
Faces of Insurance

JAMES W. CRYSTAL

with Alex Wise

Crystal clear

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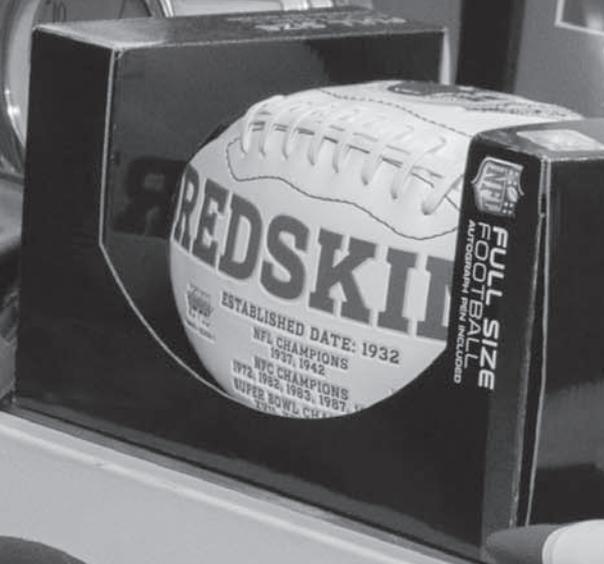
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DALLAS COWBOYS
ESTABLISHED 1960
LEADERS BEYOND THE FIELD



Introduction

Grégory Allard

Président de Filhet-Allard & Cie



Jim is a superhero

Since Jim joined Frank Crystal & Company in 1961, he has built what was a three person business into one of largest and the most reputable privately owned brokers in the US. And the journey continues with the company joining Alliant. With such a long and successful career, this man clearly has something different from the others.

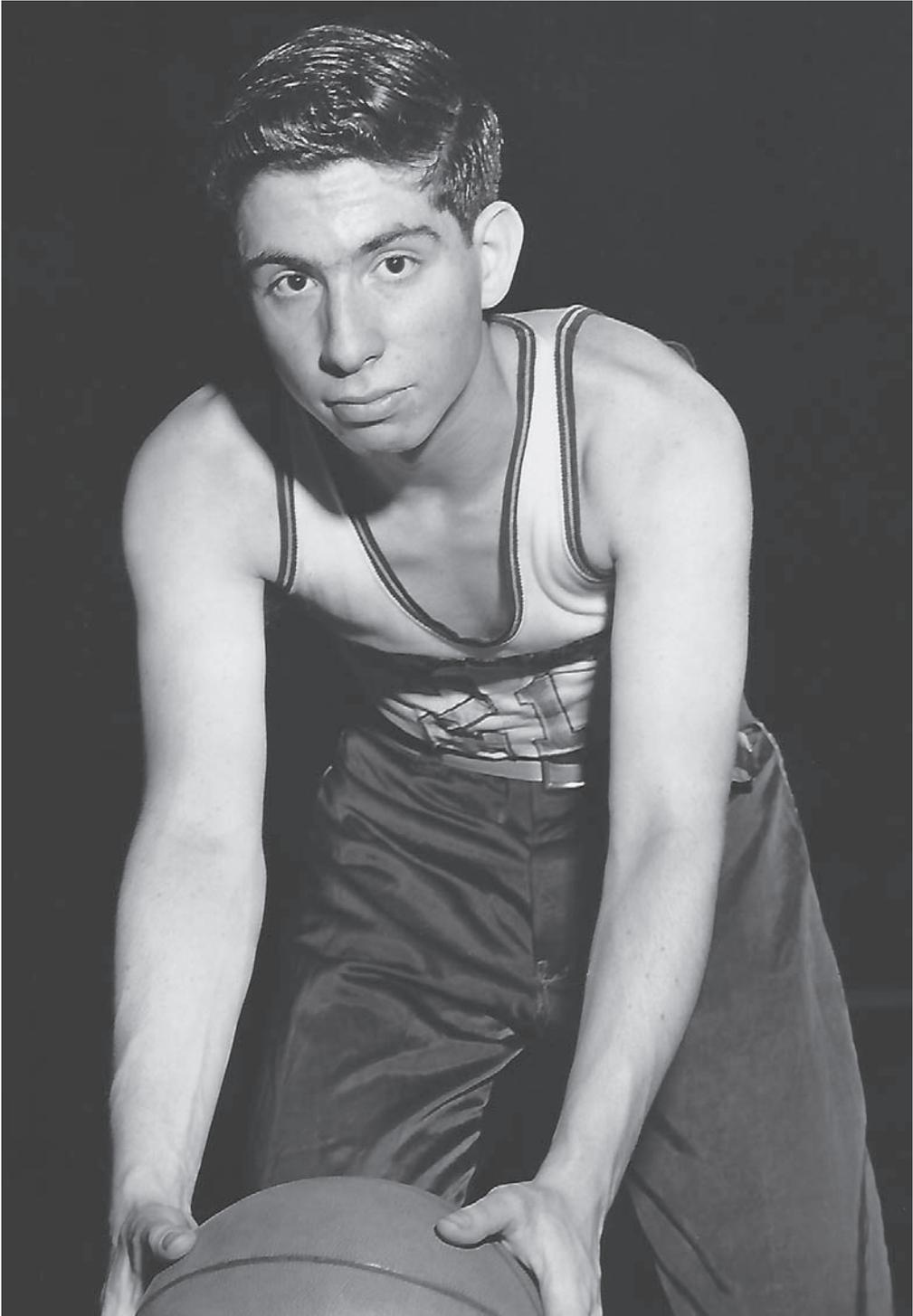
There are only very few superheroes in the insurance industry – and let me take this opportunity to praise MDS for the initiative to start a collection of books featuring some of them. These individuals have very particular skills and they are able to combine these to achieve their objectives. They are stubborn, fair, visionary, honest, innovative, successful, attentive and generous with others. In my view, Jim Crystal is one of these superheroes.

The first time I met him was 15 years ago in New York. We went for a dinner in mid-town with some non-US brokers who would later become the backbone of Brokerslink.

Having heard about the reputation of this great man, my challenge was to be seated next to him. I am pleased to say that I worked to make the most of the opportunity and had one of the greatest evenings of my life. Can you imagine having a two-hour chat with one of the most reputable and experienced brokers in our industry, an insurance superhero!

Last year, I met Brian Duperreaut, the CEO of AIG, in Paris and introduced myself as a good friend of Jim and the Crystal family. His reaction was instantaneous: “I am younger than Jim and he has always been such a great influence in my role.” Another Jim Crystal fan?

Since that first dinner, Jim and I have built a very special relationship that I find hard to quantify exactly. Is it one of a student and his teacher or that of a son and his spiritual father? It should be a little bit of both. Our regular head-to-head meetings in NYC or Paris have always been an amazing source of inspiration for my own business and I will never be able to thank him enough for that. You will discover in this book not only what Jim has achieved but, most importantly, the way he did it. I believe that Jim values the latter more as he is a man of principles and values. He shares also his vision of our industry enlightened by such a rich career and, like me, I am sure you will be inspired. Jim was not born a superhero, but he became one thanks to his hard work and his values. I thank Jim for all our moments together and for his wisdom and his good advice. I look forward to continuing our conversations and I am deeply honoured and proud that he considers me a friend.



Jim playing basketball, Trinity College, Hartford, Connecticut, 1956-57

Crystal clear

A native New Yorker with the heart and soul of an internationalist

Alex Wise

Walking through downtown Manhattan after meeting James “Jim” W. Crystal, my eyes are drawn to the legends engraved on the stone porticos of some of the historic and municipal buildings along the route and it got me thinking about our conversation. Now, it’s not that what he had to say belongs to a different time but that his insights and views are worthy of being shared with those who pass these buildings every day.

When I told people that knew Jim I was going to be writing about both the business man and the man behind the business, I was told things could get bumpy and that I’d probably have a tough time of it. They’d then wish me good luck. I received a few pointers about how to deal with Jim and, knowing many brokers, I prepared myself as best I could.

The experience was exactly what I expected but also had a lot that I did not expect. Yes, Jim Crystal is straight-talking, a self-confessed contrarian, a competitive man and talented broker and dealmaker who knows what he wants and is tenacious in getting it. He’s a direct and opinionated businessman whose success in broking is evident and he is all the better for it. He is also a passionate internationalist, philanthropist and art lover who holds family dear.

Jim readily shares views on topics as wide ranging as European politics, ice hockey and the future of insurance broking and peppers our conversation with nuggets of family history. I am served snippets such as “My dad’s parents came over to the United States from Wales. I went to Wales one time and I said you know I cannot think of a redeeming reason to come back here, except I can get a good drink.” And, “My other grandfather lived in Japan from 1930 to 1938. He was a Purchasing Agent for Cooperative Silk Group at that time. He wanted to do something different and so he lived there, and he liked it. He was just lucky he didn’t get interned ahead of the war and die there.” It’s certainly not dull!

Early life and lessons from copper mining

Jim Crystal was born and bred in New York. He was born after the great depression that hit the US in 1929. It sounds so clichéd, but it was a tough time. “New York was a very different place from today when I was growing up, there was a World War and people were not doing well. The city was quite buttoned-down.”

Using the dry and direct humour that New Yorkers are famous for, he hints at how things today are perhaps not as rosy compared to that time. “We had trolley cars in those days,” he recalls, “which some cities are going back to, and schools were, basically, public or private schools, and the public schools were never that great, and they’re probably even worse today!”

“I took a subway 16 miles to school each day, each way, and changed trains three times in the middle of nowhere.” And what lesson did he learn from this experience? “I learned not to have to do that again if I didn’t have to!”

During his early life, Jim and his family lived with his grandparents and the time with his grandfather made a significant impact on Jim and the man he was to become. “My grandfather was really my mentor,” he stresses. “He would always take me out every Saturday and Sunday, even during the war, and show me things around New York. He made sure I experienced different things. He also taught me the value of ethics and morals and hard work.” And hard work it really was. At the age of 16 he was digging rock in temperatures of 100-degrees Fahrenheit (37.7 C) in the middle of Arizona for the Miami Copper Company where his grandfather was president. “He thought it was important for me to learn everything wasn’t big city and business. He thought the experience might make me a little nastier and a little tougher.” How tough? “I was setting dynamite. It’s a miracle of the world I still have all my fingers.”

What did the copper mining experience give Jim? “You prepare yourself very carefully. You just have to learn how to blend in and then go for it! You let people know that you are going to work as hard, or harder than they are, and then they’ll appreciate you and treat you equally.” By not adopting a ‘holier than thou’ attitude, you avoid “being at the wrong end of a pew in a church” - a phrase that would not be out of place in a Western movie. This approach paid dividends as the miners would take him - the new kid on the block - into Phoenix for their regular Friday night drinks. “Phoenix had one paved street and certainly not anything like the significant US city it is today”, he recalls.

One question comes to mind. If your grandfather is the company’s president, surely he could have pulled a few strings to make it just a bit easier for his teenage grandson? Apparently not! “His only concession, I could live in the company guesthouse. But when there was a board meeting, I was put up in the Copper City Motel. The room just had a bed and a washstand – it was the local brothel!”

Jim describes his grandfather as a very erudite gentleman. The company had its own store and gas station and built a school for the employees’ children. The company had never been unionised but when there was an attempt to unionise his grandfather took a great deal of umbrage at the move. Jim explained “He went to the Federal Reserve Bank in San Francisco and arranged for the entire payroll to be paid in silver dollars. It took over a month for the bank to get enough silver dollars together. He wanted everyone in the neighbourhood to understand the importance of the mine to them and their livelihoods. After that payroll, there was never a hint of a strike and they did what they always did, they settled in line with whatever the other companies in the industry were doing. It taught me a great lesson to think outside the box, which I have always done most of my life.”

Coast to coast and back again

While a true international traveller, Jim has spent most of his life living in New York City. There was a short period immediately after leaving college when he moved to San Francisco to experience the West Coast lifestyle. While in the Golden Gate City he took a job working for the Home Insurance Company as a Special Agent & Underwriter.

He remembers that time, and particularly his boss, with some affection. “He was a great boss. He was from Brooklyn and I was from New York. We were the only two non-Californians out of a staff of 700 people. He took a shine to me and said he would teach me the insurance business; I think he did a pretty good job of.” There’s no denying that.

Frank Crystal & Company was founded by Jim’s father, a former stockbroker affected by the Depression, in 1933. But if you think the son was destined to follow in the father’s footsteps, you’d be wrong. “I would never have worked for my father, that would never have worked.”

Perhaps reflecting that point, Jim reveals he has only kept one piece of memorabilia from his father’s time in business – a picture of him with AIG founder, Cornelius Vander Starr. Jim explained the background. “My father got appointed by the US government to write life insurance for all the civilians who were imprisoned in Asia by the Japanese during the Second World War. The picture shows my father and Mr Starr with the apocryphal, huge cheque for multi million dollars, a significant amount of money in the early 1940s, and enough to put the underwriters US Life, then owned by AIG, to over a billion dollars in life cover in force.”

In the winter of 1961, Frank Crystal suffered a stroke and Jim returned to New York with a view to winding up the family business. The company at that time was

just his father and a secretary who worked part-time three days a week and their only real client was Jim's grandfather.

Jim's plan was to sell the business and go back to San Francisco. But it didn't turn out like that. "I found I really missed the buzz of New York City and I actually liked the sales side of the business. I am a reasonably competitive person, so sales had more than a fair amount of appeal."

So, he set about building up the client base. "It's no different today, you have to get out there, be in circulation and meet people. You also have to identify what directions a business has to take and be clear about what it is that you can bring to it."

He started with the financial services businesses but was knocked back by the banks. "They quickly told me I was of no interest to them because I didn't have enough deposits to 'move the needle!'" So, he turned his attention to those businesses trading in the stock market and that was where his fortunes changed. The business built up over the years to a point today where almost 35% of all the members of the New York Stock Exchange are clients.

"The industry, stock exchange has all commoditised with electronic trading but as I learned, through no pre-planning on my part but certainly became evident, that the people with the money control businesses, and so if you did a good job for those people and were professional, they would refer businesses to you that you would never have had access to on your own." He concluded.



Jim's graduation ceremony. Trinity College, Hartford, Connecticut, 1958

“ JIM IS SOMEONE I have turned to many times during my career for advice both for me professionally and corporately. At times of challenge, at times of great opportunity, Jim has never been hesitant in offering his wise counsel to me. I value above all our friendship.

Steve Hearn

CEO, BGC Insurance

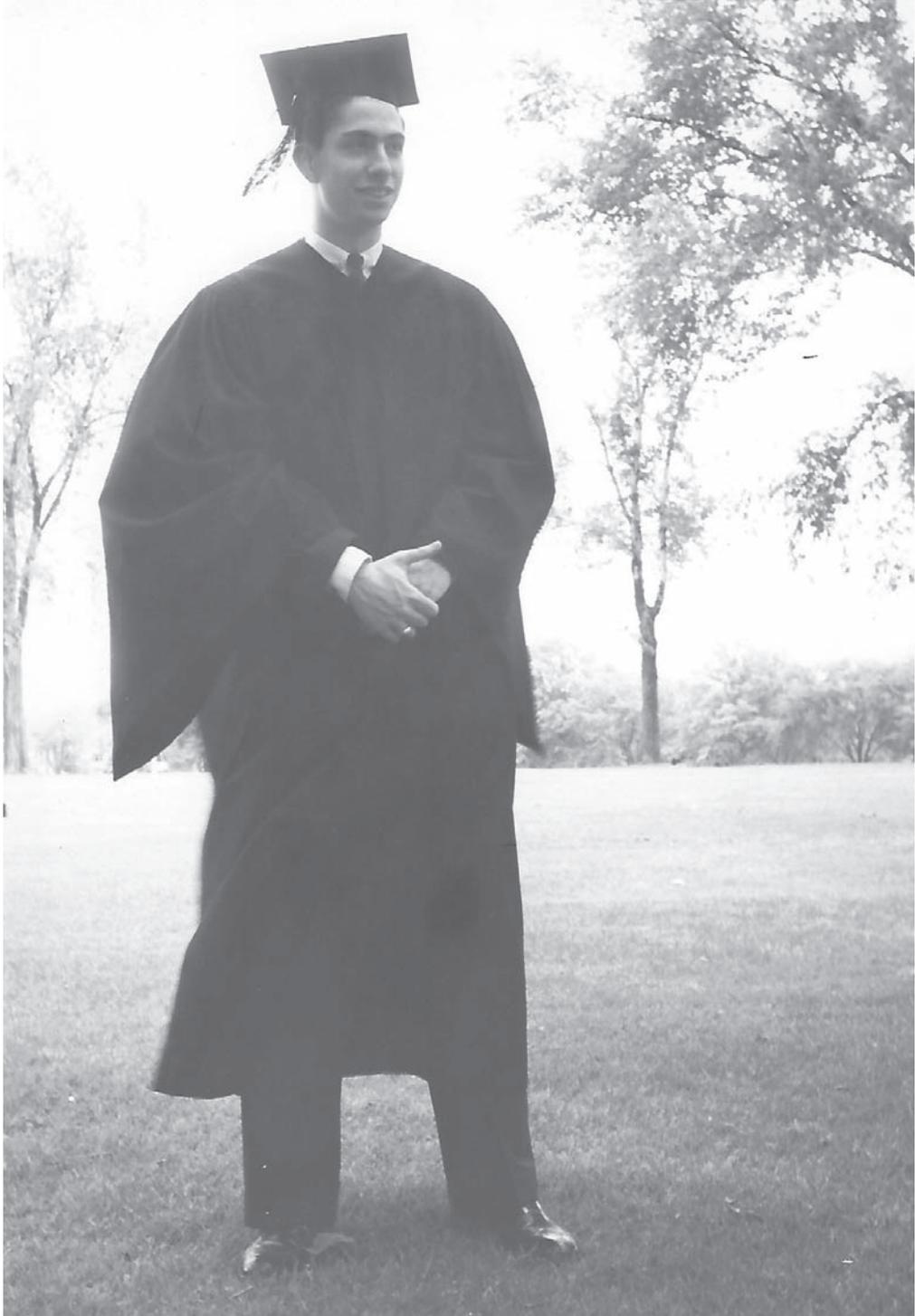
“ AS A BUSINESSMAN, I have known and worked with Jim for decades. Like most top-tier insurance executives, Jim has an insatiable curiosity - he is always questioning “how” things work. On the other hand, he is unique in our industry because he is a true strategic thinker and is also always questioning “why”. After Jim has thoughtfully considered an issue, he takes a strong opinion, but is always willing to listen, learn and adapt. Jim is tough, but he is not malicious in action or intent. He just likes to win.

As a person, two things immediately jump to mind when I think about Jim Crystal - first, he is a family man. Spend quality time with Jim and you will hear stories of love and admiration for his wife, children and grandkids. Second, Jim is a proper gentleman. I have never seen Jim not stand for a lady nor can I recall a time he forgot to send a handwritten “thank you” note.

I am proud to be one of his underwriters and more proud to be his friend.

Paul J. Krump

*Executive Vice President, Chubb Group President,
North America Commercial and Personal Insurance*



Jim at Trinity College, Hartford, Connecticut, 1958.

If not destiny, then what?

Looking back at his time in college he's very clear about the contribution it made to his career. "It really did nothing for me businesswise, one way or another." But it wasn't a complete thumbs down. "The only course I think I really got any enjoyment from was an art history course and I still have a fair amount of curiosity about art and paintings, but I have no artistic talents," he confesses. But I wonder whether this love of art has had just a little influence on his business as he reveals the firm places insurance for some of the biggest art collections in the world.

So, if his destiny wasn't initially insurance related, what attracted him or got him interested in the industry? Jim's answer isn't hugely enlightening to the exact reason but certainly highlights the drive and directness that epitomises his leadership style. "I never give in to anything. If I'm going to get into it, I'm going to see it through. I think that's a broader life lesson too. I liked insurance, it was interesting because if you really want to do a good job in the corporate insurance world, you really have to learn and understand what your corporate clients do, how they do it, and what are their problems rather than tell them. You shouldn't be selling insurance, if some book or somebody tells you what to do. The client should tell you what he wants or needs, and I was able to learn about a lot of other things, all day, each day."

Jim describes the Crystal & Company business as old-fashioned. But that doesn't mean it's outdated or irrelevant, far from it, but that it is maintaining its focus on being a service-orientated business. Jim is clear on the importance of sticking to this long-term business approach. "Business has become transactional, which is fine, but I think you get more client referrals by the fact that you've done exactly what the client asked or expected you to do. But I think you must have a service capability, and you have to be recognised for integrity." Jim is blunt about the industry's lack of abilities in this regard. "That's not happening today. It's fundamentally not the smartest of industries."

The joys of the family firm

Family firms can have a particular dynamic and with three sons - Jamie, Jonathan and Sandy - working in the business, what lessons has Jim learnt to ensure the family and business all run smoothly? Experiencing life in another business was one important factor as Jim explained. “To start with, the deal we had was they couldn’t join the firm unless they worked elsewhere for four or five years. By working elsewhere, they were able to bring singular talents that we didn’t have. Luckily enough, each of them did different things and they are different, their interests are different, their wives are different, which is healthy. They are competitive people, but they are not competitive with each other. There is no one person that can do it all and two, there is some good things that happen with strength.” But there’s no doubt about the family’s closeness as they all live close to each other, the furthest is nine streets from Jim’s home.

But Jim also thinks family businesses are created backwards. “You shouldn’t worry about somebody coming in, you should worry about somebody leaving, because if somebody in the family leaves, they are likely to destabilise the business, employees will say ‘what the hell’s going on here?’”

Unsurprisingly, family is an important driver for Jim both personally and professionally; when you’ve had the family name above the door for three generations it’s inevitable. But what happens when the future for the business is part of a likeminded and similarly passionate but larger entity?

In 2018 Crystal & Company was acquired by Alliant Insurance Services (Alliant), one of the largest specialty insurance brokerage firms in the US. On completion of the deal Jim joined the board as vice chairman and his three sons all took significant positions in Alliant.



Jim and his sons.
From left to right: Jamie,
Jim, Sandy, and Jonathan
Crystal



Jim and his wife, Jean

Discussing the reasons behind the deal Jim is pretty straight forward. “There’s a point in any company where you have to have critical mass. To get to a certain size, we would have either to sell a large amount of equity or borrow. Crystal never had a penny of debt and so borrowing was not going to happen. And, if you are going to sell a significant amount of equity, you might as well see what the whole price someone might offer. I don’t think our culture would have lent itself to somebody being willing to buy 25% to 30% of our company.”

What about making a strategic growth acquisition? Jim is frank about the appetite for that. “We made one acquisition and I wouldn’t do that again, I guess I’m too controlling.”

“You have to say, ‘If I want to get to the next step, then it’s about building in arithmetical progressions; step by step by step’. We didn’t always have 11 offices and 450 people. We had one branch, then two. We only opened branches when we found the people who had the same ethos and work habits we had.”

Why Alliant? Jim is keen to stress they are an entrepreneurial-enough organisation, so Crystal is still able to contribute to the growth and development of the business. Of course, the price was attractive and provided a level of financial future for the next Crystal family generations, but he thinks the ultimate answer was in the complementary nature of each firms’ strengths and weaknesses making them a better fit.

Was there any sadness about losing the name? Not really, in fact, the Crystal name was not part of the deal and lives on, not in the insurance business but for other family activities.

The survival of the insurance industry

It does not take long for the conversation to turn to matters impacting today's global insurance industry. Significant amounts of column inches and hours of discussion have been allocated to reporting and prophesying on the threats and opportunities that face the global insurance industry. "I have spent the majority of my 55-year career in insurance working with firms of varying shapes and sizes, throughout the supply and distribution chain to help build, maintain and protect their reputations", Jim says.

Like the underwriting cycles that are fundamental to the health of all in the industry, things in reputation management tend to go around in circles. We are in a market that can sometimes seem to fail to get to grips with the needs of its customers – the buyers of insurance - and put its head in the sand when it comes to embracing change. You get the impression that lessons aren't being learnt.

Jim has some clear views. "The insurance business has historically been, until recent times, politically inbred. It was more important that you were politically astute and hitched yourself to the right person who would bring you along as they headed up the hierarchy. That's a pretty boring way of experiencing life, and we are paying dearly for that in the industry now."

"Before I went to San Francisco, I worked for a British insurance company called Royal Globe which went on to become RSA. At the time it was a totally inbred business with somebody in the branch reporting back in the UK headquarters on all the management's activities and decisions. In my view, if you don't trust the management, get rid of them!"

In areas such as the draining of skills, Jim feels today's computer modelling and analytics, while important, are making underwriting far less interesting and so driving a lot of talent out of the industry.

But it is the challenge facing risk pricing that is perhaps his biggest concern. “Everything has been focussed on price and not every client understands that maybe the price reflects two different approaches or two different scopes of coverage or deductibles. The real question is will the client trust you enough and to build up their confidence that you will provide them with all the alternatives rather than needing to look to another broker? But if the price or compensation is too low, you just must walk away. You don’t have to be a street walker to get business.”

This is very much the pricing and customer loyalty challenge faced at the low value, volume end of the market. “They generally last for a year and then go price it again with somebody else - if you are not the cheapest, goodbye!” says Jim.

“There’s also the transient business that isn’t worth anything and there’s a size of business you can’t afford to handle today unless it’s connected...the dots are connected to something bigger. You can always handle somebody’s wife or cousin’s business that maybe doesn’t have a whole lot of income attached, as long as you have a bigger piece to cover it.”

In a world that is moving inexorably towards online sales and serving of insurance in many different classes of business, what’s the future like for brokers? Jim is optimistic but keen to stress that this is more as a result of what others cannot do rather than the efforts of the broking industry to drive change. “The good news for brokers is the industry will never change because nobody else can build up a distribution system at today’s cost. The direct insurance writers did this years ago, but you do not see any of the broker or agent type companies going to direct distribution of any size. Some may play around with it but nothing that will threaten the broker’s role.”

Making insurance more accessible and addressing the changing needs of millennials and the Generation Z succeeding them will no doubt see more smartphone solutions and Jim is realistic about the prospects but that will not deliver for all the insurance customer and buyer base. “You are not going to see major companies, or certain high net worth clients, consider that. You won’t find people that can afford insurance, buying because somebody advertises on the side of the bus.”

Bringing the international dimension to broking

While discussing the future for brokers, we turn to Alliant's involvement and support for Brokerslink, the global broking business which owns and manages a network of independent retail brokers in over 113 countries.

Crystal & Company joined Brokerslink in 2008 and became an investor with a direct stake in the company when it incorporated in 2015. Following their merger with Crystal & Company, Alliant is now a partner and shareholder bringing a significant boost to Brokerslink's capabilities and scope.

Jim's reasons for starting Brokerslink were straightforward. "We joined because we had an appetite to develop and grow international opportunities, but we couldn't afford to build an international network of our own, we didn't have the resources or the knowledge."

"It's a good business with a unique model. Unlike other broker networks where there may be multiple firms in the same country there is only one Brokerslink partner or affiliate in every country. This is a terrific selling point. This uniqueness means we are the only North American partner. We need to take more advantage of this fact."

While the organisation continues to grow and compete with large global brokerage firms on multinational programmes, Jim is direct with his views on the challenges it faces to sustain this position, to become what he describes as a 'super-star' global broker and deliver results to its shareholders.

"The organisation needs to build on its strong foundations and bring all its partners and affiliates along by reinforcing the mutual understanding and

“ JIM CRYSTAL IS A TITAN of our industry. His leadership, professionalism, expertise and importantly, drive and passion for excellence allowed him to build one of the most successful brokerage operations in the U.S. Jim is unique because of his breadth and humility in relating to people and businesses. He effectively serves the needs of a single home policyholder and the largest risk managers of global enterprises. Similarly, he is advisor to CEOs of the largest insurance companies, yet always finds time to court the individual line underwriter to ensure he could provide the best, fastest solutions to all his clients. He effectively competes against the global brokers and their extensive value chain, often beating them at their own game; yet, here too, he could present the Crystal value chain as intimately as a small independent agent he also competes against. This comfortable dichotomy of approachability and effectiveness sets Jim entirely apart from all his industry colleagues. He is an inspiration to thousands of professionals, and I count myself as one of the fortunate to have worked with him for three decades.

Dino E. Robusto

Chairman & CEO, CNA Financial Corporation

“ JIM CRYSTAL HAS BEEN A MEMBER of our board of trustees for well over 20 years, and during that time has been enormously committed and of incalculable value. He has provided wisdom and insight into some of our most pressing problems. When he speaks at board meetings the respect he has earned cause all to focus on what he says, and what he says is always counsel of the highest quality.

In addition, Jim has been the long time chair of the audit and compliance committee of the board of trustees. The work of this committee is critical. Healthcare delivery, and running an academic medical center, is a very complicated business fraught with risk. Over the course of his chairmanship board chairs have come and gone, but all who have been in that capacity retain Jim as the chair of this important committee. They all realize how indispensable he is.

Kenneth L. Davis

President and Chief Executive Officer, Mount Sinai Health System (New York)



Group Photo – Brokerslink Global Conference 2015, New York

Jim and Jean at the Gala Dinner during the Brokerslink Global Conference 2015 in New York hosted by Crystal & Company



benefits. In terms of its global reach and capabilities, the network has some brokers who are extremely effective in their own market but not as many who are as effective in the world market. It is important that there is an efficient or effective structure to support multinational business. We need to have a place to put our clients into and not just a branch office.”

“Brokerslink has some strong businesses and many incredibly bright people within the network with different skillsets. We need to take advantage of these, develop the opportunities and keep getting out there to spread the word about Brokerslink. Awareness of the successes is important so where there are examples of successful collaborations between partners and affiliates these need to be shared to demonstrate what can be achieved and where we win, we need to talk about these.”

Creating value has to be at its heart according to Jim. “The business has to create value for all concerned including the shareholders. The share value is important if it is to keep hold of all those good people.”

Speaking at the arrival of Alliant as a Brokerslink partner, José Manuel Fonseca spoke of the significant value that they would bring to the organisation and network of brokers. At the same time, he emphasised the belief that Brokerslink’s global expertise and reach would enable Alliant to develop and provide international servicing capabilities to its clients across the US. This does seem to be happening. Jim cites a particular opportunity to illustrate the point. He explains, “Alliant were competing with Marsh for the construction business of Facebook. The risk manager at Facebook was looking for Alliant’s international capabilities and the team were able to bring in Jamie (Crystal), an Executive Vice President at Alliant Insurance Services and board member of Brokerslink. As a result, Alliant secured all of Facebook’s construction business. For Jim the most interesting part is that a significant proportion of their construction work over the next 10 years will be outside of the United States. “That’s a terrific opportunity for Brokerslink,” he concludes.

He is keen to see Brokerslink grow and believes this next phase of development needs to focus on continuing professionalism and clear goals. “The model works

but needs to have goals. Nothing runs well if you don't have a goal, and the goal should be to be the biggest and most successful global broking business, both competitively and financially.

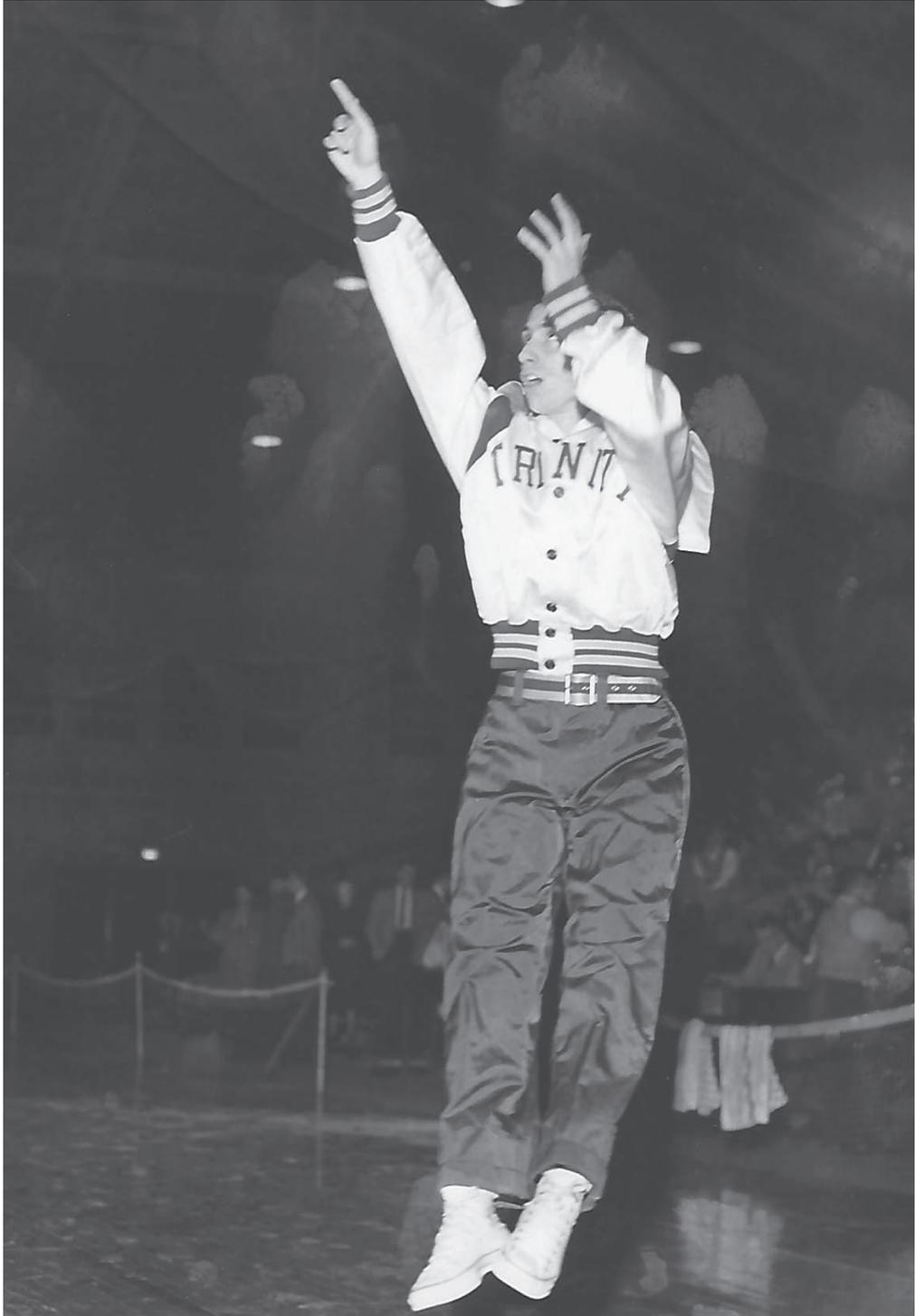
Competitive nature

Jim has always had a competitive nature. Sports wise, he played basketball in high school and then college. There was also a lot of competition between himself and his two roommates in college. But one became a professional baseball player and the other a professional American football player. Jim is philosophical. "Basketball was fun, but I learned there was not a whole lot of future in the sport for a short, slow guy."

He hasn't lost the competitive drive. "I'm still pretty competitive, maybe grossly so. It's better than the alternative, then you might as well say I'm gonna look up instead of looking down."

Sport remains an important part of his life for both exercise and relaxation. He was an avid tennis player but made the decision to stop. "It was easier to give up tennis than to get two new knees at my age." He now plays golf each weekend.

He and the family have been long-term supporters of the American football team New York Giants and the New York Rangers ice hockey team based in New York City. Support is a matter of pride in the family's hometown? "Primarily, yes, I think you have an obligation. I also supported local teams in San Francisco when I lived there." So, what's the appeal of watching the Giants and the Rangers? "It's a form of relaxation. You don't have to have a lot of conversations when you are watching the teams."



Jim playing basketball, Trinity College, Hartford, Connecticut, 1956-57



Jim's office. Sports are an important part of his life



It's all about leading and not following

He holds some very clear opinions on the importance and position of leadership in business. “Companies have to be run top-down. You cannot have a ‘socialist society’ in a company, where everybody is equal and makes decisions, nothing can be achieved that way. There must be an executive with total authority, and if that authority is not conducive to a good result or creates problems, then it is up to the board to follow their fiduciary responsibly. It is only in the last 15 to 20 years in any industry that boards have not been packed with the CEO’s industry best buddies. Leadership is earned, it’s not something that anybody is owed.”

Jim cites Mohamed Al-Fayed’s leadership of the iconic institution, Harrods. The Egyptian businessman purchased the department store in 1985 and sold it to the Qatari royal family 25 years later for a reported UK£1.5 billion. “Everybody made fun of Al Fayed but, at the end of the day, the company did damn well under his leadership. You can go into the store at any time and it’s never empty. Their pricing is top end, you don’t see them ever with reductions. That company will survive because they don’t have a store in every city and town.”

When discussing leadership, it’s hard not to talk about US politics and Trump. Unsurprisingly he has distinct views on the political class in the US and globally. “All politicians today, basically in almost every country, only want to maintain their position, get paid, get their pension, be in the media. They forget who voted them in until it’s time to run for election, and then all of a sudden, they remember and are out there and, of course, wanting you to pay them a donation.”

And what’s his view on Trump, a fellow son of New York City – he was born and raised in the suburb of Queens? “His style makes him an anathema but he’s an interesting guy. If he’d just shut down the vitriol and the tweets, he might actually be popular because the economy hasn’t been this strong in years and

unemployment is down.” Although Jim does point out that in the US, they don’t count anybody as unemployed that’s been that way for six months or longer or isn’t looking for a job. “But even if you do, the figure is still a hell of a lot better than a lot of other countries and his stance on international trade also seems to be getting us in a better position.”

Will Trump be re-elected in 2020? “Time will tell but I think the current Democratic party will help Trump. I don’t think people in this country, other than maybe the by-coastal communities, are interested in socialism. There are still a lot of people in the US who take pride in what they do, and their work”.

Our conversation on leadership develops to include the UK’s exit from the European Union and again, the role and value of strong leadership gets the Jim Crystal spotlight placed upon it. As what he describes as ‘an outside observer of the Brexit process’ he is interested in the original decision of the then UK Prime Minister, David Cameron to offer an in/out referendum. “There was no point in having the vote in the first place. Cameron thought it was an important victory and the result would empower him more, but he ended up with the win he didn’t want.” He mentions the trials, tribulations and impasse created by Cameron’s successor, Theresa May and the reputational issues the leader of the opposition, Jeremy Corbin, faced. But it is not just the UK with political leadership issues in Jim’s mind. “There isn’t a decent leader in any country in the world, they are all weak, self-creating. But maybe people need more strength and leadership from the top.”

We then turn our attention to more business matters, and he points to the automotive manufacturing sector including US firms such as General Electric, General Motors and Chrysler which he says have all suffered because they had no leadership. In the UK he highlights the fact there isn’t an automobile company left that’s owned by a British company. On the opposite side he mentions the situation between the French government and Nissan, where the French state which owns a stake in Renault, was considering reducing this to help bolster the alliance between the two car makers “It’s really about country pride and together, they might make a good company.”

“ JIM HAS BEEN A FRIEND and colleague for much of my four decades in AIG. He has continued the “Crystal tradition” of excellence and creativity and is an industry stalwart. He has always been a reliable partner and true friend. The work that Jim and his wife Jean have done on the board of Mt Sinai Hospital is indicative of their concern for society and those in need. I will always treasure my relationship with Jim.

Ralph Mucerino

AIG, President Distribution Partners Accident & Health

“ NO ONE CAN BE INDIFFERENT to Jim Crystal. I shall never forget the extraordinary presentation he made to the Brokerslink Conference in Madrid in 2012. He was “crystal clear” and in an original way, showed the importance and very special contribution that people and knowledge make to broking and the wider business world. The name “Crystal” truly means “insurance broking”.

José Manuel Fonseca

MDS Group CEO, Brokerslink Chairman

Against the backdrop of challenges to globalisation and a new emerging nationalism in many parts of the globe, Jim shares a personal theory, a concern about the future. “My fear is I think the whole world is about 20% down the road towards the ‘fall of the Roman Empire’. I think the world will become tribal again. The US will have this hemisphere, Russia and China will have their hemisphere. There will be lots of satellites who want you to pay for their friendship for a time. It will not be in my time and I am not sure it will be in my kids’ lifetime but certainly my grandkids will experience this shift.”

The obligation to give something back

Like many in his position, Jim feels a clear obligation to try and give back to the community from which he came. “That maybe a quasi-religious thing but I doubt it because I’m not a very religious person. I do believe you have to give back.”

But his philanthropy is focused. “We don’t believe in being philanthropic about bricks and mortar,” Jim explains, “so we support Mount Sinai Adolescent Health Centre and the Mount Sinai Genomics Institute. He and his wife Jean sit on the board of the Mount Sinai Health System – Jim is the vice chairman and chairs its audit committee and is a member of the executive and finance committees. Located in New York, the Institution is a centre of biomedical and genomics research focused on using various types of biological, clinical, and environmental data to understand complex human diseases, to advance information-driven medicine and to better diagnose and treat patients.

The Adolescent Health Centre is a unique programme that delivers comprehensive and a wide range of services specially designed for the needs of young people

aged 10 to 22 in New York City. It offers integrated medical and mental health services and prevention education as well as being one of the leading centres for adolescent health care, training and research in the US.

Why support these specific projects? Well, alongside the obvious importance that needs to be placed on providing young people with access to health care support regardless of their personal or family's circumstances, Jim sees the real benefits of a joined-up approach to using genomics. "The use of data and computers to drive more research and study into the topics has already seen the costs of DNA studies drop from a thousand dollars three years ago to US\$50 today. But also, the data research done by the Institute is connected with a hospital and medical school that enables it to be tested to see if what they are finding is workable."

He points to the huge leaps forward that have been made in healthcare and wellbeing from the 40-year life spans of people in the 1500s to 1800s to today's longevity levels and increasing numbers of centenarians. "The question is, genetically, are you healthy? I had three grandparents live to over 100. My father died at 90."

An industry not for the faint-hearted

In preparing to meet Jim, I read an earlier Q&A article where he said insurance was not for the faint-hearted. Does he really believe that? "Well, let's put it this way, I think there are two types of people - A Types and B Types. A Types are not faint-hearted. I've never been accused in my life of being a mellow person, but I think in insurance, if you don't have a particular talent, or you're not competitive, or you don't have a birth right or whatever angle you want, you can get stuck in





the middle of nowhere for a whole career. Maybe you'll make five or six moves each time for a nominal salary increase or better benefits but, at the end of the day, you are just taking one step forward and two steps back."

Then it's about the level of risk you're prepared to take, and Jim agrees. "I think one should always take risk, but risk that's manageable. You should be able to, within some tolerance, figure out what your downside is and whether that is acceptable. If it's not, then don't do it, it's that simple. But, generally, if you are aware of the downside you can avoid it."

I'm interested to hear Jim's views on how the industry can attract and retain the new talent that will be needed in the future. We start by talking about why these future leaders and doers haven't considered an insurance career already. "There is always a bounty on bright people," Jim says. "The problem has been that, other than at the top level, the rewards are less than mediocre, and that's why you have so few young people that came into insurance historically."

Alongside, the rewards issue, the lack of creativity has been a turn-off. "If you look at insurance, it's not one of the brightest businesses in the world. It's only in recent times that individuality and creativity have burst forth. It wasn't until the last recession that young people started to move into the industry. Previously, they figured they could make more money from finance or law."

Jim sees the importance of adopting a different approach to attracting and retaining future talent. "Not everybody wants to try to make a million dollars and live in a big city and have an expensive flat. Their aims and desires are different, which is good, that's healthy. I think the worst thing is to have a desire that can't possibly be fulfilled. Then you are mad at the world."

Of course, recognising the need for work/life balance needs to be right up there too. "There's no doubt that family is always going to be a motivator. I don't care who you are. If it's not, shame on you. Success, or the attempt to be successful, is another motivator, I think it's probably second or third and, somewhere in, there is the enjoyment of life. What are your aims, what are your desires?"

A trio of passions

Jim sees value in delving deep and looking back to what history can tell us as we try to understand the now. This comes through in his love of history, art and travel. He is a self-confessed history nut, digesting books and TV programmes on the topic and he mentions a particular BBC TV series on the English monarchy through history as a real favourite.

He looks to art to provide insights on how life was lived through history. Jim elaborates. “To me, history and architecture also reflect what life was like in a certain time period. You can view any Italian masters painting whether that’s Caravaggio, Rafael or Michelangelo and while the bodies of the subjects might not be in perspective to how they would have actually looked like at that time, the scenes of life these artists painted tell you what life was like.”

His passion for travel and art combine with his annual visit to Venice for the Biennale, one of the most prestigious cultural institutions in the world. Today, the annual exhibition attracts some 500,000 visitors. His love of the art is tempered by frustration with the city’s leaders. “Venice is overrun with people. The low-cost airlines make the city more accessible but when the people get there, they struggle to find places to stay, they’re even sleeping on the bridges. If you don’t know where you are going, it’s not a pleasant place.”

As the saying goes ‘travel broadens the mind’ so in Jim’s case his heavy schedule must mean a very broad mind indeed. His approach when travelling to a new country or city that he’s never been to before – which he admits is a rare occurrence now - the first thing he does is to find out what the place is most famous or well-known for and then heads in to the city or town and directly experiences the lifestyle. But he feels that some tourists don’t understand the cultural or spiritual importance of where they visit. “I have probably attended mass with my wife in Notre-Dame Cathedral maybe 30 times and it is kind of sad

when people walk in with shorts and a t-shirt and their backpack in such as religious place and don't have the appropriate attitude. We had a different perspective from many people as we watched the TV coverage of the devastating fire in 2019.”

Jim sits on the board of the Frederick R. Weisman Art Foundation based in Los Angeles, California. The not-for profit foundation is dedicated to continuing the legacy and vision of the extraordinary entrepreneur, philanthropist, and art collector, Frederick Rand Weisman. The Foundation houses a significant collection of modern and contemporary artworks which he started collecting in the late 1940s.

Weisman made a strong impact on Jim. “The man was probably one of the more interesting people I'd ever met, he influenced me a lot.” Not only did he have an uncompromising belief in the cultural value of art, he had strong business skills which clearly made an impression on Jim. “In 1960 he got the licence to import Toyota from Japan with an exclusive franchise from New Jersey to South Carolina. I wound up sitting on his board. He made a significant fortune from that business.”

Weisman and his first wife, Marcia Simon, were immortalised by David Hockney, one of the most influential British artists, in 1968 in a double portrait called American Collectors (Fred and Marcia Weisman) which has become one of his most famous works. Jim recalls first seeing the work at a David Hockney exhibition in the Tate Modern gallery, on one of his frequent visits to London. “The picture is of he and his first wife, a couple who were mad at each other. They were just about to get divorced and were painted standing by their pool glaring at one another. It was absolutely spot on.”

As we talk about the works of British contemporary artist Damien Hirst (most famous for his work with animals preserved in formaldehyde), Jim freely admits that he does not have a deep appreciation of all types of artwork. “There's not a lot of contemporary art that I understand – some of it is pretty way out.”

Jim's love of history once again comes to the fore as he recalls attending the UK's Houses of Parliament in the 1970s as part of negotiations with the customs and excise service on behalf of a US company trying to deliver a computerisation project for the London Airport Cargo Electronic Data Processing Scheme (LACES), the world's first Customs computer service. "I wound up with Tony Benn (renowned Member of Parliament and government minister in the 1960s and 70s). "He was socialist and so whatever you wanted to suggest, he was willing to go along with so long as you said you were going to maintain the jobs and you were going pay the same money or more. The fact that you could save money meant nothing."

However, Jim was more interested in the House of Lords' library, which holds a collection of daily newspapers dating back some 500 years. "I picked a couple up - which they then told me you're not supposed to do that - and it was kind of interesting to see that culture was maintained, that history was maintained. But nobody looked at that history to see if the lessons could be applied to today. I think that's why I like history because it's inter-changeable."

Lessons in life and business

Jim's drive for continual learning is very evident, whether in business where he has built a successful company on a true understanding of his clients' industries and needs - "I was learning about other things each and every day" - to gaining a greater understanding of the impact of genetics. "Life is a learning experience," he espouses. "Even today, at this point in my life, I am learning things about medicine I never would have." He admits he would not have made it in medical school, "Frankly, I'd be on the floor at the sight of blood!"

When I ask about what life lessons he would want to share, he expresses some scepticism about whether they would be relevant or applicable in a world that is changing so much. But on hearing them, that is certainly not the case.

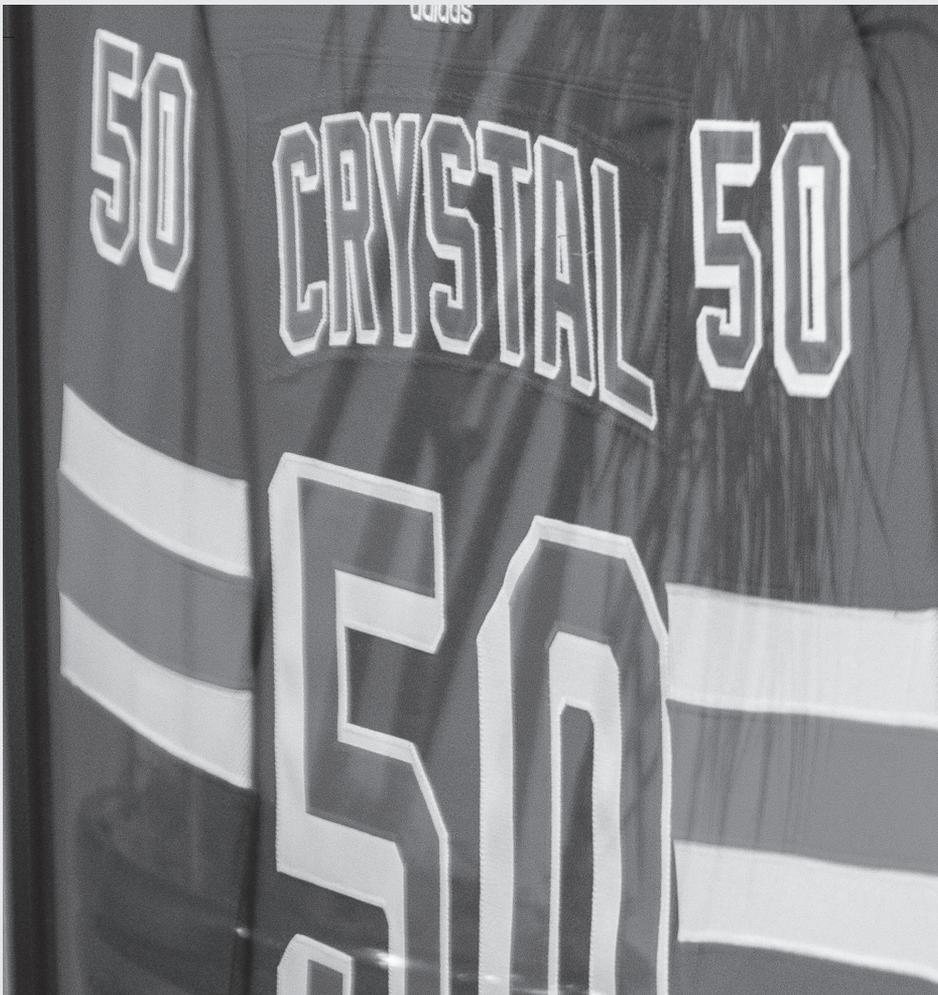
He starts by looking back. “I think you have to know your roots and you have to know what the hell went on in the world. People, if they can afford it, should travel to see and learn about other cultures. Sometimes that can lead you to a different way of thinking or thought processes. I think it’s very, very important you do what you want to do. Of course, not everybody has that opportunity, but you should at least try to grab the proverbial ring. I think you should adapt to change and not resist it, whether it’s in your life personal or life corporate. Change is good.”

So, what does Jim’s outward-looking, internationalist view teach him about business? “You can learn something from everybody. I try to learn from other people, and I would say sometimes you are lucky enough that you learn how to compete in different directions. You don’t really want to compete head-on with firms much bigger than you; firm that can trample you if they know you exist and are so inclined. And trust me, most large companies are inclined to trample competition. So, therefore, you must learn how to run around the competition, effect the sale before they even know they have competition. If you are a rabbit why go head to head with an elephant? It’s quicker to run around them.”

“ JIM IS THE PENULTIMATE PROFESSIONAL and possesses an unmatched knowledge of our business. Jim is a charismatic leader and believes in “leading from the front”. He is passionate about the business, his customers and his people. Jim is also a kind and compassionate person who is active in many charities. I am privileged to call Jim Crystal my friend.

Brian Duperreault

AIG President & CEO



Leaving something behind

But insurance is not the be all and end all, and Jim appreciates his non-work time. “At the end of the day, I think private life is just that. Your friends, and the people affiliated to you, know you. I still have a couple of friends from nursery school. I have very few insurance friends, some good ones, but very few. I don’t want to have the same conversations during the work day in my private life.”

The conversation turns to measuring success and legacy and his response is characteristically direct and honest. “To be honest with you, you’re on the lunatic fringe if you try to measure your own success because it’s only to your own standards. I guess the answer would be do the people in your own industry respect you. Did you build something that is perpetuated? And, have you maintained your family and your friends in the same style as you did in your own business?”

What would you like people to say about you? “I haven’t thought much about legacy. I would have to say, he was a person of integrity and most of the time he was fun to be with, that his family was never far from him physically, emotionally or mentally and he was competitive but in a good way, not a nasty way; competitive with ethics.”

And what about those that have influenced him in some way? “There have been people who have been singularly helpful, either by directing business to me, or inspiring me with different thought processes that I might not normally have been down that road. That appeals to a contrarian like me.”

James W. Crystal



After joining his father, Frank Crystal, at the firm in 1961, Jim Crystal was named President in 1963. Under his leadership, Crystal & Company has grown far beyond its original roots on Wall Street to serve a global clientele. An insurance industry leader, Jim is widely recognized for his tenacious advocacy of his clients and innovative approach to solving their business problems. Active in the community, Jim serves as a vice chairman, trustee and member of the executive committee, and co-chairman of the audit committee of The Mount Sinai Medical Center. He continues to advise a wide range of corporations through his service on the boards of directors of Stewart & Stevenson LLC, ENNIA Caribe Holding, Global Indemnity plc, and K2 Global Consulting. He is vice chairman of Alliant Insurance Services.

Alex Wise



Alex Wise has spent more than three decades specialising as a corporate communicator in the global insurance industry, working with companies across a broad spectrum of sectors and sizes from Prudential Corporation and Lloyd's of London to Insurtech start-ups and niche managing general agents. The common theme for all such businesses has been building, enhancing and protection their reputations.

Ranging from crisis and issues management to communication strategy delivery, corporate social responsibility and content writing. Alex has used his knowledge and expertise in these areas to help organisations communicate effectively and to ensure their communications activities achieve their strategic objectives.

After a decade of corporate communications with Prudential, he joined the UK voluntary organisation Victim Support (VS) which provides specialist practical and emotional support to victims and witnesses of crime. While with VS, Alex worked on high-profile media campaigns raising awareness of the issues faced by victims of rape and the lack of support provided to families of murder victims. He also acted as spokesperson for the organisation, being interviewed by print and broadcast journalists.

After two years with VS, he returned to the insurance industry and joined a specialist legal expenses insurance provider which ultimately became Capita Insurance Services. He established and ran their public relations function and, as the business acquired more companies and grew, he took on more senior roles within the organisation, ultimately working with the company's C-suite.

In addition to in-house roles, Alex has spent more than a decade setting up and running specialist public relations and corporate communications consultancies focused on supporting international insurance organisations in the UK and beyond. As the role and tools used in business communications continue to evolve so does Alex's skills, as he looks to gain new insights into the most effective ways for companies in insurance and risk to communicate with their stakeholders.

He is a passionate supporter of combining the different communication tools that are available, from traditional media and public relations activities to video and social media platforms, to not only enhance the way messages are communicated but to also increase the engagement they can create. He believes that strong relationships lie at the heart of truly effective communication.



Alex and Jim



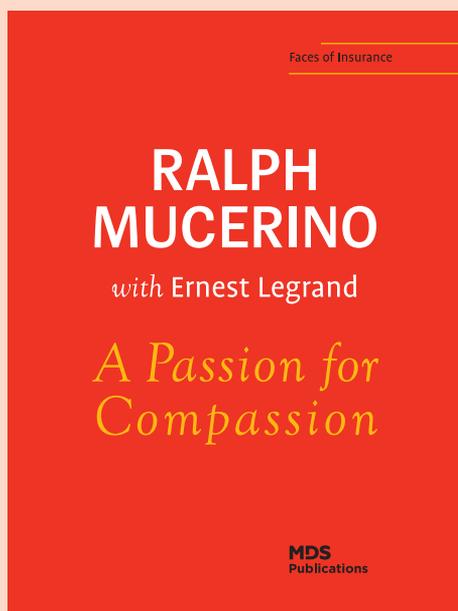
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Faces of Insurance Collection

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Ralph Mucerino

A passion for compassion



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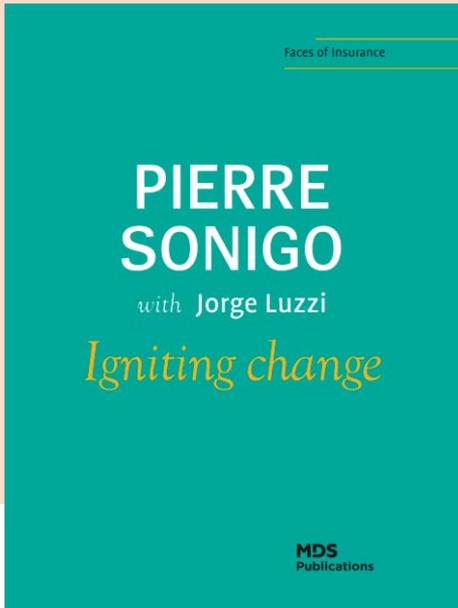
Jayme Garfinkel

Dialogar para Navegar *

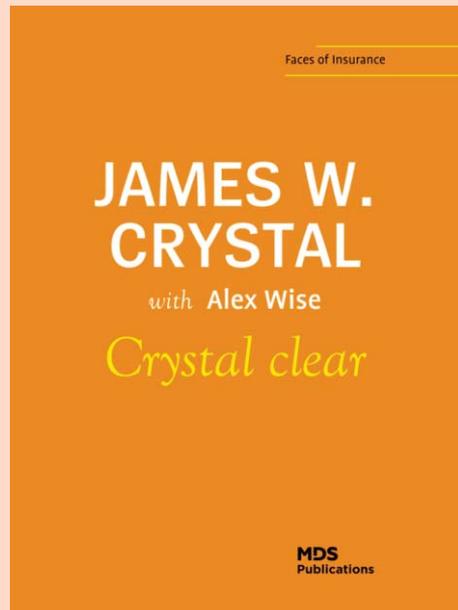


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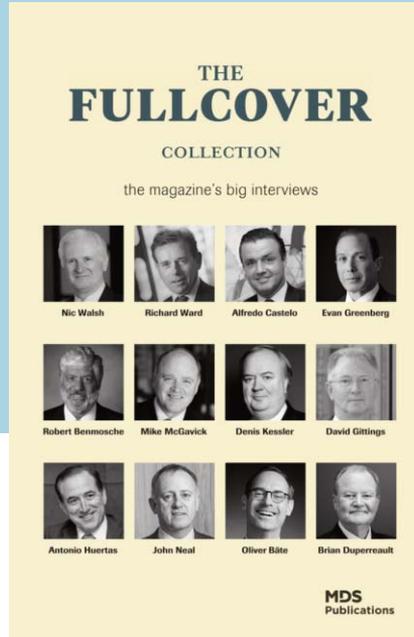
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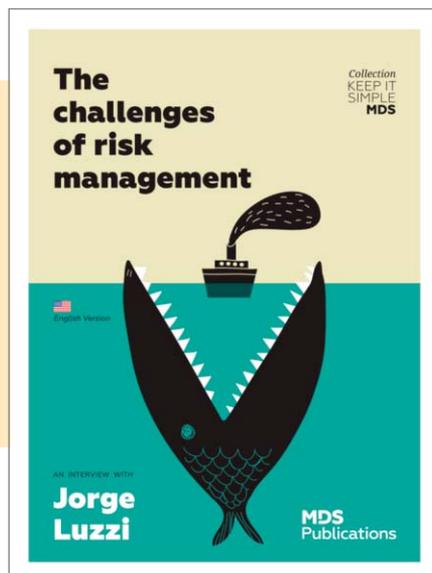
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MDS Group's **Faces of Insurance** collection provides a behind the scenes look into the lives of some of the most influential figures in global insurance and risk, whose invaluable insight, experiences and wisdom are a real inspiration to us all.

In the fourth book in our collection, Alex Wise speaks to **James W. Crystal** about the importance of family, doing the right thing when it comes to meeting the needs of clients and some of the challenges facing the global insurance industry.

He shares his love of art and history and a passion for travel that continues to broaden his mind. But most of all we hear about a deep love of family and the importance of maintaining respect and family values in work and private life. Jim Crystal grew up and was shaped in the aftermath of the great depression in the US. His early experiences gave him some important life lessons that have made Jim a widely respected business leader and recognised by his peers and contemporaries for his straight talking, generous nature, willingness to share and inspiration insights.