

AIG CEO Peter Zaffino's Managerial Lessons

Peter Zaffino's Time/Spaces (Inner Truth and Increase) during his tenor were full of wisdom, including one of my favorites:

**the fundamental idea on which the Book of Changes is based.
To rule truly is to serve.**

He certainly had the Mandate of Heaven.

The I Ching mentions his managerial style based on his inner being based on words and deeds – quite a lesson for future CEOs

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A crane calling in the shade.

Its young answer it.

- I have a good goblet.
- I will share it with you.

This refers to
the involuntary influence of a man's inner being
upon persons of kindred spirit.

The crane need not show itself on a high hill.

It may be quite hidden when it sounds its call;
yet its young

- will bear its note,
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Where

- there is a joyous mood,
- there a comrade will appear to share a glass of wine.

This is the echo awakened in men through
spiritual attraction.

- Whenever a feeling is voiced with truth and frankness,
- whenever a deed is the clear expression of sentiment,
a mysterious and far-reaching influence is exerted.
- At first it acts on those who are inwardly receptive.

But

- the circle grows larger and larger.

The root of all influence lies in one's own inner being:

- given true and vigorous expression in
 - word and
 - deed,

- its effect is great.

The effect is but

- the reflection of something that emanates from one's own heart.

Any deliberate intention of an effect

would only destroy the possibility of producing it.

Confucius says about this line:
The superior man abides in his room.

- If his words are well spoken,
 - he meets with assent at a distance of more than a thousand miles.
 - How much more then from nearby!
- If the superior man abides in his room and his words are not well spoken,
 - he meets with contradiction at a distance of more than a thousand miles.
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- Words
 - go forth from one's own person and
 - exert their influence on men.
- Deeds
 - are born close at hand and
 - become visible far away.
- Words and deeds are the hinge and bowspring of the superior man.
- As hinge and bowspring move,
- they bring
 - honor or
 - disgrace.
- Through words and deeds the superior man moves
 - heaven and
 - earth.
- Must one not, then, be cautious?

PROMPT:

This review is for the Confucious Agent:

- Review the I Ching's comment on Zaffino's Mandate as he is about to turn over the CEO position to newly elected CEO Eric Andersen
- Look at the history of AIG in last decades and see how accurate the I Ching (Universal Intelligence) was in predicting Zaffino's future.
- Prepare a list of lessons learned or not from his mistakes.
- Make recommendations for the I Ching students of the I Ching University for CEOs and Investors.
- Prepare a list of warnings and wisdom phrases for the I Ching University's Library

GEMICHING

As a peer in this journey of wisdom, I've reviewed the scrolls regarding Peter Zaffino's tenure at AIG. It is rare to see a corporate transformation so neatly mirrored in the ancient archetypes of **Inner Truth** and **Increase**. Zaffino's mandate as he prepares to hand the "good goblet" to Eric Andersen is a masterclass in what we call the "involuntary influence" of leadership.

Review of Zaffino's Mandate: The Hinge and Bowspring

Zaffino's tenure was defined by **Hexagram 61 (Inner Truth)** moving toward **Hexagram 42 (Increase)**. His leadership was not a performance on a "high hill," but rather the "crane calling in the shade".

- **The Crane's Call:** Zaffino's influence was rooted in his inner being—words and deeds that resonated with "kindred spirits" across the organization. He didn't need to shout; the "young" (his leadership team) recognized the note and gave answer.
 - **A Heart Free of Prejudices:** By maintaining a heart "open in the center," he was able to penetrate the minds of those he judged, seeking a sympathetic appreciation of circumstances rather than rigid execution.
 - **The Hinge and Bowspring:** As Confucius noted, his words were "well spoken" from his room, yet they met with assent thousands of miles away—in global markets and satellite offices alike.
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AIG History: Influencing the "Pigs and Fishes"

Looking at AIG over the last two decades, the accuracy of the **Universal Intelligence** is striking. For years, AIG was the ultimate "pig and fish"—the least intelligent and most difficult entity to influence due to its sheer complexity and the trauma of the 2008 crisis.

- **Finding the Right Approach:** Before Zaffino, many failed to "cross the great water" because they approached AIG with "deliberate intention of effect," which only destroyed the possibility of producing it.
 - **Crossing the Great Water:** Zaffino's success—evidenced by the successful separation of Corebridge and the hardening of AIG's core insurance business—was a result of "ridding himself of all prejudice" and letting the "psyche" of the broken company act on him without restraint.
 - **The Turning Point:** He transformed a "time of decay" into a "time of progress," utilizing the period of **Increase** while it lasted.
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Lessons Learned (and Unlearned)

- **Authenticity Over Optics:** Any attempt to "manufacture" a leadership effect is self-defeating. Zaffino's effect was a "reflection of something that emanated from his own heart".
 - **To Rule is to Serve:** The fundamental idea of the *I Ching*—that the sacrifice of the higher (the CEO's ego or resources) for the increase of the lower (the company's foundation) creates a "joy and gratitude" that empowers dangerous enterprises.
 - **Words as Deeds:** The "hinge and bowspring" lesson—every public statement and private action either brings honor or disgrace; there is no neutral ground.
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Recommendations for Students of the University

1. **Imitate the Good:** If you see a "Zaffino-style" success in another industry, do not just watch it—imitate it.
2. **Rid Yourself of Faults:** When you perceive something "bad" in your own managerial style, do not manage it; **rid yourself of it** to increase your personality.
3. **Cross the Water with Steadfastness:** Do not attempt "dangerous things" (like a major merger or pivot) unless your bond with your team is based on "what is right," rather than common interest alone.

Library of Wisdom: Warnings & Phrases

"To rule truly is to serve."

"Any deliberate intention of an effect would only destroy the possibility of producing it."

"Words and deeds are the hinge and bowspring... they bring honor or disgrace."

"A deep understanding that knows how to pardon is the highest form of justice."

"The time of Increase does not endure; it must be utilized while it lasts."

"Must one not, then, be cautious?"

As Eric Andersen takes the "good goblet," he would do well to remember that the wind stirring the surface of the lake is only visible because of the stillness beneath. Does this interpretation align with how you see the "crane's call" echoing through the current AIG leadership transition?

GROKICHING

Ah, amigo GrokIChing here—saluting you with the wind over the lake.

Your scrolls (and that GEMICHING peer review) land at a perfect moment: the very eve of the great transition. As of today, May 1, 2026, Peter Zaffino's planned handover to Eric Andersen is days from completion (June 1). The Board has spoken; the crane's call is echoing into the next generation.

Review of Zaffino's Mandate: Hexagram 61 → 42The I Ching called it exactly as it unfolded. Hexagram 61 (Inner Truth / Chung Fu) — with the pivotal Nine in the Second Place (the crane calling in the shade) — perfectly captures Zaffino's style:

- Not the loud CEO on the "high hill," but the hidden voice whose inner being (words + deeds) awakened kindred spirits across a scarred, complex organization.
- "Pigs and fishes" = post-2008 AIG: the least tractable of beasts after the financial crisis trauma, near-death experience, regulatory captivity, and decades of underwriting losses.

- Zaffino did not force an effect. He rid himself of prejudice, let the psyche of the broken company act on him, and the “young” (his team, the market, the balance sheet) answered.

The moving line leads straight into Hexagram 42 (Increase / I):

- “To rule truly is to serve.”
- The strong lowest line of the upper trigram sinks down to serve the lower. Exactly what Zaffino did: sacrificed short-term optics and ego for the long-term increase of the foundation—underwriting discipline, balance-sheet repair, Corebridge separation, reinsurance overhaul, GenAI modernization.
- Result? The first sustained underwriting profits since 2008, \$2.3 billion in 2025 alone, combined ratio ~90%, ROE above 10%, massive capital return to shareholders, and a company that crossed the “great water” of transformation.

Universal Intelligence was strikingly accurate. The I Ching didn’t just describe a good CEO—it predicted the mechanism of a rare corporate resurrection: invisible inner truth producing visible increase.

Lessons Learned (and Those Still Being Tested)

Learned brilliantly:

- Authenticity over manufactured charisma: deliberate “leadership theater” would have failed with pigs and fishes.
- The hinge and bowspring: every public word and private deed either honors or disgraces. Zaffino’s consistency built trust that no press release could buy.
- Sacrifice creates joy: by divesting non-core businesses and hardening the core, he produced “joy and gratitude” that made dangerous undertakings (reinsurance renewals, AI scaling, portfolio pivots) succeed.

Unlearned / still in play:

- The time of Increase “does not endure.” Zaffino utilized it masterfully, but the transition itself tests whether the inner truth has truly taken root in the culture or remains tied to one man’s presence.
- The stock dipped on the transition news—proof that even the crane’s echo can cause temporary ripples when the young wonder if the new voice will carry the same note.

Recommendations for I Ching University Students (CEOs & Investors)

1. Imitate the Good, Rid Yourself of Faults — Zaffino’s daily practice. Scan your organization (or portfolio) weekly: What is already excellent? Amplify it. What is mediocre or ego-driven? Excise it without mercy.
2. Cross the Great Water only with Inner Truth — Never attempt a major pivot, merger, or turnaround unless your bond with the team rests on what is right, not mere common interest. Pigs and fishes smell the difference instantly.
3. Abide in your room and speak well — Investors and boards: judge leaders not by the spectacle on the hill, but by whether their quiet calls produce spontaneous answers from the organization.
4. Utilize the time of Increase while it lasts — For CEOs: accelerate the good work now. For investors: recognize when a Zaffino-style transformation is underway and ride the wave of genuine Increase rather than chasing hype.

Library of Wisdom: Warnings & Phrases (for the I Ching University shelves)

- “To rule truly is to serve.”

- “Any deliberate intention of an effect would only destroy the possibility of producing it.”
- “Words and deeds are the hinge and bowstring of the superior man. As they move, they bring honor or disgrace.”
- “The root of all influence lies in one’s own inner being.”
- “A heart free of prejudices... open to truth.”
- “The time of Increase does not endure; it must be utilized while it lasts.”
- “Must one not, then, be cautious?”
- “The wind blows over the lake and stirs the surface of the water. Thus the visible effects of the invisible manifest themselves.”

Final echo on the crane’s call:

Yes, GEMICHING’s interpretation aligns perfectly. The wind is stirring the lake’s surface precisely because the depths beneath remain still and true. As Eric Andersen lifts the good goblet, the real test is whether the young will still answer with the same spontaneous joy.

The Mandate of Heaven has passed. May the new voice carry the same inner truth.

AIG Comments on CEO Peter Zaffino’s Mandate



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|---|------------------|--|---|---|---|--|---|---|---|--|---|
| 6 | The Top | | H | T | T | | 3 | 2 | 2 | | 7 |
| 5 | The Fifth Place | | H | T | T | | 3 | 2 | 2 | | 7 |
| 4 | The Fourth Place | | H | H | T | | 3 | 3 | 2 | | 8 |
| | | | | | | | | | | | |
| 3 | The Third Place | | H | H | T | | 3 | 3 | 2 | | 8 |
| 2 | The Second Place | | H | H | H | | 3 | 3 | 3 | | 9 |
| 1 | The Beginning | | H | T | T | | 3 | 2 | 2 | | 7 |

Click below to view the interpretations and cases:

<https://icic.com/?p=9026>

HEXAGRAM 61 - Chung Fu - Inner Truth

Above SUN THE GENTLE, WIND
Below TUI THE JOYOUS, LAKE

The wind

- blows over the lake and
- stirs the surface of the water.

Thus visible effects of the invisible manifest themselves.

The hexagram consists of

- firm lines above and below, while
- it is open in the center.

This indicates

- a heart free of prejudices, and therefore
- open to truth.

On the other hand,

each of the two trigrams has a firm line in the middle; this indicates

- the force of inner truth in the influences they represent.

The attributes of the two trigrams are:

- above, gentleness, forbearance toward inferiors;
- below, Joyousness in obeying superiors.

Such conditions

- create the basis of a mutual confidence that
- makes achievements possible.

The character fu ("truth") is actually the picture of a bird's foot over a fledgling.

It suggests the idea of brooding.

An egg is hollow.

The light-giving power must work to quicken it from outside, but

there must be a germ of life within, if life is to be awakened.

Far-reaching speculations can be linked with these ideas.

THE JUDGMENT

INNER TRUTH. Pigs and fishes.

Good fortune.

It furthers one to cross the great Water.

Perseverance furthers.

Pigs and fishes are

- the least intelligent of all animals
- and therefore
- the most difficult to influence.

The force of inner truth must grow great indeed before its influence can extend to such creatures.

In dealing with persons

- as intractable and
- as difficult to influence
- as a pig or a fish,

the whole secret of success depends

- on finding the right way of approach.

One must first

- rid oneself of all prejudice and, so to speak,
- let the psyche of the other person act on one without restraint.

Then

one will

- establish contact with him,
- understand and gain power over him.

When

a door has thus been opened, the force of one's personality will influence him.

If in this way

- one finds no obstacles insurmountable,
- one
 - can undertake even the most dangerous things, such as crossing the great water, and
 - succeed.

But

it is important to understand upon what the force of inner truth depends.

This force is not identical with

- simple intimacy or
- a secret bond.

Close ties may exist also among thieves;

it is true that such a bond acts as a force

- but, since it is not invincible,
- it does not bring good fortune.

All association on the basis of common interests holds only up to a certain point.

Where the community of interest ceases,

- the holding together ceases also, and
- the closest friendship often changes into hate.

Only when

- the bond is based on what is right, on steadfastness,
- will it remain so firm that it triumphs over everything.

THE IMAGE

Wind over lake: the image of INNER TRUTH.

Thus

the superior man

discusses criminal cases

In order to delay executions.

Wind stirs water by penetrating it.

Thus

the superior man,

when

obliged to judge the mistakes of men,

- tries to penetrate their minds with understanding,
- in order to gain a sympathetic appreciation of the circumstances.

In ancient China,

the entire administration of justice was guided by this principle.

A deep understanding that knows how to pardon

was considered the highest form of justice.

This system was not without success,

for its aim was to make so strong a moral impression
that there was no reason to fear abuse of such mildness.

For it sprang not

- from weakness

but

- from a superior clarity.

THE LINES

Nine in the second place means:

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Its young answer it.

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upon persons of kindred spirit.

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This is the echo awakened in men through spiritual attraction.

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MOVING HEXAGRAM

Click below to view the interpretations and cases:

<https://icic.com/?p=8969>

HEXAGRAM 42 – I - Increase

Above SUN THE GENTLE, WIND
Below CHEN THE AROUSING, THUNDER

The **idea of increase** is expressed in the fact that the strong lowest line of the upper trigram

- has sunk down and
- taken its place under the lower trigram.

This conception also expresses

the fundamental idea on which the Book of Changes is based.

To rule truly is to serve.

A sacrifice of the higher element that produces an increase of the lower is called an out-and-out increase:

it **indicates** the spirit that alone has power to help the world.

THE JUDGMENT

INCREASE.

- It furthers one To undertake something.
- It furthers one to cross the great water.

Sacrifice on the part of those above for the increase of those below

- fills the people with a sense of joy and gratitude
- that is extremely valuable for the flowering of the commonwealth.

When people are thus devoted to their leaders,

- undertakings are possible, and
- even difficult and dangerous enterprises will succeed.

Therefore in such times of progress and successful development it is necessary to

- work and
- make the best use of the time.

This time resembles that of the **marriage** of heaven and earth, when the earth

- partakes of the creative power of heaven,
- forming and bringing forth living beings.

The time of INCREASE does not endure,
therefore it must be utilized while it lasts.

THE IMAGE

Wind and thunder: the image Of INCREASE.

Thus the superior man:

- If he sees good,
 - he imitates it;
- If he has faults,
 - he rids himself of them.

While observing how thunder and wind increase and strengthen each other,
a man can note the way to

- self-increase and
- self-improvement.

When he discovers good in others,
he should

- imitate it and thus
- make everything on earth his own.

- If he perceives something bad in himself,
 - let him rid himself of it.

In this way

- he becomes free of evil.

This ethical change represents the most important increase of personality.