

Maintaining a Healthy Insurance Marketplace

An Interview with **Laura L. Favinger**,
Senior Vice President, Head of Government and Industry Affairs, Zurich North America

EDITORS' NOTE *Laura Favinger was appointed Senior Vice President and Head of Government and Industry Affairs for North America in June of 2015. She joined Zurich in July 2007 as Director of State Affairs based in Schaumburg, Illinois. In April of 2011, she relocated to Zurich's Washington, D.C. office and assumed the role of Head of Life and Health Policy. In 2012, Favinger was named Vice President and Head of State Affairs overseeing state legislative and regulatory activity on behalf of Zurich North America for all lines including commercial property/casualty and Global Life North America. She received a Bachelor of Arts degree in Political Science from the University of New Hampshire.*



Laura L. Favinger

COMPANY BRIEF *Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With more than 55,000 employees, it provides a wide range of general insurance and life insurance products and services. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries. The group is headquartered in Zurich, Switzerland, where it was founded in 1872.*

In 1912, Zurich entered the U.S. market. Zurich in North America (zurichna.com) is the fifth largest commercial property-casualty insurance company, serving the global corporate, large corporate, middle market, specialties, and programs sectors. Zurich's risk engineering services in the United States are provided by Zurich Services Corporation.

Would you give a brief overview of your role with Zurich?

As Head of Government and Industry Affairs for North America, I lead our team in its efforts to implement Zurich's strategic and tactical public policy objectives. We work to anticipate changing trends and define, prioritize, and respond to public policy issues that are important to Zurich and its key stakeholders in the legislative and regulatory arena.

These stakeholders often go beyond state and federal lawmakers to include media, think tanks, academia, trade associations, and others with influence on public policy discussions. As a result, our strategy and tactics take those multiple

stakeholders into account as we develop and amplify our messaging.

How does your role engage with business units and how is it a part of Zurich's business strategy?

Our primary mission is to support Zurich's business goals and maintain a healthy insurance marketplace. Those efforts take many forms, including driving or responding to federal or state legislation and regulations that may impact our business; creating positive visibility for the company with important legislators and other stakeholders; contributing

Zurich's experience to the debate on important issues such as cyber, tax, and regulatory reform; and partnering with our customers on issues we have in common. It's critical that we align our mission and ambition with our business as we look to protect and enhance Zurich's reputation in North America and around the globe.

Would you touch on public policy issues and the importance of regulatory harmonization?

As a global insurer with a long history in the United States, we recognize that our client base is increasingly global and so is the risk and associated solutions we can provide. Today's fragmented global regulatory environment presents certain challenges including added costs and complexities, which can limit market expansion. We believe insurance regulation should recognize the reality of globalization and be more harmonized across regions to better align with the needs of customers in the U.S. and around the world. We believe a more harmonized regulatory regime may allow more risk diversification, efficient deployment of capital, and lower costs for our customers.

What is Zurich's position on other key public policy issues?

There will be many other topics in 2016 in which Zurich will be engaged to help maintain a competitive and efficient insurance market. Through our work with Congress and state legislatures, closely monitoring issues taken up by the new Canadian Prime Minister and his government, and collaborating with our colleagues around the globe on issues that cut across all the regions in which Zurich operates, we expect a vigorous public policy agenda this year.

How is Zurich addressing the issues of cybersecurity?

Zurich has become a recognized thought leader on cyber and we actively participate in public policy discussions going on at the U.S. state and

federal level, in Canada, and across the globe. We support a robust cybersecurity market and help to make it possible for our business to pursue risk solutions for our commercial customers in this critical area.

What is at the core of Zurich's culture around corporate responsibility/community engagement?

I take great pride in the emphasis that our company places on employee engagement, as well as its corporate responsibility efforts. At Zurich, I see it increasingly embedded in day-to-day actions and decision-making. It's not just something our senior leaders talk about because it's in vogue, but we see it demonstrated and modeled in their operational management.

As part of our corporate responsibility commitment, Zurich recognizes that there is a significant need and opportunity to have a meaningful impact in building community resilience before disasters occur. Floods affect more people globally than any other type of natural disaster and precipitate some of the largest economic, social, humanitarian, and insured losses. Zurich's flood resilience program is intended to enhance community flood resilience. Leveraging our experience as a global insurer and our risk knowledge, we can help customers and communities reduce the impact of floods by understanding the benefits of spending upfront costs to be more resilient.

This is a good example of an issue where our corporate responsibility efforts intersect with our public policy goals. Our government affairs team looks to pursue a legislative/regulatory agenda that will help promote pre-disaster resilience and mitigation such as tax credits, stronger building codes, and other creative approaches to build more resilient communities.

How meaningful for you is Zurich's commitment to diversity and inclusion?

I feel very fortunate to work for a company where diversity and inclusion are openly discussed and strongly supported. To be one of the best, we must attract, develop, and retain a diverse workforce, which we believe helps drive customer satisfaction and, ultimately, financial results.

Personally, I hope to promote stronger participation in the political process for women and others within our organization. It's easy to be frustrated by the political environment and think one's voice doesn't really matter. But regardless of affiliation, speaking out, standing up, and casting a vote is a right that every U.S. citizen should exercise, especially in this important election year. ●