

# Reaching Out to Find New Captive Talent



**T**

he talent gap the insurance industry is facing is still a looming challenge and has been for at least a decade since baby boomers started turning 65 in 2010.

For captives, the issue is even more precarious as many of today's leaders in the captive sector have grown with the industry since the 1980s and 1990s and have specific expertise in that arena that is essential to keep building the sector.

The Risk Institute at the Ohio State University, Fisher College of Business in their fifth annual survey on integrated risk management published at the end of 2019, found that, "Almost all of the surveyed firms will be somewhat impacted by baby boomers retiring, with this fraction reaching to 64 percent for public firms."

Written By Karrie Hyatt

In 2016, the Bureau of Labor Statistics estimated that 400,000 insurance professionals would be retiring by 2020. While it is yet to be seen if that estimate bears out, what that statistic doesn't show is that the insurance industry is also growing, opening up even more opportunities for the younger generations. Captives are seeing massive growth this year with the combination hard market and COVID-19 pandemic. That means even more career opportunities will be opening up in the sector in the coming years.

Yet, when young professionals and college students are considering careers, insurance rates low on the excitement scale. As one of the oldest financial professions, young people are not aware of the vibrant possibilities that exist, especially in captive insurance.

Captives fulfill many of the things that the younger generations want out of a career. Job seekers under 35 are looking for long-term creative and entrepreneurial positions with growth opportunities. They want to use their skills in technology and problem-solving to tackle real issues and find creative solutions that benefit the greater good. Captives, and other types of self-insurance, offer the flexible, dynamic, and leadership potential that they want.

The problem is conveying this message to those under-35 jobseekers. Of the more than 4,000 universities in the United States, fewer than 100 offer degree programs in insurance. Many of these programs offer an introductory course in captive insurance, but on the whole there is little awareness or education about captives in the university system.

However, one university is working to bring captive insurance knowledge to their students. In 2017, the Davey Risk Management and Insurance Program at Butler University's Lacy School of Business launched MJ Student-Run Insurance Company Ltd., a Bermuda-domiciled captive that insures various risks on campus, from the University's fine art collection to student run enterprises. The captive even insures the University's service animals, its bulldog mascot and its bomb-sniffing dog. While the program is proving to be a success, no other universities are following in Butler's footsteps at this time.

The lack of available education early on means that the captive industry has to promote itself among risk management students and young professionals. Several captive associations are taking the initiative to seek out potential talent through a variety of programs.

In April of 2018, SIIA launched its SIIA Future Leaders (SFL) initiative to reach out to young insurance professionals, to encourage young talent to become involved in the self-insurance industry, and to become members of SIIA. A committee was formed to take the lead in identifying engagement ideas to reach out to young insurance professionals and those just entering the workforce.

The goal of the committee is to help foster a community of young professionals involved in self-insurance and alternative risk insurance sectors, and to help prepare

them to be tomorrow's trailblazers.

In 2018 and 2019, SIIA's National Conference & Expo offered a discounted price to young professionals, considered to be those younger than 40, and geared educational tracks towards entry and mid-level insurance professionals.

There were also networking opportunities at the events aimed towards encouraging SFLs to interact with seasoned alternative risk transfer professionals. Similar programs were offered for the 2020 conference, but as it was held virtually, the networking opportunities were limited.

SIIA's mentoring program, which was formerly announced in 2019, was curtailed during most of 2020 due the pandemic. However, SIIA developed a new format to connect its host of alternative risk transfer veterans with young professionals interested in non-traditional insurance.

In November, SIIA hosted the virtual Mentor Connection Forum. Over the course of two days, the interactive event started with a virtual networking reception that included access to several distinguished industry executives.

The main event was a new take on the "speed dating" idea - "Speed-Mentoring." Attendees were given access to experienced mentors who offered

## New Captive Talent

practical career advancement advice and answered questions to foster greater interest in captives and self-insurance.

While the event was limited to 100 attendees, SIIA has plans for more virtual mentoring events in the coming year.

Several regional captive associations are also actively seeking new talent. The South Carolina Captive Insurance Association (SCCIA) works with the University of South Carolina's insurance degree program to bring students to the association's conference each year. For the last ten years, SCCIA Scholars attend the Captive 101 session and other sessions at the conference and are offered networking opportunities. While the conference was suspended in 2020 due to the pandemic, in 2019 SCCIA worked with Strategic Risk Solutions who sponsored the attendance of several students.

In a program launched a year ago, the Alabama Captive Insurance Association (ACIA) offers an internship program dubbed "Risky Business" to encourage students to consider careers in captive insurance and alternative risk management. The 18-week internship offers participants a chance to gain experience in both risk management and insurance environments and allows participants to build relationships with industry professionals as well as industry regulators. While the program has not been in effect for

long, so far it has generated a 100% employment rate for interns that complete the program.

The Tennessee Captive Insurance Association (TCIA) has been working with Middle Tennessee State University's insurance program to bring students to the association's annual conference for free as well as including students in networking and educational events. Several TCIA board members have volunteered their time to guest teach a class in the university's insurance program. While the outreach has been curtailed during the pandemic, the association's intention is to find other means to encourage and to educate young insurance professionals and college students. ■

Karrie Hyatt is a freelance writer who has been involved in the captive industry for more than ten years. More information about her work can be found at: [www.karriehyatt.com](http://www.karriehyatt.com).

