



2003 MANPOWER SURVEY REPORT EXECUTIVE SUMMARY  
二〇〇三年度人力調查報告內容摘要

# INSURANCE INDUSTRY

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## 保險業

職業訓練局人力調查委員會  
INSURANCE TRAINING BOARD  
VOCATIONAL TRAINING COUNCIL

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## Introduction

1. The Insurance Training Board, with the assistance of the Census and Statistics Department (C & SD), conducted the 11<sup>th</sup> biennial manpower survey of the insurance industry from 23<sup>rd</sup> May 2003 to 30<sup>th</sup> June 2003. The survey covered 184 active authorized insurers, 208 insurance brokers and 300 company agencies (including 152 alternative distributors such as banks, investment houses, travel agencies, care dealers etc.). The Training Board estimated that about 99% of the workforce of the insurance industry had been covered. The remaining manpower would mostly be employed by government bodies and educational institutions not covered in the survey.

## Purpose of the Survey

2. The survey was conducted with the following objectives:
- (i) To identify the number of insurance employees and insurance intermediaries;
  - (ii) To forecast the likely growth of the industry in terms of manpower and training between 2003 and 2004;
  - (iii) To obtain views on the preferred level of education of employees and intermediaries; and
  - (iv) To collect information on the Continuing Professional Development Programme (CPD) courses organized by companies for their intermediaries.
3. The information collected would enable the Insurance Training Board and other course providers to formulate training activities to enhance the professionalism of the insurance industry.

## Recommendation

4. The Insurance Training Board's major recommendations include:
- (i) Conduct biennial manpower surveys to assess the manpower and training needs/demand of the insurance industry;
  - (ii) Advise on the direction and strategic development of the various training programmes currently provided and will be developed by the VTC to avoid duplication and waste of resources;
  - (iii) Liaise with the Insurance Authority to ensure the examinations and training requirements under the Continuing Professional Development Programme can be met by the development of relevant training programmes; and
  - (iv) Promote manpower training and career paths available in the insurance industry to the public.

## Summary of Survey Findings

### Total Workforce (All Employed Workers)

5. In June 2003, the insurance industry had a workforce of 45 030 people, of whom 9 869 (21.9%) were in the general insurance sector and 35 161 (78.1%) in the life insurance sector. Among them 13 847 (30.8%) were insurance employees, 27 619 (61.3%) agents and 3 564 (7.9%) supporting or non-insurance employees.

6. Compared to the manpower in 2001, the number of insurance employees in the general insurance sector decreased but those in the life insurance sector increased. The number of life insurance agents also increased substantially. Detailed analyses of the manpower changes between 2001 and 2003 are given in the following paragraphs. However, there were 10 049 persons engaged by company agencies as alternative distributors (such as banks, car dealers, travel agencies with insurance services as minor activities) who provided insurance related services. These employees included 137 senior management people, 1 618 managers, 5 503 officers and 2 791 clerks. As less than 50% of their duties were related to insurance, they were excluded in the subsequent analysis of this survey.

## Manpower Changes between 2001 and 2003

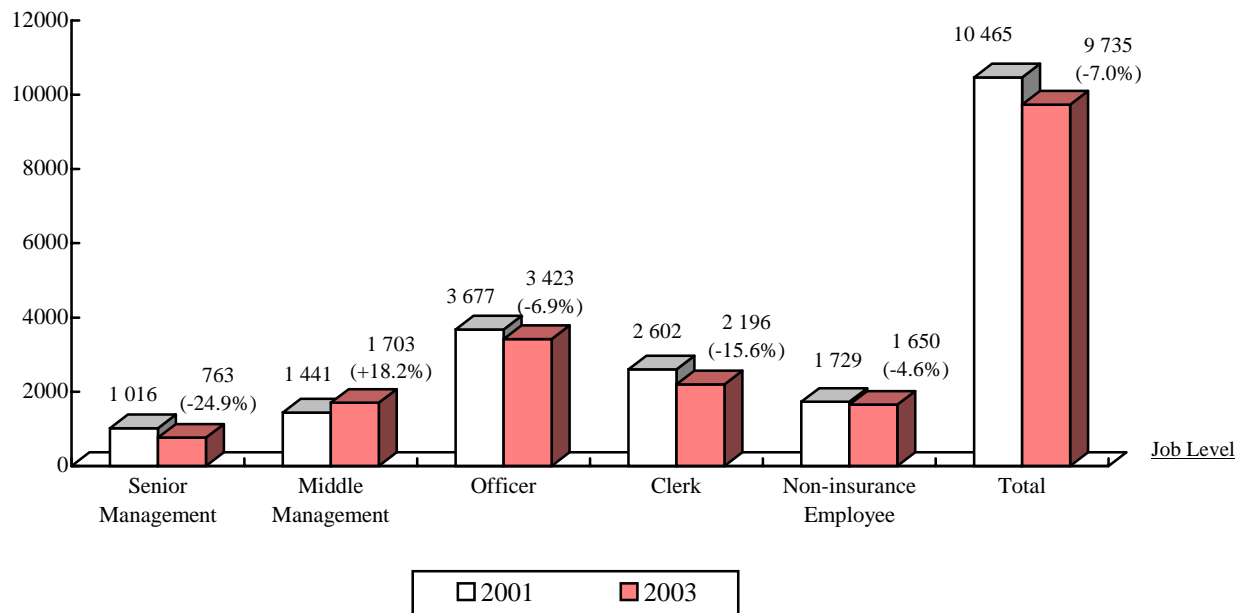
### Insurance Employees in the General Insurance Sector

7. The total manpower in the general insurance sector decreased by 7% from 10 465 in 2001 to 9 735 in 2003. Excluding the non-insurance employees, the insurance employees decreased by 7.5% from 8 736 in 2001 to 8 085 in 2003. The decrease of manpower was observed in brokers and agencies. However, the manpower of the general insurers remained more or less stable.

8. In terms of job levels, the number of insurance employees decreased at each job level except the middle management people. The manpower changes of employees including non-insurance employees by job level over the 2-year period are summarized in Figure 1.

**Figure 1: Manpower Changes of Insurance and Non-insurance Employees between 2001 and 2003 in the General Insurance Sector**

Number of Employees



Note : Figures in brackets denote the changes of 2003 manpower relative to 2001 at the same job level.

## Insurance Agents in the General Insurance Sector

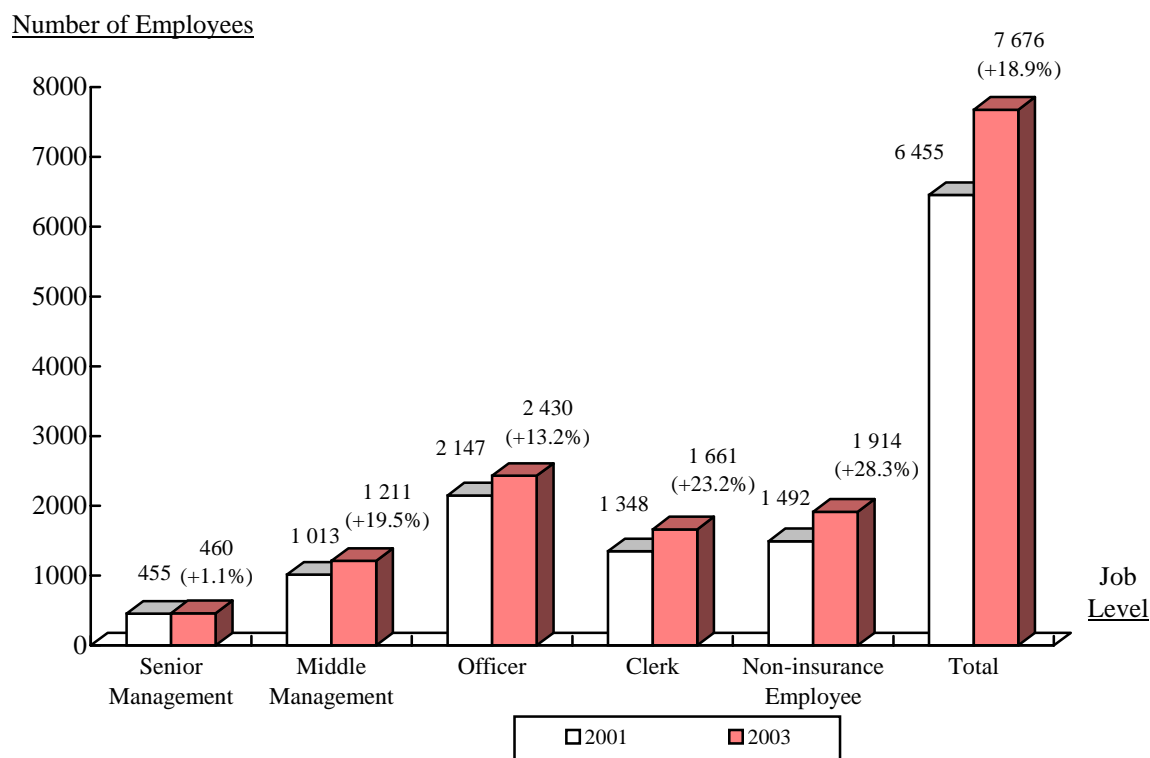
9. The reported number of individual agents working in the general insurance sector remained more or less the same, being 130 in 2001 and 134\* in 2003.

\* This figure deviated from the 1 821 general insurance agents registered under the Insurance Agents Registration Board (IARB) as at April 2003 because the C & SD classified an agent according to his or her major duty or business as reported by the respondents at the date of the survey irrespective of the category of business that the agent registered under the IARB.

## Insurance Employees in the Life Insurance Sector

10. The total manpower of the life insurance sector increased from 6455 in 2001 to 7676 in 2003, representing a growth rate of 18.9% in the past 2 years. Excluding the non-insurance employees, the total number of insurance employees in the life insurance sector increased significantly by 16.1% from 4 963 in 2001 to 5 762 in 2003. Manpower increased at all levels. The manpower changes of employees by job level over the 2-year period are summarized in Figure 2.

**Figure 2 : Manpower Changes of Insurance and Non-insurance Employees between 2001 and 2003 in the Life Insurance Sector**



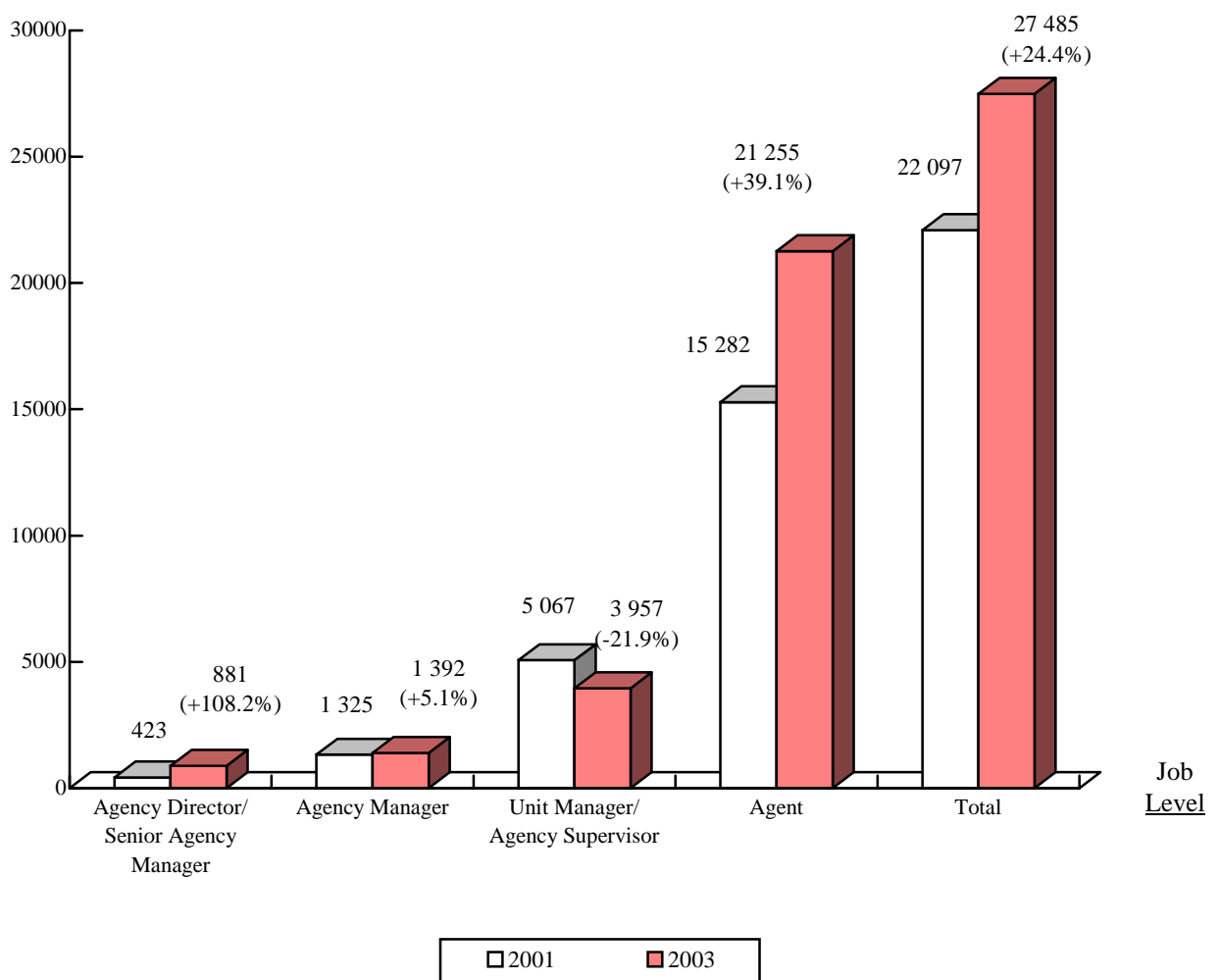
Note : Figures in brackets denote the changes of 2003 manpower relative to 2001 at the same job level.

## Insurance Agents in the Life Insurance Sector

11. The number of life insurance agents also increased substantially from a total of 22 097 persons in 2001 to 27 485 persons (+24.4%) in 2003. Manpower at all levels increased except the number of unit manager/agency supervisor which showed a decrease of 1 110 persons (-21.9%). This decrease occurred probably because some unit managers/agency supervisors were promoted to agency managers and some others changed their jobs owing to little business in the past 2 years of economic recession. The changes in agency manpower during the past 2 years are given in Figure 3.

**Figure 3: Manpower Changes of Life Insurance Agents between 2001 - 2003**

Number of Agents



Note : Figures in brackets denote the changes of 2003 manpower relative to 2001 at the same job level.

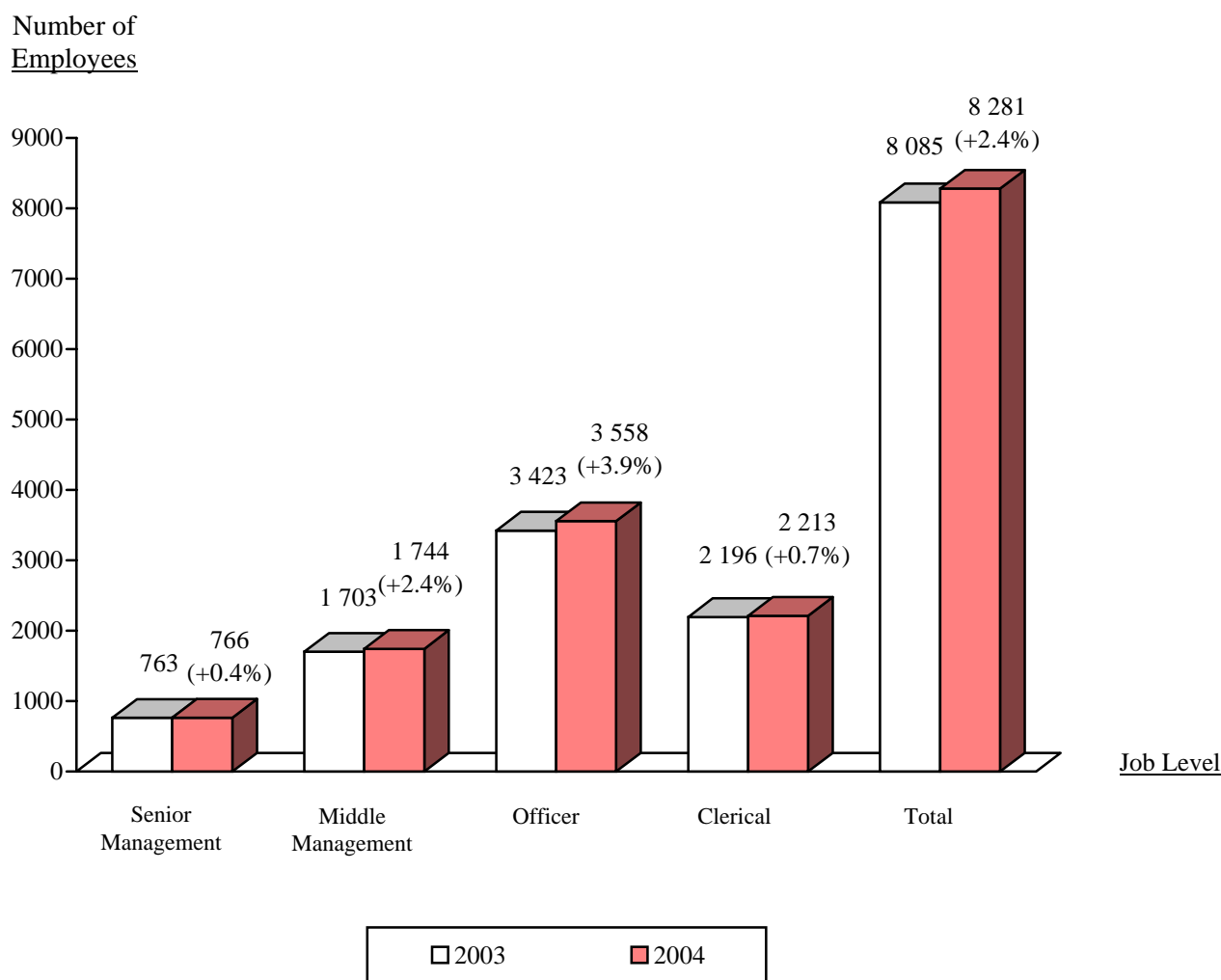
## Vacancies and Manpower Forecast

### General Insurance Sector

12. Employers reported a total of 143 vacancies in 2003 (1.7% of total 8 219 general insurance employees and agents in 2003) which is only 44% of the 326 vacancies reported in 2001. Most vacancies were reported for senior account managers.

13. Employers forecast that in the next 12 months, the general insurance sector would require an increase of 196 insurance employees only (2.4% of total 8 219 general insurance employees in 2003). Additional manpower in the post of account executive/policy services officer/claims executive/officer was most in demand. The distribution of forecast additional manpower by job level is summarized in Figure 4:

**Figure 4 : Employers' Forecast Increase of Insurance Employees by Job Level in the General Insurance Sector between 2003/2004**



Note : Figures in brackets denote the changes of forecast 2004 manpower relative to 2003 at the same job level.

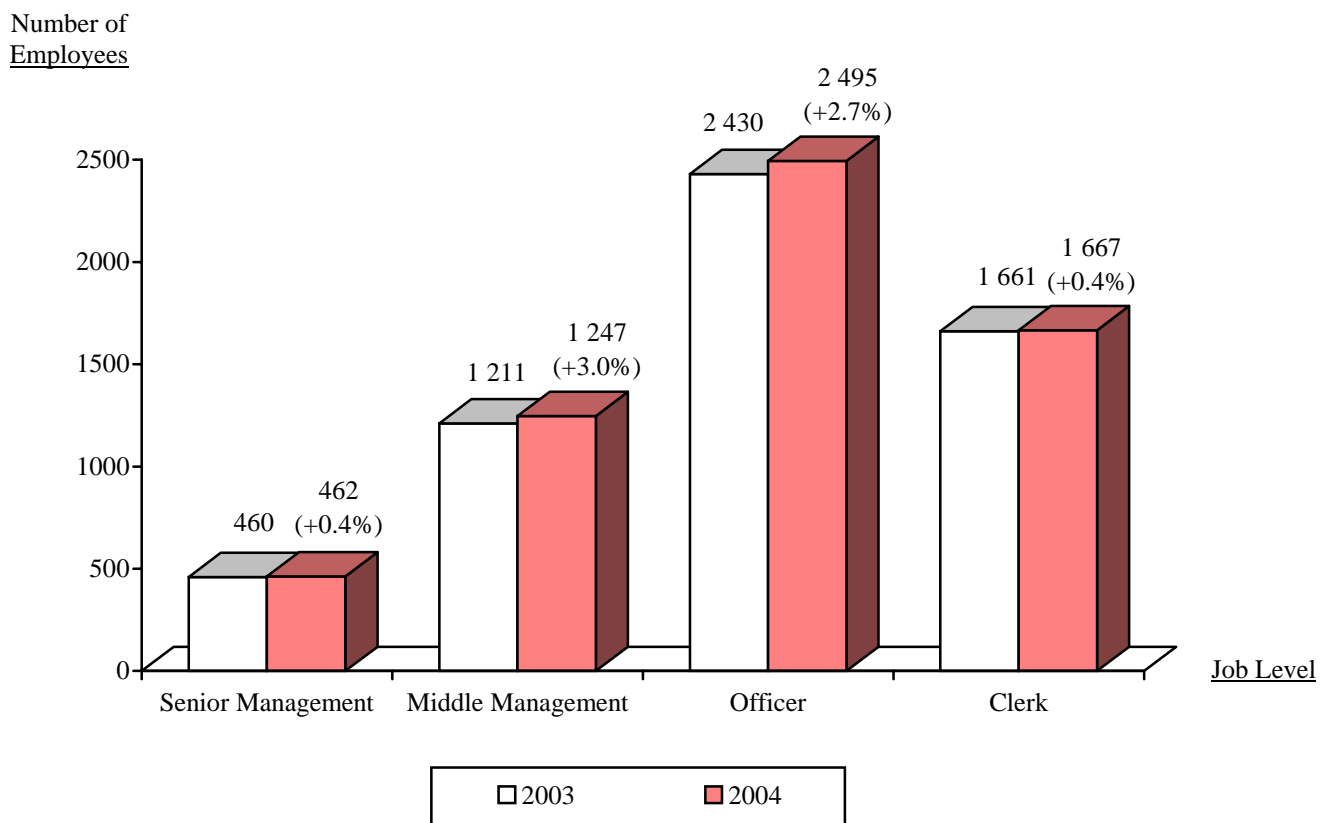


## Life Insurance Sector

14. Employers reported a total of 94 vacancies for employees and 1 733 vacancies for agents in 2003 (5.5% of total 33 247 life insurance employees and agents).

15. Employers also forecast a growth of 1 842 persons, which comprised 109 persons for life insurance employees (or 0.3% of total 33 247 life insurance employees and agents) and 1 733 persons for agents (or 5.2% of total 33 247 life insurance employees and agents). Front-line marketing people and agents were most in demand. The distributions of forecast additional manpower for insurance employees and insurance agents by job level are shown in Figures 5 and 6 respectively:

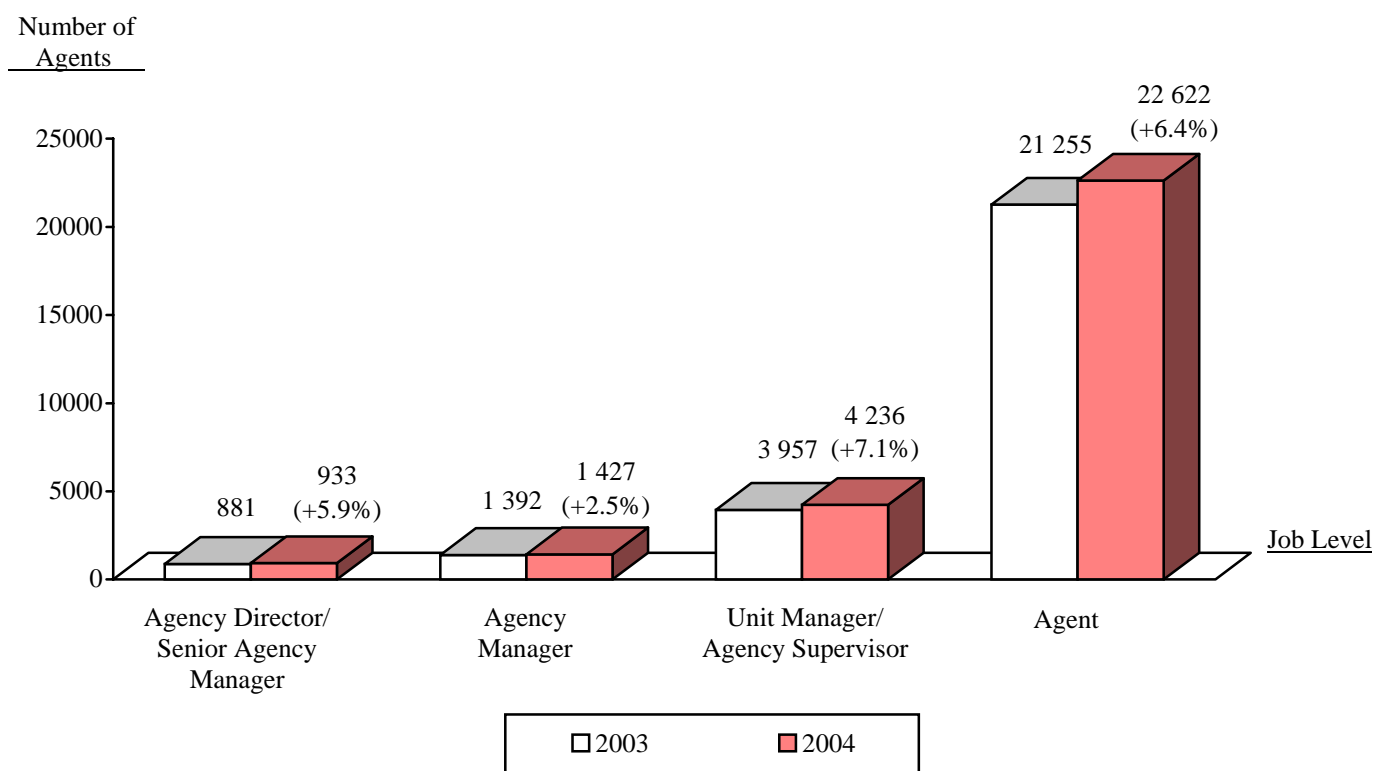
**Figure 5 : Employers' Forecast Increase of Insurance Employees by Job Level in the Life Insurance Sector between 2003-2004**



Note : Figures in brackets denote the changes of forecast 2004 manpower relative to 2003 at the same job level.

**Figure 6 : Forecast Increase of Insurance Agents  
by Job Level in the Life Insurance  
Sector between 2003-2004**

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Note : Figures in brackets denote the changes of forecast 2004 manpower relative to 2003 at the same job level.

Employers' Views on Preferred Education,  
Insurance Qualifications and Course Durations

16. Employers generally preferred their insurance employees to possess professional qualifications/university degree/advanced level/diploma/certificate, and their agents to be secondary 5 school leavers.

17. Employers most preferred their intermediaries to pursue the following qualifications under the Continuing Professional Development Programme:

- (i) ACII;
- (ii) ANZII Fellow;
- (iii) ANZII Senior Associate; and
- (iv) IHK Diploma.

18. Employers also preferred course durations of less than 10 hours for both core and non-core credit activities for their intermediaries. Topics on 'Life Insurance', 'Actuarial Science' and 'Engineering' were least preferred.

### Manpower Supply and Demand in the Insurance Industry

19. Employers in general are optimistic about the economic environment in the next 12 months and will increase the manpower to cope with the business activities. There are formal insurance and financial service education provided by local and overseas universities and other institutions. It is anticipated that the supply of graduates from tertiary institutions in the next 12 months can possibly meet the demand of the insurance industry. The new entrants and in-service practitioners should receive continuous training to enable them to meet the licensing requirements and enhance their professionalism.

### Training Requirement for 2004

20. The insurance intermediaries are required to comply with the requirement of the CPD. They have to earn 5 core credits on legal/regulatory aspects of insurance practice in Hong Kong (equivalent to 5 hours of accredited activities) and 10 non-core credits (10 hours of accredited activities or 30 hours of non-accredited activities) every year.

21. Based on employers' responses, the Training Board estimates that the employers have provided at least 1 625 CPD core credits training sessions exclusively (company training programmes conducted by company trainers or trainers temporarily engaged by the company) for their intermediaries (including the agents and technical representatives) during May 2002 – April 2003. On average, each training session lasted for 3.5 hours and was attended by 29 persons. Overall, the employers have provided about 165 000 core credits trainee hours to their intermediaries in the 12 months before the survey.

22. For non-core credits training activities, the Training Board estimates that the employers have provided at least 3 625 CPD non-core credits training sessions exclusively for their intermediaries during May 2002 – April 2003. On average, each training session lasted for 3.9 hours and was attended by 29 persons. A total of 410 000 non-core credits trainee hours have been provided exclusively to the intermediaries by their employers.

23. In addition to helping intermediaries meet the CPD requirements, training providers should offer additional courses on generic skills such as supervisory skills/marketing skills and financial planning to supplement the training demanded by insurance people. Training courses could also be provided for people pursuing professional qualifications in the insurance industry.

## Conclusion

24. The implementations of the IIQE and CPD have helped to develop the culture of lifelong learning and professional self-improvement of insurance practitioners. In view of increasing customer sophistication and legal regulation, all insurance people have to face the challenges of a more complex business environment. Training will therefore be of paramount importance to enhance the knowledge and professionalism of the practitioners.

25. The Insurance Training Board understands that the ever-changing economy will affect the insurance industry in Hong Kong. The development of insurance market in China may further create training demand from insurance practitioners in Hong Kong. Employers and training providers have to develop both generic and technical courses to meet the changing training demand of insurance practitioners.

Insurance Training Board

Membership  
(@ December 2003)

| <u>Name</u>             | <u>Nominated by</u>  |
|-------------------------|--|
| <u>Chairman:</u>        |  |
| Mr Tony MAK Wing-kwong  | The Life Underwriters Association of Hong Kong             |
| <u>Vice-Chairman:</u>   |  |
| Mr Elex CHAN Shiu-yin   | An Insurance Professional                                  |
| <u>Members:</u>         |  |
| Mr Roddy ANDERSON       | The Life Insurance Council                                 |
| Ms Sally CHAN           | The FLMI Society of Hong Kong                              |
| Prof CHAN Tsang-sing    | The Lingnan University                                     |
| Mr Jackie CHUN Yuk-chi  | The Hong Kong Society of Certified Insurance Practitioners |
| Mr Andrew G. EDEN       | The Hong Kong Confederation of Insurance Brokers           |
| Mr Michael C E. HAYNES  | An Insurance Professional                                  |
| Dr Simon HO Yik-lung    | An Insurance Professional                                  |
| Mr Stanley KO           | The Hong Kong General Insurance Agents Association         |
| Mr LEUNG On-fook        | An Insurance Professional                                  |
| Mr Jackson PUN Hon-ning | An Insurance Professional                                  |
| Mrs Irene WONG          | The Insurance Institute of Hong Kong                       |
| Mr Jeff WONG            | The General Agents and Managers Association of Hong Kong   |

Representing

Ms Susanna CHAN

The Executive Director of the  
Vocational Training Council

Ms Carol HUI Mei-ying

The Commissioner of Insurance

Mr L.K SIU

The Commissioner for Labour

Ms Janet YUEN

The Managing Director of the  
Mandatory Provident Fund Scheme  
Authority