

Making a Difference

Greenberg's Vision

An Interview with Maurice R. Greenberg,
Chairman and Chief Executive Officer, C. V. Starr & Co., Inc.



EDITORS' NOTE Maurice "Hank" Greenberg served as Chairman and CEO of American International Group, Inc. (AIG) from 1967 to 2005, during which time AIG grew from \$300 million to become a \$180 billion company. At that time, he concurrently served as the Chairman of C. V. Starr & Co., Inc., a title he retains today, while also serving as the company's CEO. A veteran of the United States Army, he currently serves as Chairman of the Starr Foundation, Chairman Emeritus of the New York-Presbyterian Hospital and the New York-Presbyterian Hospital Foundation, Vice Chairman Emeritus of the Council on Foreign Relations (currently a board member) and a member of the board of overseers of the Weill Medical School of Cornell University. His effort, The Greenberg Foundation, focuses on education, medical research, human need, and culture.



Maurice R. Greenberg

COMPANY BRIEF New York-based C. V. Starr & Co., Inc. (www.cvstarrco.com), is a privately owned holding company with insurance agencies and a portfolio of global investments. The company has its origin in enterprises founded by Cornelius Vander Starr in 1919. In 1970, C. V. Starr sold the bulk of its assets to AIG in exchange for AIG common stock, retaining several small domestic agencies, along with certain real estate properties and other investments.

How strong was growth for C. V. Starr in 2007?

C. V. Starr and Starr International are two separate companies. C. V. Starr & Co. had a very good year, and overcame many transition issues. Everyone remained focused and did an outstanding job. The same is true for Starr International. Momentum has been picking up since the very beginning, and the progress has been amazing. On the investment side, we built an investment team, and we have made a very significant number of investments that will pay handsome dividends in energy, health care, and private equity. I'm very pleased.

You touched upon investments across different industries. Are the investment opportunities that are emerging overseas located in key markets for you?

I've been doing business with China and Russia since the '60s and '70s. We have a real

estate business that is developing quite nicely in Russia; we just added to our real estate team there. Currently, we are looking into developing relationships in Brazil. I'm in an airplane more now than I ever have been before.

You recently started the Yale-China Initiative to promote the university's collaborations with China in critical areas. How did you decide that this was an important venture?

It is important that the generations growing up now understand each other. If we don't have a good understanding of China, and vice versa, then we're going to have a problem. There are many people who think that China is our next enemy – that need not happen, and should not happen. I am hoping that the students at Yale – both in China and in our country – become friends and understand one another all through life. This way, some will go on to have important positions in China and the United States, and make a contribution.

One of the challenges for American business today is the loss of its competitiveness. Is this a concern on the global stage?

Yes. We are hearing that, to some degree, in the current political debates. Suddenly, change is necessary. In fact, change should be constant; if you don't change constantly, you fall behind.

Many things have slowed us down. The regulatory environment was punishing for many companies, and unnecessarily so. The pendulum swung too far in one direction. Regulation is necessary, but it must be enlightened regulation, not punitive regulation. If we don't swing back the other way, we're going to suffer. That's not the American way.

You take away the incentive opportunities from the American way of life, and you've taken away what America stands for. America is the dream country where you can come from nothing and achieve something. I personally came from a very humble background. I'm a Depression baby; my family had very little of anything. So to achieve something in life is what America is all about. Why do so many immigrants want to come to the United States? If we change that, we've changed America.

How does your foundation focus on human need?

There are several areas we need to focus on, not just education, but prevention and health

care as well. Many young people are obese, diabetes runs rampant, and discipline between families and schools is separated. In the foundations I'm involved in, including my own and the Starr Foundation, we are actively searching for solutions to some of these issues. We support many initiatives in these areas: public schools, prevention, health care, science, and math.

For example, we help support an initiative in cancer research among several institutions, but we have insisted that they collaborate and share their knowledge and information. We insist on collaboration and they reap the benefits of it.

Is there a role for the corporate world in education?

The only thing the corporate world can do is to help support schools in their location. But that is not the answer. The answer must be at the federal and state level, where the best minds join together to try to find solutions. We must bring the family into it as well. There is so much work to be done.

There are those who say that you are so successful because you're a risk taker – you're not afraid of taking a chance. Is this a key to your success?

To some degree, yes, thoughtful risk. If you're in a business, and it never changes, what's the future? The future has to be change, and change does entail some risk. That has to be part of the objective.

Has the job description of the CEO changed?

Yes, it has. One of the mistakes we've made is to focus on "instant performance:" by the quarter, by the week, by the day. Any morning business program reports the latest statistics on this and that. Everything has been catapulted into instant satisfaction.

You can't run businesses by the day – you have to have long-term visions. We would do the country a great deal of good if we eliminated quarterly earnings. You should look at earnings on a long-term basis, not quarterly.

Is traveling all around the world really that much fun?

Yes. If I didn't love it, I wouldn't do it. I try to balance my life. It may be harder than before, because we are just at the beginning, but it is going very well. If I didn't love it, I wouldn't do it. ●

Hank Greenberg with Chenggang Rui, actor, director, founder of China's first international television channel, and 2005 Yale world fellow