



The Impact of Risk Management, Innovation, and Operations Modernization on Human Resources and Compensation

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Speakers



Mary A. Rizzuti, CCP, PHR, SHRM-CP
Partner, Eisner Advisory Group LLC
Service Line Leader,
Compensation Resources
and HR Advisory



Sara D. Schmidt, CCP, PHR, SHRM-CP
Director
Compensation Resources



Agenda



Compensation and human resources strategies



Evolving workplace expectations



Managing risk



Technology and strategy



Compensation and Human Resources Strategies

Consideration of Total Rewards Package

- To remain competitive often have to offer multiple components:
 - Base salary
 - Short- and long-term incentives
 - Benefits
 - Professional development
 - Work experience



Formalization of Compensation

- Ensure compensation practices are in line with market trends to attract and retain top talent
 - Use of objective survey data to understand value of compensation
 - Based on job content and neutral of actual incumbents
- From where do you typically recruit?
 - Informs demographics of survey data
 - Insurance sector
 - General industry
 - Local marketplace



Financial Roles Across Industries

Job Title	Base Salary Average	Total Cash Comp Average
Accountant II - Insurance	\$77,100	\$79,400
Accountant II - Manufacturing	\$78,300	\$80,500
Accountant II - Business Services	\$78,700	\$81,100
Financial Analyst II - Insurance	\$91,700	\$94,600
Financial Analyst II - Manufacturing	\$94,200	\$97,800
Financial Analyst II - Business Services	\$89,900	\$92,000
Accounting Manager - Insurance	\$128,100	\$137,900
Accounting Manager - Manufacturing	\$127,600	\$136,300
Accounting Manager - Business Services	\$129,400	\$137,400
Controller - Insurance	\$240,100	\$303,900
Controller - Manufacturing	\$218,400	\$272,300
Controller - Business Services	\$217,400	\$268,600
CFO - Insurance	\$398,200	\$648,800
CFO - Manufacturing	\$392,200	\$611,400
CFO - Business Services	\$385,100	\$569,000



Increase in Fractional/Outsourced HR

- Navigation of complex labor laws, compliance regulation, and employee challenges
- HR technology is evolving, enhancing efficiency
 - AI tools/Automation
 - Self-service options
 - Not meant to replace decision-making
- HR seen as a strategy partner
 - Contribute to high-level decision-making, leadership development, and workforce planning



Salary Structures

- Tool for ongoing base pay administration
- Defines minimum and maximum rate of pay for a position
- Market data used to design salary structures
- Align positions to grades based on a balance of external marketplace and internal hierarchy
- Position-in-Range (PIR) analysis
 - Assesses actual salaries within respective salary range
- Position matrix
 - Identifies a position's grade and department
 - Illustrates career pathing



PIR Analysis

Position	Actual Salary	Market Consensus	Grade	Grade Minimum	Grade Midpoint	Grade Maximum	PIR	Band	Bring to Minimum
Information Technology Director	\$218,150	\$212,600	50	\$172,000	\$215,000	\$258,000	53.7%	Middle	
Corporate Controller	\$202,045	\$195,000	49	\$156,364	\$195,455	\$234,545	58.4%	Middle	
Human Resources Director	\$175,000	\$173,600	48	\$142,149	\$177,686	\$213,223	46.2%	Middle	
Systems Architect	\$126,500	\$156,100	47	\$129,226	\$161,533	\$193,839		Below	\$2,726
Financial Analysis Manager	\$165,250	\$137,900	46	\$117,478	\$146,848	\$176,217	81.3%	High	
Marketing & Communications Manager	\$132,000	\$129,700	45	\$106,798	\$133,498	\$160,198	47.2%	Middle	
Talent Acquisitions Manager	\$115,700	\$120,400	44	\$97,090	\$121,362	\$145,634	38.3%	Middle	
Digital Content Manager	\$105,375	\$115,300	44	\$97,090	\$121,362	\$145,634	17.1%	Low	
Senior Business Systems Analyst	\$122,500	\$107,300	43	\$88,263	\$110,329	\$132,395	77.6%	High	
Security Administrator	\$94,680	\$95,000	42	\$80,239	\$100,299	\$120,359	36.0%	Middle	



Position Matrix

Grade Min - Mid - Max	Finance	Human Resources	Information Technology	Marketing
50 \$172,000 - \$215,000 - \$258,000			Information Technology Director	
49 \$156,364 - \$195,455 - \$234,545	Corporate Controller			
48 \$142,149 - \$177,686 - \$213,223		Human Resources Director		
47 \$129,226 - \$161,533 - \$193,839			Systems Architect	
46 \$117,478 - \$146,848 - \$176,217	Financial Analysis Manager			
45 \$106,798 - \$133,498 - \$160,198				Marketing & Communications Manager
44 \$97,090 - \$121,362 - \$145,634		Talent Acquisitions Manager		Digital Content Manager
43 \$88,263 - \$110,329 - \$132,395			Senior Business Systems Analyst	
42 \$80,239 - \$100,299 - \$120,359			Security Administrator	



Incentive Plans

- Increased prevalence in variable compensation tied to both employee performance and company profitability
 - Incentivizes high performance and aligns employee interests with company goals
- Most common types of incentive plans:
 - Annual bonus or incentive plans
 - Long-term incentive plans
 - Commission-based plans



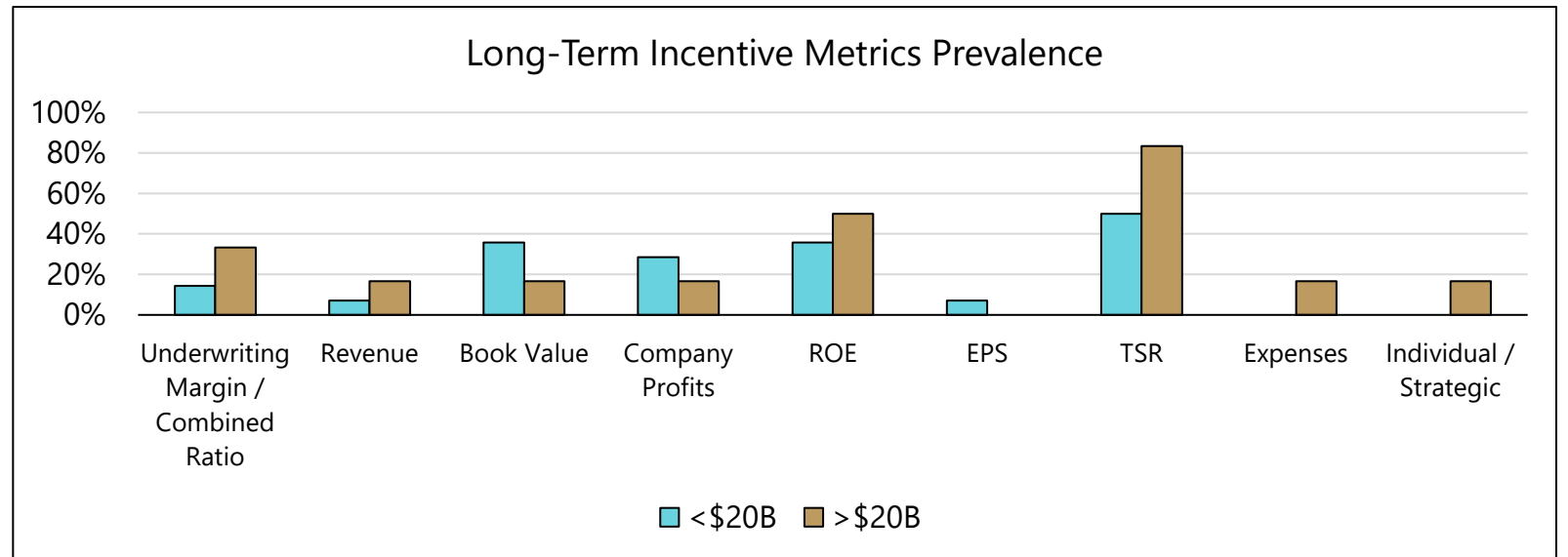
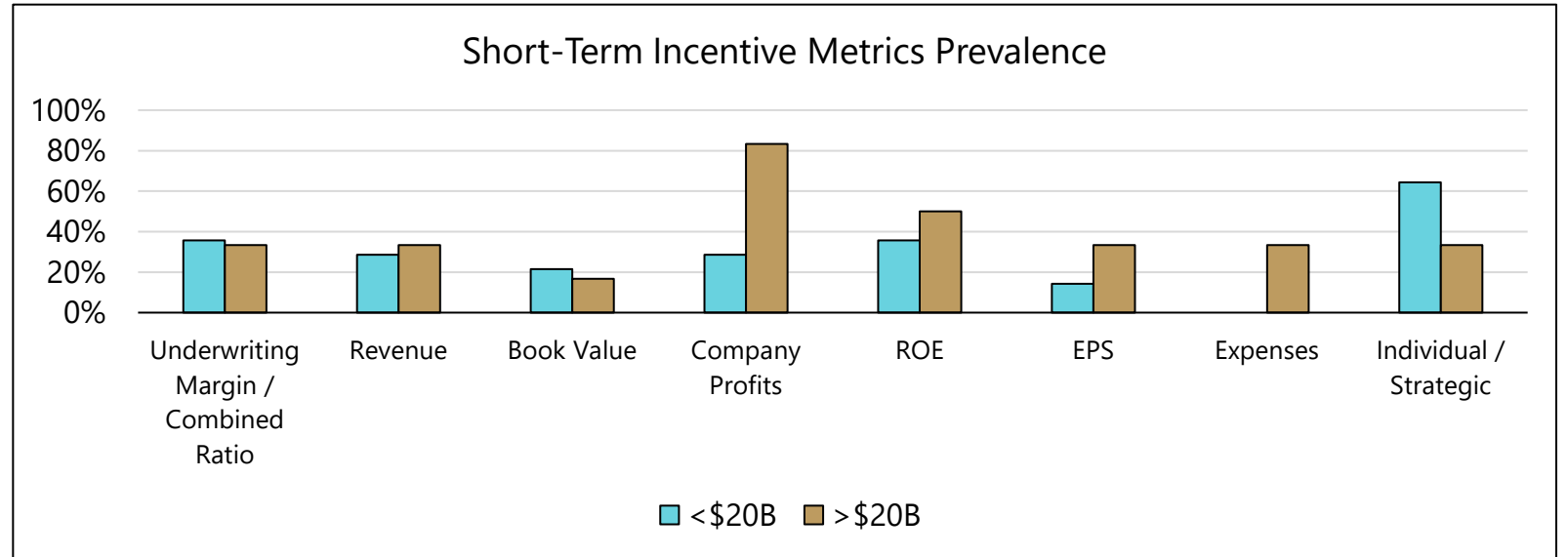
Incentive Plan Design Considerations

- Who is eligible to participate in the plan?
- What will be the mix of fixed and variable pay?
- How will the plan be funded?
- How will metrics align to company goals?
- What are thresholds, targets, and maximum awards?
- How will you compile data and track goals?



Incentive Metrics

- Identified 20 publicly traded P&C companies segmented into \$5B to \$20B and >\$20B revenue



Evolving Workforce Expectations

Hiring Trends

Greatest Growth

- Technology
- Underwriting
- Claims

Adding Experienced Staff

- Loss Control
- Actuarial
- Product Management
- Accounting

Hardest to Fill

- Actuarial
- Executive
- Analytics

Insurance Labor Market Study; The Jacobson Group and Ward; February 2025



Hiring Trends

- 55% of property/casualty and 60% of life/health companies plan to increase staff in 2025
 - Most common reasons for increasing staff:
 - Anticipated increase in business volume
 - Expansion of business/new markets
 - Currently understaffed
- Turnover
 - Voluntary: 8.5%
 - Involuntary: 4.1%

Insurance Labor Market Study; The Jacobson Group and Ward; February 2025



Skills Gap

- Older generation is retiring, leaving a knowledge gap
- Need for new skill sets:
 - Data analytics
 - Artificial intelligence
 - Machine learning
 - Cyber risk management
- Possession of one or more of these skills typically results in demand for higher salaries
- Invest in training and professional development



Attracting Talent

- Changing perceptions and competing for top talent
 - **Redefine the narrative:** Showcase your culture, mission, values, and societal impact
 - **Highlight Innovation:** Promote use of technology and how it has evolved professions
 - **Showcase career growth:** Promote career development opportunities, including career pathing, training, and mentorship programs
 - **Embrace flexibility:** Offer hybrid work models, flexible hours, and strong support for work/life balance
 - **Stay competitive:** Ensure compensation package is aligned with market expectations
 - **Build the pipeline:** Invest in internships, co-op programs, and partnerships with educational institutions
 - **Leverage digital recruiting:** Use platforms such as LinkedIn or Instagram; innovative job postings



Attracting Talent

- Recent industry survey reports the top 5 factors attracting or losing employees:*

What attracts candidates	Why employees leave
Higher base salary	Poor work/life balance
Good work/life balance	Low base salary
Larger bonus	Low/no bonus
Remote flexibility/work from home policies	Negative workplace culture
Better benefits	Inflexible working/lack of work from home policies

*Insurance & Actuarial Science Compensation Survey Results; Selby Jennings (2024)



Emphasis on Non-Monetary Benefits

Robust benefits package

- Voluntary benefits (e.g., pet insurance, identity theft)
- Wellness programs

Flexible work arrangements

- Work/life balance
- Hybrid/remote work arrangements
- In 2025, 83% of insurance companies offer flexible hours; 75% have a hybrid model*

Professional development

- Allow employees to explore interests and develop their knowledge

*Insurance Labor Market Study; The Jacobson Group and Ward (February 2025)



Managing Risk

Staying Compliant in a Changing Regulatory Environment

- **Stay current on labor law changes:** Monitor evolving federal, state, and local updates to employment regulations
- **Time off and leave laws:** Track and implement requirements for sick and safe leave laws, voting leave, jury duty leave, PTO payout policies
- **Leave of absence management:** Comply with mandates on medical, family, maternity, disability, military leave
- **Payroll Tax Accuracy:** Maintain compliance with multi-jurisdictional payroll tax obligations including state and local income, unemployment, supplemental, FUTA
- Regularly review HRIS, payroll systems, and documentation workflows to identify compliance gaps and ensure data integrity



HR Policies and Employee Relations

HR Policies

- Reflect current laws and company culture/values
- Communicate updates

Human Capital

- Education on key legal and policy responsibilities
- Staff training
 - Harassment
 - State mandated training
- Strong documentation
- Performance management

Internal Training

- Train managers to recognize and mitigate risk
- Training on handling complaints and conflict resolution
- What is a hostile workplace
- Best practices for fair treatment
- Violence and theft in the workplace



New York

Min Wage
\$15.50

Tipped Employee Min Wage
\$10.35

Overtime Rules

Federal rule 1.5 x hourly rate after 40 hour workweek

Pay Transparency Laws

Employers with 4 or more employees must disclose on all job postings a hourly rate or salary range. Employees who are applying for internal transfer or promotions are also required to know the hourly rate or salary range for positions.

A job description must be included for both internal and external job postings.

Penalties for non compliance include up to \$1,000 for the first violation, up to \$2,000 for the second violation, and up to \$3,000 for each violation thereafter.

Pay Equity Laws

Employers with 4 or more employees: Sex

Min Salary Threshold
\$60,405.80

New York

Medical or Family Leave - State Act

Paid: New York Paid Family Leave

All Employers

(weekly benefit up to 67% of weekly wages or \$1,177.32)

Medical or Family Leave - Terms of Leave

Up to 12 weeks of paid leave

Medical or Family Leave - Purpose of Leave

To bond and care for the birth, adoption, or foster placement of a child
Care for a family member with a serious health condition

Maternity

Part of Temporary Disability
(weekly claim is up to 50% of weekly wages or up to \$170 per week)
max amount of leave is 6-8 weeks

Disability

Temporary Disability
Up to 26 weeks of leave
(weekly claim is up to 50% of weekly wages or up to \$170 per week)

Military

Unpaid Leave



New York

State Income

Based on states gross taxable wages

Supplemental

11.70%

Unemployment Employer

2.10%-9.90%

Unemployment Employee

None

Family & Medical Leave Employer

None

Family & Medical Leave Employee

Funded by Employer Only

Disability Employer

None

Disability Employee

0.50%

Local Income

Yes

FUTA

5.40%

FICA Social Security

6.20%

FICA Medicare

1.45%

New York

Sick & Safe Leave - Accrual Cap or Frontload AmountEmployers with 99 or less employees=40 hours
Employers with 100 or more employees=56 hours**Sick & Safe Leave - Annual Max Balance Cap**Employers with 99 or less employees annual cap=40 hours
Employers with 100 or more employees annual cap=56 hours**Sick & Safe Leave - Carryover Accrual Plan**

No carryover cap

Sick & Safe Leave - Paid Prenatal Leave

20 hours

Voting

As much time off as needed for voting

Vacation or PTO Pay out RequirementsEmployer's must pay out accrued unused vacation or PTO as final wages
Unless
the employer and the employee agree it will be forfeited**Jury Duty**

Employers are required to pay employee wages for jury duty leave and can allow employees to use PTO for jury duty leave



Compensation and Pay Equity

- Ensure adherence to rules on minimum wage, salary thresholds, overtime, pay transparency, and pay equity
- Conduct regular pay audits
 - Identify and address disparities across gender, race/ethnicity, tenure, or other protected classes
- Standardize job descriptions
 - Ensure consistency in role expectations and leveling across the company
- Maintain competitive salary ranges
- Document pay decisions
 - Ensure rationale for decisions are clear, consistent, and compliant
 - Monitor promotions/internal mobility
 - Ensure all groups have equal access to career development/advancement opportunities



Pay Transparency

- Pay transparency legislation enacted in select states and municipalities, and continuing to expand
- Pay transparency:
 - Enables an employer to clearly communicate pay ranges for positions
 - Many provisions include description of benefits offerings
 - Fosters an environment of fairness and internal equity
 - Sets clear expectations around compensation for applicants (and sometimes current employees)
 - Encourages the opportunity for fair and balanced salary negotiations
 - Guides employers towards accountability in their compensation practices
- Companies should conduct market studies to ensure ranges are competitive
- Managers should be trained in communicating company policy



Technology and Strategy

Evolving Digital Landscape

- A recent study found that AI investment is accelerating, with nearly 60% of large insurers planning significant growth in large language model capabilities, and many are piloting AI technologies*
- Automation and AI changing the way insurers interact with customers and will increase efficiency, impacting:
 - Product designs/platforms
 - Underwriting
 - Claims
 - Pricing

* Property/Casualty Insurer IT Budgets and Projects, 2025; Datas Insights (March 2025)



Use of Generative AI

- Anticipated that AI-driven improvements will allow insurers to realize:^{*}
 - 10%-15% revenue uplift
 - Up to 30% functional cost savings
 - 30%-50% reduction in P&C leakage
- Need to re-think processes prior to implementing AI
 - May reshape select roles or create new ways of working that require more analytical and technical skills

^{*} Bridging the Protection Gap: Affordability, Access, and Risk Prevention; Bain & Company (2025)



Use of AI and Automation in Human Resources

- AI can increase productivity and efficiency
 - Chatbots to field general HR questions
 - Assist with data entry and analysis
 - Recruitment
 - Initial screening/scheduling candidates
 - Document management
 - Single place to hold employee documents
 - Automation of PTO approval/tracking



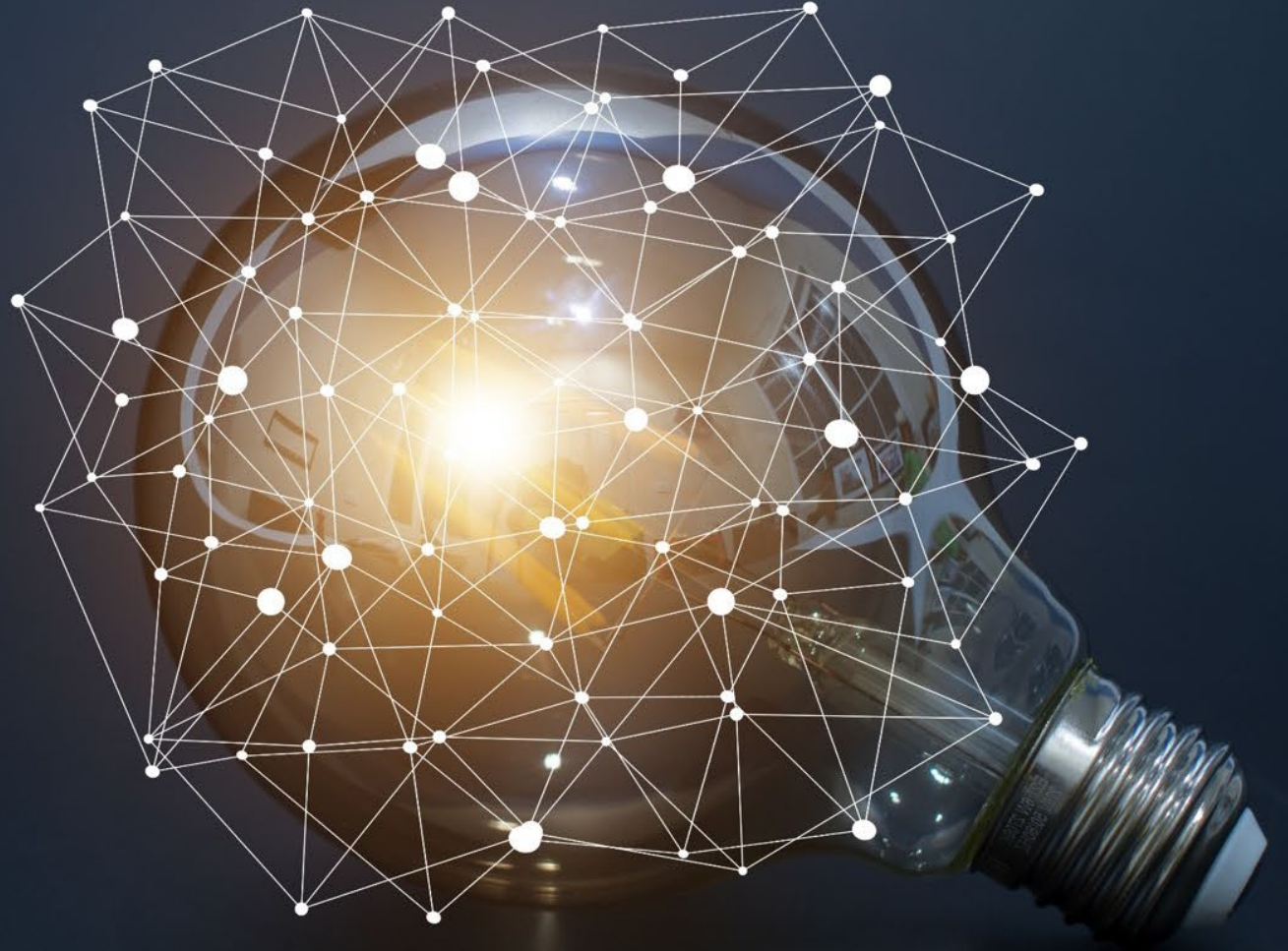
Building a Culture of Innovation and Customer Experience

- Use technology to inspire innovation
 - Use digital tools to streamline workflows
 - Encourage calculated risk-taking with new technology
 - Empower employees to test and share new ideas
 - Recognize and reward creativity
 - Invest in tools, time, and training to support innovation
- Enhance customer experience
 - Leverage data analytics to understand customer behaviors and needs
 - Develop user-friendly portal/apps to improve customer experience
 - Align team to solve problems, not only sell services
 - Use insights from feedback to improve products and services



Questions & Answers

- Open Discussion
- Wrap-Up



About Us

Compensation Resources

- National consulting firm with integrated research, business and consulting expertise
- Extensive experience working across all industries within the privately-held, publicly-traded and not-for-profit sectors
- Serving emerging and midsize companies, as well as Fortune 500 companies
- Commitment to responsiveness, collaboration and plan effectiveness





MARY RIZZUTI

201.710.6476 | MRIZZUTI@COMPENSATIONRESOURCES.COM

PRACTICE LEADER | COMPENSATION RESOURCES

PARTNER | EISNER ADVISORY GROUP LLC

Mary Rizzuti leads Compensation Resources, an EisnerAmper Company. With over 25 years of experience in compensation and human resources consulting, Mary has gained significant expertise in evaluating, designing, and developing creative compensation and human resources programs across all industries and business sectors.

Mary coordinates and executes business development initiatives while building strong working relationships with clients and strategic partners. With extensive experience within the not-for-profit and private company sectors, Mary provides clients with comprehensive consulting in executive compensation, salary administration, sales compensation, and performance management. Also included in her scope of expertise is interpreting market data and providing guidance to senior leadership and boards of directors on applying best practices and aligning market data to each company's unique environment.

Mary also delivers customized compensation strategy sessions to senior leadership, as well as human resources assessments for our clients. She has experience providing litigation support regarding compensation-related matters, including research, strategy development, analysis, and report outlining.

Mary was a Principal and Chief Executive Officer of Compensation Resources, Inc. prior to joining EisnerAmper. Mary was named to ROI-NJ's prestigious list of 2024 Influencers: Women in Business. Recently, Mary received The Salute to the Policy Makers award from Executive Women of New Jersey.

SPECIALTIES

- Executive & Staff Compensation
- Variable Compensation
- Organizational Development
- Human Resources Expertise
- Performance Management
- Privately Held & NFP Sectors

CREDENTIALS/EDUCATION

- Certified Professional in Human Resources
- Certified Compensation Professional
- Society for Human Resource Management Certified Professional
- Dominican College: BS, Human Resource Management

AFFILIATIONS

- Society for Human Resource Management
- WorldatWork





SARA SCHMIDT

201.710.6478 | SSCHMIDT@COMPENSATIONRESOURCES.COM

DIRECTOR | COMPENSATION RESOURCES

Sara Schmidt is a Director with Compensation Resources. Sara has 25 years of compensation consulting experience, with a focus in the health care, not-for-profit, insurance, and manufacturing industries. She is responsible for business development and providing consulting services related to the design and implementation of compensation and human resources programs. Sara has specific expertise in developing salary administration and performance management programs, in addition to executive compensation matters within the not-for-profit arena.

She also conducts training programs covering various compensation topics, including salary administration and performance management.

SPECIALTIES

- Base Salary Administration
- Not-for-Profit Executive Compensation
- Performance Management
- Business Development
- Compensation Training
- Project Management

CREDENTIALS/EDUCATION

- Certified Compensation Professional (CCP)
- Professional in Human Resources (PHR)
- Society for Human Resource Management Certified Professional (SHRM-CP)
- University of Rochester: BA, Psychology

AFFILIATIONS

- WorldatWork
- Society of Human Resources Management





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