

Maria Bianca Farina, CEO, Poste Vita
Best life insurance company

Runners-up: Giuseppe Giusto, Bipiemme Vita;
Davide A. Passero, Genertel Life



Maria Bianca Farina

The queen of policies has dominated the life insurance market once again this year and is looking a good bet to stay in the top spot next year too. "We are growing at a faster rate than the market, which has slowed down dramatically over the last few months. We expect to end the year with takings up by over 30% on December 2009," Maria Bianca Farina reveals to Lombard. She is perhaps the only female top manager in the Italian insurance trade and for 4 years she has been the Managing Director of Poste Vita, the company launched 10 years ago by the Italian Post Service. There should be an increase from the € 7 bn in premiums recorded in 2009 (+28%) to over € 9 bn by 31 December 2010, with huge growth in the margins in the profit and loss account: the operating profit has soared from € 43 mn to € 102 mn while the net profit has more than tripled. "We have come through the worst financial crisis of the last few decades unscathed," says Farina, underlining the sea change in this type of business: on one side portfolio choices that are extremely prudent and all in bonds, to guarantee subscribers safety and liquidity in their investments; on the other a search for products in which the financial portion accounts for less than 20% and the insurance part, which focuses on an increase in value in the long term and the capitalization of earnings, for the other 80%. The results would not be so spectacular if Poste Vita did not have the Post Office network behind it. With more than 8,000 post offices it is the largest distribution system in Italy and together with the brand it is the company's main asset. Farina is an insurance expert with a long career behind her at INA, the former public company that was privatized and acquired by the Generali group. She has shown her management skills by fully exploiting the competitive advantage of the Post Office backing, largely by teaching staff with a public sector mentality and no specific financial training about life insurance policies and pension plans and motivating them to sell them. It took years to achieve this, but there has been a dual reward: the great motivation to sell and establish relationships with the customers of the staff, who have found their enhanced professional standing gratifying; and savings on incentives in terms of hard cash. In short, efficiency is one of Poste Vita's strengths. It has 180 directly employed members of staff and the same operating costs as the Intesa Sanpaolo company Eurizon Vita, which collects half as much in insurance premiums.

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Now that the network has settled into place – with the progressive introduction of specialist insurance consultants to assist those selling the policies – the challenge will mainly involve products and management processes. Poste Vita has a 50% share of the pension market. It has successfully targeted young customers under the age of 35, offering plans with low monthly payments – as little as € 50 in some cases. The aim is to get even those with little job security to start up pension plans. "However, it is still a weak market and young people have yet to fully come to terms with the fact that their state pensions will only pay out 40% of their final earnings, meaning that they will have to be supplemented with additional savings," points out Farina, whose aim is to broaden the sphere of action in the segment. A second opportunity will be provided when the Solvency II requirements come into effect in 2012, meaning insurance companies will have to carefully balance their use of capital in relation to the risks. "We started out down that road some time ago, especially in the allocation of resources," concludes Farina, who has also been in charge of a new Post Office company in the damages field since March 2010.