

2019 EPPI Compensation & Benefits Survey

A Survey of Executive and Professional Positions in Insurance

 Total Compensation Solutions

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2019 EPPI COMPENSATION SURVEY

EXECUTIVE, MIDDLE MANAGEMENT, and PROFESSIONAL POSITIONS in INSURANCE

Data Effective: January 1, 2019
Publication Date: July 24, 2019

No. of Companies: 488
No. of Survey Jobs: 63
No. of Employees Reported: 12,773

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TABLE OF CONTENTS

Section	Page
I. EXECUTIVE SUMMARY	
Introduction.....	2
Survey Process.....	3
Demographics.....	4
Compensation Trends.....	7
Health and Welfare Benefits.....	10
Overall Cost of Benefits.....	11
Bonus/Short-term Incentive Plans.....	12
Retirement Plans.....	13
Total Compensation for the CEO of an EPPI Company.....	14
Board Compensation.....	15
2019 EPPI Compensation Survey Company List.....	16
II. ORGANIZATION STRUCTURE	
EPPI Reporting Relationships.....	23
Support and Administrative Functions.....	24
Insurance Functions.....	25
III. COMPENSATION ANALYSIS	
001 Chief Executive Officer.....	28
002 Chief Operating Officer.....	32
003 Top Claims Executive.....	36
004 Top Underwriting Executive.....	40
005 Top Legal Executive.....	44
006 Top Risk Management Executive.....	48
007 Top Information Systems Executive.....	52
008 Top Financial Executive.....	56
009 Top Marketing Executive.....	60
010 Top Administrative Executive.....	64
011 Top Research & Development Executive.....	68
012 Top Insurance Operations Executive.....	72
013 Top Strategic Planning Executive.....	76
014 Top Account Management Executive.....	80
015 Top Product Management Executive.....	84
016 Top Regional Executive.....	88

TABLE OF CONTENTS

018	Top Compliance Executive	92
019	Top Human Resources Executive	96
020	Agency Manager.....	100
021	Chief Investment Officer	104
022	Top Actuarial Executive	108
101	Second Level Claims Executive.....	112
102	Second Level Underwriting Executive	116
103	Second Level Risk Management Executive.....	120
104	Second Level Information Systems Executive	124
105	Second Level Financial Executive	128
106	Second Level Marketing Executive	132
107	Second Level Administrative Executive	136
108	Second Level Insurance Operations Executive	140
109	Second Level Legal Executive.....	144
110	Second Level Human Resources Executive.....	148
111	Account Executive - Marketing	152
201	Claims Supervisor.....	156
202	Senior Claims Examiner / Representative	160
203	Claims Examiner / Representative.....	164
204	Claims Assistant	168
205	Underwriting Supervisor.....	172
206	Senior Underwriter	176
207	Underwriter	180
208	Underwriting Assistant	184
209	Risk Management Supervisor.....	188
210	Senior Risk Management Specialist	192
211	Risk Management Specialist.....	196
212	Senior Programmer / Information Technology (IT) Analyst.....	200
213	Programmer / IT Analyst.....	204
229	IT / Business Analyst	208
222	Manager of Human Resources	212
223	Senior Human Resources Representative.....	216
214	Human Resources Representative	220
214	Manager of Marketing	224
215	Senior Marketing Representative.....	228
216	Marketing Representative	232
217	Regulatory Analyst.....	236

TABLE OF CONTENTS

218	Executive Secretary	240
219	Administrative Assistant.....	244
225	Accounting Manager	248
220	Accountant.....	252
226	Accounts Payable/Accounts Receivable Supervisor (NEW).....	256
231	Accounts Payable/Accounts Receivable Representative (NEW).....	260
264	Webmaster.....	264
268	Social Media Coordinator.....	268
227	Staff Attorney	272
228	Actuary.....	276
III.	PERSONNEL POLICIES AND PRACTICES	
	Type of Insurance Company Statistics	281
	Wage and Salary Administration Summary	282
	Health and Welfare Benefits Summary.....	285
	Perquisites.....	290
	Overall Benefits Summary	291
	PTO Policy	292
	Vacation Policy.....	293
	Incentive Pay Programs.....	295
	Retirement Plans.....	299
	Board Compensation	302
IV.	REFERENCE	
	Definition and Explanation of Terms	306
	Survey Methodology	310
	Job Matching	312
	Uses of Survey Data	313
	Compensation Philosophy	314
	Percentile Analysis.....	315
	Determining Salary Ranges.....	316
	About Total Compensation Solutions	318

EXECUTIVE SUMMARY

Introduction

Welcome to the 2019 Executive and Professional Positions in Insurance (EPPI) Compensation and Benefits Survey. This is the sixth edition of the EPPI Survey and we have seen steady growth of our survey database over the past six years. We saw a 6.2% increase in the number of employee data points compared to 2018 and a 5.0% increase in the number of companies in the survey compared to 2018. This year, we also added two new job titles to the survey: Accounts Payable/Receivable Supervisor and Accounts Payable/Receivable Representative. Overall, the 2019 survey reports on compensation for 63 job titles compared to 58 job titles in 2018.

At the time of this survey's publication (July 2019), we are seeing a continuation of an economy that is basically at full-employment. We still have not seen any significant movement towards healthcare reform. Therefore, companies and individuals will keep facing higher premiums and higher deductibles. These higher costs for healthcare are an ongoing consideration for companies when formulating their approach towards compensation. In this tight labor market, the competition for talent can present a challenge to retaining high-performing employees and/or attracting quality candidates who now have more job opportunities in the marketplace. Therefore, it is essential to have access to current market data to stay competitive in an environment where candidates can be more selective or are at risk of being recruited away from your company.

Total Compensation Solutions (TCS) launched the EPPI survey to provide a resource that insurance industry leaders can use in developing and rationalizing their pay programs. EPPI provides timely, accurate compensation data on insurance industry positions. This survey is an easy-to-use tool for compensation and human resources practitioners to apply sound pay policies and procedures. With this survey, we report how insurance companies implement sound compensation theory that enhances recruiting, reduces turnover, and drives employee performance. We are pleased to present our six edition of the EPPI Survey and we welcome your comments.

As part of our service, TCS staff members are available to discuss the survey and its use in one-on-one conversations with participants. During these calls, TCS will explain the design and use of this customized survey report and how your current compensation levels compare to the external market. There is no additional fee for this service. Rather, we want to ensure that survey participants are maximizing the utility of the report and providing feedback that will assist in continuous improvement of the service. We ask that you contact Tom Bailey, a Senior Compensation Consultant on our staff, at tbailey@total-comp.com or (914) 730-7300 to arrange your one-on-one session.

EXECUTIVE SUMMARY - continued

Survey Process

TCS designed this survey based on participant input and our experience in the insurance industry. TCS' consulting work within the insurance industry revealed to us the lack of insurance surveys that cut across different lines of business (property and casualty; workers' compensation, professional liability, etc.) and structural lines (stock; mutual; and risk retention groups). This survey fills the need for an independent survey in the insurance industry.

TCS distributed survey input documents to over 1,700 potential survey participants in February 2019. We followed up with potential participants via postcards, emails, and phone calls. We closed the survey database on June 3rd when we received our last completed questionnaire. During the data collection process, TCS followed up with survey respondents for clarification of survey data. TCS supplemented financial information, compensation and benefits data supplied by participants with information provided to state regulatory and Federal agencies.

This year we compiled data from 488 companies on over 12,700 individual incumbents and we are able to report compensation data on 63 executive, middle-management and professional staff positions. This survey report is divided into five sections as described below:

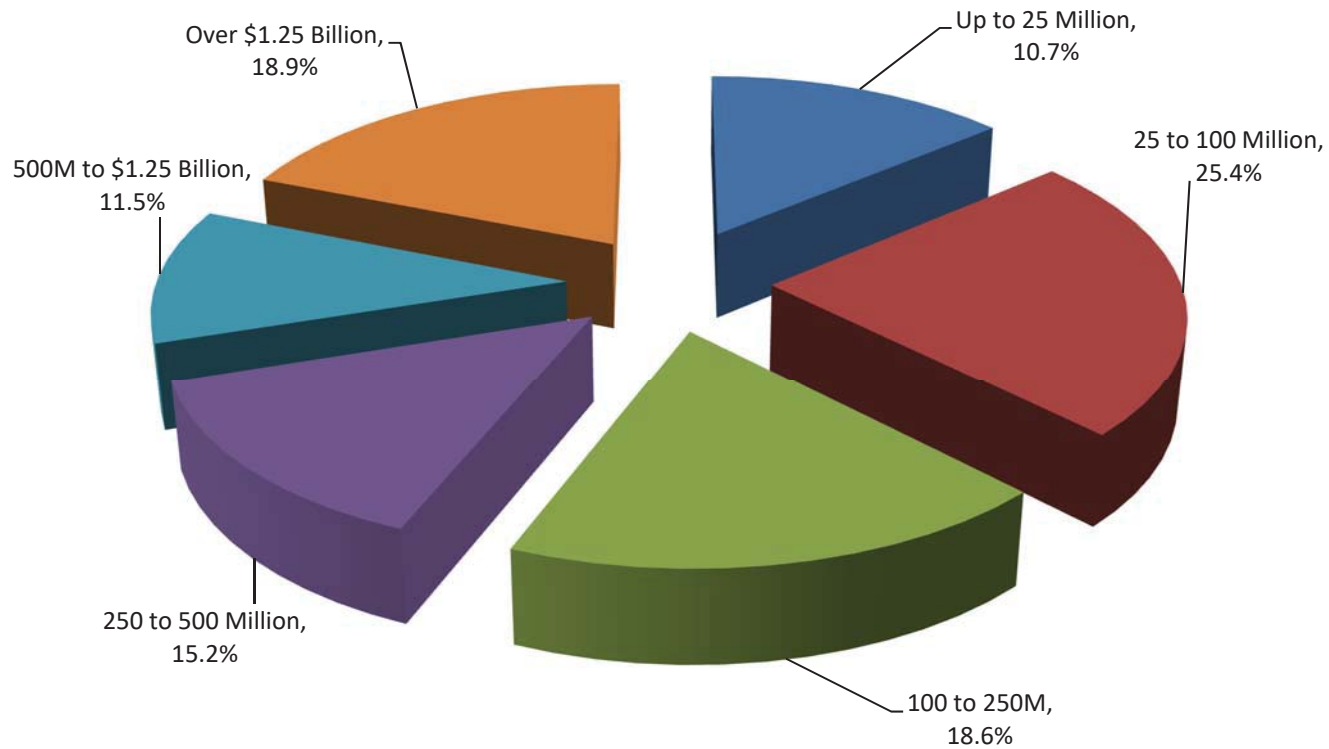
Section	Title	Summary
Section I	Executive Summary	Includes survey findings and observations; profile data on participants; general findings; compensation findings, personnel policies findings; and a list of participants.
Section II	Organization Structure	Includes a level chart describing job categories found in EPPI companies and an organization chart applicable to many EPPI Companies.
Section III	Compensation Analysis	Reports compensation data effective as of <u>January 1, 2019</u> for 63 survey positions; personalized compensation report (your data versus all other participants) with peer groupings based on assets and lines of business.
Section IV	Personnel Policies and Practices	Provides information on personnel policies and practices including: salary administration policies; health and welfare benefits; paid time off policy; perquisites; retirement and Board compensation.
Section V	Reference	Defines terms used in this report; provides technical notes on the use of survey data; application of percentile analysis; updating survey data; data suppression; compensation philosophy; and salary range determination.

EXECUTIVE SUMMARY – continued

Demographic Info

- TCS collected data from 488 companies which we split into six asset size categories. These asset size groups are used for peer analysis within this report:

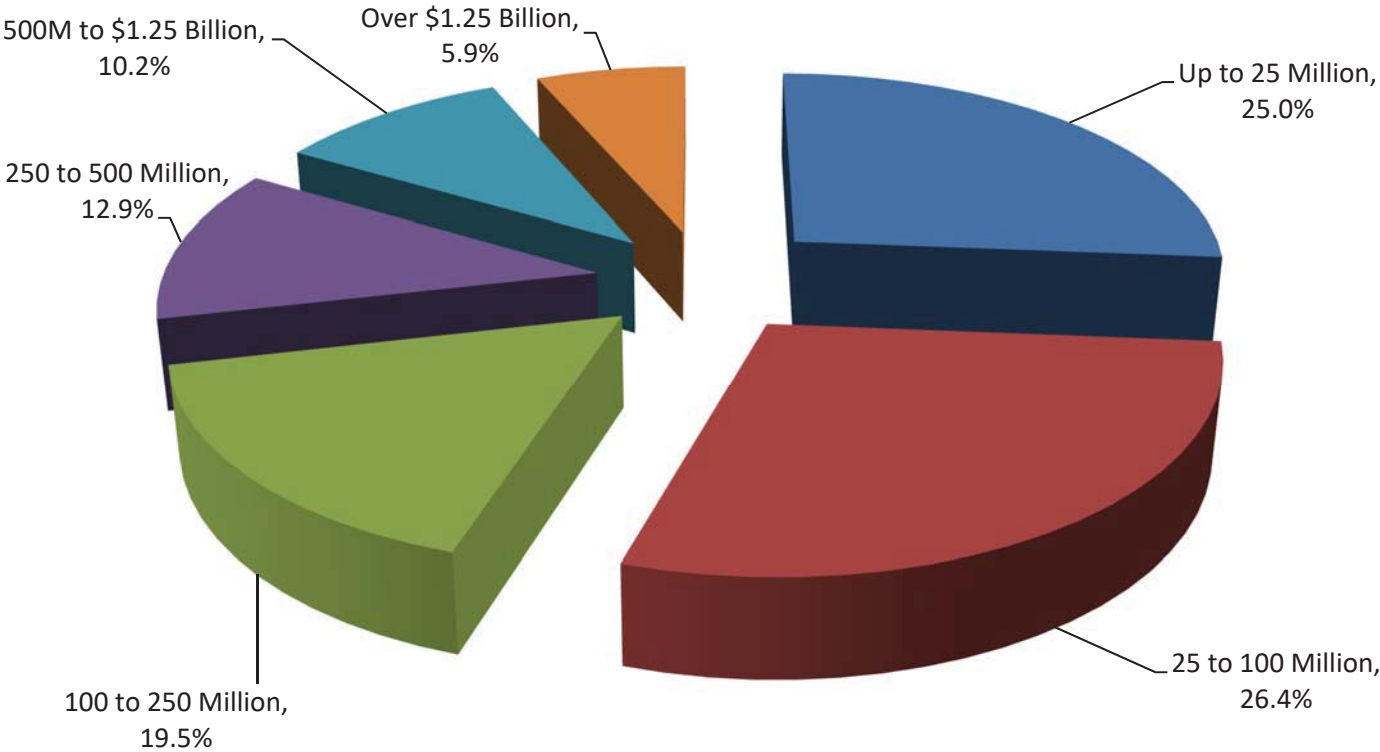
Survey Companies by Asset Size



EXECUTIVE SUMMARY – Continued

➤ TCS also reported the data on the 488 companies by six premium size categories. These premium size groups are used for peer analysis within this report:

Survey Companies by Premium Size



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008 Top Financial Executive

Responsible for the insurance company's overall financial plans and policies along with its accounting practices and the conduct of its relationship with the financial community. Directs treasury, budgeting, accounting, audit, tax accounting, and other related activities for the company. Has specific responsibility for developing and coordinating necessary and appropriate accounting and statistical data for all company departments. Takes all possible steps to achieve improvement of the company's financial standing and may assist in long-range planning activities.

Finance & Operating Data	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Total Assets (\$000,000's)	341	354	2563.1	2457.0	107.7	297.6	1228.0	3949.6
Gross Direct Premiums (\$000,000's)	341	354	770.6	771.0	44.6	146.6	427.8	1027.7
All Companies - National	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	341	354	303.9	302.2	206.5	274.0	361.8	481.7
Bonus Potential %	48	48	31.4	31.4	20.0	25.0	40.0	51.4
Bonus Potential (\$000's)	48	48	98.9	98.9	45.4	70.4	106.3	207.9
Actual Bonus %	277	286	58.1	58.8	18.2	34.2	72.0	118.8
Annual Bonus Paid (\$000's)	277	286	216.6	218.0	39.0	100.0	245.1	555.3
TCC (\$000's)-All	341	354	478.9	479.1	233.3	349.3	571.9	891.8
TCC (\$000's)-Bonus Paying Only	277	286	525.5	524.9	257.5	388.2	615.0	1044.5
TCC (\$000's)-Base Salary Only	67	68	282.8	281.8	188.4	234.8	331.7	493.1
Long-term Incentives Paid (\$000's)	13	13	164.3	164.3	34.7	47.0	250.0	381.3
Total Direct Compensation - All (\$000's)	341	354	484.9	485.3	234.0	351.7	585.4	921.6
Salary Range	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Salary Range Minimum (\$000's)	21	23	209.3	207.2	149.0	203.2	259.5	289.6
Salary Range Midpoint (\$000's)	21	23	268.0	267.1	188.4	265.0	324.3	362.0
Salary Range Maximum (\$000's)	21	23	326.7	326.9	239.4	325.0	389.3	434.4
Match Equal to Benchmark	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	327	338	306.5	304.4	207.6	275.0	364.0	481.9
Annual Bonus Paid (\$000's)	265	272	222.9	223.2	40.0	100.8	251.1	565.5
TCC (\$000's)-All	327	338	485.8	485.1	234.4	352.3	582.9	903.7
P & C Companies Only	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	249	258	311.2	308.5	212.2	276.0	384.1	509.1
Annual Bonus Paid (\$000's)	199	206	239.5	240.6	40.5	118.4	266.1	568.9
TCC (\$000's)-All	249	258	502.4	500.7	238.2	367.5	587.2	1030.7
Workers Comp Companies Only	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	30	33	261.3	259.0	210.2	244.5	301.4	358.1
Annual Bonus Paid (\$000's)	23	24	106.9	108.5	31.9	54.2	123.6	304.8
TCC (\$000's)-All	30	33	339.1	341.7	210.2	306.3	383.9	595.0

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Assets Over \$1.25 Billion	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	83	87	412.4	412.0	299.9	377.5	515.4	617.4
Annual Bonus Paid (\$000's)	70	74	443.6	455.1	130.0	248.1	557.6	936.3
TCC (\$000's)-All	83	87	789.7	795.8	393.5	587.2	936.2	1339.0
Assets \$500M to \$1.25 Billion	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	46	47	318.9	320.1	242.6	300.9	382.8	436.7
Annual Bonus Paid (\$000's)	43	44	156.2	158.7	49.5	117.0	204.2	318.7
TCC (\$000's)-All	46	47	465.0	468.4	306.9	412.1	590.4	810.7
Assets \$250M to \$500M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	63	67	289.8	287.4	226.0	275.6	314.9	386.7
Annual Bonus Paid (\$000's)	50	52	167.9	169.3	54.1	100.0	223.6	417.0
TCC (\$000's)-All	63	67	420.0	421.2	271.7	349.3	546.0	728.9
Assets \$100M to \$250M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	67	70	260.1	259.2	191.8	234.4	323.4	369.9
Annual Bonus Paid (\$000's)	55	56	143.7	145.6	28.2	69.8	147.7	403.5
TCC (\$000's)-All	67	70	375.0	378.4	216.3	295.8	400.6	689.0
Assets \$25M to \$100M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	68	69	235.2	232.0	157.1	196.6	272.2	386.2
Annual Bonus Paid (\$000's)	49	50	90.2	86.9	18.7	35.2	89.9	216.0
TCC (\$000's)-All	68	69	300.5	294.6	180.9	222.9	314.0	520.1
Assets Up to \$25 M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	14	14	204.9	204.9	151.1	179.4	233.1	272.1
Annual Bonus Paid (\$000's)	10	10	96.9	96.9	16.3	34.6	69.8	136.1
TCC (\$000's)-All	14	14	274.1	274.1	170.1	197.5	250.7	342.6

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Premiums Over \$1.25 Billion	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	26	29	495.7	504.9	426.4	509.9	589.0	707.3
Annual Bonus Paid (\$000's)	25	28	517.7	547.1	242.6	467.8	581.5	991.6
TCC (\$000's)-All	26	29	995.6	1031.0	747.3	934.4	1177.7	1643.0
Premiums \$500M to \$1.25 Billion	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	44	45	365.0	364.6	287.2	350.0	433.4	516.1
Annual Bonus Paid (\$000's)	38	39	449.5	456.5	103.5	242.7	421.3	689.7
TCC (\$000's)-All	44	45	754.6	758.9	370.9	566.2	847.2	1089.4
Premiums \$250M to \$500M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	54	55	317.8	318.9	251.5	300.0	369.1	440.7
Annual Bonus Paid (\$000's)	47	48	192.0	195.1	50.5	132.9	252.6	419.7
TCC (\$000's)-All	54	55	485.4	488.7	289.9	441.1	590.8	798.1
Premiums \$100M to \$250M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	72	74	300.0	301.4	224.5	266.6	335.4	455.9
Annual Bonus Paid (\$000's)	57	57	164.2	164.2	32.3	63.3	182.9	445.0
TCC (\$000's)-All	72	74	426.5	431.1	258.9	328.7	480.4	748.1
Premiums \$25M to \$100M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	93	97	262.0	256.7	181.6	229.2	309.0	361.1
Annual Bonus Paid (\$000's)	70	73	127.0	125.5	35.1	70.0	142.6	255.5
TCC (\$000's)-All	93	97	357.6	351.2	203.6	281.5	393.4	586.1
Premiums Up to \$25 M	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	52	54	216.3	213.0	160.8	190.5	242.1	314.2
Annual Bonus Paid (\$000's)	40	41	50.8	51.0	19.3	33.7	69.3	98.4
TCC (\$000's)-All	52	54	254.9	251.5	182.6	212.1	286.5	369.8

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Northeast	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	92	95	319.7	319.4	213.1	284.1	387.2	529.5
Annual Bonus Paid (\$000's)	76	78	219.1	221.8	38.7	102.1	269.8	572.4
TCC (\$000's)-All	92	95	499.6	502.5	254.1	352.3	605.6	1024.6
Southeast	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	68	69	301.0	300.2	210.2	270.9	364.9	475.9
Annual Bonus Paid (\$000's)	54	54	326.7	326.7	46.5	127.6	250.8	564.0
TCC (\$000's)-All	68	69	556.7	559.7	224.9	373.0	615.7	856.2
North Central	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	117	124	309.0	306.2	190.7	276.5	364.9	509.4
Annual Bonus Paid (\$000's)	98	103	196.4	195.6	38.4	108.6	251.2	542.6
TCC (\$000's)-All	117	124	472.1	469.6	230.0	371.8	566.4	930.6
Mountain/South Central	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	53	54	258.9	255.2	198.1	238.5	305.2	352.3
Annual Bonus Paid (\$000's)	39	40	120.9	118.7	30.7	69.8	105.0	243.1
TCC (\$000's)-All	53	54	348.5	342.6	218.1	281.0	412.0	541.3
Western	No. of Cos.	No. of EEs	Wtd. Avg.	Average	25th Ptile	50th Ptile	75th Ptile	90th Ptile
Annual Base Salary (\$000's)	11	12	344.9	353.4	259.4	338.3	409.5	475.0
Annual Bonus Paid (\$000's)	10	11	196.0	208.5	49.5	70.5	319.3	600.4
TCC (\$000's)-All	11	12	524.6	542.9	309.8	431.7	670.2	1063.6

TCS Total Compensation Solutions

- TCS is a trusted advisor to trade associations; Boards of Directors; and executives representing privately-held, and publicly-traded companies throughout the U.S. We service all clients from a single office located in Armonk, NY. We maintain a proprietary database including compensation and benefits practices for: 500 insurance companies; over 900 non-profit organizations, over 1,330 hospitals; and approximately 500 Boards of Directors.
- Our Principal Consultants are senior practitioners with over 25 years of experience working with insurance companies; healthcare institutions including physician groups and hospitals; non-profits, book publishers, financial services companies; biotech and pharmaceutical companies; media companies; and their stakeholders. TCS Principals and Senior Consultants teach compensation concepts at Board of Directors and Management Leadership Camps and retreats for industry trade associations and for the management teams of individual companies. Our services include:

Board of Directors' Compensation	Executive Compensation
Incentive Plan Design	Salary Administration
Executive Benefits	Organization Design
Benefits Comparison	Survey Design and Implementation

- For more information, please visit our website www.total-comp.com or contact: Tom Bailey, Senior Consultant at: tbailey@total-comp.com.

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