

Substantive Innovation

**An Interview with Mark Pearson,
Chairman and Chief Executive Officer, AXA Equitable**

EDITORS' NOTE Mark Pearson is also President, Chief Executive Officer, and a director of AXA Financial, Inc. At AXA Group, Pearson is a member of the Management Committee. Pearson joined AXA Group in 1995 with the acquisition of National Mutual, now AXA Asia Pacific Holdings. He was appointed Regional Chief Executive of AXA Asia Life in 2001. In 2008, Pearson was named President and Chief Executive Officer of AXA Japan. Before joining AXA, he spent approximately 20 years in the insurance sector, holding several senior management positions at National Mutual and Friends Provident. Pearson is a Fellow of the Chartered Association of Certified Accountants.



Mark Pearson

COMPANY BRIEF In business since 1859, AXA Equitable Life Insurance Company (www.axa-equitable.com) is a leading financial protection company and one of the nation's premier providers of life insurance, annuity, and financial products and services. The company's products and services are distributed to individuals and business owners through its retail distribution channel, AXA Advisors, LLC, and to the financial services market through its wholesale distribution channel, AXA Distributors, LLC. AXA Equitable, a subsidiary of AXA Financial, Inc., is part of the global AXA Group, which is a worldwide leader in financial protection strategies and wealth management.

AXA Equitable has remained strong during challenging times. What makes this brand so special?

Strength. Stability. Longevity. We serve the financial protection and retirement savings needs of more than three million customers. For 153 years, the company has maintained a fundamental commitment to helping people build sound financial futures and to providing customers with strategies, products, and services to help them build and protect their wealth in a sustainable manner.

How do you differentiate among the leading companies on the product side and how innovative is AXA's culture?

AXA Equitable has always been a leader in product innovation, and with where interest rates and investment markets have been since 2008, now more than ever our industry needs substantive innovation to help clients navigate market

conditions. The high levels of market volatility over the past several years have caused many people to back away from equity investing. The thought of investing now might be unsettling, but having no exposure to equities also presents risks. We have developed new, innovative products less dependent on interest rates and designed to address clients' needs in an environment of market volatility and under various economic conditions. For example, our annuity products, Structured Capital Strategies and Retirement Cornerstone, allow customers exposure to equities with some measure of protection, providing clients a way to ease back into the markets.

There is a lot of innovation now but innovation on its own is not enough – you need ways to deliver it and help your customers understand it, and we are well-positioned to do that through our 5,200-member AXA Advisors sales force and strong third-party distribution organization.

How much opportunity is there in Asia for a company like AXA Group?

Asia is a story about an emerging middle class of people who find themselves in need of the type of long-term planning and financial protection and savings solutions AXA provides. It is a high growth market and growing our business in Asia is core to AXA Group's strategy.

Should more be done to foster awareness of the importance of the insurance industry?

Yes. There is a real need for people to understand the role insurance plays in financial planning. An insurance company is a key part of all modern economies – our ability to provide protection allows people to invest with some certainty and to protect their families and businesses, and the premiums we receive from that are invested back into the businesses to fuel growth and innovation so we can continue to enhance and develop new solutions to meet the long-term needs of our clients.

How has technology impacted the way you deliver products and information to your customers?

Our customers want access to the company through multiple channels: researching products on-the-go on their tablets or smartphones; contacting a call center to request a fund switch; or talking to an advisor.

So our mindset is to match what consumers are doing. That requires some firepower behind it to make sure everybody understands where the customer is.

We're also seeing some exciting things on the sales side: straight-through processing is a technology process in our business that takes a customer from the prospecting stage through ongoing service and is an advantage for our customers and for our company because it creates efficiencies and a better end-to-end customer experience.

I have been amazed in the U.S. by predictive underwriting. We're using technology where we can put algorithms and models together to be so accurately predictive in underwriting that we don't need to complete full medical exams.

On the back-end, technology is an important part of the service we promise.

Are community efforts for AXA looked at separately from the business or are they aligned?

We take a strategic approach to corporate responsibility. One primary focus is contributing to society through financial education; it's a natural extension of our business. Our philanthropic efforts center on the AXA Achievement Scholarship program. We have awarded \$21.5 million in college scholarships to more than 4,800 students over the past 10 years.

With a brand of this size and scale, do you worry about becoming complacent?

Companies that thrive for more than 150 years cannot be complacent. At AXA Equitable, we are organized into several business lines. We look at our life, financial protection, retirement savings, and employer-sponsored businesses – 401(k) and 403(b) – our wealth management side and the broker-dealer as separate units. This creates energy and some healthy internal competition among our leaders. People feel they can own something.

We have had a history for many years of being in the forefront of product and business innovation, and that is ingrained in us and we want to always challenge ourselves to remain at the forefront.

We also believe in internal mobility within AXA Equitable and throughout the AXA Group. Our managers in the U.S. are highly sought after in the rest of the AXA Group, particularly in technical areas like IT and product development. This creates global synergies and best practice sharing where people around the world get together and share ideas. So we have a strong culture of achievement and a collaborative environment. ●