

Poste Vita bucks the Italian insurance trend

The Italian insurance market has suffered as a result of the financial crisis, but that isn't to say individual companies – such as Poste Vita – are not thriving against adversity



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The impact of the international economic crisis since its beginning to the present date has been particularly heavy on Italy, and unfortunately the situation is far from being solved.

Recently, the OECD forecast another drop in Italian GDP. Italy will likely be the only G7 country at the end of the year with a negative GDP. In 2012, the life insurance business decreased by about 5.5 percent as compared to 2011, while non-life business suffered a cut of 1.9 percent. This negative trend on gross premium income is mainly related to the Italian population's attitude to save less than before and to the general crisis affecting financial institutions and banks.

However, despite the market's difficult dynamics, Gruppo Assicurativo Poste Vita, the insurance group owned by Gruppo Poste Italiane, performed extremely well in 2012.

Poste Vita, with €10.5m in gross premium income, continues to grow (+10.6 percent compared to 2011), and is consolidating its position as the market leader in life and welfare products, with a market share of 14.6 percent (+1.9 percent compared to 2011). The welfare product 'Postaprevi- denza Valore' was the number one individual pension plan in terms of subscribers in Italy.

Poste Assicura, the group's non-life company founded in April 2010, has performed so well that it is now listed among the 10 best non-life bancassurance operators (even though it does not sell automobile covers) and thanks to the growth

rates achieved this year (+12.2 percent compared to 2011) it is undoubtedly one of the market's most dynamic players.

This performance confirms Gruppo Poste Vita's 'anti-cyclical' trend, given its ability to grow and become stronger year-on-year; a reverse trend when compared to the current global economic scenario.

It is a success story that Poste Vita is telling, especially due to its innate ability to protect and support Italy's national, social and economic networks through the offer of insurance and welfare solutions tailored to fulfil the real needs of Italian families and companies.

Strong partnership

Poste Vita fulfils its role with efficiency thanks to the common vision and the strong team spirit shared with our colleagues at Poste Italiane, who are committed to listening to people's needs all over Italy, helping us to transform requests they receive from their clients into targeted insurance solutions. Our focus on delivering innovative products is also a key to success. We are keen to constantly improve our products, our working processes and our operational performance (investments in technology and operational process fine-tuning).

Looking to the near future, we aim to strengthen Gruppo Poste Vita's role as a main player in the insurance business, especially when it comes to conceiving protective measures for Italian families as well as for the country's productive system. We want to consolidate our position as the leading insurer in the life and welfare sectors. In addition, we work hard on improving the market growth trend with regards to policies that insure individuals and companies.

POSTE VITA 2012 FIGURES



In particular Gruppo Assicurativo Poste Vita intends to consolidate and reaffirm its leadership in managing the 'new' welfare by confirming its social role as operator in the insurance market; and by building innovative solutions and services that can meet the emerging needs of families and companies in light of a socioeconomic context that is deeply affected by the economic crisis and new demographic trends (including the ageing population and an increase in cases of loss of self-sufficiency).

The decline of the 'traditional' welfare model (dictated by a growing demand to cut public expenditure) and some convergent factors (such as demographic trends, for example) make people's need to rely on alternative solutions to protect and manage their present and future more compelling. In this context, the group's mission is clear and defining: to make people and companies aware of these new risks and needs and, at the same time, to provide them with answers as well as affordable, protective solutions.

All areas targeted by the insurance offer are crucial in consideration of problems related to our society: welfare, health, assistance to those losing self-sufficiency, savings protection and asset protection both for individuals and companies. Poste Vita is constantly working on marketing new products, improve its product range and strengthening its services to clients.

In particular, the ongoing process to consolidate and innovate our offering has recently led us to add two new products to our catalogue: the new long-term care cover, 'Postapersona sempre presente' and 'Postaprotezione Casa Special' (which includes all major house covers plus the bill protection warranty which covers all costs

related to the household in case of job loss, disability or long-term illness).

Gruppo Poste Vita's commitment to improving its product spectrum is not limited to that, but also include a focus on reinforcing sale assistance offered to branches, developing new client services, valuing existing resources and competencies within the group, as well as continuing to improve and modernise information technology systems.

Humble beginnings

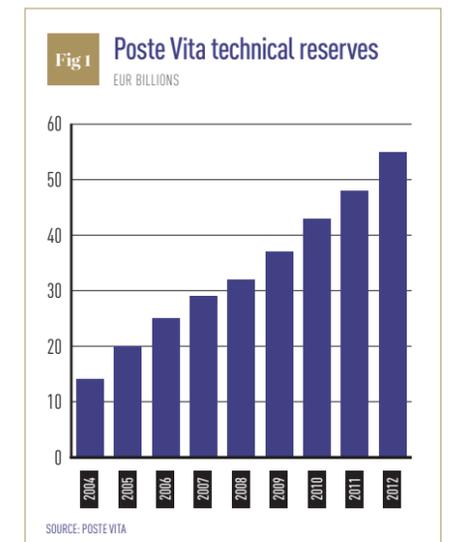
Poste Vita started operating in the life insurance sector in June 1999. In November 2000, ISVAP (the Italian insurance surveillance authority body) granted the company the permission to operate on 'Class III' life insurance (products on

life expectancy connected to funds or indices such as unit- and index-linked covers). In September 2006, the company was also enabled to sell Class I and II non-life insurance products, and in June 2012 it started selling Class IV covers (for long-term illnesses). With over 4.8 million covers and 2.7 million clients, €10.5bn in gross premium income in 2012 alone, and technical reserves amounting to €55b (as of December 2012), today Poste Vita is the number one insurance company in Italy with a 15 percent market share.

Poste Assicura, the group's non-life company, was formally authorised on 25th March 2010 by ISVAP to sell non-life products for the following classes: accident and health, public liability, fire, other damage to assets, assistance, legal guardianship and pecuniary loss. With €48m in gross premium income, the company has also recorded a remarkable double figure growth rates and 727,000 non-life policies.

Overall, Gruppo Assicurativo Poste Vita employs about 280 people, distributes and sells its insurance products through 13,000 postal offices owned by holding company Poste Italiane by means of qualified and trained staff. The main reasons for the company success are:

- › Focusing on simple products – both insurance and welfare – that can fulfil people's real needs in terms of savings and protection to families;
- › Offering transparent and clear products;
- › Establishing relationships with clients, supported by a brand like Poste Italiane, which has always granted pragmatism and reliability;
- › The successful cooperation with Poste Italiane's staff throughout the post offices network. ■



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