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The Insurance Industry Retirement Crisis: How to Prepare for the Next Wave of Departures

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Recent projections from the Bureau of Labor Statistics estimate that nearly [400,000 insurance professionals will retire](#) by the end of 2026. This is not a distant threat. It is already shaping the industry.

Organizations that act decisively to capture institutional knowledge, develop succession plans, and rethink talent strategies will emerge as leaders. Those that delay risk falling behind in service quality, regulatory compliance, and competitive positioning.

The Crisis is Already Here

Walk into any insurance office today and the reality is clear. One in four underwriters is over 50, and the average insurance professional is in their mid-50s. Over the next decade, roughly half of the workforce will retire, taking decades of tacit knowledge with them.

This expertise is rarely documented. It lives in the veteran underwriter who instinctively knows which risks warrant a second look, or the claims adjuster who recognizes fraud patterns before losses escalate. The window to transfer this insight is closing quickly.

At the same time, the talent pipeline remains thin, with less than 25 percent of the workforce under 35. Many younger professionals view insurance as traditional and slow-moving, even as the industry undergoes rapid digital change. New roles demand fluency in insurance fundamentals and data analytics, while rising claim complexity from cybersecurity threats to climate events requires increasingly nuanced judgment.

The result is mounting pressure from every direction. Organizations are losing experienced talent, struggling to attract new professionals, and asking more of each hire than ever before.

Strategic Solutions: A Multi-Pronged Approach

Capture Institutional Knowledge

Knowledge is embedded in people, not manuals, and preserving it is critical. Organizations should implement structured programs that combine:

- **Mentorship:** Pair retiring experts with mid-career professionals.
- **Documentation Systems:** Capture decision frameworks and reasoning behind complex cases.
- **Rotational Assignments:** Broaden employee exposure.
- **Phased Retirement:** Allow a gradual transition while sharing expertise.
- **Key Knowledge Preservation:** Including risk assessment intuition, judgment on

complex claims, informal best practices, and historical insight into past claims and regulatory changes.

Build Talent Pipelines

Waiting for experienced professionals is no longer viable. Successful organizations create talent pipelines through graduate schemes, internships, apprenticeships, university partnerships, and mid-career hires from adjacent industries.

- **Upskilling** in AI, cybersecurity, and digital capabilities ensures workforce readiness.
- **Leadership planning** to clarify succession timelines, accelerate development for emerging leaders, and bring in external leaders for fresh perspectives.
- **Partner with Executive Search** firms that can fill immediate leadership gaps efficiently.

Reimagine the Value Proposition

Attracting talent requires telling the insurance industry's story clearly. The work is mission-driven, technologically sophisticated, and increasingly flexible. Companies must highlight meaningful impact, cutting-edge tools, hybrid work options, and clear career paths to engage and retain top professionals.

Leverage Technology Strategically

Technology alone does not create value. AI-supported underwriting and claims automation free experts for high-value work, while skills inventory systems identify gaps for targeted upskilling. Involving employees in developing and implementing tools increases adoption and ROI. With leadership and technology aligned, smaller teams can maintain or improve performance despite workforce shrinkage.

Actionable Next Steps

Immediate (Next 30 Days)

- Conduct a retirement risk assessment for critical roles
- Map knowledge holders and capture critical expertise through structured interviews
- Review succession plans for gaps

Short-Term (Next 90 Days)

- Launch pilot mentorship programs
- Assess technology investments needed to scale workforce capabilities
- Review compensation, benefits, and flexible work options

Long-Term (Next 12 Months)

- Establish formal talent incubator programs
- Build university partnerships and rotational assignments
- Implement skills inventory systems and upskilling curricula
- Develop employer brand messaging highlighting mission-driven work and innovation

The Opportunity Hidden in the Crisis

The 400,000 professionals walking out the door represent irreplaceable expertise but also a catalyst for transformation. Organizations that act decisively will not only weather the transition; they will capture and systematize critical expertise, build continuous talent pipelines, modernize technology to amplify human expertise, and emerge as employers that top talent actively seeks out.

The organizations that thrive are not those that resist change. They are those that embrace this moment strategically.

The 400,000 question demands an answer. What will yours be?

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