

# Filling In the **TALENT GAP**



By Karrie Hyatt

**R**ecruiting young talent for the insurance industry has been a real issue for nearly a decade, but with the expected mass retirement of insurance leaders over the next few years, the issue has become critical. Insurance companies are seeking out new ways to attract professionals 35 and younger, most often referred to as the millennial generation. The captive sector is likely to be hit even harder than the insurance industry as a whole, given the insular nature of captives and that many of today's leaders have grown with the industry since its rise in the 1980s.

Statistics released in 2016 by the Bureau of Labor Statistics estimated that 400,000 insurance professionals would be retiring by 2020. At the 2017 Captive Insurance Companies Association (CICA) annual conference, outgoing president Dennis Hartwick started the conference by noting that 25% of the captive insurance workforce could be retiring during the next five years. Hartwick himself retired in June of last year.

As reported on Insurance Nerds (Insnerds.com), a site founded by and aimed at millennials in the insurance sector, only 4% of millennials are interested in careers in insurance. Insurance Nerds founders Tony

Cañas and Carly Burnham, both young insurance professionals who see the value in making a career out of insurance, published a book in 2017 titled *Insuring Tomorrow: Engaging Millennials in the Insurance Industry*. The book addresses the “talent crisis,” offering suggestions in how to attract quality candidates to the insurance sector. According to the Cañas and Burnham, the average age of an insurance professional in the U.S. is around 60 years old and only 25% of the workforce is under 35.

## The Recruitment Gap

When young professionals and college students think of exciting careers, insurance does not usually come up on the list. One of the oldest financial professions, insurance is considered to be mundane, even boring to those people who grew up with the internet. Older generations tend to think of millennials as mobile phone-focused and as underachievers, but the truth is more complex than that.

Young professionals aren't looking for the one job they can work at for 30 years and retire with a gold watch. They've seen how that model has failed their parents and grandparents. Instead they are looking for careers that have the opportunity for growth and advancement, not necessarily

with the same company. Millennials aren't looking for careers that are repetitive or will leave them bored. They are looking for careers that will allow them to solve complex problems in creative ways.

The intersection between what millennials want in a career and what they perceive insurance to be is what attracts the interest of so few young professionals. The whole of the insurance industry has a lot to offer the millennial generation, especially as parts of it are rapidly changing through technology, but the captive sector has even more to offer them. Captives offer the long-term creative, entrepreneurial, and growth opportunities that they seek.

The dynamic nature of captives can offer young professionals the growth they are looking for. The flexibility of self-insurance and the unique problems it presents can give millennials the chance to tackle new challenges on a regular basis and to use their problem-solving skills to solve real world issues. Best of all, the captive industry offers the opportunity for growth, setting a course for leadership positions.





The Future Leaders Committee has been formed to take the lead in identifying engagement ideas to reach out to young insurance professionals and those just entering the workforce. The goal of the committee is to help foster a community of young professionals involved in self-insurance and alternative risk insurance sectors, and to help

The hard part is in reaching out to the under-35 crowd so that they are aware of the opportunities available to them. The self-insurance and captive industries are looking to engage head on with young professionals, to show them how much the industry has to offer.

### **SIIA Future Leaders**

In early April, SIIA announced a new initiative to reach out to young insurance professionals. The initiative, SIIA Future Leaders (SFL), is designed to encourage young talent to become involved in the self-insurance industry and to become members of SIIA.

*“This has been in the planning stage for some time and we are now pleased to move forward and make it happen”* said SIIA President and CEO Mike Ferguson in a press release. *“The need for such an initiative has become increasingly clear given the evolving demographics of our membership and now our association is properly focused to be successful in creating pathways for the next generation of industry leaders.”*

prepare them to be tomorrow’s trailblazers. SIIA is proud to have many industry leaders in the association and by fostering up-and-coming professionals will help to make the next generation of leaders in the industry.

The first step in launching SFL is to attract young professionals to SIIA’s National Conference & Expo, coming up in September in Austin, Texas. Young professionals, considered to be those 40 and younger, will be eligible for a discounted price for the conference. There will also be networking opportunities aimed towards SFL, as well as more educational tracks geared towards entry and mid-level insurance professionals. This is the first step in a years-long process SIIA is undertaking to help close the talent gap in self-insurance.



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## Reaching Out to Emerging Professionals

In time for Insurance Careers Month, now in its fourth year, Gamma Iota Sigma—a business fraternity for students of risk management, insurance, and actuarial science—held a groundbreaking event in February. Called *The Pipeline*, the event was an online virtual career fair helping to pair students with potential jobs. Thirty companies and more than 700 students participated.

The most unique part of *The Pipeline* wasn't the venue, it was that it catered to how college students use technology and the internet. Participating companies had a

virtual “booth” staffed by multiple recruiters and offered open positions. Companies reported over 5,000 unique “booth” views and 1,395 interviews were completed via direct chat.

Last September, CICA announced a new mentorship program that seeks to pair experienced captive leaders with new and mid-career professionals. The mentorship program is available to members or affiliates of CICA. Those seeking to participate can fill out an online form on CICA's website and be paired with an appropriate mentor/mentee.

With the number of retiring insurance and captive professionals looming over the industry, CICA president Dan Towle said in a statement, “We have to accelerate our efforts to promote the dynamic nature of captive insurance and the career opportunities it provides. CICA is committed to taking a strong leadership role in helping to develop the next generation of captive leaders and the Mentorship Program is one component of these efforts.”

CICA further promoted their mentoring program by hosting mentors and their mentees at their annual conference this past March.

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The mentoring program at Butler University's Lacy School of Business has taken the introduction to captives a step further. Last year students in the Davey Risk Management and Insurance Program at the university had the opportunity to launch an actual, viable captive insurance company. The captive, MJ Student-Run Insurance Company Ltd., is domiciled in Bermuda and will self-insure a variety of risks for the university—including its celebrity bulldog mascot, the university's fine art collection, and student-run start-up companies at the university.

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Working with MJ Insurance, and Indianapolis-based privately-help insurance agency, the students received real-world experience. In a statement released by MJ Insurance, executive vice president of property and casualty Colin MacNab, who also serves on the Board of the Davey program and as a mentor to the students enrolled in the program, said,

*“Students will gain technical experience that is normally acquired through an entry-level position. With this program, students will have mastered the knowledge and expertise required for a position that typically needs one to three years of real-world experience.”*

The “talent crisis” is a looming issue for the captive and self-insurance sectors. By focusing on reaching out to the millennial generation, industry leaders are making the crisis into a turning point, grooming tomorrow's leaders today. ■

