



### **Focus on the Future**

#### **Guest Predictions: Chris Shipe**

*Guest Predictions is a regular feature in which we ask leaders in a number of professions a set of questions that affect us all.*

***Chris Shipe is the President/CEO of [Loudoun Mutual Insurance Company](#) located in Waterford Virginia. Founded in 1849 by the Quakers, Loudoun Mutual is one of Virginia's oldest continually operated businesses. After a stint in the US Army as a tank crewman in Germany he joined the insurance industry. He began his insurance career with the Bechtel Construction Company, where he did risk management and safety. He holds both the CPCU and AIT professional designations. He has been very active in the insurance trade association and served as the Chair of the Property Casualty Conference which plans education events for the insurance industry.***

***Chris serves as a Director of the Rappahannock Electric Cooperative. He is a trustee of the Duncan Methodist Church, and volunteers with the John H. Enders Fire and Rescue Company in Berryville Virginia where he serves as President. He and his wife helped start the Columbia-Montour chapter of Habitat for Humanity and have continued to volunteer with Habitat including traveling to Mississippi on two occasions to do Hurricane Katrina relief work.***

**Q: What changes in your professional environment in the past 3-5 years have you found to be the most beneficial?**

**A:** Insurance is the business of assessing, accepting and pricing risk. Technology has given us additional tools to learn more information about a particular risk, as well as to analyze, segment and price risk. Additionally, technology, particularly e-commerce, has allowed us to become so much more efficient and effective in the initial processing and ongoing servicing of insurance transactions.

**Q: What changes have been the most troubling to you?**

**A:** The wide-spread availability of information is a two edged sword. On the one hand it has allowed insurance companies to more accurately judge risk, on the other hand there are emerging privacy issues that concern me. The developing technology of "telematics" where policyholders allow insurance companies to install a black box in their car to monitor their driving habits certainly will allow companies to more accurately assess risk, but at what cost to the customer's privacy? It strikes me as getting a bit too close to George Orwell's vision of Big Brother monitoring everything we do.

**Q: How will globalization affect your professional area in the near term?**

**A:** Through reinsurance, which essentially is the process of an insurance company spreading its risk to other insurance companies, insurance is extremely interconnected globally. At Loudoun Mutual we have reinsurance partners in Japan, Australia, Bermuda, England, and Germany. As a result financial impairments or disasters in other parts of the world affects the cost and availability of reinsurance, which in turn can affect the price we have

to charge our policyholders. In most years, globalization has greatly benefited Loudoun Mutual's policyholders by allowing us to spread risk globally. Unfortunately that was not the case in 2011, when there truly was no place on earth that was not impacted by disasters or financial impairments.

**Q: What significant challenges might be anticipated in your professional area in the next few years?**

**A:** Keeping pace with technological developments so that we can compete with larger insurance companies and meet our policyholders' needs and expectations. Also, being able to attract and retain talented and dedicated employees who understand and appreciate our corporate culture.

**Q: What are the greatest challenges confronting young professionals in Western culture today?**

**A:** Every generation thinks that the pace of change facing the next generation will be difficult to follow. Maybe it is a sign I am getting older that it seems to me that change is getting exponentially faster and harder to track. I also am troubled by the demise of the social contract between the companies and employees. The pressures for short term results, has many companies unwilling to invest in employees for the long term. As a result, this has led to employees not being as committed or dedicated to those companies. I feel very blessed to work for a mutual insurance company that has cooperative governance. This business model has helped us find the right balance between our people and profits.