

# Helping Customers Prepare for Changes to Their Industry

An Interview with Kathleen Savio,  
Head of Alternative Markets, Zurich North America

**EDITORS' NOTE** Kathleen Savio has held the position of Head of Alternative Markets for Zurich North America since 2012. Prior to that, she served as Chief Administrative Officer for Zurich North America Commercial after leading the Corporate Marketing and Communications function and Strategic Initiatives for Marketing and Distribution. She has also held roles in Product Underwriting, Corporate Marketing and other key business units. Savio is Chair of Z Zurich Foundation, as well as the previous Chair of the Insurance Industry Charitable Foundation Chicago/Midwest Division and a former member of the IICF National Board. She was named one of Insurance Business' Elite Women in 2017 and Business Insurance's Woman to Watch in 2015. She earned a master's degree in Communication and a bachelor's degree in speech communication from Illinois State University. She is also a graduate of the Harvard Business School Advanced Management Program.



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addition, with over 50 percent of auto dealership profit coming from the sale of finance and insurance (F&I) products – such as vehicle service contracts and GAP contracts, etc. – to auto buyers, our team delivers products and tools to dealerships to help them improve F&I sales, maintain compliance, and increase customer satisfaction.

In Group Captives, we work closely with key captive consultants and focus primarily on member-owned captives. Our portfolio includes construction, transportation, temporary staffing

and heterogeneous captives. Currently, we insure the largest member-owned group captive in the world – Affinity Insurance Ltd. – serving nearly 400 members with about 1,200 policies. We hold over 50 percent market share in this space.

Our Crop business – known in the market as Rural Community Insurance Services or RCIS – is a leading provider of crop insurance in the U.S., providing both federal and private insurance products for U.S. farmers. We work with more than 3,800 agents across all 50 U.S. states, providing insurance and risk management services for more than 130 crops. We acquired RCIS in 2016 as part of our strategy to invest in distinctive markets where we see strong opportunities for profitable growth.

**How is Zurich helping customers prepare for changes to their industry?**

Let's use the car-buying experience as one example. According to Autotrader's 2015 Car Buyer of the Future Study, less than 1 percent of car buyers prefer the current car buying process; the rest want significant changes. At Zurich, we've been working to better understand and anticipate the changes required to meet the needs of tomorrow's car buyers and then develop solutions to address those needs for both auto dealers and the end consumer.

Recently, we've developed a suite of informative videos and supporting materials for consumers to access while gathering information and shopping online through dealer websites. We are among the first F&I providers to do this, currently piloting online content that will enable car buyers to research available F&I products before visiting the dealership. This will position buyers to make informed decisions on which products and options are best suited for them. One can visit [zurichna.com/nada](http://zurichna.com/nada) to get an advanced view of the educational consumer resources Zurich has developed.

We've also made enhancements to our illuminate iPad® application, which has helped enrich the customer F&I point of sale experience in the dealers' stores, while also helping dealers increase their bottom line. The latest enhancements offer great functionality and smoother navigation, including new product videos and additional term and benefit options.

**How are you engaging employees in finding ideas and solutions to improve the customer experience and succeed in the marketplace?**

The exponential change that is occurring in the marketplace and in our industry is exciting. We are continuously working to simplify and transform what we do and how we do it to try and keep pace with change and ensure long-term success for our customers, distribution partners, and people.

One approach we recently launched with our team in Alternative Markets is called "Bring Your Alternatives." These monthly dialogue sessions create opportunities for our leadership team to connect with and listen to our front-line employees – the people who are closest to our customers – for suggestions on how we can become more effective, efficient and innovative, all with the customer in mind. Participants come prepared to share their ideas or "alternatives" on how we can make something simpler, easier, or better. They also talk with us about their ideas for new and different ways we can serve our customers today and tomorrow.

The result has been valuable, not only for the ideas that have emerged to strengthen our business, but for the work climate it's creating where employees are engaged in the process to help us learn and improve.

**What are your key priorities for the future in order to continue to build on Zurich's strengths and expand your capabilities?**

For one, we'll be taking a closer look at how we can better leverage data and technology across each of our businesses. This is not just about "becoming more digital," but deeply understanding the way customers will use technology and how we can be at the forefront of improving this experience for them. What really matters is that we anticipate and understand what our customers and distribution providers need and why. Then we'll look to translate this into what I call the "So what?" – delivering the differentiated, positive experience, products, and services our customers want and need. ●

**Would you provide an overview of Alternative Markets?**

Zurich North America's Alternative Markets business is comprised of four major units that capitalize on unique operating and distribution models, effectively delivering solutions to address our customers' needs.

In our Programs business, we work with program administrators (PAs) who have experience in a particular product area or industry. We write a portfolio of over 50 programs across dozens of customer segments. Through targeted, collaborative relationships with PAs, we identify and secure programs where we can bring our joint expertise and capabilities to the table in ways that differentiate us in the market and drive sustainable results.

We have also looked at opportunities for brand new "start-up" programs based on our knowledge of what customers need and want and where their needs may not be met in the market today. We work together with the PA to establish programs and develop insurance solutions to better serve customers today and into the future.

Our Direct Markets business provides insurance and other solutions to auto dealer customers through our direct sales force. Products for auto dealerships include property and casualty coverage and other related products and services. In