

# 08.

## Distribution Business



In terms of the supply of insurance services and solutions, Caser's commitment to a single distribution model structured around diversification while focussing on their respective networks, is one of the keys to the Company's success, and one of its distinguishing features. As a result, each of the Agents and Brokers, Banking and Large Accounts businesses is supported by professional and expert structures in its segment, which have become a firm lever for the supply of insurance services and solutions.

## AGENTS AND BROKERS

During a difficult year marked by the pandemic, the Agents and Brokers business performed better than the sector average, both in terms of risk premiums and savings. The increase in the volume of risk premiums by six million euros compared to 2019, ending the year at EUR 206.6 million, is merely a sign of the achievements made, beating the sector average by 1.5 percentage points. This achievement was repeated in the case of savings premiums, whose results were also up on those recorded by the sector.

In terms of Non-Life, the Motor, Health and Multirisk segments are worth particular mention, with increases in premiums of 12.4%, 5.7% and 4.2%, respectively. The Health, Motor and Private groups ended the year on EUR 147 million and growth of 7.6%, up by more than ten million euros year on year.



At the same time, new production premiums, in addition to the business sector and products linked to SMEs and the Self-Employed, were affected by Covid-19, especially during the lockdown period. However, the Group's actions to boost activity during the second half of the year, including Caser's commitments to Mediation, reduced this impact. The agreements and protocols in place, combined with the success of campaigns carried out, made it possible to increase the portfolio mix of Individuals and Commercial

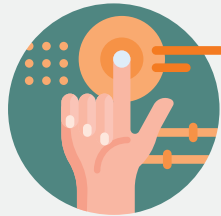
by more than one percentage point, mainly due to the strong behaviour of Individuals.

As set out in the Strategic Plan, the weight of the business brokered by Agents continued to grow when compared to the business brokered by Brokers, creating a Network that is more in line with the interests of the Company, with a higher degree of representation and a less volatile portfolio. At the end of 2020, premiums brokered by agents accounted for 66% of the total and 72% in New Production

on account of the increase in policies extended in the Agents, Development, Expatriate and the Canary Islands divisions. As regards the Brokers Network, the Business maintained a policy aimed at attached professionals and results.

In terms of share, the growth in premiums in the Agents and Brokers Business accounted for more than 20% of the Group's total premiums.

The progress made during the year included work on the different initiatives aimed at placing digitalisation at the service of agents and using digital methods to generate business. To this end, a new digital communication strategy was launched and digital campaigns came online. In terms of the Brokers Network, work continued with major software vendors on the digitalisation of web services.



## THE AGENTS OF THE FUTURE: E-AGENT, DIGITAL DISTRIBUTION AND #TUAGENTECASER

Over the course of the year, marked by a change in interpersonal relationships as a result of the pandemic, the Casar Group adapted all its services to the needs of customers, with a view to continuing to provide excellent and quality care to all its policyholders.



The Agents and Brokers placed an emphasis on a more efficient, digital and automated model in its procedures through the digitalisation of the brokering service, becoming an E-Agent, which entailed the implementation of a unique system for the creation, assignment and automation of tasks.



At the same time, the #TuAgenteCasar initiative was launched, introducing tools for interacting in the new digital world. Furthermore, in particular in light of the Covid-19 crisis, work was undertaken to impart training across the Own Network on the use of social media for commercial purposes and work continued on the digital distribution of the Casar Magazine as a channel for boost the figure of the agent and the key role that trust and advice play in their relationship with customers.



Furthermore, the Brokers Network was enhanced using new technologies and improvements to the Commercial Portal with the roll out of new functionalities, such as the development of the Broker's File, the integration of app functions or the new alert system.

Furthermore, through the Agents and Brokers Business, the Company joined the governing bodies of the Cima Commission, playing an active role in the pilot to implement this platform next year .

At the same time, new innovative products using technology were created in the Motor and Multirisk Property branches. Highlights include the launches of Turismo Nacional & Covid, Caser Remoto 2.0, Caser AtodoRiesgo, Caser Inmueble Flexible and Caser Hogar Modular. Furthermore, a new digital communication strategy was developed, rolling out digital sales models

**302**

agents have websites to implement the digital and business generation strategy

and support for brokers was increased with a view to rolling out new capabilities as part of the commercial actions adopted.

The activities of the Agents and Brokers Business were present at several prominent forums (including Forinvest Insurance Forum and International Insurance Forum) at which the image and professionalism of the Caser brand has been made evident. Furthermore, it was present at the 17th edition of the GEMA Awards (Insurance Mediation Business Management), it sponsored the Club de Campo Villa de Madrid hockey teams and was present at the 1st CCVM Social Croquet Championships.

As regards training, significant efforts were made to improve the training imparted both to Agents and Business staff and, in particular, the Commercial Network. In total, more than 270,000 teaching hours were delivered.



**IGNACIO MARTÍN**  
DIRECTOR OF THE AGENTS AND BROKERS BUSINESS

situation that the business sector finds itself in and the significant difficulties we are seeing as a society. In fact, the volume of premiums exceeds the sector average by 1.5 percentage points and represents an increase of almost six million euros. In terms of share, the Agents and Brokers Business accounted for more than 20% of the Group's total premiums this year.

How has agent training improved?

We have always worked with our networks to adapt to our customers' demands as well as the opportunities offered by digitalisation in terms of progress, particularly this year. The Group has worked on different initiatives that seek to place digitalisation at the service of the agent and use digital media to generate business.

Do you believe that the Agents and Brokers Business achieved satisfactory results in 2020?

The data do, indeed, offer a positive result, and we need to bear in mind the

## BANCASSURANCE

Bancassurance performed positively in 2020 despite the context generated by Covid-19, thanks to the ability to react quickly to the new situations resulting from the crisis.

The response to lockdown measures and new reality for customers and banks was reflected in the creation of new business plans, focused on non-binding sales, loyalty and retention of policyholders. The economic measures taken include the elimination of surcharges, splitting and lengthening payment terms, making it possible to help customers in these new circumstances.

Additionally, the use of the retention platform was enhanced, as was the direct involvement of banks when interacting with customers as part of the Unicaja “Recovery Centre” or the implementation of direct retention arrangements by Ibercaja offices, which on a whole managed to reduce the cancellation ratio to 10.9% in 2020.

Furthermore, continuing with the roadmap set out in the Strategic Plan, progress was made in the digitalisation of supply; although this was in the planned phase, it received additional impetus during lockdown as an alternative sales channel when the number of customers visiting offices was reduced, making it possible to continue making sales despite the circumstances.

This process has resulted in a change in customer behaviour and a review and improvement of marketing processes, with a particular emphasis placed on:

- Implementation and renewal of the digital sales (apps and banking websites) at Ibercaja and Liberbank for home, motor, health and burial products.
- Implementation of the Bancassurance Portal at Ibercaja and Liberbank, as a new marketing tool for offices that replaces the historic TPnet platform, this tool has been warmly welcomed on account of the improvements to commercial orientation, communication and usability.
- Introduction of marketing improvements in the health sector with remote underwriting and inclusion of the video-consultation and remote consultation services as essential options during the pandemic and which, now fully established, will remain relevant in the future.
- Implementation of financial agents, a sales channel that complements face-to-face services at offices and remote managers that will become progressively prominent and relevant throughout 2021, speeding up the penetration of digital sales.
- Increased presence of telemarketing as an alternative tool to face-to-face contact.
- Consolidation of packaging practices and the personalisation of insurance policies at banks as fundamental aspects included in the Strategic Plan.



Packaging has evolved through multi-insurance accounts where the customer can divide the total value of their insurance into 12 comfortable monthly payments, a practice that was successfully consolidated at Unicaja with 17,000 new “Plan Uniseguro” contracts in 2020 (source: Unicaja) and at Liberbank with the launch of the “Todo Seguros” account.

Furthermore, in relation to the customisation of supply, all banks adhered to the customised pricing model for the Motor branch, marketing car insurance for a customised price per customer based on their value. This system has resulted in more than 25,000 policies being taken out in 2020 taking into account each customer type.

Furthermore, in the Home branch, price optimisation and customisation has been implemented in portfolio policies for the vast majority of banks.

As regards the improvements to supply progress has continued in terms of the implementation and roll out of innovative projects; worth special mention is the launch of Amayores, Comercio Connect, Caser Inmuebles Flexible, CoheXCoche Stick and CoheXCoche Pro products and policies at branches and the improvements made to the Caser Remoto tracking device.

Considering the needs generated as a result of the pandemic, adhoc policies such as Ayuda Covid-19 at shops or Caser Asistencia Vacacional Covid-19 have been launched and Home Protection has been fully implemented across all banks as one of the most comprehensive products on the market.

The actions listed above have made it possible to secure a volume of premiums of EUR 606.7 million and growth of 1%. Specifically, banks that have exclusivity agreements in place with Caser have performed beyond the market average, growing by 2.6% compared to overall growth of 1.1% (source: ICEA).



## DIGITALISATION OF SUPPLY AND ACCOMPANYING FINANCIAL INSTITUTIONS

During this particularly difficult year for the sector on account of Covid-19, Bancassurance focused its efforts on supporting policyholders and financial institutions through new business plans including specific actions to alleviate the negative effects of the crisis.

As part of these efforts, in addition to pursuing non-binding sales, special attention was paid to customer loyalty and retention, with specific actions

carried out in collaboration with Banks and the adoption of easy payment measures for policyholders.

Digitalisation was enhanced by streamlining ongoing actions that will make it possible to remain in contact with brokers and banking customers. To this end, the following aspects are worth specific mention:

- Renewal of digital channels in the sale of home, motor, health and burial products.
- Implementation of the Bancassurance portal across all banks.
- Incorporation of remote underwriting, video consultation and remote consultation in the health sector.
- Increased use of telemarketing.
- Launch of remote managers as new figures with new forms of contacting policyholders.



As a result, budget coverage in terms of premiums of 99% and an attributable profit before tax of EUR 39 million have been secured, with growth of 4% and returns of 6.5%, up by one tenth compared to 2019.

This data has been possible thanks to the improvement in claim rates in certain areas, despite the impact of this on payment protection as a logical result of the worsening in economic conditions and, in the Home branch, the impact of adverse weather and the increased use of homes on account of the need to work from home and lockdown measures.

In 2021, the Bancassurance Area will focus on different strategic lines through Special Health, Home and Business Plans, the enhancement of new distribution models, digitalisation oriented towards the optimisation of benefits, a wider range of products and services offering greater customisation and greater integration into banking networks.

Finally, with a view to enhancing customer loyalty and retention despite the current economic instability and uncertainty, loyalty and retention plans have been created in 2020 and will remain in place in 2021.



**JOSÉ MANUEL NIETO**  
BANCASSURANCE BUSINESS  
DIRECTOR

focus on non-binding sales, loyalty and retention, primarily taking customer needs as a reference to help them in these difficult times. These measures allowed us to secure an impressive reduction in cancellations, with the ratio dropping to 10.9%.

What innovative products that have come about this year are worth special mention?

Without a doubt, I would like to highlight the work performed to create ad-hoc policies in relation to the pandemic, with the Ayuda Covid-19 policy in shops and Caser Asistencia Vacacional Covid-19 insurance worth particular mention.

In addition, we have speed up the digitalisation of insurance and we have continued to make progress with the implementation of innovative products such as Amayores, Comercio Connect, Caser Inmuebles Flexible, CochexCoche Stick and CochexCoche Pro and improve the Caser ReMoto tracking device.

What changes has Covid-19 brought about in terms of Bancassurance?

The outbreak of the pandemic resulted in the need to react quickly; to this end, new commercial plans were created in collaboration with banks, placing a

## LARGE ACCOUNTS

For the sixth consecutive year, Large Accounts achieved continuous growth in risk premiums, achieving an extraordinary result. More than 430,000 policies were arranged, generating a global portfolio of 1.1 million policies, with risk premiums increasing by 8% compared to 2019, coming to EUR 237 million.

Analysing business activity by group, the year ended with very impressive results that were balanced across the Large Accounts, Brokers and Direct Business territorial departments, as well as different areas of the Life and Non-Life branches, all experiencing a growth in premiums compared to 2019.



The Large Accounts Business also saw growth in the sale of insurance via telemarketing, accounting for 7%, and premiums totalling EUR 12.9 million. Furthermore, pension schemes accounted for EUR 173 million, up by 20%, services billed EUR 1.8 million with the gross margin up by 8% year on year. These figures have seen Caser report final earnings of EUR 15 million.

In 2020, prospecting helped us reach out to more than 230 companies, a tactic that facilitated agreements with a larger number of institutions in different sectors. Sponsorship also played an essential role within the Large Accounts area.





**Large Accounts and Brokers ended the year with EUR 237 million in risk premiums and growth of 8% when compared to 2019**

With a view to meeting budgetary targets, the diversification of the Commercial Large Accounts, Brokers and Direct Business divisions grew in terms of premiums when compared to last year, with technical margins and results both positive. In Products, the range available was expanded with digital mobile screen protection insurance, e-call solutions for passenger cars, motorbikes and skiers; digital services/insurance for dependent individuals; end-to-end supply for Real Estate; travel assistance insurance including Covid-19 coverage; care insurance for financed vehicles; Covid-19 coverage for the self-employed; comprehensive individual renting solution; satisfaction guaranteed for new vehicles and cyber and telemedicine insurance.

In the medium term, digitalisation and innovative new processes continued to be enhanced with a view to achieving greater profitability and adapting to the changing needs of brokers and customers. This was reflected in the implementation of the welcome pack and digital signature for new Non-Life production and insurance supplements, the sending of



## SYNERGIES AND AGREEMENTS

Caser maintained its commitment to the search for synergies with companies in different sectors.

The intensive work undertaken in terms of prospecting resulted in agreements with more than 230 companies increasing the

opportunities in both the financial and distribution and manufacturing sectors.

The institutions with which the Group closed commercial agreements include but are not limited to Crédito Andorra, Cetelem, RCI Bank, Wizink, UCI, PSA Finance, Bankinter Finance and Caja Benicarlo in the financial sector; Media Markt, MasMovil and Unielectrica as distributors; Hyundai, the OCU, Idealist and the young farmers' associations (ASAJA) of Burgos and Segovia, as well as other institutions in the manufacturing sector.

Furthermore, sponsorship focused on the Fintech and Insurtech and Real Estate businesses, helping Caser to maintain a presence at important forums such as Insurtech Unconference, Fintech Unconference, Mad Fintech ECOFIN, Empresa y Sociedad, Innovation Finance Week, Retail Forum and Congreso Inmobiliario CMS.



bills to mediation online, the adaptation of contracts to the new IDD and product governance files at the Digital Office.

The project for the digitalisation of the business commercial and operating structure was also launched, implementing collaborative Office 365 tools, which made it possible during the pandemic

to continue with activities working from home without capabilities being compromised, in addition to maintaining the interactions with our Large Accounts and Brokers efficiently, with all operational resources and processes at full capacity.



**GERMÁN BAUTISTA**  
DIRECTOR OF THE LARGE ACCOUNTS BUSINESS

increase in risk premiums demonstrates the importance of the distribution of services, which is also reflected in the accumulation of 1.1 million policies in the portfolio. Despite the complex circumstances, these are positive times for the Business.

Will digitalisation play a significant role in the area?

Of course it will. It already does. Innovating is necessary to provide our customers with the best products and services on the market and we have been doing this for years. The Large Accounts Business has chosen to improve the digital aspects of the products and services offered by implementing the welcome pack and digital signature for new Non-Life production and insurance supplements, the sending of bills to mediation online. This has helped us to maintain fluid and comfortable contact with consumers and maintain abreast of industry trends.

How would you reflect on 2020 for the Large Accounts Business?

This year has been a difficult but ambitious period in which, despite the pandemic, Large Accounts has achieved constant rates of growth. An 8%