



interview to **Ghislain Laurent**

General Manager of MAPFRE RE
in Brussels



Atomium, Brussels

After just a few minutes with Ghislain Laurent, it becomes apparent how much the congenial Belgian loves his job and how he has really enjoyed his career.

“Looking back, the greatest thing is that since I started working in this field in 1974, up until today, I have earned a living without ever feeling like I was working,” he said. “I did not see the years go by.”

That is not to say reinsurance was initially a calling for Mr. Laurent. His main motivation as he finished high school was to move away from the small village where he was born and raised. “I come from the deep countryside, a village of 350 inhabitants in southern Belgium, near the French border,” he said. “When I was six years old, there came about one car a day.”

“In an environment like that,” he continued, “you either have the courage and boldness to get out

of it, or you stay there for the rest of your life, trying to make ends meet.”

While he was eager to move up in the world, Mr. Laurent was also grateful for the self-discipline he developed as a result of his strict rural upbringing. “In the way I was raised, there was a certain strictness and a respect for authority,” he said. “That stays with you for the rest of your life.”

After high-school, he and a friend hitch-hiked to Brussels to carry on with their studies. Initially intent on becoming a civil engineer, Belgium’s classic path to high corporate responsibilities, he gradually found that the high level of mathematics required might be beyond his reach.

Mr. Laurent felt he had more of a gift for learning languages and so joined a translation and interpretation school and graduated with a degree in French, English and Italian.



“It never felt like work”

Ghislain Laurent will retire at the end of June after over 35 years in the reinsurance industry, and 13 years with MAPFRE RE, at the helm of the Brussels office, which he led to spectacular growth in the past decade. We interviewed Mr. Laurent about his long and varied career in the industry and some new aspects of his life were revealed.

After completing his military service, that was compulsory at the time, he applied for various translation positions. The first company to reply to his job applications was Royale Belge, the country’s leading insurer at the time, which has since been absorbed by Axa.

When Mr. Laurent arrived for a meeting with the head of the company’s reinsurance operations, he fully expected to interview for a translator position. But, the recruiter had other plans for him: he was to become a reinsurance professional. At the time, Mr. Laurent had no idea what reinsurance was, and barely knew anything about primary insurance. He was, however, soon to find out in great detail.

Among the insurer’s benefits was a remarkable graduate training programme, which enabled Mr. Laurent to gain a comprehensive grasp of the insurance and reinsurance industry.

“Royale Belge was an exceptional training school,” he said. “I came in with a university degree and underwent five years of paid reinsurance training. Companies do not do that sort of thing anymore.”



Galeries Royales St Hubert, Brussels

Triumphal Arch in the Parc du Cinquantaire, Brussels



Royale Belge was an exceptional training school

The first two years were devoted to accounting for cessions and acceptances. This training that Mr. Laurent remains grateful for to this day. “I can take one look at reinsurance accounts and gauge the situation instantly,” he said.

He then spent a year learning the ropes in the underwriting department, another in the foreign relations department, where he was taught how to manage international client relationships, and lastly, a year in the group’s primary insurance business.

“I went through all of the insurance departments, learning about each line of business,” he explained. “To top it all off, I then did three long stays in Italy, followed by two weeks in the London market.”

Mr. Laurent then took on his first proper assignment at Royale Belge, in 1979, as head of rein-

surance underwriting for the Italian market, under the supervision of a seasoned professional. He was gradually put in charge of several other Mediterranean markets including Greece, Turkey, Cyprus and the entire Middle East, and spent almost half the year travelling.

But, despite all the training and international opportunities his stint at Royale Belge had provided, in 1983, Mr. Laurent felt it was time to move on.

“As I matured, I realised I needed more autonomy and more access to final decision making,” he explained. “Royale Belge was heavily centralised and, after a while, I wanted my professional environment to get some fresh air.” Mr. Laurent felt that he was ready for his next adventure so he seized an opportunity to join Groupe Josi, the small reinsurance subsidiary of a family-owned Belgian group that



specialised in motor insurance. The move also brought an increase in remuneration.

Unfortunately, it soon surfaced that, before his arrival, the company had written high-risk business in an effort to make a quick buck in the U.S. This led to the resignation of Josi Re's managing director, whom Mr. Laurent succeeded in 1987.

Josi Re got back on track after some portfolio pruning, but, things started to turn sour again after a string of costly natural disasters: hurricane Hugo in 1989 and four consecutive storms that hit Belgium, Holland and Germany in 1990, and led to a need for fresh capital.

However, Josi Re's parent company was itself cash-strapped, following a sharp rise in motor claims. It decided not to shore up its reinsurance unit, which was put in run-off in 1993.

As a result, Mr. Laurent was put in charge of managing the unit's past, as well as Groupe Josi's own, reinsurance placements.

Cut off from the market and bored with the sessions job, he decided to leave in 1996, and moved to Luxembourg to work for Sogecore, a reinsurance captive management company, as technical director.

After a little over a year, he was approached by the managing director of Brussels-based reinsurance company, CIAR, owned by MAPFRE RE, but also had an offer from a Cologne-based reinsurer. Eager to move back to Belgium and be close to his two children, Mr. Laurent picked CIAR, and joined as technical director in July 1997.

The following year, the group decided to concentrate its capital in Madrid and transfer

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CIAR's activities to a newly-created branch of MAPFRE RE in Brussels, with a consolidated team of about 15 employees.

At that time, the branch was managed by the present Managing Director of Mapfre Re, whose duties called him back to Madrid in a relatively short time. Laurent got on very well with him and after one year, in August 1998 was ready to take over.

Alas, shortly after the MAPFRE RE branch was set up, in December 1999, the Brussels team had to face the consequences of winter storms Lothar and Martin, which cost the company a "few dozen million euros". Another challenge followed in 2001, with the terrorist attacks on the World Trade Center and the Pentagon.

The 1999-2002 period, however, was very motivating and involved more of a physical effort. It was about rolling up your sleeves, restructuring, and returning to growth

"These were extremely difficult years, and we had to work very hard to get back on track," Mr. Laurent recalled. "Thankfully, MAPFRE RE has always maintained a policy based on strong capital, extremely rigorous underwriting, with undeniable technical expertise and great customer relations." The development of the Branch, namely on the French market, was largely facilitated by the support granted by the Mother company, namely in terms of capacity and new classes of business to be explored.

That period was one of the most challenging times of Mr. Laurent's career, but he said it took less of a personal toll than his last three years at Josi Re.

"These two types of situations have a completely different impact on you," he explained. "The run-off situation is something that affects your morale and can be psychologically destructive. The 1999-2002 period, however, was very motivating and involved more of a physical effort. It was about rolling up your sleeves, restructuring, and returning to growth."

At the time, the branch's portfolio consisted mainly of proportional treaties, with fairly limited margins. Mr Laurent's team then embarked on an effort to refocus on non-proportional underwriting and improve profitability. Non-proportional business now accounts for 95% of the Brussels office's portfolio. The improvement in margins also coincided with spectacular volume growth.

"Back then, we had a turnover of about €10m. Today, we write about €150m, for a much more limited number of countries," Mr. Laurent pointed out.

Indeed, when he joined the group, Brussels was in charge of all European reinsurance business other than Spain and Portugal, with portfolios in Germany, the Netherlands and Switzerland. Responsibility for these markets was gradually transferred to Madrid, or involved the creation of a local office.

Today, the Brussels office remains in charge of France, Belgium, and Scandinavia and retained shared responsibility for Italy, where



Mr. Laurent started his reinsurance career and gained precious market expertise.

“My main satisfaction is to have met my objectives,” he said, “to have managed to profitably develop the Brussels office, while keeping the staff happy, in a serene atmosphere with wonderful colleagues. And it never felt like work!”

Another shared achievement is to have contributed to the international expansion of the MAPFRE brand. “The European reinsurance offices have exported the MAPFRE name beyond Spain,” Mr. Laurent explained. “It is MAPFRE RE that introduced the group in France and Italy.”

During a career that spanned three decades, Mr. Laurent has had the opportunity to witness the many changes that the reinsurance sector underwent over the years.

“When I started out, reinsurance was very much based on gentlemen’s agreements,” he recalled. “You would shake hands, and the deal was sealed. Today, gentlemen or not, things have become extremely formal and heavily regulated, to an extent that was unthinkable 15 years ago.”

“The business has also become extremely technical,” he continued. “When it came to windstorms in the 70s and 80s, there was no

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Grand-Place, Brussels

talk of modelling. Today, there is no way you can write a cat portfolio without running model simulations.”

Along with intensifying competition and consolidation of the sector, Mr. Laurent sees the growing strength of reinsurance brokers as another fundamental change.

“In France, which represents a major share of our Belgian branch’s portfolio, there are three main large reinsurance brokers with which you need to be well positioned if you want to have a chance of writing business,” he explained. “It is extremely rare nowadays to be able to work directly with the client in this market.”

He described the French and Belgian markets as both very mature, complex and sophisticated, with several market-specific solutions, such as terrorism or natural catastrophe pools

or specific primary insurance products, such as France’s 10-year construction liability insurance. “It is their very inventiveness that makes them difficult markets,” he said.

When asked what he likes best about the reinsurance field, he said it is the industry’s raw material: risk.

“I am a bit of a gambler,” he said. “Not with cards or at the casino, but, I really enjoy playing the stock market. Stock trading energises me. Sometimes I win, sometimes I lose, but it forces me to stay on top of economic and social trends. It has helped me to understand and perceive a lot of things. I find that same risk/reward aspect in reinsurance, but, I am a lot more careful there, because it’s the company’s money!”

Despite his deep enthusiasm for the job, Mr. Laurent is ready to move on and leave his professional life behind, after over three decades of long workdays and studious weekends. “When I retire, I’m going to stop for good and just enjoy life,” he insisted. “I find it ridiculous to keep working until age 85. There is more to life than work.”

His plans for the coming years will include a lot of travelling beyond Europe, which he had plenty of opportunities to explore throughout his career. Among the new destinations he is most eager to visit are South America, Canada, Australia, China, Japan, and also the United States at large.

“I had the opportunity to go to New York, Boston and Los Angeles countless times between 1985 and 1992 while at Josi Re,” he explained. “I was part of a committee in charge of defending the interests of various Europeans reinsurers against ceding companies involved in fraudulent deals on the US market. I only know those three cities, so I’d like to discover the rest of the country.”

Another major project for Mr. Laurent’s retirement is his upcoming move to the sunny French Riviera. He intends to take a few days off this spring to go house hunting in the Var region, and is looking forward to the change of scenery.

“Belgium has a lot of things going for it,” he joked, “but weather isn’t one of them.”



View of Brussels