

BRADESCO

A LEADING INSURANCE COMPANY

Bradesco is one of the biggest financial groups in Brazil and part of this organisation is **Bradesco Seguros** – a leader in the Brazilian insurance market. With multi-line operations and a presence in every region of the country, it draws business from 4,600 branches of the Bradesco Bank, looking after around 50 million clients.

Commercial general sales manager, **Marco António Gonçalves**, discusses with FULLCOVER the strategy, performance and challenges of this group.

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We have a long-standing relationship with Bradesco. Apart from being a solid company offering high technical quality – characteristics that have earned it a place as one of the most important in the industry – we have an excellent relationship with Bradesco's executives. Thanks to this relationship, we do not simply have professional colleagues; today, we have friends in whom we believe. This trust is bearing fruit in the form of excellent business opportunities for both companies.

Hélio Novaes
CEO, MDS Brazil



Marco Antônio Gonçalves, Bradesco Seguros and Hélio Novaes, MDS Brazil.

Almost two years ago you were appointed commercial general sales manager for Bradesco Seguros Group. What have you learnt during this time when the country has experienced so much turmoil?

Brazilians still have a long way to go to match other countries where insurers are more active in the protection of the commercial and personal assets of its citizens. This does however make Brazil 'a country of opportunity' for the insurance market. It currently contributes 2% of global premiums, is recognized as the 14th largest insurance market in the world and is predicted to rise to eighth position in the future, even with its challenging economical scenario. An indicator of growth is that in 2015 the insurer sector accounted for 6.2% of Brazilian Gross Domestic Product (GDP), in 1990 it was 1.3%. There are still over 140 million Brazilians without life assurance, 35 million without vehicle insurance, 50 million homes without buildings or contents insurance and three million companies without property insurance. We still have a lot to do, always keeping in mind this will be medium to long-term policy growth.

The company has approximately 40,000 active brokers. How is your relationship with them?

Brokers are an important link in the market and are crucial for solid growth. Since 1991, the Bradesco Seguros Group has brokers present in every branch of the Bradesco Bank (controller of the Insurer Group) and over 30 thousand professionals work with us outside the branches. This ensures we have a direct link to clients and can respond quickly to any requests. We are keen all brokers take advantage of our training and refresher tools which are available via differing communication platforms, including online. We are always looking to add new tools to ensure we can share our unique client vision, which is to integrate multiple products and solutions into a single platform, enabling us to meet all their needs. In 2004, for example, we created UniverSeg – a staff and partner broker management information portal that offers courses and online tutorials to improve technical expertise. This free tool enables professional growth in several areas for all who are part of our sales force.



São Paulo skyline.

In 2013, Bradesco Seguros streamlined a number of its commercial lines. What impact has this had?

Investments in new platforms and the unification of all commercial insurances into a single Bradesco brand ensures we offer clients a single Bradesco experience. From a customer perspective, they interact with a single provider, no matter what their requirements; we have the people, technical expertise, IT and insurance programmes in place to support them. As a result, we're more agile, inclusive as an operation and better placed to resolve insurance issues to the insured's satisfaction. We deliver a 'real time' service to brokers and clients, providing answers and immediate solutions for all requests. The Insurer Group closed 2015 with a turnover of R\$ 64.3 billion, signaling a growth of some 20%. For financial insurance products and pension plans, turnover was up 15.1% on the previous year. These results, above the Brazilian insurance market (which grew 11.7%), represented a clear out-performance and a decade of annual growth has secured us a market share of around 25%.



Bradesco Seguros

Bradesco Seguros is one of the biggest financial groups in Brazil and from its solid foundation has been looking after the interests of its clients since 1943.

Bradesco Seguros is the leader in the national insurer market. Part of the Bradesco brand, it provides financial insurance products and pension plans for people across Brazil. Its multi-line operation and presence in all of the country's regions, helped Bradesco Seguros achieve within the first nine months of 2016, a turnover of R\$ 50.2 billion. This represents a growth of 10.3% over the same period last year.

What strategy have you followed to become the biggest insurer in Latin America?

There are a number of contributors to Bradesco Seguros Group being the biggest insurance conglomerate in Latin America; it has financial solidity of the brand, a presence in every region of the country and multiple business lines such as; Auto, Non-Life (excluding accident and workmen's compensation), plus Health, Life, supplementary retirement products and other financial insurance products. For 15 consecutive years, the Group has appeared as 'the most recalled brand by consumers' in the Insurance category of the prize awarded by the reputable Instituto Datafolha. This is an important indicator of the synergy we have with an increasingly dynamic, demanding and well-informed Brazilian society. With its market share in the region of 25%, the Insurer Group registered in 2015 a turnover of R\$ 64.3 billion, financial assets of R\$ 192 billion and technical reserves of R\$ 178 billion.

Bradesco is leader in the health segment.

How has this been achieved?

Bradesco Seguros Group leads the private health insurance Brazilian market. We insure over 4.2 million people and have access to a wide range of medical facilities including some 16,000 office-based doctors, 1,800 hospitals, 1,700 emergency rooms, 19,000 clinics and 11,000 imaging and lab analysis services. Such a comprehensive network means we can tap into the expertise of over 107,000 doctors and health professionals.

In 2015 the Group registered around 134 million services and procedures – involving appointments, hospitalisation, tests and support programmes - for health insurance clients. This is a key differentiator; access to unrivalled levels of information and services ensures companies' human resources departments can better support and manage the health of their employees. The SIGE system, for example, has a 'Juntos pela Saúde' (Together for Health) programme that allows companies to see how much is being lost through sickness absence, details their existing health strategies, provides a risk management programme so they can identify 'at risk' areas and formulates plans on how to deal with them and prevent future sickness absence (via health promotion actions).

There's also the medical-hospital care network management programme 'o Meu Doutor' (My Doctor), the Second Medical Opinion and others, which aims to improve the quality of the service provision and rationalise assistance costs, which have been increasing in volume and breadth of cover.

A further differentiator is that within our health area, we run a corporate client relationship management programme – Multirramo – which is managed by the sales team. Their goal is to evaluate client satisfaction, relationship-build and improve retention rates.

What is your biggest challenge?

As the market matures and evolves, it is important we offer products, services and benefits that match the profiles of those within our Brazilian society. We have a wide presence across Brazil, have a market-leading portfolio of solutions and are well-known in the market, so I'm confident we will continue to develop and offer insurance and service-led solutions that meet the needs of all our clients.

We are also committed to reaching out to younger people, using newer communication platforms. Despite handling great volumes of information daily, younger people still don't have an awareness of the need for insurance.

Are there new products which should be implemented in the market?

The main issue isn't the new products but the extent they are taken-out by Brazilian society. As I said before, all classes of insurance still have a lot of room to grow. In the beginning of 2015, for example, we introduced Total Auto Assistance – a popular product for vehicles up to 15 years of age which is very simple to take-out. This still has huge growth potential, alongside a range of other policies, including specialist dental insurance for companies and individuals (with varying levels of payout) aimed at higher-income groups.

Bradesco Seguros is a pioneer in developing and introducing new products and refining existing ones. But for strategy reasons, new products and services are only brought to market after extensive testing and analysing; qualitative feedback is essential for the operation's success.

What other insurances are popular at the moment?

Nowadays, Brazilians' priorities are changing and there's more emphasis on the need to put in place financial support for private pension plans, life, health insurance and dental care. These classes of insurance will always have more clients than others; it's a natural thing, as we are living longer and everyone's dream is to be able to enjoy that longevity in good health. As for auto insurances, these depend more on economics and people being able to increase their level of income so they can afford such cover.

Home insurance with accidental cover has become more popular over the last few years, mainly because Brazilians are placing greater importance on the need for this type of protection in their day-to-day life. They appreciate that having this cover in place will prevent them paying the often high costs to repair damaged assets which can impact on their family's financial wellbeing.

The new office in Alphaville, what was the idea behind its construction?

The new office in Alphaville, São Paulo, signals a special moment for the company, bringing all our business areas together into a single location. The building now integrates, apart from Bradesco Seguros Holding, all the Insurer Group companies based in São Paulo and just like our Rio de Janeiro office, this newly integrated group will ensure greater synergy with over 200 branches in all the Brazilian states. This move to a new 'intelligent building' confirms our commitment to invest in new platforms and realign processes so we can enhance our capabilities and continue to offer protection to the insured in all required areas.

The building was built by BSP Real Estate Venture, a company of the Insurer Group, that has around 800 properties in its portfolio. Alphaville achieved the national *LEED Green Building Gold For New Construction* award, given to buildings which follow the sustainability standards in every stage of construction.

Alongside the new office, Bradesco has a new client vision. Can you tell us more?

Our client vision is being able to integrate multiple products and solutions into a single platform and location. This gives us clear advantages and additional benefits for the insured. The products and services under the Bradesco Seguros brand must mirror what the market needs. By sharing this vision with our clients we can analyse exactly what they need and create insurance and risk management packages to match their financial capabilities.

Bradesco Seguros has assigned its high-risk portfolio to Swiss Re Corporate Solutions. What was the strategy behind this?

This joint venture confirms Bradesco Seguros Group's strategic vision to provide clients with the biggest and best range of insurance products in all lines of business. The choice of partnership with Swiss Re Corporate Solutions aligns with our strategy to extend our expertise and geographical reach via a great international partner. Insurance is a fundamental part of the Bradesco Organization and this joint venture strengthens our belief that high risk insurance is a growing market in Brazil. After the approval of the regulation agencies, the partnership will result in the creation of one of the three biggest high risk insurance companies in Brazil.

What are the expectations of this joint venture?

The joint venture will extend our operation in the high risk market and confirm our long-term commitment in this area. As both groups have complementary competences and portfolios we will be even more agile at developing solutions for clients and the high risk market. It will enable us to offer more innovative products through a consolidated distribution network of Bradesco Seguros Group, the country-wide Bradesco bank and the 40,000 registered brokers who partner with us.

Do you see mergers and acquisitions taking place within the Brazilian insurance market and would Bradesco be interested in this?

There isn't currently a wave of mergers and acquisitions, but they may happen, as the market is cyclical and Brazil represents great potential for insurers. Bradesco Seguros Group is always alert to opportunities that may arise.

What about the future?

Governance will be a key focus as well as the processes of expenses control; automating administration, centralising operational activities as well as the installing new systems. This will improve efficiency and the way we communicate with clients. It is worth mentioning that Bradesco's capacity for the distribution and placement of products has been its greatest competitive differentiator; we have the capabilities to service the needs of clients in 5,500 Brazilian districts/municipalities.

We have also increased the use of digital channels by around 40%, using advanced solutions for product placement in internet banking, business portals and mobile apps. About three years ago we integrated our commercial business into a single multi-branch structure. Called 360° vision, it offers clients, in a single location, all the insurance product solutions they need protecting their assets, their future and their life.

Today, that integrated sales unit has matured, having increased its client intelligence and capacity for data analysis. This translates into improved protection and commercial coverage, better cross-selling and more cost reduction. Following the acquisition of HSBC Bank by Bradesco (a natural fit with us) we are looking forward to a new and promising stage in the company's life, hoping to contribute, more and more, to a consolidating insurance culture in Brazil. •