Insurance Governance Leadership Network

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IGLN

VIEWPOINTS

Overseeing major transactions

Major strategic transactions have been common among large insurers in recent years. The effects of the COVID-19 pandemic further pushed insurance companies to review strategies, prompting more to consider exiting or entering new businesses, spinning off operations, and accelerating digital transformation efforts. A participant said, *"We tend to see this after major pullbacks, whether it's recessions, market corrections, or just how companies are reassessing priorities in the wake of a significant shock to the system in the form of the pandemic."* Major dislocations – like financial crises or a global pandemic – often lead to this sort of restructuring, especially among financial institutions.

> *"M&A is a core tool to meet strategic objectives for insurers right now."*
>
> – Participant

Merger and acquisition (M&A) activity is likely to be bolstered by global economic recovery: *"We have a very strong economic tailwind right now, very accommodating fiscal policies globally, and that will continue for the foreseeable future on both the buy side and sell side."* Another participant said, *"The deals being done tell us that M&A is a core tool to meet strategic objectives for insurers right now. It is an important tool for growth."* As activity continues to ramp up, boards face the challenging task of maintaining effective oversight without hampering progress or missing opportunities.

On May 6, 2021, Insurance Governance Leadership Network (IGLN) participants met virtually to discuss trends in the M&A market for insurance and financial services more broadly, and good practices for board oversight of major transactions. This *ViewPoints* draws on pre-meeting conversations with participants, and focuses on the following areas:[1]

- **M&A activity in the sector is set to increase**
- **Realizing value from transactions requires effective board challenge**

M&A activity in the sector is set to increase

Though M&A activity in the insurance industry decreased a bit overall in 2020, it gained steam as the year went on.[2] A participant reported, *"M&A activity in the sector was down slightly in 2020, but the fourth quarter emerging from the pandemic set a record for deal volume and that was repeated in the first quarter of 2021."*

"At the current pace, 2021 would be the most active year since 2007."

– Participant

Some significant deals included:

- Aon Plc's $30bn purchase of Willis Towers Watson Plc to create the world's largest insurance broker, a deal which has faced probes by European Union regulators but is expected to close in the second half of this year.[3]
- The $9.3bn takeover of RSA Insurance Group by two buyers, Intact Financial Corp. and Tryg A/S, the latter of which created Scandinavia's biggest listed property and casualty insurer.[4]
- La Banque Postale's takeover of CNP Assurances for $6.3bn.[5]
- Zurich Insurance and Farmers Exchanges' $3.9bn acquisition of MetLife's P&C business.
- Equitable Holdings' decision to reinsure $12bn block of variable annuities through Venerable Holdings.[6]

Overall deal making in 2020 reached nearly $93bn, with more deals completed in the second half of the year than any such period since 2015.[7] A participant said, *"At the current pace, 2021 would be the most active year since 2007. The coming year has a very strong M&A outlook."* An analysis by S&P Global recently predicted, "Insurance carrier M&A activity seems poised to at least double in 2021 and could mark one of the strongest years in the last quarter-century."[8]

Key drivers of transactions in the sector

"The investments to stay competitive are quite large, the curves have only gotten steeper, and the table stakes for competing are higher than ever."

– Participant

According to one insurance analyst, "The insurance sector has been primed for some M&A restructuring deals for many years. The combination of COVID-19 and the dramatic fall in US government bond yields, which both hurt insurers' bottom lines, was the nudge factor for executives to push the deal button."[9] Participants identified several additional factors driving the increasingly active M&A market.

- **Improving technology.** Digital transformation is more important than ever as more customers move to digital interactions, making the relative technological capabilities of a firm an even greater competitive factor. A participant stated, *"People can debate the benefits of scale when it comes to unit economics, but what is indisputable for many is the impact of technology. The investments to stay competitive are quite large, the curves have only gotten steeper, and the table stakes for competing are higher than ever."* An EY study suggests that global financial institutions used M&A as an investment strategy for 25% of their digital initiatives

"You can see boards very actively assessing ... where they should trim or exit certain businesses to focus on their bread and butter."

– Participant

during the last two years. And while most M&A fails to achieve the predicted return, those deals exceeded expected ROI 52% of the time.[10] Activity in the insurtech sector has been particularly strong, with legacy institutions turning to newer entrants for technology and agility. The *Insurance Journal* reported, "Carriers are increasingly seeking to digitize their operations. Rather than do it themselves, insurtech is a viable option that will fuel another leg of M&A activity in the months ahead."[11]

- **Simplification and refocusing.** According to EY, a key driver of deal activity continues to be bolstering the bottom line via "divestitures of noncore business lines to focus on core operations and drive efficiency."[12] One director said, *"The reality is that given the pressures of the pandemic and economic environment, you cannot invest everywhere all at once, so simplification is becoming a key trend. It has been that way for years but has accelerated recently."* Another participant said, *"You can see boards very actively assessing where their businesses are, where to invest and grow, and where they should trim or exit certain businesses to focus on their bread and butter."* Some insurers are now questioning the benefits of diversification, according to one who said, *"It just does not make sense any more to house P&C and life and retirement under one roof. You get asset diversification but not many synergies. In most cases, if investors want to be in general insurance, they may not want to be in life insurance."*

- **Scale and diversification.** In a sector where scale can be vital, firms facing pressure to grow organically often see acquisitions as a way of driving revenue or market share gains while taking out costs. A participant said, *"When you look at the bigger deals, the larger, more strategic transactions, scale is a reason cited frequently. It's a major deal motivator."* One director said, *"Sometimes, the goal is just scale, and you just have to do it to remain competitive."* Even for insurers that are simplifying models and exiting business lines, smaller strategic acquisitions remain common, a participant said, *"Even most of those firms are also investing for growth on the margin, whether a business area, a service, or just a talent transaction. For example, some of the mutuals are investing in new product areas like benefits, others are getting annuity platforms."*

"To some extent this is being driven by gathering up as much talent as you can. I think that continues to be a driver of M&A activity..."

– Director

- **Talent.** In many acquisitions, the target company's talent is a significant driver of interest for the buyer. A director said, *"To some extent this is being driven by gathering up as much talent as you can. I think that* *continues to be a driver of M&A activity, especially in the US."* This also applies to technology-driven deals and acquisitions of smaller players: *"Right now, there's lots of talent in play … And both the startups and boutique firms absolutely know how to find the talent. That's been fuel for a while as far as driving broker M&A."*

A changing competitive landscape is driving more combinations and partnerships

Participants discussed the potential competitive implications of a highly active M&A environment in the sector.

Smaller, technology-driven acquisitions are unlikely to create major new competitors

"In a world where everything is digital and multi-channel is the rule, do you want to buy another company just so you must fire more people? Update their legacy systems and integrate? The answer is, no, you do not want to consolidate; you want to transform."

– Participant

While overall activity is expected to be high, several participants expressed skepticism about broad industry consolidation or combinations among leading insurers. One director asserted, *"I do not think you're going to see firms like MetLife or Prudential do anything huge, but I could see someone go after the next tier down … There are a lot of barriers to really big, transformational transactions. The bigger firms have cleaned up a lot over the last decade or so. Any deal today would really just be a pure scale play."* Another participant reflected, *"Too many people say that consolidation makes sense. Some want to do it to cut costs, but you can do that through digitalization and finding efficiencies. Others think consolidation is necessary to get more clients. In a world where everything is digital and multi-channel is the rule, do you want to buy another company just so you must fire more people? Update their legacy systems and integrate? The answer is, no, you do not want to consolidate; you want to transform."*

Some participants questioned whether the growth of insurtech or a series of combinations of smaller insurers was likely to create new global players in some businesses. A director asked, *"Are we seeing new large players emerging through all these smaller purchases? Could we see a whole new range of players emerge in the next few years?"* For now, participants suggested that much of the deal activity remains largely focused in specific niche areas or business segments and many smaller companies still face challenges achieving scale. A participant said, *"I remain skeptical that we will see new significant players emerge. We've seen acquisition-driven stories over time and while they do grow and can be competitive, especially on the margins, I do not see the kind of rapid transformation happening."*

Big tech and large corporates are expanding into insurance

In recent years, big tech firms like Google, Amazon, Facebook, and Apple have begun to target the insurance market, deploying their unique strengths of data, technology, and customer reach to make headway into the health, life and P&C insurance spaces.[13] Other corporates are also launching insurance offerings. Last November, General Motors announced OnStar Insurance, an insurance service expected to be available nationwide by 2022 that "will offer bundled auto, home and renters insurance."[14] Though the potential for major disruption from smaller insurtechs remains to be seen, large technology firms, and to a lesser extent other large corporates, are more likely to be competitive threats. One participant said, *"There are always companies exploring different ways to grow their business. The more imminent threat is technology firms, but clearly you see Tesla, General Motors, Uber and others seeing how they can use insurance to aid their goals or capture more unit economics."* Ultimately, a participant asked, *"Can you really disrupt money? Generally, the answer is no. But everything around the capital, around the balance sheet, is shifting. So, there is potential to fall behind from a competitive standpoint for sure, but it also means if you are large and have scale already, you probably have more resiliency and ability to adapt to the changes as they come at you."*

> *"There are many ways to find growth and increase product range and improve client services without doing M&A and full-scale integration."*
>
> – Participant

Build, buy, or partner considerations are evolving

As firms turn to insurtechs and other players to enhance their capabilities, boards and management teams face questions about where to invest and how to partner effectively. A participant said, *"I think acquisition is not always the right answer. Through strategic partnerships you can find ways to get much more from your clients by bringing them services you do not otherwise offer. There are many ways to find growth and increase product range and improve client services without doing M&A and full-scale integration."*

An EY expert suggested that leaders consider, *"When it comes to insurtech, do you build your own capability, do you partner, or do you rent? More and more firms are turning to the partnership model. There is a shift towards ecosystem thinking and how to develop partnerships and extract value."* Despite the activity in the insurtech market, participants remain skeptical regarding the transformational potential of insurtech acquisitions. A participant said, *"There are some cases where insurers found insurtech propositions were impossible to convert into meaningful value for them. Their models are often very specific and focused on very specific areas that do not necessarily scale to the needs of a large incumbent."* Others suggested that insurtechs rarely offer capabilities that incumbents do not have the capital and expertise to create on their own. One said, *"Unlike fintech in banking, there is nothing really that insurance companies cannot do for themselves that the insurtechs are doing, especially at scale."*

Partnerships can benefit incumbents and their partners: established insurers can provide the scale and capital to support earlier stage insurtechs or tech companies with best-in-class digital capabilities, while partners can enable insurers to enter new markets without having to make long-term investments or commitments. Ride-sharing application Uber, for example, has partnered with large insurers around the globe to provide the firm's drivers with auto coverage.[15] A participant said, *"Those are core strategic partnerships and part of an integrated ecosystem. I think a lot of insurers would love to form those types of ecosystems; the challenge becomes forming the right partnerships."*

"I think a lot of insurers would love to form those types of ecosystems; the challenge becomes forming the right partnerships."

– Participant

Three questions for assessing potential acquisition targets

When assessing a potential target or whether to buy, build, or partner, an EY expert suggested boards and management should ask the following questions:

- *"How valuable is the insurtech capability or asset to your future success as a business? This is about being clear about your own strategy and where your business is going. How does it tie into that strategy?"*
- *"How strong is your own capability in relation to the target? Do you have the assets that could be equivalent or could be built out further? Do you have abilities that may be nascent and could be built out?"*
- *"How scarce is the ability that the insurtech is bringing to the table? Is this something that can give you a real competitive advantage over your peers?"*

Alternative sources of capital are increasingly active

Participants discussed some newer players that are making significant acquisitions or providing alternative sources of capital for growing firms.

Private equity investors have dual aims

Private equity firms are increasingly present in the insurance M&A market. One participant observed, *"Pretty much every significant private equity firm has a major insurance operation at this point. KKR, Blackstone, Brookfield,* *etc. have all become major players in insurance and in M&A in insurance."* According to Reuters, "Insurers are stepping up sales of annuities and other capital-intensive assets amid a surge in interest from new and established private equity buyers hungry to boost the amount of money they manage … Companies such as Sixth Street Partners and KKR & Co have spent billions of dollars in the last year buying up insurance assets they can use as foundations for further acquisitions."[16] A participant said, *"Alternative capital has been a growing trend for years now, but it has really picked up recently. If you have an underperforming block on your balance sheet, private equity offers an ability or willingness to invest in a different way and they can do that without consolidating that risk."*

"Private equity firms … are more aggressive on investments, they get creative on corporate structures, they identify tax and regulatory arbitrage, which all go right to the bottom line. And in some cases, they are skipping the technology debt problem and building something from scratch."

– Participant

Private equity firms are looking for opportunities to unlock value, but also to get access to stable fees and inexpensive capital. Some see Apollo Global's $11bn acquisition of Athene, an annuity provider, as a model that others may follow. One director said, *"They want those assets under management and the steady, dependable fees because shareholders like that. They want to be an investor of that insurance capital."* In a previous discussion, a participant observed, *"Private equity capital has been coming into the industry. They see ways of creating value that sometimes we can't do within a public company model. I wonder if as directors we're creative enough ourselves about the value we've got."* In fact, a participant noted, *"Private equity firms always think they are smarter than everyone, and to some extent, that is true. They are more aggressive on investments, they get creative on corporate structures, they identify tax and regulatory arbitrage, which all go right to the bottom line. And in some cases, they are skipping the technology debt problem and building something from scratch."*

New structures provide alternative access to public capital markets

The rise of special purpose acquisition companies (SPAC) is providing alternative paths to growth capital. According to the Securities and Exchange Commission, "Certain market participants believe that, through a SPAC transaction, a private company can become a publicly traded company with more certainty as to pricing and control over deal terms as compared to traditional initial public offerings (IPOs) … This action is often structured as a reverse merger in which the operating company merges with and into the SPAC or a subsidiary of the SPAC."[17] A participant explained, *"A SPAC is an instrument, nothing more, which bridges the gap between private capital and the IPO, which is a frighteningly long term process for some companies. It's a way to offer those companies a chance to have certainty and speed."*

> *"There are plenty of reasons deals do not work out, in most cases I think the thesis was just wrong from the start. At the end of the day, it is really incumbent on boards to thoroughly vet those strategies."*
>
> – Participant

The SPAC approach has become increasingly popular. According to *Reuters,* as of March 2021, "Global blank-check deal volumes, or mergers through SPACs, have surged to a record $170bn this year, already outstripping last year's total of $157 billion."[18] An EY expert said, *"There are pros and cons. On the positive side, there has been a great acceleration of putting capital to work, and we know capital has been sitting on the sidelines in the financial services industry for years."* Yet, some have raised concerns about the risks of the SPAC approach and warned of a potential bubble arising from the recent surge in popularity.[19] An EY expert said, *"Questions are starting to be raised about the risks now. Regulators and law firms are trying to understand whether the right processes and rules and regulations are in place if things are moving so quickly."* SEC Chairman Jay Clayton recently shared reservations and indicated the regulator is watching SPACs closely, noting efforts to ensure shareholders "are getting the same rigorous disclosure that you get in connection with bringing an IPO to market."[20] A participant said, *"We expect significant additional attention, rigor, and diligence around the SPAC IPO process in the near future."*

Realizing value from transactions requires effective board challenge

> *"Acquisitions are just an excuse not to do what you actually have to do … If management is focused on integration, they will not be sufficiently focused on transformation."*
>
> – Participant

Despite generating plenty of excitement, studies indicate that between 70% and 90% of acquisitions fail.[21] A director said, *"These deals seem to seldom achieve the return objectives, that is true in insurance as much as it is broadly in other markets. I do wonder if this is improving and if returns are getting closer to expectations."*

Considerations for successful M&A strategies

A participant observed, *"There are plenty of reasons deals do not work out, in most cases I think the thesis was just wrong from the start. At the end of the day, it is really incumbent on boards to thoroughly vet those strategies."* Participants identified key considerations that can inform a successful M&A strategy.

- **Acquisitions can distract from critical strategic initiatives.** Participants emphasized the need for leaders to challenge the wisdom and timing of major transactions more aggressively. A participant asserted, *"Acquisitions are just an excuse not to do what you actually have to do. Transforming as an incumbent is extremely complicated. If management is focused on integration, they will not be sufficiently focused on transformation and lose market share and competitive edge."* A director agreed that significant transactions can be a distraction, *"So, you do a deal, it takes two years to integrate and it distracts the whole organization. Now you have not moved the needle and your competitors are out ahead, and that is even if you do integrate well."*

> *"Plus or minus a billion dollars does not really matter in the long term … It's all about achieving what you were looking for."*
>
> – Director

- **Strategic fit and effective integration are often more important than price.** Even thoroughly vetted deals can fall short of expectations. A participant said, *"Some deals are well meaning and well thought out and ultimately just not the right deal. When looking at M&A there are two main variables: time and money. And I'll tell you, time is way more expensive than money."* A director said, *"My experience has been that it does not really matter if you get the company inexpensively or not, what matters is what you intend to do with it. What will this do for our organization? How can I use the business skillsets to further a win-win for the future? How can we integrate?"* Another director put it simply: *"Plus or minus a billion dollars does not really matter in the long term. If you get what you want out of it, who cares? It's all about achieving what you were looking for."*
- **If talent is a driver, retention needs to be a focus post-acquisition.** As noted, many acquisitions are driven by a desire to bolster talent. Yet, one participant noted their experience with a major merger: *"On that deal, I'm not sure there is anyone at the senior levels still left at the company. It is hard for me to think it was a success when no one is left at the senior positions of the acquired company anymore. So, dollars and cents might by hard to see, but there are other indicators you can look at and one of them is people and talent."* Retention is critical both for the talent being brought into the firm, and for those already at the senior levels charged with overseeing integration. A participant said, *"Executives move on to a new role every couple of years. If that person was in charge of certain aspects of integration, the replacement may not be able to do it, so certain things just fall by the wayside and do not get done."*
- **Boards need to ensure management is truly focused on the long term.** Participants cautioned that boards should be wary of deals that may appear beneficial in the short term but do not contribute to a firm's long-term strategy, or *"short term fixes that do not address the depths of the change needed for the company,"* as one participant put it. One participant suggested boards engage with long-term shareholders: *"Right now, boards have basically no interaction with long term shareholders. Invite them to meet with the board on a confidential basis and hear what they have to say."* One participant suggested boards better align incentives to this long-term view: *"Management needs long-term*

incentives. Anything else and you will fall into the trap of making short-term acquisitions. Make sure management has strong incentives and is paid to work for the future." Another went further saying, *"You should really force management to keep shares for several years. That way, the board can be sure management is working to create value for the company first and is managing risk appropriately."*

> *"Management needs long-term incentives. Anything else and you will fall into the trap of making short-term acquisitions."*
>
> – Participant

Refining board oversight of transactions

Boards play a critical role in maintaining organizational discipline, objectively reviewing potential deals, and overseeing integration goals. Participants observed that boards have become more active in the M&A process in recent years, with beneficial results. One participant said, *"I do think it has gotten better. Boards have gotten better, the pressures on governance have led to boards getting more involved in setting strategy and demanding more accountability."* Another said, *"The more boards have gotten into the evaluation process, I think M&A has gotten better."*

Participants discussed the importance of board oversight of transactions, and good practices in the current environment.

Before the deal

Boards become engaged in the M&A process as firms evaluate their strategic alternatives and explore potential transaction targets.

> *"How can you assess potential deals if you do not understand the landscape and the market?"*
>
> – Director

- **Staying updated on emerging issues in the sector.** An important aspect of oversight lies in monitoring the market and identifying what is driving activity, participants said. One director said, *"Understanding what is driving M&A activity is critical to the board's oversight role. How can you assess potential deals if you do not understand the landscape and the market?"* Yet, others acknowledged that maintaining a deep understanding of market activity is often a challenge for boards already overburdened by other tasks. A participant said, *"It's difficult. Look at the board meeting of a regulated company and 95% of the time is taken by regulated issues. Then you spend maybe 5% on what we can do to grow, etc. So, it's very important to find ways for board members to take time with management and with third parties that bring a different view."* A director added, *"There is a lot to be learned from the outside, and I wish we could spend more time on it, but boards and even management often do not have the time."*
- **Involving the board early in the process.** For oversight to be most effective, boards should be involved early in the process. Describing a

deal that did not achieve expected value, one director said, *"The board was not really involved for a long time. There was never a conversation with the board about selling the company, it went full steam ahead. The board did not get really into it until things heated up."* As prominent corporate governance attorney Holly Gregory writes, "Viewing the proposal through a lens of constructive skepticism may be difficult when the CEO and other members of the management team have developed strong views about a course of action, and this is one reason why it is important for the board to be involved early."[22]

During the deal

As companies focus on specific targets and begin the due diligence process, boards typically look at deal valuation, financing structure, legal liabilities, and a variety of other factors.

- **Board oversight of due diligence.** Different board members may be given different due diligence tasks based on expertise and experience. A director said, *"Speed and competence and familiarity matter in these situations. There are directors who may be better equipped to deep dive into certain aspects of the transactions, and the board chair should have the trust of the rest of the board to deploy the talent the way she or he thinks best."* Though specific tasks may be divvied up, keeping the full board apprised of ongoing developments remains key. This director added, *"You have to make sure you're closing the loop on that process regularly with the full board so that no one feels ultimately left out of the key information."*

> *"At what point and under what circumstances would you regret this decision? It is amazing how management never wants to answer that question."*
>
> – Director

- **Testing management assumptions and integration plans.** Participants said boards should test management assumptions regarding expected synergies, and potential downside scenarios. A director said, *"I always ask what is the tipping point? At what point and under what circumstances would you regret this decision? It is amazing how management never wants to answer that question. They'll show you some scenario analysis and say we stress tested this and we'd be fine, but that's not what I asked."* Another said, *"Directors need to find ways to recognize and know how to ask the challenging questions. How do we ensure we are thinking about the outcomes that might not be as good? The role is one of challenging management aspirations in a way that's as tempering as it needs to be but for sure forcing consideration of the downside."* Many deals may look great on paper but fall apart during implementation. Boards should scrutinize integration plans during due diligence, participants said. *"I do* *wonder if boards really probe enough on how realistic the strategy is for integration. There's a limit to how much you can actually integrate, and integration itself means different things to different people,"* said one director. Technology can also impede integration if the acquired systems are not sufficient or compatible. A participant said, *"There are a lot of outdated and cumbersome systems, those can lead to outdated processes. So, on the one hand technology is pushing people to make deals, but on the other hand it might be cause to stand down because the integration will be too challenging."*

"I think a lot of people give up once the deal is done, but the integration is actually what is most important … it's not just M&A, it's M&A and integration."

– Director

- **Investigating other potential pitfalls.** Beyond the numbers and timelines, participants see a role for the board in probing for other potential obstacles to a successful transaction. One director said, *"I don't think enough time and energy is devoted to cultural fit in these transactions. These things can really fall apart if you do not have a good handle on that. But assessing cultural fit is really challenging."* Other participants stressed the importance of thinking through potential transactions from the client perspective. One director said, *"If you start with the client proposition, what the deal will actually mean for the client proposition, you can end up with a more realistic perspective on things."* The unique nature of the insurance sector can also pose complex challenges. One director said, *"In this sector, all of these deals carry some level of compliance or regulatory risk and reputational risk, so it's important to understand that as a board."*
- **Accessing outside expertise.** Third-party experts are often engaged to inform the board and provide an unbiased view. A director said, *"The other key thing is making sure you get the right experts in the boardroom speaking to you. You need to take emotion out of it and have the right voices in the room."*

After the deal

After a deal is completed, boards oversee the integration progress. A director said, *"There are often delays for regulatory or other reasons, but if you do not get things moving quickly you will lose the value. As a board, there is a tendency to walk away and not keep a close enough eye on it, but you have to pushback against that."* Another director commented, *"I think a lot of people give up once the deal is done, but the integration is actually what is most important. That's the big distinction, it's not just M&A, it's M&A and integration."* The growing involvement of private equity in deal making has raised some concerns in this area, a director said: *"With so much private* *money involved, there's a lot of incentive to get deals completed but maybe not enough to make sure that the hard work afterwards gets done."*

Once integration is underway, it can become difficult to track and measure progress. *"It can be really hard to hold people accountable in practice, because there are always excuses and reasons for anything,"* a participant explained. Boards are often presented with regular updates and tracking metrics, but those can become blurry as time goes on. One director noted, *"We have pushed pretty hard to develop analyses and reporting capabilities, but usually a significant part of the value is driven by complete integration with the business, which means you actually pretty quickly lose the ability to see cleanly what did or did not happen."* Others suggested this is an area that is improving. One director said, *"It is hard to put the numbers together once you integrate. But integration has gotten better too, technology has helped with that."*

Appendix

The following individuals participated in this discussion:

Discussion participants

- Anthony Anderson, Non-Executive Director, Marsh & McLennan
- Alastair Barbour, Audit Committee Chair, Phoenix Group Holdings; Non-Executive Director, RSA
- Jan Carendi, Non-Executive Director, Lombard International Assurance
- Alison Carnwath, Audit Committee Chair, Zurich Insurance Group
- Carolyn Dittmeier, Chair of Statutory Auditors, Generali
- Sue Kean, Non-Executive Director, Utmost Life and Pensions; Risk and Regulatory Advisor, Hurst Point Capital, and Aspen Insurance Group
- Christine LaSala, Senior Independent Director, Beazley
- Mike Losh, Audit Committee Chair, Aon
- Monica Mächler, Non-Executive Director, Zurich Insurance Group
- Jean Pierre Mustier, Operating Partner and Sponsor, Pegasus Europe
- Michael Ostow, Managing Director, Rothschild & Co
- Debora Plunkett, Non-Executive Director, Nationwide
- Peter Porrino, Audit Committee Chair, AIG
- Caroline Ramsay, Audit Committee Chair, Aegon
- David Sidwell, Non-Executive Director, Chubb
- Doug Steenland, Chair of the Board, AIG
- Bob Stein, Audit Committee Chair, Assurant; Audit Committee Chair, Talcott Resolution
- Peter Taylor, Audit Committee Chair, Pacific Life

EY

- Chris Bassett, Senior Manager, Strategy & Innovation, EY
- Peter Manchester, EMEIA Insurance Leader and Global Insurance Consulting Leader
- Isabelle Santenac, Global Insurance Leader
- Sophia Yen, Senior Principal, and Strategy & Innovation Leader, Insurance Consulting, EY

Tapestry Networks

- Dennis Andrade, Partner
- Brennan Kerrigan, Senior Associate
- Tucker Nielsen, Principal

About *ViewPoints*

ViewPoints reflects the network's use of a modified version of the Chatham House Rule whereby names of network participants and their corporate or institutional affiliations are a matter of public record, but comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.

About the Insurance Governance Leadership Network (IGLN)

The IGLN addresses key issues facing complex global insurers. Its primary focus is the nonexecutive director, but it also engages members of senior management, policymakers, supervisors, and other key stakeholders committed to outstanding governance and supervision in support of building strong, enduring, and trustworthy insurance institutions. The IGLN is organized and led by Tapestry Networks, with the support of EY. ViewPoints is produced by Tapestry Networks and aims to capture the essence of the IGLN discussion and associated research. Those who receive ViewPoints are encouraged to share it with others in their own networks. The more board members, members of senior management, advisers, and stakeholders who become engaged in this leading-edge dialogue, the more value will be created for all.

About Tapestry Networks

Tapestry Networks is a privately held professional services firm. Its mission is to advance society's ability to govern and lead across the borders of sector, geography, and constituency. To do this, Tapestry forms multistakeholder collaborations that embrace the public and private sector, as well as civil society. The participants in these initiatives are leaders drawn from key stakeholder organizations who realize the status quo is neither desirable nor sustainable and are seeking a goal that transcends their own interests and benefits everyone. Tapestry has used this approach to address critical and complex challenges in corporate governance, financial services, and healthcare.

About EY

EY is a global leader in assurance, tax, transaction, and advisory services to the insurance industry. The insights and quality services it delivers help build trust and confidence in the capital markets and in economies the world over. EY develops outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, EY plays a critical role in building a better working world for its people, for its clients, and for its communities. EY supports the IGLN as part of its continuing commitment to board effectiveness and good governance in the financial services sector.

Endnotes

[1] *PreView* reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.

[2] "Global Insurance M&A Activity Expected to Soar in 2021," *Insurance Journal*, February 18, 2021.

[3] LS Howard and Andrew Simpson, "EC Pauses Investigation; CEO Says Aon-Willis Merger Still on Track to Close in 1st Half," *Insurance Journal,* February 9, 2021.

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