

- ESG
- Recruitment

Industry experts say insurers need to broaden their talent base if hiring continues to be a challenge.

## Interviewed Inside:



**Sarina Puccio**  
Munich Re US



**Keith Riccio**  
Nationwide Management Liability and  
Specialty



**Laura Crossin**  
Philadelphia Insurance Cos.



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# Next-Gen Workforce

As demographic shifts and aging populations continue, it is anticipated the U.S. will experience an ongoing shortage of workers and hiring will remain challenging for years to come. Sarina Puccio, Head of Credit and Surety, Munich Re US, said the labor shortage is one of the hottest topics for insurers. “Workforce participation remains below pre-pandemic levels,” she said. Following are excerpts from an interview.



## Sarina Puccio

Head of Credit and Surety  
Munich Re US



“When it comes to diversity, equity and inclusion, significant progress has been made in the insurance industry, but a lot more action is still needed.”

Visit the Issues & Answers section at [bestsreview.ambest.com](https://bestsreview.ambest.com) to watch an interview with Sarina Puccio.

### What trends do you see having the biggest employment impact on the insurance industry?

According to the World Bank, over the next decade, the number of people of working age between 15 and 65 is going to decline by 3%. Another factor contributing to this is excess retirements. A lot of people have either retired or are going to retire in the next few years. For the insurance industry specifically, there has been a labor shortage for quite some time, but the situation is worse right now. Some published reports say there are 1.56 million people in the entire insurance industry. That number is down by 85,000 people. Around 400,000 people are going to retire over the next few years. Exacerbating the problem is that eight out of 10 millennials have either limited knowledge about insurance or the reinsurance industry as a career or they don't know about it at all. This needs to change.

### Where is the insurance industry when it comes to diversity, equity and inclusion (DEI)?

The industry has acknowledged diversity, equity and inclusion is critical to our success. About 60% of the insurance workforce are women. But that number is not translating to the higher ranks in the organizations like senior management or executive management, where the number drops significantly. When you look at people of color, the entry level of the workforce is about 24%. But, again, if you go up the ladder, the number drops to 8%. Then when you look to women of color who report to CEOs, the number is only 3%. While we are making strides, there's a lot more we can do.

### What is Munich Re doing to address social aspects within the industry?

Internally, we have a lot of employee resource groups (ERGs). Senior leaders from our organization participate in these groups on a regular basis. ERG members feel comfortable expressing themselves in their organizations. They feel they can bring their authentic selves to work, and we share the same values. For Munich Re as an employer, it's a great tool to retain people. In

addition, we have the DEI Council. Employees can become part of that council or an ERG. This can help them gain leadership skills and expand your network across the entire organization.

Externally, we partner with organizations who share the same values and support DEI, such as the Asian American Insurance Network and the Black Insurance Industry Collective. We attend career fairs and advertise job openings using social media. But this is not enough. We have to think outside of the box and we have to become very creative. Munich Re continues to work on risk management programs across the United States. Recently, we partnered with a community college in Chicago, and we've just started to launch an apprenticeship program. In addition, we have to consider non-insurance majors, like computer science, data science and entrepreneurship, and train students here. All those things help us to build a diverse pipeline for the future.

To learn more about careers at Munich Re, visit <https://www.munichre.com/us-non-life/en/company/careers.html>.

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# ESG Reporting Requirements

Keith Riccio, Executive Vice President, Commercial D&O Liability for Nationwide Management Liability and Specialty, said that environmental, social and governance reporting requirements are not particularly cumbersome for companies. “It is, however, one that will be done deliberately and along the lines of other reportable metrics that they’ve been forced to set up over the last 20 years,” he said. Following are excerpts from an interview.



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## **Public companies will soon be subject to climate disclosure reporting requirements. What are some things the C-suite should know and understand about these new requirements?**

With regard to ESG, it’s something that executives and boards of directors have been looking at over the last few years. They really have to adequately establish a governance framework around their ESG exposures and identify what impacts their business has on the environment. Things like climate change are significantly impacting businesses in certain industries. Then you have to take a hard look inside their businesses around how they manage those exposures and how they report them out to their shareholders and to the community.

## **Is it a long-term process to integrate ESG into everyday business practices for companies?**

It is absolutely a long-term process. It’s a long-term reportable metric. Your ESG exposures, however one’s business might define what those are, whether it be greenhouse gas, whether it be any sort of oil, coal, whatever your environmental exposures may be, you need to be able to account for that and take steps to remediate those going forward in order to show that you’re adhering to the new guidelines created by the Securities and Exchange Commission and the International Sustainability Standards Board.

## **What is your best advice for companies implementing an ESG program?**

Establish a framework that works for your organization. Set up leadership and accountability back to the board for the ESG reporting requirements. Make sure that all employees and associates understand the value that the firm places on ESG. The data and reportability of that data back to the board and, ultimately, to shareholders will be critical as far as being able to communicate effectively your organization’s role in reporting ESG.

## **Keith Riccio**

Executive Vice President, Commercial D&O Liability  
Nationwide Management Liability and Specialty



“Looking back to previous executive reporting requirements that have come down the pike, most boards of directors have become used to setting up best practices in reporting requirements set up by the SEC.”

Visit the Issues & Answers section at [bestsreview.ambest.com](https://bestsreview.ambest.com) to watch an interview with Keith Riccio.

## **What are best practices for building an ESG infrastructure?**

First and foremost, a board of directors needs to understand that ESG is a real exposure. It’s a real exposure to their businesses and something they need to take seriously. Creating a governance framework internally, with accountability at the board level, is critical in addressing those exposures. Communicating out to their shareholders and constituents the steps taken to identify their ESG exposure, and measures taken to educate management and the board of directors as to what their ESG exposures truly are, and any necessary actions taken to remediate such exposures going forward are meaningful and important.

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# Changing Perceptions to Find Talent

Laura Crossin, Senior Vice President of Human Resources at Philadelphia Insurance Cos., said the industry needs to make a commitment to develop young talent. “It’s important that we are very mindful about creating entry-level doorways that are accessible to all folks coming into the industry,” she said. Following are excerpts from an interview.



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## What challenges has the industry historically faced with recruiting?

Our No. 1 challenge as an industry is how to promote careers in insurance. Most people either fell into it by accident, or they had a family member in insurance. We’ll definitely take those opportunities to bring people into the industry, but it’s not really a reliable source to continuously build a talent pipeline. Another issue is the lack of exposure to insurance. As next-generation talent is trying to decide and make plans around their career choices, we’re not really making it to the shortlist of what they’re considering because we’re an unknown. Then you layer on a prominent stereotype that we’re a boring industry. We have to figure out how to overcome those barriers.

## What career opportunities does the insurance industry offer to professionals?

The strength of insurance is the ability to move within the industry, whether that’s coming from the agency side to the carrier side, or moving from underwriting to sales and marketing, from customer service to claims. Once you’re in the industry and you start to build your skill set and your understanding of insurance, you can stay in the industry, change jobs, experiment and do a lot of different things that continue to build on that insurance acumen.

## What can employers do to better attract and retain talent?

It goes without saying that we need to be thinking about recruiting and attracting talent more broadly. We definitely need to be in the schools and a presence on campus, especially with schools that have risk management and insurance programs. In addition to that, we have to focus on schools that don’t have risk management and insurance programs, because those are ripe with talent that likely isn’t aware of insurance because the program doesn’t exist in their schools. Building those relationships with our own talent, so that we’re introducing next-gen talent to a real person and

## Laura Crossin

Senior Vice President of Human Resources  
Philadelphia Insurance Cos.



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real experience. This aims to get some of those insights from experienced professionals to students who might be deciding what it is that they’re looking to do and highlighting some of the benefits of working in the insurance industry. For talent retention, it’s thinking about employee engagement and talent development. It’s important to focus on the employee experience so people stay within the industry. That we’re constantly making it meaningful and exciting and building on what those career opportunities look like.

## What is the industry doing to highlight these opportunities?

We have all gotten better at using social media to showcase our insurance personalities. This has helped to give insight into some of the exciting things we do within our industry. We also have the insurance careers movement and celebrating Insurance Careers Month in February to highlight careers and insurance opportunities as well as bust some of those myths and perceptions that are out there and give us a unique opportunity to really showcase what we do in insurance.

