-322-3555
Part-time Fraternal Agent	Department of Insurance, Producer Licensing Bureau 320 Capitol Mall Sacramento, CA 95814- Phone: 916-322-3555
Personal Lines Broker-Agent License (Insurance)	Department of Insurance, Producer Licensing Bureau 320 Capitol Mall Sacramento, CA 95814- Phone: 916-322-3555

Claims Adjusters, Examiners, and Investigators

Occupation Description

Claims adjusters, examiners, and investigators review settled claims to determine that payments and settlements have been made in accordance with company practices and procedures, ensuring that proper methods have been followed. They also report overpayments, underpayments, and other irregularities, and may confer with legal counsel on claims requiring litigation.

Secondary Titles

Secondary titles include claims examiner, claims adjuster, claims specialist, claims manager, claims representative, customer care specialist, claims analyst, claims supervisor, home office claim specialist, litigation examiner, independent insurance adjuster, field liability generalist, or field adjuster.

Job Type

Entry-level

Assessment of Need

Lower than average projected job growth in the tri-region area, 2005-2015

Average annual income equivalent to state average for this occupation

Some tri-region employers reported difficulty finding qualified applicants

Current Employment and Projected Growth

There were 9,270 claims adjusters, examiners, and investigators employed in Los Angeles, Orange and San Bernardino Counties in 2005, no data was available for Riverside County. Nine thousand seven hundred and fourteen (9,714) are projected to be employed in the tri-region area by 2015, an average annual growth rate of 0.48 percent. By comparison, the annual average growth rate in California between 2005 and 2015 is expected to be higher at 1.35 percent.

Table C4. Claims Adjusters, Examiners, and Investigators – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles	4,819	5,031	212	4.4%
Orange County	4,007	4,200	193	4.8%
Riverside County*				
San Bernardino County	443	483	39	8.8%
Total All Regions	9,270	9,714	444	4.8%

*Data not available for Riverside County

Nearly two-thirds (63%) of claims adjusters, examiners and investigators are employed in the insurance carriers sub-sector of the finance and insurance industry. Just over one-third (35%) are employed in the agencies, brokerages, and other insurance related activities sub-sector of the industry. Just over one percent are employed in the other financial institutions sub-sector, and less than one percent are employed in the insurance and employee benefit funds sub-sector of the finance and insurance industry.

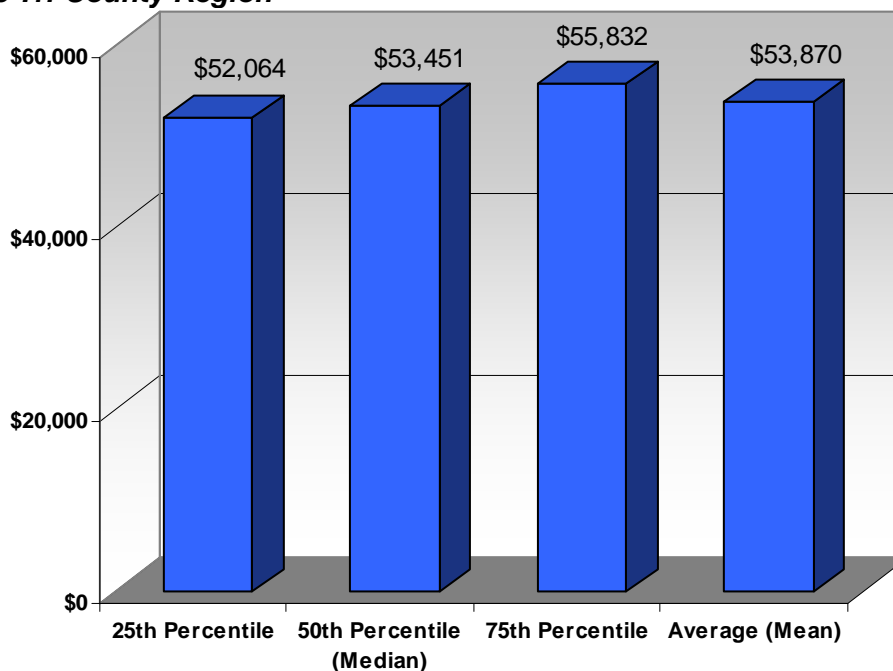
Table C5. Employment of Claims Adjusters, Examiners, and Investigators by NAICS Code

NAICS	NAICS Description	2005 Employment	Percent of Employment in FIRE Cluster
5239	Other Financial Investment Activities	126	1.36%
5241	Insurance Carriers	5795	62.51%
5242	Agencies, Brokerages, and Other Insurance Related Activities	3270	35.28%
5251	Insurance and Employee Benefit Funds	79	0.85%

Wages

The median annual wage for claims adjusters, examiners, and investigators in the tri-county region in 2004 was \$53,461. The 25th percentile wage in the tri-county region was \$52,064, while the 75th percentile wage was \$55,832.

Figure C4. Claims Adjusters, Examiners, and Investigators – 2004 Wage Levels in the Tri-County Region



Career Ladders (Survey Results)

During the survey, employers were asked which occupations successful candidates may have held before they were hired as well as after working successfully in their current position.

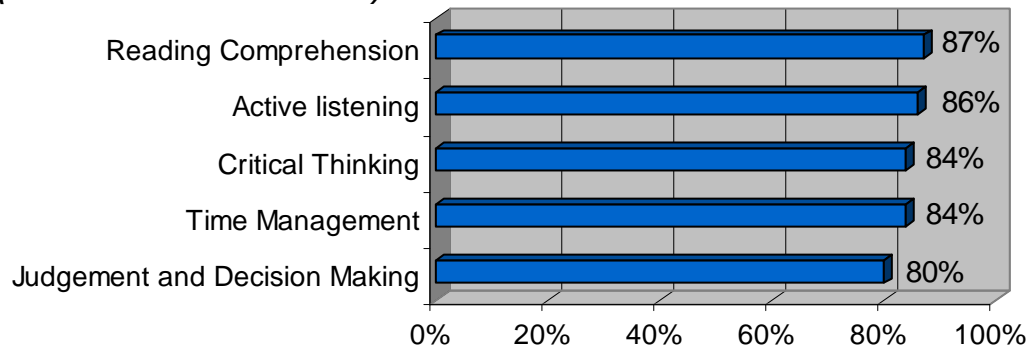
Previous Occupations: Claims Assistant, General Office

Following Occupations: Senior Adjuster, Team Manager, Independent Consultant

Skill Assessment

For claims adjusters, examiners, and investigators, reading comprehension making was ranked as the most important skill.

Figure C5. Claims Adjusters, Examiners, and Investigators – Skill Importance (General Across Industries)



For claims adjusters, examiners, and investigators, the three most important skills are:

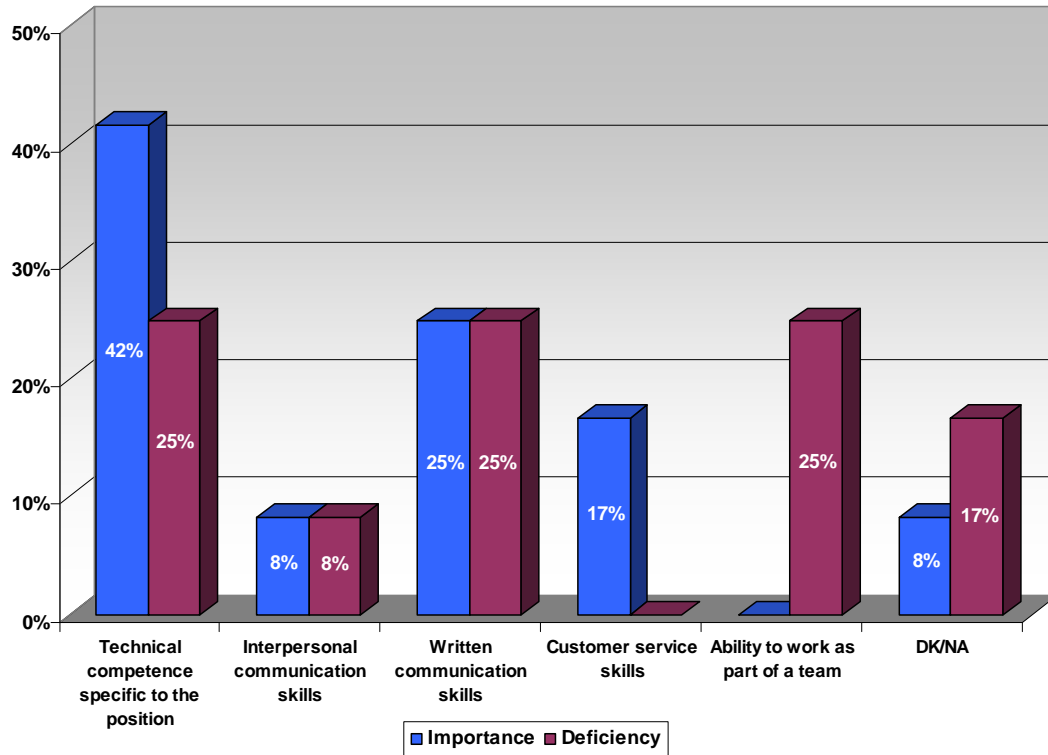
Reading Comprehension — Understanding written sentences and paragraphs in work related documents.

Active Listening — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Critical Thinking — Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

The figure below shows the importance and deficiency levels reported by employers in the survey research component of the study, specific to the FIRE cluster.

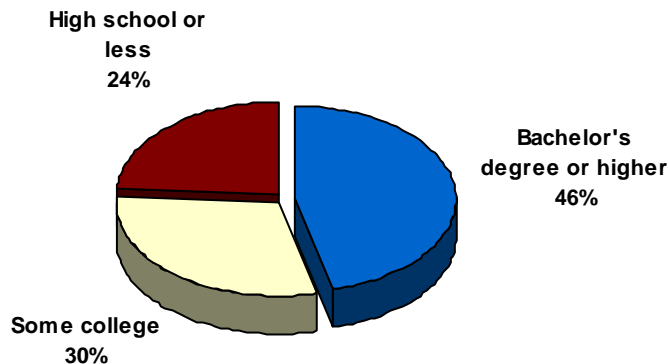
Figure C6. Skill Importance and Deficiency – Claims Adjusters, Examiners, and Investigators (Survey)



Education and Training

Most employers require training in vocational schools, related on-the-job experience, or an associate's degree for claims adjusters, examiners, and investigators. Some employers may require a bachelor's degree. Claims adjusters, examiners and investigators are often required to complete additional training as part of their job, and many employers prefer additional outside training.

Figure C7. Distribution of Educational Attainment – Claims Adjusters, Examiners, and Investigators



Insurance Underwriters

Occupation Description

Insurance underwriters review individual applications for insurance to evaluate degree of risk involved and determine acceptance of applications.

Secondary Titles

Secondary titles for insurance underwriters are underwriter, account underwriter, customer service representative, personal lines underwriter, automobile and property underwriter, commercial lines underwriter, and commercial underwriter.

Job Type

Professional

Assessment of Need

Lower than average projected job growth in the tri-region area, 2005-2015

Lower average annual wage when compared to the state average

Many employers reported difficulty finding qualified applicants

Current Employment and Projected Growth

There were 3,454 insurance underwriters employed in Los Angeles and Orange Counties in 2005. Three thousand seven hundred and fifteen (3,715) are projected to be employed within the area by 2015, an average annual growth rate of 0.76 percent. By comparison, the annual average growth rate in California between 2005 and 2015 is expected to be slightly higher at 1.36 percent.

Table C6. Insurance Underwriters – Employment Forecasts

	2005	2015	New Jobs	% Growth
Los Angeles	2,099	2,278	179	8.5%
Orange County	1,355	1,437	82	6.0%
Riverside County*				
San Bernardino County*				
Total All Regions	3,454	3,715	261	7.6%

*Data not available for Riverside and San Bernardino Counties

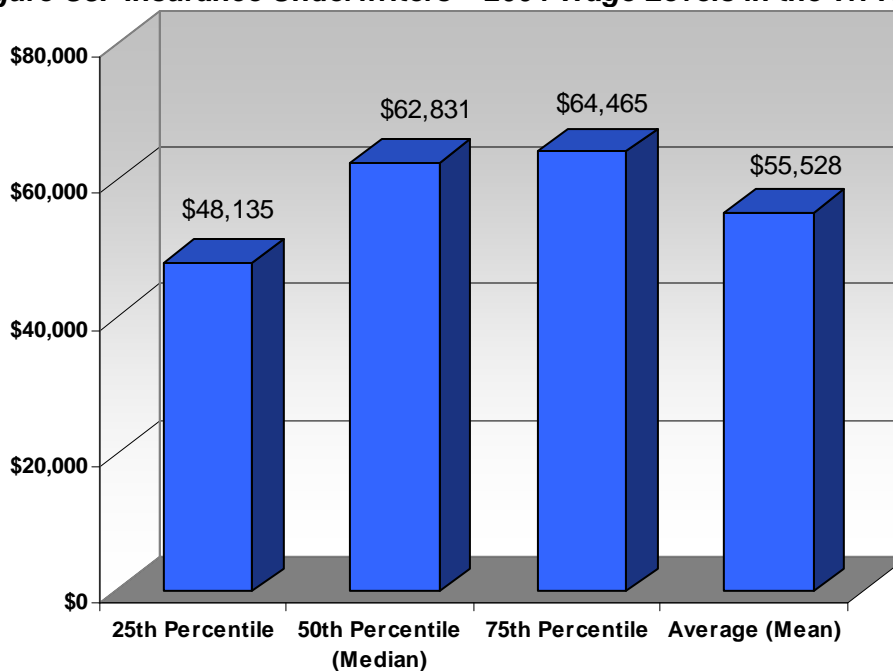
A majority of insurance underwriters (61%) are employed in the insurance carriers sub-sector of the finance and insurance industry. Just over one-quarter of insurance underwriters (29%) are employed in the agencies, brokerages, and other insurance related activities sub-sector of the industry. The remaining 11 percent are employed in the non-depository credit intermediation sub-sector of the finance and insurance industry (Table C7).

Table C7. Employment of Insurance Underwriters by NAICS Code

NAICS	NAICS Description	2005 Employment	Percent of Employment in FIRE Cluster
5222	Nondepository Credit Intermediation	374	10.83%
5241	Insurance Carriers	2090	60.51%
5242	Agencies, Brokerages, and Other Insurance Related Activities	990	28.66%

Wages

The median annual wage for insurance underwriters employed in the tri-county region in 2004 was \$62,831. The 25th percentile wage in the tri-county region was \$48,135, while the 75th percentile wage is \$64,465.

Figure C8. Insurance Underwriters – 2004 Wage Levels in the Tri-Region Area**Career Ladders (Survey Results)**

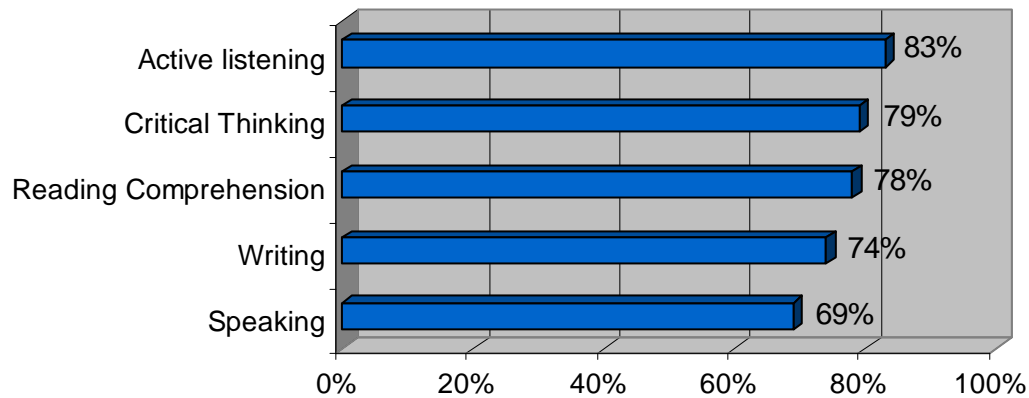
During the survey, employers were asked which occupations successful candidates may have held before they were hired as well as after working successfully in their current position.

Previous Occupations: Insurance Sales, Loan Officer, Customer Service

Following Occupations: Commercial Underwriting, Sales Agents, Management

Skill Assessment

For insurance underwriters, active listening was ranked as the most important skill.

Figure C9. Insurance Underwriters – Skill Importance (General Across Industries)

For insurance underwriters, the three most important skills are:

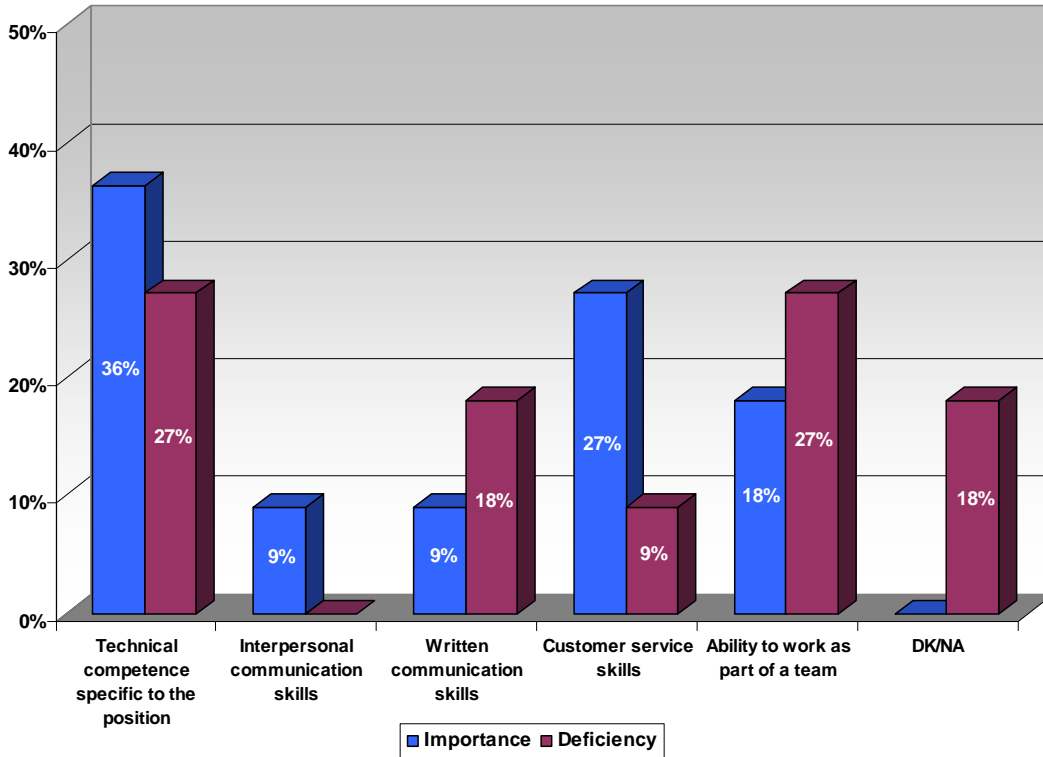
Active Listening — Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Critical Thinking — Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

Reading Comprehension — Understanding written sentences and paragraphs in work related documents.

The figure below shows the importance and deficiency levels reported by employers in the survey research component of the study, specific to the FIRE cluster.

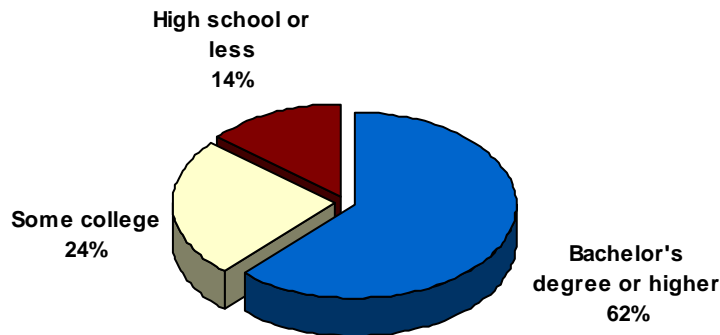
Figure C10. Skill Importance and Deficiency – Insurance Underwriters (Survey Results)



Education and Training

Education requirements for insurance underwriters are generally require at least training in vocational schools, related on-the-job experience, or an associate's degree. Many employers prefer a four-year degree of higher for successful applicants. Previous work-related skill, knowledge, or experience is also required for these occupations.

Figure C11. Distribution of Educational Attainment – Insurance Underwriters



Appendix D: Community College Insurance Programs

Top Code 0512.00

Insurance: Risk analysis and personal and/or business insurance and their application in such things as life, disability, property, liability, and fiduciary trust and annuity underwriting.

California Community Colleges Chancellor's Office Program Inventory

College Name Local Title	Cert Units*	Degree Units**	Degree Type***	Year Approved	Year Projected
Glendale College Insurance Specialist	32.00	32.00	S	2006	
Palomar College Commercial and Personal Insurance Services	35.00	35.00	A	2006	
San Joaquin Delta College Risk Management & Insurance	39.00			1974	
San Mateo, College of Business: Insurance-Property & Casualty	32.00	32.00	A	2006	
Solano Community College Business - Insurance: Property and Casualty	31.00	31.00	S	2006	
Southwestern College Insurance	26.00	41.00	S	2007	

Comment: Also available: Insurance: Basic certificate requires 11 units

***Cert Units: Number of core units and restricted electives required for a certificate.**

****Degree Units: Number of core units and restricted electives required for the major and any closely associated prerequisites in a degree program.**

*****Degree Type: "A" indicates Associate in Arts; "S" indicates Associate in Science.**

Appendix E: California Insurance Careers Program Press Release

Press Release

FOR IMMEDIATE RELEASE

Press Contact:

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California Insurance Careers Program
510-663-4462
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Insurance Industry Finds Workers by Collaborating with Community Colleges

Model workforce supply chain program grows to 16 campuses and 160 employers

San Francisco, Calif. (April 24, 2007) —The California Insurance Careers Program, an innovative program aimed at preparing community college students for work in the high-growth insurance field, today announced its Fall 2007 Semester line-up of participating California Community Colleges. The statewide program, launched in 2006, has grown in less than one year to include 16 campuses and 160 employers. Class enrollments are doubling every semester, paid internships have begun, and employers are finding talented entry-level staff. By summer 2008, program administrators project that approximately 750 students will have taken a CA-ICP class — a sign of great success for the new insurance careers program.

“The California Insurance Careers Program is an ideal workforce development program because it provides a steady supply of entry-level workers through community colleges, gives them specific industry training, and then helps match them to employers,” said Karen Aasen, VP of HR with Thoits Insurance. “The program matches up willing employers with willing community colleges to train workers for open positions. It’s a win-win situation for employers and students,” said Aasen.

According to research conducted as part of the program, entry-level insurance positions in California will go unfilled if a pool of highly-skilled workers is not made available. To satisfy this demand, industry experts including the Insurance Brokers and Agents of the West (IBA-West) and the Insurance Educational Association have helped shape a specialized curriculum for the California Insurance Careers Program that complements a Business Associate of Arts degree.

“I was interested in a business degree, but never considered insurance because I didn’t know much about it,” said Johann Perez, student at College of San Mateo and one of the first to secure an insurance internship. “While attending the classes, I realized that there was an entire industry that was so diverse it will allow me to find a job that matches my personality and skills. The insurance careers program is a great opportunity for community college students,” said Perez.

“Community colleges are on the front lines of training tomorrow’s workers and we need to find innovative methods for working collaboratively with industry,” said Anita Black, business instructor at Merritt College. “The California Insurance Careers Program is successful because it allows industry to specify the skills and training they need, and then it allows educators to help foster this knowledge in students through creative and challenging courses,” said Black.

Through the spring 2007 semester, more than 250 students have taken an insurance class at one of the six participating campuses including College of San Mateo, Feather River College, Glendale Community College, Merritt College, Palomar College, and Solano Community College. An additional seven campuses will offer insurance classes for the Fall 2007 semester including: Cerritos College, Pierce College, Riverside City College, Sacramento City College, San Joaquin Delta College, Santa Rosa Junior College, and Southwestern College. City College of San Francisco, Santa Barbara City College, and Ventura College are anticipating starting the program in spring 2008.

About CA-ICP

The California Insurance Careers Program is a statewide initiative that unites community colleges, workforce investment boards, businesses, and the K-12 system to prepare students for careers in the insurance industry. The innovative new program is funded in part by a grant awarded under the President’s Community-Based Job Training Grants, as implemented by the U.S. Department of Labor’s Employment & Training Administration. More information about the California Insurance Careers Program can be found at www.ca-icp.com.