

# Expected outcomes of using the RTS approach



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## Financial Performance

- Radically improve operating results
- Improve cost structure
- Drive revenue growth
- Improve capital efficiency and free-up cash



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## Organizational Health

- Break down silos and create cross-cutting communication paths
- Dramatically improve employee motivation and execution discipline
- Drive changes in mindsets and behaviors to lift performance across the entire business



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## Capabilities

- Build execution “muscle”
- Create language and norms for more rigorous and efficient decision making
- Identify, fully develop, and coach the next generation of leaders
- Embed new tools and practices to ensure improvements stick

# Our transformation journey



## Guiding principles

- Aim for **maximum realistic achievable potential** (e.g., industry-leading)
- Use a **three-year time horizon** for execution
- Improve **underwriting quality and risk selection**
- Maintain or *improve* **broker, wholesaler, and customer experience**
- Improve **work flow and tools/technology** as well as **business connectedness**
- Enhance the organization's **ability to hire, train, develop, and retain key talent**

# Work is split across 13 workstreams

AS OF 7/1/2019






## BU + Functional workstreams

## Enabling / transversal streams

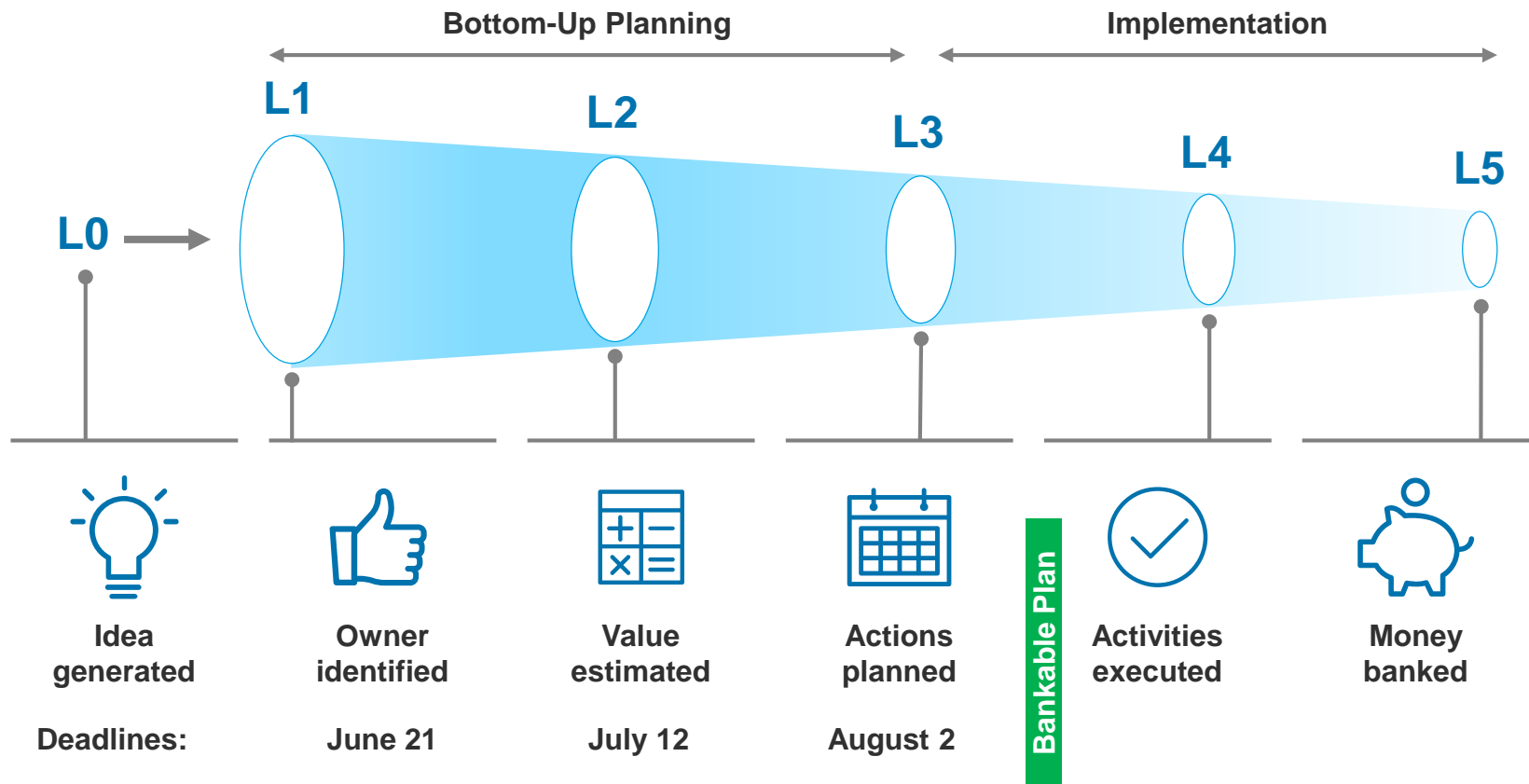
	GI NA	GI Int'l (ex-Japan)	GI Int'l Japan	L&R	Investments	IT	Finance <sup>1</sup>	HR	Comms and Mktg	Real Estate and Corp Admin	GI Claims <sup>2</sup>	Health	Procurement (incl. HQ)
<b>Sponsor (WSS)</b>	Michael Price	Chris Townsend	Bob Noddin	Kevin Hogan	Doug Dachille	John Repko	Mark Lyons	Lucy Fato	Lucy Fato	Peter Zaffino	Anthony Vidovich	Lucy Fato	Mike O'Malley
<b>Lead (WSL)</b>	Chris Flatt	Jason Kelly	John Monk-smith	Sabby Ray	Elaine Rocha	Trevor Crowe	Adam Burk	Joel Poulter (Interim)	Greg Gian-grande	Roberto Stewart	Nicolas Berg	Greg Gian-grande	Glenn Adelman
<b>Finance (Point of contact)</b>	Evan Karabell	Scott Landry	Julian Chapman	Paul Hoepfl	Atif Mahmood	Jacqui Jacoban	Rob Kotlar	Andre Wade	Andre Wade	Shveta Arya	Jack Switzer	N/A	Ujwala Singh (Interim)
<b>HR (Point of contact)</b>	Kelly Moran-Burns	Maggie Zhang	Mika Matsuo	Liz Cropper	Priya Singh	Pat Crincoli	Heather Lubas	Joel Poulter	Joel Poulter	Pat Crincoli	Ryan Merrit	TBC	Josh Kagel

- 1 Includes GI Actuarial and Corp Dev  
2 Excluding Claims Legal, Claims LAE

# Key Transformation roles

			% Time dedicated
	<b>Workstream Sponsor</b>	<ul style="list-style-type: none"><li>▪ Owner, accountable</li><li>▪ Ambassador</li><li>▪ Collaborator</li></ul>	20-30%
	<b>Workstream Lead</b>	<ul style="list-style-type: none"><li>▪ Owner, responsible</li><li>▪ Coordinator</li><li>▪ Pathfinder, problem solver</li></ul>	100%
	<b>Workstream HR POC</b>	<ul style="list-style-type: none"><li>▪ Helps create business plans</li><li>▪ Analysis of head count impacts</li><li>▪ Role model</li></ul>	20-30%
	<b>Workstream Finance POC</b>	<ul style="list-style-type: none"><li>▪ Supports initiative business cases</li><li>▪ Tracks / validates financial impact</li><li>▪ Highlights financial trends</li></ul>	20-30%
	<b>RTS Coach</b>	<ul style="list-style-type: none"><li>▪ “Personal trainer”</li><li>▪ Convener of expert input</li><li>▪ Challenger – not a consultant</li></ul>	

By the end of BUP, all Initiatives will have reached L3

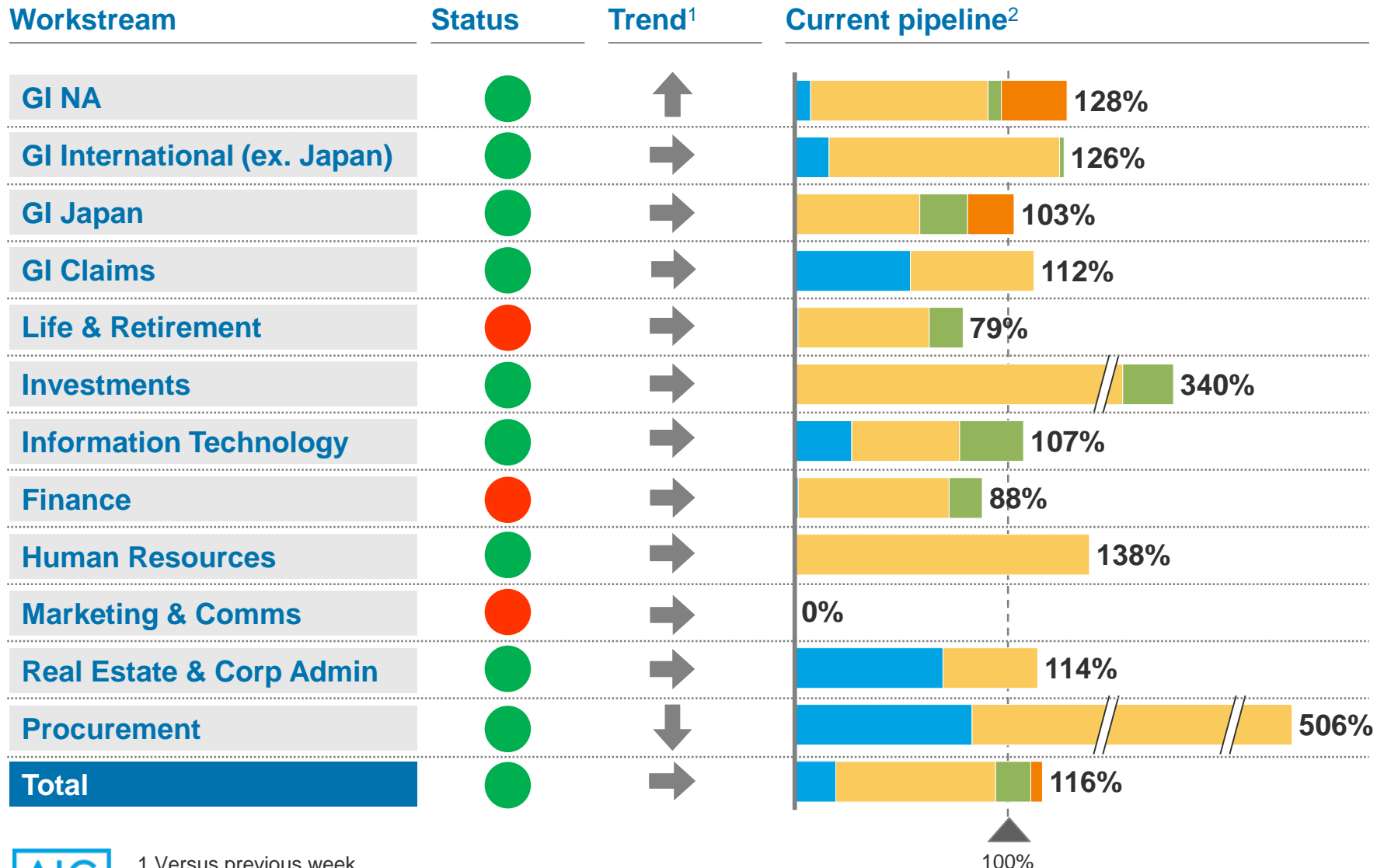


# Program update

- Current pipeline of initiatives worth **116% of the overall target**
- **1175 initiatives** in Wave
- **1340+ AIG colleagues engaged** in the Transformation
- **Cross collaboration across workstreams ongoing** and needs to continue
- **Health workstream progressing**, with Health Focus Group sessions held throughout the past 2 weeks. Organizational Health Index survey to be launched on August 12
- **L3 deadline = August 2**

# BUP workstream progress: Week 8

- ↑ Increased by more than 10% vs previous week  
 ↓ Decreased by more than 10% vs previous week  
 → Stayed between 10% and -10% of the previous week's value
- L1 L2 L3 L4 L5



1 Versus previous week

2 Pending deduplication, validation of GOE impact, and allocation of Procurement impact

# Sequencing and Prioritization

