



Underwriting Community

The Talent Shortage Crisis

The UK insurance market's talent shortage crisis continues

April 2024



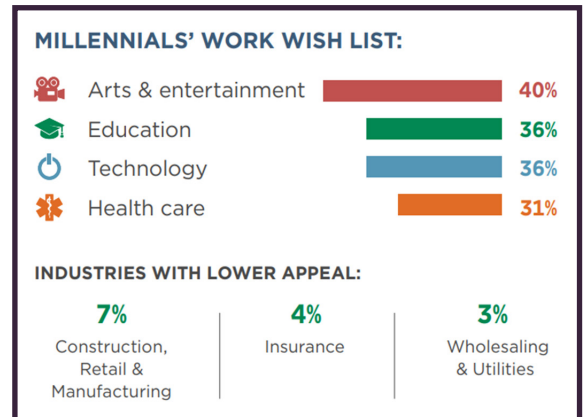
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What is the talent shortage crisis?

The UK Insurance industry has long been facing a talent shortage crisis. It's a well-known fact to all who work within the sector that we as an industry are perceived as **'stale, pale and male'** with little to no appeal to attract prospective new entrants.

The talent shortage crisis is further impacted by an aging population, racing towards retirement - it's currently estimated that **25%** of the sector are due to retire within the next 10 years alone, which paired with the fact that only **4%** of young people consider a career in the Insurance sector to be appealing, is a matter of grave concern.



Throw into the mix that we, as an industry, are moving into a world driven by the use of technology, it's fair to say we are in for a bumpy ride over the next few years when it comes to attracting prospective new entrants to the industry given current recruitment methods are not reaching the **'workforce of tomorrow'**.

We need to ensure that we are fully prepared for the changing landscape and ensure that all existing staff are suitably trained, whilst also attracting new and digitally capable talent, and the only way we can do this is by showing that our industry can appeal to the new and emerging talent's career 'Wishlist'.

The hard part however is how we as an industry work together to demonstrate what we have to offer, and how we tell our story, so as to start moving the public perception dial from the **red zone** - **"Ugh...Insurance...insert eye roll here"**, into the **green zone** - **"OMG...Insurance and risk, what a fast paced, exciting industry that is to work in, how do I get in on the action?"**.



The Why?

Before we can start changing that dial however, we need to consider why it currently sits in the red zone.


One piece of graduate research, carried out by **Aviva** in 2022, found that out of **1,000 students** surveyed, **only 1 in 7** were interested in pursuing a career in the insurance sector, compared to the 1 in 5 who wanted to work in the public sector or the 1 in 3 who wanted to work in tech.

But.. why does the tech industry and the public sector appeal to students? Our research told us one answer loud and clear – it's all down to how they market themselves.

The tech industry is seen as **progressive**, moving with the times – it has true appeal, whereas the **public sector** is seen as **steady**, offering stability to prospective new entrants during a time of great uncertainty for all.

Insurance, despite offering similar employee benefits, job stability, and exciting opportunities for all, is seen as **anything but sexy or steady**, and our research has told us that this is all down to the way in which the industry markets itself.

We sat down with a number of key stakeholder groups, across a cross-section of British society, to understand what they felt the sector could be doing more of to tell it's story, and allow the public into the **'inner sanctum' of the industry**.



The problem is tech is 'sexy', insurance is 'steady'. Insurance acts as a 'silent' service, weaving through society quietly in the background, only realised when someone needs it, and even then, there is not much opportunity to understand it.

Stakeholder Research: Group One - new entrants to the industry

We interviewed a number of new entrants to the industry, within their first 12 months of employment in an underwriting role, to understand what attracted them to the industry in the first place, and it's fair to say there was one clear influencing factor – **social media**, specifically, **TikTok**.

“Funnily enough, a TikTok. It was about Insurance in London and how they said you can have the Big Banking lifestyle and wages but not have those working hours and stresses” – **Trainee Underwriter, AXA Insurance.**

Their suggestion on attracting new talent? Have more of a presence on social media, especially TikTok – this is where the vast majority of younger people are consuming their media nowadays, with some stats suggesting that **60% of all TikTok users being from Gen Z.**



The platform allows for clips of no longer than a minute or two, that can be used to pique the interest of your audience and really offer insight and transparency into what the insurance sector does; what a day in the life might look like or what wide range of opportunities are available to anyone and everyone, regardless of background and education.

Sam Lydon, of Empower Development, has experienced incredible success in cultivating a following and using TikTok as a platform to promote the industry. She is a huge advocate for the platform's power in attracting new talent, given that it allows easy and instant access into what the world of insurance actually looks like – dusting off that 'stale, pale, and male' lens of focus and showing that the industry is moving with the times.

Sam Lydon
(Empower Development)

“At least 20 people that I know of are now working in insurance because they came via my TikTok,” says Sam. “I would love it if we could build up a whole trending feed of insurance professionals talking about their roles, their days, things they insure – it would really have an impact.”



Stakeholder Research: Group Two - Current industry practitioners

In addition to interviewing new entrants to the industry, we also interviewed current industry practitioners **with at least 5 years' experience**. Their biggest piece of feedback was that we do not spend enough time positively marketing ourselves as an industry, and that **we need to be doing more to showcase the work that we do**, and the work of those who are working hard behind the scenes to keep the industry ticking along.

The most effective way they feel **we can do this is by making the industry more 'real' and 'relevant' to the everyday person**, allowing insight into the 'inner sanctum' of the industry.

The way in which we can start to do this is again, by highlighting real people from all backgrounds, education levels and walking through their day-to-day lives within the industry, showing that our industry mirrors the demographics which represent our country.

Stakeholder Research: Group Three - Emerging Risk Specialists

In addition to the above, we also sat down with 10 emerging risk area specialists, given the changing landscape in risk, with growing focus on climate change, cyber risk and political violence risk to name but a few.

"The threat landscape is always evolving, there will be even more new departments and risks." - Andrew Bayers, Head of Threat Intelligence at the MGA Resilience. Further to this, according to one anonymous Head of Climate we spoke to, **Gen Z candidates are most effectively engaged through ambassadors from insurance companies interacting with them in person**, talking not only about what a role could offer but also talking about their prospective company and the industry as a whole's position on topics such as climate change and political risk.

Our research identified that 37% of students (14 yrs to 25yrs) prefer to interact with prospective employers in person, at hosted events, ranging from career fairs to insight days to skills workshops simply because it is more engaging and allows for an increased level of interaction.

Surprisingly a mere 16% of students prefer a digital approach in terms of contact, and whilst this can be more wide reaching, it is considered to be less impactful given the ability to 'lose interest' when sitting behind a computer screen. With more than two thirds of insurance roles outside of London, as well as a substantial increase in flexible working from home in recent years, it highlights a significant need for regional activity, and we must work together to tackle the challenges that are being faced by the industry which prevents significant take up of regional activities.

This statement could not be more pertinent considering the ever-evolving landscape and the reducing talent pool that is there to respond to said evolutions. We need to act now to prevent a bigger talent gap occurring in the future.

A key way of increasing our appeal as an industry to potential candidates is being clear on our desire to protect against emerging risks, and being clear on our commitment to tackle areas such as climate change. Raising awareness that every risk can be insured can broaden the appeal of the industry to potential candidates.

Stakeholder Research: Group Four - Local Institutes

Lastly, we also sat down with several Local Institute representatives to obtain their thoughts on what more they felt they could do in terms of driving talent attraction in their local areas. We found that there was great appetite and desire from each of the Local Institutes, but there were several challenges that impacted upon their ability to drive talent attraction efforts forward.

These challenges can be summarised into three key areas:

1. **Time** - All Local Institutes are run by volunteer members, who have limited time to invest into activities, with CPD events tending to take priority due to a need to hit a certain number of CPD hours as outlined by the CII.
2. **Funding** - Budgets are provided to each Local Institute based on a variety of factors, with some being offered less than others, and this leads to a challenge in terms of attending and facilitating events. Their big ask is budgeting provisions from the CII to support driving talent attraction efforts in local areas.
3. **Resources** - Many felt that there is not enough access to resources to support them and felt that some materials that are provided could be seen as dated.

The Solution

Based on our research, we believe the solution to moving that perception dial into the green zone is simple.

We recommend that the following role is implemented within each of the CII's local institute's as soon as possible:

Talent Attraction Ambassadors (TAA)

- This would be a **volunteer** role, forming part of the 'Education' arm of each local institute, with a **core focus on supporting and driving local talent attraction efforts with the CII's guidance and support**, by attending career fairs, emerging risk area conferences and also arranging events to support local engagement within the insurance industry.
- The TAA would also play a **vital role** in ensuring that all local brokers, Insurers, and other insurance focused businesses at a local level have equal opportunity at supporting with local talent attraction efforts, by building relationships with those within different businesses other than just their own, and those that happen to form part of the Local Institutes volunteer base. The intention is that local businesses start to support in talent attraction efforts, but they need to be engaged with to make this happen.

We believe the above role would take pressures off each local institute who are already quite stretched when it comes to time and resource, as confirmed in our market research. It's clear that there is a strong desire across the local institute network to drive talent attraction efforts and a specific role with a core focus on this will only help each local institute achieve this ambition. Our call to the CII is that they work with up to three local institutes to trial this volunteer role, based on the role profile we have created and supplied to the CII, and report back to the industry on the outputs of this initiative after a 12 month period.

The Solution cont.

To support the above role, we would suggest that the **CII creates a web portal** that the TAA and Local Institutes have access to. This portal will be where TAAs can access available resources to support local engagement, which includes updated resources that are relevant and attractive to the 'workforce of tomorrow'.

One key element we believe this portal should include is **an interactive 'get-to-know' function**, where prospective candidates can see POV's of a day-in-the-life of someone already working in the industry i.e. an underwriter, using a real-life underwriter, thereby bringing the role, and person, to life. Those involved should reflect a cross-section of British society so as to show that the industry is available to everyone, regardless of background.

This web portal should also have a **'store front'** where materials can be purchased to be used to generate interest at career fairs etc.

In addition, we also believe that there should be a list of **'Trusted Talent Partners'** across the UK that the TAA's can work alongside to support talent attraction efforts - there are a number of businesses who are working independently to drive talent attraction efforts and these should be recognised and celebrated.

Our suggestion is that the CII creates a **'Trusted Partner'** status. This offers the ability for any organisation promoting talent attraction to nominate themselves to obtain 'Trusted Partner' status.

Our final recommendation, and plea to the CII, would be that they give consideration around the implementation of a Regional Talent Attraction Officer (TAO) role or function within their current structure, to support a coordinated and targeted approach towards talent attraction across the industry.

Our view is that the TAO would be primarily responsible for coordinating, and supporting talent attraction efforts across each local institute that falls under their region. This would primarily consist of their building relationships with local schools, universities, and job centers within their regions, and attending career fairs, discussions etc, acting as a bridge between volunteers within local institutes and the public.

In addition, the TAO would also be responsible for supporting the implementation of social media presence across their region, utilizing platforms such as Instagram and TikTok, which are receiving increasing traffic and engagement from people of all ages, particularly those looking to start their careers.

We have created a suggested role profile for the regional TAO role, that outlines key responsibilities and expectations, and we have also created a business case that outlines financial inputs and outputs of instilling four regional TAO roles over time.

Our proposal can be explored in further detail by reviewing our business case that has been shared with the CII.

We feel the above model can also be replicated across various other industry bodies and we would ask that they consider how they too could support such a function within their own business units.

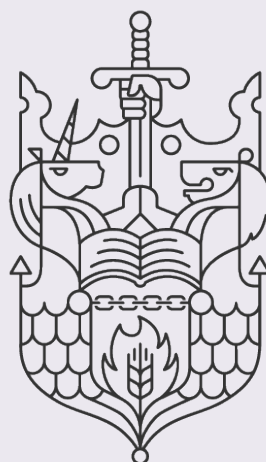
But why the CII?

It's our belief that the CII is best placed to take the lead in driving talent attraction efforts across the industry, by coordinating an industry standard approach.

The CII, as the recognised industry body (as opposed to a private company), is in a unique position of having no singular commercial agenda. Parents, teachers, careers advisers and other influencers are more likely to trust the CII to connect and engage with school leavers, graduates, and those from emerging risk sectors.

We believe that CII has the power to bring the industry together in a united front to tackle the talent shortage crisis by implementing our suggestions and then, we can really turn that perception dial from red to green and see this influence the talent pool ten-fold.

Lastly, we also believe that our recommendations suitably align with the CII's Strategic Plan, and it's ultimate vision of "building a world which delivers ever greater financial resilience for individuals and societies", as well as their core purpose of promoting efficiency, and improvement in the practice of insurance, by providing information and advice about employment opportunities within the sector to all.



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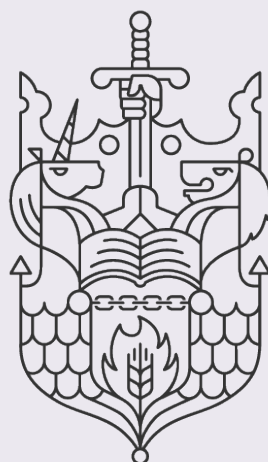
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