

# Insurance & Citizenship

AND AFTER THE PANDEMIC...





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# Insurance & Citizenship



*"The future is not a place we head to, but rather a place we create. The paths are not those we discover, but rather those we create. And this creation can be changed by the director or by destiny..."*

This quote is a free translation of the English version of a text by Antoine de Saint-Exupéry, author of "The Little Prince", but also by the American philosopher and politician John Schaar: "The future is not some place we are going, but one we are creating. The paths are not to be found, but made. And the activity of making them changes both the maker and the destination." The quote inspired the preparation of this issue of our magazine.

We wanted to find out which path we are taking, both in insurance and in society in general, and what changes we feel are already taking place and are due to take place in the future and how they will affect our lives.

And we feel we should emphasise in this edition the role of everyone working in insurance companies. Hence, we challenged the approximately 10,000 insurance workers to respond to a survey on how the pandemic affected their lives and how they look to the future. We wanted to give them a voice as they are the ones who, to a large extent, helped to build the path taken so far and make the future happen in the insurance industry.

We relied on the opinion of 3060 people, who shared their feelings and experience regarding this extraordinary period.

We would like to thank everyone who participated.

All of them, like the majority of the population, saw their family, social and professional, cultural and leisure lives affected by the pandemic. But, despite this disturbance, they showed a remarkable ability to adapt to the new reality and the surrounding challenges, thus enabling insurers, using the procedures and means provided by technological innovation and relying on the creativity and management capacity of their leaders and the professionalism of its employees, to keep providing a very good service to customers and insurance beneficiaries.

Proof of this is the results of the ECSI (European Customer Satisfaction Index) survey, which we also publish in this issue. Among the 10 sectors analyzed, the insurance sector ranks second in the customer satisfaction index. In such an atypical year, such as 2020, these are undoubtedly excellent results.

The future of this industry is profiled as promising, albeit challenging, from the perspective of the consultants who had also their say in this edition.

We also wanted to know the vision of the future of a mayor, a member of parliament, a manager, a political commentator, a teacher and a cultural agent.

According to each, no matter how they see the future, insurance will always be there. Climate Change, Welfare and Security, Healthcare, Aging, Catastrophic Risks, Mobility, Cyber Risks, are, among others, areas that, as we know, cannot do without a response from the insurance sector.

I would like to finish with another sentence that I've heard several times: "I'm interested in the future because it's the place where I will spend the rest of my life."

So, if you are also interested in the future, make sure you read this issue.

Enjoy your reading!



**Alexandra  
Queiroz**

DIRECTOR GENERAL  
OF APS



## THE GREAT APS SURVEY: X-RAY OF THE SECTOR DURING THE PANDEMIC

*Praise to the Healthcare and Telework policies, concern about the Economy and requests for Healthcare and financial literacy to feature on the sector's agenda. 3,060 employees from 70 insurance companies refer to the absence of cultural and sporting events, assume that the pandemic has had a significant impact on their recreational life, state that they got used to cooking and are eager to travel when the pandemic situation is over.*



Healthcare and Telework had the highest number of positive responses in light of the policies implemented by the Portuguese government since the beginning of the pandemic, in March 2020.

In the diametrically opposite end stand the Economy and Culture sector, the most affected during successive periods of social confinement and decreed States of Emergency.

This is one of the main conclusions of the Great Survey of the Portuguese Association of Insurers (APS) carried out among 70 associates. The vast majority of the 3060 employees who responded to this survey still regret the lack of Cultural and Sporting Events during this year during which Cooking gained more followers and became part of the habits of a large majority of individuals.

The word "Travel" stands out for future memory. It's at the top of respondents' priorities as the first thing they will do when the pandemic situation is over.

### ECONOMY RAISES CONCERNS

The state of the Portuguese economy is a reason for concern for a vast majority of respondents. They feel pessimistic and consider that the economic prospects for

the next two years are unfavourable or very unfavourable, a period that will mark the start of the Recovery and Resilience Plan (2021-2026).

During the same time frame, most of the 3060 respondents in the Great APS Survey point to Employment as the area in need of greater political, economic and social intervention.

In the particular case of responses to the crisis by the insurance industry in 2021, they single out Healthcare as the area to promote in the coming years. Corporate and Social Responsibility and Innovation, Research and Development take the top positions of the pyramid.

The need to strengthen the population's financial literacy, a policy which was absent during last year, and the reinforcement of savings instruments go hand in hand as regards the wishes of the overwhelming majority of employees in the insurance sector. Retirement and Healthcare should be the main destination of these savings instruments.

### TRAVEL, HUGGING AND SOCIALISING. THE POST-PANDEMIC GESTURES

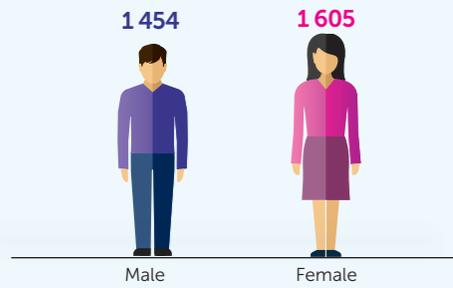
The lockdowns decreed following the States of Emergency, the imposition of the teleschool and the option of telework, the restriction of interactions and circulation, caused changes in habits and deeply marked life and human relationships.

The impact of the new coronavirus pandemic on lifestyle was considered "high" by most respondents. Concerning Recreational Life, the negative consequences are highlighted by an overwhelming majority of employees in the insurance sector.

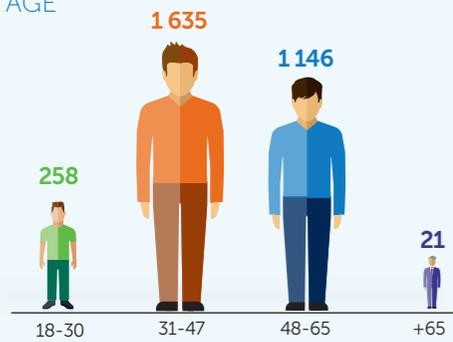
The feeling of having had Less Time for Leisure and Personal Tasks was highlighted by the professionals who responded to this survey. As for the Professional part, the rating falls to "moderate".

As regards relationships with the "other", a large majority considers that the experience during the pandemic did not bring Generations together. However, the concerns of the younger generations with the elderly were reinforced. Finally, Traveling, Embracing, Freedom, Living/Socializing and Friends are the words most chosen by respondents when the end of the pandemic is declared officially.

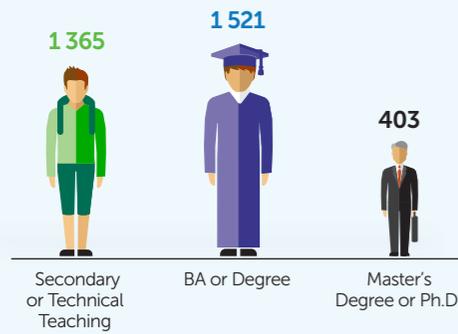
GENDER



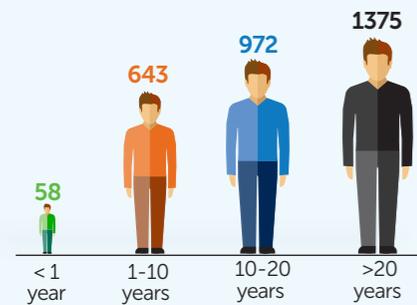
AGE



EDUCATION

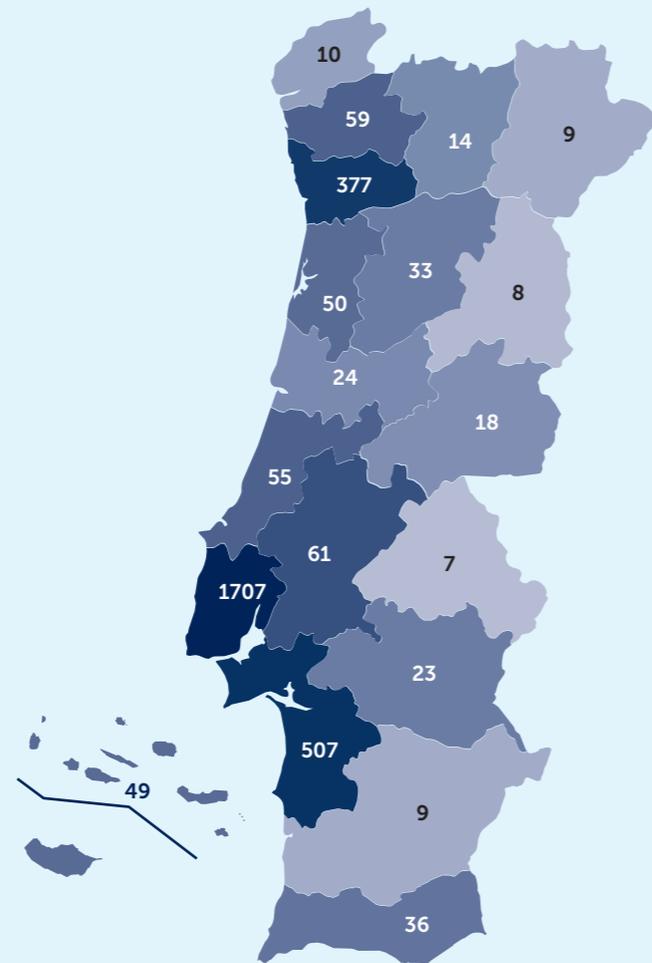


TIME IN THE COMPANY

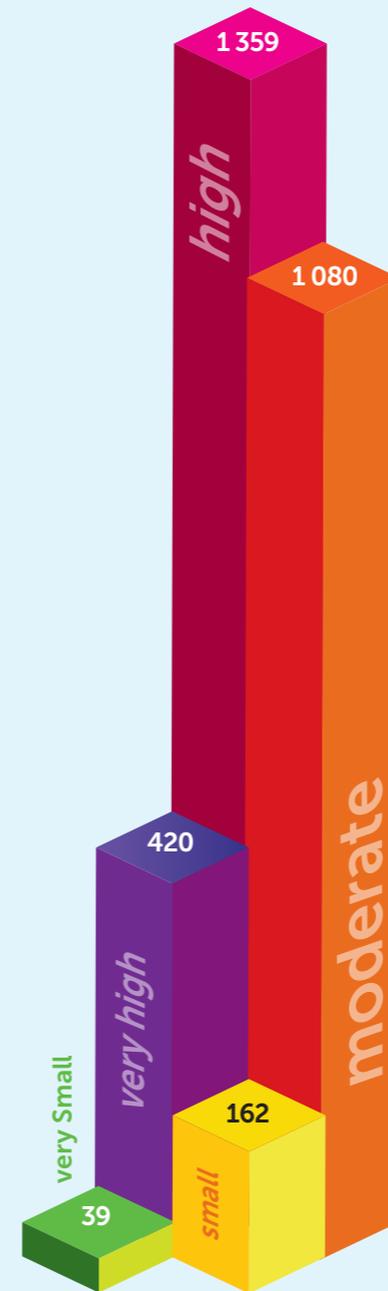


DISTRICT OF RESIDENCE

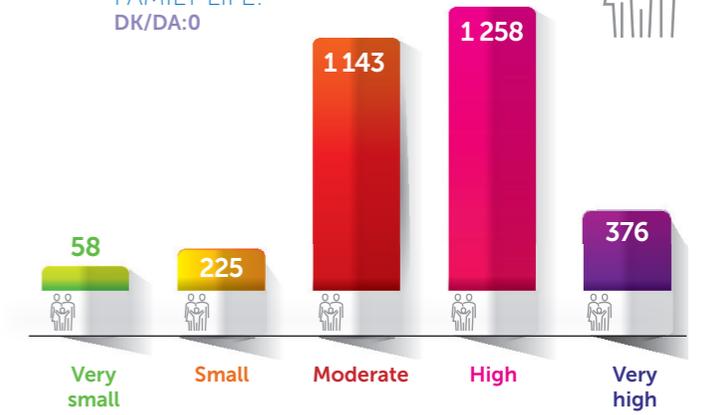
50	Aveiro	7	Portalegre
9	Beja	377	Oporto
59	Braga	49	Autonomous Regions of Madeira and the Azores
9	Bragança	61	Santarém
18	Castelo Branco	507	Setúbal
24	Coimbra	10	Viana do Castelo
23	Évora	14	Vila Real
36	Faro	33	Viseu
8	Guarda	4	NR
55	Leiria		
1707	Lisbon		



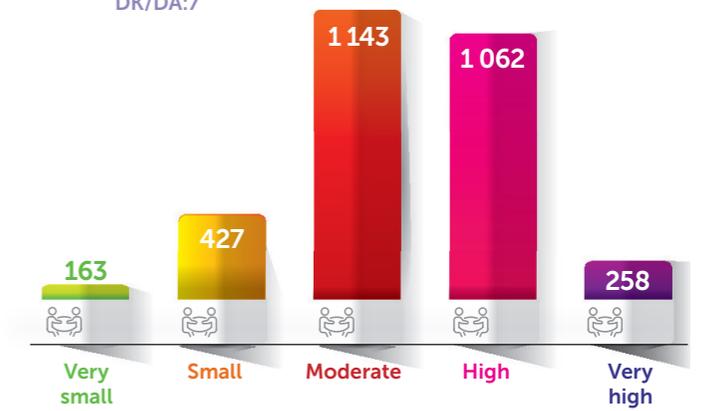
01 WHAT IS THE IMPACT OF THE PANDEMIC ON YOUR LIFESTYLE?



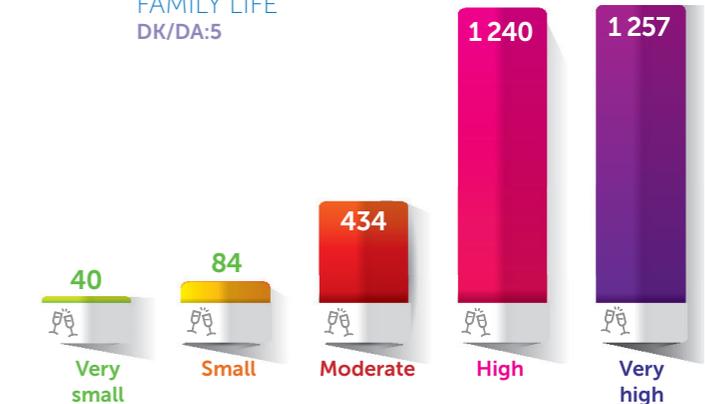
02 RATE THE IMPACT OF THE PANDEMIC ON YOUR FAMILY LIFE: DK/DA:0



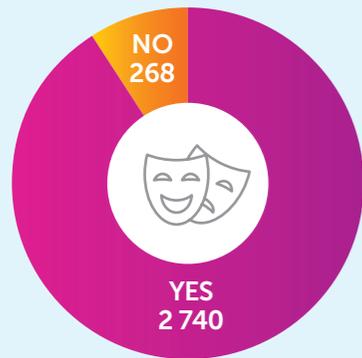
04 RATE THE IMPACT OF THE PANDEMIC ON YOUR PROFESSIONAL LIFE: DK/DA:7



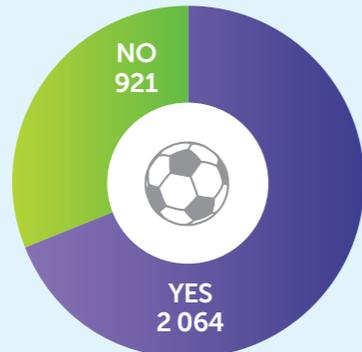
05 RATE THE IMPACT OF THE PANDEMIC ON YOUR FAMILY LIFE: DK/DA:5



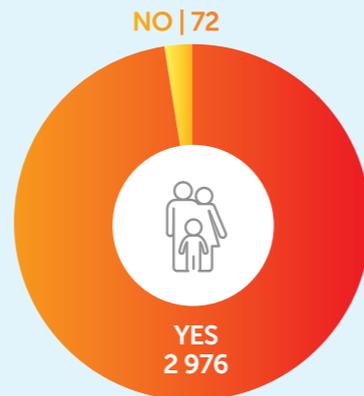
06 HAVE YOU MISSED ATTENDING SHOWS/CULTURAL EVENTS?  
DK/DA:52



07 DID YOU MISS ATTENDING SPORTING EVENTS?  
DK/DA:75



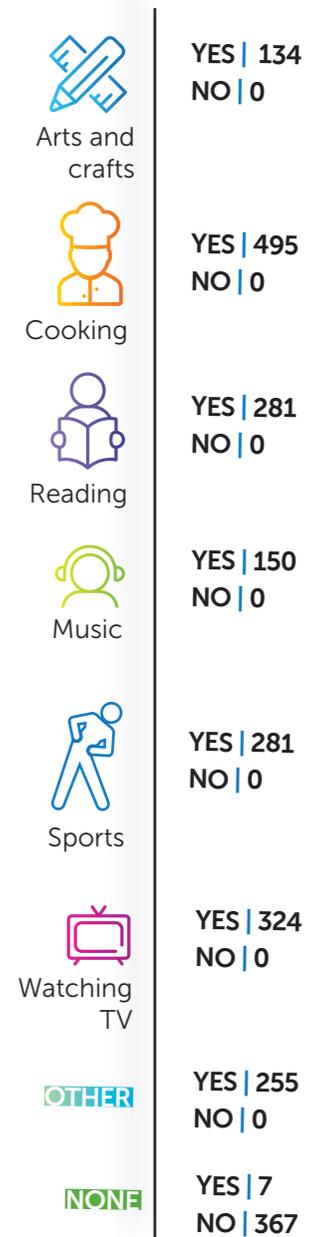
08 DID YOU MISS SPENDING MORE TIME WITH FAMILY AND FRIENDS?  
DK/DA:12



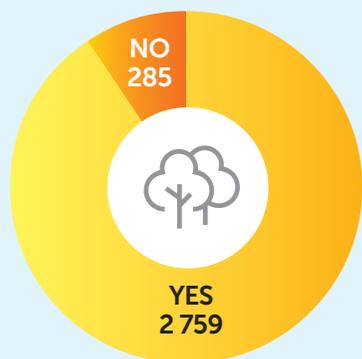
12 AND TAKING INTO ACCOUNT THE MANDATORY LOCKDOWN PERIODS WE WERE SUBJECT TO YOU HAVE GAINED NEW LEISURE HABITS AT HOME?  
DK/DA:50



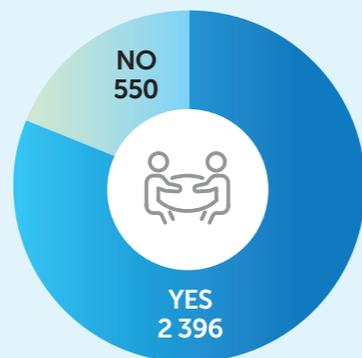
13 IF YES, AMONG THE FOLLOWING HABITS, WHICH TOOK MOST OF YOUR TIME?  
DK/DA:673



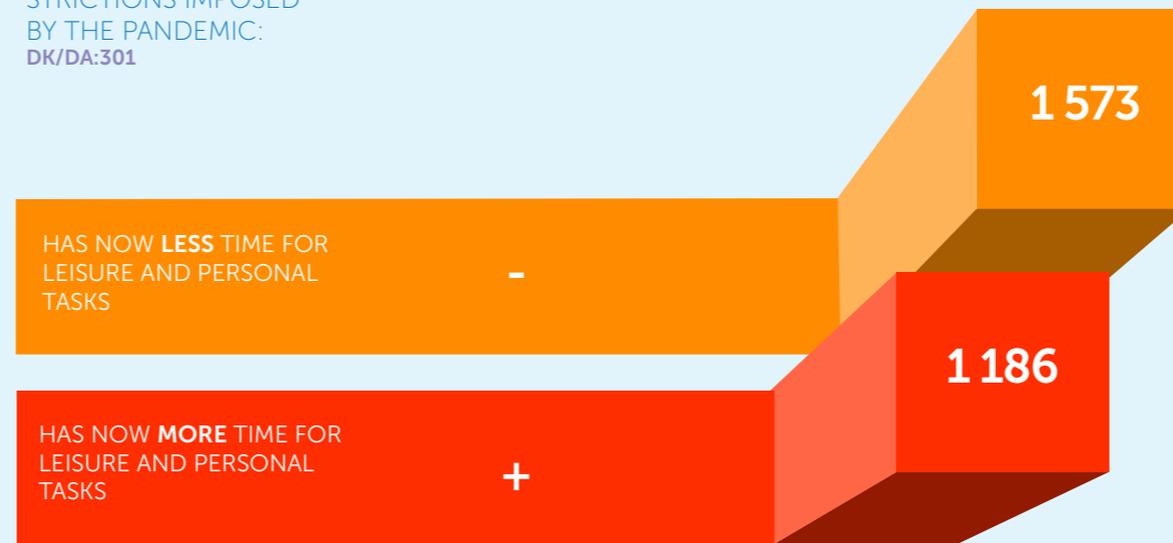
09 DID YOU MISS ENGAGING IN MORE OUTDOOR ACTIVITIES?  
DK/DA:16

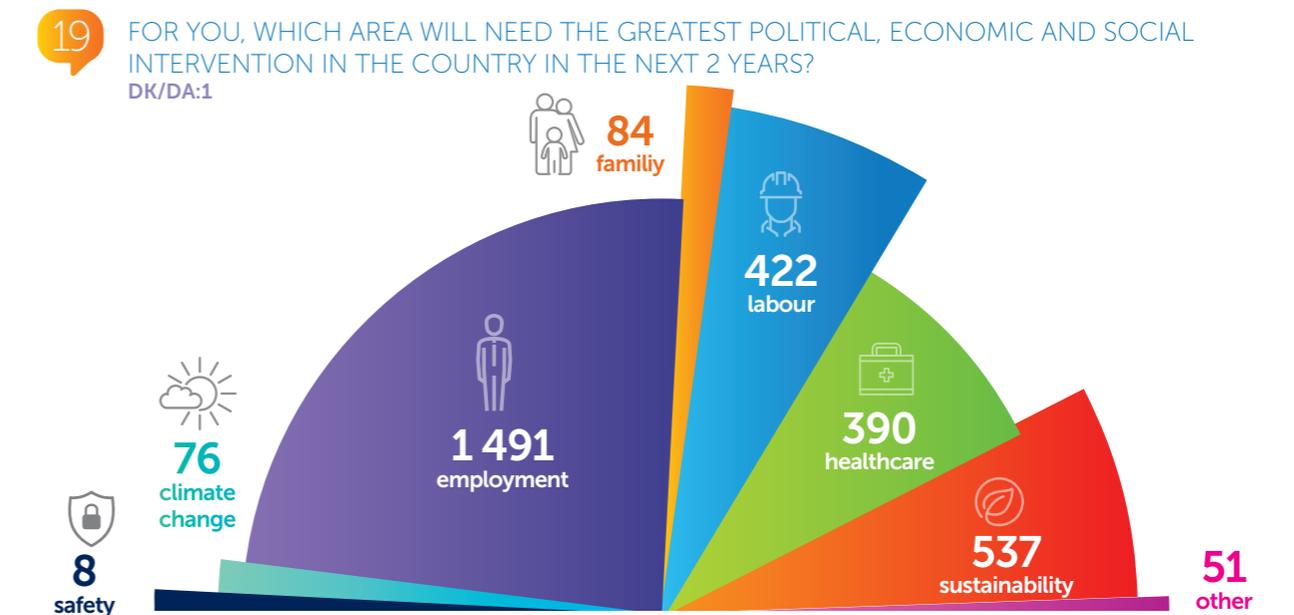
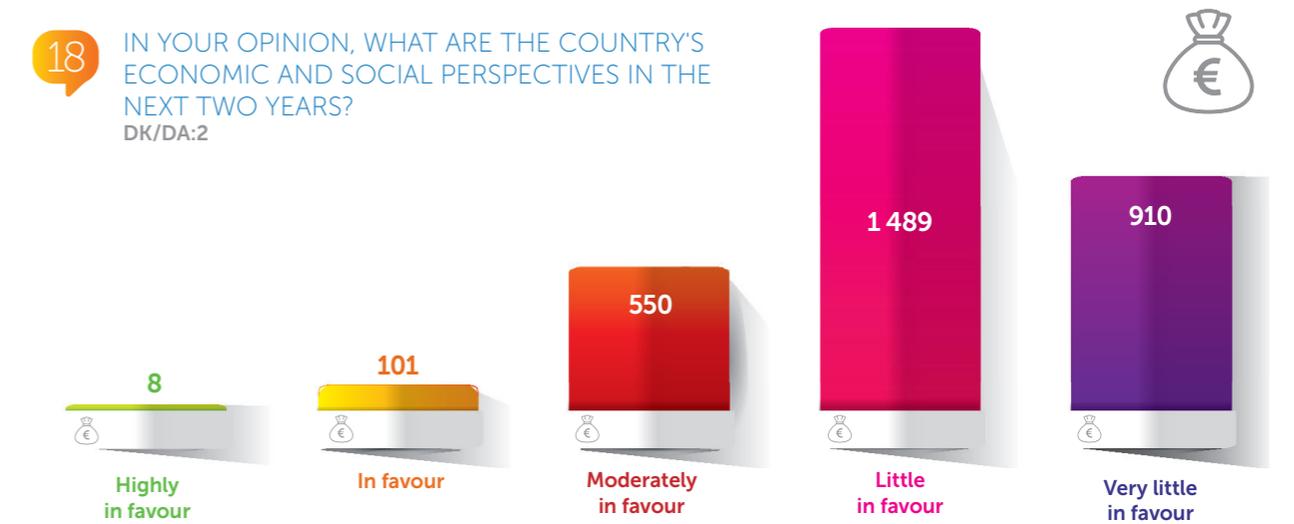
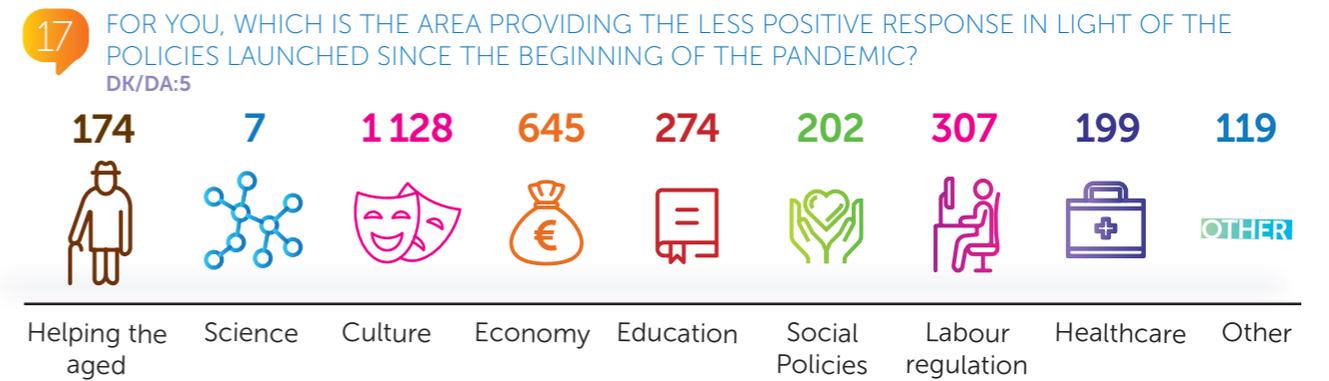
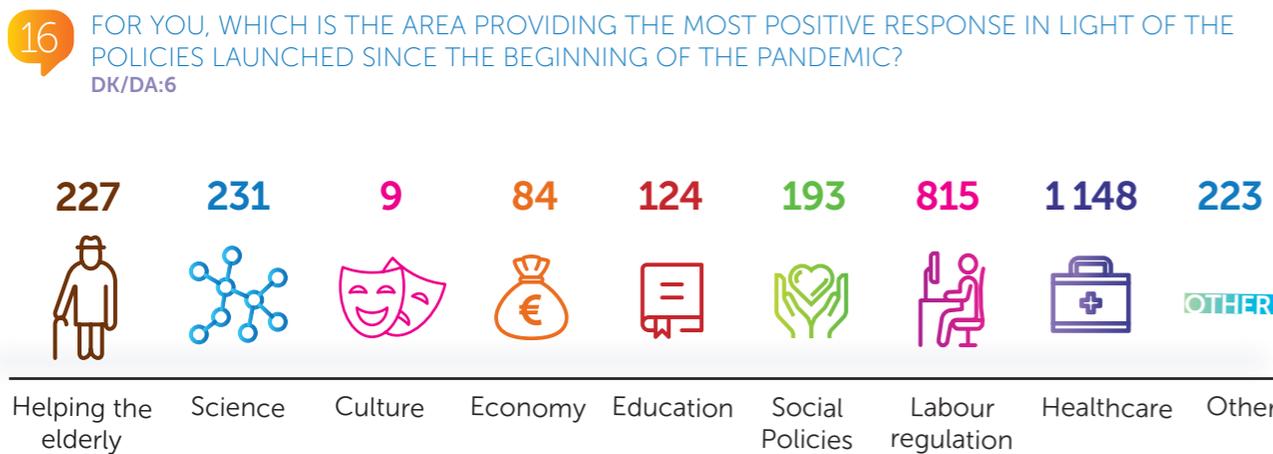
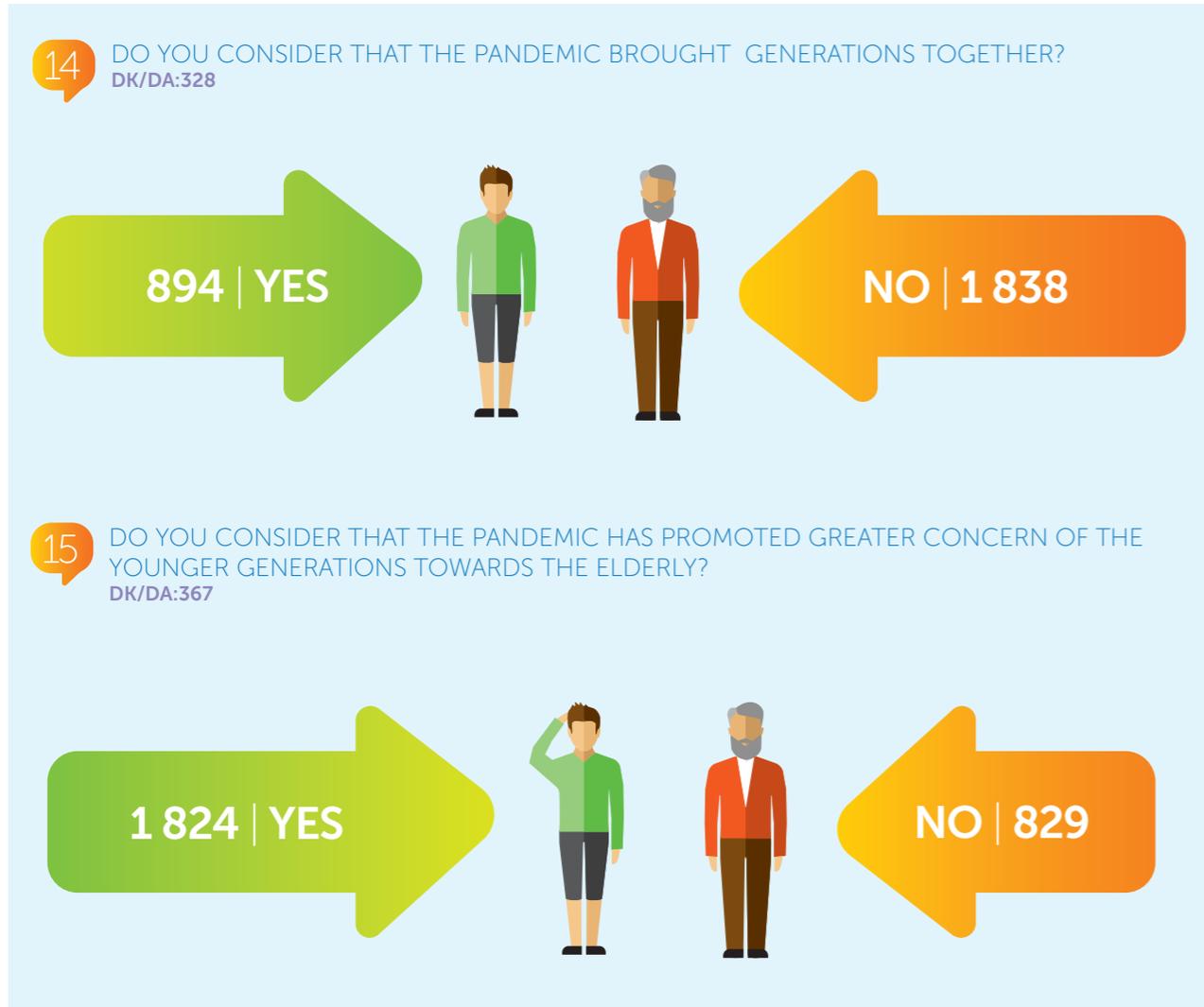


10 DID YOU MISS SPENDING MORE TIME WITH CO-WORKERS?  
DK/DA:114

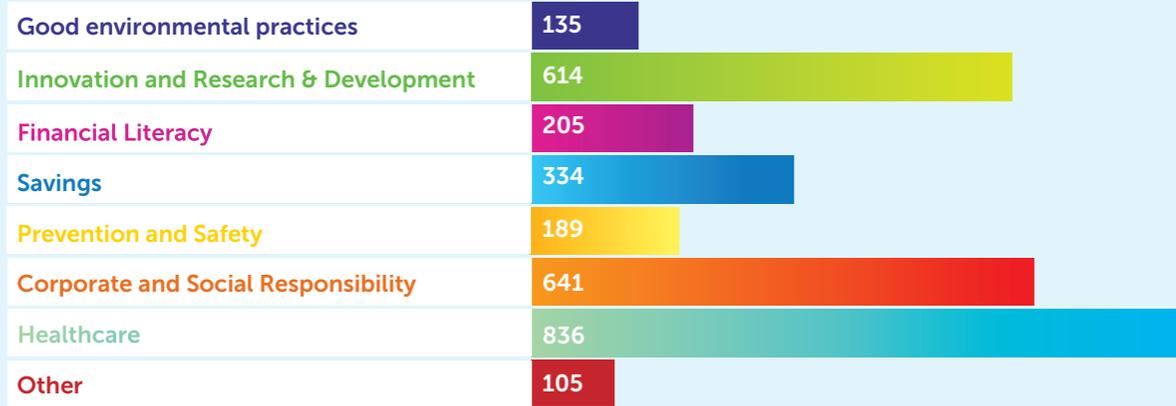


11 DO YOU THINK THAT, CONSIDERING THE LOCKDOWN PERIODS AND THE MANY RESTRICTIONS IMPOSED BY THE PANDEMIC:  
DK/DA:301

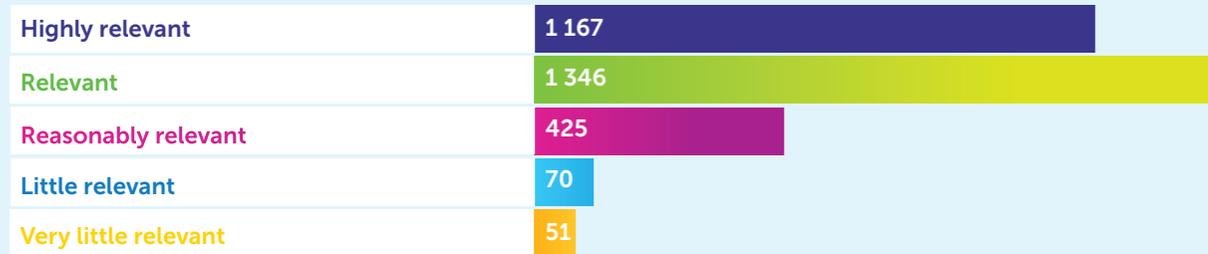




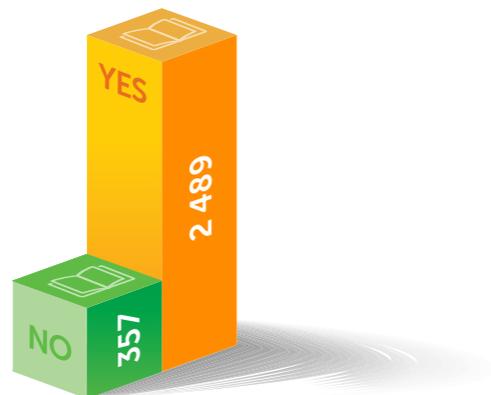
**20** AS REGARDS THE INSURANCE SECTOR, WHICH AREA DO YOU THINK THE SECTOR SHOULD PROMOTE MORE IN 2021?  
DK/DA:1



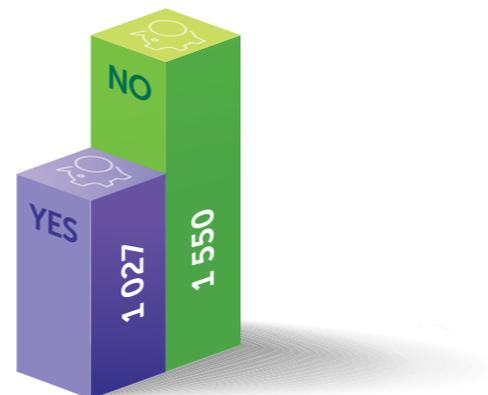
**21** HOW RELEVANT IS FOR YOU THAT THE INSURANCE SECTOR HAS HAD A DIFFERENTIATED RESPONSE IN A PANDEMIC PERIOD?  
DK/DA:1



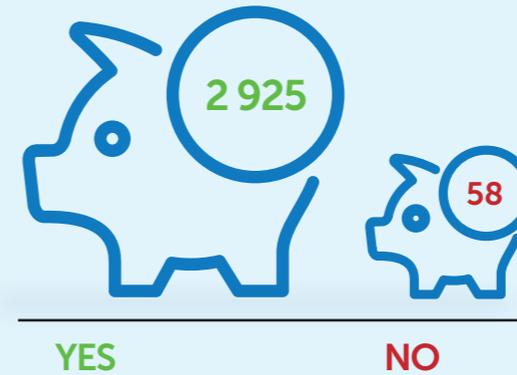
**22** DO YOU BELIEVE THE PANDEMIC, GIVEN THE CHALLENGES IT POSED TO THE PORTUGUESE, HAS LED TO THE NEED TO STRENGTHEN SKILLS AND FINANCIAL LITERACY LEVELS AMONG THE NATIONAL POPULATION?  
DK/DA:214



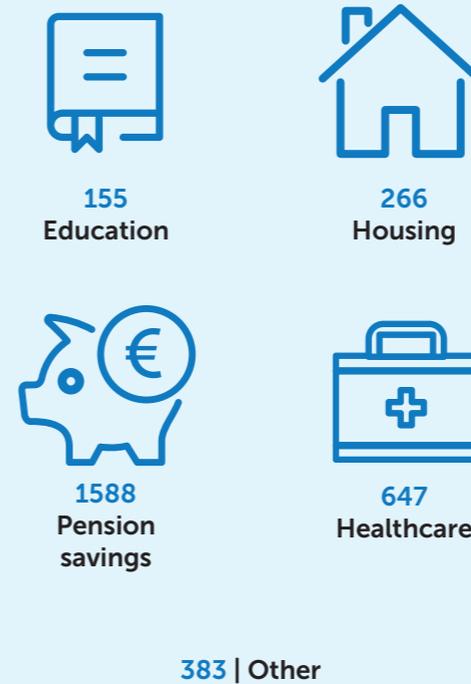
**23** DO YOU CONSIDER THAT IN THE LAST YEAR THE PORTUGUESE IMPROVED THEIR SKILLS AND FINANCIAL LITERACY LEVELS?  
NS/NR:483



**24** DO YOU CONSIDER THAT SAVINGS TOOLS SHOULD BE REINFORCED?  
DK/DA:77



**25** IF THE ANSWER IS YES, WHAT FOR?  
DK/DA:21

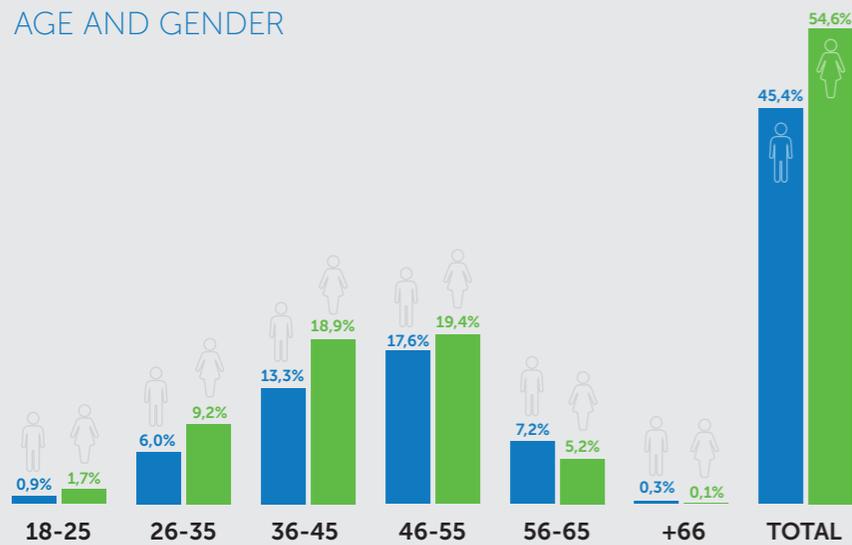


**26** WHICH WORD WOULD YOU USE TO DESCRIBE THE FIRST THING YOU WOULD LIKE TO DO WHEN THE PANDEMIC IS OVER?



# PROFILE OF INSURANCE SECTOR STAFF

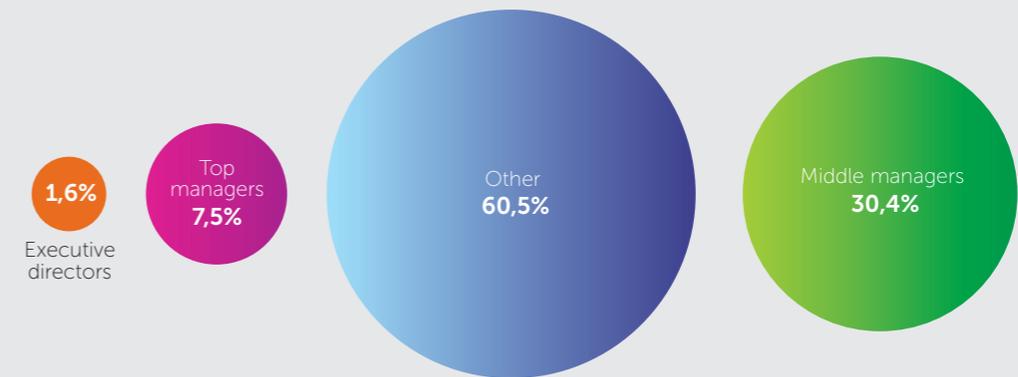
## AGE AND GENDER



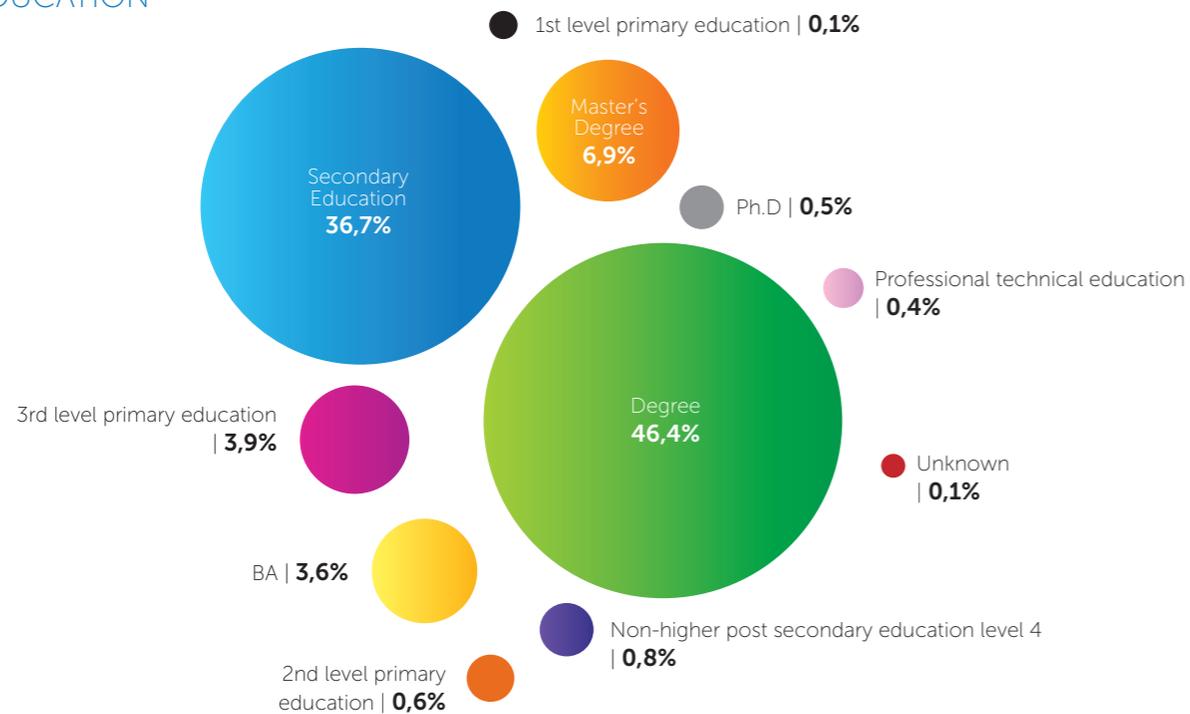
## AGE AND GENDER



## PROFESSIONAL CATEGORIES



## EDUCATION



## GEOGRAPHICAL SPREAD

### NUMBER

- Ilha Terceira | 0,1%
- Aveiro | 1,0%
- Beja | 0,3%
- Braga | 1,5%
- Bragança | 0,3%
- Castelo Branco | 0,3%
- Coimbra | 1,0%
- Évora | 0,9%
- Faro | 1,0%
- Ilha das Flores | 0,0%
- Madeira | 0,4%
- Ilha Graciosa | 0,0%
- Guarda | 0,3%
- Ilha Do Faial | 0,0%
- Leiria | 1,0%
- Lisbon | 74,7%
- Ilha do Pico | 0,0%
- Ilha de São Miguel | 0,5%
- Portalegre | 0,1%
- Oporto | 12,7%
- Santarém | 1,0%
- Setúbal | 1,0%
- Viana do Castelo | 0,4%
- Vila do Porto | 0,0%
- Vila Real | 0,4%
- Viseu | 0,8%

0,0% 74,7%



## HOW THE PANDEMIC WILL CHANGE PEOPLE'S LIVES IN THE FUTURE

The viewpoints of Álvaro Covões, Carlos Carreiras, Livia Franco, Margarida Balseiro Lopes, Paulo Pereira da Silva and Sebastião Bugalho.



**Álvaro Covões**

Managing Director  
of Everything is  
New

### **"I AM ALREADY PLANNING 2023"**

Álvaro Covões, managing director of Everything is New, believes that there will be shows in 2022, but warns about the difficulties in logistics. And he is already preparing for the coming year.

Álvaro Covões looks back at the last 14 months and anticipates how the near future will be. "We were in a kind of house arrest. And when we get out we will be looking for freedom", he predicts. "Human beings are contact creatures. We like to touch and laugh and see each other's faces. We will be dancing, clubbing, attending concerts, eating out, going to shopping centres and hugging like never before to compensate for what we have been deprived of. That is what we will be doing the most", says the managing director of the show promoter Everything is New.

"It will be the year of friendship and love", he assures and has high hopes that "group immunity will be achieved this year".

But he gives a warning. "The world is going to change. Nobody knows what the consequences of this pandemic will be", he says. "Some companies and some professionals will disappear. No one knows which sectors will be most affected when we reach the so-called herd immunity", says this director of the Association of Promoters of Shows, Festivals and Events (APEFE).

"It will be a two-year impact, at the very least," he says as regards one of the sectors most affected by the restrictions.

In the second half of 2020 and the first six months of this year, music was off the stage. "If you ask me if there will be events, the answer is yes. We talking people, artists, technicians and companies here and they all want to work and are planning for things to happen", he stresses.

However, not everything depends on personal will. In the international scenario, he attests "everything is being scheduled for 2022". But "we have to consider also the side effects. And we do not know yet whether airlines will be able to schedule flights from America to Europe", he warns.

But there's more. Álvaro Covões, the man behind some of the most iconic

summer festivals (NOS Alive) and concerts anticipates "difficulties for the artists" in the near future. For a reason. In 2022, there will not be enough venues, there will be no logistics, wanting to host shows won't be enough", he cautions.

He shares some information regarding his show promoter activities. "We cancelled four concerts, I believe. We have postponed many. And many were postponed even before they were announced", he tells us. "I'm already planning for the year 2023", he informs.



### **WHAT KIND OF CITY WILL BE THERE AFTER COVID-19?**

**"Seguros e Cidadania" asked me to answer the following question: what will cities be like in the post-pandemic? I have an honest answer for the reader: I don't know. But I do know – or I sense – which values are indeed crucial for the success or failure of territories.**

Based on the Cascais experience, I identified those I believe are the five essential values for the future of collective polis-based prosperity.

**Openness.** Municipalities are currently the main engines of innovation and science, education and culture and in the fight against terrorism and climate change. They are the economic muscle and the beacon of the rights and freedoms of nations. The 21st century will consecrate the city as the pivotal political unit, just like the 20th century was the age of the Nation-State and the 19th century the age of empires. For cities to remain at the forefront of all other forms of political organization they should indeed restore their soul of openness, tolerance and interdependence. Many of those who engaged in nationalist moves didn't do it out of political radicalism. Quite the contrary. They feel that the global common good is no longer there for them. For them, a return to sovereigntism is inevitable. With their networks that know no borders, their mini-societies of nations within neighbourhoods or parishes, with their companies, universities and cultural agents, cities are the best antidote to this growing isolationist



**Carlos Carreiras**

Mayor of Cascais

trend. The willingness to open up to the world offers a unique advantage.

**“Figital”.** The term refers to the fusion between the physical and digital environment in our societies. The last few months were there to prove that this is a path of no return. In education, culture, services, consumption, everything will be a mix between living in the physical world and the digital world – even if the glorification of telework is clearly exaggerated and we may have to pay a higher bill (but we should leave this for another debate). The city of the future has to create the infrastructure to support this new reality – which is crucial for the international affirmation of territories – and further ensure that technology is the engine for the creation of opportunities and inclusion for a large number of people.

**Resilience.** And considering that at the decision-making level they are closer to citizens, cities cannot turn a blind eye to problems as these would invariably end up materialising. In this particular respect, we should focus on three levels where resilience is critical: social resilience, e.g. having strong, free, independent and unconditional communities; economic resilience, both from the point of view of strength and diversification of the economic fabric, but also at Government level with healthy finances and correct accounts; and, finally, the resilience of public institutions.

**Solidarity.** Considering the escalating pressure on national budgets, the social responses that Central Governments will be unable to provide in time, with quality and constancy, will fall increasingly on cities. Any municipality looking to the future must gather skills, talent and resources to, alone or with private partners, the social sector and central state bodies, create solutions to solve people’s problems.

**Sustainability.** The pandemic and the lockdowns forced us to rethink the value we place on public spaces and the environment. Municipalities with the highest levels of prosperity will be those where there are more and better public green spaces, populations engaged in environmental policies and socially responsible economic agents.

COVID-19 changed cities. And also changed nations. Regarding the initial question in this text, it would also be useful to reflect on the type of State we want in the post-pandemic.

What’s Portugal’s strategic horizon? Where do we want to be ten years from now? Which sectors of economic activity do we want to be better than the best? And, knowing that we cannot do everything for everyone, which are the roles the State cannot give up entirely? What level of taxation are we willing to bear to have such services? And which of these services can be left to the private sector, ensuring however that no one is left behind?

These and other issues should be the object of deep national reflection. We will not find answers to all these questions in municipalities. But just like in the fight against COVID-19 municipalities, as have something of a lab dimension, can test solutions that may be later applied nationwide.

I do not know what cities will be like in the post-pandemic. But I know that local authorities can and should be the engine for us to, collectively, accelerate our way out of the crisis.



## THE SAME WORLD, YET DIFFERENT

**As far as international politics is concerned, the world after Covid 19 should be largely the same as before. National interests, the security dilemma, the struggle to achieve regional balances, technological and commercial competition between the major powers and migratory waves should prevail in the international strategic chessboard. Such elements revolve around a phenomenon that marks our time – globalization – and its major challenge: addressing the constraints and the potential of interdependence. Within this context, the Chinese-American rivalry takes on a particular role.**

But a lot is changing too. Most of these changes were, in fact, already underway before the pandemic. But they accelerated and are changing the way political communities organise and interact with each other. The clear sign of such change lies in the primary role of the associated dynamics of economic digitisation and the response to climate change on the countries’ agendas. Another clear sign lies in the extraordinary impact of cooperation in the field of scientific knowledge and its swift use by the biotechnology industry. Such open sharing explains the fact that one year after the global outbreak of the new coronavirus, there are now several vaccines to fight it, something unprecedented in human history.

There are good reasons to believe that, contrary to what many claimed at the beginning of the health crisis, this crisis didn’t trigger a process of de-globalisation. Rather, it seems to have led to a globalization movement fairly different from what we have witnessed until recently: everything points to the fact that, in light of the experience of recent months, globalization should become more environmentally conscious, more industrially prudent and more socially respectful. Quoting the Portuguese writer Miguel Torga, “we need to start again, on this hard path of the future, without anguish and haste (Sísifo, 1977).

## Livia Franco

Professor and Researcher,  
IEP-Catholic University



**Margarida  
Balseiro Lopes**

Member of Parliament

## THE OPPORTUNITY

More than a year since the outbreak of the pandemic, the economic and social impacts are huge and we are still unable to anticipate the day when we will wake up free from the threat of the new coronavirus. As a result of the profound changes in our normal lives, the way we live as a society probably won't be the same.

We should thus learn how to take advantage of the opportunities that are there, nonetheless, in the face of adversity. And two paradigmatic fields stand out in this respect: the labor market and Education.

The consecutive isolation and lockdowns we were subjected to are far from motivating us, at least for now, with the idea of establishing work from home as a definitive option, especially in those cases where there are school-age dependents in the household. But the reopening of schools and the return to normality in our social interactions may render this type of work more appealing, and even help to promote a better reconciliation between family, personal and professional life and increasing the quality of life of people and their families.



Such changes may have a stronger impact on Education. Given the circumstances, the analogue School was forced to become technological almost overnight. This state of emergency exposed the inequity of opportunities in Portugal where many children don't have access to computers and the internet, a fatality that in some cases has not yet been solved. And if it is true that we need to go back to face-to-face teaching, the same goes for the need to, from now on, take advantage of the potential of new technologies in the teaching and learning processes. But such a return to normality in Education doesn't mean that the School will go back to what it was before the pandemic. Access to digital pedagogical content, the use of complementary platforms to face-to-face teaching and the potential of new technologies, rendering School and Teaching more appealing, has to be consolidated in our education system. This is an opportunity that we cannot afford to miss.

## A GENERATIONAL BRAND AND A DECISION ACCELERATOR

**"The pandemic will leave deep scars and will be the experience of a generation". Such diagnosis was made by Paulo Pereira da Silva, CEO of Renova. "My grandparents used to talk about the wars, it marked them a lot. My generation, and that of my parents, hadn't experienced anything so disruptive until now. This will remain in our memories", anticipates the manager for whom the restrictions imposed by COVID-19 led everyone to realise the "importance of affection in personal relationships. We miss touching each other", he concedes.**

The scars this pandemic will leave depend a lot on how it affected each person's life. "A child may feel he experienced greater freedom for having taken classes via the computer at home and for having his parents working right by his side, but this may have been awful for someone who suddenly lost his job", he says.

In abstract and without prioritising which is the most important, he adds two further consequences of this health crisis.

"The acceleration in the digital world at all levels, in companies, in commerce, in life, in the classroom and travel is here to stay", stresses Pereira da Silva. "The world moved faster and we jumped forward many years", he reinforces, a leap with "good and bad consequences", he stresses.

Today, "we have to make decisions faster", adds the CEO of Renova. "From science to governments, in companies and our current lives, everyone has to make last-minute decisions, sometimes without knowing what the consequences might be", he adds.

The acceleration, which was there already before the present moment, "has a lot to do with the fact that we were faced with the need to manage complex phenomena", a growing complexity. "Things are not black and white and we will be forced to make decisions even before duly analysing them", he points out. "We have to learn how to manage complex phenomena and that means making decisions fairly quickly. We have to take it easy, get used to it and we should not make a drama out of it", he recommends.

Sudden changes may "create a greater gap between those who can and cannot adapt", he acknowledges, but this had to be seen as an opportunity. "It will require flexible people and fluidity in decisions, people with more training and better-skilled companies to manage information in companies, to handle data..." he stresses.

Graduated in physical engineering, Paulo Pereira da Silva also highlights the importance of Science. "One thing is Science and ascertaining the facts. It doesn't require making political decisions. This is up to the politicians", he outlines. "Maybe there are people in science who like to make decisions and get involved in politics and there are people in politics who use science as an excuse. These are different things", he says. "It's one thing to analyse the facts. These are the risks we know at the moment. And it's up to politicians and democracies to make decisions for the sake of all. But separating the two", he says.



**Paulo Pereira da Silva**

CEO Renova





**Sebastião  
Bugalho**

Political commentator

## A NEW REGIME

**Man doesn't always decide or understand the times of change they go through.**

The world after the pandemic will certainly realise what has changed - and is changing - during this pandemic.

Much has accelerated, rather than been transformed during last year in the economy, in technology, in the balance of power between nations. We all felt somehow that the 21st century would be marked by the clash between the United States of America and the People's Republic of China. The election of a new US president and the global health crisis caused by the coronavirus didn't change this perception; they are there to prove it.

And the same can be as regards Portuguese and European affairs.

The European Union remains undecided about having a voice in the international arena - the Løyen Commission stated it would be "more geopolitical" in nature - while preserving the commercial and business bridges between its member states. See for example the German proximity to Beijing, and to Moscow in the field of energy, to understand that such indecision is leading nowhere. We will continue, from the continental point of view, swinging in the wind. And the failure of the vaccination process in Europe is proof of that.

In Portugal, little has changed, but much has been confirmed.

As regards party politics, the left-wing and the right-wing blocks, albeit currently more fragmented, keep holding to values similar to those of 2015, before everything happened. The budgetary strategy has been the same for the past decade, regardless of who is in power: eliminate the deficit, reduce debt and attract investment. The electoral saturation of the parties in power is closely related to this programmatic continuity, far more real than the ideological folklore on both sides.

What is bound to change, after all?

Everything that is not up to us.

Europe will render the debate about debt forgiveness models banal. The world will render the discussion about foreign shareholders in former national companies common. The peninsula will render the state's possibility of injecting money into banks inevitable.

Will these changes in rhetoric affect our policy and change the regime we call the Third Republic?

Maybe.

## HOW THE PANDEMIC EXPONENTIALLY ACCELERATED THE 5G TECHNOLOGY AND REVOLUTION AND THE POST-PANDEMIC IMPACT AT THE INTERNATIONAL LEVEL IN THIS SECTOR

**Emanuel Agostinho (Accenture),  
Cristina Gamito (Deloitte)  
Carla Sá Pereira (EY),  
Nuno Esteves (KPMG)  
Rui Neves (McKinsey)  
Carlos Maia (PwC)  
João Cardoso (Lovys)**

5G technology and the post-pandemic bring new trends with it and open up new opportunities for the insurance sector. Five consulting firms analyse the future of the industry and a start-up company focuses on the ongoing digitisation process.

What impact can 5G technology bring to insurers and what kind of transformations, opportunities and risks does this digital transformation bring with it? Which post-pandemic trends can we expect in this sector in the fields of healthcare, mobility and labour? What is the relationship between customer and distribution and what does the future hold for the business?

These are the questions addressed to five consulting firms: Accenture, EY, Deloitte, KPMG and PwC give their testimony to Seguros & Cidadania magazine.

And also to, Lovys, a Portuguese startup company, operated from France and which started a true revolution in product subscription. A kind of Netflix created by this insurtech.



## THE PANDEMIC HAD SUCH AN IMPACT ON OUR LIVES THAT THE INSURANCE INDUSTRY QUICKLY ADAPTED TO MEET THE EXPECTATIONS CONSUMERS HAD ABOUT ITS ROLE.

### Emanuel Agostinho | Accenture

Managing Director for Strategy & Consulting, Accenture Portugal

Emanuel Agostinho, Accenture Portugal, in a short interview with Seguros & Cidadania magazine analyses the impact of the COVID-19 pandemic, 5G and digitalisation in the insurance sector. He highlights the changes in consumer behaviour and the existing opportunities for this activity in areas such as healthcare, telework and mobility.

#### WHAT IMPACT MAY 5G BRING TO INSURERS AND WHAT KIND OF TRANSFORMATIONS OR LEVERAGE CAN BE ACHIEVED WITH THIS DIGITAL TRANSFORMATION?

The advent of 5G makes connectivity available everywhere not just to people, but fundamentally to "things". I think it's the Internet of Things (IoT) finally happening, easily and with economies of scale. As regards insurance companies, I believe that we will have connected insurance models operating massively as well as pay-per-use, but also sharing of information by users in exchange for benefits.

#### WHAT OPPORTUNITIES AND RISKS DO YOU ANTICIPATE AND WHAT ARE THE MAJOR CHALLENGES?

The massification of connected equipment, in a professional context, opens a range of possibilities for those who produce equipment and thus create competition. But it will also lead to closer collaborations between insurers and other sectors, establishing a new distribution channel. There are opportunities and challenges for anyone who is proactive and imaginative.

#### IN THE POST-PANDEMIC, WHAT KIND OF SECTOR IS TO BE EXPECTED AND WHAT TRENDS WILL WE BE WITNESSING?

The pandemic took us to a context that is the result of a public health crisis, with an initially unknown origin and consequences, and the demand for health insurance was expected to increase considerably. On the other hand, financial security and health were also highly valued needs by individual consumers. This is where the greatest demand for insurance lies.

#### ARE MOMENTARY RESPONSE CHANGES OR ADAPTATION TO A SITUATION TO BE EXPECTED OR, INSTEAD, WILL THERE BE A NEW PATTERN THAT WILL TAKE HOLD FROM THEN ON?

These issues will be rather momentary. We believe that the trends that will prevail are those that have come a long way, with greater sustainability and related to digitisation, greater use of data and ecosystem business models (links between several service companies).

#### HOW DOES THIS CHANGE THE PATTERN OF CONSUMER BEHAVIOUR?

Our consumer behaviour surveys point to the fact that the pandemic is intensifying behaviours that were previously dormant. In the insurance market, I would like to stress the importance of protecting our additional vulnerabilities in this digital world. For example, the swift shift to working from home has led to growing concerns about cybersecurity issues.

#### HOW DO YOU SEE THE FUTURE OF THE INSURANCE INDUSTRY IN BUSINESS, DISTRIBUTION, ORGANISATIONS AND CUSTOMER RELATIONS?

The rapid digitisation, which is taking place in countless sectors has caused consumers to transpose their lives to the online environment, spending more time in front of the screen than ever before.

The pandemic had a huge impact on our lives and the insurance industry quickly adapted to the expectations consumers had about its role as an ally in light of the new vulnerabilities of this digital world. I would like to emphasize here the more digital distribution models,

greater openness to co-creation and distribution models between several companies and other sectors, as well as the use of artificial intelligence to communicate with customers.

#### CAN AREAS SUCH AS HEALTH, MOBILITY AND LABOUR BECOME OPPORTUNITIES FOR THE INSURANCE ACTIVITY?

Most certainly. All these issues correspond to everyday needs. Not only is demographic evolution making some of these markets more attractive as the pandemic has also created a greater awareness among consumers on issues related to teleworking, ecology and mobility. I see a growing demand related to issues such as health and well-being, but also an awareness of health and financial and ecological resilience, increasing the demand for property protection insurance in light of growing current concerns.

"In the insurance market, I would like to stress the importance of protecting our additional vulnerabilities in this digital world... The swift shift to working from home has led to growing concerns about cybersecurity issues."



"Financial security and health were also highly valued needs by individual consumers. This is where the greatest demand for insurance lies."

## STUDY

### THREE WAYS COVID-19 IS CHANGING INSURANCE – INSURANCE CONSUMER STUDY PREVIEW: THE COVID-19 REPORT

#### Three Issues

- With the Covid-19 pandemic, home became a focal point in almost everyone's life. We work from home, learn from home, shop from home. The increase in traffic and use of the home computing environment is making digital security and the protection of personal data already a top concern for consumers. Approximately three in four (76%) say they would like support in dealing with cybersecurity threats. But most add that they want to be rewarded for good behaviour, meaning more than half (53%) of respondents would be interested in home cybersecurity insurance where premiums would be linked to using the latest antivirus software. Millennials and younger consumers are particularly interested in these types of solutions.

- The value ascribed to the financial cost of service rose from fourth place in 2018 to the top, mainly through the perception of unemployed consumers and those who have experienced a significant drop in their income in recent times.

This fact tells us that consumers are increasingly price-sensitive, having ranked cost as the most important factor when dealing with banks and insurance companies. However, the effects of climate change and socio-political changes are affecting insurance prices and risks. For example, property coverage prices may increase in riskier locations and insurers have to be ready to explain this upward price movement to consumers.

- Historically, consumers tend to choose an insurer and stick with it. Retention rates across the industry remained fairly stable, hovering around 85%. Overall, only 13% of consumers say they are planning to change primary insurer in the next 12 months. But it is important to remember that a significant minority (12%) of respondents in our global survey said their insurer did not provide them with the support they needed during COVID-19. And almost one in five (18%) say their insurer has not clearly and effectively communicated their response to the pandemic and say they are not happy with it. In other words, insurers should not feel too comfortable, because when compared to older consumer groups Millennials and other younger consumers say they intend to change insurance company in the next 12 months. This generation's preference for digital channels also makes them an appealing target segment for competitors with more experience online.

“Consumers are increasingly price-sensitive”



## THE POST-PANDEMIC INSURANCE SECTOR WILL CERTAINLY BE MORE DIGITAL, AGILE AND FASTER AND, ABOVE ALL, FAR MORE COMPREHENSIVE AND RELEVANT AS REGARDS ITS RANGE OF PRODUCTS AND SERVICES

### Cristina Gamito | Deloitte

Partner at Deloitte, Insurance Industry Leader

**5G is poised to change the relationship between insurers and customers and to become a true business opportunity. The post-pandemic brought with digitisation, greater flexibility of response and new ecosystems, according to Cristina Gamito, Partner at Deloitte.**

#### HOW WILL 5G IMPACT INSURERS BE AND WHAT KIND OF TRANSFORMATIONS OR LEVERAGE COULD BE ACHIEVED WITH THIS DIGITAL TRANSFORMATION?

The impact of 5G should cross all sectors in the Portuguese economy, and concerning the insurance sector, the potential for disruption is huge as this will entail a profound transformation in two major areas: availability of products and services and a true revolution in customer experience.

As to the first, we would like to emphasize that when referring to the impact on products and services as a result of this technology, this means a strong investment in telematics with a clear impact on several fields of activity through wearables, drones, sensors, among others. This type of solutions should enable the hyper-personalisation of the offer of insurers, through the incorporation of customers' lifestyle in products, the clear bet on pay-per-use solutions and the creation of services adding up to the traditional offer. We may witness also greater use of video and, as a result, telemedicine could become one of the major beneficiaries. But the same can be said of photo expert services, whose processes will be faster as a result.

As for the customer experience, there are traditionally only two points of contact between the insurer and the customer: at the payment date of the policy and when there is a claim. This is one of the usual limitations of the business, and while the industry has gone to great lengths to improve the customer journey, we believe that 5G could become the catalyst for a major revolution in customer management. It is also worth mentioning that, nowadays, the level of consumer satisfaction is clearly defined by the experiences in different sectors and, as such, it's only normal to compare their level of satisfaction with the insurance company and that with a bank or with companies like Amazon or Netflix. 5G could thus provide the insurance industry with the necessary technological capabilities to revolutionize the customer experience, through profound changes in the underwriting and claim resolution process, monitoring the customer's involvement with the insurance company, and also through sophisticated gamification and loyalty programs. The aforementioned potential entails obviously business and cybersecurity risks companies will therefore have to manage in their activity. The companies' management model itself should evolve also in order to



“We believe that 5G could be a catalyst for a major revolution in customer management.”

respond to the new market paradigms.

At Deloitte, we believe that the impact of 5G is poised to become a relevant business opportunity for the insurance industry, as companies and customers now look for increasingly digital ecosystems. This means new business development opportunities, thereby enabling insurers to anticipate the response to risks that people and companies traditionally did not take and to which the offer of insurers should redirect.

"It's likely that the corporate management model itself must evolve in order to keep up with new market paradigms."

**HOW WILL THIS SECTOR BE AFTER THE PANDEMIC AND WHAT TRENDS COULD WE WITNESS? ARE MOMENTARY RESPONSE/ADAPTATION CHANGES TO CERTAIN SITUATIONS TO BE EXPECTED OR WILL THERE BE RATHER A NEW PATTERN THAT WILL TAKE HOLD FROM THEN ON?**

As in almost all sectors of economic and social life, there is a before and an after the pandemic. In the insurance industry, there is clearly a set of trends that point to new patterns in this industry.

The first trend we have identified is the emergence of **digital channels**. The timid and incremental evolution that was there before the pandemic both on the part of insurance companies and as regards the adhesion of distributors and customers to these platforms suddenly witnessed a strong disruption. Digital platforms are no longer seen as just a complementary channel focused on process efficiency. We need to allocate more capacity and functionalities to the policy lifecycle management and ensure solutions allowing the whole network of intermediaries to use digital channels as a sales platform. We have witnessed significant investments in the digitisation of intermediaries, particularly launching remote processes and the creation of digital ecosystems that combine insurance-

related features and other services.

The second trend is the **major flexibility** of response in the pandemic context. Insurers were able to launch within a short period of time innovative processes to manage remote claims (tele expert solutions, immediate payment, etc.), managing the network of intermediaries (virtual communication programs, review of incentive models) and launching new products and services (telemedicine solutions, insurance with specific coverage during the pandemic). In a sector with large and heavy regulated companies such increase in flexibility and quick response thus represent a paradigm shift with long-term effects.

And, finally, there is a third trend, which was already ongoing in this sector, but which gained momentum with the pandemic: the **creation of ecosystems**. This trend materialised either through partnerships with players from other sectors or through the insurers' investment. The development of ecosystems is there not only as a source of additional revenue, but mainly given its capacity to comprehensively address the needs of customers, increase the collection of data and knowledge about customers, and increase the relevance of digital platforms. See for example the launching of service platforms for home use, such as plumbing, domestic services and the creation of value propositions for the senior segment, combining healthcare, financial and home care solutions.

The post-pandemic insurance sector will certainly be more digital, more flexible and faster, and, above all, more comprehensive and relevant as regards its range of products and services on offer.

"There is a before and an after the pandemic. In the insurance industry, there is clearly a set of trends that reflect new patterns in the industry."

## 5G TECHNOLOGY COULD BECOME A MAJOR OPPORTUNITY FOR THE INSURANCE MARKET

**Carla Sá Pereira** | Ernst & Young, S.A.

Partner Financial Services Consulting

**Impact in the Motor branch, revolution in Healthcare and opportunities in the "new normal" hybrid work model are some of the predictions of Carla Sá Pereira, from EY.**

### WHAT IMPACT MAY 5G BRING TO INSURERS AND WHAT KIND OF TRANSFORMATIONS OR LEVERAGE COULD BE ACHIEVED WITH THIS DIGITAL TRANSFORMATION?

5G technology will enable greater and faster data transfer and unprecedented connectivity between devices, driving the development and spread of the internet of things (IoT). The development and proliferation of 5G and IoT will certainly have an impact on the insurance industry. The availability of massive, real-time data across a range of interconnected devices should make it easier to quantify risk exposure and insurance rates, leading to faster transactions and approvals.

On the policyholders' side, setting up sensors in car components or in household appliances, and the information they transmit in real-time, make it possible to issue alerts, thus allowing them to act promptly and prevent problems from worsening and reducing insurance premiums as a result.

It is expected, for example:

- A strong impact in terms of motor insurance, because of high data transfer speed and low latency, paving the way for the incorporation of new technologies in vehicles based on sensors and artificial intelligence. Such innovations should reduce the number of car accidents and promote new usage-based policy charging models. More detailed information about policyholders' lifestyle – namely driving patterns (more aggressive or defensive) –, when provided to the insurer, allows the creation of more personalized plans for each policyholder.

On the other hand, the transition to smart cities and the adoption of autonomous vehicles should gain momentum thanks to the ability to share data in real-time between several devices. As a result, there will be a shift in insurance liabilities from owners to device or vehicle manufacturers.

- The manufacturing and transport industries will be able to implement more sensors and connected devices – including smaller, faster and smarter robots, controlled through augmented reality applications. These innovations, in turn, have the potential to fundamentally change the profile of many business risks and create opportunities to focus rather on risk prevention thanks to an unprecedented amount of available data.



"Healthcare will also benefit from 5G, allowing continuous monitoring of patients and caregivers, making remote healthcare and surgical procedures a reality."

"With the lockdown easing, hybrid work is expected to become the "new normal" for many workers and insurers must develop products suited to this new reality."

- Healthcare will also be revolutionized by 5G, thus enabling continuous monitoring of patients and caregivers, making remote healthcare and surgical procedures a reality. This enables insurers to explore result-based value propositions, providing real-time behavioural stimuli to make sure individuals make informed, healthy decisions and have access to the best healthcare options, wherever they are.

- Finally, the use and control of long-range commercial drones, in addition to the Beyond Visual Line of Sight (BVLOS), will make significant inroads, allowing the insurance industry to extend the use of drones to oversee properties or insured equipment, real-time monitoring of vital signs and claims assessment. This, in turn, will simplify the process of underwriting and settling claims, particularly for commercial lines.

In any case, this evolution will naturally entail a number of challenges. Insurers cannot fail to address the issues of privacy and cybersecurity – faster and greater transmission of information increases the risk of cybercrime, as well as the risk of privacy and information security threats.

On the other hand, the proliferation of 5G services may also result in an increased risk of disintermediation of insurance operators. In particular, concerning motor insurance, 5G is expected to drive the

development of unmanned cars, and this could lead car manufacturers to become the insurers of their own vehicles (many already have their own), and given that motor insurance represents 1/3 of Non-Life insurance premiums, this may represent a new market dynamics.

In short, the introduction of 5G technology could become a major opportunity for the insurance market, generating new sources of revenue and experiences for customers, but also significant threats, depending on the power of innovation and adaptation of each insurer and the level of regulation on innovation in each market.

#### WHAT SECTOR CAN WE EXPECT IN THE POST-PANDEMIC AND WHAT TRENDS COULD WE WITNESS?

At the end of 2020, we conducted yet another global survey, involving over 2700 consumers and 1200 small business owners to understand how the COVID-19 pandemic impacted our lives.

This survey revealed a set of insights that represent the insurance industry's needs for adaptation, based on the changing priorities of these consumers and clients.

Concerning life insurance and pension plans, consumers surveyed stated that their major concerns revolve around the impacts that the pandemic has had on their health and finances, whereby the fear of losing a loved one was by far, the biggest concern, followed by financial well-being. To this end, the survey tells us that consumers are more interested in products that cover the loss of income, credit card charges and other financial



commitments they have in their lives.

The pandemic has led consumers to spend more time at home, creating new risks and concerns about cyber fraud as a result of increased time online. This became a central concern, followed by motor insurance payment which they now use the car less. Consumers are also more interested in use-based insurance and home protection products.

Given that, even with the lockdown easing, hybrid work is expected to become the "new normal" for many workers, insurers must develop products suited to this new reality and which meet the interests of consumers.

The survey also clearly points to the fact that there is an opportunity to engage, educate and provide protection solutions for those most in need. Those who have suffered the biggest financial impact are more motivated to plan based on future financial uncertainty and are more likely to develop an emergency plan, talk to a financial advisor, increase contributions to pension funds and retirement plans, and take new forms of insurance.

There is a clear opportunity to create mutual value for insurers that proactively connect with these customers, communicating the value of insurance and offering protection solutions in times of need, helping this segment to recover, while paving the way for long-term relationships.

The environment thus presents unique opportunities for insurers to engage with customers and support them in times of need, showing them that they understand and realise what they are going through in life and doing it with corporate and social concern.

The challenge for insurers is to provide truly customer-centric products and solutions, tailored to their evolving needs and budgets. Products must also be delivered through channels that reflect the shift to digital.

In terms of the experience for both intermediaries and customers, the challenges are huge, especially in insurers with business models based on proximity and personal contact, something that the pandemic came to halt. It is expected that some insurers will come to rethink the digital tools, the operational support and channels they offer in order to establish stronger relationships.

In short, the pandemic brings to light the very purpose of insurance: protect people, households, businesses and communities against disasters and unforeseen events. Insurers must be bold and dynamic as to their purpose and prove the tangible value of their products and solutions. We believe that insurers willing to change their strategies during and after this crisis, in line with changing consumer behaviour and needs, will be the major winners.

"the pandemic brings to light the very purpose of insurance: protect people, households, businesses and communities against disasters and unforeseen events. Insurers must be bold and dynamic as to their purpose and prove the tangible value of their products and solutions."



## SERVICES PROVISION TRANSFORMATION IN THE HEALTHCARE SECTOR SHOWS THE GREATEST POTENTIAL

### Nuno Esteves | KPMG

Advisory Partner

**More information could pose a threat to the insurance industry, says Nuno Esteves, KPMG advisory. Mobility and new work models open up a range of opportunities for insurers, which can take advantage of the huge potential of behavioural and technological advances.**

#### HOW DO YOU SEE THE FUTURE OF THE INSURANCE INDUSTRY IN BUSINESS, DISTRIBUTION, ORGANISATIONS AND CUSTOMER RELATIONS?

After the significant changes that mobile internet, smartphones and 4G caused in the way people consume and operate, it is unanimous that the development of 5G will entail significant advances in terms of bandwidth, capacity, reliability and connectivity. This greater technological potential is also enhanced by changes in behaviour induced by the pandemic, both in terms of valuing insurance and as regards consumers' confidence in non-face to face interaction models.

The adoption of 5G and the behavioural changes caused by the pandemic undoubtedly represent new opportunities for this sector, but also potential threats, regarding relations and business models or the relationship with partners and the management of operations.

#### • Customer: Adoption of new products and services supported by innovative business models

In terms of customer relations and the adoption of new business models, one of the areas experiencing greater growth is the adoption of usage-based models (UBI – Usage-Based Insurance). This is nothing new but, up until now, the existing offer focused rather on some market segments and customers, such as car insurance for younger customers. The

"This greater availability of information poses also a threat, particularly as regards potential emergence of new players that, given their capacity to leverage the relationship with the customer and the fact that they have more information available, may go up the value chain and conquer part of the business currently held by the insurance industry (e.g. self-insurance models)."

greater ability to connect multiple types of devices (IoT – Internet of Things) at lower costs will drive the development of new pricing and collaboration strategies, increasing the perception of value in insurance. A further area of opportunity pertains to the reinforcement of loyalty programs offering benefits through less risky behaviour, such as safer driving or a healthier lifestyle. This greater availability of information poses also a threat, particularly as regards potential emergence of new players that, given their capacity to leverage the relationship with the customer and the fact that they have more information available, may go up the value chain and conquer part of the business currently held by the insurance industry (e.g. self-insurance models).

#### • Partners: New forms of interaction

In terms of partnerships, 5G technology should enhance new forms of interaction and provide better access to information. In terms of distribution, we would like to highlight the greater quantity and quality of information made available in the 5G context, which should allow, when combined with greater product customization, an increase in insurance sales and combination with other complementary services (ecosystems). In terms of partner networks, greater connectivity should allow, for example, monitoring and provision of repair or assistance services at a distance, improving the efficiency and quality of services provided.

#### • Operations: Greater efficiency and information

In an internal context, the main factor behind such a swift transformation process is the pandemic. The need to remotely solve problems that previously required face to face intervention accelerated the process of dematerialization and digitization of processes.

In risk management processes, the main opportunity relates to the ability of 5G to generate knowledge and greater volumes of information, mainly in the underwriting processes. This opportunity may be constrained by issues of trust and incentives to share personal and behavioural information. In this context, the need to adopt positive discrimination strategies becomes crucial, achieving benefits if certain results are obtained, but not penalties when processing the information received.

A further area where a major impact is expected is

claims management. Greater information sharing allows for more proactive action, greater information sharing throughout the process and faster and more informed decision. For example, the use of sensors in homes, offices or factories should lead to a better quality of service and better detection and prevention of accidents.

#### CAN AREAS SUCH AS HEALTHCARE, MOBILITY AND WORK BECOME OPPORTUNITIES FOR THE INSURANCE ACTIVITY?

##### Healthcare

The transformation in the provision of services in the healthcare sector shows the greatest potential" Telemedicine is already a reality in healthcare provision, but the possibility of measuring and real-time transmission of body indicators boosted by 5G (such as blood pressure, pulse rate, oxygen level, ...) can significantly transform the way healthcare is currently provided, with potential cost reduction and service improvement through, for example, reduction of waiting times.



"The use of sensors in homes, offices or factories should promote a better quality of service and better detection and prevention of accidents."

“The new hybrid collaborative models, or fully at a distance change also the risk factors involved and could make new types of insurance more appealing, such as coverage against cyber risks. This represents undoubtedly another opportunity for this sector to evolve and take advantage of the full potential that behavioural and technological advances bring with it.”

#### Mobility

In terms of mobility, the pandemic caused significant changes, some of them temporary, which will tend to disappear when the pandemic is over, but others have the potential to be more structural. These factors represent significant opportunities for the insurance industry, but also potential threats, namely the reduction of mobility or the change in risk factors that today represent important sources of income, such as the reduction of car accidents induced by the adoption of self-driving vehicles. On the other hand, the emergence of new forms of mobility enhances the diversification of insurance products far more focused on customer needs.

#### Work

In the labour context, greater connectivity and availability of information will allow for better pricing of risk and hence greater market differentiation. Additionally, the new hybrid collaborative models, or fully at a distance change also the risk factors involved and could make new types of insurance more appealing, such as coverage against cyber risks. This represents undoubtedly another opportunity for this sector to evolve and take advantage of the full potential that behavioural and technological advances bring with it.



## Rui Neves | McKinsey & Company

Senior Partner

#### WHAT IMPACT CAN 5G BRING TO INSURERS AND WHAT ARE THE OPPORTUNITIES AND RISKS OF THIS DIGITAL TRANSFORMATION?

On one hand, 5G will be an important enabler of “autonomous driving” given its low latency and the possibility of network processing. With the massification of “autonomous driving”, we may witness a significant reduction in the accident rate and a growing decrease in the private car market, with a progressive migration of policies to OEMs, leasing/rental companies, or mobility platforms – the risk of accidents it is no longer in the hands of the customer and now resides in the quality of the algorithms and sensors that will be there with the advent of car/mobility services.

On the other hand, 5G should lead to the massive use of sensors and telematics – for example with the proliferation of smartphones or the proliferation of other IoT-type applications in companies (e.g. sensors to prevent pests in crops). This will provide insurers with an opportunity to measure different risk profiles much more accurately in real-time and fine-tune their pricing and underwriting profiles to improve profitability.

These impacts are due to take place and be gradual (and not disruptive) as they rely heavily on the 5G adoption curve – either at the technological/equipment introduction level or the level of adaptation (sometimes profound) of the business processes of different industries to incorporate this technology.

#### WHAT SECTOR CAN WE EXPECT IN THE POST-PANDEMIC AND WHAT TRENDS COULD WE WITNESS? ARE MOMENTARY RESPONSE/ADAPTATION CHANGES TO CERTAIN SITUATIONS TO BE EXPECTED OR, INSTEAD, A NEW PATTERN WILL TAKE HOLD FROM THEN ON?

We believe that a large part of the trends in the industry is due to continue. In our opinion, there are six key trends: (1) **digital** – both in the purchase, renewal, service process but also the companies’ internal processes; (2) **efficiency** – development of operating models based on artificial intelligence, automated processes and without duplication; (3) **new capabilities** – digital and analytical talent; (4) **innovation** – development of products and services to meet the real needs of customers; (5) **M&A** – consolidation to achieve scale and capabilities; and; (6) **purpose** – to develop a raison d’être for the whole organization. The Covid crisis has greatly accelerated these trends.





## INSURERS SHOULD STAY FOCUSED ON LONG-TERM CAPITAL MANAGEMENT

### Carlos Maia | PwC

Partner

Opportunities in particular fields such as usage-based products, in the mobility sector, protection against unemployment and business disruptions caused by pandemic events, coverage of cyber risks, greater integration of mobile apps, websites and call centres in the product distribution process with policyholders are some of the opportunities in this sector according to Carlos Maia.

#### WHAT SECTOR CAN WE EXPECT IN THE POST-PANDEMIC AND WHAT TRENDS COULD BE THERE? ARE MOMENTARY RESPONSE/ADAPTATION CHANGES TO CERTAIN SITUATIONS TO BE EXPECTED OR WILL THERE BE A NEW PATTERN INSTEAD THAT WILL TAKE HOLD FROM THEN ON?

When the pandemic is over this sector should stand out as a solid sector and with financial health, resulting from the insurers' resilience over the past few years. In the last 12 months, the insurance industry and the remaining industries adapted to a new reality, that of teleworking. The pandemic situation irreversibly accelerated this process, which is intrinsically related to the digital transformation process in the value chain. This transformation implies an upskilling of the human capital of insurers, given the need to operate in an increasingly demanding technological world. Upskilling requires addressing matters such as attaining the desired level of knowledge within organisations, investing and promoting constant training and learning, assessing the impacts of change and ascertaining the return on investment made regularly. The main issue is the need to be more efficient and more digital, thus securing productivity gains – the timeless challenge of organizations. In the case of teleworking, it is estimated that insurance companies, like other entities in other industries, may achieve significant gains with it, essentially via the reduction in the cost of infrastructures and therefore in the cost of providing services.

Regarding the business and the offer of products in the post-pandemic world insurers are expected to, using the wealth of available information (big data) and technological advances, invest in services of a more preventive than reactive nature (example: healthcare sector) and the digital distribution of products, to provide a better experience to policyholders, identifying new sources of revenue/business (examples: cyber risk, insurance related to mobility, based on the temporary use of vehicles, participation in business ecosystems, insurance-linked to wellness (well-being: health and finance).

Once the pandemic crisis and the economic pressure on solvency are over, resulting from market volatility, insurers should remain focused on long-term capital management, amidst a scenario of low interest rates, increased volatility in financial markets and a potential increase in default situations experienced by issuers of financial instruments.

"In the post-pandemic scenario insurers are expected to... focus in preventive rather than reactive services (example: healthcare), in product distribution using digital means to offer policyholders a better experience, and in the identification of new sources of revenue/business"

#### COULD AREAS SUCH AS HEALTHCARE, MOBILITY AND WORK BECOME OPPORTUNITIES FOR THE INSURANCE SECTOR?

The pandemic/public health crisis, despite the disastrous impacts, opened the way for organizations, and for insurance companies, in particular, to reinvent and differentiate themselves. In such a competitive sector and market, such opportunities can be materialized through a clear strategic differentiation and optimization, both in capital management and as regards its cost structure.

Regarding the supply and distribution strategy, we anticipate opportunities in areas such as usage-based products, in the mobility sector, unemployment insurance for self-employed workers (gig workers), product coverage to cover business disruptions caused by pandemic events, following the economic problems witnessed as a result of non-coverage, mostly business losses resulting from interruption losses caused by pandemics, cyber risks coverage in the context of a greater propensity to work from home, greater integration of mobile apps, websites and call centres, in the product distribution process with policyholders. Furthermore, it is worth mentioning

new opportunities that were not created by the pandemic, but which are now being anticipated and take on a relevant role, such as the need to offer savings solutions to complement social security retirement pensions (considering a scenario of increased savings during the pandemic and persistently low interest rates) and to increase health insurance, taking into account the ageing of the Portuguese population and in many mature markets worldwide. Participation of insurers in business ecosystems and the marketing of insurance linked to wellness (well being at the health and financial level will also be strategic to increase the sources of revenue are also strategic.

Such opportunities mean that there will be a quest for greater market share, in a market that has shrunk due to the pandemic in local and global terms, thus requiring insurers to reinforce retention actions without compromising the profitability and the sustainability of their business.

"Once the pandemic crisis is over... it is paramount for insurers to stay focused on long-term capital management, in light of low interest rates, increased volatility in financial markets and a potential increase in default situations experienced by issuing entities financial instruments"



## LOVYS: THE NETFLIX OF INSURANCE

### João Cardoso | Lovys

Chief Executive Officer

**The idea was born in Portugal but grew up in France. Lovys, a startup designed by João Cardoso, revolutionized the way to take insurance: from annual contract to single monthly subscription that brings together four policies. Just like a streaming platform.**

As a rule, the subscription of a policy covers a certain specific and individual insurance, e.g. to cover a home or a car, and requires customer loyalty for a certain period of time.

This was not, however, the path followed by Lovys, an insurtech designed in Portugal and developed in France.

The idea was "simple", recalls João Cardoso, CEO and founder of this startup. "Why not create a neo-insurance that is all in one, he asked himself. "A single monthly subscription to meet all protection needs and which could be both customizable and flexible," he adds.

Following this line of thought in September 2017 "the Netflix of insurance" was born as it was baptised in France. "The customer has a single subscription for all insurance needs", stresses João Cardoso, a subscription that can be cancelled at any time. Everything 100% digital.

"We are translating the sector into a reality and a language that consumers know too well with Spotify or Netflix", he explains. "In an insurance company, the logic is to create a product and try to figure out how to sell that product to as many people as it can", he says. "But we have something completely different in mind. I have this client and I should see to his needs. This is our evolution", he adds.

"We have a good database that reads our customers' needs", he specifies. "Everyone has smartphones", he smiles. Therefore, mobile phone-based insurance is one of the four types of insurance that make up the offer of this tech company. The other three are "home, car and pet", he lists. But he wants more: "we want to launch more products", he assures.

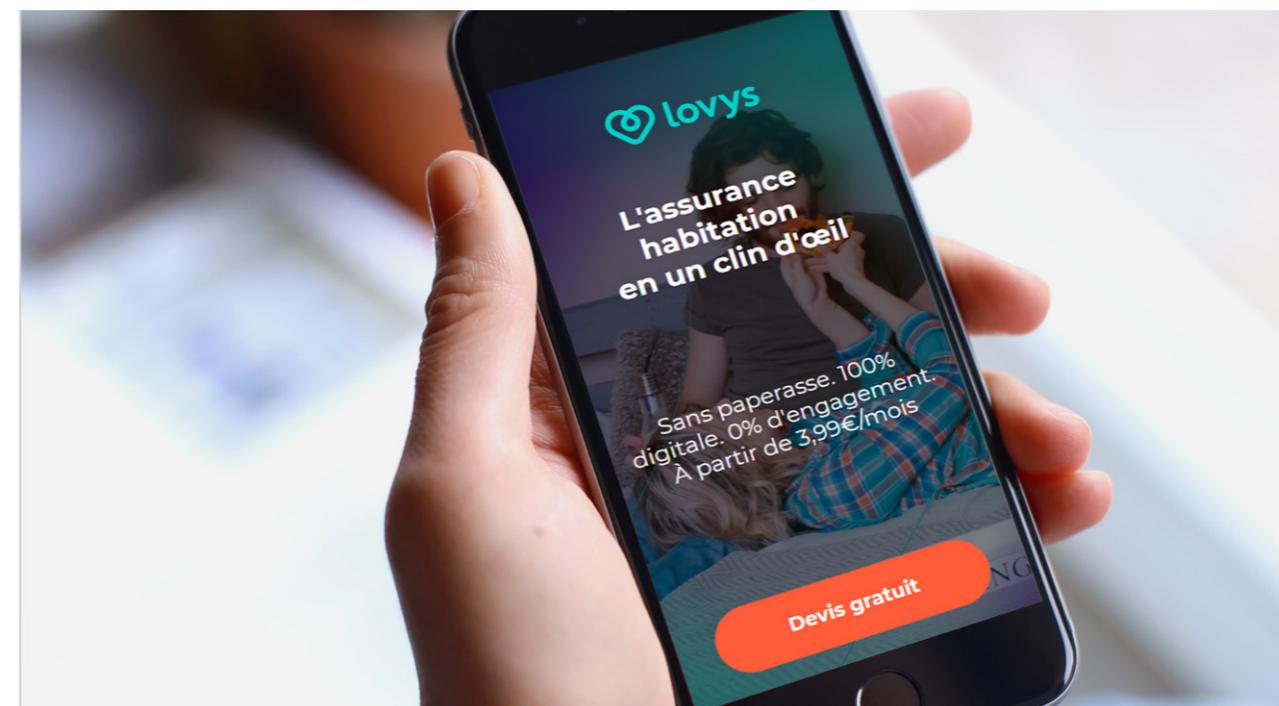
#### THE PATH TO LEADERSHIP

Operating in France and Portugal (Lisbon, Oporto and Leiria) this company relies on a team of "70 people from 15 nationalities". Lovys has been growing steadily since its launch in August 2019, "at a rate of three thousand customers per month". The number is around "20 thousand", he says. "60% of customers are up to 35 years of age. 80% are up to 45", he explains.

Home insurance, "the first" made available by this insurer and the "main product" represents "80%" of subscriptions. "The home insurance curve was very fast, but we believe that we will have a similar curve in motor insurance",

predicts the CEO of this company that managed to raise "20 million euros" so far (see box).

Growth and leadership are some of João Cardoso's goals. "There are some similarities with the banking market. Leaders become leaders given their ability to be launch products quickly. If we want to be a leading company, we have to be very agile", he concludes.



#### € 17 MILLION RAISED AND A LEAP FORWARD

João Cardoso, 38, was born in Leiria. After taking a degree in Economics at Nova University, he worked for six years in investment banking in London. In 2011, he headed to Brazil and created "the first insurance comparison site", he recalls.

Designed in Portugal, this startup began taking firm steps towards growth in France. "We have to be ambitious to play this game", he states.

Designed to "improve and revolutionize the distribution and the product", Lovys managed to raise 20 million euros to date in investment rounds. "In a 1st phase, we got € 400 thousand, after the seed round in July 2019 during which we were able to gather three million and then there was this jump (17 million)", he recalls.

"At the time, funds had some doubts as to the adoption rate. With the spectacular growth, the market took a better look and realised that this value proposition makes sense", he summarizes. "We have eight funds with a stake in our capital, including Portugal Ventures", he describes.



## MARKET EVOLUTION IN 2020

The outbreak of COVID-19 has decisively marked the evolution of the Portuguese economy in 2020, with a deep health crisis leading, according to the most recent projections, to a contraction of the Gross Domestic Product (GDP) of around 8%, i.e., in 2020 the Portuguese GDP should register its biggest drop since the post-war period.

The insurance sector would unlikely be unharmed by such an economic and financial situation. Regarding the Direct Insurance premiums, the information available to APS confirms that the crisis resulting from the outbreak of the pandemic had strong impacts on the sector. The Direct Insurance premiums in Portugal amounted, in 2020, to a little below 10 billion euros – representing a year-on-year decrease of -18.7% – although there are very different behaviors in the Life business and in the Non-Life business.

The Non-Life business, whose evolution is most correlated with the developments observed in economic activity, is the segment that most directly felt the impacts of the pandemic, being also the one that was most impacted by the implementation of extraordinary mechanisms for moratoriums and adjustments to premiums, whether they are of a legal nature (DL 20-F / 2020), or whether they are the result of direct initiatives to support their customers by insurance companies.

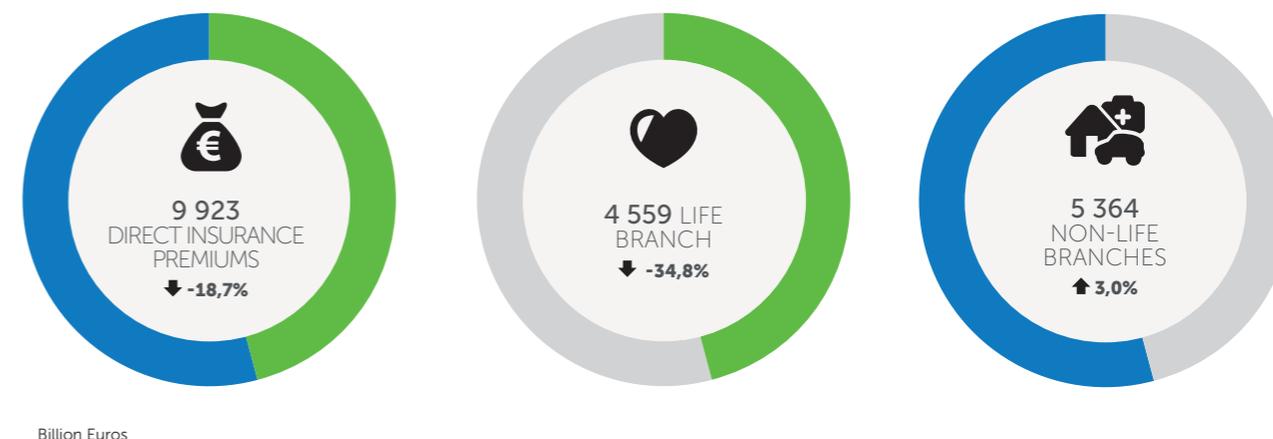
Although the volume of Non-Life premiums recorded a year-on-year growth of around 3.0% (to close to 5.4 billion euros), the truth is that by the end of February this segment has growing at a rate of 7.3%, a value more in line with that observed at the end of 2019 (+7.9%) and with the current expectations.

The Life business, in parallel to the challenges associated with the pandemic, continues to face severe constraints to its business development, particularly in the financial products, mainly due to the prolonged environment of low interest rates. The reflexes of all these limitations are felt in the substantial drop in production registered at the end of 2020 (-34.8%). However, more than direct effects of the pandemic, this evolution confirms the negative trend already observed at the end of 2019 (-13.9%) and which continued to be registered at the end of February 2020, when the year-on-year change (-40.7%) was higher than registered at the end of the year.

Unsurprisingly, given the economic and financial situation, this decrease in Life production is particularly evidenced by the negative evolution in terms of financial and savings products. A highlight to the very significant drop (-72%) in contributions for “PPR Non-Linked to Investment Funds” products. Despite this context, a positive note for the “Linked to Investment Funds (except PPR)” products, the only ones in the Life segment that witnessed an increase in their production (+23%), reversing a downward trend that started in 2017.

The combination of the evolution of the two segments resulted in an inversion of the structural weight between them, not seen since 2002. Thus, the Non-Life segment now concentrates 54% of the total premiums, having surpassed the Life segment premiums in about 805 million euros.

The drop of direct insurance premium volume registered in 2020, caused the penetration rate (premiums/GDP ratio) to drop to 4.8%, even in a year in which there was a historical GDP contraction, a number unseen since 2002. Similarly, Per Capita Premium indicator also suffered a significant reduction, lowering the 1,000€/inhabitant for the first time since 2004: it is now at 965€/inhabitant.



### OUTPUT RESULTING FROM DIRECT INSURANCE

GROSS WRITTEN PREMIUMS SINCE JANUARY 2021	In thousand Euros		Year-on-year Variation		Output Structure	
	2020.03	2021.03	Nominal	Real	2020.03	2021.09
<b>LIFE</b>	<b>1 166 110</b>	<b>1 277 314</b>	<b>9,5%</b>	<b>9,1%</b>	<b>44,0%</b>	<b>45,7%</b>
Risk	280 054	276 313	-1,3%	-1,7%	10,6%	9,9%
Capitalisation Products	599 212	678 027	13,2%	12,7%	22,6%	24,3%
Retirement Savings Plans (PPR)	286 844	322 974	12,6%	12,1%	10,8%	11,6%
Capital Redemption Operations	0	0				
<b>NON-LIFE</b>	<b>1 481 373</b>	<b>1 516 951</b>	<b>2,4%</b>	<b>2,0%</b>	<b>56,0%</b>	<b>54,3%</b>
Accidents and Health	623 516	642 597	3,1%	2,6%	23,6%	23,0%
Workers compensation	278 925	278 568	-0,1%	-0,5%	10,5%	10,0%
Health	302 019	324 360	7,4%	7,0%	11,4%	11,6%
Fire and Other Damage in property	255 831	271 374	6,1%	5,6%	9,7%	9,7%
Households and Condominiums	141 342	147 547	4,4%	4,0%	5,3%	5,3%
Commerce and Industry	91 535	99 345	8,5%	8,1%	3,5%	3,6%
Motor	518 033	515 224	-0,5%	-1,0%	19,6%	18,4%
Transportation (MAT)	13 678	15 003	9,7%	9,2%	0,5%	0,5%
General Liability	40 205	43 124	7,3%	6,8%	1,5%	1,5%
Miscellaneous	30 109	29 629	-1,6%	-2,0%	1,1%	1,1%
<b>TOTAL</b>	<b>2 647 483</b>	<b>2 794 265</b>	<b>5,5%</b>	<b>5,1%</b>	<b>100,0%</b>	<b>100,0%</b>

U: Thousand Euros

## RESULTS OF THE “ME AND MY RETIREMENT” PROGRAM ARE VERY ENCOURAGING

Foundation Dr. António Cupertino de Miranda (FACM) started an innovative project in September 2020 under the name “Me and My Retirement” to fight the deficit in financial and digital literacy of people over 55 years of age.

This program is part of the application submitted by the FACM to the Program Partnership for Impact / Portugal Social Innovation and represents a differentiated, grounded and innovative solution to the problem of social exclusion of the senior population, namely in financial and digital terms and relies on the support of APS – Portuguese Association of Insurers as both social investor and dynamic partner in the sessions covering the subject of insurance.

The social impact of the “Me and My Retirement” program is being assessed by Aplixar, a spin-off from the University of Porto with a focus on scientific and technical consulting in the fields of project development, monitoring and impact measurement.

The results of the implementation of this program during 2020 are already there and include the hosting of the 1st Edition of the Financial Education Laboratories, which took place online, and relies on the participation of groups of people residing in the municipalities of Vila Nova de Gaia, Matosinhos, Oporto, Maia, Santo Tirso and Valongo, and a Senior Tax Websummit.

Thus, according to the Social Impact Measurement Study Report, the results achieved so far are encouraging. Participants are very happy with the “Me and My Retirement” program and consider, overall, that they have improved their digital skills and increased their financial literacy, having gained greater knowledge about all the topics covered, in particular, the concepts of “Effort Rate”, “Emergency Fund”, “Mandatory Insurance”, “Over-indebtedness”, “Guarantor’s Role and respective responsibilities” and “Interest on Arrears”. Some participants already

had saving and money management habits. But, after attending the “Me and My Retirement” program they started applying savings and management strategies more often, which greatly contributes to more effective and efficient management of their money. Likewise, they also consider that they have increased their level of knowledge on the topics covered, considering that they are more likely to apply the knowledge acquired, especially in the context of “Insurance”, “Consumers’ Rights and Duties”, “Savings” and “Planning and Family Budget Management”.

In general, participants are very happy with the different themes addressed in the “Me and My Retirement” Program. The theme “Insurance” stands out as the one they are most happy with.

### SAVING HABITS ARE A REALITY FOR SENIORS

When inquired about the main reasons why they have this habit of saving money, the need to “make up for unforeseen expenses (e.g., replacement of home appliances, car breakdown)” was mentioned by 60.3% of the respondents, and “non-regular expenses (e.g. vacations, car insurance payment)” by 44.4%.

As for the strategies most used by seniors to save money, these consist of “always leaving some money in the current account” or “putting the money in a savings account”. On the other hand, participants who stated that they are not used to saving explained that they don’t do it because their income does not allow it.

On the other hand, almost 1/3 of the participants (30.2%) stated that they knew someone who had already been a victim of financial fraud situations, and 16.1% reported that they had already been victims of similar situations. In this context, before attending the “Me and My Retirement” program, seniors generally considered that they had little knowledge about the different types of financial fraud (e.g. payments with counterfeit bills, collection and improper use of personal data) and felt moderately prepared to avoid them. After their participation, they stated that they have more knowledge about this topic, feeling better prepared to avoid this type of fraud.

**Eu e a Minha Reforma**  
Projeto de Educação Financeira

Fundação Dr. António Cupertino de Miranda  
Museu do Papel Moeda

**O QUE É A DECLARAÇÃO AMIGÁVEL DE ACIDENTE AUTOMÓVEL (DAAA)?**

- A DAAA é um documento-tipo utilizado para a participação de sinistros automóvel, de forma a facilitar a abertura e análise de um processo de sinistro. Neste caso a sua própria seguradora o indemniza se não tiver sido responsável

**E SE LEVAR O MEU CARRO PARA O ESTRANGEIRO?**

- A Carta Verde válida assegura que o seu seguro automóvel de responsabilidade civil cumpre a obrigação de seguro existente em cada um dos países por onde passar.
- Assegure-se que nenhum dos países que tenciona visitar está “cortado” na sua “carta Verde”.

**O SEGURO AUTOMÓVEL DOS PARTICULARES**

**POSSO SUSPENDER O MEU SEGURO OBRIGATÓRIO?**

Sim. Se resolver entregar o seu carro para troca, pode pedir a suspensão do contrato até 180, dias enquanto aguarda a entrega de novo carro.

6

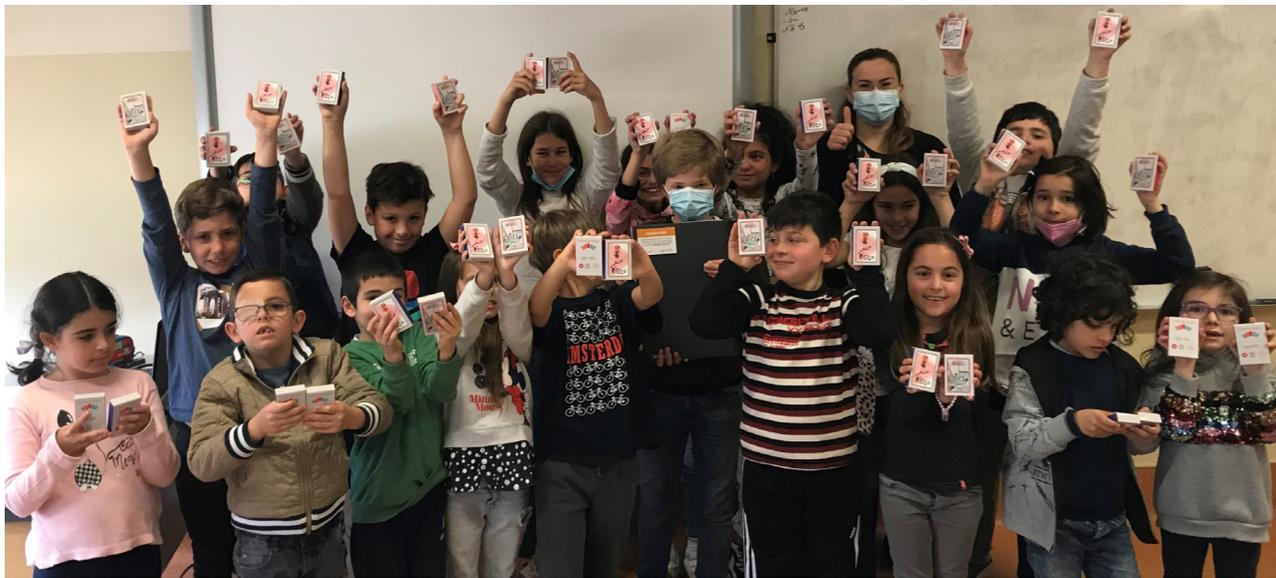
### PARTICIPATION IN THIS PROGRAM HELPS TO CREATE A “SENSE OF PURPOSE”

In addition to the increase in financial literacy and the improvement of digital skills, respondents believe that participation in the Lab sessions provided further contributions, namely, they began to believe more in their abilities and skills, became more active daily and felt better about themselves and more autonomous as to managing their lives. Participating in the “Me and My Retirement” program also increased their curiosity and willingness to learn more about financial matters, as well as to explore the field of information technology and take other “distance-learning courses”.

A further issue worth mentioning, and which is particularly relevant given the context of lockdown resulting from the pandemic, is the fact that “Me and My Retirement” enables some of these people to share doubts and “live together at a distance”, creating a “routine” and a “sense of purpose”.

## INSURANCE AND CITIZENSHIP CHALLENGE UNDER THE SCOPE OF THE "A CENT SAVED IS A CENT EARNED" PROGRAM

*APS and Foundation Dr. António Cupertino de Miranda has awarded four schools in northern Portugal for the occasion of the 11th edition of "A cent saved is a cent earned" program and offered 1 computer to each winning education institution*



The Monserrate Elementary School (ES) (4th grade C), Viana do Castelo, the ES Júlio Brandão, Vila Nova de Famalicão (5th grade 6), ES da Costa (2nd and 4th grade C), Santo Tirso and the Santos Elementary and Secondary School Simões (7th grade A), from Guimarães, are the winners of the 11th edition of the Seguros e Cidadania Challenge, a joint initiative between the Portuguese Association of Insurers (APS) and Foundation Dr. António Cupertino de Miranda, within the scope of the Foundation's "A cent saved is a cent earned" program.

The announcement of the winning schools was made on March 15, 2021, via video transmission, available on the APS YouTube Channel.

In her speech, Isabel Alçada highlighted the "quality of the works submitted using digital means", while her writing

partner, Ana Maria Magalhães praised the participation of pupils and teachers, an "effort that is not in vain", she stressed.

Based on the story "The mysterious case of the broken-in safe", the work "It's better to play safe!" What about you? You are sure of that", "students (ES Monserrate) were asked to write, tell stories and create characters and slogans", according to writer Ana Maria Magalhães.

Júlio Brandão Elementary School was announced by Isabel Alçada. "It was a joint classroom work in which individual participation was expressed in a video and pupils presented the work they did", she described, drawing attention to the slogan. "In unexpected events, while travelling choose and unexpected INSURANCE".

Maria Amélia Cupertino de Miranda, president of the

Foundation Dr António Cupertino de Miranda praised the "clear and simple design and text, straight to the point and which draws attention to the different types of insurance" in the work "Insurance: what are they for?" written by the students of the 2nd and 4th grade of ES da Costa.

The theme "Risks and dangers of the internet" secured the victory of the 7th grade A of the Elementary and Secondary School (ESS) Santos Simões.

"All schools and libraries were awarded a laptop computer", announced José Galamba de Oliveira, president of APS.

Finally, Honorable Mention to ES Francisco Torrinha (5th grade H) in Oporto which developed the work: "Disasters cannot be avoided, take insurance".

The financial education partnership with a focus on the insurance activity has relied on the involvement of 39,000 pupils so far from the Oporto Metropolitan Area and the Intermunicipal Communities of Douro, Cávado, Ave, Alto Minho and Alto Tâmega".

### THE WINNERS AND THE HONORABLE MENTION

**ES of Monserrate (4th grade C), Viana do Castelo**  
Work: "It's better to play safe! What about you? are you sure of that?"  
Teacher: Jacinta Silva

**EB Júlio Brandão (5th grade 6), VN de Famalicão**  
Work: "In unexpected events, while travelling choose and unexpected INSURANCE"  
Teacher: Carlos Castro

**EB da Costa (2nd and 4th grade C), Santo Tirso**  
Work: "Insurance: what is there for?"  
Teacher: Helena Martins

**ESS Santos Simões (7th grade A), Guimarães**  
Work: "Risks and dangers of the internet"  
Teachers: Carla Rocha and Francisco Pinho

**Honorable Mention:**  
**ES Francisco Torrinha (5th grade H), Oporto**  
Work: "Disasters cannot be avoided, take insurance"  
Teacher: Marta Lima



## CUSTOMERS DO TRUST INSURANCE COMPANIES ACCORDING TO A RECENT SATISFACTION SURVEY

*Insurance sector in second place in the national satisfaction ranking and takes the leading position in the financial index. 11 insurance companies were X-rayed and the results highlight both customer service and image and the strong points.*

**The insurance sector takes the leading position in the Customer Satisfaction Index ranking in the financial segment, according to a European Customer Satisfaction Index survey (ECSI – Portugal 2020).**

The same document also shows that insurance takes the vice-leadership position at the national level, with an average satisfaction index of 7.68 points.

Among the sixteen sectors and subsectors analyzed, Fuels take the leading position in this ranking, as stated in the survey carried out by the Portuguese Quality Institute, the Portuguese Association for Quality and the Higher Institute of Statistics and Information Management of Nova University in Lisbon.

In a year marked by the pandemic, "the insurance sector shows a positive performance in most variables" when compared to the same period last year, "an evolution that proves the resilience and capacity insurance companies to adapt in an atypical context", as stressed by the Portuguese Association of Insurers (APS) when asked to comment on the conclusions of this study.

### SERVICE IS ONE OF THE MAIN STRENGTHS

11 insurance companies in the Life and Non-Life branches were surveyed and more than 2700 consumers were interviewed, and indices such as "Perceived Quality" (8.14 points, on a scale of 10) and "Image" (8.07 points) take the lead in this ranking, pointing to levels higher than those witnessed in 2019.

Within the scope of "Perceived Quality", it is worth mentioning the positive assessments of "Service and counselling capacity" and "Quality of branches/subsidiaries and the quality of telephone service". These indicators secured an average score of 8.3.

In the "Image" segment, customers consider it "stable and perfectly implemented in the market" (8.7), "It is a reliable insurance company as regards what it promises and actually delivers" (8.2) and "Offers a positive contribution to society" (8.0). After checking these figures we may conclude that customers have a high level of trust and believe in the stability of the insurance companies they subscribe products and services with.



### METHODOLOGICAL ASPECTS

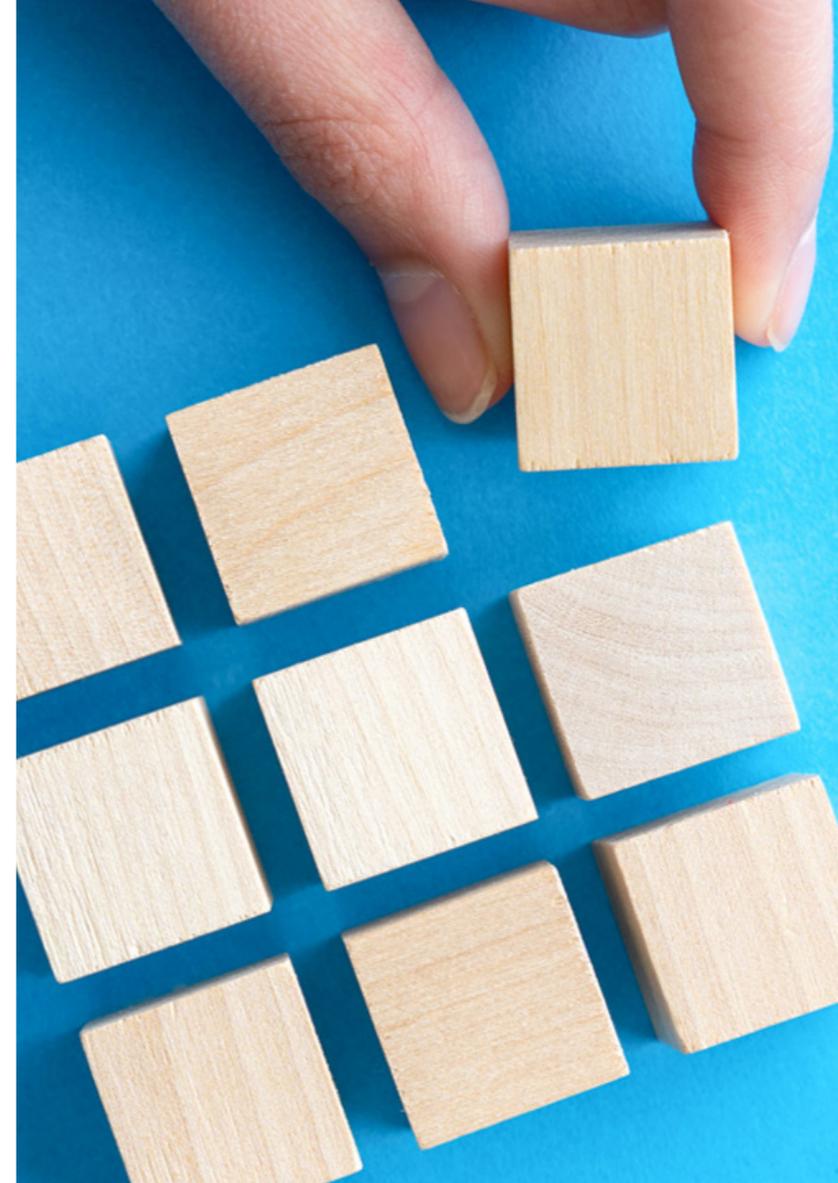
The European Customer Satisfaction Index (ECSI – Portugal 2020) measures the quality of goods and services available in the national market by analysing customer satisfaction levels.

On a scale of 10, it assesses Image, Expectations, Perceived Quality, Perceived Value, Satisfaction, Complaints Resolution, Trust and Loyalty.

This survey was prepared by the Portuguese Quality Institute, the Portuguese Association for Quality and the Higher Institute of Statistics and Information Management of Nova University Lisbon.

Sample of 2,742 interviews with people over the age of 18, customers of 11 insurance companies operating in Portugal.

This survey was conducted between the months of July and September 2020.



## SCRIM: A HOUSING SIMULATOR

SCRIM is a free digital service that simulates the benchmark value as regards property rebuilding. Policyholders define the value of insured capital in housing policies. This tool was developed by APS and FUNDEC, an association with close links to Instituto Superior Técnico.

A simulator to calculate the costs of rebuilding properties and whose objective is to support policyholders in ascertaining the amount of capital to be insured in policies related to Fire and Forces of Nature and Multi-Risk Housing.

This is the purpose of SCRIM (<https://scrim.apseguradores.pt/>) a free digital tool, made available by the Portuguese Association of Insurers (APS).

Easy to use and transparent, after filling in the elements that make up the property such as type, area, location and structure, a reference value for the cost of rebuilding the house is thus ascertained.

"The value can and should always be subject to adjustment by the policyholder in case the property bears specific characteristics compared to an equivalent standard dwelling", APS explained in a statement.

When ascertaining the property rebuilding amounts involved, that is, the value of the insured capital, the results obtained "are merely guiding", and acceptance is not binding. It is, therefore, up to the policyholders "responsibility to state the precise amount they wish to cover as regards their property", the association added.

José Galamba de Oliveira, president of the Portuguese Association of Insurers, drew attention to this last fact. "An amount that does not meet the rebuilding amount could thus result in insufficient compensation to rebuild the property", he warned.

Galamba de Oliveira also draws attention to the fact that "the end of the annual publication of Ordinances to ascertain conditional rent, which was taken as a benchmark to ascertain the capital to be insured in Fire insurance policies and Forces of Nature and Multi-Risk Housing, has led to the need to establish a benchmark tool for the aforementioned calculation".

SCRIM was developed in close collaboration with FUNDEC, Association for Training and Development in Civil Engineering and Architecture, linked to Instituto Superior Técnico. Carlos Oliveira Cruz and Fernando Branco, professors at Instituto Superior Técnico, are the authors of this simulation methodology, which deserves "international recognition", they stressed.

## MAIN EVENTS IN THE INSURANCE SECTOR

23/12/2020	Approval of Decree Law No. 106/2020, of 23 December, which establishes a transition regime applicable to the provision of financial services by entities based in the United Kingdom in the post-Brexit period.
31/12/2020	The State Budget for 2021 extends the extraordinary regime for reimbursement of amounts invested in Retirement Savings Plans (PPR) until September 30, 2021, for reasons related to the COVID-19 outbreak.  Publication of Decree-Law No. 109/2020 which establishes Stamp Duty on Export Credit Insurance Policies and Guarantee exemption under national law.
01/01/2021	Beginning of the Portuguese Presidency of the European Union.  Entry into force of the regime associated with the new monthly stamp duty statement (DMIS).
09/02/2021	Publication of Decree-Law No. 12/2021, which ensures implementation in the internal legal system under Regulation (EU) 910/2014, on electronic identification and trust services for electronic transactions in the internal market.
10/03/2021	The regulation on the disclosure of information related to Sustainable Finance Disclosure Regulation (SFDR) enters into force.
11/03/2021	Liberty Seguros adopts a new remote working model.
15/03/2021	Constitutional Court rules declares the unconstitutionality of the Law on the decriminalization of medically assisted death.  APS provides a Simulator for the Cost of Rebuilding of Residential Properties.
17/03/2021	Publication of Decree-Law No. 22-A/2021, of March 17, which extends until September 30, 2021 the validity of the exceptional and temporary regime for insurance contracts, approved by Decree-Law No. 20 - F/2020, of May 12th.
22/03/2021	European Commission publishes technical regulatory standards for the Pan-European Personal Pension Product (PEPP). Marketing of PEPPs can start within 12 months from this date.
21/04/2021	European Commission adopts Sustainable Finance package.

27/05/2020	Employers' confederations ask for operational guarantees for credit insurance.
04/06/2020	Ordinance 137/2020, of June 4 - defines the amount of risk covered by mandatory professional indemnity insurance judicial administrators are subject to.
06/06/2020	Resolution of the Council of Ministers no. 41/2020, of 6 June - approves the Economic and Social Stabilization Program.
09/07/2020	COVID-19 - Solidarity Fund of the insurance sector: Insurance companies expand the scope for the attribution of compensations.
31/08/2020	Law No. 58/2020, of 31 August - Transposes Directive (EU) 2018/843 of the European Parliament and of the Council, of 30 May 2018, amending Directive (EU) 2015/849 on the prevention of use of the financial system for the purpose of money laundering or terrorist financing and Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on fighting money laundering through criminal law, amending a number of laws.
22/09/2020	17th General Meeting and XXIV ASEL Conference.
15/03/2021	The 40th anniversary of the Car Guarantee Fund was celebrated.  Decree-Law no. 78-A / 2020, of 29 September - also amends Decree-Law no. 20 -F / 2020, of 12 May, which establishes an exceptional and temporary regime for insurance contracts, establishing that it will remain in effect until March 31, 2021, without prejudice to the period of production of the contractual effects that result from the application of some precepts. In this regard, the insurers are also required to disclose the measures.
25/09/2020	
06/10/2020	European Pensions Study - More than half of Portuguese people cannot save for retirement.
08/10/2020	Ordinance 234/2020, of 8 October - establishes the characteristics of the signs relating to the mandatory insurance contract and the exemption from the insurance obligation, provided for in Decree-Law no. 291/2007, of 21 August.
09/10/2020	Insurance sector welcomes black and white badge.
14/10/2020	Approval of the change in the Shareholding Structure of Popular Seguros - Companhia de Seguros, SA following the acquisition, by Mapfre Seguros Gerais, SA, of a direct qualified shareholding corresponding to 50.01% of the shares representing the share capital and voting rights of Popular Seguros - Companhia de Seguros, SA whereas Santander Totta Seguros - Companhia de Seguros de Vida, SA hold the remaining share capital.
15/10/2020	Presentation to the European Commission of the Recovery and Resilience Plan of Portugal.
09/10/2020	Beginning of Financial Literacy Week 2020.



## COVID-19: THE STRANGE YEAR OF 2020. SECOND PART OF THE CHRONOLOGY OF A VIRUS.

### NOVEMBER 21

wearing masks became mandatory in the workplace. Travelling between municipalities banned during bank holidays and restrictions on retail outlets and restaurants were imposed during the same period.

### DECEMBER 2

Minister of Health announced the purchase of more than 22 million doses of vaccines against COVID-19.

### DECEMBER 3

Vaccination Plan coordinated by Francisco Ramos was presented.

### DECEMBER 5<sup>TH</sup>

Travelling between municipalities allowed between December 23<sup>rd</sup> and 26<sup>th</sup>. On Christmas Eve and Christmas Day walking on the public thoroughfare allowed until 02:00.

### DECEMBER 7<sup>TH</sup>

Portugal exceeded 5,000 deaths due to the COVID-19 pandemic.

### DECEMBER 17

New Year celebrations suspended, but restaurant opening hours remain the same over Christmas.

### DECEMBER 21

The European Medicines Agency (EMA) approved the use of Pfizer-BionNTech's COVID-19 vaccine.

### DECEMBER 22

Parliament approved the Social Democratic Party diploma that extends the mandatory use of masks in public spaces for a further three months.

### DECEMBER 27

National Vaccination Plan against COVID-19 started at São João Hospital, in Oporto.

### JANUARY 1

For the fourth time, Portugal takes on, on 1 January, the Presidency of the Council of the EU.

### JANUARY 6

EMA approved the Moderna vaccine.

### JANUARY 13

Portugal reinstated duty to stay at home just like in March and April 2020.

### JANUARY 18

Portugal was the country in the world with the highest number of new cases of infection. Closing of senior universities, day-care centres and social centres, ban on travelling between municipalities on weekends, and the end of compulsory sales to the wicket in restaurants.

### JANUARY 21

Closing of schools of all teaching levels for 15 days. Courts, Citizen Shops, crèches and leisure time workshops are once again closed. The Episcopal Conference Portugal (CEP) suspended Masses and other pastoral activities.

### JANUARY 23

Portugal exceeded 10 thousand deaths.

### JANUARY 24

Presidential elections.

### JANUARY 27

The government suspended flights to and from Brazil due to the detection of a new strain of COVID-19 in that country.

### JANUARY 28

Land border control reinstated. Classes resume on February 8 in a non-face to face regime. Portugal witnessed, in 24 hours, over 303 deaths related to COVID-19 and 16,432 cases of infection. It's the highest figure ever witnessed.

### JANUARY 29

The EMA approved the use of the vaccine from the pharmaceutical company AstraZeneca.

### FEBRUARY 3

A German clinical team, made up of 26 professionals, arrived in Portugal to help to contain the pandemic. The coordinator of the task force for the vaccination plan, Francisco Ramos, resigned and was replaced by Vice Admiral Henrique Gouveia e Melo.

### FEBRUARY 23

The DGS announced that close to 250 thousand Portuguese have already received the two doses of the vaccine for COVID-19, which corresponds to 03% of the population.

### FEBRUARY 24

The President of the Republic defends that the future lockdown easing must be planned in phases.

### FEBRUARY 27

First professional game with an audience in the stands in 2021. 924 attendants at the Santa Clara-Paços de Ferreira match in the 21<sup>st</sup> round of the 1<sup>st</sup> Football League, at the São Miguel Stadium in Ponta Delgada, the Azores.

### MARCH 2

One year elapsed after the first two cases of people infected with the new coronavirus.

### MARCH 11

Gradual lockdown easing plan presented.

### MARCH 13

The International Monetary Fund (IMF) forecasts on this day a 10% drop in Portuguese GDP in 2020.

### MARCH 15

Opening of crèches, pre-school and the 1<sup>st</sup> cycle of basic education. Resumption of the activity of non-essential goods stores, the opening of sales to the wicket, hairdressers, car trade, real estate and parks.

### MARCH 21

European Commission authorized the use of the COVID-19 vaccine from Johnson & Johnson.

### MARCH 29

Portugal extended suspension of flights from Brazil and the United Kingdom until 15 April. 1.2 million people vaccinated with the first dose of a vaccine against COVID-19 and 500,000 have already received the second dose.

### APRIL 5

Return to schools.

### APRIL 17

More than 3 million deaths from coronaviruses worldwide.

### APRIL 19

Reopening of movie theatres.

### APRIL 26

Portugal has not witnessed any COVID-19 deaths. It's the first time this happened since the 3<sup>rd</sup> of August last year.

### APRIL 27

According to the Ministry of Internal Affairs, there were 979 arrests for disobedience between March 19, 2020, and April 15 this year. PSP and GNR closed 3980 retail outlets. Portugal exceeds the three million vaccines administered.

### MAY 1

Portugal's 1200 km land border with Spain reopened.

### MAY 3

Opening of restaurants, bakeries, gyms, resumption of all sports and weddings and baptisms with 50% capacity.



## Germano Almeida

Journalist and Editor

## THE RETURN OF DECENCY

*Biden at the White House: after all, following Trump, it was still possible to elect a moderate*

**The oldest President in American history is well aware of the fact that he has no time to waste: the overwhelming feeling of “moving on” after the final days of Trump’s attack on democracy, culminating in the January 6th invasion of the Capitol, may be of assistance.**

With Joe Biden, there was once again someone decent and trustworthy at the White House.

The change from Donald Trump to Joe Biden was clear, quick and redemptive. The President took the lead, signing several executive orders and announcing his intentions regarding legislative proposals that are there to explain what he wants to do in the first months. The phase which began on January 20th, 2021, is one of implementation and execution.

Donald Trump knew how to mobilise, but he was incapable of running the country. Joe Biden prioritizes effectiveness in achievement – even if he doesn’t fuel big passions. The differences between the 45th and 46th US Presidents are so great that it is strange to see how they got to the same office.

President Biden has managed to lower the temperature and is building a “common sense majority” capable of overcoming the deep political, ideological and, more than that, identity divide.

Pacifying American society may be an impossible goal, but Trump’s successor has managed to score high on his agenda.

He is about to review the laws on the possession of firearms in America, moving towards a more prudent path in access to guns. Other fronts of legislative concern for this Administration are Healthcare and racial equality in access to opportunities.

Trump, so keen on mobilizing angry and furious voters against “the system” and “the Democrats” and “the Obama heritage”, has never been able, in his four years at the White House, to show equal effectiveness in achieving goals. In one sentence: Trump mobilized well but ruled poorly.

Joe Biden wants to end “the cycle of racial inequality” in America. And he enacted an executive order aimed at fighting hunger and protecting lower-middle-class workers, which includes measures to support families whose jobs were destroyed by the pandemic.

Biden’s \$1.9 billion economic stimulus plan will come down in history as this Democrat’s administration’s robust and comprehensive response to the biggest pandemic in a century and the huge consequences for the American society. He even managed to get the Senate to approve, albeit with some changes, the halt as to the increase in the minimum wage to 15 dollars/hour.

The first 100 days of the Biden Administration received solid popular approval. A Pew Research Center poll, conducted between April 5 and 11, gave the President 59% approval, five percentage points more than in March. Biden’s approval (59%) places him as the third most popular President by April during the first year in office of the last four decades.

Only Ronald Reagan (67%) and Barack Obama (61%) had the same approval rates in the same phase of their mandates. George Bush senior had close to 59% of Biden: 58%. Bush Jr. had 55%, Bill Clinton 49%. Donald Trump had the least popular support: just 39%. Plus: 72% of Americans say Joe Biden has done a “good or very good” job managing and distributing COVID-19 vaccines.

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