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# The Growth of Insurtech: A Discussion with Global Reinsurer SCOR's Adrian Jones and Jay D'Aprile, Slayton Search Partners

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Lemonade's massive IPO in early July jolted many insurance executives to attention. Should you get involved in Insurtech? How might joining a startup impact on your career? Can you get involved without leaving your day job? To answer these questions and to learn more, Adrian Jones and Jay D'Aprile recently spoke. [Jay](#) is an executive search professional, and [Adrian](#) leads a corporate venture capital organization.

## **State of the talent market**

**Adrian Jones:** What is the state of the talent market in insurance for senior executive roles? Who's hiring? Who's not? What sort of roles are in demand, and to what degree has the balance of power shifted between employers and employees during COVID?

**Jay D'Aprile:** During the last major financial shock in 2008, all of my searches were cancelled. I was getting no new business. This time around, none of my searches have cancelled. As a matter of fact, I just completed a Chief Actuary search for a large health insurance company. New assignments are coming in, companies are hiring, and it is still a candidate's market. Insurers are still going through significant changes right now, and they need that talent to help drive those changes. While I wouldn't characterize the market as robust, it is holding steady.

Concerning startups, how do you feel the market is?

**Adrian:** From a talent market perspective, startups are a material consumer of talent right now. Overall, it's a mixed picture though. Some larger start-ups are finding it's a good time to attack the market because competitors are on their heels. These start-ups are aggressively looking for talent. What we're finding in terms of the types of roles is it depends on the maturity of the company. When you first form a company, you build out an executive team with a Head of Technology, a Head of Sales, a Head of Customer Success. Perhaps a Chief Operating Officer. As time goes on, the company becomes more mature. You may start to hire for roles like CFO. As you get more mature, then that's when you start to add other functions like a Head of People or a Chief Risk Officer.

## **State of the Insurtech funding market**

**Jay:** How is the funding in the market for insurtech, and how do you think it will affect hiring for the rest of the year?

**Adrian:** The degree to which a company is well-funded impacts its ability to hire, grow, and

attack new markets. Those companies who are announcing big fundraising rounds, and there are several of them out there, are likely to be looking for talent in many different sectors of their business. Prospective joiners should keep in mind that a company that is well-funded today might not be well-funded tomorrow, so there's some potential risk involved. There is significant risk when you transfer from what I call a legacy carrier to an insurtech.

## **Should you join a start-up?**

**Adrian:** What are you hearing from insurance executives? How do you advise them as they're thinking about whether they should be working with a large and stable incumbent or one of these new swashbuckling startups?

**Jay:** There is a significant amount of risk that is associated with leaving the mothership and joining an insurtech. When executives ask for guidance about leaving a legacy carrier, the first question I ask them is what do you ultimately want to accomplish, and what is your time frame and risk profile?

The stereotype of a company founder is a nerdy 22-year-old Harvard drop out, but that's not what we're seeing among insurance founders who are often in their 40s or older. So, who is founding and taking leadership roles in insurtech firms? Is it people coming out of legacy carriers who have identified a need? Or is it people coming from outside the industry who think they can do it better? What are the strengths and the advantages of each model?

**Adrian:** We see all of the above. However, you're correct that we are not seeing a lot of 22-year-olds starting insurance companies. This industry is just too complex. We are seeing a couple of things. One is people who have been at legacy carriers who have ideas that they decide they're going to execute. Another thing that we're seeing is people who started a business within a large incumbent who then convinced that business to be spun out into its own company, which can be a very successful model in the insurance business where it's incubated in the large company, then spun out. The large company still owns a material portion of it, but you bring in other investors and customers.

## **Can you join a start-up without leaving your day job?**

**Adrian:** The founding teams that we look for when we're going to invest with our venture fund need to really know insurance. We want that grizzled veteran who has war stories and scars. We also look for someone who perhaps has a technology background that might be coming from outside of insurance. And we look for this blend of experience so that it all works

together. We're starting to see executives that are joining in an advisory role to help leverage the relationships that they have. While they may not be part of the management team, they are taking a role on the board of directors to help steer and guide that company and drive relationships and sales.

**Jay:** Are you seeing that?

**Adrian:** Yes. In fact, you don't necessarily need to quit your day job in order to join a startup. There are a number of roles which exist outside of the formal role, and this is how to get first-hand knowledge and experience outside the four walls of your company. We do see a very strong demand from startups for people with experience as members of the board of directors. When they reach a certain stage of maturity, most companies will appoint an independent director. They'll form advisory boards as well, and sometimes those are paid advisory roles. They often pay you in company shares. So, there are all sorts of ways of getting involved even if you don't want to leave your current company.

**Jay:** How would you advise a senior-level executive who has been with the legacy carrier that is thinking about the insurtech world, whether it's in a permanent role or an advisory role to evaluate joining an insurtech? What are the things that someone like that should look for?

**Adrian:** Let's assume that we're talking about joining in a full-time capacity. First of all, you have to know your risk preference. If you've got several kids in private school and you enjoy having a nice steady paycheck, going to a startup is not for you. In fact, the compensation will be lower; possibly materially lower. That's the financial consideration. There's also a whole other set of considerations. People in large companies complain about slow decision-making processes. Are you able to survive in a company that has no decision-making process? When there's no support function, you're doing everything yourself. You also need to think about the fact that this might not be a permanent gig. This might only be for a couple of years. What are you going to do next?

## **Can you return to a big company?**

**Adrian:** If someone opts to get startup experience, and it doesn't work out and they decide that they want to come back to a large company, how is that perceived in the marketplace?

**Jay:** Times have changed. People are no longer staying with companies for 30 years and getting the gold watch at the end of their tenure. Companies expect people to go out and try new things and experiment. The challenge I see being a headhunter in the insurance world is

that I run across people who are lifers, and the first question is, what else have they seen? What else can they bring to the table that we can't find from other people? So, I don't think there's any negative connotation associated with taking a chance and going to a startup company. Clients actually find that attractive and they realize that a person like that is willing to assume a little bit more risk, which I think is a positive.

**Adrian:** That's interesting and actually more positive than expected, because insurance is a business that values longevity in seeing cycles over time. That's encouraging for people who are looking at what their options might be.

## **What new skills do insurers need?**

**Jay:** If you think about the insurance industry right now, where it's going, and all the trends that are changing insurance companies, obviously understanding risk and understanding how to underwrite risk is very important over the long haul. But insurance companies don't have the in-house talent right now to address trends such as consumerism or data. They need people who understand the brave new world of insurance right now. And going from one legacy carrier to another legacy carrier doesn't necessarily mean you're going to understand and bring to your new employer the ability to impact initiatives such as customer experience or consumerism.

## **The importance of networking**

**Jay:** What is the role of a startup board or a startup investor in the hiring process for senior roles in startups? How should executives network with board members or investors?

**Adrian:** Don't stop networking. I spend a decent amount of my time thinking about the talent needs of companies and how can I connect them to people who may be able to fill those needs. I go to a number of conferences and like to talk to people, including the lifers from big companies, because that hire might actually be the missing piece that a startup needs. So, I would encourage people at conferences and events to not be afraid to talk to the venture people, whether it's venture capital firms or folks like me who work for a corporate VC. Talk about what you're seeing in the market. We don't need to talk about anything confidential about your employer, but let's talk about what you're seeing and if there are ways that I can hook you up.

**Jay:** As someone who hunts for talent, developing relationships is something that I'm constantly doing as well. Your network is your net worth, and that's the reason people say

that.

**Adrian:** I network a lot with people in the recruiting business because for many of these roles where you're looking for that needle in a haystack, startups use executive search firms. Knowing the right search people is also quite important.

**Jay:** Executive search professionals have a responsibility to help people, whether there's a search or not. If you can make connections for insurtech companies, or if you can make connections for executives who are in your network, I hope that the universe works correctly and it will come back and you will be repaid for that.

## **Putting your years of experience to work**

**Jay:** How does one get involved with insurtechs without leaving their day job?

**Adrian:** A role as an independent director certainly is one way. And the way that you get those sorts of roles is by getting to know investors and founders. People in the industry should not underestimate the importance of the years of experience that they have accumulated in the traditional industry. That is incredibly valuable to founders and to investors.

**Jay:** Absolutely. I know a former large life and health executive who retired, and he started about 10 years ago really focusing on the insurtech world. He's made quite a career and a significant amount of money by taking those risks investing in acting as an advisor. The opportunities are out there for sure.

**Adrian:** The one last role I should mention is that of a mentor. There are a number of accelerators and incubators who look to match startups with mentors, and it's not a huge time or monetary commitment. That's potentially one way of getting started.

## **Better using social media**

**Adrian:** How do you suggest executives think about using social media? It can be very challenging when you're working for a large company that wants to very tightly control the way that it is presented in the world. But how should executives get involved in social media in order to get to know insurtech as well as to make themselves visible in that world?

**Jay:** Many people don't understand the power of professional social media. We've heard about creating a personal brand for years, but what does that mean? How many speeches will

you have to give? How many articles will you have to write in order to move the needle on your own personal brand? With professional social media now, executives can forge new relationships that they've never been able to forge before. They've been able to stay visible and create new opportunities. I highly recommend that any executive, whether they're looking to advance their career at a legacy carrier, or whether they're looking to join an insurtech company, really start to understand the power of social media. A lot of people look at LinkedIn as a place to store a resume or they look at it as frivolously as Facebook. Once people understand how they can create new relationships and become visible, then they really start to understand the power of social media and can use that to create a pretty robust network that brings along new opportunities.

**Adrian:** So how do you use social media correctly as a senior executive in an insurance company?

**Jay:** Executives tend to worry about what people are going to think about them. I always tell them – think about your tribe; don't worry about the people who don't like you. Develop an understanding of how you can curate content to drive conversations about the trends that are going on in the insurance industry. Dip your toe into it a little bit and try to comment on peoples' posts and become part of the conversation.

## **Social media in the hiring process**

**Adrian:** Do you and your clients look at a person's social media profile during the hiring process, and if so, when? How does it impact the hiring process?

**Jay:** We do look at candidates' professional social media as opposed to personal social media. What I look for is whether they really understand some of the new trends that are going on. What it really comes down to right now is being where your customers are. Senior-level executives really should dive in now and understand new platforms and new ways of communicating with potential customers.

I appreciate the time today, Adrian. You're doing great stuff out there in the insurtech world, and I enjoy seeing your active posts on LinkedIn. I look forward to staying connected.

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