

# News

sept 11



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President

**Dutch researchers “Research voor Beleid” have delivered their report on the role for mutuals in the 21st century to the Employment and Social Affairs Committee of the European Parliament. The report is highly supportive of mutuals and ends with three strong policy recommendations, one of which calls on our own sector to act ...**

We have ourselves of course never had any doubt, but it is always good to read it from other, independent sources: there is a strong business case for mutuals in the 21st century.

The Dutch researchers confirmed what has been one of the strongest arguments of AMICE over the past years, throughout the financial crisis: mutuals have a reason to exist and provide considerable added value for the European economy and society as a whole. There are sound (macro-) economic arguments to foster mutuality: they provide diversity in the provision of financial services and have proven resilient in times of crisis.

But for me, the strongest conclusion drawn in the report is that the strength of our business case lies in the specific choice of hundreds of millions of European citizens in favour of mutuals for insuring themselves against every kind of social and property risk, accessing quality healthcare and finding the most suitable solutions to other needs. The authors also observe that, given the reduction of involvement of the public sector in many areas of social protection, there is a growing need for economic operators with social responsibility deeply rooted in their organisations – in other words, for us.

The authors end with three core recommendations: to national legislators to provide a level playing field for all legal forms; to the European level, to better recognise the mutual sector as a distinct and important actor within the European economy and society. And the third recommendation is addressed to us: “Mutuals need to improve their products and spread the idea of mutuality as the core value of their organisation, and convince future members that this is a cost effective and sustainable alternative to ... (shareholder-oriented) ... service providers.”

Could we have said it any better? Spreading the message of mutuality will again be one of AMICE’s missions in this new work year, culminating in the AMICE Congress in June 2012 in Gdansk.

*Asmo Kalpala*

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# “Crowdsourcing”: a new name for something we’ve always done...

## An interview with Jyrki Antikainen, Tapiola Group Communications Director, Finland

In Tapiola, customers have their say. *“It is essential that our customer-owners’ input can be seen in our products and services. This is also stressed in our mission statement and commitment to customers,”* states Jyrki Antikainen.

In addition to traditional customer experience inquiries and feedback, customers are actively engaged already in the planning phase of new products and services.



Jyrki Antikainen

Tapiola’s home and personal insurance package for young people “UNDO” serves as a good example. *“Before building up the UNDO concept, we examined our customers’ expectations and impressions of insurance matters and Tapiola. In the UNDO marketing process, we also made use of young people’s claims experiences and stories through Facebook,”* Antikainen says.

*“We received feedback stating that insurance products are considered complex, difficult to compare and expensive. Many young customers were annoyed by the fact that insurance*

*companies keep sending paper mail. We wanted to get rid of the image of a traditional, stiff insurance company serving expensive and complicated insurance products. The web-based UNDO is designed to be transparent and comprehensible all the way from terms and conditions to prices and payments.”*

However, customer input did not end at the planning phase of the UNDO programme. In the summer of 2011, UNDO got connected with young people at several rock festivals around the country. *“We need to be where our customers are; online and present at various events. Open interaction benefits both the company and its customers,”* Antikainen stresses.

In addition to UNDO, the customers’ voices and desires have been widely heard, for instance, in the development of asset management products and vehicle insurance.

### Forerunners lead the way

On top of the development of single products, customer feedback and ideas in general are of great significance. In November 2010, Tapiola launched its customer panel under the name “Forerunners”. Forerunners aim to produce customer information to serve Tapiola’s product and service development. Tapiola may send inquiries or invitations to workshops to the members of the panel. Participation is entirely voluntary, and members receive compensation.

The online panel already has 2,400 customers whose opinions have been gathered and utilized, for example, when developing animal and pet insurance. The Forerunners have also provided Tapiola with many useful tips to improve contact procedures.

The online panel also has a mail box which is open at all times for new development initiatives. The results and development projects based on the previous inquiries are naturally available for the members and their comments.

### Social media is everywhere

The rapidly growing social media is not only a fast information channel but a tool for immediate reaction to feedback and questions. *“Tapiola wants to be interactively and profoundly engaged in the social media. We systematically follow people’s opinions about us on blogs and forums,”* states Antikainen.

Tapiola’s Facebook Group, founded more than a year ago, encourages customers to discuss and ask questions. Tapiola’s specialists follow the online discussions concerning their field of expertise and strive to answer the questions as soon as possible.

*“Utilization of the social media brings us closer to the customer. Good products are only part of the deal today; you win over customers by listening to them.”*

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## Emerging risks: mutuals can provide solutions

Insurers cannot stop climate change but they can encourage those they insure to drive cleaner cars or use renewable materials to repair damage to their property through the policies they offer. Insurers are not responsible for the ageing population but they can provide appropriate health or pension solutions and ensure that accident prevention and rehabilitation are adapted to the changing workforce. Insurers do not invent new technologies but the cover they offer has to adapt to potential health risks from nanotechnologies, for example. These are just some of the topics discussed by more than 40 participants at AMICE’s seminar on new risks hosted by the LB group in Copenhagen on 22-23 September.



Christian Schauer introduced the debates with an overview of global emerging risks and how Swiss Re’s SONAR (Systematic Observations of Notions Associated with Risk) detects these at the earliest stages. Swenja Surminski from the London School of Economics Centre for Climate Change Economics explained how scientists are working

with insurers in various arenas to understand not only the direct risk from climate change but also the indirect ones such as regulatory or liability risks or those posed by changing political reactions. Gregor Prentl and Thomas Rothärmel from Munich Re underlined emerging health risks such as obesity and psychological disorders which will increasingly weigh on health and workers' comp. insurers in the future.

Johnny Dyreborg from the Danish National Research Centre for the Working Environment focussed on the demographic challenges caused by the ageing population and the effects this will have on the pensions and health care systems, whether public or private, as well as on the way the workforce is organised. Kai Savolainen from the Nanosafety Research Centre at the Finnish Institute of Occupational Health pointed out that uncertainty is the major risk of new technologies such as nanotechnology since work on safety in such areas is many years behind their development.



The second day of the seminar was organised around four workshops with practical case studies related to emerging risks ranging from the increasing costs of motor repairs due to more advanced technology, to the complexity of identifying and assessing new and emerging risks with a view to preventing accidents, to the need for rehabilitation adapted to today's (tomorrow's) society, for example catering to older workers or for the effects of stress at the workplace.

Members will find all presentations in the Members' meetings/Events section of the Member area of the website.

## Solvency II – focus on small members

### AMICE held its third Solvency II seminar for small and medium-sized mutual and cooperative insurers

*"The dialogue is open between mutual insurers and regulators and there is a good climate of discussion. Such discussion is still necessary because there are questions open and many small and medium-sized insurers feel that some of their concerns are not properly addressed,"* said AMICE Vice President Marcel Kahn at the end of the recent AMICE seminar in Barcelona.

As on the previous occasions, sixty representatives of mutual insurers from twelve EU Member States and supervisors from Denmark, Germany, Portugal and Spain had come to exchange their views on the application of the important principle of proportionality throughout all pillars of Solvency II: capital requirements, governance, and reporting and disclosure.

Recital 19 of the Framework Directive was repeatedly evoked: Solvency II "should not be too burdensome for small and medium-sized insurance undertakings". In this context, particular fears were expressed that the new reporting requirements (pillar III) would cause costs to explode. Supervisors conceded that the great difference in starting points (i.e. current regimes) makes uniform application quite complex.

Participants also discussed expectations in the future governance of insurers (pillar II) and in particular regarding boards of mutual insurers which have the particularity that their members are elected from the pool of policyholders. Hungarian member KÖBE presented its progress in developing the ORSA process and Olaf Ermert of German BaFin and EIOPA spoke about the necessity of making pillar I less complex, for example through simplifications. In assessing the possibility of applying the principle of proportionality, the underlying business model of the insurer – which has to be well understood by Board, management and staff – should play an important role since it directly influences the famous "scale, nature and complexity" of the risk.



In addition to the worries about the cost of implementation of the various demanding requirements, one big concern expressed is the lack of regulatory clarity and guidance. Acknowledging that in many ways Solvency II can be seen as a development in the right direction, Marcel Kahn stressed that the legislative process should come to an end soon: *"The industry needs stable rules because we have to prepare for the fundamental overhaul of our structures and systems."*

The seminar showed again that supervisors and the mutual sector have good intentions. While mutuals are generally well capitalised and hence shouldn't be in dire need of fresh capital, there is fear that smaller players will be driven from the market by the excessive cost of adapting to and complying with the new requirements. *"True proportionality, both in the rules and in their application by supervisors, must be achieved,"* concluded the Vice President.

All presentations from the Barcelona seminar are available in the members' area of our website and a summary of the discussions will be out soon.

AMICE's next seminar for the benefit of its SME members will take place in the first quarter of 2012. USPs (undertaking-specific parameters) will be one of the main topics on the programme.



## Last reminder

# CSR for mutuals in Madrid Seminar, 10-11 October 2011

Come and be inspired! Experience other AMICE members' best CSR practices and learn how they could help you.....

See [http://www.amice-eu.org/M2M\\_events.aspx](http://www.amice-eu.org/M2M_events.aspx) for more details.



## → Third party events

AMICE is a supporting partner for the following events and has in some cases negotiated favourable admission fees for its members:

- 5 October . . . . . London . . . . . Solvency II – Clarifying priority areas for development and implementation, Life and Pension Risk / Incisive Media
- 12-14 October . . . . . Amsterdam . . . . . Solving Solvency II Summit, Fleming Europe
- 18-20 October . . . . . London . . . . . Stress Testing & Operational Risk for Insurance Firms, Infoline
- 15 November . . . . . Paris . . . . . Solvency II, Les Echos Conférences (in French)
- 24 November . . . . . Paris . . . . . Regroupement des mutuelles, L'Argus conference (in French)
- 28 November . . . . . Paris . . . . . ESG strategies for responsible investors, Novethic conference
- 13-14 December . . . . . Zurich . . . . . Solvency II Summit, Infoline

See the “Other Events” page on the AMICE website for more information

## → AMICE meetings and events

- 3 October . . . . . Brussels . . . . . Capital maintenance taskforce
- 4 October . . . . . Brussels . . . . . Board
- 10/11 October . . . . . Madrid . . . . . CSR seminar
- 17 October . . . . . Brussels . . . . . Solvency II taskforce
- 8 November . . . . . Brussels . . . . . Executive Committee
- 9 November . . . . . Brussels . . . . . Legal Affairs taskforce
- 21 November . . . . . Brussels . . . . . Solvency II taskforce
- 29 November . . . . . Brussels . . . . . Board
- 30 November . . . . . Brussels . . . . . Communications working group
- 14/15 December . . . . . Liege . . . . . CSR workshop & taskforce
- 16 December . . . . . Brussels . . . . . Solvency II taskforce
- 13 January . . . . . Brussels . . . . . Pensions
- 17 January . . . . . Brussels . . . . . Executive Committee
- 14 February . . . . . Brussels . . . . . Board
- 20 March . . . . . Brussels . . . . . Executive Committee
- 17 April . . . . . Brussels . . . . . Board
- 10 May . . . . . Brussels . . . . . Executive Committee
- 6 June . . . . . Gdansk . . . . . Board
- 6 June . . . . . Gdansk . . . . . General Meeting
- 6/8 June . . . . . Gdansk . . . . . Congress