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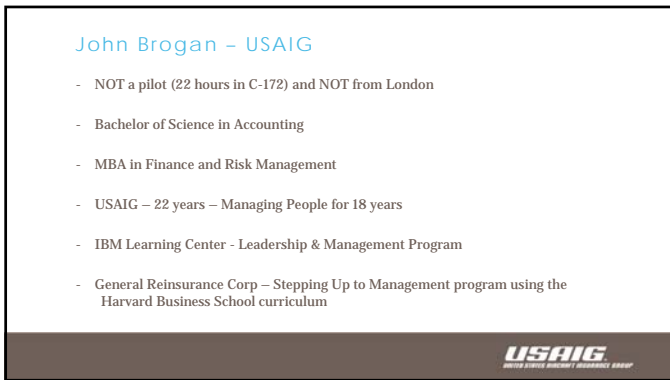
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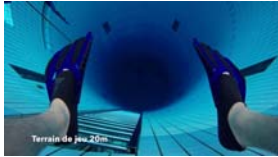
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### The Talent Pool the last 20 years

- 1990's and Prior – Small number of deeper pools.



- Hiring booms of late 1970's and early 1980's. As aviation grew it provided ample talent to field teams at the existing companies of the 1990's and early 2000's. Retirement rates were low so there was not as much new hiring.



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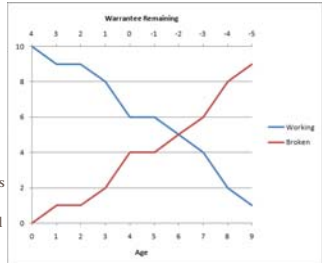
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### The Talent Pool the last 20 years

- 2006 to 2013 – Number of companies expands
- Hiring ramps up
- New hires training in a steep and long soft market
- Generational divides between the leaders (largely hired in late 1970's and 1980's) and the new hires being hired in the mid 2000's



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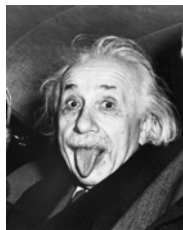
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### Effects of the Soft Market – Financial and Psychological

- Premiums > Losses + Expenses
- This is the E=MC<sup>2</sup> of our industry



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### Effects of the Soft Market – Financial and Psychological

- If this equation does not work business does not work and that is visible to the employees
- Whether you are a broker, a claims person or an underwriter watching income diminish year after year is demoralizing and doesn't support a positive environment
- It's hard to see a future in an industry when the financials don't support your hopes for your career
- Even harder if you haven't lived through market cycles before



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### The Generational Divide

- Why this is important to understand?
- Knowing how your team members interact with each other and what motivates them is key to being successful
- Is our business different than any other when it comes to this?
- Yes. I believe we have the dual uphill battles of uneven generational stats and we are behind the curve on technology which drives interest and engagement of new hires



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### The Epic Struggle



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**The Generations**

Greatest Generation – Prior to 1924



The Silent Generation – 1924 to 1945

Baby Boomer Generation – 1946 to 1964

Generation X – 1965 to 1980

Generation Y (Millennials) – 1981 – 1995

Generation Z – Post 1995

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**Fun with Stereotypes**

Greatest Generation – You aren't one. You couldn't hack it. Full stop.  
(Prior to 1924)

Silent Generation (1925 to 1945) 1) Raised by depression era parents  
2) Lifetime employment with one employer is the goal  
3) Post WW II rise of communism and JFK assassination  
4) Gone with the Wind and Mickey Mouse

Baby Boomers (1946-1964) 1) Raised in stability. Encouraged to explore, learn and create  
2) Loyal to employer but not blindly. Majority of current corporate leadership  
3) Woodstock, Civil Rights Movement and the Vietnam War  
4) Elvis, The Beatles and Barbie



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**Fun with Stereotypes**

Generation X (1965 to 1980) 1) Raised by working parents. Fiercely self-reliant and independent.  
2) Willing to change employers to achieve long term goals  
3) Space Shuttle Challenger and end of the Cold War  
4) MTV and video rentals and video games

Generation Y (1981 to 1995) 1) Raised by working parents. Digital natives with instant access.  
2) Quickly change employers for short term goals  
3) Terrorism  
4) Internet, Social Media and Streaming Audio/Video

Generation Z – Yet to be determined  
(Post 1995)



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Chart 1: An overview of the working generations

Characteristics	Marksists (pre-1945)	Baby Boomers (1945-1960)	Generation X (1961-1980)	Generation Y (1981-1995)	Generation Z (born after 1995)
Formative experiences	Homeland invasion Rationing Post-war boom Rock 'n' roll Nuclear families Defeated gender roles - particularly for women	Post-war boom "American Dream" Television Youth culture Space race Family-oriented Role of the manager	End of Culture Fall of Berlin Wall Nuclear Conflict The Internet The 90s Use of cell Introduction of the PC Early mobile technology Lack of job Early work-life balance	9/11 terrorist attacks Proliferation Social media Growth of the Growth of the Growth of the Growth of the Growth of the	9/11 terrorist attacks Digital natives Globalization Social media Growth of the Growth of the Growth of the Growth of the
Percentage in U.K. workforce*	3%	33%	35%	29%	Currently employed in either part-time jobs or fewer apprenticeships.
Aspiration	Home ownership	Job security	Work-life balance	Freedom and flexibility	Security and stability
Attitude toward technology	Largely unchanged	Early information technology (IT) adapters	Digital immigrants	Digital natives	"Digital natives" - early exposure to IT, never grew up without it
Attitude toward career	Jobs are for life	Organizational - careers are defined by employers	Early "portable" careers - loyal to profession, not necessarily to employer	Digital entrepreneurs - work "with" organizations, not "for"	Career motivation - will move between organizations and digital businesses
Signature product	Automobile	Television	Personal Computer	Smart/Smart Phone	Google glass, graphene, nano computing, 3-D printing, driverless cars
Communication media	Formal letter	Telephone	E-mail and text messages	Text or social media	Hand held or integrated into clothing communication devices
Communication preference	Face-to-face	Face-to-face, but telephone if not equipped	Text messages, email	Online, or if mobile (text messaging)	Texting or via regularly owned devices
Preference when making financial decisions	Face-to-face meetings	Face-to-face meetings, but increasingly will go online	Online research, face-to-face if time permitting	Face-to-face	Texting or via regularly owned devices

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### Decision Making Tendencies

The Silent Generation – Defer to the authority

Baby Boomer Generation – Collaborative amongst peers

Generation X – Gather information but make own decisions

Generation Y (Millennials) – Collaborate with elder council



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### Why is any of This Important?

- You need to know your people and how they will interact. There are very natural, very realistic conflicts amongst different generations and personalities but there are also some natural fits that can work to everyone's advantage
- The key is to know these ahead of time and make the best of them
- When it comes to our industry (and this presentation) it is key to understand how employees will respond to:
  - Different types of training
  - Different management styles
  - Different work environments including technology used



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### Aviation Insurance Employee Sources

- Colleges/Universities are still the greatest source for new employees
- More schools have risk management and insurance programs than ever before
- The military
- Shortage of pilots and mechanics will take many of them off the table but Aviation Schools have more programs focused on business, safety and risk management than ever before.
- Other lines of insurance



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### Training and Engagement

- Training which existed and possibly worked in the past may not work going forward with changing needs, expectations and resources
- New employees need to feel like they are a part of something and it is the employer's responsibility to make that happen
- This room has organizations of varying shapes and sizes so resources and opportunities will vary greatly but the common theme is ENGAGEMENT for both the employee and the employer
- Every employee is an investment. You must take care to feed and water your investment by being ENGAGED or risk losing them.



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### The Stages of Learning and Achievement

Writing Your First Account



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The Stages of Learning and Achievement

Your first big loss



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The Stages of Learning and Achievement

The ultimate moment  
Big loss and you declined to quote!



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Training – Be a Part of Something

- AIA Educational Courses – Core Principles and Concepts– Mandatory
- CAIP designation – encouraged after some active industry working experience
- Identify strengths and weaknesses – EARLY
- Invest where needed
- Combination of formal 3<sup>rd</sup> party education, OTJ with current staff and formalized presentations and mock meetings with inhouse staff
- CONSTANT FEEDBACK
- Company Indoc. Let them know what they are part of and what their role is

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USAIG Indoc in NYC



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USAIG Indoc

- Every Department presents to the group
- Who are they, what they do, how their department contributes to the success of the company and how you will interact with that department in your new role
- Over 3 days you meet with and are a part of the central hub of the company.
- You socialize with and start to develop your internal network of peers
- By developing the internal network and knowledge you will be able to better serve external clients
- You are made to feel a part of the company, its success and your role in it



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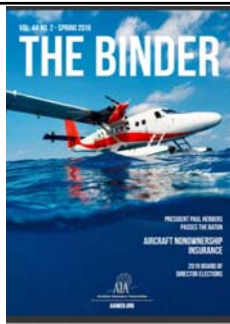
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### Environment Matters - BIGLY

- The people environment
- Am I learning? Who am I learning from? Do they care? Are they professional? What is the general demeanor of the folks around me?
- The physical environment
- Workspace layout. Work from home? Can I? Can you? When can I?
- What technology are we using?
- The leaders set the tone.



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### Remember the Generational Aspects

- Pair folks with whom they will learn best. Better if multiple mentors.
- Harness the amazing capabilities of the new generation instead of rolling your eyes. The need for constant feedback is better for all in the long run.
- Employees look for empathy. Put people in situations where they can empathize as well.
- Each push further out of the nest should be briefed, executed, debriefed and repeated.
- Have an exit plan. One way or the other.



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### Know When to Cut the Leash

Cutting the leash to freedom or cutting the leash to other pastures



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Take Aways

1. The talent pool has flattened and we as an industry need to work to deepen it for the benefit of all of us.
2. Premiums > Losses + Expenses
3. Generational divides – Don't be negative. Be educated and take advantage
4. ENGAGE, INVEST and give FEEDBACK
5. Use a mixture of 3<sup>rd</sup> party formal learning (AIA resources) and internal
6. Work environment MATTERS – people, physical location & technology
7. Be direct, Be honest and cut the leash when the time comes



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