

CLAIMS & RISK MANAGEMENT

Working Group

The Claims & Risk Management Working Group held a two-hour meeting on September 15, focused on the future of the claims and risk management industry and how we may be impacted by larger societal and government decisions, as well as changes specific to our profession. [Watch the full Working Group meeting here.](#)

Ken Haltenhof from The Council spent the first few minutes of the call re-introducing the [Commercial P/C Market Index](#), which is a quarterly market report designed to highlight market conditions, pricing practices and trends through data collected from The Council's broker firms. The Council has been publishing this data since 1999, tracking changes on a quarter-by-quarter basis. It is one of the most frequently quoted surveys in the industry by both consumer and trade media.

As Claims and Risk Management professionals, you may have insight into the data that we need to collect. If you are interested in contributing to this survey, please [click here](#) or reply to this email to contact Ken directly.

Government Affairs Commentary

Joel Wood and Joel Kopperud, SVP and VP of The Council's Government Affairs team, were joined by Scott Sinder from Steptoe & Johnson. They discussed their perspectives on the Biden Administration's recent Executive Orders expanding the government's focus on possible anti-trust cases, as well as changes to non-compete disclosures.

- **Antitrust**

As a result of the recent Executive Order from the Biden Administration regarding M&A activities, the industry may be under scrutiny going forward from the DOJ and FTC. There is also a possibility that previous acquisitions may be reviewed, which could be focused on some of the Council's more publicly recognizable members. However, this wouldn't happen immediately.

To read more on this topic, check out Scott Sinder's latest column, [EO, EO, It's Off To Work We Go](#), in this month's issue of *Leader's Edge*.

- **Non-Competes**

Scott Sinder informed the group that many of the changes coming to Non-Compete Disclosures would not necessarily impact our industry directly. In our view, these changes are designed more for hourly workers than salaried employees.

- **Taxes and Government Funding**

In two weeks, Congress will hit the deadline for the Federal debt limit to be increased to keep the government running. Democrats are pushing a \$3.5 trillion package, but Senator Joe Manchin has said he will not approve a package larger than \$1.5 trillion and Republican Senate Leader Mitch McConnell has been firm that no debt limit increase will happen while a \$3.5 trillion package is floating out there. The focus of the current debate comes down to funding.

The Council's Government Affairs team sees a strong possibility that, by December, Congress ends up at a compromised \$2 trillion package.

Based on what has been released to the public, tax rate increases are a major source of funding for the proposed programs and would still be needed to cover a compromised \$2 trillion package. In many of the scenarios considered, there would be tax implications for Council member firms.

On Tuesday, September 21, The Council's Government Affairs team and tax counsel at Steptoe & Johnson hosted a webinar breaking down the potential impact of these revenue measures on our member firms, and provide insight into how this process could unfold.

[Listen to the webinar recording.](#)

Group Discussion

The second half of the meeting continued to focus on issues that may be impacting our industry, and profession as Claims and Risk Managers, soon. We broke out into four groups to discuss and report our findings to the group. Those groups focused on:

- **Talent and Competency**

The discussion began with what knowledge or skill sets firms are looking for in their new hires. There was a consensus among the group that interpersonal and communication skills will always be at the forefront of recruiting efforts, because

there will always be a need to interface with the client.

But as predictive modelling and statistics play increasingly important roles within the field, analytics and computer science experience are going to be just as important as the soft skills. There are also niches within brokerages where specialists in certain areas, such as cyber and management liability, will be needed.

The conversation then moved to talent sourcing efforts. As firms are looking to attract more recent college graduates, a few firms have started their own training programs for new hires with varied success. One firm reported that about 1 of every 4 individuals they train stays on with them. Interestingly, the other 3 typically stay within insurance but not in a Claims or Risk Management role. There were also brief conversations about outsourcing back office tasks while keeping client facing roles in-house.

Finally, the idea of reshaping recruiting, and looking outside of the traditional talent market was considered. One example of that discussion was to subcontract retired brokers.

- **Technology and New Platforms**

The general theme of the technology discussion is that data, comprehensive data systems, data driven analysis, and technology are the future of the insurance space. A cultural shift must take place for the industry to buy in and utilize the data efficiently, both internally for the firm and externally for their clients. Varying age ranges on teams can help technology adoption significantly, because everyone can help each other at every stage of their careers. A few firms have innovation groups focused on navigating the ever-changing technology landscape of the industry.

The pandemic forced quick adoption of new technology and practices. Expectations of a functioning office and communication tactics have changed. However, this raises the issue of the need to discover how our external and internal audiences want us to connect with them. As an example, one attendee reported that several external clients prefer to use Slack to communicate.

- **Carrier Relationships**

Communication is as paramount in the carrier-broker relationship as it is in the broker-client relationship. Quality, clean data is necessary to make strides in the

industry. However, for the carrier-broker relationship to be successful, the group was adamant that carriers need to be more open to sharing their data. A close partnership is necessary to give clients the best products, but for that to happen both carriers and brokers need to find ways to share data in an open, reliable, and cost-effective way. There may be differences in regional and national approaches to this, but the focus of the discussion was improvements in communication, specifically from the carriers.

- **Evolving Management and Leadership Styles**

The pandemic has been a "pandora's box" moment for managing employees. The new normal of the work environment is going to be more virtual, distant and diverse. We are most likely never going back to 100% of how things were before. This environment is going to attract different kinds of employees to your agency and with new kinds of talent comes the need to meet them with new kinds of management.

In essence, the social contract between employee and employer has changed. *Leader's Edge* writes on [what employees expect the social contract to look like](#).