

# The rules of engagement



What makes the perfect reinsurance partner? James D'Onofrio, Executive Vice President and Head of U.S. Reinsurance at Endurance Reinsurance Corporation of America explains

## What does Endurance look for in a ceding company?

We provide reinsurance to a diverse group of companies that have demonstrated their ability to differentiate themselves within their selected market segments. Our clients come in all sizes, focus on a variety of insurance lines of business and have different corporate and business structures. At Endurance, we seek to identify those insurers that position themselves to outperform their competitors based on a variety of factors, including how they access their markets, use pricing methodologies, manage their exposures or achieve cost efficiencies. The ones that do these things well are the ceding companies we look to partner with.

## What is Endurance's approach to risk selection?

Endurance Worldwide Reinsurance seeks partners that share our commitment to a comprehensive approach to risk management through underwriting discipline, pricing integrity, and claims handling expertise. We believe that by developing a fully integrated business model which encompasses all of these disciplines a company will be in a better position itself to succeed. Our expectation is that ceding companies with these characteristics will properly manage market cycles and, by partnering with them, Endurance will also be best positioned for long-term profitability.

Another critical discipline underlying this approach is the use of data and management

information as a strategic tool to price and monitor exposures as well as efficiently transact business. Therefore, Endurance has made a strong commitment to build our capabilities in this area and the majority of our reinsurance clients share this philosophy. Likewise, our broker partners also have developed sophisticated analytical capabilities that benefit all parties in the reinsurance transaction.

## How does Endurance's role as a leading specialty company benefit your clients?

Once we partner with companies that possess a competitive edge, our underwriting is based on a high level of interaction with our clients, through both audits and strategic meetings. Our clients expect us to be familiar with their operations, culture and business plans. In addition, we bring to the table an in-depth knowledge of their classes of business and markets. We do this by developing multi-tiered relationships within our client companies so that they get to know their respective counterparts at Endurance.

One hallmark of being a specialty reinsurer is that we work closely with ceding companies to supplement or complement their line of business expertise with our own. We have built our expertise within specialty teams in a variety of business lines, including casualty, property, professional liability, surety, agriculture and personal accident. Our specialty teams focus on all aspects of their particular lines of business, including underwriting, actuarial, claims and legal and we are always seeking to enhance this knowledge base.

As our reinsurance relationships with our clients mature, we seek to expand our business relationships with them, as appropriate, across a variety of their business lines to build, enhance and strengthen our partnerships over the long

term as opposed to seeking opportunistic transactional reinsurance relationships.

## What services do you offer in these specialty lines?

First and foremost, we listen to our clients. We look to understand their goals and objectives so that we can then offer them our insights tailored to their needs. We offer a wide variety of underwriting support services, including policy form and underwriting guideline reviews as well as line of business profitability studies which are developed in conjunction with our actuarial team. On some occasions, we have provided our core clients with rate monitoring models as well.

## In what other ways do you differentiate Endurance?

Claims handling is a critical component in our business and we have a specialized group of claims professionals who focus in specialty areas where they have built their expertise. By getting close to our clients' businesses, we can better understand both existing and emerging exposures. Also, our legal team stays abreast of the many changes on the regulatory front both for our own benefit as well as that of our clients.

Finally, we are one of the leading reinsurance companies in 'Enterprise Risk Management' as highlighted by our "Excellent" rating from Standard & Poor's. We have shared our expertise with clients through seminars as well as individual meetings to help them evaluate their own procedures and to recommend best practices.

One of the most rewarding parts of being a specialty reinsurer is being in a position to provide expertise in a variety of disciplines to help our clients develop their capabilities. By working closely with our ceding companies and broker partners, we are able to tailor our services to those that are most important to each client.