**Episode 3 – The Insurance Industry**

**Tracey Gibbons, Senior Vice President at Third Point Reinsurance Company Ltd**

**Ms. Stacie Berdan, International Careers Expert (Podcast Host)**

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**Stacie Berdan:**

Welcome to the Global Careers podcast, sponsored by GW-CIBER! THE source for inspiring stories from seasoned professionals who have embraced a global role and reaped the benefits. We offer practical advice and insider tips across a broad swath of industries and fields around the world about what it’s like to work globally. If you love adventure and thrive on taking risks and operating outside your comfort zone, join us as we explore the ins and outs of pursuing an international career! My name is Stacie Nevadomski Berdan, and I’ll be your host! Our First Season dives into what it’s like **Working Globally Through the Pandemic** – and the outlook for global careers in a post-COVID-19 world.

Imagine being in the business of insuring AGAINST a pandemic. From cancelled sporting events and global conferences to shuttered businesses due to lockdown, the devil is certainly in the details of the various policies to protect against financial loss. So it’s a pretty busy time for my next guest. Tracey Gibbons is Senior Vice President at Third Point REE, headquartered in Bermuda. She has more than 40 years of experience in insurance, reinsurance and captive insurance management – including insuring pandemics – and she was recently named a global “Woman to Watch” by *Business Insurance* magazine. In our conversation, Tracey takes us into her world of dealing with the effects of the pandemic on all sorts of organizations. She explains the many avenues students can take if interested in pursuing a career in her industry, emphasizes the speed at which the business world is moving, and the need for flexibility and diversity of thought to be able to embrace the changes ahead. Join us as she shares personal stories and anecdotes that bring her global story to life in a very colorful way.

Welcome, Tracey, it’s a pleasure to have you and I am SO excited to talk with you! For starters, I’d like you to explain what it is you do – what is the reinsurance industry?

**Tracey Gibbons:**

Well, Stacie, you you’re probably very familiar with insurance, well I work in reinsurance. Reinsurance companies insure insurance companies that want to pass on exposures that cumulatively might be more than they are financially able to retain. By selling a company reinsurance cover, what we are offering them is a contract – a piece of paper – that promises to respond in a particular way given a set of prescribed circumstances. There’s a huge amount of trust in this relationship between the two parties, and the premiums and insured values are often very high, often tens of millions of dollars. The insurance companies use a reinsurance broker, who will be the intermediary, so my time is split between spending time talking to this reinsurance broker and the original insurance company. In addition to what I do, internally we have administrative staff who handle putting the details of the risk into our computer systems; we have actuaries who help me calculate the probability of a loss happening; we have finance people who manage the investments of the premium; claims professionals, for when a loss happens, and they deal with any claims; as well as, you know, in addition we have the usual administrative staff that all offices have. My team, most we work in many different areas of cover. Where I specialize is terrorism and pandemic exposures. These exposers can cover buildings, they can cover loss of income, people getting killed or injured, or even medical costs.

**Stacie Berdan:**

That’s fascinating and, to be honest, it’s a field that I had NOT heard much about, actually – never heard about – until we met. And I did a little research – it’s pretty interesting stuff. And I know that you are passionate about what you do – and your job seems cool – what is it that you enjoy the most about it?

**Tracey Gibbons:**

There are lots of things I love about my job. I work with a great team of people who come from many different backgrounds. Whilst everything I do is reinsurance, every day presents me with new challenges. After nearly forty years in the business, I still seem to learn something new almost every day. Pre-COVID, I was travelling a lot to the main jobs where insurance is written and to conferences; and whilst business travel has its downsides, now that we are empty nesters, I can take a little extra time to properly explore some of the places that I visit.

**Stacie Berdan:**

Yes, that is one of the benefits of a global job, isn’t it?! Tacking on a few days here and there to explore the city, a museum, and great restaurants. You know, although so many of us are grounded, I’m hoping that changes soon because I can’t wait to get back out there, like you I’m sure. But even though you’re working virtually, you ARE still working globally and cross culturally, right? On any given day, your work can take you to most any country. What’s it like to work, say, in the UK one day and then Singapore the next? How do you prepare?

**Tracey Gibbons:**

It can be difficult. Everybody seems to be working from home right now and virtual meetings have really taken off, and we’re getting far more face-to-face time with clients and brokers. To a certain extent I think that Zoom or BlueJeans or any of those interface programs seem to have replaced the regular phone call, to a certain extent. One of the big problems of course is the different time zones that we operate across, so I may have to be up very early or very late to accommodate different countries’ working days. Our business is largely conducted in English, and that can sometimes fool you into thinking that there aren’t cultural differences with the people you are talking to; and we have to remember that and respect the different cultures. It’s also very important to remember that words can mean very different things in different cultures, even with the same language. So, I am from the UK originally, as you mentioned, and no one will blink an eye in the UK if you asked a co-worker if they had a rubber you could use, or whether you could burn a fag from them; but in other languages that could mean really something quite different. You also have to be respectful of dress codes in different places. For example, if you’re working with a Muslim client, you don’t wear an outfit that shows your shoulders or your cleavage for example.”

**Stacie Berdan:**

Well, those are great examples and, you know, just everyday actions to consider and think about. I’m glad you highlighted the role of English language because you’re right – sometimes things can go really wrong when assumptions are made! Tracey, you’ve been at this for a while, so, can you share with us, you know, our listeners, what skills have helped you to be more successful when working cross-culturally?

**Tracey Gibbons:**

Absolutely. Some of the best relationships that I have and have had in the business that I do are built outside the traditional meetings. I’m quite a social person, and, as you mentioned, I love food, and I’m willing to try pretty much anything, which can be useful in certain countries. The biggest difficulty I’ve had food-wise has actually been in the US. You know, if you go to Texas and the client wants to take you out to a nice restaurant – chances are it will be a steakhouse. I’m not a big red meat eater at the best of times, but when you get the menu and the smallest steak is 14 ounces, that’s when you start sweating just thinking about it. But I learned a very useful trick in these circumstances, and that is to ask for the kids menu and discreetly ask for the kid’s 6-ounce steak. But when I’m travelling overseas, outside of the US, I try and read up on the different cultures and also on the local history and the politics, because it can be quite easy to insult someone if you don’t understand the cultural backgrounds.

Right, I’m also fairly open minded…I go to a conference in Germany almost every year where a group of women go to the spa, and in these spas clothes are not really an option. So, of course you could chose not to go, but, as I previously mentioned, you’d be passing up an opportunity to get to know people better.

You also need to be a good listener, and I think it’s really useful to remember important facts about people. People really appreciate it when you ask after something or remind them of something you’ve talked about before…so, maybe their son was just heading off to university the last time you spoke to them or they have a dog they are particularly fond of. So, I think it’s really good to remember these things about people and they relate to you as a human being as opposed to being somebody who can just provide some capacity in order to get a job done.

**Stacie Berdan:**

You have just articulated one of my favorite things, Tracey - building relationships with people, networking, getting to know them, It’s such a beautiful benefit and it makes a real difference, as you’ve noted. I suspect it’s probably one of the reasons you are so successful in your job, right, relationship building… But these days those informal encounters outside of our formal work meetings – they are not happening at all. It’s one of the many casualties of this pandemic. So, you’ve mentioned that COVID-19, pandemics – it’s one of your specialties. Now that it’s upon us, what does it mean for your industry?

**Tracey Gibbons:**

The business side of things, in terms of the risks that we take on, means that we have exposures that can result in claims and those have to be managed and can ultimately affect our financials. But, one of the areas that I reinsure is pandemic, so we’re providing coverage to reinsurance companies for the effects of pandemics on their insurance books. And we’ve had to deal with claims, potential claims, from several areas. The largest exposure to the insurance industry, and therefore the reinsurance industry, at the moment has come from an area we call ‘contingency’. Contingency covers all kinds of different things, but one of the big things that it covers is event cancellations; so that could be a major sporting event, it could be an exhibition, it could be a musical tour… And if you think about all the things that have been cancelled – I’ve stopped counting the amount of music tours and festivals that have been cancelled, and trade shows… All of those are insured in the market for numerous things; they will insure the ticket sales, but the ticket sales are relatively small. The big dollar item there are the TV rights. And so, the TV companies themselves buy insurance for the fact that something doesn’t go ahead – being due to a hurricane hitting something, or a fire burning down a stadium, or a terrorist attack. There is also business interruption for businesses that are unable to open their doors due to the lockdown. And that one is interesting because not a large number of companies bought insurance for that. Now, people buy insurance for their building getting damaged, but to have a loss from something where your building isn’t damaged and you just shut the doors and the foot flow going past your business disappeared – not that many people bought that coverage. But now, with hindsight, people are saying, you know, “for the next event I want to have something”.

**Stacie Berdan:**

Wow, that’s really fascinating! And since so many organizations were NOT prepared, they must see a very different horizon ahead of them – and one that I imagine keeps you busy preparing for the future! So, your industry must be growing, right?

**Tracey Gibbons:**

It is… You know, our business is cyclical. So, we go through what we call hard and soft markets. Soft markets are where coverage is getting bordered, there’s excess capacity, and prices drop; and in hard markets the opposite happens – people are less willing to provide the coverage, terms and conditions on the contracts get tighter, and the price goes up; and what happens as a result of the price going up is that you get more people who are interested in writing the business. This is how the cycle happens – they come in, they write as more excess capacity, and the price drops. It’s simple supply and demand. I know there are companies that don’t survive things. If you think back to 9/11 and the horrible losses that happened then – in terms of property and loss of life - there were several companies that did not survive in their current form – either became a smaller company or went out of business. And again, that led to a hardening market happening.

**Stacie Berdan:**

Thanks for explaining that because nothing is quite as simple as it seems, right?! You know, there’s so much more of a tangled web behind our quick assumptions. So this makes me think of students – you know, they’ve had so many ups and downs over the past year - my heart really goes out to them. What skills do you think they need to enter the global workforce now - and in the coming months, post pandemic?

**Tracey Gibbons:**

I think most industries and big businesses work on a global basis to some extent. And there are certain skills that have always and will continue to be important across all areas, whether you’re global or not. But, you know:

* Have the ability to know your audience, including the cultural and political background, or even educational differences.
* Recognize your own personal abilities and know your limitations. Be honest with others and with yourself.
* I think it’s really important to bring your passion to work, and if you can’t do that – think about whether you are in the right job or not. I love doing what I’m doing; I’m hoping that’s coming across in the way I’m talking about it. And, I fell into doing what I’m doing, it wasn’t a plan, I’m still trying to figure out what I’m going to do when I grow up, but I’m having fun right now and enjoying it.
* Recognize that there isn’t always one right answer or a right way of doing something. Be inventive, think outside the box
* Be kind to yourself and forgive others if they make mistakes as well. You are going to make mistakes, if you’re pushing yourself, you’re probably going to make many of them, but we all learn from that.
* It sounds a bit cliché but be a team player – in the long run it’s better for everybody.
* Never stop learning. I, as mentioned, I still learn new things every day.
* And our world is developing faster and faster each year and the way we conduct global business is going to change more and more quickly as time passes; so be flexible and embrace change because that’s where the opportunities are going to be.

**Stacie Berdan:**

That’s such wonderful, practical, terrific advice, Tracey. Everything you just described are life skills, aren’t they? They are not classes to take or certificates to get. And people can work on them, right, develop them to prepare for this rapidly changing global workplace across ALL fields and industries. Great stuff, great stuff.

I see that your background is in economics. Is that the best area of study for the reinsurance industry?

**Tracey Gibbons:**

They are… And I think, you know, any degree or any course of study that you take can have some relevance to insurance or reinsurance, depending on what are you want to get into. So, yeah, I had more of a business type degree. My number two in the office actually studied nutrition, so, you know, that didn’t really hold her back.

If you wanted to become, for example, an environmental liability underwriter, then may be an engineering or environmental science degree might be more appropriate. If you wanted to write political risk coverage, then may be a degree in politics might be more appropriate. Some people go the actuarial route and they study mathematics and actuarial science and come into underwriting that way. So, there are many different ways of getting in.

I hire graduate trainees and generally what I’m looking for is not the background of the person in terms of what their degree is and what qualifications they have. I’m looking for somebody that has a certain way of thinking, a critical way of thinking, and a way of demonstrating that they have that ability; and to me that’s far more important. You are starting to see now that scholarships are available to study degrees for people to come and enter into companies after they have graduated. And a lot of companies now are actually moving away from requiring insurance, what would seem to be insurance-based degree. So, they are not necessarily looking for somebody who is studying economics, or business, or insurance, or accounting, or actuarial studies. They are looking for people that are studying something a little bit more different to that, because they think that a diverse way of thinking about problems helps everybody.

**Stacie Berdan:**

Absolutely and I love it! It’s great. Of course having a degree demonstrates that you’ve reached a higher level of knowledge but it’s really just the ticket to entry, right? Diversity of thought, what we’re talking about, is so important – so brava to you and your industry for recognizing that in the people that you hire!

Tell me, is there a piece of advice you wish you had been given at some point during your career?

**Tracey Gibbons:**

I think, I wish somebody told me to be a bit more patient in the early years and to focus on getting experience. We all want to get on really quickly and advance, you know, be running the company in five years. Don’t focus on the money in the early stage of your career. If you focus on the experience, the money will come later.

**Stacie Berdan:**

Wow, that’s great advice, and your mentees are very lucky indeed. When it comes to a global career, most people assume that it’s just so glamorous and exciting – jetting to Paris one week, Tokyo the next. But you know, it’s not all kittens and rainbows is it?

**Tracey Gibbons:**

One thing I would say, first of all, is you know… I think I said one of the things I love about my job is the travel – it’s the one thing I hate about my job too… So, it swings in roundabouts, you know. Everybody who hasn’t experience it thinks that, you know, travelling all over the world is really glamorous. But it’s actually really hard work. When you are travelling. often times is not like a normal workday where you are working 9 to 5. You’ll have breakfast, lunch, and dinner meetings around your workday as well. You have very little time to yourself, it’s hard to fit out workouts in there, and you miss your family. So, it can be difficult. And often times you are not staying in particularly glamorous places – you can wake up in an airport Marriott, and, believe me, they all look the same, they all have the same decor on the walls, and you can sometimes forget where you are and have to pause for a minute and think – oh yeah, I’m in Dallas today. So, it’s not all glamour, although, on balance, I enjoy it.

**Stacie Berdan:**

Yes, you know, I’ve had that experience myself – waking up and not knowing where I was right away. Took me about five minutes to realize that I was in Tokyo, and it was one of the moments for me that I said – wait, I’ve got to start scaling back my travel because this is having really detrimental effects on me. So, I ultimately shifted careers. But there are just as many, if not more great experiences, right. Do you have a favorite story to share?

**Tracey Gibbons:**

I have a humorous story, which I hope you’ll like, which has to do with what we were talking about earlier on – understanding culture, and how important it is to think about things outside your culture and your own experiences. So, a few years ago, I was working with an insurance agency and they were brand new; and this was in Europe, and they needed a name. And at the time, there was a trend for Roman or Greek names, they were very popular – I think they thought they sounded as though they’d been around for a long, long time, so they gave the impression that the businesses were not new. And they decided to call themselves ‘Vespasian’. Now, Vespasian was a Roman emperor who was the first one who truly conquered Britain. There were other emperors that landed before, but he conquered, and he established fortresses there and he started building roads. He was also famous back in Rome because he invented a version of an indoor toilet. So, he figured out how to irrigate a house so that it would remove anything that was in the house. So, this company called themselves ‘Vespasian’ because of the strength of this emperor. And they put the name ‘Vespasian’ on their business cards. And the very first trip we had to promote this company and their abilities was to Paris, and we went with the CEO of ‘Vespasian’, an he’s got his brand new business card, and he proudly presented this card to the broker at the very first meeting in Paris. And there was stunned silence from the broker; and then he looked, and he looked down at the card again, and he looked at us and then he started laughing and he said, “You cannot be serious!” (In French accent). And, it turns out, that because of this wonderful invention that Vespasian had made – with, essentially, flushing toilet – the French slang word for a public urinal is *vespasienne*! So, this business card, basically, was like… the name of the company was ‘Public Urinal’. So, I tell that, by way of, you know – you do have to think long and hard about who your customers are and the culture that they have before, you know, you start working on a project.

**Stacie Berdan:**

That is a story! And a super example of how important it is to do your research. Before we wrap up, is there anything else that you’d like to add?

**Tracey Gibbons:**

The most important thing I think is building a network, a couple of types of networks. Building a network of your peers – people who are trying to grow in the same area as you – and also outside of your company and with more senior people as well. And as you build your career continue to do this. You could be the best person at your job, but if nobody knows who you are or what you bring to the table, opportunities for advancement may just pass you by.

**Stacie Berdan:**

Well said, Tracey, and thank you so much! It’s been an absolute pleasure to spend time with you and soak up all the great advice and really practical tips you’ve shared. I have thoroughly enjoyed our conversation – and I’m sure that our listeners have as well. Thanks again for your time.

**Tracey Gibbons:**

Thank you.

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**Stacie Berdan:**

You have been listening to the GW-CIBER Global Careers podcast “Working Globally Through the Pandemic” and the outlook for global careers in a post COVID-19 world. Join us again next time, and in the meantime – go global!