



2011 Survey — July - August  
**Salary Increase Budgets  
in the Insurance Industry**



# 2011 Survey - Salary Increase Budget

## Table of Contents

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	<u>Pages</u>
I. Introduction & Participant List	1 - 2
II. 2011 and 2012 Program Changes Planned	3
III. Salary Budget Increase - Category by Increase	4 - 7
IV. Incentive Award Payments	8
V. Salary Budget Increase - By Employee Category	9 - 13

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# 2011 Survey - Salary Increase Budget

## I. Introduction & Survey Participants

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Fitzgerald's Compensation Consulting Services (CCS) conducts this Salary Increase Budget Compensation Survey among insurance industry companies on a regular and on going basis each year. The survey is conducted twice per year, commencing in July, and repeated as a follow up survey in October. This survey includes responses received by 8/26/2011 from 44 insurance Brokerage and Carrier organizations.

### Participants

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Aetna	ICW Group
American International Group / Chartis	Liberty Mutual Insurance Group
Aon Corporation	Louisiana Workers' Compensation Corporation
Blue Cross Blue Shield of Florida	Mercury Insurance Group
Blue Cross Blue Shield of Michigan	MetLife
Blue Cross Blue Shield of North Carolina	Munich Reinsurance America, Inc.
Blue Cross Blue Shield of South Carolina	Nationwide Insurance
Blue Cross Blue Shield of Rhode Island	New Jersey Manufacturing (NJM) Insurance Group
California Casualty Management Company	Old Republic Risk Management
Centene Corporation	OneBeacon Insurance
Chubb and Son	Pennsylvania National Mutual Casualty Insurance
CIGNA	ProSight Specialty Insurance
Continental Western Group, LLC	Sentry Insurance
Coventry Health Care Inc.	Standard Insurance Company / StanCorp Financial Group
Eastern Insurance Company	State Auto Insurance
Employers Mutual Casualty Company	Travelers Property Casualty
Erie Insurance	Tufts Health Plan
Esurance Inc.	Wellmark Blue Cross Blue Shield
Great American Insurance Company	WellPoint, Inc.
Harleysville Insurance	Wells Fargo - Insurance
Health Care Service Corporation	Western National Insurance Group
Highmark, Inc.	Willis North America

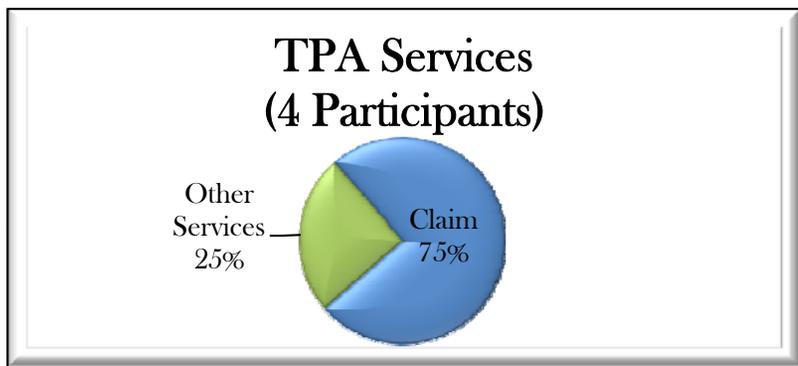
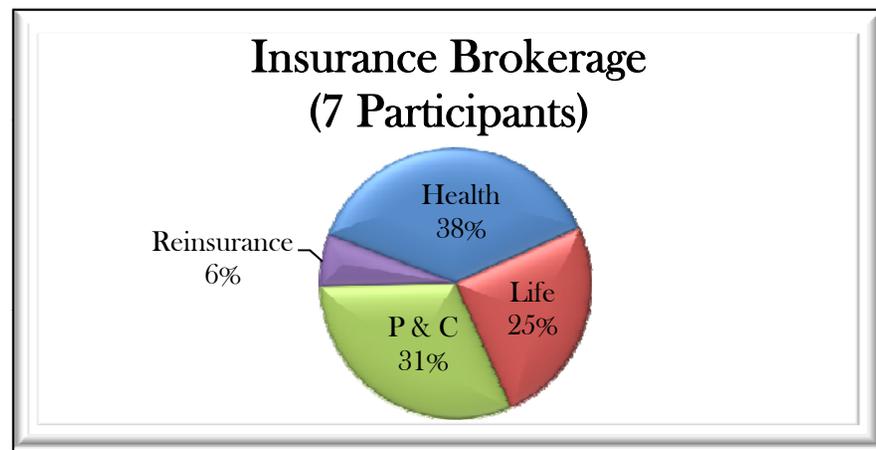
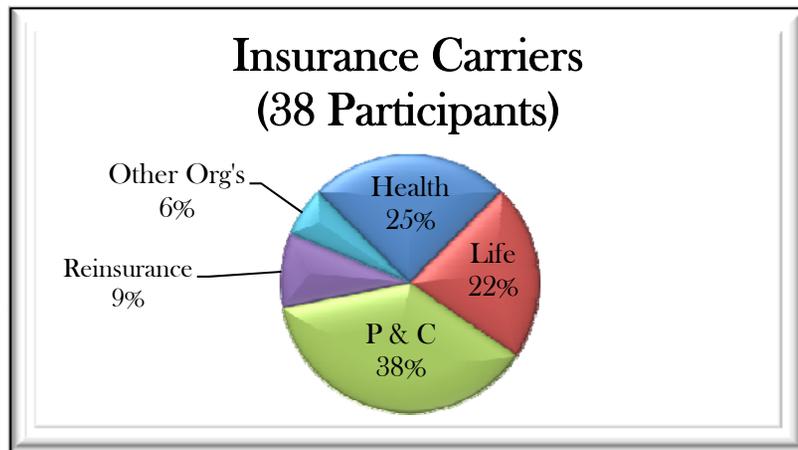


# 2011 Survey - Salary Increase Budget

## I. Introduction & Survey Participants

This section contains charts that present, in summary format, the budget information calculated for year to date 2011 and currently estimated Salary Budget values planned for 2012 by survey participants. The section covers the Category of Increase for 2011 and projected or budgeted for the 2012 fiscal period. Zeros have been included for those organizations indicating they normally budget an increase in a category, yet did not budget a value in 2011 and/or do not plan to budget a value for the category of increase in 2012. Data Effective Date for responses is as of July 2011, and received by September 1.

### Survey Participants



### Survey Participant's Average Scope Values:

2010 Gross Written Premium: Average - \$25,731,868

2010 Total Revenue: Average - \$12,545,298

2010 Total Assets: Average - \$53,352,831

2011 Total Employees: Average - 12,547

Some insurance organizations fulfill insurance roles in both Carrier and Brokerage businesses and/or in multiple industry segments.





# 2011 Survey - Salary Increase Budget

## II. Survey - 2011 and 2012 Changes to HR / Compensation Programs

During the past several years economic conditions have significantly impacted salary budget increase levels and Human Resource practices and programs relating to staffing and employee benefits and compensation. During 2011 fewer organizations implement program changes than occurred in 2010 and before. For 2012, even fewer program changes are planned for implementation as companies return to managing staff levels and salary increase programs in more traditional budget control methods.

Brokerage Organizations	2011 Planned Changes	2011 Type of Changes	2012 Planned Changes	2012 Type of Changes
Health (7 Orgs)	71% No Changes Planned	29% - Reduced Increases, Layoffs, Early Retirements	86% No Changes Planned	14% - Layoffs / Early Retirement
Life (4 Orgs)	100% No Changes Planned		100% No Changes Planned	
Property & Casualty (5 Orgs)	60% No Changes Planned	40% - Reduced Increases/Layoffs	100% No Changes Planned	
Reinsurance (1 Org)	100% No Changes Planned		100% No Changes Planned	
Other (0 Org)	---		---	
Carrier Organizations	2011 Planned Changes	2011 Type of Changes	2012 Planned Changes	2012 Type of Changes
Health (16 Orgs)	81% No Changes Planned	19% - Layoffs, Reduced Increases	94% No Changes Planned	6% - Layoffs
Life (14 Orgs)	93% No Changes Planned	7% - Layoffs, Reduced Increases, Early Retirements	97% No Changes Planned	3% - Layoffs
Property & Casualty (24 Orgs)	71% No Changes Planned	29% - Layoffs, Reduced Increases, Reduced Pension Funding	96% No Changes Planned	4% - Layoffs, Reduced Increases, Reduced Pension Funding
Reinsurance (6 Orgs)	100% No Changes Planned		100% No Changes Planned	
Other (4 Orgs)	100% No Changes Planned		100% No Changes Planned	



# 2011 Survey - Salary Increase Budget

## III. Salary Budget Increases - Category of Increase

This section contains charts that present, in summary format, the budget information calculated for year to date 2011 and currently estimated Salary Budget values planned for 2012 by survey participants. The section covers the Category of Increase for 2011 and projected or budgeted for the 2012 fiscal period. Zeros have been included for those organizations indicating they normally budget an increase in a category, yet did not budget a value in 2011 and/or do not plan to budget a value for the category of increase in 2012. Data Effective Date for responses is as of July 2011, and received by September 1.

### Budgeted COLA / General Increases Increases \*

For 2011 and for 2012 -- no participating company in the Part 1 survey has reported planning for the award of COLA / General Increases.

### Budgeted Merit Increases \*

Insurance Segment	# of Co's. **	Budgeted 2011				Actual YTD 2011				Projected 2012			
		AVG	Percentiles			AVG	Percentiles			AVG	Percentiles		
			25th	50th	75th		25th	50th	75th		25th	50th	75th
Brokerage	7	2.3	1.6	2.3	2.9	2.4	1.5	2.0	2.5	2.8	2.5	3.0	3.0
Health	6	2.5	1.5	2.5	3.0	2.3	1.5	2.5	3.0	2.9	2.5	3.0	3.0
Life	4	2.5	-	2.5	-	2.4	-	2.5	-	2.8	-	2.5	-
P & C	5	2.3	1.5	2.0	3.0	1.9	1.5	1.5	2.8	2.7	2.5	3.0	3.0
Reinsurance	1	-	-	-	-	-	-	-	-	-	-	-	-
Other	0	-	-	-	-	-	-	-	-	-	-	-	-
Carrier	39	2.5	2.0	2.5	3.0	2.5	2.0	2.5	2.9	2.6	2.5	2.8	3.0
Health	16	2.6	2.0	2.8	3.0	2.6	2.1	2.8	3.0	2.8	2.8	3.0	3.0
Life	14	2.5	2.0	2.5	3.0	2.3	1.9	2.3	2.8	2.6	2.5	2.5	3.0
P & C	24	2.4	2.2	2.5	2.8	2.3	2.0	2.3	2.8	2.6	2.5	2.5	3.0
Reinsurance	6	2.40	1.50	2.80	2.80	2.30	1.50	1.90	2.90	2.90	2.80	3.00	3.00
Other	4	2.60	-	2.60	-	2.40	-	2.50	-	2.70	-	2.60	-
TPA's	3	-	-	-	-	-	-	-	-	-	-	-	-