

Driving Growth

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

EDITORS' NOTE *Mark Pearson is also President and Chief Executive Officer 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

How important is it to keep your edge in innovation and what does innovation mean for AXA?

The product range and the business approach we had in those bull markets through 2007 developed a style of product and a certain way of working. Since 2008, given where interest rates are, given what has happened to volatility in the markets, and given the result of those on the trust factor in consumers' minds, we have definitely had to innovate on the product side.

We're innovating as well on how we interact with customers, improving their experience. When people are looking for protection and life coverage today, the process can be pretty onerous. To address that, we are encouraging the adoption of smart technology across the business – from e-delivery of documents to “straight-through” processing of applications and forms. Content changes that used to take days now take minutes. With the right applications of data solutions, like predictive analytics, we can simplify and expedite the underwriting process.

We are working hard to innovate on the distribution side as well. Social media tools are helping us get to know our customers on a whole new level – for instance, helping us know who has been congratulated for having a baby or a promotion, so we can talk to them at key stages in their lives. These tools help to make our conversations more relevant.

Has the role of an advisor changed?

Our business is about fulfilling core human needs: protecting our customers, their families, and loved ones against the unexpected, and helping them plan for important things in their lives like retirement and education. These needs and our purpose won't change.

However, we're seeing two trends: customers interact with us on multiple levels today and our best financial planners work in multiskilled practices. A focus on digital enables us to enhance our service and interactions with our customers.

Is the reputation of the insurance industry favorable in the eyes of consumers today?

Financial services, as an industry, has lost some trust in the eyes of consumers since 2008. We have to work harder as an industry to earn trust and to show the benefits we provide, and to make sure that the public understands our role in society.

Insurance has been the cornerstone of the U.S. economy – it has enabled people to take risk with peace of mind as they built this great country. As an industry, we support the markets by helping people invest in companies for long-term growth. We're also a big investor in bonds, which support the infrastructure that makes America work.

As we invest insurance premiums back into the local economy, the economy grows, and we then have more customers for whom to provide protection. It's a virtuous cycle.

Does the U.S. still offer strong growth potential?

Yes. Today, the U.S. is the largest insurance market in terms of profit pool available in the world and is projected to remain so through at least 2030.

We have a market here where almost 50 percent of Americans don't have a retirement plan and only 44 percent of American households have insurance. So there is still plenty of growth opportunity.

While you're headquartered in New York, how tied are your roots to New York?

AXA came into the U.S. through the acquisition of The Equitable, which has roots 154 years deep in New York. We're steeped in and very proud to be part of the New York story as well as the nation's history. We have insured 10 U.S. Presidents, industry titans, inventors, and world-class entertainers.

AXA Equitable has long been a partner with New York's vibrant civic culture. Businesses like ours help to create a commercial environment here that is the envy of the world and, in turn, help make New York a great place to visit and to live.

The public and private sectors work well together here. In 1984, we acquired an iconic mural, Thomas Hart Benton's *America Today*, in support of the effort by then-Mayor Koch and others to keep the piece intact and in New York City. For years, we proudly displayed Benton's masterpiece in our Manhattan headquarters. When we had to remove the mural to make way for a recent lobby renovation, we decided to donate it to the Metropolitan Museum of Art. This made permanent our desire to preserve the mural in its New York home for millions of visitors to enjoy.

Having lived and worked in many places around the world, I am happy to now call New York my home. It is the gateway to the world's largest life insurance economy, and for AXA globally, a strategic capital. ●

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 serving 102 million customers in 57 countries.*

Have the results of AXA Equitable's transformation been what you expected?

The business grew by 13 percent last year and should grow 12 percent this year with market growth at around 4 or 5 percent, so we're outpacing the market.

There are three things that are driving that growth: first, the cumulative energy inside the organization, which is due to the quality of leaders we have here; second, our product innovation – we have led the market in offering strategies that help people plan for different and changing market conditions, such as interest rate and volatility risks; and third, we're starting to use digital in a meaningful way, both with our sales force and in servicing our customers.