



In My Opinion

Social Relevance of Insurance

By Susan Preston

As employers, many of us have likely had an employee tell us they were leaving to follow their passion and do something more relevant with their lives than insurance. In my opinion, it is unfortunate that many young people do not have financial goals as part of their career planning, but instead want to save the world at a young age. Our company had one employee leave us to pursue this passion. At the time, I told her she could have a broader impact if she had financial means and/or a prominent position in the business world. She has now come back to us, after she realized following her passion did not pay the bills.

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This situation led me to wonder if we as an industry can do a better job of making people understand the social relevance of insurance. Now is the time to do this. So much is changing in the world, and insurance has a major part in leading the effort to understand how we can cope with new realities.

Here in Northern California, there were major wildfires in both 2017 and 2019 and we are likely to have them well into the future. Many insurance companies do not want to write homeowners coverage here any longer. Yet the insurance industry can be instrumental in helping set the standards for codes that will mitigate future losses. For instance, my insurance company asked us to put in a fire-stopping gable vent in our wine country house. I had never heard of this before. Further, they did a thorough inspection of the property and made other suggestions for fire mitigation. Very few businesses have more understanding of major fires than insurance companies, so their information was most helpful. Being able to advise people on ways to cope with the threat of fire is of major social importance.

Climate change is leading to an increasing number of issues that affect insurance loss ratios. The insurance

industry is dealing with climate-related catastrophes, whether they be from fire, flood, or tornados. Finding ways to reduce risk is of significant social relevance if people continue to build houses in areas prone to any of the above. The fact that our industry is part of the solution should be marketed to the public, especially for companies writing coverage or for locations affected by climate change.

An important service offered by brokers and carriers is figuring out how to insure emerging industries. Ten years ago, no one was insuring the cannabis industry. At the time, brokers, program managers and insurers got together with industry leaders to understand the issues cannabis businesses were facing. Then we had to figure out how to provide a relevant product for both carriers and clients. Those at the forefront of this new market were excited to help develop applications, policy forms, and underwriting guidelines from the ground up. As young people come into our agency, many of them appreciate the chance to be innovative and to help think of new ways to provide insurance to these emerging industries.

Almost every day in the news there are articles about cyberattacks and how businesses and public entities of all sizes are coping with them. Cyber insurance policies are constantly evolving to deal with new issues in cyberspace. For many people involved in insuring this exposure, it would be exciting to be part of one of the most timely programs that the business world needs.



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It is very tough to find good employees in today's job market. Insurance has its own challenges because people do not think of insurance as glamorous or socially relevant. This is why it is incumbent upon insurance companies to do a better job of promoting how vital and cutting-edge the industry is. By promoting our ability to develop programs for newly emerging markets, and by making it known that insurance is a vital part of our changing world, it should be clear that the insurance industry is socially relevant as a career option. 🌐

Susan Preston is president of Professional Program Insurance Brokerage (PPIB) in Novato, CA. PPIB was founded in 1993 as a National Program Manager. Preston has been providing insurance to the permanent cosmetic, tattoo, and

beauty industries since that time. Over the years PPIB has developed or managed programs for medispas and laser centers, pyrotechnics, carnivals and circuses, cannabis centers, and medical directors. This has enabled PPIB to be at the forefront of setting up programs for up-and-coming industries across the U.S. Preston works with states and other governing bodies who have desired to set regulations for these fields.

In 2017 Preston was one of 35 people inducted into the first Insurance Industry Hall of Fame. In 2019 Preston was a featured speaker at the Womentalkbiz conference in Northern California where she was "In Conversation" with Julie Zhou, vice president, Facebook. Preston has been recognized as an Elite Woman in Insurance four times including June, 2019.

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