

Creating a leading  
insurer in The Netherlands



**a.s.r.**

## **Break-out Non-life**

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# Key take-aways Non-life

## Drivers of profitability

- ▶ Disciplined pricing, underwriting and claims management (in-house) – best in class in personal injury claims handling (P&C)
- ▶ Advanced data analytics in P&C – data warehouse provides direct access to relevant data
- ▶ Focus on prevention and re-integration services in Disability to maintain a healthy claims ratio
- ▶ Improve profitability of sickness leave portfolio via claims control and pricing
- ▶ IT platform migrations and automation to leverage our scale and enhance efficiency

## Drivers of growth

- ▶ Grow market share in P&C retail through online distribution and mandated brokers
- ▶ Grow market share in P&C commercial market through independent financial advisors (IFA) and mandated brokers
- ▶ Focus on customised proposition in Disability to grow in large corporations via intermediary channel
- ▶ Lever unique Loyalis position in Disability for large (semi-)public organisations

## Non-life<sup>1</sup> combined ratio & revenue growth

92% – 94%

Combined ratio

&

3% – 5%

Revenue growth

Per annum

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**Non-life**

P&C

# Market overview – P&C



## Our foundation

- Top 3 position in rational P&C market
- Above average growth in competitive and saturated market
- Strong combined ratio reflects underwriting and claims management skills
- Strong position in all distribution channels
- Scalable and cost-effective operation with a single IT & Data platform

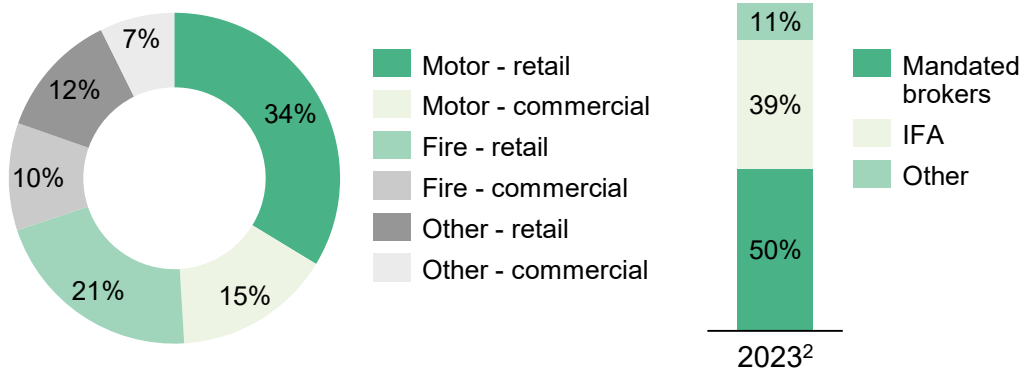


## Market & trends

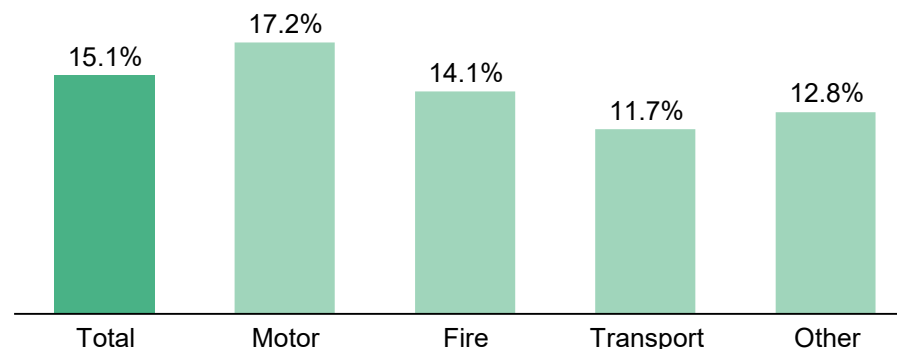
- Distribution to retail customers slowly shifts to mandated brokers and online distribution; commercial market remains advisory driven
- Inflation is reflected in average claim amount. Claim frequency back to pre-covid level
- Premiums are increasing in the market to manage the combined ratio
- Increased market consolidation has a positive impact on pricing discipline



## Portfolio mix & distribution (2023 GWP, % including Aegon)



## Market shares (2022 GWP, % including Aegon)<sup>1</sup>



# Focus on sustainable and profitable growth

## Enhancing leading position in Dutch P&C market

- Improving market share by growth in commercial lines and online distribution, while maintaining value over volume approach
- Well positioned to grow organically and inorganically in combination with strong profitability

## Digitalisation and innovation

- Redesign processes by using new technology (e.g. AI) to improve customer and IFA satisfaction and reduce costs
- Further improvement of cost-effectiveness through scalability of Axon SaaS platform

## Focus on sustainability

- Continuous enhancement of sustainable elements in our products (e.g. new coverages, prevention)
- Improving our sustainable repair network through Fixxer platform and repair companies
- Repair instead of replace

## M&A potential

- By the end of this year, the majority of the Aegon NL integration for Non-life will be completed
- Pursuing bolt-on M&A opportunities in Dutch P&C on the back of pressure on smaller insurers to keep up with digitalisation, regulatory requirements and sustainability

# Enhancing leading position in Dutch P&C

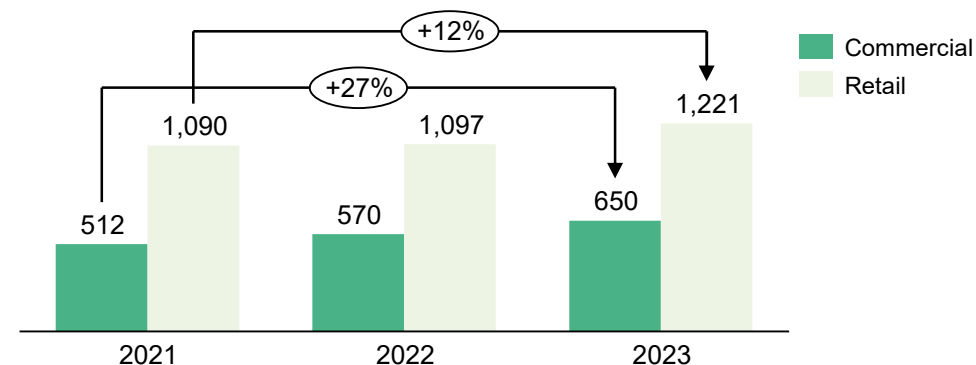
## Premium growth

- Strong growth in past 3 years, 27% growth in commercial lines and strong growth in our 'smaller' distribution channels
- Further growth potential in commercial lines and online distribution to reach our fair share of the market
- Expected to exceed € 2bn premiums in P&C as of 2024

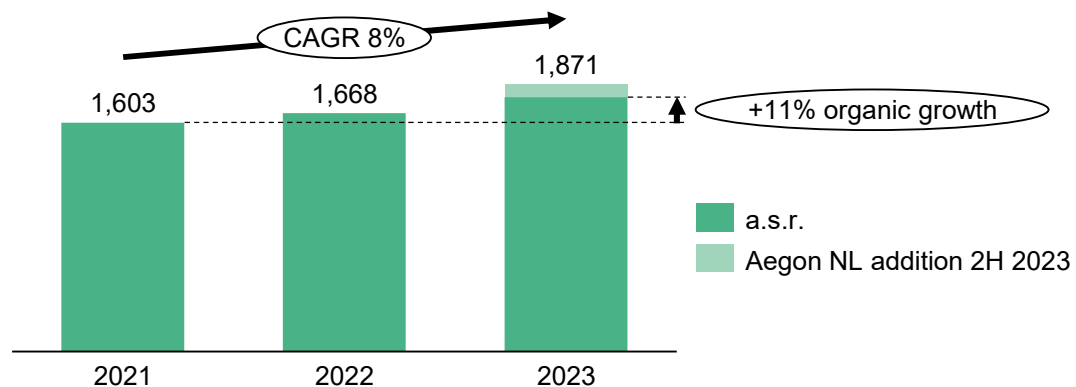
## Potential inorganic growth

- Dutch market is divided between top 3 and several smaller insurers
- Further consolidation is expected as pressure on smaller insurers continues to mount

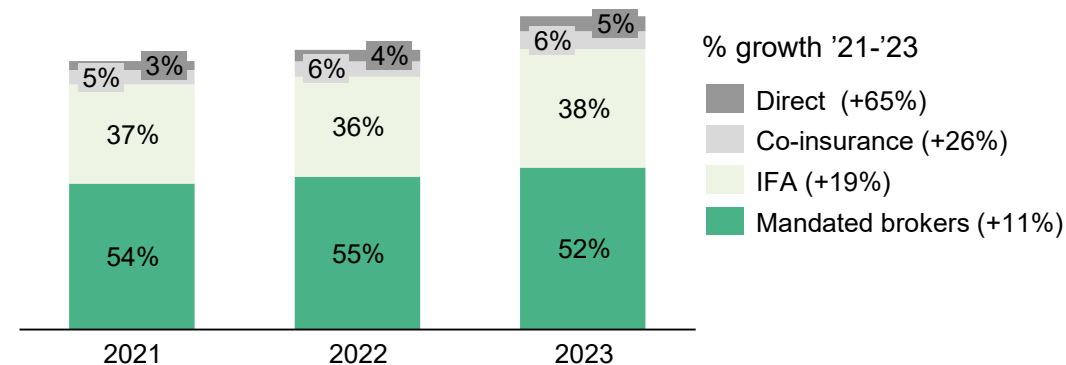
## Premium development retail vs commercial (in €m)



## Premium development a.s.r. P&C (in €m)

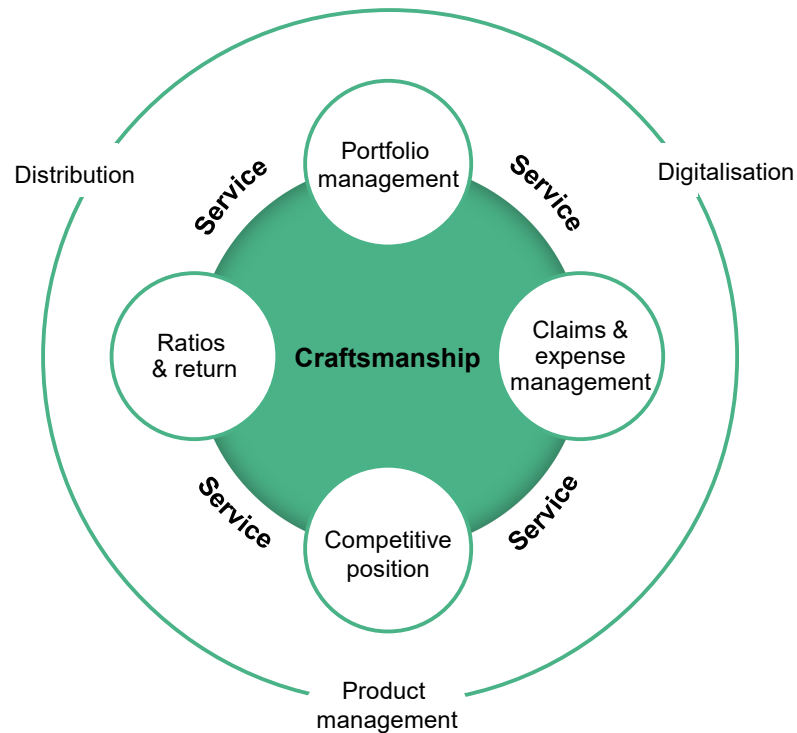


## Premium development distribution channels (in %)



# Disciplined pricing, underwriting and claims management enables growth

## Focus on craftsmanship and service to maintain best-in-class combined ratio



## Portfolio management

- Learning cycle on underwriting, claims management and fraud detection
- Tracking COR performance of mandated brokers and IFA
- Selection and optimisation of distribution partners' portfolios

## Expense management

- Cost discipline
- Scalable IT platform (SaaS)
- Cost reduction through digitalisation (e.g. customer self-service, digital processes and output)
- STP claims management
- Reduce distribution costs

## Claims management

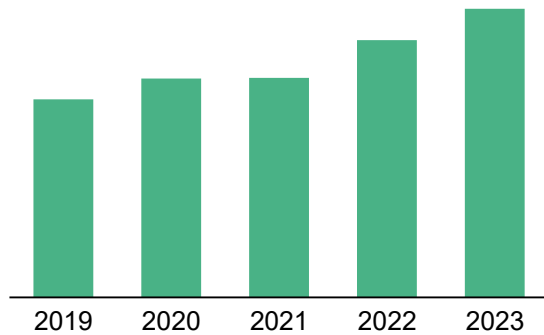
- Proven ability to control the overall claims ratio
- Limited volatility in large claims ratio due to risk appetite and reinsurance
- Calamities drive COR volatility
- Extensive sustainable damage repair network

## Pricing & product leadership

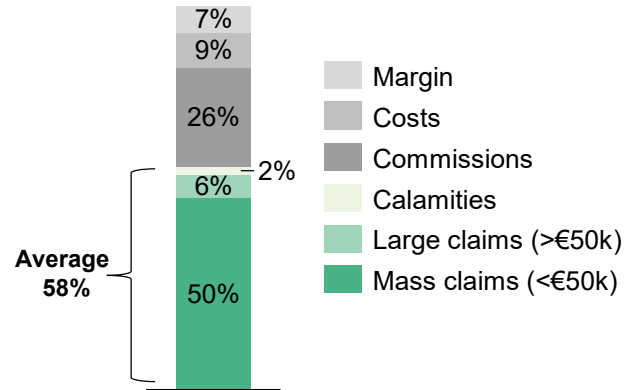
- Pricing based on target claims & expense ratio
- Data warehouse & data mining skills
- Relevant and competitive products & services including sustainable solutions (e.g. flooding insurance of secondary waterways)

# Inflation well managed within a stable claims ratio

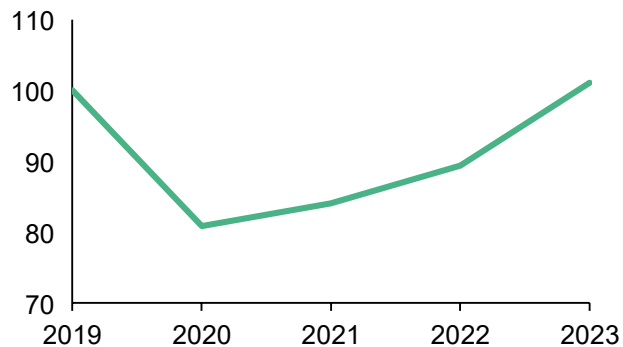
Indicative average claim amount development Motor



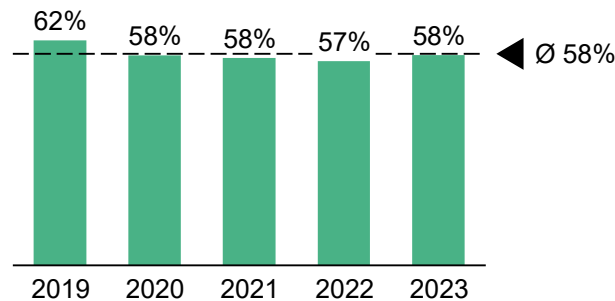
Buildup budget combined ratio<sup>1</sup> (in %)



Claims frequency development (rebased to 2019)



Historical overview claims ratio<sup>2</sup> (in %)

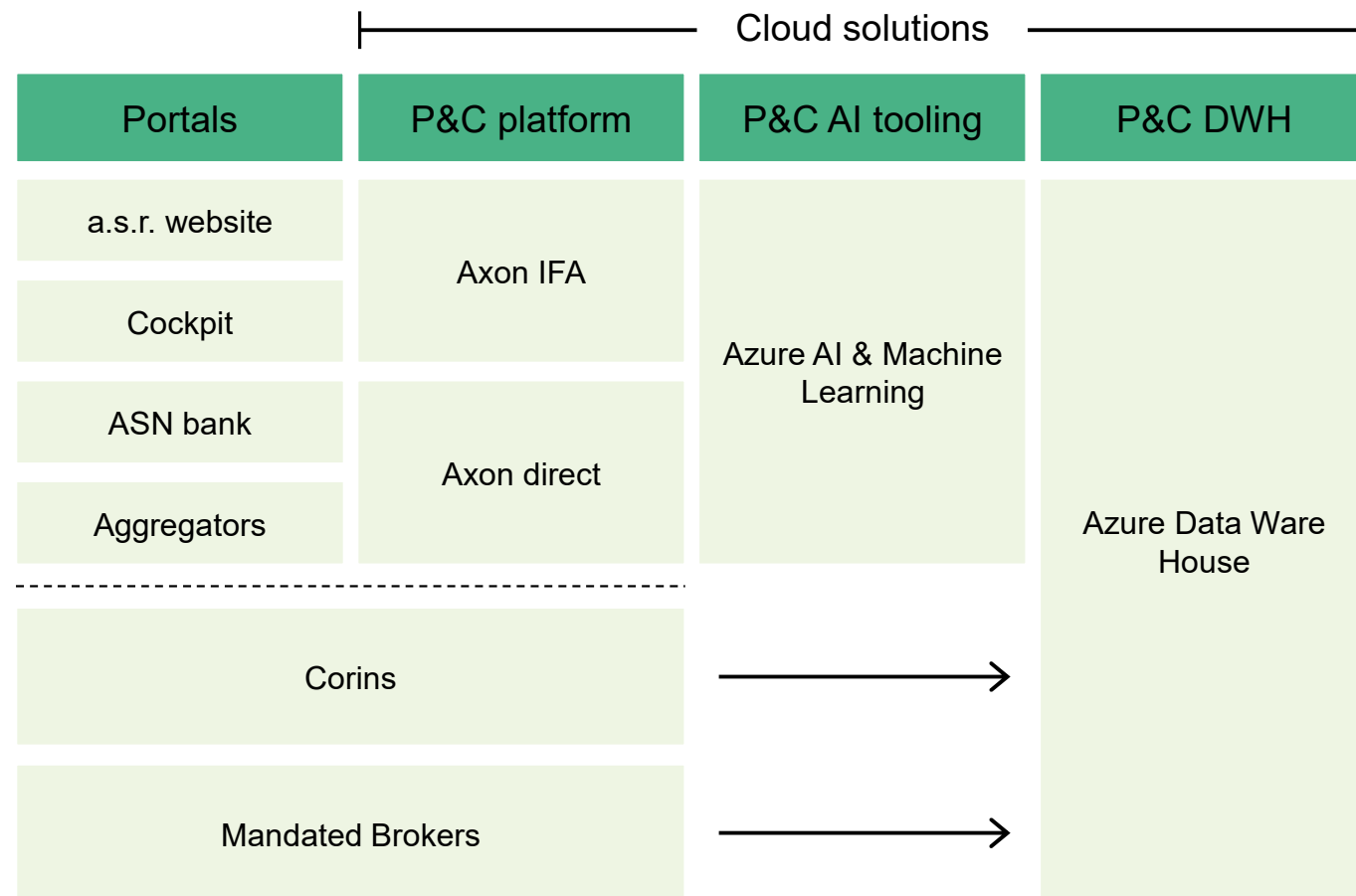


- Increase in claim amounts due to inflation and claims frequency are absorbed by indexation. Price increases and higher rates leading to stable claims ratio
- There is a time lag due to the insurance continuation cycle in which the premium increase is implemented
  - Retail portfolio throughout the calendar year
  - Commercial portfolio skewed towards renewals at 1/1
- Due to inflation, a.s.r. increased its premiums in 2023 and in 2024
- Majority of the claims ratio relates to mass claims (<€ 50.000) as reflection of 'bread and butter' business
- The current average claims ratio is comparable to pre-COVID levels
- Overall, a.s.r. is in control of claim management, and sees opportunity to further stabilise and optimise claims and expense ratios



# Further efficiency and service improvements through digitalisation

## Scalable IT and data platform P&C has been implemented



## P&C platform

- AXON SAAS platform for all IFA and direct P&C insurance policies and claims

## P&C datawarehouse

- Daily updated financial, portfolio, product, commercial and operational dashboards
- Incorporates data of all distribution channels

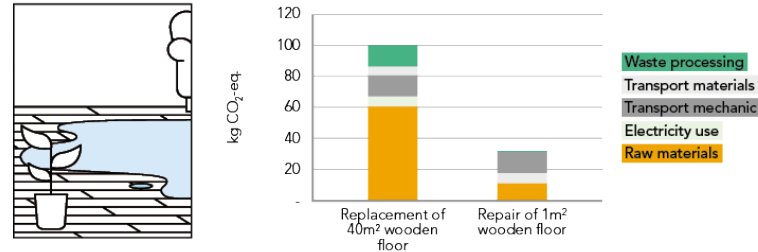
## AI solutions implemented in 2024

- *Smart mail workflow:*  
Prioritisation of incoming emails is performed by an AI model to reduce repeated calls and emails
- *Speech to text:*  
Summary of customer and IFA calls via AI, automated call categorisation and analysis
- *Document handler:*  
Document recognition and indexing is performed by an AI model
- *Language assistant:*  
AI language tool that helps to (re-)write customer focused communication

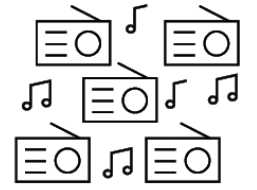
# Sustainability incorporated in our business

- Continuous enhancement of sustainable elements in our product offering (e.g. new coverages, prevention)
- Underwriting of new sustainable risks (SME), sustainability desk to support underwriters
- Sustainable damage repair network: In 2023, 75% of repairable car damages and 40% of repairable home damages were repaired sustainably
- Strategy to increase sustainable damage repair through Soople/Fixxer platform
- Distribution contract with ASN Bank for sustainable retail P&C insurance products
- Marketing campaigns related to repair > replacement

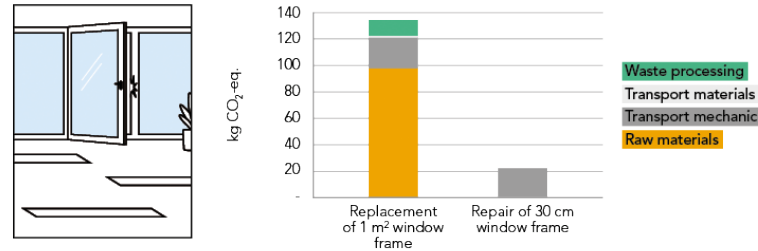
## Comparison climate impact water damage on wooden floor



Repair saves  
**68 kg CO<sub>2</sub>**  
Equals:  
**radio turned on during 1.6 years**



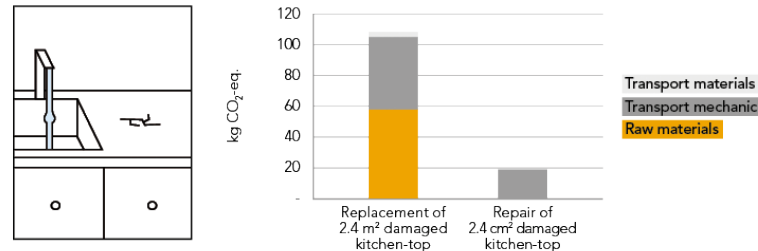
## Comparison climate impact burglary damage to window



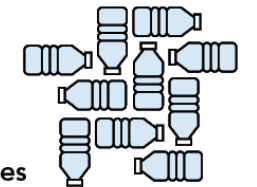
Repair saves  
**112 kg CO<sub>2</sub>**  
Equals:  
**16.4 times Amsterdam-Utrecht by car**



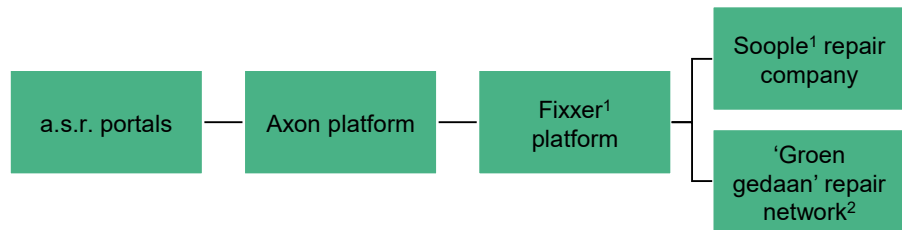
## Comparison climate impact damaged kitchen-top



Repair saves  
**89 kg CO<sub>2</sub>**  
Equals:  
**the production of 1,022 plastic bottles**



## Sustainable home damage repair network



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Disability



# Market overview – Disability insurance



## Our foundation

- Longstanding market leader in Disability insurance market
- Strong position in full distribution mix
- Multi-disciplinary approach with focus on sustainable employability drives excellent performance
- Access to unique platform of businesses, covering the sustainable employability value chain
- Clear value over volume strategy and pricing discipline, delivering strong combined ratio

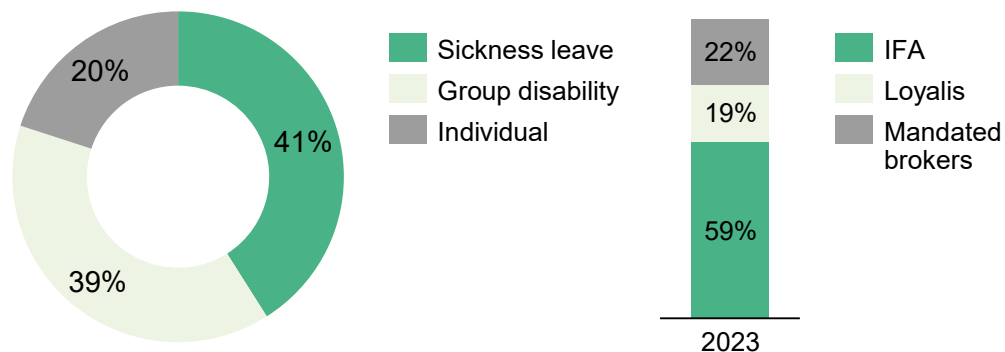


## Market & trends

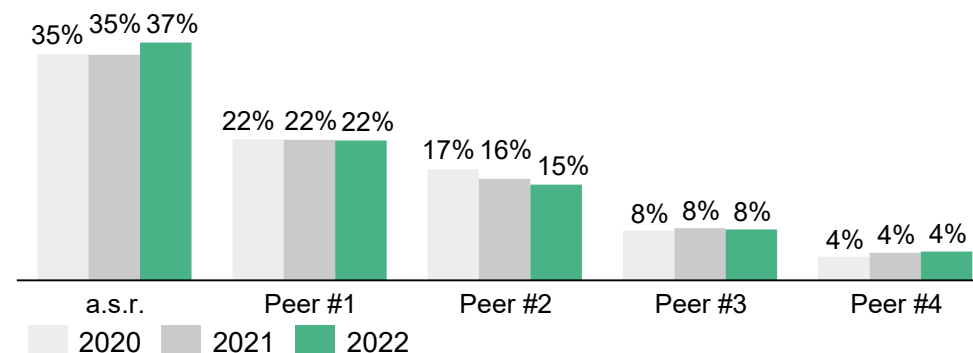
- Market growth driven by economy, premium and wage increases
- Strong level of consolidation, also in intermediary channel and with mandated agents to increase their market share. a.s.r. grows its collaboration with our D&S segment to serve new customers looking to insure themselves through mandated agents
- Shift in labour market towards self-employment combined with underinsurance
- Need of better preventive measures and services to improve productivity at work, on the back of increased absenteeism related to mental health



## Portfolio mix & distribution (2023 premiums, % including Aegon)



## Market shares<sup>1</sup> (2022 premiums, a.s.r. pro-forma including Aegon NL)



# Retaining market leading position and enhancing employability

## Retain market leadership position

- Leverage market leader position through unique disability platform focused on sustainable employability
- Continue focus on market development via multi-channel approach
- Maintain value over volume approach

## Focus on employability and excellent (digital) service

- Advantages of scale give the opportunity to continue development of:
  - In-house claims handling and re-integration based on data
  - Digitalisation and automatisisation of insurance chain

## Strong position in multi-distribution channels

- Maintain leadership position in the IG&H Disability Performance Monitor regarding distribution partners, through which complex products are primarily sold
- Continued focus on overall market presence and distribution mix via a.s.r. and Loyalis labels

## Create value for all stakeholders

- Maintain pricing discipline and competitive advantage on claims management, cost and customer experience, benefitting from scale
- Further expand on our mature framework to optimise claims and expense ratios

# Track record of realised growth based on diverse distribution mix



## Full distribution mix

- Multi-channel approach resulted in above target growth
- Historically stable basis with intermediary channel, and market leading positions in independent IG&H reports
- a.s.r. well positioned in mandated broker channel
- Direct writing in place for Loyalis and small part of Individual disability business
- Aegon integration shows ability to absorb inorganic growth in swift pace

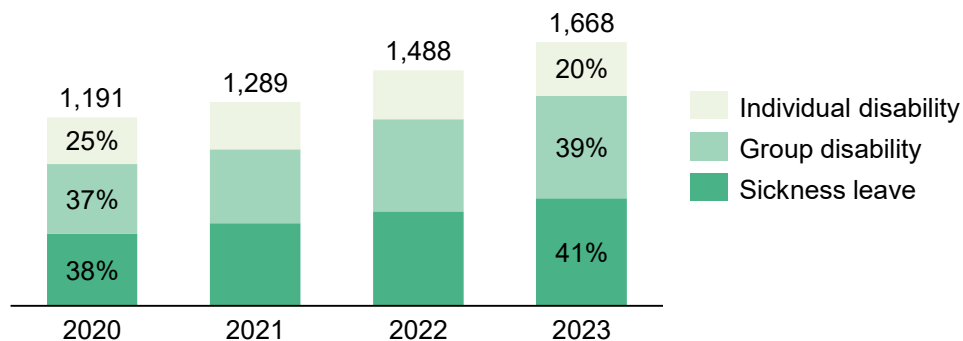


## Case study - Sector deals Loyalis

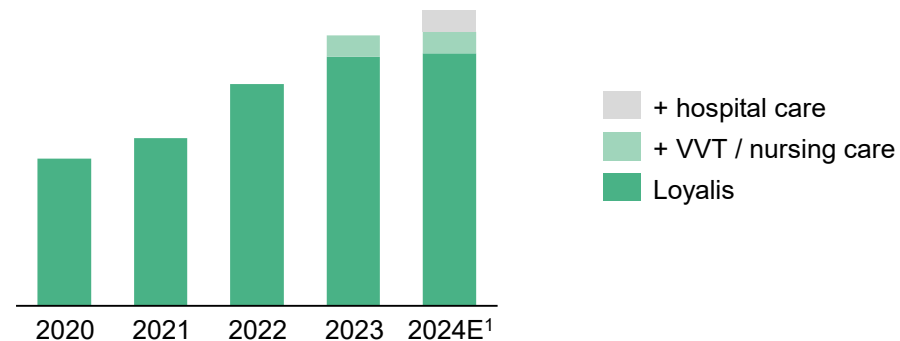
- Loyalis has been a part of a.s.r. since 2019, well positioned in semi-government market
- Very successful since acquisition with strong growth in premiums and contribution to profitability
- Loyalis strongly positioned in public and educational sector
- Collective agreements in nursing care and hospital care further strengthened premiums received and market penetration
- Pension reforms and developments in collective bargaining agreements lead to opportunities for further diversification in the sectoral approach



## Realised growth in Disability insurance (in €m)

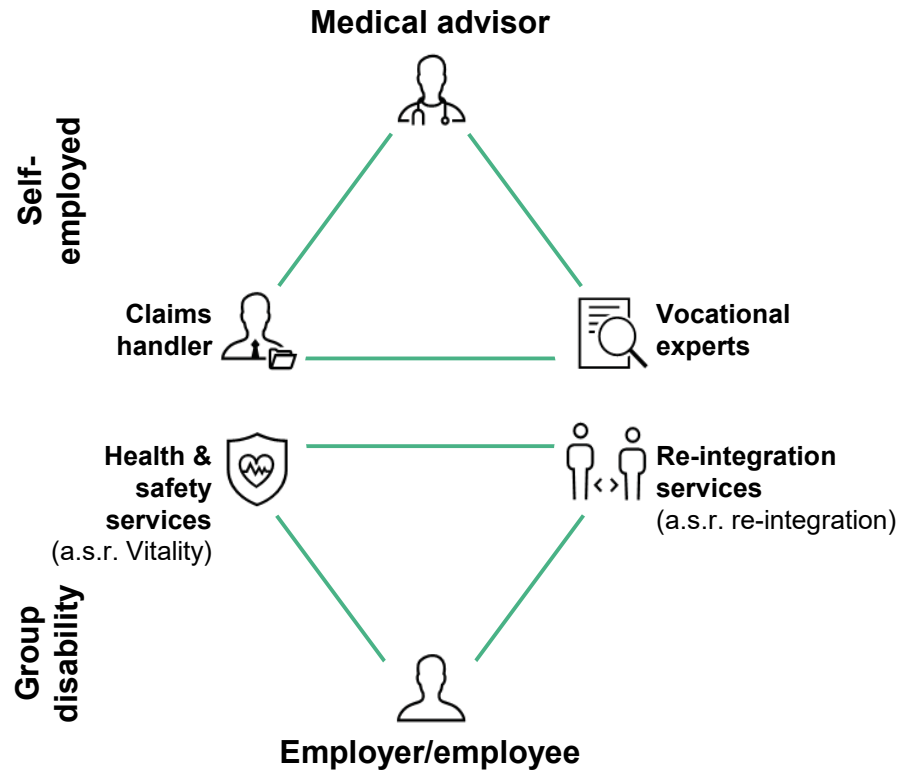


## Illustrative overview impact sector deals Loyalis on premiums received (in €m)



# Sustainable employability focus drives excellent performance

## Disability triangle



## Portfolio management

- Disciplined (re-)assessment of portfolios
- Constant monitoring of claims ratios per risk category
- Monitoring of claims development per distribution channel
- Benchmarking of risk profiles
- Extensive customer data from over 30 years of experience
- Automatic salary link increases efficiency

## Benefits from Health services

- Dedicated experts available to minimise absenteeism
- Early preventive care
- Reduced chance of long-lasting disability
- Improved customer retention
- Additional services added a.s.r. reintegration & a.s.r. Vitality to focus on sustainable employability

## Claims management

- Excellent multi-disciplinary in-house claims handling and reintegration expertise
- Self-employed claims managed by disability triangle
- Group – claims chain management done by specialised teams and third-party specialists
- Adequate pricing and claims control due to enhanced service led to improvement of Sickness leave portfolio
- ‘Verzuimontzorg’ proposition for SME customers which aims at offering a complete package of prevention and reintegration
- The use of machine learning leads to more effective use of reintegration services - rolled out more widely in 2024 and expected to lead to more effective use of reintegration services in the coming years

# Unique platform covering sustainable employability value chain

Optimising underwriting result

a.s.r. Loyalis

BoVal

fel'son

Human Total Care

SuperGarant  
ZORG & VERZEKERINGEN

ROBIDUS

nedasco  
verzekeringen

ZZPO  
Nederland

α.s.r.

Vitality

Enhancing productivity & reducing absenteeism

a.s.r.  
re-integration

Human Total Care

consense  
arbo diensten

ArboNext  
Grip op morgen

Shortening duration of and providing income during absenteeism

Targeting the right customer with the right product





# Growth and pricing mechanisms



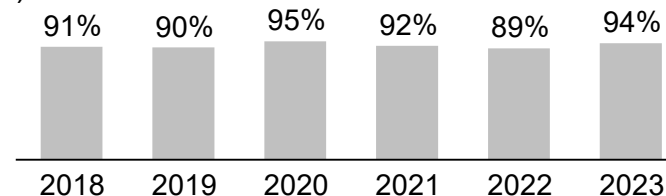
## In general

- Knowledge based objective pricing of risk
- Broad product portfolio and data as basis to act on macro trends and developments (e.g. increasing retirement age, inflation, claim trends)
- Continuous insight and knowledge as basis for value over volume strategy for each product group and per distribution channel
- Annual re-assessment of pricing new business (or sooner in case of certain developments)

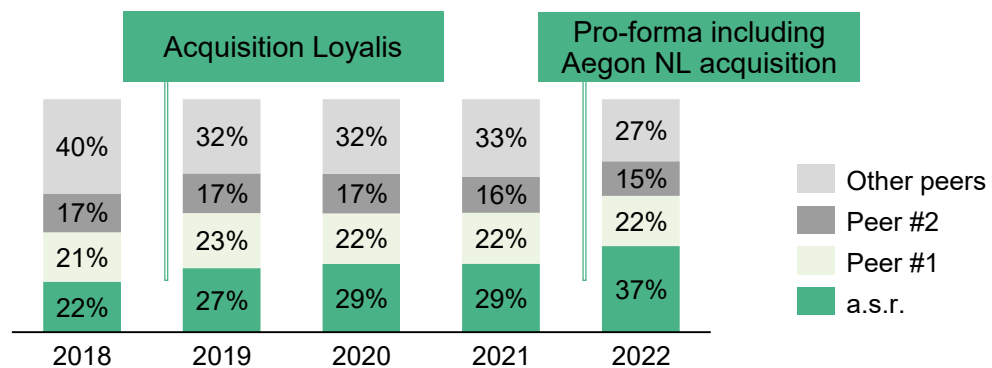


## Development of combined ratio

- Combined ratio<sup>2</sup> consistent <95%, due to pricing discipline and competitive advantage (on claims management, cost and customer experience)



## Disability market share development (premiums in 2018-2022<sup>1</sup>)



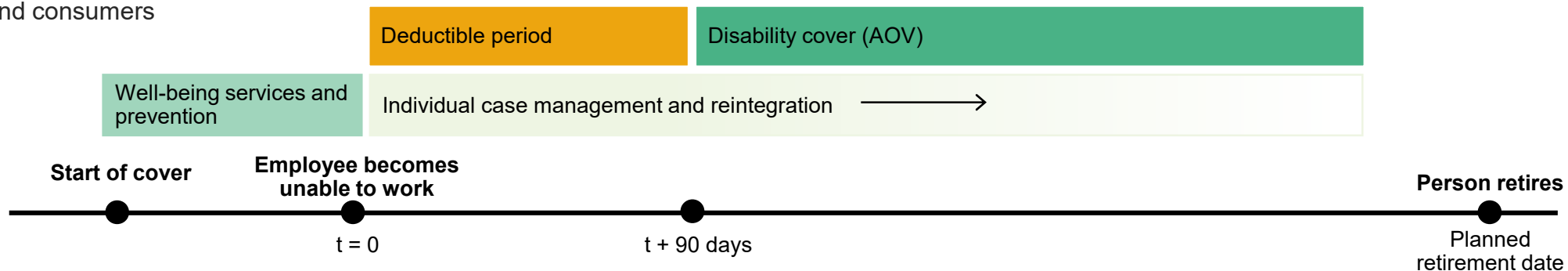
## Growth of market share

- Strong track record in both organic and inorganic growth
- Growth of Disability market share driven by acquisitions of Loyalis and Aegon Netherlands
- Clear market leading position in a consolidation market, while maintaining value over volume approach

# Understanding the Dutch Disability market

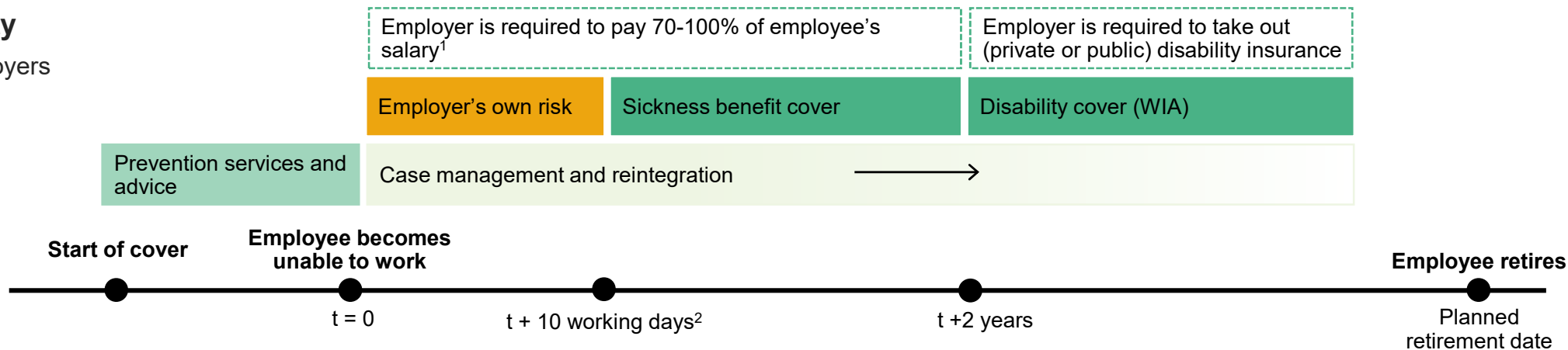
## Individual disability

- Aimed at self-employed professionals and consumers
- € 1.3bn market in 2023



## Group disability

- Aimed at employers and employees
- € 3.2bn market in 2023



<sup>1</sup> Typical deductible period can vary between 10 and 130 days

<sup>2</sup> Exact percentage of salary to be paid during illness depends on collective labor agreement, but typically ranges between 70% to 100%

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