



CEOS SHARE THEIR VIEWS ON THE FUTURE OF THE INDUSTRY

Presenters: Larry Goanos, *Andros Risk Services*
Kevin Kelley, *Ironshore Insurance Company*
David McElroy, *Arch Insurance Group Inc.*
Jill Wadlund, *Berkley Life Sciences*

NOTE: This is an abbreviated version of a chapter from the book “*D&O 101: Understanding Directors and Officers Liability Insurance – a Holistic Approach*” by Larry Goanos [2014, Wells Media; www.lulu.com; all rights reserved].

VII. ONE PIECE OF GOOD ADVICE

I thought it would be valuable to readers of this book, almost all of whom are likely to be fairly new to insurance, to receive career advice from some of the brightest and most-respected minds in the industry.

None of the people quoted below read this book before providing their wisdom. And, I must emphatically state, *none of them endorse, or necessarily agree with, anything I've written herein*. However, all the people quoted below share a desire to give back to this industry that has been so good to all of us by offering a bit of their considerable wisdom to insurance newcomers.

In addition, these executives participated in this exercise (which, unfortunately for them, entailed receiving several long-winded emails from me) in order to support the six charities benefiting from the revenue generated by this book. It is not an act of false modesty when I say that this chapter will benefit readers more than any other in this book, and for that I sincerely thank each of the individuals quoted below.

David Bell
President & CEO
ALPS Corporation

"Find someone in the industry who really understands technical language and who has witnessed the carnage of loss examples. Stay close to that person and learn from their experience and history. Otherwise, history will surely repeat itself – for you."

George Biancardi

President & CEO

Strongwood Insurance Holdings Corp

"Always give 100% and don't take short cuts. Assume that you will be remunerated for your constant hard work after the fact, not in advance. If you've been giving it your all and your employer does not adequately reward you, then you should find another employer who will. But never stop giving it your all or that will diminish your value."

Scott Carmilani

Chairman, Chief Executive Officer and President

Allied World Assurance Company Holdings, A.G.

"One must be careful during any transaction as there is Usually a surprise, and usually it's an unpleasant one."

Christopher J. Cavallaro

Co-Founder

ARC Excess & Surplus, LLCa

"Work hard and be nice...Always help those in need and take time to help the young people in this business as your generosity will come back to you ten fold."

James Drinkwater

President

AmWINS Brokerage

"If you can rely on one constant in this industry, it is change. It seems like we devote a great deal of time and energy trying to predict market cycles – when they will change, by how much, and for how long – sadly our predictions are rarely correct and there is little that we, as a Broker, can do to change the market but prepare ourselves and our clients. As a Wholesaler, our clients are always looking for a competitive edge and for us to be successful we need to become a valued partner that is as deeply invested in their success as we are in our own. I believe that one way to further develop this relationship and become the indispensable partner every client can't do without is by driving toward specialization. With unparalleled expertise in a specific area, you will build a reputation for being able to solve a client's unique needs, delivering a service that no one else can (or is willing to try). It is this skill set that makes you, just as much as anything else, the valuable resource your client depends on, and this will differentiate you in any market, regardless of the cycle."

Brian Duperreault

CEO and President (Retired)

Marsh & McLennan Companies, Inc.

"When you are choosing a company to start your career you have to use your head and your heart. You have to analyze the company's balance sheet and earnings power. More importantly you must judge the intangibles. What is the culture in the company? What are their ethics? Will you thrive in the environment? Trust your instincts."

Maurice R. "Hank" Greenberg

Chairman and CEO

Starr Companies*

Former Chairman and CEO, American International Group, Inc.

*Starr Companies is the worldwide marketing name for the operating insurance and travel assistance companies and subsidiaries of Starr International Company, Inc. and for the investment management business of C.V. Starr & Co., Inc.

"Your request to write a bit of advice to newcomers in the insurance industry is a challenge, not because there is nothing to say, but because there is so much to say."

There are many people who come to the insurance industry with a decent education, some with no education and some with very expensive educations. It really makes no difference what their education level is, rather it is about who they are. You can have the best education and be a flop. You can have a poor education but have the drive and intellect to overcome what you have lacked in a formal education. You need to be inquisitive because what was true in one era will not necessarily be true in future eras."

There are those that shy away from change, and there are others who embrace change. I happen to be one of the later, recognizing that this is where the opportunities are. That is how growth takes place."

Change is constant and if you understand that, you will see new opportunities. Whether in the economy, new industries, new political issues, new uncertainties, revolutions, or even terror threats. All can lead to new opportunities if you are alert to change and can recognize these changes and provide the appropriate or necessary coverage."

You also have to recognize risk and plan accordingly. Whatever exists today will be different a decade from now."

Finally, you must recognize the regulatory environment as well. It can create opportunities or problems, depending upon how it is managed."

Dinos Iordanou

CEO and Chairman

Arch Capital Group, Ltd.

"The advice I give to all of our trainee's is to not let a day go by without learning something new. The insurance business is subject to a great deal of specialization that must be learned on the job. Continuous learning is the only path of advancement in our business."

Ralph E. Jones III

CEO

Sparta Insurance Holdings

"My only words of advice to young professionals would be that.....Credibility is the coin of the realm. If you can say what you mean and mean what you say, you will be a lot better off in the long run. It often takes much political courage to do this, but organizations that do well have people like this in abundance. Simply 'doing what you say you are going to do' leads to outstanding performance. It is easy to say but hard to do in a world where many business and political leaders lack these simple values."

Kevin H. Kelley

Chief Executive Officer

Ironshore, Inc.

"My advice is: Trust and listen to your gut. Instinct is important, so trust it. Always verify it with a reality check, but whenever in doubt, go with it."

Jack Kuhn

Chief Executive Officer

Endurance Insurance

Endurance Specialty Insurance Ltd.

"My small piece of advice would be not to be afraid to ask questions to gain a better understanding of an issue. To many times I have seen individuals at all levels afraid to ask questions because they are concerned how it might make them look. One of the keys to success in this business is being well educated. It all starts with asking the right questions."

John Lumelleau

President and CEO

Lockton, Inc.

"Choosing a career in insurance is an excellent idea. By joining the insurance industry, you will play a role in promoting, protecting, and securing global commerce. Come in with your eyes wide open, so you can explore the many opportunities in this business. As you build your career, select a specialty and develop your expertise, so you position yourself as an expert. Recognized experts have the greatest visibility within the industry as a whole and are routinely sought out for advancement and new opportunities. Be prepared to make friends, be prepared to have fun, and be prepared to be amazed by the wide range of experiences available in the insurance industry."

James J. Maguire, Sr.

Founder and Chairman Emeritus
Philadelphia Insurance Companies

*"Show up every day. Set goals and have dreams...success is a marathon.
To be successful, surround yourself with winners. If you hang out with dogs, you'll wake up with fleas."*

David McElroy

Chairman and CEO
Arch Worldwide Insurance Group

*"Read as much as you can about as many topics you can from as many sources you can.
Common sense and logic are essential skills in our industry and you will not develop them by
just reading insurance manuals, insurance policies and insurance periodicals all the time."*

Mike Mitrovic

President, Global Claims
Ironshore

*"The advice I would give to someone entering the insurance world is that it is a great industry.
Without it the wheels of commerce would grind to a halt. Networking and relationships are
important and your credibility and integrity are your greatest assets. Try to be a problem solver
and carry yourself with humility and be respectful of others. It is a marathon and not a sprint
and success is built over time."*

Susan Rivera

President and CEO
V3 Insurance Partners

"Don't just list the hurdles -- clear the hurdles!"

Thomas P. Ruggieri

CEO and Co-Founder
Advisen Ltd.

*"Looking back over my 30 career as an insurance broker and then as the CEO of a firm that
provides information and analytics to the insurance community, the characteristic I favor most is
something I call 'Creative Tenacity.' For me, this is the ability to see the solution and take the
bull by the horns and execute it. I look for evidence of it in every one of our new hires at Advisen.
While everything worth doing requires hard work, information and analytics adds another layer
of complexity on top."*

*I miss my deal-making days as an insurance broker. You are never the only person pitching an
insurance solution to a client. There's always someone else out there who wants that account,*

too. Remember, when the business moves, someone gains an account and someone else loses the account. So, your head has got to be in the game. And so does your heart. Play the game like you want to win, and you will win more often than not.

And that leads me to my second point. You need stamina. The commercial insurance business is rapidly becoming global. There's no longer any such thing as just "a day at the office." You need to be ready to serve your client's needs, chase new business, and then go out for a drink with your clients and colleagues, too. That takes stamina. And lastly, you need to use that stamina on the details because the commercial insurance marketplace conducts transactions in the form of agreements, binders, and contracts. In order to best arrange for the outcome you want, you must know the details."

Vince Tizzio

President and CEO

Navigators Management Company, Inc.

"You have landed in a industry where you will forever learn, meet interesting people, and provide a great lifestyle for your family or loved ones. Seize the opportunity and always remember people are our greatest asset in the business."

Jill Wadlund

President

Berkley Life Sciences

A W.R. Berkley Company

"Surround yourself with highly motivated and decent people."

Stephen L. Way

Principal

SLW International, LLC

Chairman and CEO

Houston International Insurance Group

Founder and Former CEO

HCC Insurance Holdings

"Our business is cyclical with more average or bad years than good years in each cycle. To build a successful business you must have a platform that performs well in the average or bad years, the good years will take care of themselves. Benjamin Disraeli said 'the thing we learn from history, is that we learn nothing from history'. The insurance industry personifies this."