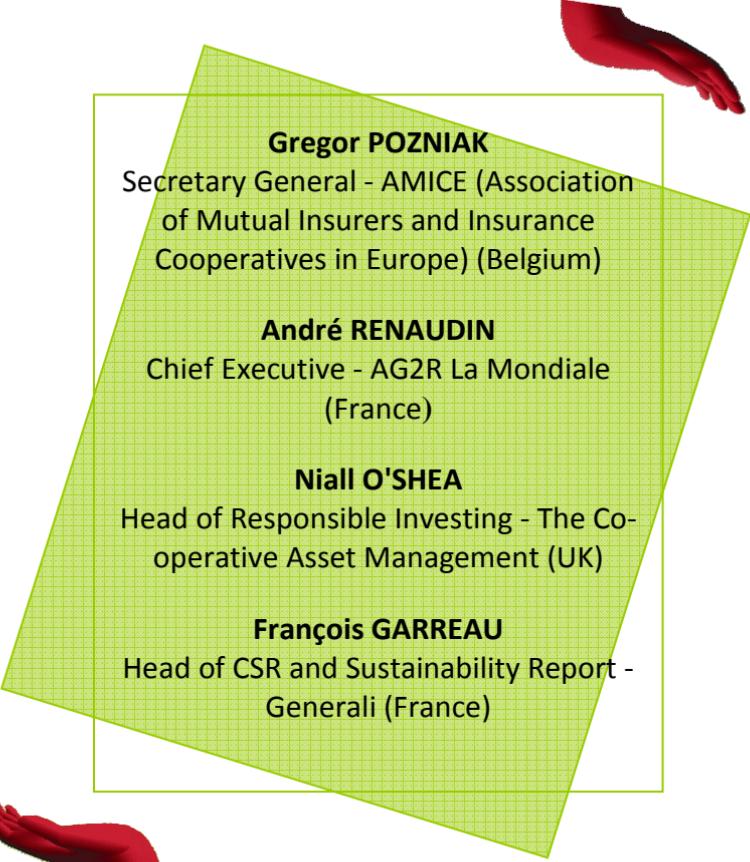


The insurance company's money: who profits from risk?

19th November 2009 / Salle Québec / 02.15 pm



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others subscribe to insurance products. However, some risks, such as natural catastrophes, are too big for insurance companies to cover. The fees you pay insurance companies is still the property of the company even if no accident occurs. Risk is the insurance company's raw material. Its main characteristic is that it is part of the future and uncertain. But the revenue of the insurer comes from the service it provides, and not the risk itself. The insurance company merely prevents the individual or organization from this risk. The victim of the risk happens to be the beneficiary of the risk, and not the insurer. Mutual and cooperative insurers are organizations that are stakeholder driven. They target long term viability and sustainability and are considered to be part of the 'social economy'. They pour back surplus revenues into offering better service and products. Their aim is to be closer to the client.

The discussion was focused on the allocation of risks between the insurer and the clients, and emerging trends in insurance companies.

Sharing and spreading risk dates as far back as 2000B.C. Chinese merchants stopped at river rapids and divided their cargo among the ships, in order not to lose everything if their ship sank. This was a way of 'not putting all your eggs in the one basket'.

Each individual decides how to avoid risk. Some people do not travel by plane;

Insurance companies are facing new challenges such as climate change, terrorism, financial market volatility, and emerging markets. They must be prepared to face these emerging risks in order to provide value to clients. At the same time, insurance companies should try to improve the social environment. They will only have to deal with companies that have the highest forms of corporate governance and are socially responsible. It is important to have socially responsible policies on paper, but it is even more important to implement them. As insurance companies invest clients' money into financial markets, they see the effects

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of the global crisis as an opportunity to invest in a more responsible way. It is obvious that the leaders in the insurance industry are the ones who are most aware of the importance of the environment, and all other insurance companies should follow the example. Hopefully, this message will also influence entrepreneurs who might think twice about sacrificing profit to become more socially responsible.