

# Aristóbulo Bausela

REGIONAL CEO MAPFRE  
LATAM SOUTH

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At the start of 2014, MAPFRE LATAM South took flight, with LATAM South being one of the three regions that make up the LATAM territorial area. Comprising eight countries (Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela) at very different stages of development in terms of markets, insurance and services, LATAM South has evolved “very quickly” during this period, according to CEO, Aristóbulo Bausela, who is responsible for defining “a strategy that allows us to grow, be profitable and do business.”

**“Risk and Insurance Management” (hereafter, R&IM): The creation of this area was approved by the MAPFRE Board of Directors in October 2013, as part of the new global structure of the Group, in effect from the beginning of 2014. What is the outcome of this period?**

**Aristóbulo Bausela (hereafter, A.B.):** The outcome has been very positive. It began with a guideline from the MAPFRE Board of Directors and, today, the new corporate structure and regional structures are a reality, and it is as if they had been in place for much longer.

LATAM South has developed rapidly, and the support and contributions of all the CEOs from the different countries has definitely been key to the success of making the model functional from day one. We started working with the motto that we could do it alone, but together we would do it more quickly, do it better and go farther.

**R&IM: What are your predictions for 2016?**

**‘A.B.’:** In every country, we predict that premiums will grow more than the market average and that inflation will fluctuate between 7 percent and 24 percent in euros, which implies a significant strain, if you consider the depreciation that the local currencies will endure and the economic slowdown that most of the countries are experiencing.

In Venezuela, the growth expected for the local currency is situated at the same level as expected inflation, but it will be drastically affected by the exchange to euros, given the high depreciation of the bolivar.

### HEADQUARTERS IN BOGOTA

**‘GRyS’:** The regional headquarters is located in Bogota. Why was Colombia chosen to be the base of operations?

**‘A.B.’:** The choice to have Colombia as the regional headquarters was motivated by several different factors. First, the presence of the regional Asistencia office for LATAM in Bogota, which provided a structure of professionals who were familiar with the region. Not only was the physical space available, but experience and knowledge had also been acquired through the relationships with the different countries.

Additionally, Bogota’s location and its airport, El Dorado, which is the third-busiest airport in Latin America in terms of air traffic, facilitate communication with all the countries of the region. To this it must be added that the majority of MAPFRE operations are concentrated in Colombia, Venezuela and Peru, which can be closer to from this location.

**R&IM: LATAM South comprises eight countries: Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela. How do you handle markets and cultures that are so different?**

**‘A.B.’:** Admittedly, the region is composed of countries that, although they come from the same historical and cultural axis, they exhibit different idiosyncrasies and characteristics, and they are at very different stages of development in terms of markets, insurance and services.

However, each of the local companies adapts to each market, making the local companies a cornerstone for offering products and services in accordance with client needs.

As part of MAPFRE, we all share a common form of management, a company philosophy, a rigor and a corporate culture that are perfectly compatible with these different services and products, and which, over the years, have also been proven to be valued and demanded by clients. We also generate confidence in distributors and consumers in each and every one of the markets.

**‘R&IM: What are your plans for development for each of these market, in terms of business?’**

**‘A.B.’:** The markets that make up the region have different portfolio compositions, so the development of our companies also has to be varied. There are countries where we have companies with more of a business risk portfolio and we have to bolster growth in individual risk. Whereas, in other markets, our greatest opportunity for growth is in Companies.

In any case, the idea is to balance company portfolios to prevent concentration, disperse our risks and make it possible to endure changes in the market in the best way possible.

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### **MULTICHANNEL DEVELOPMENT**

**R&IM: In mid-March, MAPFRE’s Annual General Meeting was held, and it was put on record that MAPFRE will continue to strengthen the multichannel model and progress in developing its commercial network by opening offices and promoting new distribution agreements, especially in the countries of the LATAM South regional area, among other things. What can you say about this point?**

**‘A.B.’:** The definition of MAPFRE as a multichannel company implies the challenge of not only being present in all the channels but also trying to be the leader in each one.



Due to the very composition of the markets in the region, the brokers and agents have the greatest weight in distribution in our companies. We want to continue to have a strong relationship and interactions with them, to improve our services and to incorporate new tools to make us more agile in quoting, selling and resolving claims.

However, the performance of the markets has led other non-traditional channels, such as supply chains, banks, car dealerships, etc., to demand products and services to offer them to other client segments, clients who in many cases are purchasing insurance for the first time, and we believe that we can and must offer our experience and knowledge to help them.

Additionally, our network of offices is one of the basic pillars of MAPFRE’s development, since it has made it possible for us to get closer to clients and distributors across the geography of the countries. We have to make an effort in economic terms and in terms of human resources and infrastructure so that our offices are continuously present in



more cities across the continent and so that our policyholders feel protected whenever they see the red sign with the MAPFRE logo near them.

Finally, a new tool that is not yet accessible to everyone in the region for use with insurance, but which will surely occupy more space in the coming years, is the internet and the possibility for clients to resolve their needs online. Thus, we are also searching for digital channels of communication that are not antagonistic but complementary to current distribution channels.

**“We want to continue to have a strong relationship and interactions with brokers and agents, to improve our services and to incorporate new tools to make us more agile”**

**R&IM: Likewise, in LATAM South, the Group will design a specific business plan for companies with a presence in several Latin American countries. What steps have been taken so far?**

**‘A.B.’:** Being present in every LATAM country makes us the only company that is able to accompany our clients in their business ventures, insuring their risks and their investments, providing them with services, guaranteeing collection on their sales and, ultimately, giving them the confidence that they have a global company like MAPFRE by their side. We have a long way to go. One of the first steps that we took was to strengthen our image and presence in the region. We think it is normal to be present in every country and we take it for granted that companies know this, but that is not always true. We are surprised when we see how many business owners and corporations discover that we can also give them advice, coverage and services outside their countries of origin.

**“Being present in every LATAM country makes us the only company that is able to accompany our clients in their business ventures”**

**R&IM: How is LATAM South connected to the other two regions that make up the LATAM territorial area?**

**‘A.B.’:** The three regions that compose LATAM are connected through the regional CEO, which in our case corresponds to Rafael Casas, who has been tied to Latin America throughout a large part of his professional career and who has a deep understanding of the companies, the markets and their development. We can share and exchange experiences and actions through him, which allows us to progress jointly and in a coordinated way.

Additionally, the Corporate and Business areas define and transmit global strategic guidelines, which keep all the regional offices in the same line of action.

## GLOBAL SOLUTIONS

**R&IM: MAPFRE aims to be the most trusted global insurance company. How is LATAM South contributing to this objective in your opinion?**

**‘A.B.’:** Wanting to be the most trusted global insurance company is not merely a declaration of intent; it has become a company philosophy that forces us to work on providing services to our clients globally. We can offer them all kinds of solutions through insurance and service products, both at the private level and the business level, through any distribution channel and anywhere in the world where their insurance and service needs exist.



In this sense, LATAM South is part of the globality that MAPFRE is building, both from a geographical standpoint and in the development of insurance, assistance and loan services and solutions, in opening distribution and communication channels with clients, providers and, of course, with the partners and shareholders in the countries where we are present.

**“Wanting to be the most trusted global insurance company has become a company philosophy that forces us to work on providing solutions to our clients globally”**

**R&IM:** In your opinion, how are risk management and Global Risks management developing currently in Latin America? What role is MAPFRE called to play in Latin America with regard to these topics?

**‘A.B.’:** The development of the Global Risks business is vitally important in some countries of the region, such as Chile, Peru and Colombia, where our companies have an area specialized in protecting large risks and large companies.

Over the last few years, our position in that market niche has increased, closely guided by the teams of the Global Risks headquarters that have supported local teams significantly. It is definitely a tandem or a combination that works and that we have to continue developing in other countries where we do not have the same market penetration yet.

**“The development of the Global Risks business is vitally important in some countries of the region, such as Chile, Peru and Colombia”**

The new perspective of Global Risks as a unit within the local companies and the proximity to the client when making decisions in the processes of valuation, advising and purchasing will certainly and significantly help MAPFRE continue to grow in the global business. ■

### A NEW CHALLENGE, A NEW STAGE FOR MAPFRE



After a long career with the Group, Aristóbulo Bausela accepted a new professional challenge on January 1, 2014: to hold the position of CEO in LATAM South, which allowed him to be part of a project that “represents a new stage for MAPFRE” from its beginnings.

In his opinion, “the creation of the regional areas signifies increased decentralization in management and greater proximity of MAPFRE to the business and the needs of our company. It is an opportunity to create a regional structure and a regional team to provide more and closer support and assistance to each of the countries that compose the region, in addition to contributing our experience to the formation of a relationship model between the corporate areas, the regional offices and the countries.”

His mission within this regional area has evolved as stages have been completed. “Initially, we started with something as basic as deciding where the

regional headquarters would be physically, putting together a team of human resources to work there, establishing integration with the regional Asistencia team in this area, forming the Regional Management Committee and defining the scope of relations between the countries and the Business and Client Regional Managements, IT and Processes, Finance and Resources and Operations Divisions.”

“We have also advanced progressively toward coordinating and exploiting synergies between the different MAPFRE companies in the countries, establishing policies and measures that contribute to profitable growth, increasing efficiency and reducing costs with a clear orientation toward the client, whether the client be a distributor or a consumer. In short, if I had to summarize it in one sentence, my mission would be to define a strategy in the region that allows us to grow, be profitable and do business.”