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INTERVIEW

Grace
Vandecruze

Author of
**From Homeless
to Millionaire**

Thought Leadership for the Insurance Investment Community

The Interview



Guest Q&A

Grace Vandecruze

From Homeless to Millionaire

STEWART: Welcome to another edition of Insurance AUM Journal Podcast. My name is Stewart Foley, and I'm standing with you at the corner of insurance and asset management with a good friend, a person I'm honored to know, Grace Vandecruze. Grace, welcome.

GRACE: Thank you Stewart, it's a pleasure to be here.

STEWART: I met Grace on March 8th a year or so ago, and it was International Women's Day in Chicago. And somehow, or the other, you and I shook up a conversation. What were you doing there? What was that? Because you're not based in Chicago.

GRACE: No, but what was important for that day, it was Women's Day, and we were honoring women in the industry. What really made me strike up a conversation with you is that you had brought a number of insurance students to that event. And at that event, Inga Beale spoke, and a number of important women spoke about the impact of women in insurance.

And it was your students, the ones who were very interested in insurance, they wanted to be there to learn more, to network. They were looking for mentors and they were so receptive and open to talking to me and listening to my journey in insurance, that as an extension,

I started talking to you as their professor. And the fact that you had a vision to really bring them there, that was an amazing exposure for them.

STEWART: Oh, that's really nice of you. They're a nice group of four young women that were international students. Sometimes it's hard for them to find employment in the US and so that's why we brought them down.

I want to talk about your background just a little bit. And for those of you listening to this podcast, just get a comfortable seat because we've got some ground to cover here.

You are the founder and managing director of Grace Global Capital. Also, Grace Global Capital does consulting on M&A advisory, restructuring valuation services all in the insurance industry. Okay, great. That's a heck of an accomplishment all by itself. Managing director of formerly at Swiss Re. You were also involved in valuation on the Consecro bankruptcy, largest in the insurance industry.

You've also been in the private equity space. You got an MBA from Wharton and an accounting degree from Pace. You were also an auditor at E&Y and Grant Thornton. Fine. Okay, great. You're on the board of M Financial Group. You've been appointed to the Wharton Graduate Executive Board.

That right there makes me wonder, have you had a wink of

sleep in the last 20 years? Now on top of that, you're a licensed sailor, a mountain climber. The more I read Grace, the more of a loser I feel like I am. You've climbed Mount Everest, Mount Kilimanjaro, been all over the Himalayas. You've been featured in two books, and you've written a bestselling book, that I want to talk more about in just a minute.

You've been the keynote speaker at a couple of important industry events, and you've also been homeless. And that makes all of the things that I just talked about even more remarkable. So there's my brief intro of you. When I met you, I thought you were really cool because of what you do. And the more I've learned, the cooler I think you are. So can you talk about this journey, fascinating and inspirational journey that's gotten you where you are today?

GRACE: Sure. There's a Nigerian proverb that I love and it says, "Wherever the stream flows, it never forgets its source." And I've been privileged to have the world's best grandmother. My grandmother and my granddad had nine children. And although they had limited resources, they found room in their hearts to adopt five young sisters who lost their moms. So my grandmother raised 14 children. As a result, she had 52 grandchildren. I am one of 52 grandchildren.

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STEWART: Oh my God.

GRACE: And as we speak here together, Stewart, I can assure you that I was the favorite.

STEWART: I love that. I love that. I was my grandmother's favorite too, but there was only one. There was exactly one grandchild, I was it. You were the favorite of 52, far better accomplishment.

GRACE: She had a way of each of us feeling so special. And we shared a lot of words, she shared a lot of wisdom with me, but her most treasured words to me were, believe beyond your limits. And as a young child, I really could not appreciate those words. But as I began to climb mountains, both literally and figuratively, my grandmother's words of believing beyond your limits has become more and more real to me. And I take her nuggets of wisdom with me very, very dearly.

STEWART: That is so cool. It's really touching. So many of these business podcasts, they leave out this part. And I always find that whenever we have a guest, really accomplished people have really interesting stories and that's really touching.

So congratulations on your bestselling new book, *Homeless to Millionaire*. You can find it on Amazon and everywhere that you buy your books, I guess. The six keys to uplift your financial abundance. Tell us about the book. Why'd you write it? Writing a book's a pain, everybody knows it. What are the big takeaways from that?

GRACE: Sure. So you're right. Writing a book can be a pain, but sharing our stories can be very, very powerful. And I realized that I have a powerful story. When I first started and I worked at Merrill Lynch, I worked in private equity, I worked at Swiss Re, I worked in very, very large organizations. And I worked at a time when you weren't allowed to bring your entire self to work.

So I'm an African American, I'm a female, and those are pretty clear from seeing me, but there's just so much more to me, so much more to my story. There are values within me that are near and dear and propels me every single day to do my best, propels me every single day to make a difference. And that's why I wrote this book. I wrote this book because I do think at this time, at this moment, the world needs to know and needs to hear that you can actually survive homelessness and survive and thrive.

And because success leaves clues, I wanted to pass those clues along. And really this book is filled with its stories and lessons from stories, and how we can really use the tools and resources to enhance financial wellness and financial empowerment.

So when you look at the backdrop of where we are today, COVID-19, which compounds the wealth, and financial, and health disparities, when you look at the social unrest, which really brings a day of reckoning for our society to confront the ills and inequities, what I believe we're not talking about more is financial empowerment, is financial literacy. And I strongly don't think we can close the wealth gap until those gaps in education and awareness is addressed. And I believe this book is an important tool in doing so.

STEWART: Yeah, it's amazing. It's really important. When you say success leaves clues, that is really an interesting takeaway. I've always said education is the great equalizer. I'm a first generation college student, certainly not from an underprivileged background, but there are still a lot of unwritten rules that exist in business.

And as you mentioned, I mean, particularly at any, I think, financial services firm, particularly when your career started, as they say, pale, stale and male, right? And here you are as an African American woman and here you are, and there is so much more to you. And I think that's right. And it's the financial empowerment is when

people have the ability to pay their own way, to grow, to everything else that along with the education piece of it, it's certainly not a quick fix, but that is the path.

GRACE: Mm-hm. Correct.

STEWART: When we shift our focus to justice and equity for the moment, and there's no shortage of appalling inequities of racial violence and horrible treatment and pick your descriptions. Why is it so important that we confront these issues that also not only are in the streets, but in the corporate world in terms of an equity gap?

GRACE: Absolutely. So I will echo the words of Brian Stevenson, who wrote *Just Mercy*, when he says, the opposite of poverty is not wealth, it's justice. The opposite of poverty is not wealth, it's justice. And those words are very, very important because we need to create an environment that enables all citizens to move up from poverty and really have the ideal meritocracy and social mobility.

And we know the disruption comes when the social mobility isn't there. When there are blatant injustices and for the world to see. So COVID-19, we saw George Floyd with the eight minutes and 46 seconds of the knee on the neck. And it really brings us to a level of awareness for the world to see, and raises the consciousness of what justice or injustice look like.

And our insurance industry has a pivotal role to play, because as you said, this industry participated, it enriched, and it perpetuated a system that was exclusionary and predatory. And one example is the Atlantic slave trade. And even as we speak, African Americans are discriminated against by paying higher rates and being insured for less. And the mistrust of our financial institutions is at an all time high.

And I do think that the industry first needs to acknowledge its role in



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perpetuating the injustices in society, and really use this day of reckoning because there is no unringing of the bell, and the industry needs to confront and acknowledge its past and really come forward with concrete solutions in which we can close the wealth gap and really lift the livelihood of citizens and society.

STEWART: Yeah, it's really interesting, and it's one of the reasons that I'm a big Inga Beale fan. I mean, how do you... Becoming the CEO of Lloyd's, which is probably at the very tip top of that sort of culture and structure, I think there are certainly some indications of progress, but much, much work to do.

Wellness. Everybody talks about wellness, can't even turn the TV, everybody's trying to get healthier or more fit. What's the latest diet? You got Rob Lowe on there telling you about Atkins... I mean, you got everything on it, right? Everybody's talking about wellness, everybody's running around looking tan and fit.

What you don't hear so much about is financial wellness, right? Particularly for folks, you pointed this out a moment ago, particularly for the folks who need it the most. People want to chase around the wealth management industry, they want the \$3 million net worth person. How do you make a living off of folks who have very little to invest or whatever? And so as a result of that, a lot of those folks get left behind. So what can the industry do? How can they do a better job?

GRACE: Sure. So the reason I wrote my book, *Homeless to Millionaire: 6 Keys to UPLIFT Your Financial Abundance* is because the onus is upon an individual now to really understand financial wellness, financial empowerment, financial liberty. And wealth and health are inextricably linked. Why? We're living longer lives, but we also need to live better lives. And health care costs is ballooning. A million people file

bankruptcy every year, most of them because of healthcare costs. With COVID-19, that is going to balloon at unsustainable levels. This is where the industry has a unique opportunity to really come in and meet customers' needs.

The Wall Street Journal two weeks ago indicated that insurance is the hardest product to sell. Bar none, we cannot have a product that add the level of value to society being the hardest product to sell. As matter of fact, I'm so proud to be in the insurance industry because the insurance industry builds, it creates it restores financial legacy. There is no other product on the market that can be as effective as insurance.

And I do think we have a huge responsibility to make sure that this is more accessible, this is more reachable that our brands are considered brands that are mission-driven, that will drive more traffic to our companies and industries.

STEWART: I love the insurance industry and the insurance asset management industry. And I mean, if that makes me a geek, so be it. It's a good group. I always tell people, I think sometimes insurance gets a bad rap. And what I always tell people is, I say, "Well, when you see a hurricane coming through town or you see someone's house burn or you see a car accident or whatever, who shows up with a check in their hand? The insurance industry."

And they come back and they repair lives and there's products out there that can help people in their retirement planning, on their investment side. There's just a lot of ways to do it. So I'm proud to be part of the insurance industry.

So let's go back to the beginning here. When you're not writing a best-seller, serving on boards, and handling M&A transactions and whatever else, you climb mountains, tell us about climbing mountains and the impact it's had on you. And I've heard parts of this story, and it's a good one.

GRACE: So the miracle of me climbing mountains, it's how it began. I got a random, and truly a random invitation from a Wharton professor, a professor that I did not have while I attended the school. And this was back in 2004, and the random invitation invited me to hike and climb on an expedition with other alumni, and we would be connecting during the day and having a bonfire discussion at nights on relevant business issue.

We had to read several books and several case studies in preparation for this climb, in addition to being physically fit. And I had never climbed or hiked out in my life. I'm not an athlete. It wasn't something I would normally do, but 9/11 was still fresh in my mind. And I had made a commitment to have more meaningful vacations subsequent to 9/11. I have to tell you a story because one of those moments where I felt even a calling that I should go on this trip, I was that intrigued.

And so three months later, I was standing in Bhutan where I was planning to embark on a journey. We would climb up to 20,000 feet in 14 days, eight days up and six days down. And I started climbing. And after rough first two days, I realized that I really loved the great outdoors. I was fascinated by Bhutan's culture, I love networking with people I have not met or known before. And I left the bonfire discussions that we were having, and we were fulfilling the mission of this journey.

On the seventh day when we were 17,500 feet, one of our experienced mountaineers got very ill. He was medivaced out. However, we received word that he had passed away. And that as you can imagine, was one of the most devastating blow. We were in complete shock, and decided that we would not climb any further up. And we embarked down on that journey.

And there were several comments being made, and I heard several people say, "I will never climb again." But after we came back to our various places



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and a small group of us got together, and we decided that we would honor our fallen mountaineer's memory by continue climbing.

And we would do it on our own. We weren't at the school, because the school because the school had at that point stopped the program. And so 11 of us resolute mountaineers met the very next year, and we were led by the very able Dr. Jerry Maida out of Jacksonville, Florida. And we went to Kilimanjaro and summited Kilimanjaro successfully.

And if there was one moment that I will never forget in mountain climbing is that moment when we were standing at the pinnacle of the highest peak of Africa, knowing what we had overcome to get there, knowing the purpose of the trip, knowing how as a group we had bonded like we've never bonded before, literally looking down at clouds and standing, snapping that picture and the feeling of accomplishment that we felt. It was truly a beyond your limits moments, back to what my grandmother said of believing beyond your limits.

STEWART: That is such an inspirational story. That is awesome.

GRACE: Thank you. And I must say at this moment, we, as a group, we have climbed over 100,000 feet. That's the Empire State building stacked up on itself 67 times. Over 25 mountain peaks on three different continents. And one of the reasons I have kept climbing mountains is because nothing mirrors life more than mountain climbing. So whether you're sitting in your office or standing at the foot of Everest, we are all climbing mountains and the lessons are the same.

STEWART: Wow, that's cool. Very well done. That's a beautiful story, and what an analogy, and honoring your grandmother as well. So here's the questions that you didn't know were coming. As you mentioned, I'm a part-time, and I have a lot of students,

a lot of them are confused about, or not clear on what they want to do.

And the job market was pretty hot coming into 2020, several of these guys had a couple of offers and they were playing one against the other and this and that. Right there, it's like, this is great. Then COVID-19 hit. A lot of them lost their internships, a lot of them lost their offers and so forth. So let's just put you in their situation and you're coming out of Pace, what would you tell your 21-year-old self?

GRACE: Well, this reminds me of when you're climbing a mountain and suddenly a storm comes in and you, where you saw clearly before you are just in darkness, you're in utter darkness, and you are barely holding on because the winds are that strong and you are just trying to gain footing. And when you do step, you know that every step could mean the difference between life or death.

And a couple things I've learned in climbing mountains that apply in this situation is when that happens, some mountaineers will panic. They'll completely panic. They'll say, "I can't move. If I go up, I may die. If I go down, I may die. So I'll just stay here." And don't move, they do nothing. It's one of the worst things to do. And this is how you are guaranteed to die. When you're paralyzed in fear and sit on the side of the mountain, and the storm comes in and your muscles just grease.

Even if five or 10 minutes later you decide to get up, you can't. You are literally physically, physiologically paralyzed. And so it is something I will say, this is a time when a lot of people will panic and the panic will kill you. The fear will kill you.

And it's a time that where the mindset of moving forward becomes more and more important, because this is not about looking at circumstances and saying, I'm going to conduct my life based on what I see, because based on what you see is there's too many uncertainty out there.

So I think this is a time to be resourceful. Resourcefulness will really be a game changer right now. So whatever you're studying, whatever field you are pursuing, particularly if it's based in your talents, if it's based in your skill sets, it's what you want to do, I would encourage everyone to do it because companies are going to be vibrant coming out of COVID-19. They're going to need the basic skills, but the one field I would like to really have us focus on is that this is the age of the entrepreneurs. It really is.

The resourcefulness is there perhaps, and you may not be able to work in a large company, but perhaps you could create your own company. There's enough resourcefulness in there to join entrepreneurs, to join small businesses, and I really would like for us to take a closer look at that field.

As you mentioned, I sit on the Wharton Business School. And when I graduated from Wharton 25 years ago, there were maybe 5% declaring a major to be entrepreneur, today it's 35% and the fastest growing major, the fastest growing is entrepreneurship, and I expect that to continue.

STEWART: That's really cool. Obviously, you're an entrepreneur. I am too, and it's not without its challenges. You find all roads lead to you as far as decisions and also problem solving, but it's tremendously satisfying as well to be able to build a business. I cannot thank you enough. I know that I've learned a lot during this podcast and I'm more inspired than when we started, and that's because of you and the things that you've done. So thank you very much for being on.

GRACE: Thank you so, so much for having me. And one of the amazing aspects about being in insurance is relationships that you build along the way. And I'm pleased I've met you, I'm pleased that you are looking to expand the talent coming into the industry,

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and it's passionate for you. And as an advisor who is who's advising over \$5 billion of transactions, I always look back at my career and realize that this is not an industry that the world may consider the most exciting, but by far, this is the most dynamic time to be in insurance. So I want to thank you for what you're doing, and just want to tell you, I applaud you and admire all the work you've done in the industry.

STEWART: Thank you so much. That is really, really kind of you. Well, that wraps us up today. If you like our podcast, please tell your friends, like us, and you can find us on Apple Podcast, on Spotify, Google Play. We appreciate your listenership. My name's Stewart Foley, and this is the Insurance AUM Journal Podcast. 🌸

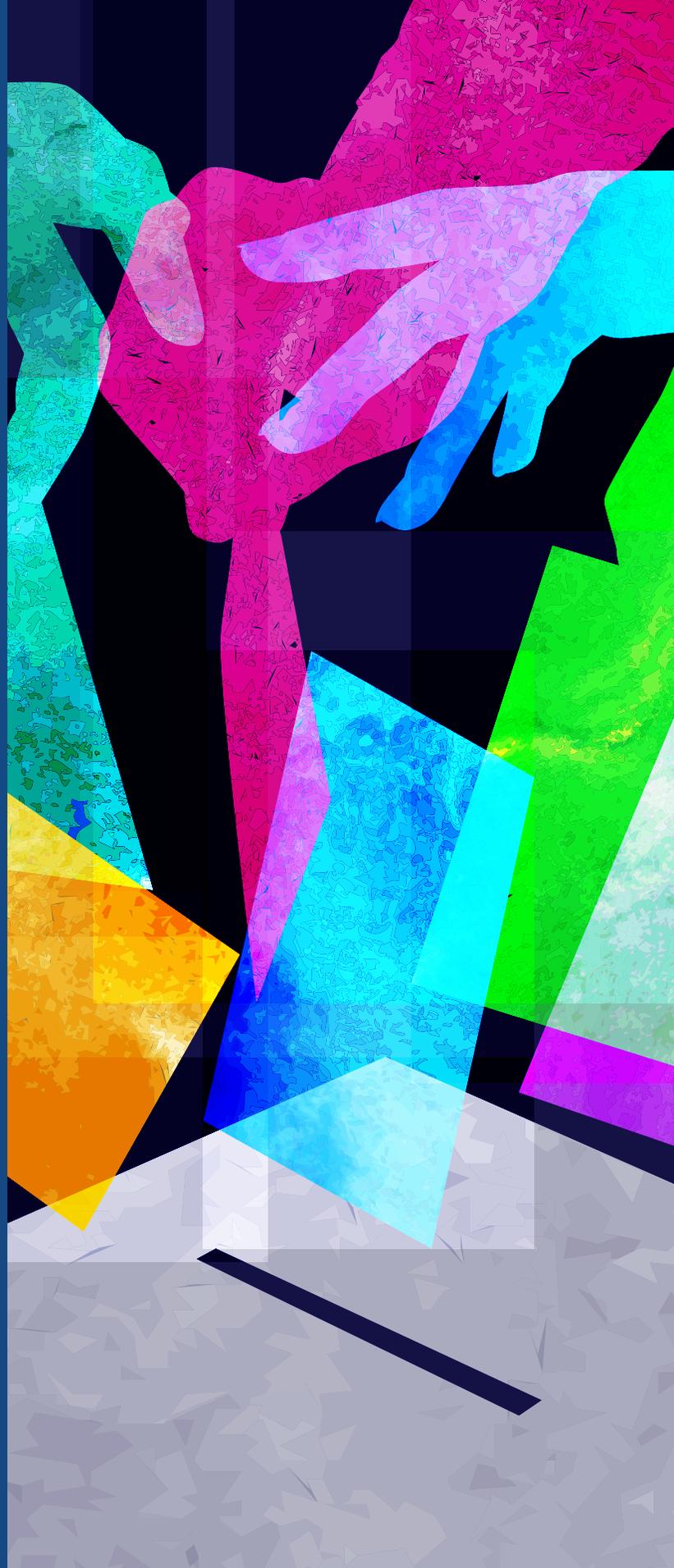
About Grace Vandecruze

Grace Vandecruze is the Founder and Managing Director at Grace Global Capital LLC, a consulting firm providing M&A financial advisory, restructuring, and valuation services to the insurance industry and financial regulators since 2006. She was a Managing Director at Swiss Re and was responsible for the firm's regulatory advisory practice in the insurance and financial services industries. She has extensive expertise in mergers and acquisitions and capital raisings, and most notably she provided expert testimony on the valuation of Conseco during the largest bankruptcy in the insurance industry. Prior to joining Swiss Re, she was a Vice President at a private equity firm specializing in the insurance industry and an Associate in the Financial Institutions Group at Merrill Lynch. She earned an MBA in Finance from The Wharton School at the University of Pennsylvania and a BBA in Accounting from Pace University. Before attending The Wharton School, she was an auditor for six years in the financial services industry at EY and Grant Thornton. She is a Certified Public Accountant.

Grace is currently a board member of M Financial Group and was recently appointed to the Wharton Graduate Executive board.

Grace is a licensed sailor and mountain climber. She has climbed Everest Base Camp, Mount Kilimanjaro, Annapurna, and the Himalayan in Bhutan. She has been featured in two books: "Be Happy at Work, 100 Women Who Love their Jobs and Why" by Joanne Gordon and "Doing it Ourselves: Success Stories of African American Women in Business" by Donna Ballard. Grace is frequently quoted in the financial press, including The American Banker, Insurance Journal and SNL Financial. She was the keynote speaker at the Mid-West Zone Conference of National Association of Insurance Commissioners, M Financial Annual Marketing Meeting and The Baker Tilly Insurance Conference.

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