

Developing Risk Management for the Future



Globalization, new technologies, changing demographics and a rapid-cycle economy are all having an impact on the insurance industry. Today, insurance companies must rethink human capital strategies to ensure they have the talent that can meet customer needs for risk management services in a new era. *Harvard Business Review* recently talked with Don Pickens, Chief Underwriting Officer, Zurich Global Corporate in North America, about Zurich's approach to recruiting and developing its global workforce.

How are shifts in demographics, as well as the economy, challenging insurance companies in meeting their talent needs?

There is a sizable group of insurance professionals with a high degree of knowledge and experience who are approaching retirement age. The industry employs about 2.5 million people. Over the next five years or so, we may have to replace as many as 25 percent of the people in our workforce. So we must figure out how to get the right degree of institutional knowledge transferred, and provide the mentoring and development to a new group of professionals to keep them engaged and energized so they can build a sustainable business and risk platform for the industry.

There is a lot of competition for top young talent. How can insurance companies compete when so many other options are available? Does insurance have an "image problem"?

The insurance industry does have a bit of an image problem. The industry has been around for centuries because the concept of sharing the risks of the few among the many is crucial for society. By some estimates, about 7 percent of the GDP flows through the insurance industry for all the products in use. That is a remarkable number: We

don't do enough to celebrate the value that we bring. Insurance puts families and businesses back together when something happens. Insurance allows businesses to take calculated risks, develop new products, and transform services and lifestyles. It's a very noble profession, filled with smart, passionate people. With our data, analysis and tools, we're part of managing risk in almost every area of life. That's exciting, but maybe we're too far removed for people to see the "glamour."

What kinds of programs do you use to attract and enhance the skills of the underwriting professionals working for Zurich?

We're a truly global company, so we offer people an opportunity to train and work in different disciplines and geographies. Underwriters must understand multiple risk dimensions to make thoughtful financial and strategic decisions about risk. That's why we expose people to different roles and experiences throughout the company. We have a variety of foundational and ongoing training programs, including our Zurich Experts Underwriting program, to bring in new talent to the organization and blend very specific training with on-the-job learning.

What is Zurich doing to develop the new talent base you will need in the future?

One of the most exciting new things we have done is launch a two-year apprenticeship program at Harper College, near our headquarters in North America, which builds on a program our Swiss headquarters has been sponsoring for many years. We consider the students employees: they work at the office while also taking classes. We pay their salary and cover their tuition. It's a perfect way to bring in people who might not have considered insurance and accelerate their careers through mentoring and meaningful, interesting work. Our goal is to have 100 apprentices trained by 2020.

There may be a new era approaching for insurance companies and the customers we serve, but the need for strong talent, the ability to recruit new talent and a critical focus on developing professionals will be a constant focus as we move forward.



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