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Planning for the Possible

An exploration of succession planning within
the insurance industry in 2025.

DAMHURST.

Foreword

We're excited to share the findings of our latest study on succession planning within the insurance sector. We hope it sparks valuable reflection and conversation.

Based on in-depth conversations with chairs, Chief People Officers and senior leaders, this review explores how organisations are preparing for leadership transitions in the face of demographic shifts and strategic complexity. We find out what's working, where gaps remain and how forward-thinking firms are turning succession into a strategic advantage.

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Key Findings

Succession planning is no longer just a regulatory requirement. It's now a strategic imperative for leadership teams across the insurance market. Driven by an ageing workforce, shifting demographics, evolving leadership expectations and increasing regulatory and investor scrutiny, planning for the future has never been more critical.

Projections show that as much as 50% of the insurance workforce may retire by 2028. Yet in our conversations with chairs, CPOs and senior executives, the mood is one of **cautious confidence**. Leaders acknowledge the scale of the transition, but many see it as an expected part of the talent cycle and express confidence in the next generation of leaders.

Our research shows that the best succession plans treat it as an evolving business asset that supports both continuity and long-term strategic growth. But for these plans to make an impact, they must be flexible, transparent and adaptable.

Succession planning is no longer just a regulatory requirement. It's now a strategic imperative for leadership teams across the insurance market.

What Sets the Best Apart?

Today, effective succession planning involves regular assessment of individuals, external benchmarking, leadership development, diversity-conscious design and transparent communication with high potentials.

The best succession plans are **fully integrated into corporate and talent strategies**, allowing for bespoke and dynamic leadership development to prepare future leaders, while keeping them engaged and retained.

However, **challenges persist**: there is a disconnect between named successors and actual readiness, while poor communication leads to unmet expectations and retention risks. Flexibility, honesty and active development are key to overcoming these pitfalls.

Market benchmarking provides a valuable layer of objective validation, enhancing CEO and investor confidence and reinforcing a company's commitment to leadership continuity.

Coaching also plays a critical role in helping individuals transition into leadership smoothly while strengthening engagement and retention by demonstrating meaningful investment in their future.

All in all, strong succession planning does more than fill roles. It builds culture, drives retention and equips organisations to face the challenges and opportunities of tomorrow.

Introduction

At Damhurst, we focus on the issues that matter most to our clients. Judging by the volume of related mandates we are currently supporting, **succession planning has never felt more relevant**. With leadership transitions on the rise, preparing for the future has become essential.

Succession planning continues to be a core part of our work: around 20% of our current portfolio is comprised of succession planning initiatives. One comment that resonated with us emerged from David Howden, CEO of Howden Group, who highlighted in a 2024 speech that **“by 2028 some 50% of the insurance workforce is projected to enter retirement.”**

Multiple industry sources indicate a **significant demographic shift** within the insurance sector. According to the U.S. Bureau of Labor Statistics, “50% of the insurance workforce will retire by 2028.” This figure is echoed by the National Association of Mutual Insurance Companies (NAMIC) and EY further projects that “by 2035, 260,000 highly skilled people are likely to leave the sector due to retirement.”

“By 2028 some 50% of the insurance workforce is projected to enter retirement.”

- David Howden, CEO of Howden Group

The implication is clear: to navigate this demographic transition effectively, the industry must focus on recruitment, knowledge transfer and workforce development.

In this paper, we set out to understand how the market views this moment. Are the anticipated wave of retirements over the next three years **a seismic leadership shift or a natural cycle of talent renewal?** Is succession planning still viewed as business as usual, or does this moment demand something more urgent? If so, is it business as usual with regards to succession planning, an inevitable part of good business practice, or an urgent call to arms?

We have been incredibly **grateful** to all those we have spoken to for this initiative, particularly the chairs and CPOs who expressed their valuable points of view and perspectives. Their insights have shaped the findings we are now pleased to share with the Damhurst community.



“A leader’s lasting value is measured by succession”

Jack Welch

The Damhurst Methodology

Damhurst benefits from an extensive network of senior practitioners across the insurance market, spanning board-level leaders through to key executive roles. For this research, we conducted in-depth conversations, primarily with chairs and CPOs, alongside other senior executives from across the sector.

These discussions focused on the role and relevance of succession planning in today's environment and the diverse approaches different organisations are taking. While we entered each conversation with a clear agenda, the most valuable insights often came from open, honest discussions that explored individual perspectives in more depth.

The core agenda for the discussions were as follows:

General:

- Do you agree with the consensus that the market in the next five years is going to lose a significant amount of talent to retirement? What do you feel has created this?
- If so, do you feel this is a serious threat to the market?
- Is the topic of succession planning one that is timely and pertinent to your business? Is it a threat to your company or are you adequately prepared?

Company Specific:

- Have you got a clear succession plan in place that is aligned to the strategy and ambition of the business? Is this reviewed by the Board? How often is it updated and reviewed? Does this include contingency plans?
- Do you use third parties to help with this, or do you have an internal person/team which drives succession planning thinking?
- If internal, how robust is your succession planning? How do you assess future leaders (e.g. via interview, psychometric assessment like Hogan, presentations from candidates etc.)?
- For the candidates you have identified as being potential future leaders of your business, do you provide them with leadership development, mentoring and/or executive coaches?
- When thinking about succession planning, do you endeavour to benchmark your internal talent pipeline with external candidates?
- How do you ensure diversity and inclusion?

Detailed Findings

Our conversations with a range of industry voices provided rich insights into both the value of succession planning (Why Succession Planning Matters) and how succession is assessed in their companies, (How to Approach Succession Planning). Here's a summary of what we heard:

Why Succession Planning Matters

Ageing Leadership

While circa 50% of the insurance workforce is expected to retire in the next few years, 90% of those we spoke to are not overly concerned. They believe that if there is a great exodus of talent from the industry, there are strong candidates to "fill their shoes." In short, confidence in the next generation of leaders is high.

One notable London Market chair reflected that leaders can have big egos, which perpetuates the idea that an outgoing generation of leaders will result in short-term setbacks and challenges as their absences are felt. He quoted Will Carling: "Ceasing to be the England Rugby Captain is a bit like pulling your hand out of a pail of water; you think you ought to leave a big hole but when you do, the water closes over as if you were never there."

Demographic Shift

Several sources noted the UK's shrinking working-age population. EY has projected that there was a 1.9% decline in pupil numbers in primary school between 2019 and 2024 and by 2028, a 4.5% decline is expected. This may point to a longer-term challenge: attracting junior talent to prevent a future leadership gap. Currently, only 4% of young people consider insurance as a career.

Talent Gap

A shortage of leadership talent in the 45–54 age range was highlighted, particularly in broking and underwriting. Marine broking was cited as a prime example of this.

Regulatory & Capital Expectation

Succession planning is a regulatory requirement under the PRA and FCA, making it a regular item on board agendas. It's top of mind for CEOs, chairs, CPOs and nomination committees.

Capital Investors have high expectations of regular and thorough succession planning. We noted that Private Equity backed businesses were more attuned to succession needs, recognising that leadership strength directly impacts valuation and the success of financial events or exits.

While not seen as any more urgent than in the past, succession planning remains both a regulatory obligation and a key part of good risk management. Sources stressed the need to keep it progressive and future facing.



The Changing Face of Insurance Leadership

With the industry facing new opportunities, work behaviours and challenges, our research stimulated rich discussion around how the skillset of leaders must evolve. This is highly relevant to succession planning.

Many sources agreed that while today's leaders don't need to be at the forefront of every technological shift, for example AI and digital trends, they must understand their significance and surround themselves with capable, well-informed teams.

Many sources also mentioned the days of the "dictatorial, authoritarian leader" are numbered and a new style of leader is emerging. These leaders are:

Authentic and values driven.

Self-aware and in command of a healthy ego.

Empathetic and yet decisive.

Strong communicators, able to convey their vision and inspire.

Succession planning must reflect this evolution by responding to client expectations, the shifts in workplace cultures and geopolitical uncertainty.



Leading firms are embedding diversity and inclusion into succession strategies to ensure leadership teams reflect a range of perspectives and are representative of broader societal shifts.

As one source noted, proactive succession planning reflects organisational values, supports leadership continuity and helps mitigate reputational risk. Preparing emerging talent for these complex realities is essential to sustaining effective leadership.

Good Business Practice

Whilst regulatory and other stakeholder demands have increased in recent years, many of our sources stressed that succession planning is not just a risk mitigation tool: it's fundamentally good business practice enabling both continuity and growth agendas. As one source succinctly put it "succession planning is a defining element of long-term organisational health."

Whether facing a softening underwriting market, navigating a complex geopolitical landscape or responding to ever-evolving technological and societal changes, organisations need to prepare the next generation to lead with confidence.

Thoughtful succession planning shows a clear commitment to developing talent and anchoring leadership within a long-term cultural and strategic context.





How to Approach Succession Planning

Annual Assessment:

Succession planning should be dynamic and relevant to changing business contexts.

Plans should be revisited at least once a year, ideally alongside broader talent and performance reviews, to ensure they align with business strategy, market conditions, leadership tenure and future skill requirements.

Several sources highlighted the importance of flexibility, sharing how an “agile” approach has allowed them to adapt their succession plan, rather than being held hostage to it.

A Strategic & Cultural Asset, Not a Tick-Box Exercise:

Leading firms treat succession as a competitive advantage, not just a compliance obligation. They see it as a way to future-proof the business and align it to leadership development and talent acquisition.

One CEO views the succession plan as critically connected to corporate strategy, not just about internal mobility.

One chair regularly asks, “do we have the leadership we need for the business we want to become?”

Another advises “what leadership means to the organisation is fundamental to the culture and underlies values and behaviours.”

Identify Top Talent (Using Tools Like Psychometrics):

Psychometrics and other robust assessments help identify future leaders early and objectively, offering insights into leadership potential, learning agility and cultural fit, rather than just current performance.

This approach mitigates bias and ensures decisions aren’t based solely on visibility or tenure.

Benchmark Against the Market:

Internal talent is often measured not only on internal performance but also in comparison to external benchmarks and peer talent.

Succession candidates assessed against external talent helps to avoid the “internal” bias.

Businesses that are constantly adapting and evolving are acutely aware of the risks of echo chambers and falling behind.

Staying open to fresh perspectives is key to keeping succession planning relevant and forward-looking.





Communicate with High Potentials:

Letting individuals know they are in the succession pipeline boosts engagement, clarifies career paths, and strengthens loyalty and retention.

While it doesn't mean guaranteed promotion, it indicates investment and trust in their future contribution. When done well, it can reduce attrition among rising stars who might leave without such visibility of longer-term opportunities.

One source shared that open communication also encourages development and opportunities for tangential or international assignments.

Launch Tailored Development Programmes:

Coaching, mentoring and experiential learning are used to accelerate readiness for leadership roles.

Leading companies create bespoke development programmes, customise development based on readiness, role criticality and individual growth areas. Approaches include executive coaching, stretch projects, cross-functional rotations and shadowing senior leaders.

As one CPO put it "one-size-fits-all training is seriously outdated." The approach to leadership development must be bespoke.

Embed Diversity into the Plan:

Inclusive succession planning creates stronger, more resilient leadership teams. Succession strategies are designed with inclusivity in mind, ensuring a broad and resilient leadership pipeline.

One executive advised that their diversity quotient was significantly assisted by their succession plan which had been designed to address DE&I gaps. Beyond this, such inclusive planning also looks beyond non-linear career paths and aims to incorporate cross-discipline experience.

Key Challenges

Succession planning is widely acknowledged as essential to the health and continuity of contemporary insurance businesses. However, our sources raised several recurring challenges.

Quality & Integrity of the Succession Plan:

Businesses can have a succession plan in place but, when held up to scrutiny, it often falls short. Successors may not be ready, or even willing to step up in the expected timeframe. Some individuals are included for reasons such as diversity representation, but they are not given the developmental support necessary to truly prepare them for leadership. One CPO noted that this is frequently the case with female talent, whose inclusion can be symbolic rather than strategic.

Poor Communication and Management:

Many successors aren't even aware they're part of the succession plan. When the time comes for them to assume greater responsibility, they may be unprepared or have no desire to take it on. A further challenge arises when high-potential, ambitious talent actively seeks progression but receives little, or no, communication from line managers about future opportunities. Many sources cited "too many examples" of such a lack of communication, which can lead to frustration, disengagement and ultimately, people leaving the business.

It was further observed that individuals identified as successors should be given the appropriate exposure, experiences and support to operate at the next level. A lack of readiness is particularly evident in the transition to executive roles, where those at the level below often have limited understanding of what such positions truly entail, as well as little opportunity to gain meaningful insight by engaging directly at that table.

Retention and Internal Mobility:

One of the greatest risks is losing key talent. The consensus among those we spoke to was that, wherever appropriate, the priority should be to promote from within. Internal talent should be assessed against external candidates through a robust executive recruitment process. However, unless external candidates are demonstrably stronger than internal options, the preference would be to go with the internal candidate. It shows commitment to your workforce, boosts morale by highlighting the business' loyalty to current employees and inspires junior staff by showing the dynamic career opportunities on offer. It's also more cost effective, avoiding the need to invest in acquisition costs associated with hiring externally. It is clear that strengthening a business' retention tools is of paramount importance.

Rigidity and Over-Reliance on Static Plans:

Succession plans are just that: plans. They need to evolve. One example involved an individual who had featured prominently within the succession plan of a company's subsidiary business. An opportunity arose within a group's HQ which the individual put themselves forward for. They were eventually offered the role and, as a result, the subsidiary succession plan had to be reworked. The CPO thought this was a positive example of movement across the wider group and testament to the career opportunities that company offered its employees. She stressed the importance of needing a succession plan for each business entity but to retain an open mind and remain flexible.

A key benefit of "roaming" successors is the ability to create an agile plan that's focused on the softer skills integral to leadership. This allows companies to spot high potential individuals. Rather than focusing on technical expertise, the priority is to embed cultural values in highly regarded team members and deploy them where their skillset is instantly, and tangibly, beneficial. This approach has proven central to successful succession plans.

Non Leadership Talent:

There is a growing recognition that succession is not solely about producing the next generation of organisational leaders. Increasingly, companies are identifying two distinct streams of talent: future leaders, and critical technical experts whose value lies in deep expertise rather than leadership ambition. Retaining and developing these individuals is essential, yet requires a different approach; one that acknowledges their contribution, provides opportunities for growth and recognition and ensures they remain engaged without forcing them into leadership roles that may not suit their skills or aspirations.

Case Studies

At Damhurst, we regularly support our clients in building and implementing effective succession strategies. While some engagements focus on a single critical role, many involve broader executive teams or multiple leadership positions across an organisation.

Our work typically centres around two key areas:

- Developing structured succession frameworks that are aligned with business strategy and governance standards.
- Populating succession plans with insight of both internal leadership potential and external market talent.

For example, we recently partnered with a major insurance client to review succession across several critical areas of the business. We mapped internal talent and conducted external market research to benchmark it against the wider market to understand leadership capability, availability and readiness in key disciplines.

This type of project often results in three core outcomes:

- A more robust, dynamic succession plan; grounded in real market data and internal insight.
- Targeted search to address near-term needs or observed risks.
- Coaching and development for internal staff to accelerate their leadership trajectory.

Opportunities & Recommendations

Third-party Assessment of Succession Plans

- Engaging with a third-party search and advisory firm to help CEOs and CPOs assess their existing succession plans can give confidence to both the CEO, as well as the parent companies or the business' backers.
- A search and advisory business like Damhurst has a track record of interrogating succession plans by interviewing either those currently holding key roles or those being considered/identified to succeed in them. This includes conducting robust interviews with those individuals and being able to give their opinion of how each person presents against their competitors in the market.
- An undertaking such as this gives people further confidence across the business that the succession plan is being taken seriously and has been given due time and investment. It also shows that the careers of potential successors are being given careful consideration.

Coaching

- Coaching was a recurring theme in our discussions. There is a growing recognition of its intrinsic value, particularly for individuals identified in succession plans. This advocacy is driven by two major motives:
 - Preparation: coaching helps prepare candidates to step into their future roles as smoothly and effectively as possible when the time comes. It allows them to start these roles at "race pace".
 - Retention: it can be another retention tool, as high potential individuals appreciate their employer's investment in their development – demonstrating a clear commitment to their future career path.

Leadership / Talent Development Programmes

Alongside coaching for key individuals, the importance of leadership or talent development programmes was consistently referenced. Our contributors highlighted that, while less targeted than one-to-one coaching, well-designed leadership and talent programmes can deliver significant value when aligned to organisational strategy and values, as a consequence of:

- **Wider impact** – enabling more individuals to benefit from structured development.
- **Common language** – establishing a shared understanding of what leadership means to the organisation.
- **Recognition and investment** – sending a strong message to participants that they are valued and being actively invested in.
- **Time and space** – giving talent / leaders the opportunity to reflect and develop the tools and skills to support their progression.

Crucially, such programmes must avoid being generic, “off the shelf” programmes, but rather be bespoke to the challenges of the organisation and its people.

Therefore, to add real value to both the organisation and those identified as key talent, such programmes should:

- **Be bespoke** – targeted for the organisation to address gaps identified through succession planning, employee surveys and people team insights.
- **Define leadership** – in the context of the organisation’s strategy and values, create a common language around leadership.
- **Encourage reflection and aspiration** – provide talent / leaders with time and space to consider their development in relation to both current roles and future ambitions.
- **Strengthen capabilities** – support upskill through self-management, leading others and driving business performance, through topics ranging from emotional intelligence and coaching to strategic thinking and personal brand.
- **Enable peer learning** – create opportunities for talent / leaders at similar stages of development to connect, share best practice and build supportive networks.

How Damhurst Makes a Difference

Damhurst plays a critical, strategic role in succession planning, offering structured insight, an independent perspective and a deep understanding of the market. We work closely with boards and executives to:

- Design robust **succession planning frameworks** that are systematic, practical and built for board approval. Our aim is to ensure succession plans become an organic and valuable asset that supports long-term business success.
- Once a framework is agreed, we work with clients to build **capability maps** which identify key roles and identify the future competencies, behaviours and leadership styles needed to meet their business strategy.
- We **evaluate incumbent talent** using psychometrics and structured interviews. This provides objective assessments and clear insights into role readiness and development needs. Consistency across assessments helps ensure fair, evidence-based decisions.
- We undertake rigorous **market benchmarking** to help clients assess how their leadership talent compares with competitor organisations.
- Our Leadership Practice supports **individual development plans**, whether through one-on-one coaching, team coaching, **leadership / talent development programmes**, facilitated offsites or broader skills and behavioural development initiatives.
- Where it is deemed unlikely that an incumbent's development will meet future strategic requirements, we can run confidential **executive search** mandates to identify external talent. These provide a thoughtful, strategic approach to addressing identified leadership gaps.

Let's Talk

If you'd like to discuss this report in more detail or explore how Damhurst can support you in evaluating existing plans, advising on internal and external talent or accelerating the readiness of future leaders, please get in touch.

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