

News

dec 11



Asmo Kalpala
President

We are closing a very difficult year 2011, a time of crisis in the financial sector, in the economy and, to an alarming extent, also in society. The main actors involved have lost confidence in each other, within the financial industry, within our countries and within the European Union. I hope that solutions to the debt and financial crisis can be found by reinforcing the common European institutions and rules.

Mutual and cooperative insurers stand for a “human approach” in financial services. With their client-member orientation and their governance, they are the living antithesis to the narrow-minded pursuit of self-interest that dominates much of today’s social and economic decision making. It has been a pleasure to note the increasing interest at European level – notably at the Parliament and at the Commission – for our sector with its unique legal structure and business model and for the important role that we play in the European economy and society. Diversity is of paramount importance for the quality of financial services and the stability of markets.

We are working on descriptive and statistical material to present and promote our case in the months to come and beyond. It is important that the sector understands its identity and values, its role and the contribution that it can make to overall welfare, and that this image is transported to the public in a self-confident and consistent manner.

The 2012 Congress from 6-8 June in Gdansk with its theme “Solidarity & mutuality: stable values in an unstable world” will be the highlight during the coming year. This theme could not be more topical. I look forward to active participation in the Congress but want to also strongly emphasise that for AMICE’s work on behalf of the sector, it is essential that the members allocate adequate expertise throughout the year to support the work of the taskforces and the Secretariat.

At the end of this year, I would like to warmly thank all who have contributed to AMICE’s successful work for their engagement and I wish you all a Merry Christmas and a Happy New Year.

Asmo Kalpala

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History of a Polish mutual

Ms Ewa Starchura-Kruszewska, President of the Board, talked to us about the Towarzystwo Ubezpieczeń Wzajemnych "TUW" mutual, the first insurance mutual of the 3rd Polish Republic.

Could you give us a brief outline of the Towarzystwo Ubezpieczeń Wzajemnych's history?

The transformation that took place in 1989 also brought about an evolution from the Soviet socialist economic system to a market economy and capitalist system. Many of the architects of this transformation realised from the outset the importance of the social economy as an alternative to a capitalist economy. These individuals, who emerged from the Solidarność movement, such as Henryk Wujec, currently an advisor to the Polish president, Jacek Kuroń, former Labour Minister, and Andrzej Bratkowski, former Building Minister, all contributed to the legal foundation that enabled mutual insurance to be reactivated following 50 years of inactivity. They benefited from the experience of



Ms Ewa Starchura-Kruszewska

French friends, in particular the CEO of EURES, Thierry Jeantet, currently vice-president of TUW TUW. In 1991 they set up the first mutual of the 3rd Polish republic, Towarzystwo Ubezpieczeń Wzajemnych "TUW". The TUW TUW sold its first insurance policy in March 1992. Today, following the Polish model, alongside its members, the following entities hold shares in TUW TUW: MACIF, whose technical contribution is also significant, the Polish Farmers Social Security Fund, MAIF, P&V and Towarzystwo Inwestycji Społeczno-Ekonomicznych S.A.

The start of TUW TUW's activities was difficult, but our approach gradually revived the memory in many local communities of a mutual movement that for a hundred years had been dominant in Poland prior to World War II. In a bid to underscore the continuity of our age-old tradition, TUW TUW chose as its logo the artistic symbol of a Saint Florian fire fighter's helmet featuring the letters t, u and w.

How is the mutual controlled?

A key moment in the development of TUW TUW occurred in 1995 when the internal organisation of mutuals was set up under the mutualist union of members, which is a volunteer organisation of some of the mutual's members and may include a territorial community, a professional group, etc. Its aim is to generate a profit via this type of insurance. Presently, TUW TUW comprises 19 mutuals of members operating in agriculture, professional sectors, local authorities and the dioceses of the Catholic Church. What differentiates TUW TUW from other mutuals is the identification of the members (who number 800,000, making it the largest mutual in Poland) who have their own representation on the Supervisory Board and have the right to vote in General Meetings. The Supervisory Board includes representatives of members alongside representatives from MACIF, the Polish Farmers Social Security Fund, the legal representative of the agricultural sector, as well as MAIF and P&V.

Could you describe the development of TUW TUW in recent years?

Since the year 2000, TUW TUW has experienced one of the most dynamic developments on the Polish non-life insurance market. During this period, member contributions progressed steadily, by around 20% to 30% annually, exceeding by far the national market average. According to 2010 statistics, out of the 37 non-life insurance companies domiciled in Poland, TUW TUW was 14th on the list of those that advanced most in member contributions.

What is your operating model?

TUW TUW operates via 121 organisational entities in the field, which enables it to remain close to the members, who are distributed throughout Poland.

This dense network is also a promising source of dynamic development for the MACIF-ŻYCIE-TUW partnership, which is also a member of TUW TUW. This cooperation partnership generates insurance products that are proposed to our members via existing distribution channels and the exchange of experiences.

A member of ACME, TUW TUW joined AMICE at its creation in 2008 and since 2009 has also been an associate member of EURES, a European Economic Interest Grouping of insurers in the social economy. Participation in these European forums is particularly valuable because it helps companies adapt to new solvency rules under Solvency II. In that regard, we are particularly pleased that the next AMICE Congress will be held in Gdansk. We of course will be taking part.

Dutch insurance group Achmea is newest AMICE member

Established in 1811 to provide mutual insurance at a reasonable premium, Achmea is the biggest insurance provider in the Netherlands today. Achmea Vereniging (=Association), the association of member-policyholders of the Achmea group, holds some 60 % of the ordinary shares in Achmea BV, the operative company (that became an AMICE member on 30 November). The other major shareholder (with some 30%) is Rabobank, the largest bank on the Dutch market, a cooperative. Achmea Vereniging is the result of the merger of several mutual and cooperative insurers over the past decades.

Building on its cooperative roots, Achmea's mission is to achieve balanced value creation for all stakeholders: customers, distribution partners, shareholders and employees. Achmea's aim is quality rather than price leadership which is achieved through its commitment to being the best, most customer-centred and innovative financial services provider. Achmea builds continually on its reputation for quality and innovative services based on excellent delivery to meet customer needs.

Achmea employs around 24,000 staff in 8 European countries, insures more than 6 million people and has a group business volume of almost € 20 billion. It is active in life, health and non-life.



Addressing the employment challenge in the European insurance sector – call for good examples

Following the 2010 Joint Statement “the Demographic Challenge in the European Insurance Sector” (see the March 2010 Newsletter or our website http://www.amice-eu.org/publications/position_papers.aspx), the European Social Dialogue Committee (whose partners are the CEA, AMICE, BIPAR for employers and UNI Europa for employees) has now obtained a grant from the European Commission to collect and disseminate good practices in the field of HR management. The grant includes the publication of a booklet on the demographic challenge, the organisation of a conference in Brussels in May 2012 and of a follow up seminar in Prague in September 2012 as well as a final report concluding the project.

The booklet will feature a selection of ‘good practices’ illustrating three key aspects from the 2010 Joint Statement :

- Recognising the importance of work/life balance
- Promoting qualifications and lifelong learning
- Promoting health and safety at work

The presentation of the ‘good practice’ should include a description of the company, some background for introducing the practice, the benefits to the company and to its employees in the short, medium and long term, the benefits to society at large, if any and possibly, some hints on how other companies may introduce a similar practice.

We call upon interested AMICE members to let us know whether they have a good practice on one of the above mentioned themes which they would care to share for the benefit of the project and for the insurance sector in general.

This project is of particular importance at a time when the average age of employees in the insurance sector is increasing. This aging process, coupled with the requirements of the new Solvency II prudential framework, puts great challenges before insurers: The demand for qualified staff increases, while at the same time the interest in insurance apprenticeships diminishes. Companies report increasing difficulties in finding and retaining qualified personnel.

The key challenge thus comes down to allowing experienced and motivated senior staff to continue working beyond their retirement age and to attracting the new talent for a sustainable and skilled workforce.

For additional information, please contact catherine.hock@amice-eu.org.

Corporate social responsibility

With an overall approval rating of 87%, the CSR seminar in Madrid on 10-11 October 2011 was well appreciated by the 30 participants from 11 countries present. Professionally hosted by Reale Seguros, the Spanish subsidiary of AMICE member Reale Mutua, the seminar began with an overview of CSR in the Spanish insurance sector.



Session I presented 9 short examples of CSR, the most popular of which was MACIF’s insurance products & services for cleaner, safer & more accessible transportation. Session II focussed on responsible investments in Spain, Sweden and the UK and Session III looked at reporting with ICMIF’s Faye Lageu presenting her report on the situation across the mutual insurance sector world-wide. The final session included an inspiring presentation by Jaime Urcelay, CSR consultant for Reale Seguros, underlining the importance of ethics and human dignity in business management and the need for a balance between economic efficiency and social and environmental performance.

AMICE members can download the presentations from the Events section of the Members Meetings area of the AMICE website.

AMICE members excel

Germany: AMICE members Debeka and R+V, together with mutual DEVK and Alte Oldenburger were the only four insurers rated with five stars (excellent) in a solidity ranking of 32 German health insurers by the analysts of Morgen & Morgen. Continentale, LVM, Mecklenburgische and Signal (together with Deutscher Ring) as well as further mutuals Hanse Merkur and LKH received four stars (very good). The analysts had compared 10 financial indicators over the past 5 years, establishing a combined score for costs, solidity and growth.

Poland: Concordia Polska TUW, the Polish mutual joint venture of AMICE members Concordia and Vereinigte Hagel, was awarded the prize for the second-most customer friendly non-life insurer 2011 in Poland by Gazeta Bankowa. At the same ceremony, AMICE member TUW SKOK received awards for the best IT project in insurance and for exemplary communication with its members.

AMICE Congress 2012

Invitations to AMICE's 2012 Congress will be arriving on your desks in the New Year and we urge you to sign up soon. The Hanseatic city of Gdansk and the beautiful Baltic coast are your hosts for next year's biennial event which is the meeting place for mutual and cooperative insurers in Europe.

Representatives of the European Commission, European Parliament and EIOPA will talk about what comes after Solvency II in our first session, giving us their insights into the other issues affecting the European insurance sector. This will be followed by a practical session on Solvency II implementation with case studies from member companies and a parallel session on Corporate Social Responsibility.

Day one (7 June) will finish with an interactive session using behavioural economics to take a fresh look at ways to innovate in financial mutuality. Mutuals' and cooperatives' roles in health care will be the focus of the fourth session starting day two (8 June), followed by a look at the future in session five.

And our special guest will be Poland's own Lech Wałęsa, such an evocative part of Europe's recent history: the gala dinner itself will take place at the famous shipyards where it all began ... And that's not all for the social programme: various tours have been organised for accompanying persons during the congress and for delegates after the event so that you can get to know Gdansk and its surroundings ... not forgetting the AMICE golf tournament of course!

For more information, see the Congress website www.amicegdansk.eu.



Solvency II

On all levels of the Solvency II project, the activity has increased considerably and the discussion process is characterised by increasing nervousness.

At the end of October, the Commission published the third informal draft of the implementing measures. The ECON Committee of the EP had decided to wait for this document before continuing their discussions on Omnibus II. The vote in the Committee on Omnibus II is now scheduled for just before Christmas and – only if everything goes extremely well in the negotiations with Council and Commission, the EP Plenary may vote on Omnibus II in March or April.

Since only this would be the trigger for the formal draft of the implementing measures, the whole timeline is again under threat of being pushed further back. The worrying consequences would be that the time between the finalisation of the legal package and its full application (now foreseen for 01/01/2014) is again reduced to an unacceptably short span of only 12 months or little more. AMICE continues to fight for some important changes in the level 2 text and warns against a further tightening of the agenda. Therefore, we urge all participants in the technical and increasingly political discussion process to advance as swiftly as possible with the aim of creating certainty about the future requirements.

In addition, we remain involved in many of the consultations, notably those by EIOPA on ORSA and the reporting package, but also on own funds, on catastrophic risks and on actuarial methods.

→ AMICE meetings and events

- 16 December Brussels Solvency II taskforce
- 10 January Brussels Solvency II taskforce
- 13 January Brussels Pensions
- 17 January Brussels Executive Committee
- 25 January Brussels Legal affairs taskforce
- 14 February Brussels Board
- 7 March Brussels Solvency II taskforce
- 15 March Brussels Communications working group
- 20 March Brussels Executive Committee
- 4 April Brussels Solvency II taskforce
- 17 April Brussels Board
- 4 May Paris Solvency II taskforce
- 10 May Brussels Executive Committee
- 15 May Gdansk Communications working group
- 22 May Paris Legal affairs taskforce
- 6 June Gdansk Board
- 6 June Gdansk General Meeting
- 6/8 June Gdansk Congress
- 18 June Brussels Solvency II taskforce