

**HD Insurance Titans Wager on Asia**

**BY** By Enda Curran

**WC** 714 words

**PD** 15 August 2014

**SN** The Wall Street Journal Asia

**SC** AWSJ

**PG** 1

**LA** English

**CY** Copyright © 2014 Dow Jones & Company, Inc. All Rights Reserved.

**LP**

**HONG KONG** -- Two octogenarian insurance magnates are making bets on Asia. Warren Buffett's Berkshire Hathaway Inc. and Maurice "Hank" Greenberg's Starr Cos. are quietly expanding their operations, hoping to capitalize on a fast-growing market that they believe is underserved by existing insurers.

In recent months, the two have been building up their presences in Asia's general insurance market, a sector that remains dominated by local players though some foreign firms, such as France's AXA SA, are active here. Mr. Greenberg, 89 years old, a former chief executive officer of American International **Group** Inc., completed the first foreign takeover of a **Chinese** state-owned general insurer last month. The 83-year-old Mr. Buffett's **firm** has been hiring high-level executives from AIG and others as it builds up its fledgling **commercial** insurance business.

**TD**

"The insurance market in Asia offers so much potential for growth," said Sally Yim, a senior credit officer at Moody's Investors Service. "That's why these two tycoons are expanding here."

AIG remains one of the most significant insurers in Asia, and is working to grow as well. Already, it has **property**-casualty operations in countries including Japan, **China**, South Korea, Singapore, Vietnam, Thailand, Australia and Indonesia.

Other foreign insurers, including the U.K.'s Prudential PLC and Germany's Allianz SE, are also present, selling life insurance and general protection policies. But analysts say that in general insurance, outside of auto protection, there are large coverage gaps in areas from real **estate** to aviation. Those underserved markets, mixed with a rapidly rising middle class and relatively strong economic growth, have caught the eye of Mr. Buffett and Mr. Greenberg. Premiums in Asia outside of Japan for **property** and casualty insurance grew almost 15% a year in the decade ending in 2012, compared with 3% in the U.S., according to Swiss Re.

Last month, the Starr **group**, led by Mr. Greenberg, completed its takeover of **China**'s Dazhong Insurance in the first foreign buyout in the country of a state-backed general insurer. It originally held a minority stake.

Mr. Buffett's Berkshire Hathaway has hired two senior executives from AIG's Asian operations and has picked up staff from other companies, too, as part of ambitious plans to boost its **commercial** insurance business in the region, according to people familiar with the matter.

"People like Warren Buffett have a very sensitive nose," said Jonathan Zhao, head of actuarial and insurance-advisory services for the Asian-Pacific region at Ernst & Young. "There is a big potential for **commercial** insurance in Asia that has not been captured and this is one area that could potentially push the local players out and get the international players in."

Mr. Greenberg's acquisition of Dazhong turned heads in the industry and marked a significant expansion in **China** by the man who helped turn AIG into the world's biggest insurer before his forced departure from the **company** amid an accounting scandal in 2005. Since then, Mr. Greenberg has been building the Starr Cos.' insurance operations across the world.

He has already started to restructure his **Chinese** acquisition, renaming it Starr **Property** & Casualty Insurance (**China**) Co. Ltd. (Starr **China**). New product lines are planned in **commercial property**-and-casualty products, covering everything from political risk to food safety.

Mr. Greenberg's **company**, which already has operations in **Hong Kong**, Japan, Australia and elsewhere in Asia, has deep links to **China**. The **purchase** of Dazhong was made by Starr Indemnity & Liability Co., part of the Starr **group**, which can trace its roots back to Cornelius Vander Starr, who founded insurer C.V. Starr & Co. in Shanghai in 1919.

Mr. Buffett's conglomerate, which has long been a big player in insurance in the U.S., established a U.S. **commercial**-coverage business last year. It has been in the process of expanding globally. Berkshire Hathaway Specialty Insurance, which provides **commercial property**, casualty and other types of coverage, is applying for licenses to regulators in Sydney, **Hong Kong**, Singapore and Europe, as well as recruiting talent from established rivals such as AIG, a separate person familiar with the matter said.

[License this article from Dow Jones Reprint Service](#)

**CO** aiu : American International Group Inc | bkht : Berkshire Hathaway Inc | cvstrr : CV Starr & Company Inc | midi : AXA SA

**IN** icaslty : Property/Casualty Insurance | i82 : Insurance | i82002 : Life Insurance | i82003 : Non-life Insurance | ifinal : Financial Services | i832 : Insurance Brokering | i8396 : Diversified Holding Companies | ibcs : Business/Consumer Services

**NS** ccat : Corporate/Industrial News | neqac : Equities Asset Class News | npag : Page-One Stories | ncat : Content Types | nfact : Factiva Filters

**RE** china : China | austr : Australia | eurz : Europe | fra : France | hkong : Hong Kong | indon : Indonesia | singp : Singapore | skorea : South Korea | thail : Thailand | uk : United Kingdom | usa : United States | use : Northeast U.S. | usne : Nebraska | usny : New York State | vietn : Vietnam | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | eecz : European Union Countries | indochz : Indo-China | medz : Mediterranean | namz : North America | seasiaz : Southeast Asia | usc : Midwest U.S. | weurz : Western Europe

**IPC** ABO

**PUB** Dow Jones & Company, Inc.

**AN** Document AWSJ000020140814ea8f0001c