

# Perform and Transform

An Interview with Alan D. Schnitzer,  
Chairman and Chief Executive Officer, The Travelers Companies, Inc.

**EDITORS' NOTE** Alan Schnitzer became CEO and a member of the company's Board of Directors in 2015, and was elected Chairman of the Board in 2017. He joined Travelers in April 2007 as Vice Chairman and Chief Legal Officer. He then went on to lead the company's Financial, Professional and International Insurance segment and subsequently the company's Business and International Insurance segment. He also oversaw Travelers' Field Management, Corporate Communications and Public Policy



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organizations. Before joining Travelers, Schnitzer served as the company's lead outside counsel as a partner in the law firm of Simpson Thacher & Bartlett LLP, where he advised corporate clients on a variety of transactions and general corporate law matters. Schnitzer is a member of the Board of Trustees of the University of Pennsylvania and serves on the Board of Directors of New York City Ballet and Memorial Sloan Kettering Cancer Center. Schnitzer earned his undergraduate degree in finance and accounting from The Wharton School of the University of Pennsylvania and his J.D. from Columbia Law School.

**COMPANY BRIEF** Travelers ([travelers.com](http://travelers.com)) has been around for more than 160 years and has earned a reputation as one of the best property casualty insurers in the industry. It is a leader in personal, business and specialty insurance and the only property casualty company in the Dow Jones Industrial Average. Its approximately 30,000 employees and 13,500 independent agents and brokers in the United States, Canada, the United Kingdom and Ireland help provide its customers with both peace of mind and the confidence to reach higher and do more.

## What have been the keys to Travelers' consistent leadership in the industry and how do you define Travelers' advantage?

Our formidable competitive advantages are the foundation of our success: talent and tenure; data and analytics; product breadth and specialization; risk mitigation and improvement; distribution relationships; and claim services.

But we aren't resting on our laurels. We're focused on an imperative we call perform and transform. Perform means continuing to execute successfully on our long-term financial strategy, which has helped us create significant shareholder value over

time. Having said that, we understand that we won't be able to continue to perform if we don't transform. We believe the winners in our industry will be those who can innovate successfully on top of a strong foundation like ours.

## How important is innovation to Travelers?

Innovation is in our DNA. We know that we can't afford to be complacent, and the capabilities that have fueled our achievements over the past decade will not necessarily be the same ones we'll need for the next decade. As a consequence, we

have an ambitious innovation agenda. The vision for our innovation agenda is to be the undeniable choice for the customer and an indispensable partner to our agents and brokers. To achieve that vision, we've established three priorities: extend our lead in risk expertise; provide great experiences for our customers, distribution partners and employees; and improve our productivity and efficiency.

This work is apparent across the company. In the past few years, we have brought our expertise to some of the leading technology platforms on the market. We partnered with Amazon to launch the insurance industry's first digital storefront; we began managing auto claims for Lyft in the United States; and we're digitizing virtually every aspect of our business. For example, we're now able to adjust many claims using a customer's smartphone and make claim payments via PayPal.

A few years ago, we created the Early Severity Predictor®, a model that uses data and analytics to predict which injured workers are most at risk for chronic pain and, therefore, opioid addiction. Since its inception in 2015, we have applied the model to nearly 65,000 injured workers, and we estimate that this has resulted in loss cost savings of more than \$150 million due to a substantial reduction in opioids prescribed and surgeries performed, and a more rapid return-to-work by employees.

## What impact is technology having on Travelers' business?

Advancements in technology are helping us reimagine just about every aspect of our company, and the line between our technology organization and our businesses is blurring. We're creating more agile teams with a broader mix of abilities and leveraging advanced technology to develop customer-oriented solutions.

We're also partnering with the very organizations that are said to be disrupting our industry. We work with a number of insurtechs and startup

accelerator programs across the country to be sure we're not only plugged into the flow of ideas, but also helping to create the change that's occurring.

## Travelers places a major focus on diversity and inclusion. Will you highlight your efforts to build a diverse and inclusive workforce at Travelers?

Our most valuable asset is our people. It's our job to attract and retain the very best talent in the business, and that means recruiting from the broadest possible pool of candidates. It means offering development opportunities to advance diverse leaders. It means creating an inclusive culture that encourages our people to bring their full selves to work every day.

Among other initiatives, we've created eight Diversity Networks within Travelers. These networks are voluntary, employee-led organizations dedicated to making Travelers an even more welcoming place to work, and they count more than 11,000 employees as members – more than a third of our total population. It's also why last year we launched an initiative called SHE Travels as part of our commitment to be the leading advocate for women in the insurance industry.

We bring these same priorities to our work with our community and business partners. One example is our Small Business Risk Education program, which helps women, minority and veteran entrepreneurs develop a broad understanding of risk management. Our robust supplier diversity program, aimed at helping to grow businesses owned by people of diverse backgrounds, is another.

We are proud to be recognized among the best employers for veterans, the LGBTQ community, people with disabilities, and diversity overall. Having said that, we don't do it for the recognition. We understand that for Travelers, diversity and inclusion is more than a nice-to-have – it is a business imperative.

## What are your key priorities for Travelers as you look to the future?

Our North Star will always be industry-leading returns over time. For us, it comes back to driving sustained value for all our stakeholders. We make a promise to take care of our customers, communities, employees and business partners because we recognize the inextricable link between industry-leading results, on the one hand, and gratified customers and business partners, engaged employees and healthy communities, on the other. We believe that by keeping our focus on all our stakeholders, we will continue to deliver top-tier results next quarter and succeed for the next quarter century. ●