

Entrepreneurial Spirit

An Interview with
Maurice R. Greenberg, Starr Companies

EDITORS' NOTE Maurice Greenberg is the founding Chief Executive Officer of American International Group, Inc. (AIG). Under his leadership, AIG became the largest insurance company in the world and generated unprecedented value for AIG shareholders. During the nearly 40 years of his leadership, AIG's market value grew from \$300 million to \$180 billion. Greenberg is Honorary Vice Chairman and Director of the Council on Foreign Relations, and sits on the board of numerous other organizations. He received his B.S. from the University of Miami as well as a J.D. from New York Law School. Greenberg has been admitted to the New York Bar and has been granted honorary degrees from a number of institutions, including New York Law School, Brown University, Middlebury College, and The Rockefeller University.



Maurice R. Greenberg

COMPANY BRIEF Starr Companies (starrcompanies.com) is a global, privately held insurance and investments organization. Through its operating insurance companies, Starr Companies provides commercial property and casualty, and accident and health insurance products worldwide, with significant access to the U. S. excess and surplus marketplace for certain lines of business. Starr Companies underwrites a wide variety of specialty and international lines including aviation, marine, energy, environmental, crisis management, and excess casualty insurance, accident and health, and political risk insurance. Starr Companies also provides a broad spectrum of insurance-related services, including claims handling and settlement, reinsurance, risk assessment, loss control, and worldwide travel assistance service.

The data on the U.S. is indicating employment and the economy are better. You have always said that it's more important to look through the numbers than at other factors. Is the economy really getting better?

There is no question that things are better in the U.S. now than they were a few years ago. More jobs have been created,

incomes have gone up moderately for the first time in seven years. The dollar is very strong, which is going to have an adverse effect on our exports and create opportunities to buy things overseas.

But we don't live in a world by ourselves. The rest of the world is not doing very well. There are problems in Europe, both economically and geopolitically, with Russia and the Ukraine. I hope that can be resolved because it sets a dangerous precedent.

In Asia, China's new norm simply means that things have slowed down. They have to manage the changes taking place in the economy and, hopefully, they will do it well. China is the second largest economy in the world and growing quite steadily, even though they have slowed down.

What role does the private sector play in resolving those problems? Does support also have to come from the government?

Government doesn't create job growth; the private sector creates the jobs. The government can help make that happen by not creating regulations that stifle business. Governments have enough trouble running anything, let alone trying to control different sectors of the economy.

For an organization like Starr – which has enjoyed tremendous growth over the past three years – where will future growth come from?

We are looking in many of the same places, but the model for us has changed. When we were building our other company, we were first movers in many countries. We opened markets that didn't exist before. Many other companies have gone in and taken advantage of the groundwork we had laid for them. We were the pioneers. Today, we have more competition, which means we had to develop a new strategy, and it's working quite well.

Was it challenging being the pioneer?

Yes. I first went to China in 1975 and it wasn't until the early '90s that we got the first license. It also took us years to open the South Korean market, and the same was true in Japan. We did business behind the Iron Curtain before it came down. It takes a

special breed of company to carry that entrepreneurial spirit.

You have always said that real job creation comes from entrepreneurs and growth companies. Is it more difficult today to start and build such a company with all of the regulation in effect?

Yes. The pendulum swings both ways. There are sectors that were under-regulated and this led to many problems. But the government solution has been to over-regulate, swinging the pendulum too far in the opposite direction. It has to come back to the middle and the longer it takes, the more it hurts us.

Where is Starr today in terms of scale and what it can become?

We're only at some percentage of where we want to be. We have a long way to go and we can never get there fast enough.

Is entrepreneurial ability something that you have to be born with or can it be taught?

If individuals have that characteristic inside of themselves that has never been developed, then they will take to it like a duck to water. But if they haven't got it, you can't teach it.

Does that have to do with the willingness to take risk and bounce back from failure?

You either have that spirit within you or you don't. It's not for everybody.

You have been focused on supporting causes around health and education. Are you able to appreciate all you have accomplished?

I don't dwell on it. If you believe in something, you do it because you believe in it; then you monitor it and make sure it's being done in the way it was promoted to you. If it is, you get satisfaction from it.

You're also strongly focused on supporting veterans. Is enough being done in that area?

I don't think enough is being done for them in the healthcare area. I'm working with Ken Langone to develop alternative first-class institutions in New York with the goal of providing support faster than the normal Vet hospitals do and with better results. ●