

ASSURING OBJECTIVES

Leadership built by balancing innovation and tradition

Poste Vita's most important drivers - low risk and simple insurance products - have allowed this recently born insurance company to maintain in 2008 (for the second year in a row) the leadership in the very competitive Italian life insurance market.

The decision taken by Poste Vita a couple of years ago to focus on products with a high insurance content has proved the right one: the company was not caught off-guard by the market demand of "less finance, more protection" which followed last year's world economic crisis.

Maria Bianca Farina, Poste Vita's managing director since 2004 and CEO from 2007, reached on the phone by our journalist, seemed very proud and extremely happy to have achieved such an important result.

"It shows," she explains, "that Poste Vita's strategic vision, shifting to a more traditional insurance product range as opposed to a more financially-oriented market offer made it possible to maintain customers' growing satisfaction and close financial statements with a profit. Although the world economic crisis hit us hard, reducing Italian families savings and investments and making the whole insurance industry experience a downturn trend of 11.2 percent, Poste Vita closed 2008 with a stable premium income of €5.522bn increasing its market share to 9.8 percent as compared to 8.7 percent in 2007. Overwhelming results that are all the more welcomed considering that in June 2009 Poste Vita celebrated its first 10 years of success in the Italian insurance market.

A success that relies on many features: the Poste Italiane brand, which in Italy many are said to associate with trust, reliability, safety, experience and close-

ness to people's needs, competitiveness in terms of insurance guarantees and costs (well below market average), a significant distribution network and massive investments in training the sales force. A customer oriented policy, that means providing the best insurance products and quality service to trade and customers, a differentiated offer according to four different areas: retirement, savings, investment and protection in order to be able to provide customers with the insurance solution they really need. As far as products are concerned, Poste Vita say they want to keep developing and proposing innovative solutions capable of guaranteeing the best possible economic conditions, together with transparency and security. Its main objective is to complete the range of its offer, aiming at fulfilling social needs through products dedicated to healthcare, education, elderly people and immigrants.

INTERNAL GROWTH

Poste Vita say that this is an objective that cannot be accomplished without creating a workplace where employees are challenged to reach for high quality standards and understand the crucial link between their performance and the success of the company.

Establishing goals, responsibilities and way of measurements are Poste Vita's daily commitments since, says Farina "it's important to work in a company where mutual respect and teamwork are more than mere words". This year the company carried out an important initiative to protect its customers' savings (which risked being swept away by the colossal financial crisis) and 92 percent of its customers participated in the initiative, while thanking the company for being

9.8%

MARKET SHARE

€41m

NET PROFIT

€5.522bn

PREMIUM INCOME (ALL FIGURES 2008)

on their side during the rough times.

Poste Vita has forecasted a very important and challenging budget for 2009, and it's doing its best to achieve it. In outlining such matters, the company has decided to focus on top quality insurance relationships. That is investing in all those means that will allow the company to improve interaction with its clients, such

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as contact centres, websites and mobile phones. In other words, technological platforms used to structure a valid customer relationship management so as to strengthen relationships with its clients, guaranteeing full assistance throughout the entire duration of the policy. Farina points out, “For example, let's consider pension fund policyholders: the relationship we build may last many years. Especially considering that our main target are young people. We mainly address them because, all said and done, when it comes to retirement they are the ones who will need a pension fund more than anybody else. (Postaprevidenza Valore, PosteVita's pension fund can be underwritten with a minimum investment of €50 per month, so that anybody can start building his or her pension scheme no matter what his

income is). We must, therefore, strive to safeguard the relationship with our clients, supplying them the best possible service”.

Another strategic objective is to guarantee growth in terms of profit. This can be achieved by perfectly combining products, technologies and sales networks, without ever forgetting that the client and the ethical values typical of the group to which Poste Vita belongs to, must be the company's utmost objective.

Last year, Poste Vita commissioned a marketing research in order to receive feedback from its clients, and to understand how Poste Vita has been perceived by them. Seriousness, cost-effectiveness, good customer satisfaction were some of the positive features emerging from this research. However Poste Vita was considered less dynamic and international than other competitors but its social commitment was highly praised. Last year, the company engaged itself in a social project, a fundraising initiative in favour of Unicef. The scheme was simple: Poste Vita would donate €1 of commission, resulting from all the policies sold during a certain period of time, to Unicef in order to promote a project called “Schools for Africa”. The money Poste Vita raised would be allocated in the construction of a school in Angola. The innovation-and-efficiency combination has laid the foundations for a success which can be clearly seen from the company's figures: financial statements with ever increasing profits. Poste Vita ended 2008 with net profits of €41m. Total revenue amounted to €37.3bn (€5.52bn in 2008).

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