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SPECIAL ISSUE

DEVELOPING & ATTRACTING

TALENT



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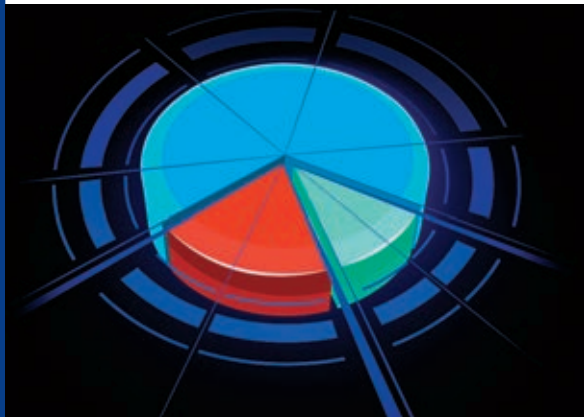
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LAST WEEK'S TOP FEATURES

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1. Health facilities taking comp cases linked to meningitis: CDC
2. Average insurance cost per data breach rises to \$3.7M
3. Industry executives predict rate increases in upcoming renewals
4. Commercial P/C insurance rates up 5% in September
5. When implanted medical devices go wrong, who pays?
6. Aetna, Gallagher Bassett, ESIS, Broadspire integrate claims
7. Medical malpractice claim severity and frequency growing
8. AIG changes corporate logo as part of rebranding effort
9. Zurich North America names new chief financial officer
10. Risk manager leadership skills for multigenerational workforce

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video

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Risk Manager OF THE YEAR 2013

GALLERY: Wellness programs can help workers fight obesity. www.BusinessInsurance.com/photos

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VIRTUAL CONFERENCE: Sign up for the 2012 Workers Comp event. www.BusinessInsurance.com/2012WCConference

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Adding designations promotes credibility

Having letters after name shows career commitment, often leads to pay increases

By ROSEANNE WHITE GEISEL

Professional designations are represented by a few letters after a name, but they convey a powerful message.

Whether the designation is chartered property casualty underwriter, associate in risk management, certified risk manager or certified safety professional, these credentials demonstrate that people are committed to their careers and the insurance and risk management industries, according to people working and hiring in the field.

Professional certifications complement years of experience, but there is wide agreement among industry professionals that credentials never trump experience.

Todd Macumber, president of risk services for Hub International Ltd. in Chicago, champions certification programs. "If people focus on continually improving themselves and their career, that tells you something. It says something about their personal traits," Mr. Macumber said. If a person hasn't earned a designation, it raises the question, "Why wasn't it a consideration?" he said.

Mr. Macumber said 99% of the nearly 30 professionals in his risk services division

have earned a designation.

Hub's risk services employees are asked annually what their goals are for continuing education, and there's a midyear check on progress, said Mr. Macumber, who holds the CSP, the associate in risk management, an ergonomics certification from Oxford Research Institute Inc. in New Market, Md., and is eyeing a certified fire protection credential.

"With clients, you establish that up-front credibility," Mr. Macumber said. "It's a way for us to differentiate ourselves."

Earning a designation "says that the individual recognizes the value of continual learning," said Beverly Messer, senior vice president-academic development with The National Alliance for Insurance Education & Research in Austin, Texas.

The National Alliance offers many designation programs, including the CRM, certified insurance counselor, certified insurance service representative and certified school risk manager.

"There is (always) more to learn to meet the expectation of employers, colleagues and clients," Ms. Messer said.

Ongoing learning is one of the platforms on which the Risk & Insurance Management Society Inc. bases its efforts to elevate the risk management profession to the status of accounting or law, according to Rick Roberts, a member of the RIMS board of directors and a corporate risk manager for Simsbury, Conn.-based Ensign-Bickford

Industries Inc. Ensign-Bickford is the parent of several subsidiaries, most of them involved in using technology to solve problems in areas including defense and the environment.

Mr. Roberts said RIMS introduced the risk fellow designation in 2004 to recognize ongoing learning and professionalism. Mr. Roberts earned the designation in its early years while he was completing his master's degree in business administration, as his MBA courses fulfilled some of the RF academic requirements.

29%

CPCUs earn 29% more than peers performing the same function with the same years of experience. Additionally, about 85% of CPCUs indicate that earning the designation fast-tracked their career progression.

Mr. Roberts said he likes that he must continue taking courses to maintain the RF credential.

"It allows you to take classes on subjects you are not currently dealing with on your job, but then you can come back and do those things for your employer," he said.

For example, he is considering establishing a captive for his company. "If I hadn't taken captive courses, I would not have the base of knowledge to consider establishing a captive," he said.

Susan Kearney, senior vice president of knowledge resources for Malvern, Pa.-based The Institutes, which offers the CPCU des-

ignation, said some of the "key benefits" of earning a professional designation include improved chances for promotion, career enhancement and networking opportunities at industry events offered to those who hold certain designations.

"While on-the-job training is good, it (necessitates) a longer learning curve as compared with first learning the fundamentals and then putting them into practice, especially for those new to the insurance industry," she said.

The Institutes surveys CPCUs immediately after completing the program and conducts a follow-up survey with them. Responses throughout the past year indicate that CPCUs earn 29% more than peers performing the same function with the same years of experience, according to Ms. Kearney. Additionally, about 85% of CPCUs indicate that earning the designation fast-tracked their career progression, she said.

Deb Deters, Hub's senior vice president of human resources, said a designation "is a gating factor. It indicates some level of knowledge. It allows you to take a large pool of candidates and narrow it very quickly."

But a designation isn't everything. "It offers some level of credibility, but I'm not sure it speaks to problem-solving or business acumen," said Eric Hutcherson, U.S. human resources leader for Marsh Inc. in New York.

A designation shows commitment to the industry and perseverance, he said. Mr. Hutcherson said he believes the diversity of credentials that Marsh offers to clients — such as law degrees or MBAs, CPCUs and certified employee benefit specialists — "is much more important than a person having a certain designation."

"Experience will always trump a designation," said Hub's Ms. Deters.

But, pointed out her colleague Mr. Macumber, "A balance between the two is valuable."

Industry faces competition for best, brightest recruits

Making insurance attractive presents challenges

By **MARK A. HOFMANN**

While insurance isn't exactly the Rodney Dangerfield of career choices for college students, industry recruiters face daunting challenges when competing for the best and the brightest.

Part of the problem is insurance's image as a rather stodgy industry, they say. Aside from preconceived notions, some students don't even think about insurance as a possible career.

In an interview shortly before his induc-

tion as the first laureate of the Midwestern Insurance Hall of Fame in June, Ryan Specialty Group L.L.C. Chairman and CEO Patrick G. Ryan said he thinks that insurance offers a "unique career to young people," but "too often, they get a good education and think they ought to be a lawyer or a banker and don't look carefully at the insurance industry."

See **PERCEPTION** page 24



Colleges present wide array of potential

Engagement, opportunities attract young talent from variety of backgrounds

By **MARK A. HOFMANN**

One of the best places to find students who will work well in the insurance industry is also one of the most obvious, industry human resources experts say.

That source is university risk management and insurance programs across the country.

Students majoring in risk management and insurance already show the interest and are gaining the back-

ground to succeed in the business, human resources executives say.

But recruiting is only part of the process. Once new hires join the industry, they have to be trained and retained, which can mean offering incentives for continuing education.

Drawing on universities' risk management and insurance programs doesn't require insurance industry recruiters to do the same sales pitch needed when looking at students in

other academic disciplines.

"If we're at one of the top risk management and insurance schools, most of the time we're looking at students who understand the risk and insurance business, so we don't have to sell them the same way," said Amanda Mullan, senior vice president and director, human resources for Willis North America Inc. in New York.

See **PROSPECTS** page 24

SPECIAL ISSUE

DEVELOPING AND ATTRACTING TALENT

Nobody ever said attracting talent to the risk management and insurance field would be easy.

Even with economic doldrums like today's, risk managers, insurers and brokers find themselves competing for the best college students with other professions and industries viewed more positively. And the insurance industry's future is at stake.

Fortunately, as this special issue of *Business Insurance* underscores, risk management and insurance can compete for the best and brightest. This issue provides information on college risk management and insurance programs, successful internship programs and tips on how to recruit, including how to draw information technology professionals to your business. The issue also examines misperceptions of the insurance world and how to overcome them.

We also offer some outside expert commentary on the challenges faced by business and academia in the marketplace for talent. These are success stories well worth studying.

In addition, our data poster gives an overview of the talent pool. It features a list of the largest risk management and insurance college programs, as well as the results of a recent survey of Spencer Educational Foundation scholars seeking to find out why they chose risk management and insurance as a possible profession. There's also an exploration of different generations of employees, what you can expect from them, and what they expect from you.

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Insurance courses work to interest more students

Educators stress job opportunities available in sector

By **MARK A. HOFMANN**

Unlike classes for some other business disciplines, college risk management and insurance classes don't fill up automatically in most cases.

Instead, risk management and insurance departments have to find ways to compete with other departments to recruit students, say risk management and insurance academics. And their success in doing so is critical for the industry's future, say observers.

"Education is the only way to steepen the learning curve and attract talented young people" to the industry, said Marty Ellingsworth, president of ISO Innovative Analytics in San Francisco and a member of the board of directors of the Malvern, Pa.-based American Risk & Insurance Association, a professional association of insurance scholars and risk management and insurance professionals.

Mr. Ellingsworth said the industry has "a lot of 20-year and 30-year people and not enough 10-year people," and that it "can only fill the pipeline of talent through education."

Students must be told "you can have a career, not just a job," he said. "It's not always evident that without risk transfer, there'd be no economy, period."

"My view is that the property/casualty industry is the best-kept secret in the business world," said Hank Watkins, president of Lloyd's America Inc. in New York, and a member of the board

of overseers at St. John's University's School of Risk Management, Insurance and Actuarial Science in New York. "I never believed that until about 10 years ago. It's an industry where you can define yourself in so many ways."

"It is one of the few industries everybody needs," said Mr. Watkins. "You'll write your own ticket. I don't know of many other industries where you can do that."

Recruiting students is a "consistent challenge because, unlike most majors in business, almost nobody goes to college to major in risk management and insurance," said David Sommer, professor of risk management at St. Mary's University in San Antonio and president of ARIA. "The rare exception is people whose family is in the business. We have to convert them from other majors."

The first step is to deal with the usually negative preconceived notions of insurance and then to persuade students to take an introductory course, he said.

The risk management program at St. Mary's is more active than other majors in providing services to students, said Mr. Sommer. For example, it has its own risk management and insurance career fair.

"We have to provide those extra services to get students to check us out," he said.

The department shows students that there are internships, jobs, scholarships and conference opportunities available, said Mr. Sommer. "All those activities in most schools is where we make a name for the risk management and insurance area," he said. "We can't sit back."

KEEPING UP

What colleges and universities can do to recruit more students for risk management and insurance classes

- Deal with the usually negative preconceived notions of insurance and persuade students to take an introductory course
- Show students that there are internships, jobs, scholarships and conference opportunities available
- Keep programs current and maximize employability of students
- Keep students interested by changing courses and keeping curriculum up to date



"We decided to build really solid programs and classes that would get people interested in risk management and insurance," said Martin Grace, chairman of the department of risk management and insurance at Georgia State University in

Atlanta. "It has helped us dramatically because no one in our college has to take any of our courses, and we have innovated to keep our courses up to date and doing what we think the market

See **UNIVERSITIES** page 21

Buyers want their brokers to be partners

Risk managers seek support, expertise

By **MIKE TSIKOUDAKIS**

What risk managers want from their insurance brokers and underwriters is simple: a partner.

As they tend to their organizations' wide-ranging risks, risk managers rely on their brokers and underwriters for various levels of support ranging from insurance expertise to benchmarking data.

Mark DeLillo, director of risk management at Scottsdale, Ariz.-based home building company Taylor Morrison Inc., said that while some risk managers may have a semi-adversarial view of their insurance brokers, it may not be the best approach.

"I take the view that my broker is the most important business partner that I have," he said. "We should collaborate, we should understand each other's needs and we should move to common ground on what best serves my company."

The ability of both brokers and insurers to provide good service, excellent communication and quality products is critical for Janice Ochenkowski, managing director of global risk management for Jones Lang LaSalle Inc. in Chicago.

"We need help for business problems that arise, and we need partners — both in our brokers and in our insurers — to help us to find appropriate and commercially reasonable solutions to those business problems," Ms. Ochenkowski said.

As risk management departments across organizations face staff reductions, many risk managers run leaner programs that also focus on tasks outside of the insurance transaction, such as enterprise risk management.

"The amount of time we spend

See **RISK** page 23

London market looks to improve education

By **STUART COLLINS**

Insurers and brokers in London are looking to raise professional standards and qualifications, as well as attract recent high school and college graduates.

London market companies are supporting several initiatives led by the Chartered Insurance Institute that are intended to increase the numbers of employees with professional qualifications and bring quality graduates in to the market.



The drive to raise professional standards and qualifications in the London market reflects the increased emphasis in general on compliance and good corporate governance, as well as a

more professional approach to recruitment, said Verity Lewis, a consultant and former human resources director at Lloyd's insurer Antares Underwriting Services Ltd.

Historically, recruitment in the London market was through personal introductions, but there has been a shift toward making

the insurance business in London more professional and requiring a more formal recruitment process, she said.

In recent years, the industry has put its weight behind the drive toward professional standards in the London market, said Des Bishop, London-based group head of people development at Hiscox Ltd.

In 2010, Hiscox gave all its London market underwriters and senior managers five years in which to achieve the CII designation of Associate of the Chartered Insurance Institute — which

when combined with five years' experience can lead to chartered insurer designation. Those with 10 years of experience are exempt from the requirement.

The requirement to hold the ACII reflects an increasing expectation among the public and regulators to see higher professional standards in the financial services industry, particularly after problems in the banking sector, said Mr. Bishop.

"The banking crisis has raised awareness of the need for

See **LONDON** page 25

KEY QUALITIES

What do risk managers want from their brokers

- Service, communication, products
- Attention to detail
- Expertise and benchmarking data





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From insurance to risk management

Industry background helps prepare buyers for range of roles

By MIKE TSIKOUidakis

Seasoned risk managers who began their careers in the insurance brokerage or underwriting business gained a knowledge of the industry that later helped advance their careers.

And for risk managers that began in an insurance company's claims department, the experience built a strong foundation that handily carried over to risk management.

"For traditional risk managers, getting a good grounding in the claims business was very helpful," said Christopher E. Mandel, executive vice president of professional services for RPM3 Solutions L.L.C. in Nashville, Tenn. "It was a great start."

From 2001 to 2010, Mr. Mandel was head of enterprise risk management for USAA Group and he was named *Business Insurance's* Risk Manager of the Year® for 2004.

But before all that, Mr. Mandel started his insurance career in 1978 as a claims adjuster at Liberty Mutual Group Inc.

"If you end up, as I did, in large corporates, you almost always had significant claim volumes," Mr. Mandel said, noting that most of the companies he

worked for retained a significant amount of risk.

"That just meant that either I was going to have to spend a lot of resources overseeing claim activity or even potentially, as I did in several cases, bring certain amount of claim management activity in-house that I would be directly overseeing — and that's the way it turned out," he said. "So that claim background was very helpful."

Mark DeLillo, director of risk



management at home building company Taylor Morrison Inc. in Scottsdale, Ariz., began his insurance career in the claims department of Travelers Insurance Co. in the mid-1970s.

"That gave me a basic foundation that has carried me for the next 30-some years," he said. "The claims function allows you to see many aspects of the insurance transaction, the loss scenario, after everyone has looked at it."

Once a loss occurs, the claims adjuster examines the insurance policy, underwriting and loss pre-

vention, and determines the outcome of the loss, Mr. DeLillo said.

"It's a much broader view than just the underwriter sitting in an office or the loss control guy just going out to the site," he said. "I think it gave me a phenomenal foundation to move into risk management."

Working on the underwriting side of the insurance transaction prepares a future risk manager for the challenges he or she will be

I just don't want to keep doing the same thing over and over.

Dorothy M. Gjerdrum,
Arthur J. Gallagher & Co.

dealing with, said Lance J. Ewing, industry practice group leader, hospitality and leisure, at Chartis Inc. in Cordova, Tenn.

"Having that carrier/underwriting/claims background sort of pulls the curtain back a little bit before you go to the risk management side to see what underwriters are truly looking for, what is helpful for you as you prepare for the renewal period of time," Mr. Ewing said.

Prior to Chartis, Mr. Ewing was vice president of risk management for Harrah's Entertainment Inc.

until 2010. He began his insurance career as an intern at Erie Insurance Co. in 1983 and later worked at other insurance companies in field underwriting, claims and highly protected risk engineering roles. Mr. Ewing was named *Business Insurance's* 2007 Risk Manager of the Year®.

While the transition between insurance industry roles may be smooth for some, moving from a risk manager to a broker may be a bit more challenging, industry experts say.

The key challenge is transitioning from a buyer to a seller, because many risk managers generally are not sales-oriented people, Mr. Mandel said.

Mr. DeLillo, who worked as a risk consultant and producer at Hobbs Group, which became Hilb Rogal & Hobbs Co. in 2002, said the move from in-house risk manager to a producer "is a very difficult transition."

"It wasn't fun. You never got to see the full fruits of the efforts that you put into a specific account or prospect or project," Mr. DeLillo said. "As a risk manager, you develop a risk management strategy, you implement it and you live with it. You get to see the fruits of that or the downsides, and you adjust accordingly."

Stacy Stevens, senior vice president at Beecher Carlson Holdings Inc. in Los Angeles, said risk managers already sell their programs to key stakeholders within the company, which in essence gives them

a plethora of "clients."

"You're also selling your company to underwriters at each and every renewal," she said. "As a risk manager, you have to differentiate your account from the account that's sitting perhaps just above yours or below yours in that underwriter's pile of things to do at any given renewal period."

Ms. Stevens, former senior vice president for Loews Entertainment Inc., where she focused on insurance placement and loss control for the organization's hotels, resorts and commercial locations until May of this year, said that as a broker the emphasis is less on sales and more on consulting.

Going from a risk manager to a risk management specialist at Arthur J. Gallagher & Co. was a smooth transition for Dorothy M. Gjerdrum, who is now executive director of the public entity and scholastic division for Arthur J. Gallagher Risk Management Services Inc. in St. Paul, Minn.

Ms. Gjerdrum was a risk manager of pooled county governments in New Mexico from 1989 to 1999. "That was very broad and wide open and gave me a lot of room for creativity for trying to solve problems, figure out how to manage risk for our members in a better way," she said.

"For me, I just don't want to keep doing the same thing over and over. Risk management is a very creative field, giving you a chance to try lots of different approaches or combine some intuition with data with understanding what works in other places," Ms. Gjerdrum said. "It's just a really creative process, managing risk."

Diversity programs bring in skills, profits

By JOANNE WOJCIK

Diversity programs not only can help brokers and insurers attract talented employees who seek a more inclusive workplace, they also can enhance organizations' ability to meet client needs, thereby improving both organizations' bottom lines, diversity experts say.

Today, the buyer side of the insurance business is more diverse than the seller side, diversity experts point out.

"We need more diverse talent to reflect our client population and to be more successful as an organization," said Celia Brown, New York-based group human resources director for Willis Group Holdings P.L.C. "How can we make a more diverse workforce and senior leadership pipeline be part of our business strategy?"

"Whether it's the buyers of insurance, the treasurers or people on the employee benefits acquisition side is definitely more diverse than the insurance brokerage and carrier side of the business. If you don't reflect all of your clients' views and perspectives and approaches to things, you're going

DIVERSE WORKPLACE

Keys to implementing diversity programs at your organization

- Include management
- Create a diverse decision-making group and implement diversity in talent development programs
- Record progress toward achieving greater workforce diversity



to have a very narrow outcome," Ms. Brown said.

"The HR role is probably one of the most diverse C-suite roles on the buyer side. More of those people are women, people of color.

See **DIVERSITY** page 22

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Gallagher gives interns real-world view

By **BILL KENEALY**

One need not look much further than the executive suite at Arthur J. Gallagher & Co. to view the results of the insurance brokerage's longstanding summer internship program.

Notable alumni of the program include James S. Gault, president of the Itasca, Ill.-based company's retail property/casualty and international brokerage division as well as Gallagher Chairman, President and CEO J. Patrick Gallagher Jr.

But the impact of the program on the broker is much broader, said Susan E. McGrath, the firm's chief human resources officer. Ms. McGrath said that since the internship program's inception in 1965, it has emerged as a major conduit of talent into the organization.

"The program for us is one of the critical foundations for our organic growth strategy," she said. "We average 150 interns annually and hire roughly 40% of our interns every year."

Moreover, the program has grown in popularity in recent years, Ms. McGrath said, drawing

internship program.

Mr. Bates added that in addition to providing interns with a variety of computer and online learning tools, the program lets interns shadow producers in the field. "The program also gives us experience outside the office to directly interact with clients and prospects," he said.

"Learning by doing is what sets us apart," Ms. McGrath said. "It's not an easy thing to do, because we need to pair these interns with account managers or producers that are willing to devote the time

to groom this individual."

Nonetheless, Ms. McGrath stresses the program's positive implications for the existing Gallagher employees that choose to participate in the program. "We want our account managers to view this as an opportunity to groom a talent pool," she said.

Accordingly, Ms. McGrath, who joined Gallagher in 2007, labors to ensure the participants have the wherewithal to be effective in their roles as teachers and mentors by looking for ways to take pressure

off the mentor's weekly schedule and furnishing intern coaching and mentoring guides.

The company further looks to improve the program through the use of data derived from weekly surveys and a more formal evaluation process. This helps identify strengths and weaknesses of interns and mentors, Ms. McGrath said. "Getting a weekly performance feedback cycle that was two-way was really important."

Ms. McGrath said the company employs other measures to foster an open dialogue between all participants in the program. The com-

pany encourages interns to leverage Salesforce's enterprise social collaboration function, Chatter, to form networking groups.

The company also sponsors regional intern events so the interns can foster a community among themselves, she said.

In 2012, the company inaugurated "Inside the Broker's Studio," which features a panel discussion among the company's senior leaders, and a Q&A session where interns can ask the leaders about their careers and experience.

The decision to afford the interns access to the company's senior leadership is no coincidence, Ms. McGrath said. "This is successful because our senior leaders are committed to the program."

CASE STUDY

PROGRAM HIGHLIGHTS

What Arthur J. Gallagher & Co's summer interns can expect

- Open to college juniors and seniors
- Runs nine weeks each summer
- Three-day orientation in Itasca, Ill.
- Placement in one of 300 U.S. offices
- Hands-on, real-time learning
- 40-hour work weeks

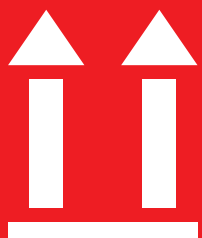
nearly 900 applicants this year for 150 internship slots.

"We have seen a huge increase in our applicant base," she said, noting that the company relies on employee recommendations and college recruiting to find suitable applicants. "We use a variety of colleges but do target schools with strong sales and marketing programs," she said.

The two-year paid internship is open to college juniors and seniors and runs over the course of nine weeks each summer. After a three-day orientation in Itasca, the interns are then dispatched to work in one of Gallagher's more than 300 offices across the country.

Once in a regional office, the focus shifts to hands-on, real-time learning, Ms. McGrath said. To afford the interns a true sense of what they can expect as full-time employees at an insurance brokerage, they work 40-hour weeks under the guidance of Gallagher's account managers and producers.

"Essentially, the program pairs you up everyday to be alongside someone who is accountable to others and generating revenue for the company," said Topher Bates, an incoming senior at Purdue University in West Lafayette, Ind., who has spent two summers in the



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Opinions

EDITORIAL

Industry's future needs support

The future of risk management and insurance is already with us, often in colleges and universities that offer majors in risk management and insurance.

Encouraging students to consider courses in risk management and insurance is a must if the industry will be able to tap the best and the brightest to fill its ranks. Unfortunately, careers in insurance are too often an afterthought for college students.

That's understandable. As we report throughout this issue, selling students on careers in insurance isn't the easiest task. Even the most devoted advocate of insurance education will admit that students' general perception of the field isn't the most positive. Put bluntly, insurance is seen as boring compared with some other financial services fields.

But careers in insurance and risk management can be challenging and rewarding, which is no small consideration in a time of economic uncertainty. Every economic endeavor presents risks, and insurance and risk management exist to mitigate those risks. Without insurance and risk management, the economy simply couldn't function in an efficient manner, and in some cases couldn't function at all.

Before students can be expected to consider risk management and insurance as career opportunities, they have to know such opportunities exist. Risk managers — individually and through the Risk & Insurance Management Society Inc. — have a long and proud commitment to promoting risk management as a profession. That includes direct outreach to students through competitions and shadowing programs and, of course, promoting risk management and insurance education at the collegiate level. The efforts of the Spencer Educational Foundation Inc. — which enjoys widespread support across the property/casualty insurance industry as well as from the risk management profession — stand as testimony to risk management's commitment.

Continued support is critical. Risk management departments, insurers and brokers all compete with other endeavors and industries to attract young talent. By supporting risk management and insurance education at the college level, risk managers, brokers and insurers will be helping shape the future of their professions and that of the economy as a whole.

LETTERS

Business Insurance welcomes letters to the editor.

The section is intended to be a forum for readers' opinions and comments. We reserve the right to edit letters for clarity or space. We will not publish unsigned letters.

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150 N. Michigan Ave., Chicago, Ill. 60601-7524

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SCHILLERSTROM



COMMENTARY

No. 1 career choice: Insurance?

How many people do you know who set out to pursue a career in insurance?

I know a grand total of two for sure, and in both cases family members worked in the business. An underwriter's son ultimately became an agent; an agent's son became a risk manager. Both have flourished.

No doubt I've run into some others for whom insurance was a No. 1 career choice during nearly three decades writing about this industry, but I can't recall who or even whether we had a conversation about how they came to choose some aspect of insurance as a career. Many people just kind of fell into it, and discovered they liked what the industry offered.

Throughout this theme issue on developing and attracting talent, it's more than evident that the insurance sector of the economy — whether it's risk management, brokerage or insurance company operations — offers countless opportunities for young people to flourish.

They just have to know that such opportunities exist.

A very big part of the problem is one of perception. Say "insurance," and that bright-eyed college student is going to think about his burdensome car insurance bill or some caricature of a life insurance agent trying to sell her some coverage she neither understands nor really needs.

Let's face it: Insurance isn't sexy. Even given the Great Recession's impact on other parts of the financial services industry, Wall Street still has a certain allure that even the biggest and best of the interna-

tional insurers or brokers lacks. Popular culture abounds in movies like "Wall Street" or novels set in the world of high finance. It doesn't matter that the main characters in such fictional portrayals often drip with greed or evil; good or bad, they and the world they navigate are interesting.

And that's a word that college students don't usually associate with insurance: "interesting." But as the stories in this special issue of *Business Insurance* amply underscore, insurance and risk management present interesting and challenging career opportunities. This is particularly as the global economy begins to emerge from the crises of the past five or so years for several reasons.

First, despite the high-profile woes of American International Group Inc. — which had nothing to do with traditional insurance — the property/casualty insurance industry performed well throughout the crisis. No insurer went under. Second, new financial regulations have placed an enhanced emphasis on risk management, particularly enterprise risk management. And third, as economies improve, there will be increasing demand for insurance.

Insurance touches every economic activity, yet as an industry, insurance's career potential for the best and brightest has remained a secret. It's past time to share that secret, so that insurance and risk management are No. 1 choices, not fallbacks or accidental discoveries.

Contact: mhofmann@businessinsurance.com



MARK A. HOFMANN
SENIOR EDITOR

Perspectives

The insurance industry is in constant need of fresh faces as it continues to expand. James R. Jones, director of the Katie School of Insurance at Illinois State University in Bloomington-Normal, discusses how the school is helping develop its students for careers in risk management and insurance.

University program strives to equip students for work

By James R. Jones



Mr. Jones

The Katie School's greatest source of pride is in how it develops students for careers in the industry.

The Katie School of Insurance at Illinois State University in Normal is known for being one of the largest risk management and insurance programs, but its greatest source of pride is in how it develops students for careers in the industry — the Katie School received the Illinois State “Educating Illinois in Action” award for student development in 2009.

The school assesses development in the following five ways:

1. Complementing faculty instruction
2. Providing “real-world” experiences and an understanding of current industry issues.
3. Developing “soft skills”
4. Developing a global perspective
5. Facilitating public outreach, social responsibility and ethics

Complementing instruction

The risk management and insurance world changes rapidly. The Katie School complements faculty instruction in the following ways:

- Providing financial support to faculty to attend industry conferences,
- Providing faculty development grants to explore emerging issues such as how climate change affects the industry and how enterprise risk management is performed by practitioners.
- Leverages its network of industry contacts to bring industry experts to campus to meet with faculty and to teach particular sections of a course.
- Purchasing industry databases and trade journals for faculty use.
- Working with the industry to develop case studies for faculty to use in class.
- Developing support via supplemental online course work that students can use to enhance their skills such as the risk management uses of Excel.
- Convening an advisory board of industry practitioners who review the curriculum and provide suggestions on ideas for updating course material.

Another role that the school plays is in preparing students for professional certifications such as Chartered Property Casualty Underwriter and Associate in Risk Management. These are helpful in providing students with well-recognized professional credentials and preparing them for continuing their professional development once they leave the school. By paying for exams and offering

review sessions and materials for students to take industry exams, and by establishing an on-site campus testing center, the Katie School supported 58 exams taken by 35 students in 2011.

Real-world experience

The school provides “real world” experience for students by facilitating internships, company visits, job shadowing, company research projects and industry conferences, and connecting them to industry mentors. Here are some examples from 2011, which was a typical year:

- 51 student internships;
- 14 mentorships; and
- 76 students networking with industry practitioners at companies, conferences, research projects.

Each year, the school hosts a symposium inviting faculty and industry to give presentations on timely “big picture” topics such as enterprise risk management, the use of social media, sustainability and managing catastrophes.

The Katie School Executive Forum invites C-Suite panelists to speak on key issues facing the industry. The students attend these events along with industry practitioners. Numerous alumni also attend, as this is encouraged as part of Katie School’s ongoing commitment to help students be lifelong learners.

Student research is another priority of the school. The Katie School works with industry in obtaining data to analyze, then facilitates having students present their findings from their analyses to a group of industry practitioners.

In 2012, students involved in a Katie School research project were recognized by the CPCU Society for their research analysis and paper, and a representative from that team was flown to Washington to accept the team’s award.

Soft skill development

Based on industry feedback regarding the need for “soft skills” such as communication, negotiation, leadership and teamwork, the school started the first student Toastmasters Club in 2007. The school sponsors students’ dues, and requires students in the Katie School leadership program to take a leadership role in the club.

The Katie School also facilitates and provides technical support for RMI students to make presentations to local high schools and junior highs about careers in insurance.

The school’s 100-hour student leadership program includes workshops on project management, negotiation, collaborative team building, persuasive communication, business writing and risk consulting. The school also partners with the ISU professional sales institute to provide sales majors with insurance experiences and RMI students with support in obtaining sales certification. Students who take these tracks often end up as insurance brokers.

The school pays for personality and communication assessments for its top students and assigns them certified leadership coaches from the College of Business’s executive coaching program.

The school facilitates and funds eight international internships in London, Zurich, Bermuda and South Africa. In 2009, the school was awarded a grant from the International Labour Organization in Zurich to study microinsurance for farmers in Ghana. A multidisciplinary team of faculty in actuarial science, insurance and finance, and marketing graduate students are involved in conducting this research. The Katie School funds and facilitates an exchange program with two students from the University of Johannesburg in South Africa. Katie School students participate with them on field trips to insurance companies and risk management departments and work on projects with them such as risk management for agricultural risks in Africa.

Facilitating public outreach

The school’s civic engagement includes training students to do risk consulting for local nonprofits and establishing community service projects as part of the Katie School scholarship award criteria.

The school also developed a training program on business ethics through its Institute for Insurance Ethics. Current Katie School workshops on ethics have been presented to more than 700 people in the past five years. The Katie School student version of the program is now used by faculty and is part of every FIL 250 (Introduction to Risk Management and Insurance) class.

For the past two years, the school sponsored a contest for honors students to study and report on how insurance companies can become more “green” and sustainable. In 2012, the school developed an online course titled Risk Management, Sustainability, and Insurance.

The Katie School continues to monitor the environment by conducting research on what industry employers need and listening to its board of executives on the changing environment and skills that will be needed in the future.

James R. Jones is the director of the Katie School of Insurance at Illinois State University in Normal. He can be reached at james.jones@ilstu.edu.

Liberty Mutual's intern program jump-starts careers

Insurer ups intake in effort to recruit talented employees

By MARK A. HOFMANN

The numbers tell a good deal of the story.

During recent years, Liberty Mutual Holding Co. has doubled the number of interns it hires during the summer to more than 600, said Maura Quinn, manager of corporate university relations.

About 90% of those interns receive full-time job offers, and about 80% of those who receive offers accept them, she said.

"The number continues to increase," she said. "Our goal is to identify talent as rising seniors, bring them in as interns and convert that into full-time opportunities."

In 2011, that meant extending employment offers to 91% of the seniors; 83% of those who received offers accepted full-time employment with the Boston-

based mutual insurer.

Ms. Quinn explained that Liberty Mutual has 28 partnership colleges and universities from which it pulls its interns.

The schools that participate in the program — which has been going on for more than a decade — are based on historical hiring, majors offered, locations and diversity of the student body, she said.

Liberty Mutual draws interns from various majors, including insurance and risk management

programs and liberal arts.

A student accepted into the internship program would have a strong grade point average, have held leadership positions within extracurricular activities, and typically would be a member of student organizations that align with Liberty Mutual's goals, she said.

Once chosen as interns, students are placed in Liberty Mutual offices across the country, said Ms. Quinn.

The students work in nine functional areas across the business:

actuarial, claims, finance and accounting, human resources, information technology, loss control, product management, sales, and underwriting, she said. The paid internships typically last 10 to 12 weeks, she said. In addition, students who work in the company's Boston headquarters are eligible for housing stipends, said Ms. Quinn.

"It's been a huge success," she said. "We really started scaling this to the national level in 2008. We have a dedicated internship manager, to make sure there's uniformity for all students involved across the country."

Carolina Baca, a rising senior at the University of Georgia at Athens, is participating in the program this year.

"I'm currently a marketing major, and I am considering working toward a law degree," she said. She said she hadn't con-

CASE STUDY

1 My advice is, challenges will not be solved alone.



Ingo Zimmermann, Head of EADS Corporate Insurance Risk Management

ON-THE-JOB LEARNING

Interns at Liberty Mutual work in nine functional areas across the business:

- Actuarial
- Claims
- Finance and accounting
- Human resources
- Information technology
- Loss control
- Product management
- Sales
- Underwriting

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sidered insurance as a possible career path — not because of any negative feelings toward the industry but rather because she was not aware of what was out there beside sales.

"One of the things that really attracted me was the strong focus on movement in different areas within Liberty Mutual," said Ms. Baca, who is performing her internship in university relations, where she focuses on increasing marketing and media awareness for the interns and conducting efforts to attract talent for next year's internships.

"I'm interested on the focus of promotion from within," she said.

Ms. Quinn said that last year, Liberty Mutual did a study of its interns. It found that as a source of hires, interns had a greater retention rate, were a source for minority candidates, and had more competitive performance ratings when compared with non-intern college hires.

"Managers saw the numbers are there. Numbers don't lie," she said.

"I've really enjoyed my internship and I never thought I'd be working in insurance," said Ms. Baca. "Now it's one of the things I'm really interested in."

1.8 seconds from now, you'll discover a major defect in the grip adhesive.

And suddenly, the cost of goods sold jumps from \$78 to \$1,078. We are experts in risk. Arguably, the best in the business. But the world of product liability gives even us pause. *You stopped making them years ago. You just acquired the retailer. A supplier made the defective part.* It doesn't matter. No one is safe anymore. All the more reason to know exactly where you stand. Or might stand, years from now. Did we mention, it's complicated? Watch the film: Milliman.com/PL.



QUESTIONS & ANSWERS

The challenges that brokers face in attracting talented employees often depend on their size, says Julia Kramer, senior vice president of leadership and management resources at the Council of Insurance Agents & Brokers in Washington. In a recent interview with Senior Editor Mark A. Hofmann, she said smaller brokers struggle the most to attract workers and face competition not only from their larger counterparts but other areas of the insurance industry as well.

Brokers hard at work on attracting talent

Q: What are the major challenges facing brokers in recruiting new talent, particularly talent that's right out of college?

Large, national brokers don't report the same challenges as do the smaller, local brokers. Large brokers are typically active on college campuses, their internship programs are in full swing, they have well-oiled "recruitment machines," followed by robust onboarding and training programs. Smaller firms struggle with attracting young candidates in the first place — particularly those who may want to work in a large city for a big firm. If they do manage to recruit young candidates, smaller firms struggle with training them in an efficient manner and also are challenged by retention

issues once the new hires are trained and productive.

Q: What other industries are brokers competing with for new talent, and how do they compete?

Within the industry, brokerage firms compete mightily with the carrier companies — and frequently, due to many carriers' name and brand recognition in the marketplace and focus on hiring young and investing in training, brokerages find themselves fighting an uphill battle. FAME, the Council's scholarship foundation, is helping its member firms become more visible to young people through its college ambassador program that links (risk management and insurance) students and faculty with the brokerage community. Out-



side of the industry, we compete most frequently with banks and the financial services sector. This competition for young talent may force a change in compensation structure. While the long-term income potential in brokerages meets or exceeds that of other industries, the typical compensation ramp-up period of three years may be a deterrent to those starting a job fresh out of college.

Q: Are brokers looking outside the industry for new hires, not necessarily at the entry level?

Many firms focus recruitment

efforts on experienced talent and believe that successful sales professionals, regardless of their industry background, collectively create a deep, viable and skilled labor pool. In addition, many firms are repurposing retired talent to mentor and coach new hires.

Q: What points about the insurance industry in general and about the brokerage sector in particular should brokers make when attempting to persuade young people to consider the brokerage industry as a career?

We know that today's emerging workforce is focused on different rewards than today's brokerage workforce. For example, millennials seek a balance between work and home, and also blur the lines between the two, creating social and professional networks on the job. Millennials enjoy teamwork, access to decision-makers, are skilled multitaskers, and are technologically adept.

We know that giving back to the community, meaningful and varied work, and a clear, quick, upward career path are attractive. Smart firms are looking at their jobs and their cultures and making changes to wake up their organizations in order to both attract new employees and re-energize existing staff.



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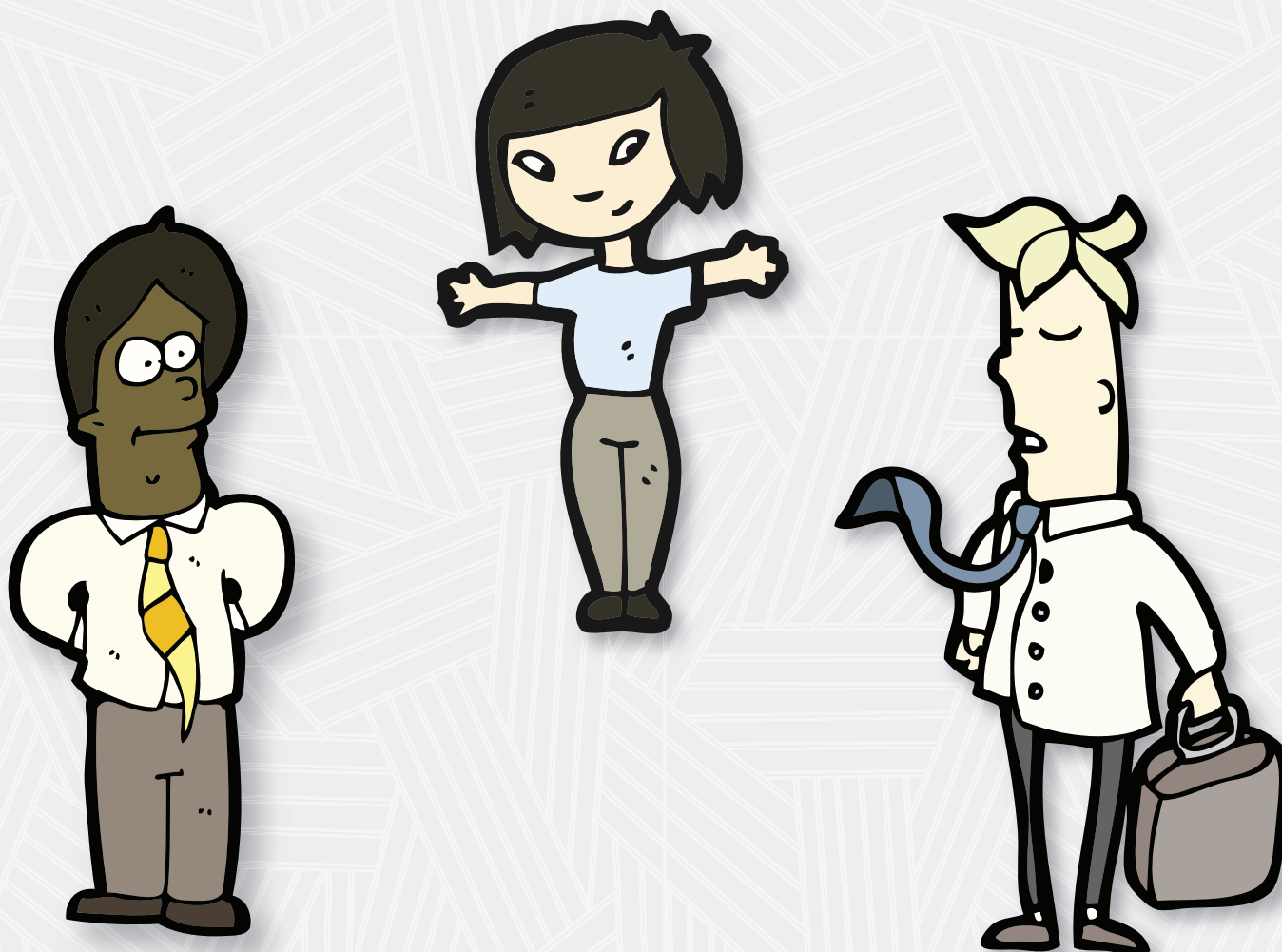
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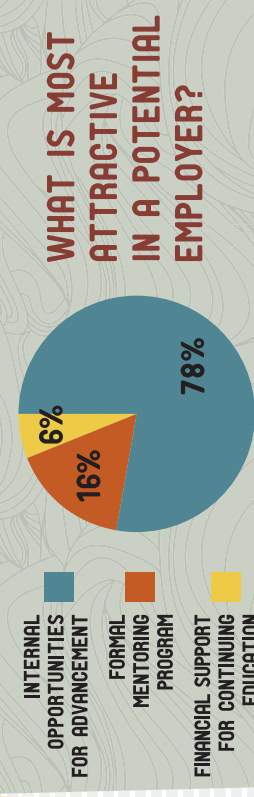
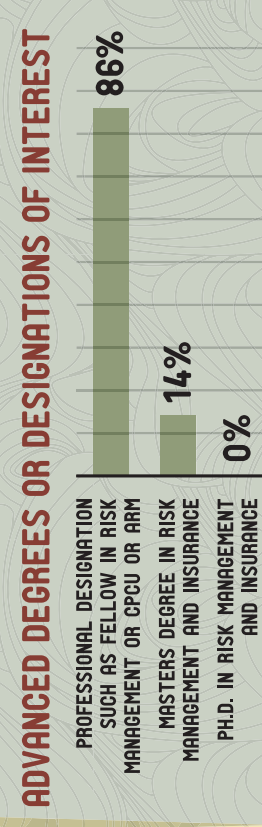
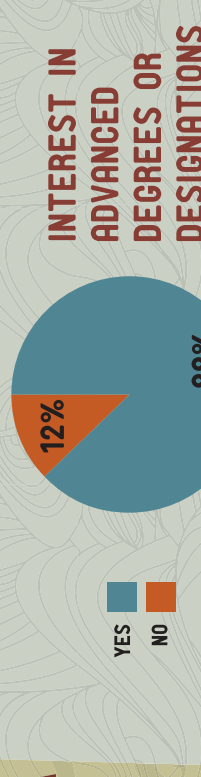
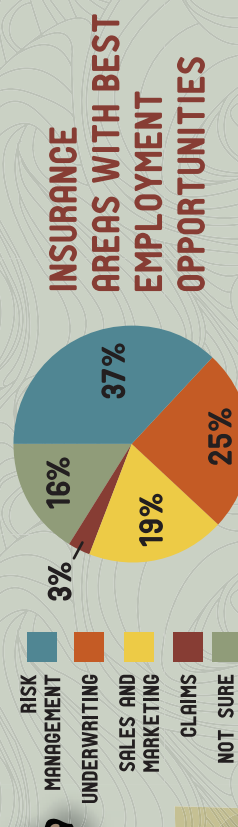
THE CHALLENGE OF ATTRACTING A NEW GENERATION

TOP SCHOOLS OFFERING RISK MANAGEMENT AND INSURANCE PROGRAMS

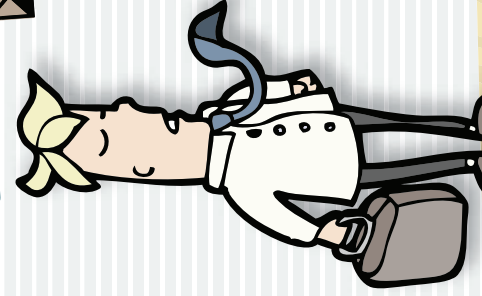
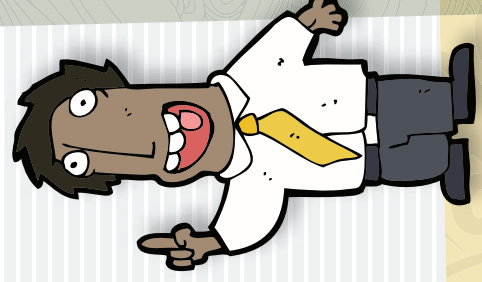
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3	UNIVERSITY OF WISCONSIN-MADISON	MADISON, WIS.	205	79
4	ILLINOIS STATE UNIVERSITY	NORMAL, ILL.	191	76
5	UNIVERSITY OF SOUTH CAROLINA	COLUMBIA, S.C.	180	30
6	GEORGIA STATE UNIVERSITY	ATLANTA	177	45
7	UNIVERSITY OF MISSISSIPPI	OXFORD, MISS.	151	44
8	APPALACHIAN STATE UNIVERSITY	BOONE, N.C.	150	69
9	FLORIDA STATE UNIVERSITY	TALLAHASSEE, FLA.	127	50
10	ST. JOHN'S UNIVERSITY	NEW YORK	108	32

Source: BI research. 2012 figures are for 2011/2012 school year.

STUDENTS' VIEWS: RMI PROGRAM ATTENDANCE AND EMPLOYER SELECTION DRIVERS



Source: 2012 survey results among Spencer Scholarship recipients 2010-2012, Spencer Educational Foundation Inc.



INSURANCE INDUSTRY EMPLOYMENT OUTLOOK: POSITIVE

INSURANCE SALES AGENTS
2010 MEDIAN PAY:
\$46,770 PER YEAR / \$22.48 PER HOUR
NUMBER OF JOBS, 2010: 411,500
JOB OUTLOOK, 2010-20:
22%* (FASTER THAN AVERAGE)
EMPLOYMENT CHANGE, 2010-20:
90,200 (NEW JOBS)
Source: <http://www.bls.gov/ooht/sales/insurance-sales-agents.htm>

ACTUARIES
2010 MEDIAN PAY:
\$87,650 PER YEAR / \$42.14 PER HOUR
NUMBER OF JOBS, 2010: 21,700
JOB OUTLOOK, 2010-20:
27%* (FASTER THAN AVERAGE)
EMPLOYMENT CHANGE, 2010-20:
5,800 (NEW JOBS)
Source: <http://www.bls.gov/ooht/math/actuaries.htm>

INSURANCE UNDERWRITERS
2010 MEDIAN PAY:
\$59,290 PER YEAR / \$28.51 PER HOUR
NUMBER OF JOBS, 2010: 101,800
JOB OUTLOOK, 2010-20:
6%* (SLOWER THAN AVERAGE)
EMPLOYMENT CHANGE, 2010-20:
6,000 (NEW JOBS)
Source: <http://www.bls.gov/ooht/business-and-financial/insurance-underwriters.htm>

* The projected rate of change in employment for the 10-year timeframe between 2010-2020. The average growth rate for all occupations is 1.4%.

NEW GENERATIONS AT WORK: UNDERSTANDING GEN Y AND GEN Z

DIFFERENT GENERATIONS HAVE DIFFERENT PRIORITIES.

(RECENT GRADUATES BELONG TO GEN Y.)

YESTERDAY'S EMPLOYEES: GENERATION Y (MILLENNIALS) AND GEN Z	TODAY'S EMPLOYEES: GENERATION Y (MILLENNIALS) AND GEN Z
WORK ETHIC	WORK/LIFE
BANK BALANCE	LIFE BALANCE
TASK FOCUS	TEAM FOCUS
COMMITMENT	ENJOYMENT
AUTHORITY	EMPOWERMENT
INDEPENDENCE	SUPPORT
STRUCTURE	FLEXIBILITY
TELL THEM	INVOLVE US
CONFORMITY	CREATIVITY
TRADITION	INNOVATION
LEARN THEN EARN	LIFE-LONG LEARNING
LOYALTY	VARIETY
LONG CAREER	MANY JOBS

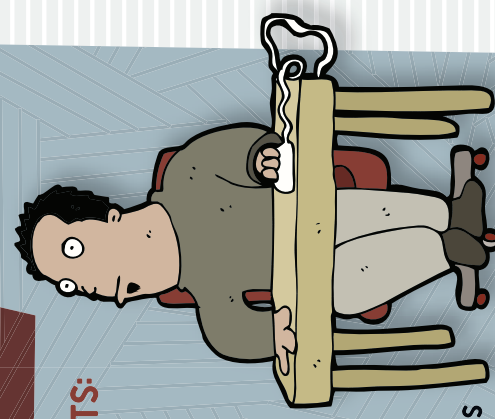
Sources: Seriously Cool: Marketing and Communicating with Diverse Generations, McCrindle Research Insights, 2011

DEFINING GEN Y (MILLENNIALS) AND GEN Z	GEN Y	GEN Z
BORN BETWEEN 1980-1995	BORN AFTER 1995	
MOST EDUCATED GENERATION IN U.S. HISTORY	COMFORTABLE WITH AND EVEN DEPENDENT ON TECHNOLOGY	
ETHNICALLY DIVERSE	CONSTANTLY MULTITASKING	
TECHNOLOGY/COMPUTER AGE	SOCIALLY RESPONSIBLE	
NOT "ENGAGED" WITH CORPORATE AMERICA, VERY INTERESTED IN DESIGNING THEIR OWN PATH	ALWAYS CONNECTED, MULTICHANNEL USERS	

Sources: A Demographic Profile of America's Gen Y, MetLife Mature Market Institute, 2010; Gen Y: Summary of Findings, Gail Research Analysis, 2011; Gita Pupedis and Chris Bellman, *Shove Over Gen Y: Gen Z Is Almost Here*, Proceedings of the Surveying & Spatial Sciences Biennial Conference, 2011

GEN Y WORKPLACE TRAITS:

- TECHNOLOGICALLY SAVVY
- LIKE INFORMALITY
- LEARN/ADAPT QUICKLY
- EMBRACE DIVERSITY
- SEEK WORK/LIFE BALANCE (WHAT IS DONE RATHER THAN AMOUNT OF TIME AT WORK)
- EXPECT MULTIPLE TRAINING AND DEVELOPMENT OPPORTUNITIES
- WANT LONG-TERM CAREER PROGRESSION
- THRIVE IF JOB OFFERS VARIETY IN DAILY WORK
- LOOK FOR ORGANIZATIONS THAT CARE ABOUT EMPLOYEES AS INDIVIDUALS

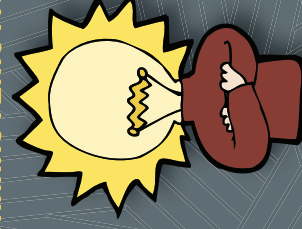


GEN Y: INCREASING THEIR JOB SATISFACTION

- OFFER CUSTOMIZATION AND SUPPORT FLEXIBILITY
- OFFER PEER-LEVEL EXAMPLES
- SPEND TIME PROVIDING INFORMATION AND GUIDANCE
- SHOW THAT YOU ARE IMPRESSED WITH THEIR DECISIONS AND ACT UPON THEM
- GIVE THEM THE POWER TO MAKE DECISIONS
- PROVIDE THEM WITH ACCESS TO THE INFORMATION SOURCES NEEDED TO EFFECTIVELY UNDERTAKE THOSE ACTIONS
- OFFER THEM OPPORTUNITIES TO UPDATE THEIR KNOWLEDGE TO SUSTAIN THEIR EFFECTIVENESS
- REWARD THEM FOR IMPROVING THE EFFECTIVENESS OF THE ORGANIZATION

Sources: Carolin Rekar Munro, "Mentoring Needs and Expectations of Generation-Y Human Resources Practitioners: Preparing the Next Wave of Strategic Business Partners," *Journal of Management Research*, 2009; J. Craig Wallace, Ph.D., and Bryan D. Edwards, Ph.D., "Insights into Attracting and Retaining Talent From Generation Y," *HR News Magazine*, 2010; Jay Gilbert, *The Millennials: A New Generation of Employees, a New Set of Engagement Policies*, The Workplace, 2011

GEN Y (MILLENNIALS) CHARACTERISTICS:



CHARACTERISTICS

- OPTIMISTIC
- CONFIDENT
- EDUCATION-MINDED
- SEPARATE WORK/LIFE
- EXTREME FUN
- SHORT ATTENTION SPAN
- MULTITASKING

VALUES

- DIVERSITY
- CONSTANT COMMUNICATION
- INSTANT INFORMATION
- QUICK DECISIONS
- RELATIONSHIPS WITH MATURE GENERATION

Note: There is limited research about Gen Z in terms of characteristics and values as they are still in their teens.

Sources: Lonn Boyer, "Generations in the Workplace" presentation at the 2011 Human Resources Conference, Madera County: Anick Tolbize, "Generational Differences in the Workplace," Research and Training Center on Community Living, University of Minnesota, 2008

RECRUITING NEW RISK MANAGEMENT

TALENT

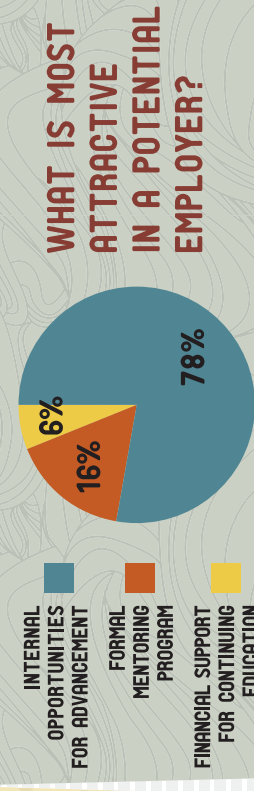
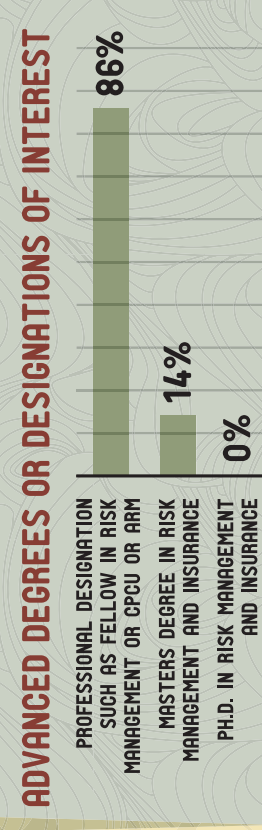
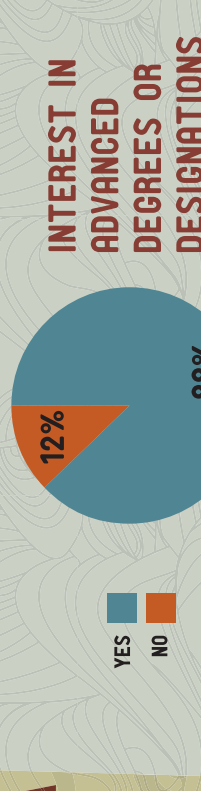
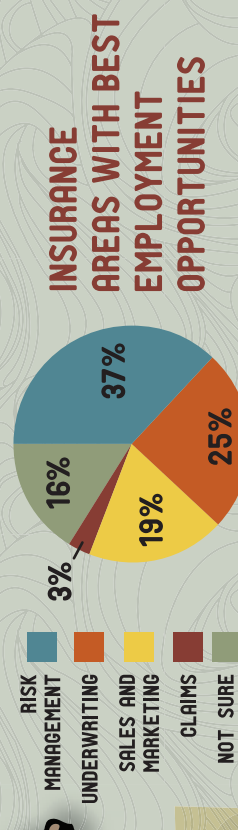
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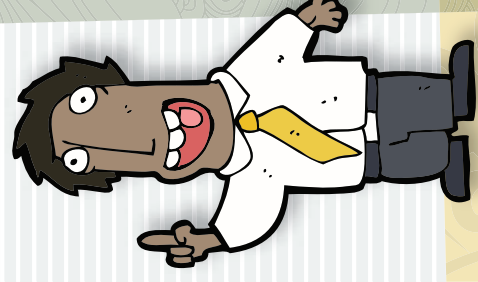
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Source: BI research. 2012 figures are for 2011/2012 school year.

STUDENTS' VIEWS: RMI PROGRAM ATTENDANCE AND EMPLOYER SELECTION DRIVERS



Source: 2012 survey results among Spencer Scholarship recipients 2010-2012, Spencer Educational Foundation Inc.



INSURANCE INDUSTRY EMPLOYMENT OUTLOOK: POSITIVE

INSURANCE SALES AGENTS
2010 MEDIAN PAY:
\$46,770 PER YEAR / \$22.48 PER HOUR
NUMBER OF JOBS, 2010: 411,500
JOB OUTLOOK, 2010-20:
22%* (FASTER THAN AVERAGE)
EMPLOYMENT CHANGE, 2010-20:
90,200 (NEW JOBS)
Source: <http://www.bls.gov/ooht/sales/insurance-sales-agents.htm>

ACTUARIES
2010 MEDIAN PAY:
\$87,650 PER YEAR / \$42.14 PER HOUR
NUMBER OF JOBS, 2010: 21,700
JOB OUTLOOK, 2010-20:
27%* (FASTER THAN AVERAGE)
EMPLOYMENT CHANGE, 2010-20:
5,800 (NEW JOBS)
Source: <http://www.bls.gov/ooht/math/actuaries.htm>

INSURANCE UNDERWRITERS
2010 MEDIAN PAY:
\$59,290 PER YEAR / \$28.51 PER HOUR
NUMBER OF JOBS, 2010: 101,800
JOB OUTLOOK, 2010-20:
6%* (SLOWER THAN AVERAGE)
EMPLOYMENT CHANGE, 2010-20:
6,000 (NEW JOBS)
Source: <http://www.bls.gov/ooht/business-and-financial/insurance-underwriters.htm>
* The projected rate of change in employment for the 10-year timeframe between 2010-2020. The average growth rate for all occupations is 1.4%.

NEW GENERATIONS AT WORK: UNDERSTANDING GEN Y AND GEN Z

DIFFERENT GENERATIONS HAVE DIFFERENT PRIORITIES. (RECENT GRADUATES BELONG TO GEN Y.)

YESTERDAY'S EMPLOYEES: GENERATION Y (MILLENNIALS) AND GEN Z	TODAY'S EMPLOYEES: GENERATION Y (MILLENNIALS) AND GEN Z
WORK ETHIC	WORK/LIFE
BANK BALANCE	LIFE BALANCE
TASK FOCUS	TEAM FOCUS
COMMITMENT	ENJOYMENT
AUTHORITY	EMPOWERMENT
INDEPENDENCE	SUPPORT
STRUCTURE	FLEXIBILITY
TELL THEM	INVOLVE US
CONFORMITY	CREATIVITY
TRADITION	INNOVATION
LEARN THEN EARN	LIFE-LONG LEARNING
LOYALTY	VARIETY
LONG CAREER	MANY JOBS

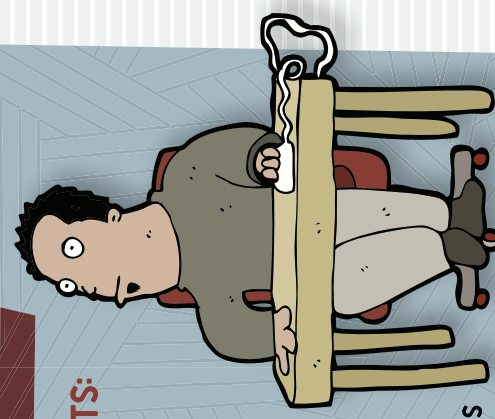
Sources: Seriously Cool: Marketing and Communicating with Diverse Generations, McCrindle Research Insights, 2011

DEFINING GEN Y (MILLENNIALS) AND GEN Z	GEN Y	GEN Z
BORN BETWEEN 1980-1995	BORN AFTER 1995	
MOST EDUCATED GENERATION IN U.S. HISTORY	COMFORTABLE WITH AND EVEN DEPENDENT ON TECHNOLOGY	
ETHNICALLY DIVERSE	CONSTANTLY MULTITASKING	
TECHNOLOGY/COMPUTER AGE	SOCIALLY RESPONSIBLE	
NOT "ENGAGED" WITH CORPORATE AMERICA, VERY INTERESTED IN DESIGNING THEIR OWN PATH	ALWAYS CONNECTED, MULTICHANNEL USERS	

Sources: A Demographic Profile of America's Gen Y, MetLife Mature Market Institute, 2010; Gen Y: Summary of Findings, Gail Research Analysis, 2011; Gita Pupedis and Chris Bellman, *Shove Over Gen Y: Gen Z Is Almost Here*, Proceedings of the Surveying & Spatial Sciences Biennial Conference, 2011

GEN Y WORKPLACE TRAITS:

- TECHNOLOGICALLY SAVVY
- LIKE INFORMALITY
- LEARN/ADAPT QUICKLY
- EMBRACE DIVERSITY
- SEEK WORK/LIFE BALANCE (WHAT IS DONE RATHER THAN AMOUNT OF TIME AT WORK)
- EXPECT MULTIPLE TRAINING AND DEVELOPMENT OPPORTUNITIES
- WANT LONG-TERM CAREER PROGRESSION
- THRIVE IF JOB OFFERS VARIETY IN DAILY WORK
- LOOK FOR ORGANIZATIONS THAT CARE ABOUT EMPLOYEES AS INDIVIDUALS

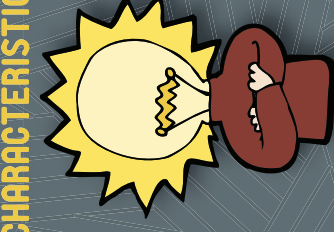


GEN Y: INCREASING THEIR JOB SATISFACTION

- OFFER CUSTOMIZATION AND SUPPORT FLEXIBILITY
- OFFER PEER-LEVEL EXAMPLES
- SPEND TIME PROVIDING INFORMATION AND GUIDANCE
- SHOW THAT YOU ARE IMPRESSED WITH THEIR DECISIONS AND ACT UPON THEM
- GIVE THEM THE POWER TO MAKE DECISIONS
- PROVIDE THEM WITH ACCESS TO THE INFORMATION SOURCES NEEDED TO EFFECTIVELY UNDERTAKE THOSE ACTIONS
- OFFER THEM OPPORTUNITIES TO UPDATE THEIR KNOWLEDGE TO SUSTAIN THEIR EFFECTIVENESS
- REWARD THEM FOR IMPROVING THE EFFECTIVENESS OF THE ORGANIZATION

Sources: Carolin Rekar Munro, "Mentoring Needs and Expectations of Generation-Y Human Resources Practitioners: Preparing the Next Wave of Strategic Business Partners," *Journal of Management Research*, 2009; J. Craig Wallace, Ph.D., and Bryan D. Edwards, Ph.D., "Insights into Attracting and Retaining Talent From Generation Y," *HR News Magazine*, 2010; Jay Gilbert, *The Millennials: A New Generation of Employees, a New Set of Engagement Policies*, The Workplace, 2011

GEN Y (MILLENNIALS) CHARACTERISTICS:



- CHARACTERISTICS**
- OPTIMISTIC
 - CONFIDENT
 - EDUCATION-MINDED
 - SEPARATE WORK/LIFE
 - EXTREME FUN
 - SHORT ATTENTION SPAN
 - MULTITASKING

- VALUES**
- DIVERSITY
 - CONSTANT COMMUNICATION
 - INSTANT INFORMATION
 - QUICK DECISIONS
 - RELATIONSHIPS WITH MATURE GENERATION

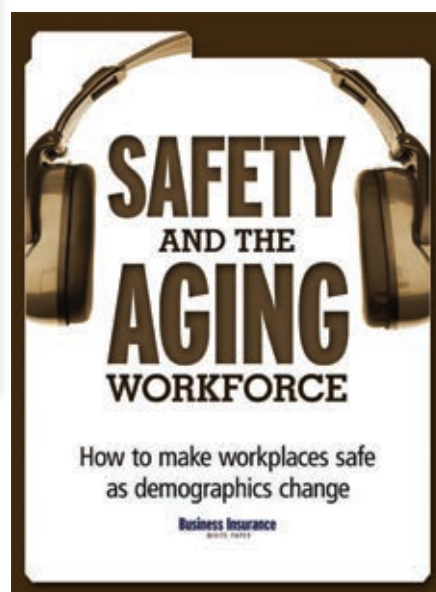
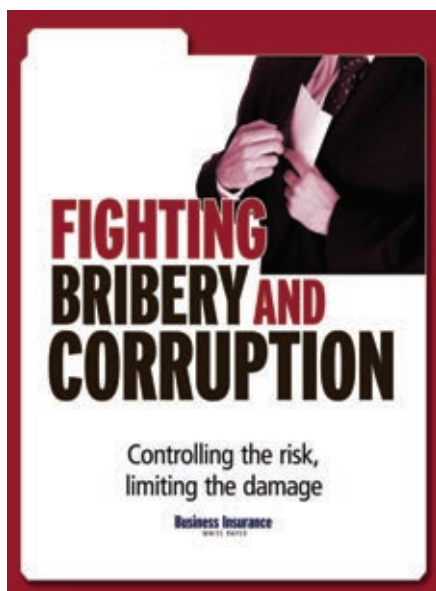
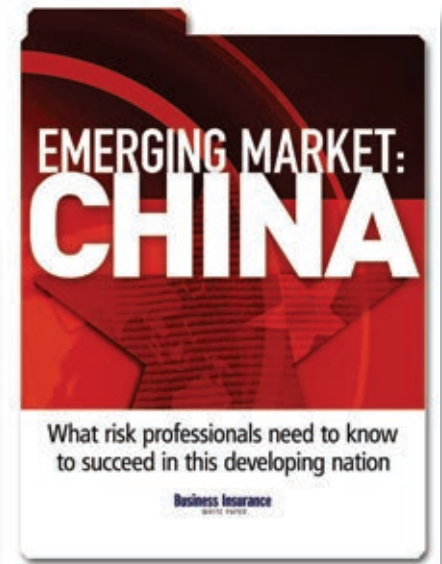
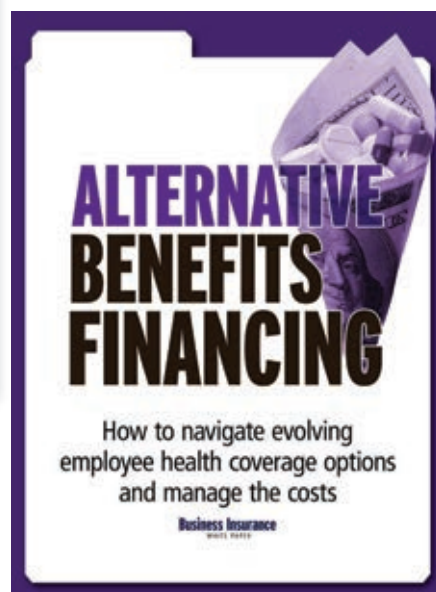
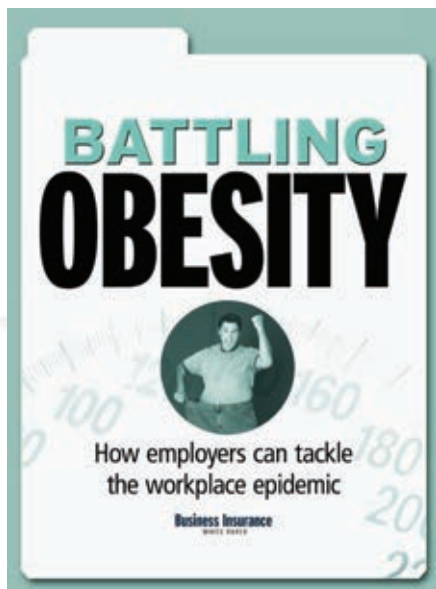
Note: There is limited research about Gen Z in terms of characteristics and values as they are still in their teens.

Sources: Lonn Boyer, "Generations in the Workplace" presentation at the 2011 Human Resources Conference, Madera County: Anick Tolbize, "Generational Differences in the Workplace," *Research and Training Center on Community Living*, University of Minnesota, 2008

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Technology upgrades can help attract younger workers

Legacy systems, outdated devices deter tech-savvy

By **BILL KENEALY**

The insurance industry may need to invest in and trumpet its use of technology to attract the next generation of workers.

Matthew Josefowicz, managing director and partner at New York-based insurance advisory firm Novarica, said that far from enticing young people to join the industry, the outmoded technology backbone present at many insurance companies may well be inhibiting technology-savvy people from considering a career in insurance.

"One of the challenges of recruiting of young talent into the insurance industry is that the electronic working environment is so different from what they have come to expect in their personal lives," Mr. Josefowicz said. "The idea that it takes months of training in order to learn how to use something on a screen is an anathema to anyone under 30."

Karen Furtado, partner at Boston-based insurance advisory firm Strategy Meets Action, said the insurance industry is in some ways a victim of the massive investments made in computer systems decades ago. These legacy systems remain functional but are expensive to maintain, Ms. Furtado said. Additionally, the pressure to replace these systems is becoming more acute as many of the employees most experienced with them approach retirement age and skills in legacy programming languages such as COBOL become rarer.

"Insurers are starting to really understand the impact of a retiring generation," she said. "Modern technology can provide a pathway for young people to come into the industry."

In addition to replacing legacy core processing systems with modern systems and architectures, insurers can attract a new, technology-proficient workforce by embracing trends such as mobile devices, social media and cloud computing.

"Social media doesn't deal with the underlying legacy issues, but it at least gives an insurance company the appearance of being forward-thinking," she said. "These are not expensive investments, but they engage a youthful population."

The shift toward the cloud may have further implications by shifting the nature of information technology work toward the strategic management of business capabilities from the more prosaic work of managing applications and servers.

"The adoption rate of cloud in insurance is amazing," she said. "The change in just the last two years has been remarkable."

Jeff Yates, Arlington, Va.-based executive director of the Agents Council for Technology for the Independent Insurance Agents & Brokers of America agreed that the technologies the insurance industry needs to attract younger workers are the same technologies they will need to run their businesses effectively.

"A good example of the industry using technology effectively is agents using tablets out in the field," Mr. Yates said.

While the industry may embrace new technology faster

today than in years past, the industry's widely held reputation as a technology laggard persists, Ms. Furtado said, adding that much of that bad reputation is self-inflicted.

"We have to stop being disparaging about the industry," she said. "There are a lot of innovative and interesting things going on. As an industry, we need to trumpet these things."

Jason Terrell, director of programs for the Worthington, Ohio-based Griffith Insurance Education Foundation, which promotes

the study and teaching of risk management and insurance, said the industry is making strides in raising its profile among younger people.

In May 2012, the foundation signed a formal affiliation with the American Institute for Chartered Property Casualty Underwriters that is intended to help the industry attract and retain the talent needed to be successful.

Mr. Terrell said technology will be front and center in the campaign.

"Social media has to be a huge

part of any effort to reach out to Generation Y," he said. "Email is dead to them."

Moreover, he noted that the image of the insurance industry as a technology backwater may itself be dated.

"We all assume that the image of the insurance industry is really bad," he said. "What our research has shown is that millennials really don't have any impression of the industry. So we have a real opportunity to craft that message of what they think of the industry."



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Perspectives

Many working in the risk management and insurance industry today find themselves there by chance. But it doesn't have to be that way anymore, says Peggy Accordino, chairwoman of the Spencer Educational Foundation and vice president, director of risk management at National Financial Partners Corp.

Set path for risk management's future

By **Peggy Accordino**

For the past several years, I have been part of a panel at St. John's University that provides high school teachers with an overview of the insurance industry with the hope they will bring this information back to their students.

What I tell them is, "When I was in high school, to me insurance was something I had to have to drive my father's car." Education and experience have greatly changed that perspective. Now, I speak to them about how I fell into insurance and risk management, and how every company today needs it to operate its business.

The knowledge I have gained came in handy when I attended another nonprofit meeting and the organization wanted to do something that was out of their operational scope. On being told that insurance does not cover that activity, they paused and reconsidered the approach. Risk averted, but it demonstrated a lack of awareness of the risk management process — especially because the program in question was entrepreneurial in nature.

Getting the word out

"I had no idea a major existed that led to a career in risk management and insurance," wrote a recent Spencer Educational Foundation Scholar on a survey asking how the industry could attract new students.

Another student wrote, "I think that universities need to begin talking about risk management and insurance to underclassmen. I feel that many students would enjoy risk management and insurance as a career, but they are not exposed to it early enough. By the time they are exposed to it, they usually have already chosen a major."

In a May 2012 *Forbes* article listing the most valuable college majors, finance was listed as No. 13. Risk management and insurance was not listed. The article also cited research from Millennial Branding L.L.C. regarding what managers look for from new graduates/potential employees. In terms of how students can stand out in the job selection process, 69% of managers rated relevant coursework important or very important, followed by 65% for recommendations by a professor or former employer. Only 29% of

managers said entrepreneurial experience was important.

In my various roles at Spencer and in working with the Risk & Insurance Management Society Inc.'s Student Advisory Council and Anita Benedetti Student Involvement Program, I have had the opportunity to speak with many students. A number of them have told me that they started out as finance majors, then had to take a risk management and insurance class as an elective, and they loved it.

At the recent Spencer Educational Foundation Gala Dinner, Seraina Maag, chief executive-North America property and casualty for XL Insurance, surmised that nearly two-thirds of the 500 attendees got into the industry by chance. She said that, given the unprecedented challenges the industry faces today, people should not be getting into this business by accident. We need to be very deliberate about our talent strategy.

The Spencer Educational Foundation is doing its part to help educate students about the opportunities available in the industry by providing universities with the opportunity to bring risk managers to campus as part of its Risk Manager in Residence program. Now in its 15th year, the program has been praised by risk managers and universities as a rewarding educational experience and a chance to give back to the profession. This year, approximately 14 risk managers will travel to universities around the country and share their industry experiences with current and potential majors.

The foundation also is looking for ways to introduce risk management to universities with business programs where there is little or no industry-related course experience so as to give students and professors a taste of what risk management is about and its critical role in today's business environment.

Through internship grants, the foundation helps risk managers' companies defray the cost of hiring a summer intern and in turn helps make sure that the next generation of industry leaders obtains valuable insights from current practitioners.

Passion, but little job availability

Once these students have had a taste of what risk management and insurance is

about, they want more and they want to build a career on it. I found this out firsthand when interviewing candidates for a junior-level position in my company, National Financial Partners Corp. Many of the candidates were coming from insurers and brokers and were longing to get into risk management, but there were few, if any, risk management jobs out of college.

I do not believe there will be a shortage of insurance industry jobs. Rather, the issue is making sure that we have qualified individuals to replace the current population of risk managers as they begin to retire. This is the focus of the Student Advisory Council at RIMS and Spencer, and was echoed by several Spencer Scholars responding to the survey.

Moving forward

With the support of many industry partners, the Spencer Educational Foundation will continue to fund the education of tomorrow's industry leaders and promote the industry through its existing scholarships, programs and grants. However, it is incumbent on all of us to promote the vast array of opportunities available to current students and share with them the rich opportunities that they can enjoy.

Wrote one Spencer Scholar, "I believe the insurance industry is an amazing industry for young people coming out of college. It must do a better job in showcasing the opportunities for employment."

Another student said, "In order to attract new students I think (the industry) need(s) to think of new and exciting ways to describe the industry to high school students thinking about college. I believe we lose many good candidates to the sciences because our industry seems 'boring,' when in reality I believe it is much more engaging and exciting than the hard or soft sciences."

Preserving an art

We cannot afford to continue leaving to chance that students will enter this dynamic and rewarding profession.

I believe risk management is an art, one that needs to be preserved and passed on. The future of risk management and insurance is in our hands, and it is our responsibility to replace ourselves with qualified, well-educated individuals who understand the industry and can learn its nuances from all of us.

Peggy Accordino has spent more than 34 years in the risk management profession. She is the chairwoman of the Spencer Educational Foundation and serves as vice president, director of risk management at National Financial Partners Corp. She can be reached at maccordino@nfp.com.



Ms. Accordino

We cannot afford to continue leaving to chance that students will enter this dynamic and rewarding profession.

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Universities: Insurance courses recruit

CONTINUED FROM PAGE 4

will need two or three years from now.

"At Temple, and we're very fortunate, in the business school core curriculum introduction to risk management is a required course," said Rob Drennan, chairman of the risk, insurance and health care management department at Temple University, which has the largest risk management program in the country. The university has about 5,000 undergraduates in the business school, so every semester the course is taught to 800 students, with an additional 400 in the summer, Mr. Drennan said.

"We have strategically leveraged that course for years," he said. "We're very careful about who teaches that class. We put our best faculty in front of them. We aggressively recruit students out of that program to join that major."

"Our introductory course is very challenging and we try to make it very robust," said Mr. Drennan. "All you have to do is open your eyes and you can see risk management issues every day."

One of the challenges facing collegiate risk management and insurance programs is staying current, say observers.

"There is a struggle to understand what exactly a 21st-century risk management and insurance program should contain," said Robert P. Hartwig, president of the New York-based Insurance Information Institute Inc. and an ARIA board member, in an email interview.

"What sorts of things do students interested in the RMI field need to be taught to satisfy the needs of employers who would hire them?" he said, adding, "I believe maximizing the employability of students is mission No. 1."

"An education that is strictly insurance-focused is insufficient," he said. "Employers are looking to populate their ranks with young, college-educated people who understand RMI but would be capable of quickly moving into management positions where RMI experience and education will no doubt be valuable, but perhaps secondary at some point, to skills related to financial accounting, marketing, IT, engineering, government affairs or some other discipline. Basically, my view is the RMI programs should be designed to penetrate and to be integrated into as many university majors/programs as possible."

"I think where the discipline is moving slowly is toward a broader definition of what risk management is and the broader set of skills both academics and practitioners will need to have," said Jeff Brown, professor of finance at the University of Illinois in Urbana-Champaign, Ill. "Students must have a broader knowledge, but therein lies the opportunity: Corporate America has learned to recognize the role of risk management as part of their organization. There's a lot of discussion of risk

management at every company."

"It's not enough to train students to be narrowly focused on any particular industry," he said.

"We have to work hard to keep students interested," said Georgia State's Mr. Grace. "We have to change our courses to keep up — we've been doing that for the last 20 years."

He said keeping the curriculum up to date includes enterprise risk management. "Our courses are a lot more analytical than they were 20 years ago," he said, noting that the curriculum is starting a new program in risk analytics.

"More programs are injecting

more enterprise risk management — it's getting away from just reading insurance contracts," said Temple's Mr. Drennan. "Our curriculum changes every semester," although part of it stays the same because we're training students for entry-level positions," he said.

"We don't outsource our placement of our students in full-time jobs, we do it all ourselves," he said. "In the summer of 2012, we had about 150 students doing internships all over the United States."

Georgia State has relationships that can help place students in internships and jobs, said Mr.

'We have to work hard to keep students interested.'

Martin Grace,
Georgia State University



Grace. He said that the Georgia State program has about 400 students in total at the undergradu-

ate level, "but we can learn their names — we have the ability to know them."

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Diversity: Programs add skills

CONTINUED FROM PAGE 6

They're going to have a point of view they want to be reflected on the other side. How do we achieve representation in the workforce reflective of the clients we serve? That's really where a lot of diversity discussions are focused right now," said Orlando Ashford, managing partner at Mercer L.L.C. in New York.

Mercer, the human resource consulting unit of New York-based Marsh & McLennan Cos. Inc., recently was recognized with an Award of Excellence in Profiles in Diversity Journal's annual International Innovations in Diversity Awards. The award, which appears in the publication's July/August 2012 issue, honors organizations that have demonstrated unique, out-of-the-box thinking and have produced exciting initiatives that enhance workforce diversity and inclusion.

While the acknowledgment "shows that we've done a decent

job promoting diversity at Mercer, the ultimate award is when we can correlate those activities with performance," Mr. Ashford said. "If you create an environment that allows people to show up as their true selves, they will be more creative and perform better," he said. "Diversity programs help organizations focus more on outcomes ... whether you have the skills and capabilities and can deliver the output."

"It certainly is something that can add to the bottom line," said Trevor Gandy, chief diversity officer at Chubb Corp. in Warren, N.J., which has had diversity programming in place for nearly 30 years focusing on women, people of color, gay, lesbian, bisexual and transgender employees. "When our trading partners and customers get a sense of our focus on diversity, and they are values that they share, it's very additive. It can deepen the connection point and the value proposition," he said.

Since it began embracing diversity within its workforce, Chubb's financial performance has improved greatly, according to a statement by President, Chairman and CEO John D. Finnegan on the insurer's website.

"A company ... whose people share the same background, cul-

Diversity should be part of company culture

By JOANNE WOJCIC

For diversity programs to be truly effective, they should be embedded in an organization's culture and strategy and supported by its top leadership, diversity experts say.

"Diversity and inclusion efforts within organizations should be leveraged as part of an overall business strategy. I think of it more as a culture and strategy than as a program," said Ray Carson, executive vice president and chief human resources officer at Highmark Inc. in Pittsburgh.

"It aligns with the company's vision, mission and values and requires regular reinforcement through communication and training, in part to help keep our efforts focused on business outcomes that are essential to the success of our business," he said.

Corbette Doyle, lecturer in leadership, policy and organization at Vanderbilt University in Nashville, Tenn., and the first and former chief diversity officer for Aon P.L.C., advises that insurance industry organizations treat the management of diversity "the way you treat management of other initiatives in the organization. Track results and hold people accountable for meeting or failing to meet those results."

"What you don't want to do is set up metrics where people can jimmy the system. For example, if you set up a metric where you need to check off three women here, three African-Americans there, that's a mistake because your goal is not to just fill a seat. Your goal is to make your organization better," she said.

Ms. Doyle also suggested insurance industry organizations create a diverse decision-making group and implement diversity in talent development programs. Sponsorship is integral to a successful diversity program, she said, with senior leaders advocating for the promotion of diverse talent.

"It has to come from the top. It's a change initiative," Ms. Doyle said.

Aon has embedded accountability for its diversity strategy into the organization through the use of "dashboards" that are updated quarterly and annually to show progress toward achieving greater workforce diversity, according to Lashana Jackson, Chicago-based senior human resources director-global diversity and inclusion.

"The dashboard gives leaders and the executive committee a view of what we look like at different levels of the organization," she said. Among other things, it tracks retention and promotions after participation in its signature leadership and career development programs.

Ms. Jackson also works with business unit leaders to nominate colleagues to participate in the programs. One hundred individuals have completed the programs each year since they started six years ago, she said. But starting last year, Aon CEO Greg Case decided that the numbers be increased to 1,000 globally each year at all levels of the organization, Ms. Jackson said.

In a step toward embedding diversity into the culture at Willis Group Holdings P.L.C., the insurance broker recently launched a U.K. version of its U.S. Willis Women's Network, according to Celia Brown, New York-based group human resources director. The goal of the network is to promote the careers of all Willis associates based on ability and dedication regardless of gender, religion, race or background, she said.

"One of the things that made me squeamish about having a women's program is that a lot of women don't want to be treated differently," Ms. Brown said. "But if something is preventing more diverse talent from getting into senior management, you've got to peel back the onion and find out why."

The Willis Women's Network "will serve as a vehicle to establish a mentoring program to match up women and men who want to help up-and-coming women to advance their careers through mentoring," Ms. Brown said. The network also will introduce these high-potential candidates to external career development programs and networking opportunities, she added, as well as "look at policy and other internal means to unlock people's careers. It's all about talent development."

Warren, N.J.-based Chubb Corp., which has been known for diversity initiatives dating back some 30 years, continues to evolve those programs to "take them to the next level," according to Trevor Gandy, chief diversity officer.

For example, men are now becoming involved in Chubb's 30-year-old Women's Development Program, with senior women mentoring junior men. "That's the broadened scope of diversity that we're trying to apply at Chubb by breaking down the gender wall of who can be in the program," Mr. Gandy said.

Chubb also has been working with a Harvard professor and a consultant to study the attitudes, stereotypes and other hidden biases that influence perception, judgment and action. The ultimate goal of this "unconscious bias training" is to "remove intention out of the equation on diversity," Mr. Gandy said, "and help us understand that there is a science to why we behave the way we do. It really is the next level of diversity learning."



Your goal is to make your organization better.

Corbette Doyle, Vanderbilt University

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1. Conduct due diligence on WTC Captive's paid claims by reviewing the appropriate documents and files and consulting with relevant individuals, as appropriate and necessary.
2. Issue an opinion letter to the WTC Captive Insurance Co. summarizing your findings, consistent with the requirements of our Bylaws.

Please contact jschoenbeck@wtccaptive.com or clasala@wtccaptive.com to request a copy of the Request for Proposal. Proposals are due by Friday, November 9, 2012 at 12 noon.

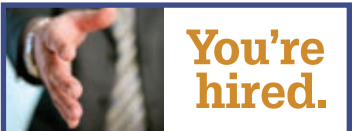
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ture and ways of looking at the world is likely to stagnate," Mr. Finnegan states. "On the other hand, a company whose employees bring different perspectives to their jobs is one that will always find more efficient ways to operate and new ways to grow. My vision is for Chubb to become a workplace where every employee can feel that Chubb is the place they can make their careers, a place where talent and hard work are the only tickets to success."

Besides focusing on diversity internally, Aon P.L.C. has been helping its clients identify and contract with diverse suppliers and vendors through its Aon Cornerstone business unit, according

to Lashana Jackson, Chicago-based senior human resources director-global diversity and inclusion.

"Aon prides itself on being thought leaders and innovative. We need global, diverse perspectives," she said. "It's more complex than just having another African-American woman sitting across the table. They're looking for you to share their values. It's diversity in client-facing, high-impact roles."

"We know customers today expect a more differentiated customer experience. Our ability to understand those diverse expectations and then develop solutions for them is very dependent on our

ability to develop a workforce that reflects our member community," said Ray Carson, executive vice president and chief human resources officer at Highmark Inc., a Pittsburgh-based health insurer.

"We expect diversity and inclusion to help us address diverse health care needs, to support the development and marketing of new products, to brand Highmark as an employer of choice and the leading health and wellness company in the communities we serve, to make us more resilient and creative in an increasingly challenging industry and market, and to help guide performance in strong alignment with business objectives," he said.

Risk: Buyers want their brokers to be their partners

CONTINUED FROM PAGE 4

on insurance is less, and I really need to rely on (brokers) for their technical expertise," said Pam Rogers, vice president of enterprise risk and insurance management for Weight Watchers International Inc. in New York.

Ms. Rogers expects brokers to have a strong attention to detail and that they review insurance policies and sign off that they're accurate, she said.

"We just don't have the time to be the technical insurance policy experts," Ms. Rogers said. "We're supposed to be the experts about our business; they should be the experts about the insurance side."

Historically, risk managers had time to read and examine an insurance policy before making a decision, she said. But now, "I need to just call the broker, have them read it, and tell me can I agree to this language or can't I," Ms. Rogers said.

When it comes to a choice between the ability of securing insurance coverage at the best price and a broker's expertise, risk managers prefer brokers to have a combination of both, "especially when the lines of coverage are more specialized," such as directors and officers liability and cyber risks, said Lara Baugh, director of risk management at Deere & Co., Moline, Ill.

"I always want the A-team, the person that knows the topic inside and out," she said. "Then you need somebody that is responsive, that is accessible and can be aggressive in the market to get you what you need."

As risk managers deal with evolving risks, exposures and economic conditions in their organizations, brokers and underwriters need to offer risk managers specific business solutions that fit their needs, experts say.

"Expertise is a word that encompasses understanding my business, understanding the insurance business, and being able to get me what I need for a price that is commercially reasonable," Jones Lang LaSalle's Ms. Ochenkowski said.

Ms. Rogers of Weight Watchers relies on her broker partners to provide strong industry and benchmarking data.

"It's important for them to have

that," she said, noting that the data helps her evaluate whether Weight Watchers' insurance program is in line compared with other companies of similar size and industry.

Patrick Walker, risk manager at Rio Tinto Group in Denver seeks expertise from his service providers.

"I read the news and follow trends — I can certainly provide a broad-brushed opinion on topical matters," Mr. Walker said. "In a broker or underwriter, I seek expert advice in areas of my profession where a general theory is not enough."

'I always want the A-team, the person that knows the topic inside and out. Then you need somebody that is responsive, that is accessible and can be aggressive in the market to get you what you need.'

Lara Baugh, Deere & Co.

In the case of Rio Tinto, a mining and metal company that operates around the world, compliance in various regions or countries is required, Mr. Walker said.

"Brokers and fronting insurers

are invaluable, not only with their ability to help us achieve compliance, but in their advice as to how best to structure a program to balance premium, deductible, wording and limits in a foreign mar-

ket," he said.

Julie DeSantis, vice president, risk management for Sony Corp. of America in New York, said a broker's global breadth and depth is critical when conducting business in other countries.

Many brokers will engage a partner in a country where they don't have a presence. "In essence, to me, that's a subcontractor relationship," she said.

"You want to have that ability to work with a broker that has offices that are under their control and management, that are following the same corporate initiative as the broker organization, that follow the same standard procedures throughout," Ms. DeSantis said.

Construction Risks

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Mark Stach, Publisher		
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Prospects: Wide array of potential at colleges

CONTINUED FROM PAGE 3

At schools without insurance programs, “we’re competing for talent with Wall Street-type firms,” she said. But given the change and uncertainty on Wall Street in recent years, insurance has been seen as being more secure, she said.

“We can really make a compelling case that the insurance industry is expanding across the globe, so if they’re going to make a career choice, it’s a good choice for them to make for the long term,” Ms. Mullan said.

“We like to find people who have an interest in risk, and that starts with some of the great college programs that are around,” said Brian Little, vice president, human resources and head of business partnership at Zurich Insurance Co. Ltd. in Schaumburg, Ill. In particular, he said, Zurich has a “great relationship” with Illinois State University and the University of Illinois.

One way of persuading students a career in insurance will be rewarding is to point out that the industry offers many career paths, Mr. Little said.

“Zurich offers a variety of careers,” he said. “It’s a global business; that’s a unique opportunity.”

Liberty Mutual Group Inc. looks for “early identification of talent, so we start targeting students in the freshmen and sophomore years,” said Maura Quinn, the insurer’s Boston-based manager of university relations. “We’re on campus, we have a strong corps of campus

recruiters. We have a whole bunch of programs that we run under the moniker of ‘responsible scholars.’

“When we can engage them early and share with them the types of opportunities, that’s where we can attract them,” she said.

She said, while Liberty Mutual will consider students across all majors, the company tends to focus on risk management and insurance majors. “We’re finding there’s lot more opportunities for us to get in and sponsor those programs,” Ms. Quinn said.

Helping society

Eric Hutcherson, New York-based chief human resources officer for Marsh Inc.’s North America operations, said another aspect of the brokerage industry — its role in helping society — can help sell a career in insurance to students.

“One of the things I said to interns (is), I like to say that ‘the insurance brokerage business is exciting for one reason and one reason alone: When disaster strikes, people call us,’” Mr. Hutcherson said. After a natural disaster, “we get people back on their feet. We help business keep going when all of the unforeseen things that happen in our world occur. We do a lot to help society and the world continue to move. I think that is compelling to a young person.”

Recruiting involves another twist at FM Global, said Enzo Rebula, the insurer’s senior vice president, human resources. That’s because Johnston Rhode

Island-based FM Global is looking for engineers.

“We recruit globally,” he said. “A really key part of our strategy is to have stronger relations with colleges around the globe.”

FM Global has a “compelling story to tell” and also relies on social media in its recruitment efforts, Mr. Rebula said.

“LinkedIn is developing into a pretty nice recruiting source for us,” he said.

Recruiting doesn’t end with hiring, by any means.

“New hires want to be part of a winning organization,” said Marsh’s Mr. Hutcherson. He said Marsh runs people through its risk analyst programs and has a similar approach for those who want to enter sales.

Liberty Mutual offers “a significant amount of training and development,” Ms. Quinn said. That includes in-house programs and the pursuit of outside certifications such as the Chartered Property Casualty Underwriter designation, she said. Employees can receive bonuses when they successfully complete the certification programs, she said.

FM Global is pleased with its employee retention rate, Mr. Rebula said. He said the insurer’s average length of employee service is 14 years, he said. The insurer’s turnover rate is below 5%, which he called “very good.”

And FM Global’s management consists largely of employees who have “grown with the company,” he said.

Mr. Rebula said FM Global values long-term relations with its clients, and going with that is having the knowledge base and the ability to develop expertise in loss prevention for its clients.

“We value long-service employees,” he said.

Perception: Industry faces stiff competition

CONTINUED FROM PAGE 3

“The greatest challenge is that the insurance industry isn’t necessarily a destination for top students,” said Brian Little, vice president, human resources and head of business partnership at Zurich Insurance Co. Ltd. in Schaumburg, Ill.

“That sometimes prevents talented students from getting into the pipeline to begin with,” Mr. Little said. “We have to do a better job of telling our story.”

“One of the greatest challenges is that students really don’t understand the industry,” said Maura Quinn, Boston-based manager of university relations for Liberty Mutual Group Inc.

“And second, if they think they know something about it, they think it’s boring,” she said.

“Liberal arts majors don’t even think the insurance industry would hire them, and business majors are tempted by

other fields,” she said.

Amanda Mullan, senior vice president and director, human resources for Willis North America Inc. in New York, said she doesn’t think the industry faces a unique challenge as it seeks to recruit on the college level.

“I don’t think we face an image challenge when we’re out on campus,” she said. “In general, the competition for strong sales people is tough. It takes a special person to have a real strong sales capability and be successful.

The competition for that type of talent is fierce. But once we get them talking to us about Willis and what we have to offer, we have a real competitive edge in our industry.”

For FM Global, a big challenge involves the type of professionals the engineering-driven insurer has to compete with other noninsurance industries to hire — engineers.

“A lot of those graduating

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London: Market looks to raise bar

CONTINUED FROM PAGE 4

minimum levels of professional qualifications and standards among the financial services sector," said Mr. Bishop.

The level of professional standards in London is improving, but the need for skill and talent also has increased during the past decade as underwriting analytics and decision-making has become more sophisticated, said Mr. James.

Trends in the job market, however, are benefiting insurers and brokers in the London market.

High unemployment among young people and less competition for graduates from the banking sector mean that there is an opportunity for insurers to grab high-quality university graduates, said Sarah Dunmore, HR director at London-based JLT Specialty Ltd., part of Jardine Lloyd Thompson Group P.L.C.

JLT has had a graduate recruitment program since 2008 and is actively looking to recruit graduates, mostly as part of succession planning, she said.

Bermuda-based Hiscox Ltd. introduced its own graduate recruitment program for its London market business in 2009, increasing the intake each year to an expected 25 this year.

"There is recognition of the need for more high-quality graduates in the market, in particular for reasons of succession planning. We would expect that a number of our graduates would become the senior leaders of the future," said Mr. Bishop.

While previous generations tended to "fall" into a career in insurance, the insurance industry has raised its profile in recent years and young people now see it as a good career prospect, said Ben Baker, manager of professional standards at the Lloyd's Market Association.

Hiscox, Lockton and JLT are among 100 companies supporting the CII's Discover Risk program, an initiative to boost awareness of insurance as a potential career among university graduates.

In addition to graduate programs, many London market companies are also looking to offer apprenticeships. The increased cost of university fees in the United Kingdom means people who previously might have attended university are now considering work-based training.

"The market is now taking a more structured approach to recruiting and developing young people through apprenticeships," said Mr. Baker.

In 2011, JLT launched its apprenticeship program, in addition to its graduate program. "The different entry levels are for the same roles, and both intakes would be expected to eventually achieve ACII," said Ms. Dunmore.

The level of entry is less important than achieving professional qualifications, Ms. Dunmore said.

More progressive employers will look to recruit those without degrees as well as graduates, said Mr. James. "Broking requires good interpersonal and ana-

Industry pledges more education

The CII has been looking to raise professional standards across the industry by asking companies to sign up to its Aldermanbury Declaration and by becoming a corporate chartered insurer or insurance broker, said Julian James, CII president for 2011-2012 and chief executive at Lockton International, the London-based unit of Lockton Cos. L.L.C.

The declaration is a common framework for professional standards. By committing to these initiatives, companies adhere to minimum levels of professional standards and training, Mr. James said. They include:

PROFESSIONALISM

Insurers must commit to two of the following four goals:

- 25% of the board hold a chartered title
- 50% of the board hold diploma
- 1% of customer facing staff hold a chartered title
- 25% of CFS hold certificate or higher

COMMITMENT TO EXCELLENCE

Policies in place should cover:

- Customer service
- Ethical conduct
- Qualifications
- Continuing professional development

Some 241 U.K. insurers and brokers have signed up to the declaration, including Hiscox and several London market and Lloyd's of London insurers. Brokers Lockton, Marsh Ltd. and Willis Group Holdings P.L.C. also have signed.

Since the initiative was launched in 2007, some 16 insurers, including Hiscox Ltd., have been awarded corporate chartered insurer status, while 120 brokers, including Lockton, have earned chartered insurance broker status. There are many other companies in the London market looking to sign up, said Daniel Pedley, public affairs manager at the CII in London.

In the 18 months since signing up for the chartered insurance broker status, Lockton has seen a 60% increase in the number of its employees taking CII exams, said Mr. James. Just over half of the broker's employees now hold professional qualifications, compared with 34% two years ago.

— By Stuart Collins

lytical skills, so it would be wrong to exclude people just because they do not have a degree," he said.

Mr. James also said he believes that London needs to attract more international talent to the market.

London has always been more international than other markets, but this is not reflected in the diversity of the workforce, according to Mr. James. "We need to improve the cultural and geographical diversity of talent in the London market — it is getting better, but there is still some way to go," he said.

inBrief

Commercial P/C rates still rising: Reports

Commercial property/casualty insurance rates rose 5% in September, MarketScout reported. Commercial property rates adjusted down from a 7% increase in August to a 6% increase in September, it said in a report. MarketScout found that general liability and workers compensation insurance rates also saw a 6% increase each. No lines of coverage experienced rate declines. Meanwhile, Keefe Bruyette & Woods Inc. said commercial property/casualty prices will continue to increase. It said U.S. commercial lines appear to be up 6% to 7%. The KBW analysts also said they expect reserve releases to continue to slow. Separately, a forecast of 2013 commercial insurance rates from Willis Group Holdings P.L.C. projects a mixed bag of rising and falling rates, with rates declining for non-catastrophe-exposed property programs and increasing modestly for casualty, executive risks and some specialty lines.

Bermuda sees surge of ILS deals

Thirty-six insurance-linked securities deals listed on the Bermuda Stock Exchange make up one-third of the total global market issuance, the Bermuda Monetary Authority said last week. Bermuda-listed ILS jumped to \$5 billion in market capitalization through the first half of this year from \$3 billion at the end of 2011. In the first nine months of 2012, the BMA registered special-purpose insurers with total premiums of \$595 million, including four SPLs underwriting more than \$1.2 billion of catastrophe bonds, according to the statement.

Average data breach costs insurers \$3.7M

The average insurance cost per data breach incident increased from \$2.4 million in 2010 to \$3.7 million in 2011, according to NetDiligence. Based on insurance claims that were submitted in

2011 for incidents that occurred from 2009 to 2011, the average number of records exposed decreased 18% to 1.4 million.

Study reveals states with highest comp rates

Employers in Alaska, California and Connecticut faced the highest workers compensation rates for 2012, according to a study produced by the Oregon Department of Consumer and Business Services. The study shows that the 2012 nationwide median value is \$1.88 per \$100 of payroll, which declined 8% from the \$2.04 median in Oregon's 2010 study. This year's study shows that, of 51 jurisdictions, employers in North Dakota paid the lowest costs at \$1.01. That is 53% of the national median.

Insurance groups form global association

Thirty-one insurance associations have established the Global Federation of Insurance Associations. The GFIA, which held its inaugural meeting in Washington last week includes the American Council of Life Insurers, the American Insurance Association, America's Health Insurance Plans, the Property Casualty Insurers Association of America and the Reinsurance Association of America.

Foundation awards 38 scholarships

The Council of Insurance Agents & Brokers' charitable foundation — the Foundation for Agency Management Excellence — has chosen 38 college students to receive \$5,000 scholarships to pursue careers in risk management and insurance. The FAME scholarship program began with four scholarships in 2006 and has grown to more than 130 scholarships at 18 universities, including one international school, in the six years since.

Aon forms practice for risk pooling

Aon Risk Solutions has formed a risk pooling practice for public and private entities. The risk pooling practice will provide property/casualty and employee benefit pooling services for organizations that make group purchasing decisions and will address pool administration and risk transfer options.

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The JoeyBra's 'unique design' can hold cellphones, an ID, keys, or other items in a side pocket, according to the company's website.

BRA DESIGNER POCKETS PATENT, LUGS IT TO COURT

The makers of a pocket bra created to provide wearers the freedom to go anywhere without lugging a purse must go to court lugging a legal defense.

They say their product, the JoeyBra, "is the first sexy, yet functional pocketed bra that will allow you to leave your purse behind and hit the dance floor without ever having to worry about the safety of your valuables."

The JoeyBra's "unique design" can hold cellphones, an ID, keys, or other items in a side pocket, according to the company's website.

But the JoeyBra's makers, students at the University of Washington's business school, are being sued by Charles Robinson. He claims the JoeyBra's design is not unique because he filed for a pocket bra patent several years ago, according to news reports.

He has asked a court for a preliminary injunction to force the JoeyBra's makers to stop selling their product, which they say can hold various small items regardless of bust size. They argue their bra design and purpose is different from Mr. Robinson's product.

"Never again will you have to reach down the front of your dress looking for the key that slipped out of place," their marketing information promises. "Our product places all pockets within easy, yet appropriate reach."

But so far, a judge has ruled that a request by the makers of the JoeyBra to have the lawsuit dismissed is not appropriate.

A ruling on the injunction, however, will have to wait for other legal proceedings, according to the reports.

CONTRIBUTING: Roberto Cenicerros, Mike Tsikoudakis, Joanne Wojcik

End Page



Pranksters disrupted a banking awards ceremony in London.

Barclays bags bubbly for boosting bank rate

And the award for "innovation in interest rate manipulation" goes to ... Barclays P.L.C.!

Or so said a group of pranksters that crashed an investment banking event at a hotel in London and presented Barclays staff with a bottle of Bollinger champagne.

Security quickly escorted them off stage before anyone claimed the prize, but not before the "award" ceremony was captured on video by the group of pranksters, who go by the name The Intruders, the Daily Telegraph reported.

In July, London-based Barclays P.L.C. said it agreed to pay about \$450 million in fines to settle investigations by the U.K. Financial Services Authority, the U.S. Commodity Futures Trading Commission and the U.S. Department of Justice that it and other banks manipulated the London interbank offered rate before and during the 2008 financial crisis, keeping it artificially low to make the banks' bottom line appear stronger.

Libor is the primary benchmark for short-term interest rates and is a factor in setting rates for corporate loans, mortgages and other lending. Directors and officers liability insurance coverage and errors and omission coverage may be significantly impacted as a

resulted of claims stemming from the Libor scandal.

The Investment Banking Awards 2012 was sponsored by The Bank, a Financial Times Ltd. publication, and focused on innovation in banking products, structures and strategies.

"Virtually every banker in the room this evening was involved in illegally colluding to rig Libor, ensuring that they would always be the winners in the multimillion-pound bets they were making on the markets," a narrator said on the video, which was posted on Youtube.com.

"When we noticed that this multibillion-pound fraud had been overlooked in tonight's ceremony, we decided to show up make sure that Libor riggers got the recognition that they deserve," the narrator said.

Moments later, the group approached the stage to recognize Barclays efforts in "rate manipulation" in "a competitive field this year."

Bollinger was the award of choice as emails uncovered during the rate-rigging investigation describe a Barclays employee celebrating with the bottle of bubbly after setting the interests rates "as high as possible today," the Telegraph reported.

VIDEO GAME SYSTEMS TAKE COMPETITION TO COURT OVER CHARACTER USE

It's not all fun and games in the competitive world of electronic gaming systems.

Foster City, Calif.-based Sony Computer Entertainment America L.L.C., a unit of Sony Corp. of America Inc., last month filed an intellectual property lawsuit against Bridgestone Americas Inc. and Wildcat Creek Inc. for stealing its fictional character that promotes Sony's PlayStation brand.

The "Kevin Butler" character has appeared in more than 30 television advertisements and is well known and popular among video game consumers, according to the lawsuit, which was filed in U.S. District Court for the Northern District, San Francisco Division.

The suit alleges that Wildcat Creek, which entered into an agreement with SCEA for the services of the actor's portrayal of "Kevin Butler," breached its contract after the actor appeared in a commercial for Bridgestone tires featuring the use of a Nintendo Wii gaming system.

Jerry Lambert, the actor portraying "Kevin Butler," is president of Wildcat Creek, a company that handles his business affairs, according to news reports.

"Intending to capitalize on the consumer goodwill of the 'Kevin Butler' character, (Bridgestone)



Jerry Lambert as "Kevin Butler"

recently produced a commercial for

its 'Game On!'

tire promotion

with Nin-

tendo and

strategically

placed the

same actor

with the

Nintendo Wii,"

Sony alleged in

the suit. "The

defendants' actions

were knowing,

deliberate, willful,

and in complete disregard for SCEA's rights in the 'Kevin Butler' character."

Sony alleges that the use of the character has led to customer confusion and as a result seeks monetary relief for lost profits, among other damages.



'PAWN STARS' IN HOCK TO PROMOTER?

The Las Vegas Strip may be known for its one-armed bandits, but a talent promoter here claims he was robbed by a different type of gamble.

In a suit filed in Nevada state court, promoter Wayne Jefferies is seeking unspecified monetary damages on allegations of breach of oral contract by the stars of the popular cable television show "Pawn Stars." The lawsuit also alleges improper interference in business dealings by A&E Network and History Channel executives.

Mr. Jefferies, who apparently was hired in 2007 as a consultant, manager and adviser by the owners of the now-legendary Gold & Silver Pawn Shop to pitch the "Pawn Stars" concept to TV networks, claims he was

wrongly fired in January and denied his share of the profits from associated merchandising deals.

In his suit, Mr. Jefferies claims to have negotiated oral contracts in May 2009 to represent the stars of the show, Richard Corey "Rick" Harrison; his son, Richard Kevin Harrison; Richard Benjamin "The Old Man" Harrison Jr.; and Austin "Chumlee" Russell. To back his assertions, Mr. Jefferies cites emails that show him serving as go-between with network and talent representatives.

The first episode of "Pawn Stars" aired in July 2009 on The History Channel and has become a top-rated reality series, which also has attracted legions of tourists to the Las Vegas pawn shop.

2012

Business Insurance's WOMEN TO WATCH LEADERSHIP WORKSHOP AND AWARDS LUNCHEON



DECEMBER 4, 2012, NEW YORK CITY

KEYNOTE SPEAKER:



Photo: Deborah Feingold

Suzy Welch,
The best-selling author, popular television commentator, and noted business journalist will be the keynote speaker at the Leadership workshop.

CONFIRMED SPEAKERS:

Beth Bierbower, President, Employer Group Segment, Humana

Bonnie Boone, Senior VP and Health Care Practice Leader, Alliant Healthcare Solutions

Helene Fisher, Commercial Head Underwriting Quality, Chartis

Trevor Gandy, Chief Diversity Officer, Chubb Corp.

Deborah Luthi, President of Risk & Insurance Management Society

Seraina Maag, CEO, of XL North America

Carol Murphy, Managing Director, Aon Risk Solutions

Kathleen Savio, Chief Administrative Officer, Zurich North America

FULL DAY AGENDA

7:30 - 11:30 a.m.	Leadership Workshop Registration Open
7:30 - 8:15 a.m.	Networking Welcome Breakfast & Registration
8:15 - 8:30 a.m.	Welcome Address
8:30 - 9:30 a.m.	Session 1: A Juggling Act: Achieving Effective Work Life Balance
9:30 - 10:00 a.m.	Keynote Speaker: Suzy Welch, author, "10-10-10"
10:00 - 10:30 a.m.	Coffee Break and Book Signing
10:30 - 11:15 a.m.	Session 2: Show Me the Money: Bridging the Wage Gap
11:30 - 12:00 p.m.	Registration for Awards Luncheon Open [for people only attending the luncheon]
11:15 - 12:30 p.m.	Session 3: Using Sponsorship to Break into the Executive Suite
12:30 - 2:55 p.m.	Women to Watch Awards Luncheon
1:00 p.m.	Luncheon Keynote: <i>Tweet this: How Social Media can Make or Break Your Reputation</i>
3:00 p.m.	Final Comments & Program Closes

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An insurance policy that held nothing back. Except 9.2 trillion gallons of water.

Between 1931 and 1936, Zurich provided the largest portion of the insurance and surety bonds for the construction of the Hoover Dam. The project had more than its fair share of hurdles, being built between high cliffs and made entirely of concrete. So Zurich designed safety programs to help reduce building hazards for this monumental project that had to rely largely on new techniques. The project put 10,000 people to work, giving them and their families an economic boost. And the water, electric power and flood control provided by Hoover Dam helped stimulate the entire country. **Insuring success since 1912. Visit zurichna.com/100**



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