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This book is not the next installment in a series about the history of AXA, but we would like to acknowledge the authors of the two that precede it—Caroline Desaegher, for *The History of AXA* (1996) and Marie-Christine Couwez, for *Diary of a Journey* (2001). Thanks to mutual support, a little determination and a taste for conservation, which resulted in ample access to written artifacts and documents, this book features some of the words and pictures that tell the epic story of the AXA brand over 25 years. Thanks one and all!

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## “Becoming what we’ve dreamed of becoming”

Twenty-five years after the legendary desert experience in the Ténéré, where a handful of men and women laid the foundations of what would grow to be one of the world’s biggest insurance groups, the moment has come to capture a lasting record of the sequel to this extraordinary story.

Remember: just one generation ago, in 1980, the AXA name had not been invented; the Group had just been born. In 1996, it bought UAP (Union des Assurances de Paris), a company twice its size. Then came the 2000s, when AXA consolidated its achievements while expanding its presence in fast-growing markets, all the while enduring two major crises, at the end of 2001 and from 2008 to 2010.

Today, the AXA Group is the global leader in its industry and employs more than 214,000 people in sixty-one countries. We are working to become what we dreamed of becoming, a few years ago: a group of pioneering, innovative entrepreneurs who are always on the alert and never accept defeat.

This extraordinary spirit, a culture that strives to overcome challenges, a set of shared values and consistently high standards are what makes AXA and makes its strength. Above all things, this is the crux of our tale.

I have the privilege of being at the head of this group for about a decade now. I have watched it grow, consolidate, reconsider its strategy, endure several crises and then move forward, again and again. Because it has taken place in a tumultuous global environment and because it is absolutely unique, AXA’s story is fascinating. We wished to continue to share it with our different audiences. To enhance our narrative, we turned to our key witnesses, listened to them avidly for hours, cross-checked our sources, gathered hundreds of anecdotes and searched for the most vivid photographs to richly illustrate this 25-year saga.

Of course, the adventure continues. It is being written every day, and I am convinced that the AXA Group of tomorrow will continue to build on its roots of yesterday.

Most of all, this book pays a special tribute to all the people who make up the Group and with whom I am proud to work every day.

Henri de Castries  
AXA Group Chairman and CEO

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# 85

The GIE AXA (*groupement d'intérêt économique*) houses the financial and real estate departments of Mutuelles Unies and Drouot. The name AXA, chosen in 1984 to designate the group, was not intended at the time to be used as a brand name.

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6 / La Providence and Le Secours, united under the Présence banner, join Drouot and Mutuelles Unies after Claude Bébéar's successful takeover bid.

The seminar in the Ténéré desert of the Sahara laid the foundations for a unified group with just one name, AXA.

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After the merger with AGP (*Assurances du Groupe de Paris*), followed by the acquisition of a controlling interest in its holding company (*Compagnie du Midi*), during a tense shareholders' meeting that pitted Claude Bébéar against Bernard Pagezy, AXA becomes France's second largest insurance company.

# Birth of a brand

## A time of untried territory





France was reeling from the period of political cohabitation initiated in 1986 with a president on the left and a prime minister on the right. At the time, the crisis was attributable to just two things—oil prices and the rising unemployment rate. The new poor became an ineluctable fixture in the landscape, and the soup kitchens known as *the Restos du Cœur* launched their first nationwide campaign. Conflict in the Middle East had repercussions inside France, which was the target of several terrorist bombings. The world that had come into being with the Cold War was slowly but surely starting to crack. Russian words like *glasnost* (transparency) and *perestroika* (economic restructuring) became fashionable, touted by the new man in charge at the Kremlin, Mikhail Gorbachev. But it was Chernobyl that most people remember; the nuclear power plant whose explosion sent a radioactive cloud across borders. The European Community expanded to accommodate the southern nations of Spain and Portugal. The European insurance directive was preparing to give consumers, by 1993, the right to buy coverage from insurers operating outside their own borders, although the latter were still prohibited from soliciting prospects in other countries. The nationalized companies of three insurance groups ranked among the businesses that the French government was authorized to privatize with the passage of the Act of July 2, 1986. The stock market crash of October 1987, which sent the stock prices of numerous insurance companies tumbling, put an abrupt halt to this program.

*Previous double page: cellist Mstislav Rostropovich playing at the Berlin Wall during its fall, on November 11, 1989.*

At AXA group  
we have no fear  
So hurray to the  
leaders we revere  
Upstanding guys,  
full of cheer  
A true path  
they will steer

*Translation of an adaptation of a popular French song,  
sung during the 1986 retreat in the Tenere desert (Sabara).*

*French original version:*

*Au groupe AXA n'y a qu' des chics types  
Des gens debout qui crient Hip Hip  
Hourra pour un vrai leadership  
Tous ont vraiment ça dans les tripes*

“AXA emerged from the alliance between Mutuelles Unies, Drouot, allied mutual societies and, since 1986, Présence (Providence and Secours).” That’s how the AXA Group’s 1985 annual report, published in July of 1986, quietly presented the new brand name. The cover art shows a constellation of logos, where the names Drouot and Mutuelles Unies are easier to see than the name AXA, which at the time was only used by foreign affiliates (they weren’t yet referred to as international). AXA was not so much the love child born of the union of several insurance companies as it was the result of the will of a handful of people, led by Claude Bébéar and seconded by the faithful few who supported him throughout this eventful story—such as Françoise Colloc’h—or for some part of it. The adventure of the small provincial mutual, unknown outside of the confines of the Seine-Maritime department, Normandy, which became an insurance giant in France by absorbing a number of its much more sophisticated and prestigious competitors, is now a classic end-of-the-twentieth-century business saga. It is well worth taking a look backward. The décor: France of the early 1980s.

The central character: a stubborn and charismatic CEO, though he was not yet known as the “pope of French capitalism” or the “Napoleon of the insurance industry” (take your pick), who was running a patchwork of insurance companies. On the one side stood Mutuelles Unies, the shared name of eight mutual societies; on



*Top to bottom: the logos of the three founding companies of the AXA Group—Mutuelles Unies, Drouot and Présence—and the first AXA logo in 1985. Overleaf: Claude Bébéar in Marly in 1984, upon receiving a medal to commemorate the incorporation of Présence in the Group.*



### **Bad reputation**

“When I started out in the insurance industry, it was viewed as a business for losers. Worse than banking.

Everyone asked me what in the world I thought I was doing in insurance. But this was not its reputation everywhere.

When I went to the United States, I discovered that the insurance business was viewed much more positively on the other side of the Atlantic. You had to look further than your nose to guess its potential and see that economic development would lead to stronger ties between people and increased demand for life insurance and savings.”

**Claude Bébéar\***

### **The name that came out of nowhere**

“Mutuelles Unies, Drouot, Présence...

everyone was fighting; everyone wanted the name of his or her own company to emerge as the winner.

Nobody knew what to call us—even we weren't sure at times.

The media had started to talk about the Bébéar group. With Jean-Paul Saillard, Marie-Jacqueline Tafany, Pierre Gardes and Christian Huot, we vaguely started casting about for a new name that would be consistent with our strategy of growth and international development. So our name had to be easy to pronounce in every language. The name AXA came out of nowhere. We liked it because we wanted to be first and it started with the first letter of the alphabet. Plus, it was easy to remember, it was a palindrome and we thought it sounded dynamic.”

**Françoise Colloc'h**

*\*The authors of these testimonials are presented in pages 170 to 173 of this book.*





the other stood Drouot, which had joined this first group—basically against its will—in 1982. It’s the story of a modest little company from Normandy that swallowed up the Parisian beauty, the crown jewel of insurance companies, known for its modernity, its business savvy and its class, and whose agents were sometimes decried (with a tinge of jealousy) for their slightly unscrupulous ways.

So together, Mutuelles Unies and Drouot were heading towards a clear objective: get bigger, not for the sheer pleasure of feeling stronger, but in order to attain the critical mass needed to wield clout in France and then beyond its borders.



The group, with one foot in Belbeuf, in Normandy, the original fief of Mutuelles Unies, and the other in Marly, to the west of Paris, the former headquarters of Drouot, set its sights on a company in the process of being formed and still very much an “unidentified insurance object.” Its name was *Présence* and it represented the combined strength of two companies: the traditional, prestigious Providence, born in 1838, and its partner since the early 1970s, Secours, founded as an accident insurance carrier in 1880. Though it was not part of the elite closed circle of insurance companies, it was a small and dynamic business that got interested in information systems back in 1963.

A decade later, the merger was still not completed and *Présence* remained just a concept. After a series of low blows and loud ones,

Top: Château de Belbeuf, the original fief of Mutuelles Unies, in Normandy. Bottom: the Marly regional center, the former headquarters of Drouot, 1990.

### Pirates ahoy

“We were looked upon as pirates and everyone was just waiting for us to crash and burn. We went national and then global. That made it possible to go after the United States.”

### From a company like any other to a global group

“Why would a seemingly unremarkable little company like ours experience explosive growth? Everything depends on the temperament of the guy in charge... I had defined a strategy, which was to remain focused on our core insurance business, to become international and to acquire a new stature in the market. I succeeded in generating

a movement. Doing so meant being overstaffed and hiring the right people—we called them the invaders, people who could be sent out to companies that we acquired. The insurance industry was not familiar with aggressive deals like this. We landed and swallowed up Drouot, three times our size. It was truly shocking. After that, when we launched a hostile takeover bid on *Présence*, it seemed even more incongruous.”

**Claude Bébéar**





not to mention fractious meetings between the various protagonists in the drama, Claude Bébéar decided to launch a hostile takeover bid, which was a first in France. This move triggered episodes worthy of a spy novel, and the takeover bid was about to succeed when AGP, chaired by Bernard Pagezy, decided to raise the stakes, launching its own rival takeover bid. The ensuing battle raged on for five months, included a stock market showdown, and ended in March when Paribas tipped the scales by choosing the AXA side. Would anyone be foolish enough to ever again speak of insurance as a quiet and elegant business? Présence was officially born on December 15, 1986, but as a member of the AXA Group, just like Mutuelles Unies and Drouot.

The situation in 1986 was this: a loose assemblage of companies working at cross purposes, with only Claude Bébéar serving as a link between them. Four tied agent networks co-existed, and some took great pleasure in taking pot shots at others. How could the world be conquered with this crew? The answer involved a trip to the desert! AXA's real birthplace is in Niger, more precisely in the Ténéré desert region, located in the heart of the Sahara. The baby was delivered by a woman, naturally, who was as much a midwife as she was a director and a scribe. A thousand times Françoise Colloc'h has told the story of how AXA was the almost natural choice. A thousand times Claude Bébéar has recalled that 86 people branded Mutuelles

*Above: AXA's 1985 annual report. On the cover, a constellation of the logos of the companies that make up AXA.  
Opposite: a family portrait of the enlarged AXA family, with all the members of the management of Providence and Secours, in June 1986 in Belbeuf (Normandy, France).*







Unies, Présence or Drouot went to the desert wearing white shirts and returned as “Axiens,” as AXA people were now called, convinced of the need to form a single group in order to advance and conquer the world. Admittedly, the broad outlines had already been sketched before this maiden voyage, this foundational act, but they became all too clear under the starry skies of the Ténéré.

No sooner said than done. The various companies were organized into three entities, AXA Courtage, which was known as Uni Europe, headed by Jean-Paul Saillard; AXA Assurances for the tied agents, led by Christian Huot; and a mostly life insurance company that would give rise to Alpha Assurances, run by Claude Tendil, who was also at the helm of Présence. But this process did not happen in a day. Pierre Barbéris and Jean-René Lyon fought it out with the IT people to create a common architecture; AXA Assurance was spinning its wheels. Meanwhile, Claude Bébéar and his team of scouts were busy looking for buy opportunities. But they failed to bag Royale Belge in Belgium, which went instead to then rival UAP (*Union des Assurances de Paris* –a conglomerate of Paris-based insurance companies).

Their disappointment was short-lived, however. Bernard Pagezy himself came knocking on AXA’s door. After the battle over Présence, the 1987 stock market crash resulted in a new deal: the price of Compagnie du Midi –AGP holding company– stock took a nosedive

and Generali got a piece of the action. An alliance between AXA and AGP, the number one insurance group in France for many decades, would be the best way of countering this Italian intrusion. An agreement was concluded in late April of 1988, calling for the merger of the two insurance holding companies. AGP got on the AXA train and, by the end of 1988, a first piece of it was added to the brokerage division.

The second history-making AXA seminar, the one known as the Orient Express, came at just the right time to embody this merger and, above all, to humanize it. Especially since, behind the scenes, it was open warfare between Claude Bébéar and Bernard Pagezy, the latter looking to dilute AXA’s ownership and take over at the helm. Bébéar was still viewed as a provincial mutualist in the face-off with Pagezy, who was a recognized establishment figure. Claude Bébéar and Françoise Colloc’h have said that this was when they discovered the stock market and the unforgiving world of finance.

They were quick studies though, and during the shareholders’ meeting held on February 28, 1989 AXA gained control of Compagnie du Midi. This made AXA the second largest insurer in France, behind UAP but ahead of both AGF (*Assurances Générales de France*) and GAN (*Groupe des Assurances Nationales*), the only non-publicly traded company in the top four. The AXA brand erupted without any special invitation onto the institutional landscape and simply carved out a position for itself.



Top: the AXA teams in the Ténéré, in the heart of the Sahara, for the first AXA Corporate Meeting in 1986.

Bottom: Françoise Colloc’h writing the travel log of this desert adventure.

\*Pierre Barbéris, then the deputy chairman of AXA, set up an IT team with Jean-René Lyon as the central head.

Claude Bébéar and Bernard Pagezy, then the Chairman of AGP (1986).

## What's your ambition for AXA?

We need to make sure that

### **we run our property-casualty business with passion**

and conviction, going after that additional bit of growth in the emerging countries.

By practicing the same policy in every country and sharing the same ambition, we will have greater success than if we each stay in our own little corner.

**François Pierson**

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## **Make them love us!**

And make the client love insurance because it is absolutely vital to people and it supports them their whole lives. It is also a great profession when it is done right.

**Françoise Colloc'h**

My ambition wasn't to create a business in my name, but instead to

### **create a global group**

by building a genuine team. I used to play rugby, and I feel like a team leader.

Without ambition, there is only management. And management is not really much fun.

**Claude Bébéar**

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### Leading-edge management

“My first impression of AXA?

A certain fascination for Claude Bébéar. Here he was, in the process of building an insurance group, practically out of nothing, a group that was moving ahead in lock-step and whose methods were totally unlike ours. He was able to get the most out of people with his ambitious project and was raising the bar for one and all. We felt we were part of – and wanted to be part of – the adventure.

The history of AXA is the result of a series of shocks that allowed the Group to have leading-edge management compared to the practices in place elsewhere, determined to bring people together so that they would understand one another better.

At the time, traditional management had no idea that personal buy-in could be so motivating. I was proud of AGP, where I was a young business manager, because the company was performing well and had a strong culture. At the time of the alliance, I realized that we had lived in a state of autarchy, and that the culture of comparison was missing.”

**François Pierson**

# 1986-88

To the tune of the seminars

BIRTH OF A BRAND 85 89

“Get up, get up,  
you little geniuses!  
**Wake up**  
guys from AXA Midi,  
From AXXAAA Midi.  
From Europe,  
Equity and Lotte!”

*Excerpt from AXA's hymn, sung to the tune of the European anthem, at the Orient Express seminar on October 19, 1988. This verse facetiously evokes AXA's recent acquisitions in Europe, including the La Compagnie du Midi in France and Equity & Law across the Channel.*

*French original version:*

*“De-bout de-bout, les p'tits gé-ni-i-ies!  
Ré-veillez-vous les potes, d'AXA Mi-di,  
d'AXXAA Mi-di.  
De l'Europe et d'Equi-ty and lotte!”*



# 1986-88

## To the tune of the seminars

**1986.** The document is simply called “AXA TENERE 86 or the birth of AXA”! It is the diary kept by Françoise Colloc’h and it describes the foundational events that occurred between November 8 and 16, 1986.

And the same question keeps coming back: would the identity of the Group have changed if this seminar had been held somewhere else, on the Riviera or in a Caribbean palace, for example, which was one of the options briefly considered? While there were already a few Canadians and Americans on board, the ambiance was nonetheless *très, très français*: a steady supply of alcohol, lots of bawdy anecdotes and allusions in the tale told by Françoise Colloc’h, traditional French songs with new lyrics for the occasion. The intention was perfectly clear and already bore the stamp of AXA culture. Everyone was there; everyone was dressed alike; and everyone got lost in the desert in order to learn how to live together and build the AXA of 2001. The team stayed together for more than a week and the result was the birth of AXA—or at

least the birth of its culture and the myth of its foundation.

**1988.** The year 1988 brought a change of scenery. The desert safari vests worn in the Sahara were traded in for very form-fitting track suits (a logistical glitch) and jeeps were replaced by luxury wagons. AXA went beyond borders to sketch out the Europe of tomorrow, as 112 people got on the AXA Europe Express 88, from October 15th to the 22nd. The alliance with Compagnie du Midi led to some changes in the list of invited participants, who got to know one another in Northern and Eastern Europe, all the way to Hungary, sharing musical emotions in Salzburg. The pedigree of the speakers indicates the extent of the intervening change. The major industrialists of the moment—like Jean-René Fourtou and Jean-Marie Decarpentries\*—were on hand to talk about their goals. Another former world leader, Valéry Giscard d’Estaing, shared his vision of Europe.

\* Jean René Fourtou was Chairman and CEO of the Rhône Poulenc group. From 1982 to 1991, Jean-Marie Decarpentries headed Carnaud, which, on his watch, became Carnaud Metalbox, Europe’s number one packaging specialist.

