

TRENDS

Feb/Mar 2008

60+



WORKING FOREVER

ALMOST HALF OF ALL WORKERS AREN'T READY TO RETIRE, ACCORDING TO THE NEW AXA RETIREMENT READY INDEX.

Hardly surprising, considering 35 per cent of working Australians have never reviewed their retirement plans and only 33 per cent know the amount of their future retirement income. Other findings include:

- ❑ Retirement country: the Index also found that Australia is the most popular country to live in twenty years from now, according to both working and retired people surveyed globally.
- ❑ Spending the inheritance: many more Australians are rethinking spending the inheritance and are now maintaining their savings to pass on to their heirs (54 per cent – compared with only 24 per cent in 2006). This was ascribed to high interest rates and increasing prices of basics such as food and petrol.
- ❑ Old as you feel: Working Australians believe they will work in a paid job until age 67 and don't believe old age hits until age 74. On the other hand, people who are already retired don't believe old age sets in until they hit eighty.

WHAT'S IT WORTH?

\$3.7 trillion

The big picture: world insurance premiums (life and non-life) totalled \$3.7 trillion according to Swiss Re.



AWARDS AND SCHOLARSHIPS SEASON OPENS

In this issue of the *Journal*, the Institute announces three important industry opportunities: see pages 42–43 for details of the 2008 Australia and New Zealand Insurance Industry Awards, the Aon Re Scholarship and the Benfield-Link Scholarship.

BLAIR ADVISES ZURICH

ZURICH FINANCIAL SERVICES HAS APPOINTED FORMER BRITISH PRIME MINISTER TONY BLAIR AS AN ADVISOR TO ITS CHIEF EXECUTIVE JAMES SCHIRO, THE UK-BASED *GUARDIAN* REPORTS. MR BLAIR HAS ALSO JOINED US INVESTMENT BANK JP MORGAN.

According to the report, Zurich commented that Tony Blair will provide guidance on "developments and trends in the international political environment with a particular focus on climate change".

+2%

MOVERS AND SHAKERS

The superannuation funds industry is a notable absence from economic forecaster IBIS's list of movers and shakers for 2008. Uranium mining tops the list but superannuation funds, while set to grow, don't quite reach the same heights. IBIS comment that the Australian economy has been "going gangbusters" for some time now with only one year registering growth below two per cent since 1993 (the year 2001).





THE YEAR AHEAD

08

THE INDUSTRY IS HEADED FOR ONE OF ITS BEST UNDERWRITING PERFORMANCES IN THE PAST EIGHTY YEARS, PREDICTS THE INSURANCE INFORMATION INSTITUTE (III).

This is a result of "continuing respite in catastrophe losses in 2007 combined with strong performance in virtually all major lines of property/casualty". The III's analysts expect the industry's profitability to continue this year although they expect an underwriting performance that will generate "moderately smaller underwriting profit". However, premium growth is predicted to be below expectations.

They explain the paradox of strong profits combined with stagnant premium growth by citing the cyclical nature of property/casualty and that the industry's financial results are determined by "a myriad of factors".



"The industry is headed for one of its best underwriting performances in the past eighty years, predicts the Insurance Information Institute (III)."

32,000

TRAINING/DEVELOPMENT AND INTERESTING WORK TOP TOMORROW'S WORKPLACE REQUIREMENTS

GOOD TRAINING AND DEVELOPMENT ALONG WITH INTERESTING AND CHALLENGING WORK TOP THE LIST FOR TODAY'S TERTIARY STUDENTS' DEMANDS FOR THEIR FUTURE EMPLOYMENT, ACCORDING TO A RECENT GRADUATE CAREERS AUSTRALIA STUDY.

Ninety-five per cent agreed with the importance of "good training opportunities and developing new skills" as well as "work that is interesting and challenging".

The survey (analysing almost 32,000 responses) also found people wanted personal life and career balance/work flexibility (93 per cent), good people to report to (ninety per cent) and opportunities for advancement (89 per cent).

Company-paid training and development was the most attractive non-cash benefit a graduate recruiter can offer a new graduate (76 per cent). Money is still important – receiving a salary comparable with other organisations is also a consideration.

75%

PREFERRED READING

MOST PEOPLE PREFER TO READ A MAGAZINE IN A PRINTED VERSION EVEN IF THEY CAN GET THE SAME INFORMATION ONLINE, A DELOITTE MEDIA SURVEY SHOWS.

Nearly three-quarters of the 2,200 individuals of all ages in the US preferred print.

They also said they pay more attention to print advertising than online advertising.

The Gen X sector found online ads more intrusive (79 per cent) than Baby Boomers (72 per cent).

So while the internet is increasingly popular, traditional media such as TV, magazines and books (including journals), remains "deeply engaging" to all generations, the survey reports.

