BRIDGING THE LEADERSHIP GAP: A RISK MANAGEMENT OPPORTUNITY FOR THE INSURANCE SECTOR

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In the insurance world, our business hinges on identifying, assessing, and mitigating risk. We build models, evaluate trends, and advise clients on how to insulate themselves from costly exposure.

However, there's a subtle, often overlooked risk that can have major consequences for policyholders across various industries: a leadership gap among their line personnel.

Whether it's a manufacturing floor, a flight deck, a construction site, or a logistics hub, many frontline teams are led by technically proficient individuals who have never received formal training to lead. These leaders are promoted for operational skill, not people leadership, and it shows up in ways that directly increase risk: poor communication, unresolved conflict, low morale, disengagement, and ultimately, safety lapses or claims events.

LEADERSHIP: NOT A POSITION, BUT A WAY OF BEING

Leadership isn't defined by titles or hierarchy. It's a mindset. It's a way of being that influences how we present ourselves to others and how we respond to challenges. People may be technically excellent, but who teaches them how to be mindful and aware of the impact they have on those around them? We all encounter difficult teammates. But who helps us lead them effectively, instead of simply deflecting blame or distancing ourselves?

And what if you're the difficult one? Wouldn't you want those around you to know how to lead with empathy and clarity, to help you recognize how you're coming across while also preserving your dignity and sense of worth?

These are the nuanced human dynamics that often go unaddressed in operational environments. Yet they are fundamental to reducing risk and improving outcomes.

UNDERSTANDING THE RISK: THE HIDDEN COST OF POOR LEADERSHIP

In claims investigations, you can often trace the root cause of incidents to a breakdown in human interaction. Consider a near-miss that escalates because someone was afraid to speak up, or a claim that spirals out of control due to a supervisor who is defensive or authoritarian. These aren't technical failures; they're leadership failures.

Poor leadership creates environments where psychological safety is low, turnover is high, and teams become reactive rather than proactive. These dynamics drive up both the frequency and severity of claims. Yet, few clients consider people leadership a risk vector, and fewer still invest in developing their frontline leaders.

THE OPPORTUNITY: LEADERSHIP TRAINING AS RISK REDUCTION

Here's where the insurance sector can make a real impact. By recognizing leadership capability as a critical control point, brokers, underwriters, and claims professionals can introduce a proactive strategy: recommend leadership training programs that specifically target the behavioral, emotional, and interpersonal dimensions of risk.

It's not about sending managers to a generic seminar. The most effective programs are industry-specific and focused on practical, scenario-based learning.

THE MOST EFFECTIVE PROGRAMS ARE INDUSTRY-SPECIFIC AND FOCUSED ON PRACTICAL, SCENARIO-BASED LEARNING.

They teach skills such as:

- Navigating difficult conversations without defensiveness.
- Building trust and accountability on the front lines.
- Leading under pressure and in uncertainty.
- Cultivating self-awareness and emotional regulation.

One such example is our DISC Catalyst workshop offered by First Class Leaders. This immersive one-day experience helps frontline leaders understand their behavioral patterns, recognize team dynamics, and adjust their communication for more effective leadership. This kind of targeted training empowers line leaders to create safer, more engaged teams that translate to fewer losses.

WHAT TO LOOK FOR IN A LEADERSHIP TRAINING PARTNER

If you're going to recommend leadership development to a policyholder, it's important to vet the options.

Here are three questions to guide your evaluation:

- Is it interactive, not a lecture? The best programs engage participants in real scenarios, role-play, and reflection. Leaders learn best by doing, not just by listening.
- Does it provide a clear and usable framework? Training should empower participants with tools they can apply immediately, so the learning sticks and becomes a daily leadership habit.
- Is it built for growth and reflection? Look for programs that help leaders understand themselves, not just manage others. Self-aware leaders are more adaptable and better equipped to manage conflict.

POSITIONING THE CONVERSATION WITH POLICYHOLDERS

Bringing this idea to a client is all about framing the message effectively. You're not pointing out a flaw; you're offering an insight that enhances their resilience.

TRY SOMETHING LIKE:

"One trend we're seeing in claims data is that incidents often stem from communication breakdowns or low trust in frontline teams. We've found that leadership development, especially at the line level, can significantly reduce these risks. Have you considered investing in that area? There are great programs out there; I'd be happy to connect you."

This opens a consultative dialogue, positioning you as a trusted advisor who's looking beyond the policy terms and into real operational risk.

THE BOTTOM LINE: STRONGER LEADERS, SAFER OPERATIONS

Leadership may not be readily apparent in a traditional risk matrix, but its influence is pervasive. A culture of poor leadership amplifies exposure; a culture of trust, accountability, and clarity mitigates it.

As an insurance professional, helping clients build safer, more cohesive teams isn't just good service, it's good risk management. And with the right leadership training programs, you can arm your policyholders with tools that prevent incidents before they ever reach a claims file.

The leadership gap is real, but it's also bridgeable. Let's help your clients get there.

Kyle Freiburger is a professional pilot with over 10,000 flight hours in aircraft such as the Embraer 190, Boeing 767, Airbus A320 series, and the Gulfstream G450. After stepping away from his role as a captain at Air Canada, Kyle now flies privately and leads First Class Leaders, a company focused on strengthening leadership in aviation.