

# A Building to Celebrate a Culture

**An Interview with Dennis F. Kerrigan, Jr.,  
Chief Legal Officer, Zurich North America**

**EDITORS' NOTE** *In addition to his current duties, Dennis Kerrigan serves as an adviser to the Regional Chairman of North America. He also serves as executive sponsor of Zurich's new North America Headquarters. Prior to joining the Zurich organization in 2008, Kerrigan was a partner in the global litigation department of an international law firm. Kerrigan has a law degree from the Marshall-Wythe School of Law at the College of William & Mary and a bachelor's degree from the College of the Holy Cross. He has been recognized by several business and legal publications in the area of insurance law and also served as Editor-in-Chief of the Tort & Insurance Law Journal, published by the American Bar Association. He has taken a leadership role in several industry groups, including the American Insurance Association, the Organization for International Investment, and the Institute For Legal Reform. He is admitted to practice law in Illinois and Connecticut.*



Dennis F. Kerrigan, Jr.

**COMPANY BRIEF** *Zurich Insurance is a global leader in managing risk. With more than a century of experience in North America, Zurich helps businesses understand and protect themselves from risk in a rapidly changing, interconnected world. Zurich in North America (zurichna.com) is the fourth-largest commercial property-casualty insurance company serving the global corporate, large corporate, middle market, specialties, and programs sectors. Zurich employs approximately 9,000 people in offices throughout North America with major centers of employment in the metropolitan areas of Chicago, New York City, Kansas City, Omaha, Baltimore, Orlando, and Toronto. Zurich is very proud of its more than 100-year history in the U.S. They have helped shape the America known today by insuring iconic infrastructure projects in New York like Madison Square Garden, and throughout the U.S., like the Hoover Dam.*

## What has made Zurich so successful?

Our success is rooted in our culture, in who we are, and that starts with our shared mission to help our customers understand and protect themselves from risk. We're motivated by the same ambition, which is to be the best global

insurer in the eyes of our customers, our shareholders, and our employees.

Our culture brings us together as one Zurich, and whether it is in Chicago, London, Toronto, or Zurich, you'll find those same qualities.

## Would you talk about the timing and vision around building the new headquarters?

Our lease in our current space is up at the end of 2016, so we have been aware that we would have to look at our options on whether to stay in our existing space, move into a preexisting building, or build something to meet our needs.

We looked at a multitude of factors and, in the end, we made the decision that investing in a new state-of-the-art regional headquarters for North America would be the right choice. That's the reason we're making such a significant investment in this new headquarters, and we look forward to moving in late summer of 2016.

## In leading this large project, how important was it to engage the employees in the process?

My role as the executive sponsor includes wearing a number of hats: one is to provide senior leadership and direction to the headquarters initiative. The second is to translate our business requirements into a new state-of-the-art world-class headquarters. In this effort, communication and change management with our employees was crucial – they played a significant role in the design of the new building, particularly in terms of workplace settings, and the technology set we'll be adopting.

We engaged them from the beginning of the process and we were transparent with them about our plans to build a new headquarters nearby. In the end, they're just as excited as I am about our new headquarters.

## When the opportunity came about to be the lead sponsor in this area, did you feel the qualities you had would fit the role and has there been a learning curve?

Not so much a learning curve as an ability to

emphasize some of the capabilities that I've been using since I joined Zurich in 2008. These qualities include transparency, not only with our employees, but with our public stakeholders as well.

We were focused on engaging our employees from the beginning; seeking their input into the design and the technologies that we were going to adopt.

In addition, we're getting significant incentives from the local village and the State of Illinois for the building of the headquarters. As part of that process, we were very transparent with the state that we weren't planning on leaving Illinois. We considered the intellectual capital and the employee base that we have built here and decided that, regardless of the scenario, we were going to keep our headquarters in this area.

The question of incentives was not whether we would leave the state without them. Instead, the question was if we could pursue incentives in order to assist our investment for growth going forward. The incentives in essence enhanced our ability to build a true world-class headquarters that would accommodate our growth, not only in 2016, but also in 2026 and 2036. This is why we pursued the incentives for the project.

## How critical is it at Zurich to create a building that brings employees in and offers an area for open communication?

We're a business that is built on the intellectual capabilities of our employees, be they actuaries, finance professionals,



Renderings of Zurich North America's new headquarters in the northwest suburbs of Chicago (above and next page)



**When you're building something like this, how significant are environmental concerns?**

As an organization, we're committed to the communities in which we live and work – we really care about them. Sustainability is a big part of what we call Zurich Basics. Sustainable value creation is one of our goals, and managing our impact on the environment is a large component of meeting that goal.

commercial underwriters, or claims professionals. That intellectual capital really matters, so we need world-class training and conference facilities where we can bring people together to train them on the Zurich way of underwriting, and the Zurich way of using predictive analytics to capture the opportunities that big data presents to us, our customers, and our brokers.

This was a big part of why we chose to stay in the northwest suburbs of Chicago and why we decided to build a world-class headquarters.

We also focused on providing areas for collaboration – social hubs, which used to be people gathering at the water cooler, but which has evolved significantly. People want to sit down and plug in their laptops near their coffee area. They want the ability to interact with their colleagues throughout the day. They want informal meeting spaces. We have to make sure that our workplaces provide these flexible opportunities for collaboration and interaction.

**How did you address the idea that the new space would be a true reflection of the company?**

When we began the design process, we took a different approach than many other companies and engaged our employees from the beginning. We constructed almost two full floors of pilot work areas in our current space and engaged 150 employees to do their jobs in various workplace scenarios in order to get their feedback. We addressed not just the ergonomics of their desk chairs but also the technologies that we'd like to use in the future, such as high-speed Wi-Fi throughout the facility, conference rooms with videoconferencing capabilities, and even items as simple as sit/stand desks, at which employees can choose to stand or sit at during different parts of the day.

Through this experience-driven approach, the new workplace scenarios had a 95 percent satisfaction rate. The ability to manage things like visual distractions and adjust their desks throughout the day had a big impact on employee engagement. This will translate to a better customer experience and, ultimately, to the growth that we're pursuing globally.

We're employing a variety of technologies in order to pursue high LEED certification – things like green roofs, car-charging stations, and efficient energy and water usage.

It's not only going to help us achieve our goal of sustainability but it engages our employees as well, because they care as much about the environment as we do as an institution.

Likewise, our customers and brokers have a commitment to the communities in which they live and work, and this demonstrates to them that not only do we talk the talk, but we walk the walk as well.

**How important was it to have the new headquarters be as accessible as possible in terms of location?**

The infrastructure in the Chicago area, particularly around transportation, was very important to our site location. The transportation considerations included proximity to an international airport like O'Hare, where employees can catch a direct flight to almost anywhere in the world, as well as reliable mass transportation options for employees who live in the city or other suburbs.

This is why we chose to build this new headquarters in the heart of what is called a Tax-Incremental Financing district (TIF), which is more than 1,100 acres that the Village of Schaumburg created for corporate headquarters and related development. We have also been in dialogue with state officials about the mass transportation options that will be made available not only to us but also to the other companies that are located in that TIF district.

**Would you talk about the impact on and value for Zurich in terms of creating jobs for Illinois?**

As part of the incentive process, we commissioned a study by the University of Illinois that revealed that we were having a \$1.3-billion economic impact on the state of Illinois every year, which doesn't include the jobs that will be created through the actual construction of the headquarters.

This project is costing over \$400 million and involves 750,000 square feet. As part of that, we're creating over 700 vertical construction jobs and probably well over 1,000 interior

construction jobs as we move forward to completion. This doesn't include the raw materials such as 5,100 tons of steel; 1,700 tons of rebar; and 148 miles of electrical wire that we will be using.

We made an affirmative decision to establish our North American headquarters in Chicago almost 103 years ago. Even then, Chicago was a global city, and we feel we're making the right investments now to continue not only our connection to the city but to the North American market as a whole.

**Has this role been as you expected in terms of its impact?**

The most surprising thing for me is how fast the project has progressed. In terms of impact, it has been more positive than I ever imagined, based in large part on our ability to engage employees from the beginning, and to solicit their input on the workplace environment and the technologies that we're going to use not just in this headquarters space, but across North America. This includes innovative elements like wellness facilities that we plan to implement across the region that will, hopefully, be as positively embraced by our almost 8,000 employees across the U.S. as they are by our 2,500 employees in the greater Chicago area.

**Will this impact all aspects of your business?**

Absolutely. The commitment we're making to this building is for more than 25 years. We would not be putting up the largest build-to-suit project in the U.S. right now if we didn't plan to grow and increase our capabilities in areas such as predictive analytics, which allows us to harness big data in order to deliver risk insights to our customers.

**How do you manage to balance such a massive undertaking?**

It's challenging, so we have to remain organized and structured. Part of my role as the Chief Legal Officer involves a variety of governance roles. Likewise, my role as the executive sponsor of the headquarters project involves a significant governance role as well: making sure that the steering committee is meeting regularly; making sure that the input of our employees is solicited; attending design meetings; and making sure that our business requirements are translating into a state-of-the-art world-class headquarters.

With effective organization and scheduling, it's all doable but, in the end, the result is the same: having a positive impact on our employees and our customers and, ultimately, our shareholders.

This opportunity has been much more rewarding than I ever imagined, and a lot of it comes down to being part of a culture of respect, and of a firm that is investing in the future globally. North America is one of the largest and most competitive markets in the world, and our ambition is to be the best. It's audacious, but also great to be part of an organization that is striving to be the best and investing for growth. ●