

We passed the stress test:
excellent in trust

THE WORLD OF MAPFRE

ARTIFICIAL
INTELLIGENCE IS
ALREADY PRESENT
IN OUR LIVES

OUR LEADING ACTORS
ARE THE MAPFRE
SALES FORCE

KEEPING WELL:
WE KEEP CONCERN
AT BAY

#110





LA PARTE QUE NOS TOCA

En MAPFRE cuidamos de las personas
y del medioambiente hoy,
para asegurar el futuro mañana.

#lapartequenostoca

Descubre qué estamos haciendo para asumir
la parte que nos toca en [MAPFRE.com](https://www.mapfre.com)



MAPFRE

Tu aseguradora global de confianza

Trust, at the heart of our transformation and drive to excel

THE FIGURE

IN 2020 MAPFRE
ENDED THE YEAR WITH AN
OPERATING RESULT OF

€658M

We are starting 2021 encouraged by the arrival of the eagerly-awaited vaccine to fight the COVID-19 pandemic, reinforced by the fact that we passed the stress test in the most adverse scenario imaginable: a global pandemic, catastrophic events and, to top it all, a ransomware cyberattack. In a year like that, when many companies incurred multimillion-dollar losses, MAPFRE ended up with an operating result of 658 million euros. We tell you all about it in the opening article of the magazine, where we also explain why TRUST is the cornerstone of all our business activity.

But passing such a stress test would not have proved possible without the right tools and the required change of mindset to implement them. Don't miss the article on the profound digital transformation MAPFRE is currently undergoing.

ENJOY READING AND DON'T FORGET
TO VISIT **WWW.ELMUNDODEMAPFRE.COM**
WHERE YOU CAN FIND INTERESTING LINKS,
VIDEOS AND INTERACTIVE INFOGRAPHICS
ON ALL THESE TOPICS

In this issue we also talk about artificial intelligence applied to enhancing the customer experience. We are a company of people who take care of, and believe in, people and that will not change, as this is what makes us different. Nonetheless, AI (Artificial Intelligence) is a growing reality, something all leading companies are incorporating in order to improve our efficiency.

We also invite you to take a look at the article on mental health, where we offer tips for managing the stress caused by the pandemic. It is natural to be affected by the situation, but we cannot let concern turn into another problem in addition to health issues.

And finally, in Your Foundation, Juan Fernández Palacios introduces us to the new Ageingnomics Research Center. Created to study longevity and understand the new "silver economy", this is an area where Fundación MAPFRE aspires to – and, indeed, can – play a prominent role in furthering the much-needed social debate to turn the success of greater longevity into a society brimming with opportunity, growth and job creation.

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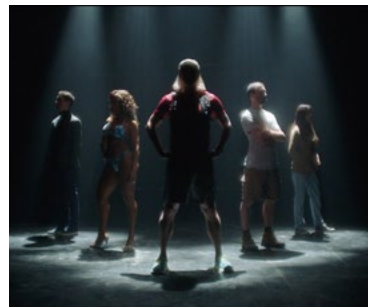
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MAPFRE TODAY

We passed the stress test of 2020 with flying colors. In a year in which many corporations incurred multimillion-dollar losses, **MAPFRE closed the year with a positive result of 527 million euros.**

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A further installment of **Conversations for Leadership:** three female executives debate the role of women in companies



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I AM MAPFRE

Digital Workplace is one more component of that digital transformation all of us, as employees, have to build together. Adapting to change and a new mindset will be the key factors.

MAPFRE deploys the MAPFRE Leader project.

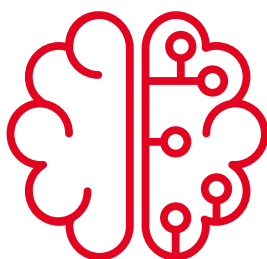
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Artificial intelligence is constantly creeping into every facet of our daily routines. Learn more about this enthralling topic and the MAPFRE projects based on artificial intelligence

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José María Cancer, general manager of the MAPFRE Road Safety and Experimentation Center (CESVIMAP), explains what exactly the circular economy is and why this center is one of the best examples of innovation and sustainability within our Group.



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KEEPING WELL

Don't miss this article on psycho-emotional health with some basic tips on how to boost morale and keep worry at bay.



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YOUR FOUNDATION

Your Foundation created the Ageingnomics Research Center to analyze longevity in a positive light.

At the helm is Juan Fernández Palacios, one of Spain's leading savings experts, who outlines in this interview the key points of the silver generation, an increasingly significant population group.



FURTHER INFORMATION
IN OUR DIGITAL EDITION

MAPFRE TODAY



VISIT [MAPFRE.COM](https://www.mapfre.com) TO SEE
OUR ANNUAL RESULTS



EXCELLENT IN TRUST

TEXT **JUAN FRANCÉS** | PHOTOGRAPHS **MAPFRE, ISTOCK**

Stress testing is an important risk management tool employed by financial institutions as an integral part of their internal risk management procedures. This kind of exercise alerts companies to possible negative effects for their solvency, resulting from unexpected adverse events related to any of a wide variety of risks. Stress tests typically include two hypothetical scenarios, one neutral and another adverse, in which extreme cases are included, those highly unlikely events for which, nevertheless, companies must also be fully prepared. Normally, these kinds of tests remain a theoretical exercise, something that will never actually materialize.

Let's look at an example: double-digit GDP declines in most of the world's economies; a global pandemic that paralyzes global economic activity and forces companies to provide its services with a large proportion of their workforce teleworking from home; and an economic environment with negative interest rates in a large part of the public debt market, thus eliminating the profitability of many companies' financial investments. Catastrophic events such as earthquakes and other calamities. And to top it all, a large-scale ransomware cyberattack designed to topple a company's IT systems and render it inoperable at the busiest season, as regards the demand for its services.

Can you imagine such a scenario? No regulator would be so perverse as to contemplate such extreme, simultaneous parameters in its stress tests...

Well, of course you can imagine it. Obviously, this is precisely the scenario that MAPFRE had to deal with in 2020.

All of the above serves to put into context the results for the previous year which the company recently presented to the market. In a year like that, in which many corporations incurred multimillion-dollar losses, MAPFRE closed the year with a positive result of 527 million euros.

Premiums slumped as a result of economies being at a standstill, yet the company generated an operating result of 658 million euros, practically identical to the previous year's figure. The Group's three main markets – Spain, Brazil and the US – between them contributed a net

IN A YEAR IN WHICH MANY CORPORATIONS INCURRED MULTIMILLION-DOLLAR LOSSES, **MAPFRE CLOSED THE YEAR WITH A POSITIVE RESULT OF**

527
MILLION EUROS

ONE OF THE COMPANY'S STRENGTHS, WHICH HAS ENABLED IT TO SUCCESSFULLY CONFRONT THIS TOUGH PERIOD, IS ITS **DIVERSIFIED BUSINESS MODEL AND PRUDENT RISK MANAGEMENT POLICY**

profit of 625 million. 24 of the 26 markets with direct insurance operations managed to close the year in the black.

Even the reinsurance business – which had to absorb a great deal of the impact of COVID-19, as well as deal with natural disasters, together accounting for over 100 million euros – was able to close the year with a net profit.

One of the company's strengths, which has enabled it to successfully confront this tough period, is its diversified business

model and prudent risk management policy. But so is MAPFRE's excellent financial position, which has likewise been clearly demonstrated over the past 12 months.

The Standard & Poor's and Fitch rating agencies referred precisely to the company's robust capital levels when justifying their decision to maintain the Group's financial strength rating at 'A+'. The debt ratio, which stands at 23 percent, remains well below average for the sector.

And the combined ratio for the insurance business dropped to 92.9 percent.

As a result of all the above, MAPFRE was able to fulfill its commitment to its shareholders, paying out a generous dividend charged to the financial year's results, with a solvency position of over 180 percent, within the levels that the company had set itself as its target. MAPFRE's strength allowed for a dividend payment of 416 million euros in the year of the pandemic, which represents a ROE figure of eight percent.

The main advantage of stress tests is that they allow market operators to be confident about the solvency capacity of a company, even when faced with the greatest possible adversities.

It is therefore no coincidence that the first global campaign launched by the company has TRUST as the cornerstone of its drive to transform itself and excel. This is a particularly relevant quality in the current environment plagued by COVID-19. Trust is the fundamental attribute for an insurer's reputation, marking as it does the company-client relationship. Because trust is an essential element of the insurance activity, where clients transfer their risks to a company which undertakes to guarantee cover, or compensate, for all or part of the injury or damage sustained in the event of a claims incident.

The campaign highlights the ability of people to progress in the face of adversities and fulfill their dreams. A conversation with Rafa Nadal provides the backdrop for five inspiring, real-life stories which invite us to reflect on the importance of each of us having the self-belief to achieve any goal, however impossible that may seem.

Luciana Tenorio (Peru), Germán Madrazo (Mexico), Sandro Salgueiro (Brazil), Wendy Ida (USA) and Oscar Pérez Marcos (Spain) are the protagonists of this campaign. One fine day these ordinary people showed the self-confidence needed to fulfill the dreams that would change their lives: making history at the Winter Olympics, having never worn skis before; designing prototypes of future planes before reaching the age of 25; or designing spaces for creating life on Mars.

This campaign also reflects MAPFRE's commitment to digital technologies to reach its clients all over the world. This is the first

THE YEAR OF THE PANDEMIC
MAPFRE PAID OUT 416 MILLION EUROS IN DIVIDENDS, WHICH REPRESENTS A **ROE FIGURE OF**

8%

FUNDACIÓN MAPFRE
MOBILIZED OVER

200

MILLION EUROS TO HELP SOCIETY COPE WITH THIS EXTRAORDINARY SITUATION BROUGHT ABOUT BY COVID

time the company has built a campaign with truly global reach. You can view all the videos at www.MAPFREistrust.com

Trust is also what inspired the COVID strategy MAPFRE has been implementing since last March, based on three fundamental priorities:

- First, ensure the health and well-being of employees and collaborators, consolidating the commitment to all stakeholders.
- Second, protect the business by guaranteeing the continuity of the model based on solvency and capital strength.
- Third, help society overcome this pandemic.

This includes all kinds of customer support, providing payment facilities and, even, premium refunds. Facilities for our agents, providers and collaborators in order to help them maintain their flow of payment collections and thus avoid having to close their company. And a huge social undertaking designed to focus on many countries particularly hard hit by the pandemic, whereby Fundación MAPFRE provided 35 million euros, with a further ten million this January. More than 200 million euros were mobilized to help society cope with this extraordinary situation. Just as extraordinary as the results obtained by MAPFRE, which passed the stress tests of 2020 with flying colors.

Luciana Tenorio (Peru), Germán Madrazo (Mexico), Sandro Salgueiro (Brazil), Wendy Ida (USA) and Óscar Pérez Marcos (Spain) are the protagonists of this campaign, ordinary people who, one fine day, showed the self-confidence needed to fulfill the dreams that would change their lives.

NET INCOME
INSURANCE BUSINESS

€790 M

TECHNICAL
RESULT INSURANCE
COMBINED
RATIO

92.9%

SOLVENCY
POSITION

180%

FINANCIAL
STRENGTH
RATINGS

FITCH A+
S&P A+

LEVEL OF DEBT

RATIO 23%

CASH

€2,419 M

EURO CENTS PER
SHARE

13.5



ÓSCAR

Leave everything behind and radically change his life. That was the view of Oscar, who **one day decided to abandon his suit and tie in Spain to roam the world with just a backpack.** This led him to experience volunteering work firsthand, making him realize that, from that moment on, he would devote his time to others. And so he founded *Hola Ghana* in 2010, an NGO in which the will far exceeds their capabilities.

"WHEN I SAY THAT SINGING A LULLABY CHANGED MY LIFE NOBODY BELIEVES ME. WHAT ABOUT YOU?"



LUCIANA

She is an architect, but also an aerospace engineer. Luciana had dreams from a young age: to create life on Mars. Simply hearing with her own ears that this was something that could only happen in the movies was enough to make her start working hard until she achieved a goal that seemed impossible to all and sundry.

"AS A YOUNG GIRL, DREAMING THAT CREATING LIFE ON MARS WAS POSSIBLE. AS AN ADULT, MAKING THIS A REALITY TOO."





SANDRO

Designing planes that will fly in the future before reaching the age of 25 is a gigantic, but not unattainable, dream. Or, at least, not for Sandro. A young man who **from the age of three observed planes in the sky and who never ceased striving to form part of one of the world's most important teams of aircraft designers.**

"I ONLY DREAMED OF BEING ABLE TO FLY AND I ENDED UP HELPING EVERYONE ELSE TO DO IT."



GERMÁN

As well as being a public speaker and coach, Germán was the first Mexican to participate in the Winter Olympics. With all the odds stacked against him, he did not let this stop him from engaging fully in Cross Country, the toughest ski discipline. **His philosophy on life? Train hard until you achieve your goal.**

"TAKING PART IN THE WINTER OLYMPICS DESPITE NEVER HAVING SEEN THE SNOW BEFORE? OF COURSE!"



WENDY

Did anyone say that, at the age of 67, you can't become a global fitness icon? Because that is what Wendy Ida is. A story of personal growth for this American who, when she was 43, was forced to abandon her city and friends to face the greatest challenge of her life: become her normal self again and make history enjoying her true passion – sport.

"YOU ARE NEVER TOO OLD TO START FROM SCRATCH AND BREAK A WORLD RECORD."





WATCH THE VIDEO IN OUR
DIGITAL EDITION



CONVERSATIONS FOR LEADERSHIP

THREE FEMALE EXECUTIVES DISCUSS THE CHALLENGES AND THE ROLE OF WOMEN IN COMPANIES

TEXT **PABLO FUENTES**
PHOTOGRAPHS **MAPFRE**

Last December the Fundación MAPFRE auditorium in Madrid hosted another edition of Conversations for Leadership, an initiative promoted by MAPFRE in Spain through its Women's Leadership Network in order to discuss the role of women in various areas within the company, and in society as a whole.

Moderated by the MAPFRE Vice Chairman, Ignacio Baeza, the event was attended by three prominent female executives: María Dolores Dancausa, Bankinter CEO; Helena Herrero, president and CEO of HP (Hewlett Packard) for Spain and Portugal; and Marieta Jiménez, regional vice president Europe Biopharma for the Merck Group.

The debate gave rise to interesting reflections on the role of women and the challenges they face in the business world, and in society at large. Thanks to being streamed live over the intranet, MAPFRE employees in Spain were able to follow the event and pose questions directly to the participants. The session could also be followed on MAPFRE's corporate profile on Twitter (@MAPFRE).

During the session, the participants exchanged important messages and reflections, and we offer a summary of these in this feature.



IGNACIO BAEZA,
VICE CHAIRMAN
OF MAPFRE

▶ “At MAPFRE we profoundly believe in gender equality in any of its facets, whether on the personal, labor or business front, and we’re working really hard to achieve it.”



HELENA HERRERO,
PRESIDENT AND CEO
OF HP FOR SPAIN
AND PORTUGAL

▶ “In a world undergoing transformation, leadership is much needed. And the incorporation of women will make a great contribution in this new world.”

▶ “It’s vital that the change comes from above, that it’s present in the very culture of the company.”

▶ “I’m a firm believer in diverse talent. And the gap is still so huge today that, if we don’t set targets (quotas) for a limited period of time, it’s hard to achieve them.”



MARIETA JIMÉNEZ,
REGIONAL VICE
PRESIDENT EUROPE
BIOPHARMA FOR THE
MERCK GROUP

▶ “Women have been harder hit by this pandemic than men. In crisis situations, the gender roles re-emerge.

▶ “I believe in inclusive leadership; not just as a human rights issue, but rather because it’s good for diversity and the wealth of opinions obtained, and for companies to do better.”

▶ “Things can be changed with determination and responsibility. It’s important to mentor younger women, motivate them and assist them.”



**Ma DOLORES
DANCAUSA,**
BANKINTER CEO

▶ “Any company with a leadership vocation must maintain the same in-house diversity as that of the countries where they operate.”

▶ “We’ve made tremendous progress incorporating women into the workplace, but much remains to be done. Public administrations, the business world and we women have a lot to do still to take this fight forward.”

▶ “In tough times, nice things also surface and the best in each of us comes out.” Having negotiated 2020, we’ve learned a great deal to do things better in 2021.”





DIGITAL WORKPLACE HAS BROUGHT ABOUT A CHANGE IN **THE WAY WE WORK AND COLLABORATE**

TEXT **CORPORATE PEOPLE AND ORGANIZATION AREA** | PHOTOGRAPHS **MAPFRE, ISTOCK**

The digital revolution, which began several years ago now, is proving a challenge for the business world in general, and represents a radical change in the way we companies interact with our stakeholders, particularly with our clients, but also with our employees.

The success of the digital transformation in any company depends on two fundamental aspects: technology and people. Technology is an enabler, but people are the true driving force and those responsible for adapting our business to the new reality.



**VISIT THE COLLABORATIVE
WORK AREA IN THE PEOPLE SECTION
OF THE GLOBAL INTRANET**

Digital Workplace has arrived to help us with this adaptation process

Digital Workplace is one of the pillars of the Digital Challenge, the strategic initiative whose objective is to manage the change required of our organization in order to move toward a work environment that is adapted to meet the new business and social requirements.

Firstly, Digital Workplace provides employees with the digital tools they need to work in a more agile fashion, helping us optimize our time management, communicate better and collaborate more efficiently with each other. In addition, it makes it easier for us to acquire good working habits in our daily routine, mainly influencing our personal time management, producing more effective meetings and teams, thanks to enhanced document collaboration.

DIGITAL WORKPLACE

MY TEAM AND I

Effective Meetings

Save time with more agile virtual meetings and fulfill the stated objectives



Effective Teams

Collaborate with your colleagues in one single place



Remote Working

Work from anywhere, on any device, as though you were in the office



Information Security



PERFORMING MY JOB

Personal Time Management

Plan and avoid time thieves



THE COMPANY AND I

Seeking information

Speeds up seeking information with all the tools you have at your fingertips



Document Collaboration

Uses shared workspaces where all of the team's documentation can be accessed and edited



Knowledge Management

Share information and lessons learned, and locate experts in that field of knowledge



[DW] Digital
Workplace

We are working with digital collaboration tools: Teams, Outlook, Planner and To Do, OneDrive, SharePoint. And Digital Workplace also offers you MyAnalytics.

INSTILLING THE DESIRE FOR CHANGE, TRAINING AND ACCOMPANYING EMPLOYEES IN THE PROCESS ARE KEY TO THE SUCCESSFUL IMPLEMENTATION OF DIGITAL WORKPLACE

OFFICE 365 TOOLS



TEAMS

Collaborate and converse on a project with Teams

A project collaboration space focused on discussions with your collaborators. Any document can be commented on and edited by all project members in real time. It also serves for holding meetings and consulting the calendar.



ONEDRIVE

Easily access and connect all your documents on OneDrive with all other tools

It allows you to store your documents in a secure place, accessible from anywhere, on any corporate device. You can share them with anyone you want via links that take up no space.



ONE NOTE

Keep your notes organized with OneNote

Take notes in meetings collaboratively and simultaneously with your colleagues. They will always be accessible to everyone online, organized by topics and sections. Notes can be shared with anyone you want, or kept private for you alone.



SHAREPOINT

Boost team collaboration through centralized, organized, accessible management of work documents with SharePoint

This is a cloud document manager that lets you save documentation related to your area or department, and connect it to all other Office365 applications easily and naturally.



OUTLOOK

Email, agenda and contacts in one place

Outlook, with practically unlimited storage capacity, is your email manager and is also connected to all other Office365 applications. Easily access your contacts and keep your calendar up to date.



PLANNER Y TO DO

Keep all your individual and team tasks organized

Makes it easy to organize yourself and your Planner and To Do tasks. Create, assign and monitor tasks individually or in collaboration with your team.



MY ANALYTICS

Provides an insight into how you spend your work time

Both in meetings and collaborating with others, or the time you spend on your own tasks. It also offers you tips on how to further improve your time management

With Digital Workplace we are adopting habits that make us more efficient:

Technological tools are essential for working in a different manner and we must take full advantage of them in order to adopt new habits that can make us more efficient.

Personal Time Management:

Digital Workplace helps you manage your personal time, as well as manage and plan your tasks and email. Moreover, you can track the time spent on the tasks you perform, thus enabling you to optimize them and focus on those activities that really add value.

PERSONAL TIME MANAGEMENT



THANKS TO PERSONAL TIME MANAGEMENT, DANIEL MANAGES TO...

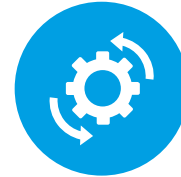
Avoid time thieves

He turns off email notifications and changes his instant messaging status when not available



Be more efficient

He sets up rules and categories to automatically organize his emails and keeps all his documentation in the cloud so that it is always readily available



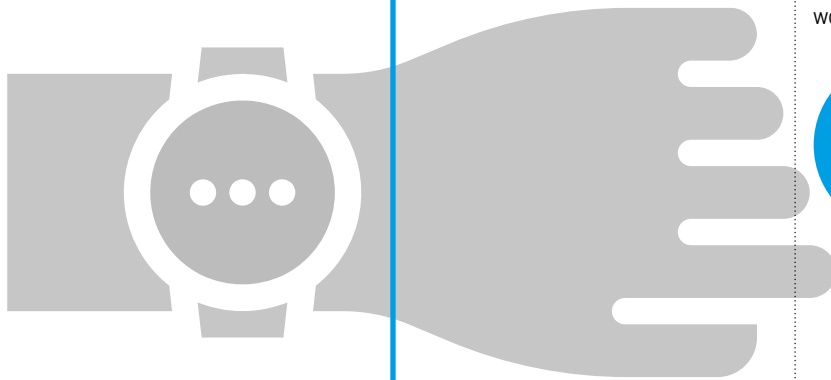
Organize and plan better

He manages his time on the basis of his tasks and notes, while always keeping his calendar up to date



Make decisions to meet objectives

He analyzes how he spends his time and with whom, so as to be able to make decisions when it comes to organizing his work and fulfilling objectives



Through the use of the following tools



Effective Meetings:

To make the most of your meeting time, Digital Workplace helps you hold more effective meetings: inviting those who really need to participate, according to the type of meeting and by consulting their availability; adjusting the meeting time to suit its purpose; clearly defining the objective and agenda items of the meeting; forwarding information in advance where necessary; taking minutes of the meetings which reflect the agreements and commitments reached, and those responsible for each action agreed upon.

EFFECTIVE MEETINGS



THANKS TO EFFECTIVE MEETINGS, CARLA MANAGES TO...

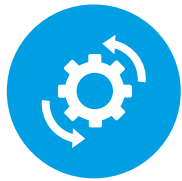
Save time

She holds virtual, more agile meetings, and avoids unnecessary traveling



Be more efficient

She only invites those strictly necessary, considering their availability



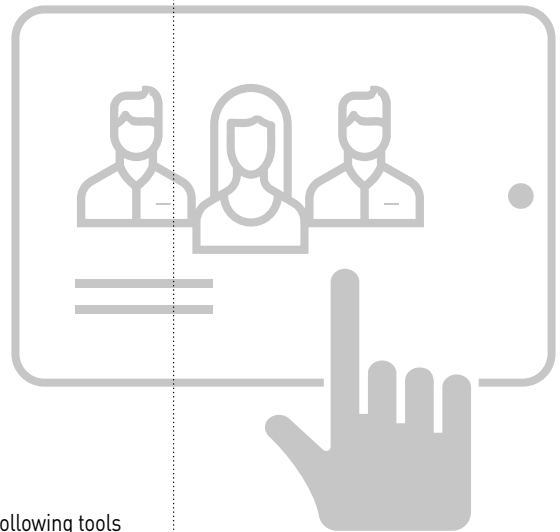
Be more agile

The minutes are signed off at the close of the meeting and email exchanges are reduced



Fulfill objectives

During the meeting they manage to meet the objectives set out in the agenda



Through the use of the following tools



Effective Teams:

Digital Workplace facilitates communication and collaboration within our team in order to be more effective: it provides options for holding real-time conversations; file sharing; online edition of documents with an autosave feature for version control; exchange of notes; managing team tasks and sharing information about them.

In addition, Digital Workplace allows you to work remotely from anywhere with your digital tools in a secure manner, with full access to all the know-how that is shared throughout the company.

“Digital Workplace is about helping us be more efficient and productive in our daily work, taking advantage of the benefits that technology offers us today and creating habits that enable us to optimize our work time. This is not just a technological deployment; rather, it’s a change in the way we work that should help us collaborate better and make better use of our time, holding more productive meetings, enhancing our teamwork, or instilling in us a focus on milestones and tasks,” explains Mónica Solaun, project leader.

EFFECTIVE TEAMS



THANKS TO EFFECTIVE TEAM MANAGEMENT, BRUNO MANAGES TO...

Communicate better

He holds conversations and meetings in one single place, in an organized manner, saving time and emails



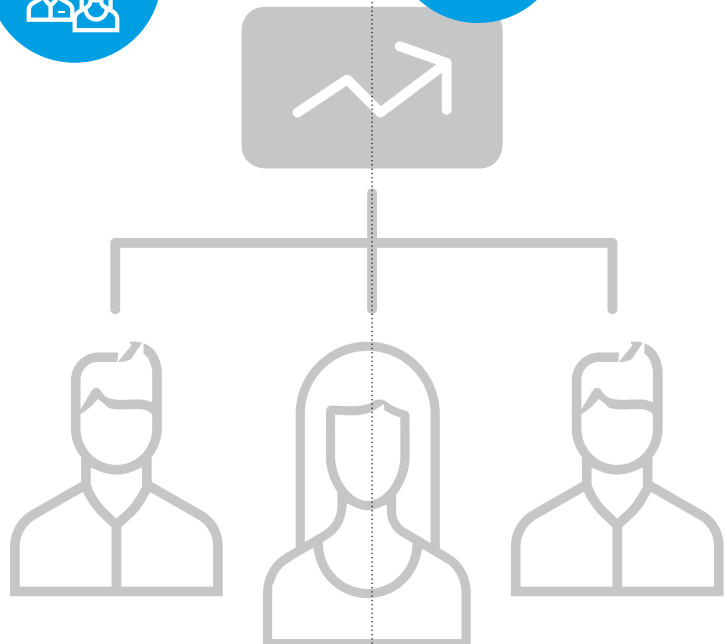
Work together on a single document

He edits documents online with his colleagues, avoiding the exchange of multiple versions



Organize and plan better

He plans tasks together with his team, knowing at all times what each colleague is working on



Through the use of the following tools



Change Management in the Digital Workplace

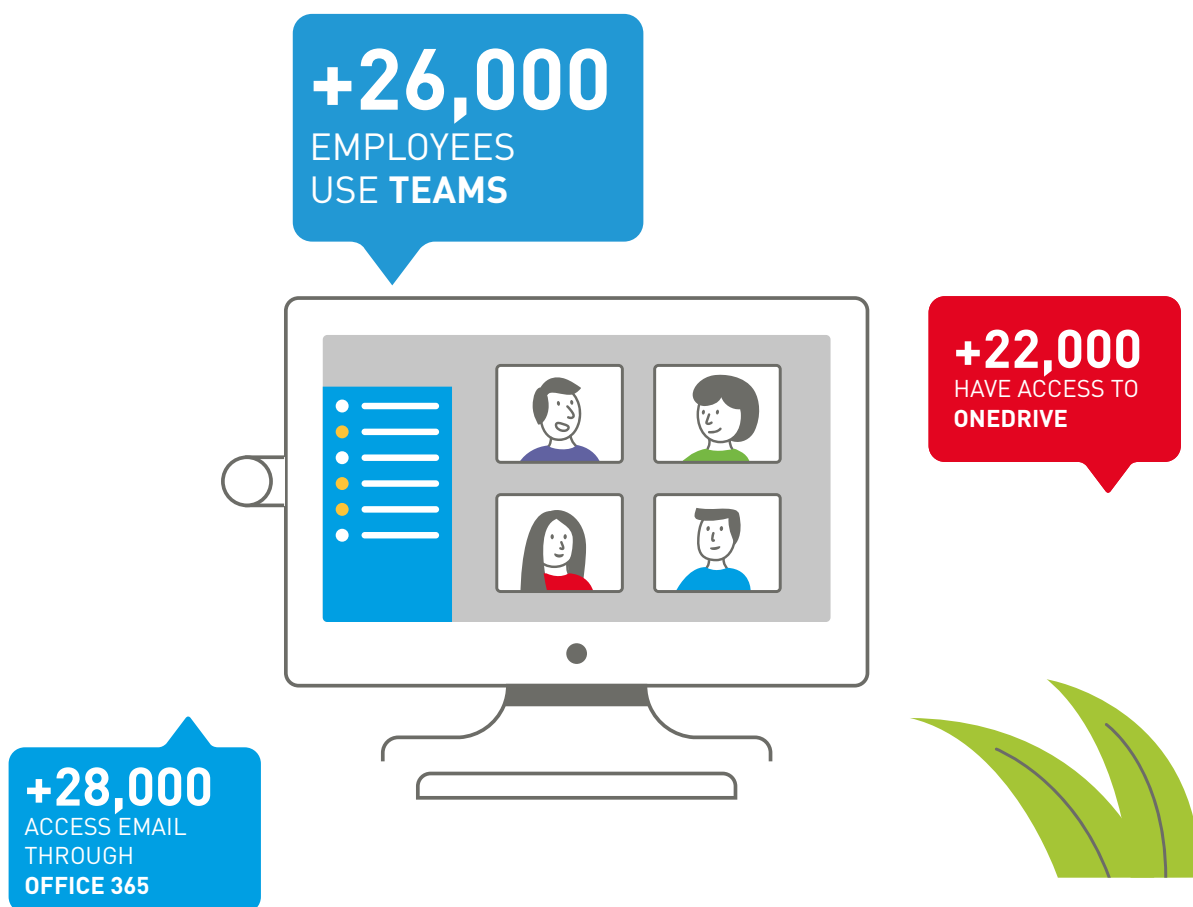
To ensure the adoption of these habits and the use of the tools made available is as successful as possible, an employee-focused change management strategy has been defined and implemented in three phases: instilling the desire for change, training and accompaniment.

- **Instilling the desire for change:** employees are informed of the objectives and details of Digital Workplace, expounding on the purpose and the benefits of this change — the why and what for. To help ensure this purpose is not only understood, but also shared and adopted by employees, the figure of the sponsor was introduced, someone who is a driving force for — and a fine example of — this change in their area of influence.
- **Training:** we begin with a digitization survey that enables us to understand the digital habits and capabilities of employees at the outset, so as to customize subsequent change management actions by considering the actual needs of each group. Following this identification of needs, the training

**DIGITAL
WORKPLACE
IS NOT JUST
A TECHNOLOGY
QUESTION; IT IS
TRANSFORMING
THE WAY WE
WORK IN OUR
COMPANY,
HOW WE INTERACT
AND HOW WE
SHARE AND
COLLABORATE
IN ORDER
TO REMAIN
COMPETITIVE
IN THIS FAST-
MOVING DIGITAL
WORLD**

required is deployed. For this purpose, two workshops have been designed, one for training, delving deeper into the habits and tools in a very practical format, and another for gamification, in which the know-how is reinforced. Moreover, in the Digital Technical Knowledge Classroom of the Corporate University, the “Learn to use MAPFRE digital tools” pill has been made available to all employees through self-learning, with keys and tips for using tools such as Teams, SharePoint Online and OneDrive.

- **Accompaniment:** once employees wish to form part of the change and are capable of doing so, it is time to adopt the change. To assist and accompany them in this process, the MAPFRE Digital Champion figure has been created. We already have over 80 Digital Champions who have been selected to act as agents of change within their area of influence. These are individuals who transmit enthusiasm about the change implicit in the Digital Workplace and who have the knowledge to accompany and help others adopt new ways of working in a simple, natural fashion.



The implementation of Digital Workplace

2020 marked the start of the implementation of Digital Workplace in MAPFRE, with the deployment of the Office 365 tools. Today, more than 26,000 employees are already using the video conferencing functionality of Teams, over 22,000 have OneDrive, and over 28,000 have an email account in Office 365.

In addition to the deployment of tools, some countries and business units such as Brazil,

Spain, United States, Mexico, Peru, Puerto Rico, MAPFRE RE, MAPFRE ASISTENCIA (Headquarters) and the Corporate Areas are already working on the habits that accompany the use of these tools through the deployment of change management actions.

The digital transformation impacts on all areas of the organization and its success therefore depends on the commitment and engagement of each one of us. Thus, we all have a relevant role in Digital

Workplace, in the adoption of new work habits, and in the use of the new collaborative tools that MAPFRE is placing at our disposal in order to work more efficiently — collaborating, innovating and being more agile — and thus accompany the digital transformation within our company. We encourage you to move forward in this new way of working and collaborating, taking advantage of the opportunities MAPFRE offers us.





WATCH THE VIDEO
IN OUR DIGITAL EDITION

MAPFRE DEPLOYS THE PROJECT MAPFRE LEADER

Throughout the transformation process we are undergoing, people are always the protagonists and leaders play a key role, given that what we do is as important as the way in which we do it.

For this reason, in 2020, the global MAPFRE Leader project was designed with training and informative activities to accompany leaders in the development and implementation of the characteristics defined as inherent in a leader of our organization: leader in digital matters, leader in values, strategic leader, transparent leader, leader that learns, and a leader in know-how.

In short, a benchmark leader advancing in the transformation process; a flexible, agile, disruptive leader capable of adapting to new work environments and being enterprising.



MAPFRE LEADER

© MAPFRE

values

Lead by **example**. **Ethics** and **honesty** are key when interacting with other **people**, the environment, rules and society.

transparent

A leader who **listens**, values **communication** and **shares** information. He makes mistakes, tolerates errors and **suggest improvements**.

knowledge

There is no MAPFRE LEADERSHIP if there is **not enough technical knowledge**, a MAPFRE leader: knows in depth the business, such as marketing or management, works **thoroughly** with technical discipline and always seeks **sustainable growth**.

digital

A leader whose vision impacts his environment and seeks a culture based on **technology**, **innovation** and **digital optimism**. Lives constantly connected and is continuously learning.

strategic

A **transformative** and open minded leader. Who thinks in the long term without missing out on current opportunities in an agile environment while embracing change. **Attracts & Develops Talent**.

learns

A restless leader who is **continuously** learning. Who **promotes learning**, takes risks that can make a difference. He is an **entrepreneur**.

MAPFRE Leader is **agile and a disruptive leader**. A **flexible leader**. Capable of adjusting to new work environments. **The lead by example**.



WE ARE PREPARING FOR THE 2021 PERFORMANCE EVALUATION!

With its Performance Evaluation, MAPFRE offers you an agile, simple model that puts the focus on achieving objectives and adopting the new MAPFRE behaviors:

Collaborate, Innovate, Be Agile, Respect and Communicate, the last two in the case of employees who manage teams.

Now that we are starting a new year, we wish to remind you of the four steps of our model, which you will be completing this year:

1. BUILD: this is about defining the pathway that will allow you to achieve your goals. You do this through the creation of activities, which are specific, precise actions that will

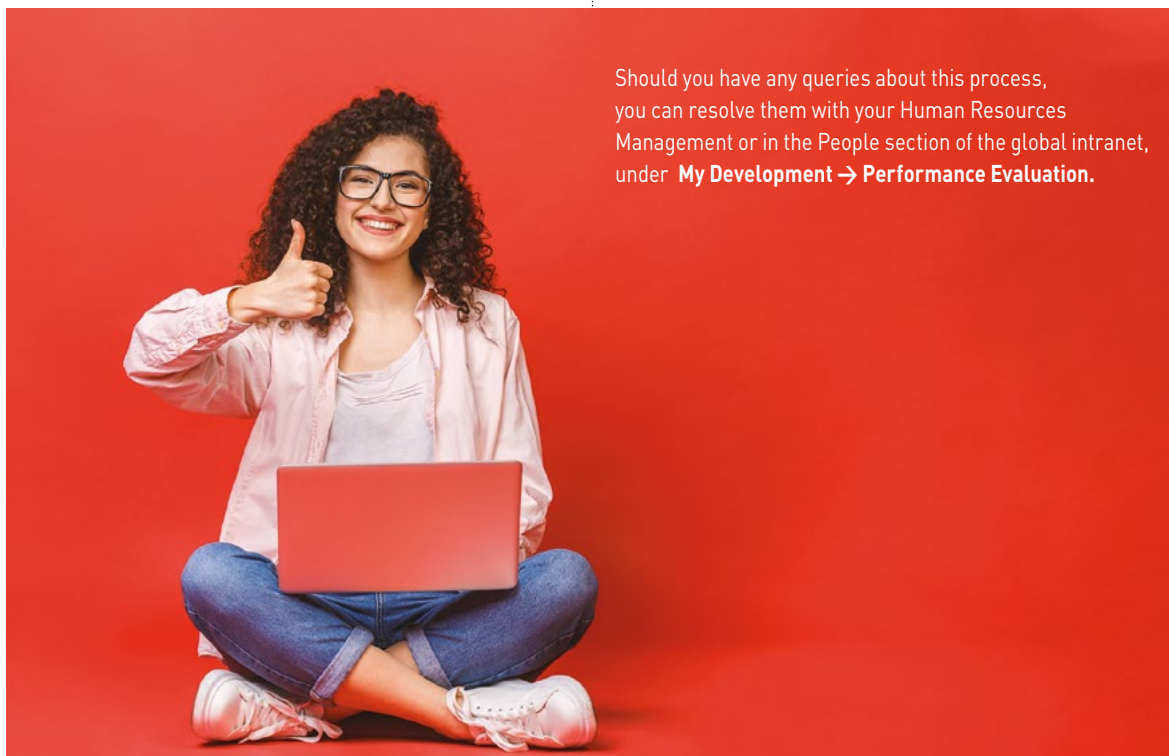
help you attain those objectives. The idea is for you to create between three and five activities for each objective and monitor their development. Each country/company sets the dates for each stage. This phase is undertaken throughout the year.

2. Once you have defined your activities, it is now time to **TALK**, to monitor their progress by asking your supervisor and those you are working with for feedback, so as to learn how you are doing and act accordingly. As in the previous case, this phase is ongoing throughout the year.

3. SHARE: this is the time for the behavior-based 360° evaluation. It is scheduled to start in October.

4. ASSESS: with all the information gathered during the process, your supervisor will make a final assessment and share it with you, thereby closing the annual cycle of your performance evaluation. This phase will take place once the 360° evaluation is completed.

This model is undertaken in its entirety through the Evaluation module of **SuccessFactors**.



Should you have any queries about this process, you can resolve them with your Human Resources Management or in the People section of the global intranet, under **My Development → Performance Evaluation**.



WE CELEBRATE MAPFRE KNOWLEDGE DAY

On December 16, we celebrated the **the first edition of MAPFRE Knowledge Day**, a virtual event held online and broadcast via digital radio designed to **promote knowledge management and the benefits of sharing it**.

This event could be heard on **Radio Eureka**, in an **interview and debate program** featuring colleagues from Brazil, Spain, Peru and Puerto Rico. In their engrossing interventions, they demonstrated the **importance of, and the need to, share knowledge** by presenting various examples of know-how associated with business and good practices, all aligned with **MAPFRE's strategic knowledge guidelines**.



KNOWLEDGE DAY ON RADIO EUREKA INCLUDED THE FOLLOWING:

THE EXPERIENCE OF SEVERAL EMPLOYEES WHO HAVE SHARED KNOWLEDGE VIA EUREKA, NAMELY:

María Elena Hernández Arroyo (Corporate),
Nilka Lizardi (Puerto Rico),
Angel Crespo Castro (Spain),
Eduardo Godoy (Brazil)
and **Shirley Ballarta** (Peru)

A ROUND TABLE WITH SEVERAL EMPLOYEES WITH SPECIFIC EXPERTISE

MARIBEL SOLANAS GONZÁLEZ (CORPORATE)

A reference in the Sales and Data Management area, Maribel — Group Head of Client Experience and Group Chief Data Officer — spoke about the “Te Cuidamos [We take care of you] Loyalty Program.”

MIQUEL VADELL (CORPORATE)

A reference and technician in Sustainability issues. He explained the “sustainable provider certification model”.

RAÚL PERDIGONES (LATAM SOUTH)

A reference in the Operations field and Operations Director for the LATAM South Region. His intervention dealt with the “Creation and implementation of operational models”.

MONTSERRAT GARRIDO (SPAIN)

A reference on Strategy issues and Strategic Planning Director and PMO at MAPFRE España, she reported on “Taking advantage of knowledge to boost the engagement of project teams”.

HUGO IRIBARREN VILLOSLADA (SPAIN)

A reference in Technical matters and technical supervisor for Businesses, he outlined “Sharing knowledge in the development of product functionalities”.

LUIS ARCILA (PERU)

A reference in Actuarial matters and Director of the Life and Funeral Unit. His podcast dealt with "Life insurance in a global economy".

**LUIS A. GIL ABRIL
(PUERTO RICO)**

A reference in Technical questions and Underwriting Assistant Technical Director, he spoke about "Personal Lines Business".

**JONSON MARQUES
DE SOUSA (BRAZIL)**

A reference in Technical matters and Technical Director of the Companies Area, he discussed the "Large Risk Business".

In the introduction to the program, the Knowledge Management initiative was presented by Elvira Arango, Group Head of Learning and Culture, and Alberto Quilez, Head of Knowledge Management at the Corporate People and Organization Area.

These interviews and discussions are available to you in podcast format — so that you can listen to them wherever and whenever you want — at:

The **People** section on the global intranet, on its home page.

Through the **People App**, in the Spanish-speaking countries where it has been introduced.

WE ENCOURAGE YOU TO ENTER EUREKA!



You can access **Eureka**, our knowledge repository, from the main menu at the top of the intranet screen. It allows you to locate and filter knowledge, and access our leading knowledge references around the world. It is also the space for you to share your knowledge. With all these measures, we are ensuring that Eureka remains a vibrant, up-to-date environment, progressively gaining quality content and thus becoming a point of reference for all of us in our daily work.

**YOUR KNOWLEDGE
IS IMPORTANT;
KEEP SHARING IT!**



THE SALES FORCE IS THE FORCE BEHIND THE ORGANIZATION



TEXT **VIOLETA MATEO**
PHOTOGRAPHS **MAPFRE, ISTOCK**

In this first issue of 2021, our **LEADING ACTORS** are the sales personnel – our sales force – the ones who have the closest contact with our clients, the first they meet and to whom they entrust their loved ones and their property. Their doubts as well. This article is also an acknowledgment of the endeavors of face-to-face work, our online offerings, closing sales, pricing policies guaranteeing quality service... And if 2020 was a litmus test for everyone, our sales professionals also suffered from the economic setbacks stemming from the COVID-19 crisis. However, at the same time, for many clients this familiar person in whom they could confide their fears was able to inform them of the latest developments related to the pandemic: subsidies available, the coverage to which they were entitled, and what MAPFRE was doing for society at large. Are they or are they not a key figure in our organization? We introduce you to some of our leading sales personnel to tell us how they adapted to the changes we have all faced in recent months, and how they see the market's future and the role MAPFRE will play in it.



READ THE FULL TESTIMONIES
OF OUR LEADING ACTORS
IN THE DIGITAL EDITION



ADRIANA ANDRADE
SALES SPECIALIST AT CANAIS II

**“WITH OUR CLIENTS,
WE REPLACED
HANDSHAKES WITH
MEANINGFUL EYE CONTACT
THROUGH THE SCREEN”**

“We were not prepared for the COVID-19 crisis; nevertheless, it offered us the opportunity to reinvent ourselves, to rethink things and modify concepts, truly breaking paradigms. It made us reflect on what really matters, value our time and protect those we love. Always putting the customer first, relying on empathy to understand and meet their expectations.

It’s important to highlight the relationship building ongoing throughout the day. At the start of the pandemic, we had to modify our tools and the ways we offer our product.

In the absence of physical contact, video conferencing became our way of reaching out to our customers, despite being forcibly separated. We replaced handshakes with meaningful eye contact through the screen, fostering confidence and credibility.

Bearing in mind the adversities we’ve had to face, the market is showing considerable growth.

Insurance is present in several sectors, mainly helping people tackle adverse situations such as the pandemic.”

“In times of adversity we have the chance to learn, reflect and set ourselves the goal of being better people.”

**“OUR DIGITAL MARKETING
CAPABILITIES ARE
IMPROVING AT A FRENETIC
PACE AND WE’VE CREATED
ADDITIONAL TOOLS TO HELP
OUR AGENTS GROW”**



KEITH JENSEN
BUSINESS DEVELOPMENT
DIRECTOR AT MAPFRE INSURANCE
(UNITED STATES)

“The pandemic is a terrible human tragedy with over 400,000 deaths in the United States, and more than two million worldwide. From a business standpoint, we are among the lucky ones who, to a large extent, can work remotely and continue providing essential services that help people get on with their lives. We’re all looking forward to returning to normal life, although I hope this “normalcy” includes achieving a greater balance between working remotely and in person.

In Massachusetts, our business development team swiftly adapted to working in a virtual environment. Face-to-face meetings were not completely suppressed, but they had to comply with the pertinent social distancing guidelines. But what is more significant, we've also started affording greater importance to our digital channel, given that COVID-19 has accelerated consumer trends toward online purchases.

Finally, leveraging our digital marketing capabilities, which are improving at a frenetic pace, we've created additional tools to help our agents grow and enhance their contents and reach on social media; and, shortly, also in order to facilitate the purchase of home, automobile and business insurance products efficiently online."

"2021 will be crucial and we expect to introduce innovative products and services which combine that existing capability with our emerging digital marketing and sales capabilities.

"2020 IS THE YEAR I REALLY GREW AND BECAME STRONGER, AS I MANAGED TO PUSH BEYOND MY LIMITS"

"In the midst of a crisis, opportunities arise to do business in a different way, to think about new relationship models and different ways of tackling the challenges that arise in a crisis that is not just health-related, but is also economic and social.

As regards collaboration, we're starting to experience the 'globalization of work', as it's not just about working in the home office, but rather the office everywhere: in a different country, in another city, in another home miles away; we are already in the era of the globalized workplace.

One of the most significant changes was that the customer relationship model works on digital platforms: Teams, SharePoint, WhatsApp, cell phone...

The market is moving forward and, in MAPFRE, we've never stopped innovating. There exists a clear trend toward automating everything, with mobile commerce taking place over social media.

2020 is a year I'll never forget. It will go down in history as a year of many changes with a steep learning curve, when I grew as a person and became stronger, managing to push beyond my limits."



ALICIA LIZETH NARANJO GONZÁLEZ
METROPOLITAN BRANCH DIRECTOR
AT MAPFRE MEXICO

"The main challenge I faced was maintaining that emotional bond with the work team and intermediary partners, despite the social distance..."

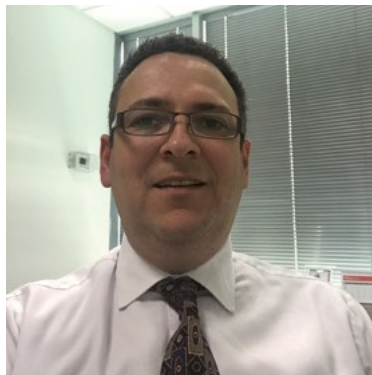
“WE CAN NO LONGER TALK ABOUT TRADITIONAL CHANNELS UNRELATED TO ANY KIND OF DIGITAL CUSTOMER SUPPORT”

“Crises are generally also accompanied by many positive aspects and new opportunities. It has made us ‘keep our feet firmly on the ground’ and value many things we previously took for granted. What we’ve been through has taught us that we must work on adapting to change and constantly seek solutions, putting our customers at the center of everything and thinking like them, about what they need.

Technology and flexibility have been our best allies. We’ve also had to learn more about developing our digital business, promoting products through social media, all the way from capturing leads right through to closing sales.

With the traditional channels we’ve often faced resistance to change – due to people either set in their ways or lacking knowledge – and so we had to train our agents how to use the technological communication tools and accompany customers virtually, and support them with the development of sales strategies. We can no longer talk about traditional channels unrelated to any kind of digital customer support.

We’re seeing a market that increasingly comprehends the need to acquire insurance, especially in regions such as Guatemala where there is very little insurance protection culture.”



LUIS PEDRO CHAVARRÍA
SALES DIRECTOR
AT MAPFRE GUATEMALA

“With the implementation of digital solutions, we’ve made life easier for our customers, as we can meet their needs without them having to come to our offices.”

“I SEE A MAPFRE DISTINCT FROM ALL THE OTHER COMPANIES. MODERN, INNOVATIVE, CONSTANTLY ADAPTING ITSELF AND ALWAYS CLOSE TO ITS CUSTOMERS”



GLORIA SANTOS LUIS
MANAGER OF THE GALICIA SOUTH
REGIONAL MANAGEMENT OFFICE
AT MAPFRE IBERIA

“Now more than ever we should remember that, when customers come to MAPFRE, they’re seeking the factors that set us apart – they’re looking for excellence and, for that reason, we need to adapt swiftly.

We must boost the importance of our telephone advisers, prepare ourselves and master this sales tool. We’ve also closed sales by means of video calls via WhatsApp, Zoom, Teams and, of course, smartphone. I’ve seen our network of delegates stronger and more self-assured than ever. I’m really proud of my team.

We must tell our customers that, when they choose MAPFRE, they're contributing to wonderful projects designed to achieve a fairer society. Every year our Foundation helps many families, something all of us must shout to the four winds; this is very present when it comes to my sales efforts and attracting talent to the team. I believe this is clearly a differentiating factor compared to other companies.

I have particularly fond memories of three moments last year: when we offered the CEO of a major food group the health services of Savia, he told me... 'Thanks so much, we need it.' Then there was a really elderly policyholder who was thrilled to learn that MAPFRE was bringing him his medication.

And when we asked a leading fruit distributor for a special price to send fruit to a soup kitchen, he didn't even want to charge us and he's still delivering fruit every week."

"Our network did not hesitate to open the doors to its offices from the very outset, so as to continue serving its customers. I still choke up when I recall those days."

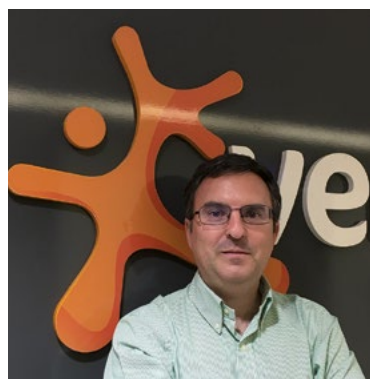
"OUR CUSTOMER EXPERIENCE HAS BEEN LIMITED TO THE DIGITAL CHANNELS, BUT WE'VE MANAGED TO ENHANCE IT WITH THE PERSONAL TOUCH OF OUR SALES PERSONNEL"

"Hybrid work models – mixing office work with teleworking – are proving highly effective in Verti, as they facilitate a healthy work-life balance and closer, more personal communication. It's also most important to be as flexible as possible with schedules and, more than ever, value highly the achievement of objectives.

This crisis has accelerated customer interaction over the digital channels, but this has often not been due to obligation, but rather conviction. We need to see how these customers behave in the future, as customers will only want to repeat the digital channel experience if it was truly great. This has indeed given a competitive edge to those who were already prepared, like Verti.

But we have also had to adapt. The first thing we did was listen to our customers' needs and we then adapted our entire value proposition to what we learned.

Finally, we made our telephone channel available to all those customers who, in this context, needed 'human warmth' to choose their insurance product."



JUAN PABLO GALÁN DE LA FUENTE
TECHNICAL AND BUSINESS DIRECTOR
AT VERTI SPAIN

"I must underscore MAPFRE's response to this whole crisis. It is in difficult times that greatness is revealed and MAPFRE has been really, really great and, more than ever, brought out my pride of belonging to this company."

“BEING DIGITAL AND HAVING INNOVATION IN OUR DNA HAS ENABLED US TO DRIVE OUR BUSINESS EVEN CLOSER TO OUR CUSTOMERS AND CONTINUE TAKING CARE OF THEM”



MARÍA DEL PILAR GARCÍA COLINA
PRICE COMPARISON SITES DIGITAL BUSINESS
AT MAPFRE MEXICO

“Like all crises, this one has brought tremendous opportunities. Digital business has turned out to be one of the best investments for companies and MAPFRE Mexico was no exception. Being digital and having innovation in our DNA has enabled us to drive our business even closer to our customers and continue taking care of them, no matter how tough the difficulties of the context we find ourselves in.

A major decision during the pandemic was to keep investing in digital marketing, while other competitors were withdrawing or reducing their presence.

Teleworking managed to bring us closer to our end customers and intermediaries, with frequent video conferences throughout the crisis, and that is how we will maintain this close relationship over the coming years.

We’re going through one of the most difficult moments in our lives and I’m deeply grateful to be going through it with MAPFRE. We will get through this and be able to take care of our customers with the same confidence as we do today.”

“After 2020 we will not be the same. In MAPFRE, more and more transactions are being closed in a fully digital fashion and omnichannel distribution is increasingly called for, not just for the sales funnel, but for the whole customer road trip.”



ANTONIO CUADRADO VELASCO
EAST TERRITORIAL DIRECTOR,
SPECIFIC NETWORK
AT MAPFRE VIDA

“GIVING OUR CUSTOMERS THE CONFIDENCE AND SECURITY THEY NEEDED AT THAT MOMENT WAS A LARGE PART OF THE SUCCESS OF OUR NEW SALES MODEL”

“It’s clear that this pandemic has confronted us all with an exceptional, global, historic situation and it will mark ‘a turning point’ in our future as individuals, a society, and traditional established models.

As regards the traditional channel work model, we suffered significantly at the sales level during the lockdown period. We are a network oriented toward direct contact, dealing face to face with our customers and, unfortunately, this situation caught us initially on the back foot.

It was precisely at that moment that we were forced to reinvent ourselves. To do this, we not only saw the need to access our customers via other not-so-traditional ways (Skype, Teams...) or else go back to telephone sales, but we also had to train and equip our entire organization with all the means required in record time. Here, as is only to be expected, MAPFRE provided a swift response to all our needs.

Being close to our customers, listening to them, giving them peace of mind, offering them our high-value services and, above all, the confidence and security they needed at that moment in time was a large part of the success of our new sales model. All this and incorporating digitization made us more efficient."

"Helping society, contributing to vaccine research and development, supporting a fund to protect our healthcare professionals, and assisting clients, employees and mediators, providers, etc. That's what the market expects of us in tough times. MAPFRE has always risen – and always will rise – to every challenge."

"WE NEED TO ANALYZE, IMPLEMENT AND TEST THE NEW WAYS CUSTOMERS ARE CONSUMING IN THIS NEW WORLD (THE NEW NORMAL)"



PATRICIA FISCHER BRIGHENTI
SALES REPRESENTATIVE
MAPFRE BRAZIL

"With the shift to home offices, we were forced to implement and try out new sales models, using more digital tools, such as online video calls with both customers and internally with colleagues. We learned what was to come in the next five years in just one. We listened more. We were physically separated, but always mindful of the needs of our distributors, generating appropriate, cost-effective solutions. The pandemic brought with it an increase in demand for life insurance and pensions, given the greater need for clients to save and invest their money, thinking about their loved ones, so as to keep them safe and secure their future.

I believe in growth, mainly with the entry of customers who will be demanding customized products and services, i.e. pay-per-use contracts.

For the survival of businesses, including the insurance market, which has a great opportunity for expanding in Brazil, we need to analyze, implement and test, with periodic reviews, the new ways individuals and companies are consuming. We learned to appreciate more our freedom to come and go as we please, our home, our family and, especially, our jobs, which we retain thanks to MAPFRE. We are very well looked after by this company, which is fundamentally concerned with people, its employees and collaborators."

"Soon all this will be over and it will simply form part of the experiences our generation has lived through."

“IN TIMES OF CRISIS, WHILE SOME CRY, OTHERS SELL TISSUES”



JUAN CARLOS RIVADENEIRA
TERRITORIAL OFFICES ASSISTANT
DIRECTOR AT MAPFRE PANAMA

I read the saying these days that goes, ‘in times of crisis, while some cry, others sell tissues’, i.e. in difficult times we must seize opportunities.

With this reflection in mind, we focused on detecting opportunities in this crisis and developed skills we had never used before, especially those related to technology. Previously, we paid physical visits to insurance brokers (2-4 each day); we can now arrange more virtual visits (5-6 each day) and we are more efficient, achieving the same results as when we made physical visits. Several of these virtual visits included breakfasts or lunches that we sent to their homes and/or offices. Through Fundación MAPFRE, we’ve supported several institutions and this has not gone unnoticed by our partners/producers and customers.

Among the expressions of affection and gratitude for MAPFRE we received, I’d like to highlight this one: ‘You’ve saved families.’ This was in reference to the special discounts MAPFRE offered in the most critical months of the pandemic, thanks to which several customers were able to survive.”

“We made a great many support visits to brokers in the most critical months of the pandemic, accompanied by our General Manager and Sales Manager. This caused considerable impact and appreciation, enabling us to consolidate our position in the market.”

► **“GOOD PROCESS MANAGEMENT IS WHAT BASICALLY MAKES THE DIFFERENCE IN SALES. WE MUST REMAIN FLEXIBLE AND HAVE THE CAPACITY TO ADAPT!”**

As a direct insurer, in times of pandemic we really have the edge over traditional insurers. As a team, we’ve worked really well at a distance and will continue to do so. However, our sales to companies in Germany mainly target traditional distribution channels and, as a result, personal contact with our collaborators is essential. Fortunately, for cost and efficiency reasons, nothing to do with the pandemic, we

had already developed and installed a system for offering webinars, online conferences and online training.

Thanks to this, we were able to swiftly adapt to lockdown restrictions and keep in touch with our collaborators. Despite such difficult circumstances, we have proved capable of attracting new collaborators and increasing the number of new contracts with brokers by about 50 percent. There are just under 100 insurance companies in Germany. We were one of just five companies that managed to increase their turnover last year. Overall, our annual results were good.

“One of my favorite quotes, by Charles Darwin:

‘It is not the strongest of the species that survives, nor the most intelligent. It is the one that is most adaptable to change.’

Good process management is what basically makes the difference in sales.”



BEATRICE JACOBUS
HEAD OF PARTNERSHIP BUSINESS
(BROKERS AND FINANCIAL ENTITIES)

ABC OF ARTIFICIAL INTELLIGENCE

TEXT **NEUS MARTÍNEZ**

PHOTOGRAPHS **MAPFRE, ISTOCK**

Nowadays we are not surprised to find personalized advertising when browsing the Internet, or receive recommendations for audiovisual content from streaming platforms that seem made by someone who knows us better than we know ourselves. However, the potential of artificial intelligence (AI), responsible for these situations, goes far beyond that.

In the current COVID-19 pandemic, for example, it has been used to predict the number of ICU beds required, as well as in applications offering rapid disease diagnoses by means of X-ray analyses. Health, education, mobility, banking, insurance... Although this technology is at its height nowadays, its development has been ongoing for decades and it can now offer solutions in almost every aspect of our lives.





Sometimes without even being aware of it, artificial intelligence has a constant presence in our everyday lives. In part, it is responsible for helping us reach our destination on time when we search for an optimum route on our GPS, or for our smartphone sorting photos by places, themes or people without having to label them. AI is also behind a conversational assistant fulfilling our commands when we ask for the lights or music to be turned on, or telling us the latest news or the traffic we may encounter on our way to work; and our email provider filtering out messages that may be spam; or social networks suggesting new friends.

Our colleagues **Mireia Rojo** (an Advanced Analytics expert) and **Pedro Sacristán** (Artificial Intelligence Lead) underscore the way this new industrial revolution is affecting every

sector, “from agriculture (where the advances it brings are expected to have an even greater impact than the introduction of machinery) through to the aforementioned field of health, where we can already see algorithms that are trained to analyze images and detect cancer with great efficacy.” Airlines that modify their fares based on real-time calculations; investors whose stock exchange purchases are guided by Internet data compiled and processed in order to be able to predict the behavior of certain securities in the market; logistics companies that optimize the delivery routes of their drivers for distributing packages... The list of fields where these techniques are applied – among which we can, of course, include insurance – is endless, according to our experts. At the start of the last decade, only one in 50 European startups was focused on this

technology; nowadays the figure is almost one in every ten. It is clear that AI is – and will undoubtedly be – a leading component of many business models; however, to reap the full benefit, it is essential to fully comprehend how it works and its true potential.

Algorithms at the bottom of it all

Although we may feel it is very modern, artificial intelligence emerged in the 1950s as a branch of computer science. Specifically, the term was coined in 1956 during a meeting of experts in information theory, neural networks, computing, abstraction and creativity at the University of Dartmouth (USA). More than a technology in itself, as we will see, AI is actually a myriad of technologies that seek to enable machines to perceive, understand, act and learn. This discipline

therefore strives to develop computer systems capable of performing tasks normally attributed to human intelligence, such as recognizing objects, identifying faces, driving vehicles, detecting diseases or understanding natural language, both spoken and written. There could possibly be thousands more, almost as many as the tasks we perform in our daily lives. Algorithms play a key role in all of them.

An algorithm is an ordered set of instructions, operations, steps, or processes that enable a particular task to be completed, or a solution to be found when some problem arises. We could say that it is like a list of preset instructions that guide the decisions to be made. For example, bring a vehicle to a halt at a STOP sign. Algorithms are the essence of any artificial intelligence system and are trained by providing them with as much data as possible, to act as references, so that they can learn more and progress. Have you ever accessed the photo gallery on your smartphone and seen a message asking you to confirm who the person in a picture is? That has a lot to do with what we are talking about here. In such

ARTIFICIAL INTELLIGENCE TIMELINE

- 1951** Creation of the first neural network: **SNARC**
- 1955** The concept of **Artificial Intelligence** is born
- 1967** The first pattern recognition model is developed: **Nearest Neighbor**
- 1974** **1980** First Winter of AI
- 1985** **NetTalk** is invented and learns to pronounce words
- 1987** **1993** Second Winter of AI
- 1997** **Deep Blue** defeats the chess world champion
- 2006** New algorithms are developed called **"Deep Neural Networks"** that enable objects to be detected in pictures and videos
- 2010** **Watson** computer beats two Jeopardy game show champions
- 2016** **AlphaGo** program defeats Go world champion
- 2018** **Tesla** launches self-driving vehicles

a case, the device is asking you for help to compile more information and improve its face identification skills. By fine-tuning its classification, the next time you want to search for photos of a relative, you will simply have to type in their name and your smartphone will be able to retrieve everything associated with that person in under a second.

How does AI learn?

Depending on the capabilities that a machine can develop with respect to human intelligence, artificial intelligence is classified according to three types or levels: soft or weak AI, hard or strong AI, and superintelligence. **Mireia** and **Pedro** explain. Soft AI is what almost every company is implementing nowadays and it is designed to solve highly specific, concrete tasks. With this kind of AI, machines offer us solutions they have learned through repetitive patterns and trends, thanks to algorithms programmed by humans. This, for example, is what virtual assistants like Apple's Siri, Amazon's Alexa or Google Assistant employ when we are apparently able to converse with them; what they are actually doing is offer us replies to specific orders (such as "Tell me what the

weather is like today”), based on the results of a search on the Internet or in its databases.

As for hard AI, it is expected to possess capabilities similar to those of human beings, able to make decisions in a proactive, deductive manner of its own volition. If this is the case, the algorithms would be able to understand, act and make decisions without waiting for orders or having to repeat the same task over and over again. To date, this type of AI only exists in the field of science fiction with examples in movies already considered classics such as *A Space Odyssey* (1969), *Blade Runner* (1982) or *The Matrix* (1999); or, more recently, *Her* (2014), *Ex Machina* (2015) or *Upgrade* (2018). Looking even further ahead, the next step would be superintelligence which, in theory, will surpass human capabilities in terms of both intelligence and skills.

As we indicated at the beginning, AI encompasses different techniques whose ultimate goal is for machines to learn from patterns extracted from data. The main technique is what is known as machine learning which, although usually confused with AI, is merely one part of it. This technique includes processes in which it is the machines themselves that

SOME APPLICATIONS OF AI

NLP

Natural Language Processing (NLP) is an application of AI linked to linguistics that processes commands (whether written or spoken) in a natural human language, i.e. in the same way as we would communicate with another person.

COMPUTER SPEECH

This converts a human language message from one format to another, for example, from audio to text or vice versa. For example, this allows for the transcription of recordings, dictations or having the machine read out a document.

COMPUTER VISION

this enables the machine to recognize any visual information, whether static or in motion. By understanding the contents of a photograph, drawing or video, it can recognize people or identify objects, and this has a multitude of applications in fields such as security, mobility, leisure, etc...

ROBOTICS

this is an AI application related to all of the above, given that a robot can be designed to move around, perform actions, or understand and produce messages according to which of the capabilities (or a combination of several of them) described above are applied.

create their rules (algorithms) and predictions based on the data supplied to them by humans. This is why, for example, the language translation systems facilitated by online platforms such as Google Translate have improved so much in recent years. The secret lies in the fact that, at first, it translated using syntactic rules, while now it cross-references millions of examples of actual translations found on the Web.

Within machine learning there is a more specific area or subdomain where deep neural networks are used; this is what is known as ‘deep learning’. The strength of deep learning, which has undergone tremendous development in recent times, lies in layers upon layers of data processing (neural networks) and what sets it apart from machine learning is that it is the systems themselves, with scarcely any supervision, that are able to learn and improve by themselves, based on the experience they progressively acquire.



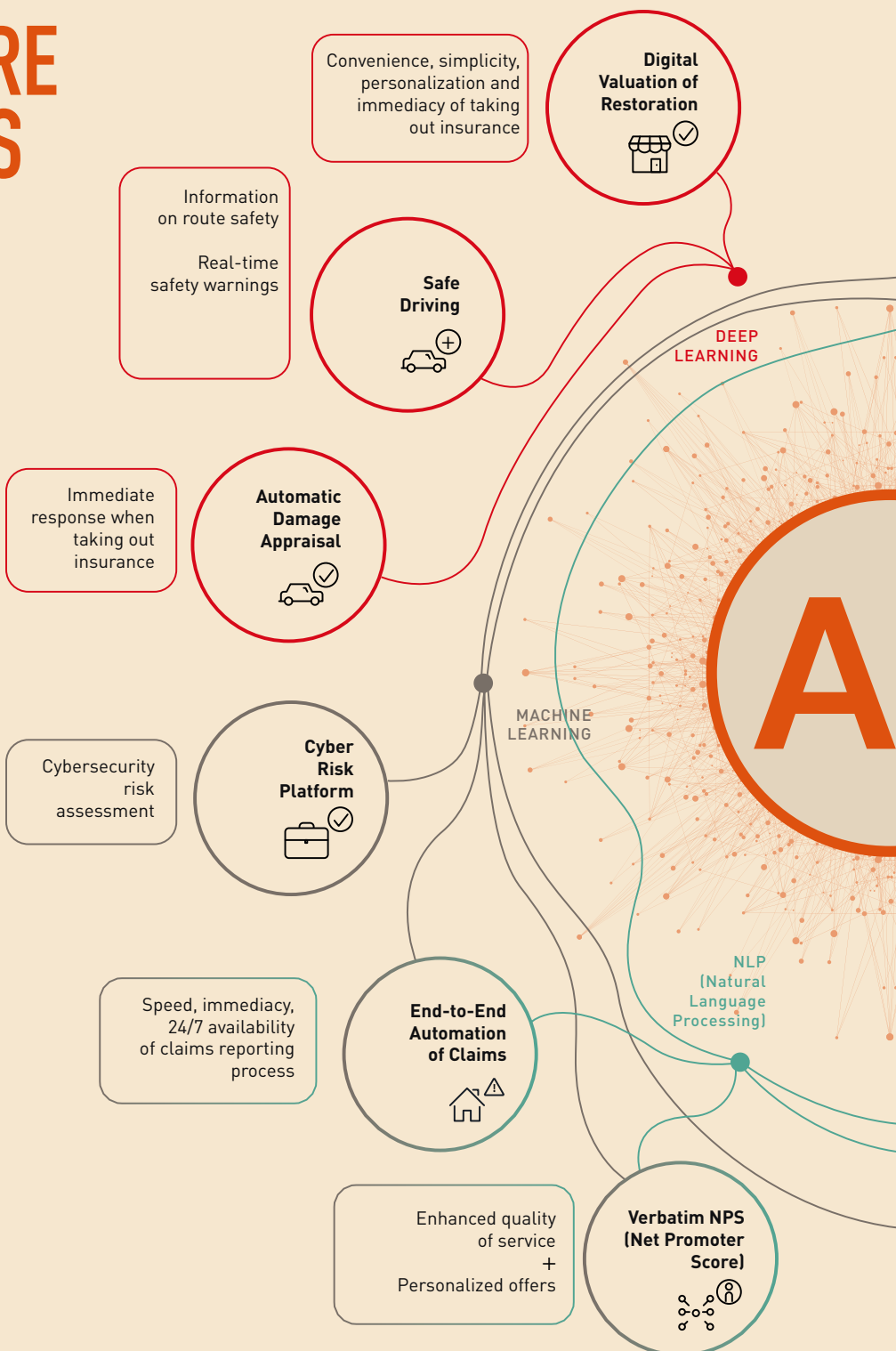
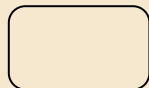
THE IA UNIVERSE APPLIED TO MAPFRE PROJECTS

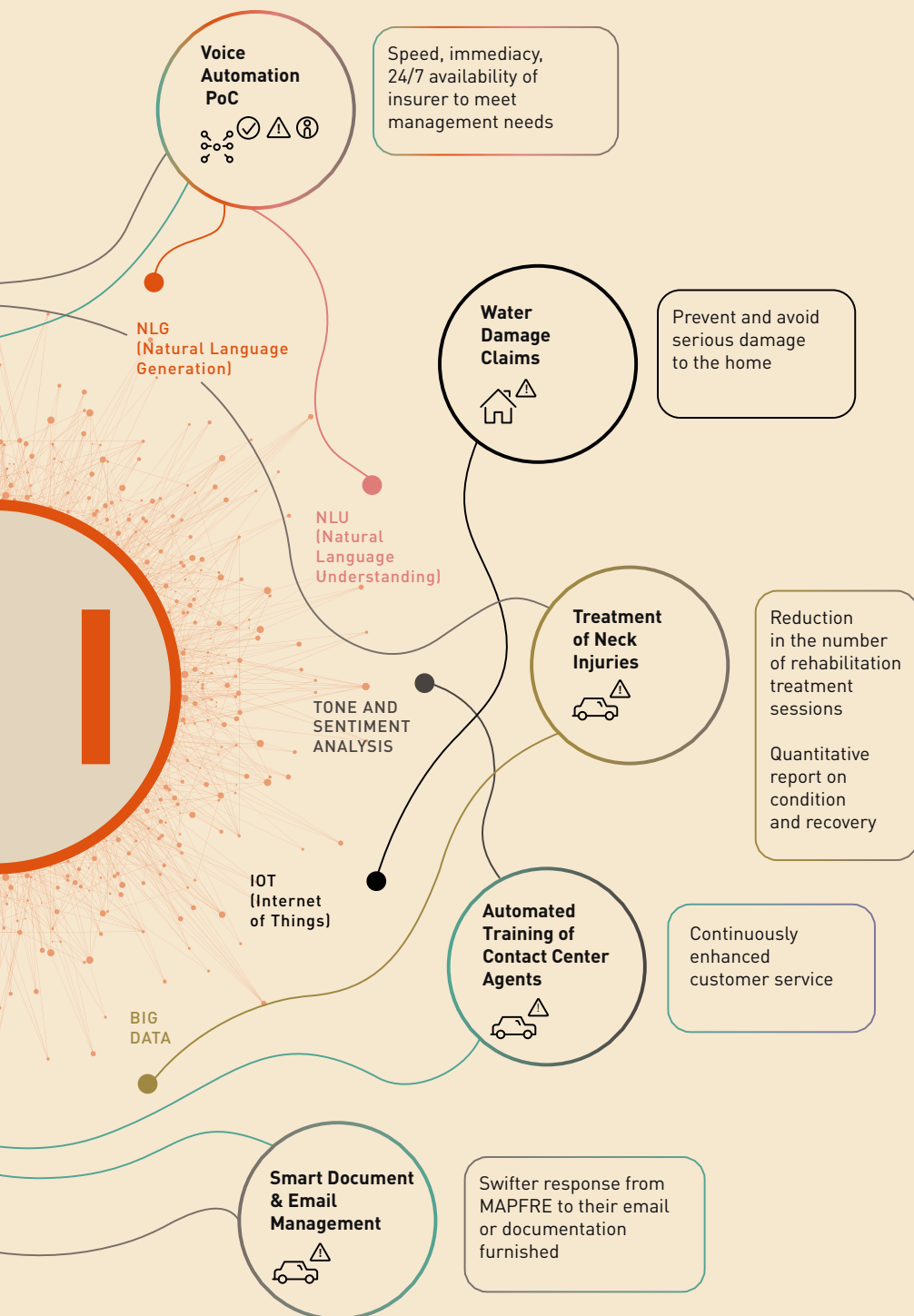
MAPFRE integrates artificial intelligence into its projects in order to radically transform the customer experience.

FIELD OF USE

-  **AUTO-**
Taking out policy
-  **AUTO-**
New service
-  **AUTO-**
Claims
-  **HOME-**
Claims
-  **BUSINESSES-**
Taking out policy
-  **COMPANIES-**
Taking out policy
-  **MULTI-LINE-**
Taking out policy
-  **MULTI-LINE-**
Claims
-  **MULTI-LINE-**
Client
Management

IMPACT ON THE CLIENT





TECHNOLOGIES INVOLVED

and number of projects in which they are used

DEEP LEARNING
3

MACHINE LEARNING
6

NLP
5

BIG DATA
1

IOT
1

1
TONE AND SENTIMENT ANALYSIS

NLU
1

NLG
1

MAPFRE OPEN INNOVATION

TEXT **JAVIER ORTEGA**
PHOTOGRAPHS **MAPFRE, ISTOCK**





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TO LEARN MORE

The potential of artificial intelligence (AI) goes far beyond the audiovisual content that Netflix can recommend us on the basis of what it has learned about our tastes, or the skills with which virtual assistants like Alexa can make life easier for us in a connected home.

In the insurance sector, the use of artificial intelligence is blurring the boundaries of the industry and accelerating **innovation**. This group of technologies is set to lead a **transformation** which entails: enhancing the customer experience with current products and services; developing new products and services that add value to the increasingly personalized demands of policyholders; improving operational efficiency in business processes; preserving the integrity and security of data and operations; and taking service quality to the maximum level.

All of this is taking place in a world that was already digital and has become even

more so as a result of the COVID-19 pandemic, within an environment in which omnichannel distribution and immediacy of communications and transactions are now the norm. Customers have revamped their expectations over the past year, as a result of a reassessment of their needs and a prioritization of values. The whole playing field has changed and, therefore, the organizations and the role they play have likewise changed. The insurance industry must be ready to provide a personalized service to customers who are always connected, increasingly demanding and, more than ever, aware of their needs. It must satisfy requests precisely and immediately and, moreover, create a closer digital relationship. This has been the case throughout the recent health crisis where it has acted as “a social shock absorber, serving its clients in these extremely difficult times and doing so efficiently with well-trained, accessible personnel,” declares José Antonio Arias, Group Chief Innovation Officer at MAPFRE.

AI: relieving people, benefiting people

Artificial intelligence is present in almost every area of our lives and MAPFRE is aware that this technology forms part of the solution to many of the challenges currently facing the insurance world. That is why the company set itself the goal of incorporating it, so as to swiftly transform the experience of current and potential customers, and create next-generation products and services. The goal is to offload some of the complexity – to date handled by individuals – onto this emerging technology.

Driving innovation and benefiting from the power of sophisticated analytical techniques – and technologies such as the one specifically addressed here – proves possible thanks to the efforts of a team of professionals working in different areas of MAPFRE: operations, business development, technology and innovation, among others. In short, these are people who know the business, processes

and AI applications that can help us reinvent and enhance our services and products, such as ‘deep learning’ (deep neuronal networks) or ‘machine learning’. Together, these teams and technology are making pioneering services and products like the following a reality.

Claims for damages resolved in minutes

Filing an insurance claim is often a complicated process for customers, who sometimes feel overwhelmed by the amount of information required, as well as the uncertainty regarding how long the whole process will take or how it will all turn out. Providing an immediate, accessible, transparent experience was the objective for MAPFRE; this was achieved thanks to an intelligent automated solution, available at any time, that reduces from days to a question of minutes the resolution of a claim for water damage in the home in a precise, reliable fashion.

The magic behind the result: machine learning

According to Esther González, an Innovation expert: “The artificial intelligence system is able to understand what the customer needs. To do this, first of all it interprets the user’s natural language and then it analyzes, processes and extracts documentation

“THE ARTIFICIAL INTELLIGENCE SYSTEM IS ABLE TO UNDERSTAND WHAT THE CUSTOMER NEEDS”

from the claim file, whether it be an invoice, a loss adjuster’s report, or other documents necessary for processing the claim. This information and other variables are taken into account by the cognitive engine when determining the outcome that corresponds in each case.” It seems magical, but it is called machine learning; this is the automation technology that opens the door to replicating this project in multiple use cases, not just in claims processing where it has already been applied, but also in other business processes.

This solution employs a chatbot as the user’s interlocutor. It is easy to instruct customers to use this method. This is how Daniel Almodóvar, Innovation Delivery Manager, explains it: “If the claim comes through the call center, you can send

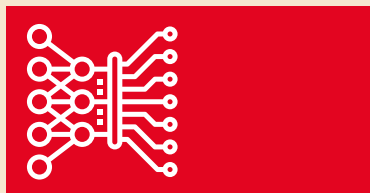
the customer an SMS to their cell phone for them to access the chatbot in real time; and, if the request arrives by email, you can include a link in the reply. The idea is that, whatever the channel, you can connect the user to the conversational assistant quickly and easily, taking into account, moreover, the fact that the customer has the possibility of switching to human interaction at any time. This automation process is not intended to be obligatory, but rather beneficial.”

The user experience is another element that is afforded the maximum care: “While they are complex technologies, as regards both information collection and the documents and policies, we always gather data in a simple manner and communicate with clients in a transparent, jargon-free fashion,” Esther González remarks.

Process automation applies to different business areas and covers all the stages that customers and users pass through, from managing already active policies to the first step of insuring a vehicle, which includes the appraisal of its condition, to cite another example.



AI IN MAPFRE



DAMAGE APPRAISAL USING AI SO TAKING OUT INSURANCE IS JUST A CLICK AWAY

Can an algorithm distinguish dirt or a stain from damage in a photograph of a vehicle? The answer is yes, thanks to **deep learning**, a technology employing algorithms drawing on neural networks that attempt to mimic the behavior of the human brain.



THE USER TAKES CONTROL OF THE PROCESS

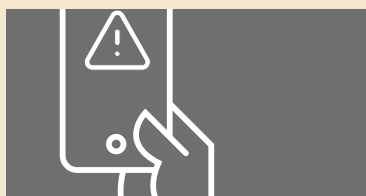
In this new approach to the experience of taking out automobile insurance, the customer takes pictures of their vehicle, while the damage recognition tool processes the images and verifies its condition so as to prepare the policy. Previously, the insured had to request in advance a damage appraisal of the vehicle or, failing that, go in person to the appraisal center, confirm any damages and take out the policy. With this new solution, **the customer takes control and can handle everything from their cell phone. Within minutes, the damage appraisal is complete and the policy can be taken out with the desired cover options.**

The project's artificial intelligence system has achieved a very high level of precision when analyzing the pictures that customers send in of their

vehicles. According to Mireia Rojo, an Advanced Analytics expert and Pedro Sacristán, Artificial Intelligence Lead: "There are multiple factors involved in achieving that outcome, but the experience of the team with complex algorithms stands out. The quality data used for algorithmic training – thousands of photographs of vehicles that have been processed and labeled – also proved really important. And, without a doubt, persistence in the training iterations which enabled the results to be refined."

As in all innovation projects undertaken at MAPFRE, the objective is to facilitate life for our customers, providing new tools so as to gain in efficiency, precision and speed throughout every process, all in benefit of the user experience. This project is one more response in the move to align the insurance world with a new digital environment that calls for immediacy in transactions.

Likewise, artificial intelligence is a potential generator of projects that are rather more than a mere redesigning of a process or procedure. It is likely to provide innovation with a social impact.



SAFE DRIVING: WARNING OF ROUTES WITH A RISK OF ACCIDENTS

Thousands of traffic accidents occur every day around the world, with unique circumstances in each case, but all of them have something in common: external factors play a decisive role. A poorly lit road, high traffic density, sun glare, or a curve that is tighter than expected are all possible hazards.

Accompanying drivers on their daily routes and warning them of dangers ahead, predicting and informing of

these risks dramatically transforms their driving experience.



PERSONALIZED EXPERIENCE IN THE FUTURE

As regards safe driving, thanks to the use of artificial intelligence combined with geolocation, MAPFRE has designed a solution that radically changes the experience for drivers by creating positive stimuli and educating them in safer habits.

This next-generation service — complementary to conventional navigation systems — **cautions drivers about potential road hazards ahead by means of non-intrusive warnings and alerts, while suggesting safer alternative routes.**

In the future, these notifications will be tailored to what the driver considers relevant, and will incorporate additional information about the road conditions and warnings about the policyholder's driving, thus offering a fully personalized experience. An example of how innovation and the use of smart technologies have a social impact and can contribute to enhanced road safety in our cities.

This project uses an artificial intelligence model, **deep learning**, which analyzes multiple types of data drawn from different sources, such as road accidents, traffic and weather conditions, and the particular characteristics of the route (curves, inclination or condition, among other variables).

#PlayingOurPart

“THE **CIRCULAR ECONOMY** ENABLES US TO ADVANCE TOWARD A **DEVELOPMENT** MODEL THAT IS **MORE RESPONSIBLE WITH THE PLANET**” **JOSÉ MARÍA CANCER**



TEXT **NURIA DEL OLMO** | PHOTOGRAPHS **MAPFRE, ISTOCK**

The MAPFRE Road Safety and Experimentation Center (CESVIMAP) is undoubtedly one of the Group's best examples of innovation and sustainability. This is the belief of its general manager, a multilingual industrial engineer, inventor and entrepreneur with a career spanning over 20 years in the automobile sector. José Maria Cancer (Madrid, 1967) is proud of the major contribution made by this world-renowned center, which designs sustainable vehicle repair methods, enhances automobile design so as to make them safer and easier to repair, and provides a second life to thousands of parts salvaged from vehicles declared a total loss.



VISIT [MAPFRE.COM](https://www.mapfre.com) TO LEARN
MORE ABOUT SUSTAINABILITY

WHY HAS MAPFRE SET ITS SIGHTS ON THE CIRCULAR ECONOMY? WHAT ADDED VALUE DOES THIS PRODUCTION AND CONSUMPTION MODEL OFFER?

Rather than setting its sights, I would say this is a firm commitment we've made to improve the world in which we live, striving to make it a safer, cleaner, more prosperous place. What planet do we wish to leave to the next generation? CESVIMAP was set up 37 years ago with a clear purpose: to facilitate bodywork repairs, rather than replacing parts, whenever this proves feasible. And that's what we've done. We're really proud of the progress made. Just to give you one example, the bumpers repaired by MAPFRE's authorized workshops in Spain represent a saving of over 1,200 metric tons per year in the production of new plastics. It's as though we had recovered 278 million bottle caps for recycling. The same could be said for glass which we don't need to produce, as we repair windshields instead of replacing them. Some people may think this is done solely to lower the total repair cost of a claim, but that's not the case. This has much more to do with adapting the economy to an ecological future, strengthening our competitiveness, making substantial changes in the production processes that enable us to move toward a development model that is more responsible with the planet the new generations will have to deal with. We know that our clients understand this and view it positively.

WHY DOES THIS CENTER IN ITSELF REPRESENT INNOVATION? HOW DO THEY RECYCLE AND REUSE PARTS



JOSÉ MARÍA CÁNCER
GENERAL MANAGER OF CESVIMAP,
MAPFRE EXPERIMENTATION
AND ROAD SAFETY CENTER

TO CONTRIBUTE TOWARD A SUSTAINABLE PRODUCTION MODEL?

If CESVIMAP is innovative, this is also true of CesviRecambios, our Authorized Treatment Facility for End-of-Life Vehicles, which we created in 2004. We designed it to ensure perfect traceability of each item recovered in order to be sold, and provide further data to clients, such as the type of

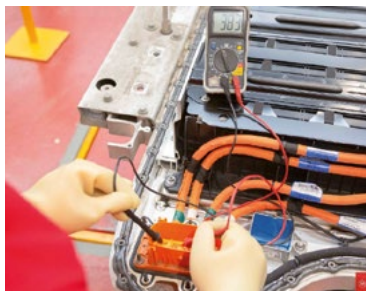
vehicle the part was taken from, its condition, mileage, etc. Another innovative feature was the decision made at the time not to sell parts if we could not guarantee their perfect operation — key to being able to offer guarantees over and above those required by law. Likewise, the construction of facilities with the very latest technology, designed to facilitate the recovery of oils, brake fluids or coolants, thus preventing any waste liquid from negatively impacting the planet.

WHAT RESULTS ARE YOU ACHIEVING?

One of our great successes is that many of the vehicles with severely damaged engines we've been able to repair has proved possible thanks to our second-life engines. Were it not for them, these vehicles would have had to be scrapped. We must start from the premise that the cost of a new engine is greater than the residual value of many cars. Thanks to CesviRecambios, many automobiles are driving around now with recovered, verified, guaranteed engines, thus avoiding having to manufacture a whole new vehicle. This is clearly beneficial to the environment, but also to clients who cannot afford to change their car. We are also very pleased with a new project, directly linked to sustainability and the circular economy, which

#PlayingOurPart

will enable us to provide electric car batteries with a second life. The number of electric vehicles in Spain increased by 142,251 units throughout 2020, a 70 percent increase with respect to 2019. For this initiative, we received aid from the Center for Industrial Technological Development (CDTI) to the tune of 250,000 euros, which shows the confidence shown by this institution in CESVIMAP's research.



THE CDTI SUPPORTS THE SECOND LIFE WE WISH TO GIVE TO ELECTRIC VEHICLE BATTERIES

MAKING THE BEST USE OF RESOURCES IS A REAL CHALLENGE, ESPECIALLY IN ORDER TO BOOST ECONOMIC GROWTH AND JOB CREATION, AND REDUCE THE ENVIRONMENTAL IMPACT. WHAT BARRIERS OR DIFFICULTIES DO YOU THINK CITIES FACE WHEN IMPLEMENTING CIRCULAR ECONOMY-BASED DEVELOPMENT MODELS?

I believe the fundamental barrier is not of a technical nature, but rather cultural. We've experienced several decades of permanent economic expansion and development, with the inevitable ups and downs. This has accustomed us to a culture of immediate satisfaction, using and discarding, renovating our wardrobe, furniture and smartphones, eating in ways that avoid having to wash and conserve containers. This change will be hard to implement, as it's easier when we learn something from a young age. That is partly the responsibility of the institutions, but it's also our responsibility, as we must promote it at the personal level, with our families and those around us.

HOW MUCH DO YOU FEEL THIS PANDEMIC HAS ACCELERATED THE NOTION OF THE CIRCULAR

ECONOMY? WHAT LESSONS HAVE WE LEARNED?

I believe the pandemic hasn't accelerated the circular economy; quite the opposite. After years of insisting on the need to save water, we now wash our hands for lengthy periods of time, shower several times a day, use alcohol gel sanitizers over and over again, even though we haven't touched anything since we last did, just because we see a dispenser nearby.

We've also started using disposable cutlery and plates again, and this is not positive at all. However, I recognize that the sudden stoppage of industrial activity in some areas has allowed for a surprising recovery of local flora and fauna, which has reclaimed its territory, and we've all been made aware of this. I believe that, once this is all over, if we're able to reduce our emissions and consumption, not obliged by the pandemic, but rather thanks to a more controlled, environmentally-friendly activity, we'll also be able to see encouraging results.

THE UN STRESSES THAT THE CIRCULAR ECONOMY COULD REDUCE WASTE IN SOME INDUSTRIAL SECTORS BY UP TO 99 PERCENT, AS WELL AS 99 PERCENT OF THEIR GREENHOUSE GAS EMISSIONS, THEREBY HELPING PROTECT THE ENVIRONMENT AND COMBAT CLIMATE CHANGE. DO YOU FEEL A WASTE-FREE ECONOMY IS POSSIBLE?

I don't know whether it would be possible to reduce up to 95 percent of waste, as the UN says, or whether it would be only 50 percent, but what I am sure of is that there's a lot to be improved; there's a long way to go, but this is a path we must take.

WHAT ACTIONS COULD EACH OF US TAKE AT A PERSONAL LEVEL TO BOOST THE ADOPTION OF THIS NEW PARADIGM?

The truth is that there are thousands of small, everyday gestures we can adopt at home or in the office. At the MAPFRE headquarters, for instance, photovoltaic panels have been installed to provide a significant proportion of the electricity we consume, and we're committed to minimizing the generation of waste (paper, plastic, cardboard and electronic equipment, among others) throughout the Group and thus achieve the Zero Waste Certification for our Majadahonda complex (Madrid) in 2021. Take the MAPFRE without Plastic project, for example. To date it has avoided the consumption of one and a half million plastic bottles and two million single-use cups. These are just some of the steps to achieve the target we've set ourselves in Spain and Portugal — to be carbon neutral in 2021 — and for the whole group, by 2030. We employees are also **#PlayingOurPart**, by reducing our consumption of photocopies, using recycled paper to take notes and avoiding unnecessary car journeys, when they can be replaced by a video conference call. Lockdown certainly caught us already well trained in these aspects. I believe that, if I had to make a special effort, I would do so in raising awareness among the future generations — our children — as this is our duty and our responsibility, and, moreover, it can be done.

ZERO WASTE 2021



COMMITTED TO SUSTAINABILITY

In MAPFRE we have set ourselves over **30 Horizon 2021 targets** to combat global challenges such as the climate emergency or inequality. It does so within the framework of its commitment to sustainability, in line with its **2019-2021 Sustainability Plan**.

This road map includes multiple projects designed to help us become a **CARBON NEUTRAL COMPANY AND A BENCHMARK FOR THE CIRCULAR ECONOMY, BOOST FEMALE LEADERSHIP, AND ENHANCE FINANCIAL EDUCATION, AMONG OTHER GOALS.**



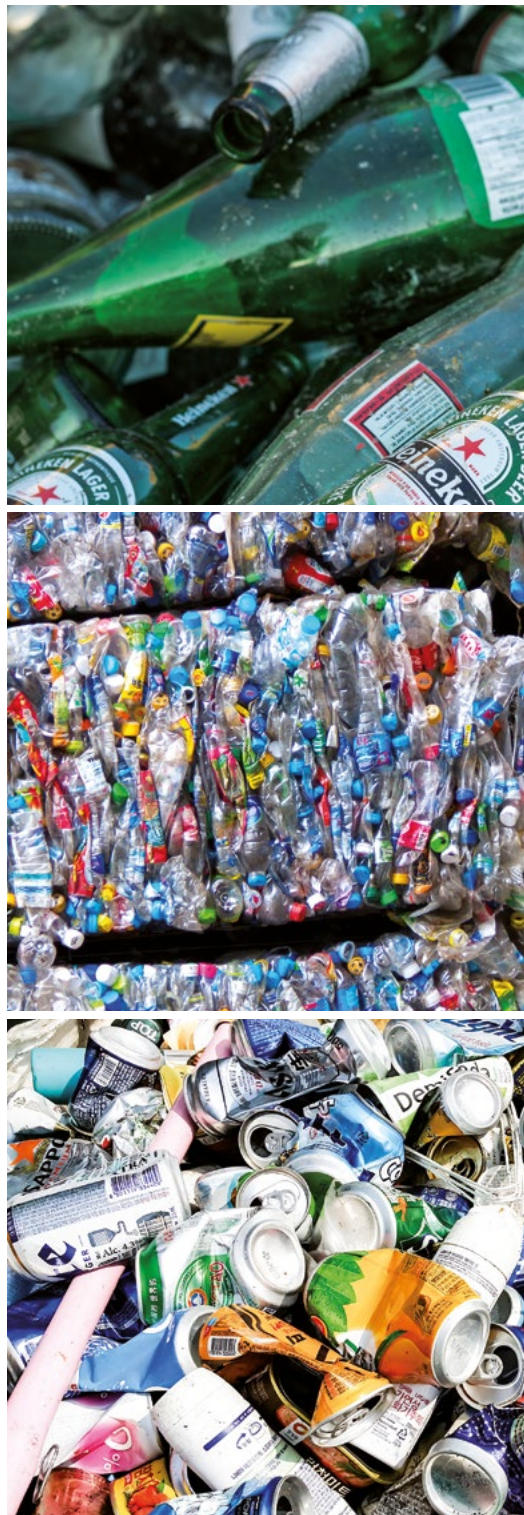
#PlayingOurPart

SMES AND THE CARBON FOOTPRINT

To provide SMEs with advice, training, technological support and information in order to improve the competitiveness and sustainability of the business fabric in Spain. This is the objective of the agreement MAPFRE has signed with the Spanish Chamber of Commerce to help SMEs calculate their carbon footprint by means of a specific tool which, moreover, will enable them to assess their energy efficiency, sustainable development and degree of implementation of the circular economy within their organization. With the results of these tests, companies will be able to plan and implement a strategy to reduce emissions and thus become entities committed to the environment and society, as well as generate economic value. In this process, SMEs will be advised by specialists from the Territorial Chambers of Commerce, who will receive training on how to establish these carbon footprint plans and implement the circular economy, key measures for them to obtain the official sustainability seal from the Ministry for Ecological Transition. This seal offers a number of advantages for those companies that achieve it, such as tax reductions, increased sales, improved brand

positioning, and the possibility of having the edge in public procurement tenders. The agreement also contributes to a more sustainable future for society as a whole, ensuring a higher quality of life, greater profitability in the use of resources, and tools for enhancing competitiveness and efficiency. "For MAPFRE this will be a strategic project, acting as the driving force that will advance SMEs in terms of their sustainability and the circular economy, with the overriding aim of promoting their plans for offsetting CO2 emissions, reducing their carbon footprint and optimizing energy consumption," José Manuel Inchausti, MAPFRE Vice Chairman and CEO of Iberia, underscored recently.

"FOR MAPFRE THIS WILL BE A STRATEGIC PROJECT, ACTING AS THE DRIVING FORCE THAT WILL ADVANCE SMES IN TERMS OF THEIR SUSTAINABILITY AND THE CIRCULAR ECONOMY, WITH THE OVERRIDING AIM OF PROMOTING THEIR PLANS FOR OFFSETTING CO2 EMISSIONS, REDUCING THEIR CARBON FOOTPRINT AND OPTIMIZING ENERGY CONSUMPTION"



MAPFRE REDUCES, REPAIRS, AND RECYCLES

We live on a planet with limited resources where the traditional economic model, based on consumption and disposal, generates an enormous impact and is completely altering the natural ecosystem. The circular economy aims to ensure that those natural resources that have already been extracted can be recovered, reused and recycled, thus making the most efficient use of them, while producing the least possible impact on the environment. This is a model that allows business opportunities to be generated, while protecting the environment and society. MAPFRE recently signed up to the Pact for a Circular Economy, an initiative that is currently being promoted by the Ministry for Ecological Transition and Demographic Challenge. The objective is to engage the leading economic and social agents in Spain in this progressive transition toward a new economic model, which shuns the current 'use and discard' culture, preferring to opt for reuse, repair, reduction and recycling. We are the first insurer and the first Ibex 35 company to form part of this project in Spain, and we will boost this transition through a total of 10 commitments to the Pact for the Circular Economy, which entail, among other proposals: reduce the use of non-renewable natural resources, incorporate eco-design criteria and promote guidelines that increase the innovation and overall efficiency of our production processes. We also undertake to disseminate the importance of moving away from the linear economy toward a circular economy, promoting transparency in the processes, raising awareness and sensitizing the public to these issues, as well as gauging the social and environmental impact of the organization's operations.

THE CIRCULAR ECONOMY AIMS TO ENSURE THAT THOSE NATURAL RESOURCES THAT HAVE ALREADY BEEN EXTRACTED CAN BE RECOVERED, REUSED AND RECYCLED, THUS MAKING THE MOST EFFICIENT USE OF THEM, WHILE PRODUCING THE LEAST POSSIBLE IMPACT ON THE ENVIRONMENT.





PSYCHO-EMOTIONAL HEALTH AFTER A YEAR THAT IS RESHAPING OUR WORLD

TEXT **EVA RODRÍGUEZ HENRÍQUEZ**
PHOTOGRAPHS **MAPFRE, ISTOCK**



Over the past year, our whole way of life has been made so much more complicated, resulting in our health – and the health of our loved ones – topping our list of concerns. This list is often augmented with issues such as those related to our economic stability, the education and care of our children, and that of the elderly... or the uncertainty and anxiety caused by the magnitude and pace of the changes we are experiencing.

We have had to transform ourselves in order to deal with adversities, pushing our resilience to limits we had never before imagined. For the most part, this has made us stronger and more capable.

Time passes and the situation is evolving, ever changing, yet the threat of COVID-19 and its consequences persists. However, there are glimpses of a more hopeful future, thanks to advances in medical treatments and, above all, the new vaccines.

Each individual reacts to this situation in a different fashion, according to their personality, emotional and cognitive resources, and economic, social, labor and family situation, but also according to their age.

Comparatively speaking, one year is not the same for a three-year-old as for someone who is 20, 40, 60 or 80. While, in the early and later stages of life, there are many substantial changes over the course of a year, for someone who is, for example, in their forties, there will most likely not be so many.

We have seen how very young children have taken to wearing a face mask on a daily basis without further ado, or have accepted videoconferencing as the natural way to communicate with their grandparents. In their case, each day is different and what they do during that time is very often a totally new experience for them. So, for them, there has been no change. They will perceive that transformation when this is all over.

The main issue for kids and teenagers throughout this period has been how their social environment has been disrupted. At a time in their lives when their circle of friends is of the utmost importance and they explore new-found freedoms, being able to move around without being tied to their parents, they have had to be creative and resort to new forms of social interaction, with the aid of technology.

If this was previously important in their free time, it has now become fundamental for their social relationships and, of course, their studies.

The elderly have been through a great many difficulties in their lives and it often seems that nothing surprises them anymore, that they are able to endure adversity as a matter of course. Nonetheless, they have borne the brunt of this situation, given the intensity with which the virus has affected them, as well as the collateral damage it has caused at this stage of their lives. Prolonged periods of isolation have led to a lack of periodic health checks and physical exercise, resulting in a deterioration of their health. In addition, loneliness and fear have overwhelmed many of them, leading to an increase in feelings of sadness, with cases of anxiety and depression becoming more frequent.

This whole picture is nothing new for the middle-aged, whose labor and economic concerns are compounded by worries about their children and their parents, or other elderly people who sometimes depend on them. Society pivots around this segment of the population. At both the economic and social level, the family and the economy depend on people of working age.

For all these reasons, it seems clear that the psycho-emotional health of working-age individuals should be addressed as a matter of priority, as they are essential to our social stability and subjected to multiple sources of stress.

This whole panorama poses a challenge, as well as an opportunity for transformation, given that, when you leave your comfort zone, greater learning and growth is achieved. However, we must keep in check the risks of burnout and disillusionment inherent in prolonged periods of worry and unease.

Basic tips to boost morale and keep worry at bay:

1 Cultivate personal relationships

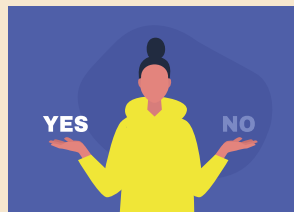


Social support proves essential. Never before have we been separated from family and friends for so long. This is always traumatic but, with the aggravation of having been more worried and in low spirits, the need for social support has become even more evident. Moreover, **thanks to the new technologies providing chats and video conferences, we have never been more united. We have taken advantage of them to tell our friends and family how much we love them and they have done likewise. We have improved our technological skills, but we have also discovered our most emotional side and that of others. We have told others – and been told by them – how important we are in each other's lives and realized how comforting it is to know that.**

2 Fortify your resilience

To do so, remember these basic tips:

- ▶ **Respect** your feelings – they are normal and really frequent. Talk about them, accept their normality and feel part of a whole.
- ▶ **Self-awareness.** Accept your thoughts and feelings, reflect on whether or not they are useful, but don't struggle to change them.
- ▶ **Focusing.** Hone in on what is under your control and influence. That is the key.
- ▶ **Connect with your body.** Take a deep breath and step back. Practice some relaxation or meditation technique.



- ▶ **Involvement.** Engage fully in what you are doing and pay close attention to it.
- ▶ **Commitment.** Adopt a personalized discipline regime and focus on creating a habit. Set realistic goals and achieve them.
- ▶ **Values.** Reflect on what you really value on a daily basis in your personal and professional spheres, and make the most of the situation by clarifying your scale of values.



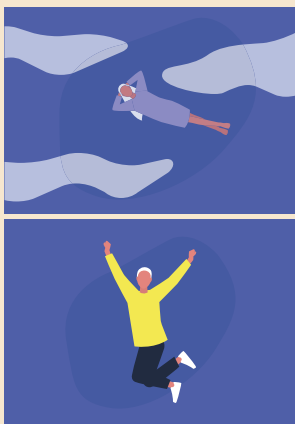
3 Show your gratitude

Observing people's thoughtful little gestures toward us and corresponding in the same fashion is a great source of well-being. Thanking others for what they do and eliciting good sensations in them is an infallible method for feeling good.



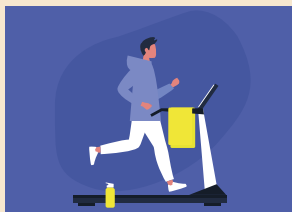
4 Practice mindfulness

If you practice some technique – on a regular basis and for long enough – that helps boost your ability to live in the present, you will achieve a higher degree of self-awareness and reduce your stress and anxiety levels, rest better, enhance your memory and power of concentration, relationships, creativity and, in short, the way you face the world.



5 Take care of your body

A good diet, physical exercise and sufficient rest are the pillars of good physical health and this brings with it mental health and balance.



6 Foster optimal experiences

Practicing activities that we like and in which we are skilled – whether at work, at home or in our leisure time – lets us achieve a special state of well-being we call 'flow', in which time flies past and we really enjoy ourselves.



7 Set targets in order to achieve our goals

Discovering our goals, that which really interests us and motivates us to keep going, is tremendously constructive. Setting the targets to achieve them and working toward them is a source of deep satisfaction.

8 Show compassion

It is not a question of sympathy or pity for others, but rather the ability and instinct to accompany others in – and feel – their suffering, empathize with them and be kind. Working on our compassion not only makes us better people, but also much happier.



9 Cultivate artistic expression, appreciate beauty, pay attention to sensory, intellectual and aesthetic pleasures

There are many horrible things in the world, but there really are many more beautiful things that we can focus our attention on. Appreciating beauty and enjoying yourself to the full is an art that can help us be strong and capable of coping with our daily challenges.





THE SENIOR ECONOMY IS AN OPPORTUNITY ECONOMY

TEXT **JAVIER FERNÁNDEZ @JFG68** | PHOTOGRAPHS **MAPFRE**

Fundación MAPFRE created the **Ageingnomics Research Center** to analyze longevity in a positive light, and channel what is known as the “silver economy” toward the creation of opportunities that foster growth and employment generation. At the helm of this Center is Juan Fernandez Palacios, one of Spain’s leading experts in savings, as his whole working life has been dedicated to the analysis and promotion of life insurance. An insurance inspector at first, he has spent most of his career since then in the MAPFRE Group, most recently Managing Director of MAPFRE Vida until the end of 2020. Now, freed from business management duties, he leads this Center with his actuarial vision – essential when talking about saving for the future – and his tremendous capacity for pushing ideas and teams.



MORE INFO AT
[HTTPS://AGEINGNOMICS.FUNDACIONMAPFRE.ORG/](https://ageingnomics.fundacionmapfre.org/)

INTERVIEW TO JUAN FERNÁNDEZ PALACIOS

Juan Fernández Palacios in the presentation
 of the Ageingnomics Research Center of
 Fundación MAPFRE

Why has Fundación MAPFRE created this Ageingnomics Research Center? And why now?

At MAPFRE, we have always felt that increasing longevity, in parallel with improving living conditions, constituted a structural change that impacts on most – if not all – sectors of economic activity. When the company, together with the University of Deusto, had already spent several years promoting analyses and events designed to identify these impacts and their economic and social consequences, we confirmed that the phenomenon was on the increase; for this reason, in 2020 it was concluded that what was needed was renewed impetus for the analysis and creation of proposals on aging, further enriched by a more academic approach, and that the most suitable environment for this was within Fundación MAPFRE, given that its objectives include financial education and disseminating insurance culture.

What are its objectives?

The Ageingnomics Research Center aims to project a positive view of the phenomenon of an aging population, helping citizens, businesses and institutions to take advantage of the opportunities it has to offer. The goal is to identify and promote economic and social development paths associated with the demographic challenge, from a totally non-profit perspective, hence within Fundación MAPFRE.

What lines of action can you put forward and what is your target audience?

The ones I've already mentioned: dissemination, research and support for entrepreneurial projects with a social impact. With our dissemination work, we aim to raise awareness among the general public of the potential of current demographics and help eradicate the paternalistic attitude vis-à-vis the elderly. Through the research work we are already undertaking, among other things we will be attempting to gauge the contribution of our senior citizens to the economy and monitor its evolution, as well as examining possible improvements to specific aspects of people's lives. Finally, through instruments such as the Fundación MAPFRE Social Innovation Awards, we will be encouraging the start-up of entrepreneurial projects and seeking to assist those that have the potential to be economically viable.

What is a senior?

That's a good question, for which there is no one single answer. Sometimes the term senior is associated with those who have become experts in some profession or activity and are no longer considered juniors, while other times it refers to the elderly in need of care. For us, seniors are those individuals

who have reached a mature age, which we feel means, with a degree of flexibility, those over 55 – what has now become known as the gray-haired generation. In turn, we broke that segment down into four main categories: seniors fully integrated into the labor, professional or business world; those whose situation now involves part-time dedication to these activities; those who have completely ceased these activities, while maintaining good physical health and full personal autonomy; and those who, given their age and health situation, need partial or complete care from other people or institutions.

Where do you feel you should start?

As we said, the first thing is to modify the notion of an age segment that, until recently, was considered already written off; we still see how, in many companies and for various reasons, workers who are over a certain age are constantly passed over.

There is a long way to go before senior talent in the labor and professional spheres is fully harnessed; to this end, it is important to raise awareness among the social partners, but also for public administrations to take action so as to make retirement a more flexible process, encouraging the continuation of an active life by those individuals who wish to continue working.

10 KEYS WHICH DEFINE THE CONSUMER SENIOR

THEY HAVE **PURCHASING POWER**

THEY OWN THE SECURITY OF BEING **OWNERS**

HAVE CAPACITY **SAVINGS** DESPITE THE CRISIS

THEY ARE **OPTIMISTIC** FRONT TO THE FUTURE

THEY ARE **TECHNOLOGICAL**

THEY PREFER TO KEEP LIVING IN THEIR **HOME**

ARE PREPARED TO **LIVE MORE AND BETTER**

THEY BOOST THE **TOURISM SECTOR**

KEEP THEIR PRIORITIES OF EXPENDITURE WITH AGE

IN 2021 THEY EXPECT INCREASE THEIR SPENDING

What sectors will benefit if we do things properly, as regards opportunities, growth and employment?

Everyone wins, in one way or another, if we do things well and ensure we are ready for this revolution that entails living longer with a higher quality of life. The senior economy will have an impact on most sectors of activity and it is an economy of opportunities, on both the supply and the demand side. Our senior citizens are already an economic engine; as clearly revealed by one of the Center's first works, the first Seniors Consumption Barometer, this segment of the population has considerable purchasing power (55 percent live in households where at least two people contribute monthly income), 90 percent own their homes, 56 percent have savings capacity and, most important for our country, they boost the tourism sector. The aim is to promote the best possible

use of these resources in terms of growth and employment.

How can we finance an economy when one third of its population is retired or semi-retired?

Sustaining demand from this increasingly large sector of the population calls for these



The presentation ceremony of the Ageingnomics Research Center of Fundación MAPFRE, held on December 10, included the presence of Teresa Ribera, fourth vice president and minister for the Ecological Transition and the Demographic Challenge, in the photo with Antonio Huertas, president of Fundación MAPFRE, Ignacio Baeza, vice president of Fundación MAPFRE, Juan Fernández Palacios, CEO of MAPFRE Vida, and Iñaki Ortega, director of Deusto Business School Madrid.

people to have ready access to a sufficient level of income. Hence the importance of having robust, sustainable pension and retirement savings systems, both public and private, something which remains an unresolved issue in Spain. In this area, promoting the virtuous cycle of utilizing previously unexploited resources, with the consequent generation of new sources of income, presents itself as one of the possible solutions with the most immediate effects. In other words, we must ensure that those currently working nowadays are generating savings for the long-term future that awaits them after retirement.

SENIOR ARE A GENERATION WITH PURCHASING POWER, ACTIVE AND HIGHLY TECHNOLOGICAL, THEY TAKE CARE AND ARE A GUARANTEE OF CONSUMPTION IN MOMENTS OF CRISIS

Can longevity be our best natural resource, leading to our becoming the benchmark country for that model of society adapted to suit youthful 70-year-olds?

That's a really interesting view of things. In a country like ours, with life expectancy among the highest in the world and rising levels of healthy living, unfortunately accompanied by one of the lowest birth rates, the growing mass of senior citizens now becomes a source of wealth, a demographic bonus, which

we cannot fail to exploit. And it's not just about making a virtue of necessity, let's say



at the macroeconomic level, but also about providing opportunities for self-fulfillment and development for individuals and families.

Has the pandemic slowed the demographic shift?

The tremendous impact of the pandemic on our older generation will, of necessity, have an effect on survival rates and will undoubtedly have led to a reduction, in statistical terms, in life expectancy figures. However, I'm convinced that this effect will be temporary and will not alter the structural trend toward increased longevity. Moreover, in my opinion, the pandemic helps us to better understand this phenomenon, directly linked to fostering personal hygiene measures and to advances in vaccination, diagnostic methods and the treatment of diseases. The ICUs, respirators and medicines available today, together with the rapid development of COVID 19 vaccines, clearly illustrate why we humans have been vanquishing diseases and prolonging life for decades now.

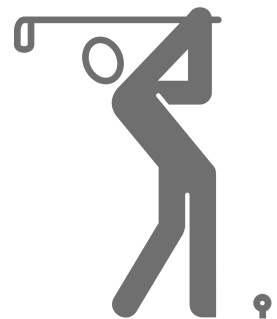


FOUR MAIN CATEGORIES OF SENIORS

THOSE OVER 55, FULLY INTEGRATED INTO THE LABOR, PROFESSIONAL OR BUSINESS WORLD

THOSE WHOSE SITUATION NOW INVOLVES **PART-TIME DEDICATION** TO THESE ACTIVITIES

THOSE WHO HAVE COMPLETELY CEASED THESE ACTIVITIES, WHILE **MAINTAINING GOOD PHYSICAL HEALTH** AND FULL PERSONAL AUTONOMY



THOSE WHO, GIVEN THEIR AGE AND HEALTH SITUATION, **NEED PARTIAL OR COMPLETE CARE** FROM OTHER PEOPLE OR INSTITUTIONS.



Fundación **MAPFRE**

*No hay nada más grande en esta vida
que ayudar a los demás*

ESCANEA ESTE CÓDIGO Y **DESCUBRE LA HISTORIA**



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THE WORLD OF MAPFRE

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