



ASK THE INSURANCE RECRUITER

The Complete Collection of 2021 Articles by Mary Newgard



A NOTE FROM THE AUTHOR

What I love about 2021's articles is the topics are inspired by right here, right now examples of hiring and recruiting challenges insurance agencies face. As you survey this collection a theme might jump off the page like **diversity, interviewing, compensation, producer recruiting, process improvement, executive search, sourcing, industry trends or creative strategies**. These were the hot button issues for a lot of insurance organizations last year... and I suspect will continue to be in 2022.

Talent acquisition is vitally important to the insurance industry. Wherever your company's staffing performance sits today, from doing to amazing to saying, "*We've got to find a better way,*" my hope is that these articles elevate your internal conversations, help you find solutions and ensure future hiring success.

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TABLE OF CONTENTS

Dear Insurance Agency: Never Say This to a Potential Producer During An Interview	P. 1
How Your Diversity & Inclusion Plan Can Positively Impact Recruiting	P. 2 - 3
4 Progressive Jobs Insurance Agencies Will Hire in 2021	P. 4 - 5
Three Steps to Improve Your Hiring Process	P. 6
How Insurance Agencies Find Sales Talent in Small Markets	P. 7
The Gig Economy Offers a Fresh Take on Talent Acquisition	P. 8
5 Questions Graduates Want to Know About Insurance Careers	P. 9
3 Ways to Accomplish Diversity & Inclusion in the Hiring Process	P. 10
Building An Executive Search Strategy with These 10 Questions	P. 11
Pay Compression Creates Challenges for Agencies Hiring Client Service Talent	P. 12
Are Job Boards the Best Way to Find Insurance Talent?	P. 13
12 Hiring & Recruiting Ideas for Insurance Organizations	P. 14

Dear Insurance Agency: Never Say This to a Potential Producer During An Interview

There are a lot of moving parts to hiring a producer like timing and money. Where I see insurance agencies get into trouble during interviews is saying things that are real “headscratchers” to candidates.

Producers assume that you’re in the interview process to find reasons to make a hire. If you utter any of these three phrases, the candidate interprets the exact opposite intent. Producers believe you’re not really looking to hire a salesperson, and they are immediately disinterested. You’ve lost your chance to hire them now or in the future.

I encourage you to use this article as a teachable moment within your agency. Talk with sales managers, HR, executives and other producers. Find out who has made comments like this before. Was the outcome good or bad? What can you do differently in the future?

This exercise will improve your agency’s opportunities to attract and retain the right sales talent.

‘We Don’t Have a Spot for a Producer Right Now.’

The producer thinks... “Then what am I doing here? This is a brush off. This agency doesn’t know what they want to hire.”

- **Insurance producers aren’t like other candidates.** They don’t understand perfunctory interviewing because they don’t passively look for a job. A salesperson who decides to interview is already one foot out the door at their current agency.

- **You don’t need a formal opening to hire a producer.** Yes, there may be times when it’s more financially advantageous, but the average time to recruit and onboard a new producer is four to six months, so the reality is you’re always hiring.

Convey This Message Instead: “Our agency is aggressively growing and constantly looking at different options that fit into our short- and long-term strategies. We’d

love to keep learning more about you and your career goals. As you know, timing is everything.”

‘We’ve Been Looking to Hire for a Year.’

The producer thinks... “What’s wrong with this company?”

Saying you’ve spent six, 12 or more months trying to hire salespeople leads producers to draw one of two conclusions:

- **You’re always looking but never hiring.** Basically, you can’t pull the trigger on anyone because you don’t really want to invest in people or grow. The other reason is because you lack self-awareness or may not understand what sales profile fits your agency.
- **You have retention problems.** You’re quick to hire but quicker to fire. Other producers have tried, and for some reason, no one can successfully sell at your agency. Candidates conclude this is probably due to problems with your culture, management, organizational structure or resources. Once this seed is planted, you can never bring them on board.

Convey This Message Instead: “Bringing experienced sales talent into our organization is the key to our future success. We are careful to make sure people fit our culture. We may have a longer interview process, but once we see a person who can thrive in our organization, we pull the trigger quickly.”

‘We Only Want Million Dollar Producers.’

The producer thinks... “I have a non-compete, so this probably isn’t for me since I can’t guarantee 100% of my book will follow.”

Your agency can and should hire a lot of different salespeople – college grads, B2B non-insurance converts, experienced insurance producers, mini-liftouts and agency acquisitions. Making this statement short sells your talent acquisition strategy as well as your capabilities to attract, train and retain diverse backgrounds and skill sets.

Convey This Message Instead: “We know a lot of people are successful in this business in spite of the current company they are with. We don’t always land our forever home the first go-around. We’ve had tons of success integrating experienced insurance producers from other agencies because:

- You are experienced and don’t need the ‘newbie’ training.
- You’ll find more happiness and sales success with us. With our resources and leadership capabilities, we can help you take that \$500,000-plus book of business and turn it into a \$1 million-plus book of business in short order.”



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How Your Diversity & Inclusion Plan Can Positively Impact Recruiting



Here are the top two statements insurance agencies said to me in 2020:

1. “We need to find top talent.”
2. “I want to talk with you about Diversity & Inclusion in our hiring process.”

The events of last year spurred many insurance agencies toward a renewed focus on Diversity & Inclusion. Prior to 2020, I sensed most agencies were simply trying to construct a plan, and others admitted it was collecting dust on the shelf. Following the death of George Floyd, calls for racial justice, equity and gender inclusion have spurred agencies to go deeper on the subject. Now their goal is to design a meaningful plan that impacts their business on a daily basis.

Creating a Diversity & Inclusion strategy is one thing. Implementing it in all aspects of your agency is another. A critical part of integration is in the hiring process.

Recruiting is the front-line process that creates brand awareness and engagement. To source, attract, hire and retain top talent, your Diversity & Inclusion program must move to the center stage.

‘Creating a Diversity & Inclusion strategy is one thing. Implementing it in all aspects of your agency is another.’

Find Candidates You Want Using Data Analytics

The first thing the Society for Human Resource Management (SHRM) points out in *How to Develop a Diversity, Equity & Inclusion Initiative* is knowing what you have will build a more diverse workforce. When is the last time you analyzed data in your HRIS or CRM?

- Run reports in your applicant database to see where you fall short on the diversity spectrum. Even a basic system should allow you to filter based on age, gender, race and ethnicity.
- Set goals to proactively increase the number of diversity recruits by position, location and discipline.
- Compare your data to local, state and



By Mary Newgard

federal workforce reports to remain competitive with market hiring trends.

Join Industry-Wide Initiatives to Boost Your Hiring Exposure

Two heads are better than one, right? Well, how about thousands of heads coming together to accomplish the same goal? In their article Diversity & Inclusion In the Insurance Industry, the Insurance Information Institute lists a number of organizations you can join forces with to drive diverse hiring.

- Insurance company partners. Learn more about their diversity programs. Think creatively about joint initiatives to advertise and attract new people to the insurance industry from diverse backgrounds.
- You can't spell community without UNITY. Organizations like The Insurance Industry Charitable Foundation, which holds the annual Women in Insurance Conference, as well as the IIABA have numerous cooperatives that focus on empowerment and representation.

Connect and get involved with their programs, events and ongoing endeavors.

Representation Online and In-Person Matters to Job Seekers

S&P Global Market Intelligence

published a series of articles in November 2020 about the insurance industry's lack of diversity.


One S&P Global Market Intelligence article, Female Insurance Leaders Work Against Odds To Open Doors For Other Women, reveals that less than 25% of executives at large insurers are women.

"Historically, you'll look across industries and see that women have been under-represented for a long time," Anita Fox, director of the Michigan Department of Insurance and Financial Services, says in the article. "We've talked about the glass ceiling for a long time."

The consensus among the industry is that representation and promotion are keys to creating diversity, now and for future generations.

- Interviews are an invitation for job seekers to experience your agency's culture. Create on-site itineraries where candidates meet diverse employees and hear diverse voices and perspectives.
- Share your Diversity & Inclusion policy. Give insight into how leaders AND employees create an inclusive and equity-based environment. Highlight ways a new employee can join the conversation and make an impact in future initiatives.
- Cut to the chase with career progression. It's not cliché to talk about the glass ceiling.

You work to shatter that along with unconscious bias, systematic racism and other issues that prevent true inclusivity. Give stats on employee retention, career advancement and more.

- Let your light shine on social media. Your CEO should record (rather than write) the agency's Diversity & Inclusion pledge for YouTube. Let all of the aforementioned work (community activism, joint partnerships and more) be displayed online and shared by your employees. 

Newgard is partner and senior search consultant for Capstone Search Group, a national recruiting firm dedicated to the insurance industry.

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www.geico.com/own-an-agency	9
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Lighthouse Property Insurance Corp.	
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Monarch E&S Insurance Services	
www.monarchexcess.com	W4
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www.nationwide.com	25
Philadelphia Insurance Companies	
www.phily.com	51
RPS - Risk Placement Services	
www.rpsins.com	W3
SIAA	
www.siaa.net	13
Smart Choice Agents Program	
www.smartchoiceagents.com	7
The Hartford Insurance Group	
www.thehartford.com	5
The Wedge Group	
www.thewedge.net	15
WSIA - Wholesale & Specialty Ins. Assoc.	
www.wsia.org	41

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February 22, 2021

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4 Progressive Jobs Insurance Agencies Will Hire in 2021



By Mary Newgard

When it comes to insurance agency hiring, producers and account managers are a broken record. Yes, your agency still needs them, but that isn't newsworthy.

These four positions gained momentum last year. If they didn't hit your radar screen then, I can promise you'll hear about them in 2021. Highly specialized leadership jobs are a hot commodity for agencies in hypergrowth mode.

1. Sales & Service Acquisition Integrator

The COVID-19 pandemic did not slow insurance agency M&A activity, which jumped nearly 20% in 2020 compared to 2019, according to a report by insurance consulting firm OPTIS Partners. No longer content to divide duties among the executive team, insurance brokers create teams to assist with sales and service integration. They hire:

- Intelligent, educated and savvy insur-

ance professionals with skills in project management, operations and relationship management.

- Nimble and highly organized individuals who don't mind being road warriors. They show up on the doorstep of the acquired agency a moment after the deal is closed.
- Insurance professionals are preferred but not required. Talking a little shop with the new employees helps ease the transition. However, this is a great role to pivot a non-insurance professional into.

'Highly specialized leadership jobs are a hot commodity for agencies in hyper-growth mode.'

2. Chief Information/Technology Officer

Agencies view technology in one of two ways: 1) hardware and infrastructure;

or 2) external customer engagement and revenue management.

Understand the fine line between chief information officer and chief technology officer responsibilities so you can fill in similar gaps.

- CIO (or director of IT): An executive focused on information technology, this person understands how the entire digital platform supports an agency's operating model and productivity. They look at the architecture of cybersecurity, technology utilization, and age and adaptability of hardware. They are critical to enacting a cloud-based environment, especially if your agency pushes further into remote work environments.

- CTO (or director of technology): An executive focused on strategic planning, capital investments, research and development, and ROI investments. The CTO is consumer focused with an eye for client engagement and delivery solutions.



3. Shared Services Leader

According to Insurance Journal (2020), “Non-core assets and the pursuit of cost-effective advancements...” will fuel M&A activity in 2021. You may not want to sell, but you could have something in common with acquired agencies, i.e., consolidation is necessary. Hiring a shared services leader accomplishes your goal to:

- Organize non-revenue generating operations, such as customer service and finance/accounting, into self-contained, highly efficient units.
- Build and/or relocate divisions to low-cost markets. The same reason big tech is moving to Austin, Texas, is why insurance brokers put operations in tier 2 cities.

4. Sales & Operations Leadership

Insurance Journal's September 2020 article “Insurers Say They Are Having Trouble Recruiting New Employees” cited results from a recent study by The Jacobson Group and Aon.

“U.S. insurers want to fill existing positions or expand their staffs over the next year but say they are still having trouble recruiting, even during the COVID-19 pandemic where unemployment has skyrocketed. About 83% of respondents said they will either maintain or increase their staffs over the next 12 months. But of the 11 functional areas reported on in

the study, eight have experienced more recruiting difficulty compared to one year ago,” the article reported.

Recruiting problems at insurance companies are your agency's crystal ball. Many retail brokers have focused all of their internal efforts on training the next generation in sales and service. This leaves a gaping hole in senior management and executive leadership that can only be filled by hiring experienced, outside talent.

To design a newly created director of sales and director of operations position, ask these questions about how it enhances your senior management capabilities:

1. How does this position fit into the organization? Is it a corporate, enterprise-wide role or specific to a division (Commercial or Personal Lines, Employee Benefits, etc.)?

2. Is this a two-party system (Sales and Operations are separate), or are we ultimately looking for one leader over the entire practice?

3. Can we develop executive leaders? If not, we need to pay for a ready-made player. If yes, perhaps we can hire a second-in-command from another broker and train them into a promotion. **■**

Newgard is partner and senior search consultant for Capstone Search Group, a national recruiting firm dedicated to the insurance industry.

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March 22, 2021

**Admiral Indemnity Company
301 Route 17, Suite 900
Rutherford, NJ 07070**

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EZLynx www.ezlynx.com	16, 17
Golden Bear Insurance www.goldenbear.com	5
JM Wilson www.jmwilson.com	S2, M1
Leavitt Group Enterprises, Inc. www.leavitt.com	18, 19
M.J. Hall & Company www.mjhallandcompany.com	W1
Monarch E&S Insurance Services www.monarchexcess.com	W3
Nationwide Mutual www.nationwide.com	29
SIAA www.siaa.net	20, 21
SIS Wholesale www.sisinsure.com	14, 15
Smart Choice Agents Program www.smartchoiceagents.com	22, 23
Texas Mutual www.texasmutual.com	SC1
The Hartford Insurance Group www.thehartford.com	7

March 22, 2021
**Service Lloyds Insurance Company,
a Stock Company
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Austin, TX 78755**

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March 22, 2021

**Humana Wisconsin Health Organization
Insurance Corporation
Two Riverwood Place,
N19W24133 Riverwood Drive, Suite 300
Waukesha, WI 53188-1145**

The above company has made application to the Division of Insurance to obtain a Foreign Company License to transact Life, Accident and Health Insurance in the Commonwealth of Massachusetts.

Any person having any information regarding the company which relates to its suitability for the license or authority the applicant has requested is asked to notify the Division by personal letter to the Commissioner of Insurance, 1000 Washington Street, Suite 810, Boston, MA 02118-6200, Attn: Financial Surveillance and Company Licensing within 14 days of the date of this notice.

Three Steps to Improve Your Hiring Process

In January, my spouse and I made a spur of the moment decision to sell our house. It was exciting and nerve wracking all at the same time. It was hard to ignore the parallels between this experience and the hiring process. One lesson that stuck out was the fact that being prepared made all the difference. We could have just thrown the sign in the front yard but that would have increased the chance of the process falling spectacularly apart. Instead, we took time to fix up a few “to do” list items and make the house shine. Getting your agency’s house “market ready” is equally as necessary to ensure a successful hire. Don’t throw a posting out and let the chips fall where they may. Improve your interview process in three easy steps.

Step 1: Conduct Market Research to Finalize the Job Description

What type of employees do you want, and what type of employees can you get?

There are a lot of houses listed in my community, but once I finalized my requirements there were only a few that made the cut. You need to go through the same market analysis before advertising your job. Just because there are insurance people in town doesn’t mean they are

prospects for you.

- 1.) Compile a list of direct competitors and review their directory of employees that fit the title, experience, education and so forth that meet your job profile.
- 2.) Run a LinkedIn search to determine who beyond your centers of influence are looking for jobs or are trying to relocate to your area.
- 3.) Review your candidate database for notes on compensation, benefits, PTO and other hard costs you know to be true about candidates at this level of position in your market.

Step 2: Fix, Update and Enhance Your Process Before the First Interview

What will applicants think when they walk in our door?

There were a few fixer upper projects I had to do before our first showing. The same action applies to your interview process. Before you interview a candidate, take a minute to:

- 1.) Fix the broken parts of your process. Determine brokenness by looking at failed hires. Did you have a rogue hiring manager? Did you wait too long to address sensitive topics like compensation? Did the last interview go seven rounds, each getting more ridiculous by the hour?
- 2.) Update your process into the 21st century. Ease the burden on candidates. Personality profiles, applications, non-competes and offer letters must be done electronically through fillable PDFs forms and DocuSign.
- 3.) Enhance the process by infusing your culture at every turn. Our realtor said some people remove all personal family photos, but I kept a few up. I wanted buyers to see what it felt like to live in my house. Take candidates around for a tour. Show them brand videos and social media posts highlighting your amazing people. Create an informational overview with

stats, highlights, awards, benefits and any other notable pieces of information about your company. Give this to candidates before their first interview.



By Mary Newgard

Step 3: Create a Checklist for Hiring Managers and Candidates

What if this process goes all the way to an offer? Are we all on the same page about what it takes to get there?

A checklist was hugely helpful in closing on our new house. I was able to make sure all my questions were answered and not a single piece of paperwork was missing. The same works for hiring a new employee. Communication is the easiest way to impress a candidate. Downstream the process and set timelines you can stick to. Here are examples of items that fall on the checklist:

- 1.) Profile test: Yes or No?
- 2.) Application: First step or right before an offer?
- 3.) Due diligence: Background check, drug screen, non-competes and references (Yes or No)? If yes, when?
- 4.) How many interviews and with whom?
- 5.) Who creates an itinerary?
- 6.) What interview questions and topics are covered in round one, two, or beyond?
- 7.) What is the total compensation package: Salary, variable comp, benefits (including waiting period), PTO, VTO, 401(k), working hours, remote vs. office, start date, review, onboarding schedule, training schedule?

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How Insurance Agencies Find Sales Talent in Small Markets

Dear Mary, we are one of the largest insurance agencies in our state. Our plan is to remain independent and grow organically in every office location. Some of our markets are easier to find talent in than others. Our most difficult office is in a 60,000-person town. It's a great community but has a unique character; it's a little artsy and parochial. We want to grow our sales team but haven't had success with out-of-towners. Plus, there aren't many other agencies in town to source from. How do I find sales candidates? — David, Agency President

David, I get it. I grew up in rural, northwest Iowa and found my way into insurance sales in an 80,000-person town, which outside of Iowa, is considered a small town by most brokers. Small markets pose a unique challenge for agencies looking to grow. You have more options than just the “born and bred” hometown producer, including newbies, out-of-industry converts and returning home stories. Here's advice I lend to agencies that are on the hunt to find producers in smaller markets.

Profile 1: Newbies

Fresh faced and ready to take on the world, college graduates need time and investment that might be easier to provide in a small market than a big city.

- **Form partnerships** with local colleges and universities to introduce college graduates to the idea of a career in the insurance industry.
- **Create internships** with business and finance schools so students see how their technical skills could translate into insurance.
- **Set up post-graduate placement** opportunities with the Career Development office.

Profile 2: B2B Converts

Out-of-industry salespeople bring career experience and a Rolodex of local contacts. An insurance career is an easy sell to a sales

executive who understands the value of recurring revenue.

- **Source from niche industries that thrive in your local market.** Gravitates towards verticals where you have a presence, so you can immediately write new business.
- **Identify salespeople from service-based companies** versus product driven sales. Consultative sales backgrounds transition much better than product driven sales experience.
- What insurance field reps engage with your local office? **Salespeople at TPAs, carriers and vendors are more like a B2B convert than an experienced producer,** but they know enough about the business to commit to a long-term insurance career.

Profile 3: Relocating Home Stories


Take advantage of people who are in a stage of life where they want to move closer to family, friends and an alma

mater. Heck, even the in-laws, which might be harder to identify through research but equally as assured of a long-term commitment to your community.

- **Connect with alumni groups** through the school's social media and LinkedIn. Advertise your job posting, Careers Page and other information to showcase your hiring plans.
- **Run searches on LinkedIn** using various keyword combinations to generate a list of candidates with ties to your market. Searches might include: ZIP code; current title (sales executive, producer); industry (insurance or not depending on how broadly you want to go); education (high school or college); previous employer (look for people who have been employed in your market before).

Profile 4: Buy Young Talent

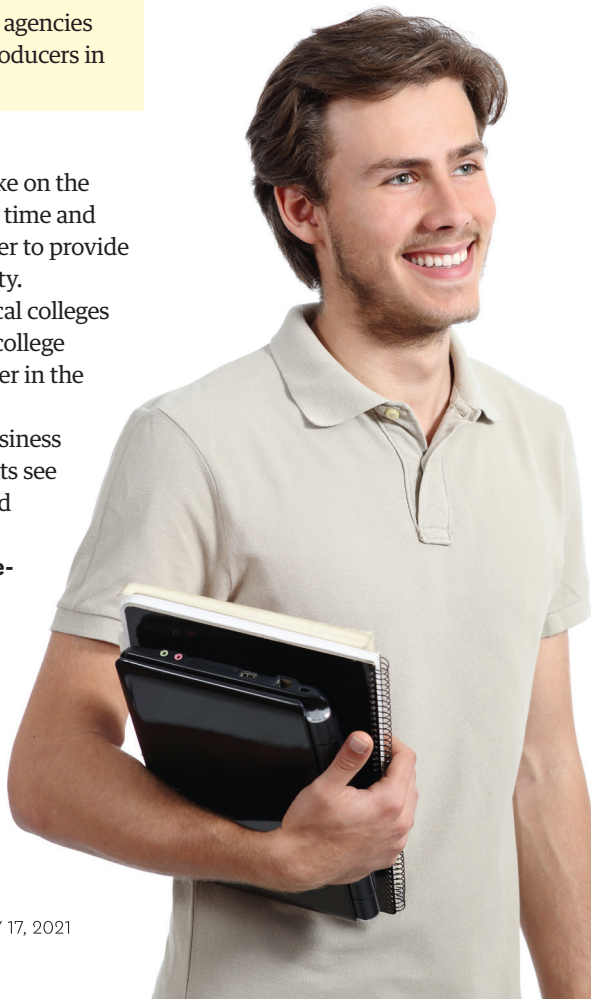
In small cities the list of independent agency competitors may be too limited. Captive agencies are your best source for a larger local talent pool.

- **Google** insurance agencies in a 30-40-mile radius of your office. Even a 5-10-person agency will show up that might have all their producers listed. You're just looking for “the one.”
- Obtain a list of insurance agencies from a state-based insurance association. **Contact owners about their interest in being acquired.** Remember, you have a tough time finding new producers despite your size and scale. Imagine how a solo practitioner feels. The beauty here is many of them still try to grow. Buy their shop and with it comes their young talent, too. 

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By Mary Newgard



The Gig Economy Offers a Fresh Take on Talent Acquisition



The number one question I receive from all types of retail agencies, wholesale brokers, insurance companies and intermediaries of every shape and size is, “How do we source and hire experienced insurance talent?”

By and large, the insurance industry’s hiring strategy is focused on full-time, W-2 employees. However, I think the convergence of two trends – the mass retirement exodus and COVID-19 pandemic layoffs – offer an opportunity to tap into a new type of talent pool.

You’re familiar with the gig economy through services like Uber, Door Dash and Instacart. As an insurance professional, you’ve dealt with risk management and compliance issues for 1099 employees. But, as an employer have you considered how gig workers can benefit your business? Peek behind the curtain, and you’ll find a rich talent pool of experienced insurance professionals who can and want to participate in the gig economy. Here’s how you can plug them into your hiring strategy.

Independent Contractors

According to MetLife’s report, *The Gig Economy: Opportunities, Challenges, and Employer Strategies*, “85% of gig workers are interested in continuing contract work

in the next five years as opposed to a traditional work role.”

Technical, Highly Skilled Insurance Positions. With so much pressure on insurance organizations to create flexible environments like work-from-home and telecommuting, gig arrangements may be the perfect solution to meeting your staffing needs and an individual person’s desires. A lot of account managers, underwriters and IT professionals have worked as long-term, 1099 contractors within the insurance industry for years.

Project Consulting. Rapidly growing and expanding insurance organizations have special, short-term needs but are not certain if it’s enough work for a permanent role. Common examples include hiring consultants with insurance experience to lead M&A due diligence and integration as well as agency management systems conversion.

Interim Executive Leadership. I described one broker’s year-long process to replace a retired leader in my 2018 Insurance Journal article titled, “It Took an Agency How Long to Hire a Commercial Lines Manager?” Twelve to 24 months to complete an executive hire is not uncommon. Interim executives are immediately available to carry the baton before or during a search. They may even turn out to be your

permanent solution because the time you get to watch them in action and solidify the scope of the role is invaluable.



By Mary Newgard


Seasonal Hires

“Approximately 57 million Americans do some type of work in the gig economy,” according to Great American Insurance which also describes the gig economy as an “On-Demand Workforce.” Isn’t that an interesting phrase given how at different points in the year insurance organizations face huge influxes in workloads? This is your opportunity to consider gig workers when you need them at a reduced expense compared to offshore outsourcing or permanent employment. A few examples include:

- Q4 benefits enrollers;
- Year-end accounting and finance; and
- Backroom processing and data entry.

Freelancers

This type of arrangement works great when you have projects that aren’t tied to the insurance portfolio but benefit from insurance expertise. Professionals with client service, operations and human resources experience are great gig workers because they infuse insurance lingo into situations like:

- Creating a new marketing brochure;
- Redesigning the functionality of the company’s website;
- Writing training manuals;
- Updating the employee handbook;
- Mapping workflows for agency management system utilization. 

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5 Questions Graduates Want to Know About Insurance Careers

I got my start in the insurance industry like so many of us, sans a specific insurance and risk management education but with a bachelor's degree and a fortuitous connection. Next year marks 20 years since I graduated college, and I can still remember the mixture of excitement and anxiety I felt entering the workforce, though never once did I expect to end up in the insurance industry. In fact, I wanted to be the public relations director for The Kansas City Chiefs. (I still do, if, by chance, Clark Hunt reads Insurance Journal. Call me. #shamelessplug).

It seems very little has changed in the minds of college graduates over the last two decades. According to IRMI Insight's article, Solving the Insurance Industry Talent Crisis by Investing in Risk Management and Insurance Graduates, "Only 25% of the insurance industry workforce is under the age of 35." When young professionals don't think about insurance until their three, five or 10-year career mark, it's no surprise the industry finds itself on the "talent cliff" described throughout the study.

The limited awareness from college graduates about the insurance industry shouldn't deter you, as a hiring executive, from actively pursuing them. In fact, summer and fall is the perfect time to hit the college recruiting scene. The COVID-19

pandemic created job market insecurity for many graduates who thought they had their position and industry-of-choice all lined up. The article titled "Graduation Is Coming. The Jobs Aren't." from Talk Poverty April 2021 states, "As the estimated four million college graduates of the class of 2021 prepare to enter post-graduate life, they will face a job market that has lost 8.4 million jobs between February 2020 and March 2021. Despite their newly-earned credentials, the most recent batch of college students are uniquely disadvantaged in the coronavirus job market. They are

trying to start careers at a moment when jobs are scarce."

Now, we all know jobs within the insurance industry are not scarce. Far from it. You have a lot of work to do filling roles created through acquisitions, organic growth and mass retirements. It is incumbent upon you to introduce, educate and inspire young people to get into the business, just as an agency executive once did to me.

You must anticipate the fears, misnomers, and stereotypes of the insurance industry.

You are sure to encounter at least one of these five questions when talking with a college grad. Take a moment to think about how you will answer.



By Mary Newgard


Question 1: Will I Be Able to Put My Degree to Good Use?

Question 2: What Are the Highest Paying Jobs in Insurance?

Question 3: Do I Need Special Training and Education to Be Successful?

Question 4: What Does Career Pathing Look Like Within the Insurance Industry?

Question 5: Is Insurance A Stable Industry Where I Can Find Job Security?

Selling a college graduate on an insurance career is a totally different pitch than recruiting an experienced industry professional. As you explore the market, anticipate young professionals' concerns and objections. Prepare your answers around a central theme, "Why the insurance industry?" 

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3 Ways to Accomplish Diversity & Inclusion in the Hiring Process

How's your diversity, equity and inclusion (DE&I) strategy these days? Non-existent, a paragraph in the employee handbook or a manifesto? More importantly, is it collecting dust or a living, breathing document that impacts all aspects of your business?

In my experience, more insurance organizations than not have trouble applying DE&I strategies on a daily basis. Because my expertise is in recruiting, I see an opportunity for insurance organizations to do a better job practicing these principles in the hiring process. Apparently, Forbes agrees with me because their 2018 article, *Why Workplace Diversity Is So Important, and Why It's Hard to Achieve*, noted something similar: "There is often a mismatch between how organizations design diversity policies and how they implement them. Or, to put it another way, what looks good on paper too often falls apart in practice."

Here are three ways within the hiring process where you can make an intentional and immediate impact applying your Diversity, Equity & Inclusion strategy.

Step 1: Advertising Job Openings

A disclaimer at the bottom of a job advertisement about being a diverse and inclusive employer feels perfunctory, like lip service. Proclaim your philosophy and agenda across multiple platforms in different written and visual ways.

- Update your equal opportunity employer statement with statistics that

showcase your diverse workforce. This can be cited in printed recruiting materials and verbalized by hiring managers during the interview process.

- Make sure your DE&I mission statement is front and center on your Careers page. Potential employees conduct research before applying for a job. Here they can learn about your inclusivity agenda right along with other key topics.
- Post the job announcement on social media along with pictures, employee testimonials, videos, hashtags and links that artistically represent your culture and diversity.

Step 2: Reviewing Applications

You run the risk of homogenizing the candidates you put into the interview process if the same people are the gatekeepers for all your job applications. Diversifying your hiring starts in the screening process.

- Create hiring committees to review job applications. This is an interdepartmental group that can include human resources and hiring managers as well as employees from specific divisions and culture committees.

- Be more inclined to say yes to an interview versus overly screen candidates out of the process. While it takes four to six seconds to scan a resume, it only takes 15 minutes to 20 minutes for an initial phone screen. You may be surprised how much better the candidate is in person versus on paper.
- Diversify your candidate sourcing. You

need a balanced strategy between employee referrals, direct recruits and job opening applicants. Building a candidate pipeline and setting an ongoing communication strategy with those contacts fosters a diverse candidate pool.



By Mary Newgard

Step 3: Updating Interview Techniques

Hiring managers don't always recognize outdated or out-of-line interview questions because that's just what they've always done. Unconscious bias manifests itself in the interview process. A collective leadership group of HR and company executives must take the reins on how to infuse DE&I into interviews.

- Create company approved interview questions.
- Educate hiring managers on why a question perceived as innocent like, "Where are you originally from?" is a bad idea.
- Be respectful of gender pronouns in internal communication (like interview notes) and external communication with candidates.
- Strike husband or wife from your vernacular until the candidate elaborates further. A more acceptable term is partner or significant other.
- Be consistent with profile assessments. Either every applicant takes one or no one does.
- Use interview prep and debriefs as an opportunity to conduct sensitivity training. For example, never let a male producer refer to client service staff as "his girls." (Yes, that happens. I've heard it plenty.)



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Building An Executive Search Strategy with These 10 Questions



Nearly 400,000 employees are expected to retire from the insurance industry workforce within the next few years, according to a recent report by AmTrust Financial, *The Impact of the Aging Insurance Workforce*. Senior leadership vacancies are the biggest challenge facing insurance organizations in 2021 for a few reasons.

Most insurance organizations operate a flat organizational structure. The smaller percentage of executive positions means less emphasis on or access to executive development programs.

The insurance industry has a branding problem with millennials (born between 1981-1996). Millennials “do not find a career in insurance interesting,” cited Valen Analytics Gen Y study. This severely limits the number of mid-career professionals available to promote internally.

Insurance organizations lack recent experience with executive hiring. It’s not uncommon for carriers and brokers to tell me they’ve contemplated an executive hire for 12-24 months prior to formally constructing a search. Such a long wait to get started hampers their ability to attract and retain experienced leadership talent.

If your company is uncertain about where or how to begin an executive hire, here are 10 questions that will help you formulate a recruiting plan.

1. What Is Our Timeline? When will you panic that you haven’t filled the position? Your search should launch nine to 12 months before this date.

2. How Does This Fit into The Org Chart?

Your business has grown and evolved since the current executive was hired. Now is the time to decide if this role has the same reporting structure, or if this new hire has a domino effect with the organization.

3. Will There Be Overlap in the Role?

Prospective candidates ask how long their predecessor will remain with the company after they are hired and if that person will provide training and mentoring.

4. Can We Promote from Within? This should always be your first choice for several reasons – timing, culture, cost retention and familiarity. Do not start an external search until all internal options are vetted.

5. What Communication is Necessary?

Confidential or public knowledge, make the decision based on how vulnerable the company becomes if the news is publicized; employee and revenue retention being paramount concerns.

6. Do We Engage Outside Help? The chance of hiring an external candidate is high. Can you find this person through your natural networks? Can you devote internal resources to direct recruiting? Once your networks are tapped out, you need to enlist help from a professional consultant. Start the RFP process with executive search firms ASAP.


7. Who Do We Want? The talent chasm makes finding an exact replica difficult. Build your profile to find a No. 2 or No. 3 in another company so you can entice them with a promotion. Besides where they rank organizationally, a well-rounded profile also accounts for total experience, location and

insurance expertise.

8. Are We Open to Relocation? Before you hire from outside your company and community, you need to feel certain someone can assimilate

for the long-term from another part of the country, culture, or way of doing business.

9. How Will We Interview? The pitfall of an important search is that you feel you cannot hire quickly. In response, you need a lot of comparative candidates, or several rounds of interviews, before making a hire. This simply isn’t realistic based on market conditions or candidate engagement. Determine your interview process before you meet one candidate. This way, the plan is fixed based on your needs and does not vary by each individual person.

10. What Will We Pay? The insurance industry doesn’t publicize a lot of data on competitive compensation. You will only know what you should pay once you start interviewing candidates. However, you must create an outline at the start of the search to include a salary range, incentive-based compensation, relocation assistance, signing bonuses and extra perks pay. 



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Pay Compression Creates Challenges for Agencies Hiring Client Service Talent

Dear Mary: Our agency is a regional, independent, privately held broker in the Midwest that has been in business for decades. Every year we hire young, inexperienced people to come into the business as assistants and CSRs. We also have plenty of hiring needs for seasoned account managers. 2021 has been a challenge. Not only have we struggled to recruit experienced service candidates, but the young people we've interviewed want a ton of money with no insurance skills whatsoever. What are agencies like ours doing to offer competitive compensation while also taking into consider internal equity?

When I interviewed client service directors for my June 2019 article, *A Clear Path For Agencies Hiring Young Account Managers*, I remember one conversation stood out. The executive said college graduates in the Southeast, especially those coming from Risk Management & Insurance programs, wanted, on average, \$55,000 as the starting salary. I was floored thinking how many agency CSRs and account managers with two to three years of experience don't earn that. It was my first introduction to pay compression. The issue goes much farther back than 2019, but it's been exacerbated by 2021's talent shortage.

What Is Pay Compression?

If Pay Compression wasn't a term on your radar screen before 2021, I am guessing it will be now in the near future as you encounter the same problems the aforementioned HR Director has faced.

- Pre-2021 most insurance agencies used the term "internal equity" to describe their hiring challenges with compensation. Basically, a new employee wants the same money as a tenured staff member. These two people have the same amount of career experience, but tenure doesn't automatically garner a higher salary.

- Pay Compression is different. In 2021, new hires with significantly less career experience want as much money as experienced employees.

When Is Pay Compression Problematic in The Hiring Process?

Here are some of the most common situations where I've seen agencies run into issues with pay compression.

1. You make an offer based on current internal equity and realize that's far below the candidate's current or expected compensation.
2. Your offer is usually 5% to 10% higher than the person's current compensation. This is better than your typical merit increase for current employees. I haven't seen an account manager make a job change in 2021 for any less than a 15% to 25% raise and they've had three to four comparable offers on the table when they've made their choice.
3. Some states require salary info to be included in job advertisements. You're uncomfortable doing that because current employees are paid less than what you're willing to offer a new person for the same role. Knowing this, do you create the job ad and hope employees don't see it or start raising salaries to protect retention.

What Strategies Combat Rising Salary Expectations?

Eighty percent of an insurance agency's hiring needs are non-sales positions. A huge percentage of that group are client service positions, so the way to combat Pay Compression is to offer alternative forms of compensation that CSRs, account managers and account executives value.

1. **Sign On Bonuses.** Start offering signing bonuses to new hires. It's still a fairly new concept, so you'll stand out from the competition. Most account manager sign-ons are \$3,000 to \$5,000.

2. **Quarterly or Semi-Annual Bonuses.** "Now" money incentivizes service employees, so getting performance bonuses in their hands more regularly than every 12 months tempers the urge to start a job search to achieve short-term financial gains. It is a great retention strategy.

3. **Promotions.** Millennials and Gen Z employees like career progression and respond well to levels. Large brokers have had CSR I, CSR II and CSR III layers in place for years. The idea of advancement, with small compensation increases every one-to-two years is much easier to absorb than the huge pay jump a prospective or current employee expects after waiting three to five years for the promotion from CSR to account manager. That's what will cost you the big bucks and create problems with internal equity, employee retention and new hire pay compression. 



By Mary Newgard



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Are Job Boards the Best Way to Find Insurance Talent?

Have you ever heard someone in your company say, “Let’s just cast a wide net to find candidates.” If so, job boards are your net, a bullhorn essentially for everyone on the internet to see. It’s a little bit of mass marketing and a little more like putting up a billboard on the interstate. Sometimes it works. Sometimes it doesn’t. It depends on who you’re trying to attract.

When it comes to job board success rates, what you’re really asking about is resource management. Posting your jobs on paid sites is just one hiring tool at your disposal. My team pays for job slots, but we’ve learned over the last two decades of recruiting that for every pro there is a con. We apply an ROI to each site and track our sourcing to placement ratios to determine if those third-party job boards are worth the time and money. We can’t let costs get out of control, and I certainly don’t want to spend money on every site to get the same applicant two to three times over.

Determine Your ROI

Cost + utilization + placements = ROI. Only you can set an acceptable number for your business, but we shoot for a 10 times return on each job board meaning for every \$1,000 spent on sites like LinkedIn, Indeed, Careerbuilder, Glassdoor or ZipRecruiter. I want to make at least \$10,000 back in hiring placements. Now, you don’t technically have a placement fee, but it’s easy to calculate if you assume that if not for the job board, you’d have to pay an external recruiter.

Job Boards Require a Lot of Management

Remember, job boards are in business to make money. They will sell you on the premise that you need to be everywhere and all the time. They want you to buy as many job slots as possible, sponsor/boost openings at an additional cost and sign long-term contracts to lock in your dollars. Other times, they subtly bake the cost into your applicant tracking system (ATS), so you don’t feel like you’re paying for it, but trust me, you are.

In either situation, the “set it and forget it” slogan used for the Ronco Food Dehydrator is not enough management on your part for three reasons:

Insurance is a unique industry. Not every job board can generate quality, experienced industry applicants.

Some job boards are designed to attract a certain level of candidate. Indeed is good with lower-level hires. TheLadders.com likes \$100,000-plus jobs and LinkedIn performs best with management positions.

Empty job slots are wasted money. Anything less than 90% utilization means you’ve purchased too many slots. You’re better to purchase slightly less than you think you need and rotate jobs out frequently.


Alternative Resources

A comprehensive, well-rounded hiring strategy requires a multi-faceted approach. My goal at Capstone is for job boards to represent no more than one-third of our sourcing strategy. This way we contain costs but also lean into alternative resources geared towards sourcing insurance talent. If you’d like to do the same, here are additional tools to consider.

Careers Page. A great jobs page on your website is a far better investment than a third-party posting. It maximizes SEO and drives applicants to your website. It allows job seekers to learn about your culture which creates a better candidate

experience. It integrates with your broader marketing/social media strategy. Aside from the initial design, it’s completely free and easy to maintain.

Your ATS. Hiring and recruiting are different things. If you rely on job boards to find most of your candidates, then you are not recruiting which is when you build, foster and manage a candidate database. Just like you plug prospective clients into a sales CRM, you need to be mining experienced insurance talent and home grow your database.

Employee Referrals. Have you noticed that some of your best hires came by employee referral? Beef up your bonus program and watch your current employees care a lot more about your recruiting initiatives. Even a \$5,000 referral bonus, which is really substantial, has a bigger impact on employee retention, engagement and new hire success than paying even more for a job ad or to a recruiter. 



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12 Hiring and Recruiting Ideas for Insurance Organizations

For my last column of 2021 I'm mixing seasonal flavor (cue the 12 Days of Christmas song) with the idea behind Insurance Journal's annual list of 101 Sales, Marketing and Agency Management Ideas. While mine isn't as extensive as theirs (101 ideas, you kidding me?!) I think 12 is a good starting point to help you start conversations, brainstorm ideas and find ways to adapt your hiring and recruiting.

01. TikTok & Instagram....Your New Social Media Platforms. As my teenagers so plainly tell me, "Mom, Facebook is for old people." Online change is constant. Try out job advertisements and promotions on new, insurance specific job boards or through Instagram and TikTok (where the young people hang out).

02. Create a Showstopping Advertisement. Job ads should not be a regurgitation of HR job descriptions. It's too long and painful for candidates to read. Ads should be job highlights with creative writing mixed in, i.e., an emotional connection, call to action, sense of belonging or intrigue.

03. \$5,000 for Employee Referrals. How much would your referral bonus need to be before it equals a recruiter fee? The answer is a lot more than \$5,000. Gone are the days of \$250-\$500 bonuses. Offer contests, rewards, trips, straight cash ... and watch your referral quantity and quality increase.

04. Return to Campus Recruiting. Why do we assume only Human Resources has to be at job fairs? Bring your new, rising stars from sales and service back to "tell and sell" their story about an insurance career.

05. Leverage Associations for Recruiting Help. Inherently resource-minded, associations offer hiring tools and support. Some have cost-friendly job boards. Many can like/share/retweet your job posting to a broader insurance audience. Others have preferred provider discounts negotiated with outside recruiters.

06. Avoid Paying a "Stupid" Tax. The mentality of always finding new candidates is a distraction from building a candidate database. If you don't stay engaged with previous applicants eventually that person will come back around through an outside recruiter. Then, you'll pay a fee for a candidate you knew but hadn't considered. A plan to revisit and reengage candidates leads to less reliance on job postings and external recruiters.

07. The "Blame Game" Chips Away at Your Success. The #1 complaint between hiring managers and HR is the same – both think the other party slows down the hiring process. Sourcing candidates is hard work. Ask the question, "What is working and what is not in our hiring process?" Use that introspection to seriously address process improvement.

08. Define a "Best in Class" Interview Experience. The same reason you buy products on Amazon with 5-star ratings is why this topic is so important. People apply to jobs with highly rated companies. Pull up (and clean up) your Google and Glassdoor reviews. Promote employee testimonials on social media. Find ways to create a better engagement experience.

09. Job Seekers Care About Salary & PTO. Salary bans. Pay equity laws.


Compression. From regulation to retention, you're being forced to sell job seekers on price whether you want to or not. Compensation and PTO are selling points that you must lean into during the ad writing and interview process.



By Mary Newgard

10. 100% Remote. If you abhor the idea of full-time remote employees, then you're in for a long and hard recruiting road. It takes three times longer to fill jobs if you will only hire in a single location. If you don't feel a sense of urgency to fill a job quickly, leave it to one location indefinitely. If you need to make a quick and quality hire, you have to expand location.

11. Internal Recruiters Need Training Too. You provide training and mentoring to producers, but what about your internal HR/talent acquisition? Recruiting is sales. Burnout among internal recruiters is real. It's important that you find coaching resources to help them develop skills and career longevity.

12. Set Boundaries & Expectations with External Recruiters. If you don't think an outside recruiter talks to candidates let alone screens them prior to making the referral, fire them. Why accept substandard work? Create Master Service Agreements. Outline what constitutes a real referral. Establish advantageous guarantee terms. 

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