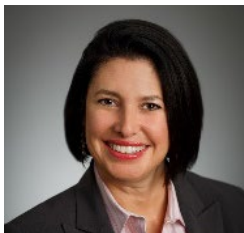


BROAD MARKET *Insights*



Thought Leadership in Action for Life Insurance

It's Time to Recruit More Women into the Insurance Industry



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Take a look at your insurance agency. What is the male-to-female ratio? If it's not balanced, it may be time to reevaluate your hiring practices.

Bringing women into the industry isn't just a step forward for equity, it's a smart business move, too. Not only can female leaders and employees bring fresh perspectives to their teams, but women in leadership are also likely to attract more clients—especially female ones.

That's important in the insurance industry because women are recognized as an underinsured demographic in America. According to a recent Forbes report, only 67% of women have life insurance. That's compared to 79% of men who have life insurance policies. Even when women do have coverage, it's less on average than policies for men.¹

Recruiting more women into the insurance business not only can help bridge a years-old gap in the industry, but it may also allow you to enter new markets and keep your agency thriving.

The Role of Women in the Insurance Industry

According to the STEMConnector report "Women in Insurance: Leading to Action," there are 1.6 million women in the insurance industry.² However, men fill a disproportionate number of leadership roles industry-wide. Consider the statistics:²

- 19% of board seats are occupied by women
- 11% of named inside officer positions are held by women
- 12% of top positions, like CEO and COO, are female seats

1 Source: Frazier, Liz. "Why Women Don't Purchase Enough Life Insurance...And Why They Need More." *Forbes*. September 19, 2019. <https://www.forbes.com/sites/lizfrazierpeck/2019/09/19/why-women-dont-purchase-enough-life-insurance-and-why-they-need-more/#22df3c6a19cb>.

2 Source: STEMConnector. "Women in Insurance: Leading to Action." *Acord.org*. 2018 Edition. https://www.acord.org/docs/default-source/research-public/women_in_insurance_2018.pdf.

What's more, pay inequality is also a concern within the industry. When the data was last collected in 2016, women in the insurance industry earned just 62 cents on the male dollar. Compare that to the average pay gap of 80 cents for all industries in America, and it adds up to a serious issue.²

The disparity may be largely due to the fact that women more commonly work in supporting roles, like customer service, claims, and policy processing. This could mean that women may be comparatively underpaid and potentially overlooked when promotions to more senior or leadership roles become available.

How Recruiting Women Can Benefit Your Agency



In today's market, both digital and in-person, social networking connections are vital to the long-term success of any agency. Research shows that women in leadership positions consistently outscore men in key networking skills, such as communication, collaboration, and relationship building.³

Better networking can mean more trust built between your agency and the clients who rely on you. People like working with individuals and companies who understand and empathize with them. When your employees and leaders are able to connect effectively with clients, that can translate to better business for your agency.

Diversity in leadership is also a crucial factor for success in any industry. Data collected by McKinsey shows that companies with greater gender diversity at the executive level outperform their peers by margins of up to 21%. Additionally, the most ethnically diverse companies outperformed their least ethnically diverse peers by a whopping 33%.⁴

This data makes a clear case for recruiting women—especially women of color—to executive positions in much greater numbers.

Creating Opportunities for Women

So, how can your agency attract and hire more professional, experienced, and qualified women? One strategy is to offer incentive programs to recruit more women to the agency. Mentorship programs involving both men and women can also be helpful in giving women the leg up they need to take advantage of opportunities for career advancement.⁵

2 Source: STEMConnector. "Women in Insurance: Leading to Action." *Acord.org*. 2018 Edition. https://www.acord.org/docs/default-source/research-public/women_in_insurance_2018.pdf.

3 Source: Zenger, Jack and Folkman, Joseph. "Research: Women Score Higher Than Men in Most Leadership Skills." *Hbr.org*. June 25, 2019. hbr.org/2019/06/research-women-score-higher-than-men-in-most-leadership-skills.

4 Source: Hunt, Vivian, Yee, Lareina, Prince, Sara and Dixon-Fyle, Sundiatu. "Delivering through diversity." *McKinsey*. January 18, 2018. <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>.

5 Source: Mott, Christina. "Pulling Together to Recruit More Women to Insurance." *Iamagazine*. May 1, 2019. <https://www.iamagazine.com/magazine/read/2019/05/01/pulling-together-how-to-recruit-more-women-to-leadership-positions>.



Even once women are brought into the agency though, it's important to keep in mind that their experiences are often very different from their male counterparts. In the STEMConnector report,² women in the insurance industry, compared to men, were less likely to report:

- Being able to participate meaningfully in meetings
- Managing a recent challenging assignment
- Believing their contributions were appropriately valued
- Being turned to for input on important decisions

Take note of these ways that top management can allow women to comfortably participate in meetings and demonstrate their abilities and talents. It could be that those who are not participating may simply be challenged by a culture that discourages it.

Direct and substantial interaction between senior leadership and female employees is another way to encourage and support women within the agency. Weekly meetings encourage a more inclusive and balanced team, especially when concerted efforts can be made to give women time and space to make their voices heard.

Measuring the Progress of Diverse Recruiting Practices

It's possible to measure the progress of your recruiting efforts through a variety of metrics.

Be sure to continue monitoring your hiring numbers on a regular basis, from weekly to quarterly. By working with quantitative and qualitative data, your company could appropriately define success for all members of the team.

Don't simply count the number of women on your staff. Other key ways to track the initiative are:⁶

- Pay disparity
- Engagement in top leadership roles
- Percentage of women who are directors
- Percentage of female named officers
- Percentages of female top officers like CEO, COO, or CFO

Leaders in the insurance industry are using data more than ever for prescriptive decision making. Many forward-thinking companies are hiring Chief Data Officers and Chief Information Officers to their top executive teams, to better track hiring data and promote equity within their agencies.

Businesses around the world are seeing the benefits of recruiting more women to their upper ranks, but the insurance industry still lags in gender equity.⁷ Increasing the recruitment of women in insurance will require a strategic focus on data, diversity, communication, and innovation. The potential results? Increased revenue, a stronger agency, and a better working environment for everyone.

⁶ Source: Miller, Randall. "Gender diversity: five perception disconnects that must be fixed." *Ey.com*. April 26, 2018. https://www.ey.com/en_gl/workforce/gender-diversity-the-perception-disconnects-that-must-be-fixed.

⁷ Source: Milkint, Margaret. "Industry Still Lags on Diversity." *Insurancethoughtleadership.com*. March 7, 2019. <https://www.insurancethoughtleadership.com/industry-still-lags-on-diversity/>.

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