

A Diversified Product Offering

An Interview with Jeffrey M. Hafter,
Director and President, C.V. Starr & Company



Jeffrey M. Hafter

EDITORS' NOTE From 1987 to 2001, Jeffrey Hafter held several managerial positions with major U.S. insurance companies. From 2001 to 2004, he served as Senior Vice President and Chief Underwriting Officer for C.V. Starr & Company and was until recently the Executive Vice President of C.V. Starr & Company responsible for the company's East Coast expansion and supporting the parent company C.V. Starr & Co., Inc., in the acquisition and development of new agencies. Hafter served as the Executive Vice President of American Home Assurance Company from 2004 to 2006. He earned a BS in finance and economics from Ithaca College.

COMPANY BRIEF C.V. Starr & Company, a wholly owned subsidiary of C. V. Starr & Co., Inc., is the nation's leading managing insurance agent for public entity risks and is a leading underwriter of specialty excess casualty insurance for the residential and commercial contracting industries. The agency provides its clients with a full range of expertise in excess commercial casualty insurance, special excess liability over self-insured retention insurance programs, as well as financial lines and environmental liability. An insurance underwriting manager since 1953, the agency is based in California and has offices in several U.S. cities, including New York, San Francisco, Los Angeles, Seattle, Chicago, Philadelphia, Boston, Atlanta, Dallas, and Houston.

Can you give an overview of C.V. Starr & Company's business and its growth outlook?

Since it was set up in 1953, C.V. Starr & Company has underwritten a number of different classes, with particular specialization in residential contracting, commercial construction, and public entities, including cities, counties, towns, power authorities, utilities, and educational institutions. We also have a book of specialty lines casualty business, much of which is in the excess casualty world, where we've developed a niche as underwriting specialists in this arena.

One of my goals has been to take advantage of the broad skill sets of our underwriters and to diversify our product offering, particularly domestically, where we have a tremendous array of opportunities. Over the past year, we have introduced products for primary construction and primary residential contracting. We have also developed a financial lines platform, which includes directors' and officers' liability, fiduciary liability, employment practice liability, and directorship liability, under the banner of private companies, public companies, and not-for-profit organizations. We've also extended our capabilities in the environmental world, where we currently offer contractors' pollution liability, which dovetails very well with our significant contracting book of business.

Going forward, we will be out in the energy arena, which has strong ties to our sister companies. In fact, we will be looking to further expand our product lines to take advantage of the strong niches, synergies, and market shares of all of our sister companies. Beyond that, our opportunities for growth in the casualty world are endless. We look to take advantage of the broad underwriting skill sets and expertise of our underwriters throughout the organization as we further develop new products to introduce to the marketplace. The casualty world is wide open, and the possibilities to introduce new products for C.V. Starr & Company are limitless.

How does the agency differentiate itself within those different market segments?

We differentiate ourselves in a number of ways. We have tried to create differentiation within each of our policy forms, so that we're offering more than the marketplace currently expects. As an example, we have created a policy form for residential contractors that tracks some of the legislative movement that has occurred across the country over the past 12 to 24 months, which is something that is not addressed in our competitor's forms. Additionally, we often manuscript our policy forms and terms and

conditions away from the standard policies to more specifically address coverage issues that individual companies are looking to insure against. We have also historically introduced forms into the marketplace, which have since become the standard that our competitors have used as the base of their products. Each of the industries in our specialty areas continuously changes. We respond to these changes by constantly reviewing, revising, and refreshing each of our products and services to ensure we respond to industry needs quickly and remain ahead of our competitors.

Have you been happy with the team you've been able to assemble?

Certainly. C.V. Starr & Company has a blend of skill levels across the agency. We have folks who have been here for more than 20 years. As we have expanded our distribution footprint, we've supplemented the expertise of those seasoned C.V. Starr & Company professionals with experienced underwriters who have brought additional skill sets into our organization. We have also invested in bringing in the next generation of our underwriters, where we spend a tremendous amount of time developing them and training them on the industry and the nuances of our products. We've managed to create a really nice balance, from that perspective.

Do you foresee any international growth, further down the road?

Without question. We're very active and interested in exploring the European marketplace, specifically the London marketplace, where we look to leverage the capabilities of our Lloyd's Syndicate. Opportunities are also emerging throughout Asia, where the Starr Underwriting Agencies have a developing footprint. We very much believe that the products we are currently providing and those that we are developing have a tremendous growth potential in each of these different marketplaces.

What are your priorities as you plan for the next year or two?

First, we will continue to diversify our product offerings, introducing a number of new products throughout the next two years and strengthening our existing product platform. We have a tremendous opportunity to expand our partnerships with a number of strong insurance companies to provide these insurance products and our services globally. As the global marketplace further develops, we'll be in a key position to play off the opportunities that have been created by our expanding agency network. ●