

A Life of Leadership

An Interview with
Maurice R. Greenberg, Starr Companies

EDITORS' NOTE Maurice "Hank" Greenberg is the founder of American International Group, Inc. (AIG), and was its Chairman and CEO from 1967 to March 2005. Under his leadership, AIG became the largest insurance company in the world and generated unprecedented value for its shareholders, with a market value that grew from \$300 million to \$180 billion. Greenberg continued to serve as Chairman and CEO of C.V. Starr & Co Inc. He is also honorary Vice Chairman and Director of the Council



Maurice R. Greenberg

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 (starrcompanies.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, re-insurance, risk assessment, loss control, and worldwide travel assistance service.

When you observe the actions of business leaders today, are you concerned that they may be becoming too content with slow growth conditions?

They're not content with that but they're finding it difficult to figure out just what to do about it.

Are you then finding it difficult to be optimistic from a business perspective, particularly for someone like you who has always searched for opportunity? Where might that be found today?

The U.K. may be one such place with the pound sterling at about a 30-year low against the dollar. This provides some opportunities long-term in the U.K.

The U.S. is the one place in the world that continues to show some growth, although it is modest. With all of the problems that exist in the world, the U.S. remains a safe haven – people still want to invest here. This is true even though we're in the middle of an election. It is a somewhat concerning election with candidates not considered fondly. Still, the U.S. remains the favored place for investment.

How critical is technology and innovation to being an industry leader?

Technology and innovation are the future and are critical to the future of Starr. We have hired many young people with technology expertise that are innovating and adapting the way we do business. We also invest in start-ups and entrepreneurial companies that are innovating and disrupting their industries.

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In the insurance industry, are there innovative products being developed that meet the risks and challenges of today's global economy? How important is it to consistently be ahead of the curve in this regard?

It's critically important. The insurance industry has been at capacity and rates have been going down. There are some major catastrophic losses occurring. If the rates charged are not adequate, we will sustain losses that must be overcome with income on investments. This may be difficult and we are not presently in the best part of the cycle.

You have often stated that real job creation comes from entrepreneurs and growth companies. Is it more difficult to start and build companies today with the highly regulated environment?

Yes. The pendulum swings both ways. There are sectors that were under-regulated and this led to many problems. But the government solution has been to over-regulate, swinging the pendulum too far in the opposite direction. It has to come back to the middle.

You have often talked of China as also being a good place to invest. Do you still feel that way?

One has to know their way around in China. This is true as to any country in the world, but especially true for China. We've done well in China with an investment team and insurance company that has operated there for many years.

You have always been strongly pro-trade. How important is it that nations continue to enhance trade agreements today?

It's very important. We have always been a nation that has engaged the rest of the world with trade at the top of our list. It enhances relationships and opens new markets. But, we need to have fair trade – it can't be one-sided. Fair trade is very important to stability and to the development of opportunities for all participants. If someone is dumb enough to negotiate a lousy agreement, they can't just blame the agreement itself – they have to blame the negotiators.

Do you think there is a good and favorable understanding as to the important role that the insurance industry plays in the global economy?

No. Unfortunately, insurance doesn't have a great reputation because the only time we address it is when there is a loss.

Starr is headquartered in New York City, which is the global center for business. What needs to be done to make New York an even stronger business-friendly location?

The financial sector of New York has already begun its move to other states. If business is viewed in a negative fashion, and if people are punished because they're not of the political party as the one in power, that is a problem. It is not essential that the politics be balanced but it is important that there is fairness in the treatment of all. ●