

MATCH OF THE TITANS

Chubb executive vice president **Paul Krump** discusses the revamped company's efforts to bring the best of two businesses together

IT WAS the largest deal ever seen in the insurance industry and resulted in the creation of the world's largest publicly traded property & casualty insurer.

In January, ACE Limited announced it had completed its acquisition of The Chubb Corporation, a transaction worth approximately \$29.5 billion; the combined entity adopted the Chubb name. In the new leadership team, Paul Krump, formerly COO of Chubb Corporation, became executive vice president of the new Chubb Group and president of North America commercial and personal lines.

Krump says that since the completion of the transaction, a "breathhtaking" amount of progress has been made in integrating the two companies.

"We did an enormous amount of work pre-close. We did a tremendous amount of planning so we could hit the ground running and not be too inwardly focused at close," he says. "We were in the market on day one after closing, bringing out new capabilities such as cross-selling and upselling of each other's products, making certain of the strengths of the combined firms – for example, the different market segment expertise and the expanded geographic footprints. We brought all that to customers and agents.

"I'd say that our work to synchronize hundreds and hundreds of processes, procedures, and systems continues, but we are methodically tackling those issues every day."

Back to the beginning

Krump began his insurance career with Chubb in 1982 as a commercial underwriting trainee. He's since held many positions within the company in both the US and Europe.

Looking back over his years with Chubb pre-integration, Krump says it's difficult to identify a standout moment.

"There was a good number of successes and disappointments," he says. "There were new products and ventures ... new offices and

As for the most challenging times during his three-decade-long career at Chubb, Krump says two instances quickly come to mind.

"Early in my career, I was sent to Germany to help turn around a failing operation," he says. "It took the team several years and lots of experimentation and changes, but we truly reimagined our role as a market in the country, and then altered our course dramatically. We went from being what I would call a 'me too' carrier, with mediocre results, to one that was

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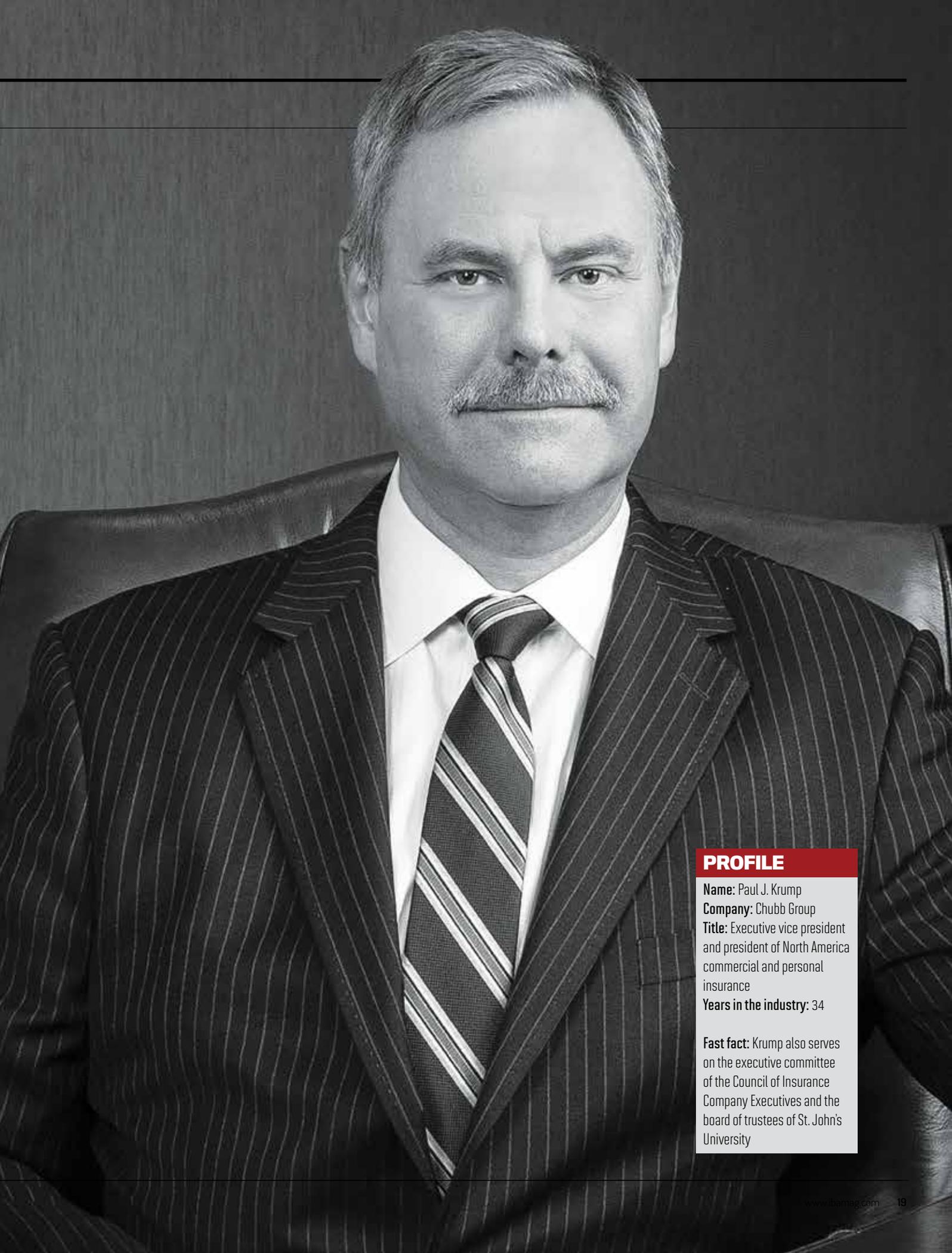
new market segments. Some of these were absolute home runs and some of them were, frankly, duds.

"I think what stands out for me is putting the good of the firm above my own personal interests, persevering through the challenges when others gave up, and simply being fair and decent to employees, customers, claimants, and agents and brokers. It's been incredibly rewarding ... I take tremendous pride in having helped build a wonderful company with an outstanding reputation for integrity."

innovative and bringing cutting-edge new products to the market and earning an underwriting profit."

Krump also mentions the task of leading Chubb out of the soft market of the '90s.

"I believe that effort took a lot of courage and deftness," he says. "We had to overhaul our underwriting and pricing, we had to do it largely with a generation of people who had only experienced the soft market, and we had to do it with urgency and optimism. And it took real leadership."



PROFILE

Name: Paul J. Krump

Company: Chubb Group

Title: Executive vice president and president of North America commercial and personal insurance

Years in the industry: 34

Fast fact: Krump also serves on the executive committee of the Council of Insurance Company Executives and the board of trustees of St. John's University

INDUSTRY ICON

The new Chubb

So what can brokers and customers expect from the new Chubb?

“We now have a much larger suite of products, deeper expertise and more specialists by industry type and by product – all of this wrapped in a larger balance sheet and a rich tradition of long-term and very local relationships,” Krump says. “Just in North America, legacy Chubb adds 40 new branch locations and thousands and thousands of customers, and hundreds and hundreds more agent relationships to the combined company.”

offerings and pricing at a much more granular level, and it’s really going to enhance our ability to compete.”

Talking technology, Krump says there’s no doubt the pace of change requires the company to think about how it relates to customers.

“We are making significant investment in our digital strategy and capabilities to enhance the claims process, with our goal to be a user-friendly and flexible carrier without diminishing, in any way, the high touch, exceptional service that customers have come to expect from the Chubb service brand,” he says.

“Web applications, mobile apps that estimate auto damage, drones for estimating property damage and even robotics that will speed processing are all examples of technology that is changing the way we conduct business”

Krump also touches on the strengths of each company and how they complement each other.

“When I think of legacy ACE, they bring deep expertise and products such as cyber, aviation, environmental, healthcare, and accident & health, and they’re really well regarded and renowned for large global accounts,” he says. “Legacy Chubb brings renowned industry expertise in such segments as life science and technology, [and] clean energy.”

In addition, he points to the 2015 sale of Fireman’s Fund’s high-net-worth portfolio to ACE as another considerable asset. “On the personal lines side, we now have the data and customer insights on the high-net-worth customer from three of the leading writers in that space,” Krump says. “All three of them are being combined, and we believe it’s going to allow us to tailor our services and our product

Krump adds that combining a best-in-class claims experience means adapting to customers’ diverse preferences. “This includes leveraging digital capabilities, which we have in place and continue to expand globally,” he says. “Many customers want information instantly, at any time of the day and without making a phone call. Web applications, mobile apps that estimate auto damage, drones for estimating property damage and even robotics that will speed processing are all examples of technology that is and will be changing the way we conduct business.”

It’s perhaps an understatement to say that Krump is enthusiastic about the possibilities that the combined ACE and Chubb will offer. “I think we’re creating something more powerful and more exciting and enduring together than we would have ever done as separate companies.” **IB**

CHUBB BY THE NUMBERS



54

The number of countries and territories in which Chubb has local operations



31,000

The approximate number of Chubb employees worldwide today



\$29.5 billion

The approximate value of the ACE/Chubb acquisition transaction



\$37 billion

The approximate value of Chubb’s annual gross written premium



\$150 billion

The approximate value of Chubb’s assets

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