

A Culture-First Company

An Interview with Thomas M. Troy, President and Chief Executive Officer, CSAA Insurance Group

EDITORS' NOTE *Thomas Troy joined CSAA Insurance Group in 2019 and brings more than 30 years of insurance experience to his role as President and CEO. He was previously an Executive Vice President at Allstate, where he led a \$5 billion portfolio of Allstate Business Insurance, Encompass Insurance, Esurance and Ivantage. He was promoted to that role from Executive Vice President of Allstate Brand Operations, where his broad areas of responsibility included agency and customer service, operations support, strategic portfolio management, operations finance and customer experience. Prior to Allstate, Troy was EVP and COO with Liberty Mutual and, earlier, held senior leadership positions with Safeco Corporation and was a commercial underwriter with Kemper National Insurance Companies. He is a board member of the American Property Casualty Insurance Association and the Bay Area Council. Troy earned his bachelor's degree from the University of Washington and his M.B.A. from Seattle University.*



Thomas M. Troy

- The power of inclusion
- A passion for service excellence
- Thinking big and moving fast
- Investing in ourselves

These core beliefs are the foundation of our culture, and are central to who we are and how we do our work. Living up to our core beliefs not only guides enterprise-level and individual decisions, it enables us to deliver on our customer promises. I believe that our culture is critically important to the success of our company and our ability to grow our business. The core

beliefs and framework provide the foundation for how we can meet our goals to grow, diversify and innovate.

How do you define the CSAA Insurance difference?

Our employees are the heart and soul of fulfilling our enduring purpose to help members prevent, prepare for and recover from life's uncertainties, and we're proud of the culture we create together. We're a team of employees committed to AAA Members, our communities and each other. Our employees, in turn, care deeply about giving back to the communities we serve. Since 2015, we've been recognized

as one of the 50 most community-minded companies in the United States by Points of Light. Giving back is a cornerstone of our employee culture and a reflection of the passionate people that make up our community. It's our goal to see that every employee is empowered to make a positive impact in our world.

What excited you about the opportunity to join CSAA Insurance and what made you feel it was the right fit?

The opportunity to lead a culture-first company that provides insurance products under the very trusted AAA brand – and one that's poised for positive growth and success – was too difficult to pass up. During my interview process, I think the board reacted positively to a few things in my background. One is that I have a unique blend of commercial and personal lines expertise. CSAA Insurance Group is primarily a personal lines organization, and we sell all our business under the brand license agreement we have with AAA. As a \$4 billion-plus company operating in 23 states, diversification and growth is important. With my background in both personal and commercial, I believe I'm well suited to the challenge that diversification presents and am focused on how we can best grow our company.

COMPANY BRIEF *CSAA Insurance Group (csaa-insurance.aaa.com), a AAA insurer, offers automobile, homeowners and other personal lines of insurance to AAA Members through AAA clubs in 23 states and the District of Columbia. Founded in 1914, it has been rated "A" or better by A.M. Best for more than 90 years and is one of the top personal lines property casualty insurance groups in the United States, according to the National Association of Insurance Commissioners. Headquartered in Walnut Creek, California, the company has more than 3,500 employees, with offices in Arizona, California, Colorado, Nevada, New Jersey and Oklahoma.*

Will you describe the CSAA Insurance culture and how critical is culture to the success of the company?

In early 2020, we introduced employees to our Strategy and Culture Framework, which is our roadmap for the next 10 years. Perhaps most importantly, we updated and affirmed our core beliefs, which have always shaped our company's culture, driving it from the inside out. We believe in:

- Unwavering integrity
- Personal and mutual accountability

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What have been your key priorities during your first year leading CSAA Insurance?

I was almost exactly one year into my role leading CSAA Insurance Group before the pandemic hit, and in that first year I had the luxury of getting to focus very closely on three distinct areas of diversification and growth – product, geography and distribution. These are key areas ripe for innovation and have the potential to propel us to entirely new levels of success. Once we identified that these were the initiatives in need of immediate attention, we examined our strategy and cultural framework.

Culture is an essential ingredient of present and future success, so we examined if it was possible to enhance it. This was the work that produced our new set of core beliefs, which are pivotal to shaping our goals for the next decade, because they identify and prioritize what we do. Our strategy also clarifies our mission as a company and identifies where we want to be in 10 years. Perhaps most importantly, it states our core beliefs that address how we want to do our work – how we show up for each other and our business partners.

How has CSAA Insurance adapted the way it works to address the challenges created by the pandemic?

With our Strategy and Cultural Framework in place, we went after our plan for 2020 – a plan that we had to quickly make changes to as the pandemic began to expand. A number of things have changed for us; we had to adapt to a new way of working, and we started to take advantage of different tools. We, along with many organizations, successfully transitioned nearly all of our employees to work from home in the span of two weeks.

Interestingly, we already had been testing the rollout of digital and virtual customer claims tools prior to the pandemic. We quickly realized that rapid, broad implementation was the best solution to ensure both safety and efficiency. Many customers now prefer these options, and we expect that this popularity will continue to grow. I'm very proud of our response to the pandemic and how we've shown up for our customers, our partners, our employees, our business and our communities. Despite this year's challenges, we continue to be committed to serve AAA members by providing excellent products, responsive service and the innovative products that best suit their needs.

How critical is it for CSAA Insurance to build a diverse and inclusive workforce?

The power of inclusion is one of our core beliefs as a company, and something that CSAA Insurance Group has maintained a commitment to for some time. We have taken several actions that we believe can help contribute solutions, including signing the CEO Action Pledge to support inclusive workplaces, and recruiting with organizations like Prospanica and Langston University, a historically Black college near our offices in Oklahoma City. Our newly formed “Accelerators Program” focuses on improving representation among Black and Hispanic employees. These commitments have helped us to achieve a milestone in our diversity and inclusion journey, as we recently realized parity for people of color in management-level positions. We continue to build bridges and reach across divides to bring in new, diverse talent, and ensure that we benefit from the varied viewpoints and experiences that inform a dynamic marketplace.

How critical is it for companies to be purpose-driven and to focus on more than just the bottom line?

It's a given that every business in every industry has to pay attention to the bottom line or they won't last very long. But what is it that is driving that focus on the bottom line? It is my belief that without purpose and passion behind the work that you do, success will not come easily, if it comes at all. We hear that millennials want to work for companies that care and have a purpose, value inclusion and embrace varied perspectives. I, too, feel very fortunate to be a part of a company that already had a very strong presence around inclusion and belonging, and a desire to continue this journey that aligns with my own. Our focus on these important topics was one of the characteristics of this company – and our employees – that attracted me to the job in the first place. Our purpose-driven mission is important to me personally and to the short- and long-term success of our company.

The insurance industry is not always known for innovation. How critical is innovation for CSAA Insurance and where is innovation taking place in the company?

We are part of a world that is digitizing fast and becoming more mobile, and our

technology is central to our ability to succeed. It's important to have a deep understanding of how things work, to develop a more modern infrastructure, and to capitalize on moving faster. We inject innovation throughout the company and are in pursuit of a number of priorities: customer-focused automation via AI-powered chat bots and virtual assistants, unique opportunities within the sharing economy and changing mobility models, and new solutions that help protect our customers from natural disasters, including high-tech sensor and visual technologies.

This pandemic also provided the opportunity for us to be innovative and evaluate how we can transition into new, but related business lines. We hosted a COVID-19 innovation challenge on how the pandemic can be an opportunity to better serve our members and are exploring some of those ideas and opportunities. Perhaps one lesson we've learned during the pandemic is that we can actually handle even more change and at a higher velocity than we had ever imagined. We can adapt and innovate, very quickly if necessary, and that can lead to amazing outcomes.

What advice do you offer to young people interested in a career in the insurance industry?

The insurance industry has a reputation of being boring, but it's not true. By virtue of the work that we do, I am regularly reminded that insurance is a noble and honorable profession. We exist not just to provide financial protection to society, businesses and individuals, but to set an example of care and accountability within our communities. We pledge to be there for our customers when they need us, and to find innovative ways to serve members and communities with care and compassion. Insurance careers span an incredible array of skills and talents – from analysts and data scientists to web designers and drone pilots – and provide the backbone for the global economy. Without insurers and the thousands of different professions in insurance, businesses wouldn't be able to build factories and offices. Concerts, sporting events, the film industry, even universities, libraries, and parks – all are made possible in part by the careful management of risk. So what does insurance do? It makes great things happen. Who doesn't want to be a part of that? ●