

aps ASSOCIAÇÃO  
PORTUGUESA  
DE SEGURADORES

# Insurance & Citizenship

FROM SMART CITIES TO  
THE SMART NATION





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# Insurance & Citizenship



*“People are afraid of change. But I fear things may never change.” - Chico Buarque*

We live, in fact, in times of change, as usual. However, changes don't always come that quickly and the perception as to the transformations occurring in our daily lives is never that clear.

In know for a fact that change processes are always complex and contradictory and don't affect people and social groups the same way. Hence the uncertainty that comes with it and the fear such processes often

generate. Positive change for some can be negative, at least immediately, for others. Some changes are, in fact, clearly positive and others clearly negative. Technological (r)evolutions generate, in general, undeniable advances and benefits, especially if and when they are used judiciously, but climate change, for its part, is a serious threat we have to be able to fight and mitigate.

These issues took centre stage at the Annual Conference of the Portuguese Association of Insurers, held on November 24, 2021, under the motto Smart Living – technology and innovation in the daily life of the future, and are also the core theme of this issue of our magazine.

This issue contains the opinion of some participants in this Conference, providing their accounts on the extraordinary times that lie ahead and which we hope may be an incentive and a challenge for insurance companies to show their capacity to innovate and adapt to their customer needs in order to minimize the risks and fears that come with change.

The current issue of this magazine features also the testimony of two insurance companies on their strategies for the near future.

And, as there was also talk of “new times” during the local elections held in September, we took a glimpse at the changes taking place in our cities.

When talking about change, an unavoidable topic always emerges: climate change and its impact on the life of our planet and the people in it. We thus closely followed the climate summit and report on the position of the European insurance sector. The recent natural disasters that occurred in places closer to us, and which should worry us, are also highlighted in this issue: we talk about the big floods in Germany, Belgium and Holland and the eruption of the volcano in the Canary Islands.

We do not neglect the issue of health, a major focus of debate in recent times. The importance of the healthcare system and its capacity to, in an articulated manner and at controlled costs, effectively respond to the needs of citizens is at the forefront of everyone's concerns. We thus take a look at several existing models in Europe. Finally, we also report on the launching of a new book published by APS and aimed at young people, written once again by Isabel Alçada and Ana Maria Magalhães, on the topic of health.

We hope this edition will provide a better understanding of the challenges that await us and which we want to help overcome.

Enjoy your reading!



**Alexandra  
Queiroz**

**DIRECTOR GENERAL  
OF APS**



**Teresa Brantuas**

CEO Allianz  
Portugal

## INTERVIEW

“SUSTAINABILITY IS CRUCIAL IN EVERYTHING WE PLAN FOR THE FUTURE”

*Allianz is committed to the goals of the Paris Agreement. New businesses based on coal will no longer be financed and insured, the energy consumed will be made entirely from renewable sources in two years, the carbon footprint of the investment portfolio shall be reduced by 25% until 2025 and there is the commitment of reducing to zero greenhouse gas emissions in the investment portfolio by mid-21st century.*

### 1. WHAT WAS AND WILL BE THE IMPACT OF THE PANDEMIC ON THIS INDUSTRY AND THIS COMPANY? WHICH BRANCHES WILL BE AFFECTED MOST. COULD YOU PLEASE QUANTIFY?

Despite the context caused by the pandemic, the insurance sector has witnessed good growth levels. The biggest impact lies mainly in the need to adapt the offer of products and services to the needs of customers, both as regards form and content. The world changed a lot in recent times and so did people. They have become more demanding, more informed about Omni channelling, they became more digital and now have different needs. The big challenge is to understand and anticipate these new trends in order to come up with the right solution and offer when the time is right. At Allianz Group, boosting digitisation and transformation are our major priorities and we are doing it at a fast pace to better address these new realities.

In terms of impact, it is worth mentioning issues such as the transformation of claims management, the growth witnessed in the Healthcare segment and the resulting changes in the consumption of this particular product, and the increase in the claims in Assets rate, particularly in the Multi-Risk branch.

## 2. WHAT ARE THE MAIN CHALLENGES INSURANCE COMPANIES WILL BE FACING IN THE NEAR FUTURE?

We now operate in a completely different fashion when compared to the time before the pandemic. First, we were able to adapt to the so-called new normal which affected the lives of insurance companies and companies in general. And under this new reality, we are also trying to strike a balance between personal and professional life, constantly setting the challenge of rethinking work strategies and achieving results.

We also have to take into account the needs of our customers, which have changed as we know, thus leading us to rethink our performance in order to adapt our strategies and keep serving them even better. For example, everything that can be done online implies high-quality service from the customer's point of view, intuitive and easy-to-use services, good on-time responsiveness and a good experience. And on the other hand, new types of risks emerge which we have to be able to address, such as cybersecurity risks.

New mobility solutions are also a challenge in the current scenario, not only in terms of what they already represent but also for everything this means in the near future.

## 3. HOW DOES ALLIANZ POSITION ITSELF AND INTENDS TO POSITION ITSELF IN PORTUGAL IN THE NEAR FUTURE?

We certainly have a great advantage over other companies, for being part of the Aliam Group. It is not just we in Portugal figuring out how to react to this whole scenario, but the entire group, adopting a global vision and on a global scale, catering for the needs in the post-pandemic. Most of these solutions are already being implemented.

"Sustainability plays a crucial role in everything we plan for the future" In Portugal, we want to believe that we are contributing to a more balanced, more rational market, more adjusted to the needs of our customers. We want to contribute to a positive evolution of the market. It's something very significant for us.

"Allianz has been committed to the Paris Agreement goals of limiting global warming to 1.5 degrees from the start, and we are taking concrete action on several fronts. In particular, we have committed to reducing greenhouse gas emissions to zero in our investment portfolio until 2050. In the short term, by 2025, we will reduce the carbon footprint of our investment portfolio by 25%."

“Additionally, since 2015, we stopped financing or insuring new businesses sustained in coal.”

**4. IN ORGANIZATIONAL TERMS, WHICH IS THE BEST MODEL TO ADOPT? RETURN TO THE FACE-TO-FACE WORK MODEL? A HYBRID MODEL? OR FOLLOW THE MODEL SOME OF THE COMPETITORS ARE CURRENTLY BETTING ON AND FOCUSED ON 100% WORK FROM HOME?**

We are currently adopting a hybrid model, ensuring a minimum of days in the company in order to promote the face-to-face collaboration that seems essential to us. Meaning that people who prefer to work more hours on the company premises are free to do so, without restrictions. However, we also accept the possibility of having people working 100% from home, in very particular situations and according to very specific criteria, where applicable.

**5. ESG THEMES IS AT THE HEART OF OPERATIONAL AND INVESTMENT DECISIONS. HOW DOES THIS MATERIALIZE? WHAT ARE THE REASONS FOR THIS POSITIONING?**

Allianz has been committed to the Paris Agreement goals of limiting global warming to 1.5 degrees from the start, and we are taking concrete action on several fronts. In particular, we have committed to reducing greenhouse gas emissions to zero in our investment portfolio until 2050. In the short term, by 2025, we will reduce the carbon footprint of our investment portfolio by 25%.

On the other hand, and as Allianz is one of the world's largest investors and asset managers, we work together with other asset holders through the “UN-convened Net-Zero Asset Owner Alliance (AOA)”, of which we are founding members, helping other companies in their decarbonisation path through our investment and financing options. We are also raising awareness in the business world so that more companies do join this cause. Additionally, since 2015, we stopped financing or insuring new businesses sustained in coal.

**6. MORE THAN 20 YEARS IN SUSTAINABILITY-FOCUSED STRATEGIES. HOW MUCH HAVE YOU INVESTED IN THIS PATH? WHAT DOES THIS TRANSLATE INTO?**

More than what we've already invested, what truly matters to us are the results we intend to achieve with our commitment to a better and more sustainable world. We want our actions as a company, which increasingly rely on the commitment and involvement of all employees, to become an engine of awareness in society and to play a part in building a society more committed to a better future for all.

Internally, for example, we have very clear goals when it comes to reducing and optimising consumption, whether it is energy, water, plastics, travel or simple consuming energy coming entirely from renewable sources by 2023. Also, from a social perspective, we are committed to issues such as equity, or the promotion of education and the development of future generations that translate into very concrete actions in collaboration with various institutions, both globally and locally.

**7. WHAT DO YOU WANT TO ACHIEVE WITH THIS FOCUS ON SUSTAINABILITY?**

As I said, we have long believed that we should and can play a fundamental role in the development of a more sustainable and inclusive society. The goal “We secure your future” clearly reflects the fact that at Allianz we believe we can play a very active role we can make a difference in building a better world for today's society and for generations to come.

“Internally, for example, we have very clear goals when it comes to reducing and optimising consumption, whether it is energy, water, plastics, travel or simple consuming energy coming entirely from renewable sources by 2023.”



**8. THE ACQUISITION OF SOLAR AND WIND POWER PLANTS HAS BEEN PART OF THE COMPANY'S STRATEGY. HOW MANY DO YOU OWN INTERNATIONALLY AND HOW CAN THESE POWER PLANTS HELP MEETING THESE OBJECTIVES?**

Allianz owns more than 90 solar and wind power plants worldwide. These investments are fully in line with our strategy of integrating sustainability more and more into our investments and our businesses. A significant fact is that these plants already can supply more than one million homes with green energy.

**9. IN PORTUGAL, YOU HAVE ALSO BOUGHT THE OURIKA PLANT (IN OURIQUE). WHAT UNDERLIES THIS INVESTMENT MADE?**

The Ourika plant is a concrete example, in this particular case on national soil, of the sustainable investment strategy we have been implementing. Allianz Group is continually looking for good investment opportunities in the markets we operate in and Portugal is no exception.

**10. DOES THE GENERAL PUBLIC/CUSTOMER ACKNOWLEDGES THIS EFFORT? HOW HAVE CUSTOMERS REACTED?**

Consumers are increasingly informed, more attentive and demanding.

According to the surveys conducted and the direct feedback we often get from our customers, sustainability is undoubtedly one of their main concerns in their purchasing decisions and in the way they establish a greater emotional relationship with companies.

They increasingly demand that not only the products or solutions we offer them, such as our investment solutions, are sustainable, but also that companies have sustainability as a very visible part of their strategy, their performance, and that they are very transparent and authentic about it. What matters to them is how we make a difference in defending the planet for future generations, how we treat our employees, or how we contribute to alleviating inequalities and social difficulties.

This trend, if we want to call it like that, is there in most consumers' minds and has been increasing year after year.

**11. HOW DO YOU SEE THE PERFORMANCE AND ROLE OF APS IN THE FUTURE?**

APS has and will certainly have a very important role to play in this sector, along with insurance companies. First and foremost as a promoter of an increasingly rational

insurance market or even as the voice of the sector, in public opinion and the regulatory and control bodies.

"[Customers] They increasingly demand that not only the products or solutions we offer them, such as our investment solutions, are sustainable, but also that companies have sustainability as a very visible part of their strategy, their performance, and that they are very transparent and authentic about it."



## Alexandre Ramos

Chief Information  
Officer (CIO) of Liberty  
Western Europe

## INTERVIEW

“WE WANT TO BE 100% DIGITAL,  
PROVIDING PHYSICAL SUPPORT  
IN CRITICAL MOMENTS”

*Liberty wishes to become a company with a 100% digital model by 2024. The pandemic precipitated the implementation of a model that was already being designed. The company supports employees working from home, promotes diversity and equality, invested EUR 100 million in an ecosystem and lends a hand to insurance brokers.*

### 1. YOU WISHTO BECOME LEADERS IN EUROPE. CAN THIS OBJECTIVE ONLY BE ACHIEVED THROUGH ACQUISITIONS? IS THIS THE WAY FORWARD?

Liberty wishes to become a leader in Europe as we are sure of the path of success taken so far concerning the transition to a 100% digital work model, as the result of a EUR 100 million investment in the creation of a cloud ecosystem. This will enable us to improve the experience of our customers and partners, as well as the work experience of our employees, thereby ensuring customer satisfaction through an increasingly personalised, simple, innovative and disruptive offer, following the changes in needs and lives of each one. Our most recent financial literacy campaign is the result of our strategy and also of our objective to contribute to an increasingly transparent sector.

### 2. YOU ARE ESTABLISHED IN PORTUGAL IN 2003. WHAT IS THE STRATEGY FOR PORTUGAL FOR THE COMING YEARS? INORGANIC GROWTH?

By 2024, we will be a company with a 100% digital model, always based

on the company's values and identity and closer to our customers, always based on the brand image we want to reinforce: transparency, innovation and disruption. Portugal is a very relevant market for Liberty's strategy and will continue to be so in the coming years and we want to make sure this company keeps challenging this industry. Growth will occur naturally as a result of the designed strategy, where business partners are critical for this growth. We must keep being open, disruptive and doing the right thing at all times, supporting our customers when they need it most.

### **3. WHAT IMPACT DID AND WILL THE PANDEMIC HAVE ON THE SECTOR AND THE COMPANY? WHICH BRANCHES WILL BE MOST AFFECTED? COULD YOU PLEASE QUANTIFY? WHAT ARE THE NEW RISKS INSURERS WILL HAVE TO ADDRESS?**

The pandemic naturally had impacts on everyone, on a global scale. But despite all the difficulties imposed by such context and the need for isolation and social distancing this reality showed the resilience of companies and their ability to respond to adverse contexts. In the particular case of Liberty, the pandemic ended up speeding up the implementation of a working model that we were already studying and which was based on the will of employees. In March this year, we started the process for the adoption of a 100% digital model in the four Western European countries we are established in, which means that the services provided by our employees to internal or external customers, partners and suppliers are now fully digital. This was already part of our strategy, but the pandemic accelerated this process because, on March 13 last year, we all started working from home. This is a joint strategy showing the way we face this business and the sector. We look at the business which is 100% digital, either as regards the workforce or when dealing with partners, customers or suppliers. We made sure that the entire value chain evolved and was refined to cater for everyone's needs virtually and digitally and ensuring at the same time the same levels of service.

### **4. WHAT IS THE COMPANY'S POLICY REGARDING SUSTAINABILITY?**

RLiberty recently announced the creation of the Council for Diversity, Equity and Inclusion, in line with one of our main values: putting people first. Its core objective is to ensure diversity and equal opportunities for all employees. Juan Miguel Estallo, CEO of Liberty in Europe, and 18 employees from different departments and profiles are part of this Board and intend to form diversified teams capable of highlighting collective differences and similarities at a cultural level, ensuring access and oppor-

tunities for everyone in the company, avoiding distortions or prejudices within the company. People with disabilities will be the focus of this project in the first phase, a cause that Liberty has been supporting with various actions such as the sponsorship, since 2007, of the Spanish Paralympic Team and supporting its athletes.

We will also continue to support the promotion of cultural diversity, something intrinsic to Liberty, with employees from 29 nationalities, to reinforce the inclusion of the LGBTQ+ community and to take measures to promote gender equality. This is how we see society and the world around us.

Finally, and as part of a global movement, we started the strategy of using cleaner and greener technologies, maximising global "cloud" partners. These partners base their technology on the use of better resources and greener energy management. Our global and local movement in Europe to become an organisation fully focused on the use of technology for consumption, where only the necessary resources exist maximizes our ecological footprint. But we do not stop there and we will continue to minimize consumption and maximize use. We are on the right track.

### **5. WHAT ARE THE MAIN CHALLENGES INSURANCE COMPANIES WILL BE FACING IN THE NEAR FUTURE?**

The pandemic changed the world and customer needs. Currently, insurance companies are faced with the challenge of responding to these same needs, e.g. demand that requires services tailored to needs, personalised experiences and greater digitisation of channels and services evolving at a fast pace. This demand occurs, not only in clients but also in the labour market. The needs of the new generations in the job market are different today, which is why the sector is also evolving to become an appealing attractive option for the best talents. We will all have to evolve to provide services matching the unique needs of each customer, providing products and services where and when they need them, for as long as they need them. And we will be doing this using a multichannel approach, based on the customer journey that can be started and continued wherever, whenever and how the customer wants it. The biggest challenge will also be to be able to use all the available data to provide our partners and customers unique, innovative, simple and user-friendly experiences.

We have been addressing these challenges positively, building an increasingly solid company where people are at the heart of the strategy.

## 6. IS TELEWORKING, OR WORK FROM HOME, COUNTERBALANCED WITH THE HYBRID MODEL OF "TWO DAYS IN THE OFFICE" AS ADVERTISED A ONE-WAY TICKET OR WILL THERE BE THE POSSIBILITY TO RETURN TO THE PAST?

The teleworking model announced by Liberty was not mandatory. Employees were able to choose between a face-to-face and digital model, allowing them to work 100% from home or to go to the office, at most, two days a week. Steps were taken by the company to focus on the employee and on valuing personal and professional life management. The decision to open this opportunity was taken according to a survey carried out among all employees – 2,000 in the four countries – with 93% showing that they prefer the remote work model to the one implemented so far. This level of satisfaction is there in the results of our monthly surveys and should have an impact on the relationship with customers. In addition to the employees who are already with us, we believe that this is an appealing model for new generations of talent and which meets the needs in the new labour scenario created during the post-pandemic period. For Liberty, this new model is the creation of the "Best Place to Be" concept. Once again, telework is more than a simple work model, it is a way of life, where everyone chooses what they value most so that they can have a rewarding personal and work life. Our employee experience is critical and we have a dedicated team locally and globally that is there to create the best possible experience for all employees, and because we are not alone in the value chain, these principles and sharing are done with partners, thereby allowing it to become better and better.

## 7. BEING A PIONEER IN THE SECTOR, SPECIFICALLY IN THIS SERVICE SECTOR (INSURANCE SUCH AS BANKING) TO WHAT EXTENT CAN THE "LACK" OF A FACE OR DIRECT CONTACT HAVE AN IMPACT?

Our Liberty customers will always be able to rely on a face or direct contact. The one-to-one relationship between clients and brokers is something that sets us apart and which we want to maintain, through a close, transparent and active listening relationship, to anticipate clients' needs. Insurance brokers are not only the main contact between the insurer and the customer, they are also fundamental ambassadors that ensure such relationship and proximity to Liberty. We want the new digital ecosystem we are building to enable Liberty to be closer to our brokers, who will always be a key channel. We stand by the notion that good insurance starts with a good broker and, therefore, we will make every effort so that our brokers may perform their job under the best conditions.

At Liberty, we know digitisation will not break the importance of brokers, but rather enhance the business as a whole, as this is an essential tool to support insurers in the current challenges of responding to customer needs. Insurers should play the fundamental role of assisting mediators in this transition, preparing them in the best possible way.

We must bear in mind at all times that we need to strike a balance in everything we do and to this end, we privilege digital to promote speed and service. But we are also well aware of the fact that physical and face to face contact are often critical. We are humans, after all. "We want to be 100% digital, providing physical support in critical moments".

## 8. HOW ARE YOU GOING TO SUPPORT EMPLOYEES WORKING FROM HOME?

For all those who joined the new model, Liberty grants a monthly subsidy of EUR 55, EUR 660 gross per year, to create the best working conditions wherever they are. Like any Liberty decision, this one has the people, the employees, at the centre, and we know that, more than monetary value, this flexibility brings many advantages for the management of personal life, as our employees can live anywhere in the country without restrictions. In addition, there are other benefits such as the time and money that is saved commuting.

On the other hand, a year ago, at the beginning of the pandemic, Liberty provided laptops and other technological devices so that employees could have all the work tools available, we offered EUR 460 to adapt their homes to their needs and EUR 200 to cover situations that occurred during the months of remote work.

A wellness platform was also created providing all kinds of support to employees and their families, both emotional and physical.

## 9. THIS MEASURE APPLIES TO EUROPE ONLY. ARE EUROPEANS MORE "ADVANCED" THAN ASIA OR THE USA?

Yes, globally, we are the first company to take this step. In any case, the implementation of this measure in other places depends on the maturity of each market. Europe is the right place to implement this model, given that the new technological ecosystem was created here using the cloud, thereby allowing employees to work from home and offering a digital model of relationship with customers.

#### 10. DID MIGRATING WORKERS AND DATA INVOLVE A HUGE INVESTMENT? HOW MUCH WAS INVESTED?

Liberty's digital transition strategy is the result of an investment of EUR 100 million to create a cloud ecosystem, which in less than three years should result in a 100% digital business model.

#### 11. THE NEW MODEL ALSO AFFECTS BROKERS. HOW AND WHAT STEPS DO THEY REQUIRE FROM BROKERS AND INTERMEDIARIES?

As explained above, brokers are an essential channel in Liberty's activity and it is up to us to monitor them in a moment of transition and make every effort to offer the best conditions for them to carry out their activity with maximum productivity and results and to provide the best service to customers. This moment of transition brought with it new opportunities to develop simpler, clearer and more objective work tools. We want the proximity between brokers and clients to be greater and better for both parties.

At Liberty, we have several initiatives for brokers: we work together to develop actions regarding the sale of products and in June last year we launched the portfolio defence project on the Agents Portal, we developed Covid measures to respond to the drastic reduction in commercial activity and resulting cash-flow problems of our customers and we are involving business partners in the creation of new products.

#### 12. AND CONCERNING CUSTOMERS. DO YOU ALREADY HAVE FEEDBACK ON SUCH CHANGES?

We are perfectly aligned with our values of putting people first. And, according to the NPS, which we measure monthly, both customers and brokers are quite pleased with our ability to respond to new challenges, without compromising the quality of our service. This proves we are on the right path and that we are present in our customers' lives when they need us most. The focus on the customer is increasingly present in our daily lives.

#### 13. WAS DIGITALIZATION ALREADY PART OF THE COMPANY'S STRATEGY BEFORE THE PANDEMIC OR DID IT ACCELERATE BECAUSE OF THE PANDEMIC?

Liberty's digital transition strategy is the result of an investment of EUR 100 million to create a cloud ecosystem, which in less than three years will result in a 100% digital business model. This was a step taken in line with the company's identity and values to come with a model we were already working on, but which the pandemic did accelerate. In the case, for example, of teleworking, a pilot

project was already underway before the pandemic, but the health crisis did anticipate its implementation. We were aware, even before the pandemic, that technology must be placed at the service of people and that this will help the company to grow and to be closer to customers. The results, as was expected, have been very positive for the company and employees.

#### 14. HOW DO YOU SEE THE PERFORMANCE AND ROLE OF APS IN THE FUTURE?

APS plays an extremely relevant role in bringing the sector closer and in building the reputation of its members. Everyone needs to know the past, present and future of insurance in the Portuguese market. APS often serves as an advisor, as a catalyst for constructive discussions that influence regulators, governments and the insurance market to innovate and simplify.

It has also contributed to improving financial literacy, a path that is particularly important for Liberty, as we firmly believe that progress happens when people feel safe and informed. Therefore, we have engaged in several efforts to be part of the shift towards simplification and transparency in the industry, so that, even in uncertain times like these, the service to customers and partners is provided in the best possible way, as we have always done.

We believe that this is a path that we will follow with APS and with the main stakeholders in the continuous construction of the future insurance market, in line with local and European strategies, as it is clearly there in the measures suggested by EIPA to modernize this industry.

## Tom Standage

*Deputy editor, head of digital strategy and Editor, The World In London, United Kingdom*

### Biography

Tom Standage is deputy editor of The Economist and editor of the yearly "The World in.." series. He is also responsible for the newspaper's digital strategy and the development of new digital products, including Espresso and Economist Films. He joined The Economist as science correspondent in 1998 and was subsequently appointed technology editor, business editor and digital editor. He is the author of six history books, including "Writing on the Wall" (2013), "The Victorian Internet" (1998) and "A History of the World in 6 Glasses" (2005). He studied engineering and computing at Oxford University and has written for other publications including the New York Times, Daily Telegraph, Guardian and Wired, taking a particular interest in the internet's cultural and historical significance.



## SMART LIVING

# WHICH NEW TECHNOLOGIES WILL TRANSFORM OUR DAILY LIVES?

The astonishingly rapid development and roll-out of coronavirus vaccines in recent months has been a reminder of the power of science and technology to change the world seemingly overnight. Although the vaccines seemed to have been created almost instantly, they were in fact based on decades of research into mRNA-based therapies, starting in the 1970s. As the saying goes in the technology industry, it takes years to create an overnight success. So what other technologies could be on the verge of transforming



### MOBILE PAYMENTS

If you're not already using your phone to pay for almost everything, you soon will be. Adoption of smartphone payments has soared since the pandemic began. Instead of reaching into your pocket for cash or a bank card, you just waft your phone over a reader. It's like waving a financial magic wand. It makes buying things easy—maybe too easy. But it makes tracking your spending simpler too. And because smartphones have security features (such as face-recognition and fingerprint readers) that bank-cards lack, it is more secure, too.

### ELECTRIC CARS

Another technology that is a matter of when, not if. With governments across the world planning to ban the sale of new cars powered by petrol and diesel, and growing concern about climate change, sales of electric vehicles have jumped in recent months. But an electric car takes some getting used to. Where can you charge it? Do you have enough charge to make a longer journey? Electric cars are fun to drive, more reliable than combustion-driven vehicles and better for the planet. But charging infrastructure is still sparse and fiddly to use, making electric driving more of an adventure than it needs to be.

### HEALTH AND SLEEP TRACKING

About a decade ago, geeks in Silicon Valley started obsessively tracking their footsteps, their mobility and their exercise routines. Today millions of people routinely measure their activity, heart rates and workouts using smart watches or wristbands. The next frontier is sleep-tracking and "sleep tech"—technologies from smart rings to coloured glasses to sound machines that measure and optimise sleep quality. It sounds mad. But so did tracking your daytime activity, until recently. And what Silicon Valley does today, the rest of us end up doing tomorrow.

### SYNTHETIC MEAT AND FISH

When is a burger not a burger? When it's made from plant-based protein, or cells cultured in a vat. Substitutes for beef, chicken and fish are being developed by startups around the world as a way to reduce the environmental impact of food production. The best examples so far (such as the Impossible Burger) are astonishingly convincing and reduce greenhouse-gas emissions by as much as 90% compared with the real thing. Within a few years, eating real meat could become as socially unacceptable as smoking.

### THE METAVERSE

During the pandemic people have got used to attending events, from conferences to wedding receptions, remotely. What if you could go to a concert, or hang out with your friends, in a colourful 3D environment, rather than in a grid of Zoom rectangles? That's the metaverse: the fusion of entertainment, social media and gaming technology to create new, immersive experiences, like swimming inside your favourite song. It may sound crazy. But imagine trying to describe Facebook to someone in 1995. Minecraft, Roblox, Fortnite—they are all stepping stones to an emerging new medium.

**See you in the future!**





## FROM SMART CITIES TO THE SMART NATION

**Cities are undergoing major transformations. Combustion-powered public transportation is giving way to electrification, public services in physical infrastructure are moving to the online world and water savings and improvements in heating are now being achieved – all in favour of reducing CO2 and preserving the planet. Portugal has several smart cities: Cascais, Aveiro, Porto Santo, Viseu are some examples in many parts of Portugal.**

Once upon a time, there was a city with combustion-powered public transportation, taxis, public service shops based on physical infrastructure and tax offices spread across several buildings, bank branches, postal services, bookstores and libraries, large office buildings, restaurants and shops, conference rooms and auditoriums, among many other services.

Now, imagine a place where public transportation is powered by gas or electricity and where the development of smarter and greener urban transport networks takes place, with citizens turning to shared transport services and using taxi apps, as part of a real policy to promote decarbonisation and reduce CO2 emissions. The physical infrastructure of public service shops or tax offices would give way to virtual public services, following the wide-ranging adoption of e-government, while video surveillance would become a common rule and practice, with inhabitants and the city enjoying simultaneously improvements in water supply and waste disposal, with more efficient forms of lighting and heating, from a circular economy perspective. Also, imagine that postal service delivery buildings would give way to online deliveries, that going to the bank or your insurance company could be done holding a smartphone, that we could attend webinars and other virtual events while implementing distance learning and that we could all choose to work from home, sharing



co-workings paces, with Wi-Fi in every corner of the city, extended, with equal levels of penetration and speed, to all geometries of the country, from the coast to the hinterland, from the north to the south.

The truth is that the difference between one reality and another is no longer the realm of science fiction. It is happening now. In one case, we speak of the city in the conventional sense. In the other of smart cities.

### **The pandemic and environmental issues**

OThe two models current walk side by side. But if the conventional mode still prevails on the scales, the digital mode has been making inroads. It will soon shift the weight to its side of the scales, opening the door through technological innovation and efficient use of resources to smarter and more sustainable cities.

While many cities and towns were taking slow steps towards digitising spaces, the COVID-19 pandemic, and the need to engage in new actions on environmental issues, accelerated and forced a reconsideration of commuting from home to work, redefining the distribution and location of services, forcing the redesign of the urban architecture of public spaces and the creation of leisure and sports spaces, catapulting the transformation of all components related with occupation and distribution throughout the territory.

In the 21st century, the main emergencies – climate and the pandemic – found in cities the right actor not only to address this challenge the world was faced with but also to take the leading role in promoting a profound transfiguration of cities and of the planet itself.

We are witnessing, these days, a transition from cities characterized by static life, conditioned by their physical realities, buildings and infrastructures, to a scenario where the city's dynamism rests on living components, such as inhabitants, vehicles and the several ecosystems that comprise it, creating the possibility of providing new types of services in the city.

In this metamorphosis, where the 5G network, data and artificial intelligence come into play, everything must be done and designed to prevent the traditional problems of territorial cohesion – the barriers between the centre and the periphery – from causing a digital fracture in territories.

To this end, public and private investments in Research and Development (R&D) are promoted, among other



factors, which translate into innovation, high levels of collaboration between innovative small and medium companies (SMEs), the public sector, large companies, universities and R&D centres. Today, the aim is to create an ecosystem opening the way to innovation, both green and sustainable, with huge investment in digital transformation, essential factors for the development of smart cities.

Lisbon was the European Green Capital in 2020. The annual distinction was awarded to the largest Portuguese city, which set the objective of being carbon neutral by 2050 and to plant 100,000 trees throughout the year. Aveiro created Tech City and provided the traditional moliceiro boats with electric engines. Viseu carried out an investment of EUR 4.6 million for sustainable mobility in the municipality. Cascais developed a cockpit that controls everything and Porto Santo became electrified



### **The Unicorn Factory in Lisbon**

Carlos Moedas, former European Commissioner for Research, Science and Innovation, could not leave out these themes in the proposals for the Portuguese capital. Elected president in the recent municipal elections, he wants to turn Lisbon into a capital of innovation by creating the Unicorn Factory (companies with over \$1 M valuation) in the Beato Hub, bearing the name the Companies Factory.

Based on the 15-minute city concept – creating measures that encourage the use of public transportation and the reduction of car ownership –, still in the area of innovation, he promises to create a municipal Wi-Fi network, free for residents and paid for tourists, with access for people from Lisbon using a "card/app" which should include a set of products with special conditions granting access to municipal services, transportation or discounts on car space in indoor parking lots.

### **The electric moliceiro boats in Aveiro**

The moliceiro boat is one of the hallmarks of Portuguese Venice. The combustion engine of this postcard that crosses the Aveiro Lagoon is being replaced by electric engines and, at the same time, electric chargers for these traditional boats are being developed and implemented. At the same time, the activation of the electric Ferry Boat between Forte da Barra and São Jacinto is now a reality.

In Aveiro, the future also points to the creation of bike lanes and walkways, expansion of the network of electric car chargers and the development of intelligent parking. There is also the intention to take steps with the Government for the renovation of the Vouga Line, with the reopening of some railroad crossings and the automation of all of them.



### **Porto Santo, an island without fossil fuels**

Porto Santo, Madeira, an island with free Wi-Fi in public spaces, is moving towards becoming a fossil fuel-free territory and almost zero CO2 emissions. Developed by the Madeira Regional Government through the Madeira Electricity Company (EMM) and the Regional Energy and Environment Agency, the Smart Fossil Free Island project is based on renewable energies, energy efficiency, electric mobility and smart grids, whose pillars are based on energy and sustainable mobility.

Smart meters in homes and businesses, electric vehicles distributed to private individuals, institutions and companies, intelligent charging networks and the use of renewable energies – solar and wind – seek to transform the island.



### **Cascais commanded from a cockpit**

In 1878, the first public lighting solution was implemented for the royal family staying at the Cidadela Palace in Cascais. Almost 150 years and two centuries later, the coastal village is moving towards electrification and is positioned in the category of technological municipality.

Apps for mobile phones were developed, such as Mycascais, a platform for electronic municipal services, and Fixcascais, a platform that allows citizens to report different types of situations in public spaces.

MobiCascais is one of the city's flags and one of the ex-libris of international recognition. The use of free public transportation, interconnection with parking and shared vehicles, including bicycles and electric scooters, make up the universe of innovation in Cascais that aims to improve the offer made available to citizens, along with a strong commitment to decarbonising this municipality and reducing accidents.

All managed through Cascais Cockpit – C2 Operations Centre –, the control centre powered by artificial intelligence that monitors all relevant information relating to mobility, lighting, maintenance or customer service. The Cascais City Council's brain not only controls traffic problems, identifies leaks in water pipes or locates potholes on roads, but also has predictive capacity. That is, in the event of a pipeline bursting, it predicts the consequences of the incident at the level of water cuts, providing information to the residents on the replacement time and any changes in public transportation routes and inherent detour of the garbage collection service.



### **Mobility in Viseu**

Booking a Telebus trip, finding the location of buses in real-time, loading monthly travel cards anywhere and anytime, buying tickets, finding out the best route to take a trip using public transportation and finding information about vacant parking places in the city's car parking lots are some of the features of the Viseu Urban Mobility program app (MUV).

In parallel, the creation of bike lanes – MUV Bike – whose extension of the perimeter of the cycling map is now a reality, aims to instil healthier lifestyles, so that walking or cycling may become the preferred modes of travel and transportation, to the detriment of the car.

### **Innovation from one end to the other. From the sum of smart cities a smart nation may be born**

The examples described above place Portugal as a potential exporter of smart cities solutions, catapulted by the existing technological capacity.

All over the country, from mainland Portugal to the islands, innovative projects emerge, capable of boosting the country to meet the Sustainable Development Goals established by the United Nations for 2030 and, as far as Europe is concerned, aligning policies and strategies as a result of the commitment contained in the Mannheim Message, resulting from the European Conference on Sustainable Cities (end of 2020).

In Portugal, 65% of the population lives in cities, which accounts for 74% of carbon dioxide emissions. The transportation sector in Portugal is the main consumer of energy and around 95% of consumed energy comes from non-renewable sources.

These figures reinforce the importance of the sustainability agenda moving from the local to the national. From the cities to the country. Joining several smart cities in the puzzle to create a smart nation.



**Nadim Habib**

Professor at NOVA SBE

## INTERVIEW

“THE PANDEMIC CAME TO REMIND US THAT WE WERE ALREADY UNHAPPY AT WORK. AND WE HAVE TO DO SOMETHING ABOUT IT”

Nadim Habib is a natural-born communicator and he has been one of the voices – long before the pandemic – calling for a profound change in the way organisations manage their work processes and workers perform their duties. Working from home was imposed on us, but it is here to stay. For teleworking to be fruitful for everyone and not degenerate into more stress and burnout, we need to go further: reorganising work and changing the way we integrate it into our lives is paramount. Visiting Professor at the Nova School of Business & Economics, Nadim teaches subjects ranging from Entrepreneurship to Strategy and Innovation in Masters, MBAs and Executive Training courses. He is also a consultant and speaker in the fields of Organisational Agility and High-Performance Organisations..

### WORK FROM HOME OR TELEWORK IS JUST A TREND OR IS IT HERE TO STAY?

We were already feeling the need to rethink the way we work long before the pandemic. Not necessarily something binary, remote or not, but rather the way we were organized. We were already working on multi-platforms, with people from other countries. The question is not whether we are going to [work remotely] or not, because we will indeed. The question is whether we are training people the right way, whether we have the right tools and we are rethinking work to perform it well. I give you an example: before the pandemic, people complained they had to attend too many meetings. With the pandemic we now have meetings on Teams, we do complain but we haven't changed anything. Things got even worse. It's not the tools, but rather the way we are organized. This will be a major difference.

### WHEN IT COMES TO PRODUCTIVITY, THE RESPONSIBILITY FALLS ENTIRELY ON US. ARE ALL COUNTRIES AND COMPANIES ON THE SAME LEVEL?

Not all companies, not all countries. Before the pandemic, as a lecturer, I had to be in the classroom to teach. But I could prepare the class in an office, a cafe or at home. And it's the same now. What is going to change? We are going to have some moments where we have to be physically in one place, but we will have more flexibility. This implies changes in the way we work and organise things. Let's rethink classes. I now record my lecture classes and leave the debate for face to face classes. This changes things and forces me to work in cycles. And that's the big change we haven't addressed yet. Writing an article is something we can do anywhere, we just need space to write. But if we want to share it with someone, they have to be in the same place. This will be a big difference in the future.

### ARE WE READY?

The real question is not whether we are going to work in hybrid modes, but whether we are ready to reorganize the work to take advantage of change. Otherwise, it will cause burnout and stress. People are working as they always used to, they don't have time between meetings, nor even to go to the toilet. We suffer now from extreme and acute "meetinite", the worst in the world. We are having this conversation via Teams, it is fast and it works well. Now if [the journalist] didn't know what to ask and if I had no idea what I to say, Teams would not work. But the goal is now quite clear. This debate should have been there, even before the pandemic.

### THE BALANCE BETWEEN PERSONAL AND PROFESSIONAL LIFE IS ON THE AGENDA. WHAT ARE THE EXPECTATIONS?

I don't see this as a balance. We know people are more productive when they have the opportunity to think things over, not just work. And they are more productive if they have a stable and balanced family life. Nobody works well when they feel guilty because children are failing at school and they didn't have time to help them, because they hardly see the family... This is basic and, again, we knew this before the pandemic.

### BUT SUCH COMPROMISE IS NOW ON THE AGENDA. WILL IT FORCE A REORGANIZATION?

We've been thinking for some time now about how to integrate people's lives into work and work into people's lives. But, once again, we didn't solve the problems. And when the tools were there, all of a sudden, there we were screaming at the kids: "Get out of here, I'm in a meeting". It's ridiculous. The main issue is: I want to be free to find this balance on my own. Sometimes my son plays football on Thursdays at 3 pm and I would love to watch him play; on the other hand, I like working Saturday mornings because nobody bothers me. I reorganize my work to do what I have to do on Saturday, to have more time available during the week, for example, to see my son training. Such reorganisation is much needed.treino.

"We've been thinking for some time now about how to integrate people's lives into work and work into people's lives. But, again, we didn't solve the problems. And when the tools were there, all of a sudden, we were screaming at the kids: "Get out of here, I'm in a meeting' "

“We should be more fluid at work. My generation (I am 54 years old) will suffer the most from this. We are used to building a very routine life around work. I look at my children and it's not the same thing: they mix school, friends and life and, therefore, they manage to have a more balanced life.”

#### HAS LABOUR LEGISLATION FOLLOWED THIS REORGANIZATION?

The way labour legislation is constructed does not allow much flexibility here. We keep saying: “There have to be a set amount of workdays, the electricity bill has to be paid.” We are creating rigidity instead of creating flexibility. Why? I feel unions are sometimes afraid flexibility may benefit rather the company than the worker. I don't think so: it benefits the worker much more than the company. It's the worker who needs this freedom and has to be able to make decisions, not the boss. Whenever the boss needs freedom, the worker usually loses it. We all had meetings with our bosses at five in the afternoon... The most junior person in the company needs more flexibility, not the boss, who has the power.

#### AFTER THE END OF THE 9 TO 5 MODEL ARE WE WITNESSING NOW THE END OF THE MONDAY TO FRIDAY MODEL?

It should be so. We should work more fluidly. My generation (I am 54 years old) will suffer the most from this. We are used to a very routine life around work. I look at my children and it's not the same thing: they mix school, friends and life and they manage to have a more balanced life. Working more fluidly creates a better quality of life. It requires, however, much work in the field of mental health, the ability to be clear: “I'm going to take a break now and get back to work later”. I see young people – in companies and also in college – experiencing anxiety and fear of failing. This is what's causing most problems. We are going to have significant mental health challenges in the coming years.

#### WE ARE NOW ONLINE 24/7. DOESN'T DIGITISATION INCREASE IT?

I see young people on planes working until the last second before the plane takes off to send an email... and I think to myself: Whose life do they think they are saving by doing it?

#### BUT HAVEN'T WE ALL BEEN ON THIS BEFORE?

We need to engage in more conversations about what work means. And integrate it into our life. The good thing about the pandemic – I have to be careful about using the word “good” – is that it reminded us that we were already unhappy at work. And we have to do something about it” The work-remuneration-quality of life relationship was in doubt, we knew that. We were reminded that we have been very good at renovating technology for the past 30 years, but not very good at changing the way we get people involved around work. That kind of innovation is still missing.

#### ZOOMS REMOVED THE SHARING OF KNOWLEDGE FACE TO FACE, SIDE BY SIDE. EVERYONE IS IN THEIR BUBBLE, BUT SHARING VIA COMPUTER IS NOT THE SAME. DO THINGS GET LOST IN THE PROCESS?

Undoubtedly. We choose to be with people in social life. When I want to read a book, I read it alone; when I want to think about something, I say, “Let's go for a coffee”. We as human beings need multiple tools for the multiple challenges of our lives. The problem is that we have a generation, like mine, saying, and “Let's all go back.” And we have a new generation, 22 years olds, saying, “No, we're not all going back.” And we still haven't found the middle formula. There will be times when we have to be together and times when we don't need to be together. We have to rethink the way we are organized. Organization means having an alignment that can only be achieved if we are together if we do align things. This

“We are going to have significant mental health challenges in the coming years”

doesn't happen by email or via Teams, all the nuances are missing. Greater alignment intensity allows for freedom later. If I'm connected to someone, I know that person knows what he/she has to do and I will be less concerned with controlling him/her. That's the point.

**BUT THERE IS A CLEAVAGE BETWEEN SECTORS AND COMPANIES. A COMPANY LIKE APPLE IS BETTER SUITED THAN A HEAVY INDUSTRY COMPANY. DOESN'T THAT CREATE ADVANCES FOR THOSE WHO INVESTED IN TECHNOLOGY IN THE LAST 30 YEARS AND DELAYS FOR OTHERS?**

Most certainly. Governments, the European Union (EU), and consultants have been shouting out loud in recent years: "You have to invest in technology". And our answer was: "Yes, yes, but not now". When the first computer appeared, whoever sent their children to secretarial schools should have known: "Look, typewriters may end one day". And those who performed this kind of typewriting job were then forced to find another kind of job. Transitions happen. Before fighting them, we must engage in two debates: first, encourage companies, organizations to update themselves permanently; the other, more social debate, is to figure out how we can help people who have been victims of these changes have a decent life. There are two different debates and they are not the same, but we tend to mix them. Socially, no one should suffer because of changes, and those who suffer should be assisted. On the other hand, we should encourage people and organisations to make the necessary changes. This is the role of the State. It's all cloudy. In the 1980s, the State would grant subsidies and we would invest. Now it is not like that anymore. Which leads us to ask the bigger question: what is the role of the State in our lives?

**IS THE ROLE OF THE STATE ALSO BEING RETHOUGHT?**

Yes, of course. All of it. These are conversations that have not yet emerged in a more structured way. I feel that it will not be my generation that will change, but the next one, who will have several things in hand. I see younger people who don't believe in the State and the Government. It feels strange. Because it means that the function of the government, which was so important to me, today needs to be something else. Our politicians have not moved in this direction yet.

**USA, CHINA AND THE EU. WILL EVERYONE MOVE AT THE SAME PACE IN DIGITISATION?**

The Chinese, when the central government says change, they change everyone. The US is a powerful market. The

EU tends to engage in initial debates, takes longer, sometimes there much confusion, but it is more solid. We have stable governments. Look at the vaccination process. Portugal was criticized at the beginning and, today, we are world leaders in the process. When many qualified people get together and try to take over the process, this may seem confusing, but organisation is the only means to achieve organic evolution. I feel Europe will be showing the way ahead.

"We were reminded that we've been very good at renovating technology for the past 30 years, but not very good at changing the way we get people involved around work."



# EUROPEAN INSURERS SUPPORT THE COMBAT AGAINST CLIMATE CHANGE



**As part of the 26th UN summit on climate change, better known as COP26, which took place in Glasgow from 31 October to 12 November, the European insurance sector restated its full support to this common goal. APS is one of the signatory associations of a document that assumes the relevant role of insurers in mitigating the worst climate change scenarios and assisting citizens and companies.**

JCOP 26 brought together world political leaders in Scotland with one essential point on the agenda: reaching an agreement to stop global warming. The European insurance sector, through Insurance Europe, the European insurance and reinsurance federation, has responded to the challenge everyone is now called to address and stated that it “unequivocally supports the collective global drive to fight climate change”. In a press release, it underlined also that “the European insurance industry supports the objectives of the Paris Agreement and the European Green Agreement, Europe’s ambitious goals of reducing its greenhouse gas emissions by 55% by 2030 and achieving zero net savings by 2050.”

APS is one of the signatory Associations of this document, which reflects the position of the European insurance industry as regards combating climate change. “The issue of climate change and the transition to a green and the decarbonised economy is a priority issue and poses a double challenge for insurance companies in their triple capacity of risk managers, institutional





investors and risk-taker", APS said in a press release sent to the media in Portugal.

For European insurers, "the need for urgent action has never been so clear and, as it is clearly there in the most recent IPCC (Intergovernmental Panel on Climate Change) report, the costs of reduction, mitigation and adaptation measures are lower compared to the long-term costs of climate change without any mitigation".

Insurance Europe thus assures that this sector can "play an important role in mitigating the worst scenarios of climate change and assist citizens and businesses so that they may face and adapt to the impacts of unavoidable changes and which are will still be there for many years to come"

According to the European federation, insurers can address this challenge through:

- ▶ Ability to take and diversify risks on behalf of clients and provide them with the financial support they need to address the consequences of climate change;

- ▶ Knowledge and experience in risk management to help clients and the public sector raise risk awareness, reduce exposure and increase resilience to the impacts of climate change, including a "build better" approach whenever damages occur;

- ▶ Ability to invest in transforming sustainability, as they are the largest institutional investor groups in Europe, with more than €10 trillion in assets.

The Insurance Europe document, also signed by APS, restates that "many insurers across Europe are already taking action and willing to contribute more. But to fully play their part, and to unleash the significant potential of the sector they need governments to take action", such as:

- ▶ Commit to investing in adaptation and prevention measures, which will have a huge impact on what may be insured in the future.

- ▶ Encourage and support more sustainable public, business and infrastructure projects for insurers to invest in. For example, consistently following and applying the "polluter pays" principle internationally, through more crowding-in of private capital, through public-private partnerships and a better balance of associated credit risk related to infrastructure projects.

- ▶ Regulation, including prudential regulation, which supports – and certainly does not hinder – the role of the insurance industry.

- ▶ Policies to ensure that transition occurs in a reasonable manner.

- ▶ More public-private partnerships, which are already there and which have shown that sharing knowledge and experience among key stakeholders in the field of climate resilience can make a difference.

- ▶ Creation of a European ESG database so that investors may be granted efficient access to the comparable and reliable data they need for sustainable investment.



### OUTPUT RESULTING FROM DIRECT INSURANCE

GROSS WRITTEN PREMIUMS SINCE JANUARY 2021	In thousand Euros		Year-on-year variation		Output structure	
	2020.09	2021.09	Nominal	Real	2020.09	2021.09
<b>LIFE</b>	2 992 715	5 313 331	77,5%	76,0%	42,8%	56,0%
Risk	756 666	776 295	2,6%	1,7%	10,8%	8,2%
Capitalisation Products	1 484 156	3 249 067	118,9%	117,0%	21,2%	34,3%
PRetirement Savings Plan (PPR)	751 893	1 287 968	71,3%	69,8%	10,8%	13,6%
Capital Redemption Operation	0	0				
<b>NON LIFE</b>	3 991 780	4 168 683	4,4%	3,5%	57,2%	44,0%
Accidents and Health	1 546 841	1 647 444	6,5%	5,6%	22,1%	17,4%
Workers Compensation	705 085	738 881	4,8%	3,9%	10,1%	7,8%
Health	731 651	789 531	7,9%	7,0%	10,5%	8,3%
Fire and Other Damage in property	714 388	762 417	6,7%	5,8%	10,2%	8,0%
Households and Condominiums	427 823	448 646	4,9%	3,9%	6,1%	4,7%
Commerce and Industry	207 790	226 137	8,8%	7,9%	3,0%	2,4%
Motor	1 512 192	1 534 088	1,4%	0,6%	21,7%	16,2%
Transportation (MAT)	39 931	41 418	3,7%	2,8%	0,6%	0,4%
General Liability	95 299	104 388	9,5%	8,6%	1,4%	1,1%
Miscellaneous	83 128	78 928	-5,1%	-5,9%	1,2%	0,8%
<b>TOTAL</b>	6 984 495	9 482 015	35,8%	34,6%	100,0%	100,0%

U: Thousand euros

## FORUM DEBATES THE ROLE OF ORGANISATIONS IN THE TRANSITION TO RETIREMENT

Foundation Dr António Cupertino de Miranda hosts this December a forum of reflection on the theme "Transition to retirement: challenges for organisations", within the scope of the Financial Education project "Me and my Retirement". This event is there to discuss the importance of lifelong financial training, particularly in the transition to retirement, as a means to ensure higher levels of well-being and quality of life for seniors. To this end, we need to reflect on the role of employees and employers in this transition of life cycles. There is currently a greater awareness as to the role of financial literacy and it is up to organisations to come up with strategies and policies to encourage active participation of seniors.

Maria Amélia Cupertino de Miranda, Chairwoman of this Foundation's Board of Directors, said: "The importance of bringing together financial literacy and longevity can and should influence public policies to bring about systemic change: the individual as a proactive subject able to establish his quality of life by setting goals, gathering the financial resources deemed essential in the transition to the retirement phase and actively involved in maintaining the levels of well-being throughout his life. We need to define a new paradigm for old age, one that acknowledges seniors as integral members of society, as citizens both active and financially capable of managing their retirement process.

José Galamba de Oliveira, President of APS, is one of the participants in this Forum.



### BOOK:

*"Mais vale prevenir do que remediar (Better to be safe than sorry)."*

### Cleaning the coast and opening up horizons.

**Volunteer work substantiated in cleaning the Portuguese coast and promoting healthy eating and living habits, including physical activity and the importance of taking health insurance, are the ingredients of the new book party of APS "Seguros e Cidadania" collection.**

"Cleaning of the Portuguese Coast Campaign", an environmental volunteer action that takes place during the Easter holidays between from the northern beaches of Caminha, in Minho, to the southern beach of Vila Real de Santo António, in the Algarve, is the starting point for yet another story by writers Ana Maria Magalhães and Isabel Alçada.

It focuses on vital issues of active life, health and the promotion of well-being, mobility and physical activity, through to the webs of human relationships and the management of “differences”, flowing into the theme and need to take health insurance.

Under the name Better to be safe than sorry, the new book part of the Seguros e Cidadania (Insurance and Citizenship) collection unveils a web of some of the most pressing current issues.

The book covers issues such as education and environmental sustainability, the need for human action to curb environmental pollution, the role of volunteering and the importance of healthy eating habits. It focuses on vital issues of active life, health and the promotion of well-being, mobility and physical activity, through to the webs of human relationships and the management of “differences”, flowing into the theme and need to take health insurance.

Monte da Giesta Branca, a holiday estate on the coast, is the scenario of this narrative whose main characters are Miguel and Aglae (a name whose origin crosses the 139 pages of the book), the instructors from “Associação Ambiente” and nearly a dozen volunteers, each with their idiosyncrasies which we will discover in the 12 chapters of the book.

Duarte the diabetic; Telmo, the chess player; the Laranjo sisters Maria and Manuela, two girls from a large family, worried about global warming; Zé Maria, who is constantly looking at his wristwatch; Rachel, the gymnast; and Dina, a newly vegan whose food option will be one of the week’s hot topics. These are some of the volunteers who have the task of cleaning up everything that is deposited, inappropriately on the Portuguese coast and who bring the new APS book to life and lend their voices to address something highly relevant and topical for young people and the future of the planet: environmental sustainability. Glasses, bottles, plastic cups and plates, straws, cotton swabs, odd slippers, cigarette packs and butts, are some of the waste they help clean, a huge amount of pollution in the oceans that we have to stop.

For the duration of a week and relying even on the presence of a chef, José Manuel, in charge of the volunteers’ diet, there is also room for the discovery of an ecotourism project led by Glicinia Jasmim e José, an Argentinian living in Portugal and a major fan of bio construction and adobe houses. A journey between mind free and the belief that the future of building and community living is a true return to the past.

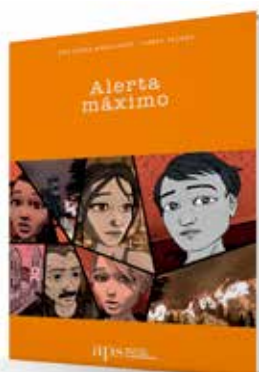
During this cleaning action, an unexpected accident happens with one of the volunteers who need to undergo urgent treatment. The plot unveils at some point the explicit advantage of having health insurance providing easy access to medical services. This event opens the way to address the pressing issues of financial literacy, along with environmental concerns and the relevance of human action to curb the effects of pollution.

“Better to be safe than sorry” will be available on the APS website, where you can have access to the remaining books of the “Seguros e Cidadania” collection.”

APS has been developing a consistent financial literacy program, whose main activities and resources are aggregated on the platform <https://oriscoespreita.sapo.pt>

Among the resources available the books in the “Seguros e Cidadania” collection, authored by renowned authors Ana Maria Magalhães and Isabel Alçada, stand out.

Aimed at a young audience, these books focus on themes of Education for Citizenship and their target audience is students from the 3rd cycle (although several of the themes addressed may



also interest a secondary school student), and the APS has been working together with the National Reading Plan and with the School Libraries Network. They illustrate everyday problematic situations, encourage reflection and dialogue on various issues that young people and families may face and help clarify the role of insurance in the context of financial education.

- ▶ Maybe an App
- ▶ Maximum Alert + Special Insert
- ▶ Digital Trap
- ▶ Accidental Encounter
- ▶ An Expert in Search for Truth

Additionally, APS has been promoting financial education actions with a younger audience and published also two books for students of the 1st and 2nd cycles of Basic Education, written also by Ana Maria Magalhães and Isabel Alçada.

- ▶ Catastrophes and Major Disasters
- ▶ Risk Lurks





## WELCOME TO THE HOME OF THE INSURANCE INDUSTRY

**Insurance Communication and Learning Centre is the new HOME of the insurance sector. APS invested in a state-of-the-art studio and in audio-visual and technological equipment to promote better communication between all members. A vortex where information, dissemination and training meet – face to face or via a remote camera – and aimed at bringing together all stakeholders in this industry.**

The Communication, Learning and Insurance Centre – CASA in the Portuguese acronym, is the new audio-visual space launched by the Portuguese Association of Insurers (APS). Located at the APS headquarters, with state of the art equipment, broadcast quality and using remote cameras it seeks, using new technological and digital tools, to promote better communication between Associates and this industry.

The studio opens its doors to multimedia communication bringing together three main aspects – information, dissemination and training. The aim is to bring the message across to several stakeholders: partners, customers, suppliers, brokers and the entire universe that makes up the insurance industry.

A HOME built to create value and innovation for each

insurer, open to all and which is there, in addition to the possibility of holding face-to-face events and hybrid meetings, to potentiate the activity of the APS Training Academy, both in the brick-and-mortar and the online world.

“Produce more quality content. Combining face-to-face and remote, along with the possibility of designing webinars and training courses to potentiate learning among members and in the general population” are among the core objectives of this Insurance Communication and Learning Centre, said José Galamba de Oliveira, President of APS. “It’s a studio for everyone”, at the service of everyone, in this industry and for this industry”, he added.

To kick start the presentation of CASA and to show the potential of this investment, APS invited a group of Communication and Training officers from associated insurance companies. “We will have to learn how to manage the new tools and we will do our best to reach out to people”, said Mário São Vicente, head

of Institutional Relations at Fidelidade, at this studio during the roundtable on communication in insurance companies and which brought together representatives of Tranquilidade, Allianz and Ageas. "With the new tools, the customer realised that we are always there for them", he stressed, referring to the set of opportunities created by the pandemic.

Maria João Caetano Silva, Marketing Director at Tranquilidade/Grupo Generali said the aim is to "innovate in the media, but also to make it easier to convey effective, human and close messages to all pillars: employees, customers and partners", she stated.

"The keyword is balance, e.g. striking a balance between what happens in the digital and the face-to-face world. Establishing human connections is crucial in this hybrid model", warned Ana Melo Sereno, director of Brand, Communication and Corporate Responsibility at Allianz. "It is good to know that APS wishes not only to follow these communication trends but also to provide its members with the means and the right technologies", she said. "It paves the way to host meetings or training courses. It's up to us [insurers] to see how we can get the most from this", he anticipated.

Finally, Inês Simões, Head of Corporate Communication and Brand of the Ageas Group said the Communication, Learning and Insurance Centre "makes us feel at home". "It enables APS to innovate and to become a place where we can meet more, learn more from each other, despite being competitors, and address the challenges of this industry", she said. "This place brings people closer", she said, hoping that, despite being a place "marked by digital interactions", "it will be a place of both proximity and innovation".

Hybrid was the word chosen by Isabel Figueiredo, a trainer at the APS Training Academy. "In this particular place, we can have hybrid training models where participants sit in front of us and people attend virtually", she stressed. "This is an example of the versatility of CASA, the right place to host all types of training classes in assorted models", she summarized.

"APS has excellent content, a large offer, content and videos. Such a wide-ranging offer enables us to provide distance training and this is a clear advantage from the financial perspective", stressed Sílvia Tinoco, Head of Learning & Development of WEM Liberty Seguros.

Joana Carpelho, a trainer at Mapfre, also highlighted the possibility of offering distance training. "Training will be there for youngest", she said. "In the classroom, dynamics are easier", she identified. But the shift to the online model forces trainers to be "more creative, have more imagination and learn video editing", something which now becomes "easier with CASA", she concluded.





# Smart Living

*Tecnologia e Inovação no quotidiano do Futuro*

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**aps** ASSOCIAÇÃO PORTUGUESA DE SEGURADORES

**PORTUGAL SEGR2021**



## THE FUTURE IS NOW!

### APS ANNUAL CONFERENCE DEBATED THE IMPACT OF INNOVATION AND TECHNOLOGY ON THE LIVES OF PEOPLE AND ORGANISATIONS

The event took place at the APS auditorium in hybrid mode and featured Tom Standage, editor at *The Economist*, and Nadim Habib, professor at Nova SBE, as keynote speakers.

The COVID-19 pandemic changed the way we live, how we work, how we socialize, how we see the world. The impacts of this overwhelming event for the world are yet to be ascertained, but one thing is certain: the acceleration of digitisation processes and the implementation of new technologies that it came to promote is unstoppable and is already having concrete effects on the daily lives of society and organisations. It is time, therefore, to smartly and sustainably implement the dynamics that are there at the service of citizens and their quality of life in areas such as health, work, leisure, cities, education and training, mobility and cities. "Smart Living – Technology and Innovation in the daily life of the future" was the theme of the annual conference held by APS on the 24th of November, thus resuming this cycle of meetings, after the forced halt caused by the pandemic in 2020.

The new working models and the impact of digital and innovation on the daily lives of citizens and organisations were analysed by a wide range of speakers with different backgrounds and visions. Tom Standage, editor at *The Economist* and specialist in trends, and Nadim Habib, professor at the Nova School of Business and Economics, were the main speakers at this conference and which included two debate panels and was moderated by journalist José Alberto Carvalho. The Minister of State for the Economy and the Digital Transition, Pedro Siza Vieira, and the Secretary of State for Finance, João Nuno Mendes, joined in also – at the opening and closing of the event, respectively. Watch the conference on APS [YouTube](#) or [Vimeo](#) channel.

#### PROGRAM

##### 9h30-9h50 - OPENING REMARKS

José Galamba de Oliveira

*Chairman, Portuguese Association of Insurers*

Pedro Siza Vieira

*Minister of State for the Economy and the Digital Transition*

##### I. THE FUTURE OF WORK - CHALLENGES AND OPPORTUNITIES IN THE ERA OF DIGITAL NOMADS

Moderation: José Alberto de Carvalho - Journalist

##### 9h50 - 10h10 - Keynote Speaker:

Nadim Habib - Professor, Nova SBE

##### 10h10-11h00 - PANNEL:

• Innovation: Pedro Rocha Vieira

*CEO & Co-Founder, Beta-i*

• Insurance: Rogério Campos Henriques

*CEO, Fidelidade*

• Labour: Guilherme Machado Dray

*Attorney, Macedo Vitorino & Associados/ University Professor  
- Faculty of Law, University of Lisbon*

##### 11h00-11h15 - COFFEE BREAK

##### II. THE NEW REALITY EXPERIENCE - IS THE FUTURE NOW?

Moderation: José Alberto de Carvalho - Journalist

##### 11h15-11h35 - Keynote Speaker:

Tom Standage

*Deputy editor, head of digital strategy and Editor, The World In, The Economist*

##### 11h35-12h25 - PANNEL:

• Mobility: Eduardo Ramos

*Executive Administrator, BRISA / CEO, Via Verde*

• Tourism & Leisure: Henrique de Castro

*Investor*

• Insurance (health and well being):

Steven Braekeveldt

*CEO, Ageas Portugal Group*

##### 12h25-12h40 - ASF INTERVENTION

Margarida Corrêa de Aguiar

*President, Portuguese Insurance and Pension Funds  
Supervisory Authority*

##### 12h30-12h55 - CLOSING REMARKS

João Nuno Mendes

*Secretary of State for Finance*



## AMENDMENT OF THE CAR INSURANCE DIRECTIVE

**On June 22, 2021, the European Parliament and the Council of the European Union reached an agreement on the amendment of the Directive regulating Car Insurance.**

This marked the end of a process that began in May 2018, after the presentation by the European Commission of a proposal to amend the Directive on civil liability insurance with respect to the use of motor vehicles and monitoring compliance with the duty to insure this liability.

To ensure a high level of protection for victims of road accidents and equal treatment of car insurance policyholders, especially those travelling between Member States, the amended text provides for several changes in the Directive, of which it is worth highlighting:

► **Harmonisation of minimum coverage amounts** in all Member States (EUR 6,450 000 per accident, regardless of the number of injured parties, or EUR 1,300,000 per victim for personal injury and EUR 1,300,000 per acci-

dent for material damage), regardless of the number of victims).

► A change in the scope of the directive, following the decisions by the Court of Justice of the European Union<sup>1</sup>, which includes new definitions of "vehicle" and "use of the vehicle".

For the purposes of the Directive, "vehicles" are defined as any land motor vehicle with a maximum design speed of more than 25 km/h or net weight of more than 25 kg.

Member States are granted however the possibility, during the process of transposition of the Directive, to apply certain derogations, namely with regard to the use of vehicles in areas of restricted circulation (ports and airports, for example), as a murder weapon and in the context of sports events in closed areas provided that, in the latter case, Member State provided for the existence of insurance alternative in such sporting events.

<sup>1</sup> Acórdãos "Vnuk", "Rodrigues de Andrade" and "Torreiro" rulings.

Falling outside the scope of the Directive are light electric vehicles, such as electric bicycles, motor scooters, segways and other similar vehicles, which do not fit in the vehicle definition. However, each Member State may determine, for these vehicles, the duty to take motor vehicle liability insurance.

"Vehicle use" is defined as any use consistent with the vehicle's function as means of transportation at the time of the accident, regardless of its characteristics and the terrain on which the vehicle is used and regardless of whether it is parked or moving.

The directive is not applicable if, at the time of the accident, the vehicle's normal function is other than that of a means of transportation.<sup>2</sup>

► The establishment of rules relating to liability – when certain circumstances exist – of the trailer insurer for **damages caused by the tractor-trailer combination**, if the vehicles are covered by different insurance companies and insurers. These rules are intended to facilitate the submission of claims by the injured parties to the relevant entities and do not affect the civil liability regimes in force in different Member States.

► The creation of a **standardized statement of claims history** – pricing certificate –, to be used internally and across borders, and the establishment of rules to avoid discrimination in the treatment of policyholders based on their previous nationality or Member State of residence, when insurers take into account its content when setting the premium and other contractual conditions.

► The creation or operation, in each Member State, of a body that guarantees, in the event of **insolvency/liquidation of the insurer of the vehicle that caused the accident**, the payment of compensation to the injured parties for the bodily and material damage suffered, at least up to the limits of duty of taking insurance obligation in the relevant Member State of residence. This body will then have the possibility to claim reimbursement from the body in the Member State of the insolvent/liquidating insurance company.

► The possibility for Member States to have the option to certify **independent price, tariff and coverage**

**comparators** offered by different providers.

► The possibility of **non-intrusive cross-border verification of the existence of car insurance**, using digital license plate recognition tools to ensure that such verification is non-discriminatory and that there is no need to stop the vehicle.

This agreement still lacks formal approval by the Parliament and the Council, and the revised directive is expected to enter into force 20 days after its publication in the Official Journal of the European Union.

The process of transposing the new Directive into domestic law, which should take place within 24 months from the enforcement date, will certainly require amendments to Decree-Law 291/2007, of August 21, which establishes the legal regime of compulsory motor vehicle liability insurance.

This will not, however, have extraordinary impacts on this regime, which already adopts several regulatory solutions close to those enshrined in the new Directive, such as the minimum required capital in mandatory insurance, the role of the Car Guarantee Fund and even the generic scope of coverage.



<sup>2</sup> Exclusion of accidents resulting from an agricultural, construction or industrial activity.



## TOWARDS AN INTEGRATED RETIREMENT TRACKING SYSTEM

**APS promoted a reflection event on the importance of putting digital tools at the service of financial literacy and of building a system for monitoring pensions during World Investor Week. Ensuring reliable, customised and real-time information should enable the Portuguese to better plan their retirement.**

“The Role of Digitisation in Fostering Savings for Retirement” was the motto of the webinar promoted by APS within the scope of the fifth edition of the World Investor Week, which took place between 6 and 12 October. Aimed at improving knowledge on the potential of digital tools to monitor retirement pensions, their advantages and challenges, this online conference hosted by APS was a true forum to reflect on the importance of making reliable and personalized information available in real-time to raise citizens’ awareness on the issues of saving for retirement. APS President José Galamba de Oliveira recalled at the opening of the session that it is increasingly important to reflect on “the importance of saving for retirement, as this creates financial security and therefore better quality of life in seniority”. Considering the number of players in the financial and insurance system currently working in the field of financial literacy – as it has been customary at APS – it is time to take a second step, the leader of APS said: the provision of reliable, customized and easily accessible information so that each and every one may identify its concrete position with regard to preparing and planning for retirement. “We need to put the importance of making a tool available to this end on Portugal’s agenda in order to provide information and allow citizens to make informed decisions about their long-term financial future”, José Galamba de Oliveira explained.

In the age of digitisation, much encouraged by the Covid-19 pandemic, it is, therefore, essential to move forward in a structured way and across Europe towards a pension monitoring system. Margot Jilet Vesentini, Policy Advisor for Pensions at Insurance Europe, was one of the guest speakers in

this webinar and, in her presentation, she underlined that in this particular field digital tools that are there to provide information on pensions are particularly important given that “in light of demographic changes, people have to play an increasingly active role in preparing their retirement pensions”. Furthermore, “the pension system is becoming more and more complex and involves more and more choices. Therefore, access to information is particularly important to help people navigate this challenging environment.” On the other hand, in addition to being cost-effective for the insurance industry, these technological tools also encourage the younger population groups, more adapted to the digital environment, to find concrete and practical information on the topic of pensions: “We must not forget that the young people of today will be tomorrow’s retired.”

Pointing to the new 2021 findings of the new Pan-European Pension Survey, conducted every two years by Insurance Europe, Margot Jilet Vesentini recalled that European citizens are increasingly interested in receiving information about retirement savings products in digital format rather than paper. In 2019 this share was 67%; two years later and with a pandemic in between, 72% of Europeans now state this preference. Portugal is in fact above the European average: the share of Portuguese citizens who say they prefer digital information about these products rose from 74% in 2019 to 80% in 2021.

It is therefore essential to move towards what is better known as pension tracking services. Using the European definition, it is an online application providing citizens with an overview of their future income upon retirement, based on their entitlements and their relevant pension systems.

Currently, the implementation of such systems is taking place asymmetrically across European countries. Portugal, for example, is among those that have retirement tracking tools in place; others have not gone beyond the intentions; and still, others that already have monitoring services in place covering all pension sources. This is the case, for example, in Denmark.

Michael Rasch, Division Director, EDI & PensionsInfo at Insurance & Pension Denmark, was also one of the speakers and shared the Danish case. In this Nordic country, the implementation of pension tracking services dates back two decades and is regarded by Danish citizens as an important tool for financial planning and security. Through a digital application, easy to navigate and with

a fair deal of infographics, beneficiaries may check their current position concerning savings for retirement and the different systems in which they participate, in order to plan for their retirement. “This is not to say that the Danes are the champions of knowledge about the pension system. Only a small percentage are in fact able to use this information clearly and practically when planning their retirement. “This is not to say that the Danes are the champions of knowledge about the pension system. Only a small percentage have in fact the ability to use this information concretely and practically when planning their retirement. However, as they have such information available, and with proper professional advice, they can prepare for their retirement and know what they have to do, for example, if they want to retire at the age of 60, this expert said.

Having already identified the benefits of using this type of service, the theme of integrated monitoring systems is already on the agenda of the European institutions (particularly the European Commission and the European Insurance and Occupational Pensions Authority – EIOPA), which have been working on this theme. But implementation in the European space may take time to operationalize, due to political, legislative and logistical issues. But it is up to each country to call for greater agility. Michael Rasch, referring to the Danish experience, recalls that the implementation of this system in the medium term in Portugal should only be possible with a “partnership between public and private agents, the industry and the pension system”.

This webinar took place within the scope of World Investor Week, an initiative created by the International Organization of Securities Commissions (IOSCO) to promote financial education and investor protection, setting the stage for themes that seek, on the one hand, to help investors face the uncertainty arising from the pandemic crisis and, on the other, to reflect on the contribution of the capital market to the economy.

## COVID-19: X-RAY OF A PANDEMIC

**15 States of Emergency enacted and 218 days in lockdown. From the first case to the peak of deaths in a single day (303), from the country mentioned for bad reasons to a world example when it comes to vaccination, this is the X-Ray of a pandemic covered in four editions of Seguros e Cidadania magazine.**

Over three editions, Seguros & Cidadania magazine covered, in chronological order, the events related to the COVID-19 pandemic caused by the new SARS-CoV-2 coronavirus, focusing in particular on Portugal and what was going on in the rest of the world.

A story that began with the first cases of pneumonia witnessed in Wuhan, the capital of the Chinese province of Hubei, in December 2019, and which unfolded in Portugal the following year – first as a mere suspicion, after a man returned from China and was placed under observation at Hospital Curry Cabral, Lisbon, in late January 2020; and definitively on March 2, when the first positive COVID-19 case was reported in the country.

The director-general of the World Health Organization (WHO), Tedros Adhanom Ghebreyesus declared, on March 13, COVID-19 a pandemic and, five days later, through Decree no. 14-A/2020 issued by the President of the Republic, the first of the three States of Emergency witnessed during the first wave of the pandemic was implemented.

It would be in force for 45 days, from March 19 (the month when the first cases of infection by the new coronavirus in the country were witnessed along with the first deaths associated with this disease) until May 2 2020, and was re-implemented twice.

Portugal closed its borders and instituted the general duty to stay home. Retail trade activities were suspended (except retail outlets selling essential goods), facilities and establishments were closed, work from home was imposed whenever possible and classes were no longer face to face but rather via screens.

The economy suffered from the national and international lockdown and a support plan was put in place. First, of a domestic nature, followed, on a later stage, by the famous European “bazooka”, incorporated in the Portuguese Recovery and Resilience Plan, now in progress.



August 3, 2020, went down in history as the first day without fatalities caused by COVID-19 in Portugal since March 16, the date when the first death caused by the pandemic was announced. The country had to wait until April 26 of this year to witness similar figures.

Last year's summer brought, on the one hand, a sense of normality and major sporting events from Formula 1 to the final phase of the Champions League and Moto GP was held. But it was marked on the other hand by outbreaks in the Lisbon and Tagus Valley region.

And amidst advances and retreats as regards air corridors (Great Britain) at the end of the summer cases started to increase again.

### Vaccination and the second wave

This was the preamble to the second wave. Portugal returned to the Calamity situation in October 2020 and, on November 9, it was raised to the Emergency level.

Six months after the use of this constitutional power, the country witnessed 173 consecutive days and twelve renewals under the State of Emergency (decreed 15 times in total) and which ended on April 30th. In total, and adding up two periods of response to two pandemic waves, **218 days were lived under the State of Emergency.**



2021, 87% of the population had already received both doses, against 38.9% worldwide. It is a success story worldwide and Portugal was identified by the WHO as a country proving that vaccines against COVID-19 are indeed effective.

## ASF HOLDS ANNUAL CONFERENCE

*The challenges of the transition to a sustainable economy and society and the future of the insurance and pension fund sectors were the main issues covered.*

On November 17, ASF – Portuguese Insurance and Pension Funds Supervisory Authority - held its Annual Conference at Centro Cultural de Belém in Lisbon.

Margarida Corrêa de Aguiar, President of ASF, and Pedro Siza Vieira, Minister of State, Economy and Digital Transition, held the welcome speeches.

Mairead McGuinness, Commissioner for Financial Services of the European Commission, was the keynote speaker in this session, followed by two discussion panels. These panels focused on the themes “The challenges of the transition to a sustainable economy and society” and “The future of the insurance and pension fund sectors in the post-COVID age” and set the stage to discuss strategic issues for this sector and relied on the presence of representatives from several organizations – EIOPA, OECD, Portugal Fintech, Bank of Portugal, APFIPP. APS was represented by its President, José Galamba de Oliveira, and covered the second panel.

João Nuno Mendes, the Secretary of State for Finance, closed the Conference on behalf of the Minister of State and Finance.

Along with the spread of the pandemic around the world, we witnessed also the biggest collective scientific effort on a planetary level that resulted in the development of several vaccines to fight the new SARS-CoV-2 coronavirus. The first vaccine to be approved was developed by the Pfizer/BioNTech consortium. In Europe, the European Medicines Agency approved this pharmaceutical company's vaccine on December 21, and vaccination started in European Union countries, including Portugal, on December 27th. Physician António Sarmiento, director of the infectious diseases service at Hospital de São João, was the first to be vaccinated in Portugal.

In the course of the vaccination process, Portugal suffered a new and severe setback. The second wave was deadlier and reached its peak at the end of January with 303 deaths (and 16,432 cases of infection).

On February 3, a German clinical team, made up of 26 professionals, arrived in Portugal to help contain the pandemic and on the same day Francisco Ramos, the first coordinator of the Portuguese task force for the vaccination plan, resigned and was replaced by the deputy -Admiral Henrique Gouveia e Melo.

Portugal, which came to be labelled the country in the world with the highest number of new cases of infection, would be considered, months later, best in class. On October 31,

## MAIN EVENTS FOR THE INSURANCE INDUSTRY

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27/05/2021	Law No. 32/2021, of 27 May, which establishes limitations on the wording of contractual clauses and provides for the creation of a system for the control and prevention of unfair terms, amending Decree-Law No. 446/85 of 25 October which instituted the legal framework for general contractual clauses. Specifically, it establishes that, in particular, general contractual clauses that "are written with a font size less than 11 or 2.5 millimetres, and with less than 1.15" spacing between lines are absolutely prohibited.
22/06/2021	EU Parliament and Council agree to amend the Car Insurance Directive.
02/07/2021	Special Committee of the European Parliament issued a report on the European strategy to combat cancer.
06/07/2021	<p>ASF published Regulatory Standard No. 6/2021-R implementing the second amendment to the general and special conditions of the uniform crop insurance policy for mainland Portugal.</p> <p>Approval of regulatory standard incorporating European Banking Authority guidelines on the harmonized interpretation and application of STS criteria (simplicity, transparency and standardization).</p> <p>EC adopted several sustainable finance measures (includes delegated regulation that complements article 8 of the taxonomy regulation).</p>
12/07/2021	The European Commission's Sustainable Finance Platform published two draft reports for consultation related to the taxonomy regulation
14/07/2021	<p>APS launched "risk lurks" financial literacy platform.</p> <p>EIOPA launched two consultations regarding the revision of Solvency II guidelines regarding contractual limits and the calculation of technical provisions.</p>
16/07/2021	Published order from seaaf extending the deadline for submission of monthly stamp duty returns with mere errors until the end of year 2021.



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27/07/2021	European Commission published proposal to transpose IFRS 17, including an option not to apply annual cohorts in some types of agreements. SFDR: European Commission published Q&A (questions & answers) on the text of first level regulation (regulation 2019/2088).
03/08/2021	Two delegated regulations were published amending Solvency II delegated acts and delegated regulations (EU) 2017/2358 and 2017/2359.
23/08/2021	Europe approved database containing accidents of all drivers.  More powerful scooters need to be insured.
07/09/2021	The European Commission adopted the amendments to the technical regulations governing the PRIIPS with regard to KID [to be applied from 07/1/2022].
14/09/2021	GNB Seguros changed its name to Mudum Seguros.
22/09/2021	European Commission presented package of proposals pertaining to the review of the Solvency II regime.
07/10/2021	ASF published a memo disseminating recommendations on business continuity management.
12/10/2021	Published draft State Budget law for 2022 (OE2022) with reduced direct impacts on the insurance industry.
22/10/2021	Right to be forgotten approved in Parliament.
27/10/2021	State budget for 2022 reject by the majority MPs.

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## HEALTHCARE SYSTEMS ANALYSIS

The healthcare systems of different countries are generally divided between those that follow the Beveridge model and those that follow the Bismark model.

BEVERIDGE	BISMARK
Model of British origin, with a public, centralized, tax-financed National Health Service whose population coverage is based on residency criteria.	Model of German origin, with mandatory social insurance, paid by contributions from workers and their employers to sickness funds in the relevant company's activity sector.

Regardless of the Health System implemented in each country families have to incur always part of the expenditure. This is one of the reasons behind the existence of voluntary private health insurance, a means to rationalize and alleviate the direct expenditure of families with health, normally referred to as out-of-pocket.

But the actual function of such health insurance, the role they play in health financing takes on different roles in each country, depending on the combination of financing systems adopted and their respective effectiveness.

Hence the importance of comparatively studying the role of private health insurance in Portugal and different European countries and identifying opportunities for the sector in light of the fact that **Portugal is one of the countries where household spending represents a larger share of health expenditure financing – 30%**, according to data from the 2020 Health Satellite Account.

To perform this comparative analysis, the following countries were selected, in addition to Portugal:

**Spain:** Beveridge health system, similar to the Portuguese system;

**France:** system with mixed characteristics, from both systems;

**Netherlands:** system that has recently evolved from the Bismark system of compulsory social insurance to a system based entirely on compulsory private insurance;

**Germany:** the birthplace of the Bismark system.

### PORTUGAL

The main starting point is to ascertain where we stand in the Portuguese market. Private health insurance in Portugal is supplementary to National Health Service (SNS) coverage and represents around 4% of total health financing. This share increased to 9% when adding the existing subsystems (such as ADSE).

At the end of 2020, there were already 3.3 million people insured in Portugal, corresponding to approximately 32% of the resident population. The high expenditure of households and its structure, mainly on expenditure related to **outpatient care** (such as specialist appointments, for example), highlights the potential of this sector to finance health expenditure in Portugal.

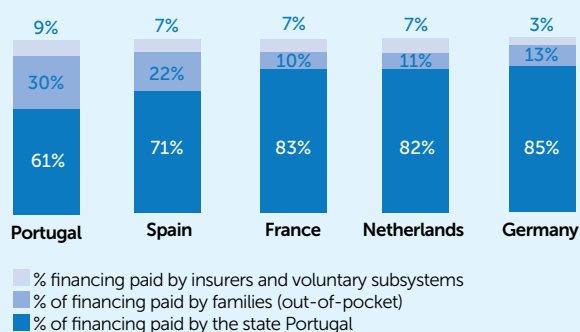
### SPAIN

In Spain, given the characteristics of its health system, private insurance also plays an additional role, just like Portugal, allowing for faster and more agile medical care.

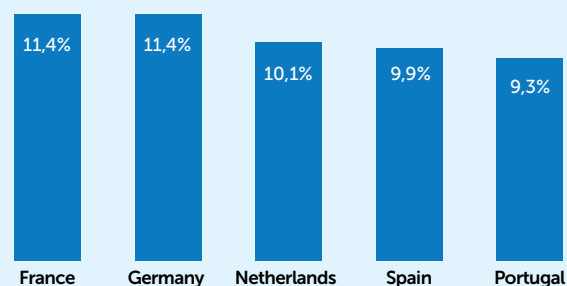
The Spanish insurance market is characterized by:

- ▶ Individual insurance predominates, reflecting the additional advantages offered by private insurers to beneficiaries of existing mutual care associations working for the public service (similar to the Portuguese subsystems).
- ▶ Stomatology (dentists) are covered autonomously and there is no coverage for medicines or prostheses and orthotics (glasses).
- ▶ More broad coverage of expenditure in areas such as clinical psychology and bariatric surgery to control obesity problems.

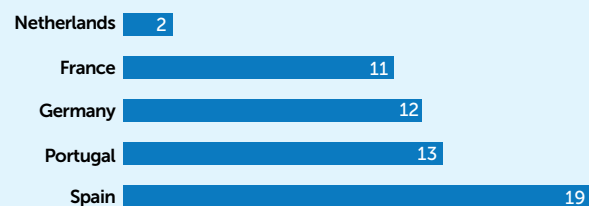
### DISTRIBUTION OF HEALTH FINANCING



### HEALTHCARE EXPENDITURE AS PERCENTAGE OF GDP



### POSITION IN THE EURO HEALTH CONSUMER INDEX 2018



## FRANCE

In France, as mentioned above, this system adopted the principles of the Beveridge models, extended to the entire resident population, but has also some features of the Bismark models, such as mandatory social insurance and the existence of mutual care funds and associations linked to the different sectors of economic activity.

The organisation of the French system is more decentralized, insofar as primary care is based on private medical offices, and so therefore the role of voluntary insurance does revolve around offering fast access to health care, but rather to:

- ▶ **Reduce the exposure to co-payments imposed by social insurance** (a percentage of the cost between 20% and 30%, with a similar purpose to user fees in Portugal);
- ▶ The sharing of costs associated with dentists and opticians;
- ▶ Access to care and prevention coverage, such as childcare in the event of an insured person's illness or flu vaccination.

According to data from the French Ministry of Solidarity and Health, 96% of residents had some form of private insurance, based on the logic of the second pillar of protection (the first being mandatory social insurance), and **families are encouraged and supported to take out such insurance**. It is worth mentioning that mutual insurance companies (i.e., non-profit companies) predominate in this market.

## THE NETHERLANDS

The WHO considers the existing health system a Bismark system, as it originates from the logic of social insurance, although it has evolved and moved away from this system in this century. The state has recently taken on the role of mere supervisor and regulator of the healthcare market.

In the Netherlands, the health system is now based on Compulsory Social Insurance which is characterized by:

- ▶ Being managed only by private insurers that compete with each other;
- ▶ All citizens have to take out insurance with a **basic package**, which covers primary care, specialist care, medication, mental health and nursing care, and which

is offered at the same price by the various insurers in the market, which cannot reject any client.

- ▶ **Different insurers compete with each other in attracting insured people**, especially with regard to the **quality of care provided and waiting times**.

However, voluntary private insurance, complementary to this mandatory insurance, is also of great importance, as it offers **coverage for services not falling under the universal base package**, such as dentists, physiotherapy and eyeglasses.

For 2018, the OECD states that 84% of the population took out this type of supplementary insurance, which is normally offered in combination with the mandatory base package, which may be the reason behind such mass adoption by the population. In this kind of insurance, the insurer has **contractual freedom to select risk to ascertain premiums**.



## GERMANY

In Germany, where the first system that we now consider Bismarckian emerged, the system is of social insurance in nature:

- ▶ Paid through contributions from workers and their employers to sickness funds, historically linked to the companies<sup>1</sup> sector of activity;
- ▶ Coverage is not based on citizenship or residency criteria, but contributions from workers to the different existing funds;
- ▶ Some groups of the population are given the possibility of taking out rather private insurance from an insurance company. Unlike social insurance, private insurance premiums are calculated based on the insured person's risk, not on income.

In the German healthcare system, private insurance thus has two possible roles:

- ▶ **Mandatory:** when replacing social insurance;
- ▶ **Voluntary:** when supplementary to mandatory social or private insurance.

According to the OECD and the European Commission, it is now common to take out voluntary insurance to cover co-payments associated with, for example, dentistry. In 2017, 31% of Germans had voluntary insurance, in addition to the mandatory insurance. This number has been increasing, as a result of the limits imposed as regards social insurance coverage.

### IN SUMMARY

	Portugal	Spain	France	Germany	Netherlands
<b>Insured People</b> (% of resident population)	<b>21%</b>	<b>25%</b>	<b>96%</b>	<b>31%</b>	<b>84%</b>

Table 1 Indicators on Voluntary Private Insurance; 2017.

Given these characteristics, it is proven that, whatever the system, private health insurance has the scope to offer voluntary and supplementary coverage, thus alleviating family expenditure and filling the gaps in the current health system.

In 2017, Portugal had the lowest population coverage rate as regards voluntary private insurance among the countries in this survey. At the same time, the country has the largest percentage of health financing supported by families. The growing adoption by families of this kind of insurance is, therefore, to be expected.

<sup>1</sup> Survey carried with the APS "Health" Technical Committee.



## JULY 2021 FLOODS IN EUROPE AND VOLCANO ERUPTION ON LA PALMA ISLAND

The year 2021 has been a prodigal year for natural disasters around the world. See the floods that occurred in July in western and central Europe and the eruption of the Cumbre Vieja volcano on the island of La Palma, in the Canary Islands.

The floods in Europe began on July 12 in the United Kingdom, causing some material damage, and were later witnessed in the river basins of several countries, namely Germany, Belgium, Luxembourg, Netherlands, France, Switzerland, Italy and Austria, causing widespread deaths and losses.

Unlike previous major floods in Europe, for example, in 2002 and 2013, e.g. slow flood waves running along large rivers, the 2021 floods took the form of flash flooding episodes in small and medium scale river basins.

The floods caused extensive damage to property and infrastructure and resulted in the loss of close to 250 lives, including nearly 200 in Germany, around 40 in Belgium and the remainder in Romania, Italy and Austria. In addition to confirmed fatalities, these floods caused widespread power cuts, forced evacuations and caused damages in infrastructures and agriculture in the affected areas.

Between the 12th and 15th of July 2021, it rained heavily in western Germany, the Netherlands, Belgium and Luxembourg, causing several rivers to overflow from the 14th

### Regional impacts:<sup>1</sup>

In Germany, some of the worst damages caused by floods took place in the state of Rhineland-Palatinate, notably in the Ahrweiler district where the river Ahr has risen, destroying many buildings and causing at least 110 deaths. Heavy rains have also caused flooding in the states of Baden-Württemberg and Saxony.

In the Netherlands, the Maas River reached its highest level in the summer for more than 100 years, according to the authorities. A dike in the Juliana Canal broke, forcing the evacuation of several villages in the province of Limburg.

In Belgium, the most affected areas were the east and southeast of the country (provinces of Liège, Limburg and Luxembourg). In the town of Pepinster, at least 20 houses collapsed and 23 of the 31 July 18 fatalities occurred here. The town of Verviers was also severely affected and more than 10,000 of its residents had to be evacuated as their homes became uninhabitable. In Luxembourg, hundreds of people were evacuated from their homes in Echternach and Rosport.

In France, the region of Grand-Est was the most affected by flood and the same happened in the regions of Hauts-de-France and Bourgogne-Franche-Comté.

In Switzerland, several rail services and river traffic by large vessels were temporarily suspended due to rising river and lake levels.

In the UK, particularly severe flash floods have been reported in the London area and elsewhere in England, blocking roads and railway lines.

According to October estimates, either from CRESTA, the insurance industry organization that provides a global standard for industry risk and loss accumulation areas, or from the Swiss Re reinsurer, the July floods in Western Europe generated estimated losses for the insurance sector of around EUR 10 billion. According to other estimates, e.g. by the AON broker, this amount is less than half of the total losses arising from this event.

The close link between these floods and climate change has been obviously established by the scientific community,

not least because they occurred after unprecedented heatwaves in north-western America and northern Europe. In fact, scientists had already warned that extreme weather events would become more regular as a result of climate change. But, strictly speaking, more research and analysis are needed to better understand the mechanism behind this particular phenomenon.

Meanwhile, on September 19, 2021, the **Cumbre Vieja** volcano erupted in a forest area on the island of La Palma, in the Canary Islands.

The eruption was preceded by a swarm of earthquakes (over 22,000 recorded in a week), a harbinger of what was to follow.

About 300 people living in the area close to the site were evacuated shortly after the eruption but since then the number of buildings and infrastructure destroyed by lava flowing from the volcano's mouth into the sea or affected by falling ash and volcanic material increased, along with the emission of toxic gases, which equally affects the economic activity and the lives of the La Palma citizens.

On September 28, in view of the constant increase of property and economic damage caused by the eruption, the Spanish government classified the island of La Palma a disaster zone, in order to allow for the swift allocation of emergency subsidies and other support measures.

The end of the volcanic activity is not yet foreseeable, but the Spanish insurance industry has already started to compensate the damages suffered by the owners of the property affected by the eruption, through the Consorcio de Compensación de Seguros (CCS), a public business entity operating in the field of insurance and covering also extraordinary risks, including natural phenomena, terrorism and actions of the Armed Forces and Law Enforcement Authorities.

Extraordinary floods, earthquakes, tidal waves, volcanic eruptions, atypical cyclonic storms and the fall of sidereal bodies and aerolites are part of the list of natural phenomena called "extraordinary risks" whose damage is compensated by the CCS.

To be entitled to compensation from the Consortium for damages suffered as a result of a phenomenon arising from the extraordinary risks covered by this entity, the damaged property must be insured against Fire and Nature

<sup>1</sup> Source: [https://en.wikipedia.org/wiki/2021\\_European\\_floods](https://en.wikipedia.org/wiki/2021_European_floods)

Events, Land Vehicles, Vehicles Rail, Other Property Damage, Miscellaneous Pecuniary Losses, as well as Life and Accidents. When taking out insurance coverage in any of these branches (or combined modes of these) the respective insured assets are automatically covered against extraordinary risks, at least in the same capital amount.

In order for the CCS to pay compensation for extraordinary risks, the insured must have paid up the insurance policy premium including a CCS surcharge.

In the specific case of the eruption in La Palma, the Consorcio de Compensación de Seguros directly manages and pays the compensation claims with its own resources, after assessing the indemnifiable damage that has occurred and keeps occurring as a result of this volcanic episode.

According to the CCS information note published on September 20, it is a precondition for submitting the compensation claim that the victim is insured and that his or her insurance was valid when the volcanic eruption began.

The CCS will indemnify the damage caused to policyholders (from life or accident insurance) if they occur. It will also indemnify damages caused to insured property (private or public), whether houses or buildings under sectional title, motor vehicles, office facilities; commercial establishments, services and other properties for non-industrial use, industries, and civil works and infrastructure.

The CCS indemnifies both the material damage caused by the eruption, lava and other materials, and the resulting immaterial damage, such as the loss of income for the owners, accommodation expenses arising from the resulting uninhabitable nature of the home, or the loss of income due to stoppage of commercial, service or industrial establishments, as per the conditions provided for in the insurance contract of the victim.



As of 22 November, the CCS had paid approximately € 42.5 million to policyholders affected by the volcanic eruption on the island of La Palma, after processing 214 claims for compensation, a figure representing only about 10% of the 2,209 claims received so far. These payments corresponded to 185 residential buildings, 20 motor vehicles, 8 commercial establishments and 1 industrial facility affected by the eruption.

This means that the total bill for this event will greatly exceed the amount paid so far and the limit is premature to estimate at this stage (as the eruption shows no signs of abating), but will certainly correspond to the catastrophic proportions we feared this phenomenon will have.

#### OTHER SOURCES:

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## SAVINGS AND RETIREMENT A WEEK OF DEBATES

**The 1st European Retirement Week, organized by more than a dozen associations from the European insurance and financial sectors, took place between 29 November and 3 December**

Over a week, a program of conferences and presentations analysed and discussed solutions granting all European citizens the right to fair retirement. "European countries currently face rapid ageing and poverty rates and social exclusion among pensioners are on the rise, especially in the wake of the COVID-19 pandemic and in certain labour categories. At the same time, pension systems face increasing budgetary restrictions", this organisation hosting this event pointed out, hence the urgent need to put mechanisms in place to protect citizens and ensure quality of life and financial security in seniority.

The European Retirement Week, which took place between 29 November and 3 December, annually highlights the importance of this theme, with the support of 11 associations representing the European insurance and financial sectors. In this first edition, the opening event of the program relied on the intervention of Mairead McGuinness, European Commissioner for the areas of financial services, financial stability and capital market union. During the week, the debate panels sought, on the one hand, to raise the citizens' awareness as to the need to save and prepare for their retirement, and, on the other hand, to shed some light on the trends that are shaping the pensions landscape in Europe.

The main organisers were: AGE Platform Europe, BETTER FINANCE, BEUC – The European Consumer Association, European Association of Paritarian Institutions (AEIP), European Banking Federation (EBF), EFAMA, the European Fund and Asset Management Association, Federation of European Securities Exchanges (FESE), Insurance Europe and Pensions Europe.

The program is available on [Insurance Europe](https://www.insuranceeurope.eu), where you can also register. <https://www.insuranceeurope.eu/events/2356/european-retirement-week>

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