

interview with

Nikos Antimissaris

Managing Director MAPFRE ASISTENCIA
Madrid – Spain



MAPFRE ASISTENCIA's Contact center in China

Greek by birth, Nikos Antimissaris studied Business Administration at Liege University in Belgium. His relationship with Spain began in the last year of his degree programme, between 1992 and 1993, which he spent at the University of Valladolid as an Erasmus student. He completed his formal training with an MBA from IE Business School in Madrid. In addition to Greek, he is fluent in English, French and Spanish.

His professional career started in 1994 in his country of origin at MAPFRE ASISTENCIA, where he was general manager of the Greece business unit. In 2001 he was transferred to central services in Madrid to helm business in the Europe and Middle East region. In 2004 he was promoted to deputy director general of the company and in 2006 he was appointed managing director of MAPFRE ASISTENCIA.

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Nikos Antimissaris always uses the plural “we” and “us” because he feels that MAPFRE ASISTENCIA’s 1.1 billion euro revenues in 2013 are an achievement that must be credited to its entire workforce of 6,000 employees across 45 different countries. The company faces the globalised future with innovation and new technologies as instrumental allies in offering its partners and customers in the assistance business outstanding value and the best solution for each individual case.

“Your life. Our world.” This is the slogan MAPFRE ASISTENCIA has chosen to vocalise its commitment to service. The company was created in 1990. How has its business approach evolved since then?

Actually, the notion of “Assistance” first came into being at MAPFRE in 1986 when an Assistance department was created at MAPFRE MUTUALIDAD, which was the group affiliate specialising in Motor insurance at the time. Initially, its purpose was to cater for MAPFRE’s internal needs. At that time, MAPFRE was already the largest Motor insurer in Spain and the first to include Roadside Assistance cover as an added-value service in all policies in this branch.

In 1990, the MAPFRE group decided to make Assistance an international business in itself, with its own structure and a dedicated management team. It was then that MAPFRE ASISTENCIA Compañía Internacional de Seguros y Reaseguros S.A. was established in Spain as a single-product company focusing on Travel Assistance, which encompassed Roadside Assistance and Medical Assistance. The operation in Portugal was quickly set up, as well as subsidiaries in several Latin American countries. At the same time, following its clear commitment to service and spirit of innovation, MAPFRE ASISTENCIA embarked on a process of rapid diversification, introducing new products and services. Thanks to all this, we



Medical center in Dominican Republic



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now have a company we might call multi-product and multi-service, which is physically present in all five continents. Our day-to-day business consists in providing solutions for a wide range of customer needs. We are fully aware that when a policyholder asks for a specific service, to us it may be no more than part of our everyday work, but to them it may be a cause of stress and anxiety. The best way to respond is to put ourselves in their shoes at difficult times. Which explains our slogan, "Your Life. Our World".

At the end of 2012, MAPFRE ASISTENCIA was already the fourth largest Assistance insurance company by total revenues. Are there any other key figures that define the company?

We expect revenues for 2013 to be in the order of EUR 1.1 billion, up by more than 25% on the previous year. If this is achieved, we will climb to third position in the world ranking, as our direct competitors have clearly slower growth rates. In addition to this, we have generated outstanding returns, with ROE in excess of 15% and a combined ratio of 93.8%.

We have offices in 45 countries and operations in more than 80 markets, all with a workforce of about 6,000.

Taking a business model international -or rather, global- requires not only language skills but also a deep understanding of each target country, its society and peculiarities, in order to adapt successfully. Could you outline the strategy you use to launch operations in new countries?

In the first decade of MAPFRE ASISTENCIA's development, international expansion followed a strict policy of organic growth, creating start-ups mainly in less developed markets and often establishing joint ventures with local insurance companies. Starting in the year 2000, we have been combining organic growth with some acquisitions, primarily in Europe and North America. Currently, we are still exploring new markets and we are open to whatever possibilities and opportunities may emerge.

Assistance is a very broad field. Could you explain which areas you cover?

Assistance, broadly speaking, is still the



InsureandGo

An acquisition of high strategic significance for MAPFRE ASISTENCIA. InsureandGo is the leading online supplier of travel insurance in the UK, the world's largest market for this class of cover. It sells some 2.5 million travel insurance policies a year on its website.

Thanks to this acquisition, carried out in 2010, MAPFRE ASISTENCIA gained profound insight into online insurance distribution, which we now make available to our partners across the world. Since taking over InsureandGo, we have set in motion a number of other online operations that already sell a variety of insurance categories in more than ten countries.

<http://www.insureandgo.com/>

company's core business. However, over the last few years, following a clear policy of diversification, MAPFRE ASISTENCIA has also been pursuing a second line of business, which we internally call "Special Risks". This includes some niche insurance products, such as Warranties, Warranty Extensions for all kinds of equipment, Mechanical Breakdown insurance, GAP insurance, Payment Protection insurance and Income Protection insurance for accidents, sickness and unemployment, credit card and affinity card insurance and a host of other options.

In terms of marketing, Assistance products and services are sold under the brand MAPFRE ASSISTANCE, whereas Special Risks products and services are sold under the brand MAPFRE WARRANTY.

We currently work with more than 1,600 corporate partners across the world. Approximately half of them are insurance firms, and they are generally the leading players in each of the markets where we operate. Our partners have access to a wide range of products and services which they can offer to their personal insurance customers,

i.e. Motor, Home, Medical and Life insurance. In addition to this, we also look to broaden the scope of our partnership by offering products specifically designed for other sectors, such as the automotive industry, the financial industry (retail banks and consumer lenders), the tourist industry, large retailers, utilities and so on.

If insurance companies currently make up the bulk of your customers, what added value can MAPFRE ASISTENCIA offer them?

MAPFRE ASISTENCIA offers its partners in the insurance business a comprehensive solution that includes not only risk underwriting (through reinsurance) but also the entire operational infrastructure for claim processing and service provision. Our overriding aim is to help our partners by finding ways in which they can benefit. These include direct benefits, derived from new sources of income or cost reduction (through claim processing support services, fraud reduction, etc.), and/or indirect benefits which result from enhanced customer loyalty and differentiation, for instance.

Our partners therefore receive the multiple advantages of selling our products and drawing

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on MAPFRE ASISTENCIA's international expertise without having to take any risks or make any investment in the necessary infrastructure. Basically, we support insurance companies by offering them new ways to obtain substantial competitive advantages.

What specific products and services are these?

We have two kinds of products: a) products offered to customers as a way to add value to traditional products, for instance Roadside Assistance as an additional cover to Motor insurance, Home Assistance insurance as part of Home insurance or International, Medical Assistance as part of Health insurance; and b) stand-alone products, such as Travel insurance, Loan Payment Protection insurance, Extended Warranty insurance for new motor vehicles,

Mechanical Breakdown insurance for second-hand vehicles and Credit Card Protection insurance.

The most innovative products recently introduced include Mechanical Breakdown insurance as an added value to Car insurance, Smartphone and tablet insurance, and Cycling Assistance.

From the way you have described it, you build a relationship with your customers until they become partners. By then you are thoroughly familiar with each other's business models. Does MAPFRE ASISTENCIA receive feedback from its customers in the form of requests to change certain products or even to provide customised services?

Every time MAPFRE ASISTENCIA begins

“Think globally, act locally”

Like most large multinational companies, MAPFRE ASISTENCIA has a pyramid organisational structure, with central services, six regional divisions and 45 business units.

In addition to the usual functions of a holding company, the chief role of the company’s **Central Services** is to set its core strategy and ensure it is properly implemented. Central services also establish policies and procedures, create and develop technologies, design new products and services, provide training, disseminate knowledge and lead major corporate projects such as strategic partnerships and acquisitions. Central services are not directly involved in running the day-to-day business of the company - they focus on the medium and long term.

Regional Divisions constitute the link between central services and business units. Their main task is to oversee operations and ensure business units have the support they need. They are an extension of central services at the regional and local level, and at the same

time they liaise business units with central services, which allows the latter to understand the needs of the former and to detect business opportunities. Regional divisions have a high degree of autonomy and they are directly accountable for the financial performance of their respective regions. The six regional divisions are: a) North Europe, b) South Europe, Middle East and Africa, c) UK, d) Latin America, e) North America, and f) Asia-Pacific.

Lastly, the company’s 45 **Business Units** are responsible for business development in the different markets and day-to-day operational management. They also provide insurance services to policyholders.

This structure has enabled the company to provide the necessary support to medium- and long-term projects without losing its grip on everyday business. It has also made the organisation sufficiently flexible to act quickly and gain the local insight needed to grow in widely different markets.

At MAPFRE ASISTENCIA we have fully internalised the idea of “*think globally, act locally*”.

operations in a new market, it provides its know-how and the experience it has gained over 25 years in a wide range of countries in all five continents. This is no doubt a high-value intangible asset, which we make available to our partners. But we are also conscious that every market has its own peculiarities, which is why we always try to be flexible enough to offer a fitting solution. One skill we have developed over the years is the ability to listen to our customers, and it has been the key to our success in widely different countries in terms of culture, size, level of development and consumer behaviour.

Business travel and tourism are now much more common than they were 20 years ago. How does MAPFRE ASISTENCIA help to

mitigate the problems inherent to travel, which can sometimes be very serious and involve severe emotional strain?

Our products and services for travellers aim to help them at times of difficulty whichever the means of transport they use, their place of destination or the reason for travelling. Some cases are relatively simple, like airlines lost luggage, cars starting failure due to battery problems or a doctor visiting a sick traveller in a hotel. But there are some seriously complex cases particularly after accidents, where a policyholder has to be hospitalised or transferred in an air ambulance. Sometimes we have to deal with very distressing situations, like having to repatriate a dead body after an accident or an illness suffered during travel. It is true that the way people travel has

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changed, particularly since low-cost airlines first appeared. This has required us to adapt our products and find new channels for distribution. But the problems travellers face have not changed that much - they are the same as ten or twenty years ago.

The financial industry has become a major ally for insurance companies. What schemes have you come up with to market your products and which of them have proved most successful?

Twenty years ago, our products for the financial industry were only Travel Assistance insurance for credit card holders. Today it is an entirely different story. We have a full array of products and services specifically designed to enhance the range banks themselves offer: Roadside Assistance and Mechanical Warranty as part of vehicle purchase loans, Home Assistance to supplement mortgage loans, extended warranties for home appliances marketed together with consumer loans, for example. Generally speaking, banks and other lenders, which used to be our customers, have become key distributors for our insurance products.

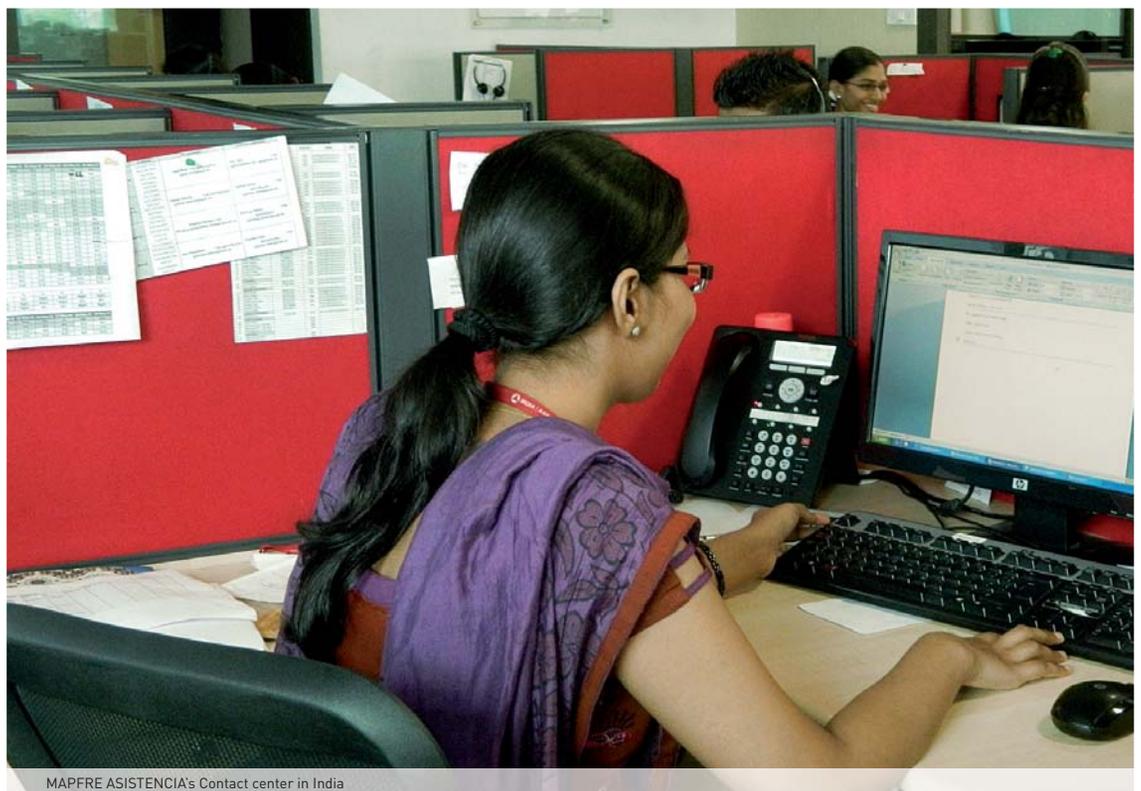
With operations active 24/7 on a global scale, MAPFRE ASISTENCIA relies on the most robust state-of-the-art technology to manage

its information and communications. How are these technologies structured?

All the software we use has been developed in-house to fit our specific needs. In terms of infrastructure, all our operations have remote backup from two data processing centres in Madrid and Miami, which in turn give each other backup to ensure continuity of operations in the event of any contingency. Our contact centres operate 24/7 using cutting-edge technology that enables them to back one another up during activity peaks and situations of *force majeure*.

It certainly seems like the initial plan is close to its crowning, but where will MAPFRE ASISTENCIA be heading towards in the next ten years?

It is hard to tell what may happen in ten years' time in such a fast-changing world. However, I trust that MAPFRE ASISTENCIA will have by then exceeded the EUR 2 billion revenue mark, will continue to offer outstanding returns to shareholders and will have succeeded in combining growth with the right measure of diversification between its two businesses. It will also have attained a good regional balance, with a much stronger presence in North America and Asia than is currently the case.



MAPFRE ASISTENCIA's Contact center in India