

VENTURING ABROAD

INSIGHTS



INTERVIEW WITH JEAN-PAUL CONOSCENTE

President & CEO of SCOR Global P&C Americas

Could you please start by letting us know about yourself ?

I'm the CEO for the Americas at SCOR Global P&C. I joined SCOR 9 years ago. I was actually born in the US but raised in France and have lived about half my life in France and half in the US, so I feel really as French as I do American, depending on the topics.

Could you let us know about SCOR's history in the US?

SCOR started to operate in the 1980s and grew very strongly in the US in the 1980s and 1990s. 9/11 put an end to the company's expansion, shrinking it down to a very small footprint. The underwriting offices in New York were closed, and we just kept a small office in Chicago. Denis Kessler became CEO of the SCOR group at the end of 2002 and started rebuilding the Group. At that time, Denis Kessler and Victor Peignet, the CEO of SCOR Global P&C, made the decision to keep the US operation and to run off

all the claims that we had on the books. The goal was to restore the Group's financial strength and to use that platform to regrow the US portfolio, which is where we are today. SCOR resumed its growth in the US in 2006-2007. Since that time we've been growing very steadily to the position where we are now: number 10 for our P&C business in the US.

What is the key to your success and your long-term presence in the US?

For us, as reinsurance is really a long-term play, it was important to show US clients and US brokers that SCOR was here for the long term, and so as we rebuilt the team, we had to rebuild our credibility, we had to show that we were there to try to partner with them over the long term. And so I think one of the keys was to be very patient, start slow, grow step by step--not try to be too big too quickly, and regain the trust of the clients and brokers. I think also one of the key strengths of SCOR is a mixture of local teams

“THE MAIN DIFFERENCE BETWEEN THE INSURANCE MARKET IN EUROPE AND THE U.S. IS THE SIZE OF THE U.S. MARKET.”

and people with a European background. I think the two cultures are quite different, and being able to find the right balance between US and European colleagues is a key factor in our success.

What are the major obstacles that SCOR had to overcome?

In the US, one of the obstacles was a credibility issue. SCOR had gone through financial difficulties and was rebuilding first internationally and then shortly after that in the US, so it was about regaining credibility - not only financial strength but credibility with clients. They give us risks that sometimes last 5, 10 or 15 years, and want to make sure that when the time comes to pay the claims, we'll still be here. I think that was the main obstacle. The other one was the credibility for our own staff - it's important for clients, but it's also important when you hire people because people want to join a firm that's successful, that's also going to be here for the long term over their career. So the credibility issue was not just about clients but also about trying to attract talented people.

With the benefit of hindsight, if you could have done one thing differently, what would it be?

I think one of the lessons that at least I've learned is there's a lot more cultural differences between the US and Europe than one thinks initially. And for my part, having been a dual citizen and having lived about half and half in France and in the US, it was an advantage. A lot of European companies, especially reinsurance companies, have come to the US and have failed, because the way the industry works, and the way people think, is different. And I believe it's important to have that cultural exchange. So I think encouraging more transfers to make sure the cultural exchanges are better comprehended by both sides would have been a key to succeeding faster.

If you could give one piece of advice to a foreign company who wants to enter the US market, what would it be?

The one piece of advice I could give a foreign company entering the US market is to make sure at the very onset there's a mixture of people coming from home office, with the home office culture, as well as local

people, who bring the local knowledge and culture.

Did you get training to understand those differences?

I've had a lifetime of training—living half in US and half in France; I kind of think both ways and can understand both sides.

What are the major differences between the US market and the European market from the insurance industry perspective?

The main difference between the insurance market in Europe and the US is the size of the US market. I think when we operate in Europe, we have no idea of the number of clients and the geographical spread of the US insurance market. In Europe, through Solvency 2 Regulation and through some of the measures before that, a lot of the bigger companies acquired smaller companies, so the number of actors has been reduced over time. In the US the same is happening, but to a much lesser extent. There's still a lot of regulation that protects small- to medium-sized companies, and as a result, there are thousands of clients - sometimes they can be very large, and completely unknown outside of the states they operate in. For reinsurance companies coming to this market, that could of course be very attractive, and sometimes we get too excited about the opportunities and aim for overly aggressive growth. I think the key is to have the adequate staff to address that market and operate in a very systematic, step-by-step way.

What exciting things are going on at SCOR at the moment?

Well, SCOR US has been very successful over the last few years, and now we're at a stage where we're going from a company in growth mode into a company that's well established. We need to consider how we continue to keep our entrepreneurial spirit. So that's a bit of a challenge, and we're coming up with different ideas; some of them are marketing focused, some of them are internally focused. How do you keep the staff motivated and maintain a very entrepreneurial spirit, while at the same time you're managing a very large book of business? So those are the two things we're working on right now and I must say it's a very exciting challenge!