



MARCO GIOVANNINI, CFO

WHY PAYING PEOPLE TO LIVE A HEALTHY LIFE MAKES BUSINESS SENSE

GENERALI VITALITY

- ▶ Health and wellness programme aimed at helping our customers to live healthier lives
- ▶ Managed by Generali Vitality GmbH based in Munich

Mission:

Our mission is to develop innovative and customer centric Protection, Health & Wellness products that create value for Generali and our customers and distributors

Vision:

Reinvent insurance

MARCO GIOVANNINI, CFO

- ▶ One of the co-founders of Generali Vitality GmbH
- ▶ Currently having the role of Chief Finance Officer
- ▶ Past experiences in Strategy & Business Development as well as in Asset Management and M&A





GENERALI VITALITY

CHALLENGES FACING THE
INSURANCE INDUSTRY

THE MAJOR CHALLENGES OF TODAY:

market competition: new players e.g. aggregators and online providers are entering the insurance space

low interest rates: more difficult for insurers to generate decent yields

regulatory environment: increasingly challenging and complex models like Solvency II or IMD II

customer expectations: new requirements and expectations from customers today



GENERALI VITALITY

CHANGING CUSTOMER
BEHAVIOUR

OUR CUSTOMERS HAVE HIGHER EXPECTATIONS NOW

new requirements: customers expect a personalised and interactive approach to their way of life in the digital world

in the past: industry traditionally ignored its customers, interaction with customers was low

customer loyalty: due to advanced technology, customers change their insurance provider more often

high expectations: clients are more in control than in the past, have high expectations in terms of product feature and product experience



GENERALI VITALITY

ADVANCEMENTS IN
TECHNOLOGY

THE COMING REVOLUTION IN INSURANCE

customer interaction: technology and innovation allow more interaction with customers today

more efficiency: data analytics allow insurer to increase efficiency as risks are better calculated

better insights: technology allows insurers to gather insights and data on clients, thus providing better tailored solutions

more personalisation: insurance solutions can be designed that are more in line with customers' personal needs both in terms of tariffs and content

**IN ORDER TO BECOME A
SUCCESSFUL RETAIL
ORGANISATION WE WILL
NEED TO LEVERAGE ON
TECHNOLOGY.**

Generali Investors Day, November 2016

STRATEGY OF THE GENERALI GROUP

- ➔ We will **improve customer experience** by listening to what our customers demand
- ➔ We want to be **strong on technology**: we will be open to innovation and focus on the use of data
- ➔ we will make **insurance simpler** for our customers
- ➔ We will offer simple and smart insurance solutions that rely on data analytics and **leverage on partnerships** with innovative providers



GENERALI VITALITY

THE FUTURE OF
INSURANCE

WHAT IS GENERALI VITALITY?

Generali Vitality: a health and wellness programme aimed at helping customers to live healthier lives

combined with a **life/health insurance** & designed for retail customers and corporates

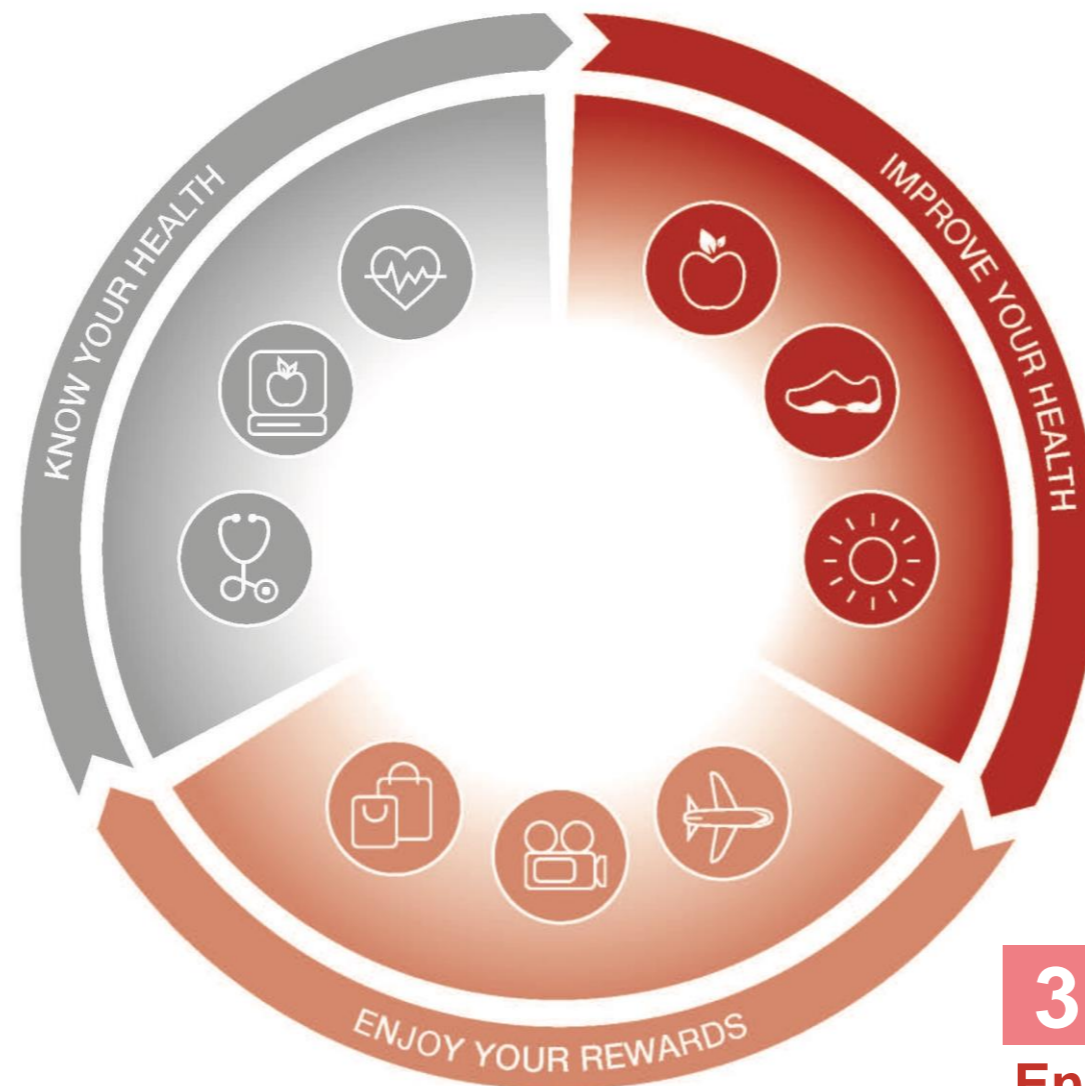
developed with our partner Discovery and part of our **Smart Insurance Strategy**



HOW DOES GENERALI VITALITY WORK?

1

Know your health: we give you tools and applications to learn more about yourself



2

Improve your health: we provide you with better ways to improve your health

3

Enjoy your rewards we reward you for your commitment and efforts

ENJOY YOUR REWARDS



OUR PARTNERS:



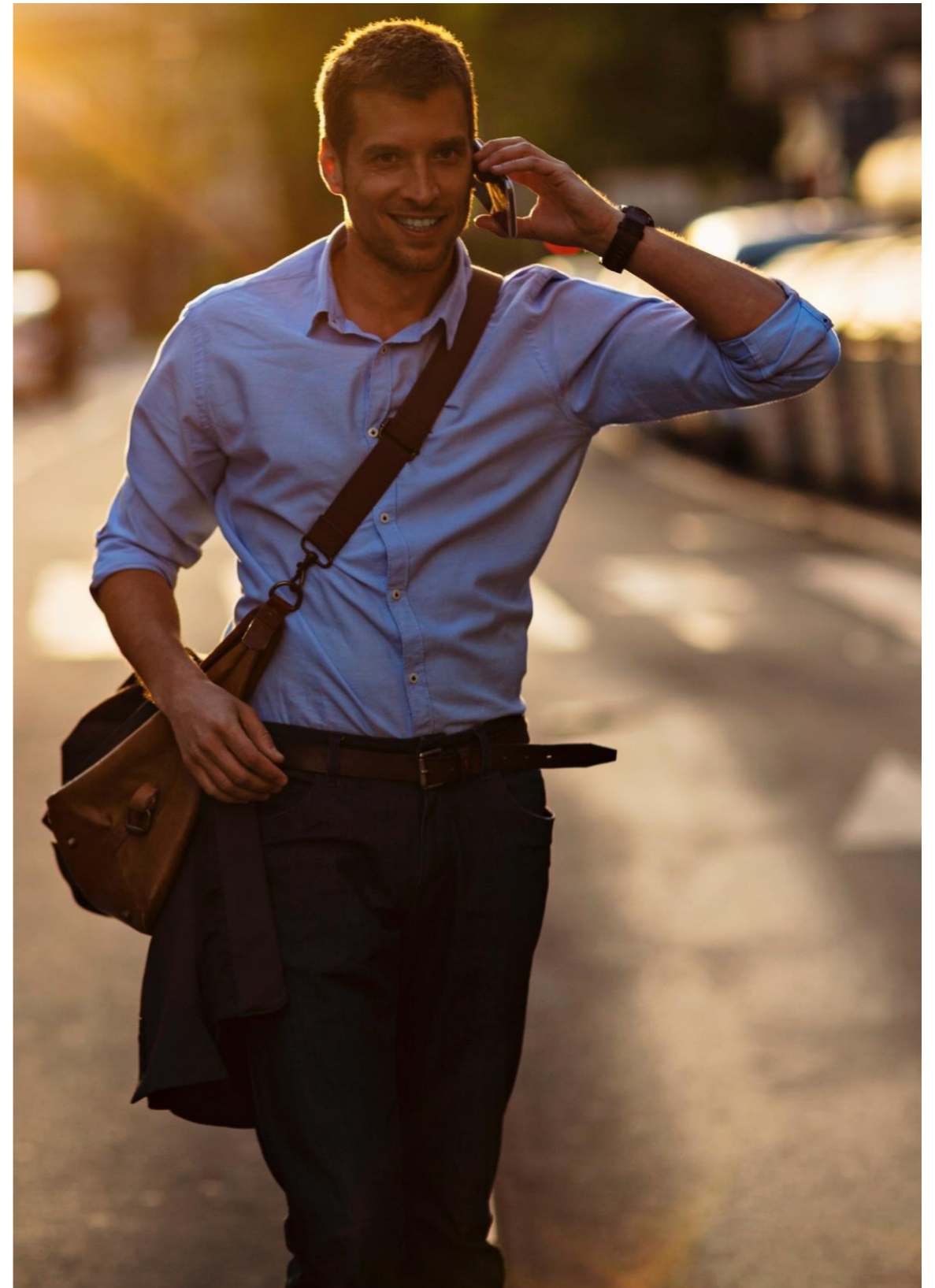
IDEA BEHIND GENERALI VITALITY

the programme is **for everyone** regardless of age, sex or health situation

people want to live healthier: it is a **key trend** we see in Europe

Generali Vitality is a **scientifically proven** programme

it takes advantages of the **latest technological advances**



THE MAIN BENEFITS:

it strengthens the **relationship with our clients**

it **changes the conversation about insurance** - enabling us to talk about living, healthy activities and our mission to protect our customers

we benefit with more value for **healthier and engaged members**



QUESTIONS TO THE PUBLIC



1) Do you regularly consume healthy food, practice physical activity, avoid daily smoking and alcohol drinks?

a. Yes

b. No

To get the % of people who act “properly”.

Then:

2) Can you guess how many deaths worldwide are affected by 4 poor behaviours (e.g. poor diet, physical inactivity, smoking, alcohol)?

a. 5% of deaths worldwide

b. 15% of deaths worldwide

c. 30% of deaths worldwide

d. 60% of deaths worldwide (correct answer)

GENERALI VITALITY SHARED VALUE MODEL



Clients

Improved health, better value through improved price and benefits



Member incentives

Healthy behaviour



Vitality



Insurer

Lower claims
Higher margins
Positive selection and lower lapses

Society

Healthier society
Improved productivity
Reduced healthcare burden



Insurer savings

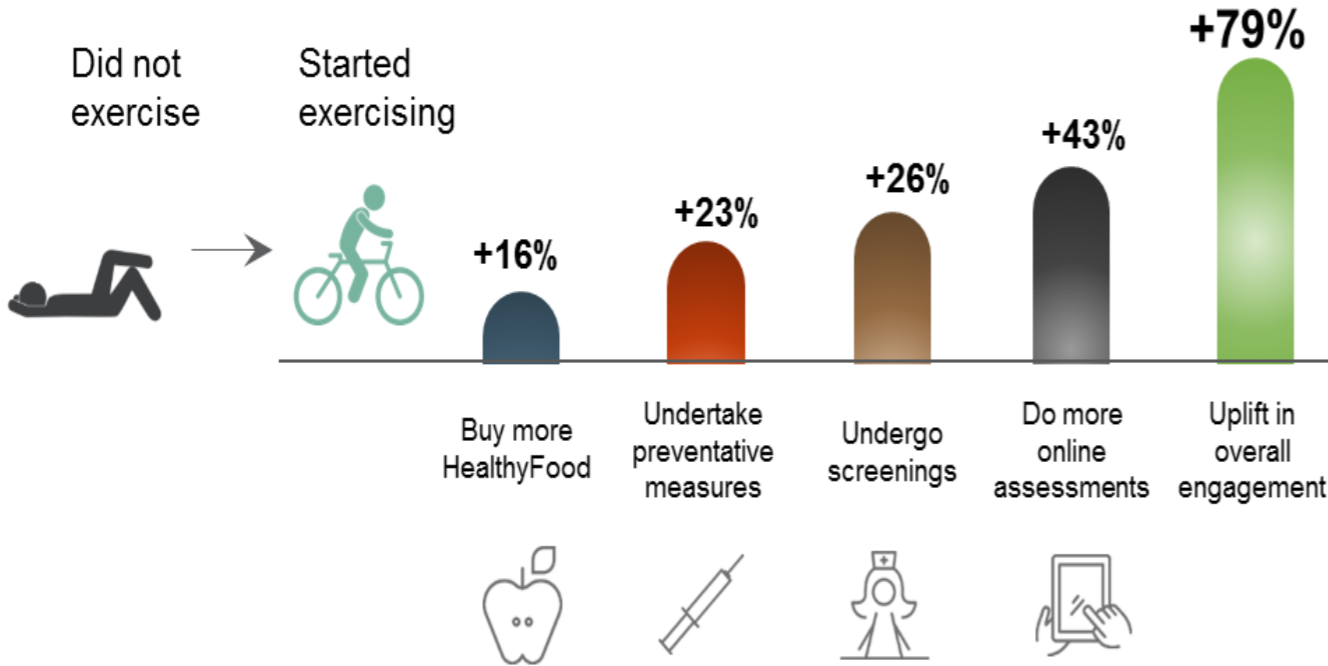
SHARED VALUE INSURANCE CONCEPT



PHYSICAL ACTIVITY HAS SHOWN TO HAVE A PROFOUND IMPACT ON HEALTH OUTCOMES

Physical activity triggers a healthier lifestyle

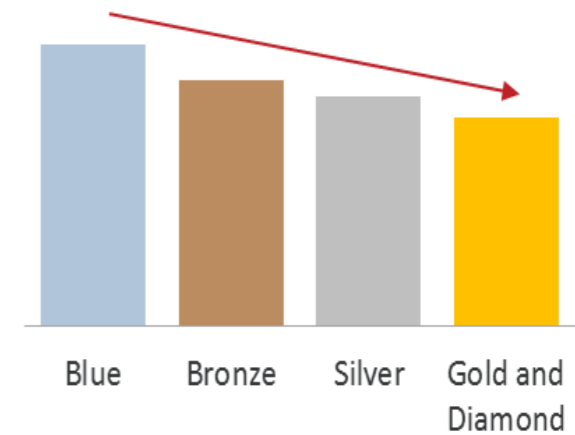
Behaviour change after becoming physically active



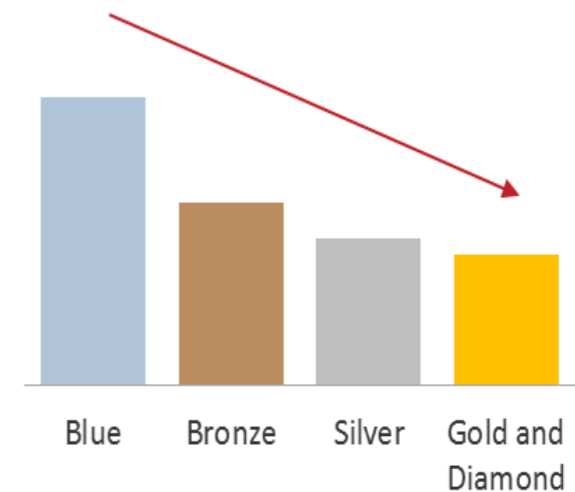
Source: Vitality Points data

Benefits are evident across Health and Life insurance

CLAIMS



LAPSES



WHY PAYING PEOPLE TO LIVE A HEALTHY LIFE MAKES BUSINESS SENSE

clients live longer and claim less on policies

by making clients behave more healthy we can make unexpected profits

healthier and more engaged members brings a unique competitive advantage

OUR NEXT STEPS

first launched in **Germany** 2016, in **France** this year, and to be followed by **Austria** later in 2017

a **European-wide** roll-out is planned for the future

First evidences: number of policies sold are exceeding our forecasts, and new business in Protection is overall increasing in Germany



THANK YOU!