

Agricultural leaders

Five Minutes with Roger Heckman, Bill Fischer, and Dr. Bin Zhang of Endurance Reinsurance

Roger, you have worked in this field for three decades. From your perspective, what are the qualities that distinguish Endurance Reinsurance as an agricultural reinsurer in the current marketplace?



Roger Heckman: Endurance's Reinsurance edge in Agriculture is our people. I believe that our team of agricultural experts is the best in the world. Whenever a new

challenge or opportunity arises we brainstorm solutions on the fly. Then the team members each step up to the tasks in their areas of expertise. What this means is that our clients get market-leading solutions – often times long before their competitors have even identified the problem.

How does the agricultural line of business fit into the company's philosophy of becoming the best specialty reinsurance company in the world?

Well first of all, there is probably no more specialized line of insurance than agriculture or, more specifically, growing-crops agricultural risks. Our focus is on the risk of revenue loss due to fortuitous events. It's not traditional property, although it has some distinct property attributes. And it's not BI, although it shares some commonalities here too. It is truly a specialty line that adds diversity to any portfolio.

Do you plan to expand internationally, outside of the U.S. and Canada?

Most definitely. We see tremendous opportunity outside of North America, and we are actively investing time and resources and exploring new markets. It's a worldwide business.

Bill, how would you characterize the "ideal" target client for the products you are offering?

Bill Fischer: Our "ideal client" is a professional insurance organization focused on providing state-of-the-art risk management products and decision-making to businesses with exposure to crop revenue fluctuations – farmers or those who work with farmers. Many reinsurers talk about providing risk analysis. At Endurance Agribusiness, and Endurance in general, we deliver. Our clients enjoy being able to discuss ideas with our staff in an informal manner as well as receiving our detailed risk evaluations that are often used for management decisions or to support a position with boards of directors.

Is China an intriguing marketplace for Endurance? Dr. Zhang, what are the opportunities there?

Bin Zhang: We see great opportunities for agriculture reinsurance expansion in China for many reasons. Firstly, it is largely an untapped market area in which both the Federal and Provincial Governments are now providing subsidies for the purchase of Multiple Peril Crop Insurance (MPCI). It is a vast country with a huge population to feed. Due to its geographic size it provides the reinsurance market with a significant spread of crops and the risks associated with specific crops. Endurance is fortunate to have members on our Ag team from China, which gives us a leg up on many competitors.

Roger and I recently spent over two weeks covering thousands of miles inspecting crops, agronomic practices and the basis of their insurance design. We were truly impressed with the knowledge and sophistication of everyone and everything we encountered, and feel that at the farm

level their practices are comparable to those of most of the United States.

Endurance recently purchased an agricultural insurance company. Roger, has this altered your focus on reinsurance in this category?

Roger Heckman: Not at all. Endurance's Reinsurance Agribusiness is committed to our present clients and markets. The announcement by our parent, Endurance Specialty Holdings Ltd., regarding the purchase of ARMtech Insurance Services will provide Endurance investors with additional opportunity in the agricultural lines. The relationship of the Agricultural Reinsurance Division with its clients won't change. Many of Endurance's peer companies focus on both property and casualty insurance as well as reinsurance. We see no reason that the same model is not applicable to agricultural insurance and reinsurance.

Bill, what in your opinion are the qualities your clients value most?

Bill Fischer: They know they have a partner they can call on at anytime to discuss the latest innovations and changes in the market, such as increased adoption of bio-fuels or the ramifications of a new Farm Bill in Washington. Not only can they pick up some of the latest industry trends and information, they can also rely on us to work with them to develop new products, provide risk analysis of their portfolios and create new tools that help their customers make risk decisions. Agriculture is a market that is poised for growth around the world. We see new opportunities every day.

Roger Heckman is Senior Vice President of Agricultural Reinsurance at Endurance Reinsurance Corporation of America. Bill Fischer and Dr. Bin Zhang are Vice Presidents at ERCA.