

Helping to Protect Businesses Against Risk

**An Interview with Tom Fioretti,
Chief Risk Engineering Officer, Zurich North America**

EDITORS' NOTE Tom Fioretti has held his current post from January 2013. Before this, he was SVP Operations/Underwriting for Zurich, after having served as Head of Distribution for AIG's Small Business Unit as well as Deputy Chief Operations Officer of AIG's Domestic Brokerage Group. He attended College of Staten Island to study Business Administration and Management.



COMPANY BRIEF In 1912, Zurich entered the U.S. market. Zurich North America (zurichna.com) is the fifth-largest commercial property and casualty insurance provider, serving the global corporate, large corporate, middle market, specialties, and programs sectors. Zurich helps businesses understand and protect themselves from risk in a rapidly changing, interconnected world.

When you joined Zurich in 2008, what excited you about the role and about the company?

By that time, I had already spent about 20 years at one company in the insurance industry. I had a conversation with a colleague of mine at Zurich about making a move, and he told me this is a company I should look into and think about.

When I told them I was interested, what reeled me in was that, literally the next day, I got a call from the CEO of Zurich North America Commercial, Mike Foley. He called me from Europe at 12 a.m. his time to tell me that we should get together and talk, because we have a mutual colleague and he had heard nice things about me.

For the CEO to pick up the phone from a time zone six hours ahead to tell me he was interested in talking, I knew right then it was going to be a very personalized conversation. Once I received that opportunity, I liked what I heard about Zurich's culture, and about the community service that Zurich is involved with from the CEO level all the way down. Eight years later, I'm just as excited to be here as I was in the beginning.

Zurich has an incredible reputation in the market and offers the opportunity to be innovative, cares about its communities, promotes a diverse and inclusive culture, and is a company that wants to succeed in helping its customers and employees. For an insurance company, it feels like family.

How do you define your role and how does it work within the organization?

Risk engineering is arguably one of the most important areas within any large insurance

organization. Our responsibility is to mitigate risk and prevent losses, and to protect the Zurich bottom line.

We're in the business to help our customers understand and protect themselves from risk. All insurance companies sell a commitment – a commitment to pay a claim after a covered loss. What differentiates Zurich from the rest is our global reach – we serve customers in more than 170 countries – our distinctive risk insights, and risk prevention services. In many cases, risk engineering is very often a key differentiator. It can determine whether or not a customer comes to Zurich or goes to a competitor.

What differentiates Zurich's Risk Engineering from your competitors?

Zurich Insurance Group has over 900 risk professionals worldwide in 40 countries – nearly 500 of them are in the United States. They can be ready at a moment's notice to go into an area that may be in a geographic location that a competitor may not go into for whatever reason, geopolitical or otherwise.

Another distinct difference of our risk engineering team is that many of our risk engineers come to Zurich after working in the field for years. They have seen firsthand the risks and challenges facing our customers. It's a balance between seeing what risks are out there and then working with the senior management of an organization to make sure the right risk measures are put in place to protect the business from loss. We know that the years of experience and the skill sets we have in the property, casualty, and other specialized services differentiate us.

Also, the technology we use today is a real differentiator, be it predictive analytics, big data, or apps like Zurich Risk Advisor, a mobile app that enables customers to perform their own on-site risk assessments and generate practical risk-mitigation actions from the results. We're forward-thinking, we can think outside the box, and we're not afraid of new technologies.

Where is the innovation taking place?

A lot of innovation has taken place on the property side. The wind is blowing harder and stronger, so we have a team of predictive analytic specialists and we're learning new things every day.

For example, 60 percent of our flood losses are happening outside the 100- and 500-year flood plains. We've seen flood losses in mining towns, in a desert, so we're looking at years' worth of data on where these events are happening and can talk to our customers in advance about the data we have and help them prepare.

Zurich works with a number of organizations and is a member of the Insurance Institute for Business & Home Safety in South Carolina. They have a facility that does hurricane wind testing, solar panel testing, and hail testing, which can aid in understanding at what point these potential hazards may become a serious risk to both Zurich and its customers. In short, we're spending a lot of money on research to understand tomorrow's risks.

Do people understand the type of opportunities that an insurance company offers?

No, many do not. Zurich is working to help spread the word about the myriad career opportunities in the insurance industry. In fact, about four years ago, we initiated a recruitment and training effort to attract new talent to Zurich. We have added more than 40 new recruits to our risk engineering staff since then.

We have educated, hard working new recruits working side by side with folks who have many years of experience to help them learn the business. This is an important investment in the future and in our team.

We're positioned very well in North America following this recruiting. Our new people go through a one-year trainee program – six months of classroom training and another six months of field training where they're assigned a mentor.

In addition, Zurich recently established a first-of-its-kind U.S. apprenticeship program for the insurance industry that resembles a program that has been successful for many years at its Switzerland headquarters. The program aims to bring new entrants of all ages into the insurance industry workforce by building a talent pipeline and developing people who can help the business grow.

What has made the industry so exciting for you, and is its value understood?

It is a very tight-knit community where everyone knows everyone else. The industry doesn't get enough credit for the contribution it makes to communities and societies as a whole. Insurance has a perception problem. A wide range of skills is required – in addition to risk engineering, we have to be financial analysts and have business skills to negotiate a deal and to communicate our value proposition to our customers.

Are there moments when you can celebrate the wins?

There are and we have to enjoy those moments, just not for too long, because there is a lot going on in this industry around the world and we have to be on top of it. ●