



Press release
19 January 2016

A streamlined organisation to increase efficiency and performance

- *Revenues up 5%*
- *Market share gains in P&C insurance*
- *80,000 new members*

In 2015 Covéa bolstered its positions across all of its business segments, both in France and internationally, while continuing to streamline and homogenise its organisational structure.

The Group's revenues climbed **5%** to more than **17.2 billion euros**. International business now represents more than 15% of revenues, standing at 2.6 billion euros.

In France, Covéa continues to hold its own in its key markets and reaffirmed its leadership position in P&C insurance.

In Motor insurance: 190,000 new vehicles were insured, i.e. a 1.8% increase. Covéa now insures more than 10.5 million vehicles.

In comprehensive home insurance: close to 120,000 additional homes were insured, lifting the total by 1.6% to 7.7 million homes insured.

Covéa's brands continued to gain ground among professionals and corporates.

In Life insurance in France, gross inflows in euros increased by a modest 1% to €3.5 billion, after the significant 7% gain recorded in 2014. Gross inflows into unit-linked products surged 38% to €390 million, i.e. nearly 10% of total inflows.

Overall, Covéa gained 80,000 new members and clients and now insures close to 11.4 million people in France (+0.7%).

THE GROUP IS SPEEDING UP ITS TRANSFORMATION

The Group has set itself the target of optimising its operations and offering the best possible insurance experiences to its clients as part of its profitable growth strategy.

- **Streamlined organisation**

After the simplification of its legal and financial structures in 2013, followed by its governance structure in 2014, Covéa has put in place a leaner internal organisation geared to enhancing its competitiveness.

The Group has accelerated its development into a "single" enterprise, in the aim of putting in place a common status by 2017. It took the first step in this direction at the end of December 2015, when it signed an agreement with the trade union organisations to create a Covéa economic and social unit (UES for '*unité économique et sociale*').

In the same vein, Covéa has created "Corus", a common social network for its 22,000 employees.

- **Digitisation**

With its "*Ambition Clients 2020*" programme, Covéa is placing digital technologies at the core of its transformation strategy.

Via Covéa Next, its dedicated investment structure, the Group is working with start-ups to offer the insurance products and services of tomorrow. The group is accelerating and expanding its innovation and research capabilities with the opening of Lab Covéa, an internal structure dedicated to open innovation, and the launch of a Big Data Chair.

SUSTAINED DEVELOPMENT MOMENTUM

- **New initiatives in Health and Personal Accident insurance**

Covéa has prepared itself for the implementation of the French national inter-professional agreement (ANI) on competitiveness and job security.

To support health insurance mutuals and personal accident protection institutions, Covéa has set up a health and personal risk reinsurance department to provide solutions for entities in the social economy.

- **Returns remain attractive in life insurance**

Thanks to its financial solidity and prudent management policy, the Group has been able to strengthen its provisions for profit sharing for its life insurance entities, while offering attractive returns of 2.35% to 2.85% for its main contracts, at the high end of the market average range.

KEY EVENTS THAT AFFECTED OPERATIONS IN 2015

- **Claims**

One of the key events of 2015 was the bad weather experienced on the Côte d'Azur in October. This natural disaster alone resulted in Covéa's assistance and claims handling teams recording nearly 18,000 claim files.

Covéa recorded a significant decline in frequency in motor and home insurance, but saw a steep rise in the average cost of motor bodily injury claims, due in particular to the withdrawal of France's FGAO liability insurance guarantee fund.

- **Acquisitions and organisation**

At the end of the year, Covéa acquired a controlling interest in Cesvi France, a centre for technical research in the field of motor insurance, located near Poitiers.

The entry into force of Solvency II on 1 January 2016 has prompted the Group to incorporate the companies Covéa Fleet, Covéa Risks and Covéa Caution into MMA IARD, and the subsidiaries Nexx Assurances and Novéa into MAAF.

Internationally, in February 2015 Covéa bolstered its position in the strategic UK market with the acquisition of Sterling Insurance, which has now been incorporated into the insurance subsidiary Covéa Insurance.

Thierry Derez, Chairman and CEO:

"We are currently facing a three-fold challenge: a tough economic climate which requires us to be increasingly inventive, devastating events, which are by nature unpredictable, and a wealth of new regulations in the insurance market: the implementation of France's Hamon Law (loi Hamon), Solvency II, the national inter-professional agreement in healthcare (ANI), etc. In this environment, Covéa's performances are more than encouraging. In any case, they confirm the pertinence of our strategic choices and illustrate our teams' ability to cope."

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