

Insurance business faces broker shortage

And fewer firms due to mergers

By Murray McNeill

ADD insurance brokers to the growing list of occupations facing a potential labour crunch as their baby boom members approach retirement age.

The chief executive officer of the Insurance Brokers Association of Manitoba said Monday the insurance brokerage business is facing the same dilemma as a lot of other industries in Canada because of the country's aging population and workforce.

"There are a lot of senior people in the industry where succession is a real issue," David Schioler said in an interview. "We want to attract more young people to the industry..."

That's why a two-and-a-half-hour human resources seminar has been included on the agenda of the IBAM's three-day annual meeting, conference and trade show, which gets underway Wednesday in Winnipeg.

Schioler said he expects a good turnout for the Friday afternoon session, which will focus on how to produce a high-performance organization. The theory is that if a firm is a high-performer, it has a better chance of attracting and retaining good workers.

Schioler conceded the industry isn't going to attract new workers with the lure of big bucks, because salaries are generally "decent but average."

"I think the attraction for people, in the medium and longer term, is the entrepreneurial aspect and the opportunity of running your own business," he said.

Schioler couldn't say how many brokers are likely to be needed in Manitoba over the next decade or so, or how many enter or leave the industry in an average year.

"But we would expect that close to 30 per cent of our (company) principals will be looking in the near future to concrete succession," he said. "Historically, a lot of brokerages were taken over by family successions, but that's not always happening now."

The IBAM represents about 80 per cent of the independent property and casualty insurance brokers in Manitoba. Its membership includes about 1,500 individual brokers and about 300 brokerage firms.

Schioler said the number of individual brokers has risen in the last few years, but the number of brokerage firms has been declining due to industry consolidation.

He said he knows of at least seven firms that were swallowed up last year, mostly by other brokerages, but that's an unusually high number for a single year.

Schioler said there have been a couple of encouraging developments for the industry in the last year. One was the federal government's decision to once again

turn down the banking industry's request to be allowed to sell insurance products in their bank branches.

The other was the Manitoba Public Insurance's decision to allow insurance brokers to handle driver's licence renewals as well as auto-insurance transactions.

While insurance brokers are paid only \$1 for each transaction, Schioler said that's not what's important.

"It brings more people through the doors, and eventually you can hopefully sell those people other insurance products," he said.

The IBAM event features a keynote address Thursday afternoon with motivational speaker Peter Legge.

✉ murray.mcneill@freepress.mb.ca

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— David Schioler, Insurance Brokers Association of Manitoba