

Risk Management Compensation Survey



Conducted by



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PURPOSE AND METHOD

The findings cited in this report are based on a survey sponsored by ALM Media. The purpose of this research project was to gather compensation and employment information among risk management professionals.

The survey sample of 5,462 included all emailable *National Underwriter Property & Casualty* magazine subscribers who indicated their type of business on the subscription form as “Risk Management,” “P&C Insurance Purchasing,” or “Employee Benefits.” Of the addresses sampled, 270 were returned as undeliverable (4.9%), resulting in a net effective mailout of 5,192.

The 30-question survey was identical to the 2016 instrument, with the exception of updated dates throughout. Placement of the survey on a web page, distribution of the electronic survey invitations, and tabulation of the results were handled by Readex.

On January 25, 2017, Readex contacted all sample members via an email in the name of *National Underwriter Property & Casualty*'s editor-in-chief, which included a link to the survey, asking for their participation in the study. It was mentioned that select results would be published in the April issue of *National Underwriter Property & Casualty*, and that respondents would be eligible to receive a free electronic copy of the complete aggregated results (an incentive to participate).

Reminder emails were sent on January 30 and February 2 to those with deliverable email addresses who had not yet responded.

The survey was closed for tabulation on February 6, 2017, with 472 total responses—a 9.1% response rate based on the net effective delivery. To best represent the audience of interest, 63 respondents were terminated from the survey after indicating in the first question they do not consider themselves full- or part-time risk managers (13% of all survey respondents). This reduction implies an estimated population of 4,500 individuals represented by the survey results.

The margin of error for percentages based on 409 usable responses is ± 4.6 percentage points at the 95% confidence level. The margin of error for percentages based on smaller sample sizes will be larger. As with any research, the results should be interpreted with the potential of non-response bias in mind. It is unknown how those who responded to the survey may be different from those who did not respond. In general, the higher the response rate, the lower the probability of estimation errors due to non-response and thus, the more stable the results.

The response was tabulated and this report was prepared by Readex in accordance with accepted research standards and practices. Percentages may not add to 100% due to rounding and non-response.

FINDINGS: RESPONDENT PROFILE

A majority of respondents consider themselves full-time risk managers (74%) or part-time risk managers (13%), hereafter referred to as “risk managers.” To best represent the audience of interest, the 13% of respondents who indicated they are not full- or part-time risk managers were thanked for their interest in the study and terminated from the survey.

Risk managers were most likely to select “risk manager” or “director/RM” as best describing their title (30% and 29%, respectively).

Risk Manager Status

Do you consider yourself a full- or part-time risk manager?

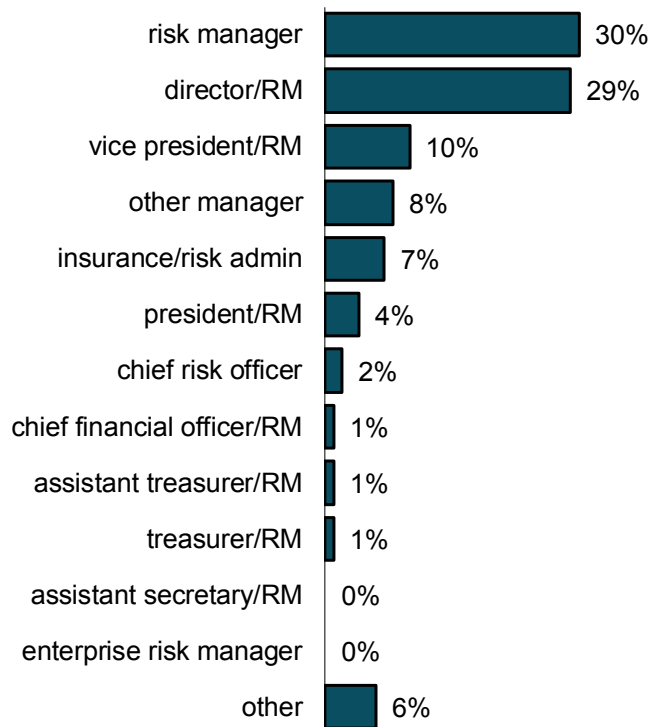
base: all 472 respondents

full-time risk manager	74%
part-time risk manager	13%
neither	13%

Title

What best describes your title?

base: 409 risk manager respondents



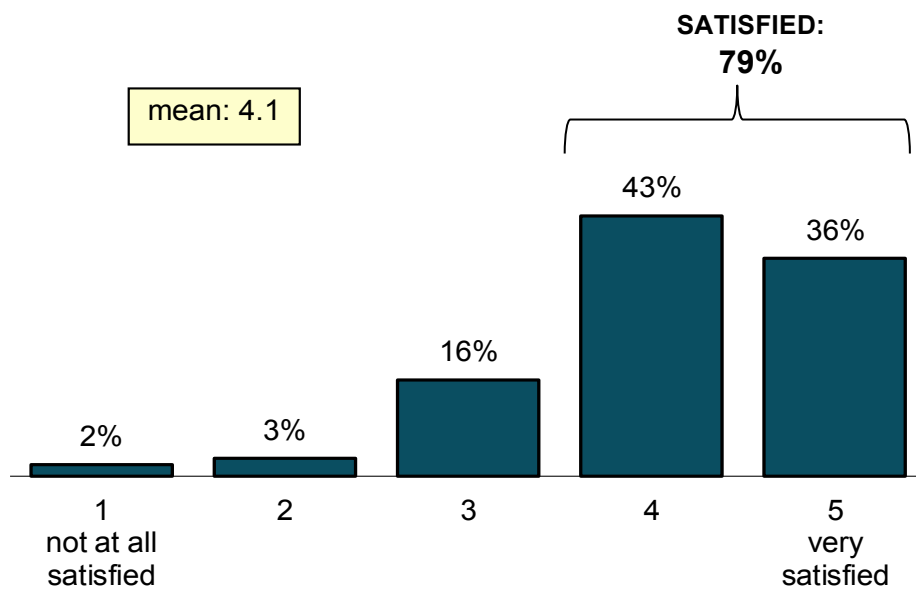
FINDINGS: RESPONDENT PROFILE

Job satisfaction ratings tend to be high. Four in five risk managers (79%) are satisfied with their job overall (rating of 4 or 5 on a 5-point scale where 5 = very satisfied and 1 = not at all satisfied).

Job Satisfaction

Overall, how satisfied are you with your job?

base: 409 risk manager respondents



FINDINGS: RESPONDENT PROFILE

Seven in ten risk managers (70%) have at least 10 years of experience in corporate risk management, not including broker or carrier experience; the typical risk manager has 16 years of experience.

Three in four risk managers (75%) indicated they are the leading risk management/insurance professional in their organization.

Years of Corporate Risk Management Experience

How many years of experience do you have in corporate risk management, not including broker or carrier experience?

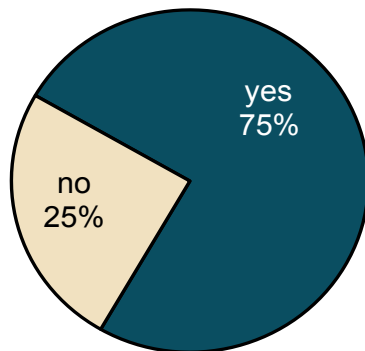
base: 409 risk manager respondents

30 or more	10%	} 10+ years: 70%
20 - 29	25%	
10 - 19	35%	
5 - 9	12%	
less than 5	12%	
none	6%	
mean* (average) years	15.7	
median* (typical) years	16	

Proportion Who Are the Leading Risk Management/Insurance Professional at Organization

Are you the leading risk management/insurance professional in your organization?

base: 409 risk manager respondents



*A **mean** is the arithmetic average of a distribution (i.e., a set of values). A **median** is considered the “typical” response. It is the value that lies at the middle of a distribution: that is, 50% of the values are above it and 50% are below. Unlike the mean, the median is not influenced by extreme values.

FINDINGS: RESPONDENT PROFILE

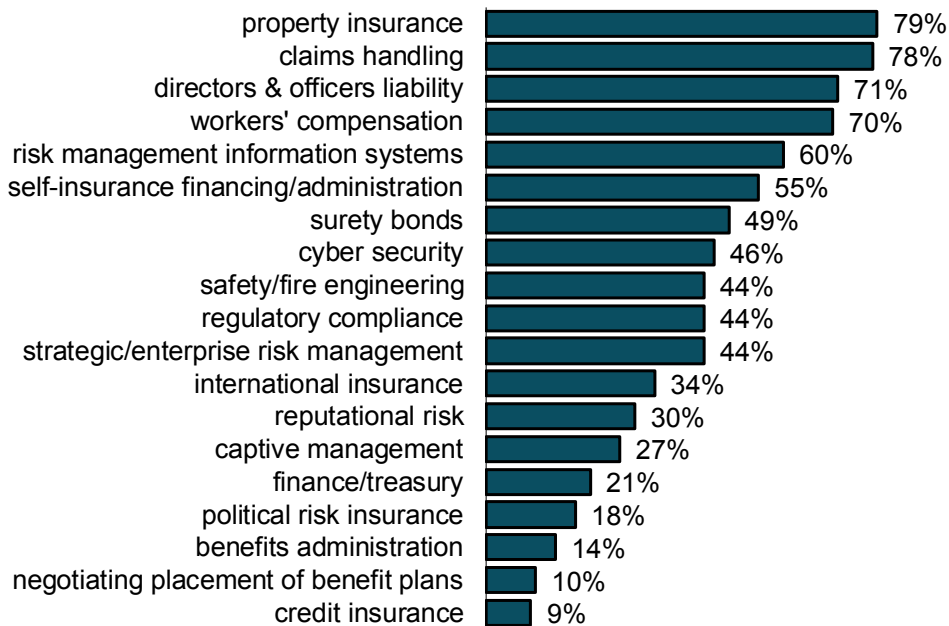
Risk managers are involved (direct, supervise, advise, or some other type of involvement) in a variety of areas. Of the 19 listed areas, property insurance (79%), claims handling (78%), directors & officers liability (71%), and workers' compensation (70%) are among the most common.

About two in five (42%) indicated their job responsibilities expanded last year, not related to a promotion/job change.

Areas of Involvement

In which of the following areas are you involved (direct, supervise, advise, or some other type of involvement)?

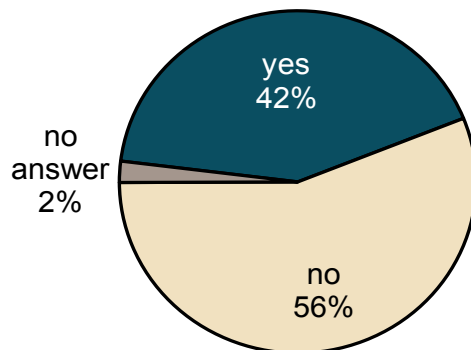
base: 409 risk manager respondents (multiple answers)



Proportion Whose Job Responsibilities Have Expanded

Have your job responsibilities expanded in the past year, not related to a promotion/job change?

base: 409 risk manager respondents



FINDINGS: RESPONDENT PROFILE

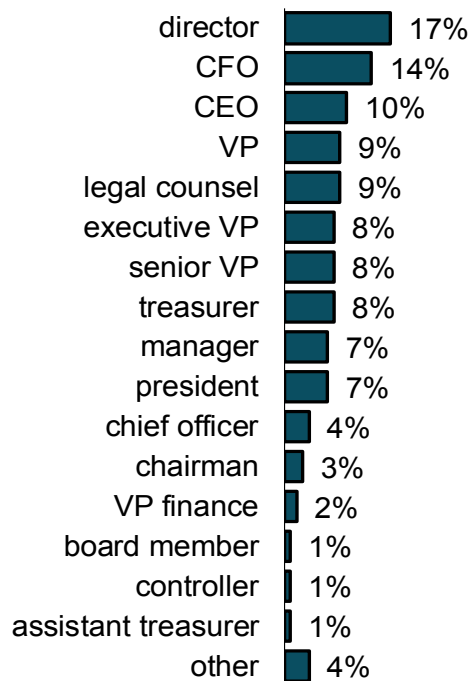
Risk managers report to persons of a variety of titles, none predominant. No more than 17% selected any one title as best describing the person(s) to whom they report.

Approximately three in five risk managers (59%) have been with their present employers for at least 10 years; the typical risk manager has been with his or her present employer for 13 years.

Titles Reporting To

What titles best describe the person(s) to whom you report?

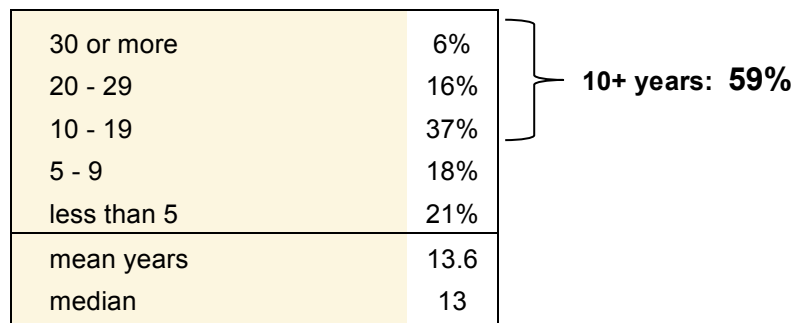
base: 409 risk manager respondents (multiple answers)



Tenure With Present Employer

How many years have you been with your present employer?

base: 409 risk manager respondents



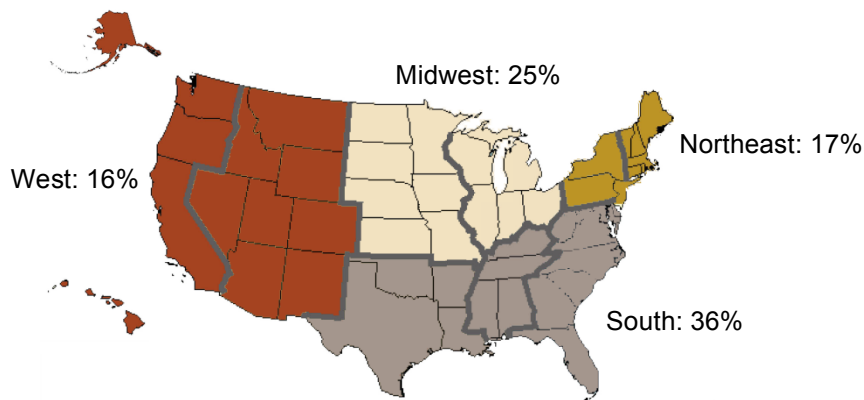
FINDINGS: RESPONDENT PROFILE

Risk managers are dispersed across the United States. The typical risk manager is a 56 years old. Similar proportions are males (54%) versus females (46%).

Work Location

In what state do you work?

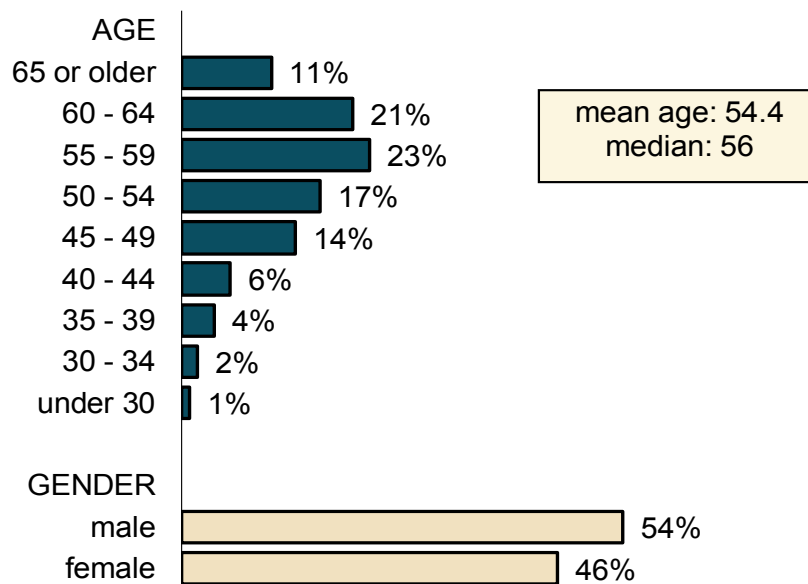
base: 409 risk manager respondents



Age and Gender

What is your age? What is your gender?

base: 409 risk manager respondents



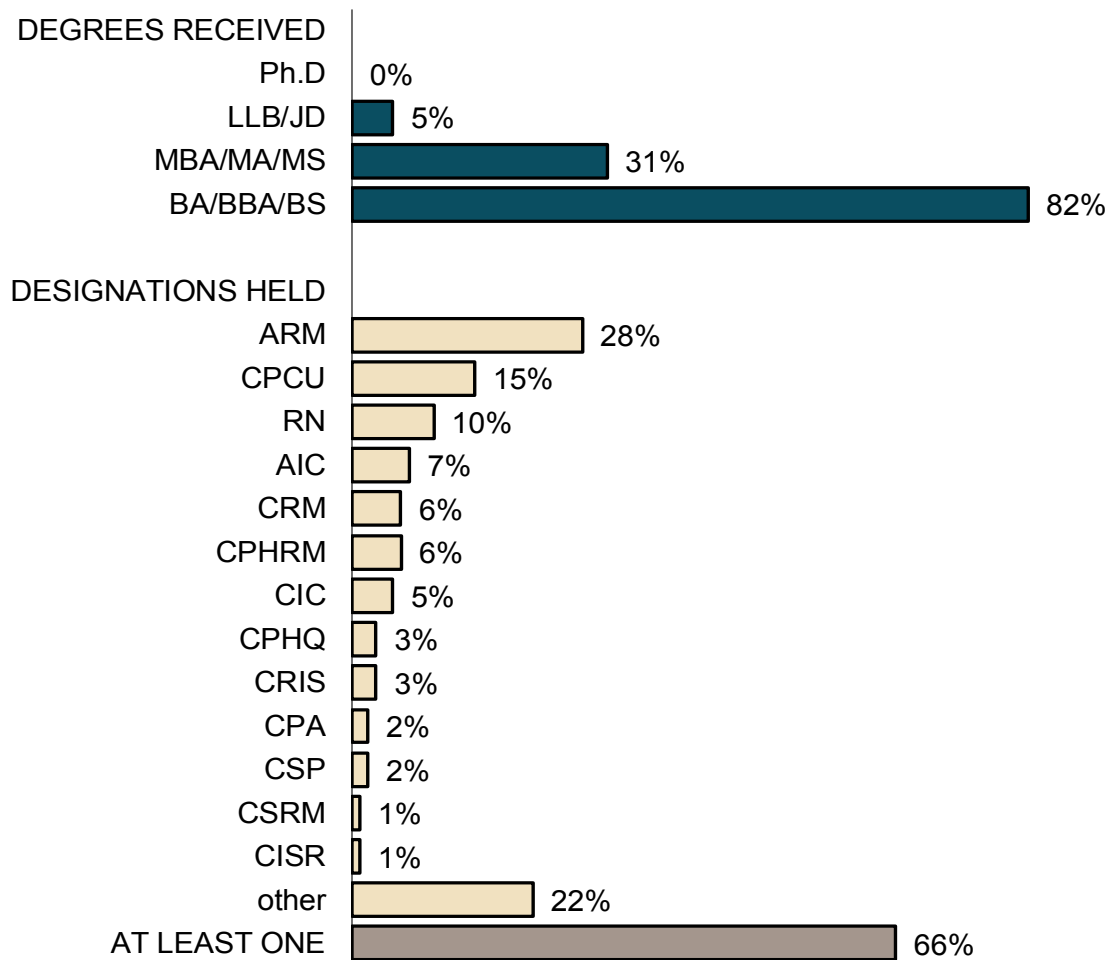
FINDINGS: RESPONDENT PROFILE

The typical risk manager has received a bachelor's degree and currently holds at least one professional designation.

Degrees Received and Designations Held

Which of these degrees have you received? What professional designations do you currently hold?

base: 409 risk manager respondents (multiple answers)



FINDINGS: ORGANIZATION PROFILE

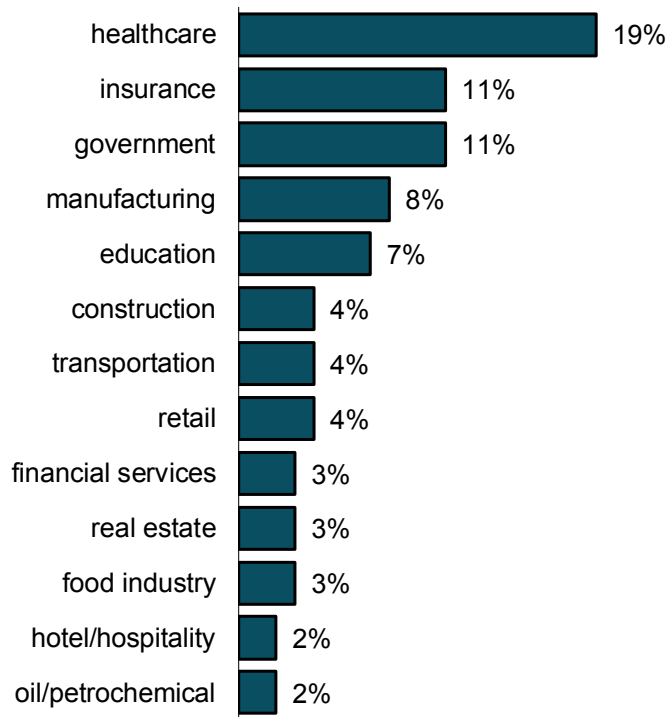
Approximately one in five risk managers (19%) indicated their organization operates in the healthcare industry; no other industry accounts for more than 11%.

Industry

What *best* describes the industry in which your organization operates?

base: 409 risk manager respondents

TOP SELECTIONS*



*those selected by at least 2% of risk managers

FINDINGS: ORGANIZATION PROFILE

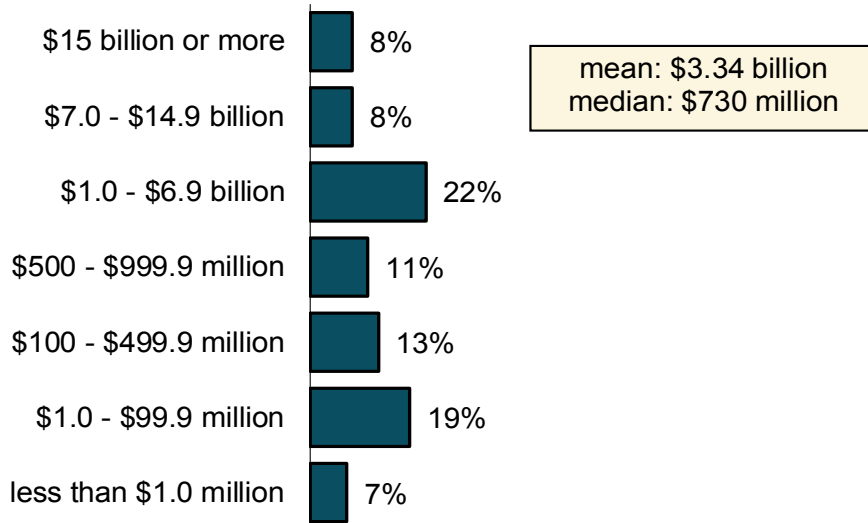
The typical risk manager reported their organization's 2016 sales volume as \$730 million; the average was much higher at \$3.34 billion, influenced by 8% reporting high volumes of \$15 billion or more.

The typical risk manager reported their organization employed 3,460 full- and/or part-time staff, including all locations, as of January 1, 2017. The average was much higher at 14,300, influenced by 5% reporting high staff volumes of 100,000 or more.

Organization's 2016 Sales Volume

What was your organization's 2016 sales volume?

base: 409 risk manager respondents



Number of Staff at All Locations

As of January 1, 2017, how many full- and/or part-time staff did your organization employ, including all locations?

base: 409 risk manager respondents

100,000 or more	5%
30,000 - 99,999	9%
20,000 - 29,999	6%
10,000 - 19,999	11%
5,000 - 9,999	11%
1,000 - 4,999	20%
100 - 999	25%
fewer than 100	12%
mean employees	14,300
median	3,460

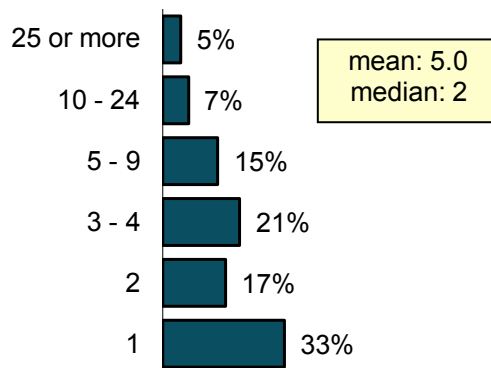
FINDINGS: ORGANIZATION PROFILE

The typical risk manager indicated there are currently two full-time risk professionals and/or insurance professionals in their department, and no full-time executive assistants.

Number of Full-Time Risk Professionals/Insurance Professionals in Department

Including yourself, how many full-time risk professionals and/or insurance professionals are currently in your department?

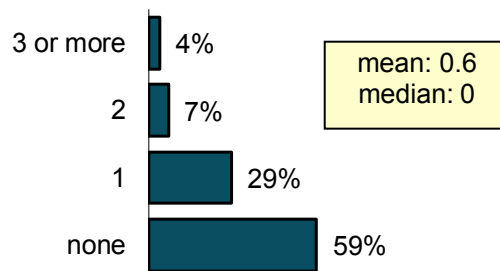
base: 409 risk manager respondents



Number of Full-Time Executive Assistants in Department

How many full-time executive assistants are currently in your department?

base: 409 risk manager respondents



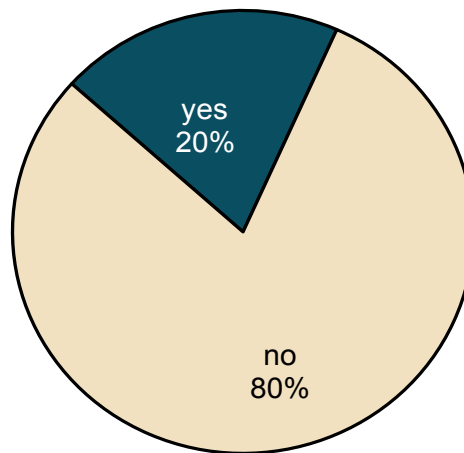
FINDINGS: ORGANIZATION PROFILE

One in five risk managers (20%) indicated their departments have added more staff in the last 12 months; 8% reported departmental layoffs in this timeframe.

Proportion Whose Departments Have Added More Staff

Has your department added more staff in the last 12 months?

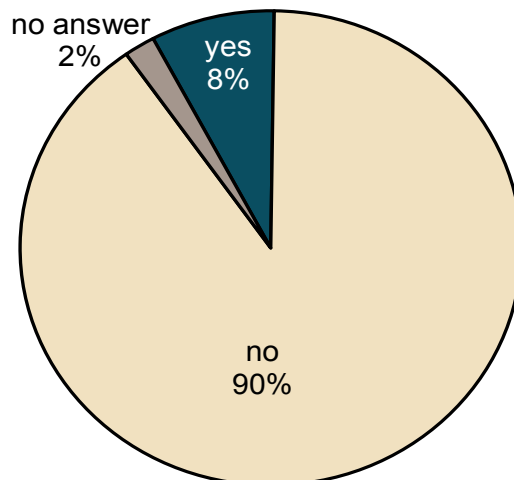
base: 409 risk manager respondents



Proportion Whose Departments Have Had Layoffs

Have there been layoffs in your department in the past 12 months?

base: 409 risk manager respondents



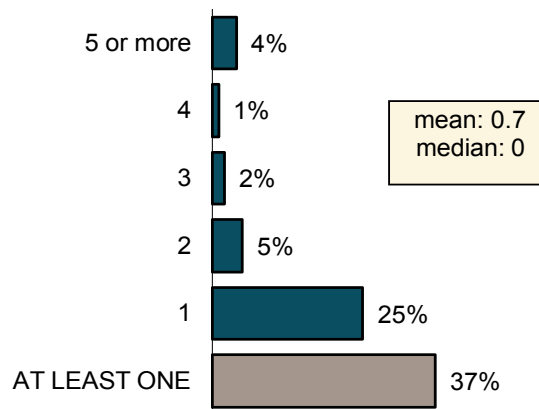
FINDINGS: ORGANIZATION PROFILE

Nearly two in five risk managers (37%) reported their organizations utilize at least one captive insurer. These captive insurance companies are commonly domiciled in Bermuda, Cayman, and/or Vermont.

Number of Captive Insurers Utilized by Organization

How many captive insurers does your organization utilize?

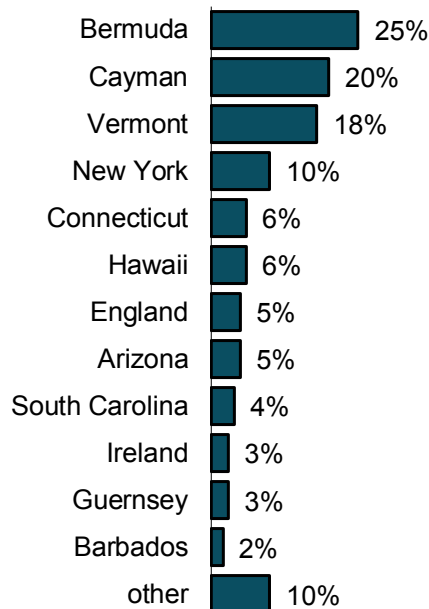
base: 409 risk manager respondents



Locations of Captive Insurance Companies

Where are these captive insurance companies domiciled?

base: 154 risk manager respondents whose organizations utilize captive insurers (multiple answers)



FINDINGS: COMPENSATION

The typical full-time risk manager reported an annual base salary as of January 1, 2017, of \$115,000.

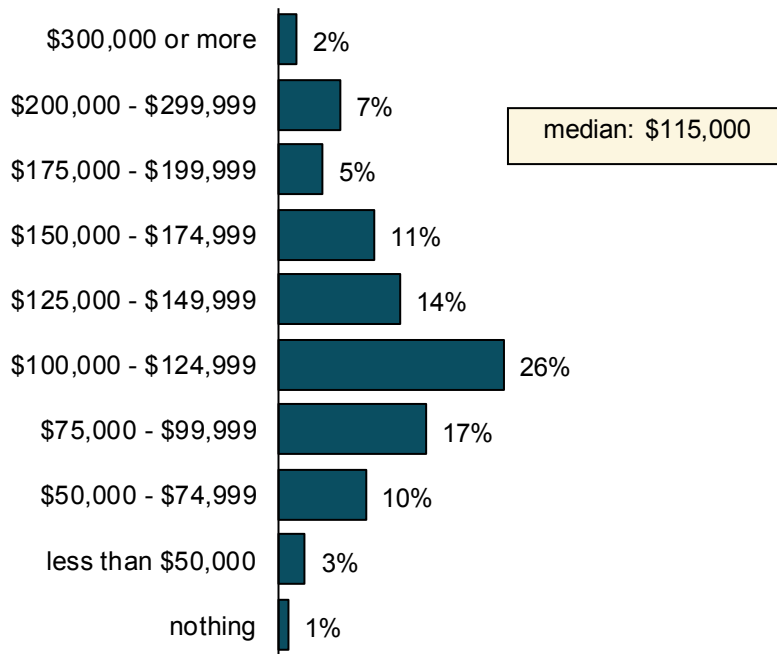
Seven in ten risk managers (71%) indicated their base salaries increased compared with one year prior. One in five (21%) reported no change, and very few (2%) reported a decrease. The average change in salary was 3.6%.

Annual Base Salary [Full-Time Risk Managers]

As of January 1, 2017, what was your annual base salary?

Exclude overtime, draws, commissions, bonuses, incentive pay, profit sharing, retirement benefits paid, other cash compensation, and the monetary value of any other benefits.

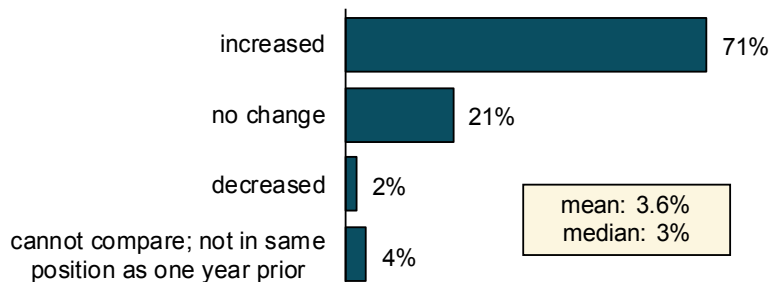
base: 349 full-time risk manager respondents (fill-in answers)



Change in Annual Base Salary

Compared with one year prior, how did your annual base salary change as of January 1, 2017?

base: 409 risk manager respondents



Following is an analysis of full-time annual base salary as of January 1, 2017, by a variety of variables to better understand how risk manager characteristics relate to compensation. Three percentile values are reported for each measure: 25% of full-time risk managers earn less than the 25th percentile, 50% earn less than the 50th percentile (or median), and 75% earn less than the 75th percentile.

Annual Base Salary by Segment [Full-Time Risk Managers]

As of January 1, 2017, what was your annual base salary?

Exclude overtime, draws, commissions, bonuses, incentive pay, profit sharing, retirement benefits paid, other cash compensation, and the monetary value of any other benefits.

base: full-time risk manager respondents in each segment (fill-in answers)

	n	25 th percentile	50 th percentile (median)	75 th percentile
Title				
risk manager	115	\$78,000	\$106,000	\$135,000
president/RM	10	\$68,300	\$141,000	\$212,500
vice president/RM	34	\$132,300	\$179,000	\$203,500
director/RM	108	\$108,400	\$129,500	\$160,000
chief risk officer	7	\$115,000	\$150,000	\$225,000
insurance/risk admin	22	\$65,500	\$79,000	\$99,300
Years of Corporate Risk Mgmt Experience				
30+	39	\$116,000	\$150,000	\$205,000
20 - 29	89	\$105,000	\$140,000	\$173,000
10 - 19	117	\$89,100	\$115,000	\$146,300
5 - 9	38	\$85,700	\$103,500	\$124,300
3 - 4	20	\$69,000	\$87,800	\$104,000
<3	14	\$58,000	\$82,900	\$113,800
none	19	\$59,500	\$75,000	\$96,000
Education				
Ph.D, LLB/JD, MBA/MA/MS	123	\$101,000	\$127,000	\$167,000
BA/BBA/BS	285	\$95,000	\$120,000	\$154,500
none of these	49	\$63,000	\$88,000	\$118,300
Job Satisfaction (5-point scale)				
satisfied (rating of 4 or 5)	267	\$92,000	\$115,000	\$154,000
neutral (rating of 3)	54	\$75,000	\$112,000	\$140,000
not satisfied (rating of 1 or 2)	15	\$80,000	\$103,300	\$145,600
Region				
Northeast	59	\$101,000	\$142,000	\$178,000
Midwest	82	\$84,400	\$108,100	\$144,400
South	121	\$80,000	\$107,000	\$131,500
West	55	\$99,100	\$117,000	\$150,000

...continued

Annual Base Salary by Segment [Full-Time Risk Managers]

As of January 1, 2017, what was your annual base salary?

Exclude overtime, draws, commissions, bonuses, incentive pay, profit sharing, retirement benefits paid, other cash compensation, and the monetary value of any other benefits.

base: full-time risk manager respondents in each segment (fill-in answers)

	n	25 th percentile	50 th percentile (median)	75 th percentile
Industry				
communications, publishing/media	3	*	*	*
construction	16	\$89,000	\$112,500	\$154,800
education	22	\$53,300	\$79,000	\$107,800
entertainment	2	*	*	*
financial services	9	\$100,000	\$115,000	\$150,500
food industry, restaurant	15	\$109,000	\$120,000	\$145,000
government, public works	40	\$78,400	\$107,100	\$127,300
healthcare, drug/pharmaceutical	60	\$89,800	\$110,000	\$143,800
hotel/hospitality	7	\$120,000	\$142,000	\$290,000
insurance	35	\$60,000	\$86,000	\$130,000
manufacturing	31	\$125,000	\$150,000	\$205,000
metals/mining, natural resources	7	\$99,400	\$135,000	\$150,000
oil/petrochemical, chemical	8	\$104,000	\$135,000	\$161,300
real estate	8	\$78,400	\$120,000	\$158,800
retail, consumer products	17	\$105,000	\$125,000	\$191,100
technology/IT	1	*	*	*
transportation	15	\$90,000	\$106,000	\$158,100
utility	5	\$96,500	\$116,900	\$145,000
Organization's Sales Volume				
\$12 billion+	42	\$116,800	\$152,000	\$199,600
\$4.0 - \$11.9 billion	51	\$120,000	\$150,000	\$178,000
\$1.0 - \$3.9 billion	54	\$104,800	\$125,000	\$152,800
\$500.0 - \$999.9 million	39	\$98,500	\$115,000	\$142,000
\$100.0 - \$499.9 million	43	\$80,000	\$107,000	\$145,000
\$1.0 - \$99.9 million	54	\$65,800	\$96,000	\$111,300
<\$1.0 million	18	\$51,800	\$72,500	\$120,000

*results not shown if fewer than 5 valid responses

FINDINGS: COMPENSATION

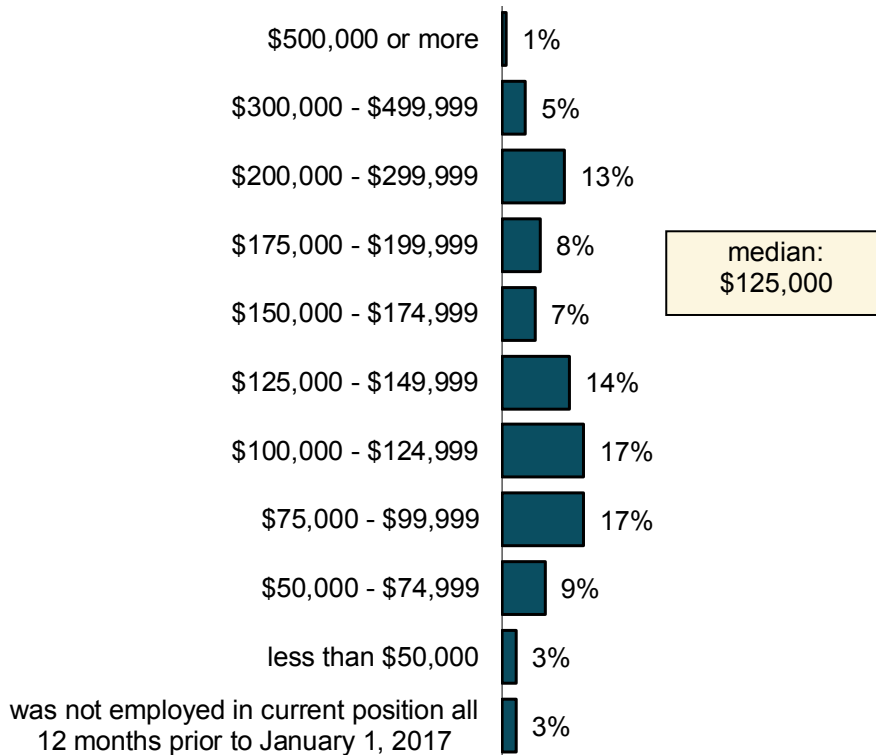
The typical full-time risk manager who was employed in their current position for all of 2016 reported total compensation in the 12 months prior to January 1, 2017, of \$125,000.

Total Compensation [Full-Time Risk Managers]

In the 12 months prior to January 1, 2017, what was your total compensation?

Include base salary, overtime, draws, commissions, bonuses, incentive pay, profit sharing, retirement benefits paid, and other cash compensation. Exclude the monetary value of any other benefits.

base: 349 full-time risk manager respondents (fill-in answers)



Following is an analysis of total compensation as of January 1, 2017, by a variety of variables. Results are based on full-time risk managers who were employed in their current position all 12 months prior to this date.

Total Compensation by Segment [Full-Time Risk Managers in Position All of 2016]

In the 12 months prior to January 1, 2017, what was your total compensation?

Include base salary, overtime, draws, commissions, bonuses, incentive pay, profit sharing, retirement benefits paid, and other cash compensation. Exclude the monetary value of any other benefits.

base: full-time risk manager respondents in each segment who were employed in their current position all 12 months prior to January 1, 2017 (fill-in answers)

	n	25 th percentile	50 th percentile (median)	75 th percentile
Title				
risk manager	110	\$80,700	\$110,000	\$142,800
president/RM	10	\$68,300	\$141,000	\$209,800
vice president/RM	34	\$151,300	\$206,500	\$253,800
director/RM	105	\$117,700	\$145,000	\$203,500
chief risk officer	7	\$107,000	\$150,000	\$350,000
insurance/risk admin	22	\$64,700	\$85,400	\$100,600
Years of Corporate Risk Mgmt Experience				
30+	39	\$125,000	\$178,000	\$265,000
20 - 29	86	\$112,300	\$145,000	\$206,300
10 - 19	114	\$90,000	\$126,200	\$180,500
5 - 9	37	\$78,300	\$110,000	\$135,000
3 - 4	19	\$79,000	\$88,000	\$106,000
<3	12	\$75,300	\$83,000	\$129,300
none	18	\$58,600	\$73,500	\$107,400
Education				
Ph.D, LLB/JD, MBA/MA/MS	117	\$106,000	\$145,000	\$204,000
BA/BBA/BS	275	\$97,000	\$129,200	\$185,000
none of these	48	\$59,100	\$87,800	\$138,800
Job Satisfaction (5-point scale)				
satisfied (rating of 4 or 5)	259	\$94,000	\$127,000	\$185,000
neutral (rating of 3)	51	\$80,000	\$120,000	\$160,000
not satisfied (rating of 1 or 2)	15	\$80,000	\$103,000	\$150,000
Region				
Northeast	56	\$110,800	\$165,000	\$220,000
Midwest	81	\$85,000	\$120,000	\$179,000
South	116	\$84,300	\$114,900	\$153,800
West	53	\$100,800	\$135,000	\$167,500

...continued

Total Compensation by Segment [Full-Time Risk Managers in Position All of 2016]

In the 12 months prior to January 1, 2017, what was your *total* compensation?

Include base salary, overtime, draws, commissions, bonuses, incentive pay, profit sharing, retirement benefits paid, and other cash compensation. Exclude the monetary value of any other benefits.

base: full-time risk manager respondents in each segment who were employed in their current position all 12 months prior to January 1, 2017 (fill-in answers)

	n	25 th percentile	50 th percentile (median)	75 th percentile
Industry				
communications, publishing/media	3	*	*	*
construction	16	\$96,000	\$127,500	\$214,400
education	22	\$64,700	\$92,100	\$107,300
entertainment	2	*	*	*
financial services	9	\$90,000	\$140,000	\$185,300
food industry, restaurant	14	\$119,800	\$138,100	\$183,800
government, public works	35	\$87,500	\$107,000	\$130,000
healthcare, drug/pharmaceutical	59	\$90,000	\$118,000	\$170,000
hotel/hospitality	6	\$126,300	\$214,000	\$395,300
insurance	33	\$71,200	\$86,000	\$129,000
manufacturing	31	\$150,000	\$180,000	\$270,000
metals/mining, natural resources	7	\$105,000	\$148,000	\$240,000
oil/petrochemical, chemical	8	\$110,000	\$172,000	\$240,000
real estate	8	\$89,300	\$138,000	\$192,800
retail, consumer products	16	\$120,800	\$153,000	\$231,300
technology/IT	1	*	*	*
transportation	15	\$88,000	\$113,000	\$210,000
utility	5	\$104,000	\$139,800	\$157,500
Organization's Sales Volume				
\$12 billion+	42	\$122,800	\$182,500	\$272,500
\$4.0 - \$11.9 billion	51	\$131,900	\$179,000	\$244,500
\$1.0 - \$3.9 billion	54	\$111,800	\$140,000	\$183,700
\$500.0 - \$999.9 million	39	\$97,800	\$120,000	\$175,300
\$100.0 - \$499.9 million	43	\$80,200	\$113,000	\$155,000
\$1.0 - \$99.9 million	54	\$72,500	\$96,000	\$120,000
<\$1.0 million	18	\$51,800	\$72,500	\$125,000

*results not shown if fewer than 5 valid responses

FINDINGS: BENEFITS

Whether they make use of them or not, risk managers have a variety of benefits available to them, offered by their employers. Among the 90% whose employers offer life insurance, the typical amount of company-paid life insurance received is \$120,000.

Benefits Offered

What benefits does your employer offer (whether you make use of them or not)?

base: 409 risk manager respondents (multiple answers)

medical insurance	96%	health/wellness membership/benefits	55%
dental insurance	93%	tuition reimbursement	53%
life insurance	90%	flexible working hours	44%
vision insurance	87%	pension	37%
other retirement benefits (401(k), etc.)	81%	long-term care insurance	33%
long-term disability insurance	77%	employer stock**	26%
flexible spending account	74%	gas allowance	20%
short-term disability insurance	73%	company car	15%
professional development*	70%	supplemental vacation	12%
professional dues paid or reimbursed	63%	daycare allowance or onsite daycare	11%
company laptop or home computer	61%	other	1%
company cell phone	59%	AT LEAST ONE	98%

*e.g., conference allowance/reimbursement

**awards, options, employee purchase, or other types

Amount of Company-Paid Life Insurance Received

How much company-paid life insurance do you receive? Do not include life insurance you pay for.

base: 368 risk manager respondents whose employers offer life insurance (fill-in answers)

