

## 2nd Act: From Commercial Airline Pilot to AXA XL's Head of Aerospace Claims

Article by Maryanne Sherman | Published June 27, 2023 on [CarrierManagement.com](https://CarrierManagement.com)

**L**ike most of us in the insurance business, Tom Vargo, AXA XL's claims manager-Aerospace, did not grow up wanting to be an insurance executive. He was fascinated with airplanes and wanted to be an airline pilot.

After earning his BS degree in BioPhysics from the University of Scranton, Vargo joined Dow Chemical as a research engineer, working with extruded piping for water and gas applications. While working at Dow Chemical, he took flying lessons as a hobby.

This was in 2000, before the World Trade Center bombings. After 9/11, there was a gigantic pause in the aviation business, so Vargo became a flight instructor for two years between 2001 and 2003. More

than 20 of his students earned their private pilot's license. One student—Paul Tuhy of XL Insurance—would end up playing a major role in Vargo's life down the road. (Vargo noted that Tuhy was a quick study and went on to get his private pilot certificate.)

Tuhy, then XL's global head of Claims (now retired), had survived the 9/11 attacks. Afterward, he told his wife he wanted to live life to the fullest and make every minute count. One of his passions was to learn to fly an airplane. The day after 9/11, he signed up for flight lessons with Vargo.

“Paul and I met

again in Newark airport in 2009, after I had earned my commercial pilot and multi-engine licenses. I spent the years after 2003 flying turboprop BE-1900D aircraft and had the greatest fun I've ever had! My passengers, however,

### *Executive Summary*

This article is part of a three-part series on P/C insurance executives whose careers in the industry are “second act” careers. Here, AXA XL's Tom Vargo describes how his first career as a commercial airline pilot led him to the role of a more stable career as an aerospace insurance claims manager.

*Part 1 of a Series*



did not like the turboprops because there were no amenities—no food, no flight attendants and no bathrooms. After flying turboprops, I joined Colgan Air, a United subsidiary, where I flew Dash-8400 aircraft to and from Newark airport...”

Vargo was at Newark airport between flights when he ran into Tuhy again. “After talking for a while, Paul said he needed someone with aviation experience to work with him in XL’s claims area. I told him that I had absolutely no

insurance experience. His reply was simple and to the point: ‘I can teach you insurance; I need your aviation experience.’ And the rest is history, as they say.”

After two interviews with XL’s then head of specialty claims and the litigation claims manager, Vargo discussed the possibility of taking the job with his wife, who was pregnant at the time. In the back of his mind was how tenuous employment in the airline industry could be, and he was about to become a fa-

ther, where stability would be important.

“The actual flying part of being a pilot is cool. It’s a great job, but opportunities for growth and professional development are non-existent. I could make good money when I was flying, but most pilots know there’s no future career advancement for a pilot. And then there’s that balance between life and work. You travel all the time.”

He added, “You’re really isolated—barricaded behind a bullet-proof door to the flight

cabin. I couldn't see myself flying for another 35 years."

Vargo joined XL and began learning insurance and claims from scratch. From 2010 to 2014, he attended New York Law School at night, at the age of 35, at the suggestion of XL's litigation claims manager, who also allowed Vargo to take a month off to study for the Bar exams when it came time to take them.

Vargo is now admitted in New Jersey and New York. He said it's been a tremendous experience, one where he can see a pathway forward such as the potential to go into a claims leadership role. "It's like a cool marriage between the technical insurance claims expertise and my experience as a pilot and my aviation operations point of view."

Thinking back to his piloting days, Vargo said insurance claims and piloting are similar in that both require exceptional people management skills. "As a pilot, I often had to explain why the plane was being grounded and to calm stressed-out and angry passengers who, like I, just wanted to get home. In the

claims area, there are some horrific injury cases where the ability to see the other side of a situation and to help negotiate or mediate a situation is critical."

"When people's lives have been upended because of an accident, claims people can help create closure on the financial aspects of the crisis. That means showing up and interacting as a human being first. To say, 'I'm sorry we're meeting here today.' Something you might say to your dad or to a friend. It's a great feeling to be able to show up at such a time and to do something good. That's unusual in the world today."

Another thing Vargo likes about the insurance business is its impact on risk management and safety. "Aviation insurance policies stipulate that pilots and mechanics take refresher courses periodically to be covered under the insurance policy. If insurers didn't require training, some would not offer additional training because of the cost. By requiring training updates, the insurance business promotes safety [through] a loss



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control and risk management focus that is about preventing accidents and promoting safety."

Today, Vargo leads the North American Aerospace claims team of AXA XL. He has over 13 years of complex and high-severity claims experience. He uses his claims knowledge, aviation trends and data to help his underwriting partners better select risks. He is also a trusted resource to AXA XL's broker business partners with valued relationships at all the larger Aerospace brokerage firms. [CM](#)