

JAIME BORRÁS

THE ARTAI PRESIDENT SHARES HIS THOUGHTS ON SPAIN, BROKERSLINK AND WHAT LIES AHEAD.

1 | **What are the key milestones of your career? Please tell us a little bit about the history of Artai.**

My first job was working for Banco Vitalicio, part of the Generali Group. I was based in Galicia for the first four years and later moved to Madrid for another four years as an inspector general in Spain's marine industry. This gave me a great opportunity to see how the market worked on a national scale. My time at Banco Vitalicio spanned from early 1971 to late 1978.

Following my work with that firm, I moved to Gil y Carvajal as Director for the Galician Region. Gil y Carvajal was a highly professional and well-respected brokerage firm. It was in this role, influenced by the company's vision of the market, that I became acutely aware of the importance of both customer service and the need to have a complete understanding of business risk. I started out in the London market, working with brokers such as Willis, Hogg, Seascopes, and others, and I had the fortune to get to know some great professionals like Mark Garwaith, John Wellesley, David Southwood, and Nick Taylor. The experience I gained working with these professionals on a day to day basis proved to be invaluable to me. I learned the importance and potential of an international network. We began to travel to Argentina to place Spanish ship-owners risks on the local markets.

I was part of the company's executive team, headed by Santiago Gil (one of the best insurance professionals of the last century), and I was also a shareholder in what was then the first Spanish brokerage firm.

In 1993, five people with extensive professional expertise and over 15 years' experience in common decided to

start a new project. As a result, Artai was born.

Our objective was to aim for the Spanish middle market by offering services to the fishing and timber sectors. Our hopes were to capture the largest share possible of the market and to be constantly pushing ourselves professionally.

In 2005 HHC was integrated with Artai. HHC was an independent brokerage firm in Leon, where it had established itself as the leader in road insurance for the passenger transport sector. With this integration came the acquisition of two experienced and reputable professionals, Joaquin Huergo and José Ramon Higon, further strengthening the team at Artai.

This year, we've also introduced the insurance brokerage firm HENNER-ARTAI. The firm specializes in health insurance, a line of business experiencing major growth. Another decisive and important milestone was the creation of Argentina Artai. Esteban and Luis Sanchez, together with their team, have proven to be reliable and competent throughout their work with us, and we're proud to have them on board. Argentina Artai is our main base in Latin America, where the Artai Group has plans for an ambitious expansion.

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Finally, I was lucky to come into contact with José Manuel Fonseca 6 years ago. He informed me of his idea to create an international network - BrokersLink, which was launched on the 20th anniversary of MDS in Porto. Mr. Fonseca, myself, Thierry Perousé, and Donald Begg of Cooper Gay were present at this important event - one which distinguished my career through my role as a founding member. Today, we continue to develop and practice the original vision of collaboration and diligence.

2 | **What is Artai today?**

Artai aspires to be the leading independent private professional brokerage firm in Spain and Latin America. To achieve this, the team must be very clear in its objectives. The value of good business ethics, the value of hard work and commitment, and the value of talent are all central to our success. These values help strengthen our foundation.

Our motto is that success can only result from a job well done; it's never an end in itself. Artai employees, a team of more than 100 people managing the risk and insurance of our clients, look to this motto throughout their work. We aim at achieving notoriety and trust as a specialist in sectors such as Maritime transport, (Fishing and P+I), Transport of Passengers by Road, Public Administration, and the general market via the manufacturing of timber, textiles, and so on. In 2011 we humbly began to introduce ourselves to the world of high exposures through Eduardo Llinas. Currently, Artai's client portfolio boasts more than three companies listed on the IBEX.



2012 has been an exciting year for the development of Artai. We acquired the brokerage firm CNA in Navarra, one of the most stable areas for midsize businesses in Spain, adding 800,000 EURO to our annual revenue. We also acquired the consulting firm Asur Credito that provides advice and services to our credit clients.

We created our own risk management consulting firm, James Steel Services, to operate as surveyor and adjuster, complementing our current risk management activity. The company will be involved in assessments, suppliers control and claims management platforms.

Going forward, we plan to acquire 33% shares of a Moroccan brokerage firm, then increase our participation in full to integrate the company into Artai's Group in a one year timeframe. It is an important strategic decision that will position Artai as the first Spanish broker in North Africa. We believe North Africa is the market of the future for both Spanish and European investments.

Artai Argentina also created their own enterprise risk management consulting firm to monitor the services delivered by suppliers to our clients. This service is in high demand in Latin America and I believe Esteban Sanchez, President of Artai Argentina, will have the opportunity to share with

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the BrokersLink community his experience in this activity.

Through Artai Argentina, we plan to complete the expansion of our footprint in Uruguay and Chile this year.

3| What should be the role of BrokersLink in regards to Artai?

We're a founding member of BrokersLink, and believe this network's foundation and success has been vital for us and for other medium-sized independent brokers determined to offer global service to their clients. We've enjoyed being a part of BrokersLink's international team, and we've certainly benefitted from its capabilities in information and skill exchange. The strength of BrokersLink is directly linked to the strength of its members. We believe BrokersLink should continue to be involved in management leadership and professional development. The network should also analyze and act upon the potential for greater collaboration between members.

4| As the chairman of the event, how do you see this 4th BrokersLink Global Conference and what are your expected outcomes?

For Artai it is an honor to have Spain chosen as the host country, and this means something very special to me personally. I still remember the beginning of BrokersLink in Porto, when we only had three members, and just a few years later, more than 65 countries were represented at the global conference. Having more than 200 professional members together, along with leading figures in the world of international insurance, discussing the most burning issues related to our business while networking and collaborating will lead to great outcomes.

All BrokersLink staff are actively

working in the preparation of our conference. Jacqueline Legrand, Liliana Baptista, Elisa Vázquez, Javier Huergo, and of course José Manuel Fonseca and myself are working diligently to assure the success of the conference.

There are three main components to this success, as I see it. First there's the pre-conference phase, where communication will play a leading role in preparing and advertising the conference between our members, as well as in the sector itself. After this, of course, the conference itself will occur, and the visibility and strength of our network will be displayed in all its glory.

Finally, the important post-conference stage will help us to properly understand and use the advantages and synergies arising from the



conference. This will help us to continue generating visibility and ensuring that our media reach is effective.

5 | **What are the trends in the Spanish insurance brokerage?**

There are profound changes taking place in the intermediation and insurance assessment sector in Spain at the moment.

The Spanish market is made up of almost 3.000 brokerage firms and 2.000 independent insurance brokers.

These numbers, whichever way you look at them, are excessive. This means that there is a deficiency in the ability to provide an adequate service and consequently the quality of the services decreases.

Many brokers find themselves in a very difficult situation economically as a result of the premiums falling and a need for better quality services. Many companies have been forced to close due to the economy's decline. This will cause a major streamlining of the industry. We understand that many of these brokers and brokerage firms could provide their services through wholesalers and that their

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clients would be much better served.

The Spanish branches of the giant mega brokers have begun exploring this line of business, and at Artai, we are also exploring it. The challenge is to overcome the mistrust of these brokers and brokerages firms. It is vital that both sides understand these figures are not antagonistic but complementary rather.

On the other hand the tendency is towards an increase in services related to management risks.

6 | **How does the current economic situation in Spain impact the insurance market and the brokerage industry?**

The impact is direct due to the fact that tens of thousands of companies have closed in recent years in Spain. Primarily, businesses related to the construction sector, such as the timber industry, the textile industry, the household appliances industry and so on were the hardest hit. Many others have seen a reduction in both their turnover and business activity.

The excessive increase in construction debt, the collapse of the financial sector, and the excessive over-reliance on the housing sector has provoked a substantial fall in consumer demand. All of this naturally results in less activity, less capital insured, less transport, and less credit.

Our work is focused on serving companies, so if businesses suffer, we suffer as well.

7 | **How do you see the future of the insurance brokerage activity, in Spain and in general?**

In my opinion, Artai needs to expand its services and to innovate in risk management for our clients to stay competitive in the Spanish market and beyond. Information systems over the next few years are going to be vitally

important, and I think our field as a whole will be better equipped to take on coming challenges.

Communication will also be essential, and I think video conferences will be a vital part of the business worldwide. To continue to offer value, we need to be more efficient and to optimize our resources, and our service must improve every step of the way.

8 | **What are your favorite places in Spain? Do you have any recommendation for our BrokersLink members?**

As the Spanish son of Argentinian parents and Portuguese grandparents, it's a luxury to live in this great city Vigo, from which hundreds of thousands of immigrants set off to Latin America, to later be welcomed back again at the beginning of the last century. Vigo has one of the most pleasant climates of Spain, and its beauty and culinary excellence are unmatched.

Vigo is also the city with the highest rate of growth in what is now the European Union over the last hundred years, increasing from 10,000 inhabitants to nearly 400,000 today. The people are very entrepreneurial and the city boasts a pioneering role in the world's fishing industry.

I've travelled throughout Spain over a long period of time, and this country is easily one of the most diverse I've ever experienced. Places such as Andalucía, Levante, País Vasco, Asturias y Santander, and Cataluña, which hosts Barcelona, one of the most beautiful cities in the Mediterranean region, all have much to offer visitors.

Overall, Vigo is a city that believes in itself and which has tremendously advanced in recent years. All of Spain is special to me, and I'm sure conference attendees will find many special venues of their own.