

HAVE WOMEN MADE GAINS IN THE TOP LEADERSHIP POSITIONS AT INSURANCE COMPANIES?

Karen M. Hogan^{*}, Deborah Vesneski^{**}

^{*} Corresponding author, Department of Finance, Haub School of Business, St. Joseph's University, Philadelphia, the USA
Contact details: Department of Finance, Haub School of Business, St. Joseph's University, 5600 City Avenue,
Philadelphia, PA 19131-1395, the USA

^{**} Department of Finance, St. Joseph's University, Philadelphia, the USA



Abstract

How to cite this paper: Hogan, K. M., & Vesneski, D. (2021). Have women made gains in the top leadership positions at insurance companies? *Risk Governance and Control: Financial Markets & Institutions*, 11(4), 38–46.
<https://doi.org/10.22495/rgcv11i4p3>

Copyright © 2021 The Authors

This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0).
<https://creativecommons.org/licenses/by/4.0/>

ISSN Online: 2077-4303
ISSN Print: 2077-429X

Received: 15.11.2021
Accepted: 06.01.2022

JEL Classification: G22, L20, M14, M19, G00, G18
DOI: 10.22495/rgcv11i4p3

Gender diversity on corporate boards and in other leadership positions is an area of concern for many global companies (Di Biase & Onorato, 2021; Doan & Iskandar-Datta, 2018). This paper updates and enhances an industry study “Women are making steady gains” (2018) that examined the state of gender diversity in the global insurance industry. We analyze trends to see if women have made any significant gains in board leadership, C-suite, and insider positions in insurance over time. Our sample covers 83 insurance companies as of 2021 and compares the gains from those made previously. Our results show a clear trend of improvement in gender representation in the board of directors and insider positions for firms in the insurance industry. However, the gains stop there, and unfortunately, no significant advancement for the percentage of women in the C-suite positions is evident in our dataset at this time. A meager 10% of all CEO and CFO positions in this sample of the insurance industry are held by females. Our research is important as it demonstrates which segments of the industry females are making gains and where we see deficiencies. We also suggest ways we feel future gains can be made.

Keywords: Gender, Board of Directors, Insurance, Diversity, Firm Performance

Authors’ individual contribution: Conceptualization — K.M.H. and D.V.; Methodology — K.M.H. and D.V.; Writing — K.M.H. and D.V.; Investigation — K.M.H. and D.V.; Resources — K.M.H. and D.V.; Project Administration — K.M.H. and D.V.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

1. INTRODUCTION

The need to increase gender diversity has been on many companies’ radars for over a decade. Academic research over the past decade has shown some improvement for females in high-level and board positions. EmadEldeen, Elbayoumi, Basuony, and Mohamed (2021) argue that gender diversity has positive effects on firm performance, so if companies increase the number of females in the board of directors, firm performance will increase.

The insurance industry has been no exception in the desire to improve its gender mix. A demographic industry study “Women are making

steady gains” (2018) analyzed publicly available data of 100 companies, including 91 publicly traded and 9 mutual companies in 2013. The data was updated in 2017 to continue to highlight the need for women in insurance at the upper echelon positions. This previous study showed that while some gains had been made there was still much more work to be done.

This paper will take a fresh look at the global insurance industry and see if women have made any significant gains in board leadership, C-suite, and insider positions in insurance. We examine current trends in gender diversity for 83 companies in the insurance industry. The sample includes 61 U.S. firms,

14 Bermuda/Cayman companies, and 8 other global insurance companies. The companies were then broken into 7 segments (broker, financial, large primary, life/health, offshore, personal, and primary). This paper expands on work done by “Women are making steady gains” (2018) which investigated some gender diversity in these segments of the insurance industry. This paper looks to expand on this research to elucidate how much progress has been associated with female leadership in both board and insider positions in the insurance industry for companies around the globe. Specifically, we look at female allocation in the board of directors positions, top C-suite positions, and inside officer positions.

Our results show that there is a steady improvement in the percentage of women allocated to board positions over the past eight years in all segments of the insurance industry. Currently, females in our sample represent 26.11% of all board positions. This number is significantly higher than the 18.69% found by “Women are making steady gains” (2018). When the data is expanded to include industry segments, all segments of the industry follow this trend. The highest presence of females on boards is in the life/health segment of the industry. The largest gains for females over the past few years have been in the financial and primary insurance segments. Financial representing 23.7% of females in board positions overall up from 9.09% in 2017. Primary saw the largest percentage increase from 5.14% in 2017 to 22.69% in 2021.

In addition to the overall increase of women on boards in general, the number of women on each board has steadily increased over time. Companies with 2 or more females on the board represent 81.93% of our sample. Companies with 3 or more females on the board represent 55.42% and companies with 4 or more represent 34.94%. While this shows progress there are still companies in our sample, roughly 10%, with zero female board members.

We looked at insiders as represented on the companies’ websites. The data show that female insiders in the life/health area make up the largest proportion of that segment with 31.51%. This was followed by brokers at 25.88%, 24.32% for financial, 24.10% for personal, 21.28% primary, 19.63% large primary, and 18.24% for offshore. Our data has shown that the most common female inside officer positions are the roles of HR/chief people officer, communication, audit, and general counsel/legal. While gains have been made for insiders, our results also show that there are no gains made in including women in the highly coveted C-suite positions. We suggest that this lack of representation relates to the fact that female gains on boards and inside positions have been made in areas that would not routinely make them eligible for CEO or CFO positions.

We attribute this lack of leadership roles to the fact that females are not as likely to make the strong networking connections early on in their careers that would allow them to ascend to those positions as easily as their male counterparts. Instituting possible programs which will help women assert themselves could be beneficial. Also, instituting programs that will urge women to enter Science,

Technology, Engineering, and Math (STEM) programs and introduce their relation to the insurance industry would allow them to learn the quantitative skills necessary for senior leadership positions. This would go a long way in bringing leadership equality to the insurance industry. Helping identify females early on in their career who meet these criteria, along with mentoring, will help to position them to be more easily promoted in the future. The data will be useful to corporations in the insurance industry and other financial service industries as a way to gauge their own progress with gender diversity and additional ways to improve it.

The remainder of the paper is as follows. Section 2 reviews the relevant literature. Section 3 describes the data collection and analysis. Section 4 looks at the data results. Section 5 discusses the results and Section 6 offers some conclusions.

2. LITERATURE REVIEW

Diversity quotas, including gender diversity, have been instituted in some countries around the world in order to move towards a gender/diversity neutral position on corporate boards and high-level corporate positions. Studies over the past two decades have discussed gender diversity on corporate boards and insiders and have examined its correlation to firm performance and corporate social responsibility. For example, see Nguyen, Ntim, and Malagila (2020) for an up-to-date and comprehensive systematic literature review of the existing research on women on corporate boards and corporate financial and non-financial performance.

A large proportion of studies do support corporate board gender diversity as it relates to firm performance. Buchwald and Hottenrott (2019) examine board of directors in a large sample of listed companies in 15 European countries and find that female representation on non-executive boards is associated with reduced turnover, an increase in tenure, and also a higher performance-turnover sensitivity of executives.

Morris, Sodjahn, and Boubacar (2021) investigate a sample of Canadian companies for the period 2007–2015. Their results indicate that the proportion of women sitting on a firm’s board of directors is influenced by its shareholding structure. The authors show a curvilinear relationship between a company’s ownership structure and the proportion of women on its board of directors and audit committee. Specifically, as the concentration of ownership increases women on the board decrease.

Berthelot and Coulmont (2020) analyzed a sample of 60 Canadian firms. Their regression results indicate that shareholders do take directors’ independence and gender into account when casting votes, but do not seem to consider directors’ reputation or expertise.

Di Biase and Onorato (2021) investigate the market performance of 119 insurance companies from three geographical areas in the period 2009–2019. They provide evidence that board structure and board independence are the most relevant governance factors, with a potentially positive impact on insurers’ market performance.

Garanina and Muravyev (2021) investigate the economic effects of the gender composition of corporate boards, employing a novel longitudinal dataset of publicly traded Russian companies over 1998–2014. The authors show some evidence that companies with gender-diverse boards have higher market values and better profitability. Bhatia and Gulati (2021) look at a database of 56 studies on corporate governance in the banking industry that were published between 2007 and 2019. They perform a meta-analytic review and show that bank performance is positively associated with larger boards and a high proportion of outside and female directors.

Đặng, Houanti, Reddy, and Simioni (2020) look at a sample of firms that made up the S&P 500 over the period 2004–2015. They find that the presence of women on corporate boards (measured either by the percentage of female directors on corporate boards or the Blau index of heterogeneity) has a positive and significant (at the 1% level) effect on firm profitability (measured by the return on assets).

Sicoli, Bronzetti, Ippolito, and Leonetti (2020) study the period 2016–2018 to determine the impact of female presence on boards of 50 companies listed on the Italian Stock Exchange. Their study supported the view that female representation had a positive influence on company performance, thus supporting the quotas that 1/3 of the elected members would be women has had a positive effect on the firms.

While most studies show gender quotas are positively related to firm performance, some studies argue that the quotas produce bias in other areas. Neschen and Hugelschafer (2021) look at gender bias in performance evaluations in the areas of gender quotas. Their research investigates unintended negative effects that spill over to women who are not immediate targets of the quota, by signaling incompetence. Their results imply that the bias, which is overall quite robust and strongly pronounced, is still affected by individual gender-related characteristics.

Báez, Báez-García, Flores-Muñoz, and Gutiérrez-Barroso (2018) studies the gender bias for 118 companies listed at the STOXX Global 3000 Travel & Leisure. The results suggested a very relevant gap in the three analyzed dimensions: presence, salary, and seniority. The study goes on to argue that women tend to be focused only on several corporate tasks like those related to marketing and human resources management. The authors argue that this bias, which is the first view, can be considered an additional manifestation of the gender gap, is at the same time an opportunity to link modern corporations to a new style of management in which approaches like emotional intelligence could play a most prominent role.

Studies have also looked at the number of women on boards and firm performance. Valls Martínez and Cruz Rambaud (2019) show that increasing the number of women on boards is positively related to higher financial performance. They also show that gender mandatory law boosts the female proportion on boards of directors and as a result argue that there are valid business and ethical arguments to support mandatory gender legislation.

Redor (2018) studies investor reaction at the announcement of a female director's departure. They find a negative market reaction only when this departure drops the gender diversity below a critical level of three women showing there is a minimum number of women that the market perceives as a critical mass on the board.

Studies on merger and acquisition (M&A) activity are also boosted by female board presence. Ravaonrohanta (2020) assesses whether the presence of women on corporate boards affects merger and acquisition performance. Using acquisition bids by public Canadian companies during 2012–2017, they find that an increasing number of female directors in acquiring companies is associated with an enhanced merger performance and a reduced bid premium. After controlling for gender diversity on executive teams, the value added by having women on boards is particularly noticeable when acquiring firms that have few women in the executive teams, and where overconfidence is prevalent.

Studies involving gender diversity and corporate social responsibility/performance have also supported a gender-diverse board. Boulouta (2013) analyzed a sample of 126 firms drawn from the group of companies over a 5-year period, the research suggests that board gender diversity significantly affects corporate social performance (CSP). They argue that CSP ratings have the potential to induce higher levels of “empathic caring”, which strongly appeals to female directors. The author argues that the study shows hidden connections to the board gender diversity and corporate social performance link, which has implications for managers, non-governmental organizations, and socially responsible investors.

Velte (2019) conducted a meta-analysis on 51 empirical-quantitative studies and finds that board independence and gender diversity are positively linked with CSR reporting. Valls Martínez and Cruz Rambaud (2019) use panel data methodology, with fixed effects, to examine companies listed in the S&P 500 and EURO STOXX 300 indices during 2015–2019 to evaluate gender diversity with corporate social responsibility. Their results support the hypothesis that gender-diverse boards are favorable to the sustainable behavior of companies. They suggest that policymakers should promote gender policies.

In addition to the board of directors' literature supporting gender diversity, research has also shown that hiring female CFOs can have positive repercussions. Doan and Iskandar-Datta (2018) document that firms hiring female CFOs experience an improvement in the level of transparency, represented by a reduction in the bid-ask spread and an increase in share turnover, relative to those hiring male CFOs.

3. RESEARCH METHODOLOGY

This paper examines current trends in gender diversity for 83 companies in the insurance industry. The sample includes 61 U.S. firms, 14 Bermuda/Cayman companies, and 8 other global insurance companies. The companies were then broken into 7 segments (broker, financial, large primary, life/health, offshore, personal, and primary). All data is hand-collected by visiting the company's website

and verifying the gender for each of the names collected. The data was collected to emulate the company-specific industry study dataset used by “Women are making steady gains” (2018). Companies that were sold and merged since 2017 were replaced with companies in the same segment and when possible firm size allocation, as well as public and private allocation as represented in the original study. If there was no good substitute we did not replace the firm. The sample still had a significant number of companies in each of the sectors compared to the original study. Results for demographic data were analyzed using Excel.

This paper chose to work off the data points generated in “Women are making steady gains” (2018) since this data set was deemed important by actual industry executives as a representative sample of the industry. However, it would have also been possible to do a study using survey information which might have allowed us to collect more data variables than we were able to collect using our method. Alternatively, we could have also pulled down industry-specific data on an index like

the Russell 3000. Since the industry study “Women are making steady gains” (2018) we were updating had specific companies that were used from as early as 2013, we thought the best scenario is to use as many of those companies as possible. The reasoning was that it includes companies that are leaders in the field and given the historical demographic board, insider, C-suite data we felt that comparing to previous percentages of gender representation would highlight the gains that have been made better than just showing current data for the industry index.

4. RESULTS

Table 1 shows results for the data sample by segment. Our goal was to emulate as closely as possible the market share and size, etc., of the original sample used in “Women are making steady gains” (2018). As was the case in the previous study years, primary insurers and life/health made up the largest proportion of the sample with 28.92% and 21.69%, respectively.

Table 1. Firms by insurance segment

Segment	2021		2017		2013	
	No.	%	No.	%	No.	%
Broker	6	7.23%	6	6.06%	5	5.49%
Financial	6	7.23%	7	7.07%	6	6.59%
Large primary	7	8.43%	8	8.08%	4	4.40%
Life/health	18	21.69%	22	22.22%	20	21.98%
Offshore	14	16.87%	14	14.14%	18	19.78%
Personal	8	9.64%	6	6.06%	4	4.40%
Primary	24	28.92%	36	36.36%	34	37.36%
Total	83	100%	99	100%	91	100%

As shown in Table 2, female representation on the board of directors, positions have steadily increased on a percentage basis over the past eight years. The current year 2021 shows 26.11% female representation compared to “Women are making steady gains” (2018) of 18.69% and 12.65% in 2017 and 2013, respectively. The percentages equate to a 28.41% increase over the four years from 2017 to 2021 and a 51.56% increase overall from 2013

to the present. These results support the literature that shows female board members are beneficial to the performance of the firm and continue to increase overall. In addition to overall growth, it is important to look at the breakout of various industry segments to determine if there are certain segments in the insurance that value women on the board more than others.

Table 2. Overall board of directors percentage female

Gender	2021	2017	2013
Male	651	744	891
Female	230	171	129
Total	881	915	1020
% Female	26.11%	18.69%	12.65%

Table 3 shows the overall board of directors market segmentation for the percentage of females. As shown in Table 3, segments with the top three largest percentages of women across all years include life/health, large primary, and personal lines. Large primary companies include companies such as AIG, Chubb, Hartford, and Liberty Mutual. These firms are large and write large commercial accounts. These firms which are more commonly known are perhaps more likely to feel more pressure to meet gender diversity expectations. Life/health and personal lines are more consumer-driven lines of business that involve more customer service-oriented roles in which females tend to hold a higher percentage of positions and thus could naturally

climb the ladder. This is consistent with Báez et al. (2018) who argue that women tend to be focused only on several corporate tasks like those related to marketing and human resources management.

Primary and financial made the most progress in growth rates related to female leadership over 2017 to 2021 with rates of growth 77.36% for primary and 61.69% for financial. While these growth rates are impressive, these two segments still rank towards the bottom of female board representation among the segments with only broker and offshore having lower representation. Overall, from 2013 financial and offshore grew the most with growth rates of 64.18% and 60.50%, respectively. Primary was not far behind with 55.93%.

Table 3. Overall board of directors market segment percentage female

<i>Segment</i>	<i>2021</i>	<i>2017</i>	<i>2013</i>	<i>% Growth 2017 to 2021</i>	<i>% Growth 2013 to 2021</i>
Broker	21.21%	17.65%	14.30%	16.81%	32.59%
Financial	23.73%	9.09%	8.50%	61.69%	64.18%
Large primary	31.25%	23.96%	17.60%	23.33%	43.68%
Life/health	32.99%	23.90%	17.20%	27.56%	47.87%
Offshore	20.00%	15.63%	7.90%	21.88%	60.50%
Personal	29.29%	25.97%	18.40%	11.33%	37.19%
Primary	22.69%	5.14%	10.00%	77.36%	55.93%

The research on the number of board members that are female has consistently shown that numbers matter. At least minimum number matters, as seen in Redor (2018), who showed that firms need to have at least a minimum of 3 female board members for announcements of females stepping down to not have a negative effect on firm value. As shown in Table 4, as of 2021, over 80% of all firms in our sample have at least two women on the board. This is up from only 57.95% in 2017 an increase of over 40% in the past 4 years and over 140% over the past 8 years. Three or more females currently account for 55.42% of firms which is an impressive increase from where it started in 2013, but given that the research shows 3 or more as desirable there are still almost half the firms that have less than that. Of our sample, roughly 10% of the firms had 0 females on the board and roughly 18% had 1 or less. Of the firms in our sample, only 34.94% of our firms have 4 or more women on their boards. Progress is being made, but it appears that we still have a way to go and while this result is larger than the percentage of females on all boards these numbers could be skewed by segmentation breakout as some of the largest represented segments have female-centric firms.

Table 4. Overall percentage of females on board of directors

<i>No. of females on board</i>	<i>2021</i>	<i>2017</i>	<i>2013</i>
Two (2) or more females	81.93%	57.95%	34.00%
Three (3) or more females	55.42%	31.82%	17.00%
Four (4) or more females	34.94%	13.64%	4.00%

Digging deeper by segment we can see some interesting patterns in the data that emerge from Tables 5a and 5b. The top three companies with two or more females on the board are life/health, personal, and large primary. Not surprising, since they are also the firms with the three largest

percentages of females overall. For example, Aspira Women's Health has five board seats and four of them are women. Progressive is one of the most progressive when it comes to gender as they have six out of twelve seats with female representation. Zurich is the most heavily represented in total females with six out of eleven seats

Other interesting results show that broker which has one of the lowest overall females by market segment, as shown in Table 3, with 21.21% has maxed out for the past four years with an average of over 80% of boards with two or more females on the board. That number drops down to just 50% when looking at three or more and 0% when looking at four or more female members. Given the heavy networking associated with the brokerage industry, these results are not surprising. It shows companies are trying to increase diversity on their boards to the bare minimum required, but so few women overall on brokerage boards will limit their representation in mass until more females move into the heavy network-dominated male segment of the business.

Other notable laggards are the offshore areas with only 57.14% with two or more on the board as of 2021. Females make up the lowest percentage overall in offshore which can be dominated by companies on small islands with specific rules of employment and tight male-dominated networks. Of the eight companies in the sample that had zero females on the board, half of those companies were in the offshore segment. Our sample shows an average number of board seats to be 10.62 seats. We can infer from this result and the fact that from Table 2, 26.11% of all board members are female, that on average one would expect to have approximately 3 female board members on each board. Our results from Table 4 show that about 45% of the total sample hasn't reached that goal yet and on a segment basis, some are doing much worse.

Table 5a. Percentage of companies with 2, 3, or more female BOD by segment

<i>% of companies with 2 or more females on BOD by segment</i>			
<i>Segment</i>	<i>2021</i>	<i>2017</i>	<i>2013</i>
Broker	83.33%	83.33%	60.00%
Financial	66.67%	0.00%	17.00%
Large primary	85.71%	75.00%	67.00%
Life/health	94.44%	75.00%	50.00%
Offshore	57.14%	44.44%	6.00%
Personal	87.50%	83.33%	71.00%
Primary	83.33%	43.75%	22.00%
<i>% of companies with 3 or more females on BOD by segment</i>			
<i>Segment</i>	<i>2021</i>	<i>2017</i>	<i>2013</i>
Broker	50.00%	33.33%	
Financial	50.00%	0.00%	
Large primary	85.71%	75.00%	
Life/health	83.33%	45.00%	
Offshore	21.43%	22.22%	
Personal	75.00%	50.00%	
Primary	55.56%	9.38%	

Table 5b. Percentage of companies with 4 or more female BOD by segment

<i>% of companies with 4 or more females on BOD by segment</i>			
<i>Segment</i>	<i>2021</i>	<i>2017</i>	<i>2013</i>
Broker	0.00%	0.00%	
Financial	33.33%	0.00%	
Large primary	57.14%	37.50%	
Life/health	61.11%	25.00%	
Offshore	21.43%	11.11%	
Personal	50.00%	33.33%	
Primary	27.78%	3.13%	

Note: The authors did not have the data for the segment breakout for 3 or 4 or more in 2013.

Table 6 shows 2013 and 2017 results as found in “Women are making steady gains” (2018) for total male/female insider allocation. The results for 2021 were hand collected from the firm’s websites and included all persons that were deemed as insiders by the firm. As a result, a direct comparison of insiders from previous years may lead to inconsistent results

as insiders from the 2017 and 2013 sample were smaller subsets of insiders than what is included on the current companies’ websites. Regardless, the relative results for insiders are similar to the results found in female board of director representation with approximately one in four company insiders being female.

Table 6. Inside officers overall percentage of females

<i>Gender</i>	<i>2021</i>	<i>2017</i>	<i>2013</i>
Male	1108	386	456
Female	406	47	42
Total	1514	433	498
% Female	26.82%	10.85%	8.43%

Looking at the market segment of insiders analysis from Table 7, it interestingly shows that the brokerage firms in our sample claim a 25.88% of their insiders are female. From Table 3 we saw that they were represented with only a 21% female board representation. The large primary shows one of the biggest disparities with only 19.63% of their insiders represented by female employees and 31.25% of their boards as female. This disparity is interesting since the large primary is made up of firms that are household names. It appears that they are valuing women’s input on the boards with nearly one in three board members as female, but a much smaller percentage of females by the companies’ own definition are considered insiders. One would assume that if the female board average had reached an industry average of over 31%, then females at the firm in higher-level insider positions would have also reached that percentage or more. Afterall, where would good candidates for board positions come from if not from seasoned professionals in the industry?

One area that consistently stands out in our sample for valuing females is the life/health segment of the industry. Inside officers make up over 31% of female insiders which is paired with over half the firms having 4 or more females on the board. Firms, especially those related to female health issues, empower women to become part of the answer for the firms instead of bystanders. With a significant female presence, there is also a higher probability of mentorship for females which should in the long run be good for business. As we saw earlier, research studies related firm performance to a minimum of three female board members. More insiders should promote the ability for more females to enter into board seats. With a significant pool of females comes additional perspectives that should benefit the company both financially and societally. Hopefully, this continued mentorship will also support more females to ascend to the highest leadership roles of CFO and CEO.

Table 7. Market segment inside officers percent female by year

<i>Segment</i>	<i>2021</i>	<i>2017</i>	<i>2013</i>
Broker	25.88%	6.67%	12.50%
Financial	24.32%	6.67%	5.90%
Large primary	19.63%	18.60%	3.40%
Life/health	31.51%	21.78%	14.30%
Offshore	18.24%	4.00%	6.30%
Personal	24.10%	16.67%	21.10%
Primary	21.28%	9.49%	5.00%

To move into CFO and CEO positions takes a certain amount of analytical skill and prepping. As shown in Table 8, the female insiders are predominately coming from the human resource and communication areas of the firm with 80.40% and 90.90%, respectively. Compliance/audit insiders are equally likely to be female. Followed by both general counsel and operations areas with 35.4% and 38.9%,

respectively. Only about 13.5% of females are from the risk/chief risk officer (CRO) area. This supports the need for a higher female presence in areas that are more quantitative in nature. This is especially important in insurance as many CEO leaders were formally actuaries and supporting STEM areas would increase females in those potential roles.

Table 8. Common female inside officer positions

<i>Common female inside officer positions</i>	<i>Percentage of women</i>
HR/Chief people officer	80.40%
General counsel/legal	35.40%
Communications	90.90%
Compliance/audit	50.00%
Operations/COO	38.90%
Risk/CRO	13.50%

As Table 9 shows, we still have a way to go to reach gender neutrality in the CEO and CFO positions. The percentage of females in the top two positions was down overall from 11.93% in 2017 to 10.12% in 2021. One in ten CEO and CFOs in our

sample is led by a female at the helm which is about what it was four years ago. So, while gains have been made in both board positions and at insider positions, no gains appear to have been made when looking at the most coveted positions.

Table 9. C-suite breakout by year top 2 positions CEO and CFO

<i>C-suite overall</i>	<i>2021</i>	<i>2017</i>
Male	151	155
Female	17	21
Total	168	176
% Female	10.12%	11.93%

Table 10 looks at our breakout by market segment. The life/health segment is represented with the highest level of female presence in CEO and CFO positions with roughly one in six companies having a female CEO or CFO. However, that percentage is basically the same as it was four years ago. While measurable achievements have been made

for the life/health segment in the other areas, unfortunately, even the heavy female presence in the life/health arena doesn't move the needle for the segment when it comes to overall top female leadership. Outside of primary all other industry segments either remained neutral or had a lower female presence in the top leadership roles.

Table 10. Percentage female in the C-suite by segment top 2 positions CEO and CFO

<i>Market segment C-suite % female by year</i>	<i>2021</i>	<i>2017</i>
Broker	8.33%	6.67%
Financial	0.00%	6.67%
Large primary	7.14%	12.50%
Life/health	16.67%	16.84%
Offshore	3.57%	4.00%
Personal	6.25%	16.67%
Primary	14.00%	9.49%

5. DISCUSSION

As shown in the results section of Table 2, female representation on boards increased significantly from four years ago so that about 1 in 4 board members are represented by females. Industries with the highest percentage of females on the board turned out to be grouped into two types of firms. Companies that are large and well known might feel more pressure to meet gender diversity expectations (such as AIG or Liberty Mutual) and/or companies that have more consumer-driven lines of business in which women are more likely to be employed. With women filling a larger percentage of these types of roles it naturally makes sense that they would have a higher likelihood of progressing at these firms into higher-level positions. On average females fill about 1 in 3 board positions at these firms.

At the other extreme segmented firms such as brokerage and offshore tend to have lower percentages of females on their boards with closer to 1 in 5 board positions filled by females. While this is better than the abysmal 1 in 10 or even 1 in 20 shown in some segments as recent as 2017 it still points to inequities in board positions that hopefully will only continue to improve.

Progress takes not only time but also positive results. Results to prove that the change isn't just right for the company but is also good for the company. Researches by Redor (2018) and others

show that female board members are good for business. Different genders can bring different points of view which could lead to better strategic management, better risk management techniques, better efficiency, better reputations, and overall better perceptions of the firm in the industry. This increased perception of the firm builds trust among a firm's many stakeholders which in turn helps build value to the firm.

The news for female insiders over the past four years is also upbeat. Female insiders represent almost the same percentage as do female board members with 26.82% of all insider positions held by females. However, as we noted, there are some inconsistencies in these numbers. For example, large primary companies did well with female board members with 31.25% (about 1 in 3), but by their own definition, only 19.63% (about 1 in 5) of their insiders are female. We find these results interesting as they suggest some firms feel obligated to meet the market expectation for a minimum number of female board members, but come up short for insiders and keep women on the sidelines as bystanders instead of decision-makers. Fortunately, other segments like the life/health segment empower women to become part of the answer for the firms instead of bystanders. As more firms give females a chance hopefully the statistics related to life/health will hold true for more segments of the industry.

With mainly positive trends in the data, one would have assumed those results would carry over into the C-suite positions of the firm. However, as shown above, in Tables 9 and 10, that was not the case. This trend is worrisome as a higher percentage of insiders and board members should naturally lead to a higher percentage of CEOs and CFOs. Unless the positions that are being filled by females are not the type of positions that would normally allow women to earn that top seat. According to Wells (2021), more than 60% of the insurance workforce is comprised of women. As a result, we can assume that the majority of the firms will have a majority of employees as female. To see no change in all but one of those firms in four years leads one to believe that the increase in representation on the boards and insiders are in positions that are not highly quantitative. This is supported by the data in Table 8 above which shows positions like head of human resources/chief people officer, communications, or internal audit which in our sample are equally likely or better to have females in those positions as opposed to males. Positions that entail more quantitative skills like actuarial positions which could lead to those higher-level positions are less often held by females.

Introducing and supporting females to STEM programs in primary and secondary education would help equalize the top two positions. Also, promoting and adding mentorship programs to those females working in the industry, while they are getting started early in their career with other female and male leaders will also help females build deeper networking connections. They can rely on those connections to help build their careers and ultimately promote them in the same proportion as males to reach those higher coveted positions. This would be a win/win as a higher female presence has been shown in Doan and Iskandar-Datta (2018) to improve the level of transparency in the firm which has been shown to be good for business.

6. CONCLUSION

Our results show a clear trend of improvement in gender representation on board of directors and insider positions for firms in the insurance industry. As of 2021, our sample shows an impressive 81.93% of all insurance boards having at least two or more females on their board. However, when the data is segmented these results show the majority of the gains are in consumer-facing segments of the industry with other segments having as low as 57% for at least two females and 27% for three females in the offshore segment of the industry. Female inside officers have increased to an overall percentage of 26.82% with segment breakout ranging from a high of 32% in life/health to a low of 18% for offshore. Our data support that at least half of the positions of auditor, chief people person, and communications would be held by female insiders. The gains stop there and, unfortunately, no significant advancement for the percentage of women in the C-suite positions is evident in our dataset at this time. A meager 10% of all CEO and CFO positions in this sample of the insurance industry are held by females.

We suggest that this inequitable result could be related to the poor participation of females in the STEM areas which would introduce to and support them in more quantitative fields of study where they would be more qualified to ultimately fulfill CEO and CFO positions. Also, with so few females currently in upper leadership positions, there are few mentors for females to develop deep networking connections early in their careers. These network connections have been shown to help with early promotions and raise. As a result, females do not get the same level of gender support that their male counterparts get early on, which manifests with fewer promotions later in their careers.

We suggest instituting company lead initiatives to break down this potential unrecognized internal bias could go a long way to helping the females in the industry generate the same level of networking contacts as their male counterparts. Also, introducing and supporting them early in STEM careers could also help internalize the same level of confidence in their abilities as their male counterparts for quantitative leadership positions. Working to also identify rising stars early on in their career would also help to increase women in the CEO and CFO positions. Singling them out will also allow them to be comfortable with increased visibility which will increase the confidence that they have the right stuff for the position.

Since this paper reflects current research in comparison to similar research from 4 years ago and 8 years ago, it provides a benchmark of the progress of women in leadership positions in the insurance industry. In an industry made up of such a large percentage of women overall, it will be interesting to explore any future changes to the number of female leaders as a larger number of women take on more quantitative/STEM roles, as the networking roles of men and women continue to evolve, and as additional support and mentoring opportunities for women develop. Future research can most certainly build on the research that was performed here. One would hope that this research would also raise a red flag that there is still a significant disparity in leadership roles in the insurance industry, which could serve to drive progress.

Limitations of this research could be that the sample that was chosen was not a representative population sample. Also, within the data, some of the officer positions held frequently by women in the 2021 data set include chief people officer/HR or general counsel. The data from the previous study did not break out the various positions so it is possible that these two positions were not included in the 2013 and 2017 research. Since this may skew the comparison by year for a percentage of females in inside officer positions, we were unable to compare this data. Lastly, this data is a moving target. It is very possible that it has changed in the short amount of time since the research was conducted. However, this is unlikely at least for the position that needs the most improvement as CEO and CFO percentages had not increased at all over the previous 4 years, but instead decreased although not significantly.

REFERENCES

1. Báez, A. B., Báez-García, A. J., Flores-Muñoz, F., & Gutiérrez-Barroso, J. (2018). Gender diversity, corporate governance and firm behavior: The challenge of emotional management. *European Research on Management and Business Economics*, 24(3), 121–129. <https://doi.org/10.1016/j.iemeen.2018.07.001>
2. Berthelot, S., & Coulmont, M. (2020). Director elections: An analysis of shareholder response to directors' reputation and expertise [Special issue]. *Corporate Ownership & Control*, 18(1), 346–354. <https://doi.org/10.22495/cocv18i1siart9>
3. Bhatia, M., & Gulati, R. (2021). Board governance and bank performance: A meta-analysis. *Research in International Business and Finance*, 58, 101425 <https://doi.org/10.1016/j.ribaf.2021.101425>
4. Boulouta, I. (2013) Hidden connections: The link between board gender diversity and corporate social performance. *Journal of Business Ethics*, 113, 185–197. <https://doi.org/10.1007/s10551-012-1293-7>
5. Buchwald, A., & Hottenrott, H. (2019). Women on the board and executive tenure. *Managerial and Decision Economics*, 40(7), 741–760. <https://doi.org/10.1002/mde.3028>
6. Đàng, R., Houanti, L., Reddy, K., & Simioni, M. (2020). Does board gender diversity influence firm profitability? A control function approach. *Economic Modelling*, 90, 168–181. <https://doi.org/10.1016/j.econmod.2020.05.009>
7. Di Biase, P., & Onorato, G. (2021). Board characteristics and financial performance in the insurance industry: An international empirical survey. *Corporate Ownership & Control*, 18(3), 8–18. <https://doi.org/10.22495/cocv18i3art1>
8. Doan, T., & Iskandar-Datta, M. (2018). Gender in the C-Suite and informational transparency. *Corporate Ownership & Control*, 15(4-1), 149–157. <https://doi.org/10.22495/cocv15i4c1p2>
9. Ellinrund, K., & Lodolo, M. (2019, October 17). Gender parity is still a problem in insurance: Here's what leaders can do. *McKinsey and Company*. Retrieved from <https://www.mckinsey.com/industries/financial-services/our-insights/insurance-blog/gender-parity-is-still-a-problem-in-insurance-heres-what-leaders-can-do>
10. EmadEldeen, R., Elbayoumi, A. F., Basuony, M. A. K., & Mohamed, E. K. A. (2021). The effect of the board diversity on firm performance: An empirical study on the UK [Special issue]. *Corporate Ownership & Control*, 18(3), 337–347. <https://doi.org/10.22495/cocv18i3siart8>
11. Garanina, T., & Muravyev, A. (2021). The gender composition of corporate boards and firm performance: Evidence from Russia. *Emerging Markets Review*, 48, 100772. <https://doi.org/10.1016/j.ememar.2020.100772>
12. Morris, T., Sodjahn, A., & Boubacar, H. (2021). Ownership structure and women on boards of directors of Canadian listed companies. *Corporate Ownership & Control*, 18(3), 120–135. <https://doi.org/10.22495/cocv18i3art10>
13. Neschen, A., & Hugelschafer, S. (2021). Gender bias in performance evaluations: The impact of gender quotas. *Journal of Economic Psychology*, 85, 102383. <https://doi.org/10.1016/j.joep.2021.102383>
14. Nguyen, T. H. H., Ntim, C. G., & Malagila, J. K. (2020). Women on corporate boards and corporate financial and non-financial performance: A systematic literature review and future research agenda. *International Review of Financial Analysis*, 71, 101554. <https://doi.org/10.1016/j.irfa.2020.101554>
15. Ravaonorohanta, N. (2020). Gender-diverse boards get better performance on mergers and acquisitions [Special issue]. *Corporate Ownership & Control*, 17(4), 222–233. <https://doi.org/10.22495/cocv17i4siart1>
16. Redor, E. (2018). Gender diversity on corporate boards: Does critical mass matter to investors? *International Journal of Business Governance and Ethics*, 13(2), 199–216. <https://doi.org/10.1504/IJBGE.2018.10018516>
17. Sicoli, G., Bronzetti, G., Ippolito, D., & Leonetti, G. (2020). Gender diversity and governance: Analysis of Italian listed companies [Special issue]. *Corporate Ownership & Control*, 17(4), 329–338. <https://doi.org/10.22495/cocv17i4siart10>
18. STEMconnector. (2018). *MWM women in insurance: Leading to action*. Retrieved from <https://mwm.stemconnector.com/download/mwm-women-in-insurance-leading-to-action/>
19. Valls Martínez, M. d. C., & Cruz Rambaud, S. (2019). Women on corporate boards and firm's financial performance. *Women's Studies International Forum*, 76, 102251. <https://doi.org/10.1016/j.wsif.2019.102251>
20. Velte, P. (2019). Does board composition influence CSR reporting? A meta-analysis. *Corporate Ownership & Control*, 16(2), 48–59. <https://doi.org/10.22495/cocv16i2art5>
21. Wells, A. (2021, January 25). Diversity in the workplace: Race, gender, disability and more. *Insurance Journal*. Retrieved from <https://www.insurancejournal.com/magazines/mag-features/2021/01/25/598681.htm>
22. Women are making steady gains in insurance industry leadership positions: Research. (2018, January 3). *Carrier Management*. Retrieved from <https://www.carriermanagement.com/news/2018/01/03/174308.htm>