



# HOW TO ATTRACT THE BRIGHTEST AND THE BEST TO THE INSURANCE INDUSTRY—AND KEEP THEM



"IT'S NEVER BEEN MORE IMPORTANT TO ATTRACT TOP TALENT, GET NEW HIRES FULLY PRODUCTIVE FASTER AND RETAIN THEIR SKILLS WHILE DEVELOPING THE LEADERS OF THE FUTURE."

- SCOTT HEYHOE  
DIRECTOR OF SOLUTION MANAGEMENT  
QUESTBACK



# INTRODUCTION

The insurance industry is working hard to attract new talent—but it needs to take more decisive action to ensure the brightest and the best can find rewarding careers in this exciting sector.

It is widely recognised that as the post-war baby boom generation heads into retirement, replacing them is proving a struggle. Insurance industry leaders hotly debated the employment crisis at a Questback-hosted roundtable in London. The discussion forms the basis of this white paper, which outlines how addressing the challenges in employee attraction, recruitment and retention can steer this 325-year-old industry safely into the future.

The workplace has changed beyond all recognition in recent years. Business practice has changed with the digital revolution transforming the market and introducing new ways of working, as well as new competitors. Expectations, too, have changed as a new generation enters the labour market. While they may be at ease with digital technology, millennials prize personal fulfillment and purpose of work above a job for life, eschew a long-hours culture and expect a better work-life balance than their work-centric parents.

There are also calls for more diversity and a move away from the homogenous workforce recruited predominantly from the pool of white, privileged and mostly male talent. Attracting millennials to the market is vital to future-proofing re/insurance. The industry has a particular problem in recruiting young talent that have the misconception that it is stuffy, dull and old-fashioned.

Developing the right talent goes beyond attracting millennials: there needs to be a change in leadership style to get the best out of employees and retain them. Companies have started to realise if they are not to lose their talented and experienced employees when they start families, they must adjust their leadership styles and offer genuine parent-friendly opportunities and flexible working.

Employees, no matter their age or gender, increasingly expect a work-life balance through schemes such as flexible working, home working and supported career breaks.

Here's what you need to know about attracting the best talent and keeping them from leaving the sector altogether.



**"Engaged employees deliver more and stay for longer, they are more dynamic, they drive greater sales and act as brand ambassadors. They are your greatest asset—their skills, experience and ideas are critical to business success. Engaging with them is a growing challenge—expectations are changing and competition for talent is at an all-time high. It's never been more important to attract top talent, get new hires fully productive faster and retain their skills."**

Scott Heyhoe  
Director of Solution Management  
Questback



# ATTRACTING TALENT

Ask anyone how he or she started their career in insurance, and they often offer a funny anecdote about how they happened upon the sector or stumbled into a job in the market. Leaders at this roundtable recognised that in today's more competitive market, employer (and industry) brand value proposition is extremely important. Recruiting talent starts with attracting people, and candidate feedback on both processes and experience can play an important part in improving recruitment rates and making the right hiring decisions.

"An awful lot of people fall into the insurance industry rather than necessarily choose it," said Chris Lockwood, COO of London Reinsurance at XL Catlin. One major obstacle to attracting new talent is that few people outside the industry know what it actually does. The public thinks of insurance as rather staid and stuffy, and neither graduates nor non-graduates are beating a path to the doors of EC3.

Chair of the roundtable, Mairi Mallon, CEO of public relations consultants to the re/insurance industry, rein4ce, asked why it was sometimes difficult to attract the brightest and the best to the industry.

Chris Lockwood replied, "Insurance doesn't advertise itself particularly well. We are not good at demonstrating how fantastic an industry it is to the wide variety of available talent." Lynsey Cross, COO of AmTrust International, agreed the industry must make itself more attractive. "We absolutely don't promote ourselves very well," she said. "I went to a careers fair with my eldest son recently and wandered around to see who I knew, convinced there must be people from insurance, but there was no one. All the consultancy firms and banks were represented, but there was no one from insurance to tell these young people about all the great opportunities and different careers we offer and how exciting it is to work in this industry." Scott Heyhoe, Director of Solution Management at Questback, suggested the industry was hampered by its traditional values of modesty and discretion and is "the best kept secret in the job market." "It's frustrating," he said. "I'm passionate about this industry, but we have not been allowed to advertise how wonderful it is because we 'don't do that sort of thing.'" Owen Thomas, Director of Global Risk Solutions at RSA, said the industry was not great at telling people what a significant role it plays. "I don't think we have too much of an issue as an industry when people are in it; the challenge is in attracting them in the first place," he said.





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Chris Lockwood  
COO, London Reinsurance  
XL Catlin



James Vickers, Chairman of Willis Re International, agreed. “I work in a global company, and I see this across the world,” he said. “We are just not very good at promoting ourselves. We don’t sell instant gratification; rather we protect people against something unpleasant happening to them. A lot of people go through their lives and never receive our services. They pay their premiums and they think, ‘What am I paying all this for?’ When they do claim, 95% of them are paid well and efficiently, but sadly, 5% are messed around, partly because the companies are checking for fraud. And those are the stories told in the press.”

Bill Cooper, Head of Insurance, Lloyds Bank, said, “Most people’s experience of insurance is that they have to buy car insurance—they don’t want to but they have to. It’s a bad place to start.” Lynsey Cross added, “Yes, and they believe they are being ripped off. What they don’t see is people getting back on their feet after a crisis.” “Outside healthcare, I can’t think of another industry that is fundamentally about getting people back on their feet,” said Chris Lockwood, noting that insurance is also about caring.

Referring to the 2017 Caribbean hurricanes, James Vickers cited a regional Prime Minister who spoke at the recent Bonn Climate Change Conference. “Two days after the hurricane had hit, he had an email from the Caribbean Catastrophe Risk Insurance Facility calculating how much money his country was going to get,” he said. “Ten days later it was in the Government’s bank account. It is difficult for our industry to talk about these stories because it looks self-serving.”

He said insurance could literally save someone’s life. A family travelling to the Himalayas had bought a \$50 American International Underwriters’ travel policy. When the father had a

heart attack, the insurer “flew him back to Singapore and saved his life. The whole family is still together. Do we ever see that in the press? Never.”

Mairi Mallon pointed out that some companies, such as Chubb, now use social media to tell their good news stories rather than, as James Vickers pointed out, pushing the message that their policies were “cheaper, cheaper, cheaper.”

Martin Healiss, HR Vice President of EMEA at Brightstar Corp., said the re/insurance industry should be extolling the crucial—and exciting—work it does around the world. “Your angle is not car and life insurance, it’s cyber-terrorism, hostage-taking, hurricanes, climate change,” he said. “The Caribbean would be on its knees without the industry, and people don’t know that. All they are thinking of is some meerkat,” he said. Mairi Mallon suggested that the general public—and much of the media—don’t differentiate between wholesale and retail insurance.

Owen Thomas said telematics—the use of communications and information technology to gather and transmit information from telecommunications devices to remote objects over a network—was an example of innovation in the industry. “We are now using this technology on dog collars—Fitbits for animals that give us information about their health,” he said. “As an industry, we should be saying, ‘You’ve seen all this cool stuff happening in the public domain, now look how interesting it is when you try to apply it to the market, and wouldn’t you like to come and help us do that?’” Due to these issues and overall negative perceptions, the consensus was that attracting millennials will be a key challenge for the industry.



The experience of industry leaders at the Questback roundtable bore out research into millennials' workplace attitudes. This digital-savvy generation prefers to work in teams, wants immediate feedback and a free flow of information. They reject the long-hours culture and expect to work flexibly, taking advantage of remote working and family-friendly policies. Importantly, they need to feel their work makes a meaningful contribution to society. Millennials enjoy peer-to-peer recommendations and use sites such as Glassdoor, where candidates, employees and former employees can known or anonymously review companies, the recruitment experience and their management, when deciding where to work.

Research indicates that 69% of job-seekers, whether in employment or not, will not apply to a company that has a poor rating on Glassdoor. Yet, while millennials live and breathe these sites, there was little knowledge or awareness of Glassdoor among senior industry figures at the round table.

Charlotte Myers, Director of LMA Academy & Market Talent Development, Lloyd's Market Association, was keen to bust some of the myths about millennials commonly held by older generations. "Millennials are bored with traditional roles," she said. "It's not that they are lazy or because they want to be a CEO in two years, but because they don't want to be an underwriter or a broker in the same line of business for twenty years. They want a broader perspective and to challenge themselves." Lynsey Cross agreed: "They don't want to stay in the same role in a job for life." James Vickers sounded a note of warning about over-indulging young employees' expectations to their own

detriment. "I find that they want to come to a meeting with senior people, but when they do, they aren't able to say much," he said. "I tell them they have to graft, that they need another five years before they can perform at that level." Charlotte Myers suggested a way that millennials could be eased into meetings involving senior managers. The LMA's business committees always include young professionals "so that they can learn from their senior practitioners. When they feel confident enough, they can speak up if they have something to offer. It can be quite daunting going into a meeting with senior people. In this way, you have a stream of young people who are building their knowledge and have something to offer. Otherwise you are shaping the future of the market without including young people." Bill Cooper agreed, noting that Lloyd's Bank has associates' groups for each department which "encourages them to articulate their needs as a group rather than individually. It's also down to line managers not to treat them as mere fodder, but to involve them in the business."

Owen Thomas observed that when they join the industry, young people, to their surprise, find the work interesting and like the people. Chris Lockwood was also upbeat, noting, "We can offer flexibility, networking and accountability—and there's a huge amount of variety within the roles and the different types of work we do." He said the insurance industry is hesitantly embracing the digital revolution, which actually offers opportunities to 'digital natives' to drive the required progress and change. "Let's look at how far behind we are as an industry in terms of the digital revolution, and the opportunity that brings for young talent to truly influence the way the industry is changing," he said.






"Young people can take ownership of this revolution," Chris Lockwood added. "I agree there are certain roles we can't offer them as they don't have the necessary experience, but there are other roles that are suited to them." The roundtable went on to discuss the merits of apprentice schemes and graduate schemes. Mairi Mallon pointed out that the split in the workforce is roughly 50-50 between graduates and non-graduates; while many companies focused on graduate training schemes, there is a lot of untapped talent out there who didn't choose the university route. "Have we overeducated young people and made them all rather bland?" she asked. "I look at the younger generation starting out, and I don't see the real characters like Stephen Catlin, John Charman, and Brian Duperreault." Martin Healiss said, "Every industry says the same: 'Apprentices are better than graduates for many roles because they are more grateful.'" Lynsey Cross said, "At AmTrust, we've worked hard at not fishing in the same talent pool, particularly from an inclusion perspective. We look outside the normal channels to recruit pipeline talent."

Owen Thomas said most of the industry had "moved on" from discriminating in favour of graduates and recognised the advantages in also developing apprentice schemes to attract non-graduates. "A 50-50 split between graduates and non-

graduates is no bad thing," he said. "You can't get a diverse and inclusive workforce unless you hire from diverse and inclusive backgrounds." Tower Hamlets, one of the London's most deprived areas, is on the doorstep of the City of London financial district, but Lynsey Cross and Charlotte Myers said that while their firms encouraged people from underprivileged backgrounds to visit Lloyd's and their offices, they were intimidated by the environment and could see no role models who were like them.



**"You can't get a diverse and inclusive workforce unless you hire from diverse and inclusive backgrounds."**

Owen Thomas  
Director of Global Risk Solutions  
RSA



# THE RETENTION CHALLENGE



Retaining talent is a universal challenge across many sectors. The insurance industry has an increased need to improve retention because of the known gap between young recruits and senior management in their 50s. Lynsey Cross said young women leaving after becoming mothers was one cause of the "middle management migration" at this level, and the industry had to do more to make it easier for them to stay in the job. Scott Heyhoe noted that "contributing to a positive employee experience and all that entails, and giving people a purpose and meaningful work" is known to increase retention rates in other industries.

James Vickers said an obvious solution was flexible working, but it was more difficult to do this at the front end than the back office: "We have loads of women in compliance and legal, but in client relationship and business development, it's tough, and that's where we lose women."

Client-facing jobs often involve long hours and travel abroad on weekends. Lynsey Cross said flexibility was vital to allow mothers to thrive in the workplace: "It's about give and take. If we are more flexible and get rid of the 'coat on the back of the chair' mentality, which is also alien and unattractive to millennials, then we will retain more women." Bill Cooper said that flexibility was feasible in client-facing positions as long as it is self-managed responsibly, but Lynsey Cross remained unconvinced about the willingness of senior management to change their attitude. "A lot of the senior men in our industry have wives who don't work, so they have no concept of the challenges of juggling," she said.

Charlotte Myers said change was coming, slowly: "A few years ago, people would have laughed at the notion of flexible working but now many companies offer this." She added that while millennials might accept fixed working hours now "in years to come they are going to leave when they have children and want to work flexibly but can't because they are an underwriter or broker." Lynsey Cross pointed out that organisations offering flexibility receive "massive loyalty" from staff. Martin Healiss said that the most effective ways to motivate and retain employees are free: "People like clarity, they like to be told what's expected of them, they like to be rewarded for doing the right things both in terms of work and the values they exhibit. It's surprising how often performance management is seen as a tick-box exercise when it's a relatively easy win that doesn't cost a lot."

Referring to the lack of middle managers and the gap between young professionals and senior management, Owen Thomas said a recent report showed the average age of an active underwriter at Lloyd's is 55: "So there's a watershed moment coming where you are going to have a lot of the next generation leading syndicates in a market that has changed. How do we support that transition?" James Vickers said Willis Re tried to persuade the older generation to stay to help younger colleagues transition, exposing them to as much as possible while "being quite clear they've got to get through the next three to five years because the old boys won't be around much longer." Many newly-appointed middle managers are struggling with their new responsibilities because they don't have the skills to manage a team, with training playing a vital role.



"There needs to be constant training, particularly in reinsurance, which is changing so much," said James Vickers. "And there needs to be management training at the middle level before people can move up."

Owen Thomas noted that when talented brokers and underwriters were promoted, they often "feel trapped as they don't have the support to do the job properly. They can't say they want to be an underwriter or broker again because that's not good for their career. That's the part we could do something about." Bill Cooper said his company launched a very successful returners' programme two years ago to hire experienced people back into the workplace.

Mentoring was seen as invaluable in helping to nurture the leaders of tomorrow to take their first steps into management, and Lynsey Cross noted, "There's so much attention on millennials, but where we are at real risk of losing talent is at the middle level." It was agreed that mentoring is an important way to help newly-promoted employees navigate the difficulties of management and keep them in the industry.

**"This is a time of enormous change for the re/insurance industry. The challenges are clearly in attracting and retaining the right staff, closing the middle-management gap and in embracing the opportunities that technology brings. Ensure that your employees come along on the journey. Listen to them continuously. Act on what you learn. Empower them to challenge themselves, your business, your ways of working. Help them learn, take opportunities and make meaningful progress to thrive."**

Scott Heyhoe  
Director of Solution Management  
Questback





# EXTERNAL CHALLENGES AND PRESSURES



While much of the discussion focused on attracting, retaining and engaging entry and middle-level talent, the executives agreed that there was a real need for the experienced, older heads who had been around long enough to see the market go through different cycles. Charlotte Myers said, "Those 55-year-olds have a knowledge that we are going to need. There is a whole generation of young people who have never worked in a hard market. I keep getting requests for negotiation-skills courses for underwriters. They need experienced people to show them how to negotiate these challenges." In addition, challenges such as artificial intelligence (AI) and digital advances are set to transform the industry.

Owen Thomas said there are currently 50,000 people working in the London Market, but in the next 5-10 years blockchain, AI and predictive data analytics will drive many out of the industry. "That's why focus on talent is so important—the people who are left have to be more skilled and able to do more." Martin Healiss said in other industries, this has resulted in workforces being halved, but those left behind could be paid twice as much and be three-times as productive. Brexit continues to bring considerable uncertainty to the industry, with question marks over the role that London will continue to play.

James Vickers said valued and skilled EU nationals working in the London Market could leave the country: "We are already seeing some who are well settled in the UK with families going back home. I really worry about this – I think we are going to cut ourselves off from that talent." Owen Thomas said uncertainty caused by Brexit meant a lack of commitment to long-term projects and investment in London. Bill Cooper agreed that Brexit was a problem for all sectors of the financial industry in London: "Global advisory firms are already advising their clients not to invest in the UK. We'll have to wait and see if that changes." The future success of London, post-Brexit, lay in collaboration with up-and-coming hubs such as Singapore, Dubai and Miami, said Owen Thomas. He said London and Lloyd's has an unparalleled concentration of intellectual capital that cannot be replicated at present elsewhere in the world, noting, "innovation should be where London differentiates itself."

In conclusion, Scott Heyhoe outlined why insurers need to focus on their people: "We have seen the benefits Continuous Listening programmes deliver to other industries and organisations going through major change, which allow leadership to have a real-time view of employee experience so that they can react and plan quickly."

# CONCLUSION

Our executive guests outlined that the insurance industry has to re-engineer itself in order to attract and retain talent and to adapt to the changing world by making the following changes:

- ✓ **Improve the industry's image and value proposition. Emphasise its ethical and caring nature through real-life stories and the variety of interesting roles available in a genuinely exciting industry.**
- ✓ **Understand millennial needs for variety, feedback, meaningful purpose of work, work-life balance and fulfilment in a worthwhile career.**
- ✓ **Improve diversity in gender, ethnicity, age and educational background.**
- ✓ **Work to better retain middle managers and women. Offer flexible working, mentoring, and continuous training to reduce the risk of a middle management gap.**
- ✓ **Adapt leadership styles to meet the challenges of a new business era. Prepare young staff for a hard market.**
- ✓ **Help inexperienced managers with their new roles through training and support.**
- ✓ **Encourage staff to take ownership of technological changes and the opportunities and challenges presented by digital disruption and transformation.**





# EXECUTIVE GUESTS



Bill Cooper  
Head of Insurance  
Lloyds Bank



Lynsey Cross  
Chief Operating Officer  
AmTrust



Martin Healiss  
HR Vice President of EMEA  
Brightstar Corp.



Owen Thomas  
Director of Global Risk Solutions  
RSA



Mairi Mallon  
CEO  
rein4ce



Charlotte Myers  
Director of  
LMA Academy & Market Talent Development  
Lloyd's Market Association



James Vickers  
Chairman  
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Scott Heyhoe  
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Chris Lockwood  
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