

Re-sumé |

Taking the high ground

Marty Becker, chairman and CEO of Max Capital Group, tells *Reinsurance* about his view of the market and exciting merger plans.

Name W. Marston "Marty" Becker

What was the market like when you first started?

In many ways it was a very different industry in 1978. Looking back, perhaps the biggest differences relate to the changes in communication protocol and the ever-increasing ability to transmit, manage and analyze detailed underwriting data. Some things haven't changed; insurance has always been a people business and strong personal relationships with business partners and colleagues remain paramount. And, no matter how many sophisticated models we may use, sound judgment will always be a critical component of effective underwriting. The market was soft market in 1978 everyone predicted it would end "next year." It ended in 1984.

What are the hardest and softest markets you have known?

I have been in this business long enough to see many cycles come and go. Notably, after a soft market that lasted some six years, we saw a dramatic turn-around in 1985 and 1986, with prices climbing almost "vertically." The softest market I have experienced was in 1998 to 2000. Industry-wide, underwriters were generally under pricing the cost of their products to retain market share and the reserve additions that followed in subsequent years highlighted how bad it had become. I am hopeful that the recent trend to more "quant-based" underwriting analysis and enterprise-wide risk management will preclude a repeat of that lack of discipline at the bottom of future cycles.

What is the biggest challenge you face today?

We recently announced that Max and Harbor Point are expected to merge to form Alterra Capital Holdings. We are bringing together two strong and complementary organisations that are each doing well individually and have robust balance sheets to create a more diversified and balanced global speciality insurance



CAREER HISTORY

Marty Becker has been chairman and CEO of Max Capital Group since 2006 and a director since 2004. From 1996 to 1999, he was chairman and CEO of Orion Capital Corporation, until its sale in 1999 to Royal & SunAlliance, where he then served as vice chairman and a director of Royal & SunAlliance USA until 2000. From 2002 to 2005, Becker led the restructuring and wind-down of Trenwick Group, a Bermuda insurance company and, from 2002 to 2008, its subsidiary, LaSalle Re Holdings. Previously, Becker was non-executive chairman of Hales & Company, a boutique insurance industry investment bank and private equity investor, and president and CEO of McDonough Caperton Insurance Group, a regional insurance brokerage and third party claims administrator that he joined in 1978, after starting his career with the public accounting firm of Ernst & Young. He is a director of Selective Insurance Group. Becker is chairman and general partner of West Virginia Media Holdings, which he co-founded in 2001. Becker earned his Juris Doctor and Bachelor of Science in Business Administration degrees from West Virginia University. He is a certified public accountant and is an admitted attorney in West Virginia.

and reinsurance company with much greater scale, capital, financial strength, and expertise. Although we believe these companies are a great fit, with minimal overlap, there is no doubt that a merger on this scale will always provide challenges. John Berger and I are committed to combining our companies into a new global competitor with as little disruption as possible and to establishing Alterra, meaning "high ground," as a leading brand in our industry. Max and Harbor Point are two very good companies and the resulting combination should be a really great company!

What are your plans for the merger and personally?

I believe Alterra will have the tools to successfully compete in reinsurance and insurance in each of the world's major markets. Continuing to build out this platform in a way that is rewarding to our shareholders and other key stakeholders is our focus. Personally, it is an exciting opportunity to partner with John Berger and lead a very talented combined team.

Outside of insurance, what are your other interests

My present role is pretty time consuming and requires extensive travel. When I have free time it is focused on my family, a few charitable activities in my home state of West Virginia and golf when I can!

What is the strangest piece of business you have ever been involved in?

So many transactions in the insurance world are unique that it's difficult to characterise "strange," but stop loss programs for unfunded pension liabilities in multiemployer, union-sponsored pension funds, or Taft-Hartley plans, come to mind – they were a total failure.

What would be your advice for someone starting out?

Work hard, play fair, get to know and respect your colleagues and their needs, communicate well and honestly, and remember it takes time to be successful in a knowledge industry. And success in business is but one aspect of a successful life. 