

COMPASS

AN OVERVIEW OF THE INSURANCE INDUSTRY

Volume 11. Issue 2. April 2018

The unemployment rate for insurance carriers decreased to 1.5% in March.

[Page 2](#)

With more openings than potential professionals, the industry stands amid a candidate's market. Find out how to adjust hiring expectations to overcome the candidate market.

[Page 4](#)



A look at who went where within the industry.

[Page 3](#)

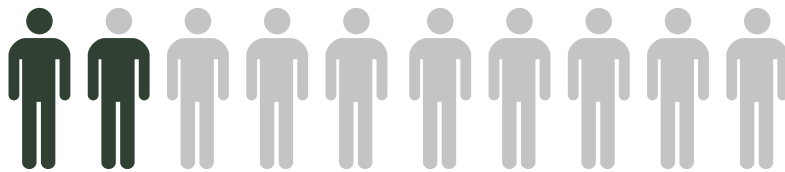
PULSE



PULSE provides an overview of the industry's current labor market on a monthly basis.

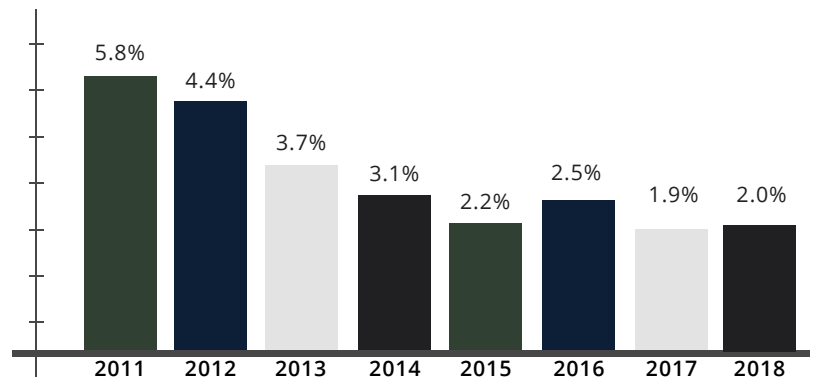


The U.S. unemployment rate remained steady at **4.1 percent** in March with the addition of **103,000 jobs**.



The unemployment rate for insurance carriers increased to **1.5 percent** in March and we saw an increase of **2,800 jobs**.

The average industry unemployment rate for 2018 is currently **1.97 percent**.



March 2018 Labor Statistics

- On a year-to-year basis, February* saw weekly wages decrease across sectors, excluding title (up 3.11 percent), agents/brokers (up 0.77 percent), and reinsurance (up 0.26 percent): TPAs (down 1.36 percent), life/health (down 0.56 percent), claims (down 0.39 percent), and property and casualty (down 0.22 percent).
- On a year-to-year basis, insurance industry employment saw job increases in February* across all sectors, excluding title (down 1.41 percent) and claims (down 0.51 percent): TPAs (up 0.95 percent), reinsurance (up 0.77 percent), life (up 0.58 percent), agents/brokers (up 0.51 percent), health (up 0.49 percent), and property and casualty (up 0.04 percent). ▲

**Data broken out by industry segment and category is available only for the prior month.*



INDUSTRY EXECUTIVES ON THE MOVE

Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

- **Shelia Anderson**
Corporate Functions Chief Information Officer
Liberty Mutual Insurance
- **Wei-Ann Bay**
Chief Medical Officer, Government Programs
Blue Cross and Blue Shield of New Mexico
- **Paul Brady**
Chief Information Officer and Senior Vice President of Information Technology
Arbella Mutual Insurance Group
- **Julia Chu**
Chief Global Ceded Reinsurance Officer
Markel Corporation
- **Amy DeHart**
Vice President, Chief Actuarial Officer
SECURA Insurance
- **Donna Demaio**
Global Chief Operating Officer, General Insurance
American International Group, Inc.
- **Alexis Faber**
Chief Operating Officer, Corporate Risk and Broking
Willis Towers Watson
- **Bruce Gifford**
Enterprise Chief Data and Analytics Officer
The Travelers Companies, Inc.
- **David Goltz**
Chief Financial Officer
CareSource
- **Melissa McDermott**
Head of Pricing For Global Lines
XL Catlin
- **David McLaughlin**
Chief Financial Officer
Hiscox
- **Naohiro Mouri**
Executive Vice President and Chief Auditor
American International Group, Inc.
- **Charles Musilli**
Executive Vice President, Chief Human Resources Officer
Selective Insurance Company of America
- **Denise Pavlov**
Chief Underwriting Officer
Topa Insurance Group
- **Erhardt Preitauer**
Chief Executive Officer
CareSource
- **Lynellen Ramirez**
Chief Actuary and Senior Vice President of Research Analytics
Arbella Mutual Insurance Group
- **Brian Sarisky**
Senior Vice President, Chief Underwriting Officer, Commercial Lines
Selective Insurance Company of America
- **Jonathan Schriber**
Head of Structured Risk, North America P&C
PartnerRe
- **Michael W. Smith**
Chief Claims Officer
Chubb Limited
- **Christine Springob**
Head of Sales North America
Swiss Re Corporate Solutions
- **Dave Underriner**
President of Kaiser Foundation Health Plan and Hospitals of Hawaii
Kaiser Permanente
- **Larry Wright**
Vice President, Chief Claims Officer
SECURA Insurance



OVERCOMING TODAY'S CANDIDATE-DRIVEN MARKET

By David E. Coons, *Senior Vice President*

The war for talent is here. No longer just an ominous warning for the future, the long-predicted talent crunch is hitting the insurance industry with incredible force. While the labor market's rebound from its pre-recession state and its relative stability

are certainly positive for organizations' bottom lines, it has left insurers unprepared to face what is undoubtedly the most competitive recruiting environment the industry has ever faced.

“BY 2020, THE INSURANCE INDUSTRY WILL NEED TO FILL 400,000 POSITIONS IN ORDER TO REMAIN FULLY STAFFED.”

Today’s increasingly challenging labor market is being driven by a perfect storm of economic and demographic factors. According to the U.S. Bureau of Labor Statistics (BLS), the industry is experiencing virtually non-existent unemployment, with the rate hovering at just 2.2 percent. This indicator of full employment is certainly positive and showcases the industry’s economic recovery. However, add in a growing demand for staff and it highlights an increasingly shallow talent pool from which insurers are able to find and recruit talent for a burgeoning workforce.

Further compounding this challenging labor environment is an aging workforce, a pending mass exodus of experienced professionals, a widening skills gap and a continued challenge in attracting and engaging young professionals. By 2020, the insurance industry will need to fill 400,000 positions in order to remain fully staffed.¹

With more openings than potential professionals, the industry stands amid a candidate’s market. With this in mind, insurers must rethink their current staffing and hiring expectations. Only those organizations that evolve and adapt their current mindsets to this emerging reality will be able to find success. Adjusting hiring expectations is the key to overcoming the candidate market of the future.





BROADEN THE SEARCH CRITERIA

Organizations are often looking for the perfect candidate—the exact combination of skills, experiences and competencies. But in a candidate-driven market, finding and ultimately recruiting these individuals can be a monumental challenge. Today's insurance companies may need to rethink their current search criteria and instead focus on finding candidates who align with the company's mission and culture and have the requisite skills necessary.

Most organizations tend to focus their recruitment strategies on background and experience, overlooking skills and abilities. While a candidate's background is certainly important and has the potential to provide them with a base level of knowledge, a

candidate's skills and abilities will often play a more critical role in whether they are successful in the position. It is important to remember that knowledge can be acquired. However, having the core skills and abilities needed to be effective is critical.

In addition, organizations need to think outside the geographic box. The rise of the virtual workforce has opened the door to remote professionals. Insurers are no longer limited by geography in their search for talent. Instead, they are able to find candidates across a global scale who can work on a remote basis. In fact, organizations that focus solely on local talent are severely limiting their hiring pool and potentially losing out on top talent that may be found in other zip codes.



ACCELERATE THE HIRING PROCESS

Insurance organizations are no longer competing solely against each other for top talent. A number of outside industries are putting monumental effort into filling their staffing rosters with top emerging talent. Faced with this increasingly competitive environment, organizations that fail to adjust the pace of hiring are finding themselves unable to keep up with today's labor reality.

A protracted interview process is one of the top pet peeves of job seekers. As a result, organizations that move at a quicker pace are more likely to win candidates. Job candidates want to know the organizations they are interviewing with are interested and enthusiastic about their potential as employees. Often, a lag in communication turns them off and is seen as a lack of enthusiasm on the part of the employer. By the time the organization circles back with them, they have already moved on to another position or have lost interest in working with that company.

In today's competitive recruitment climate, organizations cannot afford to draw out the

hiring process. More is not necessarily better in terms of interviewing candidates. Insurers that find a candidate they like should look at moving forward in the process. Time is of the essence. An attractive candidate is also going to be attractive to other companies looking to staff their ranks. Waiting to find the "perfect candidate" does not translate to lower turnover or a perfect hire. Rather, it often has the opposite effect with talent becoming disinterested and potentially accepting an offer from competitors both inside and outside the industry. Organizations that are truly focused on hiring top talent need to trust their instincts and hire the quality candidates who come their way. Moving quickly and decisively is key.

EVALUATE COMPENSATION PACKAGES

Compensation remains a critical differentiator within today's recruitment environment. Compensation—as a complete package—continues to trump company culture as a determining factor for candidates. Organizations that are able and willing to provide competitive compensation are increasingly able to attract and recruit top talent.



It is important to note that compensation goes beyond base salary. While salary is certainly an important factor, a well-rounded benefits package also includes bonuses, health insurance, paid time off and more. In fact, the BLS reports that compensation benefits can comprise up to 30 percent of an individual's total salary.¹

Organizations need to beef up their current offerings to appeal to the broader sense of the individual employee, and then provide benefits and perks that match. Developing a competitive package can help to set an organization apart from the competition and draw top talent to its doors. In addition, a robust offer can help insurers defend against

potential counter offers. It is important that organizations provide their best offer in order to avoid losing their quality candidates to the competition.

With *Fortune* reporting that nearly 60 percent of job seekers have their pick of "two or more" positions, organizations need to adjust their hiring expectations.² Today's candidate's market requires a new way of hiring and staffing.

No longer are the old best practices effective in bringing in top professionals. Insurers must adapt and adjust their hiring mindsets to meet this emerging reality, lest they fall behind in the war for talent.

1 Employer Costs for Employee Compensation (2018). U.S. Bureau of Labor Statistics. <https://www.bls.gov/news.release/ecec.nr0.htm>.

2 What Job Seekers Really Want Now (2016). *Fortune*. <http://fortune.com/2016/01/19/job-market-hiring/>.

David E. Coons is senior vice president of The Jacobson Group, the leading global provider of talent to the insurance industry. In this role, Dave provides leadership to the firm's professional recruiting practice.

To further discuss this topic or if we can serve as a thought leader in your talent-related endeavors, don't hesitate to contact Dave at +1 (800) 466-1578 or dcoons@jacobsononline.com.





Interested in Accessing More Industry Insights?

As an industry leader, Jacobson provides thought leadership on a number of important issues impacting the insurance industry, including succession planning, staffing strategies and various insurance-specific topics. View our different white papers, articles, webinars, presentation slide decks and other multi-media.

Topics We Cover

Employee Development
Diversity and Inclusion
Insurance Industry Issues
Interviewing
Labor Market
Leadership

Recruitment
Retention/Engagement
Social Media
Staffing Strategies
Succession Planning

Sign up! Get industry topics of your choice delivered right to your inbox.

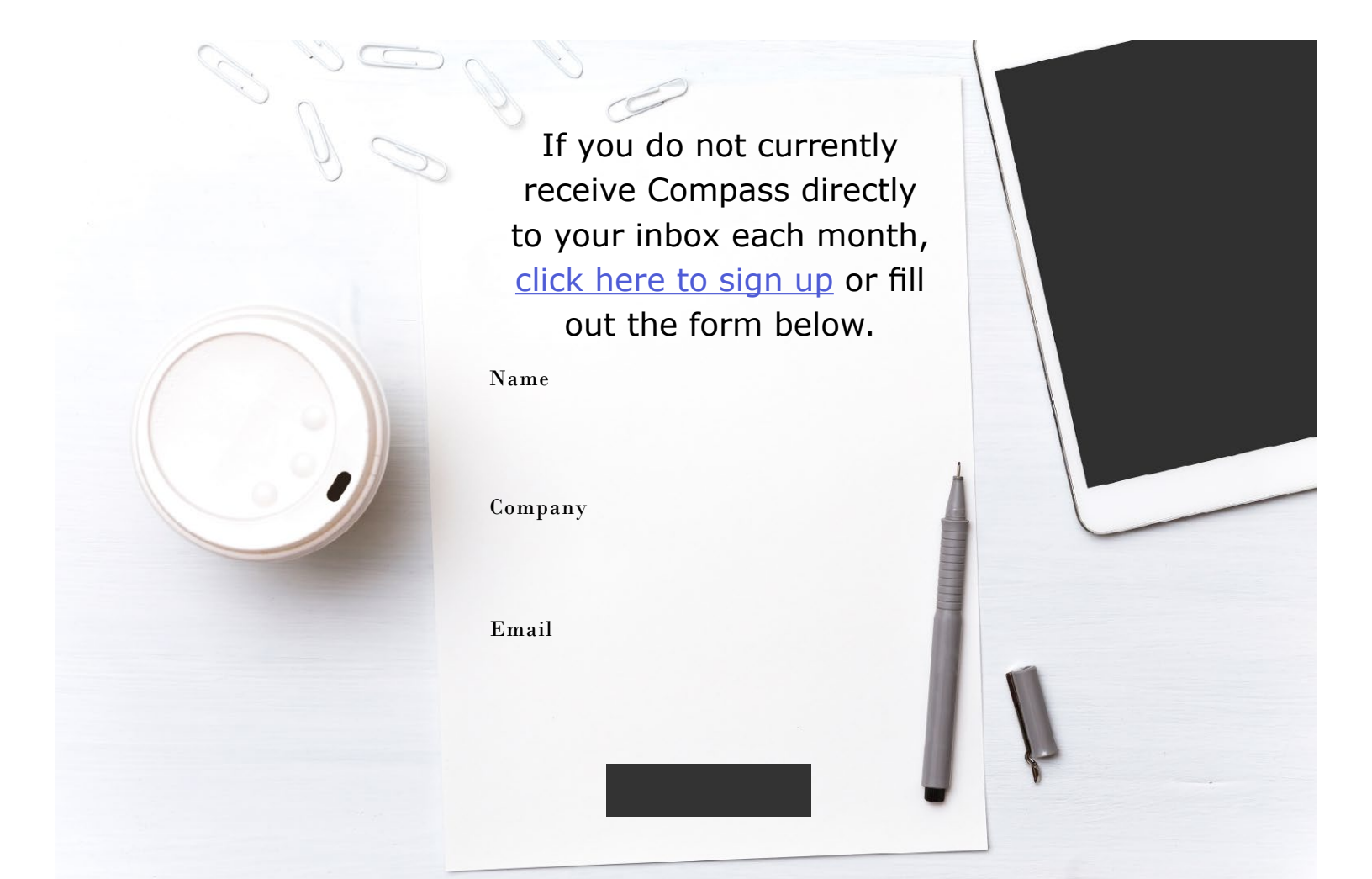
SUBSCRIBE

Can't Get Enough Industry Information?

Co-CEO Rick Jacobson's blog, In Jacobson's Shoes, explores different topics affecting insurers today.

Subscribe here.





If you do not currently receive Compass directly to your inbox each month, [click here to sign up](#) or fill out the form below.

Name

Company

Email

ABOUT US

The Jacobson Group is the leading provider of talent to the insurance industry. For nearly 50 years, Jacobson has been connecting organizations with insurance professionals at all levels across all industry verticals. We provide an array of services including executive search, professional recruiting, temporary staffing and subject matter experts. Regardless of the need or situation, Jacobson is the insurance talent solution.

CONTACT US

Tel: +1 (800) 466-1578

jacobsononline.com

STAY UPDATED



Insurance Talent
JACOBSON