



A Shield from the Storm: Three steps to help insurance companies weather the coming labor crunch

By Arthur Ozeki

A three-step plan could help insurance companies fend off the labor shortage bearing down on the industry.

I was able to share those three steps and some examples of how they are playing out right now at RGA during a recent online event sponsored by the International Insurance Society (IIS).

Watch the event

The U.S. Bureau of Labor Statistics projects that the insurance industry could lose roughly 400,000 workers through attrition by 2026 in the United States alone. Most of those departures will come through retirement, the data suggests.

This is a global trend. By 2031, roughly one in three Japanese and Italian workers will be 55 or older, while around a quarter of workers in Canada, Germany, the United Kingdom, and France will hit that mark.¹ Projections show that Asia will account for 62% of the aged population globally by 2050.²

The time is now for insurance companies to change how they think about hiring, retention, and technology. Following three basic steps can be effective for insurance companies no matter their size or global footprint.

As head of RGA Asia Pacific, this topic is always in my mind – to make sure we are building for the next generation and building the organization in a

way to attract talent, generate growth, and provide opportunities for individuals to flourish. It is something leaders should always have top-of-mind to ensure a strong pipeline of talent for the future.

Step 1: Hire Smart

The first key for insurance companies to thrive in a tight labor market is to actively seek out the right combination of people to bring into the business. This means seeing diversity in a different light.

The insurance industry is based on properly assessing risk, and that cannot be done by a homogeneous workforce.


When we think about how we consider risk, diversity of thought, diversity of experience, diversity in backgrounds, and the way that people actually see things through different lenses are all quite critical. Having people with varying backgrounds is extremely important to ensure we have a robust view toward how we operate our business.

A diverse workforce empowers insurance companies to make better decisions, which is a foundation for financial success. Top talent will go where the success is, lessening the impact of a labor crunch on the companies able to attract them.

Paul Carroll, editor-in-chief at *Insurance Thought Leadership* and moderator for the IIS event, echoed these thoughts. He said it is not just a matter of finding bodies to fill seats but rather that we should be finding the right sort of talent to do the necessary jobs.

Step 2: Train Smarter

Hiring the right talent is a great start, but it is far from enough for insurance companies to thrive amidst a labor shortage. Successful insurance companies will retain top talent by demonstrating their commitment to individual employee growth.



The best situations are those in which the company benefits from its employees' talents while employees benefit from new and varied opportunities within the organization. The more that we really appreciate that longer-term prospect, the more that we generate a mutual degree of value.

RGA offers several programs that enable employees to grow while experiencing different parts of the company and insurance industry. One is an international rotation program that gives employees exposure to RGA's global footprint.

Another is a short-term experience program in which employees can try out different roles in the organization to see what doing another job is like and if it is the right fit for their career plans.

These allow people to try new opportunities and understand different perspectives and cultures. It is really meant to enhance their current role as much as perhaps provide them with a future career path.

RGA also has a talent marketplace in which employees can enter areas of professional interest into a software system that then alerts them when related job opportunities pop up within the company. This is a great way for RGA to identify different skill sets and desires while also enabling employees to better control their futures.

Beyond that, there is a reason I list this plan as three sequential steps. The first step of hiring to create a diverse workplace often helps with this second step of retaining top talent.


When someone enters an organization, they are looking around, and when they see a diverse organization, they realize, "Alright, I'm going to be treated with respect here. I'm going to be valued here. It's safe for me to really go out on a limb and try and make a real contribution to solving this organization's problems." That gives them the ability to achieve their full potential.

Step 3: Embrace Technology

Generative artificial intelligence (AI) is the first tech topic on most business leaders' minds these days—and for good reason. AI has the power to transform the industry and make operations more efficient.

But there is another reason for insurance companies to embrace advanced technology.

The hunger and desire for technology could attract another generation and set of individuals into the industry. We are clearly relying on that to address this labor crunch.



The exact jobs lost to retirement will not necessarily be filled. Rather, new jobs with new skill sets might be more in demand – data analytics, cybersecurity, and digital marketing, chief among them.

Embracing greater work/life balance and work-location flexibility also will be key. The COVID-19 pandemic created a temporary all-remote workforce for many insurance companies. Businesses have learned there is value in in-person collaboration, but to attract new workers, the industry needs to adopt a hybrid culture where appropriate.

The need is to find that balance between how we use technologies and how we continue to develop and maintain that expertise through collaboration. Some of the retention programs and training programs at RGA rely on Zoom or Teams, but at the same time, we also realize the importance of that personal interaction of people coming together.

The Path Forward

The way to bridge the anticipated talent gap is to see it as a human challenge, not one of mere numbers. It is not just about filling seats. It is

about hiring and retaining the right people and combining them with the right technology to drive growth for both the company and its employees.

That all starts with publicly touting the feeling people get by having the right insurance and leveraging that to attract those looking for a higher calling for their careers. This can serve as a call to action for a new generation of people to join our industry.

Our purpose statement at RGA is to make financial protection accessible to all. The way we do that is by partnering with clients to create products that deliver that protection – and the peace of mind that comes with it.

Our message to those we wish to attract to our industry is that they can find a higher purpose working on our team.



AUTHOR

Arthur Ozeki
Executive Vice
President, Head of
Asia Pacific

References

1. <https://www.bain.com/insights/better-with-age-the-rising-importance-of-older-workers/>
2. <https://www.worldfinance.com/wealth-management/coming-of-age-in-asias-growing-insurance-sector>