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Chubb's  
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By Dayton Fandray  
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# PEACE *of* MIND

Exploring risk, value, and uncharted waters with Chubb's Andrew McElwee

**I**t's a dangerous world out there. And that suits Andrew McElwee just fine.

McElwee, to be sure, derives no pleasure from the rising threat posed by identity theft, home invasions, and carjackings. But he is in the insurance business, and in insurance, helping a customer recover from an unexpected loss is the name of the game. As chief operating officer of the Personal Insurance division of the Chubb Group of Insurance Companies in Warren, N.J., McElwee understands that a changing world brings new risks. He's just happy to head an organization that is able to identify emerging threats and offer customers coverage that transcends common notions of personal insurance.

"Traditional coverages are homeowners, personal belongings, and cars," explains the 49-year-old native of Dover, N.J. "Risks, however, are growing in number and complexity, and at a dramatic rate. A lot of that has to do with globalization and worldwide travel. And a lot more exposures have developed because of technology. It's really up to the most innovative insurance companies to make sure that we have the products and services that protect people in an ever-changing world."

Dealing with change is a subject that McElwee understands well. He has seen a lot of it firsthand, and a quick look at his resume reveals why. In 1980, after earning his JD at the University of Virginia School of Law, McElwee began his career as a lawyer with the Manhattan law firm Dewey Ballantine. He cut his teeth on antitrust litigation, but what really grabbed his attention was the role he played in helping a major entertainment company purchase a valuable catalog of

popular songs. McElwee recalls that he would work late into the night, sweating out the legal details while the businesspeople negotiating the deal were actually having fun. "I said to myself, 'There's got to be a better answer,' and I decided that a future in business was in store for me."

After four years with Dewey Ballantine, McElwee left to take a position at Morgan Stanley, where he put together a series of venture capital deals. From there, he moved to Bellemead Development Corp. as executive vice president. In 1997, he joined Chubb, assuming the duties of senior vice president of mergers and acquisitions. Prior to moving into his current position, McElwee also served a stint as Chubb's international field operations manager. "I have taken a really circuitous path," he admits. "I think the biggest challenge I've had throughout my career is getting up to speed quickly and doing business in the industries I've entered."

Since taking charge at Chubb Personal Insurance, McElwee has indeed moved quickly to differentiate his company in this highly competitive segment of the insurance market. He is particularly excited about a suite of new personal insurance products that include coverage for identity fraud and employment practices liability for domestic workers. These products go well beyond traditional notions of personal insurance, but McElwee believes that Chubb's ability to identify new risks is one of the secrets to the company's success, especially with respect to its more affluent customers. "Everything starts with the customer," he notes. "We observe their behaviors. We listen to what they need. We listen to what they want. We look at what's happening in the market. We look at what's happening judicially and legislatively with respect to new risk. We've been able to develop a deep and comprehensive understanding of our customer group."

That understanding includes the belief that insurance is not a fungible commodity. Policies are not, in other words, interchangeable. The decision to buy is not driven solely by price. "Value added is what makes the difference," explains McElwee. "Looking ahead, really successful insurers, especially in the affluent market, will be able to provide their customers with a unique experience. That's what we've got to do in personal insurance, create a situation where it's not just a product that you have to buy because you're concerned about a loss. It becomes a special sort of experience where you get a bundled set of services that go along with it so you know exactly what the value to you is."

By putting the emphasis on value, rather than loss, McElwee is doing his small part to make the world seem a less dangerous place. ■



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