

COMPASS

AN OVERVIEW OF THE INSURANCE INDUSTRY | Volume 12. Issue 3. July 2019

U.S. JULY PULSE

The unemployment rate for insurance carriers increased to 1.9% in June.

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Insurance Talent

JACOBSON

PULSE OF THE LABOR MARKET

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

EXECUTIVES ON THE MOVE

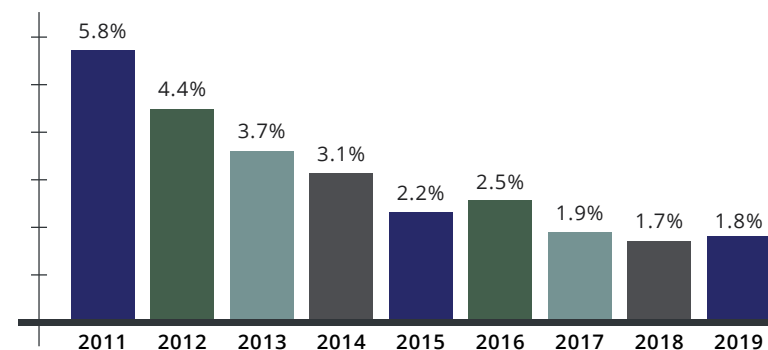
Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

JACOBSON INSIGHTS

While the unemployment rate for insurance carriers and related activities dropped to 1.0 percent in May, it rose to 1.9 percent in June, staying in line with the current average industry unemployment rate for 2019: 1.8 percent. The national unemployment rate, which had dropped to a near 50-year low in April and May, rose by 0.1 percent to 3.7 percent in June.

Unemployment for the industry rose more than the overall economy, yet we're still seeing a candidate-driven market and an increase in professionals who are content at their current organizations. Overall jobs in the U.S. rose by 224,000 – the highest since January, while the insurance industry saw a decrease of 1,400. However, this is a slight change and overall, insurance saw little change from May. Employers can continue to expect a candidate-driven market in which both passive and active candidates receive quick, and perhaps multiple, offers. [View the full PULSE here.](#)

The average industry unemployment rate for 2019 is currently **1.8 percent.**



AT-A-GLANCE NUMBERS

3.7%

The U.S. unemployment rate increased to 3.7 percent in June despite the addition of 196,000 jobs.

1.9%

Unemployment for the insurance carriers and related activities sector increased to 1.9 percent in June.

-1,400

The insurance carriers and related activities sector decreased by 1,400 jobs in June.

+19,600

At approximately 2.7 million jobs, industry employment increased by roughly 19,600 jobs compared to June 2018.

- **Steven K. Beaver**
Senior Vice President, Chief Financial Officer
Aflac U.S.
- **Ralph Blust**
Chief Executive Officer
National Flood Services LLC
- **Max K. Brodén**
Deputy Chief Financial Officer and Treasurer
Aflac Incorporated
- **Carmella Capitano**
Head of Primary General Casualty-Risk
Management and Excess Casualty
Starr Insurance Companies
- **Sharon French**
President and Chief Executive Officer, Life and
Retirement Funds
AIG
- **Stacey Goodman**
Executive Vice President and Chief
Information Officer
Prudential Financial, Inc.
- **Melissa Hill**
Head of Claims, U.S.
Hiscox
- **John Jenkins**
Chief Executive Officer of P&C Reinsurance
Operations in the Americas
SCOR Reinsurance Company
- **Jeremy D. Johnson**
Chief Executive Officer
Protective Insurance Corporation
- **J. Pete Kelso**
Senior Vice President, Chief Information and
Technology Officer
Aflac Incorporated
- **Ryan Kocher**
President, Healthcare and Related Benefits
Plans - Pacific Northwest Market
CIGNA Corporation
- **Andrew McCray**
Executive Vice President, Chief
Underwriting Officer
Amerisafe, Inc.
- **Robert McDonough**
U.S. Construction Practice Leader
Marsh LLC
- **Katie McGrath**
Head Accident and Health, North America
Swiss Re
- **Richard Montminy**
Global Head of Property
Beazley
- **Nick Nudo**
Chief Underwriting Officer for U.S. P&C Treaty
SCOR Reinsurance Company
- **Doug Pearson**
Senior Vice President, Chief
Underwriting Officer
GuideOne Insurance
- **Chard Richard**
Executive Vice President and Managing Director
Alliant Insurance Services
- **Mihir Shah**
Chief Financial Officer
Commonwealth Care Alliance, Inc.
- **Cal Spessard**
Head of Claims for Environmental Liability
Beazley
- **Brian Winters**
Head of Sales and Distribution, U.S.
Commercial Insurance
Zurich North America
- **Stephanie W. Yocum**
Senior Vice President and Chief People Officer
IFG Companies

WHAT DOES THE CANDIDATE-DRIVEN MARKET REALLY MEAN FOR INSURERS?

By David E. Coons, Senior Vice President, The Jacobson Group

Throughout the past few years, the term “candidate-driven market” has become almost unavoidable when talking about recruiting and hiring talent. Total U.S. unemployment is at a near-50-year low, and unemployment within the insurance industry is practically non-existent. Insurers are tasked with reevaluating their talent strategies to continue attracting high caliber professionals in an incredibly competitive market.

While the term is common, what does the candidate-driven market really mean for insurers? In a candidate’s market, there is low unemployment, as well as a rising number of jobs. Within the insurance carriers and related activities sector, roughly 20,000 jobs have been added in 2019 alone.¹ In May, the greater finance and insurance sector had 204,000 job openings,^{2*} (226,000 seasonally adjusted), yet only 111,000 unemployed individuals.^{3*} With an insurance unemployment rate hovering between 1 and 2 percent, there are more jobs available than there are qualified candidates to fill them.



This is causing tremendous competition for talent. Candidates are being recruited at unprecedented rates, making it advisable for insurers to take a look at a number of areas within their recruiting and hiring procedures. In a previous issue of Compass, we shared best practices for staying ahead in the tight labor market. While these recommendations still hold true, we've identified additional trends and considerations as the war for talent continues.

“As we face one of the most competitive recruiting markets in history, it’s important for insurers to adjust expectations around hiring and consider the candidate’s perspective.”

There are commonly three tiers of candidates: those who are passive and happy within their current role and company; those who are actively looking for a new role; and professionals who fall somewhere in the middle. This third category seems to comprise about a third of all candidates and is where most of an organization’s recruiting efforts should fall. These individuals are typically top performers who may be willing to make a change if given the right opportunity and reason.

However, switching jobs isn’t something most professionals take lightly. The decision is both emotional and logical, and involves a number of factors. For instance, in addition to thinking about what a new role may mean professionally, many individuals are also considering how a position may impact their families and long-term personal goals. By

understanding candidates’ thought processes, hiring managers can create more compelling position descriptions and offers that resonate with top talent. Below are a few considerations for better connecting with these individuals.

UNCOVER CANDIDATES’ MOTIVATORS

Rather than passively waiting for candidates to express interest, hiring managers and recruiters must actively seek out and entice talent. The roles of the candidate and employer have shifted; in many instances, candidates are now the ones interviewing companies. Insurers have a newfound responsibility to grow a candidate’s interest in a role and demonstrate why it, and the company, is the right fit. It’s important to step into the candidate’s shoes and understand what that individual’s key drivers are in order to put your organization’s best foot forward.

Throughout the interview process, ask questions around why individuals are considering a new position. This can help reveal two things: areas to potentially capitalize on when making an offer, and how serious an individual is about accepting a new role. While significant, money is typically not the only factor at play. Workplace location and flexibility, relocation options, cultural fit, growth and development opportunities, and upward mobility, among other considerations, can all play into a candidate’s motivation.

BE FLEXIBLE AND MOVE QUICKLY

Candidates are often presented with multiple opportunities simultaneously, especially when they are embarking on an active search. Rather than schedule a number of drawn out interviews, have a more agile framework in place. This may mean fewer interviews, or the ability to move forward without the usual number of stakeholders signing off. Think through contingency plans for times when decision-makers are unavailable. Could the interview be conducted over the phone

or through video conferencing? Are other individuals able to provide the information and confidence necessary to move forward in a key stakeholder’s absence?

In addition to expedited hiring decisions, the demand for talent has also encouraged many employers to open up their candidate pools. Looking outside of a specific service line or considering telecommuting options can greatly increase access to top talent. By being flexible, focusing on skills and expanding geographic requirements, organizations can reach a vast number of additional candidates.

COMMUNICATE COMPENSATION AS MORE THAN SALARY

Make your first offer a strong one and help

connect the dots around how it meets the candidate’s needs. Monetary compensation is always going to be important, but it is only one component of the overall package. In addition to base salary, bonus and benefits, consider additional perks you can offer that might meet the candidate’s needs. Often, both candidates and employers focus on salary when working toward a compensation agreement. However, other factors such as flexibility in hours and location may help close monetary gaps.

When delivering an offer, consider ways to make it comprehensive and compelling. Provide more than factual information around base salary, bonus options and number of PTO days. For instance, if you’ve uncovered a motivator during the interview process, address it, as





well as how the offer meets that need. This could mean letting candidates know you recognize flexible work options are important to them and demonstrating how that is incorporated into the offer. Share the monetary equivalents of unique benefits and perks, such as reimbursed parking, commuter benefits, 401k matching, paid holidays and more, as appropriate. Total compensation includes more than base salary and bonus; it's important to help the candidate understand its full value.

ANTICIPATE COUNTER OFFERS

In today's market, counter offers are the norm. Yet, hiring managers often have an emotional response when candidates come back with counter offers from their current employers. Rather than taking offense or considering rescinding the offer, expect counters in this market and proactively prepare for them. Organizations know the cost of vacancy is high and it often makes more sense to provide a counter offer for an existing employee than to recruit, onboard and train a new individual.

With the right preparation, organizations can anticipate and navigate these conversations. Throughout the interview process, ask candidates some version of this: "If you were to resign and your current employer made a counter offer, what would be your motivation to take it?" Candidates are often

not expecting this question, which can lead to honest responses. By asking in a positive, information-seeking way, you can gain a better understanding of what drives each candidate and how you can potentially flex to be most competitive. While some may say more money, a counter offer isn't always salary-based. It's possible they could be convinced to stay by a change in title, work from home options, or increased flexibility. This enables you to level the playing field and recognize how you can meet some or all of these needs – especially in cases where the move would be lateral.

As we face one of the most competitive recruiting markets in history, it's important for organizations to adjust expectations around hiring and consider the candidates' perspectives. By recognizing the necessary shifts in responsibilities, being strategic about offers and counter offers, and uncovering candidates' true motivators, insurers will be best set up to remain competitive in today's market.

SOURCES

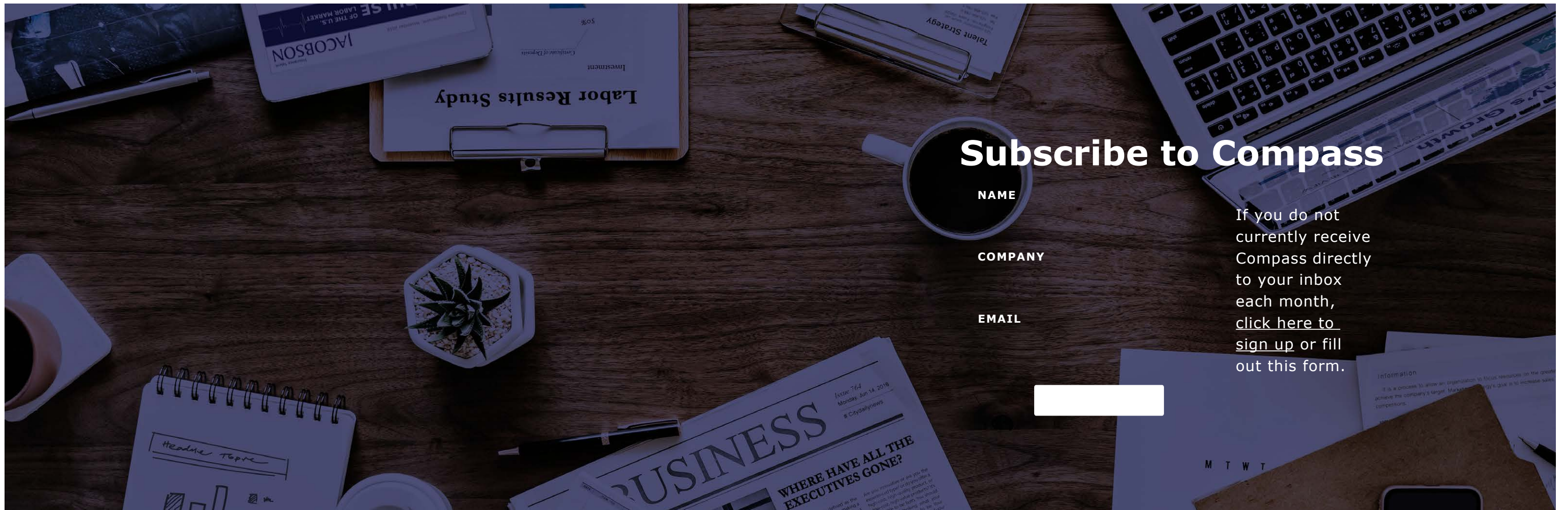
- 1 "Insurance Carriers and Related Activities: NAICS 524". Bureau of Labor Statistics (2019).
- 2 "Finance and Insurance: NAICS 52". Bureau of Labor Statistics (2019).
- 3 "Unemployed Persons by Industry, Class of Worker and Sex". Bureau of Labor Statistic (2019).
*Not seasonally adjusted



ABOUT THE AUTHOR

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.



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Insurance Labor Market Study: Participate Now

The Jacobson Group and Aon are now conducting our Semi-Annual Insurance Labor Market Study. Since 2009, this survey has offered valuable labor insights and has become an accurate predictor of the industry's staffing outlook. The survey is open through August 4, 2019, and will take no longer than five minutes to complete. All responses are confidential and a summary of the study results will be provided to all participants.

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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.

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