



Ageas Portugal



Work Project presented as part of the requirements for the
Award of a Master's Degree from NOVA – School of Business
and Economics

Consulting Project to explore and develop Shared Value initiatives for the Corporate Social Responsibility department of Ageas Portugal

Consulting Lab carried out under the supervision of:

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January 3rd , 2018

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ACKNOWLEDGEMENTS

We would firstly like to express our sincere gratitude to our thesis advisor, **Professor Constança Casquinho** of Nova School of Business and Economics, for giving us the opportunity to develop the “Shared Value” project for Ageas Portugal. We are grateful for all her support, guidance and advices. Professor Constança was extremely flexible and always tried to manage her tied schedule to be available for us whenever we had difficulties or doubts about the project.

We would also like to thank **Director Carla Vieira, Dr. Miguel Branco** and **Dra. Catarina Pinto Leite** from the CSR department of Ageas Portugal for their constant support and information provided during the whole process of the project. Working on the same site as the CSR department was truly useful to have systematic feedback on our work. We genuinely appreciated the friendly environment of all the employees of the company, who always exceeded our expectations to make us feel welcomed and integrated.

Furthermore, a special thank you to the CEO of Continental Europe of Ageas, **Dr. Steven Braekeveldt**, for trusting us and giving us the opportunity to work with the CSR team on the innovative “Shared Value” project. His indescribable generosity, knowledge sharing and practical insights from the business world truly inspired us.

In addition, we take pride in acknowledging our university **Nova School of Business and Economics** for the knowledge and skills transmitted during our academic path. A special thank you to the university teachers, staff members and all our colleagues who supported us during this period. It will always be an honor to be an alumni of NovaSBE.

Finally, we must express our very profound gratitude to **our parents, families and friends** for providing us with unflinching support and continuous encouragement throughout the years of study and especially in the last stage of completing our Masters degree. These accomplishments would not have been possible without them.

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Abbreviations, Acronyms and Initials

ANF - Associação Nacional de Farmácias
APP - Application (mobile)
BMI - Body Mass Index
CBT - Cognitive behavioral therapy
CHFI - Collective Household Fire Insurance
CPI - Consumer Price Index
CSR - Corporate Social Responsibility
DGS - Direção Geral de Saúde
ESG - Environmental, Social and Governance
Imp. - Impact on results if it occurs
LOB - Line of Business
LTC - Long-Term Care
LTCI - Long-Term Care Insurance
NGO - Non-governmental Organization
PAYD - Pay-as-you Drive
PLS - Prize Linked Savings
Prob. - Probability of occurrence
P2P - Peer-to-peer
RR - Relative Risk
SRI - Socially Responsible Investment
TBD - To be defined
WHO - World Health Organization

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Consulting Labs

The Consulting Labs allows students to apply academic knowledge in a real life professional experience.

Overview

The **Consulting Labs** experience gives students the opportunity to work in real life consulting projects. Our team had the privilege of exploring, developing and recommending **Shared Value** initiatives for **Ageas Portugal**. Throughout the project the team was closely supervised by **Dr. Miguel Branco**, previous Consulting Lab student, and Professor **Constança Casquinho**. The team worked during **3 months** on the client's headquarters - **Ocidental Seguros** building - in Tagus Park, next to the CSR department. All the work performed aimed to provide a **high quality project**, to hopefully integrate the **2021 CSR strategy** of the company.

Objectives

- Absorb the client's culture and knowledge to deliver a high quality solution to the consulting challenge.
- Leverage on a practical approach that allows the team to consolidate and apply the theoretical concepts learned during the academic path.
- Meet or even exceed the client expectations, adding real value to the company.
- Learn new and innovative work methodologies, develop teamwork, analytical and communication skills which will be useful in our future careers.

Advisors



Advisors:

Dra. Carla Vieira: CSR Department Director
 Dr. Miguel Branco: Project Manager
 Dra. Catarina Pinto Leite: Project Manager



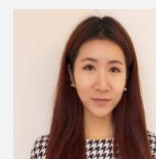
Advisors:

Professor Constança Casquinho

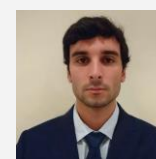
Team



João
Gonçalves
(Management)



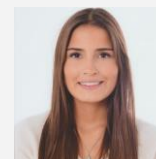
Le
Bo
(Management)



Manuel
Correia
(Management)



Rita
Froes
(Management)



Rita
Vieira
(Management)

1.1 Executive Summary: Context

About Ageas Portugal

- **Ageas** is a Belgian **multinational insurance company** based in Brussels. It is Belgium's **largest insurer**, currently operating in **fourteen countries** worldwide. Present in Portugal since **2005**, **Ageas Portugal** offers multiple **life and non-life solutions** to its corporate and individual clients.
- **In 2014**, Ageas acquired the non-life activities of its joint venture with Millenniumbcp - Millenniumbcp Ageas. Millenniumbcp Ageas distributes life and non-life products through the **bancassurance** channel. In the end of 2016, Ageas acquired AXA (now rebranded Ageas Seguros) business in Portugal, enhancing its presence in the **direct channels** distribution. Ageas Group is composed by Ocidental Seguros, Médis, Ocidental Pensões, Ageas Seguros and Direct Seguro Directo. (see appendix 1.1.1)
- **Ageas Portugal** has a clear **long term vision and commitment** to its clients. The company believes that a social responsible strategy is essential and determinant to build trust among customers and engage employees. In this sense, **Social Responsibility** is in the center of Ageas strategy, enabling the company to constantly interact with stakeholders improving the business while reducing risks and costs and exploring new business opportunities. It is through the adoption of a **responsible behavior** and the offer of products and services with social and environmental impact that Ageas Portugal wants to actively participate and improve the economic and social progress of the country.

About the Project

- Ageas Seguros has been expanding its operations in Portugal through **strategic acquisitions**, experiencing a sharp **growth**. Aiming to achieve a leading position in the portuguese insurance market, it is essential to simultaneously analyse **new business opportunities** and reinforce its brand positioning in the customers mind.
- The **CSR department** of Ageas, **founded recently** in April 2017, has the ambition of adding significant value to customers, society and all stakeholders, while seeking a “**Shared Value**” **approach**. The department strategy focuses on **3 strategic pillars, healthier society, ageing population and resilient society** with various **challenges addressed** in each pillar.
- The purpose of the project was for the team to explore, create and develop **shared value initiatives** that could integrate the CSR 2021 Strategy, addressing each **strategic pillar and the challenges** associated, enriching the department work.

1.2 Executive Summary: Main Challenges and Deliverables

Main Challenges

- What is the business? What are Ageas Portugal strengths and weaknesses?
- What are the current needs of society?
- What is the impact of implementing “shared value” initiatives?
- Which are the current practices in insurance companies regarding “shared value”?
- What recommendations improve both the societal problems and the business profits?
- What recommendations have a measurable return?
- What are the main KPIs to measure the return of each initiative?
- What resources are needed to implement the initiatives?
- How much time is it needed to implement the initiative?
- How long does it take to generate profits?

Deliverables of the Project

1. Deep dive and cascading on pre-selected Social Challenges
2. Find innovative solutions and initiatives for each Social Challenge fitting Ageas Portugal business strategy
3. Definition of metrics and targets per initiative, challenge and strategic pillar
4. Development of a business case and implementation plan for main initiatives

1.3 Executive Summary: Action Plan

- How to develop creative and realizable shared value initiatives for Ageas which can be adopted in Portuguese market?
- How to convince stakeholders to embed shared value initiatives into the core of Ageas' strategy?
- How to develop a detailed implementation plan for the potential initiatives?



Diagnosis

- Analyzing previous work of CSR department
- Deep dive of each challenge defined under 3 pillars
- Coming up with potential initiatives by benchmarking, brainstorming and getting information of key people in each line of business.



Feedback

1. **Program for Obese:** Offer to reduce obese customers' costs.
2. **House sharing:** Online platform for seniors willing to share their homes and to subscribe to several services.
3. **University & High school contest:** Contest to develop initiatives and raise awareness of financial literacy problems
4. **Collective Household Fire Insurance:** Peer to peer household insurance shared by local communities to help prevent and protect them from natural catastrophes.
5. **Green Endorsement:** Special coverage to protect green buildings and green upgrade policies to help companies become "green" easily



Recommendations

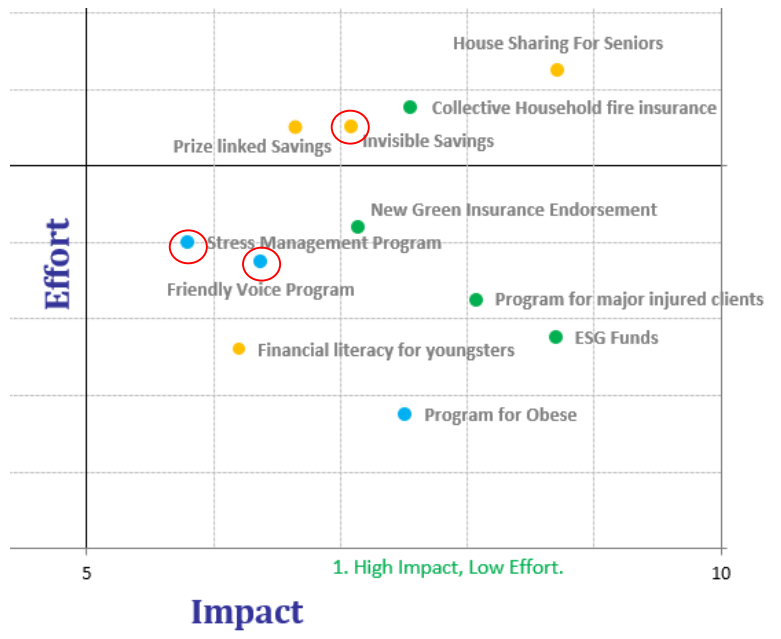
1. Get feedback from the CSR steering meeting to decide the initiatives to be further developed to present in the Executive Committee steering
2. Get feedback from the Executive Committee steering to decide the initiatives to be recommended

1.4 Executive Summary: Recommendations

Recommendations from the Group

- Besides recommending to implement our final five initiatives, and being aware that it is not viable to explore all the initiatives simultaneously, the group strongly believes it would be an opportunity to, in a near future, consider exploring the **Friendly Voice Program**, **Stress Management Program**, and **Invisible Savings** initiatives due to the high social and economic impact.

Recommended Initiatives not Pursued



Final Chosen Initiatives

# of new clients	30,7K	2,67%
Revenue	€ 70M	2,14%
Profit	€ 11,2M	3,51%

Main Benefits for Ageas

- Until the beginning of the project, Ageas Portugal was only focused on CSR strategies. However, to accomplish the **CSR 2021 Strategy**, **Ageas must embed Shared Value initiatives** into its core business. Thus, Ageas will **consolidate its position as an innovative company** while increasing its competitive advantage. Furthermore, if the strategy is well communicated Ageas will **reinforce its reputation and enhance brand awareness**.

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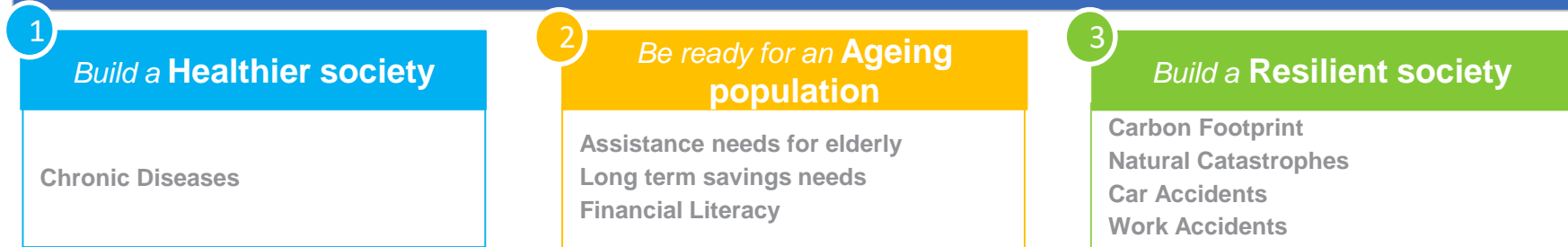
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2. The Project

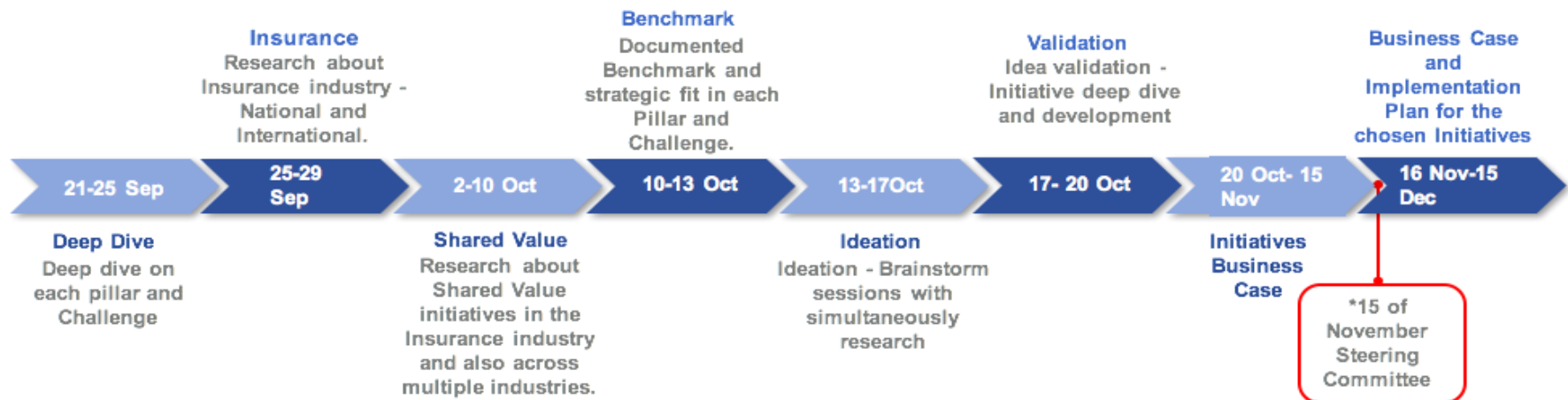
The purpose of the project is to explore, create and develop Shared Value initiatives under 3 pillars and the respective challenges that can be potentially integrated into the CSR 2021 Strategy.*
 Secondly, it was asked to suggest Strategic CSR initiatives as quick-wins for the company.

PILLARS AND CHALLENGES (see appendix 4.1)



The deadlines were initially defined by the CSR team, despite suffering some changes along the process.

METHODOLOGY AND PROJECT TIMELINE



*CSR 2021 strategy consists in creating shared value and strategic CSR initiatives (under the defined pillars and respective challenges) to add significant value to customers, society and stakeholders

3.1 Shared Value¹

*“The concept of **shared value** can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.” - Michael Porter and Mark Kramer, 2011*

CONCEPT DEFINITION

What is Shared Value?

- For companies to achieve “Shared Value” both economic and social progress must be addressed using **value** principles - “benefits relative to costs, not benefits alone”. Value creation is typically: profit = revenues earned from customers - costs incurred. Yet, companies rarely approached societal issues from a value perspective and have considered them as secondary issues.
- As soon as governments and NGOs start thinking in terms of value instead of benefits achieved or money expended their interest in collaborating with business will probably raise.

CONCEPT ROOTS

Problems:

1. The **capitalist system is an old narrow view** where business are autonomous entities and community and social issues are not under concern.
2. The **management focus on making profits**, contributing to society with employment, wages, purchases taxes and investments **resulted in commoditization, price competition, limited innovation, passive organic growth, and unclear competitive advantage**.
3. Companies’ **vertical integration, outsourcing, and offshoring declined the relation** between firms and communities.
4. Managers and companies have been **overlooking opportunities** to meet social needs, how social weaknesses influence value chains and the repercussions that location has on innovation and productivity.

CREATING SHARED VALUE (1/2)

How to create shared value? In theory.

Companies can create economic value by creating societal value. There are **three distinct ways**, each is part of the **virtuous circle of shared value** and improving value in one area gives rise to opportunities in the others:

- **Reconceive products and markets:** Meeting societal needs through products and addressing unserved or underserved customers
 - Ex: Novartis, to reach customers without health access in rural India, offers a portfolio of affordable and appropriate medicines tailored to common regional health issues, which is increasing regional sales and doctor visits.
- **Redefining productivity in the value chain:** Changing practices in the value chain to drive productivity through better utilizing resources, employees, and business partners
 - Ex: Walmart, by reducing packaging and improving delivery logistics, saved \$200M in distribution costs while growing the quantities being shipped
- **Enabling local cluster development:** Improving the available skills, supplier base, and supporting institutions in the communities where a company operates to boost productivity, innovation, and growth
 - Ex: Chevron, to build prosperity in the region and improve its operating environment, created the “Partner Initiatives in the Niger Delta” that uses a data-driven approach to identify new market opportunities and local solutions to unemployment in the region.

¹(Porter and Kramer, 2011)

3.1 Shared Value ^{1,2}

“Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success” - Michael Porter and Mark Kramer, 2011

CREATING SHARED VALUE (2/2)

How to create shared value? In practice.

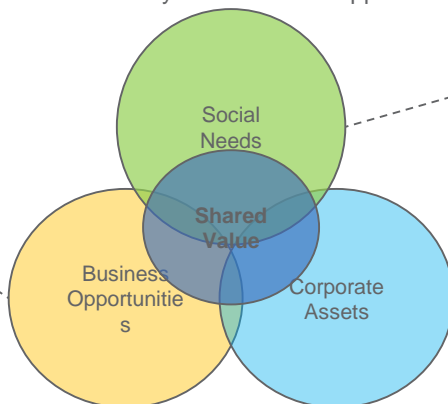
- Companies must recognize that there are **different profit origins** and that when are **derived from a social purpose** end up creating **economic value through** the creation of **societal value**.
- This understanding is a potent force to **impulse growth in the global economy** but requires **new best practices and strategic opportunities**.
- **Competitive advantages** from shared value initiatives are more **prone of becoming sustainable** than conventional cost and quality improvements.
- Creating initiatives with a shared value approach goes **far beyond the typical corporate social responsibility** programs.

INSURANCE COMPANIES

Insurance is the ultimate shared value industry, where social impact is essential to economic success. Still, many insurers remain stuck in a passive, actuarial model rather than pursuing shared value, overlooking many opportunities to enhance outcomes for both the company and society.

- Shared value in insurance moves the industry from a “passive guardian” to an “activist model”, where companies anticipate, prevent, and mitigate societal risks.
- To obtain the whole benefits of shared value strategies in insurance, two principles are essential:
 - Insurers need to adopt shared value as a **core business strategy** that is clearly distinguished from social responsibility and peripheral philanthropic activities;
 - Insurers need to move beyond a narrow internal focus on product and claims management to embrace an **externally oriented approach** that improves customer behavior, partners with relevant civil society actors, and advances public policy.

Framework To Identify Shared Value Opportunities²



- Increasing profitability through prevention and dynamic risk reduction rewards
- Growing revenues by closing the protection gap for the underserved
- Reaping synergies through asset investment in prevention/protection systems

- Richer and more healthy working lives
- Healthier, independent, and fulfilled aging
- Healthier and safer urban living
- Greater disaster resilience
- More secure rural livelihoods

- Adequately resourcing innovation
- Using data & new technologies for good
- Mastering behavioral economics
- Upgrading value-chain partnerships
- Engaging government & communities
- Measuring shared value

^{1,2}(Porter and Kramer, 2011)

²(FSG, 2017)

3.2 / 3.3 CSR and Strategic CSR

While working for the CSR department of Ageas Portugal, it was important to define and understand what are the main objectives and areas of action.

CSR

- Scholars commonly define **CRS as a set of business practices and initiatives that contribute to the overall welfare of society**, focusing on having a **positive social impact** rather than having an economic impact for the organization.
- **Environmental efforts** (investing in green solutions, partnering with sustainable causes), **philanthropy** (donating money, products or services to charities and local communities programs), **ethical labor practices** (behavioral changes by implementing modern and forward looking human resources and sustainable practices) and **volunteering** (company participation in volunteering events incentivizing employee attendance) are the most **common ways** of practicing CSR.
- Large companies have an increased **responsibility in “giving back”** to the community. When comparing to small and medium business, **big organizations** usually have **more resources** they can allocate to **social causes** and can have a **broader impact** as it is common to operate in multiple segments and markets.³
- A **good CSR strategy** has often been linked with a **positive reputation and brand image** for the company.
- A 2011 study conducted by Lii and Lee, investigated the impact that sponsorship, cause-related marketing and philanthropy had in the customer perceived image of a company. Results showed that all **three forms of CSR had a positive impact** in the company identification, with philanthropy being the most impactful. In this sense, CSR can always be seen as a form of **increasing brand awareness** and **company reputation**, ultimately aiming to **increase performance**.⁴
- It is important to keep in mind that the **CSR strategy objectives** are mainly related with **improving communities social and environmental conditions**. A 2015 study from Harvard Business Review, “The Truth About CSR”, argues that CSR has been changing the core objective of helping communities progressing and contributing to their well-being **with no benefit in return**. It further defends that there are **business pressures for CSR** initiatives to have an **economic and measurable return** for organizations.⁵

STRATEGIC CSR

- The fundamental **advantage of Strategic CSR** is being **coherent with the business strategy**.
- It consists of **designing a CSR strategy that reflects the business values** of the company, while **addressing environmental, social and humanitarian challenges**⁶. Thus, being able to create value for its stakeholders and for the community.
- The **main external benefits** of strategic CSR are associated with its **effects on the corporate reputation**, which can be understood as an important intangible resource that can be created as a result of decisions to engage (or not) in social responsibility activities and disclosure. Companies with good reputation, in terms of social responsibility, may improve relationships with external players.
- Companies may even **increase the employees’ engagement**, morale, loyalty and motivation and appeal to better employees.⁷
- By pursuing Strategic CSR, it signals that the company is following a long term strategy.⁸

³(McWilliams, 2014)

⁴(Lii and Lee, 2011)

⁵(Rangan, Chase and Karim, 2015)

⁶(Rangan, Chase and Karim, 2012)

⁷(Branco and Rodrigues, 2006)

⁸(Lombardo and D’Orio, 2011)

3.2 / 3.3 Difference between CSR and Shared Value ^{1,9}

CSR practices focus on giving back to the community by sharing the economic return of an organization with the society. Shared value creation focuses on practices that improve societal benefit while making a profit.

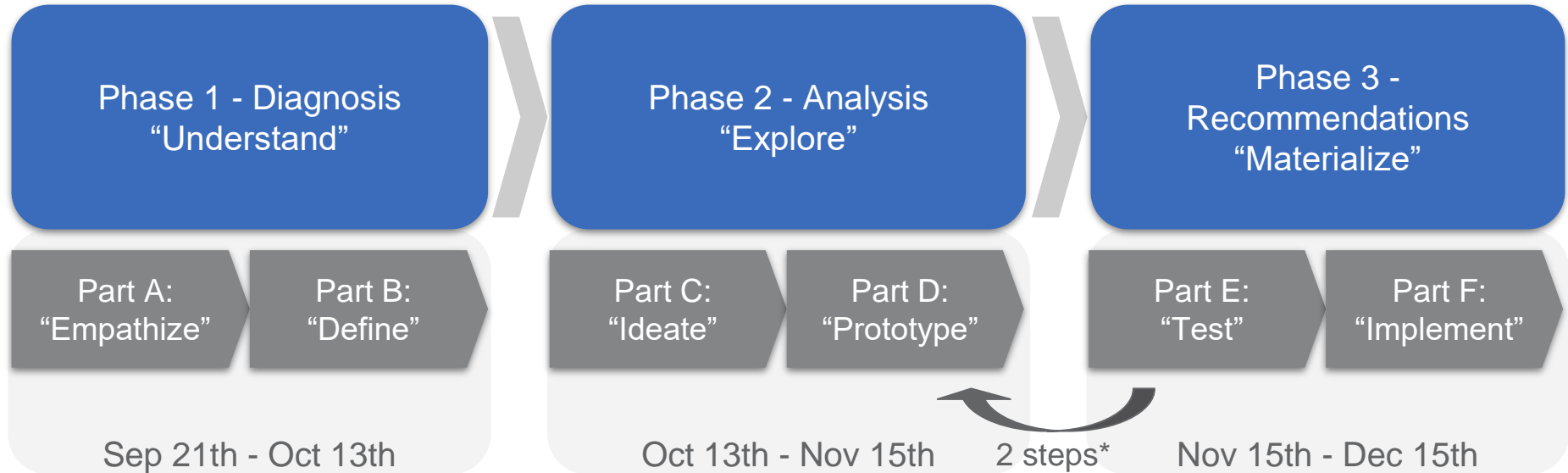
	CSR	Shared Value
Value creation	Profit sharing with community	Economic and societal benefits relative to cost
Focus	Citizenship, philanthropy, sustainability, volunteerism, corporate foundations	Joint community, community value creation, business development, stakeholder alignment
Profits	Separate from profit maximization	Integral to profit maximization
Agenda	Driven by external pressures and personal preferences	Internally generated, company related and strategically aligned
Financing	Limited to CSR budget	Inserted in entire company budget



- **CSR** is commonly associated as **cost center**, it focuses on responsible actions to improve communities well-being. On the other hand, **Shared Value** is seen as a **profit center**, focusing on new business opportunities, exploring untapped markets, improving profitability by building competitive advantage.
- Shared value is built on CSR but is addressing social problems with **innovative and scalable solutions** with far greater impact than simple CSR, while making a profit.
- **CSR** main activities focus on **changing business practices** in response to external pressure. Specifically by corporate values and corporate citizenship, corporate philanthropy (by sharing money the company already has made), donation of services and volunteerism (sharing products, expertise, talent and time). compliance with community and reputation management.
- **Shared Value** focuses on **designing new products and services** that meet social and environmental needs while simultaneously delivering financial return. Mainly by exploring new markets, reconfiguring the value chain, improving capabilities (skills, knowledge, productivity) of the ecosystem, strengthening and capturing economic and social benefits at the community level.²

4. Methodology

The methodology for the problem resolution was divided in three distinct parts: diagnosis, analysis and recommendations. As the objective of the project was to develop ideas, the group utilized the Design Thinking¹⁰ framework: “ ideology supported by an accompanying process.”

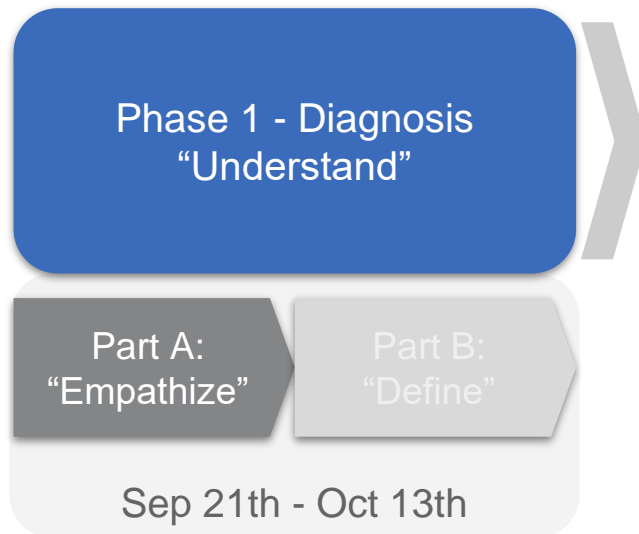


*The prototyped initiatives went through a primary test where some were eliminated and others given some insights to further development.

¹⁰(Gibbons, 2016)

4.1 Methodology - Phase 1

“Conduct research in order to develop knowledge about what your users do, say, think, and feel.”¹⁰



Objective: Understand the main societal concerns of key people in Ageas (CEOs and top managers)

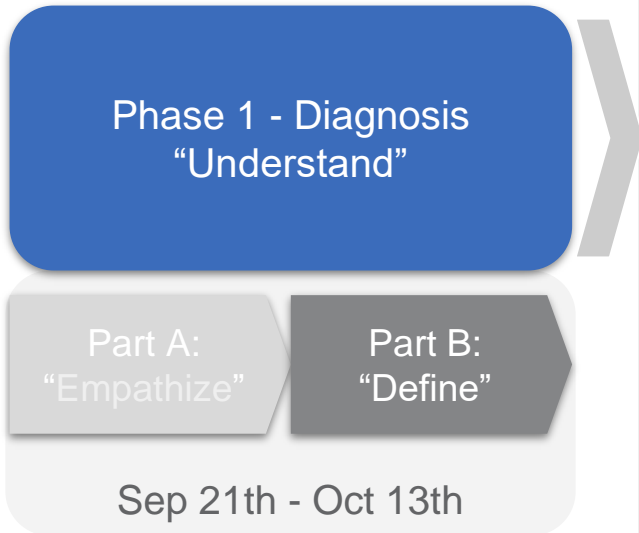
Method: Firstly, the CSR team conducted 28 interviews to discuss and score social challenges by social relevance, impact on society, alignment with company strategy and potential return. Afterwards, through brainstorming sessions with key people from the main LOBs, the team defined the challenges to integrate the CSR strategy. Furthermore, through an intranet platform (“Ding”), employees were requested to share some initiatives for Ageas to increase contribution to society. Finally, the CSR team defined the main challenges to address in the CSR Strategy 2021.

Main Activities: as research was conducted by the CSR team, the group scrutinized the whole process to have a deeper understanding on the strategy.

- **Meeting with the CSR team:** introduction of the company and the insurance market; analysis of the process to understand the definition of strategic pillars and challenges of the department.
- **Meeting with the CEO (Dr. Steven Braekeveldt):** personal insights of shared value creation and expectations alignment with the consulting labs project.

4.1 Methodology - Phase 1

“Combine all your research and observe where your users’ problems exist. In pinpointing your users’ needs, begin to highlight opportunities for innovation.”¹⁰



Objective: Deeper understanding of each previously define challenge.

Method: Research on the challenges through literature review, official databases, market research and consulting companies’ reports.

Main Activities:

- **Deep dive on the challenges:** define causes and consequences of each challenge.
- **Quantification of the problem:** find facts and figures on the portuguese reality.
- **Meetings with key people from different LOBs:** assess what each department has been working on and where the group could add value to avoid overlapping work.

¹⁰(Gibbons, 2016)

4.2 Methodology - Phase 2

“Brainstorm a range of crazy, creative ideas that address the unmet user needs identified in the define phase.”¹⁰

Phase 2 - Analysis “Explore”

Part C:
“Ideate”

Part D:
“Prototype”

Oct 13th - Nov 15th

Objective: Identify new and innovative solutions to address the challenges.

Method: Benchmark and Brainstorming through Metaplan process

Main Activities:

- **Research:** discover shared value initiatives across all industries with emphasis in the global insurance industry. Look for solutions that can be applied to the challenges of the project. (see appendix 4.2.1)
- **Metaplan:**
 - Create ideas based on research
 - Collect and share individual ideas
 - Divide ideas per pillar
 - Divide into defined challenges
 - Prioritize ideas based on strategic alignment, applicability to the portuguese market and potential

4.2 Methodology - Phase 2 and 3: Step 1

“Build real, tactile representations for a subset of your ideas”¹⁰ and “Return to your users for feedback”¹⁰

Phase 2 - Analysis “Explore”

Part C:
“Ideate”

Part D:
“Prototype”

Oct 13th - Nov 15th

Objective: Create a clear and brief message of the process of each potential initiative, focusing on the effort and on the social and financial impact, to present in the CSR steering.

Method: Benchmark and Initiative process design

Main Activities:

- **Research:** further benchmark and literature review (deep dive on causes and consequences) on each prioritized idea
- **Adaptation:** design the ideas, adapting to the insurance reality in Portugal
- **Feedback:** insights of experts in each LOB
- **Presentation:** development of presentation to the CSR Steering with causes and consequences, facts and figures, benchmark, process design, benefits and challenges/risks for both Ageas and society.

Phase 3 - Recommendations “Materialize”

Part E:
“Test”

Part F:
“Implement”

Nov 15th - Dec 15th

Objective: Get feedback from the CSR team to decide on the initiatives to focus on.

Method: Discussion of points of view in each initiative

Main Activities:

- **Presentation:** presented effort-impact matrix and each idea in detail.
- **Feedback:**
 - Decide which initiatives to deprioritized and the reasons behind it
 - Get insights on each prioritized initiatives to simplify the effort needed and improve the potential

4.2 Methodology - Phase 2 and 3: Step 2

“Build real, tactile representations for a subset of your ideas”¹⁰ and “Return to your users for feedback”¹⁰

Phase 2 - Analysis “Explore”

Part C:
“Ideate”

Part D:
“Prototype”

Oct 13th - Nov 15th

Objective: Development of business case for prioritized initiatives to present in Executive Committee steering.

Method: Proxies from the benchmark companies and literature review to support the business case assumptions

Main Activities:

- **Financial impact estimates:** revenues, costs, margins, prices, claims reduction, number of policies.
- **Social impact estimates:** benefited population, claims reduction, premium reduction, offer diversification, insured people.
- **Presentation:** development of presentation to the Executive Committee Steering.

Phase 3 - Recommendations “Materialize”

Part E:
“Test”

Part F:
“Implement”

Nov 15th - Dec 15th

Objective: Get feedback from Executive Committee Steering to decide on the initiatives to finalize.

Method: Voting

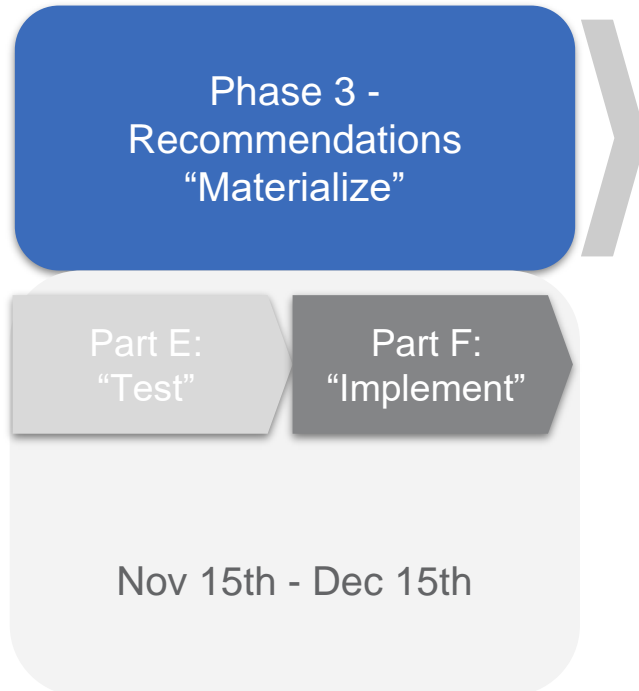
Main Activities:

- **Presentation:** CSR team selected initiatives to present based on the estimated benefit for Ageas
- **Feedback:** Get insights from the Executive Committee on each presented initiative.
- **Selection:** voting for the selection of the final recommended initiatives.

¹⁰(Gibbons, 2016)

4.3 Methodology - Phase 3

*"Put the vision into effect."*¹⁰



Objective: Create implementation plan and deeper business case.

Method: Forecast of implementation activities, timeline and costs

Main Activities:

- **Talk to experts:** get insights on product development, market research, partnerships engagement, marketing strategies of similar products to define deadlines and costs.
- **Construction of implementation plan:** creation of phases, detailed activities and associated costs.

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5. Initiatives Identified

Main KPI's of the five final initiatives during a 5 year projection in €.

KPI'S	Program for Obese - Individuals	Program for Obese - Corporate	House Sharing	University & High School Contest	Collective Household Insurance	Green Endorsement	Total
# of new clients	-	-	2,1K	-	9K	19,6K	30,7K
Revenue	28K	-	65,3M	-	2.3M	2.4M	70M
Profit	-	-	9,7M	-	485K	975K	11,2M
Investment	12K	-	56K	45K	76K	72K	254K
Cost reduction	139K	443 K	-	-	-	-	481K
Cashback	30K	-	-	-	219K	-	249K

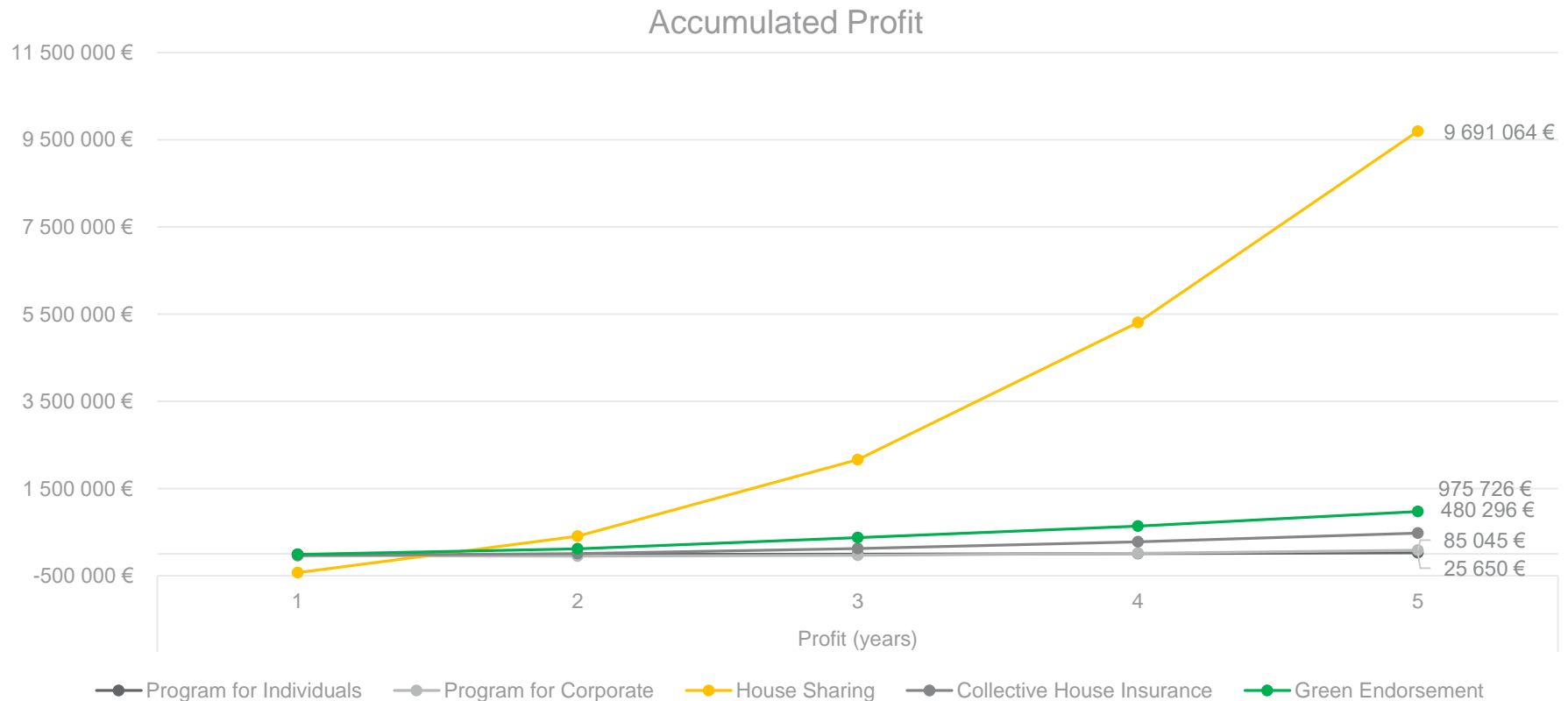
- Evolution of total accumulated KPI's of **all initiatives**, during 5 years (relative to 2016):

# of new clients	30,7K	2,67%*
Revenue	€ 70M	2,14%*
Profit	€ 11,2M	3,51%*

Investment	€ 254K
Claims Reduction	€ 481K
Cashback	€ 249K

5. Initiatives Identified

Expected accumulated profit from the different initiatives in five years



- The **House Sharing** initiative is the most costly but is the **most profitable**.
- The **Green Endorsement** taps into an unexplored segment, thus being the second most profitable, having **almost €1M in 5 years** time.
- The **Collective House Insurance** and the **Program for Obese (for Individuals and for Corporate)** have a lower return when compared to the other two, but are **profitable since the second year** of their implementation.

5. Initiatives Identified

Of all the suggested initiatives, only 5 were chosen to further develop.

Some were eliminated in the CSR Team steering, others were dismissed in between the CSR and ExCo steering due to the weak business case or the immediate internal development and in the ExCo Steering, after a voting process.

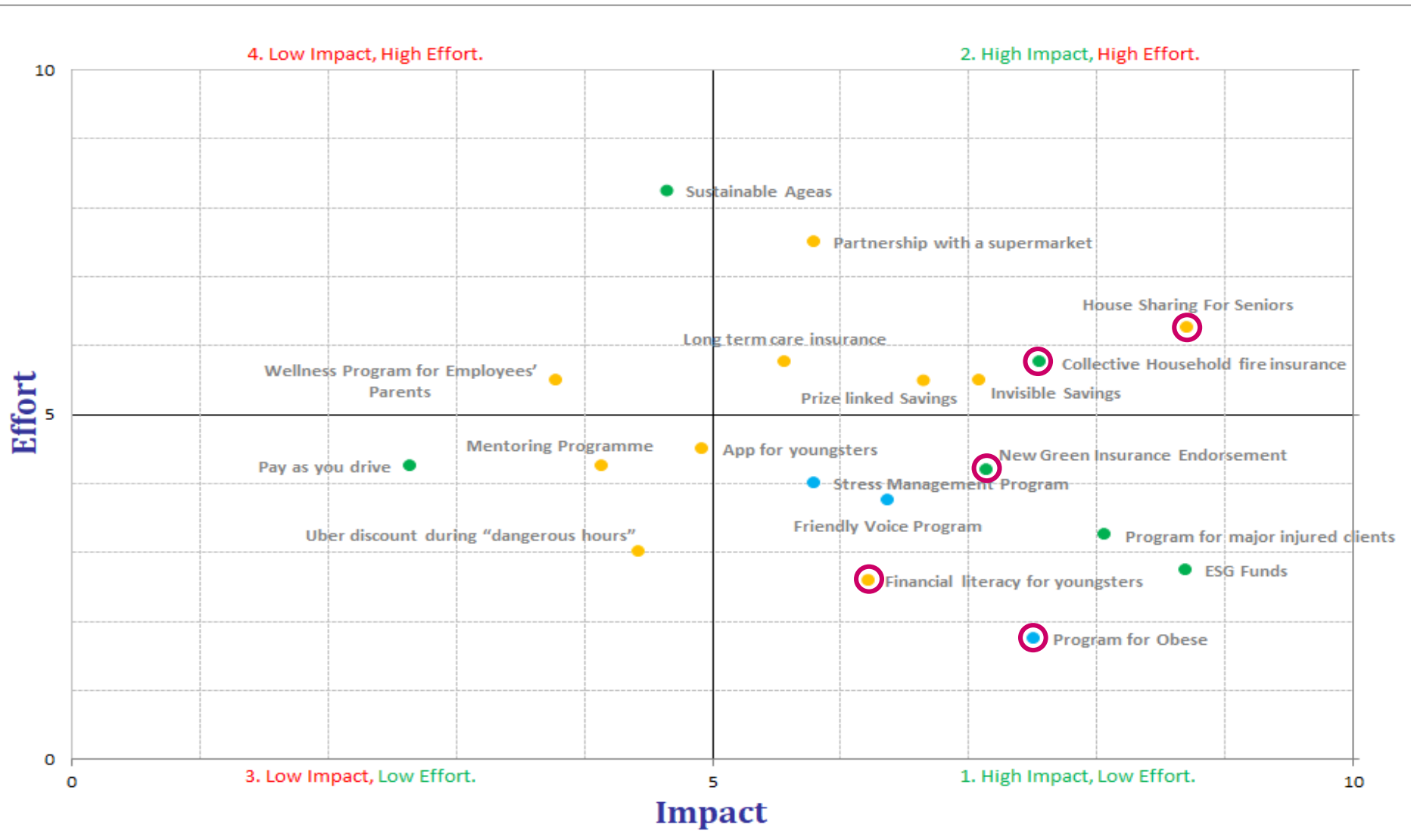
The voting process consisted on deciding one initiative (per pillar) in detriment of the others. From our suggested initiatives, only the **House Sharing for Seniors** and **Collective Household Fire Insurance** were voted. The **Program for Obese** was deprioritized as it was voted against a Diabetes pilot already in course, but in the end, it was asked to still be developed. The **University & High School Contest** was asked to be developed even though it is Strategic CSR, not the scope of our project. The **Green Endorsement** was not presented to the ExCo as it was only developed afterwards, still, the CSR team asked to develop the initiative considering its huge potential.

Initiatives before CSR Steering	CSR Steering	Weak business case / To be developed by Ageas	ExCo Steering	Final
<ul style="list-style-type: none"> Program for Obese Stress Management Program Friendly Voice Program 	<ul style="list-style-type: none"> Program for Obese Stress Management Program Friendly Voice Program 	<ul style="list-style-type: none"> Program for Obese Stress Management Program 	<ul style="list-style-type: none"> Program for Obese Stress Management Program 	<ul style="list-style-type: none"> Program for Obese
<ul style="list-style-type: none"> House Sharing For Seniors Long term care insurance Invisible Savings Prize linked Savings Wellness Program for Employees' Parents Mentoring Programme Partnership with a supermarket 	<ul style="list-style-type: none"> House Sharing For Seniors Long term care insurance Invisible Savings Prize linked Savings Wellness Program for Employees' Parents Mentoring Programme Partnership with a supermarket 	<ul style="list-style-type: none"> House Sharing For Seniors Long term care insurance Invisible Savings Prize linked Savings App for Youngest* University and high school Contest* 	<ul style="list-style-type: none"> House Sharing For Seniors University and high school Contest Long term care insurance Invisible Savings Prize linked Savings 	<ul style="list-style-type: none"> House Sharing For Seniors University and high school Contest
<ul style="list-style-type: none"> Collective Household Fire Insurance Pay-as-you Drive Certificate Open Funds as ESG products Create programs to accompany our major injured clients Sustainable Ageas Uber discount during "dangerous hours" 	<ul style="list-style-type: none"> Collective Household Fire Insurance Pay-as-you Drive Certificate Open Funds as ESG products Create programs to accompany our major injured clients Sustainable Ageas Uber discount during "dangerous hours" 	<ul style="list-style-type: none"> Collective Household Fire Insurance Pay-as-you Drive Certificate Open Funds as ESG products Create programs to accompany our major injured clients 	<ul style="list-style-type: none"> Collective Household Fire Insurance 	<ul style="list-style-type: none"> Collective Household Fire Insurance Green Endorsements

* Were only initiated at this time because the CSR team asked to develop initiatives about financial literacy to the younger segment

5. Initiatives Identified

Effort-Impact Matrix: Filter out the best initiatives by the relative impact given the effort required



6. Project Conclusions

- Ageas' CSR department long term strategy focuses on seeking inclusive business through the creation of shared value initiatives that can help the company position as a reference in the Portuguese market and add value to all stakeholders.
- During the process of enriching the CSR strategy with shared value initiatives, the work focused on researching initiatives with potential to increase profits for Ageas, either by reducing costs or increasing revenues.
- After the Executive Committee Steering, the work focused on developing the prioritized initiatives assessing the overall potential of each one.



INITIATIVES TO EXPLORE

- **The final recommended initiatives** are expected to increase Ageas Portugal profit in € 11,2M especially by the initiative House Sharing.
 - The **Obesity Program, House Sharing, Collective Household Fire Insurance and Green Endorsements** initiatives are profitable, and can be considered Shared Value.
 - The **University & High School Contest** is not intended to be profitable, thus being classified as Strategic CSR.
 - Ageas is recommended to advance with the implementation of these 5 initiatives.
- Two of the **suggest initiatives** started immediately to be developed by internal departments of Ageas.
 - The **ESG Funds** was presented to the pension funds team that started doing research on the topic with the aim of providing clients with an ESG pension fund option to invest in.
 - The **Major Injured Clients**, was presented to the Lifetime Assistance Team that started developing a project with the Ageas foundation in order to help major injured clients.
- Based on the feedback received on the **deprioritized initiatives** and the effort/impact matrix, it is recommended that Ageas further explores the initiatives **Invisible Savings, Friendly Voice** and **Stress Management Program**.

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7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Healthier Society

Chronic Diseases

The program, available for every Médís' individual client, will be in Médís app. Participants will deposit a minimum amount of money (20€) to participate in the challenge and try to lose weight.

Process

Deep Dive

Benchmark

Literature Review

Financial Impact

Social Impact

Implementation

Risks And Challenges

HOW IT WORKS:

Target: Médís current clients between 18 and 65 years old.

- Clients under 18 are registered in parents' health insurance and do not suffer from any increase in premium if they have excess weight
- Clients over 65 years old are not representative in Médís portfolio

Idea: Offer individual clients with a **program of challenging them to lose weight.**

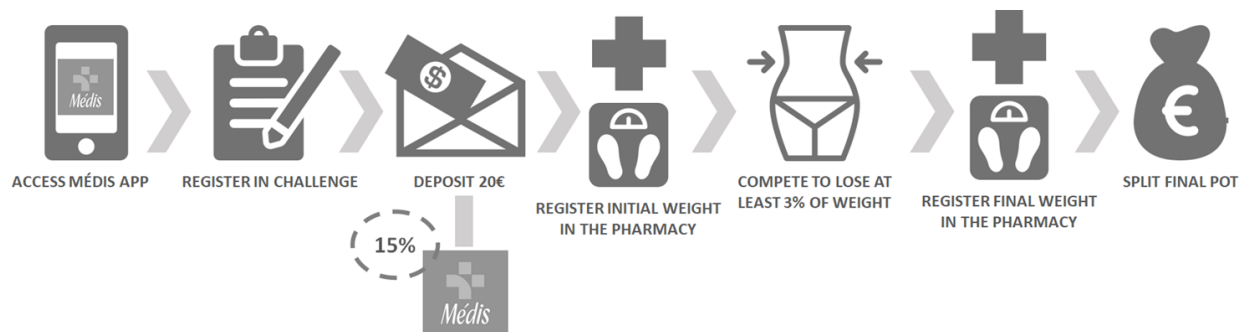
- The program will be available as an added feature in **Médís app.**
- Médís will leverage on the **partnership with ANF** (*Associação Nacional de Farmácias*) for weighting purposes.

How the program works:

1. **Every client** will have access the program in Médís app.
2. **Every month a challenge is available** for a maximum of **50 participants** who are obliged to **deposit €20** to participate in the challenge
3. **Médís gets 15%** of every deposit.
4. In both the **beginning and end** of the challenge, participants are required to go to a **pharmacy to register their weight.**
5. In the **end of every month, the challenge ends** and the whole **deposits are split** among all the **winners** -which are the participants who **lose successfully at least 3%** of their weight.
6. Additionally, players have the possibility of receiving a cash-back from a nutrition consultation in **Dieta EasySlim** if attended during the game period.

Pilot:

- To analyze if the program would work, Médís should firstly develop challenges with a period of 6 months for Ageas employees.



7.1 Final recommended initiatives

Programs for Obese

Tackling obesity was an idea from a Médis' project manager. The group decided to work separately on Individual and Corporate clients as Médis has different power within each group.

Process

CAUSES¹¹

Energy imbalance between calories consumed and calories expended:

- **High food intake with high energy density:** high in fats, sugars and salt and poor in vitamins and minerals;
- **Sedentary** lifestyle;
- **Low level of physical activity.**

Deep Dive

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CONSEQUENCES¹²

High (RR>3X)

Moderate (RR 2-3x)

Low (RR 1-2x)

- Type II Diabetes
- Vesicular Disease
- Dyslipidemia
- Insulin resistance
- Dyspnea
- Sleep apnea

- Coronary heart disease
- Hypertension
- Osteoarthritis (knee)
- Hyperuricemia and gout

- Cancer (breast, postmenopausal endometrium)
- Polycystic ovary
- Decreased fertility
- Backache
- Anesthetic risk
- Fetal malformations

FACTS & FIGURES

- **Worldwide obesity** has nearly **tripled** since 1975.¹³
- **Obesity economic costs** account for **2% to 7%** of total **health costs** and are **higher in developed countries**.¹²
- If drastic measures are not taken to prevent and treat obesity, **more than 50%** of the world's population **will be obese by 2025**.¹⁴

In Portugal:

- In 2015, **obesity prevalence** was **22,3%** and **pre-obesity prevalence** was **34,8%** in Portugal.¹⁵
 - 25% of children and 81% of the elderly are overweight.¹⁶
- **Only 36% of young people** (15-21 years), **27% of adults** and **22% of elderly people** (65-84 years) are **physically active**, complying with current WHO recommendations on physical activity for health.¹⁵
- The average contributions to the **daily energy intake** are: **20% of protein**, **49% of carbohydrates**, **32% of fat** and **3.4% of alcohol**.¹⁵
- **More than 95%** of the population consumes **simple sugars above the WHO recommended limit** (10% of the total energy intake).¹⁵
- 66% of women and 86% of men have a **sodium intake** above the tolerable upper intake level (UL).¹⁵
- The **direct costs of obesity** are estimated to represent **3,5%** of health costs.¹²

¹¹(DGS, 2015)

¹³(WHO, 2017)

¹⁵(Inquérito Alimentar Nacional e de Atividade Física, 2016)

¹²(DGS 2005)

¹⁴(European Obesity Day, 2017)

¹⁶(DGS, 2017)

7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Healthier Society

Chronic Diseases

As obesity is being recognized as one of the possible greatest cause of death in the world, some companies, including insurance companies, are already developing programs to tackle the disease.

	COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
Process			
Deep Dive			
Benchmark		<p>Vitality Group is a member of Discovery Ltd., a global financial service organization and pioneer of the Shared-Value Insurance model. The program works on a discount and reward system, focusing on behavioral change to incentivize a healthier lifestyle: when the participant takes a step to understand or improve its health (go for a preventive screening, buy healthy foods and get physically active), earns Vitality points and increase status. They can enjoy different rewards at each status level: the healthier participants get, the higher the Vitality status.¹⁷</p>	<ul style="list-style-type: none"> Reached over 5.5M customers across 15 countries. Vitality members generate up to 30% lower hospitalization costs and live 13–21 years longer than the rest of the insured population.¹⁸
Literature Review		<p>The Weight Watchers plan is based upon the idea that dieting is only a part of a healthy lifestyle. The program stresses the importance of overall mental and physical health and well-being. It works on a points basis: SmartPoints helps towards nutritious, healthier foods to eat and feel better, have more energy and lose weight; foods that are higher in sugar and/or saturated fat are higher in SmartPoints values; foods that are higher in lean protein are lower in SmartPoints values.¹⁹</p>	<ul style="list-style-type: none"> One of the most commercially successful diet companies in the world, with 3.6 million active users and \$1.2 billion in revenue in 2016.²⁰
Financial Impact			
Social Impact		<p>DietBet is a WayBetter product. It is a popular game to incentivize weight loss: players join a program where they have to lose x% of their weight in a defined period of time; they bet money on the program and the pot is then split between who lost at least x% of their weight. Currently hosts 3 programs: Kickstarter - lose 4% of weight in 4 weeks; Transformer - lose 10% of weight in 6 months; Maintainer - keep the same weight for 12 months. It combines financial incentives, accountability, and collaboration to motivate people to make healthy changes and stick to their commitments. It works with Brown Med School's Weight Control and Diabetes Research Center to study the behavioral psychology underlying weight loss and won an eHealth/mHealth award from The Obesity Society.²¹</p>	<ul style="list-style-type: none"> Over 90% of players lost weight. Since its launch (January 2013), players have lost over 5 million pounds and winners have been paid out over \$25 million. Top health and wellness leaders have hosted "dietbets".²¹
Implementation			
Risks And Challenges			

¹⁷(Vitality, 2017)

¹⁸(Gore, Harmer, Pfitzer, Jais, 2017)

¹⁹(WeightWatchers, 2017)

²⁰(Sifferlin, 2017)

²¹(Dietbet, 2017)

7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Searching and trying to find effective ways to tackle obesity has been a concern for many experts. Many studies with trials have been developed along the last decades.

	REFERENCE	MAIN FINDINGS	LIMITATIONS
Process			
Deep Dive	Leslie K. John, George Loewenstein, Andrea B. Troxel, Laurie Norton, Jennifer E. Fassbender, Kevin G. Volpp (2011)*	<ul style="list-style-type: none"> Financial incentives produced significant weight loss over an 8-month intervention. 	<ul style="list-style-type: none"> Participants re-gained weight post-intervention. External validity (participants were predominantly male veterans motivated to lose weight)
Benchmark			
Literature Review	Kevin G. Volpp, Leslie K. John, Andrea B Troxel, Laurie Norton, Jennifer Fassbender, and George Loewenstein (2008)**	<ul style="list-style-type: none"> Incentive approaches based on behavioral economic concepts could have a major impact in reducing the incidence of obesity-related illnesses - people are more afraid of losing money than eager to win money. 	<ul style="list-style-type: none"> Participants of the study were limited to veterans at a single facility Low percentage of women Study population consisted of patients who volunteered to participate, study participants were likely more motivated than the average obese patient Limited data on the sustainability of the intervention
Financial Impact			
Social Impact			
Implementation	M. Neve, P. J. Morgan, P. R. Jones and C. E. Collins (2009)***	<ul style="list-style-type: none"> Web-based weight loss interventions have the potential to achieve outcomes similar to other lifestyle treatment options. 	<ul style="list-style-type: none"> Cannot recommend which components of web-based interventions are essential to enhancing weight loss within treatment for overweight and obesity.
Risks And Challenges			

7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Healthier Society

Chronic Diseases

Forecasting the effects on the weight lost with the program development with Médís' individual clients, the group estimated the decrease in claims and consequently the savings after the cost of developing the program.

MAIN KPI'S - 5 YEARS ACCUMULATED

- Revenues: € 28K
- Reduced claims: € 139K
- Savings: € 106K >>> 9,4% reduction of estimated costs
- # Participants: 8.6K
- # Winners: 4.3K
- Prizes Paid: € 86K

PHASES (1/2)

1. **Estimation of the prevalence of different degrees of obesity in Portugal for 2017:** Proxy calculated with a study of the prevalence of different obesity degrees from 2003-2005 and extrapolated to the 2017 obesity prevalences.²² (see appendix 7.1.1)
2. **Calculation of actual clients within Médís portfolio registered as being obese vs reality:** estimated using a sample from Médís clients from 3 years (2009, 2013, 2015) with anthropometric data and compared with the expected number of clients considering the Portuguese prevalence applies to the clients' portfolio. (See appendix 7.1.2)
3. **Calculation of direct costs (medical clinic and hospitalization) of obese clients for Médís - 44€²³:** Proxy calculated with a study on the direct costs of Portuguese obese population updated to 2016 with CPI and extrapolated to 2017. Then the team estimated the co-participation rate for Médís to find how much more an obese client costs the company. (See appendix 7.1.3)
4. **Estimation of the cost of obese clients in Médís portfolio who are not well registered - € 1.1M:** Médís increases the premium and/or defines exclusions for people with BMI higher than 30 as follows: (See appendix 7.1.4)
 - a. BMI 35.5-36.4: Exclusions related with obesity comorbidities.
 - b. BMI 36.4-39.4: Increase in premium - 150% - and exclusions.
 - c. BMI >39.5: Increase in premium - 400% - and exclusions
 1. **Estimation of the number of clients who subscribe the health insurance with a BMI between 30-35 but gain weight and reached a BMI higher or equal to 36,** meaning the premium paid does not cover the costs. It was estimated using a study on annual weight gain in the US, approximated to the Portuguese reality and extrapolated to Médís portfolio.²⁴
 2. **Estimation of the number of clients who should pay the premium with a 150% increase, but are paying the normal premium.** It was assumed that 50% of potential clients end up not subscribing the insurance due to the increase in premium, then calculated the difference between the other 50% potential clients (according to the Portuguese prevalence) and the estimated number of clients in Médís portfolio with BMI between 36-39. The difference is believed to be the clients who lie to avoid the increased premium.
 3. **Estimation of the number of clients who should pay a premium with a 400% increase, but are paying the normal premium or an increased premium of only 150%.** Assumed that 95% of potential clients end up not subscribing the insurance due to the increase in premium, then calculated the difference between the 5% potential clients (according to the Portuguese prevalence) and the estimated number of clients in Médís portfolio with BMI higher or equal to 40. The difference is believed to be the clients who lie to avoid the increased premium.
 4. **Estimation of Médís' loss due to these clients:** As the claim costs of obese people are 44€ more per year, we calculated the cost of Médís due to clients who are not registered in the correct nutritional status, adding the cost that extra cost to the normal risk premium provided by Médís.

²²(Carmo, Santos, Camolas, Vieira, Carreira, Medina, Reis, Galvão-Teles, 2006) ²⁴(Yanovski, Sovik, Nguyen, O'Neil, Sebring, 2000)

²³(Pereira, Mateus, 2003)

7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Healthier Society

Chronic Diseases

Forecasting the effects on the weight lost with the program development with Médis' individual clients, the group estimated the decrease in claims and consequently the savings after the cost of developing the program.

PHASES (2/2)

Process

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5. **Calculation of claims reduction with the Program for Individual Clients (Accumulated for 5 years) € 140K:** Using data from the Dietbet²⁵ program approximated to the Portuguese reality and simulating the weight loss in Médis' sample, the team calculated the reduction of claims for the obese clients who are not registered in the correct BMI level. The group created 3 scenarios with different assumptions on adherence and weight loss and chose to work on one of those - 1,78% weight loss (proxy from the weight loss in Dietbet programs and the obesity prevalence in US vs. Portugal) and 10% of adherence. (see appendix 7.1.5 and 7.1.6)
 1. **Estimation of the number clients who decrease to the BMI level below.** Using data from 4 months of 4 weeks Dietbet programs, including weight loss and ending program rates (66%), and assuming a 10% adherence rate every 4 months, it was calculated the number of clients who changed the BMI level. It was considered the portfolio growth provided by Ageas throughout the 5 years (9%).
 2. **Calculation of the claims reduction for the clients who change the BMI level.** Assuming these clients automatically reduce the additional cost (44€) the team calculated how much the claims would reduce if the program was implemented.
6. **Estimation of the potential savings for Médis for 5 years - 9,4%.** After expenses with the program, Médis can reduce the claims. (see appendix 7.1.7)
 1. **Revenues estimation.** Médis will accumulated 15% of the money deposited by the participants.
 2. **Expenses estimation.**
 1. **Add the program to a feature in Médis app:** As Médis already has an IT team working on the app, we only considered the need of 2 employees time for about two and half months, costing € 12K. (€2460 per employee per month, including utility costs and social security - value provided by Ageas)
 2. **App maintenance:** Considered to be done by Médis' IT team and representing 10% of the wage (€246).
 3. **Customer service:** Considered to be done by Médis' Customer support with values provided by Ageas - 295€ per month.
 3. **Financial transaction costs:** The cost per transactions is € 0,025 charged by Millennium BCP and only the program winners receive money.
 4. **Cash-back from nutrition consultation:** Each consultation costs € 7 and only the program winners receive the cashback.

Years	0	1	2	3	4	5	Total
Final Savings	- 12 300 €	1 422 €	3 207 €	7 150 €	11 097 €	15 074 €	105 573 €
						Expected claims reduction	9,4%

²⁵(Leahey, Rosen, 2014)

7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Healthier Society

Chronic Diseases

The program will not only decrease Médis' loss due to obesity, but also help clients on losing weight and becoming more healthy.

MAIN KPI's - 5 YEARS ACCUMULATED

Implementing the program will denote several benefits for the society.

- **Total lost weight:** 10 478 kg
 - **Change from Obesity III to Obesity II:** 11% of ending participants
 - **Change from Obesity II to Obesity I:** 28% of ending participants
- **Total winners** (lose at least 3% of weight): 4 281
 - **Paid prizes:** € 85 621
- Decrease obesity rate and obesity-related diseases
- Improve mental and physical health wellness



	Pessimistic	Expected	Optimistic
Weight Loss	0,89%	1,78%	2,60%
Adherence every year	5%	10%	20%
Obesity II to I	6%	28%	65%
Obesity III to II	4%	11%	23%
Total winners	2 388	4 281	6 587
Paid prizes	€ 47 751	€ 85 621	€ 131 741
Total lost weight	2 922 kg	10 478 kg	23 496 kg

7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Developing and offering the program to individual clients will take about an year, if the pilot with Ageas' employees goes well. Implementation costs are really low, as Médis will take advantage of IT workers who are already in the company and responsible for Médis app.

- Process
- Deep Dive
- Benchmark
- Literature Review
- Financial Impact
- Social Impact
- Implementation**
- Risks And Challenges

IMPLEMENTATION PLAN AND COSTS

- Phase 1 (1.5 months): Develop partnership with ANF for participants to check their weight in any pharmacy with Médis card.**
 - Costs: There are no costs associated as Médis has already developed a partnership for the Diabetes Disease Program.
- Phase 2 (2.5 months): Develop the program as a new feature in Médis mobile application**
 - Costs: € 12K. As Médis already has an IT team to work on the app it was only considered, the allocation of 2 employees to the development of the feature during 2.5 months.
- Phase 3 (6 months): Pilot with Ageas employees.**
 - Costs: There are no costs associated in addition to the costs of the program itself.
- Phase 4 (1 month): Send notification to all Médis clients to engage participation in the challenge.**
 - Costs: There are no costs associated.
- Phase 5 (1 month): Start the challenge with the enrolled clients**
 - Costs: There are no costs associated.

Phases	2 months	4 months	6 months	10 months	12th month
Phase 1: Partnership					
Phase 2: Add feature to Médis app					
Phase 3: Pilot in Ageas					
Phase 4: Engage customers					
Phase 5: Start the challenge					

- **Implementation costs:**
App Feature: € 12K

7.1 Final recommended initiatives

Programs for Obese - Individual Clients

Still, the program entails many risks, especially on adherence and weight loss rates. Even though Dietbet has proved to be effective, it can result differently in Portugal.

	RISK	Prob.	Imp.	MITIGATION STRATEGY	MONITORING
Process					
Deep Dive	Lose less weight than expected	Low	High	Make special offer to incentivize: <ul style="list-style-type: none"> Participants, who lose more than 4% of the weight, distribute part (50%) of Médis' fee of the initial deposit. 	<ul style="list-style-type: none"> Average weight loss Compare claims reduction with homologous period
Benchmark					
Literature Review	Adherence is lower than expected	Low	High	<ul style="list-style-type: none"> Decrease Médis fee Offer prize (car, trip) to recordist of each challenge, increasing incentives to participate. Develop a marketing campaign explaining the program deeply and its benefits 	<ul style="list-style-type: none"> Number of registrations
Financial Impact					
Social Impact					
Implementation	ANF does not accept partnership	Medium	High	<ul style="list-style-type: none"> Participants have to send two pictures before and after the challenge to prove their weight. A jury will analyze the pictures to check if there are no participant cheats. 	<ul style="list-style-type: none"> Compare the numbers of winners with the Dietbet proxy to see if the results are similar or very unlikely, which may be a sign of fraud
Risks And Challenges					

7.1 Final recommended initiatives

Programs for Obese - Corporate Clients

Healthier Society

Chronic Diseases

Médis would offer 30% of the participation fee in the program *Empresas + Saudáveis* to all the interested clients.

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HOW IT WORKS:

Target: Clients between 18 and 65 years old.

- Clients under 18 cannot be considered as workers.
- Clients over 65 years old are not representative in Médis portfolio

Idea: Offer corporate clients **30% of the registration fee for the program “Empresas + Saudáveis”**

- The program happens once a year during 3 months.

How the program works:

1. **Registration:** indicate the number of participants of the company and respective data
2. **Initial evaluation:** consultation with **questionnaire** and **medical examinations** by a health team.
3. **During the program** (3 months):
 - **Clinical follow-up** by **telephone** by a multidisciplinary **team of specialized clinicians** - cardiologists, psychologists, nutritionists, physiotherapists.
 - **Access to helpful information** and practical suggestions to improve lifestyle.
 - **Access to the digital health platform *Salutis*.**
4. **Final evaluation:** realization **questionnaire and medical examinations** to assess **health evolution** throughout the program.
5. **Ranking selection:** based on the results and evaluation of the companies whose employees show the **best health cardiovascular and psychosocial** issues in the workplace.



REGISTER EMPLOYEES IN CHALLENGE



INITIAL MEDICAL EXAMINATION



IMPROVE HEALTH INDICATORS WITH PROGRAM HELP



FINAL MEDICAL EXAMINATION



WIN PRIZE FOR MOST HEALTHY COMPANY IN PORTUGAL

7.1 Final recommended initiatives

Programs for Obese - Corporate Clients

Healthier Society

Chronic Diseases



Worldwide, companies are acknowledging the need to have healthy employees to reduce health costs or even absenteeism.

	COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
Process			
Deep Dive			
Benchmark		Real Appeal is an innovative healthcare industry leader recognized for its lifestyle transformation program: It provides tools and resources for people to succeed, offering an interactive weekly online television series and group discussion, followed up with live personal coaching. Partner with companies to offer weight loss and chronic disease management programs to employees. Based on decades of proven clinical research guided by its Clinical Advisory Board. ²⁶	<ul style="list-style-type: none"> • More than 100,000 members. • 1 million pounds lost. • Increases employee engagement 5x higher than typical programs. ²⁶
Literature Review		Contrapeso is a multidisciplinary workplace lifestyle and weight management program. It helps participants to gradually change life-long habits related to nutrition, physical activity, weight management, and stress. Consist of an initial health assessment and 12 group sessions, where participants set short-term goals to work between sessions. ²⁷	<ul style="list-style-type: none"> • In 12 weeks participants lose an average of 6,3% of the initial weight. ²⁷
Financial Impact			
Social Impact		Retrofit is a personalized weight loss coaching program where participants lose weight and keep it off with the support of a smart Personal Dashboard, activity tracking devices, and personal attention from experienced clinicians. ²⁸	<ul style="list-style-type: none"> • 96% complete participation • 88% of participating lose weight • 78% maintain weight loss at 12 months ²⁸
Implementation		Empresas + Saudáveis is a 3 months program developed by QuintilesIMS in partnership with Take The Wind and Stanton Chase International, to motivate companies to raise the standards of their employees' health promoters. This project aims to elect the companies with the best levels of health to operate in Portugal. ²⁹	<ul style="list-style-type: none"> • 2000 participants in 2 editions • Average 5% weight loss ²⁹
Risks And Challenges			

²⁶(RealAppeal, 2017)

²⁸(Retrofitme, 2017)

²⁷(Fidelidade, 2017)

²⁹(Empresas + Saudáveis, 2017)

7.1 Final recommended initiatives

Programs for Obese - Corporate Clients

Healthier Society

Chronic Diseases



For a long time, specialists have been investigating the possibility of losing weight with other people to incentivize each other and even make it a competition.

	REFERENCE	MAIN FINDINGS	LIMITATIONS
Process	Rena R. Wing and Robert W. Jeffery (1999)***	<ul style="list-style-type: none"> Recruiting participants with a team of 3 friends and treating them with a strong social support intervention decreased the number of dropouts and markedly increased the percentage of participants who maintained their weight loss 	<ul style="list-style-type: none"> Participants were not randomly assigned to a recruitment condition. Social support intervention included intra group cohesiveness activities and an intergroup competition with financial prizes. Designed to provide only 6 months of follow-up data. An additional follow-up, held 12 months after treatment, was added late and was attended by only 54% of the participants
Deep Dive			
Benchmark			
Literature Review	Tricia M. Leahey, Rajiv Kumar, Brad M. Weinberg and Rena R. Wing (2012)	<ul style="list-style-type: none"> Teammates affect weight loss outcomes during a team-based intervention. Harnessing and maximizing teammate influence for weight loss may enhance weight outcomes in large-scale team-based programs. 	<ul style="list-style-type: none"> The sample was predominantly female and white
Financial Impact	Kelly D. Brownell, Phd, Rita Yopp Cohen, Phd, Albert J. Stunkard, Md, Michael R. J. Felix, And Nancy B. Cooley, (1984)	<ul style="list-style-type: none"> The competitions produced positive results with a less intensive program than used in other programs, presumably because of the increased motivation and social support. 	<ul style="list-style-type: none"> The study was written 33 years ago.
Social Impact			
Implementation			
Risks And Challenges			

7.1 Final recommended initiatives

Programs for Obese - Corporate Clients

Healthier Society

Chronic Diseases

Forecasting the effects on the weight lost with the program development with Médís' individual clients, the group estimated the decrease in claims and consequently the savings after the cost of developing the program.

Process

MAIN KPI'S- 5 YEARS ACCUMULATED

- **Reduced claims: € 443K**
- **Savings: € 85K >>> 7,4%** reduction of estimated costs
- **# Participants: 24K**

Deep Dive

Benchmark

PHASES

Literature Review

Financial Impact

1. **Estimation of the prevalence of different degrees of obesity in Portugal for 2017** ²²: Proxy calculated with a study of the prevalence of different obesity degrees from 2003-2005 and extrapolated to the 2017 obesity prevalence. (See appendix 7.1.1)
2. **Estimation of actual obese clients within Médís corporate portfolio**: estimated using the Portuguese proxy on the different nutritional status. Corporate clients do not have increased premium for any reason, thus, none client would lie to pay the normal premium. (See appendix 7.1.8)
3. **Calculation of direct costs (medical clinic and hospitalization) of obese clients for Médís** ²³ - **44€**: Proxy calculated with a study on the direct costs of Portuguese obese population updated to 2016 with CPI and extrapolated to 2017. Then the team estimated the co-participation rate for Médís to find how much more an obese client costs the company. (see appendix 7.1.3)
4. **Estimation of the cost of obese clients in Médís corporate portfolio**. Calculated considering the expected number of obese clients in the portfolio. (See appendix 7.1.8)
5. **Calculation of claims reduction with the Program for Corporate Clients (Accumulated for 5 years) - € 443K**: Using data from the "Empresas + Saudáveis" program, and simulating the weight loss in Médís' sample (5% of weight), the team calculated the reduction of claims for the obese clients. The group created 3 scenarios with different assumptions on Médís bargaining power to reduce the registration fee and the adherence rate and chose to work on one of those - 33% of discount and 15% of co-payment (Ageas suggestion, as Médís is a powerful company). (see appendix 7.1.9)
 1. **Estimation of the number clients who decrease to the BMI level below**. Using data "Empresas + Saudáveis" program (weight loss) and assuming a 15% adherence rate every year it was calculated the number of clients who changed the BMI level in 5 years. It was considered portfolio growth provided by Ageas throughout the 5 years (11%).
 2. **Calculation of the claims reduction for the clients who change the BMI level**. Assuming these clients automatically reduce the additional cost (44€) the team calculated how much the claims would reduce if the program was implemented.
6. **Estimation of the potential savings for Médís for 5 years - 7.44%**. Considering the current costs Médís has with obese clients, they can reduce 7,4% of the costs with obesity after the expenses.(see appendix 7.1.10 and 7.1.11)
 1. **Expenses estimation**: Assuming the expected scenario, Médís will pay 30% of the registration fee of each adherent.

Social Impact

Implementation

Risks And Challenges

²²(Carmo, Santos, Camolas, Vieira, Carreira, Medina, Reis, Galvão-Teles, 2006)

²³(Pereira, Mateus, 2003)

7.1 Final recommended initiatives

Programs for Obese - Corporate Clients

Healthier Society

Chronic Diseases

The program will not only decrease Médis' loss due to obesity, but also help clients on losing weight and becoming more healthy.

Process

MAIN KPI's - 5 YEARS ACCUMULATED

Deep Dive

Implementing the program will denote several benefits for the society.

- **Total lost weight:** 79 845 kg
 - **Change from Obesity III to Obesity II:** 18% of ending participants
 - **Change from Obesity II to Obesity I:** 26% of ending participants
- Decrease obesity rate and obesity-related disease
- Improve mental and physical health wellness

Benchmark

Literature Review

Financial Impact

Social Impact

Implementation

Risks And Challenges

	Pessimistic	Intermediate	Expected
Bargaining Power for discount	10%	20%	33%
Adherence every year	10%	12%	15%
Obesity II to I	19%	22%	18%
Obesity III to II	12%	15%	26%
Total weight lost	55 336	65380	79 845 kg

7.1 Final recommended initiatives

Programs for Obese - Corporate Clients

Healthier Society

Chronic Diseases

Developing and offering the program to corporate clients can be fast if Médis can negotiate with the company. Moreover, the implementation costs are zero.

Process

Deep Dive

Benchmark

Literature Review

Financial Impact

Social Impact

Implementation

Risks And Challenges

IMPLEMENTATION PLAN AND COSTS

Phase 1: Develop collaboration agreement with “Empresas + Saudáveis” to negotiate the price for each participant.

- Costs: There are no costs associated.

Phase 2: Add the program to Médis value proposition, discussing with the main people involved in Médis.

- Costs: There are no costs associated..

Phase 3: Start presenting the program to the companies.

- Costs: There are no costs associated as there are already employees assigned to this job.

Phase 4: Monitor and track results of the program.

- Costs: There are no costs associated.

- **Implementation costs:**
 - € 0

Phases	1th month	2nd month	3rd month	4th month	5th month
Phase 1: Partnership/Collaboration with “Empresas + Saudáveis”					
Phase 2: Add program to Médis value proposition					
Phase 3: Present the program to corporate clients					
Phase 4: Monitor and track results					

7.1 Final recommended initiatives

Programs for Obese - Corporate Clients

Healthier Society

Chronic Diseases

Still, the program entails many risks, especially on adherence and bargaining power on the participation fee.

	RISK	Prob.	Imp.	MITIGATION STRATEGY	MONITORING
Process					
Deep Dive	Médis is not able to negotiate the price	Low	High	<ul style="list-style-type: none"> Offer to pay a higher part of the price to its customers in the first year 	<ul style="list-style-type: none"> Number of participants
Benchmark					
Literature Review	Corporate clients are not interested	Medium / Low	High	<ul style="list-style-type: none"> Offer a reward to the best company of Médis portfolio (discount in premium) or free upgrade of insurance package) 	<ul style="list-style-type: none"> Number of companies that enter the challenge
Financial Impact					
Social Impact	Employees of the corporate clients are not interested in the offer	Medium / High	High	<ul style="list-style-type: none"> Offer a reward of 50€ for the top 10 employees within the whole corporate portfolio of Médis 	<ul style="list-style-type: none"> Number of participants
Implementation					
Risks And Challenges	Participants do not lose weight as expected	Low	Medium / High	<ul style="list-style-type: none"> Offer prize (car, trip) to recordist of each challenge, increasing incentives to participate. 	<ul style="list-style-type: none"> Average weight loss Number of people who lost weight

7.2 Final recommended initiatives

House Sharing

Ageing population

Assistance needs for elderly

The House Sharing allows for isolated seniors to find a housemate with whom they strongly identify with. Afterwards, together, the two seniors are able to benefit and choose from the several services which the House Sharing Platform offers such as homecare packages at a lower cost or even hairdresser at home.

Process

Deep Dive

Benchmark

Literature Review

Financial Impact

Social Impact

Implementation

Risks And Challenges

HOW IT WORKS:

Target:

- Isolated seniors
- Age from 65 to 75 years old

Secondary Target:

- Concerning marketing and advertising efforts, the main target are the sons of the seniors in order to easily reach the isolated seniors who perhaps will not have the initiative to participate in the house sharing.

Initiative:

- Firstly, seniors join the **platform** and can benefit from the several services it offers, choosing the ones most adequate to their necessities.
- The **matching service** allows the company to find them a housemate having in mind their specific requests and preferences.
- After having a housemate, **the platform offers seniors all the services they may need.**
- It offers six different **home care packages at a lower price per senior, medical care at home** from consultations to physiotherapy, **social activities** such as tours and, finally, **hairdresser and massages at home.**



7.2 Final recommended initiatives

House Sharing

Ageing population

Assistance needs for elderly



Reasoning behind the challenge Assistance Needs for Elderly. Causes identified as potentially leading to or enhancing the Assistance Needs for Elderly. Economic and social consequences derived from seniors not having the assistance needed. Facts and Figures about the portuguese reality regarding Elderly.

Process

CAUSES

CONSEQUENCES

Deep Dive

- Less time available by close family
- Emigration
- Life expectancy increase
- Lack of specialized services
- Few vacancies in senior residences
- Poor quality senior residences
- Good senior residences are too expensive
- Assistance is too expensive for most people
- Low birth rate

- Isolation of seniors
- No easy access to specialized services
- Long waiting periods for a vacancy in senior residences
- Unsustainability of pension funds system
- Lack of financial resources to deal with ageing
- Development of depression and other diseases

Benchmark

Literature Review

Financial Impact

FACTS & FIGURES

- 90% of seniors prefer to stay at home as long as possible instead of going to senior residences ³⁰
- Portugal has the second largest emigration rate in Europe (3,9% in 2015). ³¹
- It is estimated that 66% of seniors with dependence on self-care receive long-term care at home ³²
- More than half of older persons (65+) live alone or accompanied exclusively by other older people ³³
- There are currently 2.035.123 retirement pensionists in Portugal. ³⁴
- Substantial increase of Elderly Dependency Ratio from 32.4% in 2013 to 69.3% in 2060. ³⁵
- Substantial reduction of the "Substitution rate" from 57.5% in 2013 to 30.7% in 2060 ³⁵
- According to the United Nations Portugal was ranked 5ht on the economies with the "fastest" ageing economy in the world. ³⁶

Social Impact

Implementation

Risks And Challenges

³⁰(Aeiou, 2016) ³²(Ana Filipa Ramos, 2017) ³⁴ (Segurança Social, 2017)
³¹(Pordata,2015) ³³(Brandão, Ribeiro, Paúl. 2017) ³⁵(Pordata, 2017) ³⁶(ECO, 2016)

7.2 Final recommended initiatives

House Sharing

Ageing population

Assistance needs for elderly



Benchmark of house sharing for seniors companies. The three benchmarked companies have different approaches to sharing. The first two companies are quite similar to each other, offering the connection between seniors. However, the last one, represents a completely different approach to sharing with seniors living in a community with individual apartments.

Process

Deep Dive

Benchmark




Literature Review

Financial Impact

Social Impact

Implementation

Risks And Challenges

	COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
		<p>Silvernest (USA) ³⁷ is an online home sharing service which offers roommate-matching system and localized support services. It offers seniors a 90 days plan for 29.99 dollars which gives access to: verified housemates, compatibility matching, background screen requests, eviction history reports, home share specific lease templates, and automatic rent payments.</p>	<ul style="list-style-type: none"> Present in more than 16 locations. The platform was created three years ago by Wendi Burkhardt which is an entrepreneur with more than 25 years of experience.
		<p>Golden Girls Network (USA) ³⁸ is an electronic database that provides an opportunity for seniors to connect with compatible housemates and promote their own house. The platform doesn't do the matching system for the seniors. The membership costs 39 dollars and lasts for six months.</p>	<ul style="list-style-type: none"> The platform was created in 2014 by Bonnie Moore, an American woman which was sharing her house with two other women.
		<p>Trabensol (Spain) ³⁹ is a community village for seniors with several services such as a cook, cleanings, surveillance and a gardener. The members need to pay for the construction of their apartment when they join the community which costs 145.000€. Then, they also have to pay a fixed monthly payment which can be 1200€ for a couple or 1000€ for a single person.</p>	<ul style="list-style-type: none"> It has currently 83 seniors living in 54 apartments. It was developed by a group of friends who wanted to age together. It started in 2002 but they were only able to move in 2013, after the construction of the facilities.

³⁷(Silvernest, 2017) ³⁹(Observador, 2016)

³⁸(Golden Girls Network, 2017)

7.2 Final recommended initiatives

House Sharing

Ageing population

Assistance needs for elderly



Literature review of articles assessing the impact of loneliness in seniors in the long-run. The articles refer anxiety, depression and decreased physical health as major consequences of loneliness among seniors.

	REFERENCE	MAIN FINDINGS	LIMITATIONS
Process			
Deep Dive	Rute Dinis de Sousa, Ana Maria Rodrigues, Maria João Gregório, Jaime Da Cunha Branco, Maria João Gouveia, Helena Canhão and Sara Simões Dias. (2017)	The findings of this study demonstrated that the Portuguese elderly population have prevalence of anxiety and depression around 10 and 12%, respectively. Besides that, it also reports that seniors with anxiety and depression have a higher probability to self-report higher levels of physical disability. Finally, another important finding is that the level of education differentiates seniors in terms of levels of anxiety and depression.	<ul style="list-style-type: none"> There are not noticeable limitations to this article.
Benchmark			
Literature Review			
Financial Impact	Conor O’ Luanaigh and Brian A. Lawlor (2008)	The findings of this study demonstrated that loneliness has strong correlations with depression and may be an independent factor for depression. Additionally, the study reports that loneliness appears to have a significant impact on physical health, being linked to higher blood pressure, worse sleep, immune stress responses and worse cognition over time in the elderly.	<ul style="list-style-type: none"> The study was conducted eight years ago; It was done in Ireland and for that reason the Portuguese reality may reveal some differences.
Social Impact			
Implementation	Karin Holmén, Kjerstin Ericsson, Bengt Winblad (1994)	According to this study findings, “Living together with someone and living in one’s own apartment showed a positive influence on feelings of loneliness” .	<ul style="list-style-type: none"> The study was conducted twenty three years ago; It was done in Ireland for that reason the Portuguese reality may reveal some differences.
Risks And Challenges			

7.2 Final recommended initiatives

House Sharing

Ageing population

Assistance needs for elderly

Development of the House Sharing financials in order to assess the economic potential of the initiative. Calculations are explained step by step with further comments, details and evidence in appendix. The projections shown below are for 5 years and the values are accumulated.

Process

MAIN KPI'S - 5 YEARS ACCUMULATED

- Profit: €9,7M
- Number of Clients at the end of the fifth year: 2105
- Initial Investment: €50K for the creation of the platform
- Break-even point: 185 Clients
- Break-even period: 9 Months
- Payback Period: 1 year and 2 months

Margins generated in each service:

- Home Care: 30%
- Medical Care: 10%
- Social Activities: 10%
- Hairdresser at Home: 10%
- Employees at the end of year 5: 8

Deep Dive

Benchmark

PHASES (1/2)

Literature Review

- 1. Estimation of Home Care Package Savings** (Two seniors in the same house cost less than one senior alone)
 1. Choosing the services offered in homecare; (see appendix 7.2.1)
 2. Estimation of the savings achieved per service when serving two seniors instead of one. A percentage of savings for all services was achieved; (see appendix 7.2.2)
 3. Benchmark of the prices per hour charged by companies in Portugal offering home care services; (see appendix 7.2.3)
 4. Development of the Home Care Packages with an average price achieved with the benchmark;
 5. Estimation of the savings per senior achieved in each package when serving two seniors at a time. Assuming the percentage of savings calculated in 1.2 to calculate the savings per package;(see appendix 7.2.2)
- 2. Benchmark of several companies in Portugal offering medical care, social activities and hairdresser at home for seniors. A benchmark was also done for real estate companies in Portugal for the renting service.** (see appendix 7.2.4)
 1. Assuming the prices charged by Sad Misericórdia for the services at home;
 2. Proxy for the matching service price using Silvernest (USA);
 3. For the renting service, the group assumed: Ageas gets a commission of 10% in the first rent paid to the senior.
- 3. Estimation of the number of clients**
 1. Proxy using Silvernest (USA) for the first two years (it was launched in 2015). Silvernest gained 22.000 seniors in the first two years. A proxy was made with the number of seniors in the USA and in Portugal to reach the number of seniors Ageas would have in the first two years. Afterwards, it was assumed that Ageas would gain 30% of that number in the first year and 70% in the second year. For the remaining years, a decreasing constant growth rate per month was assumed having in mind that the increase of new clients would slow down. (see appendix 7.2.5, 7.2.6 and 7.2.7)
 1. In the third year a growth rate of 4% per month;
 2. In the fourth year a growth rate of 3% per month;
 3. In the fifth year a growth rate of 2% per month;

Financial Impact

Social Impact

Implementation

Risks And Challenges

7.2 Final recommended initiatives

House Sharing

Ageing
population

Assistance
needs for
elderly

Development of the House Sharing financials in order to assess the economic potential of the initiative. Calculations are explained step by step with further comments, details and evidence in appendix. The Projections shown below are for 5 years and the values are accumulated.

PHASES (2/2)

Process

Deep Dive

Benchmark

Literature
Review

Financial
Impact

Social Impact

Implementation

Risks And
Challenges

4. Estimation of Costs (see appendix 7.2.8, 7.2.9, 7.2.10, 7.2.11)

1. Proxy for the platform creation cost and maintenance using an online simulator for platforms;
2. Wages (assuming the utilities costs incorporated in the wages);
 1. Assumption of an average wage of 2000€ (Ageas provided this number), with social security reaches 2460€ per month;
 2. Assumed that the number of employees increases throughout the years, having in mind the evolution of the clients:
3. For the Market Research, Ageas provided the cost of doing it through the company: Boost Research;
4. For the Marketing Costs, the team assumed that in the first years a higher investment was needed to create brand awareness. In the last two years, the investment decreased to half since it is assumed that the brand is already established in the market.
5. For the Customer Service, Ageas provided the cost per call of Médis Customer support and the average time per call.

5. Assumptions made in the P&L

1. It was assumed that in the first month, house sharing wouldn't have any clients. However, the company would already be operational having already the following costs: platform maintenance, advertising costs, wages, customer service and market research;
2. **Revenues** (see from appendix 7.2.12 to 7.2.17)
 1. 10% of the seniors who enter in the platform, already have their housemates, not needing, for that reason, the matching service; Thus, those seniors start paying the platform services in their first month as clients;
 2. Regarding the matching service, it was assumed that 50% of the 90% of seniors needing the matching service would only be matched to a housemate in their second month as clients. For that reason, they would pay two months of the matching service and then in the third month they would start paying for the remaining platform services; then, the remaining 50% would be matched in their third month, paying three months of matching service and only starting to pay for other services in the fourth month;
 3. Regarding the other platform services, it was assumed several percentages of adherence in each individual service:
 1. Home Care Service= 60% of seniors entering the platform acquire one of the six home care packages;
 2. Medical Care Service= 26% of seniors entering the platform acquire medical care;
 3. Social Activities Service= 50% of seniors entering the platform acquire social activities;
 4. Hairdresser Service= For this service it was assumed that $\frac{2}{3}$ of the seniors are women and $\frac{1}{3}$ men. Then, it was assumed that 30% of women and 20% of men acquire hairdresser services.
 4. Concerning the renting service, it was assumed that according to the month in which the seniors would be matched (explained in 5.2.2), the ones who would opt for the renting service, would only see their houses rented in the following month after their move into the other senior house.

Recommendation: Whenever the platform reaches the necessary number of clients for other companies with products or services for seniors to be interested in placing their publicity there, the group believes it would be highly interesting to consider it as an extra source of revenue.

7.2 Final recommended initiatives

House Sharing

Ageing
population

Assistance
needs for
elderly

Estimation of the potential social impact based on the economic impact achieved with the homecare savings per senior which allows for more seniors to be able to afford homecare. Besides the savings, it was also estimated the number of isolated seniors who would have seen their loneliness decreased by having a housemate with whom they strongly identify.

MAIN KPI's

Process

Deep Dive

Benchmark

Literature
Review

Financial
Impact

Social Impact

Implementation

Risks And
Challenges

- Savings **per senior** achieved in each home care package (see appendix 6.2.24)

Package	Type	Savings	Discount
1 ^o Package	3 days a week, half of the day	100,80	25%
2 ^o Package	5 days a week, half of the day	168,00	25%
3 ^o Package	5 days a week, full day	230,00	25%
4 ^o Package	Weekends	94,93	25%
5 ^o Package	7 days a week, half of the day	235,20	25%
6 ^o Package	7 days a week, full day	324,93	25%

- Savings achieved **at the end of the fifth year (accumulated values)**:
 - **7 258 956,87 €** (see appendix 7.2.25)
- **Number of seniors not living alone anymore**:
 - 1894 seniors at the end of the fifth year (number of seniors matched through the matching service; 90% of all clients since it was assumed that 10% already enter in the platform with a housemate of their own).

7.2 Final recommended initiatives

House Sharing

Implementation plan and costs for the House Sharing Platform. Different stages of waiting for the launch of Silver, market research, partnerships engagement, platform creation and launch of the initiative. Total investment estimation considering implementation costs in different stages of the project.

IMPLEMENTATION PLAN AND COSTS

Process

Phase 1: Launch of Silver Home Care Service: The house sharing initiative has to wait for the of the **Silver Home care services*** in order to benefit from synergies and economies of scale.

- Costs: € 0

Deep Dive

Phase 2: Market Research: In this second phase, it is crucial for the company to understand deeply the market that it is trying to enter and reach. Several questionnaires and interviews should be made in order to evaluate the market.

- Costs: € 6K

Benchmark

Phase 3: Partnerships: The third phase consists in building partnerships with companies offering medical care, social activities and hairdresser services at home.

- Costs:€ 0

Literature Review

Phase 4: Platform Creation: In this phase, the platform needs to be created and developed.

- Costs: € 50K

Phase 5: Launch of House Sharing: The final phase consists on launching house sharing

- Costs: € 61K for platform maintenance, wages, advertising and more research

Financial Impact

- **Implementation costs:**
 - Platform Creation: € 50K
 - Market Research: € 6K

Social Impact

- **For Month 0:**
 - € 61K for platform maintenance, wages, advertising and more research

Implementation

Risks And Challenges

Phases	3 months	6 months	9 months	12 months	15 months
Phase 1: Launch of Silver Home Care Service	■				
Phase 2: Market Research		■			
Phase 3: Partnerships			■		
Phase 4: Platform Creation				■	
Phase 5: Launch of House Sharing					■

*Silver is a new department of Ageas which is dedicated only to the development of new senior residences and home care services for Ageas

7.2 Final recommended initiatives

House Sharing

Ageing population

Assistance needs for elderly



Risk and challenges assessment of the initiative with probability of occurrence and potential impact on stakeholders. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each.

	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Process					
Deep Dive	Seniors not willing to share their homes/ Cultural Resistance	Medium	High	<ul style="list-style-type: none"> Target their sons instead of the elderly. The sons can convince the parents and sell the idea. Study deeply seniors and their needs in this stage of life. 	<ul style="list-style-type: none"> Number of clients
Benchmark	Housemates not getting along	Low	Medium	<ul style="list-style-type: none"> Follow as perfectly as possible the prerequisites of the seniors for the housemates. Do an experimentation period 	<ul style="list-style-type: none"> Do follow-ups frequently to always follow the situation of every home and solve any problems that may arise
Literature Review					
Financial Impact	Parallel economy	Medium	Medium	<ul style="list-style-type: none"> Make sure we always offer a better value proposition Focus on the advertising strategy, low prices and convenience 	<ul style="list-style-type: none"> Doing market research frequently
Social Impact	Low quality services since all services will be outsourced	Low	Medium	<ul style="list-style-type: none"> Invest as much time as possible in the partnerships to make sure we choose the right companies with the appropriate quality 	<ul style="list-style-type: none"> Do follow-ups frequently to understand the satisfaction of the seniors with the services
Implementation					
Risks And Challenges	Seniors wanting to come back to their homes which are being rented	Medium	Low	<ul style="list-style-type: none"> Wait 2 to 3 months before renting their house (to see if they adapt to the new house and if they are getting along with the new housemate 	<ul style="list-style-type: none"> Monthly survey to see how things are going

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Both contests target a younger segment and incentivize them to create and promote a financial literacy problem that is of fundamental interest for their future

Process

HOW IT WORKS:

- **Target:** younger generation - between 15 and 24 years

Contest:

Students interested make **groups of 2 to 4** students and find a **supervisor** (professor)

- **University:** Students have the task to develop an idea/ methodology on how to teach the younger segment about Financial Literacy. They start by understanding well one of the concepts of financial literacy, which they choose when they apply to the contest. Then, they come up with an idea to solve the low levels of knowledge of that field, keeping always in mind that it should be for teenagers or/and children. Afterwards, in the final phase the different groups have to develop a business case in which they have detailed the costs and benefits of the project, including how they expect to reach, how many they would be able to reach and how their idea would be interesting for their target.
- **High school challenge:** Students have the task to develop an idea of a marketing/ promotion campaign about one specific financial literacy concept. Firstly, they have to do a deep dive in the chosen topic to understand how they can promote it. Secondly, students will focus on its main objective of reaching a high number of students and parents with their campaign. For that reason, students will be encourage not to develop a costly idea to promote the concept because they will receive no financial support. In the end, they will have to implement and measure their reach (impact).

Evaluation of the projects:

- First evaluation (20 points); A second evaluation (80 points) - selection of the 10 best
- Final presentation of the project - selection of the winner

Prizes: €5K to the group and €2K to the professor



Social Impact

Implementation

Risks And
Challenges

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Reasoning behind the challenge Financial Literacy. Causes identified as critical to enhancing the levels of financial literacy. Economic and social consequences derived from lack of knowledge. Facts and Figures about the portuguese reality regarding financial literacy.

Process

CAUSES

Deep Dive

- **Lack of conscience for the need to save for medium and long term**, which leads to spending without budgeting or managing the available money, thus living above possibilities
- **Lack of conscience for the importance of choosing the right investments**, thus making wrong investment decisions
- **Lack of conscience for the need of insurance**

Benchmark

Literature
Review

CONSEQUENCES

- **Insufficient level of savings** and being under insured:
 - No capability to finance certain events (eg. Education expenses)
 - **Lack of financial resilience to deal with unexpected events**

Financial
Impact

FACTS & FIGURES

- **Savings rate** of Portuguese families in the end of 2016 was **4.4%** (as % of available income) which represents almost half of 2006 levels (8.1%)⁴⁰
- **80% of Savings** in Portugal come from **top 20%** of families with more income⁴⁰
- **Financial literacy ratio in Portugal is 26%**, below the global average which is 33%⁴¹
- According to UNICEF, **it is essential for children to have financial education** to ensure a financially literate population capable of making informed decisions⁴²

Social Impact

Implementation

Risks And
Challenges

⁴⁰ (Bank of Portugal, 2017)

⁴²(Unicef, 2012)

⁴¹(Dinheiro Vivo, 2015)

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Benchmark about three different initiatives that aim to improve the financial literacy in Portugal (“Todos Contam” and “No Poupar Está o Ganho”) and in the whole world (“Aflatoun”).

	COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
Process			
Deep Dive			
Benchmark		<ul style="list-style-type: none"> It is a financial training portal that provides useful information and tools for managing personal finances. Also, it has national contest targeting students from kindergarten to High School with the aim of promoting and incentivizing the development of financial literacy initiatives ⁴³ 	<ul style="list-style-type: none"> In 2017, 55 project application, 92 schools and 14.000 students involved ⁴³ Lisbon and Porto districts had the highest participation rate ⁴³
Literature Review			
Financial Impact		<ul style="list-style-type: none"> Project that aims to raise awareness on financial literacy, more specifically, on how to manage their money and make correct and informed decisions about their future Includes teacher training, access to an e-learning platform and a visit to the Paper Coin museum. ⁴⁴ 	<ul style="list-style-type: none"> 5th edition in 2014/2015 1003 students involved from 46 classes ⁴⁵
Social Impact			
Implementation		<ul style="list-style-type: none"> Ensure access to quality, inclusive, child-centered Social & Financial Education for all children and young people ⁴⁶ 	<ul style="list-style-type: none"> The children that participated in the Aflatoun project created 20K social enterprises and 19K financial companies ⁴⁶
Risks And Challenges			

⁴³(Todos Contam 2017)

⁴⁴(FACM, 2017)

⁴⁵(FACM, 2015)

⁴⁶(Aflatoun, 2017)

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

The contest for youngsters about financial literacy was based on the strong correlation between savings and wealth with financial literacy, and its higher impact when is taught at a younger age

	REFERENCE	MAIN FINDINGS	LIMITATIONS
Process			
Deep Dive			
Benchmark			
Literature Review	Lusardi and Mitchell (2007)	<p>Showed that financial literacy alone explained more than half of the wealth inequality observed. The results were obtained by comparing wealth-to-income ratios between different education groups in models with and without financial literacy.</p> <p>Concludes that the costs of financial ignorance are substantial and that individuals show higher levels of literacy when they are exposed to economics in school.</p>	<ul style="list-style-type: none"> Based on simulations from a life-cycle model that incorporates financial literacy Sample is relatively highly educated
Financial Impact	M. Hilgert, J. Hogarth, S. Beverly (2003)	<p>Strong correlation between day-to-day financial management and financial literacy. Financial literacy has also been linked to a set of important behaviours related to saving, wealth, and portfolio choice.</p>	<ul style="list-style-type: none"> Study done in the 1990's in the USA and based on surveys done to households, regarding financial literacy
Social Impact			
Implementation	Netherlands, van Rooij, Lusardi, and Alessie (2011)	<p>Estimates that the difference between people in the 75th as opposed to the 25th percentile of financial literacy index is around €80.000 in terms of net worth.</p> <p>Concludes that there is a higher probability (17 to 30 percentage points) of participating in the stock market and having a retirement plan when there is an increase in financial literacy from the 25th to the 75th.</p>	<ul style="list-style-type: none"> Usage of questionnaires to measure financial literacy and confidence Cannot infer from the study that financial education programs lead to an increase in financial literacy
Risks And Challenges			

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Development of the University contest's financials in order to assess the costs of developing it internally. Calculations explained step by step with further comments, details and evidence in appendix.

PHASES UNIVERSITY

Process

1. The universities were chosen based on the courses of interest for the contest (see appendix 7.3.1 and 7.3.2)
2. The number of professors in the area of interested in each course was assumed to be 3. (see appendix 7.3.3)
3. Each professor was estimated to have 3 classes to whom they wanted the roadshow to make a presentation to. The number of professor that answered and accepted the presentation was also assumed to be 25% based on a conversation with a former contest consultant.
4. The number of students in each class was achieved by looking at news about education in Portugal ⁴⁷ (see appendix 7.3.3)
5. It was considered that only 10% of university students that attended the roadshow presentation were interested in the contest. In order for them to form a group, it was assumed an average number of members in each group.(see appendix 7.3.3)
6. Regarding the number of presentations done in a day, it was assumed a maximum of 5 in one city and a maximum of 2 presentations in one day plus travel to another city. The cities present in the roadshow were chosen based on the number of courses existent (The minimum for the trip to be done was 4).(see appendix 7.3.3)
7. The cities visited, based on the two criteria were (see appendix 7.3.1):

1. Aveiro	6. Viseu
2. Coimbra	7. Gaia
3. Faro	8. Guarda
4. Lisboa	9. Leiria
5. Porto	
8. The roadshow, by going through all these cities, would result in a **total Km's done of 1638**, which translates into **655€** because Ocidental pays **0,4€/Km**. The cost of staying in another city was assumed to be **70€/night**
9. The full time employee was assumed to receive more than the part-time employee because the second would only work there for a short period of time (see appendix 6.3.4)
 1. The wages already include the utilities costs.
10. During the contest there will be **one full time employee**, which will have support from **one part-time employee** during the periods with more workload: Database, Roadshow and intermediary evaluation

Financial
Impact

Social Impact

Implementation

Risks And
Challenges

Cities	# Courses	# Universities	# Professors	# Presentations on the Roadshow	# Days	# Students	# Students interested	# Groups
Total	95	46	285	69	17	1518	147	49

More detail in Appendix 7.3.6

⁴⁷(Expresso, 2016)

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Development of the University contest's financials in order to assess the costs of developing it internally. Calculations explained step by step with further comments, details and evidence in appendix.

Process

Deep Dive

Benchmark

Literature
Review

Financial
Impact

Social Impact

Implementation

Risks And
Challenges

FINANCIAL COSTS - FOR 1 CONTEST

University (For more detail see appendix 6.3.5 and 6.3.6)	Employees	Days	Km travelled	Stay	Total
Database	1	21	0	0	€ 1.353
Roadshow	1	17	€ 655	€ 770	€ 2.521
Intermediary Evaluation	1	10	0	0	€ 644
Full time employee	1	105	0	0	€ 12.300
Prizes					€ 7.000
Total					€ 23.818

- In this scenario, the most important variable is the number of professors that accept to be part of the roadshow, because, if a professor is willing to participate in the contest as an advisor, then it means that there will be presentations to students and a trip to the city in which the professor teaches. Thus, a change in the acceptance ratio will influence the money spent and the number of students participating.
- Assuming a variation of 10 percentage points (good and bad scenario), the costs and participation are:
 - Good (higher participation): Total costs = €24.485; Students increase = **40%**
 - Bad (lower participation): Total costs = €23.420; Students increase = **- 47%**

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Development of the High School contest's financials in order to assess the costs of developing it internally. Calculations explained step by step with further comments, details and evidence in appendix.

Process

Deep Dive

Benchmark

Literature
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Financial
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Social Impact

Implementation

Risks And
Challenges

PHASES HIGH SCHOOL

1. The first contest for high school would be more of an **experiment**, thus it would be **only available for schools in the district of Lisbon**.
2. From the total of high schools that exist in Lisbon, **the contest would be done with only 10% of them** (because it is an experimental contest) which correspond to 30 schools. (see Appendix 7.3.8)
3. The professors considered for the schools would be the mathematics (3 teachers) and the economics (1 teacher).
4. It is assumed that there is only **3 presentations done in each school**: one presentation for each scholar year of high school.
5. The number of students in each class was achieved by looking at news about education in Portugal. (see Appendix 7.3.7)
6. **Each year** of high school is assumed to **have 5 different classes**. (see Appendix 7.3.7)
7. It was considered that **only 1% of high school students that attended the roadshow presentation were interested in the contest**. In order for them to form a group, it was assumed that the average group members of each group was 3. see Appendix 7.3.7)
8. Regarding the number of presentations done in a day during the roadshow, it was assumed that in each day the roadshow goes to 2 different schools: one in the morning and one in the afternoon.
9. The roadshow, by being done only in Lisbon, where the headquarters of the company are, **do not have associated any staying costs**. In this matter, **only fuel costs are associated** since there is a need of travelling within the city to the different schools.
10. During the contest there will be **one full time employee**, which will have support from **one part-time employee** during the periods that have more work: Database, Roadshow and intermediary evaluation.
 - a. The wages already include the utilities costs.

City	# Schools	# Professors	# Presentations on the Roadshow	# days	# Students	# Students Interested	Groups
Lisboa	30	4	90	15	9900	99	33

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Development of the High School contest's financials in order to assess the costs of developing it internally. Calculations explained step by step with further comments, details and evidence in appendix.

Process

FINANCIAL COSTS

Deep Dive

Benchmark

Literature
Review

Financial
Impact

High School	Employees	Days	Km travelled	Stay	Total
Database	1	21	0	0	€ 1.353
Roadshow	1	15	€ 50	0	€ 1.006
Intermediary Evaluation	1	10	0	0	€ 644
Full time employee	1	105	0	0	€ 12.300
Prizes					€ 7.000
Total					€ 22.304

Social Impact

Implementation

Risks And
Challenges

- The only value that is subject to change, and influences the cost of the contest, is the period in which there is a part time employee working. This variation could come from the creation of the database, the roadshow or the intermediary evaluation.
- Assuming a change of 10% (time of the part time employee working) for the good scenario and the bad scenario, the total cost of the contest would be:
 - Bad scenario - € 22.465 (increase of €161)
 - Good scenario - € 22.143 (decrease of €161)

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Estimation of the potential social impact of the initiative based on the adherence and impact of the students and their projects

Process

MAIN KPI's - SCENARIOS

University	Bad	Expected	Good
Presentations	37	69	97
students	78	147	209
Projects	27	50	71

University

- The different scenarios are based on the number of professors that reply positively to the contest roadshow

Deep Dive

Benchmark

Literature
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Financial
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Social Impact

Implementation

Risks And
Challenges

High School	Bad (0.5%)	Expected (1%)	Good (1.5%)
Students	50	99	148
Projects	17	33	50
Total reach	250	495	740

High School

- The different scenarios are based on the variation of the number of students that apply to the contest, regarding the students that attend the presentation
- It is expected that each student is able to reach at least 5 people and make them understand about the financial topic chosen

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Implementation plan and costs for both contests. Stages of the contests from the preparation and contact with the professors and university to the final presentation and prize delivery.

Process

IMPLEMENTATION PLAN AND COSTS

Deep Dive

Phase 1: Preparation of the contest - Definition of the different topics/questions from which students can choose what to do; building a database with all the relevant courses, universities and professors; contact universities and professors to do the roadshow; schedule the roadshow in accordance to the answers from the professors

Phase 2: Initial and Intermediary Delivery - Roadshow through the universities/ high schools presenting the contest; receiving the applications from students, back office work - supporting the roadshow and the groups

Benchmark

Phase 3 - Intermediary Evaluation and Support - Evaluating the documents, videos, PPTs delivered by students showing their work so far; giving a score and publicizing the results to show who is the best so far, in order to keep them motivated; giving feedback to students and support if they need

Phase 4: Selection of the 10 Best - Final delivery by students; evaluating and giving a score to the work done; from the score, selection of the ten best projects and publicizing the results and contacting finalists.

Literature
Review

Phase 5: Final Presentation and winner - Presentation of the best projects to a jury, which will choose the winner based on the presentation and the project itself. Delivery of the prize to the winners

Financial
Impact

Social Impact

Implementation

Risks And
Challenges

- **Costs of University - €24K**
- **Costs of High School - €22K**
- **Total = €46K**

Phases	1st month	2nd month	3rd month	4th month	5th month
Phase 1: Preparation of the contest	■				
Phase 2: Initial and Intermediary Delivery		■			
Phase 3: Intermediary Evaluation and Support			■		
Phase 4: Selection of the Best 10					■
Phase 5: Final Presentation and Winner					■

7.3 Final recommended initiatives

University & High School Contest

Ageing
population

Financial
Literacy

Risk and challenges assessment of the initiative with probability of occurrence and potential impact on stakeholders. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each.

	RISK	Prob	Imp	MITIGATION STRATEGY	MONITORING
Process					
Deep Dive	Professors not interested	Medium	Hlgh	<ul style="list-style-type: none"> Send posters and emails to the marketing department of universities so that they inform the students 	<ul style="list-style-type: none"> Answers received by both universities and professors
Benchmark					
Literature Review	Students not interested	Medium	High	<ul style="list-style-type: none"> Change the way topics are presented to the students 	<ul style="list-style-type: none"> Number of candidates (in the initial presentations)
Financial Impact					
Social Impact	Projects do not reach many people	Medium / High	Medium	<ul style="list-style-type: none"> Offer support in the midterm evaluation 	<ul style="list-style-type: none"> Help groups who contact for help Contact groups to see how the project is going
Implementation					
Risks And Challenges	Ideas presented are not interesting	Medium	Low	<ul style="list-style-type: none"> Offer support in the midterm evaluation 	<ul style="list-style-type: none"> Help groups who contact for help Contact groups to see how the project is going

7.4 Final recommended initiatives

Collective Household Insurance

Resilient
Society

Natural
Catastrophes



The CHFI uses the peer pressure mechanism in small communities with the objective of increasing control and transparency among members and decrease insurance claims and fraud. Relies on a percentage of the premium paid being returned to the policyholder or donated to an institution (if no claims are made within a community) as an incentive to increase monitoring.

Process

Deep Dive

Benchmark

Literature
Review

Financial
Impact

Social Impact

Implementation

Risks And
Challenges

HOW IT WORKS:

- **Target:** Uninsured portuguese households. Small communities within limited geographical scope such as rural villages and social neighbourhoods. Local institutions that will sell the product to receive the cashback.

Initiative

- The CHFI shared by local communities aims to **prevent and protect** them from natural catastrophes. Properties are insured individually as in a normal household fire insurance, however, the **premiums are tied up to losses within the community**. Each policy pays a premium according to the value and the risk of the property insured and a **cashback system rewards the communities with minor or no claims**. The insurance is based on a **shared risk approach**, inciting **peer pressure**, increasing **control and transparency** with the aim of reducing claims and fraud. (see appendix 7.4.1). The new policy is an innovative redesign and redefinition of the current household offer that already exists and it is offered by the insurance industry. (see appendix 7.4.2)
- **Distribution Strategy** (see appendix 7.4.3): Product distribution with minimal commercial effort by leveraging institutions network of contacts and social relevance. **Distribution channels:** Traditional channels (bancassurance, agents and brokers, delegations), local institution agents. Create “**Ageas Protected Communities**”. In an early stage, to gather communities, partner with Associação Nacional de Municípios Portugueses (ANMP) in order to have a relevant number of local people interested in the product. ANMP has several partnerships with national scope, focusing on a wide variety of social challenges. Identify policyholders that live near the forest and incentivize them to start communities.
- Create partnerships with **local institutions** where the **cashback** entitled to the policyholder will be offered to the partner. Leverage on institutions network of contacts and people’s willingness to donate to local institutions (firefighters and social institutions).
- Partner with *Civil Protection* to leverage on its knowledge to create awareness and educate the insured communities about safety standards and how to comply with them.
- Start the project by launching a **3 months pilot in Évora**. (see appendix 7.4.4 and appendix 7.4.5)
- **Expand nationally** - Replicate the Pilot strategy in different districts. The project would be expanded to the highest potential districts first, always taking in consideration the household risk concentration and the risk of wildfire occurrence. Only then, the project would expand to the districts with highest probability of wildfire occurrence.
 - After Évora, the project should **expand geographically** to 5 closest districts Santarém, Beja, Portalegre, Setúbal, and Lisboa.

7.4 Final recommended initiatives

Collective Household Insurance

Resilient Society

Natural Catastrophes

Reasoning behind the challenge Natural Catastrophes (especifically wildfires). Causes identified as potentially leading to or enhancing natural catastrophes. Economic and social consequences derived from natural catastrophes. Facts and Figures about the portuguese reality regarding wildfires.

Process

CAUSES

- **Forest and land mismanagement:** Wrong selection of trees; insufficient forest cleaning; incorrect land use planning; insufficient surveillance on critical times.
- **Firefighting incapability:** Insufficient training; no fireman's professionalization.
- **Lack of population education:** Lack of population awareness for prevention; lack of knowledge of "what to do" in case of fire.

Deep Dive

Benchmark

Literature Review

CONSEQUENCES

- Private properties destroyed
- Daily activities constraints
- Business destroyed
- Job constraints
- Financial difficulties
- Deaths and serious illnesses
- Health issues
- Psychological damages
- Family psychological damages
- Climate change

Financial Impact

FACTS & FIGURES

- In 2016, there were **160 thousand hectares** of wooded area in Portugal from a total of 13k registered fires.⁴⁸
- In 2017, until mid September, there were **210 thousand hectares of wooded area burned** from a total of 13.346 registered fires.⁴⁹
- This year, until the end of September 2017, wildfires caused **losses of over 497M** euros in Portugal. There are more than **10.000 urban fires** each year.³⁹
- In October 2015, there was a flood in the Algarve region that caused damage which resulted in more than 14 million euros in costs for the insurance companies.⁵⁰
- **24% of the Portuguese population does not have household insurance.**

Social Impact

Implementation

Risks And Challenges

⁴⁸(APSEI, 2016);
⁴⁹(Diário de Notícias, 2016);

³⁹(Observador, 2016);
⁵⁰(Observador, 2015);

7.4 Final recommended initiatives

Collective Household Insurance

Resilient Society

Natural Catastrophes



Benchmark about peer to peer insurance companies with different controlling and cashback systems. Great results were reported regarding claims and premium reductions. Some insurers had exponential growth with a large percentage of clients buying their first insurance for their houses.

	COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
Process			
Deep Dive		<ul style="list-style-type: none"> Peer insurance broker in car, home, legal expenses and private liability. Customers with the same insurance type are connected to a specific pool, and if no claims are made, they receive a pre-agreed maximum cashback. If claims are made, the cashback decreases. Small claims are settled with the money in the pool, while larger claims are settled by the insurer.⁵¹ 	<ul style="list-style-type: none"> More than 80% of users receive a cash back. The average cash back in the property line is 30% of premium. 20% to 40% fewer claims.⁵²
Benchmark		<ul style="list-style-type: none"> Peer car insurance. Members are connected to a specific pool which they select or are allocated to by the company. The unclaimed money in the pool will subsidise a reduction in premiums for the following year. Safer driving pools can see year-on-year reductions in premiums. Higher risk members pay a higher premium. Members who claim often or are considered reckless can be silently voted out.⁵² 	<ul style="list-style-type: none"> Reduced policyholders premiums by around 50 to 80%. £100.000 in premiums in the first 24 hours.⁵²
Literature Review			
Financial Impact		<ul style="list-style-type: none"> The insurer takes a fixed monthly fee. The insured chooses a charity they would like to donate to. Customers are placed in a peer-to-peer community who have chosen the same charity. The premiums are paid into a joint pot and any money left over after claims being paid is given to charity. Everything from buying insurance to making a claim can be completed via the app.⁵³ 	<ul style="list-style-type: none"> 40% of premiums go to charity. 81% of Lemonade's customers are aged between 25 and 44. 87% have never bought insurance for their homes before. In January 2017, Lemonade insured 410 new homes. Exponential growth of 300% in the months following its launch.⁵²
Social Impact			
Implementation		<ul style="list-style-type: none"> Peer insurance for pets, house and accidents. Rewards good behavior. Members of the same 'risk class' contribute to a common premium pool. P2P offering allows customers to share the risk with full transparency. As there is no traditional underwriter present, the premiums are returned to the insured at the end of the policy. If there is a claim, members will still receive the additional capital back on an annual basis.⁵⁴ 	<ul style="list-style-type: none"> Household Insurance with maximum 20% cashback.⁵²
Risks And Challenges			

⁵¹(Friendsurance, 2017);

⁵³(Lemonade, 2017)

⁵²(The Digital Insurer, 2017);

⁵⁴(Axieme, 2017);

7.4 Final recommended initiatives

Collective Household Insurance

The CHFI was inspired on the same peer to peer mechanism that Grameen Bank and other similar microcredit providers successfully used in developing countries such as Bangladesh. Literature review of articles assessing the impact of peer to peer mechanisms in microcredit, fire insurance in Portugal and government participation in insurability of natural catastrophes.

	REFERENCE	MAIN FINDINGS	LIMITATIONS
Process	Stiglitz, 1990	Stiglitz defended that co signing agreements in developing countries increase the probability of individuals controlling each other. The CHFI peer pressure mechanism incites controlling among community members.	Study from 1990, conducted in developing countries with distinct social and economic contexts.
Deep Dive	Varian, 1989	Varian argued that in the case of mutual insurance, the monitoring process would only work if each member had considerable access to information about other members of the community. The CHFI, targeting mainly small communities and rural areas , increases the ability of accessing information about other members.	The example investigated by Varian was the Grameen Bank in Bangladesh. Specific example of peer pressure mechanism in microcredit in developing countries.
Benchmark	Giné and Karlan, 2013	Evidence showed that clients under the group's liability tend to have an incentive to screen others, to ensure only good projects join the community . The CHFI is to be implemented especially in rural areas and small communities, with social contexts closer to the ones of developing countries. The incentive to screen other members will ensure only properties able to receive the cashback will join the community. It also attracts "good risks" once individuals who expect to receive the cashback are more likely to purchase the CHFI.	The study also questioned to each extend these conclusions will hold in other, more developed countries. The CHFI is to be implemented especially in rural areas and small communities, with social contexts closer to the ones found in developing countries.
Literature Review	Nguyen; 2013	For Nguyen, the optimal solution to catastrophic events is not only implementing preventive measures with the aim of reducing the frequency and severity of the damages but also ensuring and protecting people from rare and more severe events.	The study argues that in some extreme cases the government should participate in private-state insurance to avoid the collapse of insurance markets. This reinforces the problem of high risk policies in the insurers portfolio.
Financial Impact	Pinheiro and Ribeiro; 2013	In Portugal, it is extremely difficult to insure against forest fires . Insurance companies do not accept to make such contracts due to the high inherent risk . The CHFI aims to reduce the risk of the properties and surrounding lands, increasing the insurability against forest fires.	The article points out the difficulty of insuring properties due to non mandatory fire insurance, lack of reliable data on risk factors and properties value.
Social Impact			
Implementation			
Risks And Challenges			

7.4 Final recommended initiatives

Collective Household Insurance

Resilient Society

Natural Catastrophes



Development of the CHFI financials in order to assess the economic potential of the initiative. Calculations explained step by step with further comments, details and evidence in appendix. Projections for 5 years including a 3 month pilot.

MAIN KPI'S - 5 YEARS ACCUMULATED

Process

- Expected technical margin (value): €485K
- Expected technical margin: 23.8%
- Claims ratio: 30% reduction
- Total premiums: €2,3M

- Average cashback given per policy: 9.4% of premium.
- Cashback offered per policy: 15%
- Users entitled to cashback: 80%
- Expected technical margin (value): €485K
- Cashback (absolute value): €219K
- Payback period: 2 years and 7 months

- **Pilot numbers (3 months in Évora district):**
- Insured households: 225
- €4.5k of premium in the 3 months
- €22.5k yearly premiums from the 225 houses
- Cashback (value): €400

Deep Dive

Benchmark

Literature Review

Financial Impact

Social Impact

Implementation

Risks And Challenges

PHASES (1/2)

1. In order to assess the potential of the initiative in Portugal, the team calculated the percentage of **uninsured households** in the country. It was calculated by dividing the number of uninsured households by the total number of households in Portugal. To determine the uninsured number of houses, it was used Ocidental 2016 total premium production and its market share in the fire segment, reaching the total **segment production (approximately €776M)**. The industry average yearly premium in the segment was €171,72. in 2016, meaning that the average number of policies in the fire segment was 4.513.067, translating into an **uninsured household percentage of 23,93%**. (see appendix 7.4.6)
2. **Calculations for the initiative:** Ocidental current yearly premium of multi risk insurance for households is €133,64. As the households to be insured in the project are expected to be located in rural areas, the yearly premium used for the calculations could not be the average of the industry or of Ocidental. After talking to Miguel Santo (product manager in Ocidental), it was agreed that the best estimate for a household with such characteristics would be approximately **75% of ocidental current average yearly premium (€100,23)**. (see appendix 7.4.6)
3. When analysing the benchmark of Friendsurance, the peer to peer mechanism resulted in 20% to 40% less claims. With these values, it was performed a **margin analysis**, keeping the technical and administrative margins constant, in order to evaluate the potential cash back percentage that could be offered based on the several claims reductions scenarios. The analysis was made for Ocidental, Ageas and the group combined (weighted average based on the production volume). (see appendix 7.4.7)
 1. The values for Ocidental were easily accessed through the P&L of the company. For Ageas, the only information was the claims ratio (58%), the total production in the fire segment and the absolute value of the technical margin (€ 1M), all 2016 values. Ageas technical margin in 2016 was estimated to be approximately 2,68% of total premiums.

7.4 Final recommended initiatives

Collective Household Insurance

Resilient
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Natural
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Development of the CHFI financials in order to assess the economic potential of the initiative. Calculations explained step by step with further comments, details and evidence in appendix. Projections for 5 years including a 3 month pilot.

Process

Deep Dive

Benchmark

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PHASES (2/2)

4. Based on the market share of each company and the number of policies of Ocidental (410.851) in the fire segment, it was estimated the total number of policies of Ageas (282.129). Then it was estimated **the average yearly premium of ageas in the fire segment (€ 132.12)** (see appendix 7.4.6)
5. Then, it was estimated the group (Ocidental + Ageas) **weighted average operating margin** based on the market share of each organization and perform the analysis for the 3 entities. (see appendix 7.4.8)
6. 3 scenarios were made for both companies and the group combined.
 1. This scenarios were made based on the assumption that 100% of policyholders would receive the cashback. However, in reality not every policyholder will be entitled to the cashback, which allows the company to offer a higher cash back than what will be really paid. So we based our **cashback return estimate** on the benchmark from Friendsurance. (see appendix 7.4.7)
7. After altering the P&L of Ocidental for the new margins based on the expected scenario, the team calculated the costs that the company would need to incur in order to implement this initiative and a 5 year projection was made (including the 3 months pilot) to assess the overall potential of the project. (See appendix 7.4.12)
8. All projections were made for Ocidental only due to lack of information about Ageas Seguros. **Expected scenario:** 30% claims reduction with the possibility of offering a **15% cashback** to the communities. Each community was assumed to have **25 houses** (considered reasonable to incite peer pressure and not to large to lose control). During the pilot we assume 2 communities per month (3 months), meaning an average of 1.66 houses per day. (see appendix 7.4.9)
 1. In the first year, the return of the project is negative due to the investment costs considered in the initial phase of product/project development and further implementation costs in each stage of the project. (see appendix 7.4.10)
9. After the pilot, in the **first stage** of expansion to the low risk districts, it was assumed that **the project would grow at a rate of 5 communities per month**. In **stage 2**, the medium risk districts, it was assumed a **growth of 7 communities per month**. During **stage 3**, the high risk districts, **10 communities per month** is the expected growth. **After this, it was assumed a fixed rate of 7 new communities per month** until the end of year 5 - final year projection.
10. These assumption were made **based on Ocidental current average of 3 new household policies per day and on the benchmark of Lemonade**. Lemonade had a 30% growth in the months following its launch and in January 2017 insured 410 new homes (average of 13.6) per day). Furthermore, 87% of Lemonade customers had never bought insurance before.
11. The project is expected to bring **additional revenues of € 2.3M** that translates into **€ 480k of technical margin during the 5 years**. Technical margin is expected to be 23.83%, an increase to the current margin in the fire insurance of 22.5%. (see appendix 7.4.10) Claims cost is expected to decrease 30% from 35.7% to 24.99%.

7.4 Final recommended initiatives

Collective Household Insurance

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Estimation of the potential social impact of the initiative based on the economic impact of the CHFI in policyholders. Further theoretical social impact derived from natural catastrophes causes and consequences mitigation measures that the initiative would enhance.

Process

MAIN KPIs

Deep Dive

- With the recent wildfire events of the year 2017, there has been a political pressure to create legislation to **increase resources allocated to fire prevention and mitigation of its consequences**. Recently a law has been passed that obliges every private owner to clean the surroundings of its properties until March 15 of 2017. In the case that the private owners do not proceed to clean their properties, the municipalities must do so. The initiative is expected to **protect the uninsured household owners**, that were not able to insure their house either by risk or economic factors. The CHFI is expected to increase the number of private properties that **comply with legal safety standards and incentivize extra preventive measures** reducing monetary losses of properties when natural catastrophes occur. Participants have more control over the premiums they pay once they can control their own decisions and also influence the decisions of the other members in the community.
- This initiative can have a significant social impact in the live of the portuguese population, **reducing the losses** directly linked with the destruction of private houses, business and the harm of human lives.
- Furthermore, the social and economic impact of the initiative can be shared with local institution such as the firefighters and other social organizations, if the customers decides to donate its cashback.

Benchmark

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Social key performance indicators of the project:

- Claims ratio: 30% reduction
- Insured houses: 9175 (0.6% of uninsured households)
- Average cashback given per policy: 9.4% of premium.
- Cashback offered per policy: 15%
- Users entitled to cashback: 80%
- Cashback (absolute value): €219K
- Average community size: 25 households.

Social Impact

Implementation

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Other social KPIs to monitor and compare during the project:

- Number of fires in the insured buildings/areas.
- Customer satisfaction levels.
- Number of preventive measures implemented
- Number of properties destroyed.
- Number of deaths.

7.4 Final recommended initiatives

Collective Household Insurance

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Natural Catastrophes



Implementation plan and costs for the CHFI. Different stages of product development, partnerships engagement, pilot expansion launching strategy, project evaluation and national expansion. Total investment estimation considering implementation costs in different stages of the project.

IMPLEMENTATION PLAN AND COSTS

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- Phase 1 - Product Development (3 months):** All work related to developing the insurance product. Redefine current household insurance offer. Adapt policies and contracts. It is not a new product but a refinement of an already existing offer, so the time to launch the product is shorter. IT developments, actuary risk assessment, policy development, pricing, regulatory compliance. Application documents, contract, and other client facing documents. Market Research. Designing marketing and training material for employees and intermediaries (agents and brokers). The insurance offer should be 100% designed. **Training program participants:** Regional Commercials, agents and brokers. **Objectives:** Understand the new insurance product. Provide strategic context and long term focus. Instruct agents and brokers about the new insurance product, specially on communication. Understand the customer target and how to influence them. Understand the best ways to reach the client. Learn to measure and control performance based on the expected KPI's.
- Phase 2 - Partnerships (1 month):** Negotiate partnerships with ANMP and Civil Protection. Define responsibilities, follow-through and reviewing process plan.
- Phase 3 - Pilot (6 months):** Team formation. Deploy sales and fire insurance experts. Instruct and train local teams. Site recognition – specific risk identification, risk potential and impact, controls to mitigate and reduce risk. Replicate Phase 2 with local institutions (firefighters, football clubs, charity institutions). Go to market strategy – Use local partnerships to sell the product. Start by highest potential municipalities. Launch the Pilot.
- Phase 4 - Evaluation and potential assessment (3 months):** Get feedback and evaluate the pilot – KPI monitoring. Improve project processes and product offer – Address challenges, adapt. Re-assess the potential of the project nationally.
- Phase 5 - National Expansion (12 months):** Expand project nationally. Sequentially replicate the pilot in districts selected by highest potential. Stage 1: Low risk districts; Stage 2: Medium risk districts; Stage 3: High risk districts. Get feedback and evaluate the project – KPI' monitoring. Ongoing improvement and monitoring. (see appendix 7.4.11)

Implementation costs:

Market research	€ 5K
Product development	€ 10K
Human Capital	€ 42K
Legal and Regulatory	€ 4K
Marketing, Sales & Distribution	€ 15K
Total Investment	€ 76K

See appendix 7.4.12

Phases	6 months	12 months	18 months	24 months
Phase 1: Product Development				
Phase 2: Partnerships				
Phase 3: Pilot				
Phase 4: Evaluation				
Phase 5: National Expansion				

7.4 Final recommended initiatives

Collective Household Insurance

Risk and challenges related to natural catastrophes insurability, product development and implementation. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each.

Process	RISK	Prob.	Imp.	MITIGATION STRATEGY	MONITORING
Deep Dive	Natural catastrophe occurrence	Medium	High	<ul style="list-style-type: none"> Introduction of preemptive measures Partner with entities (Civil Protection) in order to educate communities 	<ul style="list-style-type: none"> Resilience of protected communities vs non-protected ones Claims cost comparison
Benchmark	Household Concentration Risk (risk of insured household proximity in case of natural catastrophe)	Medium/Low	High	<ul style="list-style-type: none"> Start building communities in low risk districts, than expand to higher risk districts. 	<ul style="list-style-type: none"> Number of claims Claims ratio per community
Literature Review	Non self-controlling community	Medium	High	<ul style="list-style-type: none"> Highlight the importance of transparency and member controlling in order to receive the cashback. Unexpected communities check ups 	<ul style="list-style-type: none"> Number of claims per community
Financial Impact	Insignificant number of policies per community	Medium/Low	Low	<ul style="list-style-type: none"> Work constantly with partners Promote member get member strategy 	<ul style="list-style-type: none"> Number of policies per community (25)
Social Impact	Insurance brokers portfolios (competition)	Medium	Medium	<ul style="list-style-type: none"> Sales strategy - Sell an unique value proposition, focusing on the cashback system. 	<ul style="list-style-type: none"> Number of policies per broker Portfolio concentration/ diversification
Risks And Challenges	Partnerships negotiation (ANMP)	Low	Low	<ul style="list-style-type: none"> Leverage the current legal and political context to get public entities on board. 	<ul style="list-style-type: none"> Number of partnerships Partnership role and impact

7.5 Final recommended initiatives

Green Endorsements

Resilient
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Green Endorsements is an insurance product designed to commercial buildings to provide coverage for the green buildings and to business or homeowners with intention to transition to green buildings in case of loss

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HOW IT WORKS:

Target:

- Green properties owners.
- Business owners and homeowners who want to capture green in the future.

Insurance for Commercial Certificated Green Building - Green Coverage (Capture the new market segment and cover the “green gap”):

- **Premium discount:** based on green rating and reduced risk factors.
- **Post-loss replacement of green features:** After a damage happens, Ageas would replace and repair the damaged parts by green features, such as vegetated roofs, alternative efficient water and energy systems, energy star-rated appliances, efficient plumbing fixtures.
- **Coverage for Green Reconstruction Requirements:** Green endorsement covers reasonable (tbd) costs necessary to sort, remove, and deliver debris to recycling facilities rather than landfills, with any remuneration reducing the total loss.(Debris recycle is a mandatory requirement to rebuild a green building).
- **Green consultant services for commissioning process:** After a loss, the services of green design and commissioning consultants may be necessary to ensure green recertification. Available endorsements cover the retention of an architect and/or engineer accredited by the green rating authority to participate in the redesign and reconstruction of the damaged property. The third party of professional engineer could be Ageas internal teams in charge of the new BREEAM buildings or partners with other expert companies in green construction..
- **Coverage for recertification:** Coverage includes reasonable (tbd) registration and certification fees charged by the green rating authority. Coverage includes also any additional costs resulting from the evolution of certification and rating requirements.
- **Broader Protection for green roofs and beyond the Building:** Endorsements are available to cover existing vegetated roofs, including coverage for the waterproofing layer, soil, plants, and water source. Endorsements are also available for trees, shrubs, plants and lawns related to a vegetated roof or planted to dissipate heat island. Green property endorsements recognize that elements outside the building are necessary for green certification status, offering broader protection within an extended radius from the building. Endorsements can cover paved surfaces, underground systems, and personal property located within 300 meters of the building.
- **Coverage for financial initiatives:** Coverage is available for an owner that loses a green financial incentive. Subject to a sublimit, endorsements will compensate the owner for as long as two years for lost tax or loan discounts or favorable rates, utility discounts, and monetary grants or specialized funding.
- **Extended business interruption period:** As it takes more time to rebuild a green building. The endorsement extends the business interruption period and cover the revenue loss within 24 months..

Green Upgrade Coverage for Commercial Buildings and Personal Houses (New offer to the current clients):

- **Additional percentage** of annual premium is paid for the green coverage. The clients would choose different coverages with different additional premiums depending on the value of their properties.
- **Post-loss green upgrade** coverage for **partial losses** with green and energy star materials, alternative efficient energy and water system. The value covered depends on the coverage chosen previously.
- A building or home suffering a **total loss** will be rebuilt as a **green certified building/home**. The value covered depends on the coverage chosen previously.

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Green Endorsements

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Deep dive on the causes and consequences, facts and figures that support the green endorsements initiative. The green trend is increasingly gaining adherence in Europe, specifically in Portugal.

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CAUSES

- **Electricity production** generates the largest share of greenhouse gas emissions. ⁵⁵
- Greenhouse gas emissions from businesses and homes arise primarily from **fossil fuels** burned for heat, the use of certain products that contain greenhouse gases, and the **handling of waste**. ⁵⁵
- Greenhouse gas emission from **transportation** primarily come from burning fossil fuel for our cars, trucks, ships, trains, and planes. ⁵⁵

CONSEQUENCES

- Global warming and rise of sea level
- Climate change and extreme weather conditions
- Poor air quality
- Less biodiversity
- Agriculture difficulties
- Health diseases

FACTS & FIGURES

- Some researchers say that unless emissions of greenhouse gases are cut, the **planet will heat up** by a minimum of **4°C** by 2100, twice the level the world's governments deem dangerous. ⁵⁶
- Portugal has the objective to be carbon neutral by 2050:
 - Through mobility plans and non-polluting vehicles, the objective is to reduce carbon emissions by 14% until 2020.
 - By 2030, the objective is to have it reduced by 26%. ⁵⁷
- Portugal has suffered monetary losses of 6.8 billion euros as a result of climate change between 1980 and 2013 (**only 4% was covered by insurance**) ⁵⁸
- **The growth trend of green commercial and residential buildings:** global green building continues to double every three years. Across all regions of Europe, many respondents from a survey conducted by *Dodge* and *United Technologies* forecasted that more than 60% of their projects will be green by 2018. ⁵⁹
- In **Portugal**, there are **175 certified green buildings**: 41 LEED, 24 BREEAM, 66 TripAdvisor GreenLeaders and 64 LiderA. ⁶⁰(see appendix 7.5.1)

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Benchmark of companies offering similar insurance products with green coverage with great short term results after the product launch.

Process	COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
Deep Dive	 <p>A company of Allianz</p>	<p>Certified Green Building Coverage:</p> <ul style="list-style-type: none"> Fully cover vegetated roofs (roofs with trees and plants) Alternative water systems and alternative energy systems. Post loss coverage to help keeping the building green. ⁶¹ <p>Real and Personal Property Green Upgrade Coverage :</p> <ul style="list-style-type: none"> Post loss green upgrade A building suffering a total loss will be rebuilt as a certified building Alternative energy and water system, debris removal and LEED professional coverage provided ⁶² 	<p>Two years after the launch of the product:</p> <ul style="list-style-type: none"> 130\$ million of green coverage premiums for business owners. 510,000\$ of green coverage premiums for 31,000 homeowners. ⁶³
Benchmark		<ul style="list-style-type: none"> Green upgrade coverage will augment existing replacement-cost coverage providing an additional limit of insurance to address loss settlement of damaged property using more energy-efficient, environmentally preferable materials, products, or methods in design, construction, manufacture, or operation Expense coverage, provides an additional limit of insurance to be applied to expenses related to green upgrades. This includes waste reduction and recycling costs, such as the reuse or salvage of building materials or contents and related extraction and transportation expenses. Other expenses include professional fees for the design and engineering of green upgrades as well as certification and equipment testing fees. Related expense coverage also provides building air-out and air testing expenses. New coverage option offers a business interruption option for those insured with an underlying time-element policy that extends the period of restoration. ⁶⁴ 	<ul style="list-style-type: none"> First standard coverage option for commercial property owners interested in rebuilding damaged property with green alternatives.
Literature Review			
Financial Impact			
Social Impact			
Implementation			
Risks And Challenges			

⁶¹ (Allianz, 2008) ⁶²(Greenbiz, 2010) ⁶³(Insurance Journal, 2006) ⁶⁴(Insurance Journal, 2009)

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ageas

The initiative is inspired by a rapid growth trend of green buildings and the need of protection of its specific risks. Many international insurance companies have adopted their policies to protect the green building investors or help their clients to go green. Ageas would fill in the blank on the market segment and position itself as “green protector”.

	REFERENCE	MAIN FINDINGS	LIMITATIONS
Process			
Deep Dive	Asha Eveccerria, 2012	<ul style="list-style-type: none"> Specific risks of green buildings which are not covered by the traditional insurance policies: recertification, green factors, financial initiatives, increased time and costs to reconstruct. 	Most of the green insurance examples in the article were from USA.
Benchmark			
Literature Review	Dodge Data & Analytics, 2016	<ul style="list-style-type: none"> Focused on global green building growth, the report features the results of more than 1,000 survey participants from 69 countries and includes 13 country-specific profile. In the last years, green buildings have been increasing in both developed and developing countries, doubling every three years. Across the developed regions, many respondents forecasted that more than 60% of their projects will be green by 2018. 	Only few countries with high level of development of green buildings were referred. For example, only three countries in Europe (Germany, Poland and UK) were presented in detail; Lack of the overview of green building status in many countries.
Financial Impact			
Social Impact	Manuel Pinheiro, 2006	<ul style="list-style-type: none"> During the past decade, there has been a significant evolution in the area of urban and building design in Portugal. The Portuguese rating system Lidera was developed in 2007. Portuguese government began to indicate that certified sustainable buildings might be eligible for tax reductions. An example is Santarém Municipality where the buildings certified by LiderA – Sustainable Assessment System will pay 25% less taxes 	About the certified green buildings in Portugal, only those which were rated by LIDERA (Portuguese rater) were referred. However there are many sustainable buildings in Portugal certified and rated by international rating systems, such as LEED and BREEAM.
Implementation			
Risks And Challenges	Zurich, 2010	<ul style="list-style-type: none"> Zurich address the specific risks of green buildings from different aspects: Financial risks, Standard of Care/Legal, Performance, Consultants/ Sub-consultants and Subcontractors, Regulatory. It is pointed out that insurance companies should adapt their policies and develop new products to cover the green gap due to the increasing green buildings worldwide 	Lacks the suggestions and recommendations to the risks addressed.

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Green Endorsements

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Step by step explanation of the phases leading to the financial conclusion regarding the Green Buildings Coverage, which is expected to have a positive impact on the P&L with even higher margins than the traditional coverage of buildings.

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MAIN KPIs - 5 YEARS ACCUMULATED

Green Building Coverage:

- Policies: 476
- Revenues: €466K
- Profits: €207K
- Profit margin: 8%-9% higher
- Current Profit Margin: 36,32%
- Break-Even-Point: 127

Green Upgrade Coverage Corporate:

- Policies: 5.5K
- Revenues: €905K
- Profits: €360K
- Profit margin: 4%-8% higher
- Current Profit Margin: 36,40%
- Break-Even-Point: 660

Green Upgrade Coverage Individual:

- Policies: 13.6K
- Revenues: €1M
- Profits: €408K
- Profit margin: 4,3% higher
- Current Profit Margin: 35,5%
- Break-Even-Point: 2540

PHASES (1/2)

To assess the potential of the initiative, the team made assumptions on the **growth of green constructions in Portugal:**

1. According to the survey of "World Green Building Trends", many **respondents forecasted that more than 60% of their projects will be green by 2018**. In Europe, there is a general trend toward companies becoming highly involved in green projects, despite the forecasted growth acceleration and green construction status being different across countries (See appendix 7.5.2). Plus, the EU directive requires that all the new construction must be nearly zero energy by 2020. ⁶⁵The first assumption is that **the growth trend of green constructions in Portugal is expected to increase by 20% by 2018, 40% by 2019 and 60% from 2020 to 2022**, which are **reflected in the number of green buildings** (234.328.524.839 and 1342) respectively (see appendix 7.5.3)

Different scenarios were made to predict the potential profits and premiums of both products:

2. For the **Green Coverage**, the expected scenario considers that Ageas would capture **35% market share** in the green construction segment in the first year as there are not any special coverages for the green constructions in Portugal yet.
 1. In the long term, if Ageas would positioning itself as green protector successfully, it would accomplish a market share of 35% during the following five years. That is to say, the number of green buildings in Ageas portfolio is expected to be 50,90, 174, 292 and 476, respectively. (See appendix 7.5.3.A)

⁵⁹(Dodge Data&Analytics, 2016)

⁶⁵(European Commission, 2016)

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The potential premiums and profits depend on the growth trends of green buildings in Portugal. Calculations to assess the potential of the initiative were made based on the P&L margins, market trends and green buildings specific data. Scenarios were made to assess different growth rate possibilities of green buildings in Portugal.

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1. The group assumed a **5% discount** to apply to the annual premium of the buildings, thus, as the average annual premium for corporate buildings of Ocidental is € 454*, the **average annual premium for green buildings** would be **€431**.
 2. The **total paid premiums** were calculated multiplying the average premium by the number of green buildings, resulting in **€ 466K for 5 years**.
 3. According to Allianz's records during four years⁶⁶, the green buildings are less risky and presented **20% less claims ratios** than traditional buildings. The current claim ratio of the commercial buildings of **Ocidental** is 39,6%* and the claim ratio of green buildings is expected to be 31,68%. As the administration costs remain the same (24%*), the **profit margin of green buildings** will improve **from 36,4% to 44,32%**. (See appendix 7.5.4.A)
 4. The same logic applies to **Ageas**: the claim ratio of is 45%* and administration costs are 45%*, thus the **claim ratio** of green buildings in Ageas portfolio will be **36%** and the **profit margin** will **improve from 10% to 19%**. (See appendix 7.5.4.B)
 5. To calculate the profit, the team only considered the annual premium from Ocidental, as the client did not believe the internal data provided on Ageas premium was accurate. Thus, the **profit** of the new coverage is **expected to be € 207K**, which was calculated by multiplying the premium by the profit margin.
3. The **Green Upgrade coverage** will provide both corporate and individual clients.
 1. As the **green materials are more expensive**, an **additional premium** will be **charged** to compensate the additional costs. Here, we assume 20% (proxy from US) more costs per claim and 20% additional annual premium will be charged. Thus, the claims ratio stay the same as it is calculated by the total claims costs divided by total premium and the percentage of the administration costs will decrease by 16,7%(calculation: 1-1/1,2). Finally, as the **current administration costs of Ocidental Household represent 28,3%* and the profit margin represents 35,5%***, with the **green upgrade coverage, it will represent 24% and 39,8%** respectively. (See appendix 7.5.5)
 2. **Individual Clients**: Ocidental current annual **household premium** is €119,87* and a **20% additional premium** represents **€23,97**. There are **389K households** in the current portfolio and the group assumed that the percentages of clients who will buy the product will **rise from 0,75% to 3,5%** during the following **five years** (the different scenarios are made to predict the profit and premium of this new coverage).Therefore the **total premium** is expected to be **1M** and the **profit 409K**. (See appendix 7.5.6)
 3. **Corporate Clients**: For the **corporate buildings**: the current administration costs are 24%* and the current profit margin is 36,4%, but with the green upgrade coverage, for **Ocidental**, will turn into 20% and 40,4% respectively: the **average additional premium** charged will be **€90,84**, (€454x20%). For **Ageas**, the **new administration costs and profit margin will be 38% and 18%**, the average **additional premium** will be **€24** (€120*x20%). Currently, there are 11K* corporate buildings in Ocidental portfolio and 150K* in Ageas portfolio. Additionally, the **growth rate** of the coverage was **assumed to be 80% in the first year and 14% in the fifth year, because** companies will have more incentives to become green due to the benefits of green elements and buildings. The **total premium and profit for Ocidental** is expected to be **€ 671K and € 267K**, and for **Ageas € 234K and € 93K**, respectively. (See appendix 7.5.7 and 7.5.8)

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The initiative will lead to an increase in the health of the residents of green buildings and to a reduction of the carbon footprint due to the conversion of traditional buildings into green buildings.

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MAIN KPIs - 5 YEARS ACCUMULATED

The evidences showed that **green buildings** can bring **multiple benefits in both environmental and business** issues:

- It reduces the human impact on the environment, **decreasing significantly the carbon footprint** directly linked with the building operations and transportations and **improve health and wellbeing of people who work** in the green buildings because of better quality of indoor air ⁶⁷.
- The Green Coverage protects the green investments of business owners from specific risks to cover the “green gap”(see appendix 7.5.11).
- Besides, the Green Upgrade coverages facilitates customers to become more “green conscious” while increasing the number of green elements for business owners and homeowners. Currently, the property owners probably consider a huge and risky investment to build a green home or building and with the possible upgrade, they could consider to start, partially, becoming greener.
- **Main KPI's**
- Reduce on carbon footprint by the green upgrade coverages ⁶⁸
 - Energy: 30% reduction
 - Water: 50% reduction
- Number of health claim ratio of occupants: expected 30% reduced on the occupant's healthy issues
- Number of green buildings rebuilt
- Number of policies of green upgrade coverages (forecasts in different scenarios below)

Nr. of upgrades during 5 years	Bad	Expected	Good
Green Upgrade(Individual)	1,8K	4,9K	9,2K
Green Upgrade(Corporate)	1,6K	2,2K	10,5K

⁶⁷(Nariman Ghodrati, Milad Samari & Mohd Wira Mohd Shafiei2012)

⁶⁸(World Green Building Council, 2016)

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The success of implementation depends on the adequate design of the product and commercialization. It is extremely important to evaluate the market potential in the upcoming years. Launching the product is expected to take 6 months.

Process

IMPLEMENTATION PLAN AND COSTS

Deep Dive

- **Phase 1 - Marketability tests (2 months):** Study the green buildings features and understand its specific risks. Market research about the green consciousness of corporate and individual clients to define the potential of the new products.
- **Phase 2 - Product Development and expert team formation (4 months):** All work related to developing the insurance product. IT developments, actuary risk assessment, policy development, pricing, regulatory compliance. Application documents, contract, and other client facing documents. Market Research. Designing marketing and training material for employees and intermediaries (agents and brokers). The insurance offer should be 100% designed. The expert team of green buildings should be recruited and formed.
- **Phase 3 - Commercialization and product launch (3 months):** product launch and marketing investment in campaigns to promote the Green Endorsement. Train the agents and distributor about the new endorsement.
- **Phase 4 - Evaluation and potential assessment (6 months):** Get feedback and evaluate – KPI monitoring. Improve project processes and product offer – Address challenges and adapt.

Benchmark

Literature Review

Financial Impact

- **Implementation costs:**
- Market research €5K
- Product development €10K
- Human Capital €43K
- Legal and Regulatory €4K
- Marketing, Sales & Distribution €10K
- Total Investment €72K**

Social Impact

Implementation

Risks And Challenges

Phases	3 months	6 months	9 months	12 months
Phase 1: Marketability tests				
Phase 2: Product developments				
Phase 3: commercialize and product launch				
Phase 4: Evaluation and Improvement				

7.5 Final recommended initiatives

Green Endorsements

Resilient Society

Carbon Footprint



Green construction in Portugal is still in an early stage, which adds uncertainty about construction processes and materials, number of future projects, and growth rates. Market evolution will allow Ageas to position as a “Green Protector”

Process	RISK	Prob.	Imp.	MITIGATION STRATEGY	MONITORING
Deep Dive	Slow growth trend of green buildings in Portugal	Medium/Low	High	<ul style="list-style-type: none"> Choose the right time to enter the market 	<ul style="list-style-type: none"> Number of green buildings in Portugal Growth rate of green buildings
Benchmark	Inadequate design of green coverages	Low	High	<ul style="list-style-type: none"> Deeper research on green buildings and their specific risks Study the benchmark companies and adopt it to Portuguese market 	<ul style="list-style-type: none"> Qualitative feedback from potential clients
Literature Review	Fewer customers than expected	Medium	High	<ul style="list-style-type: none"> Adequate design of green coverages Marketing investment 	<ul style="list-style-type: none"> Number of policies
Financial Impact	Claims of green buildings are higher than expected	Low	High	<ul style="list-style-type: none"> Set adequate premiums and covers associated with risks of green buildings 	<ul style="list-style-type: none"> Number of claims Claim costs Claim ratios Profit margin
Social Impact	Failure in positioning Ageas as “green protector”	Low	Medium	<ul style="list-style-type: none"> Redefine marketing strategy Product review and redesign 	<ul style="list-style-type: none"> Market share
Implementation	Lack of experience by professional engineers in charge of green construction	Low	Hgh	<ul style="list-style-type: none"> Partner with teams and professionals considered experts in the area of green construction 	<ul style="list-style-type: none"> Time to rebuild green construction Claim costs Clients satisfaction
Risks And Challenges					

PART I

1. **Executive Summary**
 1. Context
 2. Main Challenges and Deliverables
 3. Action Plan
 4. Recommendations

PART II

2. **The Project**
3. **Theoretical background**
 1. Shared Value
 2. CSR
 3. Strategic CSR
 4. Comparing strategies
4. **Methodology**
 1. Diagnosis
 2. Analysis
 3. Recommendations

PART III

5. **Initiatives Identified**
6. **Project Conclusions**
7. **Final recommended initiatives**
 1. Obesity Management Program
 2. House Sharing
 3. University & High School Contest
 4. Collective Household Insurance
 5. Green Endorsement
8. **Suggested initiatives**
 1. Eliminated in Executive Steering Committee
 2. Eliminated between Executive Steering Committee and CSR Steering
 3. Eliminated in CSR Steering




PART IV

9. **Consulting Labs and Ageas experience**
10. **References**

8.1 Suggested initiatives

Stress Management

Sum up of the process design, benchmark of similar programs that offer mindfulness based programs to employees in order to reduce their stress and anxiety levels. Literature review of the impact of mindfulness programs.

HOW IT WORKS		
Process	<ul style="list-style-type: none"> Target: Corporate clients; Employees Program: Long-term stress relief program offering mindfulness training, yoga and meditation classes to participants. The program would last at least 9 months and would be held both online and at the office, on a regular basis. After a pilot done inside Ageas, Médis would start selling the program to its corporate clients in order to reduce future health care costs derived from high levels of stress. 	
Facts & Figures (see appendix 8.1.1.1)	COMPANY	FACTS & FIGURES
Benchmark	 <ul style="list-style-type: none"> Aetna started offering a mindfulness-based wellness program to its employees and later to its corporate clients. The program offers mindfulness, meditation and yoga classes. 	<ul style="list-style-type: none"> \$9 million saving in health care costs ⁶⁹ Paid medical claims per employee were down 7.3 % ⁶⁹ Saved about \$2,000 per employee in healthcare costs ⁶⁹
Literature Review	 <ul style="list-style-type: none"> Santander has been offering its employees mindfulness programs of 9 months for many years now. Employees can participate voluntarily and they have yoga and mindfulness classes once a week from 8am to 10am. 	<ul style="list-style-type: none"> Portugal Is in the sixth edition Afterwards, employees need to continue working so they receive small homeworks to do at home.
Financial Impact	 <ul style="list-style-type: none"> PHC launched a mindfulness program called “My Happiness”. The program also takes place during 9 months and it started in July of this year. Until now, 12 employees have voluntarily enrolled (out of 175). ⁷⁰ 	<ul style="list-style-type: none"> Portugal Launched this year
Social Impact	REFERENCE	LIMITATIONS
Risks And Challenges	<p>Jon Kabat-Zinn, Ann O. Massion, Jean Kristeller, Linda Gay Peterson (1992)</p> <ul style="list-style-type: none"> The findings of the study have demonstrate that mindfulness meditation training program can effectively reduce symptoms of anxiety and panic and can help maintain these reductions in patients with generalized anxiety disorder, panic disorder, or panic disorder with agoraphobia. 	<ul style="list-style-type: none"> The study was already conducted 25 years ago. For that reason, it might exist some crucial differences in the conclusions reached.
Reason to be Eliminated	<p>Richard J. Davidson, Jon-Kabat Zinn, Jessica Schumacher, Melissa Rosenkranz (2003)</p> <ul style="list-style-type: none"> The findings of the study demonstrate that a short program in mindfulness meditation produces demonstrable effects on brain and immune function. Those findings suggest that meditation may change brain and immune function in positive ways. 	<ul style="list-style-type: none"> The sample used in this study is too small to be considered significant

⁶⁹ (New York Times, 2015)

⁷⁰ (Dinheiro Vivo, 2017)

8.1 Suggested initiatives

Stress Management

Financial and social impact, risks and reason of elimination of the stress management initiative

Process	FINANCIAL IMPACT			SOCIAL IMPACT	
Facts & Figures (see appendix 8.1.1.1)	<ul style="list-style-type: none"> Saving in health care costs from corporate clients and employees; Differentiate from competitors, positioning; 			<ul style="list-style-type: none"> Reduce levels of stress and anxiety Reduce absenteeism Increase productivity and engagement Improve quality of life Reduce chronic pains 	
Benchmark	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Literature Review	Scepticisms regarding mindfulness	High	High	Offer a one-month trial to potential clients for them to try out for themselves.	Keep track of the potential clients who after the trial period enroll in the program
Financial Impact	Employees don't have time to participate.	Medium	High	The corporate clients of Ageas enrolling in the program must commit in making time for its employees to be able to participate without any problems.	Do follow-ups in each corporate client after each edition of the program to understand if that was a problem faced during the program.
Social Impact	Not having the desired impact	Medium	High	Reformulate the program	Use common measures of anxiety such as tracking heart rate variability and cortisol levels to understand the real impact of the program.
Risks And Challenges	REASON TO BE ELIMINATED				
Reason to be Eliminated	<p>Phase: Executive Steering Committee</p> <p>Reason: Scepticisms regarding mindfulness, meditation and yoga practices. The Committee explained it would be very challenging to overcome the scepticisms and make people believe that their stress, anxiety or depression would be improved due to those practices. The initiative was not developed further not having thus a business case neither a financial or social impact calculated.</p>				

8.1 Suggested initiatives

Invisible Savings

Money saving mobile application that enables the client to save automatically and unconsciously. Financial calculations in order to assess the economic potential of the initiative. Benchmark of similar mobile applications that enable customers to register credit or debit cards in order to automatically save in every purchase made.

Process

Facts & Figures
(see appendix
8.1.2.1)

Benchmark
(see appendix
8.1.2.2)

Literature
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Eliminated



HOW IT WORKS

Target: Medium and low income population. Young adults and students.

Invisible Saving is a concept based on **automated generated** money cash flows, that are transferred to a **savings product**, enabling the clients to save **automatically and unconsciously**.

Development of product that enables people to save on every purchase made. Mobile application that enables the client to **connect a spending card** (debit or credit). For each purchase made, a percentage (6.59%) is automatically transferred to an insurance product (in this case a pension fund product). The minimum amount to be saved would be € 25 per month. The sum of money saved would stay **captive** until the end of each month and then it would be transferred and applied to the pension product. The mobile application would also enable the client to budget and track his money online, facilitating financial management and creating awareness about the importance of saving. **Additional features** would be added to the mobile application as seen in the benchmark, for instance: guilty pleasures (penalizes purchases from stores the customers choses with higher savings rates), predetermined savings (saves a fixed value per day), micro investing (investing the saved money in the stock market, through existing Ocidental funds) or “found money” (partnerships with large organizations that donate the amount the client saved in a purchase to the clients account).

In case that the client does not save the minimum amount, it would be given the choice to complete the €25 monthly saving or not to transfer the sum of money saved. In order to start saving the client would need to make an **initial saving of € 25**.

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> HSBC SmartSave APP – The app allows customers to apply auto-savings on their spending, helping them to save across all their bank accounts, including those from different providers. Every time they spend, Smart save app will automatically transfer some money into a designated savings or investment account. Options: Guilty Pleasures stores are penalized, Rounding-up, Pre-determine savings value per day.⁷² 	<ul style="list-style-type: none"> Average customers saved € 72 per month. 29.8% of savings from round ups. 14.9% of savings from “guilty pleasures” which was used by 33% of customers. APP users increased savings by 30% while non app users were only able to increase 4%.⁷²
	<ul style="list-style-type: none"> California based startup launched in 2014. Application where the client can connect debit and credit cards used to make everyday purchases. For each purchase made, the app rounds up the value to the nearest dollar and transfers it to a (micro)investment account. Found money - partnerships with known brands where the partners to which the client made a purchase, invest the amount rounded up in the client's investment account.⁷³ 	<ul style="list-style-type: none"> Over 1 million users since 2014. 2 million investment accounts, expected to complete 1 billion trades in 2017. Acorns has raise over \$ 70M from investors such as Paypal and Bain Capital Ventures. \$1 fee per month per user Free for college students. Charges 0.25% in accounts above \$5000.⁷³

⁷²(HSBC, 2017); ⁷³(Acorns, 2017)

8.1 Suggested initiatives

Invisible Savings

Literature review of online banking systems in Portugal and automatic enrollment saving. Estimation of the potential social impact of the initiative based on the economic impact of customers. Step by step explanation with further comments, details and evidence in appendix. 5 years projections.

Process	REFERENCE	MAIN FINDINGS	LIMITATIONS
Facts & Figures (see appendix 8.1.2.1)	Bank of Portugal, 2016	<ul style="list-style-type: none"> Financial institutions have high growth expectations in digital channels usage. Almost 90% provide banking products and services online. 88% provide online channels to individuals. 62% of institutions provide mobile applications to individuals, but around 29% have plans to make them available in the future. Customer loyalty and attracting new customers are considered the main reasons for the digital channels offer 	<ul style="list-style-type: none"> Institutions surveyed: 20 banks, 11 specialized credit, 2 financial payment, 1 electronic money Digitalization via mobile channels is still in an early stage. Contract signing, personal data protection and other legal obligations are also seen as obstacles
Benchmark (see appendix 8.1.2.2)	Madrian and Dennis. 2001	<ul style="list-style-type: none"> Participation is higher with automatic enrollment, having a strong influence on savings behavior. One consequence of automatic enrollment is that individuals become passive savers. 61% of employees do not change their savings behavior from the default option chosen by the company 	<ul style="list-style-type: none"> Study on employees from a large U.S. company. 900 employees excluded based on age, working time in the company and others
Literature Review	FINANCIAL IMPACT		SOCIAL IMPACT
Financial Impact	<ul style="list-style-type: none"> Accumulated values for 5 years: Total app clients: 125.818 Total technical margin: € 798.342 Total funds under management: € 95.257.892 		<ul style="list-style-type: none"> Increase savings, especially younger and lower income population (based on the benchmark) Guarantee extra funds in retirement age Increase financial literacy and stability Total accumulated savings: 95.3M 125.818 clients in 5 years
Social Impact	PHASES (1/2)		
Risks And Challenges	<ol style="list-style-type: none"> To develop the business case of the invisible saving application, the calculations were made based on benchmark proxies and the portuguese market analysis and prospects. Based on the HSBC benchmark (considered the most recent and reliable), it was estimate that a portuguese individual would save through a similar app (adjusted based on the average salary in the UK and in Portugal). Research how much the portuguese spend per day with debit and credit cards and based on the estimated savings value per month the percentage charge through the app was calculated. 		
Reason to be Eliminated			

8.1 Suggested initiatives

Invisible Savings

Step by step explanation of financial and social impact calculations. Risks related to logistics and implementation. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each. Reason for elimination.

Process

Facts & Figures
(see appendix
8.1.2.1)

Benchmark
(see appendix
8.1.2.2)

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PHASES (2/2)

4. Based on the benchmark from acorns (1M users in 3 years) and Moneybox (400K users in 1 year) it was calculate the percentage of app users relative to the total population of each country). The percentages were applied to the portuguese population in order to get a proxy of potential app users. The percentage of portuguese individuals using the app was further adjusted based on the financial literacy ratio of Portugal/Uk. (see appendix 8.1.2.3)
5. In order to get more realistic and conservative scenario, the percentage of portuguese individuals (adjusted based on country population and financial literacy) was applied to the portuguese population between 15 and 64 years old. For the app users it was considered a slightly lower percentage for the total population and 2% for Ocidental current clients.(see appendix 8. 1.2.3)
6. Based on the Bank of Portugal study "Commercialisation of banking products and services on digital channels in Portugal" that suggests high growth rates of up to 50% in online channels in the upcoming years, it was assumed a 50% growth rate in the app users in each year of the 5 year projection.
7. With the expected number of app clients and savings per month it was calculated how much the company would have of "funds under management". To the funds under management to be allocated into a pension fund, it was calculated how much the organization would receive, with commission fees and returns on those funds. Ocidental funds under management are expected to grow 0.5% annually. The costs associated with the bank network management fee (transaction costs) were also calculated and included in the calculations of the product profitability. (see appendix 8.1.2.4)
8. After it was also calculated how much the clients would save by using the application (capital + interests).

RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Bank network commission fees for each transfer	High	Medium	Use captivations. Keep the monthly savings captive and make only only transfer per month.	Number of transactions. Cost per transaction
Challenge of accessing clients bank details	Medium	High	Partner with major portuguese payment provider (SIBS).	Number of different banks able to operate in the application. Timing and quality of information.
Risk aversion of the population in investing	Medium	Medium	Offer application of savings to a regular regular savings product, not just pension funds.	Number of individuals applying savings to pension funds/other savings products.

REASON TO BE ELIMINATED

- Phase: Executive Steering Committee
- Reason: Logistical problems. The CEO of life business pointed out the transaction costs and logistical problems developing such product, mainly coordination and collaboration with the bank (Millennium BCP)

8.1 Suggested initiatives

Prize Linked Savings

Savings product associated with a monthly prize draw to incentivize saving. Benchmark of similar products that offer savings and investment products associated with a monthly prize draw.

Process

Facts & Figures
(see appendix
8.1.3.1)

Benchmark

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HOW IT WORKS

Target: People that spend a lot of money in lotteries but do not save




The **principal objective** of the Prize Linked Savings is to **reduce the number of people that gambles daily and do not have enough savings for unexpected events.**

- In Portugal, more than €5 million euros are spent every day in lotteries ⁷⁴
- 66% of the population plays lotteries at least once a year and 28% does it regularly ⁷⁵

The product would be a savings accounts in which half of the interests received would go to a common pot and the other half to the savings account. The minimum initial deposit in the savings account would be €1.500 (the more money in the saving account, the more chances a person has to win the prize) and people would be encourage to save more, since the more someone saves (deposits in the savings account) in each month, the more chances one has of winning a prize. A person can only win one prize per month. The minimum deposit would be of €20.

The Draw is done at the beginning of each month, and corresponds to the month before, meaning that people eligible to the draw are the ones that had the prerequisites in the previous month. In order to be sure the draw is done randomly and within the law, there would be a certified agency supervising the draw.

In order to make it available to more people, the product would have a special offer to students, allowing them to only have an entry deposit of €250. Although, due to the smaller contribution, they would have an extra commission of 0.1% over the monthly deposits.

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> • Everyone with more than £5.000 in a savings accounts in Halifax and Lloyds Bank can subscribe to monthly prizes and some super prizes. 	<ul style="list-style-type: none"> • 250K clients after 2 months ⁷⁶ • 2 million clients after 3 years ⁷⁶ • Prizes of 550K each month ⁷⁴
	<ul style="list-style-type: none"> • Initiative developed in Michigan, USA. The applicants have to be a member of a credit union which is part of the draw. • Different approach: they used gambling to entice low-income families to save. Thus, the minimum deposit in a savings account is \$25. 	<ul style="list-style-type: none"> • In the first year, 56% of the clients were non-savers prior to the program • Total cumulative saved until the end of 2015: \$138 million ⁷⁵
	<ul style="list-style-type: none"> • It is a premium bond issued by the UK government that reached the market for the first time in 1956. • It has monthly drawings with a maximum prize of £1 million. The government also made it more appealing by making the product tax free, which means that the bond holders do not have to pay any taxes if they win 	<ul style="list-style-type: none"> • Total Outstanding Balances (2014): £47 Bn • Annual prize fund interest rate: 1.4%⁷⁶

⁷⁴(Sábado, 2017); ⁷⁵(Balsa, Vital and Urbano, 2015); ⁷⁶(halifax 2017); ⁷⁵(D2D Fund, Inc, 2011); (NS&I 2017)

8.1 Suggested initiatives

Prize Linked Savings

Literature review of the impact and opportunity that is PLS for gamblers. Financials development in order to assess the economic potential of the initiative. Estimation of the potential social impact of the initiative based on the economic impact of customers. Step by step explanation with further comments, details and evidence in appendix. 5 years projections.

Process	REFERENCE	MAIN FINDINGS	LIMITATIONS
Facts & Figures (see appendix 8.1.3.1)	Peter Tufano, Nick Maynard and Jan-Emmanuel De Neve (2008)	<ul style="list-style-type: none"> Found that people without regular savings habits, that play lotteries extensively, have little savings and are optimistic about their future, are more interested in Prize Linked Savings. Reach the conclusion that this kind of product is especially appealing for non-savers: they are 70% more likely to play. Also conclude that the product “has the potential of turning their gambling activities into demand for savings” 	<ul style="list-style-type: none"> Based on a survey done in the USA about savings habits and prize linked savings products
Benchmark	Shawn Cole, Benjamin Iverson, Peter Tufano (2017)	<ul style="list-style-type: none"> Concludes that the Prize Linked Savings did not cannibalized other savings products. In reality, it served as a substitute for lotteries 	<ul style="list-style-type: none"> Study done in South Africa: different culture and country development level when compared to Portugal
Literature Review	FINANCIAL IMPACT - 5 YEARS ACCUMULATED		SOCIAL IMPACT - 5 YEARS ACCUMULATED
Financial Impact	<ul style="list-style-type: none"> Profit over 5 years = €801K Number of old clients* = 25K Number of new clients** = 35K Number of students = 1K Increase in the funds under management = 140.882.754 € <p>See Appendix 8.1.3.2 and 8.1.3.3</p>		<ul style="list-style-type: none"> New savers = 17,6K Amount of savings = 140.882.754 € <p>See Appendix 8.1.3.4</p>
Social Impact	PHASES (1/2)		
Risks And Challenges	<ol style="list-style-type: none"> Sources of Revenue (see Appendix 8.1.3.5): <ol style="list-style-type: none"> Based on the last savings product that the company commercialized, certain values were obtained: <ol style="list-style-type: none"> Subscription commission (0,5%); Annual management commission (1%); Net margin of the management commission (0,2%); Annual interest rate of the savings account(0,5%); The minimum entry/subscription amount was assumed to be €1.500 and €250 for students, based on the profitability of the product: <ol style="list-style-type: none"> It was also assumed that everybody put the minimum amount needed when subscribing to the account since there was no benchmark or studies on the topic; 		
Reason to be Eliminated			

8.1 Suggested initiatives

Prize Linked Savings

Step by step explanation of financial and social impact calculations.

PHASES (2/2)

Process

Facts & Figures
(see appendix
8.1.3.1)

Benchmark

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1. **Sources of Revenue** (see Appendix 8.1.3.5):
 3. The minimum deposit possible to do each month was € 20, based on the Ageas' policy;
 1. There was an extra commission for students - a commission on deposits of 0.1% - because they had an initial deposit much lower, which would translate into losses for Ageas without any other source of revenue;
2. **Costs** (see Appendix 8.1.3.6)
 1. Costs with Millennium BCP (€0,025 for every transfer);
 2. Supervisor to guarantee the fairness and legality of the contest
 3. From the gross margin, there were 80% of costs due to:
 1. Bank Network fee
 2. Asset management
 3. Custody
 4. Administrative costs
3. **Clients**
 1. To decide the number of clients, the team sought to find a benchmark in order to have a proxy for the forecasting. The most similar product was the Halifax Savers Prize Draw, thus, it was used to make assumptions on the number of clients (see Appendix 8.1.3.7);
 2. In terms of how many would be saved monthly, the Save to Win program was the benchmark used. In the reports of the program, it is stated that not all account holders save monthly, and that how many save the maximum possible in order to have more chances of winning prizes:
 1. From the report, it was also possible to have a proxy on how many deposit enough money to have the maximum tickets for the draw (1% of the total);
4. **Rules of the draw**
 1. The tickets for the draw were assumed to be related to the amount of money in the savings account and the amount of money that was deposited in the account during the previous month (see Appendix 8.1.3.8):
 1. The draw is assumed to be done in the first 3 days of the month, and is relative to the previous month;
5. **Prizes**
 1. Assumed to be given monthly (€3.000) and annually (€60.000):
 1. The prizes are supposed to increase with the number of clients;

8.1 Suggested initiatives

Prize Linked Savings

Risk and challenges assessment with probability of occurrence and potential impact on stakeholders. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each. Reason for elimination.

Process	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Facts & Figures (see appendix 8.1.3.1)	Product not being accepted by authorities	Medium / High	High	Make a partnership with Santa Casa da Misericórdia so that they do the draw and the company only keeps the money	Reunion with ASF (Autoridade de Supervisão de Seguros e Fundos de Pensões)
Benchmark	Unappealing prizes for the customers	Medium	Medium	Make a market analysis to see how much they would need to consider the product	Number of clients
Literature Review	Risk of getting a bad image due to the association of a bank/insurer to a gambling product	High	High	Explain clearly in the marketing campaign that it is not a gamble since the money they invest is still their and they can take it from the account at any time	Inquiries to the public Reviews from newspapers
Financial Impact	REASON TO BE ELIMINATED <ul style="list-style-type: none"> Phase: Steering committee Reason: The initiative was eliminated once the steering committee did not find appropriate to associate an insurance company to a product related to gambling. 				
Social Impact					
Risks And Challenges					
Reason to be Eliminated					

8.2 Suggested initiatives

Friendly Voice

Platform offering therapy through phone and computer. Benchmark of similar platforms offering the same type of therapy in Portugal and in the USA.

HOW IT WORKS

Target: Clients of Médis suffering from high levels of stress, anxiety and/or depression.

Program




Offers people suffering from high levels of stress, anxiety or/and depression, the opportunity to speak with a psychologist through phone calls and/or video call.
 The purpose is to create an actual offer for people suffering from these challenges since insurance companies in Portugal only reimburse 6 private sessions and 12 group sessions to each client per year.
 A personalized plan for each client is created with the help of his/her psychologist.
 Everything is done through phone or computer for the clients to have all the privacy needed and to allow them to have sessions anywhere.

How it works?

The client starts by choosing a psychologist in the platform according to his/hers preferences and the challenge faced. Then, from that moment on, the client will always speak with the same professional in order to establish trust and an emotional connection between them.

Payment

Ageas will reimburse a portion of each session cost to the client;
 The client will pay a monthly fee and, every time he/her has a session, also needs to pay a small portion of the session cost which is done through direct debit after each session.

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	WeCareOn ⁷⁷ offers online consultations through phone, chat and video. The client chooses the counselor and each counselor charges their own price. The prices range from 15 to 70 euros per hour.	<ul style="list-style-type: none"> Portugal, launched in 2015 Earlier this year, an online platform very similar to WeCareOn called ZenKlub ⁸⁰ entered the portuguese market.
	BetterHelp (USA) ⁷⁸ offers online and mobile therapy sessions. The counseling is based on a flat membership fee that covers both the use of the platform and unlimited counseling and the cost ranges from 35 to 70 dollars per week.	<ul style="list-style-type: none"> USA Launched in 2013 More than 1,500,000 members 2,500 counselors ⁷⁸
	Talkspace ⁷⁹ is an online and mobile therapy company which offers several services: Unlimited Messaging Therapy (text, audio, video) which costs 32 dollars per week; LiveTalk Therapy for 99 dollars per week; and, finally, also Couples therapy for 59 dollars per week	<ul style="list-style-type: none"> USA Launched in 2012 500,000 members More than 1000 certified therapists

- Process
- Facts & Figures (see appendix 8.2.1.1)
- Benchmark
- Literature Review
- Financial Impact
- Social Impact
- Risks And Challenges
- Reason to be Eliminated

⁷⁷(WeCareOn, 2017) ⁷⁹(Talkspace, 2017)
⁷⁸(Betterhelp, 2017) ⁸⁰(ZenKlub, 2017)

8.2 Suggested initiatives

Friendly Voice

Literature review of the impact of therapy through phone or computer, including comparison to face-to-face therapy. Sum up of the financial and social impact of the friendly voice initiative.

Process	REFERENCE	MAIN FINDINGS	LIMITATIONS
Facts & Figures (see appendix 8.2.1.1)	P. Cuijpers, T. Donker, A. van Straten, J. Li and G. Andersson. (2010)	The findings of the study demonstrate that guided self-help and face-to-face treatments can have comparable effects.	<ul style="list-style-type: none"> The study was conducted in the USA therefore some differences might exist since the portuguese reality is very different from the american one.
Benchmark	Michelle G. Newman, Lauren E. Szkodny and Sandra J. Llera. (2011)	The findings of the study have demonstrated the efficacy of computerized interventions in the treatment of anxiety and depression. In particular, studies of mixed anxiety disorders, panic disorder, and social phobia are promising.	<ul style="list-style-type: none"> The study was conducted in the USA which can be a limitation since the portuguese reality continues to be very distant from the american one.
Literature Review	David C. Mohr, Joyce Ho, Jenna Duffecy, Douglas Reifler, Leslie Sokol, Michelle Nicole Burns, Ling Jin, Juned Siddique.(2012)	The study reports that providing therapy through telephone instead of face-to face resulted in lower attrition and comparable improvements in depression at post-treatment. However, in the 6 months follow-up, although all patients were less depressed, the ones receiving face-to-face were even less depressed than the ones receiving telephone therapy.	<ul style="list-style-type: none"> The study was conducted in the USA and, although the depression issue is general to the modern society, the portuguese reality continues to be very far away from the american one.
Financial Impact	FINANCIAL IMPACT		SOCIAL IMPACT
Social Impact	<ul style="list-style-type: none"> More revenues Reduce health care costs Differentiate from competitors Prevent clients from developing other serious illnesses Synergies from Médis 24h service 		<ul style="list-style-type: none"> Learn proper techniques and methods to deal with stress and anxiety Decrease levels of stress and anxiety Prevent several diseases related to stress Improve quality of life Privacy (no one sees or knows you have sessions) Insurance covering mental illness
Risks And Challenges			
Reason to be Eliminated			

8.2 Suggested initiatives

Friendly Voice

Sum up of the risks, mitigation strategies and monitoring of the friendly voice initiative. Besides that, it is also explained the motive behind the elimination of friendly voice.

	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Process	Not having the same effect of face to face sessions.	Medium	High	Offering the option to use skype and facetime whenever clients or psychologists feel like to.	Doing follow-ups frequently to understand if the sessions are being efficient and what can be improved.
Facts & Figures (see appendix 8.2.1.1)					
Benchmark					
Literature Review	Partnering up with low-quality psychologists and hurting Ageas image	Low	High	Developing specific criterias to select the best psychologists for the job.	Ask clients for feedback frequently and change things accordingly.
Financial Impact	Too complex and time consuming to implement and follow	High	High	Allocate a new team of several members only dedicated to this project. Establish a strict plan and deadlines	Make sure the team follows the plan and stays within the established deadlines.
Social Impact	REASON TO BE ELIMINATED				
Risks And Challenges	<p>Phase: The friendly voice initiative was eliminated in the first weeks of its creation by the CSR Steering since the team thought it would be too complex and time consuming to develop such initiative.</p> <p>Reason: For that reason, Friendly Voice was not developed further not having thus a business case neither a financial or social impact calculated.</p>				
Reason to be Eliminated					

8.2 Suggested initiatives

Long-Term Care

The Long-Term Care is an retirement planning insurance product designed for people in their late thirties. Benchmark of similar insurance companies also offering long-term care insurance. Below, literature review of long-term care insurance.

Process	HOW IT WORKS		
Facts & Figures (see appendix 8.2.2.1)	<p>Target Clients:</p> <ul style="list-style-type: none"> The younger the clients, the better: clients pay the insurance for more years and Ageas is able to provide a lower premium (the insured can only take advantage of this product after they turn 75 years old) The ideal candidate is between 35 and 40 years old. Product to the medium income segment <p>Program: Clients pay monthly fees from 35 years old (minimum) until the end of their active age. After the 75 years old, they can activate their policy whenever required and start receiving financial support in their home care or senior residences expenses.</p>		
Benchmark	COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
Literature Review		<ul style="list-style-type: none"> Mutual of Omaha (USA)⁸¹ offers several policies of long term care insurance which can be tailored individually according to the client's preferences. The most popular benefits are: <ul style="list-style-type: none"> Cash Benefit, Care Coordination, Waiver of Premium and Alternate Care. 	<p>A 35 years old female:</p> <ul style="list-style-type: none"> Has to pay \$61 per month to receive \$1,500 monthly; Or \$102 per month to receive \$2,500 monthly.
Financial Impact		<ul style="list-style-type: none"> New York Life (USA)⁸² also offers a long term care insurance which can be tailored by the client's when choosing: facility services maximum daily benefit, benefit period, home and community-based care maximum daily benefit, waiting period and inflation protection. 	<ul style="list-style-type: none"> New York Life has been in business since 1845. Is a leader in providing long term care funding options.
Social Impact	REFERENCE	MAIN FINDINGS	LIMITATIONS
Risks And Challenges	Eric C. Nordman 2016	<p>This study has emphasised the following facts:</p> <ul style="list-style-type: none"> The finance of LTC cannot be resolved by entirely depending on the private provision of LTCI or government programs. New innovations in LTCI products are critical to make LTC accessible and economical for seniors. 	<ul style="list-style-type: none"> Although the article is fairly recent, the analysis was focused only in the USA and the portuguese reality continues to be very far away from the american one.
Reason to be Eliminated	National Research Council 2012	<ul style="list-style-type: none"> This book focuses on analyzing the future situation of the American's retirement security since population aging will result in a larger percentage of the population being of retirement age. It appoints as options for enhancing Americans' retirement security: raising retirement ages, improving insurance protection and long-term care, fixing Social Security and Medicare, and instituting a number of private-market solutions. 	<ul style="list-style-type: none"> This book only focus its analysis on the American reality. Although the aging population issue is general to the modern society, the portuguese reality continues to be very far away from the american one.

⁸¹(Mutual of Omaha, 2017)

⁸²(New York Life, 2017)

8.2 Suggested initiatives

Long-Term Care

Ageing population

Assistance needs for elderly



Sum up of the financial and social impact of the LTC. Risks, mitigation strategies and monitoring of the LTC initiative. Besides that, it is also explained the motive behind the elimination of the initiative.

Process	FINANCIAL IMPACT			SOCIAL IMPACT	
	<ul style="list-style-type: none"> Diversify the product offer Differentiate from competitors Position as Senior Experts Revenues from premiums Synergies from Silver Project 			<ul style="list-style-type: none"> Safety Access to qualified home care and senior residences Reduced healthcare costs per senior 	
Facts & Figures (see appendix 8.2.2.1)					
Benchmark	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
	Product not being profitable since seniors use it much more	Medium	High	Create an actuarial team dedicated to calculate the risk and price for every type of client according to age, health and other factor.	Develop several scenarios to understand if the prices and risks calculated by the actuarial team can create a profitable product or not.
	Premiums needing to be extremely high to ensure profitability	Medium	High	Target younger, healthier clients who start paying the insurance at for example 35 years old and continue paying for it until the end of their active age.	Do follow-ups to understand if the target is being reached and what can be improved to achieve it.
	Product very complex and time consuming to develop	High	High	Create a new team dedicated only to developing this new insurance product. Establish a strict plan and deadlines	Make sure the team follows the plan and stays within the established deadlines.
Literature Review					
Financial Impact					
Social Impact					
REASON TO BE ELIMINATED					
Risks And Challenges	<p>Phase: The day before Executive Steering Committee Reason: Complexity of developing the insurance product. It was necessary to have an actuarial team to calculate all the risks and premiums associated with this insurance product and that process would take months to be completed. Initiative was not developed further not having thus a business case neither a financial or social impact calculated.</p>				
Reason to be Eliminated					

8.2 Suggested initiatives

Pay-as-you Drive

Car insurance product for infrequent drivers. The less the client drives, the greater the discount it gets. Benchmark of similar insurance companies that enable customers have PAYD. Literature review of PAYD impact studies.

HOW IT WORKS

Process

Target: Infrequent drivers (drivers who drive approximately less than 12.500 kilometers per year. Younger and older drivers. Lower income drivers. Environmentally conscious and concerned customers.

Development of an auto insurance product that offer a discount for infrequent drivers. The less the client drives, the greater the discount. It is expected to reduce the number of kilometers made by infrequent drivers, hoping to reduce the premium paid n their car insurance.

1. Purchasing this product, the client would submit its car to a check up on the subscription in order to have its kilometers checked. This could be done in a physical insurance delegation and/or in a local mechanical store by partnering with an national chain of mechanical shops, for instance Midas (over 60 locations in Portugal). In order to determine the kilometers travelled, upon renewal of the insurance (every year), the customer would again submit its car for a kilometer check up.
2. Based on the benchmark from Lusitania, some risk mitigation rules and discount limitations would be applied as follows:
3. Discount on the premium: Until 2.500Km, 25% discount. Until 5.000Km, 20% discount. Until 7.500Km, 15% discount. Until 10.000Km, 10% discount. Until 12.500Km, 5% discount. Subscription fee of €5. €10 if it is not direct debit.
4. To benefit from the discount: Check the vehicle within the deadlines. Renew the policy, including the coverages that grant the discount. The subscription initial conditions need to hold. Clients must be at least 25 years old. The product would only be available for light vehicles and motorcycles, once other transportation methods have specific risks, most of them requiring different insurance policies.

Facts & Figures (see appendix 8.2.3.1)

Benchmark



Literature Review

Financial Impact

Social Impact

Risks And Challenges

Reason to be Eliminated

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> Check Km on the subscription and on the renewal. Clients must be over 25 years old with at least 2 years of driving license. Cashback system. Discounts vary from 5% to 25% of the total premium. Maximum until 12.500 kilometers⁸³ 	<ul style="list-style-type: none"> Until 2.500Km, 25% discount Until 5.000Km, 20% discount Until 7.500Km, 15% discount Until 10.000Km, 10% discount Until 12.500Km, 5% discount
	<ul style="list-style-type: none"> U.S. car insurance based on how much the client drives. Clients pay a low base premium plus additional cents per mile. Uses a wireless device that only measures miles⁸⁴ 	<ul style="list-style-type: none"> Argues its customers save on average \$500 a year
REFERENCE	MAIN FINDINGS	LIMITATIONS
Brice and Kockelman, 2014	<ul style="list-style-type: none"> Adding a variable part to a fixed cost structure in car insurance suggests that the average vehicle might be driven 2% to 4% fewer miles per year. Estimated savings of \$2 per year per vehicle. 	<ul style="list-style-type: none"> Study conducted in the U.S. Results obtained based on a survey and household-level data.
Desyllasa and Sakob, 2013	<ul style="list-style-type: none"> The study suggests that conceptualising and implementing an innovative pay-as-you drive business model is not sufficient for an organization to create competitive advantage and increase profitability. 	<ul style="list-style-type: none"> Study conducted in the U.S. Based on sixteen interviews to industry experts and top managers from Progressive (first pay-as-you drive insurer in the U.S)

⁸³ (Lusitania, 2017); ⁸⁴(Metromile, 2017)

8.2 Suggested initiatives

Pay-as-you Drive

Financials development in order to assess the economic potential of the initiative - not profitable. Estimation of the potential social impact of the initiative (carbon emissions, car savings and discount received). Step by step explanation with further comments, details and evidence in appendix.

Process	FINANCIAL IMPACT	SOCIAL IMPACT
Facts & Figures (see appendix 8.2.3.1)	<ul style="list-style-type: none"> Total amount of discount given to customers: 9.7M (average 13.19% of premium) Total cost savings: 3.6M (ocidental claims costs were 23.6M; Ageas are estimated to be around 94.4M) Clients: 276 251 Claims reduction: 7.7% 	<ul style="list-style-type: none"> Total clients: 276 251 (40% of group clients) Total reduction of Km driven per year: 42.6M (2% reduction) Total reduction of carbon emissions per year (kg): 4.5 (2% reduction) Total yearly car savings with reduction in Km driven (excluding discount): 12.2M Total yearly discount given to drivers: 9.7M (13.19% of paid premiums)
Benchmark		

Literature Review	PHASES (1/2)
Financial Impact	<ol style="list-style-type: none"> In order to develop a business case, the calculations were made based on the benchmark made to Lusitania, once it is the closest to Ageas and Ocidental reality (direct competitor) so the product launch would have to be similar or at least based on the same principles. Firstly, it was performed a market analysis to access the competition rivalry and Ageas and Ocidental market position. (see appendix 8.2.3.2) Then, it was calculated how many kilometers the average portuguese user drives per year. Based on a statistics from the UK, proxies were applied and an estimation was made regarding percentages of individuals driving less than 12.5Km per year. (see appendix 8.2.3.3) Based on a study on the Progressive Casualty Insurance Pay-as-you drive program, that showed drivers had a 8.4% decrease in claims costs the same percentage was applied in this business case. Based on the expected claims cost reduction and the current claims cost of Ocidental (66%) it was calculated the new expected claims cost with the PAYD program (60.97%). Based on Ocidental total claims costs and the number of policies in the auto insurance segment, it was calculated the average cost per policy and estimated the absolute value of claims cost reduction per policy. Using the percentage of drivers who drive less than 12.5Km per year, and applying it to the current Ocidental customers it was estimate the total savings for Ocidental. With Ocidental average premium in the auto insurance and the discount given per policy it was estimated the how much a client would save on their car insurance per year with the discount given. Furthermore, it was estimated how much a car costs on average per kilometer and how much an individual could save based on the km reduction derived from PAYD. (see appendix 8.2.3.4)
Social Impact	
Risks And Challenges	
Reason to be Eliminated	

8.2 Suggested initiatives

Pay-as-you Drive

Step by step explanation of financial and social impact assessment. Risks related to infrequent drivers.. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each. Reason for elimination: unprofitability

Process

Facts & Figures
(see appendix 8.2.3.1)

Benchmark

Literature Review

Financial Impact

Social Impact

Risks And Challenges

Reason to be Eliminated

PHASES (2/2)

8. Based on the assumption that the km driven per year would be **reduced on average by 2%** it was calculated the expected decrease in km driven per customers. The total kilometers reduction was calculated.
9. With the average carbon emission of a 2015 car per km it was also possible to calculate the **expected reduction on carbon emissions** with the PAYD insurance.
10. Calculating the total amount of discounts offered and comparing it to the total costs savings derived from the decrease in the claims costs, it was possible to concluded that the PAYD insurance was **not profitable for Occidental**. (see appendix 8.2.3.5)

RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Infrequent drivers, have less experience and might have less ability to drive	Medium	Medium	Apply restriction such as: minimum driving license, no past records of road accidents, minimum age	Track losses and car accidents by driver demographics
Typical car insurance relies on infrequent drivers to subsidize frequent drivers	High	High	Apply restriction such as: no previous car accidents or discount no applicable if losses occur	Compare claims costs and accidents rates of infrequent and frequent drivers
Fraud in the kilometers driven	Low	Low	Partner with renowned mechanical chain	Analyse the number of vehicles with fewer km driven. Check for anomalies when comparing with previous records.

REASON TO BE ELIMINATED

- Risk: Unprofitability
- Phase: "Business Case" - Developing the business case for the initiative, the conclusion was that financially, the Pay-as-you Drive was not profitable for the group

8.3 Suggested initiatives

Wellness Program for employees parents

Ageing
Population

Assistance
needs for
elderly



Social and healthcare activities to help employees parents improve their quality of life. Benchmark of similar wellness programs for the elderly population.

HOW IT WORKS

Process

Target: Parents of Ocidental and Ageas employees.

Wellness and health care program combining **social and healthcare activities** that include health care and specialist follow-up services to help retired, sick or disabled employees parents **improve their life quality** either by getting them back to work or into other activities, more suitable for their needs. Assess each individual characteristics, difficulties and strengths through a questionnaire and interview based approach and try to allocate them where they can **best explore their capacities**. Provide support and help unemployed and retired parents finding a job or occupation suitable for their needs.

Facts & Figures
(see appendix
8.3.1.1)



1. Promote an **active lifestyle** through fitness programs that include hydro gymnastic, yoga and other programs tailored for the older adults.
2. **Group activities** - Organize group activities for employees parents. Explore the creation of partnerships with associations and institutions specialized in elderly activities and support, leveraging on the initiatives already developed. Offer a wide range of possibilities and promote social and intergenerational interaction, including employees parents in activities with individuals outside their circle. Possible partnerships: Amigos Improváveis; Coração Amarelo; Sorriso Solidário; Fundação Ageas; Cáritas; Santa Casa da Misericórdia; Cruz Vermelha Portuguesa.
3. Promote **workshops** for employees parents. Use active parents as an inspiration and give them the opportunity to share their qualities and abilities in the workshops. Workshop examples: Cooking, dance, oral and written expression, hand manufacturing (pottery, crochet), group dynamics, generational interaction, oral and written expression, traditional games, laugh therapy, yoga, mindfulness.
4. **Pets Program** - Partner with pet shelters and promote voluntary work and pet adoption. For instance, walk and treat the animals twice a week.

Benchmark

Create a database with employees parents joining the program in order to facilitate constant communication and weekly updates. This initiative can be used as a pilot for the silver project positioning, specifically in the positioning regarding wellness and leisure.

Literature
Review

Financial
Impact

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> Free fitness program provided by several insurance plans. A study suggests that it helps slow or reverse declining health and functioning among seniors.⁸⁵ 	<ul style="list-style-type: none"> Members reported fewer days of poor mental health (stress, depression and emotional problems). Positive impact in well-being of seniors.
	<ul style="list-style-type: none"> Irish program focusing on 4 major activities: <u>Fall prevention</u> - Focus on flexibility, resistance. <u>Chair Gym</u> - Focus on working joints and muscles, breathing and relaxation. <u>Alzheimer's Gym</u> - Focus on sensory stimulation: touch, smell and sight. Flexibility and movement. Improves mood, quality of sleep, physical capacities and communications. <u>Around the Table Gym</u> - Focus on seniors with cognitive impairment and mobility issues. Sustains participants remaining capacities and uses cognitive and physical stimulation to counteract dependency.⁸⁶ 	<ul style="list-style-type: none"> 20% increase in participation capacity. 87% improvement in moving capacity. 15% reduction in feeling "Life is Empty". 37% increase in independent personal care.

Social Impact

Risks And
Challenges

Reason to be
Eliminated

⁸⁵ (SilverSneakers, 2017); ⁸⁶ (SIELBLUE, 2017)

8.3 Suggested initiatives

Wellness Program for employees parents

Ageing Population Assistance needs for elderly



Literature review of how medical insurance improve health conditions and the evolution of chronic diseases in an aging population. Theoretical financials and social potential impact of the initiative. Risks related to logistics. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each. Difficult to implement.

Process	REFERENCE	MAIN FINDINGS	LIMITATIONS
Facts & Figures (see appendix 8.3.1.1)	GU, FENG and JIN, 2017	<ul style="list-style-type: none"> Study suggests that medical insurance might improve the health conditions and overall satisfaction among the elderly. Furthermore it argues that medical insurance can help keep life satisfaction and prevent poverty. 	<ul style="list-style-type: none"> Study conducted in China. Based on data from a survey made in 2013 regarding medical insurance for urban and rural residents
Benchmark	Ramos, Lopes, Mendes, Parreira, Fonseca, 2017	<ul style="list-style-type: none"> Article suggests that the prevalence of chronic diseases has increased with hypertension and diabetes playing a determinant role in the health of elderly. The aging population aggravates this scenario with serious implications on independence and the use of health care service. 	<ul style="list-style-type: none"> Lack of quantitative and qualitative evidence.

Literature Review	FINANCIAL IMPACT	SOCIAL IMPACT
	<ul style="list-style-type: none"> Reduce employee absenteeism. Increase employee satisfaction, engagement, productivity and retention. 	<ul style="list-style-type: none"> Reduce parents loneliness and depression. Promote active lifestyle, reducing sedentarism. Reduce dependency, health problems and diseases. Promote intergenerational interactions.

Financial Impact	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Social Impact	Difficulty finding/creating partnerships	Medium	High	Offer incentives to partners, future paid collaborations with silver project.	Compare similar wellness programs in terms of number, type and quality of partnerships.
Risks And Challenges	Logistics, parents geographical location	Medium	Medium	Asses parents location - internal survey. Limit project scope to Lisbon area.	Keep track of parents and partners geographical distribution.
	Communication between Ageas and parents	Medium	Medium	Rely on employees to serve as intermediary and pass information to parents. Creation of online platform to ease access to information.	Monitor the number of parents and employees engaged in the program. Assess effectiveness of communication.

Reason to be Eliminated	REASON TO BE ELIMINATED
	<ul style="list-style-type: none"> It was not a shared value initiative, it was recommended based on the strategic vision of the CSR department and due to the potential it had as a pilot for the "Silver Project" Phase: CSR Steering. Initiative stopped being developed in very early stage Reason: Communication between Ageas and employees parents - difficulty reaching employees parents without a common factor.

8.3 Suggested initiatives

App for Youngest

Ageing
Population

Assistance
needs for
elderly



App for youngest offers people the opportunity to learn more about financial literacy through articles, videos, games and quizzes. The users of the app can win different prizes such as movie tickets or even airplane tickets according to the levels achieved.

Process

HOW IT WORKS

- **Target:**
Young people at their twenties or early thirties who enjoy playing mobile games and, at the same time, are also interested in knowing more about long- term savings.
 - **App:**
Mobile platform offering its users the opportunity to learn more about financial literacy through interesting articles, videos and games. The users would have occasional quizzes concerning the concepts learned until that moment and, according to the results achieved, users would attain a different level of financial literacy. Afterwards, those levels would allow users to win several prizes according to the level reached.
- Other App features:**
- Pop up recommendations of pension and financial product of Ageas according to the financial topics being learned at the time;
 - Ability to manage the saving accounts through the app;
 - List of possible prizes attained in each level of the quizzes (example: discounts on insurance premiums, movie tickets, discounts on airline tickets, cultural activities and many more prizes).

Facts & Figures
(see appendix
8.3.2.1)

Benchmark



Literature
Review

Financial
Impact

Social Impact

Risks And
Challenges

Reason to be
Eliminated

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<p>Sun Life Financial (Canada) launched Money UP, an online gamification platform that aims to educate consumers on retirement and investment planning. The app has amusing videos, articles and challenges which are targeted to Gen Y. ⁸⁷</p> <p>The company firstly went through a pilot tested only on its employees and then, later, it expanded the app to all individuals.</p>	<ul style="list-style-type: none"> • After the first 6 months, 33% of employees finished the first level and purchased a new product from Sun Life Financial. On average, their contributions increased by 74%. • Reached 11,000 participants in the first year.
	<p>Thrive 'n' Shine (USA) creates virtual characters with players making decisions such as: how many hours to work, how much to deposit or buy financial services, how much to spend associated with the consequences of hunger, stresses. ⁸⁸</p>	<ul style="list-style-type: none"> • Rated with 4 stars on the google store • More than 88% of students who used TnS report that it has changed their financial attitudes and behaviors.

⁸⁷(Sunlife, 2014) ⁸⁸(VCU, 2014)

8.3 Suggested initiatives

App for Youngest

Literature review of the impact and efficacy of gamification as a learning tool. Sum up of the theoretical financial and social impact. Risks and mitigation strategies and reason of elimination of the app for youngest initiative.

Process	REFERENCE		MAIN FINDINGS		LIMITATIONS	
Facts & Figures (see appendix 8.3.2.1)	Lisa Bertagnoli, 2014		In the digital age, video games are increasingly being seen as teaching tools for children. Not every game is a win for young minds, but when done right, games help overcome the boredom of learning financial topics.		<ul style="list-style-type: none"> The article was supported by many examples and benchmarks of financial video games. Lack of quantitative evidence of its impact 	
Benchmark	Nick Maynard and Mariele McGlazer, 2017		Reports that gamification tools are using fun to increase people's motivation to engage with financial topics. By making it amusing, it ends up reducing the stress and anxiety surrounding financial decision making.		<ul style="list-style-type: none"> Although the article pointed out the number of participants in the gamification, it didn't show the evidence of the influence on their financial behavior. 	
Literature Review	FINANCIAL IMPACT			SOCIAL IMPACT		
Financial Impact	<ul style="list-style-type: none"> Increase revenues (more people buying financial products); Increase Ageas savings and retirement portfolio. 			<ul style="list-style-type: none"> Increase portuguese savings rate; Increase the consciousness of portuguese people regarding the importance of saving. 		
Social Impact	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING	
Risks And Challenges	Not getting enough users	Medium	High	<ul style="list-style-type: none"> Keeping the contents interesting and always trendy; Engaging rewards. 	<ul style="list-style-type: none"> Number of users; Number of users in the different levels. 	
Reason to be Eliminated	Users not purchasing products	Medium	High	<ul style="list-style-type: none"> Personalized product recommendations. 	<ul style="list-style-type: none"> Number of purchases of financial products. 	
	REASON TO BE ELIMINATED					
	<ul style="list-style-type: none"> Phase: The day before Executive Steering Committee Reason: The initiative was only created one week before the Executive steering Committee. For that reason, there was not enough time to develop it properly. 					

8.3 Suggested initiatives

Mentoring Program

The Mentoring Program was intended to connect college students and Ageas' employees, as mentors, to improve financial literacy among youngsters. There are already some big companies investing in this CSR strategy, like Deutsche Bank.

HOW IT WORKS

Process

- **Target:** College students
 - These students are going either on the Bachelor or Master's degree, meaning they will start their professional career soon and it would be of value to know and understand more on financial literacy topics.

Initiative:

1. Ageas would make a partnership with colleges in Lisbon and Porto
2. Students of those colleges would apply to have a mentor for periods of 1 year.
3. Ageas' employees would volunteer as mentors of the students, with a maximum of 3 mentees each
4. One meeting per month would be mandatory, and mentors would follow a predefined programme to increase financial literacy of mentees, teaching topics such as:
 - a. Borrow - teach about interests.
 - b. Short-term savings - savings for goals (car, house, and others) and unexpected events.
 - c. Long-term savings - retirement plan, social security, pension funds.
 - d. Invest - stock market, starting a new business.
 - e. Budgeting - always make a target of saving, not going beyond the budget, detail every cost, not living above possibilities
5. When ending college and starting to work, students engaged in this initiative would benefit from a pension/PPR/savings plan with benefits as higher rates, less commissions or Ageas participation (20%) for a pre-defined period of time to increase the engagement with Ageas.

Facts & Figures (see appendix 8.3.3.1)

Benchmark



Literature Review

Financial Impact

Social Impact

Risks And Challenges

Reason to be Eliminated

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> • Mentoring program where employees accompany their mentees for a minimum of one year and provide advice and assistance, helping with uncertainties or being a source of motivation.⁸⁹ 	<ul style="list-style-type: none"> • More than 2,800 employees volunteered as mentors in 2015. • Students and young people benefit from the engagement of employees as role models.
	<ul style="list-style-type: none"> • The PEEP In-School Career Mentoring and Financial Literacy Program helps students on topics like planning, spending, saving and investing their money, now and in the future with tools provided by the Bank of America.⁹⁰ 	<ul style="list-style-type: none"> • Not found online.

⁸⁹(Deutsche Bank, 2017)

⁹⁰(Peepme, 2017)

8.3 Suggested initiatives

Mentoring Program

Increasing the financial literacy ratio of youngsters would help increasing Ageas' portfolio on saving accounts. However, there is a considerable risk that students are not interested in participating.

Process	REFERENCE		MAIN FINDINGS		LIMITATIONS	
	Lusardi and Mitchell (2007)		<ul style="list-style-type: none"> Concludes that the costs of financial ignorance are substantial and that individuals show higher levels of literacy when they are exposed to economics in school. 		<ul style="list-style-type: none"> Based on simulations from a life-cycle model that incorporates financial literacy Sample is relatively highly educated 	
Facts & Figures (see appendix 8.3.3.1)	Netherlands, van Rooij, Lusardi, and Alessie (2011)		<ul style="list-style-type: none"> Estimates that the difference between people in the 75th as opposed to the 25th percentile of financial literacy index is around €80.000 in terms of net worth. Concludes that there is a higher probability (17 to 30 percentage points) of participating in the stock market and having a retirement plan when there is an increase in financial literacy from the 25th to the 75th. 		<ul style="list-style-type: none"> Usage of questionnaires to measure financial literacy and confidence Cannot infer from the study that financial education programs lead to an increase in financial literacy 	
Benchmark						
Literature Review	FINANCIAL IMPACT			SOCIAL IMPACT		
Financial Impact	<ul style="list-style-type: none"> Increase the portfolio of savings accounts; Increase CSR recognition of Ageas Portugal. 			<ul style="list-style-type: none"> Portuguese young people are not culturally accustomed to save money; Benefit from mentors, as role models or counselors, to grow knowledge on financial literacy, specifically savings. 		
Social Impact	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING	
Risks And Challenges	Students are not interest in participating in the program.	Medium / High	High	In-college presentation and ambassadors to effectively communicate the project and recruit interest students.	Number of candidates	
Reason to be Eliminated	Ageas' employees are not interest in volunteer as mentors.	Medium /Low	High	Offer special incentives such as extra holidays.	Number of volunteers	
	REASON TO BE ELIMINATED					
	<ul style="list-style-type: none"> Phase: CSR Steering Reason: The initiative was eliminated because the CSR team did not believe students would be interested in participating as it was not aliciant enough. 					

8.3 Suggested initiatives

Partnership with Supermarket

Savings card for low income consumers that have automatic deposits when they shop in a specific supermarket. Benchmark of a similar company that makes customer save money when they shop in specific stores and of a similar offer for students. Literature review on the advantage of savings' automatisisation.

Process

HOW IT WORKS

Target: Low income households with less than €13,5K per year

The **main objective of the partnership was to increase (or create) the savings of the poor.**

The partnership would consist on having a savings account associated with the supermarket's card. The discount would be calculated based on the annual income of each household. The minimum discount would be 1% and the maximum 5%. The discount given would not reduce the store payment, instead, that "discount" would go to the savings account associated, in which it would be gaining interests every month.

- The discount would also not be available for every product in the store. It would only be applicable to healthy and essential goods

However, the money would not go immediately to the savings account. It would stay captive until the end of the month, and only then it would be transferred.

The product would not be available to everyone since it was specifically designed to help the low income to save money, to have a way to pay unexpected liabilities.

Facts & Figures
(see appendix
8.3.4.1)

Benchmark



Literature
Review

Financial
Impact

Social Impact

Risks And
Challenges

Reason to be
Eliminated

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> • Spanish company that intends to help the small businesses and commerce of proximity while helping people to save money. Pensumo has an agreement with Allianz for the management of the savings accounts. Every time a client with the Pensumo card goes to a shop which has an agreement with the company, they have a deposit of a percentage of the purchase into a savings account. They are also rewarded by citizenship actions ⁹¹ 	<ul style="list-style-type: none"> • Started in the end of 2013 • After 1 year, they had 1.500 subscribers ⁹²
	<ul style="list-style-type: none"> • Card that gives university students the chance to save 5% of their supermarket bill, up to a maximum of 5€ a month. It also has additional discounts in gas, cinema and gym ⁹³ 	<ul style="list-style-type: none"> • No information about the outcomes
REFERENCE	MAIN FINDINGS	LIMITATIONS
Brigitte C. Madrian; Dennis F. Shea, 2001	<ul style="list-style-type: none"> • Participation is higher with automatic enrollment, having a strong influence on savings behavior. One consequence of automatic enrollment is that individuals become passive savers. 61% of employees do not change their savings behavior from the default option chosen by the company. 	<ul style="list-style-type: none"> • Study on employees from a large U.S. company. 900 employees excluded based on age, working time in the company and others.

⁹¹(Pensumo 2017)

⁹²(Youtube: José Luis Orós, 2015)

⁹³(Poupa mais universitário, 2017)

8.3 Suggested initiatives

Partnership with Supermarket

Ageing
Population

Financial
Literacy



ageas

Development of the financials in order to assess the potential economic impact of the initiative. Estimation of the social impact of the initiative based on the economic impact on customers. Step by step explanation with further comments, details and evidence in appendix. 5 years projections

Process

FINANCIAL IMPACT

- Profit over 5 years = €279K
- Number clients = 111K

See Appendix 8.3.4.2 and 8.3.4.3

SOCIAL IMPACT

- People using the campaign = 122.966
- Savings per year = € 62
- Total in Savings accounts = € 7.628.251

Facts & Figures
(see appendix
8.3.4.1)

PHASES (1/2)

Benchmark

1. Revenue:

1. Based on the last savings product that the company commercialized, certain values were obtained:
 1. Deposit commission (0,5%);
 2. Annual management commission (1%);
 3. Net margin of the management commission (0,2%);
 4. Annual interest rate of the savings account (0,5%);

2. Costs (see Appendix 8.3.4.4):

1. Costs with Millennium BCP (€0,025 for every transfer);
2. From the gross margin, there were 80% of costs due to:
 1. Bank Network fee
 2. Asset management
 3. Custody
 4. Administrative costs

3. Discounts distribution by household income:

1. Less than € 5K = 5% discount
2. € 5K to € 10K = 3% discount
3. € 10K to € 13,5K = 1% discount

4. Households in Portugal and eating habits (see Appendix 8.3.4.6)

1. Retrieving data from PORDATA:
 1. The number of households existent in Portugal, according to the different types of households (see Appendix 8.3.4.6)
 2. The number of people in each household (see Appendix 8.3.4.7)
 1. Based on the average number of people within each households and on the fertility
2. Study from the european commission (see Appendix 8.3.4.5)
 1. Money spent each month on average by a single person and a family of four
 1. Estimation of the remaining households with less than 4 people and more than 1

Literature
Review

Financial
Impact

Social Impact

Risks And
Challenges

Reason to be
Eliminated

8.3 Suggested initiatives

Partnership with Supermarket

Risk and challenges assessment with probability of occurrence and potential impact on stakeholders. Risks mainly associated with logistics and bureaucracy. Reason for elimination - Implementation and logistics.

Process

PHASES (2/2)

Facts & Figures
(see appendix 8.3.4.1)

5. Trips to the supermarket

1. Based on the news, it was retrieve the average money spent on the supermarket in each trip in 2012
 1. Used the inflation rate to calculate the value spent today in order to calculate how many trips each family does per month

Benchmark

RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Not getting enough clients	Medium	High	Increase the capacity of the marketing campaign Facilitate the application process	Number of clients with the savings account Money in the savings accounts
Bureaucracy problems	Medium	Low	Creating an easy process with the supermarket for the creation of the savings account associated with the supermarket's card	Number of clients with the savings account
Fraud	Low	Medium/Low	Requirement of official documents (company, government)	Ask for documents every 2 years

Literature Review

Financial Impact

Social Impact

REASON TO BE ELIMINATED

Risks And Challenges

- Phase: CSR Committee
- Reason: The initiative was eliminated The CSR Steering found the initiative to be too hard to implement, due to the need of a partnership with a supermarket (very hard to get and the last partnership with a supermarket done by Ageas did not go well) and the fact that the economic impact was not good enough to make the effort of implementing it.
 - The initiative ended up with no implementation and marketing plan since it was stopped in the beginning. Also, the values of the business should change according to the supermarket chosen to do the partnership because the value for the supermarket would depend on the new customers, they could get. Thus, the need of understanding the current clientele of the supermarket to see if there was any incremental gain.

Reason to be Eliminated

8.3 Suggested initiatives

Sustainable Ageas

Implementation of green producers to diminishing the carbon footprint of Ageas and of its employees in order to make the organization more sustainable. Benchmark of sustainable programs implemented in portuguese companies with key performance indicators.

HOW IT WORKS

Process

Target: Ageas new facilities in Lisbon.

Development of a set of **small in-house initiatives** that aim to increase the sustainability of the company, by reducing resource consumption and promoting sustainable practices. The initiatives are focused and designed to **reduce Ageas footprint**: to reduce waste and promote reuse and recycling. **Measure Group and individual carbon footprint.**

Practices that can be implemented and fostered in new facilities:

- Define **green travelling policy**.
- **Enlarge digital communication** between current facilities.
- **Recycling**
- **Car Sharing for Employees** - Development of a mobile application that enables employees to share their cars with co-workers. By registering in the application, members of the network can offer free seats available in their cars and ask for rides from or to their house..
- **Lighting** - Use energy efficient bulbs. Consider replacing current lighting for LED or compact fluorescent lighting. Use motion sensors and timers to minimize lighting usage.
- **Plastic Cups** - Remove all plastic cups. Stop providing plastic cups in water and coffee machines. Incentive people to bring their own water recipients and coffee cups.
- **Restrooms** - Replace paper disposals in the restrooms by more efficient ones or by air drying solutions. Replace current water faucets by new ones with low-flow of water, movement sensors and time limitations to run only when needed. Shift managers fleet to hybrid cars.
- **Ageas Gardens** - Create vertical gardens inside and outside the company. Vertical gardens have an unique aesthetic and differentiating aspect, immediately giving the perception of a green and sustainable company.

(All initiatives were recommended based on current practices of Ocidental building)

Facts & Figures (see appendix 8.3.5.1)

Benchmark (Appendix 8.3.5.2)



Literature Review

Financial Impact

Social Impact

Risks And Challenges

Reason to be Eliminated

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> • Project SavEnergy. Focused on innovation, efficiency and environmental responsibility. Overall objective of the project was to reduce energy consumption (especial in acclimatization) through processual and technological intervention ⁹⁴ 	<ul style="list-style-type: none"> • Investment: 0.79M • Payback: 8 years • Implementation: 3 years • Reduced energy consumption (25%) • 1M€ estimated savings in 10 years
	<ul style="list-style-type: none"> • Low Carbon program aiming to reduce environmental impact of the company activities. Overall objective of the project was to reduce energy consumption (especially lighting and acclimatization) through innovative technological intervention ⁹⁴ 	<ul style="list-style-type: none"> • Investment: 2.8M • Payback: 8 to 10 years • Implementation: 7 years • Reduce energy consumption: 19%; • Reduced energy cost: 25%; • Reduced Co2 emissions: 36%

⁹⁴ (BCSD Portugal, 2017)

8.3 Suggested initiatives

Sustainable Ageas

The literature review suggests that high sustainable companies have better performances than the others, despite the risks of the high initial investment and adherence from employees. Theoretical financial and social impact. Risks related to investment needs. Not shared value.

- Process
- Facts & Figures (see appendix 8.3.5.1)
- Benchmark (Appendix 8.3.5.2)
- Literature Review
- Financial Impact
- Social Impact
- Risks And Challenges
- Reason to be Eliminated

REFERENCE	MAIN FINDINGS			LIMITATIONS
Saeidii, Sofian, Parvaneh Saeidi, Parisa Saeidi, Saeidi, 2014.	Findings suggest only reputation and competitive advantage have a direct impact on the firm's performance. CSR can also indirectly improve financial performance by increasing customer satisfaction while enhancing reputation and competitive advantage at the same level.			<ul style="list-style-type: none"> Focused on Iranian manufacturing and consumer industries. Results may no be applicable in Portugal.
Robert G. Eccles , 2014	In the long run, high sustainability companies outperform low sustainability companies in the stock market and financial accounting			<ul style="list-style-type: none"> Sample from 180 U.S. companies. Different approaches were used when measuring companies performance.
FINANCIAL IMPACT		SOCIAL IMPACT		
<ul style="list-style-type: none"> Increase efficiency and reduce costs directly linked with resource consumption. 		<ul style="list-style-type: none"> Reduce: Resource consumption (water, energy, paper). CO2 emissions (Kg). Increase: Recycling (tons). Business ability to comply with new regulation. Brand image - Customer and employee satisfaction. 		
RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Logistical and implementation complexity	High	High	Start by implementing quick win initiatives with low effort and good impact on the company processes.	<ul style="list-style-type: none"> Keep track of costs Implementation effort of small initiatives being implemented
High initial investment and long term returns	High	High	Align the company strategy with the long term vision of sustainability.	<ul style="list-style-type: none"> Constant feedback Meetings to discuss strategy.
Low adherence to car sharing platform	Medium	High	Assessment of initiative potential - internal survey.	<ul style="list-style-type: none"> Number of application users. Application usage. Number of trips shared.
REASON TO BE ELIMINATED				
<ul style="list-style-type: none"> Phase: The initiative was in a very early stage during the beginning of the project and not stopped being developed after the CSR steering. Reason: Sustainable Ageas was not a shared value initiative. It was a set of sustainable recommendations aligned with the Corporate Social Responsibility strategy that were also considered relevant for the strategic long term vision of Ageas. Some initiatives started being implemented, such as recycling and other started being analysed in order to be implemented in the new Ageas building. 				

8.3 Suggested initiatives

ESG Funds

Resilient Society

Carbon Footprint + Financial Literacy + Retirement Savings needs



ESG investment funds are becoming a trend worldwide. Millennials are especially interested and Portuguese investors attributes more value than the average European investors.

Process

HOW IT WORKS

- **Target:** Portuguese younger generation, as it was found they value sustainability the most.

Offer: Create open funds that invest in ESG companies - companies that meet determined Environmental, Social and Governmental criteria, defined differently by different rating companies. (see appendix 8.3.6.2 to 8.3.6.4)

Initiative:

1. Ageas would pay an ESG rater to **find companies within this criteria to invest on**
2. Develop the fund (see appendix 8.3.6)
3. Promote the fund

Facts & Figures
(see appendix 8.3.6.1)

Benchmark




Literature Review

Financial Impact

Social Impact

Risks And Challenges

Reason to be Eliminated

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<p>FSLEX is an ESG fund, that normally invests 80% of assets in securities of companies engaged in business activities related to alternative and renewable energy, energy efficiency, pollution control, water infrastructure, waste and recycling technologies, or other environmental support services. ⁹⁵</p>	<ul style="list-style-type: none"> • 1-year return (June 2016 to June 2017): 31.3% • 3-year annualized return: 7.9% • Size: \$175 million • Expense ratio: 0.94%
	<p>CVMIX is an ESG fund that seeks to invest in emerging market companies whose products, services or industrial and/or business practices contribute towards addressing one or more global sustainability challenges in local or international markets (development, poverty and health, environment and climate change, and rights and governance). ⁹⁵</p>	<ul style="list-style-type: none"> • 1-year return (June 2016 to June 2017): 28.0% • 3-year annualized return: 5.1% • Size: \$213 million • Expense ratio: 0.92%
	<p>Caixagest (CGD) launched the first social responsibility fund (SRI) (see appendix 8.3.6.5) in Portugal in January 2017. It is a fund that combines obligations and shares of companies inserted in indices composed of sustainable companies from the environmental, social and governmental point of view. ⁵⁷</p>	<ul style="list-style-type: none"> • The goal is to raise 30 million euros.

8.3 Suggested initiatives

ESG Funds

Resilient Society

Carbon Footprint +
Financial Literacy +
Retirement Savings
needs



ageas

Sustainable and ESG investment, is becoming increasingly popular among global investors. It has proven results in terms of higher returns and performance

Process	REFERENCE	MAIN FINDINGS	LIMITATIONS
Facts & Figures (see appendix 8.3.6.1)	Robert G. Eccles, Ioannis Ioannou, and George Serafeim (2011)	<ul style="list-style-type: none"> “High Sustainability” firms, companies that voluntarily adopted sustainability policies until 1993, during a 18-years period outperformed “Low Sustainability” firms regarding stock market value and accounting measures. 	<ul style="list-style-type: none"> Only 180 companies considered as sample
Benchmark			
Literature Review	George Serafeim (2014)	<ul style="list-style-type: none"> If someone had invested \$1 in a portfolio in firms that make a difference of sustainability in 1993 it would grow to \$28 in 2013. On the other hand, investing in portfolios with less sustainability issues would return only \$14, an outperformance of 4.8% annually. 	<ul style="list-style-type: none"> The defined materiality of sustainability might not apply worldwide
Financial Impact			
Social Impact			
Risks And Challenges	Muzaffar Khan, George Serafeim, Aaron S. Yun, (2016)	<ul style="list-style-type: none"> In contrast, firms with strong ratings on material sustainability issues are expected to have better future performance the ones with inferior ratings on the same issues. Firms with strong ratings on material issues and simultaneously poor ratings on immaterial issues are expected to have a high performance. 	<ul style="list-style-type: none"> The defined materiality of sustainability might not apply worldwide
Reason to be Eliminated			

8.3 Suggested initiatives

ESG Funds

Resilient Society

Carbon Footprint + Financial Literacy + Retirement Savings needs



Despite the risks associated with the initiative, the social and financial impact are outstanding from a contemporary perspective. As a matter of fact, the responsible for this department were immediately interested in certificating some of their funds.

Process	FINANCIAL IMPACT			SOCIAL IMPACT	
Facts & Figures (see appendix 8.3.6.1)	<ul style="list-style-type: none"> • Increase pensions plans portfolio; • Diversify Ageas Portfolio; • Increase CSR recognition of Ageas Portugal; • Differentiation within the Portuguese market; • First-mover advantage. 			<ul style="list-style-type: none"> • Increase income on retirement; • Encourage savings; • Support ESG companies. <ul style="list-style-type: none"> ○ Reduce carbon footprint; ○ Help communities; ○ Encourage firms' good practices. 	
Benchmark					
Literature Review	RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Financial Impact	Incentivize Portuguese people to invest their savings in pension funds;	Medium	High	Promote about the benefits of the product Raise awareness of the importance of retirement plans	Number of clients investing in the ESG funds
Social Impact	Reputational risk	Low	High	Choose a rating agency with great reputation.	Keep track of the reputation of the eating agency
Risks And Challenges	Investors have lower income than expected.	Medium	Medium	Offer higher return rates. Publish reports on the companies they invested.	Return rates offered when compared to other companies' offers Monthly deposits of clients
Reason to be Eliminated	REASON TO BE ELIMINATED				
	<ul style="list-style-type: none"> • Phase: CSR Steering • Reason: The initiative was eliminated because the CSR team ended up having a meeting with the manager of Ocidental Pensões to create a sustainable open fund in a near future, meaning the group should focus on other initiatives that were not being developed. 				

8.3 Suggested initiatives

Uber Discount

A discount for Ageas clients to be used at specific times of the day in order to reduce accidents. Benchmark of 2 portuguese companies that recently did the same. Literature review of a a study indicating the most dangerous hour for driving.

Process

HOW IT WORKS

Target:

1. Drivers that drink alcohol and decide to drive afterwards
2. Drivers that go out at night and when are returning have a lot of fatigue and still decide to drive

The initiative consists on **reducing the number of people driving after drinking** that are insured by Ageas. Even though people that have alcohol in their bloodstream and are involved in an accident are fully responsible for the damages caused, if the authorities does not go to the scene, then the insuring company has no way of knowing and will pay for the damages caused to the third party. In case of being tired, then the insurance company will pay if it is the client's fault.

In order to reduce the number of these claims, there would be a need to create a **partnership with Uber** to create **promo codes** for every client of Ageas that has motor insurance. This codes would have a validity of 1 year and would give Ageas clients the opportunity to have **5 trips in Uber with a 40% discount** (up to a maximum of 4€ of discount). The discount would only be applicable in the hours when the drinking is more likely to be involved: between 10 pm of friday and 11 am of sunday.

Facts & Figures
(see appendix 8.3.7.1)

Benchmark



Literature Review

Financial Impact

Social Impact

Risks And Challenges

Reason to be Eliminated

COMPANY	PROGRAM DESCRIPTION	FACTS & FIGURES
	<ul style="list-style-type: none"> • Partnership with cabify in which the Yorn clients had a 50% discount (up to 4€ per trip) four times a week ⁹⁵ 	<ul style="list-style-type: none"> • Finished in the end December 2017, thus there are no public numbers
	<ul style="list-style-type: none"> • Partnership with Uber in which the WTF clients had a 50% discount (up to a maximum of 2,5€ per trip) twice a month for 3 months ⁹⁶ 	<ul style="list-style-type: none"> • Finished in the end December 2017, thus there are no public numbers
REFERENCE	MAIN FINDINGS	LIMITATIONS
Torbjörn Åkerstedt PhD, Göran Kecklund PhD, and Lars-Göran Hörte PhD (2001)	<ul style="list-style-type: none"> • The study concludes that the period in each there is a higher probability of having an accident is at 4 am. This value was obtained after removing the accidents in which there was alcohol involved. <ul style="list-style-type: none"> ○ Thus, there is an even higher risk at those hours due to more alcohol consumption. 	<ul style="list-style-type: none"> • Study done in Sweden • Based on data from police reports between 1987 and 1991

⁹⁵(Yorn, 2017)

⁹⁶(wtf, 2016)

8.3 Suggested initiatives

Uber Discount

Estimation of the financial impact based on the data provided and potential economic impact. Social impact calculated based on the client reach. Risks related to fraud and irresponsible driving. Mitigation strategies to reduce or prevent the designated risk with monitoring criteria for each. Reason for elimination - Unprofitable although interesting in terms of position.

Process

Facts & Figures
(see appendix 8.3.7.1)

Benchmark

Literature Review

Financial Impact

Social Impact

Risks And Challenges

Reason to be Eliminated

FINANCIAL IMPACT - 5 YEARS ACCUMULATED	SOCIAL IMPACT - 5 YEARS ACCUMULATED
<ul style="list-style-type: none"> • Clients reach = 10% • Average cost per trip to Ageas = 2,88 € • Annual Cost for Ageas = 1 125 518 € • Total Costs avoided = 777 297 € • Profit (Loss) = (348 222) € <p>See Appendix 8.3.7.2, 8.3.7.3 and 8.3.7.4</p>	<ul style="list-style-type: none"> • Accidents avoided (%) = 10% • Number of Accidents Avoided = 535 <p>See Appendix 8.3.7.5</p>

RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
People taking advantage of the discount despite never taking the car at night	Medium	Medium/High	Reduction of the number of times the discount can be used	Comparing the costs with the partnership with the reduction of accidents, and the costs relative to it
People still prefer to drink and drive	Medium	Medium	Increase the discount for those clients	Numbers of accidents at night
Low impact on accidents reduction	Medium	High	Educate consumers Invest on marketing	Number of accidents Costs of the accidents

REASON TO BE ELIMINATED
<ul style="list-style-type: none"> • Risk: costs of the campaign were too high comparing to the reduction of costs • Phase: The CSR Steering did not find the initiative very appealing in terms of shared value once it seemed to be unprofitable. However, they find it very interesting in terms of positioning Ageas as a expert in accidents prevention <ul style="list-style-type: none"> ◦ Due to the ending of the initiative in a beginning phase, it was no developed further, thus not having any implementation costs and not having deep P&L analysis.

8.3 Suggested initiatives

Program for Injured Clients

Reaching the injured clients who receive a life pension and helping them rehab so they can go back to work, would save a lot of money, as the money would be more effective in treating the disabled ones. Benchmark and literature review that demonstrates the positive social and economical impact.

Process

HOW IT WORKS

- **Target:** Customers with major work accidents from which lifetime incapacity to work occurs.

Initiative:

1. Identify individuals where there is **potential cost savings by taking a tailor-made approach** (selection based on the type of injury, age, work activity, stability of disease, amount of compensation)
2. To each individual situation Ageas would **analyze the possibility of offering a personalized and more expensive treatment** that could **allow the injured to work again**, and in return Ageas would **not have to pay for the full compensation**.
3. The injured will always have the last decision regarding what to do (compensation or treatment).

Facts & Figures
(see appendix 8.3.8.1)

Benchmark

COMPANY

PROGRAM DESCRIPTION

FACTS & FIGURES



DKV Seguros founded a **nonprofit organisation**, which is called the DKV Integralia. It intends to promote employment and inclusion for disabled people. In order to reply to customers, to coordinate the appointments schedule and to carry out surveys (to assess their satisfaction), they built call centers. The nonprofit was created due to their commitment to Corporate Responsibility and has lead the company to have to the largest percentage of **employees with disabilities: 22%** of the staff.⁹⁷

- Current staff: 322 people
- **More than 1500 people benefiting in 15 years**
- Employment inclusion facilitated for over 900 people
- Total activity: 3,500,000 contacts.
 - **93% of effectiveness**
- Quality Award from the Catalan regional government.
- **#1 healthcare company in electronic response quality**
- Since 2012: managed more than 400 serious accidents, with more than 1000 social interventions: **80% of compensation for accidents of and 20% victims of motor vehicle accidents.**

Literature Review

Financial Impact



Aware of the need to go further in supporting victims of serious claims, Fidelidade developed "**Compromisso WeCare**", **supporting the social, professional and family reintegration of the victims is the objective of this commitment**, which marks the difference by proximity to people, when creating new life projects.²⁷

Social Impact

Risks And Challenges

REFERENCE

MAIN FINDINGS

LIMITATIONS

De Jong and Lindeboom, Klaauw, 2011

Results showed that a **stricter patient screening reduce sickness absence from work** in the long term as well as disability insurance application. **With minimal screening from the insurer, workers put little effort in getting back to work.** It further defends that the screening process should be accompanied by a sanction scheme.

- Analysis of social insurance programs for sickness absenteeism, unemployment or disability. Some industries were not included in the analysis. Data from 2001 to 2003.

Reason to be Eliminated

⁹⁷(DKV Seguros, 2017)

²⁷(Fidelidade, 2017)

8.3 Suggested initiatives

Program for Injured Clients

As the program decreases the costs for the company and improves the mental health of the injured clients, the CSR team decided to immediately start implementing. Mitigation strategies to reduce the risk of employees not be willing to work again.

- Process
- Facts & Figures (see appendix 8.3.8.1)
- Benchmark
- Literature Review
- Financial Impact
- Social Impact
- Risks And Challenges
- Reason to be Eliminated

FINANCIAL IMPACT			SOCIAL IMPACT	
<ul style="list-style-type: none"> Decrease costs in life compensations 			<ul style="list-style-type: none"> Social reintegration of injured customers Reduced loneliness and depression 	
RISK	Prb	Imp	MITIGATION STRATEGY	MONITORING
Lack of willingness to go back to work;	Meidum	High	Personalized assessment (through an interview based approach) of each individual preferences in order to help them find an occupation that fits their interests	Number of withdrawals. Number of refused work proposals
Degree of disability does not allow any type of work.	Medium	High	Select customers that might be able to work again, even though in other job	Number of customers that changed their job due to incapacity of working in their previous one
REASON TO BE ELIMINATED				
<ul style="list-style-type: none"> Phase: CSR Steering Reason: The initiative was eliminated because the CSR team ended up having a meeting with the responsible for the injured clients to find ways to make them go back to work, meaning the group should focus on other initiatives that were not being developed. 				

PART I

- 1. Executive Summary**
 1. Context
 2. Main Challenges and Deliverables
 3. Action Plan
 4. Recommendations

PART II

- 2. The Project**
- 3. Theoretical background**
 1. Shared Value
 2. CSR
 3. Strategic CSR
 4. Comparing strategies
- 4. Methodology**
 1. Diagnosis
 2. Analysis
 3. Recommendations

PART III

- 5. Initiatives Identified**
- 6. Project Conclusions**
- 7. Final recommended initiatives**
 1. Obesity Management Program
 2. House Sharing
 3. University & High School Contest
 4. Collective Household Insurance
 5. Green Endorsement
- 8. Suggested initiatives**
 1. Eliminated in Executive Steering Committee
 2. Eliminated between Executive Steering Committee and CSR Steering
 3. Eliminated in CSR Steering

PART IV

- 9. Consulting Labs and Ageas experience**
- 10. References**

9. Consulting Labs and Ageas experience

Despite some good and bad periods, it was an enriching experience, both personally and professionally.

MAIN CHALLENGES



- **Not enough communication** inside the company, specially between departments.
- Difficulty getting **information across departments**.
- Things changed quickly.
- **Delayed Steering Committee** - The group remained with multiple initiatives for a longer period of time. The **wider scope** resulted in less focus for each business case. Initial **conclusion date** was also **extended the same amount of time** in order to complete the project.

LEARNINGS



- **Knowledge of the field** - Understanding how the insurance industry works.
- Knowledge about the topic of the project - **Shared Value**
- **Skills development** - Communication, analytics, research, teamwork.
- **Time management and planning**.
- Importance of **clear work directives** and **constant feedback**..
- Consultancy reality- Importance of adaptation and flexibility in consulting projects
- Ability to **improvise** and **manage unexpected events**.
- Understanding future **career goals**.

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