

# A Clear Sense of Purpose

An Interview with Evan G. Greenberg,  
Chairman and Chief Executive Officer, Chubb

**EDITORS' NOTE** Prior to ACE's acquisition of Chubb in January 2016, Evan Greenberg was Chairman and Chief Executive Officer of ACE. He was elected President and Chief Executive Officer in May 2004 and Chairman of the Board of Directors in May 2007. Prior to joining ACE in 2001 as Vice Chairman, Greenberg spent 25 years at American International Group, where he served as President and Chief Operating Officer from



Evan G. Greenberg

1997 to 2000. Greenberg is Chair of the US-China Business Council, Vice Chair of the National Committee on United States-China Relations, Chairman Emeritus of the US-ASEAN Business Council, and serves on the board of the Council of the Americas. He serves on the Board of Trustees of Rockefeller University and the Board of Directors of the Peterson Institute for International Economics. Greenberg is a member of the Center for Strategic & International Studies (CSIS) Southeast Asia Advisory Board, the Council on Foreign Relations, and the Atlantic Council's International Advisory Board.

**COMPANY BRIEF** Chubb (*chubb.com*) is the world's largest publicly traded property and casualty insurance company and the largest commercial insurer in the U.S. 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. As an underwriting company, Chubb assesses, assumes, and manages risk with insight and discipline. The company services and pays claims fairly and promptly. Chubb is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength, and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London, and other locations, and employs approximately 31,000 people worldwide.

**You recently announced results for Chubb that were very strong, even though businesses are facing challenging times. What has been the secret to Chubb's success?**

Every company has to have a reason to exist. In a market economy, we need to have a fundamental purpose that is compelling. It's the wellhead of understanding, including our core competencies and enduring qualities, and it's what gives us our vision.

At Chubb, we know who we are. We know the purpose we serve for society, and we know what makes us a compelling force in the economy and in our industry.

We have a very clear sense of purpose. We have a clear focus on long-term strategy, which is to continue to build competitive advantage and capitalize on opportunity around the world in order for us to continue to grow. We're a growth company, and I measure growth as growth in book value.

Strategy is 10 percent of the action, execution is 90 percent. Leaders communicate a vision, direction, and expectations. They embody the behavior that they want everyone to emulate and follow, then they drive relentlessly. They create a strong culture, which we have at Chubb, and ensure that the currency we trade on is success in execution.

We focus on the short term but never take our eye off the long term. Shareholder wealth creation is a derivative of doing our job well. We are fiduciaries and we're on a mission to build a great business. We capitalize on opportunities and serve customers well. We create a great environment for employees that gives them opportunity and motivates them. Shareholder returns are a derivative of this.

**The company has grown organically but also by acquisition. How have you been able to remain so true to your culture?**

We've done 16 acquisitions over a 14-year period. We have a cookbook for integration, developed over a long period, that covers every function and area of the business. It spells out what needs to be done from day one onwards.

Part of the integration roadmap is culture. We don't treat it as liberal arts – we treat it as a discipline. We think about it in a structured way, and we have clear definitions and a clear sense of expectation, and we constantly, from me on down, monitor for cultural consistency around the organization.

Culture is two things: norms of behavior that we expect of each other and, when people step outside those norms, we all feel uncomfortable.

A second necessary ingredient of culture is time. Culture is also based on collective experiences that we share together that breed familiarity, trust, and loyalty among people. We can't have instant culture that way, but we can manage to create venues for people to have those shared experiences that build that trust and loyalty which, in turn, builds a one-team spirit.

We can't expect that this happens by itself – like anything else, it must be managed.

**When it comes to ACE and Chubb coming together, has this developed as you had hoped?**

I'm a lucky guy. I have so many talented colleagues at all levels of this organization around the world who continually energize me and stun me with what they do. That motivates me endlessly.

It's one thing to imagine how things might happen and another to actually watch it come to life. Based on what I am seeing, I have had few, if any, disappointments since the acquisition.

What I imagined might be possible, I'm only more convinced will become reality. I'm energized by the results I've seen so far, and I know our best days are in front of us. The possibilities of the two organizations coming together into the one organization we have today with all its parts and pieces, its expertise, its strength on a global basis, and the momentum that is building in various parts of the organization from the combination of our strengths, is simply stunning to me.

**Is size and scale critical today for success?**

When one gets to a certain level, size and scale is critical. It's possible to thrive as a small and nimble company with a deep mono expertise, but that means one has a certain playbook you're executing and it's more limited. Even so, it's all relative because you're small.

When we morphed into the kind of company we are, and created the strategic playbook we embrace, size and scale matters. On the one hand, it's our friend; and, on the other hand, we have to make this big thing dance, so we have to relentlessly behave like a small company.

That means we need rules and processes and predictability of outcomes based on how we go about doing things. At the same time,

we have to remain careful that we continue to breed familiarity and reward entrepreneurialism. We'd rather have our employees make errors of commission, not omission.

**This industry plays such a critical role, but there doesn't seem to be much of an appreciation of that role. Why isn't this better understood?**

Some of it is by the nature of what we do. We're in the risk business. We assume risk and we invest long-term capital as a consequence of our basic business of risk. That frees society to get on with the things they do well.

The problem of insurance is that our customers never see us at a happy moment – they're either giving us money or coming to us when something bad has occurred. Neither is an uplifting event.

Also, we don't necessarily sell a great product. We're in the business of repair and replace. Something unfortunate has happened to someone and we're in the financial part of the business when someone has to repair or replace something.

This industry is on the doorstep of a revolutionary change that has already begun. The wave of digitalization that is washing over everything as the economy and society digitizes is also hitting the insurance industry. It's the most dynamic and exciting time of my career that we are embarking on.

While it will be iterative, there will be early disruption and deeper disruption later, we can catch glimmers and shadows of how the product that we provide will fundamentally change. We will move more toward predict and prevent and not simply repair and replace. We will use our knowledge, expertise, and focus to be a more dynamic partner to help people avoid misfortune.

Some might think it sounds burdensome and draining. To us, it's exciting.

**How important is it for you, as the leader, to communicate the benefits of this change when it can be unsettling for people?**

I don't delegate this away. Over the past few years, I have spent a tremendous amount of time on learning and crafting my own personal vision of what it means for this company to be a compelling organization in the digital age. I have a three-dimensional view of that which will continue to evolve. It covers all facets and areas.

I am communicative maybe to a fault and it is very important that my colleagues feel ownership in this across the organization, and that it isn't a threat or a burden. It's exciting. It's our future. It's only a threat if we have clay feet.

**When it comes to the dialogue taking place around trade today, from a business point of view, how concerned are you about global trade issues and how critical is it to build trade partnerships, particularly in Asia?**

America has been the leader of the liberal world order for 70 years. American multinationals have had the wind at their backs and have benefited from American leadership. We're an admired nation.

The foundation of that global order is a system of alliances with confidence in America's leadership. I am concerned that we are in a historic moment of change.

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Our vision of liberal, rules-based open markets and trade has benefitted the world enormously. No country should be a beneficiary without being a contributor.

I am concerned about the protectionist rhetoric all over the world. I'm also concerned about the protectionist behaviors I see.

China will be the largest economy in the world shortly. America will then be number two. China will have an enormous influence, first in Asia where they will be a leader, and then beyond.

This means it's that much more important that our country get its act together. In order to continue to lead and influence via a vision, one has to do it from a position of strength.

That means every country has to run its own race, and we have to do that. We have many problems that we all know about, and yet we have failed to address them, which is sapping our strength.

Everything in this country costs far more than it should and takes far longer to address than it should. That is a weakness that we can't glibly say will be okay because in our past history, we always rise and, by the way, we are a leader in innovation. Our current progress is not enough.

Our political system is damaged and fails to lead. Our failing infrastructure, the fact that healthcare costs 18 percent of our GDP, and overregulation are all sapping the strength of this country.

We're not running our race as we should. We have been the beneficiaries of that global liberal order – we haven't simply shouldered the burden and we need clear recognition of that.

**For someone who is known to be an optimist, are you optimistic that we can effectively address these challenges and concerns and remain a global leader?**

I'm realistic. The world is moving at a much faster pace today. In the past, we could drift as a nation and take long periods of time to address issues and emerge. This is not possible in the world today.

I recognize that our fate is in our own hands, which makes me optimistic. What makes me realistic is that I don't see us coming to grips with the issues we face.

**You're known as a leader who is always raising the bar. Do you take moments to celebrate the wins or are you always looking ahead?**

I have a congenital weakness, which is that I recognize and applaud the successes I see others achieve, and I tend to minimize my own. It seems to be a neurosis that is baked in my DNA.

**Does the next generation of leaders coming out of school understand how dynamic this industry is?**

I listen to the comments others make about millennials. I don't have the same view. Every generation has its differences. I wonder if some of my colleagues around the same age, who claim it's so different, understand that it's simply about youth. We have not had great difficulty in recruiting millennials. We have had great success in their retention. I don't insult and belittle them by suggesting they don't have a sense of loyalty or commitment or mission or the ability to work hard. They have all of those things. They have a sense of wanting to belong and be a part of something bigger than they are, because that is what helps give meaning to life. That is how we all feel around here. It's self-selecting – we find the ones who feel that same way.

The notion that they're more vocal and won't just put their heads down is terrific. We're pretty vocal – just have something to say, and we'll listen.

In many ways, I see that they're more conservative and concerned about job security and their future. They notice the world around them and rightfully so. Most of the negative things I hear have not been proven out by my experience. ●