

# Solid Financial Position to Deliver When it Matters Most

An Interview with Dalynn Hoch,  
Chief Financial Officer, Zurich North America

**EDITORS' NOTE** As Chief Financial Officer for Zurich North America, Dalynn Hoch has leadership responsibility for the Actuarial, Controller's, Corporate Tax, Treasury, Planning and Expense Management, and Business Analysis and Insights functions. She has been in her current position since 2012. Before being named CFO, Hoch was head of Zurich Insurance Group's Global Finance Transformation in Zurich, Switzerland. She joined Zurich in 2009 as Head of Zurich North America's Commercial Finance Planning and Performance Management team. Prior to joining Zurich, Hoch was a partner at KPMG LLP in Minneapolis. Hoch has served as National Board Member for First Children's Finance and on the Board of Trustees for the University of Northwestern-St. Paul. She is a sought-after public speaker and has a degree in international business and accounting from the University of Northwestern-St. Paul.



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places customers and their needs at the very center of our business, and helping set strategy for the business as a whole is a central part of my role.

My team is charged with improving our financial performance. We are a true partner to the business because we provide strategic insights that help guide the direction of our company. We bring fewer binders full of numbers and instead have increased visualization and "clickable" insights so that the numbers can be digested quickly and operating actions decided and executed. None of these things can be accomplished without

talented, committed, forward-thinking employees who also need to be motivated and inspired by an understanding of our strategy.

As the CFO, I see my role as a catalyst – not just advising our leaders, but also challenging them. Integrity, governance and controls, and quality financial reporting are always important, but those are table stakes now. We must continuously analyze and confront asset volatility, risk management issues, and capital management concerns.

Additionally, today's CFO must be a leader when it comes to making sure our organization has the technological systems and processes to manage the day-to-day financial operations.

**How critical is the financial strength of Zurich North America as a key differentiator and competitive advantage for the company?**

Our solid financial position is one of our many strengths. We need to ensure that our customers feel confident that we will be there when they need us to handle their claims. This is especially true because a significant portion of our business is in long-tail lines and customers, such as in our large corporate and construction businesses, have to trust our capacity to serve them well into the future.

Our shareholders also need to be assured that we are financially stable. We have strong ratings. We are rated AA-/stable by Standard & Poor's. In 2016, S&P upgraded its rating for Zurich's enterprise risk management framework to "very strong." Not all insurers can put forth the ratings that we can. We balance our risks with maintenance of a strong balance sheet.

2016 was a very good year for Zurich. It provided us with an excellent platform on which to build. The Group had \$4.5 billion in business operating profit, up 55 percent from the prior year.

North America is the largest contributor to the Group. As a key player in the North American insurance market, our financial strength and stability are

crucial. Our customers and shareholders must feel confident in their assurance that Zurich will be here to deliver when it matters most.

**What advice do you give to people in regard to creating opportunities for themselves at senior levels in business?**

Being connected and seen as a strategic partner with the business starts by building trust with colleagues and employees. A personal story is a great way to show who we are, to be approachable and genuine. Be authentic and bring all of yourself to the role.

Think about your legacy. What do you want it to be in all aspects of your life? Think about what's important to you and write your legacy statement.

In our roles today, and as we lead in the future, there are the constant pulls, craziness, and all-around challenging schedules that we all keep that threaten to throw us off balance. In my view, it is important to find a way to pull up, pause, and figure out what centers you.

Find a sponsor. A sponsor is someone who will put their capital behind you, opening up your network. Your sponsor should be willing to say, "I'll stand up for this talent on my team and support them for a new role."

Sponsorship is about helping people get comfortable and confident with taking risk. It's about investing time to talk with people about their development opportunities to help them stretch – to be a little bit uncomfortable. It can be a little messy – you have to face challenging questions. A sponsor will give you the safety to consider those challenging questions and take the risk to progress your career.

**You joined Zurich in 2009. How do you describe the Zurich culture and what makes Zurich special?**

Zurich is all about the people. We recently did a video about our culture, and we invited colleagues to share with us something that inspires them to pursue careers at Zurich.

In their own words, here's a sampling of what they said: I am inspired to stay at Zurich because of... "The team that I work with and the people that I work with," "Opportunities to get involved," "The challenges that my job affords me and learning opportunities," "Tremendous opportunities to develop your skills across various functions, roles and jobs," "Flexwork opportunities," "The way people interact with one another," "The great environment and amazing people," "Growth and depth of an international company," "The integrity of our leadership to do the right thing," "Collaboration," and "Diversity and inclusion."

I couldn't have said it better myself. ●

**How do you define the role of the Chief Financial Officer and how has the role evolved over the years?**

We all know that the role of the chief financial officer in any organization is rapidly changing.

Today's CFOs aren't just number crunchers. We go face to face with investors, the public, the news media, department heads, our fellow C-suite executives, the board of directors, and all the employees in our organizations – well beyond our finance employees.

Numbers will always be the foundation of what we do, but we have to know and understand our business, the impact of market volatility and economic conditions, and how to function in a heightened regulatory environment. Increasingly, we leverage technology that enables us to use the numbers to generate insights that drive strategic business decisions.

We are also responsible for advancing financial literacy within our organizations, especially in understanding economic cycles and change. People need to be able to see themselves, and the work they do, in the numbers.

**How engaged are you with business strategy and how important is a close coordination between the CFO and the executives leading the business units in being an effective CFO?**

These are exciting times to be a CFO at Zurich. Our strategy is designed to deliver sustainable growth in our operating profit. It builds on our strengths. It