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Backgrounder

INSURANCE AND FINANCIAL SERVICES

The state of Connecticut has enjoyed a long and storied tradition as a leader in the insurance and financial services (IFS) industry. Today, Greater Hartford is home to corporate headquarters or divisions of the world's largest insurance companies:

Aetna, Inc.
The Hartford Financial Services Group
The Phoenix Companies
MassMutual Financial Group
ConnectiCare, Inc.
St. Paul Travelers
CIGNA
UnitedHealth Group/Uniprise
MassMutual Financial Group
Lincoln National/Lincoln National Life Insurance Company
Prudential Financial/Prudential Retirement
Citigroup/Travelers Life & Annuity
ING U.S. Financial Services
Chubb Corp./Executive Risk
American International Group/The Hartford Steam Boiler Inspection & Insurance Co.
MetLife
Amica Insurance

John W. Rowe, CEO
Ramani Ayer, CEO
Dona Young, CEO
Robert J. O'Connell, CEO
Marcel L. Gamache, CEO
Jay Fishman, CEO
Ed Hanway, CEO
Tracy Bahl, CEO
Robert J. O'Connell, CEO

John Gotta, CEO

John Y. Kim, President
George Kokulis, CEO
Thomas McInerney, CEO
William F. Healey, CEO

Richard H. Booth, CEO
Robert H. Benmosche, CEO
Catherine A. Franks, Vice President

and banking institutions:

Webster Bank
People's Bank
Citizens Bank of Connecticut
New Alliance Bank
BankNorth of Connecticut
Fleet Bank/Bank of America
Liberty Bank
Union Savings Bank
First County Bank

James Smith, CEO
John Klein, CEO
Joseph J. MarcAurele, CEO
Peyton R. Patterson, President
John Patrick, CEO
Chandler Howard, President
Paul McConnell, President
Charles Frosch, President
Richard Taber, CEO

Additionally, the following are among the financial services companies operating in Hartford:

Advest, Inc.
American Express Financial Advisors
Merrill Lynch, Pierce, Fenner, & Smith, Inc.
Webster Investment Services, Inc.
Tower Square Securities, Inc.
Allmerica Investments, Inc.
Quick & Reilly, Inc.
Morgan Stanley Dean Witter

These companies and others in the IFS industry directly account for one in every 10 jobs in the metro Hartford region, or 70,000 jobs. The industry's strength is significant:

- the contribution to Connecticut's Gross State Product by the insurance and finance industry has grown dramatically from 8.3 percent in 1990 to 13.6 percent in 2000; and
- Connecticut led the nation in market share growth from 1990-1999, when its share of national insurance industry output grew from 5.1 percent to 6.1 percent.

In order to maintain this status, industry leaders in Hartford and throughout the state of Connecticut are nurturing and growing the industry so that it is poised for long-term success. Hartford offers a distinctive mix of strong local educational institutions, influential industry leadership and a commitment to providing the best of all worlds for young professionals. This unique combination adds to the vibrancy of the city and removes the guesswork when making the decision to settle here.

As a commitment to a shared vision for the future of the state's industry, Connecticut's government and industry leaders formed the Insurance and Financial Services (IFS) Cluster. The IFS Cluster is a partnership of more than 20 business, government and academic leaders who are dedicated to fostering growth among all segments of the state's IFS industry. With the formation of the IFS Cluster, leaders within Connecticut are proactively addressing trends that impact the IFS industry, including:

- industry consolidation;
- alteration of the traditional structure of the IFS industry through the convergence of insurance, banking and securities products and companies;
- advances in technology that affect the industry; and
- refinement of integrated financial products and services.

The primary goal is to enhance Connecticut's already supportive business climate and advance the state's position as an IFS Center of Excellence. Principal focus of activity is directed at workforce development, legislative and regulatory issues, and collective analysis and promotion of the state's IFS industry:

- improving the availability, quality, stability, diversity and productivity of the workforce dedicated to the IFS industry throughout the state;
- enhancing the tax and regulatory environment for new and existing IFS companies in the state;
- promoting the state of Connecticut as a premier location for IFS companies in each segment of the IFS industry; and
- creating new employment opportunities and increasing job opportunities by advancing entrepreneurial activity, leveraging third-party providers and facilitating new investment and business development throughout the industry.

The IFS Cluster's collective initiatives, which are designed to strengthen the industry, offer employers such benefits as recruitment advantages, business growth, comprehensive industry support, and an increased voice in legislative and regulatory issues.

Since its inception in 2003, the IFS Cluster has made significant strides in several areas. Development of the local workforce has been achieved through a business-driven relationship with academia:

- Partnership with University of Connecticut School of Business
 - facilitated the establishment of the \$10-million downtown Hartford Financial Accelerator;
 - created new Risk Management and Insurance (RMI) program; and
 - trained 85 students in new RMI curricula in four classes offered statewide, fall 2003.
- Customer Service Training – Partnership with Capital Community College
 - created IFS-specific customer service training program, including preparation for NASD certifications;
 - obtained grants covering 90 percent of training; and
 - saved corporations more than \$1,000 in testing and two weeks' training time per employee.
- Information Technology (IT) Training – Partnership with Capital Community College
 - obtained \$1.3 million in federal grants for advanced information technology training;
 - created IT Education Center, providing local advanced IT training;
 - trained 244 employees in 35 advanced IT classes; and
 - achieved a total estimated corporate cost savings \$560,854.

Additionally, the IFS Cluster has recognized the need to address the diversity of Connecticut's workforce. To that end, it has established relationships with Hartford community groups to develop a collaborative approach to key issues. The IFS Cluster

also participates with diverse IFS professional societies to develop opportunities for collaboration.

The IFS Cluster actively promotes the region to attract and grow business in several ways:

- directing meetings with industry leaders (e.g. Fidelity, State Farm, Goldman Sachs, ING, North Carolina Mutual Life);
- exhibiting at nationwide insurance and finance conferences;
- offering support to IFS firms, large and small, for activities including recruitment assistance, regulatory facilitation and professional development;
- holding local and national focused seminars; and
- facilitating the delivery of business support to entrepreneurial and early stage companies.

Over the next five years, the IFS industry nationally will be characterized by a period of unprecedented change: continued consolidation, convergence, offshore outsourcing and demographic shifts. These competitive and systematic challenges will place continued downward pressure on the number of jobs in the industry in general. A long-term, organized industry game plan will provide the necessary focus for successfully navigating and ultimately succeeding in this new environment.

With an immense history in the IFS market, and with the existence of the IFS Cluster to see it through the next stages, Hartford and the state of Connecticut are in the unique position to continue and expand their leadership.

Leadership at the IFS Cluster

Robert Flynn is the executive director of the Insurance and Financial Services Cluster, a joint corporate-state venture designed to advance the industry throughout the state of Connecticut. Previously, Robert served in client-facing and strategic management positions with ING/Aetna Financial Services and a financial services technology subsidiary of Mellon Financial. Robert also had been a manager with Deloitte Consulting, where he led teams in the financial services, insurance, manufacturing, pharmaceutical and technology industries.

Robert spent over 12 years as an intelligence officer at the Central Intelligence Agency, where he was recognized for his management and leadership abilities. He served as liaison between the CIA and U.S. Departments of State, Justice, FBI, Commerce and the White House regarding national security issues. Demonstrating proficiency with diplomatic affairs, he was assigned as liaison to worldwide entities such as the United Nations and the International Atomic Energy Agency. He also managed various international operations and earned several commendations for his leadership on issues related to the Persian Gulf.

Robert earned his Master of Arts in business administration from the University of Connecticut, graduating with high honors distinction, *Beta Gamma Sigma*. The School

of Business recognized his leadership by inducting him into its prestigious Hall of Fame. He earned a Master of Arts from the Fletcher School of Law and Diplomacy at Tufts University, completing a multidisciplinary curriculum of international business, economics and law. He holds a Bachelor of Arts in history from Trinity College.

The *Hartford Business Journal* cited Robert with its Forty Under Forty Award for the year 2000, based on his leadership in Hartford business and his contributions to the community. He is a contributing author to *Handbook of Business Strategy* (1998) and *Proteus: Insights from 2020* (2000). Robert serves on advisory boards with the business schools at both the University of Connecticut and Central Connecticut State University.

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