



Foundation for the Advancement of Insurance Professionals

In 2009, the Foundation for the Advancement of Insurance Professionals was established, led by its board of directors Jeannine Giesler, CISR, of Diversified Insurance Service, LLC in Fremont; Dan Rabold of Thompson-Cunningham Agency in Columbus; and Tim Stolly, CPCU, LUTCF, CIC, of Stolly Insurance, Inc. in Lima. The formation of the foundation was the next step in solidifying PIA and the industry's commitment to the internship program.

The purpose of the foundation is to support the development and implementation of internships, programs and grants that will enhance the insurance industry. The foundation exists to not only support PIA's Internship Program financially, but to lead the program and serve as a singular source of communication outreach to promote and solicit all aspects of PIA's Internship Program.

PIA began its fundraising efforts with an inaugural golf outing in June 2009 and raised \$40,000 to benefit the internship program. This year's golf outing will be held June 14, also at Rattlesnake Ridge Golf Club in Sunbury.

The insurance industry in Ohio

The insurance industry provides significant benefits and financial security to Ohio's residents. Consider these facts:

- Ohio is a leading insurance state with 261 insurance companies domiciled here.
- Within Ohio, 1,770 insurance companies are licensed to conduct business here—of these,
 - 967 write mostly property/casualty lines
 - 510 write life insurance
 - 30 write health insurance
- Ohio is a good-for-business state ranking seventh in the United States for the number of property/casualty insurance companies (136) and sixth in the United States based on the number of life/health insurance companies domiciled here (38).
- Ohio's insurance industry employs:
 - About 99,079 Ohio residents
 - Approximately 86,101 resident agents
- Within Ohio, the insurance industry generates nearly \$6 billion in wages.

Replacing quality employees - the cost is compelling

For any employers, the cost to replace quality employees is significant. Although estimates vary, conventional thinking agrees:

- The cost to replace specialized, sales or high-level employees can be up to 400 percent of their final annual salary;
- The cost to replace a mid-level manager is 150 percent of the salary, and the cost to replace an entry-level person is between 30-50 percent of the salary.

- Like every industry, the insurance industry is anticipating the need to replace a significant number of key employees, including managers, executives and sales representatives, in the next 20 years as the baby-boomer generation retires.

With that in mind, estimates show that every insurance company and agency can expect to replace a significant number of key employees within the next 10-15 years - and that cost can be staggering. The figures are compelling in this real-world example:

- Assuming the final average salary of \$80,000
- A midsized insurance company estimates it will need to replace approximately 500 individuals over the next 10 years as baby-boomers retire resulting in the company bearing the cost to replace these individuals estimated to exceed \$40 million.

That's assuming the quality replacements needed are available. Current estimates indicate that by 2015, the United States will experience a supply-and-demand gap of 10 million knowledgeable workers. What does that mean for Ohio's insurance industry? Experts are predicting a critical gap in the industry's workforce, especially in the areas of underwriters, claims adjusters and agents.

PIA Internship Program

PIA's Internship Program pools agencies and carriers together so interns can work in both sides of the industry and learn all aspects of working in the independent agency system. Agencies and carriers also benefit while the industry is promoted as a valuable career choice among new professionals. The recent graduates who have completed PIA's Internship Program possess a level of training and experience that allow them to immediately begin working in the industry, and because of the exposure to the industry gained through the internship, they are actively seeking these jobs.