

Helping Canadian Companies Around the World

An Interview with Urs Uhlmann,
Chief Executive Officer, Global Corporate, Zurich Canada

EDITORS' NOTE While holding various positions at the Baloise Insurance Company Ltd. as a claims examiner and liability underwriter, Urs Uhlmann completed the Swiss Commercial Apprenticeship with specialization in property and casualty insurance, followed by the Swiss Federal Insurance Diploma. During that same period of time, he advanced to the rank of Captain in the Swiss Army. Uhlmann joined Zurich in 1991 as a senior casualty underwriter at its head office in Zurich.



Urs Uhlmann

After two years, he was promoted to Casualty Manager of the Chemical/Pharmaceutical Industry segment for Zurich's International division in Switzerland. In the summer of 1996, he was offered the opportunity to build up that same industry segment for Zurich in Canada. He has held various positions since his arrival in Canada, including the underwriting management position for the International Program business, and the project management position for the replacement of the business handling system. In 2002, Uhlmann was named Senior Vice President of the International/Industrial division.

COMPANY BRIEF Zurich (Zurich.com) has been operating in Canada since 1923. Zurich Canada is focused on developing solutions for medium and large corporations, Canadian-based multinationals, and customers in the technology, transportation, public sector, real estate, construction, manufacturing, and management industries.

Would you talk about your role as Head of Zurich Canada's Global Corporate unit and that part of Zurich's business?

Within Zurich's General Insurance division, the Global Corporate unit, which operates as the name suggests around the world, looks after the largest corporations around the globe, so mostly international corporations.

We're trying to help those large corporations effectively understand and manage their risk around the globe in what is sometimes a complex regulatory environment. Consequently, we are organized on a global basis in a way that allows us to do that most effectively for our customers.

Within that context, I run the Canadian business. We have two types of customers: first,

we help large international companies based in Canada understand, manage, and protect themselves from the risks faced by their global operations; second, we serve global corporations that operate in Canada but are not based here.

If we look at Zurich's annual report, the total premium for the General Insurance division is around \$34 billion. The Global Corporate portion of it is about \$8 billion.* So it's significant to our organization overall.

How large do those companies need to be to really fit in this space?

That differs from country to country. In Canada, we generally use a threshold of \$300 million Canadian dollars in annual revenue before the Global Corporate unit of Zurich Canada gets involved with a customer.

There are about 800 Canadian-owned corporations in this space, but they're obviously big and complex in nature, and very much deserve and want a customized solution for their challenges. We don't just sell them an off-the-shelf product. What we do for them goes much further.

Is it challenging to differentiate in this space when it comes to going after those large corporations?

It is a competitive space but I do believe we show differentiation. What makes these customers different, and why we can play to their strengths, is that they operate internationally and they have assets around the world. Many of these companies have fairly significant financial capabilities so, to a large extent, they can assume risk themselves. Therefore, our focus is on the international aspect of those corporations. We help them find the most effective way to manage the risks they retain themselves, whether it's through a captive insurance company or other alternative risk transfer structures.

Given Zurich's tremendous international network and the tools we have available for Global Corporate customers, I think we do stand out. We certainly do in the Canadian market. We have geared our operation to helping our customers understand and protect themselves from the risks they face, even the risks that they do not want to transfer to us and that they want to assume themselves, and to help them manage all of it effectively in the context of their global operations.

How important is innovation and where is it occurring in the Global Corporate space?

There certainly is innovation at play. Obviously, our customers didn't grow to the sizes they are without being innovative and bringing innovative solutions to their own customers, so we clearly need to adapt to what they're doing. We bring customized solutions to them to help them manage the emerging risks from those innovations.

Over the past few years we have driven numerous innovative services and solutions, including the Zurich Risk Room. This is a tool that you can download from the app store that looks at 113 different risks by country in over 170 countries. It creates a three-dimensional simulation based on a company's specific strategic concerns and helps with scenario planning. It looks at much more than just insurable risks and can really help a customer compare one country to another and understand what the differences are by country for things like environmental risk and economic risk, and how quickly a business can be set up in a given country, as an example. The Risk Room is an innovation that Zurich brought to the table that is not directly in the risk transfer space, but rather in the international business space. This tool very often gives us the opportunity to get into intense discussions above the risk manager level, with the C-suite and even the board of directors, about risk and how it impacts our customer's organization.

Another way Zurich has innovated is with the My Zurich portal. Corporate risk managers today need to have everything at their fingertips and get our data in neat reports on their mobile devices. Three years ago, we launched the My Zurich portal so our customers could get information on everything from engineering reports from any plant around the world with risk mitigation recommendations to policy documents to claims information and even the money flow if there is a captive insurance company involved. Everyone is very interested in how fast money can be moved from one country to the next to meet their needs. All of that can be tracked online.

When you're providing this type of service, are you dealing at multiple levels within the organization and how important is it to have CEO and board involvement?

We deal on multiple levels. In most cases, we deal with the risk managers; they're generally the first line we interact with.

Depending on the company's organizational structure, the risk manager rolls up to the chief financial officer or, sometimes, they roll up on the legal side, depending on the nature of their business.

Consequently, we clearly have interaction points at the C-suite level.

Interaction with boards or CEOs is rarer and generally takes place as a discussion around the Zurich Risk Room and the general risks the company faces in certain jurisdictions. Discussions might also take place around Directors and Officers insurance as well.

We also have solutions beyond our property and casualty insurance types of products, and services such as our corporate life and pension product that may lead to conversations with other parts of the company

For example, we pool global pension benefits for customers around the world. We also provide services to some of our customers who have a lot of ex-pats that they send from country to country. With that service, we often get involved with the human resources leaders at the company, and that generally comes together at the CFO level for us.

How critical is it to have a close working coordination from country to country and region to region within Zurich, to ensure you're providing those seamless services?

It's extremely critical. One of the main reasons we're organized as we are as one global unit that looks out for international customers is that we obviously need a deep understanding of the local regulatory system in every country where our customers do business. Each country regulates insurance differently. To cut through that and provide our customer with our services requires close coordination with our colleagues in other countries. We have quite effectively established that over many years within the Global Corporate business unit of Zurich.

It's also exciting. I still get a kick out of it when I can pick up the phone and talk to a bunch of my colleagues in Italy or Japan or elsewhere. We know each other well enough that they know who is calling and will definitely do what they can to help our customer achieve what they need.

We also have an exchange of employees that we conduct around the world. At the moment, I have five people from other continents in my operation and I have a few that are overseas. It's exciting that we have the opportunity for our employees to experience this. With it, they strengthen our network, which, in turn, helps our customers achieve what they're looking for.

In the same context, within Global Corporate and together with our colleagues in Corporate Life and Pensions, we have a program where we pick 36 up-and-coming colleagues every year from around the world to come together. We divide them into six different teams and assign them real topics that we want investigated further. Those teams have

four months to work together and come up with a solution to the problem. Each team then presents their conclusions to the executive team and, out of those, winners are selected. There is very good input coming out of those groups, and in many cases, we have implemented their recommendations.

It's another angle to strengthen the network and obviously build talent within our own ranks. It has been very successful. I have two people from my team participating this year.

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How critical is it for you, as the leader for Global Corporate in Canada to still be out there interacting with clients?

It's critical and also a challenge. Like any large corporation, we have a lot of internal activities and initiatives always going on. This can make it difficult to find the correct balance between that and doing more with customers and working on solutions for them.

The two biggest kicks I get in my job are landing a big deal and helping my employees to further themselves in their careers. Both of those come together in the time we spend with customers.

I use any opportunity I get to spend time with customers and understand what they need, and be part of the team that works on finding solutions to their challenges.

A customer just opened a brand new plant in Kentucky, and the CEO had asked whether I could visit the plant and spend some time with employees, so I went to see it. I love that part of my job and staying engaged with customers.

While insurance is at the heart of driving the economy and economic growth, why isn't its value better understood?

It's a global phenomenon and it's unfortunate that we as an industry have not been more capable in getting the message across. Many businesses can only work because there is insurance. A great number of the innovations we're seeing can only happen because there is insurance around to allow them to move forward.

Of course, most people associate insurance with homeowner or auto policies and, human as we are, we might associate those with bad experiences.

As we're conducting this interview, wildfires are still raging in Northern Alberta. For the 80,000 or more who have been evacuated and who have lost their homes and businesses, the good news is there is a very high likelihood that a big part of that devastation will be insured. This will allow those people to get back to their lives in some fashion. A catastrophe is sad but this is what insurance is there for. Examples like this are useful for demonstrating the value of this industry and why it is an exciting industry to work in.

What has made Zurich a place you have wanted to stay?

In 1991, I joined Zurich in Switzerland. I might have believed that I would remain with the company then. It's so well-respected in Switzerland and around the globe.

What I would probably have not believed is that I would end up living 20 years of that time in Canada, building the business for Zurich here.

The company has given me tremendous opportunity and it still does. I have met a lot of fantastic people and built a fantastic network around the globe. That is what turns my crank and fascinates me so much about Zurich.

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