

Customers, Community, People, and Shareholders

An Interview with **E. Randall Clouser**,
Executive Vice President, Zurich North America

EDITORS' NOTE E. Randall Clouser joined Zurich as Chief Executive Officer of Zurich Corporate Solutions in 1996. He moved to Switzerland as the Group's Chief Marketing Officer and subsequently became Chief Operating Officer and Head of the Growth Office. In 2008, Clouser returned to the U.S. and is currently Executive Vice President and Zurich's Head of Marketing, Distribution and Regional Management in North America. Clouser earned a bachelor's degree from American University and a master's degree from the University of Pennsylvania. He is a Wharton Fellow and was named a David Rockefeller Fellow for 2011.



E. Randall Clouser

COMPANY BRIEF Zurich Insurance Group is a leading multiline insurer that serves its customers in global and local markets. With more than 55,000 employees, it provides a wide range of general insurance and life insurance products and services. Zurich's customers include individuals, small businesses, and midsize and large companies, including multinational corporations, in more than 170 countries. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872.

In 1912, Zurich entered the U.S. market. Zurich in North America (zurichna.com) is the fourth-largest commercial property and casualty insurance provider, serving the global corporate, large corporate, middle market, specialties, and programs sectors. Zurich helps businesses understand and protect themselves from risk in a rapidly changing, interconnected world.

What has been the secret to the consistent results Zurich has produced?

We're a value-based organization and we put our customers, our community, our people, and our shareholders at the center of everything we do. Focusing our energies on meeting the needs of these key stakeholders gives us a very balanced approach to our business. It helps us attract people who are serious, value-based employees who can rally around this commitment we make. Our customers feel and experience this, and our investors are the beneficiaries of it.

Is innovation taking place within the industry?

Innovation is happening all around us – it's about continuing to improve the way we serve our customers and grow our business.

Big data and predictive analytics allow us to better understand risk correlations and develop risk insights. That, in turn, helps our customers better understand and protect themselves from risk. It's a powerful new frontier.

We've also done industry-leading customer behavioral segmentation. We've looked at segmenting the insurance market by the buying attributes of our corporate customers. This is a whole new approach to thinking about the customer in our industry. Typically, our industry is segmented around size, product, and

industry, but it's really never looked at through an additional lens, which is how customers buy and what they value.

Some of the powerful insights we've developed through our research about what customers need, and what they buy and value, has become an important part of the way we're innovating and continuing to improve the way we go to market and serve our customers.

Is there close coordination with regions around the world?

We're a global company and we think about the commercial and corporate customer on a global basis. Our strength is our ability to leverage our capabilities across multiple markets to meet the needs of customers. At the same time, working across these markets also helps us better understand our customers and their particular needs.

The basic behavioral market segmentation that we've done in the U.S. is being applied in other key mature markets. We're finding that basic segmentation is generally consistent across the globe, which is proof that being able to serve customers on a global basis and understanding the particular buying attributes in each of those markets is an important competitive advantage.

Is top talent still coming into the industry?

We have an active program in North America to recruit at colleges, starting with our summer intern program. From there, we recruit for the Underwriting Training Program, which is very competitive.

Also, as we move into new areas like big data, we are able to attract a whole different set of skills that we haven't had in the past.

Those coming into this company align around our value-based approach to the business. Our community involvement resonates with them.

Would you touch on the importance of Zurich's long history in Illinois and in Chicago specifically?

We have been in Illinois for over 100 years. We have supported Chicago's development in many ways, such as insuring the construction of the first section of the Chicago subway in 1930.

Our presence here is an important symbol of our commitment to this community and this state, but it has also provided a great opportunity for us to engage our employees in determining the kind of work environment we're going to have. Based on a recent pilot program for our new headquarters under construction in suburban Schaumburg, we will begin improving the work environment for our employees across all of our offices in North America, making it healthier and more effective.

How important has your strong presence in New York City been?

New York is a critically important market for Zurich not only in North America but as a place from which to do business globally. Zurich has a rich history in New York. We've helped shape the New York City known today by insuring iconic projects like Madison Square Garden.

Is it ever frustrating that the industry doesn't get credit for the critical role it plays?

The industry is a critical component of commerce; it takes away the risk that would otherwise impede business. It's so fundamental to the business of commerce that it is just overlooked.

As an industry, we focus on customers to understand their needs; we continue to utilize innovation like big data and predictive analytics to become more insightful about how companies protect themselves from risk.

On the charity side, the insurance industry is one of the most generous industries around, but because it's so fragmented, it doesn't get the attention it deserves in terms of its charitable contributions.

You're also engaged with the Partnership for New York City. How important is private-sector engagement and that close relationship when it comes to enhancing a city?

Zurich and the Partnership for New York City are both value-based organizations. Our missions align as well in that the Partnership's mission is to advance the economy in New York City and Zurich's mission is to help our customers improve their business by better understanding how to protect themselves from risk.

The association with the Partnership is one that we're really proud to be part of.

It's about bringing together stakeholders to make a difference and improve the competitiveness of New York City. ●