

Starr's Strength

An Interview with Maurice R. Greenberg, Starr Insurance Companies

EDITORS' NOTE Maurice R. Greenberg is Chairman of Starr Insurance Companies, a global insurance and investment organization. Starr was founded by Cornelius Vander Starr in 1919 in Shanghai, China. Greenberg formed the American International Group, Inc. (AIG) as a Starr subsidiary, and served as that company's Chairman and CEO until March 2005. Under his nearly 40 years of leadership, AIG grew from an initial market value of \$300 million to \$180 billion, becoming the largest insurance company in the world. Greenberg is also the Chairman of The Starr Foundation, a philanthropic organization initially funded by Cornelius Vander Starr's estate. The Foundation has made more than \$3 billion in grants worldwide to many academic, medical, cultural and public policy organizations around the world. Greenberg received his pre-law certificate from the University of Miami and an LL.B. from New York Law School.



Maurice R. Greenberg

COMPANY BRIEF Starr Insurance Companies (starrcompanies.com) is a global, privately-held insurance and investments organization. Through its operating insurance companies, Starr Insurance 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 Insurance Companies underwrites a wide variety of specialty and international lines including aviation, marine, energy, environmental, crisis management, excess casualty insurance, accident and health, and political risk insurance. Starr Insurance Companies also provides a broad spectrum of insurance-related services, including claims handling and settlement, reinsurance, risk assessment, loss control and worldwide travel assistance service.

Will you discuss Starr's global footprint and key markets?

We cover Asia, Latin America and London very well, in addition to the United States. We've grown quickly. It's a tough market and politically there are a lot of difficulties, so we emphasize those areas where we know we have more opportunity. We will continue to evaluate expansion as needed.

Are you primarily focused on China when you look at opportunities in Asia?

We look at many countries in Southeast Asia as growth opportunities. We have a long history in the Philippines and in Hong Kong. We're hoping to be in Malaysia soon. But China is a large, expanding economy, and our business in China is growing.

What are your views on U.S./China relations and how critical is this relationship?

Many of the tariffs that are being fought about today are tariffs we agreed to years ago when China needed help to get its economy started.

China also imposed rules that made it difficult for foreign companies to do business and compete on an equal basis with Chinese companies. Those conditions exist today for many companies, and together with the historic tariffs, they are the basis of the disagreements that the U.S. has with China, and vice versa. It is in the national interest of both countries to resolve these issues.

Will the U.S. be able to compete with the entrepreneurial spirit and work ethic of China?

Chinese people are very smart, but so are those from the U.S. We have plenty of technology companies here.

There has been some question as to whether or not China has been fair in how they have gotten information. Many companies are com-

China is a large, expanding economy, and our business in China is growing.

When China's revolution ended and the communist party won control, Deng Xiaoping, who succeeded Mao Zedong, understood that for China to succeed economically, it needed to have a close working relationship with the U.S. He visited New York and Washington and met with the Council on Foreign Relations. All those who met Deng were impressed by his candor and his belief that a close working relationship with the U.S. was necessary. Deng's successor, Jiang Zemin, maintained roughly the same policies as his predecessor, knowing that the U.S. relationship would benefit the economy in China. Over the years, China climbed economically so it is now the second largest economy in the world.

Throughout this period, the U.S. encouraged trade and offered beneficial terms to China to help them grow their economy. But

plaining that they can't get into China unless they share their knowledge about certain technologies with China.

No other countries do this, and these issues should be addressed as the two countries negotiate their differences.

Is innovation taking place in the insurance industry?

There is a lot of innovation taking place today. The insurance industry failed to change distribution for many years. But it's changing now.

Many companies want to build business on a direct basis, and even more than that, they're being more selective on the kind of risk they want to write.

On the commercial side, a broker is still the main method of distribution. Is that going to change? Everything is going to change. It's only a matter of when and who does it. ●