

Providing Expertise

An Interview with Kevin J. Rehnberg,
President, U.S. Operations, Argo Group



Kevin J. Rehnberg

EDITORS' NOTE Previously, Kevin Rehnberg served as Executive Vice President for specialty lines at OneBeacon Insurance where he oversaw its existing specialty underwriting operations while acquiring and developing new lines of specialty business. He held similar senior executive positions at The St. Paul Travelers Companies, Liberty International, and The Chubb Corporation. Rehnberg also served as CEO of Consultants in Laboratory Medicine of Greater Toledo, Inc.

Would you provide an overview of Argo's U.S.-based businesses?

Our business in the U.S. is comprised of three segments, each of which approaches the market in a different way. The first is our Excess and Surplus Lines (E&S) business, which operates under the Colony Specialty brand. Here the business is brought to us by the wholesale market and each of our underwriting units is focused around a single product line that we deliver to the clients and the wholesale world.

The second is our commercial specialty business. In this segment, we offer multiple lines of insurance coverage, predominantly through retail brokers.

Our third segment is an Argo-owned managing general agent (MGA), called Alteris, where we underwrite insurance primarily on behalf of other carriers.

All three segments serve different parts of the market and each component of each business has a specialty focus.

Is it challenging to differentiate within the space?

It varies by segment. What we provide and what our customers value is expertise, which could be in the form of underwriting, risk management, and/or claims. We have different customer bases that value each of these.

At Argo Insurance, for example, we are known for our excellent claims people. Our knowledge and ability to deal with claims quickly is the clear differentiator between us and the other competitors in this space.

Another area of differentiation is providing superior service. Service expectations are defined by the customer. There are areas of the excess and surplus lines market where service, turnaround, and responsiveness matters and differentiates us; there are other places where it's our underwriting expertise that brings service value.

We specialize in those businesses where we have the expertise and can offer what matters most to the client.

Is there close coordination between the U.S. and the international parts of the business?

There is more cooperation here than at many other global companies, and part of it has to do with the size but also how the executive team has been constructed so there is a significant level of trust and understanding, and a collegial effort.

The business that we underwrite through our operations in Bermuda and with Lloyd's both carry a lot of U.S.-based risk. We underwrite certain types of risk in the U.S. that are similar to those in Brazil or Dubai, and even small businesses in the U.S. are affected by changes in the global economy. So it's important that we share the knowledge and expertise that we have in one geographic area across all of Argo. Having a Group Chief Underwriting Officer helps to facilitate that transfer of knowledge. In addition to Mark's executive team meetings, we bring a large cross-section of leaders from across the group together twice a year to have a chance to work in functional and cross-functional teams, and gather and share knowledge. ●

Growing the Business Profitably

An Interview with Axel Schmidt,
Group Chief Underwriting Officer, Argo Group



Axel Schmidt

EDITORS' NOTE Axel Schmidt joined Argo from Aviva where he served as Chief Underwriting Officer for the company's U.K./Ireland business across personal, commercial, and corporate/specialty lines. Prior to joining Aviva, he spent 20 years at Zurich in their international business where he held a number of senior underwriting and management positions including Deputy Chief Executive Officer/CUO for their corporate business in Europe/U.K. and Underwriting Director for their global corporate business. He also served as a member of Zurich's Group Underwriting and Group Reinsurance Board. Schmidt graduated from Westphalian Wilhelms University in Munster, Germany with a degree in Law Studies. He also earned a juris doctorate from the State Supreme Court in Dusseldorf, Germany.

When the opportunity presented itself to join Argo, what excited you about it and made you feel it would be the right fit?

Having had 25 years of experience with very large companies, I reached a point where I felt I needed a new challenge in a different environment.

I really wanted to be in an environment where I could deploy my full potential and hopefully add value based on my global experience. I concluded that the best outlets were the medium-size and smaller companies, which tend to be substantially more agile. I had interviewed with quite a few companies, but Argo stuck out early on. I was fascinated by the enthusiasm of the CEO and his vision to lead the company.

My background is in international and specialized business, which some other companies might consider exotic, but this is where we can provide the most value to our clients.

How do you define your role at Argo?

The principle of the chief underwriting officer role is pretty similar everywhere, although I can take advantage of the fact that Argo is more agile and entrepreneurial, and is a much better place to deploy things effectively.

Another thing that intrigues me is that, as Argo has evolved, it has become strong in individual markets, particularly in the U.S. The next logical step is to align it more across all of its businesses, geographies, and products – that's my primary goal.

We have so much potential. We don't have to wait for better market conditions. There is so much in our control. There are so many opportunities we can take advantage of.

How critical is the relationship between the Chief Underwriting Officer and the leaders of the different businesses?

A Chief Underwriting Officer should not sit in a tower and impose guidelines on the businesses, and then control – that does not make a company successful. A good CUO needs to be closely engaged and involved with key underwriters – meeting customers – and sense what is going on in the market. Close collaboration with the business leaders and their underwriters is crucial to the success of a CUO.

He or she needs to protect the bottom line, but equally important is helping the business to grow profitably. This is what I enjoy most at Argo. ●