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IAP's Quarterly Senior Executive Interview

Q&A with Albert Benchimol

Industry veteran Albert Benchimol sits down with Insurance Advisory Partners to discuss his career at Axis, his insights on the P&C insurance and reinsurance industry, as well as his future post-Axis.



Albert Benchimol

Former President and CEO of Axis Capital Holdings, a global specialty underwriter and provider of insurance and reinsurance solutions with locations in Bermuda, the U.S., Europe, Singapore, and Canada.

Insurance and Insurtech Experts



Industry veteran Albert Benchimol sits down with Insurance Advisory Partners to discuss his career at Axis, his insights on the P&C insurance and reinsurance industry, as well as his future post-Axis.

1. Looking back on your 12-year tenure as CEO of Axis ending in May, what is your fondest memory of your time there? What was your biggest challenge?

Without a doubt, my fondest memory is having worked with a great group of people. I've had the pleasure and privilege to witness firsthand the commitment and passion from my colleagues in all areas of the company. This passion is manifested in the strength of our customer and broker relationships and the services we bring to market.

One particular moment stands out – it was during a “team building event” at our Strategic Partnership Retreat in 2018. As part of the session, our colleagues and broker partners worked together to assemble bicycles for underprivileged children in the local community. After the typical discussions of what was learned in the activity, we opened the doors and introduced the children who would receive the bikes. It was a surprise for both our conference participants as well as the kids. The looks on the kids' faces as they were presented with the bikes were pure joy, but what struck me was how it affected the adults in the room. They were so moved by how their efforts directly affected the children; there was not a dry eye in the house. This was just one way we were able to bring our values to life by helping people in the communities in which we live and work.

In terms of my biggest challenge, it would have to be how the acquisition of Novae doubled our property exposure right before a period of heightened catastrophe activity. This clearly impacted our results but – since then – we have made significant, positive strides in repositioning our book, and we are now confident we will build on the less volatile and more profitable results that we've seen over the past two years.

2. What is the biggest change in the industry that you have observed during your time as CEO?

Where to begin... To put it mildly, there has been significant change in the evolution of the nature of risk, all the way to the game-changing adoption of data and analytics and digitization which I believe are still in early days.

Beyond this, an area of change that particularly stands out for me is how the industry's culture has shifted to have a greater focus on Diversity, Equity, and Inclusion (DEI). Our industry overall has taken important steps forward as more companies recognize and understand how DEI is an important component of running a business – but to be clear, there is more to be done.

The challenge our industry faces is the pace of getting to an equitable distribution of roles at more senior levels. Collectively, this industry has not done a great job of developing a large enough pool of diverse candidates for senior roles. However, in recent years, companies have been better at recruiting and developing early talent to build diverse pipelines. In fact, there are several programs available that aim to recruit diverse talent such as the Returners initiative in London which brings women who have taken an extended career break back into the workforce.

And at AXIS, as part of our DEI program, we have engaged with several organizations such as the National African American Insurance Association (NAAIA) and the Wholesale and Specialty Insurance Association (WSIA) in the US to further widen the pool of diverse talent entering the insurance industry. In addition, we partner with Year Up, an organization that matches young professionals from disadvantaged backgrounds with internship programs at top companies in the country. We believe our greatest opportunity to increase diverse representation at our senior leadership levels is to place an increased emphasis on the development of our own internal pipeline of talent.

3. AXIS is now trading well above its 5-year average in terms of a multiple of book value. To what do you attribute this recent uptick in valuation?

Investors are starting to respond to our transformation into a leading specialty underwriter and the strong improvement in our performance in recent years.

In my mind, our stock still isn't trading where it should be, but recent investor interest is a testament to the quality of our book and reduced volatility. The uptick is validation that the street can see we are positioned for sustainable and less volatile profitability.

4. Your decision to get out of the property reinsurance business to dial down volatility and improve risk adjusted returns seems to have been well received by your shareholders. Was this a difficult decision? Did it play out as expected?

Our cat volatility was overshadowing any progress we were making in other parts of the business. We had reduced property catastrophe exposures, but the volatility remained. While it was difficult to exit such an important line of business, we recognized it was the right call for our company, made more practicable by the great advances and success we were having in our specialty insurance book. Making that move clarified and underlined our transformation to a specialty underwriter.

Some brokers and customers were not entirely surprised, as we had been reducing that line for a few years. We also received a number of compliments for our transparency and engagement with the markets once we made the move. While that exit meant we would no longer pursue property, catastrophe or multiline bouquet business that had property exposure, we were optimistic that the value of our relationships, services, and advice would allow us to retain the business we wanted to write.

Heading into the January 1 renewals, the majority of our brokers and customers affirmed they wanted to continue doing business with AXIS even as we focused specifically on specialist markets. To-date in 2023, while I recognize our move has resulted in a significant reduction in overall reinsurance premiums, I am pleased that we were denied very little of the reinsurance business sought. This a testament to the quality of service and expertise our reinsurance team provides to our brokers and customers.

5. What are your predictions for the pricing environment in both property and casualty insurance over the next few years? Will insurers and reinsurers be able to earn attractive risk adjusted returns in '23 and '24?

A simple rule in our industry is that pricing follows losses. Over the last 5 years, we have seen price pick up to reflect loss trend acceleration that started in 2015 and continues to this day. Until we see a levelling of loss trends, it would be dangerous for the industry to relax pricing discipline, and so I'm hopeful that it will remain sober and rational in its pursuit of business growth.

Unfortunately, I do not see any signal that loss trends will drop meaningfully in the near term. I expect inflation will settle at a level higher than what we observed over the last 20 years, and social inflation remains ferocious. I also believe we will see new causes for action, especially around environmental, social, and governance (ESG) issues and climate change.

So, while I expect pricing to remain firm over the next year or two, whether or not that translates into extraordinary profitability is not as clear.

6. Do you have a view on how the industry should work to attract the best talent in the future? How should the industry compete with other financial services and businesses for talent?

I believe insurance may yet have its best day in terms of recruiting promising young talent.

In the past, “glory careers” were seen in the banking, consulting, and tech worlds – insurance wasn’t quite as attractive to young professionals. Today however, the insurance industry is at the forefront of very exciting areas like ESG and emerging specialty risks, such as cyber.

Further, our industry has a very strong social purpose – as insurers and reinsurers, it is our job to be there when people, businesses, and communities need us the most. It is our social purpose that gives us a voice in ESG-related matters. For example, at AXIS, in recent years we launched and strengthened our Fossil Fuel Policy where we significantly limit coverage and investments in projects related to coal and oil sands. Our industry’s social purpose can be attractive to young talent who are looking to build a meaningful career that positively contributes to society.

Our challenge now is to educate students and young professionals on how a career in specialty insurance can be both professionally and personally rewarding, and one that has a positive impact on society. We need more outreach in colleges and career fairs and more internship programs that expose students to our industry before they make up their minds on a career path.

7. What are your observations on how the industry is adopting technology? Is it fast enough? Is the industry catching up with other financial services industries in this regard?

It really depends on where you are in the industry. For example, in motor, home, and life insurance, technology adoption is quite good. But in specialty, we are lagging a bit behind and have sometimes hidden behind our “specialty” moniker.

It is important to note that our industry is catching up, albeit slowly. More businesses are recognizing the value of technology and recent advancements have helped optimize processes, reduce costs, and provide better service and value to customers.

This is not to say that technology will replace specialty underwriters any time soon. What I envision is a “bionic underwriter” – where underwriters can get the most out of data and technology to evaluate the risk and analyze various risk transfer options, allowing them to spend more time engaging and negotiating with customers and develop new business opportunities.

8. You had a tremendously successful career. What are you thinking about next? Can we assume that you will continue to be involved in the industry in some way in the future?

Through the end of the year, I'll still be with AXIS and look forward to serving the company in an advisory role.

Reflecting on my career, I've been fortunate to have had great teachers and mentors, and to have worked with outstanding colleagues without whom my career would have been less satisfying – and much less successful! I am deeply grateful for all the friendship, encouragement, and support I've received in my career.

I'm excited about the potential opportunities in this next chapter of my life. I love this industry and the bigger role we play in society through our social purpose. Nothing is set in stone, but there are several ways I can stay in the industry – whether that be in Board or Advisory roles, or even teaching where I can impart to the next generation lessons I've learned throughout my career. I look forward to giving more of my time to philanthropic and community support organizations, and may even go back to school and pursue another degree. The possibilities are endless and exciting!

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