



CAPTIVATING TALENT

How the captive insurance industry is plugging labor shortages

Written By Bruce Shutan

With the captive insurance market having grown exponentially in recent years, concern is mounting that the industry's labor supply isn't keeping pace with high demand for this specialty insurance.

"The challenge is finding people who can actually work in the business," says Mark S. Gaunya, Founding Principal and CEO of Captivated Health, a Principal at Borislow Insurance and author of a book on captive insurance.

Between a hard-to-find industry resources and the older generation not necessarily teaching younger people about self-funding and captive insurance, he worries about a brain drain. Any such effort must start with helping the next generation of benefit advisers develop an understanding of how a self-funded plan works, noting that a captive is just another form of self-insurance that mitigates the impact of large medical claims through group purchasing.

A 2025 industry panel described a "growing shortage of qualified talent" as one of the most pressing challenges in the captive space, while as many as 72% of captive executives surveyed online by the Captive International website as far back as 10 years ago believed there was already a talent shortage in place. One industry insider estimates that the U.S. insurance industry overall could face 400,000 unfilled jobs through 2034.



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Mark Gaunya

The trouble with this line of work is that it lacks sex appeal and brow-raising paydays relative to the investment trading or brokerage spaces for finance majors or those with an accounting degree, notes Alex Murray, a partner with Johnson Lambert, LLP and President of the South Carolina Captive Insurance Association (SCCIA).

SCHOLARSHIPS AND FELLOWSHIPS

Mindful of this challenge, SCCIA gifted the University of South Carolina's Darla Moore School of Business \$100,000 in 2024 to establish a captive insurance endowed fund for students studying risk management, accounting and actuarial services. The fund, which will be managed by the university in perpetuity, will support undergraduate scholarships and graduate fellowships for students interested in pursuing a career in captive insurance in South Carolina.

"I think there's just a lack of people wanting to get into the accounting field, and toss

insurance on top of that, it's certainly not the most appetizing field," he remarks. "But once you get into it and really see the opportunities, why would you not want to get into a market that's growing faster than it can serve?"

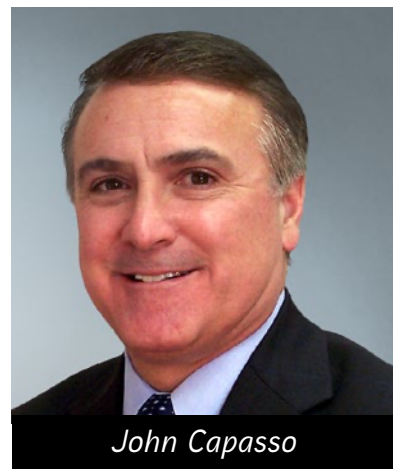
A driving force behind the popularity of this specialty insurance is the application of medical stop-loss captives to help contain group health benefit costs, according to Murray. "It's something we see growing significantly," he says.

While lauding scholarships such as the one the SCCIA is offering at the University of South Carolina, as well as others at Temple University and industry mentorship programs, Captive Planning Associates, LLC CEO John Capasso believes it's also important to help diversify the skillset of professionals who are already working in the insurance, underwriting and TPA fields through mentorships.

He references several organizations that are not only educating the next generation of captive insurance industry leaders but also helping industry professionals transition to the captive space. They include SIIA's Future Leaders group of professionals younger than age 40, the Captive Insurance Companies Association (CICA) NEXTGen program aimed at developing the next generation of captive insurance professionals and International Center for Captive Insurance Education (ICCIE).



Alex Murray



John Capasso

Captive practitioners have long been aware of impending mass retirements across industry, "so there have been efforts on multiple levels to increase recruiting and training efforts," reports ICCIE Executive Director Mitch Cantor.

His organization has noticed that many employers assume that new employees will pursue one of the group's designations to get them up and running. "The need to get new entrants up to speed immediately, along with the experiences of so many supervisors

who have been through the ICCIE designations, have made it an easy decision to use ICCIE to get new employees to be more productive quickly," he says.



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Mitch Cantor

“The initiative plays a meaningful role in strengthening the industry’s talent pipeline by creating early exposure, access to mentorship and clear pathways for professional development,” she says. “It helps build awareness of career opportunities in captive insurance and fosters engagement and learning among emerging professionals.”

Believing that the interest is there for younger people to enter the self-funded captive insurance space, Gaunya says it’s incumbent upon organizations like SIIA to teach them the industry’s inner workings. “If you don’t,” he cautions, “then it’s like being dropped in a foreign country and not knowing how to speak the language, and it’s nearly impossible trying to have a conversation.”

LEARNING TO MANAGE RISK

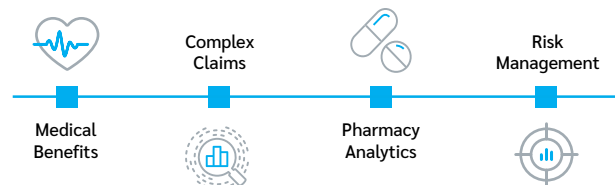
Once new recruits learn a baseline knowledge, he says the next step would be to understand the components inside a self-funded captive structure that make it work the way it does – the technical expertise – and determine how effective they are at managing risk “because that’s what the self-funded captive structure is all about.”

Gaunya’s agency hires 10 interns each summer in hopes of cultivating the next generation of self-funded captive industry talent. These opportunities allow young people to be deployed in risk management, client services, vendor contracting, compliance or anywhere else within the space that they express an interest in pursuing based on their particular unique abilities.



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“When I was growing up in the business, there was this thing known as Group School where you could actually go and learn the language of health insurance, healthcare and alternate forms of financing,” he recalls.

However, he believes there aren’t currently many places where the younger generation can cut its teeth in the industry, noting that most brokerage and consulting firms don’t have the budget or bandwidth to invest in professional development.

The larger problem or concern is that there’s not enough education on what it takes to be a captive manager, Capasso explains, adding that while some professionals may be schooled in auto and general liability, they lack the knowledge and skills to be creative with a captive, know how they’re structured or how to handle contracts.

Noting that the role of captive program manager is becoming increasingly critical in the self-insurance community, Murray likens these professionals to a point guard in basketball. In a nutshell, they provide valuable insights into how alternative risk transfer agreements work, the regulatory requirements and tax implications involved, and meaningful knowledge about what types of service providers to use.

Organizations need to develop from the ground up, and while it’s always easier to recruit someone with experience from another firm, he says “if we’re going to support the industry, I think it’s finding those people right out of college.”

There’s definitely an opportunity to earn good money in the captive space, especially with private-equity firms entering the market and in terms of how it has evolved, according to Murray. “There’s a lot of cash inflow into the industry,” he reports.

Given the tight supply of captive labor and growing demand for this product, he believes “there’s plenty of opportunity for professional growth early and often, and we see that in our own firm as we have a lot more audits and tax work coming in when people get thrust into opportunities that you might not get at another firm.”

ALTRUISTIC CAPITALISM

In order to get younger people interested in pursuing a career in self-funded captives, Gaunya suggests that the messaging provides a larger strategic context to explain the importance of this type of work.

“I have kids who are in their late 20s, and they tell me what a rip off they think health insurance is, and they know I do this for a living,” he reveals. “I say to them, ‘well, let me tell you about some of the things I’m doing with middle-market companies – that they’re actually banking money on their balance sheet and reinvesting that surplus back into the benefits to help people get better care at a lower price,’ and they’re just wowed by it.”

When extolling the virtue of this mission and societal value, he’s also quick to point out that it’s a profitable business. “You can make money by delivering great results to your clients who are more than happy to pay you for those great results that you’re delivering for them. So, it is altruistic capitalism in some sense,” he adds. ■

Bruce Shutan is a Portland, Oregon-based freelance writer who has closely covered the employee benefits industry for nearly 40 years.