

Talent strategy: designing a workforce for the future of insurance

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“Workforce issues are in the forefront of our minds,” said one director.¹ For today’s leading insurers, board-level talent discussions extend far beyond the traditional topics of top management compensation and succession planning. Boards are seeking to align talent management more closely with business strategy. *“It all starts with strategy – and then we look at the talent conversation pretty carefully. What kind of skills and capabilities do you need to execute on your strategy and differentiate yourself? You need to connect skills to strategy, and the board should weigh in on that,”* said one director. A strategic view demands that boards play a larger role in identifying the skills and competencies needed throughout the organization, foster training and development, and promote diversity and inclusion. Insurers have always viewed human capital as an important asset, but formulating the right talent strategy has become increasingly critical as technological developments transform the way the industry works and the talent it requires.

Industry insiders are not confident that insurers are currently capable of building the workforces they will need. One director noted, *“I want to better understand what the shape or structure of the workforce in five to seven years is going to be, so we can start to prepare for it. We are scratching our heads at this now.”* Another director said, *“The people we have are not the people we will need. We need to be hiring for the future, and that will include a host of skills and competencies that are not traditional to insurers. Do we have the best plan in place to do that? I am not so sure.”* Complicating matters are demographic changes that will generate new expectations among workers, as job tenures shorten and turnover increases. Neither recruiting pitches that emphasize stability and a job for life nor training programs built on apprenticeship are likely to be viable in the years ahead. Insurance leaders worry that they may not be able to attract, retain, and develop the workforces they will need.

On June 6, IGLN non-executive directors, executives, and guests convened in New York to discuss how global insurance companies are addressing the changing talent landscape and dealing with emerging human capital challenges. For a list of discussion participants, see Appendix A, on page 11. This *ViewPoints* explores issues related to talent and human capital strategy based on conversations with network participants. It is organized around the following topics:

- Industry transformation is reshaping the talent landscape and raising new challenges for insurers
- Leading boards are expanding their oversight of talent

For a list of questions for board members related to talent issues, see Appendix B, on page 13.

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Industry transformation is reshaping the talent landscape and raising new challenges for insurers

Although adapting to technological change is the biggest talent-related challenge for the insurance industry, organizations are also struggling with the retirement of the boomer generation and the need to compete for talent with other sectors.

Technology is the major force driving changes in talent strategy

Digital transformation is the single most important trend pushing talent issues up boards' agendas. Digitalization promises to improve the customer experience while bringing efficiency and lower costs to back-office functions. Firms that can go digital will have a significant advantage, but according to a recent EY study, "few, if any, insurers have the talent or workforce they will need to thrive in the industry's next era."²

- **New technology-related skills will be needed in the future.** A recent EY survey found that developing analytical skills topped insurance industry CFOs' list of talent priorities.³ Similarly, one IGLN participant said, *"The biggest challenge is to bring new talents and skills into the industry."* At the same time, people with those skills need to understand the insurance industry and develop insurance-specific competencies. One director noted that insurers want *"the seasoned, skilled underwriter who can assess and understand risk,"* but also want to introduce information technology (IT) and data science *"to better enable that person to go do their job."*
- **As many tasks become automated, humans will concentrate on more complex and sensitive tasks.** Algorithmic underwriting is most useful for standard policies, where large numbers of policies and similar risk profiles make modeling relatively simple and reliable. For policies with idiosyncratic risk profiles, human judgment is still required.⁴ In addition, automation may eliminate humans from the most repetitive and mundane tasks, but high-touch, personalized, and sensitive interactions will still require people. As one expert noted, when automation takes hold, *"you're left with a higher proportion of high-performance, high-skill, high-capacity jobs."*
- **Job losses associated with automation will generate painful workforce dislocation.** One director said, *"It is dawning on people that there will be change in terms of number of jobs. It will be difficult to manage expectations and reputation for companies. They want to manage the transition, but ultimately it may be quite different skills sets and many fewer people."* Another agreed, saying, *"There will be a tremendous amount of job loss. We have identified areas where there will be major job losses, and we have tried to reassign some of these people, but I'm not sure if we will continue to have room to do this."*

"The biggest challenge is to bring new talents and skills into the industry."
- Participant

Institutions will struggle to replace the skills and competencies of retiring baby boomers

One director said, *"Most of the data suggests that between 25% and 40% of the employee base will retire over the next three to four years. That is a huge number."* Most participants agreed that although not all of those retiring will be replaced, the industry will still need to

hire a large number of workers. By one estimate, American insurers alone will need to hire about 500,000 new workers over the next few years,⁵ and the impact of the baby boomers' impending retirement is by no means limited to the United States. One director highlighted the challenge the wave of retirements presents: *"This is a near-term issue. We need to make sure it goes higher up on the agenda. How do you overcome it? How do you get that talent, recruit them effectively, train them, incentivize them?"* However, a minority of participants speculated that in the future the industry will require such different skills, and so many fewer workers, that the baby boomers' retirements may not present the challenge some fear.

Part of the reason long-tenured employees are so valuable is that they hold the keys to the institutional-knowledge kingdom. As they retire and are replaced by employees who may be more transitory, companies must improve knowledge capture and transfer. While leaders worry about deficits in hard skills, they are more concerned about management functions that require soft skills, reasoning, and judgment. One director noted, *"Organizations tend not to be very good at more abstract knowledge transfer, which is essential to the business. It is not facts and processes, but recognizing patterns and making connections, which often comes from experience."*

Moreover, automation is likely to eliminate jobs that once allowed junior employees to gain experience, leading one expert to ask, *"How will insurers think about training now?"* Training is even more critical as the industry seeks to employ workers with technology, but not insurance, backgrounds. Unfortunately, as one participant noted, the insurance industry *"doesn't have a culture of bringing in data scientists or machine-learning experts, or a structure that can bring them in, quickly train them in the industry, and get them up to speed."*

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- Director

What does effective leadership development look like today?

"Who has the winning model to develop employees today? Can anyone match what GE does?" asked one director. Participants singled out firms like GE, IBM, and Unilever as examples of companies with outstanding leadership and development programs. However, these formal models, once tremendously popular and replicated with varying degrees of success, may not be suitable to workplace dynamics that demand more targeted, less time-intensive, and less expensive approaches. No single development model dominates the field currently, but IGLN participants identified a number of practices shared by leading programs today:

- **Shorter, more-targeted, and flexible training.** Training modules are likely to be hours, rather than weeks, long. Online learning makes possible trainings that are more relevant, flexible, and in tune with modern learning styles and attention spans. Like strategy, development programs must respond quickly to changing conditions.
- **CEO buy-in and tangible leadership.** If CEOs are not fully committed to development, the programs will suffer. CEO buy-in is evident in commitment of

financial resources, time, and talent from the highest levels of the organization. Several participants pointed to specific and highly visible CEO initiatives related to strengthening diversity and inclusion programs, undertaking mentoring projects, and frequent leadership updates on the progress of people management projects.

- **Effective measurement of success.** Several participants shared concerns about the opacity of results from existing programs and suggested that effective programs must survey stakeholders to test changes in employee performance and leadership. *“If you don’t measure well, then you don’t know where you are, and you can’t figure out how to improve programs,”* said one executive.

The workforce of the future will be younger, smaller, and more fluid

A number of recent reports and comments from industry leaders suggest the insurance workforce could shrink between 20% and 50% in the near future. Millennials, already the largest cohort of the American workforce,⁶ will make up a growing proportion of the workforce in the years ahead. Job tenure will decline and mobility will increase – a huge change for an industry whose traditional pattern and recruiting pitch has been “a job for life.”

Insurers face stiff competition for talent and are hindered by reputational and compensation issues

One leading bank executive and insurance board director said recently, “Our way of thinking about it can be summed up in four words: best tech, best talent. We are in a war for talent. I have never in my 35-year career felt it so acutely as I do today. The demand is high for great technologists who can also lead businesses and lead teams. The tech sector, financial services, and defense, we are all chasing the same people.”⁷ Unfortunately, most participants suggested that insurers will struggle to compete with industries that are perceived as more cutting edge, such as banking, technology, and consulting. One director noted that *“when potential employees look around, there are other competitors – like in tech – that are more exciting.”* Another participant wondered, *“How will we attract new talent, with skills in big data, machine learning, and AI, when competing with firms like Google and IBM?”* Participants point to reputational and compensation challenges as the key concerns:

- **Reputational issues:** The insurance industry has a reputation as being stodgy, bureaucratic, hierarchical, and slow moving. One director said, *“Insurance is not a sexy business in many eyes. Millennials don’t understand the industry.”* Some view the sector as unethical and profit driven, making its money by denying claims.⁸ One millennial interviewed in connection with research carried out for Liberty Mutual went so far as to say, “When I think of insurance, it is a sharp poke in the eye.” IGLN participants agreed that the sector needs to address its perception problems and will require a compelling strategy if it is to attract high-caliber talent. As one participant put it, *“It’s an uphill battle to rebrand the industry.”*
- **Compensation gap:** Industry leaders acknowledge that compensation in the insurance sector often compares unfavorably with compensation in banking and

“When potential employees look around, there are other competitors - like in tech - that are more exciting.”
- Director

technology. One participant noted, *“The gap in compensation between banks and insurance companies has drawn talent out of our industry.”* Another director agreed: *“The biggest workforce challenge is getting exceptional people at a reasonable price.”* Compounding this difficulty, some insurers recognize that their office locations make them unappealing to younger workers because those locations have lower average salaries and less attractive amenities.

Leading boards are expanding their oversight of talent

Given the changing shape of the talent landscape and the risks and opportunities associated with human capital issues, talent is rising on the board agenda. As one director noted, *“The talent discussion is being brought up much more often now – it’s part of regular board discussion, not just a once-a-year conversation.”* To be sure, board members remain mindful of the distinction between their role and that of management, and recognize the limits of their role. *“I’m not in the day-to-day flow of the issue as a director. We are too many thousands of feet above,”* said one director. Another director echoed the sentiment: *“As directors, not CHROs [chief human resource officers], we can hire and fire the CEO, approve the business strategy, and do [mergers and acquisitions], but we don’t have the line of sight into the organization below the top 100 or so. There is a limit to what we bring to the party on this issue. What is our role in this?”*

“As directors ... there is a limit to what we bring to the party on this issue. What is our role in this?”
- Director

It is nonetheless clear that leading boards are trying to be more active in their oversight of talent strategy, in part by ensuring that firms’ cultures, structure, and human capital activities align with their business strategies. Directors discussed several ways to do this.

Boards can use culture to shape their firms’ talent strategies

One director spoke for many when he stated, *“It is impossible to attract talent if you don’t have the right culture.”* Boards are increasingly viewing culture as a crucial topic for the board’s attention, but recognize that culture is hard to define. *“The idea of culture can be soft and mushy. What does it mean to change culture? I always come back to fact that to establish culture, you need to define what you want to see in employees, how you want them to behave.”* Participants suggested several ways insurers and the industry as a whole can change their cultures to help attract, retain, and develop the talent needed in the future.

Emphasize the insurance industry’s purpose, sense of mission, and capacity to promote social good as a way to attract younger and highly skilled workers

“Purpose will unlock access to talent,” said one participant. A recent EY study noted that employees are three times more likely to stay with a purpose-driven company than with one whose principal goal is to make money,¹⁰ and participants universally agreed that the industry’s sense of mission and purpose is an important and underutilized asset in attracting and retaining talented workers. One participant pointed out, *“We know that we can’t have a developed modern economy without an insurance industry – we need to make sure millennials know that, too.”* Several added that insurance had a unique role in furthering important economic and social goals via protection services and products. Corporate social responsibility (CSR) reports can be a valuable tool in this effort, and one director pointed out that her firm’s CSR report played a crucial role in recruiting, particularly in recruiting

engineers, who placed more emphasis on the firm's CSR than its annual financial report. She said, *"We lead with the CSR as a way to communicate who we are and what we do."* Participants agreed that the industry's sense of mission and purpose was a key lever in overcoming the compensation gap and the industry's staid reputation.

Build the capacity for creativity and innovation balanced with appropriate controls

Insurance companies have a reputation for being dull and slow to innovate. Participants agreed that their companies need to become more innovative and fast moving, but some were skeptical of a "cult of innovation" that demands innovation for its own sake. Several directors spoke of the need to promote innovation, but called for balancing it with an ethos that is inherently and necessarily conservative. One director said, *"Remember that the industry's highest calling is to be around for the long term. Insurance is, properly, heavily regulated and by definition conservative, so it can maintain ratings and survive 30–40 years to pay claims. That builds a certain slow pace into the industry. Not that you can't innovate, but there are limits to how much can be done and how fast."*

Another director cautioned, *"You should give people a lot of latitude to pursue innovation, but also put a sandbox around it. If the experiment works and you want to do it at scale, it has to go through the same controls as everything else. You have to be able to change, and change quickly, but in a measured way so you don't lose the controls."* And this is exactly what many firms are doing. They are promoting *"disruption that's not disruptive,"* as one director put it, building separate organizations within their firms to serve as incubators or sandboxes for innovation. This both protects the firm's core business and allows it to nurture an agile, creative environment that can attract high-tech talent into the organization. One director noted, *"We've established a separate stand-alone organization. We've hired high-tech individuals from outside the industry. They are coming up with ideas that can be brought back in to refresh the main organization. It works across all products and helps build a completely different culture – they are able to roll out products and innovation faster. It has elements of an aggressive start-up, and it seems to be working well."*

Foster diversity and inclusion to create a more effective organization that better serves customers

In common with other industries, insurance leaders have increasingly emphasized diversity and inclusion, not just as a matter of values, but as a way to maximize the effectiveness of their teams, increase customer-centricity, and grow their businesses. One participant suggested that boards should ask themselves, *"How do you develop a workforce that looks like the markets you serve?"* Numerous studies have demonstrated the value of diversity in organizations. The same studies have shown just how difficult achieving and managing diversity can be. Diversity promotes innovation, creativity, and better decision making, but it can also create miscommunication and conflict.¹¹ Diverse teams are stronger, but they take more time and effort to cohere and capture the benefits of that diversity, so boards and management teams need to focus on creating a culture that successfully integrates diverse backgrounds and perspectives. As one director noted, *"Diversity is important, but approaches are now called 'diversity and inclusion' for a reason. If you say you want diversity, and you manage to attract diverse talent, [but] the organization can't handle it, then you fail. Organizations need inclusive cultures or it all falls apart."*

"We know that we can't have a developed modern economy without an insurance industry – we need to make sure millennials know that, too."
- Director

"How do you develop a workforce that looks like the markets you serve?"
- Participant

CEOs' Commitment to Diversity and Inclusion¹²

In June 2017, more than 150 CEOs, including the CEOs of a number of major insurers, signed on to an initiative called "CEO Action for Diversity & Inclusion." Signatories make a commitment to promote diversity and inclusion in the workplace through the following actions:

- Cultivate workplaces that make possible complex, and sometimes difficult, conversations about diversity and inclusion by creating spaces where individuals can have an open dialogue with colleagues about their experiences and perspectives.
- Implement and expand unconscious-bias education to help employees recognize and minimize their blind spots.
- Promote accountability and progress by sharing both success stories and unsuccessful actions taken in pursuit of diversity.

Boards can view organizational structure through a talent strategy lens

Board members discussed changes many companies are making and how those changes connect to their organizational talent needs.

Functional and line reorganizations that serve business strategy goals also create talent-related challenges and opportunities

Many large insurers are in the midst of shifting from a product to a customer focus. This requires changes in organizational structure, as well as new types of employees, incentives, goals, and working environments. Several directors described extensive silo-elimination efforts that collapsed vertical segments or consolidated multiple insurance lines. These changes are making possible greater agility in decision making, along with a 360-degree view of the customer, which in turn are helping to attract the talent these groups are seeking. One director said, *"We now have retail and commercial customer groups, and the organization has broken out of silos to support the customer base. We think that the customer is the primary goal to serve – this defines the way the organization works to support that goal."* Many companies have found that changing to a customer focus promotes a more innovative environment. However, one director asked, *"How do you get a team that has been thinking vertically about products to focus on the customer?"* Reorganizing and refocusing creates human capital challenges as well as opportunities.

Evolving talent needs require transformation of the human resources (HR) function

As senior leaders focus more resources on aligning business and talent strategies, they are also elevating the HR function and tying HR to talent strategy. *“I think there is a lot that directors can do to help steer organizations by helping define what they want HR to do. Defining HR’s mission and making them a player really influences talent strategy,”* said one director. Another noted that his firm had *“linked strategy and HR by making the person in charge of strategy also the chief human resources officer. Only three executives are with the board every meeting, all meeting – the CEO, CFO, and the combined CHRO and strategy leader. So we make a real and tight connection between strategy and HR.”* In addition, several participants noted the importance of having HR executives with leadership experience in the business and whose primary professional development has been in general management rather than human resources.

“I think there is a lot directors can do to help steer organizations by helping define what they want HR to do.”
-Director

Talent themes affecting the insurance industry

The dinner discussion focused on 10 themes, presented by our guest Francois Kouroriez, that can help insurers think about how to approach talent issues:

- **Create partnerships.** An emerging crucial skill is the ability to identify, develop, and execute strong partnerships with key organizations in the new digital market (e.g., Facebook, Google, etc.).
- **Identify high potentials.** Insurers must locate high-potential leaders that are waiting for space in which to operate. One participant called these individuals *“the Ferrari behind the school bus.”* How can insurers best find these people and give them the exposure they need to flourish?
- **Link the workforce to customer experience.** Insurers are thinking more about how to develop a workforce that looks like the markets they serve because customer-centricity starts with the workforce.
- **Put your CEO on a board.** Board members make better CEOs, and boards should consider having their CEO sit on another board. This is particularly true if they hope to attract a sitting CEO to their board as well. But participants expressed caution: boards should be careful to select a board where the CEO can learn the right habits, and one participant warned that a board could find itself with a CEO *“with two day jobs,”* if the board on which the CEO serves faced a crisis.
- **Seek help on culture.** An organization often cannot accurately assess its own culture; a third party may be needed to objectively evaluate culture and to provide a gap analysis to get a firm from where it is to where it wants to be. An outsider can also be better equipped to overcome the “corporate immune system” that fights changes.

- **Establish tone at the top.** Insurers need a clear, consistent tone at the top of the organization. This starts with the board and the CEO and continues down through the rest of the group.
- **Peer into the “permafrost.”** The board’s line of sight is typically limited to the top 20% of the organization. Senior leaders need ways to see into the “permafrost” – the middle layers of the organization that are typically made up of long-term employees. Insurers need to find and engage these employees in order to set a new course for the business.
- **Understand the role of regulation on talent.** The insurance industry should look at the regulatory framework as *“its best friend and its worst enemy.”* Regulation helps to slow down external market disruption, but it is also a barrier to innovating and to attracting talent. Some organizations have focused on connecting to regulatory bodies by training regulators or sending alumni into regulatory entities.
- **Understand the impact of technology.** Firms need to cut through the hype to understand the true impact of technology. According to one participant, *“There probably will not be an Uber of insurance, but there will be a Netflix of insurance. Insurers need to figure out a way to give people what they want, when they want it, and how they want it.”* Insurers also must determine where technologies are most valuable and where relationship building and people are most critical.
- **Measure success.** Establishing the right measures of success continues to be critical to long-term growth and profitability. One essential element is aligning long-term compensation plans appropriately for executives that lead long-tail businesses.

Boards can challenge management to look outside – to partnerships, acquisitions, and new locations – for talent

Insurers will not be able to develop all the skills and capabilities they need internally: they will have to turn to new partnerships, joint ventures, and acquisitions. One director admitted, *“[We] can’t develop or create best-of-class data scientists on our own, so we are going to do a joint venture with people who do work with and develop best-of-class data scientists.”* Another director similarly noted, *“We have a lot of talent early in their career. We try to develop that talent and have made huge progress, but on cyber, the conclusion was stuff was moving too fast, and it is too important for us to develop quickly enough ourselves. This realization led us to an acquisition. It is a way to get a significant increase of capability in an area we think is very important, and a way to speed up development in that area. The board was very involved in that discussion.”*

Insurers recognize, too, that they need to think about their physical locations. They are locating their innovation organizations in attractive neighborhoods in New York, London,

Chicago, and Singapore. One director observed that several companies he works with have taken a close look at which cities provide the best talent pools and have used that as a means to assess investment. *“We find ourselves investing more where that talent is. It is still London, Chicago, less so Silicon Valley for us. You have to be where the talent is, and perhaps talent is in different areas than in the past.”*

Facing technological transformation, demographic shifts, and the need to compete for scarce talent, insurance boards are increasingly making talent strategies a topic of boardroom discussion. The workforce of the future will be smaller and younger than the current workforce, and it will need a different set of skills. Board members are finding they need to play an active role in crafting and overseeing talent strategy to ensure that they will have the workforce they need to survive and thrive in the future.

About the Insurance Governance Leadership Network (IGLN)

The IGLN addresses key issues facing complex global insurers. Its primary focus is the non-executive director, but it also engages members of senior management, policymakers, supervisors, and other key stakeholders committed to outstanding governance and supervision in support of building strong, enduring, and trustworthy insurance institutions. The IGLN is organized and led by Tapestry Networks, with the support of EY. *ViewPoints* is produced by Tapestry Networks and aims to capture the essence of the IGLN discussion and associated research. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, members of senior management, advisers, and stakeholders who become engaged in this leading edge dialogue, the more value will be created for all.

About Tapestry Networks

Tapestry Networks is a privately held professional services firm. Its mission is to advance society’s ability to govern and lead across the borders of sector, geography, and constituency. To do this, Tapestry forms multistakeholder collaborations that embrace the public and private sector, as well as civil society. The participants in these initiatives are leaders drawn from key stakeholder organizations who realize the status quo is neither desirable nor sustainable and are seeking a goal that transcends their own interests and benefits everyone. Tapestry has used this approach to address critical and complex challenges in corporate governance, financial services, and healthcare.

About EY

EY is a global leader in assurance, tax, transaction, and advisory services to the insurance industry. The insights and quality services it delivers help build trust and confidence in the capital markets and in economies the world over. EY develops outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, EY plays a critical role in building a better working world for its people, for its clients, and for its communities. EY supports the IGLN as part of its continuing commitment to board effectiveness and good governance in the financial services sector.

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Appendix A: Discussion participants

On June 6 in New York, Tapestry and EY hosted an IGLN meeting on talent strategy and the role of the board. In the meeting and in preparation for it, we conducted numerous conversations with directors, executives, regulators, supervisors, and other thought leaders. Insights from these discussions inform this *ViewPoints* and quotes from these discussions appear throughout.

The following individuals participated in these IGLN discussions:

AIG

- Don Cornwell, Compensation and Management Resources Chair
- Douglas Steenland, Chair

Aon

- Mike Losh, Audit Committee Chair

Assurant

- Bob Stein, Audit Committee Chair

Blue Marble

- Joan Lamm Tennant, Chief Executive Officer

Generali

- Sabrina Pucci, Non-executive Director

Heidrick & Struggles

- Jenni Hibbert, Regional Practice Managing Partner for Financial Services, Europe and Africa
- Francois Kouroriez, Partner

Insurance Information Institute

- Sean Kevelighan, Chief Executive Officer

International Insurance Society

- Mike Morrissey, President and CEO

Lloyd's of London

- Annette Andrews, Human Resources Director

MassMutual

- Kathleen Corbet, Lead Director

Mutual of Omaha

- Sheila Hooda, Non-Executive Director

Prudential Financial

- Nick Silitch, Senior Vice President and Chief Risk Officer

QBE

- John Green, Deputy Chair

SCOR

- Kory Sorenson, Audit Committee Chair

Sompo Japan Nipponkoa

- Jan Carendi, Senior Adviser to CEO

Sun Life

- Marianne Harris, Management Resources Committee Chair
- Sara Grootwassink Lewis, Audit Committee Chair

XL Catlin

- Lauren Tennant Pollock, Vice President, Emerging Markets and Innovation Initiatives

Zurich

- Joan Amble, Audit Committee Chair

EY

- John Latham, Partner, FSO Tax Leader, Global Client Services Partner
- Neil Masand, Executive Director, People Advisory Services
- Andy Parton, Partner, Advisory
- Susan Robinson, Principal, People Advisory Services

Tapestry Networks

- Eric Baldwin, Senior Associate
- Leah Daly, Principal
- Jonathan Day, Vice Chairman
- Peter Fisher, Partner

Appendix B: Key questions for boards to consider

The following questions, which emerged in conversation with leaders representing the most complex insurers, may help guide leadership as they think about talent strategy.

- ? What are the most significant trends that will affect talent in the enterprise? How are we preparing for them?
- ? What are our key talent risks? In what areas are talent risks currently most acute – by business function, geographic location, line of business, organizational level, etc.?
- ? Does our talent strategy align with our business strategy? What is our plan to acquire the skills we need to drive growth? Where do we have capability gaps?
- ? Has the group created a road map to drive workforce transformation? Does it adequately address talent challenges (e.g., reputation, compensation, mobility, skill gaps, etc.)?
- ? Are current attraction, retention, and training efforts appropriately targeted to the wants and needs of potential employees?
- ? Ten years from now, how will the talent landscape for high-performing insurance organizations compare with the landscape today?
- ? Where does talent oversight reside within the board? Do committee structures and agendas allow for effective oversight of human capital? What changes could be made?
- ? How could management information, presentations, and reporting on human capital to the board improve?
- ? What incentives and compensation structures for senior leaders should boards consider to make progress on human capital goals?
- ? How well are insurers engaging with other stakeholders (other insurers, universities, the public sector) on policies that impact talent (e.g., immigration, labor laws, apprenticeship or training programs, pensions and benefits portability)?
- ? What is the framework for developing internal talent? What is the company's value proposition for internal staff and external hires? How does the board ensure that any needed changes are implemented?
- ? What skills, competencies, and resources are needed in the HR function and on the board, related to HR? How might this change in the near future?

Endnotes

- ¹ ViewPoints reflects the network's use of a modified version of the Chatham House Rule whereby names of network participants and their corporate or institutional affiliations are a matter of public record, but comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.
- ² EY, *Digital Transformation in Insurance: Driving Immediate Value and Enabling Future Innovation* (London: EYGM Limited, 2017), 1.
- ³ EY, *Global Insurance CFO Survey: Providing Insight to Support Growth* (London: EYGM Limited, 2017), 38.
- ⁴ Leslie Scism, "Insurance: Where Humans Still Rule over Machines." *Wall Street Journal*, May 23, 2017.
- ⁵ Leslie Scism, "Insurance Is a Fun Career! Just Consider the Zombies and Bacon." *Wall Street Journal*, June 23, 2017.
- ⁶ Jeffrey Sparshott, "Millennials Become the Biggest Generation in the U.S. Workforce." *Wall Street Journal*, May 11, 2015.
- ⁷ Cathy Bessant, quoted in Peter High, "The Future of Technology According to Bank of America's Chief Operations and Technology Officer." *Forbes*, June 19, 2017, 2.
- ⁸ See "Dan Schreiber, CEO of Lemonade: 'Trust in the Insurance System Is Missing.'" *CB Insights* (blog), July 6, 2016.
- ⁹ Scism, "Insurance Is a Fun Career! Just Consider the Zombies and Bacon."
- ¹⁰ EY Center for Board Matters, *Boards Turn to the Talent Agenda* (New York: Ernst & Young LLP, 2017), 2.
- ¹¹ See Adam D. Galinsky et al., "Maximizing the Gains and Minimizing the Pains of Diversity." *Perspectives on Psychological Science*, 10:6 (November 2015), 742-48; Jeffrey Polzer, "Making Diverse Teams Click." *Harvard Business Review* 86:7-8 (July-August 2008), 20-21.
- ¹² See CEO Action for Diversity and Inclusion, "More than 150 CEOs Make an Unprecedented Commitment to Advance Diversity and Inclusion in the Workplace." news release, June 12, 2017.