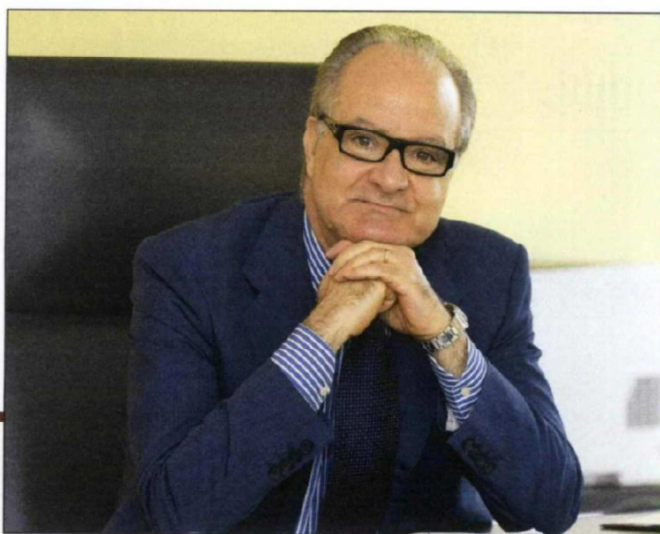


INTERVIEW **ANDREA SIMONCELLI**, GENERALI POLAND MANAGEMENT BOARD PRESIDENT AND CEO

Market and Generali to Grow Together



Serbia is more than ready to join the EU in terms of insurance compliance, but it has yet to achieve full market freedom. Strong potential for industry growth provides for Generali's further prospects

T Andrea Simoncelli, who has led insurance company Generali osiguranje Serbia for five years, is leaving Belgrade to take on a new challenging post in Poland, after having achieved, along with his team, double digit growth and a total market share of 23 per cent in 2015. "This is the result of teamwork", says Simoncelli in this interview for CorD Magazine.

■ Last year proved extremely successful for Generali. Which factors contributed most to the growth of premiums in both the life and non-life insurance segments?

- We have witnessed the extraordinary growth of Generali osiguranje Serbia in both life and non-life segments. As far as non-life is concerned, we enjoyed - at least for the first half of the year - a tariff increase in MTPL, which was particularly successful for the incremental presence of Generali osiguranje Serbia, above all in the non-life, non-motor business line, and particularly in property and accident insurance, and an increased presence of successful re-

sults in public tenders. As far as life is concerned, with a 40 per cent market share in the country, we are undisputed number one.

■ Generali's total market share has reached 23 per cent. Are you satisfied with this result and do you think Generali could progress even more and take a leading position on the market?

The Serbian insurance market still has plenty of room to grow and Generali will continue to play an important role in this growth

- This 23 per cent is an extraordinarily good share of market, particularly in Serbia - where the total market continues to be quite stable, even though in 2015 we experienced double-digit growth for the first time in the last five years. We are number one in life and number two in non-life, just because we don't want to overly increase our exposure to the main line of business, that is MTPL, which, as you know, implies some risk factors in the case that our portfolio enlarges.

■ Generali Osiguranje Serbia is the founder of the Generali Voluntary Pension Fund - the first of its kind in Serbia - as well as Generali Reinsurance Serbia and a company for non-life insurance in Montenegro. How much have these moves contributed to securing Generali's position as a regional leader?

- Generali voluntary pension fund, with a 28 per cent market share, recorded the highest yield in 2015 and this confirmed the good performance of our financial department. Nataša Marjanović in particular, as general manager of the Pension Fund, reported once more the highest yield in the market and this makes the Generali Voluntary Pension Fund a real gem within Generali's insurance activities in Serbia.

Moreover, Generali Reinsurance has also contributed to the extraordinary results of our insurance activities, providing us with the best reinsurance contract, both in terms of capacity and in terms of placing risk outside the Republic of Serbia. Finally, we have Generali osiguranje Montenegro. As I always say, Montenegro may be a small country, but it is an extremely interesting insurance market. It is headed by Dejan Bajić, who is an extraordinarily good general manager.

■ In which of the areas where Generali is active do you see the greatest opportunities for growth in the coming period?

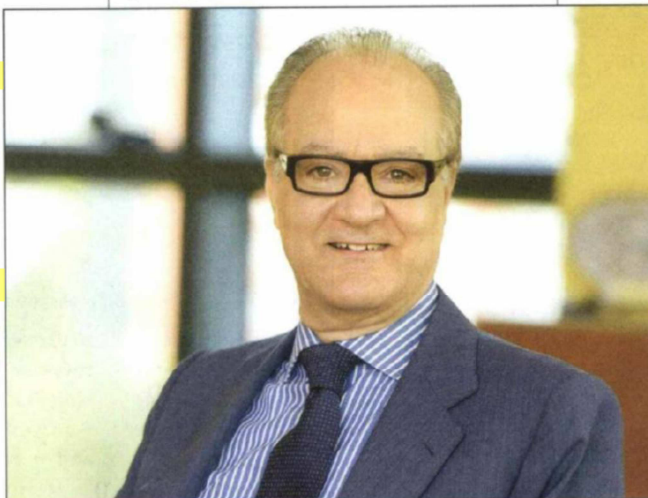
- You know, Generali continues to build its reputation as the best company in terms of customer service. The result of the Transactional Net Promoter Score shows how close Generali osiguranje Serbia is to its customers, in terms of swift responses within 24 hours of customer requests, complaints or demands. The recent statistics issued by the National Bank of Serbia show once more that Generali osiguranje Serbia is the quickest in terms of paying out on claims and, therefore, we continue to be the leaders in the claims handling process.

■ Which successes of Generali Osiguranje Serbia, and your personal successes, would you single out as being the most prominent from 2011 until today?

- I like this question very much; it's probably the best one I could receive. There is no personal success. When I arrived in Serbia five years ago, Generali was one of a number of insurance companies; we still had a minority share of Delta and we were, let's say, among the group of service providers. Today we can say that we are in the leading position, both in life and non-life, and that we can be considered the most efficient and most professional, and the quickest in handling claims. So, the reputation of Generali in Serbia, which is now fully owned by Generali Group, has achieved growth in terms of both premium profit and customer reputation. And the reason is not the success of one, but the success of the 2,200 people who work at Generali. So, probably my greatest achievements in these five years have been to build a group of managers, particularly the members of the Executive Committee, and teach people how to work together - with "teamwork".

■ You were appointed Chairman of the Supervisory Board of Generali Romania Insurance Reinsurance in 2013. Could you compare the Serbian market with the markets of the region?

- Serbia is more than ready to join the EU in terms of insurance compliance, even if it doesn't have compulsory adherence to Solvency II rules. Romania, as an EU member, already has all European principles embedded in its legislation.



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The difference between Romania and Serbia is not in that legislation, which is quite similar, but rather in the attitude of customers. Romanian customers are much more demanding in terms of products and claims handling. This demand sometimes does not correspond to the same transparency and the same ... let's call it "dialogue", that I experience in Serbia. Romania is still a market where the customer expects much more from an insurance company than what they actually paid to receive.

■ As of this year, you have taken on a top management position in the Generali

Group in Poland, where you once worked as president of Fiat Insurance, back in 2003. What challenges are brought by these kinds of markets that are much more developed than Serbia's?

- The Polish market, where I'm going to be working as of this month, is the largest market in Eastern Europe and one of the largest in Europe as a whole. Having said that, the presence of Generali is still marginal. Our reputation is very good, but, you know, in terms of ranking on the insurance market, we are not yet in a position that should be occupied by a name and company like Generali. And my first duty will be to grow both of them, in terms of premium and mainly in terms of profitability, in order to repay the trust placed in me by the shareholders of Generali and, mainly, Generali Insurance in Poland.

■ Which global trends in the insurance field would you highlight in these turbulent times in which we live?

- At the worldwide level, insurance is becoming more and more a service for attaining so-called peace of mind; a service to cover both assets and personal issues in the case of any event that could happen during a lifetime. In Serbia the trend that I found is to develop a more free market. The presence of Austrian, Italian and, let's say,

a Serbian company - in total six insurance companies that represent eighty per cent of the total market share - means that the market is not completely ruled by what could be called free competition. There are still some limitations, due to the present activities of "technical checks", and this is an issue that has to be revised through new laws, in order to clearly divide the activity of "technical checks", in terms of checking a registration, from the activity of insurance. Finally, I am convinced that the Serbian insurance market still has plenty of room to grow and that Generali will continue to play an important role in this growth. ■