

Ignacio Baeza

VICE-CHAIRMAN OF MAPFRE,
PRESIDENT AND CEO OF MAPFRE
GLOBAL RISKS

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“MGR is a company whose business model is based on the concept of sustainability, our primary main focus is to ensure a sustainable growth”, said Mr. Ignacio Baeza, Vice- President of MAPFRE and President and CEO of MAPFRE GLOBAL RISKSs. In his judgment, Mr. Baeza said “we are facing to a market with surplus capacities, where all competitors are beginning to look similar”, so we think “that the distinguishing feature will lie in the customer-focus”. According to Mr. Baeza, another key element in the MGR corporate strategy are the employees, because “we are continuously monitoring and improving our Human Resources policies.”

Risk Management and Insurance (hereinafter 'R&IM'): In your first year as CEO of MAPFRE GLOBAL RISKS, which challenges and aims have you in mind for this Unit both in the short term and in the medium and long terms?

Ignacio Baeza (hereinafter "IB"):

Despite the short time as an independent company focused in the management of large risks, MGR is an established company with excellent results. In the coming years we want to continue growing, in particular within Europe. This becomes more complicated because we are facing an endless soft market phase. As second aim, I should like to highlight the deployment of actions to pursue the excellence in Customer Service. For this purpose we count on a specific strategic.

So we are continuously monitoring and developing our Human Resources policies, because our employees are a key element in the MGR strategy. Therefore we try to provide them the best training opportunities, we seek to foster teamwork and to keep our employees motivated, for example helping to reconcile work and family life. After all, people are the most valuable asset of MAPFRE.

R&IM: Which are the company's greatest competitive advantages to respond successfully to the challenges of the domestic and international market?

'IB': We are facing a market with surplus capacities, where all competitors are beginning to look similar. We think that a customer-focused strategy is the key element. We are basing our strategy proving that we are aware of the many challenges they face in the course of its business, while being flexible enough to suit our solutions according to their needs.

“We are basing our strategy proving that we are aware of the many challenges that our clients face in the course of its business, while being flexible enough to suit our solutions according to their needs”

MGR is working on two lines: on the one hand we have Spain and Latin America, in which our leadership internationally is unquestionable and when we maintain close relations with our clients.

We have been growing in this region for several years, giving rise to close and co-operative relations with our clients, as real partners.

And on the other hand is the European market, where our work in the past few years has been focused on increasing the brand recognition and our work philosophy, delivering the best possible solutions in order to achieve a long-term and mutually beneficial relationship.

As previously stated, after many years working in the Group, I believe that our primary asset, our competitive advantage, is our people. I am sure that with our team we will be able to offer to the market a closer relationship, with a less transactional nature. Because you can always buy an IT solution, but it is really hard to find a team with values and a clear customer service vocation. Thankfully, we have been working on this for many years in MAPFRE.

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‘R&IM’: Which strategy will follow MGR at an international level and which will be the priority regions?

‘IB’: Under the previous management of Mr. Alfredo Castelo, initial steps were taken to develop activities in Continental Europe with the establishment of offices in France, Germany and Italy. In addition, another office was opened in the United Kingdom, perhaps the more important sitting for the insurance market worldwide.

Our goal for the next few years is clear: consolidate our position in this market, in order to ensure the profitability of the business, trying to bring to this market our corporate customer management culture, which has worked so well in Spain as a differentiating element.

Of course we are always looking for new markets to continue the process of expanding our business and we don't rule out new openings. But at the moment our efforts are focused on we already have now.

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‘R&IM’: Which role will play Latin America in the MGR corporate strategy? Which potential still exists in this region for a business development?

‘IB’: Latin America is a key region for us, and in our viewpoint, it has an enormous development potential, even though the challenges faced by some countries. We remain confident in the Brazilian and Mexican Market and we also took advantage of the good period that other market are currently living, like Peru, Colombia and Chile.

This year we will continue to seek internal synergies in order to strengthen the integration processes of the GLOBAL RISKS business with the other business of the Group. We cannot afford not to take advantage of the tremendous opportunity offered by the MAFPRE platform.

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‘R&IM’: MGR competes in a global environment, with a client in an increasingly digitized world. How have you adapted your activities to meet these challenges effectively?

‘IB’: As well our competitors, the investment in IT development is at the core of our strategy. But we must not forget that the GLOBAL RISKS business is a people business. Customer wants to have a prompt access to information, but at the same time they want to get a live voice at the other end of the line. For this reason we invest our resources to ensure that our teams are able to work as an extension of the client's organization.

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‘R&IM’: How is changing the role of the Risk Managers of large companies in the last few years?

‘IB’: Nowadays, one of the main challenges faced by the Risk Managers seems to be the complexity of introducing an international insurance programmes considering the point of view of *Compliance* and *Control*. In this respect, takes on special relevance the role of the insurance company, who should assess the client through his partner Service Network and local companies, ensuring compliance with the environmental legislation in the different jurisdictions presents in a complex insurance program.

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Another major challenge comes from the technological advances, causing a consistent evolution of risks. This means that Risk Managers should monitor and supervise market developments and the claim ratio. This can pose a major challenge to the own insurance market, as can be seen in the limited offer of cyber risk.

‘R&IM’: What factors does companies appreciate when they should transfer part of its risks? Do you think that the MGR engineering area stands as a differentiating element on your insurance offer?

‘IB’: One of the most important aspects that all companies value, is to have knowledge about the clients’ business. This allows the production of insurance policies adapted to their specific needs. In this respect, our engineering area is of vital importance, with their knowledge about the business activity of our clients, the particular risks inherent in them. All this, with a complete and personalized advising in an attempt to reduce risk. Given that they work with a large number of companies in the various sectors of the economy, they can gather information and transmit the best practices of the market.

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Another important element, as previously mentioned, is the knowledge and to give an assessment services when introducing international programs. This is a work in progress that we are promoting inside the company.

‘R&IM’: Which are the main goals that have always guided your career? How could you reconcile your work and family life?

‘IB’: I have always tried to transmit to our team my passion for this business and the significance to take decisions in pursuit to ensure the corporate sustainability. Likewise, I always give significance to values as leadership, cooperation, flexibility and merit in all projects I have faced within the MAPFRE Group. I am very pleased to be part

of this Group, which ensure and promote the development of these values.

The reconciliation of family and professional life is very important to MAPFRE and we make considerable efforts in order to ensure it. I consider myself as a family man and I understand modern companies should work to create an environment that makes possible to combine working and family life. ■

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