



The Talent Train Keeps A-Rollin'

WITH RETIREMENTS ABOUND, THE INSURANCE INDUSTRY IS USING A VARIETY OF INNOVATIVE TACTICS TO ATTRACT ITS FUTURE WORKFORCE.

 Lauren Anderson

As it turns out, 2020 is not the end of the line. It's the year many predicted the looming talent gap crisis to derail the insurance industry's long history of stability, with estimates suggesting nearly 400,000 job openings because of retirement. However, with just weeks remaining until that ominous threat is supposed to hit like a freight train, insurers aren't panicking. They're chugging along full steam ahead toward a bright future — a light at the end of the tunnel, if you will.

But before we can punch our tickets to future growth and success, let's backtrack for a moment. It's been a long haul for insurers to make headway, conducting a variety of solutions to keep their companies running on track in the face of massive employee turnover.

Vermont Mutual Insurance Company recognized the need to change its recruitment strategy after an analysis of the company's demographics revealed 30 percent of its workforce would reach retirement age 10 years down the line.

Then there's **New York Central Mutual Fire Insurance Company**. Two years ago, the leadership team at the rural Edmeston, New York-based company extended employees an

early retirement package in anticipation of the organization's changing needs. Nearly 100 people took NYCM up on the offer, clearing the way for new tech-savvy employees to come on board. However, there will be another large wave of workers celebrating their 65th birthdays in the next five to 10 years.

New Bells and Whistles

The pinnacle of this industry-wide turnover approaches insurers simultaneously with the unprecedented change brought on by technological advancements. As the current workforce shifts toward retirement, the talent gap is further demarcated by the significant need for skilled workers within technology-based fields. In fact, the skills gap is one consideration that prompted NYCM to offer its retirement package.

"As technology is playing a greater role with bringing about efficiencies when it comes to more monotonous mundane tasks, people are being asked to assume new roles and develop new skills within those existing roles," says **Cheryl Robinson**, chief operating officer and executive vice president of NYCM. "We were hearing the challenges that some of our longer-tenured employees were having regarding adaptation and learning new skills."

Most who accepted NYCM's early retirement left positions in operational areas such as claims and underwriting. Now, those recently vacated jobs are being reallocated to employees in emerging roles in applications development, customer experience, and branding.

Vermont Mutual is similarly in the midst of modernizing its legacy systems. As operational processes become more efficient, employees are empowered to come forward with their own ideas for improvement.

"It's everybody's responsibility," says **Dan Bridge**, president, CEO, and chairman of Vermont Mutual. "If you see something can be done better, then let's try to get it done better."

"It was a newly hired individual who looked at [an underwriting process] and said, 'Hey, there's a better way to do this,'" Bridge continues. "It may have only saved a few minutes a policy, but those improvements start to add up."

Location, Location, Location

The task of recruiting and replacing employees is daunting for any insurer, but it's even more harrowing for NYCM and Vermont Mutual, considering the companies' office locations.

"It's like this train coming at us," Bridge says. "Over the next five to ten years, we've got a lot of anticipated vacancies in a tough place to recruit."

Geographical concerns are not unique to Vermont's insurance industry. Statewide efforts are underway to attract new talent to the area. In 2018, Governor Phil Scott launched a program that pays employees \$10,000 to move to the state and work remotely. The Vermont Futures Project is a separate effort to develop prosperity for Vermonters through various initiatives to grow its workforce.

"There are people who are looking for what Vermont has to offer," Bridge says. "Certainly, it's a beautiful place to live and raise a family, but it's a small state as well. So, finding the right person is a challenge."

Vermont Mutual is one of four property/casualty insurance companies located in the state capital, which adds its own unique challenges. With only 600,000 people in the entire state, the company has had to expand its reach.

Commuting to the office has also become a way of life for many at NYCM. In fact, the company is pulling talent from cities in a



40-mile radius. "[Recruiting to the company's rural location] was one of those things that honestly when we offered the retirement package was one of our fears," Robinson says. "Can we attract new talent, newer-generation employees into the workforce? I can't really tell you one reason why or how we were able to do it."

NYCM has hired 130 new employees the last three years. To Robinson's surprise, the company received applications from more

than 1,300 job seekers in 2019 alone. That's nearly as many applications as the entire population of Edmeston.

"I think the area we come from, many could see it as a disadvantage when it comes to recruiting, but it's really one of our competitive advantages" Robinson says, referring to Edmeston's small-town character. "We've opted to stay true to who we are and focus on a few key elements in our recruitment strategy."

Recruitment Express

About five years ago, the leadership team at NYCM established a collaborative and consistent recruitment process that allowed employees to assess technical skills as well as the cultural fit. This means dedicated recruiters team up with each divisions' hiring managers from beginning to end.

"Previously, there was little consistency, and recruitment was done by many different people in the division, which didn't create a cohesive or proactive recruitment plan to provide adequate time for role transitions," Robinson says.

Vermont Mutual, on the other hand, has adopted what Bridge calls the "plus one" approach in some departments.

"We've migrated to a company that's always recruiting, whether there's a vacancy or not," Bridge explains. "We're trying to stay on top of it, and if we find talent, we won't hesitate to hire them in advance of a vacancy because we know we're going to have the turnover."

The company has also found success in retaining retirees who work part time from home. It allows Vermont Mutual to bridge the training gap that's created when a 30-year employee is replaced by someone with little to no experience.

"[The retirees] love what they're doing," Bridge says. "It keeps them engaged and we get part-time but highly productive help when we need it."

Making the Grade

At the core of both companies' recruitment strategies, however, is an intentional focus on culture and organizational purpose. It's what led both companies to be named among the Best Places to Work in their respective states.

"We recruit employees inspired by the company's purpose, empower them to make a difference, and value them for their contribution," Robinson says.

NYCM wants employees to feel the positive culture through their experiences. So, they offer employees benefits such as flexible work schedules, educational and growth opportunities, family-oriented benefits, a defined pension plan, free medical insurance, and a wellness program that centers on physical and emotional well-being. They also encourage community involvement and giving back through corporate-sponsored events or use of volunteer time off.

"We have such caring and genuine people who create a positive and helpful work environment," Robinson says. "If you ask employees what they like best — or what they will miss most — they almost always say, 'the people.'"

Word-of-mouth has become NYCM's most powerful recruiting tool. "Focus on who you are and what you stand for and the people will come," Robinson says.

As one of the 10 longest-running mutual property/casualty insurers in the United States, Vermont Mutual's reputation as a great place to work has never been stronger. Bridge says creating a positive work culture is about controlling the controllables.

"We can't control the fact that we're in central Vermont," Bridge says.

"What is controllable is the kind of work experience you have when you come here. We have spent considerable time improving our culture and work environment. As we like to say, 'We're one hundred ninety-two years old, but we're trying not to act our age.'"

Getting Young Talent On Board

The industry as a whole needs to control the negative stereotypes often associated with careers in insurance.

"I think the overall challenge for the insurance industry continues to be an identity crisis [in] that people don't recognize the variety of opportunities within insurance organizations," Bridge says.

Vermont Mutual typically has five interns each summer, with most of them receiving offers upon graduation. Bridge recalls asking an intern group what made them choose a career in insurance and what their friends thought about it.

One raised his hand and told Bridge, "My roommate said, 'Dude, that's gonna suck! You're going to cold call for life insurance leads for hours a day.'" Vermont Mutual doesn't sell life insurance, but Bridge says the intern's response was telling of the reputational challenges the industry has among younger generations.

"When we get to tell the Vermont Mutual story, it becomes pretty compelling in terms of our success and our growth,"



Bridge says. "As we start to tell that story, the culture and environment we have here start to resonate with people as, 'Yeah, this is something I'd like.'"

Vermont Mutual and NYCM share their stories with local college and university students, even high school students as they formulate an idea of what they want to study.

"We are ever mindful of what the next generations' needs will be, but we will always stay rooted in our purpose," Robinson says.

Recruiting for highly technical skills and emerging roles has become an exercise in creativity. To fill a newly created experience designer position, for example, NYCM appealed

to graduates of anthropology, philosophy, and other non-insurance-related majors, whose skills align with those of someone who would be successful in that position. Essentially, young professionals from any major can jump on board and find a place in the insurance industry.

"There's no one solution," Bridge says. "So, it's pulling a bunch of different levers to make sure that happens." [N]



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