

A High Transaction Business

An Interview with David S. French,
Director and President, Starr Marine Agency, Inc.



David S. French

EDITORS' NOTE *David French began his marine insurance career at the Insurance Company of North America's head office in Philadelphia. In 1979, he joined the American International Marine Agency, now Starr Marine, in New York, where he managed North American cargo underwriting operations until his promotion in 1983 to the position of European Regional Marine Manager for the American International Underwriters in London. French returned to New York in 1987 to manage AIU's Marine operations worldwide. In 1995, he was promoted to Director and President of Starr Marine. French is a trustee of the Seamen's Church Institute. He earned his BA with honors in 1974 from Colby College in Waterville, Maine, and in 1976, he received a MS degree from Georgetown University's School of Foreign Service.*

COMPANY BRIEF *Starr Marine has specialized in ocean marine insurance for more than 60 years and has grown to be one of the largest underwriters of ocean marine insurance in the United States. Products and services available through Starr Marine include multinational cargo programs, marine liability coverage, and hull insurance, often incorporating risk management/captive approaches to best meet clients' needs.*

Can you provide a brief overview of the range of products and services that Starr Marine offers?

At 60 years old, Starr Marine is the oldest of the Starr agencies. We're a managing general underwriter in the United States, on behalf of the Berkshire Hathaway Group of insurance companies. We also write Starr Marine business through our affiliate at Lloyd's, CVS 1919. On a global basis, we'll write nearly \$300 million in marine business this year. Out of that, 50 percent is cargo; 20 percent is hull and tug-and-barge type business; and the remaining 30 percent is marine liabilities business, which is straightforward liability that attaches out of marine operations, including protection, indemnity, terminal operators, and charterer's legal liability, among others.

The United States currently accounts for about two-thirds of the business we write. We've had a long tradition, since 1945, of being a leading marine underwriter in the U.S. market. We were very keen to rapidly expand overseas as well, and in pretty short order – in the course of a year – we have been able to extend our writing of marine business outward, under our Lloyd's cover holder arrangement, to Hong Kong, Taipei, Shanghai, Beijing, Italy, Belgium, the Netherlands, and most recently Germany.

How does the agency differentiate itself in such a competitive market?

We differentiate ourselves primarily through service. We like to think of ourselves as the premier provider of service in the marine insurance sector globally. Over the years, we have hired a very highly experienced team of marine professionals, and they are mostly home grown, so that we can maximize authority at the local level. This allows our staff to make decisions at their point of sale. Very rarely do we need to bring people back to the head office because they're exceeding their authority. So we're able to provide a high level of service at the local level. That means an awful lot to our local brokers. In addition, we have worked with most of our managers around the world for an average of 15 years. Most members of our senior management team have been in the marine business for more than 20 years. This is very much appreciated by the brokers and by our clients.

Aside from the production underwriting team, we have developed an effective claim management team with the same sort of history. In support of that claim management team, we have built a subrogation and salvage practice, so once we pay an original claim on behalf of one of our customers, we endeavor to pursue salvage or subrogation, and that's a real value-

added service that we bring. Those are some of our differentiators.

Has technology played a major role in how Starr Marine operates?

Unlike some of the other agencies, we're a high transaction business. Most of the shipments that go globally require a negotiable Certificate of Insurance that has to be issued along with the other shipping documents. We realized very quickly that we needed to Web-enable that process. So in partnership with a third-party provider, we allow our clients – be they brokers or original assureds – to self-issue that certification. We were among the first companies to offer this, and it has made a major point-of-sale difference.

Are you focused on any particular overseas markets?

The majority of the cargo income globally is in continental Europe, so that was a point of interest straightaway. We have had success in Southeast Asia as well, so that region was important for us too. In Asia, we led the way with Starr Marine, and we were quickly joined by Starr Tech, our energy colleagues. They've had great success since coming on board in Asia. Many of us have had success in China, and we look forward to that continuing. We have had previous success in Japan and we look forward to establishing ourselves there again through our Loyds syndicate. Moreover, we have significant partnerships in Latin America. For instance, we look forward to being part of the Lloyd's development of the Brazilian market, which heretofore has been closed. So we think there is a great deal of opportunity out there, and it's incumbent upon us to grasp those opportunities as quickly as possible.

How do you define your role leading the agency, and is it challenging to find the time to be with clients?

The success of the agency will always come down to its people, so my number one task as the leader of the agency is to make sure that I have the finest cadre of marine professionals that I can pull together, across production underwriting, claims, loss control, and other areas. I also think it's very important for the agency President to always lead the charge in terms of new product and new service development, by which I mean anything that differentiates our team in the marketplace. My outward-facing role is very important too. For instance, I recently met personally with our three largest hull clients and their brokers. That's a very important part of my job. ●