



GENERALI GROUP MAGAZINE SINCE 1893

il bollettino

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This issue opens with an interview with Prof. Mario Molteni, who discusses **corporate social responsibility [p.2]** and Generali's experience in this field, and continues with an article about the **company day nurseries [p.8]** that were opened at the Trieste and Mogliano Veneto offices.

The next article explains the concept of **employer branding [p.15]**: the ability of a company to promote itself as a valued employer. In the in-depth section, Nobel Laureate **Michael Spence [p.18]** describes the new shape of the world economy.

This is followed by a large section dedicated to Generali Group's new products: the **iPolizza [p.22]** app for Apple users, the coordinated range of products reserved exclusively to **Ducati motorcycle owners [p.24]**, and **"Docticare" [p.27]**, a health and wellbeing information portal that was launched by Europ Assistance in Italy and is currently about to expand to other European branches.

The subsequent articles illustrate examples of excellence at international Group companies: in Portugal, Generali is once again the national leader in the insurance sector in terms of **Customer Satisfaction [p.30]** this year; in Argentina, direct sales make a notable contribution to **La Caja's [p.34]** success in the motor insurance sector. Finally, there is an article on the **Internal Audit Department [p.36]**, which creates value for the company.

The **low impact [p.38]** column discusses the biomass plant at Ca' Corniani Farm, where clean energy is produced from the fruits of the earth. Ca' Corniani also provides the setting for the next article, which focuses on **"Salvagranaio" [p.40]**, an educational programme for schools.

The magazine closes with the **Munch [p.43]** exhibition at Villa Manin, an event supported by Generali, and, in the column dedicated to important figures in the Group's history, an article about **Claudio López Bru [p.46]**, the first president of Banco Vitalicio de España.

Enjoy your read

The statements and opinions expressed in the articles do not necessarily reflect the statements and opinions of Generali.

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The photos of India (p. 3 and 5) were taken near the Ongur Mission when company representatives visited the region of Tamil Nadu for the launch of the Generali Millennium project

The Virtuous Circle of Social Responsibility

interview with Prof. Mario Molteni, professor at the Catholic University of Milan and consultant of Generali Group

Professor Molteni, to enter the interview subject, could you enlighten us about the terminology: social responsibility... maybe “corporate responsibility” would be a better term?

Social responsibility is the most widely used term, the one around which the field has taken shape. We will therefore use this term, keeping in mind that it evokes the most general form of corporate responsibility, comprising social, environmental and economic aspects. However, let us not quibble over semantics: it means a company’s responsibility towards society.

How is this concept perceived by the general public? In reality, it has always existed within our company.

Yes, that is true. Take for example, the beautiful Generali Social Club’s facility in Trieste where we are now – it is open to employees and to their children; right now we are listening to a

piano lesson, and retirees are relaxing and chatting. All of this expresses a sense of belonging to a community. This is one of the fundamental objectives of social responsibility policies!

This concept was a distinguishing feature of the enlightened entrepreneurs of the nineteenth century...

Certainly, but over time there arose a business philosophy based on pitting interests against one another, on conflict and maximizing profits, which eventually destroyed the sense of community. This is why we are currently searching for new ways to recover this aspect, which is really an innate part of companies. To get back to the topic of the general public, the main problem is that the public at times equates social responsibility with a minor involvement in philanthropic activities and charity work. This is not the case at all!

When was the term social responsibility coined?

The term became popular in Anglo-Saxon countries in the 1950s. Other related concepts and tools arose in its wake. In the 1970s, the idea of social reporting came about – companies began to systematically record their commitment to society. In the 1980s, the term stakeholder came to exist alongside, and at times in opposition to, shareholders, whose rights until that point had been given absolute priority. More recently, these fields have grown rapidly in response to significant structural changes within companies. For example, through globalization many Western companies began operating in countries in which human rights are not protected. In addition, there are problems regarding the environment: climate change, the depletion of fossil fuel resources, the need to promote renewable energies, water shortages, and so on. In our country, there has been a surge in awareness of these topics in recent years.

As a result, the range of issues that corporate responsibility encompasses continues to increase. An emblematic example is the issue of obesity in the United States. Statistics for the past 15 years are stunning: in conjunction with the significant increase in consumption that characterized the end of the second millennium, between 1993 and 2008 the percentage of the American population considered obese increased from 10% to 30%. At this point, it is not enough for food companies

“the company acts as an educational environment through the rules it establishes, the ideas it transmits and the priorities it sets”

to offer products that are “safe”. They are held partially responsible for this unbalanced relationship with food, and must commit, along with the public, to promoting a change in eating habits. In short, in the past 15-20 years the range of social and environmental problems in which companies are expected to be involved has increased significantly. Yet, this is not surprising if we consider the power that companies have to mould the lives of average people – their power often exceeds that of governments, which were traditionally given exclusive responsibility for such issues.

So, although these issues are addressed on a voluntary basis, has corporate responsibility a significant impact on society?

A company is an educational environment. Intentionally or unintentionally, the company management defines the prevailing culture of this “education” through the organizational structure it assumes, the operational rules it establishes, the ideas it transmits and the priorities it sets. The value that the company places on the individual is revealed in the way that the company interacts with its members of staff, the way it deals with an employee who is experiencing personal problems. Finally, the manner in which a company manages restructuring makes it very clear whether the easily embraced motto “the importance of the individual” is really true.





Given your experience as a professor, can you confirm that the larger the company, the more difficult it is for the head of the company to imprint his or her own values?

With small companies or those managed with a “family-like” structure, it is certainly easier for the leader to imprint his or her values. However, this can be both a strength and a weakness. In many cases, business owners who demonstrate a sense of responsibility to the region, social issues and their employees pass the company down to successive generations who treat it as though it were a toy. While it is true that there is a stronger connection between the values of the leader and the corporate culture in small and medium businesses, this type of connection can be achieved in larger companies as well. Of course, this requires strong determination and an ability to manage fairly complex internal processes.

Combining productivity, competitiveness and

responsibility is therefore possible in any business?

Yes, absolutely! The school that I direct in Milan (Altis) was founded on this idea – research, development and promoting business solutions that simultaneously benefit the business and society. To give an example, we are currently working on the issue of reconciling work and family life. Innovative policies that

“Generali Millennium is part of a large-scale programme launched by the United Nations having the objective of eradicating poverty in the world”

address this issue certainly help the employees and their families, but they also benefit the company in terms of employee motivation, team spirit and lower turnover. In short, I would like to stress that the opposition between economic aspects and social aspects derives from a lack of interest in finding solutions

to bridge this gap. Often the solutions are just around the corner – but commitment and creativity are required to discover them.

This brings to mind the work that Fata is conducting in Uganda, which we discussed in Issue 2 of Il Bollettino, as well as the project that Generali is supporting in India...

Yes, these are emblematic examples. These projects are creating value in distant lands, thanks to the fact that people are contributing their skills, time and enthusiasm rather than merely donating money. In this way, everybody benefits: the local community, since the social value generated is 10 times greater

than the Group’s financial outlay, and Generali, as this opens up future business opportunities. Let us look at the Generali Millennium project, whose objective is to develop microinsurance in India. This project is very interesting for several reasons. First, Generali is actively seeking to increase its business in Asia, particularly in China and India; this initiative can contribute to reaching an untapped segment of customers in India. Second, the project is part of a large-scale programme launched by the United Nations having the objective of eradicating poverty in the world. Generali intends to use its traditional business activity – insurance products – to heed the UN’s call for support from countries and businesses. After all, protecting and promoting quality of life is an inherent aspect of insurance. We have already initiated a pilot project in Tamil Nadu, a large southern state in India with a population of 70 million.

Is this a new approach?

I would say so, as it is still not common for activities that favour the community to be in alignment with a company's core business. But as I said earlier, the strength of this approach lies in the ability to create value for both the community and the company. At Altis, we carefully watch projects that are moving in the direction of combining social responsibility and competitiveness. We believe that there is a knowledge gap that needs to be filled. People must realize that this is possible. Not that this realization is enough, but it is certainly a start! This is why our school promotes research, courses...

“these projects are creating value in distant lands thanks to the fact that people are contributing their skills, time and enthusiasm rather than merely donating money”

... and even practical projects!

Exactly, we have created a network in Italy that brings together about a hundred CSR and sustainability managers from the leading businesses, both Italian and non-Italian, operating in the country. The CSR Manager Network (as it is called) has two primary tasks: to encourage the professional growth of these managers through the exchange of best

practices and to promote the profession of CSR Manager in Italian companies. Of course, while CSR is a concern for all managers and therefore not limited to a particular position, having an in-house sustainability specialist who stimulates and fosters action greatly facilitates matters.

What are the methods for monitoring activities relating

to corporate responsibility, of which people are perhaps unaware?

It is necessary to devise a system for gathering information relating to social and environmental matters. Similar to the process of preparing a traditional budget, the system brings together the data to produce an ad hoc report – the Sustainability Report. For a complex company such as Generali Group, this is a demanding task, as it requires collecting standardized information from every country in which it operates. The Sustainability Report was compiled for the first time in 2004 and has been improved every year, expanding both the areas it



covers and the information it contains. It is now a best practice, and not only on the national level.

What are the main improvements that you have noticed in the document over the years?

The most interesting thing is that the Sustainability Report is not merely an accounting tool, it has stimulated the growth of the Group's sustainability policies. The most striking aspect is perhaps the company's environmental policy. The direct environmental impact of an insurance company is fairly limited (paper, toner, use of renewable energies for its own buildings, sustainable mobility

and little else). However the company's indirect impact, or rather the impact deriving from its influence on the environmental behaviour of its customers, is very important. For this reason, the Sustainability Report has increasingly featured information on policies designed to improve the company's indirect impact, as well as data pertaining to its direct impact. In any event, a great deal of progress was made between the first Sustainability Report and the sixth, which was presented at Ca' Foscari last May. The document has been improved and streamlined, and now expresses ideas more effectively – it has become

both more concise and more complete. In short, I would say that it is the result of a synergetic combination of accounting and action!

So introducing a new dynamic was important?

Of course, a new dynamic that created a virtuous circle.

Elisabetta Delfabro

Opposite: Prof. Mario Molteni and, in the background, the Altis premises, which are entered through one of the famous interior gardens found in downtown Milan

Below: The Ca' Foscari complex in Venice, where the Sustainability Report was presented this past 28 May

Page 4: A conference featuring the person responsible for the Sustainability Report, Marina Donati, company executives, Rector Carlo Carraro and Prof. Chiara Mio



A Day Nursery for the Lion's Cubs

Company day nurseries were opened in Trieste and
Mogliano: interview with Deputy General Manager
Attilio Invernizzi





Mr. Invernizzi, out of curiosity, how did the name “Lion’s Cubs” originate?

The lion naturally alludes to St. Mark’s lion, the symbol of the Assicurazioni Generali tradition, and brings to mind the strong connection between family, social and work life. The idea that we wanted to convey with this phrase is the integration of the various aspects of the employee’s life, with a particular emphasis on a balance between work and family life.

What brought about the idea to construct day nurseries located in Trieste and Mogliano Veneto?

It all began with the “Ascoltiamoci 2008” survey, which gathered opinions from employees of all of the Group’s companies in Italy. An analysis of the results showed that families had a strong need for assistance with childcare, especially for pre-school children. After employees/parents had clearly expressed this priority, a research and planning phase began. This type of initiative is not completely new: in the 1970s many businesses began to set up day nurseries for their employees’ children and even summer camps in the mountains or by the sea – programmes whose spirit resembles our project’s to some



Attilio Invernizzi, Deputy General Manager, Head of Human Resources and Group Organization

Opposite: Photos taken at the day nursery in Trieste

“The project was guided by two primary objectives: excellence in educational service and proximity to the workplace”

extent. Subsequently, these types of programmes for employees’ children decreased in number, perhaps because they lacked a strong educational foundation.

The needs of families have come into the spotlight in the past twenty years; is support a necessity for young couples in today’s society?

Article 1

The Asilo Nido Aziendale (Company Day Nursery) offers a service that includes education, care and socialization with the objective of promoting the children’s physical and psychological wellbeing and stimulating their cognitive, emotional and social development. It also supports the family and, in the context of equal opportunity, allows both parents to reconcile personal and professional choices.

This is absolutely true – the need is very common particularly in our company since approximately 50% of the work force in the insurance sector is made up of women, who naturally have a strong interest in issues relating to children. In addition, it is a fact that in most Italian families today both parents work full time, often in areas that are geographically distant from their extended family. I believe that this need has also arisen because in recent years the percentage of women with university degrees, including in such fields as engineering, statistics and economics, has grown significantly. This has permitted women to obtain high-level positions with increasing responsibility, which consequently entails a greater time commitment.

This reminds me that the first article of the “Lion’s Cubs” rules discusses equal opportunity and states the guidelines, or rather the fundamental principles that underlie the entire project. What are your thoughts on this?

I believe it is very important for today’s families to find a balance between the various aspects of their lives. Therefore, recognizing this need in our employees and successfully initiating a project that contributes to its satisfaction is certainly a major step.

“the project was basically guided by two primary objectives: high-quality service and a location close to the workplace”

Getting back to the steps taken in developing the initiative, what factors contributed to shaping the project?

The project was basically guided by two primary objectives: offering high-quality service, meaning excellence in service from an educational perspective, and selecting a location that was close to the workplace. An array of possibilities was considered and, in the end, different solutions

were selected for each of the two pilot projects: in Trieste the ground floor of the Berlam Building, located in the immediate vicinity of the company’s head office, was renovated; in Mogliano Veneto, on the other hand, a new building was constructed in the Via Marocchessa

complex. In both cases, the solution fulfils the essential requirement of convenience for the parents, as they can bring their children to the day nursery and then go straight to the office.

Can we therefore assume that the adjective “company” (in Company Day Nursery) connotes caring for the children of those employees who work near the day nurseries?

Yes, with the adjective



The management cooperative: L'Arca in Trieste.

Interview with Valentina Dobbetti,
Alessandra Radislovic and Giorgia Sbrizzi

How does an educational project arise?

Through experience and years of continuous training. We are a consortium for child-related services; our current name is L'Arca, but we started out 32 years ago with the "Il Guscio" day nursery. This first day nursery was soon followed by other educational facilities and, since then, our experience and expertise have grown dramatically!

Is the "Lion's Cubs" project your first experience with company day nurseries?

Not at all, although this specific type of day nursery, which is entirely internal, was new for us. In April 2007 we satisfied the needs of several businesses by opening the "I Nidi nel Nido", a facility for the children of the employees of different companies. The concepts of change and innovation have characterized our company from the beginning and are also an essential aspect of our educational projects – nothing is set in stone, we are always open to change and the growth it brings. For example, with the "Nidi nel Nido" project, flexible schedules based on the parents' work hours were offered for the first time, while with the "Lion's Cubs" project the proximity to the parents' workplace was something new for us.

In your opinion, why is this important?

The proximity of the facility to the workplace is important not only from a logistical perspective, as it allows the parents to spend less time driving, but also because it gives the parents greater peace of mind. The most delicate and essential aspect of our work is earning the trust of the parents, and having them nearby certainly facilitates matters.

So the first time that the child enters the facility is particularly important in this respect?

Of course, we also develop the relationship by becoming involved with the whole family, not just the child who is benefiting from our services – we offer support to the entire household. The actual introduction into the facility is important

for the child, who has a chance to gradually get to know the place, for the parents, who have an opportunity to see how the facility is run and how the staff members interact with the children, and also for us, as we can really get to know the family. All of this contributes to establishing a relationship of trust between the parents and our members of staff, which is an essential part of the entire day nursery experience.



“company” we wanted to imply this very concept – “Lion’s Cubs” refers not only to the fact that the children at the facility are the children of our employees, but also to the fact that the facility is located in close proximity to the parents’ workplace.

With respect to the information revealed by the “Ascoltiamoci” survey, what other suggestions were followed in realizing this project?

After “Ascoltiamoci”, an additional ad hoc survey was conducted to gather more

information and develop a better understanding of what the parents considered to be the priorities in the realization of this project. Through this survey, we discovered that the quality of the service and the educational project were of primary importance to the families.

So, at this point, you consulted outside companies having experience in the sector?

Yes, several management companies were considered and the choice was made very carefully. Naturally, the best

offers from an educational perspective were of the greatest interest. However, the financial side was also taken into consideration, since it was necessary to have a real comparison of the management costs. The primary objective was to find a very reliable company that had personnel trained in the best educational approach possible with respect to the age group that the day nursery accepts, which is 3 to 36 months. A chart, with scores for each company, was prepared to compare several different parameters. This was used for the final evaluation and led to the selection of two different management

with our photographers, the “Lion’s Cubs” have really comfortable facilities!

Yes, the facilities are certainly comfortable since we opted for the best products available on the market with respect to children’s furnishings, but it is important to emphasize that the environments are all biocompatible and, of course, comply with all of the new regulations. The construction materials themselves were chosen with particular care and are completely in line with our environmental parameters, which include a strong focus on energy savings. The areas are bright and pleasant, thanks to the large windows, the suspended wood ceilings and

“we realized how important the quality of the service and the educational project were to the families”

companies: in Trieste, the project was entrusted to Cooperativa Sociale L’Arca, while in Mogliano Veneto it was given to Cooperativa Sociale Codess.

From what we saw when we visited the day nurseries

LED lights. In addition, due to the young age of the children, particular attention was given to the climate control systems. The Trieste facility has both floor and ceiling heating, while the air conditioning consists of a radiant panel ceiling system. The Mogliano facility also has a





The management cooperative: Codess at Mogliano Veneto. Interview with Arianna Corbetta

When and how was Cooperativa Sociale Codess established?

When the cooperative was originally established in 1979, in the province of Venice, its primary activity was home care for the elderly and the disabled. Later, we initiated our first projects in the area of early childhood services, which focused on educational and management aspects. Today we manage 40 day nurseries and 6 nursery schools.

Could you tell me something about the underlying principles of the day nursery initiative?

A premise that is fundamental to our work method, and that therefore guides the project in all of its complexities, is the idea that “the child is the focus”, not merely as an individual but also as a member of various groups – first as a member of his family and then as a member of other groups throughout the various stages of his development.

Socialization is therefore a fundamental aspect?

Certainly, the objective is for the child to have positive group experiences while never losing sight of his individuality. Recent psychological studies on early childhood assert that it is necessary to work within the child’s zone of proximal development, or rather to focus on what the child has the capacity to achieve. To facilitate the development of the child in this sense, each year the staff decides on an educational theme to follow over the ensuing months.

What was the theme that you focused on this year?

The theme is the “journey”, beginning with the time the child spent in its mother’s womb and continuing on with the journey of life.

How is this theme developed within the different age groups?

Each group of educators develops the theme as they see fit. In the first months that the child spends at the day nursery, they are systematically observed on an individual level and with respect to how they interact with others; this ensures that the way in which the theme is presented is compatible with the child’s character.

Have the various teams already decided on a specific direction?

Some groups have opted to deal directly with the theme of the journey, while others have chosen to highlight the theme of food, and still others have selected the topic of roadways and modes of transportation, dealing primarily with aspects that are a part of the child’s daily life.



floor heating system, while an all-air system was selected for cooling. Both facilities have dedicated air treatment units with heat recovery, as well as areas for preparing food.

Did all of this research and planning require coordinating employees from different areas of Generali Group?

Of course. We found it opportune to create a mixed work group that included members with different areas of expertise; this involved people from Generali Group's Human Resources, Internal Communication, Labour Relations, and Purchasing departments and from Generali Gestione Immobiliare's Facility Management Department. The latter were first responsible for finding suitable spaces and, subsequently, for the project management and technical and planning aspects. The team also included coordinators from the

selected cooperatives, who made essential contributions in their areas of expertise.

For now, this project is categorized as a pilot project; what direction will it take in the future?

The other Group offices in Italy have also recognized a strong need to support families in caring for their young children. For the moment, however, the initiative is limited to these two locations, as we believe it is essential to gain more experience before possibly expanding the project in the future.

Elisabetta Delfabro

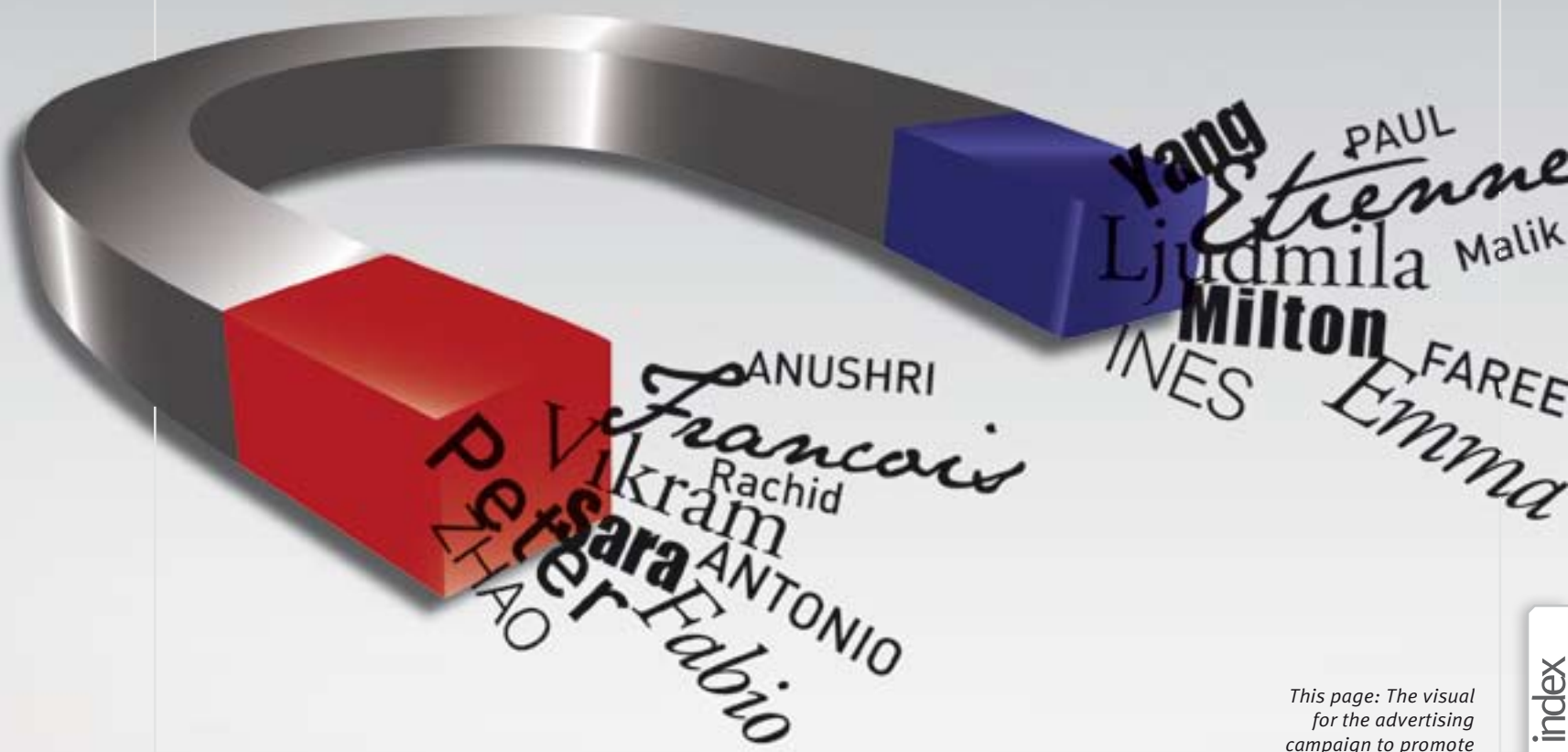


We know how to attract people of value

employer branding at Generali Group

More and more often we hear about employer branding, a topic that is receiving growing attention from large companies. But what does this expression mean? And why is it being discussed so frequently today? While customer branding aims to attract new customers and encourage customer loyalty based on values associated with a brand, employer branding aims to promote the company as an attractive workplace and an employer that can satisfy the employees' professional expectations.

*This topic is very important today because it is the employees, and their respective capabilities and expertise, who make a difference and represent the real driver of a company's success. To attract the people of value in the market and earn the loyalty of existing employees, companies aspire to be "employers of choice". We discussed this topic with **Marina Collautti**, Recruitment and Selection Department Manager of Generali Group.*



This page: The visual for the advertising campaign to promote recruitment and selection activities

Is it the company that selects people of value? Or do the people of value select the company?

Our objective is to have people of value choose our Group, thereby allowing the Group to select the candidates who best meet our requirements from among these people of value.

How do you contact young graduates?

We maintain close ties with universities, sponsor undergraduate and masters' programmes in our fields of interest, participate in career days and recruitment days at universities, and promote our employment opportunities via Internet channels. In fact, we announce the available employment opportunities for several Group companies on major employment portals as well as the **Careers** section of the corporate website (www.generali.com); this website allows candidates to send their CV, specifying their interest in one or more positions. When we meet young candidates at universities, we communicate our interest through targeted initiatives and tools: videos, brochures, and even original bookmarks to attract them... with a magnet.

But what constitutes a "best employer" from the perspective of today's youth?

Every year, national and international surveys are conducted in order to understand the expectations of young graduates seeking



employer branding is aimed at promoting the company as an employer that is capable of satisfying its employees' expectations

employment and to discover the companies for which they hope to work; for some time now, Generali has participated in these surveys.

What aspects are most important to young graduates when considering a company?

These surveys reveal that today, more so than in the past, young graduates are looking for job security – a fact that can be attributed to the current economic crisis – but continue to be strongly influenced by “intangible benefits”,

such as opportunities for professional development, training programmes, opportunities to work abroad and a stimulating work

a vast range of positions, the opportunity to work abroad, numerous training programmes to support employees’ professional

and innovation, as well as the opportunity to take risks and assume responsibility. This is how Generali Group attracts the best people...

Roberto Rosasco

“despite the economic crisis, young graduates are strongly influenced by intangible benefits”

Marina Collautti

environment. Generali Group is capable of satisfying these needs – for seven good reasons. The company offers

and personal development, a setting that fosters dialogue and team work and encourages experimentation

GENERALI GROUP CAN SATISFY THE NEEDS OF TODAY'S YOUNG EMPLOYEES FOR 7 GOOD REASONS



Where will growth come from?

interview with Michael Spence,
Nobel Laureate in Economics,
at the BSI Conference
in Lugano

Michael Spence

PIMCO consultant, Nobel Laureate in Economics, Chairman of the Commission on Growth and Development, Professor Emeritus of Management in the Graduate School of Business at Stanford University. Michael Spence served as the Dean of Stanford Business School, Chairman of the Economics Department, and Professor of Economics and Business Administration at Harvard, where he was also the Dean of the Faculty of Arts and Sciences. He won the John Kenneth Galbraith Prize for excellence in teaching and the John Bates Clark Medal for a “significant contribution to economic thought and knowledge”. He was awarded a Ph.D. in Economics from Harvard, an M.A. from Oxford and a B.A. in Philosophy from Princeton.

What is certain is that we can expect a long, obstacle-filled path, a slow recovery that will take several years and that will engage us in what is considered to be the most difficult economic battle since the Great Depression. The message is very clear: according to Michael Spence, a firm hand on the tiller is needed to maintain a steady course during the storm and prevent the global economy from jumping from one crisis to another. Moreover, these would not be small jumps, but rather increasingly large jolts from which it would become progressively more difficult to recover. Although re-regulation and global efforts to coordinate policy responses may reduce the instability, concrete and proven results are necessary before real confidence can be created.

“An understanding of the world economy and the concept of demand are essential for strong sustainable growth”, asserted the Nobel Laureate. The renewed emphasis on maximizing the potential of the domestic market as a driver of growth and structural diversification is a useful lesson that has emerged from the crisis, even if this dynamic is decidedly more evident in the major developing economies (those distinguished by higher revenues). The developing countries that will prosper are those that successfully maintain a stable macroeconomic context and an anti-cyclical approach, and continue to progress in terms of governance, education and infrastructure.

“a firm hand on the tiller is needed to maintain a steady course during the storm and prevent the global economy from jumping from one crisis to another”

Prof. Spence, as an economist and philosopher, do you believe that ethics are the new pathway to this balanced growth?

I believe that ethics are of vital importance today. The markets do not work without confidence, and there is no confidence without shared values and ethics – values that are respected not just because of regulations, but because they are a part of the culture’s way of life. In finance, there must be a sense of responsibility towards the shareholders, staff, customers and, above all, society. When anomalies occur, certain parts of the finance sector detect it earlier than others due to the information that they have and their analytical ability.

At this point, ethics should intervene – regulatory authorities and the government should be made aware of the fact that those practices that are profitable but not entirely fair or transparent lead to a breakdown of confidence and the collapse of the system. Often, the general attitude towards this type of “antisocial” activity is too yielding

A BSI Gamma Foundation Initiative

What are the prospects for emerging markets and the global economy? In a period of continuing uncertainty about what precisely will provide the stimulus for a much-awaited growth, the conference held in Lugano at the University of Italian Switzerland on 24 June (organized by BSI Gamma Foundation, a foundation created by BSI to promote research on topics relating to asset management, in collaboration with PIMCO, a global investment management company founded in 1971 that serves a range of institutional investors worldwide) offered important clues to better understand how the world economy will evolve in the upcoming years. The following is a summary of the speech presented by Michael Spence, along with additional comments he made to our editorial staff after the conference.



and justificative. As a consequence, in many sectors of the economy, including finance, we find ourselves facing a wrong split between public and private interests, where the latter only concern themselves with speculation to the detriment of the common good.

A year after the onset of the deep crisis that first struck America and then the rest of the world, we have discovered that emerging markets have weathered the storm much better than anyone would have expected and that these same markets will most likely lead the recovery in the short to medium term. Emerging economies' strong growth and financial stability are facilitating the substantial adjustment that industrialized

countries must make. But this growth will have important repercussions over the long term – if the current trend continues, the world economy will emerge from the crisis definitively changed.

With a group like Generali, which operates in many emerging markets, how can investment opportunities and the group's contribution to global growth be assessed?

Multinational companies such as Generali, which operate throughout the world, have enormous opportunities in many markets, including emerging markets, which means opportunities for investors, since both business volume and competitiveness will increase. This will contribute to creating jobs in situ and

elsewhere. Multinationals possess remarkable flexibility, which translates into benefits for everyone, profits and consequently employment and revenues – in fact, multinationals are probably the healthiest part of the global economy. If we step back from a purely national perspective, groups such as Generali have enormous opportunities for growth.

Despite our expectation that countries like China, India and Brazil (which must still achieve balance in the per capita income distribution and provide for coherent social and infrastructure development) will help support global growth, their contribution may prove insufficient to counterbalance the sluggish growth of

“the markets do not work without confidence, and there is no confidence without shared ethics and values”





advanced economies. In fact, although the resilience of emerging markets, as well as their prompt and effective policy responses and rapid recovery are all encouraging signs for the world economy – and it is Spence’s opinion that within ten years the developing countries will represent more than half of the world economy – the instability of advanced economies and the poorly adapted international policy coordination mechanisms continue to be cause for concern.

You therefore maintain that sustained growth depends primarily on improved global governance – but does global governance really exist today?

No, it exists sporadically,

but the interdependence of the global economy goes beyond the financial institutions’ capacity for understanding and control; for now we are just trying to catch up. We are beginning to understand the true meaning of interdependence and we are learning that it does not self-govern. Although in many markets a certain degree of self-regulation exists – it is not possible, of course, to govern and control every detail – there are numerous aspects for which decentralized actions, both in the markets and in governance, become prejudicial if they are not a cooperative effort. Thus in my opinion the challenge for an entire generation, not mine but the next, is to create these institutions piece by piece, a feat that cannot be

accomplished overnight – G20, G20 support institutions, institutions to fight climate change, an entire system of global governance institutions that will be created over time. It will be the generation of today’s youth that builds them.

Alessandra Gambino

“we are beginning to understand the true meaning of interdependence and we are learning that it does not self-govern”



iPolizza, the “App” for the Insurance Sector

a free service from the Group that offers its customers additional benefits

Generali Group has launched iPolizza, the first Apple application (compatible with iPhone, iPod Touch and iPad) created for the traditional Italian insurance sector.

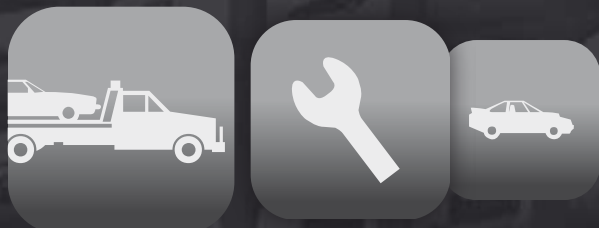
The application (commonly known as an “app”) was created in a coordinated manner for all of Generali Group traditional insurance companies in Italy. It is based on “Around Me” ge-positioning technology, a feature of Apple devices that uses longitude and latitude coordinates to determine geographical location. The application generates a complete list of all local businesses operating within a specific category, indicates the distance between the user’s current location and the point of interest and provides the shortest and quickest route to the destination. This free Generali app allows all owners of Apple devices to view the Group’s network of approved repair shops and medical clinics, or find the closest general agency in order

to obtain information and address specific needs.

In addition, a new tool was developed for customers of Group companies that provides online assistance in the event of a motor accident. The customer can complete and send the claim form online, and send photos of the damaged vehicle and the completed and signed agreed motor accident statement. In addition, useful telephone numbers are provided so that customers can call for breakdown assistance and any other services required.

In the direct insurance sector, Genertel has pre-released iGenertel, an app that offers customers assistance in the event of an accident and simplifies the claim and compensation process; it acts as a “guide” that provides the customer with step-by-step help.

Genertel has pre-released iGenertel, an app that offers customers assistance in the event of an accident and simplifies the claim and compensation process



the customer can complete and send the claim form online, and send photos of the damaged vehicle and the agreed motor accident statement

Since its launch in June, iGenertel has been downloaded more than 5,200 times and has received a positive rating. iTunes, the programme that enables Apple customers to download content, allows users to assess the utility of each application by giving it a rating; this data is then used to compile a weekly ranking of the most-downloaded and best-rated apps. To celebrate the event, Genertel gave away 30 brand new iPhone 4s – all

customers with a valid policy as of 30 September 2010 were entered in the drawing.

The applications represent an important innovation in the insurance world and a real added value for the customer since they integrate insurance products with services that are easy to use, especially on the go. In addition to being advantageous from a marketing perspective, these applications are essential for optimizing

specific communication channels, as they allow rapid communication with a large number of target customers, enabling a community of Group customers to be created for the purpose of developing new business and increasing customer loyalty. In “Phase 2” of this project, further features will be offered, including the integration of networks of business partners to provide a broader, more developed service for our customers. These partners,

with which Group companies have agreements, will include chains that repair car windows and clear boxes (Carglass, Doctorglass, Octo, Viasat, etc.).

*Andrea Cicolani
Michela Bembich*

Generali Products for Ducati Owners

a coordinated range of dedicated insurance and financial products

Generali was able to define and broaden its range of products for motorcycle enthusiasts thanks to a collaboration arising from a three-year contract with Ducati, which Generali has supported as an official MotoGP sponsor since 2009. In addition to having continuous visibility on the racetrack alongside the Ducati Corse team throughout the entire championship season, the Group capitalized on this opportunity by creating a coordinated range of insurance and financial products – distributed by Assicurazioni Generali, Banca Generali and Genertel – that were designed to satisfy the needs of Ducati motorcycle owners.

Assicurazioni Generali offers dedicated, discounted non-motor insurance products, specifically household and health policies, called “Generali sei a casa” (solutions that offer complete protection for the home and family, with six different types of coverage that can be combined to suit individual needs) and “Generali sei in salute” (made-to-measure coverage that enables the customer to receive the best health care). For both of these products, a 100 Euro discount is offered on the first premium for policies having a five-year duration and a minimum annual premium of 350 Euros.





Banca Generali is offering the “Conto BG Ducati”, a cheque account that can be opened online and has no account opening fees or minimum balance requirements. The credit card, debit card and ATM cards are free and can be personalized with images of Ducati bikes, since BG Ducati is an account designed specifically for true Ducati aficionados. The account, which can be opened at www.bancagenerali.it, also offers an interest rate of up to 100% of the ECB rate and permits the customer to build a “personalized package”, selecting the options that are of greatest interest and paying only for what is really needed.

Genertel continues to offer competitive rates on motorcycle policies with a 50% discount on third party liability (Libretto Rosso *Dueruote*, ed. 03/2010, Profile 4 Milan), as well as exclusive made-to-measure benefits for Ducati owners thanks to the “Ducati Insurance by Genertel” policy: 15% discount on compulsory third party liability insurance for motor

vehicles, 7% discount on driver accidents, 25% discount on unforeseen events, free “Stop & Go Service” that allows the policy holder to temporarily suspend and reactivate the policy (e.g. in the event that the motorcycle is not used in the winter) and fire and theft insurance with no deduction for wear and tear (in the event that a new motorcycle is stolen within 12 months of purchase, compensation will be based on the original purchase price – agreed deductible applies – as long as a new Ducati of equal or greater value is purchased from the same dealer from which the stolen vehicle was purchased).

More details on these offers are available from Ducati Stores, which are promoting the Group’s products with advertising displays and brochures. In addition, customers can obtain information from the respective companies by calling the dedicated toll-free number for “Ducati Insurance by Genertel” customers, or contacting the network of Assicurazioni Generali agencies and Banca Generali advisers.

the Group capitalized on this opportunity by creating specific products designed to satisfy the needs of Ducati motorcycle owners



The Group, whose brand enjoys worldwide visibility, played a leading role in a series of initiatives created by Ducati Motor Holding. A particularly noteworthy event was **World Ducati Week 2010**, “The Return of the Red Planet”, one of the biennial gatherings of Ducati enthusiasts organized by the Borgo Panigale-based manufacturer. In 2010 the event was held at the Misano World Circuit, on 10-13 June, and had more than 60,000 participants. This provided an opportunity for Generali and Banca Generali to present products created specifically for Ducati owners living in the Internet age. The

new range of coordinated products offered by the three companies was introduced to the public through the launch of the **“Mettici la Testa”** contest. By participating in an entertaining quiz and testing one’s knowledge of the rules of the road, motorcycle etiquette and the world of insurance and finance, users enter a drawing to win tickets to the 2010 MotoGp at Misano and helmets autographed by Casey Stoner. Customers who purchase or sign up for one of the products being promoted also have the opportunity to win a splendid Ducati Multistrada 1200 T (for reasons of transparency,



employees of the following companies involved in the organization of the contest are not eligible to participate: Generali Group, Ducati Motor Holding and Simple Agency). An agreement between Generali and Ducati entitles employees of Generali Group in Italy to an 11% discount off the list price for the purchase a new

Ducati motorcycle, and a 15% discount on apparel and merchandising products.

*Andrea Cicolani
Elisabetta Pavan*

the Group played a leading role in a series of initiatives, most notably World Ducati Week 2010, a gathering for Ducati enthusiasts



Docticare: Health online

created and launched in Italy, the portal will expand to include the other European branches

On the international level, Europ Assistance Italia is driving innovation within the Group – the world leader in assistance insurance – by launching the **Docticare** platform, a new information and services portal dedicated to health, medicine and health assistance.

The mission

Docticare's mission is to facilitate the dissemination of information relating to the world of health and provide reliable and useful information to assist the user in finding a solution to health problems. With the launch of this innovative platform, Europ Assistance Italia has broadened its range of health services, becoming a reference point for solving everyday health problems. The company has achieved this thanks to its more than 40 years experience in the emergency and travel health assistance market and its international network of doctors and specialized centres.

Services

Docticare is a **multichannel and multimedia platform** that combines informational content with a number of useful services. Users can access the platform as free users, registered users or as customers who have purchased a policy. The content can be shared via the main social networks (Facebook, Twitter, etc.).

users can access prevention tools that provide a simple and quick answer to specific concerns



For all Internet users

All users can access Docticare, consulting sections in the information area that feature a collection of up-to-date articles relating to health and wellbeing, along with video, animation and audio content, as well as charts and further details. The sections open to all users include

those pertaining to medical emergencies, as well as prevention and healthcare for women, children, adolescents and people over 60.

In addition, unregistered users can access several useful prevention tools that provide a simple and quick answer to specific health concerns. The interactive medical dictionary

and atlas as well as several online applications help users determine the ideal quantity of liquids to drink, calculate calories and body mass index, simulate weight loss and more. Finally, tests and quizzes enable users to evaluate their own level of medical knowledge in a simple and engaging manner.

For registered users

Docticare registration allows users to access certain dedicated services in a personal area, where they can enter their interests, comment and vote on articles, participate in polls, access the check-up recommended service, and even consult a multilingual phrase book and translator (available in Arabic, Chinese, Russian and 5 other European languages). In addition, they can take

advantage of a trial session of the “Ask the Expert” service – a specialist will answer questions about specific health issues (cardiological, geriatric, gynaecological, neurological, odontological, orthopaedic, paediatric, psychological).

For Europ Assistance customers

Customers who have purchased a Europ Assistance travel or health policy are permitted to enter, for a period of one year, a reserved area where they can access a number of added value services integrating those covered by their insurance. These supplementary services, designed to meet users’ safety needs in the case of illness or accidents (whether travelling or at home), are described below.



the “Ask the Expert” service: a specialist answer questions about a specific health issues



Online medical history:

Enables the users to create a medical history with all of their personal data and update it at any time. The virtual document is easy to complete and features a guided process inspired by the international ICD (International Code of Disease) system. The customers can therefore access their medical history at any time and from anywhere in the world. This enables Europ Assistance doctors to consult the patient's medical information and therefore results in a more effective and targeted response to health problems.

Medical passport:

Allows users to translate their medical history into 11 languages, save it in an electronic format, print it and bring it with them while travelling. The medical

passport can be consulted online by doctors in the location where the customer is travelling; access is gained by entering a personal password. The necessary medical information is therefore available in a secure manner and contains no translation errors.

Health calendar:

A personalized database where customers can enter appointments, medical, diagnostic examinations, quotes and other health-related dates. The calendar features a system that sends alerts via SMS or email to inform the customer about appointments requested and scheduled by Europ Assistance's operational structure.

“Ask the Expert” service and chat sessions with a specialist:

Europ Assistance's team of physicians – including cardiologists, geriatricians, gynaecologists, neurologists, odontologists, orthopaedics, psychologists, and paediatricians – is available to users to clarify doubts or respond to health-related questions.

Additional health services:

Scheduling exams, instructions for obtaining a personalized check-up, requesting a second medical opinion.

Multilingual phrase book and translator in downloadable mp3 format:

This useful tool, available in eight languages, contains all of the most frequently used expressions and enables the customer to interact with health care

personnel abroad and request assistance.

Created and launched in Italy, the Docticare portal will progressively expand to include the other European branches of Europ Assistance Group, beginning with the German and UK branches. The services and content offered on the platform can be customized and enhanced by each country, allowing each branch to share the ideas and improvements developed on a local level.

Paola Bianchi



Insatisfeito



Pouco satisfeito



Satisfeito



Muito Satisfeito



Your satisfaction is our greatest reward

Generali Portugal is the national leader in Customer Satisfaction in the insurance sector

We are operating in an increasingly open and competitive world, in which each company is seeking to differentiate its products and services. Especially in mature sectors such as insurance, products tend to become standardized (thereby becoming commodities) and competition is based on price.

Yet, in mature markets an aggressive pricing strategy is only effective for a brief period. Over time, such a strategy generally becomes incompatible with the quality expectations of shareholders. The alternative? To differentiate the company by offering a level of service that consumers recognize as being clearly superior, thereby creating value for customers as well as

shareholders.

Quality can be described as a tool designed to satisfy customer expectations. Based on this generic definition, quality entails an increase in the cost of the product. This occurs because quality is also a tool that minimizes errors and problems, which therefore increases the price. As Deming and Juran have shown, when a company successfully raises its level of quality, there is a corresponding increase in productivity – and consequently competitiveness. In other words, it becomes easier for a given product or service, regardless of its price or specific characteristics, to outcompete competitors.





Naturally, every business is now striving to achieve a high level of service quality. So, what is the secret to successfully differentiating a company?

In 2008, Generali Portugal set an ambitious objective – to become the leader in customer satisfaction in the insurance sector. A four-pronged strategy, focusing on the range of services, efficiency, communication and quality control, was devised to meet this objective. An additional crucial point, consistent with the values shared by Generali Group, was identified: demonstrating commitment to and an interest in the customer. In an era of economic crisis, Generali Portugal chose to give a sign of confidence, relying on strengthening its brand and providing high-quality service. This decision was rewarded when the company placed first in the national ranking of insurance companies by customer satisfaction for two consecutive years, 2008 and 2009. The ECSI (European Customer Satisfaction Index) analysis was conducted by Universidade Nova in Lisbon, in association with the Portuguese Institute for Quality

and the Portuguese Association for Quality. Since 2008, the analysis has been sponsored by the Portuguese Association of Insurers. In 2009, 15 of the

satisfaction, complaints management) and also had high marks for “perceived value” and “loyalty”. While Generali Portugal takes pride

an aggressive pricing strategy is only effective for a brief time. The alternative? To differentiate the company by offering a level of service that consumers recognize as being clearly superior

most important insurance companies were evaluated based on the results of a total of 4,041 questionnaires (an average of 250 customers for each company). The ECSI model analyzes seven latent variables that directly or indirectly influence customer satisfaction. In 2009, Generali received the highest score for five of these variables (image, expectations, perceived quality,

in this success, it is aware that quality requires unflinching commitment and constant attention to detail. This ranking confirms that the company is on the right path. Generali Portugal will continue to invest in high-quality service, as this is the only way to consolidate and maintain its leading position in customer satisfaction.

Nuno Megre

The scientific definition of quality

Americans Edwards Deming and Joseph Juran were among the first to scientifically define the concept of quality. Edwards Deming (1900-1993), a statistician, university professor and high-level consultant active primarily in Japan, asserted that only by focussing on improving quality could corporate management succeed in reducing costs over the long term. Joseph Juran (1904-2008), also active in Japan, developed a pragmatic approach to the concept of quality, claiming that it should be intelligently and innovatively pursued and should take into account not only the customer but all parties that interact with the company, including suppliers, employees, etc.

Generali Portugal's proven leadership in customer satisfaction was the focus of a recent advertising campaign involving radio, press and putting posters in the company's offices and agencies



Two questions for Santi Cianci, CEO of Generali Portugal

The attention that Generali Portugal gives to all business activities that impact customer satisfaction was also evident in the interview given by CEO Santi Cianci at the international workshop “A Journey through Property and Engineering Insurance in the Generali Group”, organized for Portuguese brokers by Generali Group Innovation Academy on 18-21 May at the Mogliano Veneto offices. A brief excerpt follows.

What was the reaction to the workshop organized by Innovation Academy?

It is the first time that a course for brokers was organized and the feedback was more than positive. Judging from the participants’ comments and their enthusiastic reactions as they were leaving, I can say with certainty that these activities helped to broaden knowledge about areas that are strategically important to the Group’s future, such

as alternative energy. These topics come up frequently on the market level, as does coverage relating to the environment and energy, which was discussed in the workshop. We must always strive to be proactive and stay ahead of trends. It is essential that our brokers fully embrace these mechanisms and recognize their importance for the insurance sector. Only in this manner can we truly claim to be competitive in the market and a step ahead of our competitors. The workshop organized by Innovation Academy also helped brokers to understand the scale and importance of the Group and the technical skill involved in underwriting certain sophisticated risks. This is precisely what we wanted to stress and what we must continue to stress in the future.

What are the strengths of Generali Portugal?

“with the Generali Card, we designed a service that eases financial difficulties during these trying times”





Our ability to satisfy the customer: we have invested a great deal in promoting customer loyalty, offering supplementary products as a renewal incentive rather than discounts. We strive to provide an immediate response to our customers' ancillary needs and to keep step with the market. For this reason, I would like to mention one of the many initiatives we are proud of – the Generali Card. Created to facilitate insurance

payment, this card allows our customers to pay their premium in three instalments, interest-free. Generali's financial advisers play a central role in promoting this new service being offered to our customers, which contributes to their satisfaction. With this card, we have designed something that strengthens our relationship with existing customers; rather than offering discounts, which would ultimately result

in losses, we have created a service that eases financial difficulties during these trying times. It is similar to a normal credit card, but the payment of the premium can be made in three instalments with no interest – we cover the interest (3.5%).

Obviously, there is always room for improvement. Our primary objectives therefore are attention to customer service, offering a high-quality

product with all the coverage requested, and efficiently settling claims in a timely manner.

Federica Martufi

Leader in Argentina

La Caja's direct sales experience
in the motor insurance sector

La Caja, the leader in the Argentinian insurance market, has more than 780,000 customers in its motor portfolio – a figure that continues to grow and corresponds to a market share of about 14%. More than 65% of the portfolio originated from direct sales; to develop the business, this Generali Group company has over 220 business consultants in more than 100 agencies located in the regional capitals and main cities throughout the country.

Some agencies offer integrated services, managing damage claims and other post-sales activities, while smaller agencies only act as outlets. All of the agencies have exterior areas where the vehicles are inspected before the insurance contract is finalized; this enables the customer to leave the agency with the policy in hand and active coverage.



The sales force also includes call centre employees and telemarketers: 40 employees are responsible for inbound activities (incoming calls from customers), while 30 telemarketers are responsible for outbound activities, contacting leads from a database and lists of former clients, which provides the company with an additional opportunity for growth. The rest of the portfolio originates from semi-direct sales, through strategic partnerships with car dealerships, banks and associations, such as the Argentinian Automobile Club, the country's main provider of services for motorists.

These agreements enable the company to be "present" the moment the customer decides to purchase an insurance policy (for example, when buying a new car). As was previously noted, the insurance policy is finalized immediately, as optional coverage service and vehicle inspections are handled by our team of qualified inspectors at the agencies or, if required, at the customer's home.

Investing in advertising campaigns is vital for bringing business to our sales channels. With this objective in mind, we continuously conduct direct marketing initiatives, offering attractive services and products to capture the attention of potential buyers. In the past two years, there has also been strong growth in the Internet sales channel: the website www.lacaja.com.ar gives potential customers the ability to request an estimate,

consult the various coverage options and services offered for the different products, request and purchase insurance and schedule the inspection appointment. The inspection is performed by one of our inspectors at the location provided to the customer. After the inspection, a confirmation is sent by Blackberry to the central office and the policy is automatically sent to the customer via email. When a user initially enters the website to request an estimate, an offer is generated real-time based on the customer's profile and his/her vehicle. The system proposes the best option for the customer, which he or she can choose to accept or modify. The organizational and risk control methods differ from those typical of the traditional insurance market, which operates through sales agents. Although this method entails greater operational

rigorous risk control and strict claim settlement management have enabled the company to achieve the lowest claim settlement rate in the market

and organizational costs, it permits a notable reduction in intermediation costs and therefore allows La Caja to offer competitive prices. With respect to post-sales service and claims, the process is similar. Every case is handled and resolved by our agencies or the more than 50 employees working at our dedicated call centres. Claims and insurance inspections are managed by in-house personnel who have specific training and qualifications and make use of the best technology and instruments, thus allowing to obtain, in a standardized and

automatic manner, a damage assessment, confirmation of the repair estimate and other information. Rigorous risk control and strict claim settlement management have enabled the company to achieve the lowest claim settlement rate in the market – almost 10 points below the average for the major corporations.

Jorge Pérez y Santia





Internal Audit Department: creating value for the company

an activity that plays a fundamental role
in light of the Solvency II Directive

The **Solvency II** Directive published by the Official Journal of the European Union in December 2009, which pertains to the taking-up and pursuit of insurance and reinsurance activities, defines a new solvency regime that places a greater emphasis on the quality of risk management and the soundness of internal controls (*see Il Bollettino no. 5*).

For this reason, the role of the Internal Audit Department is fundamental to Generali Group. To fulfil this role, the department has taken an approach that, while innovative, was developed based on the ideas and experiences of the Group itself.

The Internal Audit Department pursues its primary objectives of contributing to the creation of value for the company and offering a potential **competitive advantage** through activities designed to increase the soundness and reliability of the internal control system as a whole.

With this in mind, auditors at Generali Group focus on processes that are crucial to achieving company objectives, assuming a new key role as an **independent business partner**.

This approach is being adopted within a sphere of activities that is undergoing a profound change. In fact, the role of auditing is

shifting from merely ensuring compliance with company policies and procedures to verifying the soundness of the company's procedures, and includes the new and challenging objective of applying these activities to the entire **corporate structure**.

The auditor's perspective, despite having different objectives, is currently more in line with business philosophy than it ever was in the past. The internal auditor must look to the future to anticipate potential and emerging problems and risks, and ensure that the company takes opportune control measures to identify and mitigate these same problems

the auditor's perspective is currently coming into line with business philosophy and represents a potential competitive advantage

and risks. To effectively perform this new role, the Internal Audit Department must have employees who possess not only specific technical **abilities**, but also a capacity for understanding the business, and appropriate **soft skills** that include effective communication skills both within and outside of the company, listening skills, intuition, flexibility and organizational skills.

The department's new role, combined with a staff having the abovementioned

characteristics, unequivocally initiates a virtuous cycle in which the Internal Audit Department increasingly **attracts talented** employees and offers motivated, dynamic people the opportunity for professional growth, both within the Internal Audit Department and in other areas of the company.

With respect to the aspects of internal control addressed by Solvency II, it is worth emphasizing the fact that within Generali Group the combined effects of the progress that has been made in implementing the **internal control and risk management** model in the different countries, the

principal initiatives adopted for its implementation and the tangible **results** that have been achieved give the main companies a **competitive advantage**, in certain geographical areas, over their rivals due to their conformity with the new supranational regulation.

Roberta Vecchiet
Paolo Tonca

THE EVOLUTION OF THE ROLE AND APPROACH OF INTERNAL AUDITORS

	HISTORIC INTERNAL AUDIT	MAINSTREAM INTERNAL AUDIT	CUTTING EDGE AUDIT
FOCUS	AUDIT OBJECTS BASED ON ROTATION PLAN	PRIORITIZE AUDIT ENTITIES BASED ON RISK	CRITICAL SUCCESS AND REPUTATION FACTORS
PERSPECTIVE	HISTORIC	HISTORIC	FUTURE
STYLE	CORPORATE POLICE	"FATHER KNOWS BEST"	"INDEPENDENT BUSINESS PARTNER"
MANDATE	COMPLIANCE TO POLICIES & PROCEDURES	ASSURANCE ON PROCESSES & COMPLIANCE	WHOLE ORGANIZATION
RISK FOCUS	FINANCIAL	FINANCIAL PLUS	ENTERPRISE RISKS SEEN AS OPPORTUNITY
TOOLKIT	COMPLIANCE WORK PROGRAMS	AUDIT WORK PROGRAMS FOR KEY PROCESSES/CONTROLS	BUSINESS UNDERSTANDING & CONTROL TAILORING
TECHNOLOGY	NONE	ELECTRONIC WORK PAPERS	INTEGRATED AUDIT DOCUMENT MANAGEMENT
RESULTS	SMALL "FINDINGS"	ASSURANCE: KEY AUDIT ENTITIES	TO ENHANCE RISK PROOFING

Chief Auditors Meeting: an institutional event

For the fourth consecutive year, the Group's Internal Audit Department held its annual meeting of internal auditing managers from the Group's foreign companies. The meeting, which took place at the Trieste offices on 8-10 June, was attended by 16 Chief Auditors, representing 16 countries or geographic regions in which the Group has a presence either through its own insurance companies or through holdings.

The meeting once again represented a very important event, since accomplishments, challenges and future objectives were presented, and specific topics of common interest were discussed in detail. It also provided a valuable opportunity for exchange and professional growth, allowing participants to discuss the latest developments within the profession, as well as technical, governance and business issues.

In the upcoming months, separate regional meetings will be organized for other Group auditors who work in each of the following geographic areas: Eastern Europe, Latin America and Asia. These will be held respectively in Prague on 14-15 October, in Buenos Aires in late November, and in Hong Kong later in the year.

The ambitious standards of professionalism that the Group's Internal Audit Department sets at these meetings enable the department to act as a training ground for talent, producing professionals who later go on to fill important and prestigious positions in various areas of the company.

Energy in a grain of corn

the Ca' Corniani biomass plant produces clean energy from the fruits of the earth

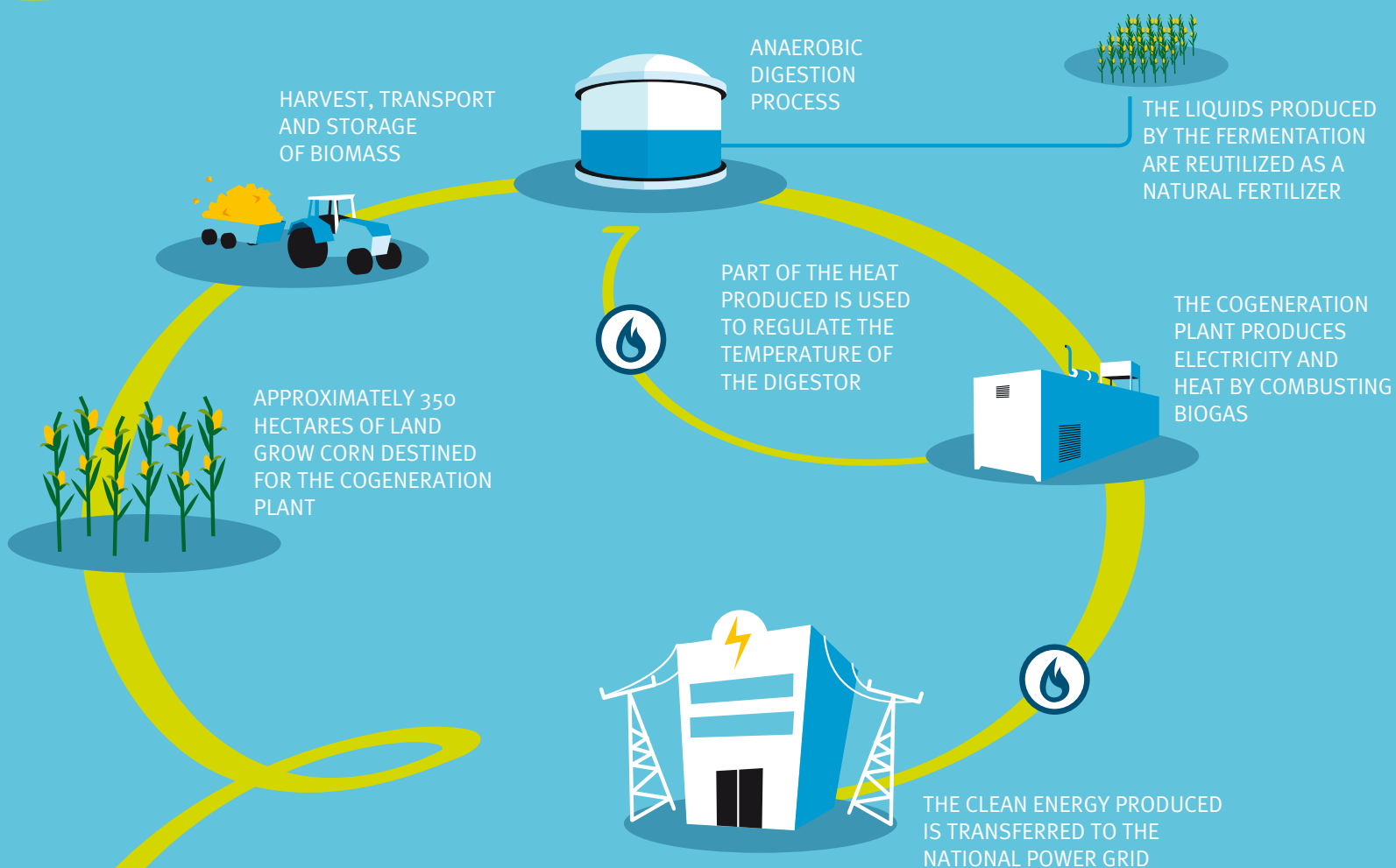
Tradition and innovation are two key concepts for Generali Group. One of the very symbols of the company's past – the historic Ca' Corniani Farm (owned by Generali since 1851 and now the property of Genagricola) – has put these concepts into practice in a surprising way.

In Veneto, near the coast where the Adriatic meets Venice and the surrounding countryside, a pioneering pursuit of new projects, an integration of technology and nature and a desire to create a sustainable business have been successfully combined at the **Ca' Corniani biomass plant**, a facility that extracts and produces clean energy from the fruits of the earth. Since the historic farm, which is among the most productive in the region, is managed with great enthusiasm and pride, it is not surprising that Ca' Corniani has become an advanced centre for green energy. The farm provides an important source of revenues, without disrupting the rhythm of nature and the traditional organization of crops; instead, it supports these aspects by making rational use of the land's fertility and following sustainable models that improve the environment. The facility also blends naturally into the surrounding landscape of cropland, as there are no cables, bulky machinery, transmission towers or other industrial equipment, only well-restored buildings and well-camouflaged technology.

an advanced centre for green energy providing an important source of revenues without disrupting the rhythm of nature

The production process involves the **anaerobic digestion and fermentation of biomass** obtained from dedicated crops (predominantly corn that has been harvested and siloed at the appropriate time) to

produce biogas, a mixture of natural gases containing more than 55% methane. This gas is used to fuel a cogeneration plant, which produces both electricity and heat. The electricity is transferred to the power grid while the heat is used to keep the digestors in the mesophilic temperature range. In addition to the daily input of biomass, livestock effluents are added to the digestors, making the fermenting biomass more fluid and easier to stir. This practice enhances biogas production and results in a liquid that is energy-poor, but that is odourless and rich in



mineral nitrogen and other nutrients. When spread, the liquid acts as a fertilizer and improves the soil equilibrium in a manner that is completely natural. This is an entirely sustainable production chain that creates renewable energy from dedicated crops fertilized with livestock effluents.

It should also be noted that this system has beneficial effects for the atmosphere. The vast fields of corn (approximately 350 hectares) grown for the cogeneration plant absorb, through photosynthesis, the entire amount of CO₂ emitted by the combustion of the biogas, converting it to oxygen during the plants' growing cycle. This project is consistent with the environmental

policy reforms that resulted from the Kyoto Protocol; the commitments made by the EU were adopted in Italy with the regulations in the "Conto Energia 2006" scheme. It should be remembered that Ca' Corniani's interest in the field of alternative energy first became apparent to the Veneto region in the early 1980s, when it installed a pioneering anaerobic fermentation system (designed in Israel) that produced biogas exclusively from the treatment of livestock effluents. Ca' Corniani is also experimenting with other crops to use as an alternative or a complement to corn;

an example is sugar beets, which play an important role in the four-year crop rotation that the farm has been testing for many years. The objective is to optimize the utilization (for energy production) of all fermentable organic substances grown on the farm, thereby reducing as much as possible the reliance on more valuable food products such as corn (currently the project's main crop).

From its earliest experience with Israeli technology to the new German systems it

employs today, Ca' Corniani continues to contribute to the green revolution of renewable energies. Through this revolution, agriculture is reasserting its role as an economic stimulator – a role that Generali has believed in from the beginning.

Paola Cabas

Particular thanks to Edoardo Rossi, Manager of Ca' Corniani Farm, for his technical contributions



Salvagranaio

an interactive educational experience
for children at Ca' Corniani Farm

The educational programme entitled “**Salvagranaio: The Agricultural Origins of Economy**”, is part of a series of initiatives that Generali Group has organized for the students of schools in Veneto and Friuli Venezia Giulia.

As a follow-up to the archaeological exhibition “**Roots of the Present**”, held in 2006 and 2007 at the Trieste and Mogliano Veneto branch offices respectively, Generali Group is continuing its programmes for schools by opening the doors to another site that holds particular importance for the company – Ca' Corniani, the company's first farm, purchased in 1851.

From early 2010 until the end of August, the farm hosted an interactive educational programme that was visited by more than 3,000 first and second-year primary school students and approximately 300 teachers. The visitors explored a world of history, vision and innovation – key aspects of the development that has enabled Generali Group to become a leader in the European agricultural sector.

These educational initiatives were organized and managed by the Corporate Communication Department, which designed the concept and created the exhibition and learning materials.

Our work at Ca' Corniani was guided by three primary objectives:

- Highlighting the roots of Generali Group's business culture;
- Drawing attention to the agricultural origins of our culture;
- Fostering real dialogue with students by providing practical experience that closely relates to topics covered as part of the school curriculum.

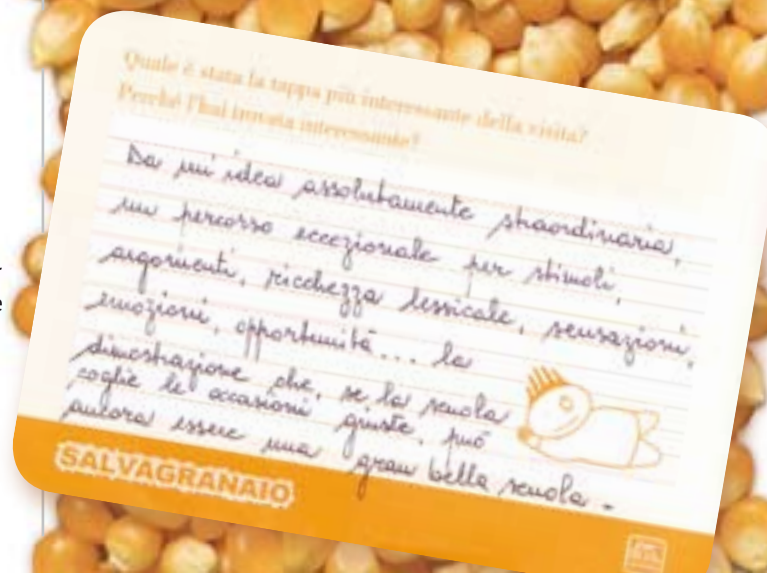


The production of the educational material for this initiative required hard work. The history discussed in the educational programme dates back to 10,000 BC, when the discovery of agriculture led to a gradual decrease in man's reliance on the activities that had provided the only means of survival up to that point – hunting, fishing and gathering the fruits that nature provided.

The programme also provided a description of the history of Ca' Corniani, which was primarily a malaria-infested marshland when Generali first purchased it.

The students, who were guided through the programme by young actors involved in youth theatre, participated in a series of activities designed to teach them about the main steps of the reclamation process and the subsequent colonization of the area by the families who worked the land. The young visitors were able to “experience” several of the key steps that allowed Ca' Corniani to make a decisive contribution to the development of this region of Italy, which went from a state of extreme poverty to a leading position in the national economy.

The farm offered an ideal model for showing students that our past lies in a land that began to take shape when man – thanks to the discovery of agriculture – learned how to plan, or rather to look beyond the immediate and envisage the results of his actions.



Students and teachers make comments on the visit

In order to give the children an opportunity to express their feelings and emotions and as a means of evaluating the enjoyment of the activities and materials provided to facilitate the learning process, at the end of the visit the students and teachers are requested to describe or draw in a card the most interesting part of the experience. Here are some examples.



interactive learning activities were organized on the farm. Visitors explored a world of history, ability and innovation

This age-old ability to plan, which is still apparent today in the Group's activities, made it possible to conclude the educational visit with an important glimpse of the future – for almost a year, the farm has been operating a biomass plant fuelled with corn cultivated on its land. With this cutting-edge project, Generali Group offers a concrete solution to one of the most important issues of our time – the need to diversify energy sources.

The exploration of these topics, which made a strong impression on the young children, presented an ideal opportunity to show the students that one of the major challenges of the future will be

the intelligent and respectful use of the resources that nature and human ability have placed at our disposal. As with the reclamation performed during the 1800s, Generali has stepped forward as a private group with an ability to conduct research and testing that is too demanding for small businesses and too innovative for public administrations.

Pietro Storti
Trivioquadrivio

Munch and the spirit of the North

the exhibition at Villa Manin
sponsored by Generali

Autumn arrived in Friuli accompanied by cold winds from the north, with its silent landscapes, interiors in suspended animation, and disquieting figures that give us a glimpse of a distant world and an art that seems foreign at first, but quickly becomes familiar when its leading exponent – Edvard Munch – is mentioned. This artist is both the catalyst and the heart of the exhibition “Munch and the Spirit of the North”. Villa Manin has opened a window into late nineteenth-century Scandinavia (until 6 March 2011, for more information www.villamanin-eventi.it), hosting an event that is part of a series of exhibitions sponsored by Generali.



The exhibition explores the relationship between man and landscape, revealing the spirit that pervades Scandinavia through a collection of 120 paintings from leading Scandinavian, European and American museums. While the exhibition focuses primarily on landscapes, it also explores portraits and figural works, displaying important examples from these genres. It is divided into five sections, with four dedicated to the national schools of Norway, Sweden, Finland and Denmark, and a final section devoted to Munch. A retrospective of 35 works, beginning with his early works and culminating with those from the final decade of the nineteenth century and first decade of the twentieth century, documents his shift from Impressionist-influenced Naturalism to a bold new form of painting that shook Twentieth Century Art and earned the artist universal fame. The historical framework and stylistic evolution is also clearly evident

the exhibition explores the relationship between man and landscape, revealing the spirit that pervades Scandinavia

in the national schools: after viewing the works of leading artists from the first half of the nineteenth century and their discovery of a naturalistic truth, artists in the second half of the nineteenth century took a more internalized, symbolic and modern approach to art. New horizons began to open

up in the mid-1880s, when a series of men of letters and artists formulated a novel means of expressing the turmoil, doubts and anxieties that were emerging as a result of rapid changes in society, the uncontrollable growth of cities and scientific research. A new form of art developed in which the painted scenes had an enigmatic halo, expressing something more than what was on the surface, though the deeper meaning often remained unclear. To understand it, one must look to traditional Nordic culture, which is filled with myths and legends whose visionary component inevitably returns to an interior dimension.



The exhibition features the leading exponents of this new vision of art, beginning with an entire room devoted to works by Danish artist Vilhelm Hammershøi. On display in Italy for the first time, the canvases include several landscapes, but primarily feature depictions of the fascinating dusty interiors for which this painter is known – empty rooms filled with light and shapes, painted with a delicate palate of whites and greys that blend into light-blue or umber, at times interrupted

by a solitary female figure that is almost always shown from behind. A painting whose linear structure seems to hide a metaphor for a disquieting void, an image that is intimate and perfect in its purity and simplicity. The inventor of the portrait from behind, he can be considered a follower of Dutch artist Vermeer and a predecessor to American artist Hopper, with his deep images of solitude and illusive pursuit of order and harmony – introspective, melancholy and

mysterious. Paintings by other Scandinavian artists follow, depicting figures placed in large expanses of pristine nature and compositions that combine Romanticism and Symbolism, as evidenced by the works of the great Finnish artist Akseli Gallen - Kallela. Finally, the exhibit closes with Edvard Munch's innovative paintings and novel approach to reality. These works, some of which are on paper, were selected to provide a comparison with the Scandinavian painters who preceded him. They allow us to develop a deep understanding of the work of this artist who removed all of the certainty of Naturalism and created a sense of unease when placing a figure in a landscape. This feeling is also evident in the exhibition

poster, which features the painting Melancholy – a depiction of a pensive, troubled man immersed in a marine landscape. Realized with a concise, stark language, certain experts view this as the first Norwegian Symbolist painting. The beach's undulating lines become a projection of the figure's state of mind, and the canvas becomes a universal symbol of melancholy – an emotion that all human beings have experienced. Using nature to reflect emotions, Munch became a master at revealing the disorienting relationship between man and landscape, which is the focus of this exhibition.

Deborah Zamaro

p. 43:
Vilhelm Hammershøi
The Tall Windows. Interior
of the artist's home,
Strandgade 25
1913, oil on canvas,
64.5 x 52 cm

Opposite:
Akseli Gallen-Kallela
Imatra in Winter
1893, oil on canvas,
153 x 194 cm

Above:
Edvard Munch
Summer Night's
Dream. The Voice.
1893, oil on canvas,
88 x 108 cm

Right:
Edvard Munch
Melancholy
1894-1896



Claudio López Bru

the first president of
Banco Vitalicio de España

From La Previsión and Banco Vitalicio de Cataluña...

Just a few months ago, Generali Group concluded an important merger between the Spanish companies Vitalicio Seguros and Estrella. Another equally important and decisive merger occurred in the Spanish insurance world a century ago, when La Previsión and Banco Vitalicio de Cataluña joined forces to create Banco Vitalicio de España in 1897.

The two institutes were founded in 1880 and 1881 respectively, in a Barcelona that was thriving both economically and culturally (as demonstrated by the creative genius of Gaudí and the splendour of the 1888 and 1926 Universal Expositions). The companies, which both focused primarily on life insurance, experienced a parallel and remarkably dynamic growth that was, however, inhibited by fierce competition from companies operating in Spain with foreign capital, as well as a generalized resistance on the part of the Spanish population to the purchase of life insurance products. In 1883, the Spanish Commercial Code was radically changed, with a new chapter devoted to regularizing and regulating life insurance in Spain. This represented a milestone for the development and success of Banco Vitalicio de Cataluña and La Previsión. From that moment on, there was a dramatic increase in the size, presence and reputation of these companies, and in 1884 La Previsión even had the honour of insuring the King of Spain himself, His Majesty Alfonso XII.

... to Banco Vitalicio de España

The similarity of the companies' business objectives and operating philosophies led to their merger, which was finalized in 1897. Banco Vitalicio de España, which had an initial capital of 15 million pesetas, was originally headquartered in Plaza San Sebastián, but moved in 1908 to Rambla de Cataluña, located in

*The first registered office of
Banco Vitalicio de España,
at that time Plaza de San
Sebastián in Barcelona*

the heart of a lively Barcelona that was in the midst of an urban renovation programme. The company's first president was Claudio López Bru, the second Marquis of Comillas, whose experience and social prestige were crucial for gaining the credibility and trust of the public in that era. In addition to being president of Banco Vitalicio, he was the director of Compañía Transatlántica Española, founded in 1850 by his father Antonio López y López and inherited by Claudio López Bru in 1883. Claudio López Bru led the company in a series of operational expansions: new complementary and maritime insurance products were added and, thanks to a ministerial authorization in 1912, Vitalicio's activities

expanded to include the reinsurance sector, specifically fire insurance. In the early 1920s, the company purchased several buildings in Madrid, Bilbao and Seville that would later become its offices. This was only the beginning of a long success story.

A pioneer of social responsibility

The name Claudio López Bru is not only associated with business – as a result of his deep-rooted interest in education and cultural development, he stimulated Spanish corporate initiatives, supported the Comillas Pontifical Seminary and University (a leading cultural institution in Spain that is still

active in Madrid today), and always donated a significant portion of his income to humanitarian causes. In fact, in 1925, the year of his death, the newspaper *El Siglo Futuro* published an obituary in his honour, calling him “the greatest Spanish benefactor of this century and the last”. As Director of Compañía Transatlántica Española, he made the fleet available to charitable causes on several occasions: in 1894, pilgrims were given passage to Rome, and in 1908, he offered the Holy See the transatlantic ship “Cataluña”, fully-equipped with medical personnel, medicines, food and other materials to help those injured and orphaned by the disastrous earthquake that struck Messina. In recognition of his humanitarian work, in 1945 a beatification process, led by the Jesuit priest Eduardo Fernández Regatillo, was initiated and continues today.

Claudio López Bru: a man ahead of his times who, more than 100 years ago, exemplified the meaning of social responsibility – an ideal that is an important part of Generali Group today.

Alessandra Podestà

Important dates

- 1880/1881: La Previsión and Banco Vitalicio de Cataluña were founded
- 1884: King Alfonso XII of Spain obtained a life insurance policy from La Previsión
- 1897: The two companies merged to form Banco Vitalicio de España
- 1925: Death of Claudio López Bru, the company's first president
- 1955: In celebration of the company's 75th Anniversary, Generali gave Vitalicio an oil painting by Annibale Carracci
- 1984: Grupo Vitalicio was established with the acquisition of Nacional Hispánica Aseguradora
- 1992: Generali became the majority shareholder of Vitalicio
- 2010: Generali Spain was created through the merger of Grupo Vitalicio and Estrella

*on the year of his death, the newspaper *El Siglo Futuro* called him “the greatest Spanish benefactor of this century and the last”*



published by

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