



Maurice R. Greenberg

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.

COMPANY BRIEF Starr Companies (*starr.companies.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.

When we look at the China market, where you have been a leader for many years, people talk about a slowdown to 6 or 7 percent growth as its new norm. For someone with such a history there, are there challenges ahead or do we need to realize that this is now the growth China will see going forward?

An Insurance Icon

An Interview with Maurice R. Greenberg, Starr Companies

China is a huge country and they've had remarkable growth over the years. But trees don't grow to the sky, and like any other major country or economy, there are sectors that may lag a bit from time to time because they're now part of a global economy. If countries have slowed down in certain areas, and they've been importing from China, they're not going to need the same number of imports from China that they've needed before.

But China is also a diversified economy. Its transition from an export economy to a consumer economy doesn't happen with the snap of one's fingers. It takes time. They're making progress, but they can't be instantaneously successful and they can't be impatient. It takes time for these things to take hold and they need to have internal growth to continue to build a consumer marketplace, and that is happening.

There are many who are still going in to do business in China and say that it is difficult. You've been doing business there for a long time. Is it more challenging to enter that market today? Have the advances come about and what are the tricks of the trade?

I wouldn't call them tricks of the trade. China does business much differently than the U.S. We have had a market economy much longer than China has. They are moving towards being a market economy but they're not fully there yet. There are some regulations that are more difficult than ours, but that doesn't make them wrong. It's right for China at this time, but that is changing. It takes time to move given where they came from. We get too impatient too quickly. It doesn't mean we give up or don't continue to argue for change. Many of us do, and there is an ongoing dialogue on many of those issues. China itself is looking for ways to accelerate innovation there, which would benefit everybody, not just China. So we have to take a long-term view.

Where does U.S.-China trade stand?

I was disappointed that on TPP, we did not include China. I've advocated my own experience in China over the years, and we ought to be negotiating a free-trade agreement directly with them. It's in the national interest of both of our countries. It would take many years to negotiate. During that time, we'd come to understand each other better and dispel some of the mistrust that exists between our two countries. That would be in everybody's interest. I hope that we begin to think in that direction sooner rather than later.

In terms of opportunities for Starr in China, has that been a key focus for you and do you see strong growth there?

I see opportunities in China in several areas, particularly on the insurance side. It will take years to get where we would like to be, but we can't be impatient. We also have an investment team that has done quite well there.

There is much talk surrounding opportunities in emerging markets, but many have said, let's not forget the U.S. Do you see the U.S. economy still offering strong growth potential?

We need diversification. Yes, we invest in the U.S. and we're growing here. The insurance market is seeing slower growth in the U.S. than it has seen previously. It runs in cycles so that's part of the issue. If we do business internationally and have a strong dollar, by the time we convert from local currency to dollars, we may not be showing growth at all. But we can't have a short-term view.

The insurance industry hasn't always been perceived favorably even though insurance applies to almost anything we do. Why isn't this industry better understood in terms of the critical role it plays?

Because the insurance industry is always criticized on claims handling, or something along those lines. If they deny a claim, for good reason, then they're criticized. If it's life insurance, we're paying death claims. This is not exactly a topic that is a happy one, but insurance will always be necessary for economic growth.

Should more be done to make New York a stronger business-friendly state?

The financial sector is already moving to other states, like Texas. If business is viewed in a negative fashion, and if people are punished because they're not of the same party as the one in power in the state, that is a problem. The state doesn't necessarily have to be balanced politically but it, at least, needs to be fair in its treatment of people.

Is it difficult to be optimistic when you look at how divisive the political climate is today?

If we don't do anything and just accept things the way they are, then we have no future. Business has to organize itself not to necessarily take over the political role but to balance the role. Unless there is a balanced role, where do we go from here? ●