CSR in the mutual insurance sector: choices for the future
CSR IN THE MUTUAL INSURANCE SECTOR:
CHOICES FOR THE FUTURE
Brussels, 20 January 2006

Report on the colloquium organised by the CSR Taskforce of the Economic Intelligence Working Group, chaired by Philippe LALLEMAND
**Table of Contents**

1. **Introduction** ............................................................................................................................... p.5
   Jacques Marenne, Leader of AISAM’s CSR Taskforce, *Ethias*, Belgium

2. **Colloquium Programme** ........................................................................................................... p.9

3. **Colloquium Highlights** ............................................................................................................. p.11
   3.1 **Communicating the message**
       Stuart Tragheim, Head of Member Relations and Industry Affairs, *Liverpool Victoria*, UK
   3.2 **Sustainability Reporting Guidelines and mutual insurance companies**
       Erik De Smedt, Director of Sustainable Development, *In Society sprl/bvba*, Belgium

4. **Press release** .............................................................................................................................. p.18

5. **Conclusion** .................................................................................................................................. p.19

Annex: **Overview of speakers and their presentations** ............................................................... p.21
1. **Introduction**  
   Jacques Marenne, Leader of AISAM’s CSR Taskforce, *Ethias*, Belgium

On 20 January 2006, AISAM organised a Colloquium on **CSR in the mutual insurance sector: choices for the future**. The event was attended by more than 60 participants, the majority from AISAM member mutual insurers but also from other insurers, banks, European and national authorities, universities, etc.

This colloquium followed on from the report and survey published in 2004 “Social Responsibility: Key Theme for Mutual Insurance Companies” which aimed to give mutual insurance companies “an overview of the Social Responsibility tools used within the sector, and to convince all those which have resolutely chosen this path of its usefulness and efficiency.” The report details the actions carried out and concludes “Mutuals are already implementing social responsibility and corporate governance without knowing it, and often without making it known”.

AISAM’s current taskforce on CSR decided to take on the task of continuing this analysis while concentrating on 2 specific elements – Enhancing the value of membership and Reporting and transparency – and which were therefore the two sub-themes of this colloquium.

Given their line of business and their unique structure, the mutual insurance companies that we represent have made corporate social responsibility (CSR) a key element of their identity. For a good number of years, the CSR approach has set them apart; it is a strategic positioning tool that they intend to defend and prolong.

Today there is growing demand for these companies to take on their responsibilities to society. Every company must reassess its management methods and take into consideration what individuals and companies, who are directly or indirectly affected by its activities, expect from them.

We live in a world of chaos, shaken by monetary fluctuations and geopolitical instability, and we seek a new world economic order and, often a new national balance, but nothing can be taken for granted.

Henry Ford once said, “The only thing that is constant is change.” In the span of one generation, our mutuals have gone from econometric management that can be modelled and planned in the medium- and long-terms to management methods based on uncertainty. Today, managers must focus essentially on grappling with the unpredictable and risks in finances, social conflicts, pollution, image, reputation, etc.

This mission is crucial because in a context of uncertainty, a mutual company can only survive if it can adapt to unpredictable, or at least uncontrollable, changes. But, how can we predict a future that will always be an inexplicable mixture of the predictable and the unpredictable, the probable and the improbable?

Managers resort to words to express their apprehension toward the future, words like foresee, foretell, predict, foresight, prevention, etc. However, these words fail to express the anxiety that the third millennium has revived and they are unable to open the way to the many issues of the future.

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1 For copies of the report, please contact AISAM’s Secretariat General at aisam@aisam.org, or download the order form from the documentation section of the public library on www.aisam.org
So, between the calculable and the imaginable, managers prefer the foreseeable. The aim is no longer to control or measure the future, but to forecast, to be on the lookout for future trends and to pinpoint the emerging events that point to the type of future we wish to build.

Corporate social responsibility is one of these emerging trends and it is becoming increasingly accepted in business circles (Gendron and Champlon), to the extent that CSR is most often implemented as a key strategy.

As Dominique Bé of the European Commission whose interview opened our colloquium told us, CSR has evolved from its social or environmental dimension involving NGOs, consumers and investors to become a real management tool enabling companies to integrate the concept of societal quality, not only from a technical point of view but also from a wider concept of quality.

The first companies which carried out socially responsible actions did so under pressure from these NGO’s. Public relations departments were generally responsible for carrying them out as the main contact point with stakeholders. Today the situation is changing with CSR involving not only the PR department but also the production, marketing and product development departments, becoming part of the everyday management of each and every department.

In the mutual insurance companies we represent, the CSR dimension is already well ingrained, because mutuals are genetically predisposed towards CSR. The values they defend are part of a historical process.

However, a CSR model has never been reproduced. To borrow an image from the field of genetics, in an attempt to reproduce such a model, during cell division a union of chromosomes occurred and mutations were produced, each with its own characteristics. This is why for our fellow citizens the concept of CSR is often a multidimensional, confused concept that is poorly defined and unstable.

This is not surprising. In practice, according to the European Commission’s definition, CSR starts where the law ends, which means that all mutuals, regardless of their size, can express their commitment through different types of actions. For example, under the heading of CSR reports, we find a jumble of items, such as socially responsible investment, equality in human resource management, marketing geared toward consumer needs, respect for ethical principles, environmental protection, value creation for stakeholders, respect for human rights, implementation of corporate governance, etc. Consequently, there is no instruction manual on how to implement a responsible strategy.

In addition, a mutual cannot take up all CSR themes at once, because the scope of application is too vast. It is better to cover only a few, and do it well, than to cover many, and do it poorly. A company must choose its field of action where its core business is directly implicated.

Lastly, corporate social responsibility is one of the gems of mutual insurance companies. It is a diamond in the rough, with only a few polished facets. This means that this long-term investment requires a great deal more work. There are still many facets to be discovered before the diamond can shine brightly and sparkle as it should.

The colloquium gave us the chance to discover how our colleagues have implemented in their mutual societies the notion of a responsible company, the relations they have established with their stakeholders, how they take account of that in their management, how profitability targets are achieved and their vision of the world, its people and the planet.
We also learnt how this approach has affected transparency and accountability, how our colleagues gauge the effectiveness of their efforts, the projects they back and why, and how they communicate this information to the people outside the mutual.

Despite the progress already made, there is still a great deal of work left to do. Compared to more mature areas, such as finance, marketing and production, CSR is still at the prototype stage. CSR instruments are more complex and must cover an area that is poorly-defined and reaches beyond the convention borders of a company. Furthermore, these tools must be implemented by people whose culture, background and logic focus on economic and financial performance, often on the short-term only.

The debate is therefore far from over yet. AISAM hopes that the result of its reflection will further contribute to creating the concept and path of a true socially responsible society.
2. Programme

**Chair:** Philippe LALLEMAND, Chairman of AISAM’s Economic Intelligence Working Group, Advisor to the Management and Director of Human Resources, *Ethias*, Belgium

**9.00 – 9.15:** Welcome by Philippe LALLEMAND, Chairman of AISAM’s Economic Intelligence Working Group, Advisor to the Management and Director of Human Resources, *Ethias*, Belgium

**9.15 – 9.30:** Opening session

Interview with Dominique BE, Deputy Head of Unit, Social Dialogue Unit, *DG Employment & Social Affairs, European Commission*

Interviews with CEOs of mutual insurers: What does CSR mean today?

Michel DUPUYDAUBY, *MACSF*, France; Werner GÖRG, *Gothaer*, Germany; Asmo KALPALA, *Tapiola*, Finland; Angelo PILONI, *Reale Mutua*, Italy

**Part I: Enhancing the value of membership**

**9.30 – 9.45:** Introduction to the theme “Enhancing the value of membership”
- Lieve LOWET, *Secretary General*, AISAM

**9.45 – 10.30:** Involving policyholders in governance
- Michel DUPUYDAUBY, Director General, *MACSF*, France (40 minutes)
- 5 min Q&A

10.30 – 11.00 Break

**11.00 – 11.45:** Communicating the message
- Stuart TRAGHEIM, Head of Member Relations and Industry Affairs, *Liverpool Victoria*, UK (40 minutes)
- 5 min Q&A

**11.45 – 12.30:** Improving the quality of services
- Pedro OTAEGUI, Business Development Department, *Mutua Madrileña*, Spain (40 minutes)
- 5 min Q&A

12.30 – 14.00 Lunch
Part II: Reporting and transparency

14.00 – 14.10: Introduction to the theme “Reporting and transparency”
- Lieve Lowet, Secretary General, AISAM

14.10 – 14.50: Sustainability Reporting Guidelines and mutual insurance companies
- Erik De Smedt, Director of Sustainable Development, In Society sprl/bvba, Belgium (35 min)
- 5 min Q&A

14.50 – 15.30: The societal report as an evaluation tool
- Tiziana Graneris, Reale Mutua - Alessandro Molinari, ITAS, Italy (35 minutes)
- 5 min Q&A

15.30 – 15.45: Break

15.45 – 16.20: Customers’ Examining Committee
- Sampsa Saralehto, Deputy Chief Executive, Helsinki Region Chamber of Commerce, Customers’ Examining Committee, Tapiola, Finland (35 minutes)
- 5 min Q&A

16.20 – 17.00: Using transparency to benefit member-policyholders
- Claudio Ramos, Director of international legal department, Mapfre, Spain (35 minutes)
- 5 min Q&A

17.00 – 17.50: Round table: should mutual insurers be more socially responsible than limited companies?
Moderator: Lieve Lowet, Secretary General, AISAM
Panel: Michel Dupuyauby, MACSF, France; Sampsa Saralehto, Tapiola, Finland; Tiziana Graneris, Reale Mutua, UK; Claudio Ramos, Mapfre, Spain

17.50 – 18.00: Closing remarks by Philippe Lallemand, Chairman of AISAM’s Economic Intelligence Working Group, Advisor to the Management and Director of Human Resources, Ethias, Belgium
3. Colloquium Highlights

3.1 Communicating the message
Stuart Tragheim, Head of Member Relations and Industry Affairs, Liverpool Victoria, UK

Corporate information

Formed in 1843, Liverpool Victoria is today the UK’s largest friendly society and 4th largest mutual insurer, with 1 million members and a further 1.5 million customers. We are financially strong, managing around GBP8 billion of assets on behalf of our members. We provide life, pensions, protection, general insurance (home, motor and travel) and banking (loans) through multiple distribution channels.

Define ‘communication’?

There are many different definitions of communication – my favourite is “The definition of communication is the response it elicits.”

Liverpool Victoria communicates with its customers and members both directly and indirectly through trade and website advertising and through PR and lobbying activities such as our recently launched ‘Modern Mutuality’ report (available upon request).

Not only do we communicate to our customers and members, we also encourage them to communicate with us and each other. We believe that our customers and members should be treated as individuals and as such, we are committed to ensuring they are treated fairly at every point of contact. We believe our members feel that membership/mutuality is a good thing that can provide both financial and emotional benefits and the ability to participate in running the business should they wish.

In order to ensure our customers and members have positive experiences at every point of contact with us, we measure and benchmark our performance through plain language testing (and accreditation) on key documents, monthly customer satisfaction research and strategic Key Performance Indicators on quality measures (complaints handling, propensity to recommend, cross buying). We also participate in ABI’s Customer Impact Survey.

How we listen to members

At Liverpool Victoria we listen to our members through member representative’s meetings, regional member panel meetings, customer satisfaction research, day-to-day telephone contact and feedback through our website.

Member Representative Panel

The member representative panel is formed of 60 experienced members and meets twice each year. During these panels, Directors give formal presentations on business developments and issues. There is also an open forum discussion on any topic, which can be very challenging!

Regional Member Panels

We aim to hold 4 regional member panels each year at different locations around the country. The purpose of these panels is to engage our members directly, providing them
with information on the progress within the business, gaining input and feedback from
our members and enabling the exchange of views on a wide range of topics.

During 2005 we held 3 regional member panels during which we conducted member
input sessions covering new product concepts, views on membership, our new yearly
benefit statements for our investment products and membership help lines.

The Question & Answer sessions were very open, largely constructive and challenging.
The key findings of these panels were that members value the direct contact with
Directors and senior managers. Over time we aim to increase the number of attendees
in order to achieve greater member interest and participation.

Communication with members
We communicate with our members through yearly statements, consumer-friendly
explanation of how we manage the with profits fund (CFPPFM), ‘Insight newsletter’ and our
website.

New yearly statements
Liverpool Victoria’s members communicated their wish for clearer, more informative
annual statements at the 2005 AGM. We listened to our members and now have an
agreed template based on industry best practice with a clear layout, written in plain
language. The new statements include explicit disclosure of charges and Market Value
Reductions among other things. Having been tested by our members with positive
results, we expect phased implementation to commence during the second half of 2006.

With profits explained
With effect from 1 January 2006 it became a regulatory requirement to provide both
new and existing with profits customers with a plain English explanation of how we
manage our with profits fund. We tested ours with our members to ensure it was easily
readable and understandable before issuing it.

‘Insight’ newsletter
During 2005 we created the Insight Newsletter which is now sent to all our with profit
bondholders to provide them with a useful update on the investment performance of the
fund and other topical items. In response, we have received positive feedback (and
some pertinent questions) and plan to produce a further issue shortly.

Website development
We added extra member information during 2005 (AGM results, Member Panel
meetings, etc.). During 2006 we plan to redesign the member section to make it easier
to access important information such as how to become a member and the benefits of
membership. There is now also a new ‘membership’ email address available.

Treating customers fairly
This is an FSA initiative, which requires the financial services industry to treat customers
fairly at every stage of the customer’s experience (from product development through to
claim). The industry is responding with customer promises and public reporting of results
through the ABI’s Customer Impact Scheme.

We have joined the ABI’s Customer Impact Scheme which ensures that the needs of our
customers and members are at the core of the way in which we run our business. We do this
by developing and promoting products and services that meet the needs of our customers and members and by providing them with clear information and good service when they buy our products. We maintain appropriate and effective relationships, providing our customers and members with a good service after they have bought a product.

**Developing Appropriate Products**

In order to treat our customers fairly when designing new products, we asked our customers what they wanted. The results showed consumers want transparency, guarantees, accessibility, choice of asset allocation, protection against market volatility and switching potential. Consumers’ Investment horizons have also reduced to 5-10 years. The result of our research was our All-In-1 Investment Bond with its three fund options, details of which can be found on our website - [www.liverpoolvictoria-ifaf.co.uk](http://www.liverpoolvictoria-ifaf.co.uk).

**Conclusion**

Communicating the message is vital - we seek to ensure that our customers and members understand what membership means and how it can be relevant to them in the modern world. We strive to develop appropriate products and services based on customer needs and expectations. We constantly measure how well we are doing and customer feedback enables us to look for ways in which we can improve continuously.
3.2 Sustainability Reporting Guidelines and mutual insurance companies
Erik De Smedt, Director of Sustainable Development, In Society sprl/bvba, Belgium

Why report?
The question of why a company should report often makes people feel helpless. The question only gets half of the answers it deserves. Some cheap advice: if you do not have good reasons to report, then don’t do it. It makes no sense to fool yourself, or for a company to fool itself. If you’re not convinced and engaged, you will not get added value from your work.

This doesn’t mean that reporting should not be stimulated, on the contrary. People should be convinced of the necessity to report before setting up such a process: convincing them may require some effort.

Reporting is not a goal, it is a means. If you want to report, you have to be aware of the goals and the processes that you’re setting up.

Management of a companies’ corporate social responsibility (CSR)
Sustainability management is a process; it is not a one off event. It requires measuring and target setting, in a domain with moving targets. A management system and management follow up are necessary conditions.

Without reporting, there is no communication of targets and performances. If a company wants to be successful nowadays, it is required to set goals on an integrated basis in the economic, the social and the environmental domains, taking into account constraints and opportunities.

CSR-management takes into account issues brought forward by stakeholders, inside and outside the company, considering them as strategic partners. If you want to get valuable information from your stakeholders then you need to take them seriously. This requires you to inform them properly about your activities, goals and results (and on the progress you make in conforming to their expectations). Stakeholders have expectations; they want to be recognised by the company since the world in which they live is an anonymous one that is changing at an increasing speed.

Isn’t there any more? About strategic thinking
Of course there is more. Stakeholders are a crucial source of information. They may be critical, loyal or not. They may point out opportunities and threats. They are an early warning sign: so don’t shoot these piano players, honour them. Make sure you inform them in words they can understand, instead of the usual marketing language. This is often a long process but it will be very beneficial at various levels. Take their signals seriously and see how you can make a project for the future from them.

Companies (and government administrations) have a tendency to look at reality from a very narrow and straightforward position, as if history simply repeats itself. However, the world is changing at an ever-increasing speed. Economic, social and environmental conditions are changing fundamentally.
Strategic thinking requires you to understand these fundamentals and to position your organisation in relation to these new realities. This is not an easy game! Successful companies are those which understand tomorrow’s world and which are able to come up with answers, projects and products that take into account economic, environmental and social constraints, which make opportunities from threats and weaknesses.

Be sure to bear in mind that today’s decisions will be judged tomorrow, not on the basis of today’s standards but on the basis of tomorrow’s standards. Demands and standards tend to increase. So if your goal is to be profitable and to create value for tomorrow, don’t fool yourself or your shareholder, nor your stakeholder.

**Sustainability reporting in an insurance company**

If an insurer wants to be successful, confidence in his organisation is crucial. Credibility is the key; it is the license to operate. The company need to be a credible source of information. This means ‘the good, bad and the ugly’ said the person in charge of a Belgian multinational company.

Confidence is linked to the company’s practice over a longer period. The importance of environmental and long-term risks is increasing. Reporting helps to understand the business. Is the insurer taking the right position and acting in a proper way in relation to these perceived risks and in relation to societal expectations? Is this reflected in the company’s risk management? This risk management is directly linked to proper risk perception methodology, the cost of carrying a risk. We are in the core business of an insurer.

Once again the stakeholder is your partner in risk (and opportunity) perception. Stakeholders lead you to competitive differentiation and help you unlock hidden values. The insurer’s values and risk profile will take into account the increased importance of good governance and ethics.

The investment policy will reflect these concepts. Non-financial criteria are gaining increasing importance. Financing or insuring contested ecological projects will lead to ‘collateral damage’. NGO’s, clients and the media will present you with the bill; sooner or later, but the bill will come. Insurers should therefore report on their investment policies and install adequate systems of governance.

**Sustainability reporting in a mutual insurance company**

Mutual insurers have a competitive advantage. They have a golden bird, a strategic asset, the member. Some know about the gold, others think they have to keep the gold behind big fences. But a bird has to fly.

Stakeholder dialogue was invented for mutual insurers. If it didn’t exist beforehand, mutual companies would have invented it. Mutual insurers have to strengthen their relations with their members. Reinforcing the stakeholder dialogue is the way to do this. It is an opportunity to reinforce communication with the members. This will lead to better risk and opportunity perception and strategic positioning, it will also lead to increased loyalty; people want to be recognised, want their ideas to be known. Customers appreciate an insurer that develops its strategic project taking into account their values and expectations. The concepts of stakeholder dialogue and sustainable development are the bridge between your core business and your strategic asset.
Sustainability reporting should be based on sound principles

The Global Reporting Initiative, GRI, is a voluntary standard in the domain of sustainable reporting. The standard is widely accepted by companies and international bodies and is based on sound principles which are shown in the diagram below. It is the principles that matter rather than the format. The report asks for quantitative and qualitative information.

It is advisable to use a set of standard indicators. They allow comparability over time and between companies, allowing benchmarking.

GRI has developed sector supplements for some specific sectors, amongst them the financial sector. The supplement gives valuable additional sector specific guidance. Insurers face numerous sensitive issues.

Most of the information is available on the internet: see www.globalreporting.org. Guidance in implementing these systems may facilitate your work and increase the success ratio. Some companies make huge efforts to report without making the process part of the management systems. They will not benefit from the exercise and may even be punished by the market sooner or later.

Source: GRI

Five questions that may help you to benefit from CSR reporting

1. How will CSR-reporting support our business strategy? About a mutual insurer’s strategy. Is CSR a strategic topic, or is it an add on?
2. What is important to the people who really influence our business?
3. What do we report?
4. How do we use this information? About management systems and management goals.
5. How do we demonstrate credibility?
The reader will realise that the basic and underlying question is whether the insurance company has a sustainable business project, a well-founded strategy. Realising a strategy is a process in the same way as sustainability reporting. It is not a one off event, nor a one night stand!
5. Press release

Brussels, 27 January 2006

COLLOQUIUM: “CORPORATE SOCIAL RESPONSIBILITY IN THE MUTUAL INSURANCE SECTOR: CHOICES FOR THE FUTURE”

Last week, AISAM (Association Internationale des Sociétés d’Assurance mutuelle) held a colloquium at the Brussels headquarters of KBC on “Corporate Social Responsibility in the Mutual Insurance Sector: choices for the future”. Some 75 participants, mostly AISAM member mutual insurers, as well as other insurers, and national and EU authorities, were in attendance. The wide range of speakers, representing many European countries – France, Belgium, United Kingdom, Finland, Spain, Italy, Sweden and others – all expressed strong interest in CSR.

This colloquium followed on from the AISAM report published in 2004, entitled Social responsibility: key theme for mutual insurance companies, which offers insurance mutuals an overview of the social responsibility tools used within the sector, and endeavours to show that they are both useful and efficient. Although the report concludes that mutual insurers fulfil CSR without knowing it and often without making it known, the AISAM CSR taskforce decided to pursue this analysis by focusing on two specific aspects – enhancing the value of the membership and, secondly, reporting and transparency:

• The subject of enhancing the value of membership prompted the example from MACSF (FR) of involving them in governance. European insurance mutuals that develop in a positive fashion tend increasingly to forge close ties with their policyholders by organising professional communications, as described by Stuart Tragheim, Head of Membership Relations at Liverpool-Victoria (UK).

• Transparency and reporting as a means to diversify was illustrated using examples from Italy (Reale Mutua, ITAS) and Spain (Mapfre). Claudio Ramos explained that insurers perform well in transparency and that insurance mutuals and companies listed on the stock exchange enjoy a mutually inspiring relationship.

A roundtable session entitled “Should insurance mutuals be more socially responsible than limited companies?” brought together speakers from several countries, asserted that the answer should naturally be yes, and stressed that mutuals are very familiar with CSR. Philippe Lallemand, Chairman of AISAM’s “Economic Intelligence” Working Group and special advisor to the Ethias Management Committee, closed the day’s session.
6. Conclusion

As highlighted in the introduction, AISAM’s 2006 CSR Colloquium decided to focus on two main themes: Enhancing the value of membership and Transparency and reporting.

In the area of membership value enhancement, based on the contributions from the colloquium we concluded that this is the result of three crucial steps: involving the members, becoming the reference for member-policyholders and communicating the message to members.

• Involving members in the governance of the mutual society: the active participation of members in the different governing bodies such as Board, various committees and the General Meeting of members remains the basis for a jointly decided member-focused strategy with products managed in a concerted way; and appropriate rebates and additional services to complete the membership offer. This implies a transparent group functioning, without which this member involvement is not possible.

• Becoming the reference for member-policyholders: expansion to better serve clients, well performing direct channels and additional services and business lines add to the value of membership in highly competitive business lines such as motor insurance.

• Communicating the message to members: Listening to members is essential to be able to communicate what membership means hence the need for different panels involving members: financial and emotional benefits translated through involvement and participation. Understandably simple (but not simplistic) business communication will increase a “feeling of belonging”. This in turn increases the value of membership.

In the area of Transparency and reporting, the conclusions were more diverse:

• Reporting is about credibility, reputation and competitive differentiation (which is important in a commodity industry such as insurance). There are sustainability reporting guidelines enshrined in GRI but they are as of today only followed (partially) by some insurers. It is not yet a widespread phenomenon: more work needs to be done in this area.

• Societal reporting is a tool to communicate how a mutual society lives its mutuality: this can be through stressing a company’s identity, but also via an alternative way of presenting the company’s creation and (re)distribution of added value. Different stakeholders will thus better understand the link between values and volumes.

• Transparency also implies that customer complaints and rights should be taken to heart: one way is to install a formal procedure to guarantee customers free access to an otherwise expensive dispute resolution. Alternatively, a policyholders’ complaints evaluation committee may ensure the necessary transparent improvement to services. Finally, and probably hitherto the farthest going is the installation of a customer’s examining committee which evaluates how the insurer has practiced mutuality.

From the above it becomes clear that the different elements of a corporate social responsible company are intricately interwoven. It is also clear that mutual insurers, although being more customer (=member) focused than any other type of company can still improve and learn from one another.
Jacques Marenne explained in his introduction that the CSR concept today is still poorly defined and unstable. While this has drawbacks, it also has advantages: the dynamic nature of the concept asks for and allows for constant improvement and re-questioning. The diamond is far from totally cut and polished. Mutual insurers who have a natural tendency to engage in CSR policies and strategies will continue to play their role and help develop the concept further towards their customers, their third parties and the society at large. We hope that this current report will be appreciated as part of our contribution to the debate.

Lieve Lowet,

AISAM Secretary General

Brussels, January 2006
Annex: Overview of speakers and their presentations
Welcome

by Philippe Lallemand, Chairman of AISAM’s Economic Intelligence Working Group, Advisor to the Management and Director of Human Resources, Ethias, Belgium

Philippe Lallemand is Special Advisor to the Management Committee, Director of Financial Investments and Director of Human Resources for Ethias.

Philippe joined Ethias in 2000, following time spent within various ministries. Ethias is a Belgian mutual insurance group made up of 4 mutual companies which together form the second largest insurer on the Belgian market (with a 15% market share in 2004, more than 1.2 million insured, premium income of 4.4 billion Euros).

Philippe Lallemand is also a Board member of subsidiaries of the Ethias Group (Ethias Banque, Nateus, Belré, etc.) as well as some other institutions (Fondation Roi Baudouin, AWEX, etc.).

Philippe holds a law degree from the University of Liège, was born in 1962, and is married with 3 children.
Introduction to the themes

by Lieve LOWET, Secretary General, AISAM

Lieve joined AISAM as Deputy Secretary General on 1 June 2003 becoming Secretary General in October 2004. Prior to this, she worked at McKinsey as European insurance expert, specializing in European regulations and bancassurance; she was also a Board member of the European Financial Institutions Centre (EFIC), McKinsey’s business unit specialized in research and analysis of financial institutions which she helped found.

She started her career as a banker at BBL (now ING) Belgium.

Lieve holds a law degree from KUL (Katholieke Universiteit Leuven), Belgium, a BA in philosophy and a Masters degree in International Affairs from SAIS (School of Advanced International Studies), Johns Hopkins University.

She is married with 3 children and lives in Brussels.
Involving policyholders in governance

by Michel Dupuydauby, Director General, MACSF, France

Michel Dupuydauby has been Director General of the MACSF Group since 2001 having been Operational Director from 1992 to 2000. Before joining MACSF, he was regional Director General for AXA in 1991 and Operational Director in various parts of the AXA group from 1977 to 1990.

In 2005, he was elected as President of ROAM, one of the French mutual insurance associations, and to the Board of the FFSA (the French federation of insurance companies). He was President of the ARGOS association from 1991 to 1999.

After training as an engineer, he began his career in the construction industry.

Outline

After an introduction to the creation of the mutuals which make up the MACSF group today, the speaker will talk about the various ways in which the member-policyholders are involved in the governance of the company: their place on the Boards, their involvement in the AGM and in various committees, their role in approving strategic projects and in developing products. He will conclude by talking about what the MACSF group gives to its members in return.
Communicating the message

by Stuart Tragheim, Head of Member Relations and Industry Affairs, Liverpool Victoria, UK

Stuart Tragheim is Director of Intermediary Sales for Liverpool Victoria. He is also Head of Member Relations & Industry Affairs.

Stuart joined Liverpool Victoria in May 2005, having worked previously for the Association of British Insurers (as Director of Raising Standards and latterly as Human Resources Director). Liverpool Victoria is the largest Friendly Society in the UK and the 4th largest mutual insurer. He has worked within the financial services market in the UK for more than 20 years, mainly in sales and marketing and business development. Prior to joining the ABI, Stuart was Director of Development for Teachers Provident Society (a Friendly Society specialising in providing financial services to the academic profession).

Stuart contributes to the activities of a number of UK financial services trade associations (ABI, ILAG, AFS, AMI) and now AISAM.

Stuart was born in 1964, and is married with 2 children.

Outline

The speaker will explore the meaning of membership communication and the kind of responses Liverpool Victoria is seeking from its members on membership issues broadly. He will explain some of the methods LV uses to interact directly with its members and discuss the results of some of its recent activities as well as explaining how the company plans to develop its Member Relations’ activity going forward.

Communication of membership issues and benefits is fundamental to the effective running of a mutual business and is also of interest to the supervisor (the Financial Services Authority). The speaker will explain a little of the background to the FSA’s ‘Treating Customers Fairly’ initiative and the industry’s response so far (led by the Association of British Insurers).
Improving the quality of services

by Pedro Otaegui, Business Development Department, *Mutua Madrileña*, Spain

Pedro Otaegui has been a member of the Strategic Development Department of Mutua Madrileña since 2000, where he has been coordinating core projects integrating Mutua Madrileña’s new Development Strategy, for example the valuation of third party agreements, geographical expansion, etc.

Pedro joined Mutua Madrileña after working for Arthur Andersen Business Consulting (Financial Services consulting area) where he participated in different strategy projects (Management of commercial campaigns, Process redesign, etc.)

Pedro was born in 1975, holds a Business Administration degree from the University of Navarra and an International MBA from the Instituto de Empresa (Madrid).

Outline

Mutua Madrileña has traditionally been seen as a best practice in the motor insurance market. Its traditional business model has raised Mutua Madrileña to a place in the Top 3 motor insurance ranking in Spain.

Today, Mutua Madrileña is analysing possible areas for improvement focused on adding value for the member-customer, such as:

- Geographical expansion (traditionally Mutua Madrileña was focused on the region of Madrid and surrounding area). It is now applying this business model to other regions, in order to have a physical presence supporting the business;

- Distribution channels: it is promoting the use of direct channels (telephone and internet), in the underwriting process and client services;

- Value added services for the member-customer: it is offering travel assistance from Km0, legal defence in third party claims, etc;

- New products: it is expanding into health insurance activities, for example.

Mutua Madrileña’s target is to become the reference for the motor insurance business and to develop a strong presence in new lines of business, such as the health branch.
Sustainability Reporting Guidelines and mutual insurance companies

by Erik De Smedt, Director of Sustainable Development, In Society sprl/bvba, Belgium

Erik De Smedt is director of In Society sprl/bvba, an independent consultancy firm specialized in Corporate Social Responsibility and Sustainable Development. Before setting up his own consultancy business in 2000, Erik worked two years on special projects for Ethibel (Vigeo), an independent sustainability research organisation. He has been an external auditor and was director of audit of Bacob bank. After the merger with Paribas Belgique he became director of organisation of Artesia (now Dexia).

He advises major companies on their CSR approach and on their reporting methodology. He coaches projects on stakeholder dialogue and on social standards. He teaches and gives readings on CSR, risk management, audit and corporate governance at various occasions. He is guest lecturer at the Katholieke Hogeschool Leuven and at the MBA of Maastricht University. He works for clients in the private and the social economy sectors, for government services as well as for NGOs.

Erik holds a degree in economics from the University of Leuven, Belgium. He was born in 1954, is married and has 3 children.

Outline

The speaker will firstly describe some basic principles in sustainability management, i.e. that it is a process which is intended to be managed and which integrates economic, social and environmental constraints and opportunities while taking into account long term effects based on dialogue with stakeholders and focusing on major (potential) effects.

He will explain why Sustainability reporting is a helpful and necessary instrument before going on to discuss Sustainability reporting in an insurance company, underlining the increasing importance of environmental and long term risks as well as political risks, the increased importance of ethics (good governance, corruption, money laundering) and the effects on core business. Moving on to Sustainability reporting in a mutual insurance company, he will show that stakeholder dialogue was invented for mutual companies: if it hadn’t already existed mutual companies would have invented it. It provides an opportunity to reinforce information, communication and dialogue with the members. The final part of the presentation will cover the Global Reporting Initiative (GRI) guidelines.
The societal report as an evaluation tool

by Tiziana Graneris, Reale Mutua, Italy

Tiziana Graneris has been a Legal Consultant in the Legal Department of Reale Mutua since 2001. She is responsible for Studies and Legal/Institutional Relationships and litigation in commercial law. She has been involved in AISAM’s activities since 2001 and currently belongs to two taskforces, one on CSR and the other on Mutual basics. Tiziana graduated in Political Science in 1993 and holds a master’s in International Law, and an MBA from the Catholic University of Milan. Born in Turin in 1969, she lives since 1972 at Moncalieri, near Turin.

Outline

Following a brief history of Reale Mutua and the group today, the speaker will describe the societal report as drawn up by Reale Mutua. In Italy, the societal report is optional. Reale Mutua’s societal report contains four sections:

1. Company’s identity
2. Production and distribution of added value
3. Social relationships
4. Values of company’s identity

The first section describes the particular characteristics and strategic orientation of Reale Mutua given its mutual status, focusing on the quality of the services, transparency, the diffusion of its insurance culture, attention to the needs of the members and attention to community. The second section will concentrate on the added value which the company creates vis-à-vis its socio-economic environment. The third section addresses the role of all stakeholders and the final section summarizes the company’s values.
The societal report as an evaluation tool
by Alessandro Molinari, ITAS, Italy

Alessandro Molinari is currently fiscal and general affairs advisor at ITAS. At the same time, he is also a member of the societal report committee, secretary of the member-policyholders’ Committees and is responsible for privacy law.

Alessandro joined ITAS in 1992, following a short time spent in the police force and in banking.

ITAS Mutua heads a group comprising 4 insurance companies and other enterprises with more than 400,000 member-policyholders and premium income over 360 million Euros.

Alessandro holds a degree in economics from the University of Trento, was born in 1970, and is married with 1 daughter.

Outline

The speaker will begin with a short introduction to the ITAS group before describing two elements which are included in the societal report, the Ethical Code and the Committees of member-policyholders.

ITAS’ Ethical Code aims to defend and to enhance the business culture of ITAS and to avoid unethical and illegal behaviours. ITAS’ Ethical Code is also part of contracts drawn up with suppliers, advisors and insurance agents. Moreover, an ad hoc committee made up of employees was instituted with the aim to monitor the observance of the code.

Participation of member-policyholders in ITAS’ governance is greater than legal obligations. There are two important Committees: the first works to enhance Internal Auditing (Audit Committee), the second works to improve services for the policyholders (Policyholders’ Complaints Committee).

The societal report is a picture of a company’s CSR and is a good tool for evaluation. It is a necessary document for mutual insurance companies and there are important differences compared with stock companies.
Customers’ Examining Committee

by Sampsa Saralehto, Deputy Chief Executive, Helsinki Region Chamber of Commerce, Customers’ Examining Committee, Tapiola, Finland

Sampsa Saralehto (born 1946) is deputy chief executive officer of the Helsinki region Chamber of Commerce and visiting lecturer at the Turku School of Economics and Administration.

He has worked in various business organisations in Finland and was a member of the European Economic and Social Committee in Brussels from 1995 to 2002.

Sampsa Saralehto is also columnist for many Finnish newspapers and magazines.

Within the Tapiola Group, Sampsa Saralehto is an independent member of the Advisory Committee and the Customers’ Examining Committee.

Outline

The speaker will cover both the work of the Customers’ examining committee in a mutual company and the process of evaluation. At Tapiola, this evaluation was carried out for the first time in 2004 as a pilot project and the experience was positive. Assessment is today a part of business and this method is very recommendable. It is important to understand all the elements of the evaluation process. The basic results will be presented.
Using transparency to benefit member-policyholders

by Claudio Ramos, Director of international legal department, Mapfre, Spain

Claudio Ramos is currently Director of MAPFRE’s International Legal Department. He is also Secretary of the Board of Directors and General Counsel of MAPFRE AMÉRICA and MAPFRE RE.

Claudio joined MAPFRE in June, 1988. He has worked in a number of senior positions within the Group, including General Counsel and Secretary of the Board of Directors of BANCO MAPFRE, legal consultant of CORPORACIÓN MAPFRE and Secretary of the Board of Directors and General Counsel of MAPFRE CAUCIÓN Y CRÉDITO.

Claudio has taught classes on banking law at I.A.D.E. (Universidad Autónoma de Madrid business school).

Claudio holds a Management Development Program (PDD) from IESE Business School/University of Navarra (1995), a Diploma in Corporate Law from Banco de España (1986), a Master of laws (L.L.M) from the Instituto de Empresa of Madrid (1984) and a Law Degree from the Universidad Autónoma de Madrid. He has also taken courses in European Community Law (Escuela de Práctica Jurídica), Tax Law (Centro de Estudios Financieros) and General Accounting (CEPADE, Universidad Politécnica de Madrid).

Claudio is married and has seven children. He lives on the outskirts of Madrid.

Outline

This presentation will address transparency from the viewpoint of a corporate group whose parent company is a mutual entity which has existed for more than seventy years and whose main holding company is a stock listed company. The presentation will briefly summarize the Spanish legal framework on transparency and corporate social responsibility and describe the MAPFRE experience on transparency since the foundation of the mutual. Likewise, the presentation will describe the new obligations which have arisen as a consequence of the statutory rules for listed companies and how such obligations are affecting the mutual and the rest of the companies of the group.