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The Jacobson Group is the nation's leading provider of insurance talent. For 40 years, we have been connecting insurance organizations with professionals from the board room to the back room on both a permanent and temporary basis. We offer a variety of solutions including executive search, professional recruiting, RPO, temporary staffing, subject matter experts, and onsite and work-at-home operations support. Whatever the need or situation, Jacobson is the insurance talent solution.



PULSE OF THE INDUSTRY'S LABOR MARKET

- The total U.S. unemployment rate dropped from 9.8 percent in November 2010 to 9.4 percent in December 2010.
- The insurance unemployment rate continued to rise from 6.5 percent to 6.8 percent during the same period.
- 103,000 jobs were added to the national job market in December. The national temporary job market also saw an increase of 16,000 jobs.
- Meanwhile, the insurance industry lost 3,700 jobs. Total industry employment is down 0.17 percent since December 2009.
- According to November 2010 data, the only insurance sector to experience job growth on a year-to-year basis was reinsurance with a 1.6 percent gain.
- All other insurance sectors reported a loss of jobs. Life decreased 1.2 percent, health dropped 3.5 percent, property/casualty was down 2.1 percent and title insurers were reduced by 5.2 percent. Agents and brokers fell 1.6 percent, claims adjusters plummeted 9 percent and third-party administrators were 3.4 percent lower.
- Year-over-year comparisons showed a decline in weekly wages for three insurance areas. Life insurance employees, agents and brokers, and third-party administrators all saw reductions of less than 1 percent.
- On the other hand, other industry sectors noticed an increase in weekly wages: health insurers, 5.6 percent; property/casualty, 1.6 percent; title insurers, 3.6 percent; reinsurers, 8.5 percent; and claims adjusters, 2.9 percent. ▲

**Derived from the data released by the U.S. Bureau of Labor Statistics*

READ "PUTTING THE SUCCESS INTO SUCCESSION PLANNING" ON PAGE 3 FOR AN APPROACH TO DEVELOPING AN EFFECTIVE SUCCESSION PLAN AND SHAPING FUTURE LEADERS IN THE CHANGING INSURANCE MARKETPLACE.

- Adopt a forward-looking view of your organization as you consider the future of the industry.
- Determine desired leadership traits by strongly assessing your company's culture and values.
 - Identify internal candidates and develop their talent.



INDUSTRY EXECUTIVES ON THE MOVE

Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

- **Mark T. Bertolini**
Chief Executive Officer and President
Aetna Inc.
- **Steve Betts**
Global Chief Information Officer
Aon Corporation
- **Jeff Brown**
Senior Vice President and
Chief Marketing Officer
Colonial Life & Accident Insurance Company
- **Bruce M. Bullen**
Chief Operating Officer
Blue Cross Blue Shield of Massachusetts
- **Russell Bundschuh**
President of International Life Insurance
ACE Limited
- **Tom D. Clark**
Chief Operating Officer
State Compensation Insurance Fund
- **Todd Coombes**
Senior Vice President and
Chief Information Officer
CNO Financial Group, Inc.
- **Jeff Dailey**
President and Chief Operating Officer
Farmers Group, Inc.
- **Michael J. Garceau**
Chief Operating Officer,
North America Property & Casualty Unit
XL Insurance
- **Peter Gruenberg**
Chief Placement Officer, Human
Capital Practice of Willis North America
Willis Group Holdings
- **Lisa M. Guertin**
President and General Manager
Anthem Blue Cross and Blue Shield
in New Hampshire
- **Timothy J. Hogan**
Chief Administrative Officer
Canal Insurance Company
- **Mark Korsgaard**
Worldwide Claim Officer
The Chubb Corporation
- **Vic Krauze**
Chairman and Chief Executive Officer
of Willis North America
Willis Group Holdings
- **Tom Lentz**
Vice President and Chief Financial Officer
Midwest Employers Casualty Company
- **Ryan Mather**
Chief Underwriter of Reinsurance
Ariel Reinsurance Company Ltd.
- **Michael G. Mathias**
Vice President and Chief Information Officer
Aetna Inc.
- **Chris McKee**
Senior Vice President of Operations
CNO Financial Group, Inc.
- **Mark Meyerhoff**
President of Chartis Aerospace
Insurance Services, Inc.
Chartis Inc.
- **Brad Ritter**
Chief Actuary and
Vice President of Underwriting
Summit
- **Sid Sankaran**
Senior Vice President and Chief Risk Officer
American International Group, Inc.
- **Kathleen M. Tierney**
Chief Operating Officer of Chubb Personal Insurance
The Chubb Corporation
- **Dennis R. Vigneau**
Senior Vice President and Chief Financial Officer
Unitrin, Inc.
- **Maggie Westdale**
Global Chief Operating Officer
and Chief Financial Officer
Aon Benfield
- **Robert A. White**
Senior Vice President and
Chief Operating Officer
First Nonprofit Insurance Company
- **Howard Whitmore**
President of Willis of Virginia Inc.
Willis Group Holdings

PUTTING THE SUCCESS INTO SUCCESSION PLANNING: ENSURING FUTURE LEADERSHIP

by Margaret Resce Milkint, *Managing Partner*, The Jacobson Group

One of the most important challenges any forward-looking organization faces is the development of its succession plan or, more specifically, its strategy for building leadership capacity.

Fierce competition, globalization, new technology tools, political influence and shifting workforce dynamics: it's no secret that the insurance landscape is changing—and fast! Gone are the days when succession was simply a matter of seniority.

Organizations that want to sustain growth and profitability must commit to a culture of developing talent from within. Leadership has to be a top priority and the CEO must hold others in the organization accountable for developing succession leaders at all levels.

Succession planning does not have to be a daunting process and should be approached like any other business challenge: assess the situation, develop a plan, execute and measure! A successful plan allows for a thoughtful transition, meaningful consideration of future needs and the intentional development of talent.

There are ultimately two scenarios to consider: planned leadership changes – which is the preferable situation – and contingency – for if the unexpected happens.

The most important step in succession planning is **possessing a clear understanding of what your organization is and what it could be.** This encompasses revisiting your mission, vision and values, as well as defining desired leadership competencies and composing formal job descriptions. It is also necessary to adopt a forward-looking view of your organization that considers the future of the industry in the face of regulatory change, consumer needs and technological advancements. What does the future environment look like, what does that mean to the organization and what leadership competencies will be necessary given each of those scenarios?

Then **assess the organization's wants and needs.** Identify different triggers, anticipated or



not, that will require a shift in leadership. Review the surplus and gaps in human capital relative to the organization's strategic execution of business. Where do you have leadership capacity? Where do you have a surplus in leadership? Identify highly-valuable attributes and behaviors. Consider not only the skills but also the values that are important for future leaders to possess.

Identify internal candidates for future leadership roles. Look beyond candidates' experiences and skill sets. What really differentiates true leaders is talent; though hard to quantify, it is unique and what they can really bring to any situation. There is risk in placing too much emphasis on experience and skills. Because the landscape is changing so quickly,

“CONSIDER NOT ONLY THE SKILLS BUT ALSO THE VALUES THAT ARE IMPORTANT FOR FUTURE LEADERS TO POSSESS.”

experience is not as universal as it once was and can even prove limiting if it can not be applied to present day challenges. Recognize the difference between skills that can be taught over time and others that are inherent. If you are considering someone for a

position that will be the face of the organization, he or she must be comfortable in the limelight. Also, be honest about a potential incumbent's interest levels and dedication to the company. Some employees are happy in their current positions and do not want the additional responsibilities that come with leadership. Don't waste valuable time and resources on someone who is complacent or will jump ship at the first opportunity.

Success in succession planning is determined by your organization's ability to **grow and develop your future leaders**. Getting the right people in the right jobs and giving them the tools they need to do their best work is what the process is all about. Talent development must be interwoven in the organization's cultural fabric and outlined with

a formal, actionable plan that is driven by the employee. It takes commitment and clarity on the part of all involved parties to be successful at the long-term preparation that is needed for a grow-from-within-approach. After all, it takes years for skills to be developed and refined.

Creating a balance between today's work and tomorrow's needs is essential. Development cannot be accomplished merely through institutional training or academia, but is best achieved by applying learned principals to everyday business challenges. This comes in the form of additional responsibilities, diverse opportunities and role creation and can be reinforced through reverse mentoring, user-initiated learning content and team-learning exercises. It is important to account for knowledge transfer to ensure that core competencies have the experts needed to create or maintain a competitive advantage.

Leaders grow best by growing others. Invest meaningful time to understand individuals' talent and skills and put those strengths to work, removing any road blocks or barriers. Ensure that managers at all levels have a clear understanding of their own and their team members' responsibilities. Set clear expectations and empower employees with their own development.

Document and update your plan at appropriate intervals. HR should document your strategy and individual development plans. These should be revisited regularly by the executive team and board of directors, when appropriate, and adjusted as needed.

Even with the best laid plan, the unexpected does happen. Do not underestimate the importance of being prepared for tragedies.

Outline a short-term approach to leadership gaps. Start by identifying the roles and responsibilities that are business critical and determine interim proportional responsibilities and lengths of assignments.

Consider succession planning a proactive approach to your organization's future. Companies that create a meaningful, well-thought-out strategy and foster an environment of leadership development will continue to grow and prosper through its employees. ▲

About the Author:

Margaret Resce Milkint is Managing Partner of The Jacobson Group, the leading provider of talent to the insurance industry. She would be happy to share her thoughts on best practices for succession planning and can be reached at mmilkint@jacobsononline.com.

WHO IS ACCOUNTABLE?

CEO: Manages the process.

HR: Documents the process.

BOARD/EXECUTIVE TEAM: Conducts annual or semi-annual check-ups.

LEADERSHIP COMPETENCIES

**SMART
RESULTS-ORIENTED
UNWAVERING
ETHICS
FINANCIAL ACUMEN
QUICK STUDY
VALUE OF DIVERSITY
PASSIONATE**

IT'S THE LAST WEEK TO PARTICIPATE IN THE SEMI-ANNUAL INDUSTRY LABOR OUTLOOK SURVEY!

All survey participants will receive detailed results on insurance industry labor trends and future staffing expectations.

TAKE THE SURVEY

