TEN THOUGHTS ON LEADERSHIP

DURING THE 100 or so interviews conducted for this book, executives who worked with Brian were asked to offer both positive and negative examples of Brian's management style. The positives flowed easily and were remarkably consistent: He is a powerful blend of authority and humility. He knows how to build great teams. He treats everyone with respect. He is courageous, bold and visionary.

The occasional negative revolved around Brian giving a co-worker the benefit of the doubt longer than he should, or putting a second lieutenant in place whose blade-like behavior seemed at odds with Brian's humble nature. But the same executives would hasten to add that these behaviors are a positive, too: letting a colleague find their feet can spur talented people to rise to the challenge; having a "hatchet" man to execute unpopular tactics can free Brian to focus on vision and strategy.

Regardless, after 50 years in the insurance industry, Brian is recognized and embraced as a global icon—someone who has managed to accomplish wildly bold strategies, who relishes the cut and thrust of a deal as much as any tycoon, who lights up when he explains how insurance is like gambling, who stands alone in running both a broker and carrier and leading three companies to Fortune 500 status. He's a figure who is still admired and respected as a decent, compassionate and caring individual, who puts together high-performing teams to get the job done—without burning bridges. In the upper echelons of any industry, this is a rarity; it is particularly unusual in the insurance and reinsurance sector.

At the end of the day, there's universal agreement that Brian is a standout leader, someone who exemplifies the traits every management manual or business case study extols.

So, what's his secret? How does he do it? The present tense is apt; as Brian enters the 51st year of his career, he's about to launch a new reinsurance company.

As *Faith & Purpose* was prepared to go to print, Brian reflected on the principles of management he has developed over the years and how he has applied them.

1. GET YOUR TEAMS FACING THE SAME DIRECTION.

It's an accepted management imperative: For an organization to achieve its mission, its employees need to understand the company they work for and believe deeply in its future. Brian feels a leader's ability to help an organization figure out what it's good at and then translate that differentiator into a rallying cry is central to effective management.

"You have to run each company differently," he says. "As you're making decisions, you have to make sure that what you're doing fits the strengths of the company. You can't make the company what it isn't. And you can't use the same playbook when it's a different game and a different team. You have to find that one thing that will resonate—that every employee will understand, that will go to the core of what a company is trying to be.

"Each organization forms itself and manifests itself differently. So, you can't just use the same galvanizing idea over and over again. I've found that if I can articulate that one thing that really gets inside each employee, then I'll have done my job. You want your teams working together for greatness. I've always thought that if you can do that, you'll always succeed."

Brian's tenure at AIG from 2017–21 was the exception to the rule of deeply-aligned employee engagement. The almost Sisyphean management challenge of getting the company back on its feet did not allow enough time to define the newly-constituted company's reason for being.

Do the right thing

When Brian arrived at ACE in the fall of 1994, he found a small company wrestling with growth.

"This was a very simple organization writing two lines—excess directors and officers, and excess liability—in one place, Bermuda. There was nothing wrong with the quality of what it was doing—the quality was excellent—just the narrowness of the company's focus.

"But it wasn't a matter of just doing more things in more places. As we started to add new lines of business, acquire new companies and expand to other geographies, we had to recognize that discipline was at the core of what we did. We had a risk-taking balance sheet.

"At ACE, the rallying cry became 'Do the right thing.' I wanted our underwriters to know that if they had to exit business or cut ties with a client because it was the right thing to do, I had their back. In other words, you do the right thing—and I'll worry about the consequences.

"Do the right thing applied to every aspect of the business. Compliance, hiring properly, treating employees correctly, respecting everybody—that's all doing the right thing. Whenever there was an issue, it became a habit to ask: 'What's the right thing to do here?'

"I always thought this was such a good starting point at ACE. Even though a decision might cause some issues down the road—maybe a loss of profits, the loss of a client—if it's the right thing to do, then do it."

For the greater good

In 2008, Marsh McLennan Companies was a collection of five professional services entities with their own respective cultures and business models. As the body corporate teetered on the brink of insolvency, it was clear none of the five could see any value in supporting their parent's success.

"When you're a consultant hired to provide an expert opinion, you have to be prepared to stand on your own two feet, but that doesn't create a great corporate culture," says Brian. "I had to decide if Marsh McLennan would be better staying together or breaking apart. The conclusion I came to was that the Street put a premium on the combination of the MMC companies. There was benefit in the Marsh McLennan brand and in being part of an organization that's known for quality, but I felt there had to be more.

"That's where the idea of 'For the greater good' came from. The concept was that you work for your company, but you also work for the greater good of the organization.

"Here's an example. In the beginning, Oliver Wyman didn't want their clients to be exposed to Marsh Broking because of the damage that had been done to Marsh's reputation during the Spitzer investigation. But there was a more deep-seated reason. If Oliver Wyman's clients were happy, why would they risk putting them in front of another member of the organization who may not be as good as they are and may actually perform a bad service, detracting from them? There also wasn't a lot of natural synergy between the companies, and not a lot of opportunities for expense reduction.

"So it had to be an across-the-board commitment to brand enhancement —the enhancement of the Marsh McLennan brand. If one arm of the organization does a great job and another arm also does a great job, the brand would be enhanced and reinforced. Every MMC company benefits. 'For the greater good' became a powerful internal motivator for employees to do something that would make the entire organization better.

"And for the first time, we took people from one unit and moved them into another. Someone at Marsh would work for a time at Guy Carpenter. Someone at Mercer would be seconded to Oliver Wyman. This enhanced talent development and enabled talent recruitment. And for both current and prospective employees, you could present the whole company and demonstrate that we touch almost every type of job in terms of skill sets and every element of the economy. If you know what really motivates you, we've got something that will definitely suit you.

"Just like 'Do the right thing' had layers of meaning at ACE, so did 'For the greater good.' Our Compliance function asked me if they could use the phrase as their mantra. It was a wonderful ethos for community projects, and for the way we treated each other. There's no doubt we made a better company at Marsh McLennan as a result."

We're writing the future of risk

Until the announcement in late 2023 that Brian was establishing a new reinsurance company in Bermuda, Hamilton Insurance Group was the only company Brian had founded during his career. He would have built Hamilton from the ground up if the opportunity to buy SAC Re had not presented itself. When Hamilton was launched to the market in January 2014, its promise to marry technology and underwriting to redefine the insurance industry was a shot across the bow: the sector was stuck in the analog past and too slow to embrace the digital future.

"Hamilton was about change driven by technology," says Brian. "There was so much opportunity to use data science and analytics to streamline processes and create efficiencies, but very few were really committed to making it happen.

"We were all about 'writing the future of risk.' That's what made us different and that was Hamilton's purpose. Our core values, or First Principles, as we called them, captured the culture that we needed for Hamilton to be successful: 'Be smart. Be sensible. Be Open. And, above all else, Be more.'

"It's not easy to establish such a direct alignment between a mission and a corporate culture, but we did it at Hamilton. It's one of the great advantages of being a start-up: You begin with a clean slate. Some start-ups downplay the importance of culture and values in their zeal to put business on the books. I think that's a mistake. Being clear from the outset about who you are and what you're aiming to do is the foundation for everything that follows."

No time for the rallying cry

There was so much to fix at AIG that Brian doesn't feel he ever came to grips with defining its essential purpose. "AIG was as hard a challenge as I've ever had in trying to find a singular expression of what the company wanted to be," says Brian. "It was *Alice in Wonderland*—black was white, up was down. So much time had to be spent on undoing this crazy set of management decisions—trying to sort that out.

"As we got into it, I discovered that an inner strength, which had been a part of AIG's culture for decades, had endured—in spite of nine years of continuous, destructive moves. So that was an amazing starting point. I could take this core strength and get the employees to understand this company was strong, not weak. Therefore, you need to be strong and not weak. Don't be defensive. This company is going to grow.

"I'm not sure I was at AIG long enough to find the right way to express this. It takes time and attention. Massive organizational dysfunction and Covid didn't allow that. It was really a question of saying, okay, we have good people who are badly organized and badly led, but they're actually pretty strong. We weren't the company of the past—that gunslinging, take-no-prisoners AIG—we're not going to try to duplicate that, but we're going to take what AIG had retained in terms of strength and build on it.

"I wanted to put the company on the right footing, so Peter Zaffino could take it from there. Creating the structure, the ethos of underwriting, and separating life insurance and general insurance—those were the things I knew needed to be done. I was able to do that, but I do wish I'd been able to come up with the one succinct phrase that every employee would recognize as AIG's. Maybe I did enough, but we never got to that defining moment. Maybe that's as it was meant to be. It's for Peter to do."

2. YOU'RE IN THE SERVICE OF OTHERS.

Brian is a deeply faithful man, so it may come as no surprise that he views leadership as a form of service.

"When you're managing a group, you're the servant," he says. "You're not primary, you're secondary. In other words, the team's first, you are second. It's their work, not yours. So, you have to conduct yourself in such a way that the team believes they're getting listened to, their ideas are important, that we're in this together, that if there's success, everyone understands it was the work of everyone. Don't get me wrong, there's got to be accountability. If you make a mistake, you have to own up to it.

"But a leader needs to understand they are the listener, the person who gets the team together, who gets a unified decision made. Ultimately, the leader has to make the decision—obviously, because leaders who take a vote aren't any good either. In some cases, the minority might be right. As a leader, you have to make that decision.

"So, I've always felt that being a servant leader is an essential part of the job. The corollary to that is when it's your mistake, you own up to it. You made the decision. You can't blame somebody else; it has to fall on you. People can read you like a book and you better act accordingly."

3. DON'T RELY ON BOOKS ABOUT MANAGEMENT.

During 2023, Merriam Webster released its Word of the Year: *authentic*, as in "not false or imitation," a synonym of *real* and *actual*; and also "true to one's own personality, spirit, or character."

You could add to the entry, "*See* Brian Duperreault."

In her article, "The New Rules of Executive Presence," economist and author Sylvia Ann Hewlett writes, "To be seen as leadership material today, executives are expected to reveal who they are fundamentally—not mimic some dated, idealized model of what it means to be 'professional.'"[1]

In other words, be authentic.

While Hewlett notes it's only recently that authenticity has been identified as a key determinant in a leader's effectiveness, it's not new for Brian. For whatever reason—by nature, by nurture, a combination of both, or as he asserts, "by God's hand"—he's always been comfortable in his own skin. He's confident he can figure things out and has relied on an eagerness to learn from his managers as well as colleagues and 50 years of experience. But he's never been one for books on management.

"I'm always asked what I read to get insights on being a leader," says Brian. "I always say I haven't found the things that worked for me in books. Maybe it was instinctive, or maybe I just learned over time. Having said that, I've often found the advice and guidance I need in the Bible. How to organize, execute, manage—you name it, it's all there. Doing it right and doing it wrong, things you shouldn't do—it's been an incredible source of wisdom for me."

4. PULL THE BAND-AID OFF QUICKLY.

There is a multitude of reasons to tell an employee that they have to leave a company. They're not performing, they've violated some aspect of the organization's code of conduct, or they're in the wrong position. Brian acknowledges it's never a pleasant thing to do, but it's always a necessary thing to do.

"If the person isn't right for the job or has done something that requires their departure, that's easy to do. It's factual. You handle the situation fairly and with respect, but you make the decision quickly and move on it.

"Then there are times when an employee just isn't right for the position they have. That's when things get a bit more difficult. The question is, do they know they're not in the right role? Most of the time they do. If I can, I'll try to find another position I think fits their profile and their capabilities. Sometime this is possible, sometimes it isn't. Again, you have to move quickly to correct the mismatch between employee and responsibilities. Otherwise, your whole team is thrown out of whack.

"After an acquisition, it might be necessary to reduce staff to realize the value of the deal. That gets to be really hard, and you have to be compassionate. The usual reason is that the company doing the deal can't afford all the people they're acquiring. That was the case when ACE bought Cigna's property and casualty operations. We had to let thousands go. These were perfectly good people. There were just too many of them. Or, there were good people in the wrong positions. You have to make the decision to let them go, tell them, and do it quickly. The worst thing in the world is do it in stages—10 now and 10 later, and in 60 days, 10 more. That's horrible. Everyone's wringing their hands, wondering whether the next call they get is the one they're dreading—that kind of thing.

"You can't shirk from this type of decision. And if these are your direct reports, you shouldn't have somebody else do it for you. Don't send it to HR. You've got to go do it yourself."

The flip side of letting people go is managing an employee's decision to leave. While some leaders will try to lure a departing employee back into the fold with a hefty raise or a promotion, Brian thinks this is a mistake.

"Just because someone is leaving a company doesn't necessarily mean there's something wrong," he says. "You have to be intellectually honest and try to understand why they're leaving—to the extent you can, because often they're not going to tell you the real reason. And the real reason may be a simple one. They want to move on. When I started in the industry, people stayed in jobs for much longer than they do now. Now, it's not unusual to find great talent who move every couple of years to another company or another position. This has become more the norm than the exception. This relatively frequent personnel change is part of management in today's workplace.

"Regardless, I would rather not try to talk someone out of leaving or try to pay them more to stay. If they want to go, you've got to let them go. Attempts to convince them otherwise will be resented by the rest of the team, who, by the way, will always know the real reason for their decision.

"The mistake I've seen over and over again is this: A leader tries to rearrange the management structure to accommodate the person who wants to leave in such a way that it makes no sense in the organization. You end up with illogical reporting relationships. A sound structure is disturbed—all to appease one person.

"This happens too often and it never works. The rest of your team says, 'What the hell is going on here?' and they know that person's not that special, anyway.

"I'm not saying there's some rigid, immutable, never-change way of structuring an organization. But there has to be a certain logic to the structure that aligns with a company's mission. You have to maintain that alignment.

"Leaving aside the disruption this type of situation can represent, I've always felt it offers a great opportunity from a team-building point of view. A talented employee is leaving. Let's look for someone even better, someone who takes on the responsibilities of the role but brings a different perspective or set of experiences that will be a wonderful addition to the team."

5. MISTAKES WILL BE MADE. LEARN FROM THEM.

There are CEOs who never pass up an opportunity to haul someone on the carpet for doing something wrong. Brian is not one of them.

"I never admonish people for making mistakes," he says. "I often talk about this in employee town halls. You cannot be perfect. You are going to make mistakes. Now, don't make a lot of them, don't make catastrophic mistakes. But putting those extremes aside, the problem isn't making a mistake. The problem is, what are you going to do about it?

"Do you immediately acknowledge a mistake and do you fix it? Some people won't admit when something's wrong. They let it linger, sweep it under the rug, blame somebody else for it. I tell my employees I will never fire anyone just because they made a mistake. But I'll consider it a capital offense if they blame somebody else for it, or if they lie or obfuscate or delay dealing with it.

"Great companies recognize mistakes and immediately fix them. Lessons are learned and they move on. Missteps are part of a company's progress. You want employees to feel they have license to say, 'Look, I admit it, I did it wrong, and here's what I want to do about it.' And know they're not going to be penalized.

"How mistakes are dealt with defines a company, defines a person, and defines the leadership."

6. A COMPANY IS NOT A DEMOCRACY.

One of the things employees who have worked with Brian appreciate is his willingness to hear from his team. He seeks out a diverse set of opinions and viewpoints and listens to what he's told. But he knows when he's heard enough and has what he needs to make a decision.

"You want everyone to feel they've been part of the process of getting the decision made, but at the end of the day, the CEO has to have the final word," he says. "You're not going to take a vote. It's not majority rule.

"Also, there can be a tendency to extend the data and informationgathering process far too long, thinking that a bit more detail might make a difference to the decision you need to make. But there's a point where you have enough information. Then you have to make the call.

"You'll always be making decisions with imperfect information because there is no perfection. You can't know everything. It's rare you reach a point where there's no question, no doubt about what you should do. So you say, 'Okay, I have enough. This is what we're doing. If it's wrong, we'll fix it.' It's so much better for an organization when decisions are made when they need to be made. The message to the company is, 'We're moving forward, we're going to get there.'"

7. YOU CAN'T DO EVERYONE'S JOB.

There are CEOs who operate at a 30,000-foot level of vision and strategy, and there are CEOs who can't resist getting into the trenches of executional detail. Brian falls squarely into the first category, based on his belief that he hires people who know how to do their job—and they should be trusted to do just that.

"A manager's job is to manage people, not to do the job of the people they're managing. Let's say an accountant is promoted to be head of an accounting department. They do a great job, partly because they really understand the subject matter and know exactly what their team is doing, and partly because they're still involved in the function's operations. Then they get another promotion to a broader set of responsibilities. Now they might have lawyers and actuaries and human resources professionals reporting to them. These are areas where they don't have expertise.

"Now that a manager has responsibility for a broad range of skill sets, what do they bring to the table? They can't teach the accountant to be a better accountant. They can't teach the lawyer to be a better lawyer. Too often a manager who's a subject-matter expert can't resist trying to stay involved in a department's operations. But this is where you learn how to manage people. You learn how to probe and inquire and determine your team's capabilities. You find out how someone is approaching their work. What are their thought processes? What are they trying to accomplish? You ask for timelines, goals. You don't need to learn how to do their job. You need to learn how to determine whether they're *doing* their job. There's a big difference.

"The corollary of that is what to do when you have team members who don't have the expertise that you have. Do you step in and do their job, because you think you can do it better than they do? Or do you try to help them improve, giving them the skill sets and education they need? I would always choose the latter. It's better for everyone.

"By the way, at the end of the day, some team members will never be as good as you are. They're never going to have the skill set you have. And you're never going to have a team where everyone is a top-notch expert. There's going to be a range of skills. Your job as a manager is to get that team working as a top-performing team with their blend of capabilities."

8. BE CURIOUS AND ASK QUESTIONS.

Brian has a well-earned reputation for posing incisive and often unexpected questions. For those who are well-prepared, the process presents an opportunity for some stimulating dialogue; for those who don't have a solid grasp of their subject, it can be a discomfiting experience.

"Learning how to ask questions is a valuable management tool," Brian says. "The more you ask, the better you get at asking and the better you get at determining where there might be an issue. If I see someone hesitating or deflecting an answer, I'll realize there's something more to discover. Then I'll keep on probing. It requires patience to make it a productive experience for everyone. During my time in Japan, I discovered how important it is to ask the *right* question.

"But that's management. Asking the questions, getting the answers, figuring out what's being revealed—you keep going with the process until you feel confident you've got a handle on whether there's an issue that needs to be addressed."

9. NO SUCH THING AS TOO MUCH COMMUNICATION.

Good communication isn't a "one and done" exercise, says Brian. It's the result of endless repetition, particularly for a leader who wants his employees to believe in a company's mission and how it relates to their experience at the company. The process of receiving, understanding and retaining information is a complicated one that varies from person to person—hence the need to keep repeating until the message sinks in.

"I've had board meetings where my team is presenting on a topic they covered several months ago and they don't understand why some board members don't seem to have heard anything they've said before," he says. "I tell them that most people take in about 10 percent of what they're being told the first time they hear it. The next time they hear the same information, they'll get a bit more. Around the 10th repetition, the light will go on and they will really hear what you've been saying. I think the lesson is you have tell people something nine or 10 times for them to really get it.

"As a leader, it's your job to communicate often and well. You can't get frustrated. 'I have to do this again?' Yes, you do. That's your job. Your job is to continually communicate what's going on—what you want, what you need, what your employees need to do—over and over and over again. You can't send a memo explaining a new policy or a major development and expect that's sufficient to get understanding and buy-in. It's not. Our brains don't work that way."

10. TAKE EVERY JOB OPPORTUNITY—EVEN LATERAL ONES. Coming out of the US Army in 1973, Brian's ambition was to get a job that paid enough to support his wife, Nancy, and the children they hoped to have. Being financially solvent, buying a house and settling down were the key components of his life's plan.

"It was never my goal to be the CEO of a publicly-traded company," he says. "It's a worthy goal, don't get me wrong, but if that defines whether you succeed or fail, you're probably going to end up in the failure column, because getting a CEO job of a publicly-traded company is harder than making it to the NBA, and that's not easy. There's just not that many of us. CEO jobs don't come along very often. I've also never made long-term plans. Who knows what's going to happen in three or five years? If you don't achieve your goals in your timeframe, what does that mean? Are you a failure?

"As an employee, you're an asset to a company. Companies will deploy their assets where they think it makes sense. So, you could say, 'No, I'm not going over there because it's not part of my plan for advancement.' That's not the way I've approached the opportunities I've been given. I'd say, 'You want me go over there? I'll go. If you need me to do that, then I'll do it.' You're always going to learn something. It's never wasted effort. Take the job you're offered, do it well and learn as much as you possibly can. You'll also create a network of people within the organization that you can use as a resource. And from the point of view of long-term development, you'll get a view of operations you wouldn't get otherwise.

"So, don't be afraid to go sideways. In fact, I once took a demotion in my days at AIG. Sometimes that's the right thing to do. Movement down in an organization gives you another route up. Take it and learn. That's what happened to me."