



Bridging the Talent Gap: How Do We Attract New People to Surety?

By James Pappas of [Westfield](#)



For years, we've heard about a "looming talent gap" in our industry, as older workers retire faster than younger workers can replace them. I know many of the surety producers I work with in Northeast Ohio are in their 50s and 60s and have an eye on retirement. It's not a matter of if, but when, they will exit the business.

How will we as an industry fill their shoes, and how can we do a better job of recruiting new blood into surety?

Several factors make this talent gap especially pressing for surety:

- Surety is a specialty in a relatively unknown business (property-casualty) that, despite years of effort by industry groups and some business schools, just doesn't get the recruiting traction of other careers. In fact, a study of millennial attitudes about insurance by The Institutes revealed that many young people view our industry as "boring."
- COVID-19 put a damper on the usual meet-and-greet events where you might expect to find potential interns and new hires. Remote work arrangements, which may continue post-pandemic, make it a challenge to visit with candidates in person.
- The contract surety business depends on long-term relationships between agents and contractors. These relationships take a long time to nurture, meaning that investment in a new surety producer today will not pay off for years to come. Many agencies don't have the luxury of waiting that long.



- As our economy emerges from the pandemic, we're seeing significant labor shortages across many industries. This makes finding new hires for surety even harder and more expensive.

A Good Industry To Be In

The irony is that surety is a challenging and rewarding business. It combines both analytical and interpersonal skills. Good surety agents are excellent communicators and negotiators. They know how to navigate credit, financial statements, and contracts. They understand what surety underwriters want, and they can convey that to a contractor.

It's a career that allows its professionals to help business owners, and it has civic value—it protects the public's interest and its tax dollars. Not to mention that surety usually weathers downturns better than other industries. More public spending during a recession means more bonds must be written.

Despite these many pluses, surety doesn't get the same attention as high-tech or finance careers. What can we do collectively to spark more interest in surety and ensure we have new talent to replace retiring agents? Here are three ideas:

1) Find a replacement and mentor him/her

I believe mentoring is probably the single most effective way to bring new talent into an agency. However, it requires planning ahead and keeping an eye out for budding talent. Look for potential recruits who have a competitive spirit and plenty of resiliency. Young people today may not be used to being told “no” and struggling for business, but that's a skillset they'll need to succeed in this field.

2) Increase your recruiting and training budget

Large agencies that have the resources can tap promising talent from other parts of the organization and put them in training programs. National agencies may benefit from a spoke-and-hub approach. It's best to have local boots on the ground, but a regional surety expert can assist on larger accounts. Smaller, independent agencies have options, too. I have seen agencies tap experienced customer service representatives or recruit from local communities with great results.

3) Redouble efforts to promote surety as a career

Surety is not a business to which young people generally aspire. Many surety producers grew up working in construction or were first employed by a surety company. Being an agent is not something they would have considered on their own. Yet for those who are willing to master the necessary skills, the rewards can be quite high.



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