

# Providing Differentiated Coverage and Services

An Interview with Frances D. O'Brien,  
Senior Vice President, Chubb Group, and Division President, North America Personal Risk Services, Chubb

**EDITORS' NOTE** Prior to ACE's acquisition of Chubb in January 2016, Frances O'Brien was Senior Vice President, Chief Risk Officer of Chubb. O'Brien has more than 35 years of insurance industry experience. She joined Chubb as an actuarial trainee in 1980, and served in a number of positions of increasing responsibility in actuarial, product development, and underwriting, including Chubb Personal Insurance (CPI) Chief Underwriting Officer, CPI Chief Underwriting Officer for International Business, and CPI Worldwide Underwriting Manager. She holds a Bachelor of Science degree in Mathematics from Villanova University.



Frances D. O'Brien

**COMPANY BRIEF** Chubb ([new.chubb.com](http://new.chubb.com)) is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance, and life insurance to a diverse group of clients. The company is distinguished by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength, underwriting excellence, superior claims handling expertise, and local operations globally. Chubb maintains executive offices in Zurich, New York, London, and other locations, and employs approximately 31,000 people worldwide.

## Would you provide an overview of Chubb's North America Personal Risk Services and the keys to its success?

We focus on high-net-worth customers who have more expensive assets to insure. They might have multimillion-dollar homes, collections of fine art, jewelry, or antiques. They tend to have newer and more expensive cars, and they may have boats. They have higher liability needs and want to make sure they protect all their assets.

We were the first insurance carrier in the U.S. to specialize in this market and have been doing it for 36 years.

The key that makes us successful is our focus on a specific segment, high-net-worth customers with a broader range of assets than the average person. Our value comes from providing the differentiated coverages and services they need to help them protect those assets and manage the risks they are exposed to.

One example is our Wildfire Defense Service for people who have homes and other assets in wildfire zones. Our service allows us to send professional firefighters to our insureds' homes to advise them on how to protect their property from catching on fire and, in the event of a fire, they will come out to protect the home. They may clear fuel such as brush and excess wood from around the house and other structures on the property. They may set up temporary sprinklers, and if they ultimately deem it necessary, they might put a fire retardant on the home.

If a loss does occur despite our efforts, we then focus on the comfort and convenience of the customer. We really look at making them whole again in the way they expect.

## How hard is it to differentiate and show what makes a company in this space unique?

The first challenge in insurance is that we're selling a product to cover experiences that most people don't even want to think about.

We have to differentiate through our upfront service offerings that help customers understand how to take better care of their homes and other assets so they are less likely to experience a significant loss.

This is a different experience from the average insurance company, which is more focused on making the financial transaction happen when the claim occurs.

## Is this an industry where great innovation is taking place?

Because of our customer cohort, we tend to have customers who are very early adopters of new things. When driverless cars are available for purchase by the public, we're going to be one of the first companies to have to insure them because our cohort typically adopts things sooner than the average marketplace.

Right now, our customers have access to a lot of technology to help them manage their homes. Many of our customers are installing sensors to monitor their homes. This gives us an opportunity to help them find the best way to use the new technology so they can receive the biggest benefit. Water is the most frequent cause of loss, for instance, so they should purchase water detection sensors or a water shut-off valve if they have a second home where they may not be living for an extended period of time.

Our cohort's early adoption of technology has driven us to focus on innovation and the new

risk profiles that these technologies may bring with them.

## How challenging is it to evaluate risk when you're dealing with completely new areas?

I don't know that it's more complex than it has been in the past – it's just different. Good risk management is a focus for our company. We have a structure in place that allows us to look at what has happened in the past and scenario plan around a new technology.

There are techniques we use to evaluate whether we need to develop a new service for a customer or if we already have a coverage in place we can offer.

Good insurance companies with solid risk management techniques will have structures that allow them to tackle these new challenges.

## Is there a good understanding by young people coming into business today about the type of dynamic career that insurance can offer?

There has been a significant increase in risk management degrees being offered by many schools. As a result, there is a pool of very educated people coming out of universities who have focused on insurance and risk management. In addition, since insurance companies have very large caches of data, individuals who have studied statistics or dynamic financial modeling are in great demand by the insurance industry.

## How well have the ACE and Chubb cultures blended and how valuable will it be in the future as they come together?

The two companies were both focused on the high-net-worth customer; they were both focused on the customer's perspective; and we both sold our products through independent agents and brokers, so we had a shared starting point.

There were some differences because one company was significantly larger and had been in the marketplace longer than the other. But as we approached the integration, we quickly focused our employees on the external rather than the internal. We told them they needed to make sure that whatever was happening internally would not impact our customers, agents, or brokers.

We put together a very formal buddy system connecting together employees from both companies who worked with the same agents.

We provided a level of empowerment to our employees, and it has worked really well to build a strong team with the appropriate focus to quickly get the culture to where we want it to be. ●