

A decade of experience; a fresh perspective for the future

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Endurance is entering its second decade – looking back, what advice do you have for insurers?

The first thing that comes to mind is to take a multi-disciplined approach to the business. We were committed from the start to bringing underwriting, actuarial, claims and legal expertise together as we believe that one needs to take a holistic view in order to excel. Our most successful clients have developed a similar model allowing them to differentiate themselves in the segments in which they operate.

Endurance prides itself on its industry leading ERM practices – are insurers focusing more on ERM?

We're really proud of the ERM processes that we have developed across our company which enable us to better quantify our exposures and have been recognized by Standard & Poor's with their highest ERM rating of "Excellent", awarded to only 5 North American insurers. From inception, we made a strong commitment to develop ERM practices which were integrated into our operations and effectively incorporated within our culture.

Our industry continues to become increasingly complicated with more potential exposures, making ERM a critical investment for companies striving for success. To this end, we have organized several ERM seminars for our clients in order to share our knowledge with them.

Are there any other characteristics of excellent insurance partners?

Technology continues to be an important differentiator as well. Companies who can provide their product in a timely manner, maximize the knowledge gained from their

data, and maintain a cost effective operating model will likely have a sustainable advantage going forward.

How has Endurance responded to the sustained soft market to better support clients?

First, given the cyclical nature of our industry, Endurance's objective was always to build a reinsurance portfolio that would thrive even in a soft market. We take a long-term view of our relationships and the segments we support as it's very important for us to provide our clients with a consistent and tailored approach to meeting their reinsurance needs. This long-term perspective has enabled us to maintain our partnerships through the market cycle.

We also put a strong emphasis on understanding the dynamics of our partners' businesses. Our teams spend time with our partners to delve into their specific needs and, as a result, we can often offer assistance from an underwriting, actuarial, claims or legal perspective. In this way, we can work together with our clients and brokers to find solutions for any issue that may arise.

Have the frequent and severe cat events in the US market changed insurers' approach to risk selection?

That is still being played out, but I think it has to have an impact. We may see some companies withdraw from ancillary lines to focus their efforts in core segments. In addition to recent cat events, cat modeling updates are also increasing projected PMLs and companies are working to address the impact of that as well. Capital, while still abundant, is more precious and companies will need to reevaluate the risk/reward in certain geographic and product areas that have been affected.



What emerging issues is Endurance tracking?

Endurance takes a very proactive approach to tracking emerging issues as a source of underwriting knowledge and as such, in addition to the focus on emerging property cat models, we also continuously monitor casualty liability areas where there is potential for systemic risk. While emerging casualty risks are dynamic, diverse and numerous, they are also poorly understood and largely unmanaged by some companies. Endurance has been working with the scientific community to understand and categorize these risks and then develop analytical methods to identify and manage potential wide-scale litigation which can trigger large casualty losses. Casualty portfolios are broad in scope and are likely to be affected at multiple points in the commerce chain with varying exposure settings, coverage triggers and potentially diverse allegations of harm. By taking a front-windshield approach rather than a claims-focused, rear-view mirror perspective, we are able to make better informed decisions and hopefully anticipate that 'needle in the haystack' risk before viewing it on the news.