

Michigan Independent Insurance Agency Trends – Money and Culture and Covid, Oh My!

Michigan’s independent agency network is amid significant changes affecting everything from increasing salaries to new in-office and overall employment culture spurred by Covid-19. We are in a unique position to hear both the employer and employee perspectives. We are also seeing what has been implemented across Michigan independent agencies. The most frequent questions we receive from employers are about salary trends and remote work policies. Although this is a moving target, we want to share the changes we have seen so far.

The below data was drawn from actual placements during the past 15 months:

Agency Position	Salary Range	Median
PL Acct Mgr	\$48-60k*	\$52k
CL CE/Senior AM	\$100-165k	\$121k
CL AM	\$52.5-80k	\$68.5k
CL CSR	\$48-53k	\$50k
EB CE/Senior AM	\$85-125k	\$95k
EB AM	\$60-75k	\$66.5k
EB Analyst	\$50-70k*	\$62k
EB CSR	\$48-57k	\$51k

*Salaries for PL Account Manager working on VIP/High Net Worth accounts and EB Analysts working on SIRs are excluded from the above, as they are higher and more variable.

Money – Salary Trends

The most significant trend we are seeing is higher salaries for less experienced employees. Due to the considerable number of pending retirements, there is greater competition for younger candidates, and it isn’t based on their existing knowledge base or experience. This is fostering more job moves in that segment and a disconnect between expectations on both sides of the equation. Recent college graduates without any insurance experience are demanding salaries that are at least \$50k. People with relatively little experience (1-2 years) are being hired at salaries more appropriate for 5-10 years of experience. Salaries for experienced insurance professionals that are closer to retirement have increased some but are far more stable.

Culture – What is the new normal?

The entire culture of the independent agency workforce has changed. Most positions can be performed remotely, and teams are no longer together in person on a daily basis. Zoom and Teams meetings dominate communication and are usually the first step in an interview process for new hires. Most

independent agencies have adopted a hybrid approach to remote work. These policies are designed to create a balance but depending upon the individual's perspective they can be divisive. People who have pre-existing conditions or a higher level of fear of Covid do not want to be in the office at all. Some have told us that they view their co-workers differently based on vaccination status or mask wearing.

Remote work is one of the most requested items for employees considering a job move. Although it is still a small percentage, we are seeing more positions that are 100% remote. Employers who are willing to offer this benefit will widen the pool of candidates they can attract. They may also be able to staff hard to fill positions with more moderate salaries, as people are willing to trade some salary for this benefit. This is a difficult practice to implement without causing upheaval within an organization. Unless everyone is allowed to work 100% remotely, this can foster yet more divisiveness in a work culture. There are also some indications that people who are never in the office are more likely to receive smaller raises or not be considered for promotions. There are also managers who have employees that they feel are not able to work effectively from home. Most Michigan independent insurance agencies have adopted a hybrid approach to remote work. These policies can look quite different, but they allow everyone to have a combination of remote and in-office work.

Covid-19 – Is it over yet?

Covid-19 policies within the office are another issue that can affect recruitment and retention of employees. Specifically, vaccination requirements and masking. These policies can either attract or repel employees, depending upon their convictions. We are not seeing vaccination requirements; however, we do have employers asking unvaccinated employees to work exclusively from home. Some employers are asking employees to volunteer their vaccination status, so they have an overall idea of the status of their offices. Most employers are volunteering their vaccination status when they are going to meet a candidate in person and/or asking about the status of the candidate. Some candidates want to know in advance about the vaccination status of the interviewer and other Covid policies the employer has implemented. Currently, most offices are requiring masks in shared areas or whenever you leave your desk. We are aware of a small minority that are requiring masks the entire time you are in the office, and some who are not requiring masks at all. There are also varying policies on quarantine protocols and testing. In short, there is no consensus on masks and many other Covid issues, but it is having an impact on hiring and keeping employees.