

Turning headwinds in the insurance sector into a competitive advantage

The insurance sector was born out of a need to help people and organisations weather uncertainty. Now, the industry itself is experiencing an unprecedented pace of change. Many insurers are scaling, and almost all are building digital capabilities. Profitability pressures continue due to economic uncertainty, climate challenges, regulatory costs and soft market conditions. At the same time, insurers are investing in AI, data intelligence and digital solutions to remain competitive. This constant evolution requires a workforce that can adapt and learn - but change fatigue is real.

While macro and strategic challenges abound for insurers, the defining challenge is talent. A retirement cliff, perception gap among younger generations (who dismiss insurance as 'boring') and a need to radically rethink how work is delivered in a digital era risk creating a talent drought of epic proportions. Attracting, developing, and retaining talent while managing workforce transformation and change fatigue is critical to navigating the changing industry tides.

Insurers who steady the ship — balancing profitability, embracing AI and new operating models, and reimagining their talent strategies will be the ones who successfully chart the course for the next decade.



**WE
SWIM AGAINST
THE TIDE**

Navigating the Strategic Landscape: Consolidation and profitability in a soft market

- **Consolidation**

M&A is reshaping mature markets. Firms are buying scale, modernising legacy systems, and acquiring insurtechs to remain seaworthy in increasingly turbulent waters

- **Profitability pressures**

Margins remain under strain from climate-related losses, regulatory costs, and major investments in digital infrastructure - all adding weight to an already heavy cargo

- **The balancing act**

Leaders face a dual mandate - protect profitability while investing in innovation and workforce transformation

- **Customer service**

Service excellence remains the anchor point for differentiation

The Talent Crisis: A drought of epic proportions

The latest Insurance Labour Market Study from the Jacobson Group and Aon states that 53% of insurance companies are planning to increase employee levels during the next 12 months¹. Good news for industry optimism but the fact remains that talent remains an issue for a sector facing one of the most acute talent challenges of any industry.

- **Retirement cliff**

In the UK, a quarter of professionals may retire within 10 years² (half within 15³). Specialist roles like underwriting and claims are hardest hit – creating gaps as experienced crew leave the deck

- **Perception gap**

Among 16 – 24 year-olds, insurance ranks last in career appeal⁴. While 79% of young people want careers with positive impact, only 34% believe insurance delivers it. Just 46% believe the industry can offer personal growth and balance, compared to 87% who seek these qualities. The industry risks being seen as a vessel adrift rather than a beacon of opportunity

- **Retention challenges risk damage**

AON reports that 33% of insurers have suffered business loss due to talent shortages⁵

- **Hybrid tensions**

Balancing flexibility with in-person development remains unresolved

At the very moment society needs skilled risk professionals for climate change, cyber threats, and geopolitical volatility, the talent pipeline risks running dry.

¹ <https://riskandinsurance.com/insurance-industry-shows-strong-hiring-optimism-despite-persistent-talent-challenges>

² The Talent Shortage Crisis, Chartered Insurance Institute April 2024

³ <https://blog.workday.com/en-us/insurance-industry-outlook-5-ways-insurers-reshape-future.html>

⁴ "Insurance industry must change perceptions to overcome talent crisis" Financial Promoter 16.09.24

⁵ Global Risk Management Survey 2023 Aon

Setting your course

If insurers are to win the races for both profitability and talent, they need to keep sight of four priorities:

1 Have an authentic, future-focused Employee Value Proposition (EVP)

- Paint a picture of insurance as purpose-driven, tech-enabled, and future-facing. But be clear about the opportunities that exist as you build that future to avoid a 'say do gap' (where the reality doesn't match the promise)
- Position careers in insurance as central to solving global challenges – guiding lights for a world navigating risk. Increasingly employees want purpose in their work⁶ - making this connection to the 'why' of insurance as a career choice is powerful

2 Build a strategic narrative

- Connect purpose, vision, and culture into one story that employees and potential employees can engage with
- Use the narrative internally to drive engagement and externally to compete for digital talent — a compass to steer both people and performance

3 Embrace the culture shift a technology transformation brings

- Where it is the case, communicate AI as augmentation, not replacement, freeing employees from repetitive tasks to do the value-add work that brings more fulfilment to the role
- Embed change capability in teams and encourage the 'co-creation' of new operating models and ways of working to reduce fear, increase innovation, and boost adoption

Edelman Trust Barometer Special Report Trust in Work 2023

4 Strengthen leadership and change management

- Transformation is about people, not platforms. Lead change from a human-first perspective by equipping and engaging your people with this key capability
- Leaders must act as culture carriers, consistently reinforcing the “why” and “what’s in it for me” for their people
- Equipping leaders to lead and communicate through change is paramount – people trust their leader more than any other source of information⁷

Steering our clients through the choppy waters of change – the 7 Seas Way

These are some of the ways we're working with our client partners in this sector to address these challenges:

● Building capability to change

A pioneering programme taking teams and leaders through the skills needed to thrive through change, lead it well, communicate effectively and inspire each other

● Global Claims digital transformation

Throughout 2025, 7 Seas has been supporting a client through AI-enabled claims digitisation. Beyond re-platforming, this is a new way of thinking about how work gets done. We have created both a strategy to engage people with the change, and equipped the team with change skills for the future

● Strategic narrative in action

Working with the whole function to co-create the strategy, building ownership, accountability, and engagement. This then became the framework for ongoing objectives and performance. Launched and reinforced with an employee-driven narrative, the story became the golden thread, the ‘North Star’, linking EVP, culture, and business objectives

⁷ Edelman Trust Barometer Special Report Trust in Work 2023

- **Embedding service excellence**

Working with employees on a pioneering programme to co-create a definition of service excellence. Then defining the operating principles and behaviours to anchor service excellence into the DNA of the business

- **Values and behaviours aligned to strategy**

Helping employees understand the importance of a values-centred culture as essential to business success. Creating an engaged workforce who feel aligned to their organisation's purpose and their part in delivering it (with the uplift in engagement scores to prove the impact)

- **Inclusive talent retention**

Partnering employees and leaders to create a "Career Compass" for all levels that clearly charts the skills needed for the future, how to develop them and where their careers may lead

Hear what our clients have to say about working with 7 Seas [here](#)

Navigating the future of insurance

The insurance sector faces unprecedented change – consolidation, profitability pressures, talent shortages, and digital disruption. The winners will be those who can:

- Make sense of the changing tides for their people – both existing and future talent
- Reimagine talent strategies and tell a compelling story to attract and retain the next generation
- Embed change capability and cultural evolution into leadership practice every day (change isn't going anywhere)

Without these anchors, strategic answers will run aground and insurers will lose both talent and relevance.

The good news? By focusing on how to attract, support, and inspire talent as the sector charts a new course, leaders can differentiate their offering, retain and attract talent in a tight market and build innovation capability for the future.

About us

7 Seas combines **deep expertise in culture, change, communication and coaching** to create impact and make lasting positive change for a wide range of organisations and their people. From global financial services, to complex NHS Trusts, via Automotive, Energy and some globally recognised brands.

With extensive experience in the public, private and third sectors, we bring our wealth of knowledge to you and your people. Whatever your challenges, we have likely seen it before. We've been there, done it and absolutely got the T shirt (it's probably got a band slogan on).

We do it with our **values of courage, compassion and creativity** as our north star, and our promise to you.

We help our clients **develop their organisational values and behaviours** to drive the positive cultures that fuel strategy and purpose. We work to **embed that culture across the organisation**, by identifying where in your cultural ecosystem the biggest impacts can be made.

We coach and develop leaders and their senior teams to equip them with the skills to face the challenges of the modern workplace – culture starts at the top.

We create strategies to **bring your people on the journey of change**, engaging, involving and motivating them as we go.

We develop compelling **Employee Value Propositions** and **Employer brands** to attract, retain and inspire talent.

We help you **tell the story of your organisation** and its strategy, bringing it to life, making it meaningful for all. Our creative team creates consumer grade campaigns designed to cut through and move your people.

We present and podcast (**'The Deep C Dive'**). We write and publish on culture. We chair conferences and sit on industry judging panels. We win awards with our clients for the impact we've made on their organisation.

We'd love to do this for you. Please **get in touch** to hear what we're doing for organisations like yours and ways we can help make your place a better place to be.

Have we got you hooked yet?

Like what you've read and want more? Visit our **website** to sign up to 'Periscope' for new perspectives and updates from 7 Seas. Quality over quantity guaranteed!

Want to learn more about how 7 Seas can help you and your organisation?

Drop us a line at ahoythere@7seasculture.com



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