Dear friends,

Perhaps it was also the warm late summer weather in Madrid or the spectacular view from the 50th floor of Mutua Madrileña’s new office tower in Madrid ... but most of all, it was certainly the profound preparation during the past year that allowed us in the Board to finalise and approve AMICE’s revised strategy for 2013-2018. The three strategic objectives of promoting our business model and strengthening our brand, strongly advocating in favour of mutual and cooperative insurers, and assisting members towards being successful remain the focus of our attention; but improving the value of AMICE to its members will be the main guideline in the work that now has to follow: implementing the strategy and streamlining our work with the aim of optimally using our limited resources.

I would like to thank you again for all your feedback and support through your responses in the surveys, in personal conversations, and in the meetings of the Board and the ExCom that I now have newly chaired since the Brussels General Assembly in June.

Inside this issue of the newsletter, Jessica Sommer informs you in greater detail of the new structures and of the implementation phase that now has to follow. She has been instrumental in structuring and formulating the strategy documents and it is with thanks and regrets that we see her leave at the end of the year. At the same time, we welcome back Helen Sheppard who will return from her sabbatical, probably full of energy and with many good ideas.

The change of the year brings new things: the implementation of the new strategy, new engaged “Commission Chairs”, taking on the responsibility for the core missions – and a new phase in the Solvency II process after the Trilogue agreements and with the start of EIOPA’s Preparatory Guidelines. We must remain vigilant that policymakers and regulators do not abuse the extended timeline for Solvency II to play their own games, to gold-plate and to make the playing field even more uneven between countries or between mutuals and other insurers.

So, I wish you a Merry Christmas and a Happy New Year, inviting you to continue your support for AMICE throughout 2014.

Hilde Vernaillen

Hilde Vernaillen
President

Every association needs a mission, it needs strategic core objectives that enable it to follow its mission and to achieve its aims, and an implementation plan. But, most of all it needs engaged and supportive members – only then can it thrive and benefit its membership to the full extent.
For the last three years, Unipol Group has been implementing a CSR accountability system based on three policy instruments which are closely linked to each other: the three-year Sustainability Plan, the annual Sustainability Budget and the annual Sustainability Report. Overlying the governance of the traditional financial and strategic reporting systems, this process is based on the willingness of top management to integrate sustainability into the core business of Unipol.

The approach requires key internal stakeholders to support the three main phases of **planning**, accounting and reporting. As regards planning, CSR commitments are identified by each business area with the support of the CSR office which identifies key issues and engagement areas.

The next step (**accounting**) entails setting targets and Key Performance Indicators (KPIs) that will subsequently be used in the reporting phase. Such data collection goes hand in hand with continuous monitoring and evaluation. In addition, the annual Sustainability **Report** is taken into account when defining the following year’s Sustainability Budget.

The KPIs are of pivotal importance for guiding and implementing the CSR accountability process. The Sustainability Plan indicators allow close monitoring of the progress made towards the three-year strategic goals and outcomes. The Sustainability Report indicators follow GRI Guidelines with the aim of integrating an evaluation of CSR performance into the overall company performance. This approach, together with an in-depth materiality analysis, has been adopted in order to comply with the EU’s proposed directive on the disclosure of non-financial and diversity information. The Sustainability Budget clarifies Unipol’s social and environmental commitments, the expected results and the strategies to achieve them.

The adopted KPI system assures continuous connections among the three instruments.

Data collected for the Sustainability Plan in the last quarter of each year and in the first quarter of the following year is used to develop the Sustainability Budget. This exercise verifies whether goals and actions are still valid or records necessary changes. The qualitative and quantitative information regarding future commitments (collected every year to build the Sustainability Budget) are also used in order to check the progress made towards the Sustainability Plan goals and to record any gaps. The yearly data collection is also an important point through which to promote and restate the strategic sustainability goals included in the Plan.

When compiling the Sustainability Report, the CSR team verifies the implementation level of the actions outlined in the Sustainability Budget, even though the two instruments are fairly different. The Sustainability Budget has an “educative” function towards the business areas – it pushes them to develop their activities, whilst taking into consideration CSR issues. Unipol plans to make it public in the near future. The annual Sustainability Report is the real accountability tool, as it verifies the achievements of the year, checks and creates benchmarks for the following programming cycle and reports to Unipol’s stakeholders the goals and actions achieved. The link between the two is the development process, which includes all business functions, and in the structure of the document that is targeted to the key stakeholders.

The Sustainability Report measures the progress towards the strategic positioning outlined in the Plan. Some Plan indicators correspond to the KPIs in the Sustainability Report, the main difference being that the Sustainability Report contains **output indicators** while the Sustainability Plan (which has a strategic purpose) contains **outcome indicators**.
Solvency II

Trilogue sets start date for 1 January 2016

After more than 1 ½ years of trilogue discussions – interrupted by the LTGA –, the co-legislators and the Commission agreed on 13 November on the text of the Omnibus II Directive. The text has now to be finalised by lawyer-linguists, has to pass Council and EP (Plenary foreseen for February 2014) and to be published in all official languages of the Union.

This publication opens the door for the submission of the Commission’s Level 2 text to Parliament and Council. Since, however, the EP will close its legislative session in April, the Commission is not expected to (formally) come out with its text before August or September. This is when the objection period for EP and Council starts. Then Technical Standards and Guidelines should be presented by EIOPA and consulted upon. We now hear that consultations on Level 3 may be brought forward to 2014 (starting as early as spring), which may mean extremely challenging parallel work on Levels 2 and 3.

At the time of writing this article, AMICE is preparing a position paper on the results of the trilogue and on the further timeline. This paper is at the same time addressed to policymakers and the public, but is also offered to AMICE members for use in their essential discussions at national level. It is available from the Secretariat.

Solvency II seminar, Paris, 29 November 2013

With some 80 attendants, this seminar was one of the most successful in AMICE history. Not only the title “Solvency II – the way forward” drew the crowds, but also the attractive speaker line-up, including former “Mr Solvency II”, Prof. Karel Van Hulle, representatives from EIOPA, the ECB, the French Trésor and the French supervisor, as well as nine speakers from AMICE members in four countries.

The presentations can be found in the members’ area of the website.

Addressing tomorrow’s challenges & shaping the future for European insurers of people

Reale Mutua in Turin (Italy) hosted 23 delegates from AMICE members in 9 countries who met on 3-4 October to jointly explore challenges and opportunities in the areas of motor claims management and workers’ compensation. A high-level speaker from Capgemini drew key lessons from their 2013 World Insurance Report with a focus on how customer experience and digital channels can impact on operational efficiency and distribution strategies. He observed an improvement in the average combined ratios for most of the countries over the past four years. This was primarily driven by a reduction of the claims ratios due to a decrease in costs and frequency. Only where major natural disasters occurred, significant increases of claims ratios have appeared.

Among the highest ranking countries in terms of customer satisfaction are the US, Australia, Canada, Austria and the UK. Globally seen, agents are still the most preferred channel both in terms of importance and satisfaction during the entire customer lifecycle. Second ranks internet via access through PC. Smart phones, tablets and mobile phones do not yet seem to be so important for customers, but in view of the speedy development and distribution of these devices, it is expected that they soon surpass the use of PCs. At the same time, 70% of customers present a high retention risk due to a not fully satisfying customer experience and could decide to switch to other insurers for even minimal benefits (price and/or services). Insurers will thus need to increase and develop internet mobile services in order to satisfy the emerging expectations by clients. Besides the mobile channel, centralising intelligence and integrating a multitude of channels are pivotal areas of investment. The integration of social media into the service model should also be a strategic priority for the next two years.

The Capgemini presentation as well as the contributions of several of the speakers are available on the AMICE website.
A new strategy for AMICE

The process started with the member survey and the communication survey in the first quarter of 2013; it was continued with in-depth discussions at the Board and the Executive Committee, comprised of a SWOT analysis and a very critical self-assessment of AMICE’s governance and management structures and was rounded off with a second, smaller survey in October. Now, the results are before us: the Board of AMICE has now approved the new strategy.

Promoting – Advocating – Assisting

While not fundamentally changing the association’s three key strategic objectives, significant changes were made on how to interpret, support and achieve them – always focusing on how to maximise value creation for the members and the sector at large. For instance, in all areas of advocacy (which is regarded as a more appropriate term than “lobbying”), the observatory/monitoring function will have to be complemented with a more proactive role in anticipating key moments to influence critical issues of common interest for the membership. Advocacy will shift towards putting an accent on creating opportunities as opposed to solely addressing challenges for mutual and cooperative insurance undertakings. The strategic objectives will be supported by three enabling goals in order to facilitate the achievement of these objectives.

All activities and engagement in existing and new Working Groups (including former taskforces) will be strongly aligned to the three strategic objectives through the establishment of the three Commissions: (I) Promoting, (II) Advocating and (III) Assisting. Each chaired by a member of the Board, the Commissions will assume a key function in overseeing the work programmes of the Working Groups, measuring progress and demonstrating results, as well as raising critical key issues at the Board level. The Commission Chairs will also report back from the Board and Executive Committee meetings into the Working Groups. They will establish a close work relationships with the Chairs of the Working Groups and be supported by the Secretariat in their efforts to measure progress and demonstrate both results and key achievements.

Terminology will be simplified: the taskforces will be renamed into Working Groups and be re-shaped in collaboration with their members. The taskforces on motor claims management and workers’ compensation will cease to exist, but the new structure will not allow these topics to be completely “forgotten”. On the other hand, there are plans to establish several new Working Groups, for instance one on health issues.

The next steps

Discussions are currently being held with partner organisations like AIM and ICMIF with the aim of co-leading some workstreams. A detailed overview of the new Working Group structure can be found in the accompanying organisation chart.

Necessary changes to the Articles of Association will be made in consultation with AMICE’s lawyers and submitted to the 2014 General Meeting for approval. Until then, the new governance will be implemented to the greatest extent possible, with due observance of the existing Articles and in full transparency to membership.

The revised strategy will have a five-year horizon (2013-2018/2019) with a mid-term review in 2016. Work has started on the important next step, an implementation plan translating the strategy into concrete deliverables which will be monitored and assessed on a regular basis. These will include a clear description of duties and responsibilities which will be discussed within and across each of the different areas of engagement. The objectives will also assign clear tasks to the governing bodies of AMICE. The implementation plan will be explicit about the way in which the different action points contribute to the achievement of the overall strategic goals of AMICE.

In a nutshell

AMICE’s new strategy consists of three strategic goals and three enablers:

• Promoting the mutual and cooperative business model and strengthening its brand
• Creating opportunities and addressing challenges for mutual and cooperative insurers
• Enabling AMICE members and in particular small and medium-sized insurance undertakings to be successful.

The enabling goals are:

• Improving the value of the association for its members and potential members
• Optimising the governance, transparency and efficiency of the association to maximise overall impact
• Securing the appropriate resourcing of the association.

Report from the AMICE Board meeting

On 12 November 2013, the Board of AMICE met at Spanish member Mutua Madrileña Automovilista SSPF with the aim of discussing the association’s new strategy. They welcomed the clear alignment of any activities and engagement at Commission and Working Group level to the three key strategic goals and approved the strategy. In line with this, the Board also appointed the members of the Executive Committee and the new Commission Chairs to the extent possible. More detailed information on the strategy can be found in the relevant article of this edition.

Besides putting a new strategy in place, the Board received an update and progress report on the preparations for the next biannual AMICE Congress in Nice on 4-6 June 2014. The Board also approved three new applications from small mutual insurers, namely Elini (BE), NIRA (LU) and BlueRe (LU), thus adding the first members from Luxembourg to AMICE’s membership.
**2014 Congress | Business – the mutual way**

Following the save-the-date and heads-up communication on the fact that registrations are open, preparations in the run-up to the next AMICE Congress in Nice on 4-6 June 2014 are progressing very well. The three French organisers GEMA, ROAM and FNMF demonstrate pure excellence in ensuring a well thought out logistical framework and in offering an exciting social programme for your stay in Nice next year. A Congress brochure with more detailed information is currently being prepared and will be shared with the CEOs and main contacts of AMICE in February 2013 and with key external stakeholders. If you would like to receive a copy, please inform the Secretariat (secretariat@amice-eu.org).

In terms of contents, the Congress will open with an expert update on regulatory developments at the European institutions. Gabriel Bernardino from EIOPA has already confirmed his availability and will be challenged by speakers from AMICE members on the question how much regulation really benefits consumers. As motivational keynote speaker, political scientist Prof. Riccardo Petrella will elaborate on “The mutual way - a neo business model or a new economy (oikos nomos)?”.

Another working session of our congress will address social security issues and the unique positioning of the mutual and cooperative sector to provide more value to society. In cooperation with AIM and supported by shining examples from among membership, we expect to deliver a strong message about the growing role of our sector in the times to come.

The closing session, too, will look at ways to increase customer value, but from a more technical side. “Big Data” is the new catchword: how can our customers not only feel exploited and X-rayed, but actually receive better service and products through the use of their and their mutual’s data.

Don’t miss out on your chance to register your attendance, book your hotel and find more detailed information directly on the Congress website www.amicenice.eu.

**Integrating CSR into governance and strategy**

On 1 October 2013, 11 delegates from 6 AMICE member organisations came together at the Italian AMICE member Unipol (see also our main CSR article) to exchange views on how to fully integrate CSR efforts into the business strategy and governance structure of mutual and cooperative insurers.

The Board of the Belgian member Ethias has established a CSR Committee of 17 staff members from all business lines and departments; it is chaired personally by the CEO. Each Committee member contributes from his/her own area of expertise, submitting at least one project proposal on social or environmental engagement per year which is being enlisted for prioritisation purpose.

Unipol has established a set of Key Performance Indicators (KPIs) to fully embed their CSR activities into the governance and strategy. Their framework consists of involving a broad range of key stakeholders in the dimensions of planning, accounting and reporting. The company also engages in a pilot project to align social reporting of big companies with data collection at the Italian National Institute of Statistics (ISTAT).

A researcher from Impronta Etica shared results from a study on the interrelation between socially responsible companies and the sustainable development of the territories they reside in. Measuring what companies do directly relates to the well-being in the territory, according to their study.

**CIRIEC publishes a book on social economy in public policy**

The International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC) recently published a book on The Emergence of the Social Economy in Public Policy. It presents an international analysis of public policies concerning social economy, its key features, objectives and patterns of evolution. The book concludes by examining the evolution, divergence and convergence of the social economy and its integration in public policy.

CIRIEC is a non-governmental international scientific organisation. Its objectives are to undertake and promote the collection of information, scientific research, and the publication of works on economic sectors and activities oriented towards the service of the general and collective interest.

For further information and copies please contact CIREC at http://www.ciriec.ulg.ac.be/en/pages/6_4_peterlangGB.htm
AMICE meetings and events

- 12 December 2013 . . . Brussels . . . . . . . CSR working group
- 04 February 2014 . . . Brussels . . . . . . . Communications working group
- 05 February 2014 . . . Brussels . . . . . . . Executive Committee
- 05 February 2014 . . . Brussels . . . . . . . Presidency Meeting
- 26 February 2014 . . . Online . . . . . . . . REI working group
- 31 March 2014 . . . . . . Budapest . . . . . . Board
- 07 May 2014 . . . . . . Brussels . . . . . . . Executive Committee
- 04 June 2014 . . . . . . Nice . . . . . . . . . . Board
- 05 June 2014 . . . . . . Nice . . . . . . . . . . General Meeting
- 04-06 June 2014 . . . . . . Nice . . . . . . . . AMICE Congress
- 09 September 2014 . . . . . . . Brussels . . . . . . Executive Committee
- 09 September 2014 . . . . . . . Brussels . . . . . . Presidency Meeting
- 10 September 2014 . . . . . . . Brussels . . . . . . REI working group
- 04 November 2014 . . . . . . . Turin . . . . . . . Board
- 27 November 2014 . . . . . . Online . . . . . . . REI working group

External Events Calendar

- 10-11 Dec 2013 . . . . . . Zurich . . . . . . . Risk Management & Solvency II Summit
  Infoline
  * 20% discount for AMICE members
  Presentation of Gregor Pozniak on Solvency II Implementation Timeline
- 16-17 Jan 2014 . . . . . . Strasbourg . . . . . Social Entrepreneurs - Have your say! Conference
  European Commission
  Joint information stand of AMICE, AIM, ICMIF, FNMF et al.
  Fleming Europe
  * 15% discount for AMICE members (code : AMICE15)
  Panel Discussion on Regulatory Developments chaired by Gregor Pozniak
  The Economist Group
  * 20% discount for AMICE members