Tribute to the Founder of The Geneva Association

The Century of a Gentleman: Fabio Padoa Schioppa, Former Chief Executive Officer of Generali, and Founder and Former President (1976–1983) of The Geneva Association

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“You, insurers, you just play with dice”. This sentence, from an important Italian politician, must have hurt the young Fabio Padoa. In fact, he started his working career by teaching philosophy for a short while, showing his deep cultural interest in the human endeavours. He then started a long career at the Generali insurance company, reaching the level of “Amministratore Delegato” (Chief Executive Officer), and extending his horizons worldwide and benefitting from being fluent in the major European languages.

He was then not only a recognised top manager and a respected representative in many countries where Generali has operations, but also had the ambition of upgrading perceptions of insurance in business, educational and public circles. Insurance operations had been dismissed for decades (in fact, two centuries) by most economists and were considered secondary to the economy. Many thought (and even still think today) that technological advances in all fields would increase the predictability of events, and therefore make insurance more and more obsolete: even some insurance Chief Executives were convinced of this, and said so openly, as if they were, indeed, simply “playing” with dice. In fact, just the opposite is true: technical and social advances make the management of vulnerabilities an increasingly relevant and even indispensable economic issue and problem. Many cases show that it is the key connotation of the contemporary (service-based) economy.

Fabio Padoa had a clear perception of the growing importance of risk management and insurance in our world, and he started to launch the idea of a centre or institute to study this development. In 1972, like a pilgrim, he went around Europe to discuss this project. His personal reputation, along with the reputation of Generali, which he represented, convinced a number of Chief Executives of major insurance companies (Allianz, UAP now AXA, Prudential, Swiss Re, Zurich, to name but a few) to give this initiative a try.

There were initially just a dozen who inaugurated the “International Association for the Study of Insurance Economics” (soon called “The Geneva Association”) in 1973 in Paris. Padoa, with the backing of some founding members, was also able to find a first-class President for this new Association in the person of Raymond Barre, who was then returning from Brussels (where he was Vice President of the European

Community)—a man of great reputation, professionalism and honesty in the management of economic research, who subsequently became Prime Minister of France in 1976. His contribution during the first two and a half years as President of The Geneva Association was essential, together with the continuing efforts of Fabio Padoa, to guarantee the credibility of the project.

Fabio Padoa was then elected President of the Association, serving for the next seven years, a period during which the activity and research programme was consolidated. Some episodes illustrate the human quality of his “dedication”—he never received any payment for his efforts, except the reimbursement of travel costs. But even for those, he accumulated those sums and made them available in full to co-finance a book on *The management of Risk and Uncertainty in the Service Economy—The limits to Certainty* (he only said the money was coming from an unknown person, but the amount tallied with the payments). He even once wondered how the salary of a Chief Executive in his company could be evaluated as compared to the lower salaries: could it really be 10 or 20 times more?

Membership to The Geneva Association was then extended to almost all significant insurance companies in Europe (always represented by their Chief Executives, all of whom were, and remain today, members on a personal basis). It then also started including American insurers, which now extend to all the five continents and a total of up to 90 members (a statutory limitation).

As he himself declared on several occasions, Fabio Padoa was, and is, quite proud of his initiative, proving that his perception of the growing importance of the economic role of insurance was well founded, and underlining the fact that great business leaders—on the basis of their practical experience—can also provide a vision that goes beyond their sector of activity, which after all is also conditioned by the larger overall environment, an environment in which risk management and insurance economics are today more and more important.

Fabio Padoa is now reaching 100 years of age (on 7 January 2011) and The Geneva Association will soon be 40 years old—a success story for a great personality, whose creativity and vision created The Geneva Association and without whom it would never have existed. He deserves the highest honours and gratitude.

Dear Fabio Padoa, thank you for your initiative and your example.