

SPECIAL REPORT

Risk Management

Education

Apprenticeships offer real-world experience

PAGE 16

MyPath targets millennials in recruiting efforts

PAGE 18

Risk management and insurance college programs

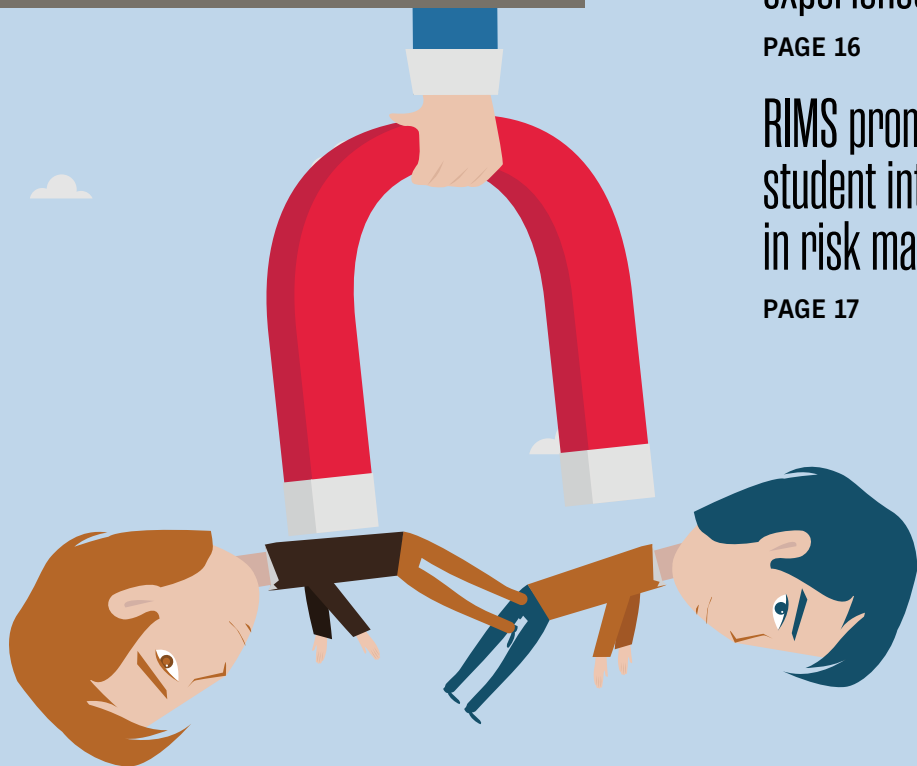
PAGE 19

RIMS promotes student interest in risk management

PAGE 17

FERMA launches program to certify E.U. risk managers

PAGE 18



WHAT'S IN A NAME?

The percentage of those who consider themselves part of a named generation

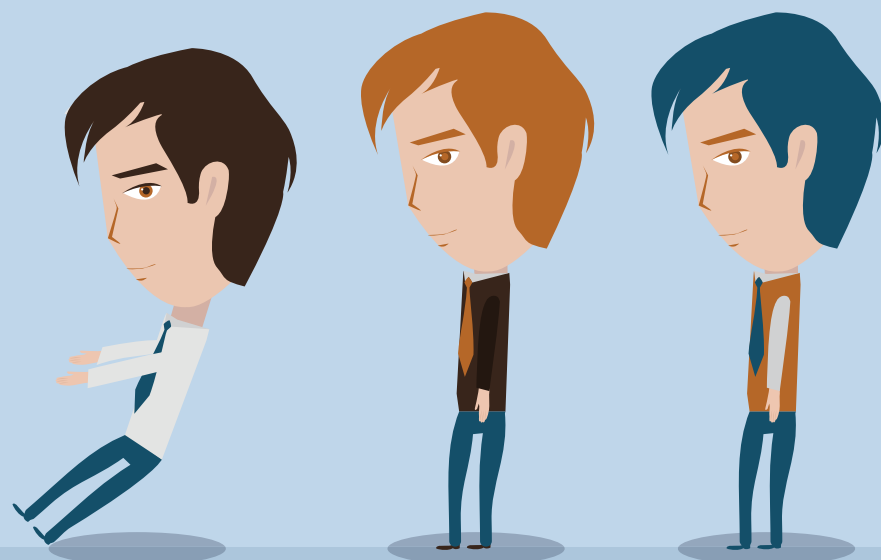
40% of millennials, those 18-34 years old

58% of Generation X, those 35-50 years old

79% of baby boomers, those 51-69 years old

18% of the silent generation, those 70-87 years old

Source: Pew Research Center



Demographic distress

Insurance industry struggles to attract its next-generation workforce

BY MATTHEW LERNER

While their departure may have been delayed by a struggling economy, baby boomers heading toward retirement pose an ongoing challenge for the insurance and brokerage industry: how to attract the next generation of talent to its workforce.

“Our industry will face a significant generational change over the next decade, one that I don’t believe has begun in earnest yet,” said Mike Sicard, chairman, president and CEO of USI Insurance Services L.L.C. in Valhalla, New York.

Baby boomers are defined as those born between 1946 and 1964. And according to the Pew Research Center, millennials — those born between 1981 and 1997 — soon

will become the largest living generation. They supplanted Generation X — those born between 1965 and 1980 — this year as the largest portion of the U.S. workforce.

This, however, looms ominously when considered against The Hartford Financial Service Group Inc.’s survey this year that found only 4% of millennials had insurance on their work wish list, besting only wholesale trade and utilities at 3%. Arts and entertainment topped millennials’ list of preferred jobs at 40%, followed by education at 36%.

“There is an aging of the distribution force,” said Howard Mills, global insurance regulatory leader at Deloitte L.L.P. in New York. “The concern is that many of them will be moving toward retiring.”

“This is a topic of great discussion in the industry. It’s

a topic of great concern and it represents a very real challenge,” said Mr. Mills.

“Clearly the industry is old. It’s populated by a lot of baby boomers, certainly on the distribution side,” such as brokers and sales, said Timothy J. Cunningham, managing director at Chicago-based investment banking and consulting firm Optis Partners L.L.C.

“Less than 5% of young people choosing their career paths are giving insurance a serious look,” said Kathleen Reardon, CEO of Bermuda-based Hamilton Re, a unit of Hamilton Insurance Group Ltd. “If every person who graduates from an insurance or risk management program of study goes straight into the insurance industry, we still won’t fill our employment needs. So, it’s not

See **DEMOGRAPHIC** next page

MyPath initiative introduces millennials to careers in the insurance industry

BY MARK A. HOFMANN

Getting young people to even consider a career in insurance has long been a challenge for the industry.

But an industry-backed effort launched in 2014, MyPath, appears to be piquing the interest of the millennial generation, observers and participants say.

MyPath is designed to demonstrate to students the breadth of career opportunities the property/casualty industry presents. The initiative is a collaborative insurance and risk management initiative coordinated by The Institutes, which is the operating name of the Malvern, Pennsylvania-based Insurance Institute of America and the American Institute for Chartered Property Casualty Underwriters.

"MyPath is dedicated to educating students and young professionals about the insurance industry, as well as about the limitless career opportunities it has to offer," according to the initiative's website. MyPath "provides the insurance industry with a unified voice to educate and excite students and young professionals about the prospects of a career within the industry."

In addition to providing general information about industry career opportunities, the www.insuremypath.org website also features

internship opportunities.

"It's hard to believe it's been a year," said Peter Miller, president and CEO of The Institutes. MyPath's website received more than 1 million hits within a year of its launch, more than half of which were unique, he said.

"We think there's great match between what this industry wants and what millennials want," he said. While the industry has had a "lot of fragmented efforts," MyPath now has more than 100



participating companies and colleges.

One of those is Erie Insurance Group in Erie, Pennsylvania.

"I personally love the MyPath tool. It is a great way for us to communicate about the industry," said Kim Reichert, recruiting supervisor at Erie Insurance. "It's one thing when you hear that from a corporate recruiter. From an industry perspective, we can really provide that unified voice."

Ms. Reichert said MyPath is valuable to Erie in several ways.

"We talk a lot to students both from high schools and colleges," she said. "We talk about the really limitless opportunities there are in the insurance industry. It gives them a way to look at the industry as a whole; looking at testimonials from people gives them an opportunity to learn about the different types of career paths."

Erie also uses MyPath to attract interns.

"Our interns are our pipeline for our future talent; it's called the Future Focus Internship Program," Ms. Reichert said.

Liberty Mutual Holding Co. Inc. also uses MyPath to attract interns and helped get the effort started, said Shawn Tubman, vice president of campus recruiting at Liberty Mutual in Boston.

"It's a good tool that can increase the reach of our marketing efforts for internship roles. The industry doesn't have too many stand-alone resources for those who want to learn more. MyPath has been a central repository," he said.

College and university risk management and insurance programs also have found MyPath to be an effective way to attract students to the industry.

Earlier this fall, Tim Cook, director of the Risk and Insurance Studies Center at Virginia Commonwealth University in Rich-

mond, Virginia, said he looked out at his basic risk and insurance class, and thought: "Here's a bunch of students who probably have no knowledge" of the opportunities insurance offers. So he offered extra credit for students who wrote a one-page paper on MyPath.

"Ultimately, it hit the mark. More than a third took it," he said of the extra credit offer. "It helped me in getting a springboard for my program. It's really a fascinating tool that was long overdue."

"One of the things we always have in risk management and insurance programs to be mindful of is attracting talent," said James Jones, director of the Katie School of Insurance and Financial Services at Illinois State University in Normal, Illinois.

"A big piece of that is explaining the diversity and robustness of the careers in the industry," said Mr. Jones. "Most (risk management and insurance) programs are in the same position we are: You have a great reputation, but every year you have to market the program to students."

"MyPath is a tool we didn't have in the past," Mr. Jones said. "This gives us a tool that allows students to explore insurance on their own time," and to give freshmen and sophomores greater understanding about the industry as a career.

INSURANCE CAREERS MONTH COMING SOON

The inaugural Insurance Careers Month will take place in February.

Insurers, trade associations and industry partners participating in the effort announced in November include Hamilton, Bermuda-based Hamilton Insurance Group Ltd.; Malvern, Pennsylvania-based MyPath; Denver-based insurance analytics firm Valen Analytics; the Chicago-based insurance recruiter The Jacobson Group; Alexandria, Virginia-based educational trust InVEST; and the Chicago-based Property Casualty Insurers Association of America.

"Insurance Careers Month is the kickoff of a cross-industry, multi-phased initiative designed to raise awareness of the dynamic career opportunities in the risk management and insurance profession and to recruit the next generation of industry leaders," the groups said in a statement. It is the first part of a larger campaign promoting insurance as "the career trifecta," which "encapsulates the three key attributes of a job in insurance: it's stable, it's rewarding and it's limitless," the groups said.

"Our industry is at a critical juncture, with new risks fueled by rapidly evolving technology," Hamilton Insurance CEO Brian Dupreault said in the statement. "It's an exciting time to work in companies that help keep individuals, families, communities and governments safe."

Companies and organizations interested in participating in Insurance Careers Month are encouraged to amplify the message that the industry has solid opportunities to offer the next generation talent, according to the initiative.

By Mark A. Hofmann

CERTIFICATION PROGRAM FOR RISK MANAGERS LAUNCHED IN EUROPE

BY SARAH VEYSEY

The Brussels-based Federation of European Risk Management Associations has launched a certification program to recognize European risk managers' education and experience.

During its October forum in Venice, Italy, FERMA launched the rimap certification and awarded it to 49 risk management professionals who helped develop the program over the past four years.

FERMA offers two levels of certification—the rimap certification and the rimap advanced certification.

Applicants take a three-hour multiple choice test, in which some of the 100 questions may have more than one answer.

The online exam can be taken anywhere at any time, and the certification can be renewed annually through continuous development points awarded based on attendance at training courses and seminars, among other activities.

To apply to the certification program, risk professionals need a certain level of educa-

tion and professional expertise.

Those with a master's degree also must have at least five years of professional experience and a commitment to the rimap code of ethics, which is built around the core principles of integrity, professionalism, confidentiality and loyalty. Applicants with a bachelor's degree must have at least seven years of risk management experience and agree to abide by the code of ethics. Those with a high school education need at least 10 years of experience and a commitment to the code of ethics, while those without formal relevant education need 30 years of professional experience and will complete a dissertation rather than take an examination.

The rimap certification costs €200 (\$218), while the rimap advanced certification costs €300 (\$327). The exam currently is in English but will be available in other languages soon, FERMA said.

At the ceremony honoring the first 49 recipients of the certification in Venice, Michel Dennery, chairman of the steering committee of the certification project, deputy chief risk officer of Paris-based GDF

Suez Europe and vice president of FERMA, said the body of knowledge and reference guide for rimap will "evolve" to keep up with developments in risk management.

According to FERMA, the benefits of certification for risk managers include increased credibility and competitive advantages compared with peers, international recognition and opportunities with multinational organizations, and the opportunity for increased responsibilities and career development.

There was enormous interest in acknowledging risk managers' professional attainment, said Julia Graham, FERMA's immediate past president and now technical director of London-based Airmic Ltd.

The certification, she said, was designed by a group of professionals with a broad range of experience including academics, risk managers with and without insurance responsibility and former brokers.

The idea was to devise a certification that is affordable and allows smaller risk manager associations within FERMA to access some of the intellectual property resources

of their larger peers, among other goals, Ms. Graham said.

Because FERMA is an association of non-profit associations, the aim of the certification program is not commercial gain, said Julien Bedhouche, European affairs adviser at FERMA in Brussels. The program's goal is to help "define the profession" of risk management and ensure that the European risk management community "maintains its knowledge."

FERMA does not provide courses as part of the program, Mr. Bedhouche said, and does not train applicants, so it does not compete with courses offered by other bodies such as the London-based Institute of Risk Management, for example.

Now that rimap has a brand, a name and a logo, certified risk managers can use that on their professional materials such as business cards.

"That is the first tangible, very immediate benefit," he said. "Also you are giving your employer an assurance that you are up to the best standard" as defined by the representative associations in Europe.