Careers in the Insurance sector: Opportunities & Challenges

An Analysis

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For an organization to be successful in the long run, it is very essential that its employees – at every level – are well-trained in their respective domains; and are equipped with the latest techniques to acquit themselves creditably. This is an area that is additionally sensitive in the Indian insurance domain because unlike several other areas of operation, even within the financial services space; insurance has been kept out of formal education at any level historically, from schooling up to the university. More recently, it has been observed that some universities have been offering courses in insurance although a lot more needs to be achieved. It has led to a situation where one has to look at the industry personnel to double up as trainers. Owing to their professional rigors as also the lack of experience and skills, insurance has remained one domain where the availability of skilled training personnel is very limited.

But what does it take to get into this sunrise sector that is growing ever since privatization of the insurance industry? This article presents a factual report on the insurance sector as a whole, the number of players operating in this space, the career opportunities available in this industry, the courses available for getting formal qualifications, the career path in a typical private insurance organization and the skills necessary to get selected and be successful in this sunrise industry.
Contents

Insurance Overview -- 4
Insurance Courses -- 6
Career opportunities in Insurance industry -- 11
Opportunities for various categories of job seekers -- 17
Career path in the private insurance sector -- 19
Skills/ Traits required for getting selected -- 20
Demand-Supply Challenges -- 21
Insurance Overview

In a market where the nuances are yet to be understood totally by the public, the role of the distributor is very vital. It is essential that the distributor, as such, is well-trained; and identifies the needs of the prospect and assists him in making an informed decision. In this competitive world, it is only the best that survive and it puts the onus on the distribution personnel to be updated with the changes from time to time. It does not need to be mentioned that there is need to see beyond mandated levels of training. The skills of the distribution personnel have to be ably supported by an equally efficient set of back-up staff in order that the business cycle is complete. It presupposes the staff being adept at all aspects of functioning. Managements should identify the needs of their staff being provided with refresher and reorientation courses from time to time so that the entire team works as a well-oiled unit. Further, there should also be incentives/rewards for higher learning by staff members that would be useful for their regular working.

The INDIA-TODAY-Ma Foi Employment Trends Survey (March 2010) puts the Insurance sector among the top 10 recruiting industries in 2010. Among them are private companies such as HDFC-Standard Life, DLF Pramerica Life, Kotak Life, Tata-AIG Life, ICICI-Lombard General, Bharti AXA General, Murugappa group, Aviva Life, Max New York Life, Net Ambit, Reliance Capital, India First Life Insurance, etc.

According to a NIA-CII survey, there are 45 lakh people employed by the insurance sector in India (directly/ or through agencies). 27 lakh additional manpower is projected by 2012, whereas there exists only 5 lakh manpower supply possibility by 2012. 3 % of total workforce constitutes the management/ executive cadre. There are 46 players in insurance market; 23 life insurers, 22 non-life insurers, 1 re-insurer as on 1st March 2010. By 2012, insurance sector companies are expected to go up from the present 46 to 50+, and the intermediary sector companies from the present 180 to 201+

The insurance industry is at an inflexion point. The potential of the industry is huge as India has one of the highest savings rate in the world but a very low penetration of the financial services sector. The Associated Chambers of Commerce and Industry in India (Assocham) has projected that the Indian insurance industry will grow to Rs 2 lakh crore by 2010. This would create thousands of new jobs and career opportunities for professionals. New players, innovative products and expansion into semi-urban and rural areas will drive the growth of the insurance industry in the years to come. Post privatization, the first private insurance company started business in the year 2000. Till then, employment in the insurance sector was considered akin to any government job, but with private participation, it has assumed significant importance and probably become an exciting career option. One has to look at potential of the market to make estimates about the future. At present, India and China are the two most lucrative insurance markets in the world! Both offering immense potential (remember we are a 110 cr + nation) with high growth rates (15% +) and low penetration (India with less than 4%). This makes it a good career choice.
The Indian insurance industry has witnessed exceptional growth with private participation. It has a mix of public and private players both in the field of life and non-life business. This sector not only provides a protective shield to the lives and assets of the nation but also generate thousands of jobs and career opportunities.

The opening up of the various sectors of the economy to private entrepreneurs, and de-regulation of many sectors have brought to the fore huge opportunities in alternate careers such as telecom, banking, retail, real estate, IT, and financial services. However, what stands out from the rest is the immense opportunities available at present & in the near future in the insurance sector. A CII-NIA survey in 2009 reveals that by 2012, the insurance industry will require about 27 lakh professionals in various departments of insurance companies, insurance broking firms, and corporate agents, primarily sales. The figures are combined for the life, health and general insurance companies and their related channel distribution firms.

The insurance industry was a ‘sunshine’ industry when privatization happened and continues to be attractive till date. It has offered some of the most fast tracked careers and handsome rewards that can be compared with IT or Telecom.
Insurance Courses

WANT TO make a career in the insurance industry? There is no one specific way to start off. An aspirant must decide what he/she wants to do at the entry level — work in operations, underwriting, actuarial, training departments or sell insurance. For fresh graduates with a flair for communication and selling ideas and therefore policies to people, private insurance firms are waiting. Much of the training will come from the firm itself, though a host of professional courses can be taken alongside. For several everyday functions too, fresh graduates are hired. They may fill positions in accounting, data entry, logistics support and do jobs such as calling up customers to get their correct addresses and filling up various forms. For those keen on becoming underwriters, at least a year of post-graduate study could swing that job interview. Many institutes offer post-graduate courses in insurance and finance. A handful are respected for their academic excellence and getting a degree from one of them could well be worth it.
1. Three-tier course offered by Insurance Institute of India (I.I.I)

The Insurance Institute of India was established in the year 1955, for the purpose of promoting Insurance Education & Training in the country. Institute qualifications are held in esteem both by the regulator and the industry. In its role as a leading education and training provider I.I.I. is closely associated with all the segments of the insurance industry which includes Insurance regulatory authority of India, public and private sector insurance companies.

The most popular and perhaps the most cost-effective way to acquire insurance qualifications is to take the three-tier course offered by the Insurance Institute of India. "Triple I," as some in the insurance industry call it, offers an introductory "Licentiate" course, an intermediate "Associate" course and an advanced "Fellow" course. I.I.I conducts Licentiate, Associateship and Fellowship Examinations twice a year. (i.e. May and November). An aspirant must necessarily start with the Licentiate’s course and work his/her way up. The introductory course requires no more than an SSC qualification. The subsequent two courses require candidates to have cleared the previous level. So, if you want to take the Fellow’s course, you must have cleared the Associate’s course. Insurance firms value these qualifications when hiring people. After passing the Associateship examination and after getting elected you may add with your name A.I.I.I and on completion of fellowship and election F.I.I.I. All the Public Sector Insurance Company and Private Insurance Company recognize the Institute’s diploma as one of the highest qualification in Insurance and they encourage their employees to appear for the Institutes examinations. Public Sector Insurance Companies offer cash incentives to their employees who pass the institute examination.

2. Actuarial course: Rigorous study

The first point for embarking on training to be an actuary is on attaining 18 years of age and having passed 10+2 with at least 85 per cent in Maths or Statistics. Generally, first class graduates or postgraduates in Mathematics, Statistics or Econometrics will be in a better position than others to qualify as actuaries. To qualify as an Actuary, a candidate has to pass all examinations in the prescribed subjects spread over four groups called Series -- CT, CA, ST and SA – in all, 15 subjects. In addition, he has to comply with other criteria such as experience requirement and attendance at a professionalism course prescribed for the purpose. Institute of Actuaries of India conducts the training programmes. In India, a "Fellow Member" of the Actuarial Society of India (ASI), a professional body, is called an actuary. ASI prescribes a course of study and conducts examinations as well. It does not bar students with other degrees, but there will be no escape from the tough four to six years of study required to master the basics of actuarial science. Most aspirants join an actuarial department of an insurance firm as apprentices, and study the ASI course alongside. It is hard work, but for those with aptitude for statistical modelling, the returns are good. The ASI’s website, www.actuariesindia.org, has a "Frequently Asked Questions" in addition to other sections that gives accurate information on what actuaries do and on how to become one.

3. Full time Courses

Some of the top rated full time insurance courses involve the following institutions

- National Insurance Academy, Pune
- Institute of Insurance and Risk Management (IIRM), Hyderabad
- International Institute for Insurance and Finance, Hyderabad:
- Narsee Monjee Institute of Management Studies, Mumbai
- University of Mumbai: 3-year B.Com degree programme with Banking and Insurance.
4. International courses: Self-study programmes

a) LOMA

For those who like international exposure and recognition, the Life Offices Management Association (LOMA) in the U.S. offers a 10-course self-study programme that will earn a successful candidate the certificate of Fellow of Life Management Institute (FLMI). The programme is usually taken by people who are already working in a life insurance firm. LOMA is an association of over 1250 insurance and financial services companies from more than 60 countries. FLMI is a coveted certification and the recipient's insurance knowledge is taken for granted by insurance companies. It is a quality standard for the insurance industry. Several multinational life insurance firms are member-partners of LOMA and nominate their meritorious employees to take up the FLMI course. Such employees get a chance to study the course at a discount and often, successful candidates find that their employers waive the expenses, for the qualification is valued and often a springboard for promotions and/or better offers from rival firms.

Even Indian IT firms looking for talented people with some “domain experience” in life insurance business consider hiring FLMI-qualified candidates. FLMI is open to individual candidates too, but will cost almost double. Also, while those nominated by an insurance firm get to take online tests at their convenience, independent candidates will have to take “paper tests” conducted twice a year at various centres. Independent candidates will also have to wait awhile for their results, whereas the online test takers get to know the results within minutes of completing the tests.

Life Office Management Association, U.S.A. grants 3 exemptions in their FLMI designation to the Fellows (Life) of Insurance Institute of India. LOMA also has a website, www.loma.org.

b) Chartered Insurance Institute (C.I.I), UK

As the premier professional body for the financial services profession, the CII promotes higher standards of integrity, technical competence and business capability. With over 90,000 members in more than 150 countries, the CII is the world’s largest professional body dedicated to this sector. Success in CII qualifications is universally recognised as evidence of knowledge and understanding. Membership of the CII signals a desire to develop broad professional capability and subscribe to the standards associated with professional status. The CII works with businesses to develop bespoke, company-wide solutions that ensure competitive advantage by enhancing employees’ technical and professional competence. Individually, CII’s members are able to drive their personal development and maintain their professional standing through an unrivalled range of learning services and by adhering to the CII’s Code of Ethics & Conduct.

CII members are employed with world-class insurance and financial services firms including: Allianz, Accenture, AIG, Aon, AXA Insurance, ACE Insurance, Brit Insurance, Lloyd’s of London, Lloyds TSB, Marsh, McKinsey, Munich Re, New York Life, Sun Life, AVIVA, ING, Cardif, HSBC, Deloitte, Goldman Sachs, PwC, Heath Lambert Group, Swiss Re, Munich Re, Prudential, RSA, Hiscox, Willis Re, Jardine Lloyd Thompson, Wilson Re (P&I) Ltd, and many more.
Special scheme of arrangement between III and CII to obtain ACII qualifications for III members

CII conducts the Advanced Diploma in Insurance course for interested candidates. To achieve the Advanced Diploma you must accumulate a minimum of 290 credits, with at least 180 of these obtained at Advanced Diploma level. The Associates and Fellows of Insurance Institute of India can appear for the CII examinations and take up the Advanced Diploma in Insurance qualification of the CII at a discounted rate, thanks to a special scheme of arrangement between the two institutes. The minimum credits necessary for any candidate to be eligible for completion of the Advanced Diploma in Insurance according to the new framework of the Chartered Insurance Institute is 290 credits. According to the scheme of exemptions, the Associates of Insurance Institute will be granted 120 credits as per the scheme of accreditation and the Fellows will be granted 210 credits. Thus, if you are a FIII of Insurance Institute of India, your chances of getting that coveted CII qualification gets significantly easier, not just because you have to accumulate only the remaining 80 credits through 3 subjects of your choice, but also because you save a lot of money thanks to special waiver schemes offered by CII. This aspect is seldom highlighted by career counselors and is a boon for students wishing to make a career in the insurance & risk management industry.

5. Distance Education

- The Directorate of Distance Education under the Alagappa University conducts M.Com. (Insurance Management) in the distance education mode. For details visit www.aluniv.org.
- The Directorate of Distance Education under the Pondicherry University (www.pondiuni.org) conducts one-year PG Diploma in Insurance Management (PGDIM) for graduates.
- The Directorate of Distance Education under the Annamalai University (www.annamalaiuniversity.ac.in) offers M.Com. Banking and Insurance Management.
- The Symbiosis Centre for Distance Learning, Pune (www.scdl.net) conducts PG Diploma in Insurance Management for graduates in any discipline.
- The Institute of Certified Risk and Insurance Managers (www.icrimindia.org) established by the Institute of Chartered Financial Analysts of India has developed a unique professional certification programme in risk and insurance management for the benefit of candidates seeking a career in insurance.
- The International Institute for Insurance and Finance in association with Centre for Distance Education of Osmania University conducts a PG Diploma in Insurance and Risk Management.
- The All-India Management Association (AIMA) has introduced a one-year professional Diploma in Insurance Management. The curriculum has been designed and developed by the National Insurance Academy. Course modules include management functions and behaviours fundamentals of risk and insurance management, principles and practices of life insurance / general insurance, investment management, marketing of insurance service, project work, etc.

6. Alternate recruitment programs

IFBI’s iLEAD program

Taking into account the growing needs of Indian consumers, IFBI, Institute of Finance, Banking & Insurance, under the umbrella of 'Industry Academia Partnership’ with ICICI Prudential Life Insurance offers iLEAD (Insurance Learn Earn Advance Program). The objective of the iLEAD is to build a pool of insurance professionals, who can sustain the growing momentum of the sector and help it achieve new levels of profitability and customer responsiveness. The total study hour of the iLEAD program is 300 hrs. It consists of six hours a day /five days of the week of classroom contact. In addition to the formal
classroom sessions, students may be required to participate in collaborative projects and assignments, e-learning and other reference work. Successful candidates (upon fulfillment of academic and placement norms) would be eligible to receive offer of employment with ICICI Prudential Life Insurance.

Industry --College tie-ups

- Max New York Life has campus tie-ups with A, B and C tier institutes for campus hiring. MNLY follows an annual campus-hiring calendar and selects candidates directly from campuses for Summer Internships, Lateral Placements, Management and Trainee Programs. Many other insurance companies also follow the campus-hiring method.

- HDFC Standard Life has launched a 3-month Certificate Programme in Insurance and Management in collaboration with Manipal Education, India’s premier academic and education services provider. The key objective of this programme is to select, train, and groom talent from across the country to ensure a ready pool of insurance-trained sales professionals for the company. Branded as First Advantage, this 3-month Certificate Programme in Insurance and Management is specially developed to cater to those individuals (MBAs, experienced and fresh graduates) who are looking for a rewarding career in the insurance industry. On successful completion of the programme, and post assessment, candidates would be appointed as Sales Development Managers (retail) at HDFC Standard Life.

As this industry is growing, many management institutes have come up with their autonomous programs. A thorough check on the offering including syllabus, faculty and placement is recommended before taking admission.
Career opportunities in Insurance industry

With private players now in the field, there will be innovative products, better packaging, improved customer service, and, most importantly, greater employment opportunities. There are a number of options to choose from for a career in Insurance. An insurance company will have openings in the marketing, distribution, actuarial, underwriting, operations and investing departments. Though some jobs like investing, marketing and distribution are the same in any other industry, actuarial and underwriting jobs are exclusive to the insurance industry. Jobs are available in the following functions, namely: Accounts, Audit & Risk management, Actuarial, Administration, Business Research & Planning, Channel Development, Customer Service, Claims, Group Sales, Human Resource, Information Technology (IT), Investments, Legal & Compliance, Medical, Marketing, Operations, Process Management, Sales-Retail/ Alternate Channel/ Direct , Training, Underwriting and Quality. Recruiters of insurance professionals would be reinsurance companies, insurance and reinsurance brokers, actuarial firms, health insurance firms, consulting firms, banks and financial institutions, microfinance companies, information technology companies managing underwriting, claims processing, etc. Entry-level placements could be as Management trainees, Executive trainees, Business Analysts, Business Development Manager, Actuarial Analyst, Insurance analyst, etc depending on type of company.

There are two broad streams of insurance – general insurance and life insurance. Life Insurers transact life insurance business while general Insurers transact the rest. The Insurance Regulatory and Development Authority (IRDA) is the regulatory body for the insurance industry in India. Some insurance careers are highly specialised and require relevant specialised qualifications while others are open to all graduates. Actuaries help design plans and evaluate the financial risks a company takes when it sells an insurance policy or offers a pension plan. Underwriters assess proposals and determine terms and costs of an insurance policy before deciding whether to insure a customer. The underwriter may decide to pass on a part of the risk to another insurer. This is known as reinsurance. Reinsurance is an insurance bought by the insurers. Claims staff work with people to settle claims against their policies. They review the policy details, and obtain evidence before paying a claim. Loss assessors investigate claims for losses caused by burglaries, thefts, fires and car accidents, etc. They work out the loss covered by an insurance policy and report the details and circumstances to the insurer. Insurance agents work on behalf of insurance companies. They are sales professionals who collect premiums and meet sales targets on a commission basis. Insurance Brokers are independent business people who work for themselves or for brokerage firms to find the best insurance package for their clients’ needs. Risk Managers identify and assess their company’s risk, advising on insurance and investment strategies.
PUBLIC SECTOR INSURANCE JOBS

The insurance industry employs many occupational groups such as assistant administrative officers in insurance companies, insurance surveyor, risk managers, underwriters, claim adjusters, actuaries, insurance consultants, etc. Post privatisation of insurance industry; private companies started organizing personnel to carry on the various functions of their business in tune with their goals. While LIC provides life insurance, the 4 independent public sector general insurance companies, namely New India Assurance, National Insurance, Oriental Insurance & United India Insurance are concerned with non life insurance like - motor, marine, fire, health and personal accident insurance.

LIC performs various tasks with each department having its own set of responsibilities. The various posts and their specific jobs are mentioned hereupon.

Administrative Officer and Assistant Administrative Officer

Administrative Officer (AO) and Assistant Administrative Officer (AAO) belong to the class I officer group. The job begins with the candidates joining LIC and GIC on a probation-cum-training period of 6 months. This is to provide exposure about the working of insurance sector. AAOs can choose any of the areas from Administration, Development and Accounts. In Administration AAOs handle policy making, policy claims upto certain limit, checking clauses and details, filing official returns and statements to higher regional offices etc. The Development AAOs deal with marketing and procurement of business, promoting policies, getting contracts etc. The Accounts AAOs manage the funds including incomes and expenses of the corporation. After 3 years of working as AAOs they can be promoted to AOs. This adds on more powers and authority and they can be posted anywhere in India.

Development Officer

The Development Officer belongs to class II officer group. They are incharge of their territory for the development of the insurance policies. They handle recruitment of agents; train them for procurement of new business and servicing of the existing policies. Over a period of time Agents recruited by the Development Officers can also rise to the position of the Development Officer. Recruitment process of Development Officers is handled by the Divisional Office.

Other Jobs

Apart from the class I and II level, there are other posts such as Assistants, Typists, Machine Operators, Stenographer, Telephone Operators, and Clerks etc. This group comes in the class III level category. They are recruited by the Divisional Office. The candidates applying for these posts have to go through a written test and an interview.
PRIVATE SECTOR JOBS

There are as many as 23 private life insurance companies operating at present in India (www.irdaindia.org). Private insurers have designations different from those of LIC & public sector general insurance companies, yet the functions are more or less similar. The various functions in a private insurance company (common to those in the public sector) can be summed as follows:

SALES & DISTRIBUTION

Sales function is the main line of function, and at any moment there are thousands of sales professionals working in insurance companies; their profile ranging from agents/ advisors to relationship officers/ executives to sales/ relationship managers. Private insurers have coined several designations such as sales executives/financial planning executives/ relationship executives for entry level sales jobs to sales managers/ unit managers/ sales development managers/ business managers etc for first level manager’s jobs in sales of insurance products. Key result areas range from achieving First year premium targets for entry level executives to recruiting and managing a team of agents and achieving key sales targets for a sales manager. Hierarchy takes you to the branch manager, cluster manager, area manager, regional manager, zonal manager, and national sales head reporting to the CEO. The sales manager’s role & function is similar to the development officer’s role in LIC.

The sales function is further divided according to channels of distribution. The 2 common channel funnels are the direct agency sales channel and the indirect alternate channel of distribution. Agents and agency managers are a part of the direct channel that reports to the branch sales manager and is responsible for branch sales targets. The alternate channel comprises of distributors of insurance products that operate independently from their offices & various sales points; and are normally not a part of the branch sales business targets. These channels are also referred to as third party distribution channels. TPD includes bancassurance tie-ups, corporate agents, insurance brokers, business associates, and referral arrangements with banks. IRDA regulates the appointment and working of these intermediaries for the ensuring the safeguard of consumer’s rights and interests. The Alternate channel is one of the cost-effective growth strategies of the insurer and many insurers have tied up with banks and financial institutions to leverage the distribution strengths of the channel partners & reach out to their captive customers. Banks find the tie-up with insurers beneficial because banks acquire a new source of revenue and earn substantial first year commissions from insurers for recommending the co-branded products to their captive clients. Many nationalized and private sector banks in India have either promoted their own insurance company or entered into corporate/ referral tie-up with insurers in the life/ general insurance sector. Bancassurance sales professionals employed with insurers have business targets to be generated through the bank’s offices and referrals. These sales professionals are referred to as relationship managers and they in turn organize and manage the entry level sales executives at the bank’s branches; whose job profile is simple: talk to walk-in customers and captive bank customers, initiate prospect’s interest in the product and close the sale. All such closed sales result in achieving premium targets for the individual and the team. All this may seem simple, however, the job requires high soft skills, coupled with a high emotional quotient level to sustain the sales pressure & remain positive on the job. The same is true for all sales professionals in the insurance industry, with the exception of the agent/ advisor who; being his own boss, enjoys the privilege of setting his own time and sales targets. One of the most challenging functions of the sales manager is to maintain a cordial & challenging professional relationship with his team of agents on an individual and team level, since it is the agent who is the wheel of the agency business system. Sales
managers, who have recruited high potential agents and support them during the sales calls, do not have to worry about their monthly sales targets; as the team of agents will deliver for them. That is why some sales managers are successful and others are not. It’s the managerial skills that matter.

Salaries range from 10-15k for entry level trainee/executive sales jobs with incentives; to 20-30k for sales manager; to 40-60k for branch sales managers. Area sales manager get annual CTC in the range of 8-10 lakhs, while regional sales managers salaries can range from 15-30 lakhs pa; depending on the experience of the person, the employer, and the person’s perceived worth to the company. The insurance industry is a great paymaster at higher managerial levels and the sky is the limit for senior managers who have survived the grind in the lower levels and scaled up the hierarchy. Public sector salaries may not be as lucrative as the private sector, but are relatively far secure. A typical branch manager has an average of 15 sales managers reporting at any point of time. Thousands of agents operate from a single branch office, not all of them active. Thus, there are huge opportunities in the sales function in any insurance company, to work independently as agents or become employees of the company and function as sales executives/managers etc. Sales jobs constitute the majority in the insurance sector. However, the largest turnover of employees also happens in the sales department; due to sales pressures, deadlines, and irregular working hours.

**TRAINING & DEVELOPMENT**

If you are interested in teaching, motivating and addressing large sections of people in a meeting; then the training function is just for you. You have to be a prolific speaker and a good listener. Candidates with insurance qualifications from reputed institutions such as the Insurance Institute of India are preferred in the training field. Insurance trainers are categorised into 2, namely insurance domain knowledge trainers and sales trainers. Insurance domain trainers are specialised in imparting knowledge related to the basics of insurance, the concepts, products, etc. These trainers usually handle the mandatory IRDA pre-recruitment training for agents, and have thorough insurance domain knowledge. They can be termed as theorists. However, sales trainers have a wider range of training activities, from domain knowledge to sales cycle training & handling mock sales calls for agents/managers. In addition, sales trainers are expected to conduct induction programs for new recruits, initiate training for the staff in areas of soft-skills and insurance domain. Insurance sales trainers working in the private sector are predominantly from the insurance sales function since they carry practical field experience. Branch sales trainers can go to become training managers, area training managers, regional training managers and national training head. Salaries range from Rs 3-4 lakhs pa for a branch sales trainer to 5-6 lakhs pa for a training manager and Rs 10-15 lakhs for a regional training manager.

**ACTUARIAL**

An actuary holds one of the most important position in an insurance business. He is involved in solving wide range of financial problems related with insurance investments, financial planning and management. Graduates in maths or statistics are suited for this kind of a job because the work is based on mathematical and statistical skills. In the coming times it will definitely make one of the highly paid career option in the insurance sector. Entry level salary is expected to be somewhere around Rs. 8 lakh p.a.

**The Actuary and his Role**

An actuary is always linked, by general impressions, with insurance and his role to the job of asset-liability valuation of insurers. As opined by the Morris committee of the H.M. Treasury, London, and quoted above, an actuary’s role, in fact, extends to the whole gamut of the financial systems of any country, including the effects that the global communities make on them. His job is managing risk for
profit of any firm, of any size. Product Designing, Product Pricing, Customer Value Management, Risk Management and Capital Management are the five key elements in the alchemy of an actuary – be it insurance, banking, fund management, any financial or risk-based organization of private or government entities.

While most of the developed countries are engaging the so-important actuarial services to their economic benefits, countries like India are yet to gear up their 'economic benefits' to the actuarial advices. The reasons are many and the most important one being the dearth of such services. There are not many amongst the bright and capable graduates and post-graduates from the universities to take up the qualifying examinations to become actuaries, for the plausible reason that there are no regular and standard institutions offering the class-room courses for these examinations.

UNDERWRITING

The life and non-life insurance segments require professional underwriters. Underwriters assess the risk in the business and take care of risk management. Normally foreign insurers prefer people with medical or life science background for this job and the same is likely to happen here. Entry level salary can be expected to be around 6 lakh p.a.

MARKETING AND DISTRIBUTION

Marketing insurance product is not easy at all. It is like marketing any other financial product, which requires a push. Marketing therefore would require specialization. Degree holders from reputed institutes and those with experience in marketing and finance fields can anticipate bright opportunities in the insurance sector. Even the role of agents will witness a radical change; they will moreover serve as financial consultants, who will offer a complete range of insurance solutions.

OPERATIONS

The insurance sector will be requiring Infotech professionals for elaborate databases, network solutions and for in house packages etc. Like other sectors, demand for database and software professionals is expected to grow in the insurance sector as well.

INVESTMENT

Like banks and mutual funds, investment professionals will be required in insurance sector as well. Professionals with degree in finance from reputed institutes as well as experienced professionals from banks and mutual funds will have promising career options to look forward to.
NON-EMPLOYEE FUNCTIONS

Apart from people directly working in the insurance companies, there are other categories of people related to the insurance sector. These include the following:

INSURANCE AGENTS

An insurance agent is a person who takes up agency from the insurance company to sell their policy on a commission basis. He acts as an intermediary between the insurance company and the policy holder. But before doing so, he has to undergo training and get a certificate of proficiency from the insurance company. Mostly insurance policies are bought through agents. Agents help individuals and companies in selecting the right policy for their needs. They plan for the financial security of individuals, families and businesses and advise them about insurance protection. They also help the policy holders at the time of settlement of the claim. The job of agents is quite challenging as selling a product like insurance policy is not easy. For being successful, agents should be outgoing and social. They should have a knack of convincing people. Recruitment of agents is done by the Corporation after a written test and an interview followed by a training period of 3 years. Graduates in the age group of 21 to 35 years are preferred.

INSURANCE SURVEYORS

Insurance surveyors are qualified professionals deputed for the assessment of losses, according to their qualification and experience. They play an important role as they serve a link between the insurer and the insured. Their job is to assess the actual loss and avoid false claims filed by the insured and on the other hand help the insured who has suffered a genuine loss by indemnification of the loss. They act as investigators, assessors for determining the loss and liability to be reported to the insurance company. The work is not always delighting as it often involves a lot of hard work and travelling at awkward times. Surveyors are not employees of the insurance companies. They are independent professionals who are hired by the insurance companies. To hold a license of a surveyor, one must possess any one of the following qualifications.

- Fellowship or Associateship of the Institute of Insurance Surveyors and Adjustors (IISA), Mumbai.
- A Degree or Diploma in Architecture of a Recognised University or Institute.
- Fellowship or Associateship of the Institute of Chartered accountants or Cost and Works Accountants.
- A Degree or Diploma of a Recognised Institute of Engineering.
- A Degree or Diploma in Naval Architecture.
Opportunities for various categories of job seekers

Undergraduates

There are immense job opportunities for this category in the insurance sector, primarily in sales. Young college students can start their careers in sales by working as sales executives/trainees/agents and gain valuable job experience. Once they learn the rules of the game, and become confident, they can be promoted to lead teams. Thousands of vacancies in sales exist in entry level jobs, and the right candidate can kick start their insurance career from an early age. Entry level jobs exist in offices of insurance companies, insurance corporate agents, brokers, banks, and third party administrators.

Graduates in any stream

For graduates, there are immense opportunities in the sales, training, operations, IT, accounts, administration, and customer service functions. With prior work experience in the respective fields, the chances of getting selected are greater. Vacancies exist at entry levels for freshers and managerial levels for experienced graduates. Many companies have tied up with education service providers to offer job guarantees to students who join their courses, and pass the respective exams. For example, IFBI, a subsidiary of NIIT and co-promoted by insurance and banking companies such as ICICI, Corporation bank, ICICI-Prudential etc, offers 6 months program in insurance; and every student is offered appointment letters with the respective promoting companies even before completing the programs. This concept of tie-ups with corporates is on the rise and provides win-win opportunities for the corporates involved, the training companies and the students. For graduates with the entrepreneurship bug, an insurance agency or business partner relationship with an insurer makes sense, and offers great job satisfaction.

Engineering graduates

They can work as surveyors and loss assessors, in the general insurance field. In life insurance, they can work in the actuarial field provided they possess actuarial qualifications. Nowadays, many engineers are working in the investment & funds management department as analysts.
Medical graduates/ diploma holders

Medical professionals with MBBS, BAMS, and pharmacy qualifications are sought after in the underwriting and claims departments. For doctors, Opportunities exist in Underwriting, Claims, Medico-legal departments, etc. Life insurance proposals require premedical inspection before acceptance of policy proposal.

Professionally qualified persons

Lawyers: Opportunities exist in claim management, claim investigation & related legal aspects.
Chartered Accountants: Opportunities exist in Accounts, Finance & Auditing Department, Investment management, claims management, etc.
Engineers: Opportunities exist in pre-insurance survey, loss assessment, claims settlement, valuations, etc.
Career path in the private insurance sector

Sales Career path in a typical private life insurance company

Sales Organization Illustration:
Private Insurer

Managing Director

Alternate channel director

Alternate channel head

Regional Mgr

Area Mgr

Territory Mgr

Team Leader

SM

ASM

FPC

FPA

Agency Channel

Sales Director

DSF Head

Regional head

State head

Zonal Mgr

Cluster Mgr

BM

Dy.BM

SM

ASM

C

A

R

E

R

P

A

T

H

Agency channel designations
FPA: Financial Planning Advisor
FPC: Financial Planning Consultant
ASM: Assistant sales manager
SM: Sales Manager
Dy.BM: Deputy Branch Manager
BM: Branch Manager
DSF: Direct sales force

Alternate channel terminology
Alternate channel: Non-agency channel force;
Bancassurance/ Corporate agents/ Insurance
broking/ direct marketing etc
FPC: Financial Planning consultant
Skills/ Traits required for getting selected

Skills can broadly be classified into Functional (related to the job that you do. E.g. Analytical skills) or Soft Skills (required irrespective of function, e.g. Communication skills, presentation skills etc.) One has to first identify the required mix of both the skills and then work on it. For a fresh graduate, it is suggested to sharpen the Soft skills including Interview skills. Functional skills can be developed on the job. Apart from soft skills, those in sales should possess a high EQ (Emotional Quotient), since the job requires patience and ability to withstand time and target pressures. Integrity, quantitative ability, written and spoken communication skills and an interest in people are essential. A look at what’s needed to make it to the offer letter.

- **Communication skills**: The art of talking smoothly and listening is a must in any job. Sales jobs require a person to be articulate, patient and possess the art of effective listening, during sales calls and when you are in the process of completing a need analysis for the client.
- **Convincing skills**: An extension of the communication skills, and more. You need to convince the client on the effectiveness of your financial recommendation on the strength of your convictions.
- **Self-motivated & energetic**: This is often a state of mind, and can be molded with practice over a period of time.
- **Past Experience**: this will tilt the interview in your favour, as insurers are looking for experienced, pre-trained candidates for lessening the training cycle.
- **Related formal qualifications**: If you are armed with insurance qualifications from prominent institutes, your profile adds weight automatically, and the job comes closer to you.
Demand-Supply Challenges

The insurance industry will need constant flow of people for its working. In the light of the NIA-CII survey projecting a requirement of 27 lakh personnel in the insurance sector by 2012; and a supply of only 5 lakh trained personnel by then; the gap of 22 lakhs is too huge to be fulfilled. The easy option for insurers will therefore be to recruit from other sectors such as Pharma, FMCG, finance etc. It is imperative therefore to train them for the insurance industry, thus increasing lead time for these relatively fresh candidates to be effective contributors to the industry, while increasing training costs. The gap of 22 lakh personnel offers a great opportunity for private players to enter the insurance education & training space, and offer co-branded courses with insurance companies on the lines of IFBI. Competition will come from established players in the education space to design industry specific courses in the fields of sales, underwriting, actuarial sciences, claims, loss assessment, bancassurance, alternate channel management, etc. Thousands of jobs are expected to be offered in the next 5 years. The necessary human resources should be ramped up by then through the combination of top institutes, universities offering insurance courses, MBA insurance courses offered by universities & autonomous management institutions; distance learning courses such as the 1 year PG course in insurance management offered by SCDL, and the short term courses offered by private players. The insurance education space needs a broad rethink. Universities need to start UG & PG courses in insurance to begin with. Management institutes should have an elective in insurance, or a dedicated MBA in insurance & risk management. Institutes such as IFBI should be promoted for offering sure shot jobs with partner companies. Distance learning & online training institutions will spread the reach of insurance education to working people.

It is a pity that even after almost ten years of existence many of the new players in the insurance industry have very few staff with insurance qualifications. This may be due to lack of incentives to pursue insurance courses offered by Insurance Institute of India, LOMA etc. Therefore till the companies have sufficient number of insurance qualified persons on board Outsourcing of training for its own staff induction programs as well as the IRDA pre-recruitment agent’s training program may be the only option, even though many insurers are now resorting to training by its own staff. The opportunity is too big to be ignored by education entrepreneurs & established education service providers.

*(For ideas on various career openings in insurance companies, visit websites of insurers in India)*
About the author:

P. Santhosh lives, breathes & thinks insurance. An integral part of the insurance industry right from 2001, he has worked in multi-national insurance companies in various sales positions. In 2007, he founded and promoted CIFP, a niche insurance & financial planning firm aimed at meeting the training & certification needs for the insurance industry. CIFP also trains candidates for the various I.I.I exam levels i.e. Licentiate, Associateship & Fellowship exams; while offering career courses leading to job placements in private insurance companies. He has authored 3 course books for SCDL for their 1-year PG Diploma in Insurance Management. His views can be tracked on www.cifplearning.com. He lives in Pune with his wife Smitha & son Adhit.