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EMBRACING TALENT BEYOND MPL TO DRIVE FUTURE SUCCESS

BY GREGORY P. JACOBSON



It's no secret that the medical professional liability (MPL) insurance market is in the midst of a difficult business climate. In addition to a shrinking market, today's MPL carriers are facing a challenging reality about available talent.

Growing vacancies resulting from impending mass retirements and a widening talent gap are exacerbated by the scarcity of emerging professionals interested in joining the industry. There is simply not enough talent within the MPL pool to keep up with the demand.

In order to compete amid this challenging business and recruiting climate, MPL carriers must look beyond the confines of their specialization. The larger property/casualty (P/C) insurance market provides a valuable source of professionals who can offer diverse perspectives, drive innovation, and ensure future success.

Understanding the insurance labor market

Unfortunately, the competition is equally fierce in the greater insurance market. Retiring baby boomers and virtually nonexistent unemployment, combined with continued industry growth, are deepening the talent crisis. According to the 2018 Mid-Year U.S. Insurance Labor Outlook Study, recently conducted by The Jacobson Group and Ward Group, 62.6% of surveyed P/C insurers plan to increase staff during the next 12 months. Conversely, only 5.5% have plans to decrease their staff size.

Staff increases are mainly ascribed to higher volumes of business and expansion into new markets. The P/C insurance industry is growing; all insurers expect to maintain or increase their revenues in the next 12 months. More than half of those companies cited increased market share as the primary reason, followed by economic expansion and pricing increases, at 24.8% and 25.3%, respectively. P/C insurers are also growing their workforces at a faster rate than they previously anticipated. According to the survey, they have increased their employee base by 0.90% since July 2017, versus an anticipated rate of 0.79%.

Today's insurers are tasked with closing the growing skills gap cre-

ated by cuts to training programs made during the past decade that have intensified as tenured baby boomers vacate their long-held leadership roles. It is no surprise that executive positions topped the list of the P/C industry's most difficult-to-recruit-for roles, at a rating of 6.9 out of 10.

This issue extends deeply to the MPL industry, as well. It has become increasingly difficult to find the right talent to fill its executive ranks. Industry-wide, there is undoubtedly a shortage at the mid-level as driven professionals left the industry when retirements were postponed and growth opportunities grew scarce during the recent recession. Unfortunately, the bench of talented leaders is sparse. Attracting and recruiting experienced and aspiring leaders capable of excelling in an evolving industry is even more challenging. The MPL industry must look outside its confines and possibly outside the insurance industry for its future leaders.

Filling technology positions is a priority for the P/C industry. Technology is streamlining time-consuming tasks and increasing the amount of information available to the MPL industry, redefining how they approach risk management and other functions enterprise-wide. The recent Insurance Labor Outlook Study reveals that the technology function is the area of highest demand for P/C insurers, with the claims function trailing only a tenth of a point behind. Claims remains of utmost importance for the greater P/C industry. The claims area is where the company's promises are kept; and the function serves as a competitive differentiator, playing a critical role in delivering exceptional customer service and, ultimately, maintaining market share. P/C claims recruiting difficulty, which has historically hovered around a 5 rating, was reported at 5.4, an increase of 0.6 since January 2018.

Attracting talent to the MPL market

The MPL industry has a proud and inspiring story to tell. People are attracted to mission-driven organizations and look for social value and

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impact in their work. MPL carriers protect healthcare professionals during difficult times and help them practice medicine more safely. Leveraging authentic messages to illustrate these values to the insurance industry and the public is one step toward motivating others to join the cause.

The MPL industry must also ensure it is establishing an attractive culture to strengthen its employer brands and move its companies forward. Though only one element of a company culture, flexible and fluid work environments are no longer considered “nice-to-have,” but are becoming a requirement in this competitive talent marketplace. Integrated telecommunications devices and cloud sharing platforms allow employees to collaborate and communicate freely regardless of location; and many leading industries have already adopted flexible work arrangements to expand talent pools beyond geographical constraints. According to a Gallup survey, 43% of employed Americans spend at least some time working remotely. Breaking free of location boundaries will allow the MPL industry to consider candidates who do not wish to or cannot relocate, thereby expanding its candidate reach even further.

In addition, providing flexible work schedules can improve employee morale, engagement, and commitment. Flexible work hours allow employees to achieve a better balance between their personal and family needs and their careers. Employees appreciate having control over their work schedules, ultimately improving employee engagement, reducing turnover rates, and building a stronger employer brand to attract more qualified candidates to the table.

It is important to recognize, though, that not everyone wants the

same benefits. Some employees may value the addition of paid volunteer days, while others may favor paid study days as they prepare for industry certifications. Some employees may be looking for financial planning resources, while others may welcome a subsidized gym membership. Some organizations are opting for benefits personalization, allowing individuals to select the perks they desire most from a menu of options. It is important to understand what benefits your employees value most and accurately reflect their wide range of preferences. Transparent and ongoing communication with staff is key. A unique and creative approach to benefits will certainly attract more candidates, while improving retention rates and employee-satisfaction levels.

A competitive compensation package is equally important in a candidate-driven market. High performers, who are content in their current roles, are not likely to make a move without significant financial incentives. Insurers may need to revisit their compensation structures to continue attracting—and retaining—quality talent.

The challenging talent climate is likely to persist, as the MPL industry’s current talent pool is no longer capable of supplying enough of the right professionals to propel organizations into the future. To thrive in this candidate-driven market, MPL organizations must look beyond their specialty line and into the larger insurance candidate pool. Bringing in diverse perspectives from the P/C industry will support innovation and business growth, allowing MPL insurers to continue advocating for healthcare professionals for years to come. **MPL**

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