

JAMES W. MACDONALD, ARM

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SUMMARY

Mr. Macdonald is a Property & Casualty insurance executive and underwriter with extensive, experience as a reinsurer, insurer, consultant, and broker. Main areas of expertise are assumed and ceded reinsurance, MGA and program business, captives and other forms of alternative risk financing, and casualty lines underwriting including Workers Compensation, Excess & Umbrella, Products Liability, Auto Liability and specialty insurance such as all forms of Professional Liability, Terrorism Insurance, Kidnap & Ransom, Warranty Insurance, and Products Recall Insurance. Frequent speaker at insurance industry events and recognized thought-leader on TRIA and terrorism insurance.

PROFESSIONAL HISTORY

NAVIGANT CONSULTING: Philadelphia, PA.

05/2006 to Present

- Director in the Insurance & Claims practice group. Provide strategic and problem-solving services to insurers, reinsurers, brokers, investment bankers, and think-tanks.
- Successful strategic services include the completion of two acquisition assessments for investment bankers, a detailed research project and report on the wins insurance crisis in the Gulf Coast for the RAND Corporation, and growth alternatives for a 15 year old group captive insurance company specialized on health care payers.
- Successful dispute resolution services include a 14 month engagement representing an insurer as an expert and as a consultant in arbitrations with a former reinsurer related to the performance of several MGA programs and expert rebuttal reports for matters in litigation.
- Assigned the leadership role in directing improved sales and marketing efforts with health care providers and with retail brokers.

ACE USA (Philadelphia)

09/01- 10/05

- SVP & Chief Underwriting Officer of ACE Risk Management: Responsible for the profitable growth of this primary casualty business unit, easily the largest in the USA, composed initially of \$500 million in fronted program business and \$1 billion in Fortune 1000 risk financing and insurance accounts.
- Developed an entirely new approach towards assessing and pricing terrorism risk in the aftermath of the 9/11 attacks, including an immediate 600% increase in catastrophe charges, resulting in a 2002 profit of over \$120 million.
- Initiated and implemented growth for ACE Risk Management through the creation of two new business teams: (a) Direct excess WC underwriting above pools and qualified self-insurers and (b) Custom Casualty, focused on middle market, high-severity products liability and CGL business on a Guaranteed Cost or SIR basis.

- Promoted to SVP and CUO for ACE USA, a newly created position overseeing the profitable growth of 10 business units reporting to Susan Rivera, President of ACE USA.
- Responsibilities as CUO included underwriting training, establishing and monitoring new underwriting and compliance guidelines for all businesses, managing daily individual risk or program referrals exceeding the underwriting authority of the submitting business unit, and managing ceded reinsurance treaties totaling over 100 contracts and \$2 billion in ceded premium.
- Major accomplishments include the development of an on-line catastrophe management and underwriting training module, the closing of the unprofitable Warranty unit, the re-engineering of the Personal Lines Unit, and numerous new businesses and product lines including Weather Insurance, Medical Malpractice, Public Entity, and Property Terrorism Insurance.
- Became a recognized industry thought leader in the area of terrorism insurance underwriting through successful lobbying efforts for the renewal of TRIA by means of numerous publications and presentations including an influential debate televised many times by CSPAN in July 2005.
- Promoted to Executive Vice President in September 2004.

APA INSURANCE TRUST (Washington DC)

03/01-09/01

- VP of Professional Liability for \$20 million DWP program insuring psychologists for Professional Liability and General Liability.
- Successfully transferred the program from a traditional MGA in the Midwest to a new, entirely Internet-based MGA wholly owned by the APA Insurance Trust.
- Became a licensed P&C insurance agent in Pennsylvania and trained customer service representatives enabling each to become a licensed producer by passing the DC examination.

CONNING & COMPANY

10/00-03/001

- As an independent contractor, researched and authored an extensive 143 page report called *Medical Malpractice: A Prescription for Chaos*. Originally published in May 2001, the very popular and influential report was reprinted in 2003. It is currently for sale today for \$1,250 per copy from the company's web site..

RELIANCE REINSURANCE CORP (Philadelphia)

10/98-09/00

- SVP of Professional Liability Treaty Underwriting (including EIL, EPLI, E&O, D&O, and Medical Malpractice Liability). Exceeded first year goals and improved profitability.

C.N.A. / CONTINENTAL INSURANCE (Chicago & NYC)

01/93 – 9/98

- SVP of Specialty Operations Group (SOG) for Continental Insurance. Assumed responsibility for 70% of the \$1.5 billion DWP profit center of the Continental. Re-organized three units into six with reduced middle management dedicated to Excess & Surplus Lines, Professional Liability, Financial Institutions, Surety, Medical Malpractice, and D&O. Also responsible for SOG Marketing & Sales unit.
- Promoted to EVP of Continental SOG in January 1994.
- Moved to C.N.A. in September 1994 as Group Vice President of Professional Liability (a \$750 million DWP portfolio of MGA produced and underwritten Medical Malpractice, D&O, and Professional Liability).
- Late 1994: Assigned role of leader of the acquisition team for specialty lines and director merger of Continental and C.N.A. specialty lines businesses.
- May 1995: Became the President & COO of the new unit called C.N.A. HelathPro, composed of almost \$500 million DWP and 500 employees focused on diverse health care related specialties including hospitals, medical payers and HMOs, allied health care, physicians, and nursing homes for all lines of commercial insurance.
- Completed due diligence for numerous possible acquisitions of medical malpractice specialty companies including the successful acquisition of the claims specialty TPA firm, CARONIA CORP from Heller Financial in 1997.

- Personally underwrote over \$200 million in loss portfolio transfers on a finite basis with individual negotiations ranging from under \$5 million to over \$50 million.

AMERICAN INTERNATIONAL GROUP (NYC)

10/89-01/93

- SVP & Chief Underwriting Officer, AIG Risk Management (10/89-01/92): Improved profitability and exceeded growth plans each year as CUO of this \$3 billion DWP business unit, the largest in the AIG.
- Personally reviewed and approved all major account program quotations, actuarial loss projections, and off-shore finite reinsurance cessions on AIGRM accounts composed of \$1 billion in Captives (Single Parent & Group), \$1 billion in paid-loss risk financing programs, and \$1 billion in Guaranteed Cost Acc accounts and Program business.
- Promoted to President & COO of the General Casualty Group of the American Home Assurance Company (1992): Responsible for the profitable growth of six primary and excess casualty divisions of this AIG profit center including Medical Malpractice, Construction, California WC, Major Account Retros (D. 50), Specialty Primary Casualty (D. 59), and Middle Market Umbrellas.
- Senior AIG Casualty Team: Reporting directly to AIG senior management, named one of four senior AIG casualty underwriting completing independent audits and new product development tasks for the AIG CEO. Conducted audits of the Lexington and National Union (1992). Completed the industry's first Employment Practices Liability insurance policy introduced in late 1992 by the Lexington.

MUNICH AMERICAN REINSURANCE (MARC, NYC)

10/81-09/89

- Casualty treaty & facultative specialty underwriter for all D&O, E&O, EIL, Medical Malpractice, and National Accounts (1981 – 1984).
- Senior underwriter for all Residual Value Insurance and (non-Surety) Financial Guarantee business submitted nationally to any underwriting department reporting directly to MMARC senior management team (1981-1987).
- Completed successful business expansion plans approved by Munich Re Munich and became the senior officer of two new subsidiaries: Munich American Services Company (fee based consulting for insurers and reinsurers) and Munich American Intermediaries (reinsurance broker) – 1985through1989
- Promoted to senior officer for all Casualty Facultative underwriting; assumed daily responsibility of reviewing and approving all programs and large risk referrals.
- Promoted to national manager of Casualty Facultative Department in 1987: Expanded the book of business profitably into Medical Malpractice, Insurance Agents, Lawyers, Accountants, and Architects & Engineers E&O and all forms of D&O.

MARSH MCLENNAN PC CONSULTANTS

7/77-1/80

Captive Insurance Company Consultant on AEGIS and OIL engagements

IAN ELLIOTT LIMITED

10/75 – 07/77 & 1/80-10/81

Surplus Lines Broker, Reinsurance Broker, & Excess & Umbrella MGA, Montreal & Toronto

GENERAL REINSURANCE CORP

08/71 - 09/75

Casualty Facultative Underwriter, New York City & Montreal Quebec

SELCTED RECENT PUBLICATIONS & PRESENTATIONS

- IRMI.COM, *TRIA Reauthorization: Key Coverage Issues*, 9/07

- REACH Meeting , “*Managing the Risk in Program Business*”, Chicago, 8/ 07
- RAND Institute of Civil Justice, *Commercial Wind Insurance In Gulf States*, 8/07 (with RAND’s Lloyd Dixon and Julie Zissimopoulos)
- IRMI.COM, *Terrorism Insurance Review & Preview, Parts 1 & 2* (2/07 and 6/07)
- Global Reinsurance UK, *Creative Solutions Needed for TRIA Renewal*, April 2007
- National Underwriter, *Time Running Out on Terrorism Insurance Program*, 1/15/07
- IRMI.COM, *PWG Report on the Future of Terrorism Insurance*, 11/06
- Cambridge University Press, *Terrorism, Insurance & Preparedness: Connecting the Dots*, Chapter 19 of *Seeds of Disaster, Roots of Response*, 2006
- CPCU Annual Meeting, *Extreme Event Panel*, Nashville 09/2006
- National Underwriter, *Caveat Emptor when buying Terror Cover*, 2/06
- IRMI, *Terrorism Risk Insurance Extension Act of 2005*, Risk Report, 2/06
- John Liner Review (JLR), *Underwriting Discipline in a Softening Market*, Spring 2005
- American Enterprise Institute / CSPAN, *Extending the Terrorism Risk Insurance Act*, DC 07/ 05
- Real Estate Roundtable, *Terrorism, TRIA & A Timeline to Market Turmoil?* April 2004
- Best’s Review, *Producing a Winner (with Susan Rivera)*, 03/03
- Best’s Review, *Confessions of a Conservative Reinsurer*, 09/89

INDUSTRY BOARDS & ASSOCIATION

- INTERNATIONAL RISK MANAGEMENT INSTITUTE (IRMI): Terrorism insurance expert commentator (2006 – Present)
- ACE INA Insurance Companies, Board of Directors (2003-2005)
- National Council of Compensation Insurers: *WC Residual Market Pool*, Board Member (2005),
- Rand Corporation *Institute of Civil Justice*, Advisory Board (2004-2005)
- Rand Corporation, *Center for Terrorism Risk Management Policy*, Advisory Board (2003-2005)
- American Medical Association, *National Patient Safety Foundation*, Board Member (1995-1998)
- MUNICH AMERICAN REINSURANCE: Member of seven person senior management team (1987-1989)

EDUCATION AND PROFESSIONAL DESIGNATIONS

- University of Notre Dame, B.A., English Literature and Philosophy, 1971 (Dean’s List final three years, 3.21 GPA Overall, 3.99 GPA in Major)
- New School for Social Research, Masters in Philosophy, 1972: Completed first year of two year program.
- New York University, Continuing Education, 1982-1984: Completed courses in Statistics, Commercial Lending, Financial Statement Analysis, and Asset-Based Financing.
- Robert Strain Reinsurance Contracts Course, 1985
- Licensed Insurance Agent, Pennsylvania, 2001-2003
- Associate in Risk Management (ARM), AICPCU Institute, 2006
- Matriculated in CPCU program (four of eight exams passed as of mid-2007)
- Certified CLE and CE accreditation professor for terrorism insurance classes, Insurance Society of Philadelphia, 2007