

**NAIC Special (EX) Committee on Race & Insurance
Workstream One Conference Call
November 18, 2020**

Comments by Marguerite Tortorello, Managing Director, Insurance Careers Movement

Opening Comments

As I speak today, I'm framing my comments based on barriers identified in the October research from Marsh and the Latin American Association of Insurance Agencies on [Building a Future for Hispanic Professionals in the Insurance Industry](#), the Marsh & Dr. Lee Nunery research on the [Journey of African American Professionals in Insurance](#), and the recent crowd-sourced work by Dr. Nunery and Susan Johnson from The Hartford on ["Why aren't there more black professionals in leadership roles in the insurance industry?"](#) and ["Your input and ideas for action."](#)

I'm also reflecting on the on-going impact of the coronavirus pandemic on recruitment, talent, and diversity, equity, and inclusion.

What in your view have been the primary challenges for people of color and/or historically underrepresented groups within the insurance industry?

From a talent perspective, some of the key barriers include:

- Lack of awareness of career opportunities in insurance
- Financial barriers for education
- Lack of networks
- Lack of access to opportunities in all points of the career pipeline

From the global coronavirus pandemic perspective, career challenges and barriers can be heightened by:

- No or greatly reduced in person college visits
- No or dramatically changed in person recruiting events
- No or significantly altered in person networking events
- Shift to virtual internships or reduced internship opportunities
- Impact of remote workforce on professional development, career opportunities
- Economic concerns from the pandemic and impact on hiring
- Economic pressure for colleges and universities and the impact on the talent pipeline

What can companies do to attract, retain and promote people of color and historically underrepresented groups? What initiatives have worked and not worked?

Attracting people of color and historically underrepresented groups

Apprenticeships: When looking at what companies can do to attract people of color and historically underrepresented groups, apprenticeships programs can have a significant impact on addressing barriers by increasing awareness of career opportunities, providing hands-on skill training, providing benefits, and assisting with educational financial support to diverse career seekers.

There is outstanding work underway by **Zurich, Aon and The Hartford** in the apprenticeship space and as industry leaders, they want to increase collaborate with the NAIC, the departments of insurance and insurance companies to expand apprenticeships across the United States.

Aon announced last week that they are expanding their apprenticeship program and are investing \$30 million over the next five years. The firm will lead the formation of new local Apprentice Networks in Houston, Minneapolis, New York, Philadelphia, San Francisco and Washington, D.C. in addition to their current Chicago and London programs.

Since Zurich Insurance Group and Aon launched the Chicago Apprentice Network in 2017 with a class of 25 apprentices, the Network has grown to more than 40 employers working with 740 apprentices. In 2020, the American Property Casualty Insurance Association (APCIA) launched Insurance Apprenticeship USA, in collaboration with Zurich North America, the U.S. Labor Department, The Hartford and Aon. With the recent expansion, Aon will lead the development of a nationwide network of employers to create 10,000 apprenticeships across the United States by 2030.

I encourage the insurance commissioners and more companies to join Zurich, Aon, The Hartford and APCIA in this innovative work to increase opportunities in insurance for people of color and historically underrepresented groups.

Veterans: Veteran career programs can also help reduce barriers for diverse career seekers and help increase diversity in insurance. **Travelers** has established a [mentorship program for veterans](#). They work with American Corporate Partners (ACP), which is "a nonprofit organization that focuses on helping transitioning veterans and active-duty spouses find civilian careers by matching them with mentors from a broad range of industries." **Zurich NA, Erie Insurance and USAA** are also leading the way on developing meaningful insurance career paths with veterans.

Student Outreach: The coronavirus pandemic has significantly impacted colleges and universities and the financial pressure is enormous. As parents and students' questions costs and the coronavirus continues to impact remote and in-person learning, collegiate and university presidents are under pressure to provide career paths for jobs that are stable, financially sound, and purpose driven. The insurance industry has an opportunity to increase engagement with academic leaders. It could be powerful for the NAIC, insurance commissioners and company executives to meet with college and university presidents and

provosts to discuss the stable, financial sound, and purpose driven career paths in insurance with a focus on advancing diversity and inclusion. This work could be done via Zoom as colleges and universities are planning for the immediate and long-term future.

Initiatives like the **Big I InVest Program** can help accelerate reach to diverse audiences. Since 1970 InVest has been working with high school and college students and currently has 890 programs across the nation. InVest partners with Junior Achievement. **Travelers Education Access Initiative** helps increase access to higher education for underrepresented students.

The Hispanic Professionals report I mentioned earlier also noted the need to increase outreach to collegiate Hispanic Serving Institutions. Also notes in previous research is the need to reach out to more schools beyond those that offer Risk Management and Insurance programs and to further engage with HBCUs. The **Insurance Careers Movement** also collaborates with **Gamma Iota Sigma** on student initiatives.

Increasing Awareness on Insurance Careers: The global February Insurance Careers Month initiative is an opportunity to heighten awareness of career opportunities in insurance throughout the talent pipeline. Via robust social media campaigns, collegiate and networking events, webinars, and on-line initiatives, the insurance industry is showcasing career paths, culture, diversity and inclusion, and innovation in the industry. The NAIC and the departments of insurance are encouraged to participate in the upcoming February Insurance Careers Month to help increase diversity in the industry.

Regarding retention, Employee Resource Groups are playing an important role in accelerating diversity in the industry. Many companies already have some version of Employee Resource Groups and/or women's leadership networks such as **CNA, COUNTRY Financial, CSAA, ERIE, Shelter, USAA, Travelers, and Zurich**. Insurers are turning to the Employee Resource Groups for insights on recruitment and retention, candidate referrals, and enhancing development of a diverse leadership talent pipeline.

Many companies are also creating specific programs to help drive diversity and inclusion such as: created an **Inclusive Cohort program** to help retain and upskill accelerated talent that is culturally diverse for future leadership roles, created a **Women's Leadership** group focused on advancing women into leadership roles and have seen greater % of representation in their supervisor to mid-level leader positions, pipeline for executive leader roles, created the **Inclusivity Council, the DEI Inclusion Council, the Catalyst Leadership Development Program, the Aspiring Women program, the EMPOWER** enterprise leadership program designed to accelerate readiness and encourage sponsorship and created the **Elevating Women in Leadership** to accelerate the leadership development of key high potential female leaders.

Promotion and retention are addressed with the Emerging Leaders Conference. To help promote emerging leaders, people of color in insurance, and to drive retention, **APCIA, the Insurance Careers Movement, and AM Best** created the Emerging Leaders Conference which is held in February in conjunction with Insurance Careers Month. The nomination process is designed to help foster conversations on identifying, developing and retaining rising stars in the industry. Nominations are open until the end of November. We are on track to have approximately 300 emerging leaders from the 2019, 2020, and 2021 classes.

Regarding carrier actions on promoting people of color in insurance, some insurance companies have programs in place and others are developing new initiatives. An excellent example is the **Progressive [Multicultural Leadership Development Program](#)**. Progressive has a cohort of people go through the 18-month program and most are people of color. Their rate of promotion having gone through this program is about 60% higher than the standard peer. This program addresses some of the barriers by increasing visibility, providing networking opportunities, and increasing access to executives.

Is workforce diversity considered in management compensation and, if so, how and how much?

Insurers are working to advance diversity and equity through performance objectives, training, courageous conversations, and other HR initiatives. Unconscious bias and anti-discrimination training for employees is helping advance a more equitable workplace as well as impacting customer relations. Companies are also all seeking ways to better incorporate equity into their D&I strategies.

Travelers created the **Inclusive Leadership Performance Objective** which recognizes that managers have a responsibility to help build an inclusive culture. The inclusive leadership objective is included in all managers' annual performance objectives. The objective is to purposefully foster a work environment where all employees are included and appreciated and to attract, retain, engage and develop employees from all cultures and backgrounds.

Progressive has been a leader on D&I for years. Over 12 years ago, Progressive introduced unconscious bias training to the organization, and have since built it into employee and manager onboarding. Progressive initially created a series of short e-learning modules for managers focused on building the skill of intercultural competence, and ways to make intercultural competence part of key aspects of leadership roles, such as hiring, coaching, fostering collaboration, evaluating talent, and embedding D&I into business operations. The e-learning is also tied to one of the leadership competencies, ***Creating an Inclusive Environment***. Managers take the e-learning individually in short, 15-20 minute modules, but supplement this with materials that help them lead follow-up discussions within their groups – either virtually or in-person, as well as activities and resources related to each module's topics. Progressive has now developed similar content for all non-managers and are deploying it across the organization.

Progress has been driving open dialogues on diversity and inclusion. In order to provide a "brave space" for people to engage in meaningful dialogue, and develop the skills to talk more comfortably about biases, privilege, and more, Progressive developed the **Courageous Conversations** program several years ago. This program provides people with an opportunity to engage in small group sessions to purposefully talk about biases and stereotypes, and to practice engaging in dialogue around differences. The program grew from a desire to provide a "brave space" for intentional dialogue around race and ethnicity. Progressive has expanded the scope of conversations to also include LGBTQ, disabilities, age-related topics, and more, in collaboration with the Employee Resource Groups. The experience creates space for growth, sharing and learning as it relates to cultural differences through a variety of lenses and allows for conversations around intersectionality. The discussions leverage short case studies about the real-to-life experiences of people from various backgrounds to spark bold conversation.

They are facilitated by a trained moderator, and include a set of “ground rules” to help set the stage for active listening, appreciative inquiry, and thoughtful perspective-sharing.

The Hanover Insurance Group conducted **unconscious bias training** throughout the entire organization. First, focused on all leaders and helped the management team develop more inclusive leadership skills. Trained all employees on how unconscious bias can impact decision-making. **Travelers** also conducted unconscious bias training. **Zurich NA** conducted **anti-racism training** and their diversity initiatives earned Zurich a spot on the Forbes “Best Employers for Diversity.”

State Auto conducted a deep dive series of **systemic racism conversations** hosted for all associates by the CEO. State Auto hosted a series of 7 conversations for associates to share personal examples of what racism feels like and then transitioned to suggestions from employees on what State Auto could do to combat racism, individually and collectively. That work led to a new corporate partnership with NAAIA, engaging leaders as guest speakers and panelists in support of diverse communities and a corporate wide mandatory 3-week **Unconscious Bias training** that was supported by 55 facilitated debrief sessions.

What can the NAIC and state insurance regulators do to support companies’ efforts to increase the representation of people of color and historically underrepresented groups in the insurance industry?

One immediate action the NAIC and state insurance regulators could do to help support companies’ efforts to increase representation of people of color and historically underrepresented groups in insurance is to collaborate on talent and D&I on social media. The NAIC and departments of insurance could help reach new audiences and increase awareness of career opportunities and amplify availability of financial resources such as internships, apprenticeships, scholarships, jobs, diverse vendor opportunities, diversity initiatives, and philanthropic work to highlight the purpose driven industry.

On Twitter alone, the NAIC and just the departments of insurance on this working group (workstream one) have a collective audience of approximately 44,810 followers. The number of followers of all departments of insurance and NAIC combined on Twitter, Facebook and LinkedIn would be powerful.

This working group could create a recommendation that the NAIC and the departments of insurance share content on internships, apprenticeships, scholarships, career opportunities, and diverse vendors from carriers, agents and brokers, and organizations like the Spencer Foundation, InVest, The Institutes, the Insurance Careers Movement, APCI and other trades, NAAIA, Latin American Association of Insurance Agencies, Gamma Iota Sigma, the Jacobson Group, I.I.I., IICF, and organizations. Companies and organizations would have the opportunity to share talent, diversity and philanthropic related content with the NAIC and the departments of insurance for further outreach.

Diversity within industry trade associations/groups and outside vendors retained by insurers

Do insurers look at the level of diversity of potential outside vendors (including whether a business is owned by people of color or historically underrepresented groups or the diversity of the outside vendor teams working for an insurer) when making decisions regarding possible contractual relationships? If so, can you describe the process?

What can insurance companies do to help create greater opportunities for diverse businesses or diverse employees at outside vendors?

Some insurers are helping create greater opportunities for diverse businesses or diverse employees through supplier diversity programs and support to small and minority owned businesses. For example, **CNA** seeks to forge strong, innovative relationships with qualified businesses owned and operated by people of diverse backgrounds. Supplier diversity ensures that diverse businesses have an equitable opportunity to compete for and win their business. **CNA's Supplier Diversity Program** includes the following classifications for diverse suppliers: Minority-Owned Business Enterprise, Women-Owned Business Enterprise, Veteran-Owned Business Enterprise, Service-Disabled Veteran-Owned Business Enterprise, People With Disability-Owned Business Enterprise, and LGBT-Owned Business Enterprise.

Travelers' Small Business Risk Education Program supports women and minority-owned businesses and provides risk management and safety education. Since its inception in 2012, program has reached more than 2,300 small business participants.

The insurance industry conducts extensive **philanthropic initiatives** and collaborates closely with many organizations that work with minority owned business and support underserved communities. This philanthropic work fosters relationships that help create great opportunities for diverse businesses and diverse employees at outside vendors.