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PAGE 22

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building an industry for the future
and driving change for all

PAGE 26

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WOMEN TO WATCH

2018 WOMEN TO WATCH

Now in its 13th year, the *Business Insurance* Women to Watch program continues to honor outstanding female executives in the risk management and insurance sector. In addition, the 2018 program introduces the Women to Watch Inspiration Award to recognize the accomplishments of an individual who remains a role model for many in the industry. **PAGE 26**

INSIDE



SPECIAL REPORT: INSURANCE PROFESSIONALS

The *Business Insurance* Diversity and Inclusion Institute conducted an online survey of insurance and risk management professionals earlier this year that reveals what attracted them to the industry, their job satisfaction and more. **PAGE 22**

NEWS ANALYSIS

FOR BREAKING NEWS
COVERAGE, VISIT

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RISK MANAGEMENT

As the risks of e-cigarettes become more apparent, insurers are rethinking coverage. **PAGE 4**

WORKERS COMP

Facing a leadership void, OSHA has been unable to advance major regulatory initiatives. **PAGE 10**

INTERNATIONAL

Russia has a low insurance penetration rate, offering the chance of huge potential growth. **PAGE 16**



PERSPECTIVES

As cyber threats increase, insurers are becoming more aware of their "silent cyber" exposures, says Aon PLC's Jonathan Laux. **PAGE 49**

VIEW FROM THE TOP

LORI GOLTERMANN

As CEO of U.S. commercial risk and health at Aon PLC, Lori Goltermann oversees the brokerage's U.S. retail business. In her more than 25 years at the brokerage, she has worked on both property/casualty and health and benefits lines of business. She discusses the changing demands on risk managers, how the insurance sector is evolving and the effects technology will have on the industry. **PAGE 20**



- ▶ **LEGAL BRIEFS**
Recent court opinions **PAGE 18**
- ▶ **OPINIONS**
Insurers' moves on coal coverage highlight global pressures **PAGE 48**
- ▶ **MARKET PULSE**
Products, deals and more **PAGE 50**
- ▶ **PEOPLE**
Insurance industry moves **PAGE 51**

OFF BEAT

Montana ranchers face off over dueling dinosaurs as they go to court over who has rights to the fossils. **PAGE 52**



Insurers douse e-cigarette industry

BY GLORIA GONZALEZ

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Exploding batteries causing severe burns and potential links to serious health problems have made most insurers skittish about covering electronic cigarette products.

Sizeable claims are emerging due to personal injuries caused by malfunctioning e-cigarette devices or their batteries, while potential health hazards are likely to trigger litigation if definitive conclusions are made linking the products to respiratory and other diseases.

Limited products liability coverage is offered by Lloyd's of London syndicates and a few domestic insurers on a claims-made basis, but the policies often exclude key risks, with insurers paying particular attention to e-cigarette juices and components imported from China, experts say.

"The insurability is still there, but it's shrinking from the standpoint of the carriers that are willing to do it and able to do it," said Cameron Allen, wholesale insurance broker for Veracity Insurance Solutions LLC based in Pleasant Grove, Utah.

The main concern from a products liability perspective has typically related to the risk of the batteries in e-cigarette devices overheating and exploding, experts say. Between January 2009 and Dec. 31, 2016, 195 separate incidents of explosion and fire involving an electronic cigarette were reported by the U.S. media, resulting in 133 acute injuries, according to a report tracking such incidents published by the U.S. Fire Administration, a division of the Federal Emergency Management Agency, in June 2017. No fatalities were involved in the incidents covered in the report, but a Florida man reportedly died due to an e-cigarette explosion in May 2018.

Lawsuits have been filed against e-cigarette firms over battery-related injuries. In 2015, a California woman was awarded



EXPLOSIVE EFFECTS



Fires or explosions caused by the batteries used in electronic cigarettes are uncommon, but the consequences can be devastating and life-altering for the victims, according to a federal government report.

- Between January 2009 and Dec. 31, 2016, **195 separate incidents** of explosion and fire involving an electronic cigarette were reported by the U.S. media.
- These incidents resulted in **133 acute injuries**, 38 of which were severe.
- Of these incidents, **121**, or 62.1%, occurred when the device was either in a pocket or actively in use, while **48** incidents, or 24.6%, occurred while the battery was being charged.

Source: U.S. Fire Administration, a division of the Federal Emergency Management Agency, June 2017 report.

\$1.9 million for severe burns she sustained when her e-cigarette battery exploded.

"I see more claims with batteries than anything else right now," said Jeff Vick, Chicago-based vice president and underwriter for Blue River Underwriters.

Insurers are also paying particular attention to e-cigarette juice products manu-

factured in China, adding that question to their forms in the last six months, with some insurers charging more for coverage of juices coming out of China while others simply exclude the risk, Mr. Allen said.

Insurers are starting to draw a line in the sand on covering the liquids, said David Andrews, Chicago-based producer with insurtech firm and online insurance agency Insureon. "For stand-alone product liability, you could have specific exclusions for just the liquids, not the batteries," he said. "It jumps back to us making sure we articulate what's included and excluded."

The uncertain health risks of e-cigarettes, which have traditionally been marketed as a safer alternative to tobacco but have become an increasing concern for public health experts and regulators, especially as their popularity rises among minors, is a growing area of concern, experts say.

"The future litigation is going to be over disease claims" when "the science progresses to the point where it becomes irrefutable" that there is a connection between diseases and e-cigarette use, said Annesley DeGaris, a partner at personal injury law

firm DeGaris & Rogers LLC in Birmingham, Alabama.

Insurers are concerned about the "next diacetyl," said Edward McNenney, executive vice president and excess liability practice leader at Willis Towers Watson PLC in New York. Diacetyl is a buttery-flavored chemical previously used in foods such as popcorn that was linked to deaths and hundreds of cases of bronchiolitis obliterans, a serious and irreversible lung disease, according to the American Lung Association. The condition, known as popcorn lung, led the major popcorn manufacturers to remove the chemical from their products, but exposure still exists through e-cigarette vapor, the association said.

"You want to know what's in your products and where your products are coming from and make sure everything is up to standards," Mr. Andrews said. "You want to make sure you are obtaining products from someone who is taking their risk management seriously."

Buyers should make sure their policies do not have health hazard exclusions and ask for it to be removed if they do, experts say.

"What happens if the most dangerous part of the device is something you fail to insure?" Mr. DeGaris said. "For the (insurance) industry, it's a smart exclusion. For the claimants, it's bad, especially for smaller companies. They will lose the opportunity to recover for injuries that are directly linked to product use."

Premium rates have declined for the e-cigarettes coverage, with product liability capacity in the \$5 million to \$20 million range and deductibles ranging from \$25,000 to \$100,000, Mr. McNenney said.

The policy can be purchased with a minimum premium as low as \$2,500 for a limit of about \$250,000, Mr. Vick said.

"I don't think that's too expensive, but there are insureds that don't want to pay it," he said. "They don't want to listen until there's a claim, and then they want to buy."

PROPOSED FDA E-CIGARETTE RULES COULD LEAD TO UNDERWRITING CHANGES

Regulatory efforts to curtail children's access to flavored electronic cigarettes could have limited insurance implications, experts say.

New research from the U.S. Centers for Disease Control and Prevention shows that e-cigarette use among youngsters is significantly increasing. From 2017 to 2018, there was a 78% increase in e-cigarette use among high school students and a 48% increase among middle school students, with the total number of middle and high school students currently using e-cigarettes rising to 3.6 million.

The Food and Drug Administration's Center for Tobacco Products will revisit its compliance policy for electronic nicotine delivery systems, including all flavors other than tobacco, mint and menthol, with a proposal to have these products sold in age-restricted in-person locations and, if sold online, under heightened practices for age verification for those under the age of 18, Commissioner Scott Gottlieb said in a statement in November.

"I think it's irrefutable that some members of the industry have deliberately targeted minors and underage users," said

Annesley DeGaris, a partner at personal injury law firm DeGaris & Rogers LLC in Birmingham, Alabama. "What adult is going to ... buy a flavor called unicorn puke? That is not a marketing name you use to attract a 50-year-old trying to break a cigarette habit. You're trying to create a whole new class of people addicted to nicotine."

News of the planned FDA regulations "might scare underwriters off, but we have not seen that reaction yet," said Edward McNenney, executive vice president and excess liability practice leader at Willis Towers Watson PLC in New York.

Insurance policies covering e-cigarette products already exclude nonapproved FDA products, but insurers "might tighten up some of that language," he said.

The FDA will release updated lists of manufacturers and ingredients not approved to be in the products, "which will force insurance carriers to constantly have to update their restrictions on what risks they are able to entertain," David Andrews, Chicago-based producer with insurtech firm and online insurance agency Insureon, said via email.

Gloria Gonzalez

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Competition, capital intact in wake of mergers

BY MATTHEW LERNER

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The wave of mergers and acquisitions in the insurance sector over the past three years has reduced the number of insurers for brokers and buyers to choose from but not to the extent that competition or capacity has been materially reduced, according to observers.

While some established insurers including Chubb Corp., XL Group Ltd., Ironshore Inc. and Navigators Group Inc. have effectively been absorbed by rivals, capacity remains ample and insurers continue to expand into other markets, they say.

Concentrations and market shares for individual companies in the sector remain low, and other factors like geographic diversification strategies have given companies more reach but not significantly reduced competition in any markets, sources said.

"This wave of consolidation among carriers hasn't impacted our way of doing business at all," said Ed Bowler, Valhalla, New York-based chief financial officer, corporate development for USI Insurance Services LLC, who oversees the broker's acquisition strategy, adding that as a national broker with a diverse client base, USI does not have any concentration that would be exposed to a specific insurer.

Any concentrations in the industry are still far below any meaningful threshold and "will probably be that way for the duration of my career," Mr. Bowler said.

A recent report from PricewaterhouseCoopers, PwC Deals US Financial Services Deals Insights Q3 2018, said the third quarter of this year saw 134 announced deals in the U.S. insurance sector, including brokers, with a total disclosed deal value of \$8.1 billion, compared with \$1.9 billion a year ago. Nine announced deals exceeded \$1 billion in value for the first nine months of 2018, compared with three during the same period in 2017, PwC said.

The increased merger activity, however, has not produced any large concentrations of market share, sources said.

State Farm has the largest market share in the U.S. across all business at about 12%



for all lines measured by net written premium, according to James Auden, managing director at Fitch Ratings Inc. in Chicago, who added that figure slips to about roughly 10% measured by direct written premium. He added that geography also helps to check concentrations.

"Some recent deals have been international," like Axa SA buying XL, Mr. Auden said. "Axa wasn't really in the (United States), so that doesn't really change market share rankings much or concentrations."

That deal was also seen as diversifying and not concentrating from a portfolio point of view, according to Fergal O'Shea, a Dublin-based Willis Towers Watson PLC senior director, who said in the brokerage's recent Transformation in the Global Insurance Market report prepared

with Mergermarket that the decision to buy XL likely resulted from Axa looking to pivot away from life insurance.

"The rationale behind the deal is in line with Axa's strategy of shifting its business from life to (property/casualty) and strengthening its commercial lines. The group also stated ... the deal would help them expand geographically," the report said.

Cross-border mergers and acquisitions afford insurers another avenue of expansion, said Tom Fitzgerald, global chief broking officer for Aon PLC in Chicago.

"Many of the carrier M&As are focused around expanding their geographic footprint," he said via email. "Yes, there are earnings per share benefits, but this expansion allows carriers to grow and build scale in ways that were just not possible without

M&A, including access to new markets and even syndicates."

Previous large unions of commercial insurers did not affect competition, Mr. Auden said. "The last most influential deal was Chubb-Ace, which put together two top-15 U.S. writers," Mr. Auden said. "Pick a line in which the new Chubb is strong. They still face plenty of competitors in their business every day."

"When I think across the subsectors on the property/casualty side, I think there's still an abundance of choice across the commercial and personal lines," said Matt Adams, U.S. insurance practice leader for PwC in New York. "On the property/casualty side and commercial in particular, that market is still, and has been, very competitive."

Deal activity appears more focused on expansion than contraction, sources said.

"Recent acquisitions have been more additive, and buying companies have expanded capacity," Mr. Auden said.

"Some of the deals on the property/casualty side seem to be motivated by a desire to diversify and deploy some excess capital," Mr. Adams said. They are "adding to portfolio offerings rather than acquiring and exiting."

"Business lines have not been materially impacted by carrier M&A as recent activity has not taken capacity out of the market," Mr. Fitzgerald said. "If anything, there is potential for lines to get larger and for carriers to move into new areas."

One recent example of mainly single-digit market shares is the California wildfires, according to data from A.M. Best Co. Inc.

The data shows that only one insurer, Farmers Insurance Group of Cos. has a greater than 10% market share with California direct written premiums of \$672.0 million, giving it a 16.3% market share,

The next largest share is 8.8% for Travelers Cos. Inc. with \$365 million in premiums, then Liberty Mutual Insurance Co. with an 8.3% share at \$342 million. Rounding out the top five are Nationwide Group at \$248.0 million and a 6.0% share and Chubb Ltd. at \$234.0 million and a 5.7% share, according to A.M. Best figures.

M&A ACTIVITY IN THE U.S. INSURANCE SECTOR

DEAL VALUE IN Q3 2018

\$8.1B



DEAL VOLUME IN Q3 2018

134 deals



Source: PwC

INDUSTRY M&A ACTIVITY LIKELY TO TARGET TECHNOLOGY VENTURES

Technological developments will likely drive more merger and acquisition activity in the future as insurers look to gain competitive advantages from the new wave of digital innovations, sources said.

"Technology will foster consolidation in the future," said James Auden, managing director at Fitch Ratings Inc. in Chicago. To keep pace with technology "requires

quite a lot of investment and a lot of the benefits of investment like the ability to capture, manipulate, and store much more data. There's benefits to scale and that encourages consolidation going forward."

In addition, technology firms will increasingly become acquisition targets for the insurance sector.

"My guess is that we'll continue to

see more of the incumbents making acquisitions of maturing insurtech companies," said Matt Adams, U.S. insurance practice leader for PwC in New York.

"Insurance companies probably will gain more attention from buyers as they seize on the many advantages of digital technology," the consultancy, also known

as PricewaterhouseCoopers, said in its recent mergers report, PwC Deals US Financial Services Deals Insights Q3 2018. "Indeed, InsurTechs are beginning to reshape the entire insurance value chain — including product creation, marketing, and distribution to data analysis, underwriting, and claims management."

Matthew Lerner



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Ruling drives up D&O costs

BY JUDY GREENWALD

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A U.S. Supreme Court ruling earlier this year that held class actions related to initial public offerings can be heard in state court already has led to increased directors and officers liability rates for IPOs and higher retentions, say experts.

The higher costs related to state court litigation, and the perception that state courts are more plaintiff-friendly, has resulted in insurers reconsidering their IPO D&O coverage following the high court's ruling in *Cyan Inc. et al. v. Beaver County Employee Retirement Fund*, experts say.

They say unlike federal courts, where dismissals are also higher, litigation brought in different state courts cannot be consolidated, which leads to a greater volume of cases.

Much of the IPO litigation is being filed in Northern California, especially in Santa Clara and San Mateo counties, which are considered to be particularly plaintiff-friendly, experts say.

One possible way to avoid state court suits could be having corporate by-laws that require litigation to be filed in more defense-friendly federal courts, although it is still unclear whether this effort will ultimately be successful. A case on this issue is now before the Delaware Chancery court.

Establishing an early relationship with a D&O insurer is among the advice given by experts to address this issue (see sidebar).

On March 20, the high court ruled unanimously in *Cyan* that amendments to the federal Securities Act of 1933 do not give federal courts exclusive jurisdiction over these cases (see box).

Matthew W. Close, a partner with O'Melveny & Myers LLP in Los Angeles, said the *Cyan* ruling has "energized the plaintiffs in the class action bar to bring more of these cases in state courts."

"My sense is plaintiffs lawyers are scouring for stocks or bonds that have not performed well over the last year or two and looking to see if they can pin a case on them" now that they can file suit in state court, he said.

"It's kind of open season with respect to the state courts, and litigation has shifted from federal court to state court" in these cases, said James C. Dugan, a partner with Willkie Farr & Gallagher LLP in New York.

"Plaintiffs are bringing cases in state courts to take advantage of the procedural difference between state and federal courts," said Mr. Dugan.

He said unlike federal courts, state courts do not have automatic stays of discovery, and it is generally harder to have successful motions to dismiss.

The cases then proceed to the expensive discovery process, which drives up their set-



FEDERAL SECURITIES LAWS

The U.S. Supreme Court's ruling in *Cyan Inc. et al. v. Beaver County Employees Retirement Fund et al.*, which states federal courts do not have exclusive jurisdiction over securities-offering litigation, reflects several federal laws:

§ **The Securities Act of 1933**, which created private rights of action related to securities offerings enforcement.

§ **The Securities Exchange Act of 1934**, which regulates subsequent trading.

§ **The 1995 Private Securities Litigation Reform Act**, which amended both acts to stem perceived abuses of class actions in securities litigation.

§ **The Securities Litigation Uniform Standards Act of 1998**, which was passed in response to plaintiffs filing securities class actions under state law.

Source: U.S. Supreme Court's *Cyan* ruling

tlement value and increases the amount of time it takes to resolve them, he said.

Furthermore, unlike federal litigation, cases filed in different state courts cannot be consolidated, "so they must deal with litigation in several different jurisdictions," said Jackie Waters, Chicago-based managing director of the Aon Risk Solutions financial services group's legal and claims practice.

Rob Yellen, New York-based executive vice president of Willis Towers Watson PLC's FINEX North America practice, said, "You could see a new cottage industry springing up, where lawyers who are a lot more comfortable in state court — and not just in California — realize they're actually better litigating in state court" IPO claims because of their knowledge of discovery rules. "It's their home town," he said.

Litigation is "bleeding now over into secondary offerings ... and we've even seen" a claim that is part of a merger and acquisition, said Rachel Turk, London-based focus group leader, D&O, for Beazley PLC. IPO-relat-

ed claims have to date been filed in 10 state courts, including Massachusetts, New York and Colorado, she said.

Mr. Close said California courts in particular are attracting the IPO cases, in part because of the large number of IPOs in the state as well as because it is relatively convenient to file litigation there for cases involving foreign jurisdictions including China.

Mr. Close said also, however, that in the past six to 12 months there has been some pushback by California judges. "I am seeing some indication that some of the judges in some of the higher-volume courts are increasingly taking a hard look at these cases," and are sensitive to their volume, and to their courts becoming a magnet for this litigation, he said.

Meanwhile, insurers have reacted to the *Cyan* ruling, say experts. "If you're planning an IPO, the insurance is a lot more expensive and the retentions are a lot harder," said Ms. Turk.

Colin Daly, Denver-based executive vice president of JLT Specialty USA, a unit of Jardine Lloyd Thompson Group PLC, said even before the *Cyan* ruling, "carriers were adjusting their underwriting stance for IPOs, especially California IPOs, because of their exposure," and were either getting out of the IPO space or moving to excess lines, as well as trying to get higher retentions.

"Then *Cyan* gets decided, and it becomes an even more difficult marketplace" to write D&O coverage for IPOs, he said.

"We saw, overnight, deductibles go to five times what they were before," with some insurers cutting limits and premium rates increasing dramatically as well in some cases, he said.

"The whole tower has become very expensive," he said. Nor does company size matter, he said. There is a "completely different market than you would have two years ago, or even a year ago."

FIRMS ADVISED TO PREPARE FOR LAWSUITS

M easures firms can take to avoid becoming the focus of the increased initial public offering litigation being filed in more plaintiff-friendly state court include developing a relationship early with their directors and officers liability insurers.

"We're advising our clients, among other things, to prepare in advance to start looking into D&O insurance as early as possible in the process of deciding to go public," said Sarah Downey, New York-based FINPRO and D&O product leader for Marsh USA Inc.

"Start as a private company to work with D&O insurers to start a relationship ... knowing you're eventually going to go public," Ms. Downey said.

Iyan G. Alfredson, senior vice president and co-national practice leader of executive liability at Risk Strategies Inc. in Chicago, said his firm negotiates rates paid to defense counsel into the policy, "because that's always a point of contention."

It is just a matter of "good homework on your disclosure documents, and being really mindful" of litigation risk, said Matthew W. Close, a partner with O'Melveny & Myers LLP in Los Angeles.

However, even before the U.S. Supreme Court's March ruling in *Cyan Inc. et al. v. Beaver County Employee Retirement Fund*, "most companies were aware that doing things like missing earnings shortly after an IPO was not a good thing, and even if you're going to be sued in federal court, that was a suboptimal outcome," said Priya Cherian Huskins, San Francisco-based senior vice president, D&O, for Woodruff-Sawyer & Co.

Delaware-incorporated companies may also be able to put a provision into their bylaws that litigation must be filed in federal court, although this tactic's success hinges on the outcome of a case now before the Delaware Chancery Court on the issue, *Matthew W. Sciacacchi v. Matthew B. Salzberg et al. and Blue Apron Holdings Inc. et al.*

Meanwhile, some defendants may find success in seeking stays in state court cases where there are parallel federal court claims, said Jason de Bretteville, a shareholder with Stradling Yocca Carlson & Rauth P.C. in Newport Beach, California.

Judy Greenwald

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OSHA leadership void stunts rule-making

BY GLORIA GONZALEZ

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The stalled nomination of Scott Mugno as assistant secretary of labor for occupational safety and health has left a leadership void at the U.S. Occupational Safety and Health Administration, leaving the agency unable to embark on or advance major regulatory initiatives.

But while OSHA rule-making has essentially stalled due to the leadership vacuum, the agency's regional offices have continued to aggressively enforce existing workplace safety standards and likely will continue to do so in the absence of political leadership directing them otherwise, experts say.

"It is very surprising to everyone who works in the safety and health practice area not to have a head of OSHA," said Raymond Perez, of counsel and a labor and employment attorney in the Atlanta office of Jackson Lewis P.C. "Not having someone setting budgets, setting enforcement priorities, has left a vacuum in terms of guidance and leadership."

On Nov. 1, 2017, Mr. Mugno's nomination was received by the U.S. Senate and sent to its Committee on Health, Education, Labor and Pensions. Mr. Mugno testified at a hearing on Dec. 5, 2017, and the committee voted in favor of his nomination on Dec. 13. But his nomination had to be resubmitted when it was not voted on by the full Senate by the end of the year. It was again approved by the HELP committee on Jan. 18. A full Senate vote had not been scheduled as of publication, and most experts believe it is unlikely the Senate will vote on his nomination by the end of 2018.

Mr. Mugno has retired from his position as vice president for safety, sustainability

and vehicle maintenance at FedEx Ground, a unit of FedEx Corp., in Memphis, Tennessee, according to his LinkedIn profile. He could not be reached for comment, but his profile states he is awaiting Senate confirmation for the OSHA position.

SENATE.GOV



Washington has become so dysfunctional that we can't get him up for a vote up or down," said James Curtis, a Chicago-based partner in law firm Seyfarth Shaw LLP's environmental safety and toxic torts practice group.

There appears to be no organized resistance to his nomination, with many safety and health experts praising his credentials. Rather, the delay of his and other nominations has been attributed to the prioritizing of judicial nominations, including the contentious confirmation of U.S. Supreme Court Associate Justice Brett Kavanaugh.

Loren Sweatt, deputy assistant secretary of labor for OSHA, has been running the agency on an acting basis.

"There's no real pressure" to get Mr. Mugno confirmed this year, said Mark Ames, director of government relations for the American Industrial Hygiene Association in Falls Church, Virginia. "There's no scandal, nothing standing in the way of him advancing, but there's nobody clamoring for him to be (confirmed). I think that speaks to how well Loren is doing in her job."

For the most part, OSHA has not finalized or proposed major regulations this year, other than its July proposal to amend its electronic record-keeping rule to rescind the requirement for employers to electronically submit information from certain OSHA forms and completing a standard for cranes and derricks in construction in November.

"On the rule-making side, it's caused most everything to grind to a halt. We're not going to see any meaningful rule-making," Mr. Curtis said. "On the enforcement side, interestingly, I think the agency has large-

ly reverted back to what they were doing under the prior administration because they don't have a leader and they don't have new policy and new direction telling them how to administrate differently."

The national office has issued some enforcement guidance to regional directors, some of which have attempted to address employer concerns, experts say. For example, OSHA issued an Oct. 11 memo that sought to clarify the agency's enforcement stance on the anti-retaliation provisions of its electronic record-keeping rule with regard to post-incident drug testing and employee incentives programs, which were discouraged under the Obama administration's regulatory stance.

"We have seen some effort by OSHA to adopt a little bit less of an aggressive enforcement stance on some of these issues than we did under prior administrations," said Taylor White, Dallas-based senior counsel for Foley & Lardner LLP.

"But I don't view those as a substantial shift in what the agency has been doing for the last eight to 10 years, and I think employers can and should continue to expect fairly aggressive enforcement," Mr. Curtis said.

The regional offices have been acting on their own in many ways, including on how aggressively they use the Occupational Safety and Health Act's general duty clause to cite employers in the absence of a standard governing a specific exposure.

"A lot of these area directors have been there for a while, but I do think they feel pretty autonomous in their ability to make deals with employers," said Nicole Smith, a Washington-based shareholder with Vedder Price. "Not everything is coming out of Washington."

AGGRESSIVE ENFORCEMENT SEEN DESPITE RESOURCE, PERSONNEL CHALLENGES

The U.S. Occupational Safety and Health Administration has continued to aggressively enforce major workplace safety rules despite stagnant resources and shrinking personnel, experts say.

The agency received \$5 million in additional funding for fiscal year 2018 after congressional budget negotiations, increasing its budget to about \$557.8 million from the \$552.8 million in fiscal years 2016 and 2017.

The American Industrial Hygiene Association "would definitely love for President (Donald) Trump to request additional funds for OSHA," said Mark Ames, director, government relations for the association in Falls Church, Virginia. But with the \$5 million boost, "things are going in a very positive direction."

The Trump administration had previously requested a \$9 million reduction in the agency's budget. But the administration has mostly focused its anti-regulatory efforts on other agencies such as the U.S. Environmental Protection Agency, said Howard Mavity,

an Atlanta-based partner in the workplace safety and catastrophe management practice of Fisher & Phillips LLP.

"Knock on wood, they haven't gone after OSHA, and truthfully they really shouldn't," he said. "You think about the pathetic budget it has compared to the EPA and

the importance of its mission. It's the only agency where everyone agrees on the mission. Even your most die-hard anti-regulation people acknowledge that the OSHA mission is valid."

While Congress has preserved OSHA's funding, the agency has never had sufficient funding to enforce workplace safety rules — a problem worsened by the lack of a political leader, he said.

"You need someone squawking to get your money," Mr. Mavity said. "I have no doubt that they have been fortunate to even keep what they've got with no advocate."

Meanwhile, as of January 2018, the number of OSHA inspectors had declined by 50 from the previous year, to 764 from 814, according to an April report by the AFL-CIO.

Gloria Gonzalez

TAKING A CLOSER LOOK

The number of inspections conducted by officials with the U.S. Occupational Safety and Health Administration has mostly trended downward over the past decade amid a resource and personnel drain, according to some experts.



Source: OSHA



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State, federal election swings may result in legislative shifts favoring employees

BY LOUISE ESOLA

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Employee-friendly changes to workers compensation courts and laws could be in store after the Democrats took control of the governorships and legislatures in multiple states, experts say.

Democratic control of the U.S. House of Representatives could help support such efforts at the state level by drawing increased attention to what some believe to be an erosion of benefits for injured workers. But workplace safety experts do not expect efforts to strengthen federal laws to gain much traction in a divided Congress.

The six states where Democrats now control the governor's seat and both lawmaking bodies include Colorado, Illinois, Maine, New Mexico, Nevada and New York, according to an analysis by Gallagher Bassett Services Inc.

"My initial reaction was to look at the states where there are new trifectas — where one party now controls (all three governing bodies)," said Mark Walls, Chicago-based vice president of communication and strategic analysis for Safety National, who is also part of the company's government affairs team. "That's where (we are) most likely to see something done."

Illinois is of particular interest, according to experts, as lawmakers in that mostly-Democratic state have attempted to introduce employee-friendly workers compensation reforms over the past two years, only to have those attempts vetoed by current Republican Gov. Bruce Rauner. Gov.-elect J. B. Pritzker, a Democrat, once criticized Gov. Rauner for vetoing a comp bill in media interviews, but has not released a plan to act on comp reform.



REUTERS

New York is one of six states where Democrats now control the governor's seat and both lawmaking bodies. Alexandria Ocasio-Cortez of New York is one of the newly elected members of the House, in which Democrats gained nearly 40 seats.

Meanwhile, less than two weeks after Election Day, the Illinois Senate voted 55-1 to overturn a veto by Gov. Rauner of S.B. 904, a reform measure that aims to amend workers compensation law to allow medical providers to charge insurers interest at a rate of 2% a month when bills are not paid promptly and permit doctors to sue insurers for unpaid bills, among other changes.

"It will be really interesting with (Gov.) Rauner trying to be more business friendly and veto what the Democratic legislature was trying to do," said Cari Miller, Rolling Meadows, Illinois-based director and counsel for governmental affairs at Gallagher Bassett Services Inc.

Some other examples of reform that were vetoed in Illinois included increased payments for workers and changes to the fee schedule for treatment, she said.

"There is now going to be a lot more employee-favorable changes," she added.

New York is another state to watch, according to Mr. Walls, referring to recent data that pegged New York as having the highest comp costs.

Specifically, the Oregon Department of Consumer and Business Services in the release of a biennial study in October found that New York's spend of \$3.08 of \$100 of payroll represents 181% of the median costs nationwide, which stands at \$1.70 per \$100 of payroll.

"Usually something like that would make

the legislature look at cost drivers, but with Democrats in control I'd be surprised if something happens there" in terms of reform, Mr. Walls said. New York is also noted as having the highest indemnity payments for injured workers countrywide.

Indemnity payments for injured workers increased 9% from 2007 to 2014 in New York because of state reforms launched in 2007, according to a report released in late October by the Cambridge, Massachusetts-based Workers Compensation Research Institute.

That governors in most states appoint workers compensation commissioners and judges is another factor that could cause a shift for injured workers, experts said.

"That could be a change in the lay of the land in the courts," said Mr. Walls.

A divided Congress

Democrats gained a net of 38 seats as of Nov. 23 in taking control of the House, but Republicans expanded their majority in the U.S. Senate by gaining two seats.

On the safety front, much of the focus at the federal level will be on educating newer lawmakers on occupational health and safety issues, said Jim Thornton, Hampton, Virginia-based vice president of professional affairs for the American Society of Safety Professionals.

"We believe occupational health and safety is without politics (and) our mes-

sage is the same: making sure people go home safely at night to their families," he said. "We look forward to working with the incoming change in the (U.S. House of Representatives)."

The U.S. Occupational Safety and Health Administration's regulatory actions or inaction could draw attention from the House, but the divided Congress makes significant action on workplace safety issues unlikely, experts say.

"There's no question that the House and the Senate are not going to be of like mind as to how an agency such as (OSHA) should proceed with its agenda," said James Curtis, a Chicago-based partner in law firm Seyfarth Shaw LLP's environmental safety and toxic torts practice group.

The Democratic-led House may examine OSHA's July proposal to amend its electronic record-keeping rule to rescind the requirement for employers to electronically submit information from certain OSHA forms, said Howard Mavity, an Atlanta-based partner in the workplace safety and catastrophe management practice of Fisher & Phillips LLP.

"I think you will see the record-keeping issues get attention" from the House Committee on Education and the Workforce, he said. "I'm not sure they will accomplish anything other than giving the White House a black eye."

Trickle-down health care

Changes to health care such as further revamping the Affordable Care Act or reintroducing elements of health care reform that were chopped would likely affect access to care, with a trickle-down effect for comp, according to experts.

For example, there may be a tendency to attribute an injury to a workplace accident in cases when a person does not have access to health care through a traditional health care insurance plan, said Brian Allen, Salt Lake City-based vice president of government affairs for Mitchell International Inc., a technology firm that manages pharmacy transactions, among other tasks in workers comp.

"Adequate access outside of comp is important," he said.

Yet a divided Congress and a Republican administration could hinder any changes to health care, according to Mr. Walls. "You'd like to think both parties will work together... but my gut tells me it's going to be ugly," he said.



A GROWING CONSENSUS

85% of 2,000 Americans surveyed in July believe that marijuana should be legalized for medical use

Four out of five said that medical marijuana should be regulated like other medicines, with U.S. Food and Drug Administration oversight and prescriptions from a medical professional

Source: The Harris Poll, 2018

Medical, recreational pot gain wider approval

Election Day was a good day for medical marijuana proponents. Medical marijuana is now legal in 32 states and the District of Columbia, following an Election Day in which Missouri voters adopted a ballot measure to regulate medical cannabis use in the state and Utah voters adopted Proposition 2, which regulates the licensed production and distribution of medical cannabis products to qualified patients who possess a physician's recommendation.

The Election Day results helped further the long-held notion among workers compensation experts that the drug — touted as a pain-medicine alternative — is not going anywhere despite its illegal categorization by the federal government. But even the federal government, which classifies the drug as a Schedule I substance on par with heroin and cocaine, is showing signs of a shift, according to experts.

In October, President Donald Trump directed the U.S. Food and Drug Administration to seek public comments by the end of the month on whether marijuana ought to be reclassified



under international drug treaties, which maintains that participating countries agree to keep marijuana illegal. Those comments were not made public as of publication.

Meanwhile, on the pharmaceutical front, the Drug Enforcement Administration in September published a final order rescheduling certain drug products that have been approved by the FDA that contain cannabidiol, often cited as the pain-relieving component of the marijuana plant. This follows the FDA's approval in June of a cannabis-based drug to treat epilepsy patients.

The focus on cannabidiol warrants

attention, as this element of marijuana does not contain or contains a negligible amount of tetrahydrocannabinol, or THC, which is the psychoactive component of the marijuana plant that causes intoxication, according to several experts.

The federal government is likely to pull chemicals out of marijuana for rescheduling, but maybe not the entire drug, experts say.

Research into the efficacy of medical marijuana is also expected to expand, said Lisa Anne Bickford, Sacramento, California-based director of workers comp government relations for Coventry Workers' Comp Services. "It just makes

sense — do the research and then make the decision on whether it should be rescheduled," she said.

The resignation of Jeff Sessions as attorney general after the election could also have ramifications for medical marijuana use, said Ms. Bickford.

"That has a lot of implications" because of his negative stance on medical marijuana, she said.

"There is tremendous momentum" for legalization, said Mark Pew, Atlanta-based senior vice president of product development and marketing for workers compensation pharmacy benefits manager Preferred Medical.

"Medical marijuana is never going away — there is billions of dollars at stake for the green rush," he said.

Recreational marijuana is also trending following Election Day, in which Michigan voters joined 10 other states and the District of Columbia in approving recreational marijuana although Nebraska voters rejected a measure to legalize the cultivation, possession, use and distribution of marijuana for individuals aged 21 years or older.

Louise Esola

Regarding other elements of health reform, the Property Casualty Insurers Association of America is more concerned about the continuing shift toward high-deductible plans — a growing trend and a cornerstone in the marketplace — that could affect workers comp, despite the election.

"This trend creates an incentive to shift claims from high-deductible health insurance to no-deductible, no co-pay workers compensation insurance. This trend is likely to continue as long as the cost of medical care and pharmaceuticals continue to rise," said Robert Gordon, PCI's Washington-based senior vice president of policy, research and international, in an email.

"We believe occupational health and safety is without politics (and) our message is the same: making sure people go home safely at night to their families."

Jim Thornton,
American Society of Safety Professionals

"As hospitals and other medical providers get squeezed by health reforms, they are under further pressure to raise costs where there aren't such strong controls," he said.

Yet, on the flip side, the expansion of Medicaid is another party promise and issue to watch, according to Ms. Miller.

"If Medicaid (subscribers) rise and more people have access to health care, it will affect comp because if more people have more access to health care frequency will level out," she said.

Two potential changes to medical care offerings

across the board are also likely to further affect workers comp: drug pricing and telemedicine, according to experts.

"The drug conversation will be positive, and it may move the needle finally" on pharmaceutical costs, said Mr. Allen. Such changes have garnered bipartisan support in the past, and with recent "cost increases that seem inexplicable," even in the realm of generic drugs, that could push lawmakers to act, he added.

Expanding Medicare offerings for older Americans in the telemedicine space is another change likely on the forefront, according to Mr. Allen. Such a move would affect workers compensation, as any expansion into health care conducted over the phone or internet will likely expand into treating injured workers, he said.

Another plus for injured workers could be that the federal government could zero in on what some Democrats nationwide have seen as an "erosion of benefits" under state systems, said Mr. Allen.

Lawmakers at the federal level "could initiate some efforts of discovery as far as figuring out what is happening in the comp space and are we adequately handling comp claims," Mr. Allen said.

Prompting the conversation could be the latest news that workers comp rates for employers have declined across the states, some to the tune of double-digit decreases, according to experts anticipating more worker-friendly measures across the country.

"In certain states, with rates being down like they are, I wouldn't be surprised to see a push to increase benefits," said Mr. Walls. "The conversation I see is rates are down, employers are benefiting. There's the argument that they could pay more to improve coverages for employees."

Gloria Gonzalez contributed to this story.

CLASSIFIED

NOTICE OF THE SCHEME MEETINGS		CR-2018-008390
IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (CHD)		
STRONGHOLD INSURANCE COMPANY LIMITED		
And		
IN THE MATTER OF THE COMPANIES ACT 2006		
NOTICE IS HEREBY GIVEN that, by an order dated 31 October, 2018 made in the High Court of Justice, Business and Property Courts of England and Wales in the matter of Stronghold Insurance Company Limited (the "Scheme Company") and the Companies Act 2006, two meetings of the Scheme Creditors (as defined in the scheme of arrangement hereinafter mentioned) were ordered to be summoned for the purpose of considering and, if thought fit, approving a scheme of arrangement proposed to be made between the Scheme Company and its Scheme Creditors pursuant to part 26 of the Companies Act 2006 (the "Scheme").		
The Scheme is proposed between the Scheme Company and its Scheme Creditors. Scheme Creditors are creditors in respect of any liability of the Scheme Company arising under or out of any Insurance Contract to which the Scheme Company is subject at the date of the Scheme or to which it may become subject thereafter by reason of an obligation incurred before that date. For these purposes, an Insurance Contract is a contract or a policy of direct insurance, reinsurance or retrocession of any kind whatsoever entered into by or on behalf of the Scheme Company or in relation to which the Scheme Company has assumed liability. Scheme Claims exclude Excluded Liabilities which are defined to mean any Liabilities of the Scheme Company in respect of legal or other costs and Previously Agreed Liabilities. A copy of the Scheme and a copy of the statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms a part. Voting forms for use at the meetings are also enclosed with this document.		
The Court has ordered that the Company should convene two meetings of Scheme Creditors to vote on the Scheme as follows:		
1. a meeting of those Scheme Creditors in respect of Notified Outstanding Liabilities (as defined in the Scheme) (the "Notified Outstanding Scheme Meeting"); and		
2. a meeting of those Scheme Creditors in respect of IBNR Liabilities (as defined in the Scheme) (the "IBNR Scheme Meeting"),		
each individually a "Scheme Meeting" and together, the "Scheme Meetings".		
The Scheme Meetings will be held on 20 February 2019 at the offices of Clifford Chance LLP, located at 10 Upper Bank Street, London E14 5JJ as follows:		
1. the Notified Outstanding Scheme Meeting shall commence at 10.00 a.m. (London time); and		
2. the IBNR Scheme Meeting shall commence at the later of 10.10 a.m. (London time) or as soon as possible following the conclusion of the Notified Outstanding Scheme Meeting.		
Each Scheme Creditor or its proxy will be required to register its attendance at the relevant Scheme Meeting prior to its commencement. Registration will commence at 9.30 a.m. (London time).		
Scheme Creditors may attend the Scheme Meetings either in person or by a proxy appointed by them. In order to enable Scheme Creditors to vote at the Scheme Meeting (whether in person or by proxy), Scheme Creditors are requested to complete and submit a Proxy Form in accordance with the procedures described in the Scheme Document, so as to be received by the Scheme Company by no later than 5.00 p.m. (London time) on 19 February 2019, although if it is not so submitted, it may be handed to the chairman of the relevant Scheme Meeting at the commencement of the Scheme Meeting.		
By the order, the High Court of Justice has appointed Dan Schwarzmann or failing him, Nigel Rackham, to act as chairman of the Scheme Meetings and has directed the chairman to report the result of the Scheme Meeting to the Court. The chairman of the Scheme Meeting will address Scheme Creditors generally on the Scheme and on the issues relevant to voting at the commencement of the Scheme Meetings.		
The Scheme will then be subject to the subsequent sanction of the Court.		
Dated 9 November 2018 Clifford Chance LLP 10 Upper Bank Street, London E14 5JJ Solicitors to the Scheme Company		

Small incidents lend clues to fatality risks

BY LOUISE ESOLA

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A worker at a construction site is walking when a large steel I-beam falls next to him, grazing his arm. He might be a little shaken up and need a bandage, but on the surface the injury might not appear to warrant reporting or paperwork.

However, these are exactly the types of minor incidents workplace safety professionals should be paying additional attention to, experts say.

“There is very little injury but the problem is it could have killed him,” said Taylor Abel, Tampa, Florida-based director of safety for United Rentals Inc., a Stamford, Connecticut-based industrial equipment rental company. “If we treat that as a first-aid (incident) we are not going to be able to prevent that in the future, and when it happens again it could easily kill or seriously maim the individual.”

Mr. Abel, among the employer participants of a recent study on fatal and near-fatal workplace injuries, was explaining by example a reality that safety profes-



sionals can often overlook: Don't ignore the small stuff.

With workplace fatalities on the rise, new safety research is outlining the ways that a deep dive into could-happens, near misses and smaller, less serious incidents could help prevent on-the-job deaths.

Referring to a pyramid to illustrate workplace incidents, with the relatively small number of fatalities at the top and droves of non-injury accidents at the bottom, an increased focus on those less serious incidents could help identify hazards that could be mitigated or eliminated, reducing the potential for more serious incidents that could result in fatalities, according to Joy Inouye, a researcher with the Itasca, Illinois-based National Safety Council's Campbell Institute and author of the white paper “Serious Injury and Fatality Prevention: Perspectives and Practice,” released Oct. 23.

Why focus on fatalities when such incidences remain in the minority when it comes to workplace accidents overall? Because the more serious tragedies have peaked in recent years, according to data

compiled by the U.S. Bureau of Labor Statistics.

According to the most recent figures, there were three recordable non-fatal incidents per 200,000 working hours in 2016 — a drop from a high of 8.5 recordable incidents in 1992 and a figure in line with the downward trend of fewer workplace mishaps resulting in injuries. Yet that same data revealed that 5,190 workers died on the job in 2016 — an eight-year high. The BLS is set to release its newest batch of data for 2017 in December.

“(Employers) are doing a good job at preventing things happening at the lower end of the triangle, but unfortunately there are years when they have fatalities,” said Ms. Inouye, about the shifting focus for safety professionals who want to reduce deadlier incidents.

“We are doing so well at preventing the near misses, but what do we need to do to prevent the fatalities?” said Ms. Inouye.

The key is to look at all incidents — namely, precursors to accidents, recordable injuries, lost-time injuries and fatalities — and seek out those with serious

injury and fatalities potential because upon close inspection the potential is often there, she said.

“We're looking at that slice of the pyramid, incidents with (serious injury and fatal) potential,” she said, referring to a new illustration where potential is everywhere.

Philadelphia-based utilities firm PICO Energy Co., which also participated in Ms. Inouye's study, began collecting minor-incident reports four years ago as a way to halt the more serious incidents, according to Ben Kao, PICO Energy's manager of safety and human performance.

“The general direction (for workers) is just tell us your stories and let us figure out what it actually is,” Mr. Kao said.

“It can be as simple as ‘there's water on the floor’ or as big as ‘this thing almost fell on my head.’ We are trying to mature to a place where those types of incidents where no one was injured gets treated the same way as if someone was seriously injured so we can put any corrective action in place,” he said.

The change has been an “ongoing process” and getting employees on board is easier when supervisors explain why the company is focusing on the smaller incidents and near-misses, and how a minor incident can turn major, Mr. Kao said.

Safety experts recall the 2005 oil refinery explosion in Texas City, Texas, known in government and safety circles as the “BP America refinery explosion,” in which a series of near misses that were not tracked helped contribute to the accident that killed 15 workers and injured 180 others, according to Mr. Abel.

“What (investigators) found was that the Texas City refinery was so focused on recordable (injury) rates that they lost sight and focus on potentially serious incidents,” said Mr. Abel. “That's when the lightbulb went off. We have to look at potential rather than actual outcomes for minor incidents.”

FATALITIES IN THE WORKPLACE

- 5,190 fatal work injuries recorded in the United States in 2016, a 7% increase from the 4,836 reported in 2015
- Fatal work injuries from falls, slips or trips continued a general upward trend that began in 2011, increasing 6% to 849 in 2016 and 25% overall since 2011.
- Falls increased more than 25% in 2016 for roofers, carpenters, tree trimmers and pruners and heavy and tractor-trailer truck drivers.
- In 2016, fatal injuries among transportation and material moving occupations increased by 7% to 1,388, the highest count since 2007 and accounting for more than one-quarter of all work-related fatalities.

Source: U.S. Bureau of Labor Statistics

ACCIDENTS WILL HAPPEN BUT COMPANY CULTURE CAN HAMPER CHANGE

While looking at smaller incidents and near misses can be key in finding ways to alter company policies, companies may be reluctant or slow to self-inspect root causes of serious injuries and fatalities, partly because of company culture, said Bill Spiers, Charlotte, North Carolina-based vice president, unit manager and risk control strategies practice leader for Lockton Cos. LLC.

Mr. Spiers recalled a client incident where a forklift operator was driving too fast, with the forks too high off the

ground. One fork clipped a beam in the plant, spun the vehicle and tipped it over. The driver, who had not been wearing his seatbelt, fell out of the forklift cab, then the forklift landed on him and crushed his pelvis and broke his femur, Mr. Spiers said.

After the investigation, “we understood the system that that guy was operating in was the prominent cause,” he said. “Management wanted to fire him because he wasn't wearing his seatbelt, but my suggestion was to not fire him — that they had a production problem, that they told

him to work overtime and hurry up.”

“That created a lot of problems and shortcuts,” said Mr. Spiers, adding that the company's production demands were a precursor to the event rather than the employee failing to wear his seatbelt.

A key to lowering fatalities lies in an organization's ability to look inward, said Joy Inouye, Itasca, Illinois-based research associate with the Campbell Institute, the research arm of the National Safety Council, which has been studying underlying causes of fatalities.

“It's really not about fixing the worker; humans are going to make mistakes,” said Ms. Inouye. “Instead of blaming the worker for not putting on his seatbelt, start to look at those organizational factors that contributed to that.”

“(If) there's a company culture of production, production, production and you have those kinds of organizational pressures, that will lead someone to take that sharp turn, to not put on their seatbelt, to have that injury,” she said.

Louise Esola



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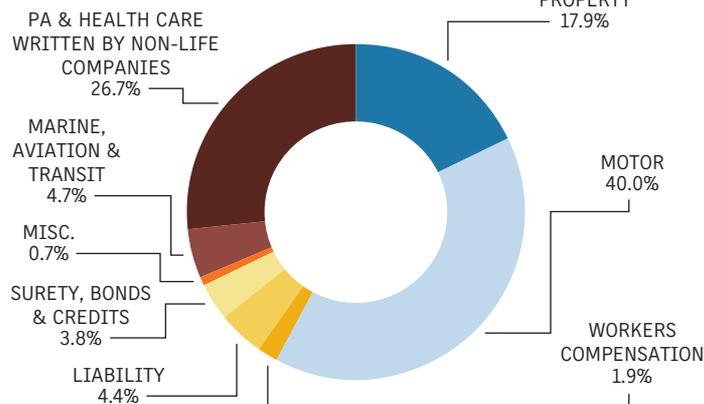
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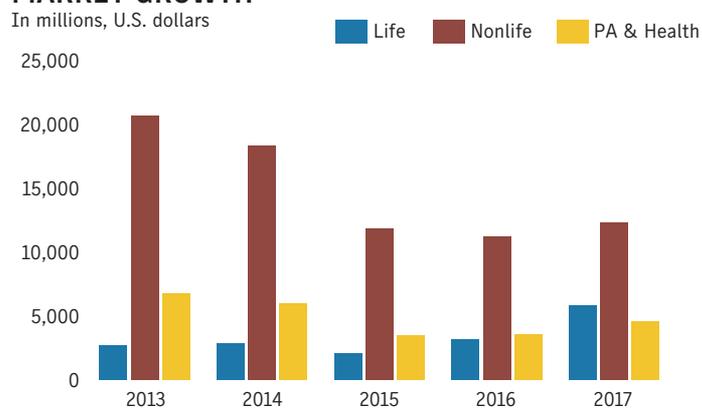
GLOBAL
P/C MARKET
RANKING

Russia is rich in natural resources, and the production of oil, gas and metals dominates the economy. The transition from a centrally planned economy to a free market has proceeded haphazardly, and up to 50% of the economy remains state-directed. Russia's decision in 2014 to annex the Crimea region of Ukraine prompted the U.S., EU and others to adopt targeted sanctions against individuals and companies with links to the Kremlin. The relatively low penetration rates of both commercial and consumer insurance mean that Russia's market promises huge potential growth in the coming decades, having proved itself resilient to the effects of economic recessions in 2008 and 2014, as well as international sanctions. In the short-term, however, achieving any significant growth in the property/casualty insurance market is likely to be challenging; operating conditions remain tough as financial market conditions are poor and stricter regulation is being imposed.

MARKET SHARE



MARKET GROWTH



Source: Axco Global Statistics/Industry Associations and Regulatory Bodies

COMPULSORY INSURANCE

- Auto third-party liability
- Third-party liability for owners of hazardous facilities
- Aviation liability
- Liability insurance for rocket launches
- Shipowners liability against marine oil pollution
- Insurance (or bank guarantee) for self-regulating organizations in the construction industry, including architects/construction engineers

NONADMITTED

Unauthorized insurers cannot carry on insurance activity in Russia. The law is silent on the subject of nonadmitted insurance of risks located in Russia, but admitted cover is implied, with some exceptions. Adverse tax treatment of premium and claims payments may make nonadmitted insurance impractical in most cases.

INTERMEDIARIES

Intermediaries must be authorized to do insurance business; brokers must be licensed locally by the supervisory authority, while agents are registered and authorized by insurers. The activity of nonresident insurance brokers in Russia is not permitted except in the capacity of a reinsurance broker.

MARKET PRACTICE

Market practice is for risks to be insured by Russian-domiciled insurers and, where necessary or desirable, for reinsurance to be placed outside the country with foreign reinsurers, including into global and captive insurance programs if required.



AREA

6,323,142

square miles

POPULATION

144

million

MARKET CONCENTRATION

51.5%

market share of top five insurers

2017 GDP CHANGE (PROJECTED)

1.6%

MARKET DEVELOPMENTS

Updated September 2018

- In 2016 and 2017, the Central Bank of Russia reissued and updated its regulations on the formation of insurance reserves, investment of own capital and reserves, and calculation of solvency in order to strengthen insurers' financial stability. A new chart of accounts and the XBRL electronic system reporting requirement came into force Jan. 1, 2018, presenting significant challenges to insurers.
- Amendments to the law on insurance that went into effect Jan. 28, 2018, established the need for preapproval by the Central Bank for certain levels of acquisition of insurance company shares, as well as introducing requirements for the qualifications and business reputation of insurance executives.
- Amendments dated April 23, 2018, were passed to Federal Law No 127-FZ On Insolvency in relation to the insurance sector. The changes granted significant powers to the Central Bank to implement the financial remediation of failing insurance organizations.
- Federal Law No 123-FZ, adopted June 4, 2018, established a financial services ombudsman, initially for the insurance sector only, under the umbrella of the Central Bank.
- The Russian National Reinsurance Co. was registered and licensed in 2016 and began writing business Jan. 1, 2017. Mandatory cessions apply for most classes of business.
- Cleaning of the market by the Central Bank as well as further consolidation characterized 2017-18. The Rosgosstrakh/Otkritie merger required bailout support from the Central Bank of Russia, while two major insurers, Sogaz and VTB Insurance, planned to merge in 2018.

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School district must face bus crash suit

■ The 6th U.S. Circuit Court of Appeals in Cincinnati reinstated a lawsuit filed against a Tennessee school district over a school bus crash that killed six students and injured several others, stating its dismissal from the litigation was premature.

In November 2016, the bus carrying 37 students slammed into a tree, flipped over and split apart, according to news reports. The school bus driver was found guilty of criminally negligent homicide and sentenced to four years in prison in April. But the U.S. District Court in Greeneville, Tennessee, dismissed litigation filed on behalf of the injured children against the school district, the school bus driver and the school principal individually, according to documents in *M.S. et al. v. Hamilton County Department of Education et al.*

The 6th Circuit ruling affirmed dismissal of the case against the school bus company, Lisle, Illinois-based Durham School Services LP, but reinstated the litigation against the school district.

“Plaintiffs’ theory of liability is that (the school) principal failed to protect the students from a danger that the principal created,” said the ruling, which added the school district and bus company had received complaints about the driver before the accident. The plaintiffs charged the principal was culpable because she had instructed the children to board the bus knowing the driver’s driving was dangerous. “Whether these allegations will be borne out by evidence must wait for later stage in this litigation, which should not have been terminated at the motion-to-dismiss stage,” said the ruling.

Firing after abortion lawsuit proceeds

■ The U.S. District Court in Tampa, Florida, refused to dismiss a discrimination case filed by a bank teller allegedly fired because she had an abortion.

Elena DeJesus, who started her job as a bank teller for Florida Central Credit Union in Clearwater, Florida, on Nov. 1, 2016, discovered the next day she was

pregnant and informed her supervisor, according to the ruling in *Elena DeJesus v. Florida Central Credit Union*.

Ms. DeJesus’ supervisor approved the time off for the Nov. 10, 2016, abortion, and along with another supervisor gave her a two-week performance evaluation on Nov. 16 and found no disciplinary issues. But a branch manager told her she was being terminated for her absence from work the day of the abortion because “the medical procedure was not an appropriate excuse for her absence.”

Ms. DeJesus sued the credit union, charging wrongful termination. In its ruling, the District Court said Title VII of the Civil Rights Act of 1964, as amended by the Pregnancy Discrimination Act of 1978, forbids discrimination on the basis of “pregnancy, childbirth or related medical conditions.”

“DeJesus alleged that she is a member of a protected class based on her sex and her pregnancy, that she was qualified for her position based on her outstanding performance evaluation, and that she was terminated for her preapproved absence to have a medical procedure to terminate her pregnancy ... DeJesus has pleaded enough factual matter to survive dismissal,” said the ruling in refusing the credit union’s motion to dismiss.



Insurer wins dispute over new siding

■ The 6th U.S. Circuit Court of Appeals in Louisville, Kentucky, ruled in favor of an insurer in a long-running dispute with an apartment complex owner over replacement siding.

C.F.L.P.1 LLC in Louisville, doing business as Arcadia Apartments, owns an apartment complex that was damaged by a 2012 hailstorm, said the ruling in *The Cincinnati Specialty Underwriters Insurance Co. v. C.F. L.P.1 LLC*. Cincinnati Specialty, a unit of Cincinnati Insurance Cos., disbursed about \$25,000 in repairs. But Arcadia claimed its policy required the insurer to furnish matching siding or, because it was impossible to match Arcadia’s aging siding, to replace all siding on

all buildings at a cost of more than \$1 million. Each party selected an appraiser to consider the issue.

In litigation in U.S. District Court in Louisville, Arcadia charged Cincinnati with bad faith and violating the Kentucky Unfair Settlement Claims Practice Act. It also argued the insurer’s nomination of allegedly biased appraisers in the case constituted a material breach that entitled it to a jury trial.

“Over the course of four years of contentious litigation,” the District Court ruled in the insurer’s favor. A unanimous three-judge panel of the 6th Circuit affirmed, saying the “text of the policy shows that it is indeed an actual cash value policy,” in holding the insurer is not obligated to pay for the siding’s replacement.

Award overturned in Allstate dismissals

■ The 7th U.S. Circuit Court of Appeals in Chicago overturned a jury verdict of more than \$27 million awarded to four fired Allstate Insurance Co. portfolio managers, stating they had failed to prove the insurer’s alleged defamation hindered their job prospects.

In 2009, Northbrook, Illinois-based Allstate launched an internal investigation into suspicious trading on its equity desk, according to documents in *Daniel Rivera et al. v. Allstate Insurance Co.* The initial inquiry found email evidence suggesting the portfolio managers had timed their trades at the expense of their portfolio, which included two pension funds. Investigations determined the timed tradings had potentially cost the pension funds \$91 million, which Allstate reimbursed to the funds.

The traders were accused of violating the insurer’s conflict-of-interest policy by timing trades and terminated for cause in December 2009. In February 2010, Allstate reported the incident in its annual Form 10-K and the same day sent a memo to employees in its investment department about the situation, neither of which identified the traders.

They sued Allstate in U.S. District Court in Chicago for defamation based on the 10-K and the memo and were awarded a total of more than \$27 million by the jury. But the verdict was vacated by a unanimous three-judge panel of the 7th Circuit.

“The statements in the 10-K and internal memo were not defamatory per se, so they are actionable (if at all) only on a theory of defamation per quod,” said the ruling. “Plaintiffs testified that they could not find comparatively lucrative work after they were fired, but they presented no evidence that any prospective employer declined to hire them as a consequence of Allstate’s statements in the 10-K or the internal memo.”

DOCKET



WISCONSIN FIRE RULED SINGLE OCCURRENCE

The Wisconsin Supreme Court ruled that the Germann Road Fire, in the Wisconsin towns of Gordon and Highland in Douglas County and Barnes in Bayfield County, constitutes a single occurrence pursuant to a commercial general liability policy. Therefore, the \$500,000 per-occurrence limit for property damage applies in the case of *Secura Insurance v. Lyne St Croix Forest Company LLC*. The ruling reversed lower court decisions that concluded that the \$2 million aggregate limit applied.

COURT REINSTATES SALESMAN’S BIAS SUIT

The 9th U.S. Circuit Court of Appeals in San Francisco reinstated a fired salesman’s racial discrimination charges in *Terrance Walker v. Charter Communications Inc. and Charter Communications LLC* after they were dismissed by a lower court. Mr. Walker, who is black, was terminated after Charter said he behaved unprofessionally, while a white co-worker was kept on after addressing their supervisor in a “flippant, brazen tone,” documents state. The 9th Circuit ruled that “conflicting accounts about whether Walker actually engaged in the unprofessional conduct alleged by Charter creates a genuine issue of material fact whether Charter discriminated against Walker on the basis of his race.”

JOB, CANCER LINK IN DEATH NOT PROVED

The Tennessee Supreme Court ruled a deceased 30-year coal worker’s pancreatic cancer was not proved to have come from job exposure and that his widow can’t collect workers compensation survivor benefits. Records from a cross examination of the doctor who supported the claims of Georgette McCroskey, widow of Marcus McCroskey, revealed he “acknowledged he has no prior experience with coal tar pitch exposure and he has never treated patients with pancreatic cancer; indeed, he does not treat patients.”



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*A+ (superior) A.M. Best Financial Strength Rating (FSR) current as of May 2018. See [ambest.com](https://www.ambest.com) for rating information.

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Lori Goltermann, CEO of U.S. commercial risk and health at Aon PLC, oversees the brokerage's U.S. retail business. In her more than 25 years at the brokerage, she has worked on both property/casualty and health and benefits lines of business. Named one of the 2016 *Business Insurance* Women to Watch, Chicago-based Ms. Goltermann is one of the most senior female executives at Aon. She recently spoke with *Business Insurance* Editor Gavin Souter about the changing demands of risk managers, how the insurance sector is evolving and the ways technology will change the industry. Edited excerpts follow.

Lori Goltermann

AON

Q What are the top concerns of risk managers and how have they changed?

A The top concerns of clients are switching from the traditional lines of business to the emerging risks they are facing. In our annual global risk management survey, 60% of the top 10 risks had no commercial solution. Cyber, for example, has over \$300 billion in losses but only \$3 billion in premium, so there's a pretty big gap in the transferability of that risk.

The new thing that's emerging is that for S&P 500 clients, 75% of their assets are now intangible assets. We are really focused on sitting down with our clients and spending time on how they are trying to grow their business, what new risks are coming with that growth strategy and then coming up with commercial solutions for them.

Q Are those insurance solutions?

A We are really focused on finding solutions on how clients want to protect their balance sheet, what risk do they want to keep in-house and how do they want to find a capital risk solution? Many times, there is a commercial solution available, oftentimes there is not. When you think about the digital transformation we are going through, with an account like Uber (Technologies Inc.), for example, we've had to literally create a market that's on a per-usage basis as opposed to a per-vehicle basis. I think we are going to be experiencing a lot more of that as digital transformation changes how our customers interact with their clients and how they are distributing their goods.

Q What are the positives and negatives of insurance industry consolidation?

A There's still a significant amount of mergers and acquisitions activity, and I think in every case the goal is to either increase the geographic footprint or increase the specialty capability. That's always good for

clients, and the seller usually comes out with a stronger balance sheet.

The negative side is really the integration risk. We are still a people business, a relationship business, so how will that integration impact the team that you've been working on for years? For any successful transaction to reach its full potential, focusing on the impact on the people and the relationships that you've had over a long period of time is really a critical piece of the equation.

will change in the future, how we do that last mile of the policy placement. It's an exciting time for everyone in our industry to think about how can we change the way we do some of the back-office and middle-office work so we can reinvest that time into the front end of the strategy.

This past hurricane season, we used drones as part of our assistance to clients to understand how damaged were their sites. We were able to look at a grocery store chain, send in the drone, send pictures to the client and help them determine where they could stand up a pop-up grocery store for the community and which sites had too much damage and we had to focus on debris removal. It's wildly changing our commercial environment, and it's going to be exciting to see what the next few years bring.

Q What about risk assessment?

A Technology and risk assessment is one of the key areas where our whole business is changing. The use of data and analytics to assess risk is where we'll see the biggest change. This past year we looked at Aon and said, "What are all the tools that we can bring to clients?" and we cataloged almost 70 of those tools. They apply differently by industry, by client size, and we are thinking about ways that we will have clients both today and many more in the future that actually want to access that information in real time through their own portal.

An example might be CyQu, which is a technology tool that helps a client model their resiliency to a cyber attack. Every client of every size needs that type of tool, and we can put that on their desktop today. Not all clients want to access the tools directly — some still want to have their brokers bring the consulting and advisory work around them — but I think as we start to think about the risk manager of the future and those that are much more comfortable with technology, delivering these tools in a way that clients can access them directly to make better business decisions on how to take risk, that's going to be how technology impacts our risks and how we assess them in the future.



Q Technology has already disrupted personal lines distribution; how do you see it affecting commercial lines distribution?

A Technology is really being embraced by all our clients. We use the term "digital transformation" and how it is affecting the client, so I see it in the strategies and the conversations that are happening where the clients are looking at different ways to access their customers, to have that customer experience, and they are embracing it when they think about how to distribute their products or even how their supply chain may change and alter as they embrace the digital transformation.

The conversations that we are having when we develop the commercial program are more robust, but the real opportunity to the industry is the insurtech space. There's been over \$1.7 billion invested in insurtech, and it's largely, I think, a very useful tool to think about how we work together. How we will send a submission

The top concerns of clients are switching from the traditional lines of business to the emerging risks they are facing ... We are really focused on sitting down with our clients and spending time on how they are trying to grow their business, what new risks are coming with that growth strategy and then coming up with commercial solutions for them.

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Insurance sector employment trends

BY ANDY TOH
atoh@businessinsurance.com

Seventy-nine percent of insurance professionals surveyed said they were satisfied or extremely satisfied with their jobs, even though on average they have been in the same role for 9.7 years and have worked in the insurance/health and benefits/risk management industry for 20.1 years. Only 20.5% surveyed said they plan to actively look for a new position in the next 12 months, even in this excellent job climate.

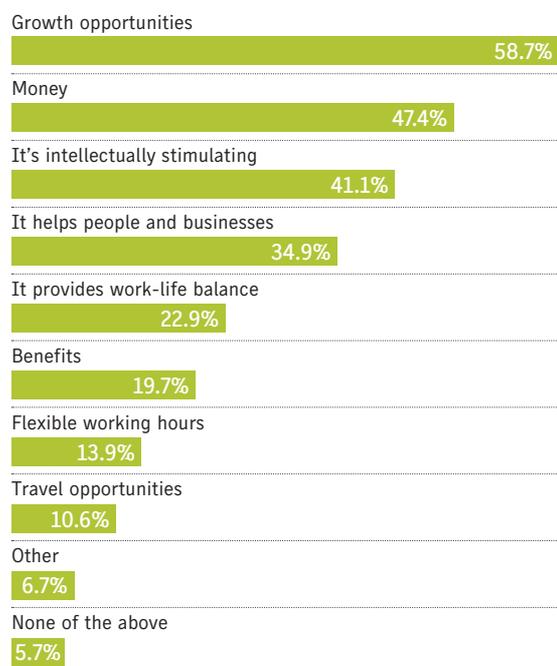
The *Business Insurance* Diversity and Inclusion Institute, with the help of the National African American Insurance Association, the Gamma Iota Sigma collegiate risk management and insurance fraternity and the Women's Insurance Networking Group, conducted an online survey through

emails and social media outreach that gathered a total of 898 responses worldwide in June and July of this year. However, the base used in this report was the total answering each question from the 823 responses from U.S.-based insurance and risk professionals.

The top three factors that attracted our survey respondents to the industry were growth opportunities at 58.7%, money at 47.4% and intellectual stimulation of the industry at 41.1%. Respondents were asked to pick only three factors that attracted them to the industry, and rounding out the top six were helping people and businesses at 34.9%, providing work-life balance at 22.9% and benefits at 19.7%.

Source: BI Survey

INDUSTRY ATTRACTION



While growth opportunities and money were ranked Nos. 1 and 2 consistently across the different demographic groups, depending on life stages and background, other priorities differed. For example, millennials tended to see being intellectually stimulated and having flexible working hours equally attractive, tying them for No. 3 at 33.3%, compared with helping people and businesses, which was more important to Generation X and baby boomers.

	Millennials	Gen X	Baby boomers
Growth opportunity	58.3%	61.8%	56.4%
Money	55.3%	47.8%	44.0%
Intellectually stimulating	33.3%	43.5%	42.3%
Provides work-life balance	33.3%	21.3%	19.2%
Helps people and businesses	31.1%	36.2%	35.9%

Minority groups, especially the black/African-American group, saw helping people and businesses as a more attractive factor compared with their white colleagues.

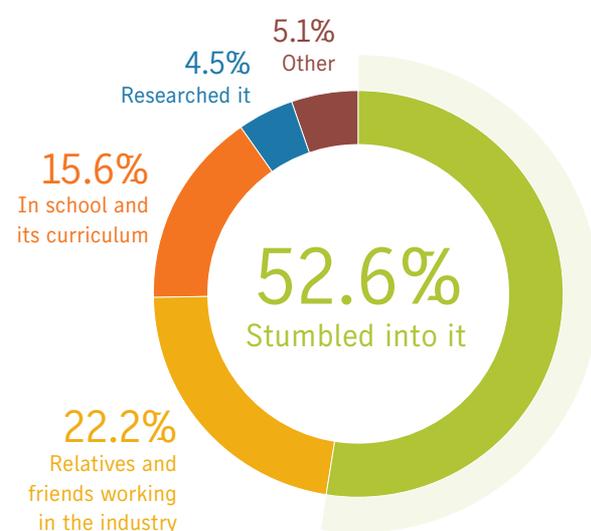
	White	Black
Growth opportunity	58.2%	56.8%
Money	47.4%	53.2%
Intellectually stimulating	44.5%	33.3%
Helps people and businesses	33.4%	36%
Provides work-life balance	24.7%	17.1%

Benefits are more important to females, Gen Xers and baby boomers compared with the overall group, ranking No. 4 as an attractive factor compared with No. 5 for the overall respondents.



INDUSTRY AWARENESS

Even though growth opportunities and money attracted most of our respondents to the industry, more than half (52.6%) said they stumbled into it. Female respondents (61.4%) were much more likely to stumble into the industry than their male colleagues (44.7%). More men (24.7%) than women (18.5%) said the first learned of the industry through relatives and friends. Thus, having connections helps, with 22.2% of respondents first learning about the industry through relatives and friends working in it, ranking second in the survey, over first learning about it in school.



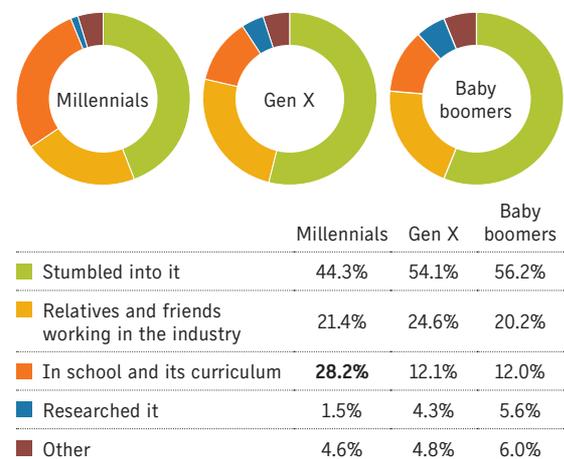
STUMBLED INTO IT



RELATIVES AND FRIENDS WORKING IN THE INDUSTRY



Millennials (28.2%) are more likely to first learn about the industry in school and its curriculum compared with their older colleagues, Gen Xers (12.1%) and baby boomers (12%). This may be an indication that the industry may be becoming more complex and professional, and risk management and insurance schools are probably offering more in their curricula to better attract and prepare younger workers in the industry than in previous eras.



EDUCATION

Of millennials, 61.4% said they have a bachelor's degree, compared with 44.7% of Gen Xers and 49.6% of baby boomers having a bachelor's degree in any discipline.

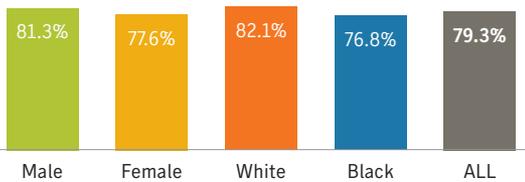
PERCENT HAVING BACHELOR'S DEGREES



CAREER SATISFACTION

In general, respondents were mostly satisfied with their current job. On a 4-point scale from "not satisfied" to "extremely satisfied," 79.3% of all respondents said they were either satisfied or extremely satisfied. Males (81.3%) were more likely to be satisfied overall compared with females (77.6%). White workers (82.1%) were more likely to be satisfied overall compared with their black colleagues (76.8%).

SATISFIED/EXTREMELY SATISFIED



Not surprisingly, then, male respondents (55.3%) are less likely to be actively looking for a new position in the next 12 months compared with female (42.2%). Of female respondents, 21.1% said they will be actively looking for a new position in the coming year, while 36.7% are not sure if they will. This is compared with only 22.3% of male respondents.

More Gen Xers (26.8%) said they will be actively looking for a new position in the next 12 months compared with 22.7% of millennials and 15.9% of baby boomers. Could this be because there are more opportunities for experienced workers in the job market, or that Gen Xers are more restless? Most baby boomers (60.9%) said they are not looking.

	Actively looking for new position	Not looking	Not sure
Male	22.4%	55.3%	22.3%
Female	21.1%	42.2%	36.7%
White	20.1%	50.7%	29.2%
Black	25.2%	50.5%	24.3%
Millennials	22.7%	45.5%	31.8%
Gen X	26.8%	34.1%	39.1%
Baby boomers	15.9%	60.9%	23.2%
ALL	20.5%	49.0%	30.5%

CAREER EXPERIENCE

On average, respondents have been working in their current roles for 9.7 years and have been in the insurance/health and benefits/risk management industry for an average of 20.1 years.

AVERAGE NUMBER OF YEARS — BY GENERATION

	Millennials	Gen X	Baby boomers	ALL
In current role	3.3 yrs	7.9 yrs	14.4 yrs	9.7 yrs
In the industry	7.4 yrs	18.2 yrs	28.1 yrs	20.1 yrs

Respondents in the largest companies tend to stay in their current jobs for a shorter period of time vs. their counterparts in smaller companies. Respondents have stayed in their current roles an average of 7.8 years in companies with \$1 billion or more in annual revenues and 7.7 years in companies with more than 10,000 full-time employees. This compares with an average of 12.6 years and 12.3 years for those working in companies with less than \$1 million in annual revenues or less than 100 employees, respectively.

AVERAGE NUMBER OF YEARS — BY COMPANY ANNUAL REVENUE

	Less than \$1M	\$10M to \$100M	\$100M to \$1B	\$1B or more
In current role	12.6 yrs	10.2 yrs	9.4 yrs	7.8 yrs
In the industry	22.4 yrs	20.2 yrs	18.0 yrs	19.6 yrs

AVERAGE NUMBER OF YEARS — BY COMPANY SIZE OF FULL-TIME EMPLOYEES

	Less than 100	100 to 999	1,000 to 9,999	10,000 or more
In current role	12.3 yrs	9.4 yrs	9.0 yrs	7.7 yrs
In the industry	22.6 yrs	18.8 yrs	19.2 yrs	19.6 yrs

CAREER PROGRESSION

Tenure in the largest companies was longer probably due to a more formal career progression process compared with the smaller companies. Respondents in the largest companies by revenue and by employee size were twice as likely to receive performance reviews, salary increases and promotions compared with the smallest companies. And those in the largest companies were also almost twice as likely to be able to switch jobs within the same company than those working in the smallest organizations surveyed.

	Less than \$1M	\$10M to \$100M	\$100M to \$1B	\$1B or more	Less than 100	100 to 999	1,000 to 9,999	10,000 or more
Received a performance review	32.9%	59.0%	76.5%	80.4%	31.5%	70.1%	78.7%	80.8%
Received a salary increase/raise	28.8%	57.6%	62.2%	62.8%	32.6%	64.2%	62.6%	59.6%
Received a promotion	6.8%	13.7%	13.3%	16.0%	7.3%	15.3%	14.4%	15.8%
Switched jobs within the same company	4.8%	6.5%	6.1%	7.6%	6.7%	2.9%	5.2%	11.0%

Overall, more than half of the respondents received a performance review (64.0%) and a salary increase (53.8%) in the past 12 months. And not more than a third of the respondents are looking for greener pastures searching and/or switching to new jobs.

Received a performance review	64.0%	Accepted a job offer	8.3%
Received a salary increase/raise	53.8%	Switched jobs within the same company	6.4%
Searched for a new job	31.3%	Moved to a new company	6.4%
Went on a job interview	20.0%	Retired	2.4%
Received a job offer	16.7%	Resigned	2.0%
Received a promotion	12.9%	None of the above	12.1%
Declined a job offer	12.3%	Prefer not to answer	3.3%

SALARIES

The average base salary of this year's survey respondent was \$127,200 with an average of 20.1 years of industry experience; 63.4% said they received a bonus that averaged \$21,200; and 60.4% received a raise that averaged 4.28%.

Additionally, 20.4% drew commissions averaging \$82,800 last year.

Many factors contributed to salary differences among demographic groups, such as years of experience and seniority of positions held. Below is an overview of this year's salary scale of groups surveyed:

	Male	Female	White	Black	Millennials	Gen X	Baby boomers	ALL
Average number of years in industry	21.4 yrs	18.7 yrs	19.9 yrs	21.4 yrs	7.4 yrs	18.2 yrs	28.1 yrs	20.1 yrs
Average base salary	\$139,400	\$113,800	\$131,000	\$110,500	\$80,750	\$132,100	\$148,300	\$127,200
Average bonus	\$26,200	\$18,400	\$22,800	\$18,400	\$10,300	\$21,500	\$29,000	\$21,200
Average raise	4.66%	4.20%	4.42%	4.36%	4.99%	4.11%	3.93%	4.28%

LARGEST UNDERGRADUATE PROGRAMS

Largest U.S. colleges and universities, ranked by the number of 2017-2018 undergraduates majoring in risk management and insurance programs

Rank	University	City	Undergraduates	Courses offered
1	University of Georgia	Athens, Georgia	708	13
2	Temple University	Philadelphia	578	15
3	University of Wisconsin-Madison	Madison, Wisconsin	368	8
4	University of South Carolina	Columbia, South Carolina	354	7
5	Florida State University	Tallahassee, Florida	327	10
6	Appalachian State University	Boone, North Carolina	225	10
7	St. Joseph University	Philadelphia	185	13
8	St. John's University	New York	163	13
9	University of Louisiana at Monroe	Monroe, Louisiana	156	9
10	Troy University	Troy, Alabama	150	7
11	Illinois State University	Normal, Illinois	141	11
12	University of Mississippi	Oxford, Mississippi	140	6
13	Olivet College	Olivet, Michigan	131	14
14	Georgia State University	Atlanta	117	14
15	East Carolina University	Greenville, North Carolina	100	6
16	Indiana State University	Terre Haute, Indiana	90	11
17	University of Colorado Denver	Denver	81	9
18	University of Louisiana at Lafayette	Lafayette, Louisiana	75	7
19	University of Hartford	West Hartford, Connecticut	66	10
20	University of Cincinnati	Cincinnati	56	9

Source: BI Survey



LARGEST GRADUATING CLASSES – UNDERGRADUATE PROGRAMS

Ranked by number of students graduating from risk management and insurance undergraduate programs

Rank	University	Graduates
1	University of Georgia	208
2	Temple University	180
3	University of Wisconsin-Madison	151
4	Florida State University	120
5	University of South Carolina	105
6	Illinois State University	67
7	St. Joseph University	60
8	Appalachian State University	58
9	St. John's University	48
10	University of Mississippi	46

Source: BI Survey

LARGEST GRADUATING CLASSES – GRADUATE PROGRAMS

Ranked by number of graduates completing advanced degrees (master's and doctorate programs) in risk management and insurance

Rank	University	Graduates
1	Georgia State University	65
2	St. John's University	37
3	Butler University	35
4	Florida State University	29
5	University of Colorado Denver	11

Source: BI Survey

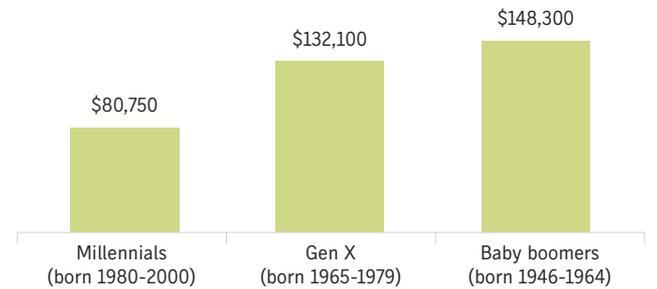
SALARY BY AGE AND WORK EXPERIENCE

In a June 2018 survey of BI readers and members of partner associations,¹ the average salary of all respondents was \$127,200 with an average of 20.1 years work experience.

AVERAGE SALARY BY WORK EXPERIENCE



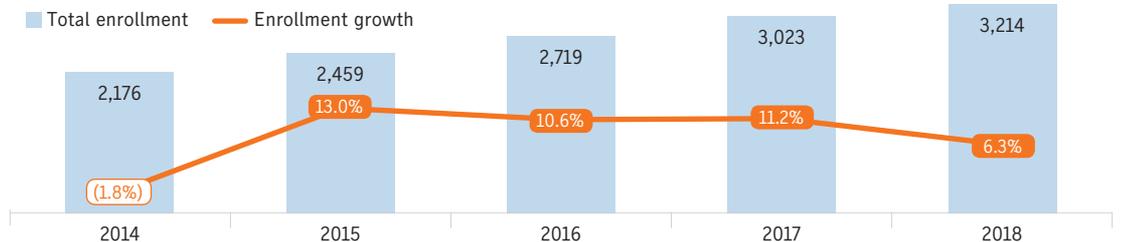
AVERAGE SALARY BY AGE



¹Including National African American Insurance Association and Gamma Iota Sigma.
Source: BI survey

ENROLLMENT TRENDS

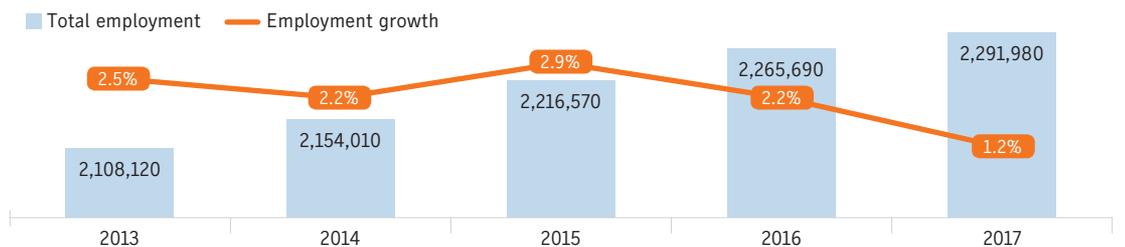
Based on annual enrollment of students majoring in risk management and insurance programs for BI's 10 largest undergraduate programs, 2014-2018



Source: BI Survey

EMPLOYMENT TRENDS

Industry-specific national employment figures for insurers and related activities sector, 2013-2017



Source: U.S. Bureau of Labor Statistics

OCCUPATION AND WAGE

2017 employment and mean wage by occupation

Occupation	Employment	MEAN WAGE	
		Annual	Hourly
Insurance sales agents	368,940	\$67,090	\$32.25
Insurance claims and policy processing clerks	233,190	\$41,250	\$19.83
Claims adjusters, examiners and investigators	202,230	\$65,850	\$31.66
Insurance underwriters	79,400	\$77,970	\$37.49
First-line supervisors/managers of office and administrative support workers	58,560	\$68,330	\$32.85

Source: U.S. Bureau of Labor Statistics

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SESSION HIGHLIGHTS

- Captives 101: The Fundamentals and Recent Developments
- Global EB: Trending Up
- Blockchains in Insurance and Captives
- Small Captives: The Innovations and Dislocations
- The Next Big Challenge for Health Care Liability Captives
- State Regulation Again! Time for a Fresh Look!
- It's Cyber and It's Insurable
- Employee Benefits: Synergies between EB and P/C Programs
- and more...



OPENING KEYNOTE: THE STATE OF THE ART

JEFF CARR

President and Senior Economist
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WOMEN TO WATCH

The *Business Insurance* Women to Watch Award program is evolving as we continue to celebrate the achievements of outstanding female executives in the insurance and risk management sector.

This year, we have added the Women to Watch Inspiration Award to recognize the work of an individual whose accomplishments establish her as a role model for younger women in the industry. While insurance has been male-dominated for years, change is gradually coming as more women take senior positions at their firms. It is the female pioneers in the sector who inspire the future women leaders of the industry.

The first Women to Watch Inspiration Award is presented to Pamela Newman, chairman of the Newman Team at Aon, and a strategic adviser to Aon PLC, in recognition of her extraordinary achieve-



ments in the brokerage world (see story opposite).

In addition, while the Women to Watch Awards are in their 13th year, 2018 also marks the second year of the Women to Watch EMEA awards. Since the program's inception, we have had many nominations and honorees from Europe, the

Middle East and Africa, so last year we established a separate awards program and recognition event to honor winners in the region. Profiles of our EMEA honorees begin on page 42.

All of the 2018 Women to Watch were selected through a rigorous nomination process. We began accepting nominations earlier this year — where we sought extensive information on nominees' expertise, leadership qualities and achievements — and the hundreds of nominations were reviewed by a panel of senior *Business Insurance* staff. After selecting finalists, we reviewed and spoke with references before naming the 15 winners from EMEA and 30 winners from North America and the rest of the world.

We hope you enjoy reading their stories.

Gavin Souter, editor

2018 WOMEN TO WATCH HONOREES

Mahshameen Ahmad
Crum & Forster Holdings Corp.
Page 28

Meg Allwein
Assurex Global Corp.
Page 28

Allison Barrett
Willis Towers Watson PLC
Page 28

Kelley Bernal
SIU LLC
Page 29

Nancy Bewlay
Axa XL
Page 30

Sandra Bigglestone
Vermont Dept. of Financial Regulation
Page 30

Nina Boone
Aon PLC
Page 30

Crystal Brown
The Doctor's Co.
Page 31

Andrea Buhl
Sedgwick Claims Management Services Inc.
Page 32

Rebecca Cady
Children's National Medical Center
Page 32

Ellen Charnley
Marsh Captive Solutions
Page 32

Laura Coppola
Allianz Global Corporate & Specialty
Page 33

Nora Deveau
Arch Insurance Group Inc.
Page 34

Lainie Dorneker
Ironshore Inc.
Page 34

Jessica Getman
Brown & Brown Northwest Insurance
Page 34

Susan Gildea
Berkshire Hathaway Specialty Insurance Co.
Page 35

Mona Hanna
Michelman & Robinson LLP
Page 36

Kathy Kranz
Pinnacol Assurance
Page 36

Aquanda Lewis
One Call Care Management
Page 36

Deirdre Martin
American International Group Inc.
Page 37

Carolyn Polikoff
Woodruff-Sawyer & Co.
Page 38

Risa Ryan
Munich Reinsurance America Inc.
Page 38

Rekha Schipper
Tangram Insurance Services
Page 38

Sarah Sherman
JLT Specialty USA
Page 39

Mary Beth Smykowski
Masco Corp.
Page 40

Sonja Teague
ESIS Inc.
Page 40

Liz Walker
Groupon Inc.
Page 40

Jeanette Ward
Texas Mutual Insurance Co.
Page 41

Cate Whiddon
Westchester
Page 41

Karen Williams
Krauter & Co.
Page 41

EMEA HONOREES

Olivia Cooper
Willis Towers Watson PLC
Page 42

Sarah De Rocco
Marsh SpA
Page 42

Kirsten Early
Broadspire UK
Page 42

Catherine French
Marsh Ltd.
Page 43

Debbie Hobbs
EmergIn Risk
Page 43

Gladys Karuri
Britam Holdings Ltd.
Page 43

Jane Kielty
Aon PLC
Page 44

Jacqueline Legrand
Brokerslink
Page 44

Ewa Machlarz
Travelers Insurance Co. Ltd.
Page 44

Delphine Traore Maidou
Allianz Africa
Page 45

Jennifer Martin
Pen Underwriting Ltd.
Page 45

Sima Ruparella
AIG Europe Ltd.
Page 45

Leonora Siccardi
Aon Reinsurance Solutions
Page 46

Kadidja Sinz
Liberty Specialty Markets
Page 46

Hélène Stanway
Axa XL
Page 46

BUSINESS INSURANCE

WOMEN INSPIRATION TO WATCH AWARD

Pamela J. Newman

Pamela J. Newman was reluctant to enter the insurance industry at first but on closer inspection found it intriguing, and over the past 35 years she has become one of the most successful executives in the sector.

As one of the top producers in the business — starting at Marsh & McLennan Cos. Inc. before moving to Aon PLC — she handles a wide variety of clients and risks as chairman of the Newman Team at Aon.

In recognition of her extraordinary accomplishments in the brokerage world, Ms. Newman is the first recipient of the *Business Insurance Women to Watch Inspiration Award*.

“She is truly one of the most effective brokers I’ve worked with in my history in the insurance industry,” said Patrick G. Ryan, chairman and CEO of Ryan Specialty Group LLC in Chicago, who recruited Ms. Newman to join Aon.

Her ability to quickly bond with people

and win their trust sets her apart, he said, relating a story about how Ms. Newman secured a meeting with *The Washington Post* after a chance encounter with the late Katharine Graham, former publisher of the paper, in an elevator. “When Pamela gets an appointment, she gets the business,” Mr. Ryan said.

After growing up in Kalamazoo, Michigan, and graduating from the University of Michigan as an English major, Ms. Newman says she knew she wanted to go into the business world but, on the advice of the college dean, first took a master’s degree and then a doctorate in communications.

On obtaining her Ph.D., she joined Peat, Marwick, Mitchell & Co. in New York, consulting for clients that varied from railroads to federal government programs to real estate firms.

After about six years, she was approached about a job in insurance. Initially rejecting the offer, after several conversations with

the late Harold H. Hines Jr., who held senior executive positions at both Marsh and Aon, “I thought to myself, ‘This sounds interesting. I think I’d like to do it,’” she said.

Ms. Newman joined Marsh in 1979 to start a professional development program for the brokerage, but after about three years she moved over to the account executive side of the business on the encouragement of the late Robert Clements, a longtime senior executive at Marsh. “Bob Clements kept saying, ‘We want you doing the work,’ and he moved me over to an account executive role.”

“I made the objective to really learn — and I think this goes back to the academic side of the premise — just to learn as much as I could and find it interesting, whether it was workers comp or D&O or property or business interruption and extra expense,” she said.

After becoming a producer at Marsh, she joined Aon in 1993, rising to executive vice



president of the brokerage.

Her relationships with clients is a key part of her success. “I like what I do; I think that’s really important. I like clients, I really genuinely like them, and I like the problems that clients have, and I like finding a way to mitigate that problem.”

On retiring from Aon last year, she was rehired as an independent adviser to the brokerage as president and CEO of PJN Strategies LLC.

Her advice to younger women begins with the basics: “I think ‘one day at a time’ is a good place to begin. Concentrate on what you are doing that day and doing it well.”

Gavin Souter

HONORING WOMEN WHO DARE TO DREAM AND ACHIEVE

Allianz is the home for those who dare – a supportive place where women can take the initiative to grow and challenge the status quo.

We’ve set ambitious goals to grow the percentage of women in management and leadership roles. Our commitment to a gender-balanced workforce is, in our view, a major driving force behind the success of our global company.



Mahshameen Ahmad

Senior vice president, middle market solutions

Crum & Forster Holdings Corp.

Philadelphia

Age: 47

Nearly 20 years ago, Mahshameen Ahmad had two young children, an environmental science degree and a newspaper advertisement from an insurer seeking to hire environmental scientists.

That it was 10 minutes from home sums up how Ms. Ahmad wound up in the insurance industry: She wanted to be close to home, and she wanted to achieve what she now has: a work-life balance that enabled her to raise her children and climb the corporate ladder.

"To me, you can be a woman, you can be a mother and you can be the top leader

of a business unit," said Ms. Ahmad, who leads the middle market solutions division nationally for Crum & Forster Holdings Corp., heading up a team of more than 40 professionals with total revenue of just under \$200 million.

Before that, she was with Zurich North America, where she led the tripling of middle market writings in the mid-Atlantic region for property/casualty business to \$114 million, according to figures provided by Crum & Forster.

What adds up better for her, she said, is the math of combining a personal life with



professional goals. It's how she seeks to inspire others, she said.

"My 20-plus years in the industry have been self-paced by design, with the under-

lining quest to balance that personal and professional life," she said. "For me, it was always a combination of having a balance of family life and exploring my true potential in work life."

Today, her two sons are in college and she has an eighth-grade daughter at home.

"I honestly do feel the corporate world is not as brutal as we make it out to be" when it comes to balancing motherhood with career, she said. She tells women struggling with this that "You are not killing your ambition, you are just opting for balance."

In her first year at Crum & Forster, Ms. Ahmad is highly recommended by the company leader. "In her time leading the division, she has enhanced the market presence, invigorated the sales function, attracted top talent and instituted sound underwriting procedures," wrote Marc Adeo, CEO in the Morristown, New Jersey, office for Crum & Forster.

Louise Esola

Meg Allwein

Senior vice president and chief quality officer

Assurex Global Corp.

Columbus, Ohio

Age: 47

All the insurance world is a backstage for Meg Allwein, who is known among colleagues at one of the world's largest privately held commercial insurance and risk management firms as a person who can create order out of chaos.

She said she learned that skill after college working backstage in the theater, a bustling job of helping to manage actors, sets, costumes and more, a place where drama can be double what is seen from the audience's seats.

"All stage management, I would argue, is order out of chaos," she said of her work with the Santa Fe Opera in New Mexico, a

role she took on after graduating from Duke University with a degree in psychology.

The insurance world is equally dynamic and high-energy, she said of the business she discovered more than 20 years ago while starting out as a temp, answering phones at the front desk at Assurex Global Corp. She advanced by paying attention to opportunities and using what she knew to display her talents, always looking to add value to the business, she said.

"I have a pretty well-honed ability to take a large amount of information, discussions, dialogue, which can come from documents and reports, discussions on strategic plan-



ning ... insights from others and distill it into something that is manageable, understandable and actionable," she said. "When you have a lot of different ideas, different

viewpoints on a topic or a situation that you are facing, you have to come out of it as a leader and come up with a way to move forward."

At Assurex, Ms. Allwein oversees the development of strategic initiatives and solutions for 108 agencies and brokerages worldwide, manages day-to-day relationships with five large property/casualty insurers, oversees the mechanics and structure of corporate board meetings, leads the company's strategic planning process, and is a strategic adviser to the company's top suite of leaders.

Her best skill is communication, she said. Jim Hackbarth, Columbus, Ohio-based president and CEO of Assurex Global, has worked alongside Ms. Allwein for 15 years.

"Meg embraces almost every project and challenge that is given to her with a passion, and she looks at everything with possibility," he said. "She is one of those people you can trust with anything."

Louise Esola

Allison Barrett

Managing director, global head of FINEX financial institutions

Willis Towers Watson PLC

New York

Age: 37

Allison Barrett made one decision early. "When I grew up, I had my sights set on law school," said Ms. Barrett, managing director, global head of FINEX financial institutions for Willis Towers Watson PLC in New York.

After law school, it was off to a career in politics and policy work on Capitol Hill, she said, in a job working for a senior member of the House Ways and Means Committee.

"There I learned things like the art of negotiation and the development of an effective communication style, and that's

what ultimately propelled me to a career in corporate communications at Marsh" in New York, Ms. Barrett said.

"I had interaction with all the business lines and became really interested in the business itself," Ms. Barrett said. "I very quickly moved on to the business side and started working as a financial lines adviser. From there, I just realized that the industry was a perfect fit for me."

It was "the best decision I've made. This industry offers me every opportunity I would look for as a professional."



The interpersonal aspect drew her in as well. "It's still very much a relationship-based business, which I absolutely

love," Ms. Barrett said.

Her acumen for all sides is apparent. "Her talent as both a technical expert in financial services, as well as her overall leadership capabilities, has enabled her to grow well beyond the original plan for bringing her on board," said Joe Gunn, managing director and leader for North America at Willis Towers Watson. "Beyond her direct interaction with clients, she has proven to be a highly capable leader, earning her the respect of both her direct reports as well as other leaders within the firm."

Ms. Barrett is encouraged by the progress of women in the industry.

"I think women like myself are feeling empowered by our companies and our conversations with each other, and there is an interest in driving real engagement and development opportunities for other women, up and down the ranks," she said.

Matthew Lerner



Kelley Bernal

Senior vice president and director of underwriting

SIU LLC, a unit of Alliant Insurance Services Inc.

Glendale, California

Age: 39

Kelley Bernal's Mexican-born father, an accountant who died of kidney disease at age 38, when Ms. Bernal was 8, "was a huge inspiration for me even though I lost him at such a young age," she said. "It was just always something in my makeup, to be better and accomplish the most that I can for my family."

Ms. Bernal grew up in San Diego and went to the University of San Diego, where she initially followed family tradition and declared herself an accounting major. "I realized very soon after that, that accounting wasn't my passion," she said. "I actually double-majored in business administration, with an emphasis on marketing and communications."

Ms. Bernal said "my 20-year-old self" thought she wanted to go into marketing for the entertainment industry. As it turned out, an on-campus interview "is how I ended up in the insurance industry."

A General Re Corp. training program led to a position as a property facultative underwriter. But that was high-level excess business, and "I wanted to get down to the nitty-gritty a little bit," she said.

After holding other positions, Ms. Bernal

became senior vice president of SIU LLC, a unit of Alliant Insurance services Inc., in March and oversees its difference-in-conditions earthquake operations.

In 2005, Ms. Bernal co-founded Emerging Insurance Professionals, an industry group for those with less than 10 years of industry experience. Its purpose "was really to create relationships within the insurance industry," she said.

In 2017, she graduated from the Multicultural Women's Executive Leadership Program, an independent program hosted by the University of Southern California's Marshall School of Business focused on helping women in mid-to senior-level management positions develop leadership skills. She is now an adviser to the program.

Ms. Bernal married her college sweetheart and has a 10-year-old son.

"I think she's fantastic," said Sean McConlogue, president of Alliant Specialty Insurance Services, to whom Ms. Bernal reports. She is engaged, a good leader and puts people first, he said. "We think she's long for the business and long for a relationship with us," he said.

Judy Greenwald

"I think she's fantastic." She is engaged, a good leader and puts people first. "We think she's long for the business and long for a relationship with us."

Sean McConlogue,
Alliant Insurance Services Inc.



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Nancy Bewlay

Chief underwriting officer, global casualty

Axa XL, a division of Axa SA

Stamford, Connecticut

Age: 50

Nancy Bewlay, global chief underwriting officer for Axa XL whose father worked for General Re Corp., never expected to be in the industry herself.

"I always knew about it growing up," said Ms. Bewlay, but "I fell in love with clinical psychology."

After spending time after college fruitlessly looking for paid work in clinical psychology, though, she turned to her father for career advice. He recommended pursuing underwriting, "which was in line with what I liked to do, which was research."

"I always thought, I'll get an underwrit-

ing job and we'll see how that goes," said Ms. Bewlay. "That was in 1990, and here is where I am today."

She began as a trainee at General Re and spent 13 years there in different roles. She left to "try being a stay-at-home mom for two kids" for two years, before returning to the industry as an underwriter. Positions in several other companies followed before her April 2017 hire by XL Group Ltd., subsequently acquired by Axa SA.

"I was very privileged to work for some very good companies," said Ms. Bewlay. She said she made a point of taking



on new opportunities "and being willing to challenge myself," knowing that while there was a chance of failure and she would sometimes make mistakes,

"through the process you learn and you become stronger at what you do" and "meet new people who open your eyes to new ways of thinking."

Ms. Bewlay has been active in APIW, the professional insurance women's organization; in The Supper Club, a business network organization of senior women in the insurance industry, where she serves on its U.S. regional management committee; and in the Stamford, Connecticut, chapter of Women of the World, an Axa XL organization.

"She is fabulous," said Neil Robertson, Hamilton, Bermuda-based Axa XL's chief executive for underwriting. "She is able to communicate so effectively with different groups of people," whether they are clients, brokers or underwriters.

In his 34 years in the industry, Mr. Robertson said he has met few who are "more capable professionals."

Judy Greenwald

Sandy Bigglestone

Director of captive insurance

Vermont Department of Financial Regulation

Montpelier, Vermont

Age: 49

For Sandy Bigglestone, no job could be more satisfying than her position as a top captive insurance company regulator in Vermont.

"This is an industry that always is evolving. There is always something going on and something to learn," said Ms. Bigglestone, director of captive insurance with the Vermont Department of Financial Regulation, which regulates nearly 600 captives in the world's third-largest domicile.

Those who work with her say Ms. Bigglestone's passion to learn has played a key role in Vermont's captive growth.

"Her hard work and dedication have been

critical in our success as a domicile," said Christine Brown, the department's assistant director of captives in Montpelier, Vermont.

Others applaud her openness to new ideas. "She is not only incredibly knowledgeable, but also is an incredible listener," said Richard Smith, president of the Vermont Captive Insurance Association in Burlington.

"She always approaches issues with an open mind," concurred David Provost, Vermont's deputy commissioner of captive insurance in Montpelier.

Because of her great knowledge of the captive industry, Ms. Bigglestone has been



able to maintain strong relationships with state legislators, Mr. Smith said.

In 1997, Ms. Bigglestone joined Vermont's captive department as an examin-

er after working for a public accounting firm. "I had heard about the Vermont captive insurance industry, and I was very intrigued. Why were captives such a big industry? So when there was a job opening, I applied," she recalled.

From that beginning, Ms. Bigglestone has loved being a captive regulator. "I have not been bored one single day because the captive industry always is evolving," she said.

She was named chief captive examiner in 2004 and was promoted to her current position in 2010. While many regulators are glued to their desks, Ms. Bigglestone is just the opposite. "I enjoy being out of the office and being accessible," she said.

She is a frequent speaker at captive conferences, which she said gives her the opportunity to meet people in the field, as well as boosting her knowledge of issues.

Married with two children, she said she also "loves being outdoors. I hike, ski and mountain bike."

Jerry Geisel

Nina Boone

Managing director

Aon PLC

New York

Age: 57

There is no question that Nina Boone's job at Aon PLC is a complex one.

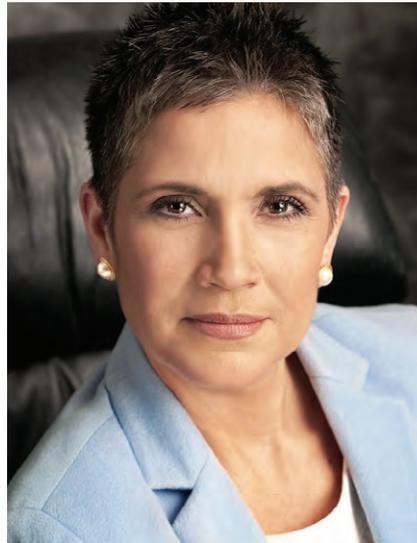
As sales leader for Aon's mergers and acquisitions unit, she is, among other things, heavily involved in ensuring that buyers and sellers are not lacking needed insurance coverage. "You are identifying insurance issues that could affect the viability of the transaction," Ms. Boone said.

The business complexities associated with mergers and acquisitions are far from being a negative for Ms. Boone. "I love complexity. It is fun with our team," she said.

Her role in mergers and acquisitions has not gone unnoticed at Aon. Ms. Boone, who has been in the insurance field for more than three decades, has been promoted numerous times. In 2013 alone, Ms. Boone achieved 50% sales growth in the mergers and acquisitions area.

Her colleagues applaud Ms. Boone for her many professional strengths.

"She is the most positive human being I have met," said Brian Cochrane, Aon's global CEO for M&A and transactions solutions in New York.



"She also has a great sense of humor, while still being very professional and hard-working," added Mr. Cochrane, who

has known Ms. Boone about seven years.

Ms. Boone's involvement in women's issues also is applauded by those who know her.

"What impresses me is her willingness to help women rise in the corporate world. She wants women to go to higher levels," said Carol Sisco, who first met Ms. Boone at a women's conference two years ago and is a principal with Sisco Associates, a Washington-based investment firm that focuses on nonprofits.

Ms. Boone has worked to increase the financial sophistication of women. She serves on the executive board of Savvy Ladies, a group founded to help women make more informed financial decisions.

She also has worked as a board chair of an Aon unit whose goals are increasing the number of women at top levels of the company and expanding ethnic diversity. "We need to match client diversity," she said.

Jerry Geisel



Crystal Brown

Senior vice president-underwriting

The Doctors Co.

Oak Park, Illinois

Age: 51

When Crystal Brown was a student years ago at Amherst College, she spent three summers working in the corporate communications department of American International Group Inc. through Inroads Inc., a career development organization.

That was a first step in what has turned out to be an insurance career for Ms. Brown.

“My gut told me I was suited for underwriting while working for AIG,” Ms. Brown recalled.

Her gut was right. Immediately after college, she joined Continental Insurance Co., which was later acquired by CNA Financial Corp. She spent more than two decades at CNA in a variety of roles, including the training of underwriters, several of whom later advanced to leadership roles in the insurance industry.

Last year, she moved over to Napa, California-based The Doctors Co. as senior vice president of underwriting for the physician-owned medical malpractice insurer, which provides coverage to 80,000 doctors.

In that short time, Ms. Brown has come up with new ideas to aid the insurer, such as maximizing the use of analytics, talent and training that have been helpful to its underwriters in providing viable solutions and alternatives for accounts.

“In just one year, my ideas are having an impact on the bottom line,” Ms. Brown said.

In addition, Ms. Brown has been instrumental in identifying ways for Doctors to analyze the company’s portfolio of business and opportunities for the insurer to grow profitably.

Others who have worked with Ms. Brown say there are several reasons for her accomplishments.

“It is her passion that makes her unique. She has great ideas, and she knows how to execute those ideas. She is knowledgeable and a pleasure to work with,” said Rochelle Prager, Doctors’ Chicago-based vice president of claims for the Northeast region, who worked with Ms. Brown at CNA.

Ms. Brown “has a great personality and is very articulate. She is extremely knowledgeable in the medical professional lia-

bility field,” added William Yurek, area president in Chicago with underwriting manager Risk Placement Services Inc., a unit of broker Arthur J. Gallagher & Co., who worked with Ms. Brown when she was an underwriter at CNA.

“She is both resilient and fearless, and her work ethic is phenomenal,” said Bonnie Boone, a Gallagher executive vice president in Chicago, who has known Ms. Brown for more than 25 years, going back to their days together at Continental.

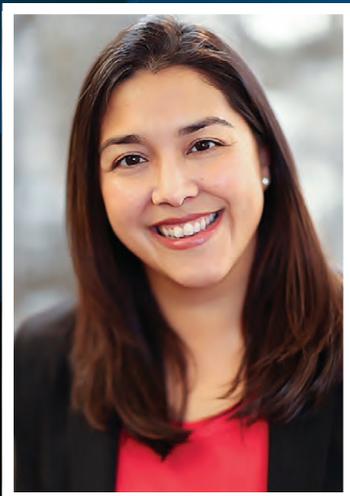
Outside of work, Ms. Brown, the mother of 16-year-old triplets, is involved in numerous organizations, including the Women to Watch Foundation, where she serves as one of its ambassadors, and Jack and Jill of America Inc., an organization whose members are mothers of children ages 2-19 that is dedicated to nurturing future African-American leaders.

Ms. Brown also is a Girl Scout troop leader.

“Giving back to the community is extremely important to me,” Ms. Brown said.

Jerry Geisel

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Kelley Bernal lives out these ideals each day, striving constantly to not only meet the standard for excellence, but to raise the bar even higher. It’s why she is one of the most dynamic leaders in earthquake insurance and why she is a 2018 Woman to Watch.

Alliant and SIU are proud to salute Kelley for her remarkable ability to motivate, teach, and inspire her team to greater heights.

Kelley Bernal
Director, Underwriting
Senior Vice President
SIU, LLC

An Alliant Insurance Services, Inc. company



Andrea Buhl

Senior vice president, clinically integrated medical programs
Sedgwick Claims Management Services Inc.
Jersey City, New Jersey
Age: 41

Andrea Buhl is using her hands-on nursing background to help lead an emerging team of specialized nurse case managers for third-party administrator Sedgwick Claims Management Services Inc. tasked with helping an injured worker facing an anxiety-producing event: surgery.

“We go over the little things that most people don’t think of and the physicians don’t have time to go over in the office,” said Ms. Buhl, who oversees several of Sedgwick’s managed care solutions including telephonic case management,

field case management and clinical consultation services. “It’s the what-to-expect. (The knowledge) can help reduce anxiety because that’s what we see with people going in for surgery ... It can be so overwhelming for a patient to be in a hospital.”

The idea grew out of a need to uncomplicate the lives of injured workers already navigating what can be perceived as a tough system, especially for someone who may have never been injured or operated on before, she said.

“We wanted to ensure that we had nurses that were very well versed in the surgical



process and offer tips that would be valuable to the injured worker,” she said.

She embarked on a career in insurance after working in the field as a nurse start-

ing in 2006, with long days and a child to care for at home. “I had no idea nursing jobs existed in the insurance/claims management industry,” she said.

“A lot of people will ask me, do you miss practicing (nursing)?” Ms. Buhl said, adding that she still feels that she is “hands-on” in the field “when I look at these types of services that make a difference in people’s lives.”

Ms. Buhl is an “inspiring leader,” said Marijo Storment, Sioux Falls, South Dakota-based CEO of medical case management firm The Alaris Group Inc., which partners with Sedgwick in nurse case management programs.

“She has built an incredibly capable team that produces a very high quality product,” Ms. Storment said. “She is generous with her knowledge and fair to her partners. I feel privileged to have Andrea as a colleague and a friend.”

Louise Esola

Rebecca Cady

Vice president-chief risk officer
Children’s National Medical Center
Washington
Age: 51

For Rebecca Cady, the key to effective risk management at a health care system is good communications.

At the Children’s National Medical Center in Washington, where Ms. Cady is vice president and chief risk officer, she has put in place a communications system that ensures just that.

There is, for example, a daily check-in call during which hospital staffers report issues, such as a shortage of patient drugs, that could lead to future problems. In addition, there is a weekly meeting in which operational and clinical executives are briefed on situations that could pres-

ent risks, as well as a biweekly meeting in which Children’s National’s CEO receives updates on risks that were earlier identified.

Collecting this information is key to good risk management and loss prevention, said Ms. Cady, who has been with Children’s National, which has more than 300 hospital beds and 6,000 employees, for a decade.

“These are good ways to collect information so we can respond proactively,” said Ms. Cady, who was a partner with a California law firm before joining Children’s National.



For example, if medical professionals report that the health care system has run out of certain drugs used to treat patients, action can be taken to obtain other appro-

priate drugs, she said.

Getting risk management-related information quickly has resulted in significant cost savings. For example, the medical center’s Cayman Islands-domiciled captive insurer has beaten its budget five straight years due to decreased losses.

Those who have worked with Ms. Cady say she has numerous strengths.

“She has a deep personal commitment to safety,” said Jim Jones, chairman of Children’s National’s captive, Bearacuda Re.

In addition, Ms. Cady “has credibility with the medical staff. She can speak their language. There is a lot of trust,” said Mr. Jones, who has known Ms. Cady for about a decade.

“She has raised risk management initiatives to new levels within the organization,” said Jason Bennett, deputy national health care practice leader with Aon PLC in Philadelphia, who has known Ms. Cady about five and a half years.

Jerry Geisel

Ellen Charnley

President
Marsh Captive Solutions
Las Vegas
Age: 49

For much of her professional life, Ellen Charnley has played a key role in the development and management of captive insurance companies.

Her promotion last year to president of Marsh Captive Solutions, the world’s largest captive manager, was only one of several promotions in her 14 years at Marsh that gave Ms. Charnley increased responsibility. Previously, she held senior positions at Marsh such as office head of Marsh’s captive operations in Hawaii, Arizona and Nevada, and running a captive team in Bermuda.

Ms. Charnley’s enthusiasm about captives has not waned. “Captives continue to offer value. They lower the cost of risk. They formalize loss control, and they provide access to the reinsurance market,” Ms. Charnley said.

Those who have worked with her say Ms. Charnley has many skills.

“She has in-depth experience and insights into how captives can be used effectively as a risk financing tool,” said David Bell, vice president-corporate risk management for the Kaiser Foundation Health Plan in



Oakland, California, which has three captives. “As a person and as a professional, she has the character and intelligence to put the

client’s interest first in providing solutions, which best fit her customer’s needs,” said Mr. Bell, who has known Ms. Charnley for about 15 years and is a Marsh client.

Ms. Charnley “is a brilliant captive expert. I admire her technical capabilities and also her people skills. She takes the time to listen and understand what her clients want and need, and helps them develop strategies to drive goals and business results,” said Soraya Wright, founder and CEO of SMW Risk Management Consulting LLC in San Francisco.

Outside of work, Ms. Charnley has numerous interests. She is a spokeswoman for the American Heart Association’s “Go Red for Women” campaign, in which she shares her recovery in 2010 from heart surgery to repair a congenital heart defect.

In her free time, Ms. Charnley does a lot of bike riding and studies Spanish.

Jerry Geisel



Laura F. Coppola

Regional head of financial lines, North America

Allianz Global Corporate & Specialty SE

New York

Age: 48

Laura F. Coppola learned some hard lessons about life shortly after she began her insurance career when she lost both her father and brother within three months of one another.

Her father passed away from a brain aneurysm, while her brother died of sepsis. “That really changed my life,” said Ms. Coppola. “It prompted an awareness of how precious life is, but how important it is to be independent — to be able to mourn and grieve, but also to be able to carry on and move forward at a time when there’s strength in yourself to do so,” she said. “It shaped how I approach adversity,” in both the workplace and outside it, she said.

Ms. Coppola started her insurance career as an underwriting trainee in Aetna Life & Casualty Co.’s bond training department. She stayed at Aetna through its property/casualty business’s acquisition by Travelers Cos. Inc. before moving on to positions at Reliance Group Holdings Inc., Hartford Financial Services Group Inc. and Arch Insurance Group Inc., where she stayed for 12 years.

Ms. Coppola joined Allianz Global Corporate & Specialty SE in 2015 and was named regional head of financial lines, North America, in November 2017. She heads up a staff of about 75 people.

Ms. Coppola said she has benefited from “incredible” role models in her own career and now wants to “give back to the young talent that is in our business, and work hard to attract young talent to our business.”

Ms. Coppola, who met her husband when she was 19, has two children: Emily, 12, and Christopher, 9. “Right now, I live in Cranford, New Jersey, so I get the lovely role every day of commuting to New York City for work,” she said.

Paul Schiavone, Allianz’s global head of alternative risk transfer, who is Ms. Coppola’s supervisor, and has known her about 22 years, said she is “absolutely fantastic.”

“She’s a good example of someone who can juggle the work/life balance and do so well” as a mother with two children, “but also is a wonderful leader and manager at work,” he said.

Judy Greenwald

“She’s a good example of someone who can juggle the work/life balance and do so well” as a mother with two children, “but also is a wonderful leader and manager at work.”

Paul Schiavone,
Allianz SE



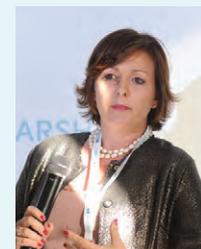
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As a proud sponsor of *Business Insurance’s* 13th annual Women to Watch Awards & Leadership Conference, Marsh is thrilled to congratulate **Ellen Charnley**, **Sarah De Rocco**, and **Catherine French** on being named 2018 honorees.

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President, Marsh
Captive Solutions



SARAH DE ROCCO
Head of Industries,
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Nora Deveau

Senior vice president and chief technical claim officer
Arch Insurance Group Inc.
Jersey City, New Jersey
Age: 41

A class in insurance law during law school guided Nora Deveau to a career that led to her becoming senior vice president and chief technical claim officer at Arch Insurance Group Inc.

She said she found the class interesting, an interest that grew stronger as she practiced law and became more involved in insurance.

"You were exposed to something different every day," she said.

She joined Arch Insurance Group in 2005 and rose steadily through the ranks. "In a span of 14 years, she has gone from

a front line claims adjuster at a desk to the senior vice president and chief technical claim officer," said Vince Kellaher, a senior vice president at Arch Insurance to whom Ms. Deveau formerly reported.

"In that role, she is now responsible for overseeing a \$4 billion plus portfolio of claims. Managing that size portfolio has a huge financial impact on Arch Insurance," Mr. Kellaher said. "One thing about Nora is she has exceptional technical claims skill, and you couple that with a very sharp legal mind and you have a great combination. She is excellent at selecting, develop-



ing and retaining talent."

Ms. Deveau is responsible for technical claims, regardless of the business area or division.

"At a certain threshold, cases come to me," she said. She is constantly looking at process and promoting uniformity. "It's a team effort," she said.

Ms. Deveau is also involved in coaching other employees. She noted that "I'm grateful for those who have mentored me over time and given me opportunity to take on roles and have exposures to projects and areas that create opportunity for me."

In coaching others, "I try to give people autonomy and let them succeed on their own and give them exposure to different areas," she said. She encourages people to learn other areas of the business because "it helps with your perspective as to where we fit into the puzzle."

Knowledge of other areas within the organization, and establishing relationships "gives you the opportunity to learn and to grow," she said.

Mark A. Hofmann

Lainie Dorneker

President, IronHealth
Ironshore Inc.
Chicago
Age: 44

After earning an undergraduate degree in English, Lainie Dorneker, president of IronHealth, the health care professional liability unit of Ironshore Inc., decided to go to law school at the University of Texas in 1999.

"I had an interest in environmental law," she said, adding that at the time she enjoyed an active lifestyle at University of California, Berkeley. "Environmental issues were very powerful issues for me."

She started as an environmental litigator but was put on a major insurance case about two years into her practice.

After practicing law, she worked with

management liability claims at Zurich Insurance Group Ltd. "for roughly a year before moving on to the health care arena."

"While on the claims side, I started to work more with underwriters and to get a clear view of the underwriter role," she said, and moved over to underwriting, beginning in management liability.

Conversations with health care underwriters at an off-site project drew her attention to the industry. "I found health care and what was happening in the health care field to be really compelling," she said.

Her experience and perspective are highly valued at Ironshore.



"We put a premium on expertise," said Brandon Mezick, chief operating officer for IronHealth in Philadelphia, who has known Ms. Dorneker since 2011. "Lain-

"When there's more diverse people seated around the table, you need more diverse leadership."

Lainie Dorneker, Ironshore Inc.

ie absolutely fits the definition of an expert."

"We also put a premium on diversity, and look for people with interesting backgrounds and experience to inform all the things that we do," he continued. "Lainie has taken a really interesting path in her career, and I think all these experiences make her really well-rounded and give us that diversity of thought."

Diversity, she said, is a must for insurers as business in general heads that way.

"We need to think and act more like our clients today," Ms. Dorneker said. "When there's more diverse people seated around the table, you need more diverse leadership."

Matthew Lerner

Jessica Getman

President
Brown & Brown Northwest Insurance
Portland, Oregon
Age: 40

For Jessica Getman, the path to becoming president of Brown & Brown Northwest Insurance began when she was hired as a producer in Brown & Brown Inc.'s Denver office in 2006.

She found that she liked insurance. It's a "pretty complicated subject matter," Ms. Getman said. "I love being able to bring strategic solutions to the table to help companies."

She became a leader of the Denver office and was asked in 2012 to run the Portland, Oregon, office, which included working

with Brown & Brown's Bend and Medford offices in Oregon and the Seattle office.

Ms. Getman oversees all elements of the Portland operations. "I have nine department leaders who I work very closely with," she said. "I still have a book of business, so I still work with some clients and also work with other offices." This involves helping with retention, bringing on new clients and thinking about creative solutions, whether from the insurance or risk management standpoints, she said.

One of her biggest challenges was deal-



ing with Brown & Brown's acquisition of Beecher Carlson Holdings Inc. in 2013. The acquisition more than doubled the

size of the brokerage's Portland office, as Beecher Carlson had a large retail footprint in the area.

She said that "the feeling that we currently have running through the Portland office is we've got a culture that drives us, helping clients and each other." That culture pays off today, with revenue increasing 8.8% in 2017.

"I've been very impressed with her," said Andrew Schpak, co-managing partner at Portland law firm Barran Liebman LLP and a client of Ms. Getman. He calls her a "great ambassador for Brown & Brown." He said she cares a great deal about seeing her colleagues and friends succeed. "She stands out in her efforts to mentor and support others."

"None of this could have been without the support of my family," said Ms. Getman, which includes her husband Brian and children Presley and Nash.

Mark A. Hofmann



Susan Gildea

Chief actuary

Berkshire Hathaway Specialty Insurance Co.

Boston

Age: 51

A new or younger company can be a challenging environment for an actuary such as Susan Gildea, chief actuary of Berkshire Hathaway Specialty Insurance Co. in Boston.

“As an actuary, when you don’t have your own company data, you really have to figure out ways to extract data from other sources,” Ms. Gildea said. “That’s something very, very different than at a large, more mature company.”

It’s also something that puts her in less charted — if not uncharted — territory.

“I think my role is different,” Ms. Gildea said. “We’re a new company. I’ve been here 2½ years, and I joined the company at its 3-year birthday.”

She relishes the challenge, however.

“I’ve been given the professional opportunity of a lifetime,” Ms. Gildea said. “The way you can learn and develop in a role like we have here and in a company that is changing and growing.”

Her influence on the young specialty insurer is evident.

“Sue has been a close business partner to me as we have been building out Berkshire Hathaway Specialty Insurance around the globe,” said Chris Colahan, president of Europe for BHSI. The “technical skill and intellectual horsepower you would expect of a chief actuary,” coupled with the

“passion and energy she brings to our team every day makes Sue a great leader to her global actuarial team, and an invaluable part of the BHSI senior leadership team.”

A strong math and science student, Ms. Gildea started as a chemical engineering major in college but soon switched to math.

After hearing a professor describe the actuarial profession and speaking to someone in the field, “That’s when I realized I wanted to be an actuary. It was using math but being able to work with a business to figure out profitability as opposed to being in a classroom, because to me the classroom was akin to the lab.” The conversation was the genesis of her pursuit of the actuarial exams, she added.

She said that while women are more well-represented among industry leadership, maintaining that momentum is important.

“I think women in insurance have progressed,” Ms. Gildea said. “I’m looking at the organization I am in now versus organizations from earlier in my career, and I definitely see more women in leadership roles.”

“As an industry and as women, we have to make sure the organizations we are in are advocating the correct way,” Ms. Gildea said.

Matthew Lerner

“As an industry and as women, we have to make sure the organizations we are in are advocating the correct way.”

Susan Gildea,
Berkshire Hathaway
Specialty Insurance Co.

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Mona Hanna

Office managing partner, Orange County; chair of litigation

Michelman & Robinson LLP

Irvine, California

Age: 56

Mona Hanna had a plan.

"I always wanted to be an attorney. Both my parents were attorneys," said Ms. Hanna, office managing partner in Orange County and department chair of litigation for Michelman & Robinson LLP in Irvine, California.

She first came to M&R in September 2000, and her work in insurance and regulatory matters on behalf of large insurers got her involved in "all sorts of litigation dealing with insurance," something she liked.

"It's something I've enjoyed, and as my practice has grown I've moved to more

complex litigation, class action litigation," she said. "Insurance needs continue to be there, so it seems like regardless of where my practice takes me, I continue to have contact with the insurance industry and insurance clients."

Most recently, she was involved in a large class action suit of some 70,000 class members on behalf of an insurer that went to trial, where her client prevailed, though the case is now on appeal.

"That kind of thing, that kind of cutting-edge, unprecedented issue that can come up, is the reason it's so exciting work-



ing in this practice area," Ms. Hanna said.

"What I've always found impressive about Mona is a business person's grasp on litigation," said Michael Kassan, chair-

man and CEO of MediaLink LLC in Los Angeles. "The strategic side, the tactical side, the overarching grasp of strategy. I've found Mona to be one of those people you can really scenario-plan with."

Ms. Hanna is also focused on the advancement of women in the field.

"The professional development of women attorneys is something I'm passionate about," Ms. Hanna said, adding that she founded Women Attorneys of Michelman & Robinson, which is "specifically designed to provide an opportunity for mentorship and professional growth."

The more women advance, the more they will bring even more forward with them, and there are signs of positive change, she added. "I feel that as we have more women in leadership roles and reaching back and leading the way for other women, I feel like we're getting to the point where we're going to reach critical mass."

Matthew Lerner

Kathy Kranz

Vice president and chief financial officer

Pinnacol Assurance

Denver

Age: 45

Kathy Kranz likes the big picture.

"I love that I get to do a little bit of everything, including working closely with operations and our chief customer officer on strategy and priorities," said Ms. Kranz, vice president and chief financial officer for Pinnacol Assurance in Denver. "I also get to do all the pure financial stuff," such as overseeing the firm's actuarial work, financial planning and accounting.

She has found satisfaction and success at Pinnacol. "I've always been able to find new and exciting work to do at Pinnacol," Ms. Kranz said. "I've moved up there through-out my 10 years as well," from an original

job as controller on to associate vice president and then about four years ago to the CFO role.

Early client experience in public accounting led her to insurance. During her first year of public accounting with Coopers & Lybrand in Chicago, she got put on two big accounts — a pharmaceutical company and State Farm in Bloomington, Illinois — which led her to stay in insurance, she said.

"It was fate that I found it, but I still did have some choice in the matter," she said.

She joined Pinnacol in 2008 after working with captive insurers and then increasingly in corporate finance.



"Pinnacol had a great reputation in the insurance industry and as a great company in Denver," Ms. Kranz said. "As chief financial officer, a C-suite person, as someone

who has a good work life and still has time to spend with my son, I am very grateful to Pinnacol."

She also values those around her with whom she works. "I am grateful I have great people reporting to me," she said.

They feel the same way about her, too.

"What makes her exceptional is her drive to transform our business through innovation, while at the same time being one of the most accessible and effective mentors in the organization," said Phil Kalin, president and CEO of Pinnacol. "Her accomplishments have earned her admirers inside and outside of the organization, and I am chief among them."

Ms. Kranz said she has seen progress for women at her firm during her tenure. When she first started at Pinnacol, it had one or two women each on its executive teams and board, she said. "Ten years later, half of our executive team are women and I believe a third of the board are women."

Matthew Lerner

Aquanda Lewis

Senior vice president of business strategy and technology transformation

One Call Care Management

Jacksonville, Florida

Age: 45

Technology isn't her forte, Aquanda Lewis admits, but that didn't stop her from taking on a leading role in the development and implementation of One Call Care Management's one-stop shop for insurers, risk managers and third-party administrators trying to coordinate care for injured workers.

Polaris, launched in 2017, allows One Call health care management customers to log in through a single portal, enter information about an injured worker and access all six of Jacksonville, Florida-based One Call's

specialized workers compensation products, which include diagnostics, physical therapy, home health and complex care services, medical equipment and devices, transportation and translation, and dental and other specialized doctors.

"That's the biggest thing I am doing now," said Ms. Lewis, now in her 16th year with the company. Adept at explaining the platform that combines a number of platforms offered by the 19 companies acquired by One Call over the past several years, Ms. Lewis said: "I never imagined doing some-



thing technological in my career."

Developing Polaris took patience, given all the operating systems and applications

involved, Ms. Lewis said. As of late 2018, the continuously evolving platform boasts 1,400 users with its largest clients launching it nationwide, she said.

Her dive into the technology space is in line with her advice to others: "Be infinite, unbounded. Don't get comfortable where you are. Be confident in your ability to go farther (and) don't limit yourself."

Ms. Lewis' leadership shows promise, especially for women, said Pat Rowland, chief strategy officer at One Call. She helped Ms. Lewis and others develop an internal network of some 300 women to support and empower them through networking opportunities.

"The leadership I see in her is that she really cares about women advancing in our industry," she said. "One Call is a very good environment for women because of people like Aquanda."

Louise Esola



Deirdre Martin

Senior vice president, financial lines, public company division

American International Group Inc.

New York

Age: 43

Deirdre Martin, senior vice president, financial lines, public company division at American International Group Inc., has worked for the insurer since college.

"I grew up in AIG," she said. "I had been contemplating higher education, but I started this training program, and I just had opportunities that just kept presenting themselves that I didn't expect, so it was a fortunate experience."

Starting in claims in AIG, Ms. Martin eventually gravitated toward underwriting because "I really liked the opportunity that existed here."

When asked about her proudest business achievement, she said: "Having the opportunity to hear from numerous people that I've been impactful on their career development is probably what I'm most proud of in my career."

"What I feel strongest about as a manager is I'm always trying to put myself into someone else's shoes, to try to anticipate their needs and how I can help them further develop," Ms. Martin said. "I've probably heard from as many men as women in that capacity."

Ms. Martin was one of three female co-chairs of the Professional Liability Underwriting Society's directors and officers symposium in January, and at least one woman was on every panel except for keynote speakers.

"We got such a really strong feedback about that," she said.

She met her husband Wes while he was working at AIG. He is now a stay-at-home dad to their daughters Cecilia, 12 and Maize, 9. "Mostly in my free time I'm watching my daughters play lacrosse, soccer or dance," she said.

Carolyn Snow, director of risk management at Humana Inc. in Louisville, Kentucky, has known Ms. Martin for about five years.

"First of all, she's very good at what she does. She's a very good businesswoman. She's very professional," said Ms. Snow. "But she also has a nice personal touch in that she has a family and children, and so she's easy to relate to, both as a professional and on a personal level, and she blends that very nicely, I think."

Judy Greenwald

"What I feel strongest about as a manager is I'm always trying to put myself into someone else's shoes, to try to anticipate their needs and how I can help them further develop."

Deirdre Martin,
American International
Group Inc.

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Carolyn Polikoff

Senior vice president, national commercial practice leader

Woodruff-Sawyer & Co.

San Francisco

Age: 45

Carolyn Polikoff's success in the insurance industry has meant giving up her one-time dream of becoming an investment banker, but she is more than happy with the path her career has taken.

At Rider College in Lawrence Township, New Jersey, said Ms. Polikoff, "I was a finance major, and I think all finance majors, at least at the time," wanted to be investment bankers, "and I was no different."

But Ms. Polikoff found that potential investment bankers who did not have Ivy League degrees faced a difficult challenge landing a job. Instead, at a friend's sugges-

tion, she took advantage of her finance background and became an underwriting trainee at St. Paul Fire & Marine Insurance Co.

Ms. Polikoff obtained her MBA at a subsequent job with CNA Financial Corp. It was then, she said, she realized insurance "was actually a good career."

After a period with a startup, Ms. Polikoff joined Woodruff-Sawyer & Co. in 2006, where she became practice leader for its directors and officers liability group in 2010.

In January 2017, after she became part of the brokerage's leadership team, she was named national commercial practice lead-



er, where she is responsible for commercial lines, which includes all property/casualty business as well as management liability.

Although Woodruff-Sawyer is a

100-year-old firm, it has been growing quickly, said Ms. Polikoff. "My biggest business accomplishment is bringing better organization and modernization around their policies and procedures," she said.

Having one place where salespeople could go for all the information they need "sounds really simple," yet for a century-old firm that was growing so quickly it was "revolutionary," said Ms. Polikoff.

Mike Roffler, executive vice president and chief finance officer for First Republic Bank in San Francisco, which is a client, said Ms. Polikoff is "extremely well-versed. She knows how to deal with clients and she knows how to look out for the client's best interests."

While Ms. Polikoff is an insurance expert, her husband Curt's expertise is wine. He left corporate life to pursue his passion and became a sommelier. "I call him the most educated sommelier on Earth," she said.

Judy Greenwald

Risa Ryan

Head of strategy and analysis, reinsurance division

Munich Reinsurance America Inc.

Princeton, New Jersey

Age: 55

Risa Ryan did not have to look far while growing up to find career inspiration.

"My father is an actuary who still practices. He has a little office in the basement and would disappear into his den and do all kinds of equations, which I was always fascinated by," said Ms. Ryan, head of strategy and analysis, reinsurance division, for Munich Reinsurance America Inc. in Princeton, New Jersey.

Curiosity, coupled with an aptitude for math, seemed to add up for her.

"I was intrigued by what he was doing. I think that's probably what piqued my interest originally," Ms. Ryan said.

"He loved his job. I was good at math and enjoyed math and thought, 'Why wouldn't you do that?' It kind of made sense."

Her actuarial activities drew her into the business end of insurance, she said.

After starting in an actuarial position at Munich Re, she was asked to join an underwriting team. "To me, that was fascinating because I was able to do all of the pricing on the deal, but then also be part of the team that was selling the deal," Ms. Ryan said. "At that time, I thought that was the best job on the planet."

She has progressed through both cli-



ent-facing and analytical positions in almost 30 years at Munich Re on her way to her current role, driving positive change at the company.

"What has impressed me the most about Risa are the strategic insights she has provided to me and others over the past few years," said Steve Levy, president and CEO of the reinsurance division at Munich Re America. "While many of these insights have been related to external market opportunities, others have been associated with our internal culture. The latter have resulted in a number of initiatives that have positively impacted morale and our overall direction."

Ms. Ryan believes a technical education can help a woman succeed in the industry.

"I am incredibly supportive of women studying science, technology, engineering and math. To me, that is so critical," Ms. Ryan said. "If we could get more women with a technical background into this field, I think you would see a huge shift in the makeup of senior management in companies."

Matthew Lerner

Rekha Schipper

President and CEO

Tangram Insurance Services

Petaluma, California

Age: 40

As president and CEO of managing general underwriter Tangram Insurance Services, Rekha Schipper said she's responsible for "flying the plane, but I have a lot of co-pilots."

Her career began its takeoff when Ms. Schipper, a new college graduate armed with a major in international relations, began looking for a job in the San Francisco area.

"I really could have done a lot of things in the world" with such an educational background, she said. But one of the first calls back came from a small brokerage that

placed directors and officers liability insurance. "I found it really interesting," she said.

Over the years, she has had a "real diversity of experiences without having to jump around to a lot of companies," with steady movement through the industry. "While the titles are not as important, progress is important. Staying in the game specifically as a woman is really important," she said.

Tangram builds and manages insurance programs for social services, construction and energy accounts. Ms. Schipper sees her job as Tangram's CEO, a position she



assumed earlier this year after having been named the company's president in 2013, as building culture and nurturing it. She said

that while the company has grown entirely through organic growth, it is now in a position to consider growing through mergers and acquisitions.

The majority of Tangram's executive team is female, while a "strong percentage" of the company's employees are of minority backgrounds, she said.

"Being a first-generation American and being in an industry that traditionally doesn't have people like me sitting in the seat I'm in" is a point of pride for Ms. Schipper, who is of Sri Lankan descent.

"I think she brings a level of professionalism to the business that you don't usually see all that often," said John Tallarida, executive vice president at Tangram parent company Heffernan Insurance Brokers in Menlo Park, California. He added that Ms. Schipper's "level of clarity, passion and focus — that's really refreshing."

Mark A. Hofmann



Sarah Sherman

Executive vice president, property practice leader

JLT Specialty USA

San Francisco

Age: 38

Sarah Sherman freely admits that she “had no idea about what a job in insurance really meant” when she received a Walter C. Wattles Fellowship at Lloyd’s of London, a program created to provide opportunities in the international insurance business.

“I probably wouldn’t have picked insurance without having been to London,” said Ms. Sherman, who was impressed that the entire business is based on trust and relationships. “Moving back to the U.S., I took that with me. It’s all predicated on trust and relationships. For me, I stayed in insurance because I liked what it was built on.”

Insurance has proved to be a good fit for Ms. Sherman, who has followed a career path starting as an aviation broker to her current position, since 2015, of executive vice president, property practice leader at JLT Specialty USA, a unit of Jardine Lloyd Thompson Group PLC, and a place on *Business Insurance’s* 2018 roll of Women to Watch.

“First and foremost, my duty is to take care of my clients,” she said. In addition to growing the business, she makes sure that her people

“have all the resources they need to be successful with clients.”

And according to one client, she is quite successful at doing so.

“Sarah is extremely knowledgeable in her field and as client-focused as they come,” said Steve Grimes, CEO of Rental Properties of America Inc. in Oak Brook, Illinois. She has “a unique way of commanding the room and getting what needs to be done done.”

In her current role, Ms. Sherman designed the special perils endorsement to cover losses not addressed by traditional property policies. She noted there is a lot of risk — such as lost revenue due to outbreaks of Zika and other diseases — that does not involve property loss. She said JLT Specialty USA developed some wording that provides some coverage in those scenarios.

Ms. Sherman continues to play an active role with the Wattles Fellowship, noting that some fellows have gone on to senior management positions in the industry. “It’s a great network,” she said.

Mark A. Hofmann

“Sarah is extremely knowledgeable in her field and as client-focused as they come.” She has “a unique way of commanding the room and getting what needs to be done done.”

Steve Grimes,
Rental Properties of
America Inc.

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Mary Beth Smykowski

Director, risk management

Masco Corp.

Livonia, Michigan

Age: 55

Mary Beth Smykowski was working in the finance and accounting department for a pharmaceutical company that was being sold — meaning she had to look for a new job — when she saw a newspaper advertisement for a position in the risk management department of manufacturer Masco Corp.

“At the time, I didn’t know anything about risk management,” she said. “I found that I really liked it. It’s always different, and to me it’s strategizing. I almost feel like it’s a chess game. You may not get everything you want the first time. But if you have your

end goal in mind, it may take you a couple of renewals to get there, but you will get to where you need to be.”

She was promoted to director of risk management in October 2008 and took over the claims department a few years later.

David Chaika, Masco’s vice president, treasurer and investor relations, said Ms. Smykowski runs the risk management department very well.

“I give her a lot of free rein,” he said. “She continually looks for ways to improve ... ways to reduce costs, ways to make things more efficient even when they appear to be



operating well, which has translated into a lot more efficiencies in certain functions and reduced costs. The premium reductions are in the millions.”

One of her most “fantastic” achievements occurred when Masco spun off a \$1.5 billion installer and insulation products distributor called Topbuild in 2015, requiring it to have its own insurance program, he said.

“It was a challenge to make sure the underwriters understood which risks were going with Topbuild and which were remaining, and also what our risk profiles looked like post-spin so we would both get proper credit and a proper underwriting look,” Ms. Smykowski said.

Ms. Smykowski is a devoted mentor to young employees and helps organize events that raise scholarship funds for risk management students as president of the Detroit chapter of the Risk & Insurance Management Society Inc.

“As risk managers, I think that it is our responsibility to mentor and help advance our next generation of risk management professionals,” she said.

Gloria Gonzalez

Sonja Teague

Vice president of disability management

ESIS Inc.

Alpharetta, Georgia

Age: 51

Sonja Teague is among the few who say they can navigate the confusing “Bermuda Triangle” of employees absent from work because of an injury or coming back after healing.

That triangle is the three different laws and, hence, departments, that oversee workers compensation, the Family and Medical Leave Act, and the Americans with Disabilities Act, along with the amendments to that law that protects those who have special needs in the workforce, according to Ms. Teague.

“Employers still don’t understand all of that,” she said. “They all work together, and

they shouldn’t be handled separately.”

The key word is “integration,” she said, adding that employers have long made the mistake of not combining the efforts of all those programs to “give the worker what they need.” What workers often get are mounds of paperwork, all from different departments, all often asking for the same information, she said.

Ms. Teague, who has spent 25 years in the insurance industry, joined ESIS Inc., a unit of Chubb Ltd., in 2012. Within three years, she was charged with building a strategy to broaden and enhance ESIS’ integrated absence-management solution, which gives



customers one call center to refer to when a worker is out, whether for workplace injury, pregnancy or illness, and how to best get them back on task and stay within the laws

of accommodation and leave.

With this integrated solution, ESIS is able to help employers trigger the appropriate coverages, “streamlining and creating a lot of efficiency and also avoid those employees falling into a black hole,” which Ms. Teague describes as being in violation of federal and state laws.

“There is so much overlap and convergence with these coverages,” she said, adding that employers who mishandle claims can get in trouble. “The fines (from the U.S. Equal Employment Opportunity Commission) are huge.”

Keith Higdon, Chicago-based division president of ESIS, said Ms. Teague “inspires her team to transcend the ordinary.”

“When you look for someone who can take an existing product to a new level, you want an individual who has the vision to look beyond current capabilities and, instead, find a solution for clients’ future needs,” he said in a statement.

Louise Esola

Liz Walker

Director, enterprise risk and global insurance

Groupon Inc.

Chicago

Age: 42

Liz Walker had been working for Groupon Inc. as senior litigation counsel for 3½ years when she pitched the higher-ups on the online marketplace’s need for a formal risk manager — and that she was the right person for the job.

“It’s my favorite job that I’ve ever had in my career, hands down,” she said. “I rise and fall with it. It’s my department. I get to set the vision. I like that ownership.”

Her first priority was to examine the company’s insurance policies to ensure they made sense, including appropriate limits

and tailored language. “We have a fairly unique business, so having cookie-cutter policies wouldn’t be enough,” she said.

Other priorities included raising awareness of her new role at the international level across the company and helping to craft how Groupon views risk from an enterprise perspective. “Not having a role like this exist before means ... you have this great opportunity to make a meaningful impact,” she said.

Cindy Slubowski, vice president and head of manufacturing and technology for



Zurich North America, met Ms. Walker through the Risk & Insurance Management Society Inc.’s Chicago chapter, of

which Ms. Walker is a board member.

“I know she’s working very, very hard to change the landscape of risk management, not only in her own company but in general, and I think that’s been needed for a long time in the risk management community,” she said. “Liz pushes to play a bigger role in her corporation other than just buying insurance, and I think all risk managers should strive to do that.”

Reid Sawyer, senior vice president and emerging risks practice leader for analytics and consulting with JLT Specialty USA, a unit of Jardine Lloyd Thompson Group PLC, has been working with Ms. Walker for nearly two years in the area of thought leadership in risk. “Liz is a leader in her field and in her company,” he said. “She is not somebody who is content to solve the problems of today, but looking to define and shape those of tomorrow.”

Gloria Gonzalez

Jeanette Ward

Chief operating officer

Texas Mutual Insurance Co.

Austin, Texas

Age: 48

At a time when employees frequently move from one company to another, Jeanette Ward is a significant and inspiring exception.

Soon after graduating in 1993 from the University of Texas, where she worked part-time at the Texas state capitol to help put herself through college, Ms. Ward joined an insurance company known as the Texas Workers Compensation Insurance Fund as an executive receptionist. The insurer had been recently authorized by state lawmakers and was later to become Texas Mutual Insurance Co.

Twenty-five years later, Ms. Ward remains at Texas Mutual, moving up in a series of promotions, and now is the Austin, Texas-based insurer's chief operating officer.

In that time with Texas Mutual, she has racked up many accomplishments, including the creation of the insurer's health care network where injured workers can get medical care, as well as supporting the development of a mobile application to enable injured employees to have access to all of their claim information.

Looking back, Ms. Ward said she relishes having spent her entire professional



career with one company.

"This has given me the opportunity to grow and contribute and solve problems. I really love working here," Ms. Ward said.

Texas Mutual executives say Ms. Ward has several major talents.

She has "great organizational abilities, is very good at motivating people and quickly understands how to solve problems," said Texas Mutual President and CEO Richard Gergasko, who has known Ms. Ward since 2013.

"She is wise and thoughtful," said Cathy McHorse, vice president of Success by 6 for the United Way of Greater Austin, who has known Ms. Ward for about a year. Ms. Ward has been a volunteer at the United Way for several years, where, among other things, she has reviewed financial grant applications from nonprofit organizations.

Ms. Ward also serves on the Volunteer Firemen's Insurance Service Inc.'s grant review panel, which provides safety and wellness grants for volunteer firefighters across Texas.

Jerry Geisel

Cate Whiddon

Senior vice president-railroad practice leader

Westchester, a unit of Chubb Ltd.

Dallas

Age: 54

When Chubb Ltd. decided to launch a division of Westchester, its excess surplus lines company, to write liability coverages for short-line freight and excursion railroads, as well as railroad construction projects, it recruited Cate Whiddon to head the new practice.

Ms. Whiddon, who had more than 30 years of experience in the railroad liability insurance field before joining Westchester in January 2013, immediately went to work.

She worked with her Westchester colleagues to write a business plan, as well as drafting insurance policies, obtaining reinsurance coverage and launching a major

advertising campaign to attract customers.

Those efforts paid off. More than 1,600 policies have been written, with more than \$55 million in gross written premiums since the railroad unit was launched.

"We are hitting our stride. We are considered one of the go-to insurers in the railroad insurance industry, which is a very niche marketplace. Our policyholders have tremendous pride in being insured by a Chubb unit," Ms. Whiddon said.

And Ms. Whiddon takes enormous pride in the development and growth of Westchester.

"You don't often get an opportunity to



build something like this from the ground up," she said.

Policyholders and colleagues credit Ms. Whiddon's success to several factors.

"She has great experience in the field and an innate interest in her clients," said Bruce Lieberman, executive vice president and chief financial officer of Anacostia Rail Holdings Co. in New York, who has known Ms. Whiddon for about 15 years.

"Her ability to collaborate and drive positive outcomes is a reflection of her preparedness, insight and understanding of goals and targets," said Dean Andrighetto, Westchester's executive vice president of casualty in its San Francisco office.

Ms. Whiddon is a speaker at events sponsored by Operation Lifesaver Inc., a Washington-based public safety education organization dedicating to reducing collisions and injuries and deaths at highway-railroad crossings and railroad tracks.

Among other things, Ms. Whiddon speaks to school groups and community audiences to help adults and children become more safety-conscious when near railroad tracks.

Jerry Geisel

Karen Williams

Senior managing director and national practice leader

Krauter & Co.

New York

Age: 57

As Karen Williams puts it, "I didn't choose insurance, insurance chose me." And insurance propelled her on a career that began as a typist in her homeland of Jamaica to her current position as senior managing director and national practice leader at New York-based brokerage Krauter & Co.

Among her stops along the way, she worked for Kornreich NAI Group, which later became part of Marsh & McLennan Agency LLC, as a senior account manager and took on progressively more complicat-

ed responsibilities. From there she joined Arthur J. Gallagher & Co., then Krauter.

While at Marsh & McLennan Agency, she handled the account of Island Capital, a New York-based real estate investment firm. "She's extremely professional and knowledgeable," said Yvonne Owens, co-risk manager of the company. She calls Ms. Williams "very much client-oriented," and said Ms. Williams created a "great program for us."

Earlier in her career, Ms. Williams had to confront sexism. A challenge was "overcoming the stigma that as a woman I knew



less than my male peers about insurance." She dealt with it by having "a philosophy of excellence, with a goal to change the mind-

set through the work that you do."

At Krauter, Ms. Williams handles brokering, ongoing mergers and acquisitions, recruiting, training and developing new hires. She also engages in mentoring, in part through the firm's Junior Broker Forum, which pairs junior and senior brokers.

Ms. Williams said she thought the company "needed to give a little more voice to a group of young incoming talented individuals — how do you make them feel important and relevant?" The forum allows them to exchange ideas, said Ms. Williams, who serves as an adviser to the group.

She said the opportunity given to her at Krauter has opened up another world for her as a broker and as a leader. When she sees the young talent she has mentored doing well "it's a feeling of gratitude that you were able to have made a meaningful contribution to their lives."

Mark A. Hofmann

Olivia Cooper

Managing director
 Willis Towers Watson PLC
 London
 Age: 46

While travel and relocation is a part of many risk management consultants' jobs, few consultants can match the diverse locations from which Olivia Cooper has been based.

Ms. Cooper, a managing director in the London office of Willis Towers Watson PLC, has, aside from London, been based in such locations as Mumbai, India, and Singapore.

Regardless of the country where she has worked, Ms. Cooper says there is one part of her job that she particularly enjoys: helping to identify and develop talent.

"I find that especially satisfying," said Ms. Cooper, who has been with Willis Towers Watson and predecessor companies since 2006.

In her position, Ms. Cooper has taken on many responsibilities, including helping companies and professionals better understand their risks and obtain the appropriate insurance coverages.

And she played a key role in management issues. During her time in Mumbai as CEO of Willis Processing Services, for example, she significantly boosted the number of staffers, as well as strengthened



the leadership team.

Those who have worked closely with Ms. Cooper say she has many strengths.

"Having lived in Mumbai and Singa-

pore, she has a great global perspective," said Alexis Faber, chief operating officer of corporate risk and broking in Willis Towers Watson's Memphis, Tennessee, office.

In addition, "Ms. Cooper is incredibly selfless and is very focused on team cooperation and team outcomes and is incredibly well-rounded. Her future opportunities are limitless," added Ms. Faber, who has known Ms. Cooper for about 10 years and worked closely with her for the past two years.

And Ms. Cooper enjoys meeting others in the insurance community. She is a member of the Insurance Supper Club, where women in insurance and other related financial service fields meet to discuss pressing business issues. In addition, she believes education is a continuing process, and she recently completed a year of studies at England's Cranfield School of Management.

Jerry Geisel

Sarah De Rocco

Head of industries
 Marsh SpA
 Milan, Italy
 Age: 39

For Sarah De Rocco, working in a vibrant insurance market that is experiencing a changing risk management culture is one of the most exciting things about her job.

Ms. De Rocco, who has been head of industries at Marsh SpA in Milan, Italy, since 2016, said risk culture is developing apace in Italy.

"Our clients operate in often volatile and complex environments, and I personally find it thrilling to help them find solutions to the challenges they face," she said. "The opportunity to create value for our clients and to be part of a change movement in

the sector is what I like best about my job."

Ms. De Rocco said leading a young team — almost exclusively made up of millennials — is a hugely satisfying part of her role. "Seeing their progress day to day is very rewarding," she said.

"In general, I am proud when I am doing something that I feel could help or have a positive impact on others, for example when someone recognizes me as a point of reference for younger colleagues, a 'female model of leadership' or as a sort of 'door opener,'" she said.

This year, Ms. De Rocco has chaired a "WomenLab" at Marsh Italy. This recently



created committee is charged with promoting gender diversity and inclusion at Marsh in Italy. "We have ambitious plans for 2019 to really make a difference," she said.

"I hope she will continue to inspire ..."

Stefania Davi-Greer, AGCS

As a mother of two, Ms. De Rocco says that maternity has changed her approach to life and work, "smoothing some angles of my character and making me more focused and efficient."

"I am curious by nature and I like to learn something new every day, so I love reading and discovering new places with my kids," she said.

Stefania Davi-Greer, head of financial lines for regional unit London at Allianz Global Corporate & Specialty SE, said Ms. De Rocco's inclusion as a *Business Insurance* Woman to Watch was "testament to her hard work and commitment to the insurance industry."

"I hope she will continue to inspire many professionals on her continued path to success," Ms. Davi-Greer added.

Sarah Veysel

Kirsten Early

Managing director
 Broadspire UK, a unit of Crawford & Co.
 London
 Age: 39

For U.S.-born Kirsten Early, the chance to lead a global team from a new base — the United Kingdom — was an opportunity too good to miss.

Ms. Early, a mother of four and competitive skier, said the reasons she loves claims is that every day is different: "I learn something every day." As a mother and dog owner who says "it is family first for me," Ms. Early knows the importance of work-life balance and is keen to set an example to her team. "If they see me leave to go and pick up my children, they realize that they

can do that, too," she said.

One of the challenges to women entering the insurance industry, Ms. Early said, is that it can appear as though most of the leadership positions are held by men, raising the question "How do I get there?"

As well as leading by example, Ms. Early still mentors a woman from a former employer and two Crawford & Co. employees in the United States, and takes an active part in Crawford's women network.

Having begun her career in insurance, Ms. Early gained a law degree and was a



practicing insurance attorney before being appointed assistant vice president, global client executive at Marsh Inc. at 27. During

this stage of her career, Ms. Early had her first child and embarked on an MBA, which she achieved at the age of 30 after just two years' study. She was then appointed assistant vice president at ESIS Inc. before joining Crawford in 2014 as vice president for business development in the global markets division. Five months ago, she took up her new challenge, bringing her young family to the U.K. to lead Crawford third-party administrator Broadspire.

"Kirsten has always demonstrated the core values of an exceptional leader by setting an example for others through respect, training, mentoring, accountability, empowerment and always caring for others," said Danielle Lisenbey, global president, Crawford TPA Solutions.

A U.S. ski team member in her younger years, Ms. Early continues as a competitive giant slalom skier in the 30-40 age group.

Sarah Veysel

Catherine French

Managing director of risk management placement
Marsh Ltd.
London
Age: 33

Catherine French thought she had a biology career studying cell migration ahead of her after getting her Bachelor of Science degree in biological sciences from the University of East Anglia in Norwich, England, but she quickly realized it was a very lonely world for a people person.

She began researching careers that emphasized face-to-face communication, and insurance broking was one of the top industries she uncovered. “Mine truly is a fall-in,” she said of her journey into the industry, but one she welcomed given “the sheer amount of people you touch.”

“You get to really embed yourself in so many different areas, and the ever-changing industry just makes it so interesting,” Ms. French said.

A major topic of conversation with clients these days is the European Union’s General Data Protection Regulation, which came into force in May 2018, and the intersection with cyber and nondamage business interruption. But the market has been slow to develop solutions to the evolving risk, and brokers have to make sure policy wordings match the needs of clients who are embracing and investing in technology and auto-



mation, Ms. French said.

“Clients are moving with that speed,” she said. “The insurance industry is slower in that regard. We’re trying, but we’re some-

times behind that curve.”

“She always thinks about the customer,” said Lisa Williams, head of casualty lines for Zurich Commercial Insurance U.K. “She always thinks about how their needs translate to what she is asking for from her insurance partners. And as strong as she is — because you have to be in the London market — she never loses who she is.”

“The big thing about Catherine that I really admire is that she works in a really tough environment for women,” said Tracey Skinner, London-based director-in-insurance for telecommunications company BT Group PLC. “The London insurance market is not a female-friendly place to be.”

Ms. French was recently promoted and now leads a team of 24 people, but Ms. Williams said she does not see a ceiling for her. “One of the things I love about Cat is she doesn’t know how good she is sometimes,” she said.

Gloria Gonzalez

Debbie Hobbs

Senior underwriter and product development lead
EmergIn Risk, a unit of Ryan Specialty Group LLC
London
Age: 37

Debbie Hobbs played an integral role in the formation of EmergIn Risk, according to colleagues, and is proud of the way the company has evolved.

“Helping to build an amazing team and watching them individually and collectively grow in this market has been extremely rewarding — and I am excited for what’s next,” she said of EmergIn Risk, a managing general underwriter owned by Ryan Specialty Group LLC that started in 2016, for which she is senior underwriter and product development lead.

A lawyer by training, Ms. Hobbs began

her career at an insurance-focused firm and quickly grew to love the insurance industry. This prompted her to move to work for an insurer in claims, and her passion for the industry led her to the underwriting side and later a management role. She joined EmergIn Risk in 2016.

“I find the industry to be very dynamic and I enjoy the variety that the job brings,” she said.

Ms. Hobbs believes it is crucial that young people continue to join what is “a dynamic and exciting industry filled with opportunity.”

“I am seeing more and more intelligent



young women filling junior roles, which I believe is a reflection of the times,” she said.

“I encourage them to be ambitious and strive to achieve their goals,” she added.

“My view is that often women lack an element of self-belief, in comparison to men, despite having all of the necessary attributes to be successful. I hope to inspire, and continue to encourage and support, women to back themselves and have confidence in knowing what they want to accomplish and how to get there,” she says.

This, Ms. Hobbs believes, will see more and more women holding senior positions in what has been traditionally a male-dominated industry.

Jamie Bouloux, London-based CEO of EmergIn Risk, describes Ms. Hobbs’ professionalism and leadership as “inalienable.” He says it is her “ability to connect with her team and the wider market that sets her apart.”

When she isn’t working, Ms. Hobbs enjoys riding her horse. She has recently taken up golf, she plays netball, a seven-player team game, and is an avid skier.

Sarah Veysel

Gladys Karuri

Principal executive director, strategy, finance and operations
Britam Holdings PLC
Nairobi, Kenya
Age: 44

For Gladys Karuri, one of the best things about working in the insurance industry is seeing the impact insurance has on people and their families.

Ms. Karuri, the principal executive director for strategy, finance and operations for Britam Holdings PLC in Nairobi, Kenya, often works with small traders and farmers who rely on their businesses to put food on the table for their families. She said the ability to provide them with medical insurance that allows them to provide for their families if they get sick and are

hospitalized is rewarding.

“You start seeing the joy when you have an impact in their lives,” she said.

She also loves that her insurance industry job comes with the ability to travel. In addition to spending two years in London studying her craft, she travels extensively as Britam has operations in seven African countries: Kenya, Uganda, Tanzania, Rwanda, South Sudan, Mozambique and Malawi.

There is a “huge opportunity” to expand the insurance industry in these countries, which have penetration levels in the low



single digits, she said. The ability to use mobile phone technology and internet access to expand that penetration by reduc-

ing administrative and intermediary costs is key, as is the ability to use technology to offer insurance products with the option of paying premiums on a daily or weekly basis rather than monthly or yearly, which can help smaller companies and individuals who may not have regular income flows afford insurance coverage, she said.

Another aspect of the industry she loves is its complexity, and that complexity provides major career opportunities for young women, she said. “It gives you an opportunity to show what you can do,” she said.

“I’ve always been impressed with Gladys,” said Susan Holliday, principal insurance specialist at the International Finance Corp. in Washington. “She has a lot of responsibilities under her department, and the company is doing some interesting things. I can imagine her potentially having a CEO role.”

Gloria Gonzalez

Jane Kiely

Managing director, U.K. retail, commercial risk
 Aon UK Ltd.
 Manchester, England
 Age: 42

Jane Kiely didn't always want to work in insurance, but she's quickly made it into a very successful career.

After studying law at university, she reviewed her career options and was impressed by the role that insurance plays in all commerce and the variety of the work.

"One day you might be going to a nuclear power plant and trying to understand how that works and how the money flows and what the risks are, the next day they might be going to an ice cream factory, the next day may be to a mine; it's really a varied and interesting job," she said.

She joined Marsh Ltd.'s graduate program, where she gained wide experience over six years, and has spent the past 13 years with Aon PLC.

In her role as managing director of U.K. retail and commercial risk, which she took on earlier this year, she leads a team of 1,200 across 29 offices that produces £150 million (\$192.8 million) in annual revenue.

Richard Pike, group chief financial officer of Biffa PLC, has been a client of Ms. Kiely in his various roles for 15 years. "She's far and away the strongest person I've come across in the insurance industry," he said.



After his previous firm was quoted an increase in premium, Ms. Kiely successfully explained to insurers that they were looking at the components of risk in the business in

the wrong way and managed to negotiate a marked premium reduction, he said.

"She brings huge creativity to all situations I've seen her involved in," Mr. Pike said.

Based in Manchester, England, Ms. Kiely is involved in various diversity initiatives with Aon including Step Up, its social diversity program for underprivileged young people.

With two sporty daughters aged 11 and 16, she and her husband, who is also in the brokerage business, work as a team to achieve work/life balance but also have parental support.

"I work really hard to encourage other people to realize that you can have work/life balance and you don't have to pretend that you don't have a family," she said.

Finding balance also ensures she has time for book club and trips out for afternoon teas. "I think I should have been born as Lady Mary in 'Downton Abbey,'" she said.

Gavin Souter

Jacqueline Legrand

CEO
 Brokerslink
 Porto, Portugal
 Age: 57

Jacqueline Legrand is a true citizen of the world: raised in the French Alps and living in New Rochelle, New York, with her husband and two daughters before running brokerage operations in Porto, Portugal, and Sao Paulo.

Ms. Legrand began her insurance career in Paris in 1988 when she joined French broker Théorème. In 2006, she joined Crystal & Company in New York, where she became a managing director and significantly expanded the company's international department. In 2012, she took the position of chief operating officer and board member for brokerage and risk

consultancy MDS Group, spending three years as the CEO of MDS Portugal and six months with MDS Brazil in 2017, where she oversaw a difficult transition after the local CEO had to be replaced.

"It was tough to take over and to reorganize and to let some people go," she said. "But it was another world, a very different culture, so I learned a lot."

She proudly took on the challenge when the board of Brokerslink, an association of independent brokers of which MDS is a member, appointed her CEO, creating a new vision for a unified organization called "One Brokerslink" that involves



using new technological platforms to better support the members, who operate in more than 100 countries.

When the Brokerslink board looked for

a new CEO, it quickly realized it had the perfect candidate in Ms. Legrand, a cosmopolitan renowned for her work ethic, said Steve Hearn, CEO of Ed Broking LLP in London. She "put her own stamp on the business ... and that's not easy when you have the founder still sitting around the table," he said. "This isn't someone who shies away from decision-taking or sugarcoats where it's not necessary. She has a vision and sold it well."

As far as women have come in the insurance industry, she says there is still plenty of room for growth. She attended the Insurance Leadership Forum in Colorado Springs, Colorado, in October as a newly appointed member of the Council of Insurance Agents and Brokers board and was one of the few high-ranking female participants. "It is well known that a diverse workforce is driving performance and better decision-making," she said. "But we are not there yet."

Gloria Gonzalez

Ewa Machlarz

Senior vice president and chief actuary
 Travelers Insurance Co. Ltd. and Travelers Cos. Inc.'s Lloyd's of London syndicate
 London
 Age: 40

Ewa Machlarz urges other women in the insurance industry to not be afraid of speaking their minds.

"Share your thoughts and ideas," she said. "Diversity of thought has been proven to positively impact" revenues, "so it is important for women to speak up."

As chief actuary for Travelers Cos. Inc.'s Lloyd's of London syndicate as well as its London-based Travelers Insurance Co. Ltd., Ms. Machlarz said she is excited to be in the industry at a time when it is ripe for technological transformation and

to see what path her career might take as that technology shapes and transforms the future — and how her ideas can help to shape and transform the industry.

Born in South Africa, Ms. Machlarz worked at Hannover Re SE while she was a student, alongside her studies in mathematics and statistics, and enjoyed the challenge of dealing with a variety of people, with differing opinions and the debates that ensued, leading her to choose a career in the insurance industry.

Ms. Machlarz has two small children and



is a firm believer in flexible workplaces. But when returning from maternity leave and seeking to find a work-life balance, Ms.

Machlarz realized that for many women this can be a difficult time. Those returning from maternity leave may feel a lack of confidence or be unsure how they now fit into their role, she said. Ms. Machlarz said that in her own experience returning to work four days a week, with a very supportive manager, she learned the importance of delegation and being efficient.

"I try to ensure that people are not sidelined if they work part time and encourage them," she said. For example, employees working flexible hours might sometimes be overlooked for particular projects because of their schedules, she explained. "I try to build the work around them so that they do not get sidelined."

Matthew Wilson, CEO of Travelers Europe in London, praised her "incredible drive and ability to gracefully challenge the status quo."

Sarah Veysey

Delphine Traoré Maïdou

Chief operating officer

Allianz Africa

Johannesburg

Age: 44

Like many others, Delphine Traoré Maïdou, chief operating officer of Allianz Africa, “fell into” the insurance industry after graduating with a major in business accounting. But she quickly saw that underwriting was a way to use those skills and to look at companies through a wider lens and learn about risk.

She loves the industry because it has evolved so much over the 22 years of her career, she said.

She was appointed COO of Allianz Africa and to the board in 2017.

Working across 15 African countries,

Ms. Traoré Maïdou is energized by the fact that the insurance industry can touch people and that young people in Africa are being attracted to the insurance industry to forge their careers.

The way the insurance industry can positively contribute to society is a huge motivation, she said. Insurer initiatives such as microinsurance or underwriting lines of business such as agricultural insurance can positively contribute to families and societies in Africa, Ms. Traoré Maïdou said, and this is a source of pride and inspiration for her career.



She advises the young women she mentors and supports to find work that they enjoy doing. “We are at work for half our lives,” so a job needs to give a person

“We are at work for half our lives,” so a job needs to give a person something more than financial well-being. “Do something you enjoy.”

Delphine Traoré Maïdou, Allianz Africa

something more than just a contribution to their financial well-being, Ms. Traoré Maïdou said.

Her own role gives her a platform to contribute something to Africa, she said. But she urges young women not to just seek to replicate a career like hers, but to find their own paths. “Do something you enjoy,” she said.

When she is not working, Ms. Traoré Maïdou finds relaxation in sitting her garden, watching the sea and listening to the birds sing.

Sarah Veysey

Jennifer Martin

Managing director, Pen international and financial lines

Pen Underwriting Ltd., a unit of Arthur J. Gallagher & Co.

London

Age: 52

Like many insurance professionals, Jennifer Martin didn't initially see insurance as a career. Instead, she said she considered a variety of other callings, including being an actress or a journalist.

“I didn't have a strong sense of what I wanted to do,” she said. But when she was offered a place in a graduate program in insurance, she decided to give it a try.

“It seemed interesting at the time, and that's proven to be the case,” she said.

Her career has taken her from an underwriter at Sun Alliance, which is now RSA, to her current position as managing director of Pen international and financial lines

at Pen Underwriting Ltd., a unit of Arthur J. Gallagher & Co.

Ms. Martin said that when she entered the insurance business in 1988, she became “part of an exceptionally male-dominated industry.” She “overlooked sexism” along the way, she said, adding, “I believed in myself.”

Ms. Martin said it's easier now for women in insurance than it was 30 years ago, but her advice to others remains the same. “Always be proud of yourself,” work hard and focus on being professional, she said. “Don't play on being a woman, be yourself.”

When she joined Pen in 2015, she became



the company's first female executive.

In her current position, she is responsible for profit and loss in a variety of areas, including professional indemnity, medical

malpractice, a specific account for solicitors' professional indemnity, international cyber accounts and U.S. property accounts.

“It's quite wide and diverse,” she said. “It makes life interesting.”

While at Pen, Ms. Martin was involved in uncovering fraud that emerged when Pen acquired another company. A whistleblower spoke to her about concerns, and she advised the whistleblower to “write down all you have witnessed” but not jump to conclusions. The whistleblower's information and an internal audit caught the fraud, which resulted in a criminal conviction.

Ms. Martin leads by example and is both energetic and enthusiastic, according to Pen Underwriting CEO Jonathan Turner. “She delivers results when often other organizations require second or third opinions prior to commitment.”

“If you want to forge a career, then never expect others to forge it for you,” Ms. Martin said. “Take charge of your own destiny.”

Mark A. Hofmann

Sima Ruparelia

Chief actuary

AIG Europe Ltd.

London

Age: 43

Sima Ruparelia, chief actuary at AIG Europe Ltd., a unit of American International Group Inc., and a member of AIG's senior finance leadership team, says that her favorite part of her job is working with a team of talented, well-qualified people.

“I love people,” she says. “I also love the variety of my role. It has a good mix, looking at underwriting, prudential matters, strategy” and being part of a leadership team.

After a degree in mathematics and a foray into life insurance, Ms. Ruparelia embarked

on a career in property/casualty insurance — a career she loves. “I truly believe in the value of insurance, and how it benefits society,” she said. “I like the fact that we are there when people need us, and it gives me great satisfaction to be part of that.”

Ms. Ruparelia is proud to have risen to a senior position and overcome some of the obstacles that she faced as an Asian woman.

She also has played an important role in helping the actuarial function to be seen as strategic rather than back-office, and has helped improve underwriting results.



Diversity is close to Ms. Ruparelia's heart. Her own team has a 50/50 gender split and encompasses a wide range of ethnic

minorities, she said. She is an executive sponsor of AIG's employee resource group Showcasing How Inclusion Nurtures Excellence, or SHINE. This multicultural, multifairth network aims to widen the collective appreciation and understanding of cultural diversity within society, she said.

Ms. Ruparelia also speaks on panels at women's industry events and enjoys mentoring female actuaries.

Anthony Baldwin, CEO of AIG UK in London, said Ms. Ruparelia had made a big impact and demonstrated strong leadership in relatively short time. “She has made a robust contribution to our business, in particular providing greater insight to leaders throughout the organization,” he said.

A keen theater-goer, Ms. Ruparelia enjoys the gym, practicing mindfulness and spending time with her family. She also is a voracious reader and writer of fiction.

Sarah Veysey

Leonora Siccardi

Chief operating officer and head of client service for U.K. and EMEA

Aon Reinsurance Solutions

London

Age: 44

Leonora Siccardi studied law at university but took a master's degree in insurance and risk management because she wanted to work in a sector that benefited society — and one that was ripe for change.

Nearly 20 years later, she's seen much change in the industry but sees more opportunities for herself and others working in insurance and reinsurance.

"We've made a lot of progress, but I still think there's a lot we can do to innovate and change the sector," she said. In addition, "We play a very important role, but I think the role we play could be much

bigger in terms of reducing the protection gap," Ms. Siccardi said.

Ms. Siccardi entered the sector in 2001 when she joined Munich Reinsurance Co. and launched the reinsurer's claims department in Italy before moving into the brokerage sector and on to London in 2004.

She joined Aon PLC's reinsurance operations in 2006 to handle claims for southern Europe and held various roles before being named chief operating officer and head of client services for U.K. and EMEA for Aon Reinsurance Solutions earlier this year, where she is responsible for more than 300



staff in the U.K. and Europe, the Middle East and Africa.

Ms. Siccardi "has been employed in a range of diverse roles and has enjoyed great

success in each, always putting the needs of her team and clients at the fore of her work. Leonora has transformed our team and the way we do business," said Maggie Westdale, business chief financial officer at Aon, in a statement supporting her successful nomination as one of the 2018 Women to Watch.

Ms. Siccardi is also heavily involved in charity projects for Aon, helping build homes in Cambodia and running the London marathon to raise funds for the Aon Manchester Foundation.

Part of Aon's U.K. Diversity Council, she is also an executive sponsor for Aon of Women's International Networking, a women's leadership organization. She also mentors female colleagues at Aon and for other organizations in the London market.

"At the same time, it is reverse mentoring for me because I'm able to learn from a new generation and learn about the support that they need," she said.

— Gavin Souter

Kadidja Sinz

Head of continental Europe

Liberty Specialty Markets, a division of Liberty Mutual Insurance Co.

Paris

Age: 61

When asked what she enjoys most about her job, Kadidja Sinz answers: "Teamwork!"

"In particular, I love the energy that a team can generate around implementing a strategic development from the bottom up," said Ms. Sinz of her work as the head of continental Europe for Liberty Specialty Markets, a division of Liberty Mutual Insurance Co.

"This is a challenging time to be in insurance, but I'm passionate about this industry and I believe there are many interesting and positive things we can do when we collaborate effectively together

for brokers and buyers."

Ms. Sinz got her law degree before studying international relations at business school. "I was inspired by the idea that an industry can contribute to the growth of the international economy, so I first became a political risk underwriter, supporting companies to secure their international investments. Then I specialized in financial lines," she said.

Starting and developing projects have been among the things keeping Ms. Sinz's career stimulating and of which she is proud, she said. A recent broker engagement model is a good example of



this, she said: "It's meant a real culture shift and working on a common language for all our underwriters across Europe — and it is allowing teams to have

better conversations."

Over the course of her career, Ms. Sinz has sought opportunities to encourage talented women, "some of whom I've known and supported for 20 or 30 years now."

"In every organization I have worked in, I've pushed for diversity, and I've been particularly keen to ensure that we are aware of bias against women in that critical 34-42 age bracket who are part of the talent pool but also starting families," she said. "This is a time when bias can creep in — you can't ignore that, but you must manage it."

"Kadidja is an inspirational and effective leader who sets ambitious targets and has achieved much through her inclusive and collaborative approach," said Matthew Moore, London-based president and managing director of Liberty Specialty Markets. "Her impact on our European business has been enormous."

— Sarah Veyssey

Hélène Stanway

Digital leader

Axa XL, a division of Axa SA

London

Age: 45

Having started in the insurance sector resolving issues of the past for one of the world's oldest insurance institutions, Hélène Stanway now spends her time working on the future of the business.

As digital leader for Axa XL, a division of Axa SA, London-based Ms. Stanway played an instrumental part in one of the first commercial insurance blockchain applications and continues to lead innovation at the insurer.

After completing a degree in management science and French — a language

that Anglo-French Ms. Stanway perfected on childhood trips to Switzerland — she looked for a job that matched her strengths.

"I was one of those people who chose to go into insurance and did not fall into it, because I could use the math side, my business skills and the French, because it's a global business," she said.

In 1995, she joined Equitas Ltd., the company formed to take on the long-tail liabilities of Lloyd's of London syndicates, where she worked on reinsurance recoveries. After six years, she joined a Lloyd's



syndicate now owned by Axa. After returning from maternity leave, she moved over to operations and held various roles before

being asked to examine new technology trends at the beginning of 2016. She was named digital leader later that year.

"I was able to put a business lens on tech instead of being a pure technologist," Ms. Stanway said.

One of the biggest projects she has led at Axa XL is a blockchain initiative released earlier this year. A collaboration between eight companies, including Ernst & Young LLP, Maersk A/S, Willis Towers Watson PLC and MS Amlin PLC, the product brings blockchain technology to marine hull insurance with automated war zone cover.

"She's been really good at bringing a business perspective, talking about digital disruption in a way that underwriters and clients can relate to," said Madeline Bailey, head of strategic initiatives at MS Amlin, who works with Ms. Stanway on the blockchain project.

— Gavin Souter

LEADERSHIP MATTERS.

Zurich congratulates the 2018 Business Insurance Women to Watch honorees. We commend them on their personal achievements, marketplace influence and contributions to the advancement of women in business.

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COMMENTARY

Winds of change for risk managers

Climate change is a tough issue for insurers. On the one hand, the increased incidence of natural catastrophes, which most climate scientists at least partially blame on greenhouse gas emissions, drives up losses; but on the other hand, companies in the energy sector, a major source of greenhouse gases, are substantial customers for insurers.

For decades, some of the largest insurers and reinsurers in Europe have warned businesses and politicians about the financial consequences of climate change, often financing and conducting research into the issue and highlighting the perils that society faces from increased windstorms, floods and droughts. At the same time, they have faced significant increases in catastrophe-related claims.



Gavin Souter
EDITOR

Up until recently, however, they have largely been able to separate the business generation issues from the energy generation side of the equation. That is changing and insurers, particularly in Europe, are facing pressure from investors and environmentalists to cut ties with coal businesses, which are often held up as examples of the worst polluters.

As a result, some big names in the European insurance and reinsurance sector — including Allianz SE, Axa SA, Munich Reinsurance Co. and Swiss Re Ltd. — have restricted their underwriting of coal projects.

Up until recently, U.S. insurers have not faced the same pressure and have been able to step into the void. But similar campaigns have taken aim at domestic insurers with the goal of persuading them to adopt similar policies. Things are changing, however. Last month, Axa, which completed its purchase of XL Group Ltd. earlier this year, announced that it was extending its policy on coal, and some other energy projects, to the former XL, a major commercial insurer in the U.S. As a result of the policy change, Axa XL will cease insuring projects related to the construction of coal-fired power plants. Axa expects that the decision will lead to a €100 million (\$113.6 million) drop in revenue. Considering Axa had well over \$100 billion in revenue last year, the loss of business likely won't have a big effect on its bottom line, but it's still a significant move by the insurer.

It's significant for its customers, too. A well-established industry conducting its business legally will be deprived of a source of insurance. The move is hardly likely to cause a crisis, as there remains ample capacity in the insurance sector and beyond that the coal sector can tap into, whether it's through conventional coverage or alternative risk financing.

Climate change remains a divisive topic, but regardless of where individuals in the industry may stand on the issue, they must face up to the fact that the global nature of business brings pressures to bear that can't always be successfully resisted. If risk management is about managing uncertainty, risk managers in the energy sector will have their work cut out for them as social and environmental factors are brought to bear more stridently on corporate policies.

SCHILLERSTROM



VIEW FROM WASHINGTON

Time for paid family leave

Divided government. That's what we're in for over the next two years.

Does that mean Congress won't be able to get anything done? The optimist in me hopes that's not the case. The pessimist in me probably knows better.

Can a divided Congress agree on an infrastructure package that will address America's dangerously crumbling bridges and highways? Can a divided Congress come up with national data privacy legislation that protects consumers from the electronic damage incurred due to a cyber breach while not putting an onerous burden on U.S. businesses? Can a divided Congress finally agree on a comprehensive overhaul of the National Flood Insurance Program?

These are all initiatives worthy of congressional attention and action. But one area I hope that Congress will finally address is paid family leave. Six states and the District of Columbia have enacted paid family leave programs, but it's well past time for the federal legislature to move on this issue.

In September, Sen. Kirsten Gillibrand, D-N.Y., and Rep. Rosa DeLauro, D-Conn., introduced the Family And Medical Insurance Leave Act, which would provide workers with up to 12 weeks of partial income when they take time away from work for their own serious health conditions, the serious health condition of a child, parent, spouse or domestic partner, the birth or adoption of a child, or for particular military caregiving and leave purposes. It would enable workers to earn 66% of their monthly wages, up to a capped amount, cover workers in all companies no matter their size, and be funded by employee and employer payroll contributions amounting to 2 cents per \$10 in wages.

But there are major sources of disagreement even

among those who believe in some type of paid leave program. In September, the American Enterprise Institute for Public Policy Research and the Brookings Institution jointly published a working group report after lengthy discussions in which they compromised on eight weeks of paid parental leave at 70% of wages with a maximum benefit of \$600 a week. But the group had contentious discussions centered on family caregiving.

"In the case of family care leave, we all agree that the ability to take leave to care for an ill family member would be beneficial for employees," the working group stated in its report. "However, there was no consensus regarding paying for this leave through a federal program."



Gloria Gonzalez
DEPUTY EDITOR

It's sad to say, but it may take the record-breaking presence of the women elected to Congress in this year's midterms to move this issue forward. Several of the 125 female legislators-elect have stated that this is a priority for them and they plan to push for a U.S. House of Representatives vote on this issue. That in turn could pressure the U.S. Senate to act, especially if President Donald Trump puts his weight behind a bill. We know this is a key priority for his daughter and adviser Ivanka Trump, and the president has shown substantive signs that he will support such legislation, namely by including a paid family leave proposal in his budget to Congress.

Here's hoping for breaking stalemates.

Silent cyber risks prompt insurers to update policies, gather exposure data, plan security

Over the past few years, cyber risk has moved from imagined scenarios to become a threat that is increasingly real and prevalent. Cyber insurance products are growing quickly, but at roughly \$4 billion in premiums they comprise less than 0.3% of the global property/casualty market, according to Aon PLC's 2018 Insurance Risk Study: Global Risk, Profitability, and Growth Metrics. The greater concern for the insurance industry is not these "affirmative cyber" products, but rather the potential "silent cyber" risk residing in traditional property/casualty policies — i.e. the risk that a cyber event could trigger unexpected payouts under existing policy wordings.

Silent cyber risk is not a new problem, but insurers' concerns are growing due to increased regulatory scrutiny, rating agencies' demand for sound corporate governance and, perhaps most notably, high-profile cyber attacks and losses. In December 2015, Ukraine experienced widespread power outages, due to malicious code, that lasted six hours. Further malware attacks in 2017 caused widespread disruption to services throughout Ukraine and spread to certain U.S. and European multinational companies operating there. This attack — referred to as NotPetya — generated claims both on property and affirmative cyber insurance policies. By mid-2018, an evolved version of the malware used against the Ukrainian power grid had successfully infected critical infrastructure in Eastern Europe. The level of sophistication behind this new malware — dubbed GreyEnergy — suggests that critical infrastructure remains both targeted and vulnerable.

Reports from Lloyd's of London and Cambridge University, as well as a recent joint publication by Aon and Guidewire Software Inc., have provided additional illustrations of silent cyber claims that could arise from hypothetical attacks on U.S. critical infrastructure. Together, these reports suggest possible cyber-driven claims on insurance lines including property, flood, general liability, management liability and homeowners, as well as affirmative cyber policies.

Most insurers are just beginning to contemplate their silent cyber exposure in an organized way. Grappling with silent cyber risk is complicated by several factors: ambiguous policy wordings, disparate data systems and a sentient peril that makes historical data of limited value.

Start with policy language

Technology changes rapidly, whereas policy wordings do not. Silent cyber

risk is a byproduct of how businesses have embraced network connectivity and become increasingly reliant on technology.

As technologies transform business operations, new possibilities also emerge for misuses of these technologies to cause adverse or harmful outcomes. Surprising new things can happen — such as a company's manufacturing operations being shut down by malware — and old things can happen in new ways — such as power failure or flood damage resulting from a cyber attack on infrastructure. Few such things were probably contemplated — or even possible — when much of today's policy language was originally written.

Grappling with silent cyber risk is complicated by several factors: ambiguous policy wordings, disparate data systems and a sentient peril that makes historical data of limited value.

In the joint paper that Aon released with Guidewire in October, "Silent Cyber: Opening the Flood Gates," we examined the potential for a cyber attack causing flood damage by hacking the industrial control systems at a dam. Our findings were that such an attack could cause insured losses of up to \$9.7 billion at a single dam. In this case, the losses would be covered by property and flood policies where flood is the covered cause of loss. These scenarios illustrate two aspects of silent cyber risk: unintentional coverage, since policy language does not explicitly address cyber attack as a potential cause of flood losses; and unpriced coverage, since no adjustment to flood insurance pricing is made for the potential rise in frequency or severity due to cyber-enabled dam failures.

Insurers must undertake a thorough coverage review to evaluate their wordings. Ideally, this is done in tandem between claims professionals and actuaries that can envision what sort of attacks might exploit policy language. One area of particular concern — and an easy place to begin — is to identify any discrepancies between an insurer's underlying policies and how the insurer's reinsurance would respond. Insurers will want to check that their reinsurance protections would perform as

expected, so that a cyber attack does not end up creating an even greater net loss than they would experience if triggered by another peril.

How much data is enough?

Since cyber risk can at least theoretically influence every line of business, insurers must be careful to make their inquiry manageable in scope. A full reckoning of silent cyber risk potential would start with compiling exposure data from various policy management systems supporting numerous lines of business. For many insurers, this data gathering exercise alone could take months.

Instead, insurers can streamline the process by focusing on their silent cyber risk tolerance — that is, assessing what size of loss would be unacceptable due to its impact on earnings or capital. Some lines of business will have the potential for material losses, and some will not. For many insurers, these questions tend to direct attention toward property lines, where large limits may be exposed and where events such as NotPetya have established a precedent.

For all product lines, cyber risk shines a light on the need for data that is missing from traditional property/casualty exposure datasets — data such as a company's websites and supply chain dependencies. Much can be inferred about a company's cyber security health from this information. In the future, these data fields will be considered essential for underwriting as technology plays a growing role in every business.

Planning for the unexpected

Cyber risk is a man-made peril, which means that threat actors will adapt their targets and techniques over time as their objectives and companies' cyber security defenses change. Due to these ongoing changes, historical data may have limited value for predicting the next catastrophe. For silent cyber risk, a better means to gauge risk is to use deterministic loss scenarios that are designed to be extreme but plausible. This also means that having a cyber security perspective integrated into modeling projects is extremely important. "Extreme but plausible" scenarios must be informed by the potential motivations of threat actors, as well as by what is technologically feasible — which can change quickly as new devices are connected, new software and hardware vulnerabilities are discovered, and new patches are (hopefully) deployed. As far as which scenarios matter most, this question is unique to each insurer's mix of business and combination of exposures.



Jonathan Laux is a managing director and head of cyber analytics at Aon PLC. He can be reached at 312-381-5370 and jonathan.laux@aon.com.

Ending the silence

Ultimately, the solution to silent cyber risk is to end the silence — that is, to make cyber exposure affirmative, either by setting clear exclusions or by offering clear coverage grants and collecting or allocating premiums for taking the risk. Such an "affirmation" process could take several years, but is essential to create clarity and replace the ambiguity that currently predominates. Aon has developed a service to help insurers through this process, backed by reinsurance.

Actuaries are well positioned to take leading roles in reckoning with silent cyber risk. In the course of an actuary's training, we become conversant with coverages, claims and catastrophe modeling concepts — all of which are important in cyber. By adding a working knowledge of cyber security, the actuary is well situated to understand what kinds of cyber risks could aggregate for an insurer, and to distinguish thoughtfully between unfounded fears and legitimate concerns. Moreover, actuaries value clarity and can lead toward clarity in policy language, which will benefit all parties involved. Cyber risk brings with it an exciting opportunity for insurers to help customers navigate new challenges, and for actuaries to use our many talents to help shape the future of the insurance industry.

Aon nondamage business interruption cover

■ Aon PLC has introduced nondamage business interruption coverage designed to protect income streams of companies with an abundance of intangible assets.

Nondamage business interruption policies protect the revenues of companies such as hotels, retailers, pharmaceutical firms and transportation companies against business interruption costs that result from an event without physical damage, Aon said in a statement.

The coverage is structured by Aon's innovation and solutions team and can utilize parametric indices together with traditional insurance and reinsurance, the statement said, adding that both Lloyd's of London and Swiss Re Ltd. are providing capacity.

For example, the product can help firms such as the hospitality and retail sectors mitigate the financial impact of lower client footfall following events such as delays or cancellations to transportation, the statement said.

Liberty, OPIC partner on emerging markets

■ The federal Overseas Private Investment Corp. and Liberty Mutual Insurance Co. are launching a \$1 billion risk-sharing agreement to facilitate private-sector investment in emerging markets.

OPIC is a Washington-based independent federal agency that helps U.S. businesses invest in designated emerging markets and provides political risk insurance for U.S. companies operating in 160 developing and post-conflict countries.

"This is OPIC's first agreement with a U.S. owned insurance company to share credit risk across a global portfolio of new OPIC-originated loans to commercial banks and other non-bank financial institutions," the organization said in a statement.

"Partnering with public agencies like (OPIC) is an important way for us to approach this market," said Peter Sprent, London-based head of financial risk solutions at Liberty Mutual's Liberty Specialty Markets division, in the statement. "We benefit from OPIC's high standards of due diligence — including environmental and worker rights safeguards — and credit monitoring."

Chubb expands policy for PE firms

■ Chubb Ltd. is providing expanded insurance coverage thorough its Private Equity+ offering to cover risks private equity firms face.

The extended offerings combine four



Marsh offers affinity platform

■ Marsh LLC launched Bluestream, a cloud-based digital broker platform for the affinity market.

Bluestream will provide Marsh's affinity clients a streamlined way to offer insurance products and services to their customers, contractors and employees, the brokerage said in a statement.

The service will provide a configurable and secure platform where clients can choose a single insurance or multiple insurance providers to quote, bind and issue policies with one or more companies, as well as an analytics dashboard, the statement said.

Marsh is accepting beta clients for Bluestream and expects to scale the platform to its broader client base in 2019, the statement said.

"While the platform can serve our clients in all industries, it's particularly relevant for global clients in digitally advanced sectors as well as digital native organizations like sharing economy companies," John Drzik, Marsh's president of global risk and digital, said in the statement.

coverages focused on management (directors and officers), outside directorship, professional services (errors and omissions) and employment practices liability into one policy, the insurer said in a statement. Extensions include preacquisition defense costs arising from lawsuits brought against the private equity firm as controlling shareholder of a company held within its portfolio; crisis costs incurred by the firm, including hiring a public relations firm to mitigate potential reputational damage resulting from the termination of a key executive; and defense costs incurred by an executive as a result of being interviewed by regulatory enforcement agencies. Limits are avail-

able on a "case by case" basis, a Chubb spokeswoman said in an email.

Axa XL, cloud provider offer policy

■ Axa XL and insurance cloud provider Slice Labs Inc. introduced a cyber insurance policy designed for small and medium-sized businesses that offers limits of up to \$3 million.

Hamilton, Bermuda-based Axa XL, a division of Axa SA, and New York-based Slice Labs said in a statement the policy is designed for companies with under \$20 million in annual revenues and offers limits of \$250,000 to \$3 million.

The policy includes coverage for data protection and private risks, both for third-party claims and first-party mitigation costs, as well as protection for cyber extortion threats and other breach-related regulatory penalties, the European Union's General Data Protection Regulation and merchant services agreements, according to the statement. Policyholders get an individualized dashboard with an overall cyber risk assessment and scores.

CyberCube, CNA team on cyber underwriting

■ CyberCube, which provides cyber risk analytics for the insurance industry, has agreed to expand its underwriting capability with CNA Financial Corp.

CyberCube said it will use Chicago-based CNA's insurance analytics platform to supplement its ability to underwrite, price and model cyber risk.

San Francisco-based CyberCube said its risk modeling platform combines single risk underwriting and aggregation risk modeling to help insurers accurately mention emerging cyber risks' financial impact.

CoreLogic adds Canada hail models

■ CoreLogic, an Irvine, California-based information, analytics and data provider, is making its Canada Flood Risk Score and its Weather Verification Services available for hail in Canada.

The CoreLogic Flood Risk Score is a rating system that helps insurers assess properties for potential flooding risk from riverine, flash and coastal flood events, the company said in a statement.

The CoreLogic Weather Verification Service for hail verifies the presence of hail at insured locations, and allows insurers to see the geographic extent during and after a hail event at the national or property level, and to receive proactive hail event notifications on impacted policies.

DEALS & MOVES

RenRe purchasing Tokio Millennium Re

Pembroke, Bermuda-based RenaissanceRe Holdings Ltd. has entered into a definitive agreement with Tokio Marine Holdings Inc. to acquire Tokio Marine's reinsurance platform, which includes Tokio Millennium Re AG and Tokio Millennium Re (UK) Ltd., in a transaction valued at about \$1.5 billion.

The agreement has been unanimously approved by the boards of both companies, RenRe said in a statement. The deal is expected to close in the first half of 2019.

Ed acquired by New York firm

BGC Partners Inc., a New York-based global financial services and financial technology company, will acquire London-based Ed Broking Group Ltd. Terms of the deal were not disclosed.

Ed is a reinsurance, wholesale and specialty broker owned by New York-based Lightyear Capital LLC, which bought predecessor firm Cooper Gay Swett & Crawford Ltd. in 2012.

Ed will continue to do business as Ed, and Ed group CEO Steve Hearn will become head of BGC's insurance vertical, an Ed spokesman said in an email.

Hub acquires insurance agency

Chicago-based Hub International Ltd. acquired Tamrac Insurance Group Inc.

Terms of the transaction were not disclosed.

Hunt Valley, Maryland-based Tamrac provides insurance cover for the automobile service and repair, cannabis, food and hospitality industries, Hub said in a statement.

Arch Europe expands commercial lines

Arch Insurance Co. Europe Ltd. will acquire the U.K. commercial lines business owned by Saint Helier, Jersey-based Ardonagh Group Ltd. and part of its Geo Underwriting operating segment.

The transaction is an asset-only deal that includes the renewal rights for Fusion, Arista and Towergate Commercial Underwriting, which generated over £150 million (\$192.4 million) of gross written premium in 2017, London-based Arch Europe said in a statement.

About 250 Ardonagh employees will move to Arch.



UP CLOSE

Mary Peter

NEW JOB TITLE: Apple Valley, Minnesota-based director, enterprise risk management, Uponor North America

PREVIOUS POSITION: Richfield, Minnesota-based associate director of enterprise risk management, Best Buy Inc.

OUTLOOK FOR THE INDUSTRY: The insurance industry is moving toward a more global look at risk, and therefore enterprise risk management is becoming more prevalent. As boards and executives strive to understand risk to their strategic objectives, the insurance industry is evolving in how to respond to this need. Going beyond insurable risks and further toward catastrophic and unknown risk, we are presented with the opportunity for better dialogue and value-added activities. The manufacturing industry is also becoming more engaged to include enterprise risk management as part of their overall strategy for growth.

GOALS FOR YOUR NEW POSITION: Because this is a new position for Uponor, I have the opportunity to create an approach for utilizing enterprise risk management insights to help our senior leaders make data-informed decisions. I plan to build a strong foundation of risk awareness and management leveraging the positive culture that Uponor has built. This means that all employees will need to develop a “risk muscle” to identify, mitigate and manage risk around them, and be open to doing things differently than in the past. We are a growing company with exciting, innovative water and energy management solutions that help make our customers’ systems smarter. Working for a company that is headquartered in another country is new for me. I’m looking forward to working with both our North American leadership in Minnesota, as well as with executives in Finland, to bring to life our strong enterprise risk management vision.

CHALLENGES FACING THE INDUSTRY: The emerging and unknown risks are the most challenging, mostly in the areas of new technologies, cyber and the “internet of things.” This is true for many companies in many industries.

FIRST EXPERIENCE: My first experience in the insurance industry was selling property/casualty and life/health/disability insurance to small businesses. From there, I moved into underwriting, risk management claims and loss control consulting, served as director of risk management, and for the past 10 years worked in the broader field of enterprise risk management. It has been a full circle of movement, with an opportunity to view risks from many different perspectives.

ADVICE FOR A NEWCOMER: Look at your position and challenges from all points of view, particularly from the other side of the table. Also, network with others who are in positions you aspire to be in, join organizations and take advantage of training opportunities that may be offered to you.

DREAM JOB: Rocking and singing to babies in the neonatal intensive care unit.

COLLEGE MAJOR: Business administration

FAVORITE MEAL: The comfort foods of fall, Thanksgiving turkey and all the trappings.

FAVORITE BOOK: “The Night Before Christmas,” “Pete the Cat,” “The Pout-Pout Fish” and many books children like to hear read aloud.

HOBBIES: Vacations and volunteering

FAVORITE TV SHOW: “This is Us”

ON A SATURDAY AFTERNOON: Spend quality time with my family and friends, typically outdoors enjoying all four seasons of Minnesota.

“The insurance industry is moving toward a more global look at risk, and therefore enterprise risk management is becoming more prevalent ... we are presented with the opportunity for better dialogue.”



Willis Towers Watson PLC tapped **Victor Ganzi** to succeed Chairman James McCann effective Jan. 1. Based in New York, Mr. Ganzi, former CEO of Hearst Corp., has

been a Willis Towers Watson director since January 2016. Mr. McCann will continue as director and chairman of the brokerage’s nominating and governance committee.



Marsh LLC and Jardine Lloyd Thompson Group PLC will combine specialty units when JLT’s acquisition by Marsh & McLennan Cos. Inc. closes. **Lucy**

Clarke, currently CEO of JLT Specialty, will become president of Marsh-JLT Specialty and a member of the Marsh executive committee. She will



be based in London. Additionally, JLT reinsurance executive **Ross Howard** will become vice chairman of Guy Carpenter & Co. LLC effective at

the transaction’s close. Currently he is chairman of JLT Re. He is based in London.



Michael LaRocca has been named head of North American property specialty lines for Swiss Re Corporate Solutions Ltd. He replaces Jamie Miller, who was hired by American

International Group Inc. in June. Previously, Mr. LaRocca was chief underwriting officer, property with XL Group Ltd. He is based in New York.



American International Group Inc. has appointed **Peter Bilsby** to the new position of global head of specialty. He will remain CEO of Talbot Underwriting Ltd., AIG’s Lloyd’s

of London insurance and reinsurance specialty unit, until his successor is named. He is based in London.



American International Group Inc. named **Susan Chmielecki** head of health care for Boston-based Lexington Insurance Co. Previously, she was health care industry

leader for Willis Towers Watson PLC’s North America corporate risk and broking unit and based in Hartford, Connecticut.

SEE MORE ONLINE

Visit www.businessinsurance.com/ComingsandGoings for a full list of this month’s personnel moves and promotions. Check our website daily for additional postings and sign up for the weekly email. *Business Insurance* would like to report on senior-level changes at commercial insurance companies and service providers. Please send news and photos of recently promoted, hired or appointed senior-level executives to editorial@businessinsurance.com.



Delivery drivers crash for cash

The head of a Korean delivery company and 10 of its employees have been arrested on charges of causing more than 100 car crashes since 2016 in Busan, South Korea, in an insurance fraud scheme that netted the equivalent of \$438,000, The Korea Herald reported this fall.

Dashcam videos showed deliverymen on motorcycles seemingly deliberately crashing into vehicles that were either changing lanes or violating traffic laws. During interrogation, employees said they were just doing their job: the company had ordered them to go out and “cause accidents (on purpose) to bring in some cash flow” after the company experienced a slump in business, according to the news report.

One employee is said to have caused 40 accidents, the newspaper reported.

Millennials run for new covers

A third of millennial pet owners carry policies for their pooches. The same percentage carries insurance for their tech toys.

While those numbers far outweigh baby boomers and Gen Xers, millennials are less likely to buy conventional coverage than older generations.

A Liberty Mutual Insurance Co. study revealed that 43% of millennials are renters and only 42% of those millennials have renters insurance.

The study also found that despite being willing to buy more unusual cover, about a quarter of millennials are looking to cut back on their auto, home and renters insurance.

Thirty-three percent said it never occurred to them to get renters insurance, according to the study.



MONTANA RANCHERS DO BATTLE OVER DUELING DINOSAURS



The 9th U.S. Circuit Court of Appeals issued a decision last month in favor of Lige and Mary Ann Murray, owners of a Montana ranch, who brought the action claiming that dinosaur fossils found on the ranch belonged to them as owners of the surface estate.

In 2005, prior to the discovery of the fossils, Jerry and Robert Severson, the previous owners of the ranch, sold their surface and one-third of the mineral estate to the Murrys. But the Seversons expressly reserved the remaining two-thirds of the mineral estate, according to the court documents.

In 2006, an amateur paleontologist uncovered the well-preserved fossils of the “Dueling Dinosaurs” on the ranch, triggering a dispute regarding the true owner of the dinosaur fossils — preserved as engaged in mortal combat — and several other dinosaur fossils, including a nearly intact *Tyrannosaurus rex* skeleton, one of only 12 ever found.

The appellate court found that definitions of mineral found in Montana statutes were contradictory and therefore inconclusive, and remanded the case to the District Court for further proceedings consistent with its opinion.



Cheese lawsuit melts in court

A lawsuit claiming that McDonald's customers are being charged for cheese in their quarter pounder when they didn't ask for cheese didn't weigh heavily in court.

A U.S. District judge this month tossed out the lawsuit filed by two South Florida customers, who in May filed a \$5 million class action lawsuit against the fast food giant over how it charges for one of its signature items: the Quarter Pounder with Cheese, according to the Miami Herald.

The judge granted McDonald's motion to dismiss the class action complaint “with prejudice,” meaning the two plaintiffs cannot file the suit again, the newspaper reported.

At issue was the plaintiffs' ability to “state a claim” for their damages — legal language for showing they were harmed by paying for cheese — one of the hurdles they would have had to clear to make headway in their lawsuit.



‘Real Housewife’ dishes on life policy

The Real Housewives of Orange County” reality television star Vicki Gunvalson recently revealed to a surprised cast member that she still has a life insurance policy out on her ex-husband Donn Gunvalson, Bravotv.com reported in November.

Insurance executive Ms. Gunvalson, who's been divorced from Mr. Gunvalson for several years, spilled the beans on a recent episode, according to the network's news website.

When her son Michael came to visit her after her most-recent plastic surgery procedure, the big reveal was when she pulled out a box of life insurance files, according to the news site. It included one policy for Mr. Gunvalson, no longer a cast member.

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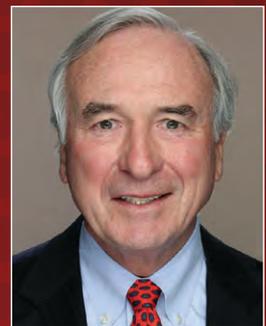
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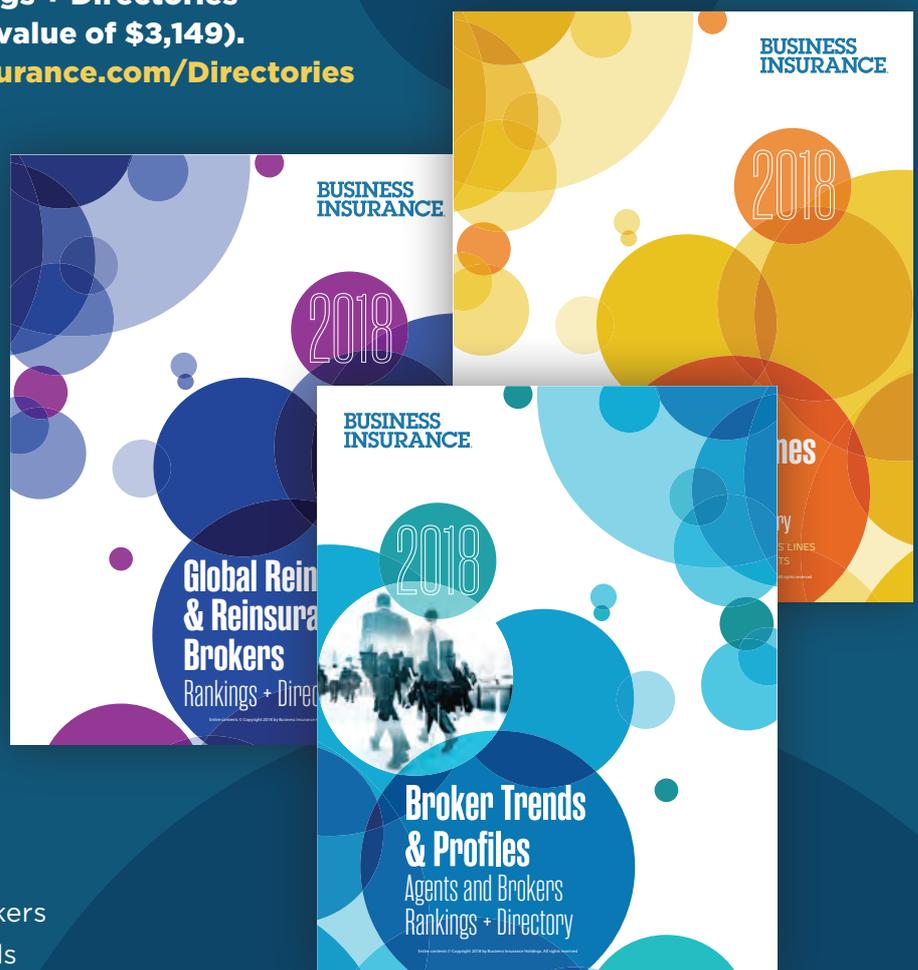


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