

# The Jacobson Group Compass

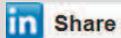
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# JACOBSON

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The Jacobson Group is the nation's leading provider of insurance talent. For 40 years, we have been connecting insurance organizations with professionals from the board room to the back room on both a permanent and temporary basis. We offer a variety of solutions including executive search, professional recruiting, RPO, temporary staffing, subject matter experts, and onsite and work-at-home operations support. Regardless of the need or situation, Jacobson is the insurance talent solution.



## PULSE OF THE INDUSTRY'S LABOR MARKET

- The U.S. unemployment rate decreased to 7.8 percent with the addition of 114,000 jobs in September. This is the lowest unemployment rate since January 2009.
- Unemployment for insurance carriers and related activities was 4.6 percent for the month of September, up from 4.3 percent in August.
- At approximately 2.29 million jobs, industry employment is up roughly 11,600 jobs compared to September 2011.
- On a year-to-year basis, insurance industry employment saw job growth for reinsurance (3.75 percent), title (1.97 percent), TPAs (1.85 percent), agents/brokers (1.16 percent), health (0.35 percent), and property and casualty (0.15 percent). Life and claims saw declines of 2.27 percent and 1 percent, respectively.
- On a month-to-month basis, mirroring August's numbers, September saw weekly pay increases for all sectors excluding health (down 4.52 percent). Reinsurance and claims again both saw dramatic increases of 27.58 percent and 13.74 percent, respectively. Other sectors saw steady increases: TPAs, up 6.6 percent; property and casualty, up 5.9 percent; life, up 4.55 percent; agents/brokers, up 2.27 percent; and title, up 1.16 percent. ▲

*\*Derived from the data released by the U.S. Bureau of Labor Statistics*



*Looking for more thought leadership? Visit our blog, "[In Jacobson's Shoes](#)," for an insider's perspective on the timely topics affecting the insurance industry and its talent pool.*

**“ FUTURE-THINKING COMPANIES UNDERSTAND IT TAKES MORE THAN A SOUND BUSINESS PLAN; IT REQUIRES COMMITTED, STRONG LEADERSHIP. ”**

**Read our feature article on [page 3](#) for more.**



# INDUSTRY EXECUTIVES ON THE MOVE

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

- **John M. Anderson**  
*Chief Operating Officer*  
Founders Insurance Company
- **Wayne Ashley**  
*Chief Underwriting Officer, International,*  
*Ace Tempest Re Group*  
ACE
- **Julia R. Babbitt**  
*President*  
Highmark Inc.
- **Josh Betz**  
*President of Argo Surety*  
Argo Group International Holdings, Ltd.
- **J. Michael Bischoff**  
*Chief Financial Officer*  
Marsh & McLennan Companies, Inc.
- **Richard Chambers**  
*President, Molina Healthcare of California*  
Molina Healthcare, Inc.
- **Kevin J. Cloherty**  
*Senior Vice President and Global*  
*Compliance Chief*  
Manulife Financial and John Hancock Financial
- **Douglas J. Cretsinger**  
*Vice President, Strategic Planning*  
*and Initiatives*  
GuideOne Insurance
- **Dan Feruck**  
*President, Florida Employer Group*  
Humana Inc.
- **David R. Frediani**  
*President, Ironshore International*  
Ironshore, Inc.
- **James D. Gallagher**  
*Executive Vice President, General Counsel and*  
*Chief Administrative Officer*  
John Hancock Financial Services
- **Ralph E. Jones III**  
*President and Chief Operating Officer*  
SPARTA Insurance Company
- **Steven R. Knutson**  
*Director of Health Products*  
Portico Benefit Services
- **Ken Lin**  
*Vice President, Chief Actuary*  
Grange Insurance
- **Jim McNichols**  
*Chief Actuarial Officer, Southport Re*  
Southport Lane
- **Michael Malouf**  
*Managing Partner and Chief Executive Officer*  
Willis of Illinois, Inc.
- **Shawn Marcotte**  
*Chief Operating Officer and Vice President of*  
*International Operations*  
Assurant Solutions
- **Kent M. Podvin**  
*Director of Strategic Operations PMO*  
Highmark Inc.
- **Craig Raymond**  
*Senior Vice President and Chief*  
*Strategy Officer*  
Symetra Life Insurance Company
- **Daniel W. Riordan**  
*Chief Executive Officer, Zurich Global*  
*Corporate in North America*  
Zurich Insurance Group
- **Bryan Salvatore**  
*President, Specialty Products*  
Zurich North America Commercial
- **Jacob F. Scherer**  
*Chief Insurance Officer*  
The Cincinnati Insurance Company
- **Vincent P. Sommer**  
*Partner Management Leader, Allstate Roadside*  
Allstate Insurance Company
- **Bryan Ware**  
*Senior Vice President and Chief Actuary*  
EMPLOYERS
- **Martin J. Welch**  
*Chief Executive Officer and Senior*  
*Underwriting Executive*  
Hawaii Employers' Mutual Insurance Company
- **Ahmed Yaknour**  
*Chief Technology Officer*  
Crum & Forster Holdings Corp.

# THE EVOLUTION OF EXECUTIVE SEARCH

By Gregory P. Jacobson, co-Chief Executive Officer of The Jacobson Group

With increasingly promising market conditions, our industry—in part shielded from general economic woes—is again seeking growth. Insurers are exploring new markets, products and innovations to stay one step ahead. Future-thinking companies understand it takes more than a sound business plan; it requires committed, strong leadership. Organizations rely on human capital to set plans into action. For long-term success, every business depends on the quality and expertise of its people.

Our industry is well-positioned for expansion as the market heats up. While the nation's overall unemployment rate sits at 7.8 percent, the insurance industry is much lower at 4.8 percent<sup>1</sup>. Staffing and revenue projections are consistently on the rise, with 55 percent of insurers looking to increase staff and 77 percent expecting to see greater revenue<sup>2</sup>. Insurers are ready to grow their businesses.

With the industry back in growth mode, hiring organizations are finding that the so-called “war for talent” is once again relevant. High-level skill and expertise is sought after in virtually all functions as organizations boost their leadership capacities and prepare for future succession concerns. Additionally, the difficulty-to-fill measure has increased by an average of 10 percent in key positions such as actuarial, executives, sales and marketing, product management, and underwriting<sup>3</sup>. Competition is high and employers must strive to position themselves as attractive to the best talent the industry has to offer.

These market conditions and human capital necessities are causing the role of executive



search firms to evolve as companies utilize them in a different manner than ever before. The expectation is for the search firm to locate and attract the most qualified person to fit the unique needs of the client company—and that expectation is absolutely correct! The executive search firm is hired to not only find qualified talent, but to find a true match—skill, knowledge, talent and culture. There are two distinct ways search firms are working with clients to fill these unique and evolving needs.

## A TARGETED, PROACTIVE APPROACH

As companies identify broad or specific areas of expansion into new markets or products, a very specific skill set is often sought after to head up these initiatives. The role of the executive search firm is to tap into a range of candidates who may not have otherwise been apparent, available or aware. These candidates should already possess the expertise, relationships and knowledge specifically related to the organization's expansion. The candidates identified should have the expertise to get the new initiative up and

<sup>1</sup> Bureau of Labor Statistics

<sup>2</sup> Mid-Year Insurance Labor Outlook Study conducted by The Jacobson Group and Ward Group, July 2012

<sup>3</sup> Mid-Year Insurance Labor Outlook Study conducted by The Jacobson Group and Ward Group, July 2012

running. The identified candidate will grow the business with the knowledge he or she brings to the table. Recruiting for this specific level of expertise is generally less expensive and less risky than taking the route of acquiring a company as a means to expand. By instead bringing on one or a team of experienced individuals, the company is building a new market utilizing its new hire's prior expertise and relationships.

The Jacobson Group recently assisted a specialty insurer in this manner. Our client was looking to expand geographically within a very focused niche. They decided the best way to proceed would be to bring on an experienced underwriting executive to head up the initiative. This would prove to be a challenging task, as this small market segment offered a limited amount of experienced professionals. They looked to our firm to market map the segment and attract the most influential professional. The successful candidate opened a new location and was immediately able to make an impact through existing relationships and niche marketplace knowledge.

### **AN ON-GOING, OPEN PARTNERSHIP**

Another evolution in executive search is the strategic relationship clients are seeking from a trusted partner. This occurs when the client brings the search firm into its overall strategy, allowing the firm to develop a deep understanding of the client's long-term goals and an awareness of the greater human capital picture. The ongoing acquisition of new hires is woven into the overall strategy to meet human capital demands. It is a continuing effort to

identify, assess and present qualified candidates, closing vacancies and succession gaps throughout the company.

**“ HIGH-LEVEL SKILL AND EXPERTISE IS SOUGHT AFTER IN VIRTUALLY ALL FUNCTIONS AS ORGANIZATIONS BOOST THEIR LEADERSHIP CAPACITIES AND PREPARE FOR FUTURE SUCCESSION CONCERNS. ”**

This can be done by engaging a firm on a long-term basis to assist an organization in reaching goals and to match its strategic direction. The search firm employs a purposeful and intentional process to recruit talent that will help the company expand in its desired direction.

This partnership is also achieved when the search firm is engaged in multiple searches, one at a time over an extended period, allowing an intimate knowledge of the organization and its operational structure. Through this strategic relationship, the firm is able to identify additional opportunities to bring qualified expertise on board in different capacities throughout the company.

A true partner will grow and adapt with your organization's needs. In your quest to identify and select top leadership, it is okay to evolve your approach. Keep the greater goal in mind—a committed, knowledgeable bench of expertise to lead your company to its desired state. A solid human capital strategy is paramount for growth and long-term success. ▲

*Greg Jacobson is co-chief executive officer of The Jacobson Group, the nation's leading provider of talent to the insurance industry. He can be reached at (800) 466-1578 or [gjacobson@jacobsononline.com](mailto:gjacobson@jacobsononline.com). Connect with Greg on [LinkedIn](#).*

