



Sustaining success

Interview with William M. Jewett, President and CEO, Endurance Worldwide Reinsurance

How has Endurance been able to grow its reinsurance business in 2008 despite a challenging market?

Endurance Worldwide Reinsurance remains committed to our long-term specialty business strategy based on disciplined underwriting, exceptional risk management, and superior execution. We continue to build our portfolio account by account and have invested considerable resources in making certain that our brokers and clients understand our strategy and value-added capabilities. Our reinsurance teams are comprised of experienced specialists who build lasting relationships with brokers and cedants, making certain that our clients' businesses and their reinsurance needs are fully understood.

Operating as a networked worldwide organization, we have been able to successfully build our portfolio by sharing expertise and client knowledge across our reinsurance teams to best understand and service each account. Strong relationships, of course, are at the foundation of our success. Our U.S. reinsurance team has executed exceptionally well through the market cycle, and our international offices in London, Singapore, and Zurich are now very well-positioned in their respective markets. Together, our U.S. and international property catastrophe teams, which operate out of Bermuda, are second to none. Our strategy has enabled us to manage the current cycle very well. I am very optimistic about our future.

What are your expectations for the property catastrophe renewal season?

We had a very successful renewal season both in the April 1 Japanese earthquake

market and the June 1 Florida and Gulf Coast wind market. Our property catastrophe team has successfully built strong client and broker relationships, which we expect will lead to continued growth during the upcoming January 1 renewal season. Our core property catastrophe team in Bermuda is widely recognized for its technical expertise as well as execution capabilities. They work very closely with their colleagues around the globe to make certain that our brokers and clients receive superior service and easy access to all the capabilities and resources that Endurance has to offer.

What is the outlook for the casualty market?

The casualty market is stable but competitive, with some hardening in certain specialty lines. Overall, reinsurers have remained responsible and prudent despite the generally softening market and we are therefore able to identify attractive opportunities. For the July 1 renewal season, we concentrated on insurance companies that share our focus on specialization and disciplined underwriting. We pride ourselves on our ability to form strong partnerships with the right clients and, even in the current environment, we have been able to strengthen existing relationships and begin to build many new ones. We have also been able to support our clients with broader product offerings while providing value-added services to help them identify and address emerging risks.

What are the biggest challenges facing the industry today?

Two of the key challenges for reinsurers in today's environment are limited access

to capital and the soft market – which we expect to continue into next year. But these conditions also create opportunities for solid reinsurers like Endurance that value long-term, sustainable relationships and have a culture of disciplined underwriting and proactive capital management. Through our conservative approach to our investment portfolio, we have built a high quality balance sheet that provides exceptional financial security with a portfolio of assets that have more than sufficient liquidity. I believe we are an attractive partner for our brokers and the wide variety of ceding companies we reinsure.

Endurance has been recognized by S&P with their highest Enterprise Risk Management rating. How does ERM factor into your underwriting decisions?

Endurance was built with a culture of ERM from inception, long before it became more widely adopted in 2005 after Hurricanes Katrina, Rita and Wilma. Our ingrained ERM discipline positively influences our underwriting and ultimately the exposures we assume, leading to a more diverse and therefore sustainable risk portfolio that benefits both our clients and ourselves. As we evaluate each account, we make sure we know and understand the risks we are assuming and how they correlate to the other risks in our portfolio. With better access to improved data and our advanced modeling capabilities, our specialty underwriters, actuaries and claims professionals are able to more thoroughly analyze the exposures we are presented.

How have the factors for success as a reinsurer changed in the current environment?

With the current economic crisis and increased focus on counterparty risk, financial strength is more important than ever and insurers are looking for partners who can offer secure and meaningful capacity. But the foundation for success has not really changed despite the current market conditions. Our talented and dedicated underwriters, claims, actuarial and legal teams bring the depth of their experience to each account, building strong relationships with brokers and cedants. It's really about sticking to the basics. With our focus on these core values, Endurance Worldwide Reinsurance is making significant progress toward our goal of being recognized as the best specialty reinsurer in the world.