The demand for Actuaries and analytics professionals has increased greatly in the aftermath of the recent financial crisis. While the market has proven to be competitive across all lines of business, we have seen the strongest increase in activity within the Health and Property and Casualty (P&C) industries.

This increase in hiring activity is a direct reflection of more companies being in a stronger position to hire Actuaries. Further, companies are improving financially and expanding their businesses because of new products and/or new clients. Health and P&C groups are expanding their modeling and risk management initiatives to maximize revenue while minimizing risk. On the health side, we have seen growth in business because of sweeping changes due to health care reform.

With increased competition for a highly sought-after skill set, more and diverse opportunities are available in today’s actuarial market. As the insurance market continually grows and evolves, so too will the demand for specific actuarial expertise. The summaries below share high-level descriptions of the major trends in the actuarial hiring market today, broken down by industry:

Health

Over the past couple of years, there has been a surge in the number of jobs available in the health care space. A vast majority of firms employing health care Actuaries are looking to hire, whether it be an insurance firm or a consultancy. The main driver for this growth has been the significant changes to, and the implementation of, health care reform. In the current market, the demand is high for health Actuaries who are knowledgeable in and/or who have experience with health care reform work. Additionally, there has been a consistent and growing need for Actuaries with strong Medicare Part D and Medicaid bid season cycle experience as well as modeling and analytics exposure.

In looking at health care reform, pricing and product development in the individual market has become more demanding for Actuaries as a result of several factors: the elimination of health underwriting, mandated benefits, the opening of the health care exchanges and medical loss ratio requirements and risk sharing schemes. Having an understanding of the Affordable Care Act as well the “3 Rs” of health care reform—Risk Adjustment, Reinsurance and Risk Corridors—is helpful because it will allow health organizations to further measure the impact of health care reform on both the consumer and the provider. Overall, with an obligation to abide by certain compliance and reporting regulations, companies are taking health care reform changes into stronger consideration when looking to hire.

Property & Casualty

With regard to P&C, modeling experience is in incredibly high demand within the current market. Whether it be predictive modeling, catastrophe modeling or capital modeling, the need for highly skilled P&C modeling Actuaries prevails. With its roots in personal lines, predictive modeling is now making inroads in the commercial lines market; the demand for this skill set at large commercial insurance providers is growing rapidly. Within the same vein, capital modeling also is making headlines in the actuarial hiring landscape. Insurers are putting an increased focus on improving risk management practices and more effectively utilizing capital, which in turn is increasing demand on capital modeling expertise marketplace. The demand for these skills is so high that consulting firms are stepping in to fill the void in talent and expanding their work within each of the areas. Demand is thus growing twofold: insurers looking to bolster their actuarial departments, and consulting firms looking to add modeling subject matter experts.

In more traditional actuarial hiring news, the increased competition between personal insurers to gain market share has placed an emphasis on increasing actuarial and analytics talent to gain a competitive edge in a very crowded and fast-paced business climate. We’re seeing demand for personal lines Actuaries across all skill sets: pricing, reserving, financial reporting, etc. Within commercial lines, demand continues to persist across all major lines, with a particular emphasis in specialty product lines. While the initial wave of hiring was mostly limited to major commercial insurers in the Northeast, demand is increasing in other geographic markets across the Southeast and Midwest.

Life/Annuity & Retirement

For those working in life/annuity and the retirement consulting field, the market is in a slightly different place. Your skill set is still in demand and will continue to be going forward. The market is just in a refractory period. Life/annuities growth is small but stable, with the slowdown mostly attributed to the sale of many large annuity books of business over the past year. Retirement consulting continues to be in a stagnant period of hiring. There is still hiring taking place in this arena, but it is mostly on a replacement basis as opposed to hiring due to organizational growth. Defined benefit plans will, of course, continue to be in existence for many years to come. The retirement actuary is not going away anytime soon, although it is a reality that the traditional retirement plan as we know it is no longer favored by employers. As a result, retirement Actuaries eventually will be called upon to use their expertise in a different, but perhaps related, capacity.