

# Annual Magazine



## Colophon

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## Disclaimer

In this Annual Magazine, a.s.r. reports on the year 2013. The magazine is informal in nature and is based on the annual report for 2013, supplemented with general information regarding a.s.r.

The text was drafted in accordance with CEFR language level B2 to ensure it is accessible to a wide group of stakeholders. As a result, some terms, definitions or descriptions contained in the text have been simplified. This magazine may therefore also contain passages that could lead to a different legal interpretation than the filed annual report. In the event of any misunderstandings concerning legal interpretation, the filed annual report shall prevail. Figures, tables and other financial information have been copied in their entirety from the filed annual report for 2013. The filed annual report document can be downloaded at [www.asr.nl/EN/about-asr](http://www.asr.nl/EN/about-asr).

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## What customers say about us

# 'Returning to the private sector in good health'

Interview with Jos Baeten, CEO of a.s.r.

For a.s.r., 2013 was dominated by preparations for a return to the private market, despite the fact that there were no definite plans. Equally important, improvements were made in the area of customer service in the form of new products and a further structural reduction in costs. At the same time, the solvency ratio continued to be robust, and more customers and stakeholders experienced a.s.r.'s new course.

## Jos Baeten on 2013

### What would you say were the most significant developments in 2013?

'In 2013 we took important steps that demonstrated who we want to be: a sustainable, robust, future-proof insurer that puts continuity and security for customers first. We also noticed that customers and other stakeholders experienced our new course. We are an insurer that helps people by taking action, and we perform a useful role within society.

A further structural reduction in our costs, the introduction of new, straight-forward products and better customer

services help us to achieve this. When it comes to customer service, we believe in getting it right the first time. Our stable profit growth and excellent solvency ratio are also helping us to achieve our ambition of being able to provide security for our customers.'

### But isn't the market working against a.s.r.?

'It's true that the insurance sector was still a challenging market in 2013. Margins continued to be under pressure, there was a decline in consumer spending and businesses went under. For customers, price is an increasingly important factor when choosing insurance products. a.s.r. invests in the long term by offering high-quality, transparent products that allow customers to cover risks responsibly at the right price.

Thanks to strict cost discipline, we managed to achieve a further reduction in costs in 2013, enabling us to offer our customers well-priced products. We are also increasing our focus on risk assessment and claims management. Our choice of value over volume has led to lower premium income in some market segments.'

### The 'Helping by taking action' initiative was introduced in January 2013 as a way of positioning a.s.r. How did this take shape in 2013?

'The "Helping by taking action" initiative reflects who we want to be, and it has led to three wonderful initiatives that emphasize our commitment to the community. After launching the FeyBlij campaign to support Rotterdam Zoo early in 2013, we provided support to a number of independent advisors by assisting them with their local media campaigns. Ditzo ended the year by donating part of the Ditzo health insurance media budget to the Netherlands Cancer Institute as part of a social media campaign. The website developed by Ditzo ([kijkkankerdedewerelduit.nl](http://kijkkankerdedewerelduit.nl)) received almost 4 million page views and a related YouTube video was viewed around 1.1 million times. As a result, € 1 million was donated to the Netherlands Cancer Institute. That money will now be used for cancer research.'

### What can you say about the results achieved by a.s.r. and its divisions in 2013?

'a.s.r. posted a profit of € 281 million in 2013, making it our fifth profitable year in a row since we became independent

in 2008. Our solvency ratio continues to be robust. In the Non-Life segment, there was an improvement in the combined ratio (ratio of premium income to cost of claims), if the additional expense item for Partial Incapacity Policy excess insurance (WGA-ER) is not taken into consideration. That said, the deliberate decision to prioritize value over volume led to a 4% fall in premium income in the Non-Life segment. We have also seen that consumers appreciate our updated Voordeelpakket (non-life insurance discount package), which was introduced in 2013. In the Life market, a.s.r. has also chosen to put returns before premium income, and costs have also been adjusted to reflect this, so that products can remain well-priced. In the mortgage market, we can see that the WelThuis mortgage is meeting customers' need for a transparent and comprehensible product. In the savings market, too, a.s.r. offers bank savings products that meet

the changing demands of customers. a.s.r. has also introduced a new product on the defined contribution market in the form of the Werknemers Pensioen (Employee Pension). This is an accessible, employee-centred product, and all information is supplied online. In a market that is characterized by fierce competition, we have maintained our leading position in the occupational disability insurance market. Focusing effectively on prevention and re-integration proved to be our trump card. We saw a significant rise in the number of customers at the Health Insurance business last year. And Europeesche Verzekeringen and Ardanta can also look back on a successful year.'

### **The plans for a.s.r.'s privatization also became more definite, didn't they?**

'Although they aren't yet clear there were some developments. The letter from the Minister of Finance to the Dutch Parliament in August 2013, for example, was a significant event in terms of a.s.r.'s position as a state-owned insurer. Two options for the privatization of a.s.r. were kept open: an IPO, or a merger with another insurer active on the Dutch market. a.s.r. is preparing for both scenarios. Whatever is decided, it is clear that a.s.r. can be privatized as a healthy business with good prospects. Importantly, we made further progress on the transition of a.s.r. in several areas in 2013. A great example of this is the first phase of the renovation of our head office on Utrecht's Archimedeslaan. The renovation is going well and is on schedule, as a result of which the first of our colleagues were able to relocate to the

new wing early in 2014. Our decision to renovate has created an inspiring work environment and will lead to even more teamwork. We are also proud that the renovation has been awarded a BREEAM rating of excellent, which is the highest possible sustainability rating that existing buildings can achieve.'

### **Can you tell us what the future will bring?**

'During 2013 a.s.r. was a company in transition, in a market in transition. The fact that we will have to adapt to changing circumstances will be the only constant in the next few years. In the coming years we will therefore continue to do our best to enable consumers and businesses to insure themselves against risks at the right price, or entrust their asset-building to us, in line with our strategy. This also calls for a great deal of flexibility on the part of our staff, particularly when changes are made to the organization that may affect their personal situation. I am proud of how our employees are dealing with such changes and are continuing to put all their energy into helping our customers, to the best of their ability. Thanks to the dedication of our employees, we are able to guarantee continuity: continuity for our customers, continuity in our chosen direction towards a sustainable business with a good balance between costs, premium income, returns and solvency, and continuity in our strategy and our positioning. That is our guarantee for a healthy future. And I have every confidence that we will prove successful.'

**Jos Baeten**



# a.s.r. at a glance in 2013

## a.s.r. campaign gets off to lightening start

'A good gesture from the insurer' was just one of the many positive comments that appeared in the media in response to a.s.r.'s campaign in which Rotterdam Zoo was given sponsorship of Feyenoord football club. The related television advertisement, starring Giovanni van Bronckhorst and Olli the elephant, was shown online ahead of its launch at

the request of De Telegraaf, the largest daily newspaper in the Netherlands. There was also a great deal of social media buzz about Feyenoord, Rotterdam Zoo and a.s.r. The television advertisement marked the start of a new mentality at a.s.r., which concentrates on 'helping by taking action, avoiding waste, performing a useful role and being a welcome part of the community'. This means going back to the roots of insurance,



and helping people. For this reason, besides offering advertising space on Feyenoord's shirts we also organized other promotional campaigns for Rotterdam Zoo.

Jan

Feb

Mar

## Updated Voordeelpakket available from 28 February

The updated Voordeelpakket is a comprehensive package of non-life insurance policies designed to replace the MultiZeker polis package. With the help of an advisor, the customer puts together a non-life insurance package that is appropriate for their specific situation. In addition, customers who take out more than one policy as part of the package are given a package discount. Five packages were sold within the first hour of the introduction.



## Edith Schippers visits De Amersfoortse for healthcare debate

Dutch Minister of Health, Welfare and Sports Edith Schippers took part in a debate on 11 March on healthcare at De Amersfoortse with Michel Verwoest from a.s.r.'s Executive Board and Frank de Reij, CEO of Meander Medisch Centrum. The issues discussed were the affordability of healthcare in the near future, how to maintain quality standards and whether our current healthcare system is able to meet the needs of the aging population. All the participants agreed that customers need to be able to inspect invoices for medical expenses paid directly to healthcare providers. Michel Verwoest: 'As a health insurer, we need to be able to provide clear information, and we are developing a methodology to do so.'



## Introduction improved Lijfrente spaarrekening

a.s.r.'s updated Lijfrente spaarrekening (annuity savings account) allows customers to save funds for retirement. Customers build up their assets tax-facilitated: deposits are exempt from tax under certain conditions. Customers can decide for themselves how much they deposit and when. They can choose between a variable or fixed interest rate, or a combination of the two. Karin Bergstein, member of the Executive Board: 'Customer insights show us that customers consult various sources but make their decision based on the advice of a specialist. Which is why we work closely with intermediaries with this product. We have made sure the product is accessible, by allowing online applications and management, including extensive illustrative calculations. Also, customers can access their account 24/7 online.



BREEAM (Building Research Establishment Environmental Assessment Method) is a method used to measure the sustainability of buildings. It is the most important and most widely used sustainability label in the world.

## Office design receives BREEAM certification

The renovation of the Utrecht head office achieved another milestone when the design of the office was certified as BREEAM Excellent. Double exterior walls, winter gardens and heat/cold storage are just some of the elements that determine how sustainable the building is.

The next step, of course, is to obtain the 'real' certificate for the renovated building. a.s.r. hopes that the renovated office will also be certified as BREEAM Excellent, with an 'A' energy rating.

Apr

May

Jun

## a.s.r. says farewell to Feyenoord football club

After 22 years, a.s.r. quit as Feyenoord's main sponsor. Jos Baeten gave a speech to a packed De Kuip stadium prior to the kick-off of the final game of the season. 'There were highs and lows, and we went through a great deal together. I would like to thank all of Feyenoord's supporters, who have seen our name on the team's shirts for the past 22 years and who have been loyal to the club. So in a way, they have been loyal to a.s.r. as shirt sponsor as well.' In return,



Feyenoord's general manager, Eric Gudde, thanked Jos for a.s.r.'s loyalty: 'a.s.r. has always supported us, in good times and in bad. The

key word here is loyalty. Loyalty is something that characterizes this club and our supporters. We wish a.s.r. all the best.'

## Minister decides on dual-track policy for a.s.r.'s privatization



Jeroen Dijsselbloem, the Dutch Minister of Finance, announced to the Dutch Parliament that he had decided on a dual-track policy for a.s.r.'s return to the private sector. All a.s.r. employees received an e-mail from the Executive Board containing the following message:

'What this means specifically is that in the coming period a.s.r. will be able to continue to make preparations for an IPO and that opportunities for a merger with another insurer active in the Netherlands ("consolidation") can be seriously explored. The Minister considers a.s.r.

to be a robust insurer that is sufficiently large and strong to be able to operate independently. (...) What can be expected in the near future? It is safe to say that the Minister will discuss the letter with Parliament, after which it will become clear whether the dual-track policy is to be adopted or not. In the interim, we will continue to pursue our current direction, so that a.s.r. will be ready for an IPO. Our brand and distribution strategy is our response to the major changes in the insurance market. By continuing to simplify our business we will reduce costs, with the aim of improving our commercial position and providing better service to customers and intermediaries. We will therefore continue to be dedicated and determined in carrying out our plans to be "a different insurer."



Jul

### Suppliers compete online for office furniture contract

a.s.r.'s online auctions for the contracts for furnishing the newly renovated building saved millions of euros in a single move. This is because an auction creates a transparent market and suppliers compete directly for the contract.



Aug

### Tuesday

- **1:25 p.m.:** Supplier #1 drops a few hundred euro's every three minutes in order to work out what its competitor, supplier #2, is bidding. The ranking shows that he is still not the cheapest.
- **1:55 p.m.:** Supplier #1 drops its price 16 times until just below the competitor's price and is ranked the cheapest of the online bids.
- **1:59 p.m.:** Everyone at Archimedeslaan is on the edge of their seats. Supplier #2 frantically makes some calculations.
- **2:01 p.m.:** The seconds tick away. In the final minute, supplier #2 drops € 17,000 under supplier #1's bid.
- **2:06 p.m.:** Bidding ends. a.s.r. is happy and relieved to have obtained a discount of almost 50% on the original tender.

Sep



### **NWW programme rounds off project with commemorative book**

The New World of Work (NWW) programme came to an end three years after it was introduced. a.s.r. is now able to apply the philosophy without any support. For Eline Bomhof, who was the programme manager, it has been an inspiring period during which she learned a great deal, and she felt it was worth recording for posterity. 'That is why we produced the book, because it was an exceptional experience, and not just for a.s.r.'

### **Advisor from Asten first to arrange new Werknemers Pensioen**

The first contract for De Amersfoortse's new Werknemers Pensioen (Employee Pension) was concluded immediately following its launch. A number of applications for tenders had already been received at that point. Pension advisors have welcomed the new product. In October, account managers made 850 visits to offices with a pension portfolio, which revealed that 80% of pension advisors were positive about the new proposition. The Werknemers Pensioen gives employers a better handle on pension charges and can be terminated at any time. Members can opt either for asset-building in the form of investing or for guaranteed benefits. Michel Verwoest, member of the Executive Board: 'We believe that this new product will enable our advisors to provide their SME clients with the best possible service in the area of pensions, both today and in the future.'

Oct

### **Customers feel webcare teams listen to them**

Over 90% of customers said they had a positive opinion of the help they received from the webcare teams. They felt that the webcare teams listened to them. This was the finding of an initial study of the Health Insurance and Non-Life teams, carried out a few months after their launch. Questions about healthcare or motor vehicle insurance accounted for 70% of all enquiries. In the social media area, Ditzo's Facebook page proved to be the most popular way for customers to contact us about Ditzo. Following the launch of the Ditzo webcare team, teams from De Amersfoortse and a.s.r. became active on social media in order to pick up on comments about the labels and respond to them where necessary. The teams consist of employees from the customer contact centres, who perform webcare services in addition to their usual work. They are a good example of how a.s.r. is helping by taking action.

Nov



### **Yes!! Olli the elephant wins Gouden Loeki**

The television advertisement starring Olli the elephant made off with the Gouden Loeki award, having come first out of 36 advertisements during a television show broadcast live on 19 December. Two more of a.s.r.'s television advertisements were also in the running for the annual award: the Ditzo advertisement starring John de Wolf, and the advertisement featuring Olli boxing with Giovanni van Bronckhorst. Jos Baeten: 'Our new positioning demonstrates that we do things differently. We are very proud to have won this public award - proud of a.s.r., and proud of all the people at a.s.r. who do their best for our customers every day.'

Dec

# An overview of our brands

α.s.r.  
de nederlandse  
verzekerings  
maatschappij  
voor alle  
verzekeringen

DE  AMERSFOORTSE  
De Ondernemersverzekeraar

Under the De Amersfoortse, Ardanta, α.s.r, Ditzo and Europeesche Verzekeringen labels, α.s.r. offers a broad range of financial products in the areas of non-life, life and income protection insurance, group and individual pension products, health insurance, travel and leisure insurance, and funeral insurance. In addition to insurance products, α.s.r. also offers bank savings and investment products.

## α.s.r.

α.s.r. is the brand for retail customers. Its brand values are helping people, taking action and avoiding waste. Volume is vital in the non-life and health insurance market. α.s.r.'s target group is therefore as broad as possible, and focuses on the mid segment. Life and non-life insurance policies, mortgages and savings and investment products are primarily sold through intermediaries. In addition, α.s.r. is active in property management and development.

## De Amersfoortse

De Amersfoortse is the insurer for the Dutch business community. In contrast to α.s.r., which chiefly targets private individuals, De Amersfoortse focuses on the corporate segment. De Amersfoortse aims to relieve business owners of as much work as possible by offering the right products and services in the areas of occupational disability, absenteeism, healthcare and pensions. De Amersfoortse's products and services are offered through intermediaries.



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#### Ditzo

Ditzo is the online provider of non-life and health insurance for people who want to arrange all their insurance matters online. In May 2013, Ditzo won the Customer Centric DNA Award for the most customer-oriented insurer for the second year in a row.



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#### Ardanta

Ardanta is the funeral expenses insurance specialist. It chiefly works with independent insurance advisors, although products are also sold through joint ventures with funeral directors. In addition, in 2013 Ardanta launched its doodgaanendoorgaan.nl website, which provides customers with information on the matters that need to be dealt with when arranging a funeral as well as afterwards.



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#### Europeesche Verzekeringen

Europeesche Verzekeringen is the travel and leisure insurance specialist. Policies range from multi-trip travel insurance and classic car insurance to hobbies- and events insurance. Europeesche Verzekeringen's policies are offered exclusively through intermediaries and specialized partners. These partners include societies, clubs and associations (such as the Netherlands Ski Federation) that are close to our customers, as well as travel organizations, healthcare insurers and insurance advisors.

# Security in uncertain situations

How do we view ourselves as an insurer? What is our role, the reason for our existence? And above all, what do we want to achieve for our customers? What drives us? And how can we express all this in our operations? This is captured in our strategy and our positioning.

a.s.r. offers security to people in uncertain situations. We do this by providing financial continuity in people's lives, enabling people to insure themselves against risks they cannot bear on their own, and helping clients to build assets for later.

Everyone at a.s.r. works according to the guiding principle that they can help to make the insurance sector better, with different business models and a different mentality. a.s.r. has gone back to the basics of insurance – helping people – and the philosophy that working together provides certainty for all. Insurance is the essence, and providing certainty is a.s.r.'s reason for being. Helping by taking action. The legal predecessors of a.s.r. put insurance, as a service, on the map in the Netherlands. a.s.r.'s history goes back to 1720, when sharing risk was the founding principle. It still is for a.s.r. today. a.s.r. is confident that its

right to exist is justified by thinking in terms of customer interests and customer experiences. This is something that all our employees strive to do every day.

Our employees are the face of a.s.r. and determine the quality of our services. a.s.r.'s products and services need to reflect these principles. Clarity and simplicity, combined with efficient business processes and a robust financial position, are essential in this regard. Customers can rest assured that their risks are covered by an insurer that has simple operations and avoids waste, that listens to them and that helps them find solutions.

## Responsible risk

All employees are responsible for ensuring the wishes of customers are fulfilled. Customer trust is an important part of this. However, trust goes further than customers alone. Trust is equally

important for successful cooperation with intermediaries. And by being an employer that offers an inspiring and challenging working environment, as well as by giving the shareholder the prospect of attractive returns based on responsible risk.

Customers tell us they want transparent products, clear communication and personal service. Meeting these needs is a.s.r.'s number one priority. This means that customer interests are taken into consideration in a.s.r.'s activities and goals.

New products are presented to customer panels, and the wishes that customers express here are incorporated into the product development process. Ultimately, this is reflected in the appreciation rating that customers give us, as measured by the Net Promoter Score (NPS). Part of a.s.r.'s strategy is to prevent waste by a continuous drive to improve

Customers tell us  
they want transparent  
products, clear  
communication and  
personal service



efficiency ('first time right') and lower costs, in part by standardizing processes and products, and by increasing the degree of Straight Through Processing. One aspect of efficiency involves the outsourcing of work to specialist partners. a.s.r. has chosen to introduce outsourcing in controlled stages.



# Sustainability and a.s.r.

**a.s.r. takes account of sustainability in its business practices wherever possible. This is in keeping with the role we play in society. We actively focus on five areas: insuring, our people, investment, the environment, and the community. The principles and objectives of a.s.r.'s Corporate Social Responsibility (CSR) policy are established through dialogue with all stakeholders. As part of this process, a.s.r. keeps in close contact with a broad group of external stakeholders, including customers, a.s.r.'s shareholder, politicians and members of the Dutch cabinet, industry associations and non-governmental organizations (NGOs).**

## **Insuring**

a.s.r.'s most important task is to offer security to people in uncertain situations. Financial robustness is an integral part of this and is therefore the number one priority. a.s.r. creates products that meet customers' needs and have been tested by a customer panel or a selected number of customers. a.s.r. determines customer needs by conducting market research and organizing customer panels, among other things.

Making information accessible and comprehensible to customers is an ongoing process, and is achieved by revising style guides and providing staff training in the use of CEFR language level B1 and the provision of customer-friendly information. In addition, a.s.r.'s core values and various codes of conduct ensure sustainability is embedded in our attitudes and behaviours.

## **Customer focus**

a.s.r. uses the standards of the Customer-Oriented Insurance Quality Mark (KKV) to help test the level of service provided. In 2013, the a.s.r., De Amersfoortse, Ditzo and Europeesche Verzekeringen labels all managed to obtain or retain the quality mark, even though the standards have been tightened.

Despite meeting 15 of the 17 requirements, Ardanta failed to hold on to the quality mark. The quality mark obtained in the area of bodily injury, for which a.s.r. obtained the maximum score of 100%, deserves a special mention.

## **Customer appreciation rating**

The Net Promoter Score (NPS) is one of the tools used by a.s.r. to measure customer perceptions of its products and services. a.s.r. aims to be the leading insurer in its peer group, in terms of its NPS, by 2015. In the winter of 2012-2013, a.s.r. had an NPS of -44, which put it in fourth place when ranked against its competitors in a.s.r.'s peer group. This was also the highest score obtained by a.s.r. since the first measurement in 2009. a.s.r. is not happy to have a negative score, but the NPS reflects the currently prevailing perception of the Dutch insurance sector.

## **Complaints management**

a.s.r. has a team that coordinates complaints, but complaints are handled at a decentralized level within the individual product lines. Complaints allow a.s.r. to learn from mistakes and understand customers better. Customers who had a complaint about a.s.r. in 2013 were asked to report on their experience with a.s.r.'s complaints handling procedure. Customer feedback is used to solve the customer's problem.

Following the renovation, the building will consume 50% less energy



where necessary, to achieve structural improvements in services and to enhance the complaints handling skills of individual employees. This makes it possible to keep repeat complaints to a minimum.

## People

Information on how a.s.r. strives to be a sustainable employer can be found on page 34 ('Human Resources').

## Investment

As an institutional investor, one way in which a.s.r. demonstrates its social responsibility is in our use of ethical and sustainability criteria as part of the investment policy. Chief Investment Officer Jack Julicher gives an explanation of a.s.r.'s SRI policy on page 38.

## Fair Insurance Guide

The Eerlijke Verzekeringswijzer (Fair Insurance Guide), an initiative of Friends of the Earth Netherlands, the Dutch Society for the Protection of Animals, PAX (formerly known as 'IKV Pax

Christi'), Oxfam Novib, Amnesty International and the Dutch labour union FNV, was published for the first time in September 2013. The aim of the Fair Insurance Guide is to encourage insurers to raise standards in the area of CSR and optimize practices. a.s.r. was ranked third overall out of the ten most important providers of life insurance on the Dutch market and received praise for its policy on the arms trade.

The Fair Insurance Guide also conducted a case study on human rights that covered 17 Dutch banks and insurers. a.s.r. was ranked in joint second place in this study, with a score of 7 out of 10. In response to these publications, a.s.r. made further improvements to its Socially Responsible Investment Policy in consultation with the Fair Insurance Guide.

## Sustainable real estate

a.s.r. vastgoed vermogensbeheer, the property asset management business, invests in retail units, residential properties, offices and agricultural land. Sustainability has been firmly embedded in the organization's processes, for example in the



Left: Over 1000 employees took part in activities arranged by a.s.r. Foundation in 2013

Right: Giovanni van Bronckhorst received books, laptops and furniture for his S.V. Gio club

decision to select a supplier of green energy to service the entire property portfolio. Within the portfolio, 60% of residential properties have an energy performance rating of C or better, which is 15 percentage points higher than the housing stock in the Netherlands as a whole.

A pilot project was launched with tenants of retail units to encourage collaboration in the area of sustainability. Moreover, new leases contain standard arrangements on matters related to sustainability, such as efficient energy and water consumption, the promotion of the use of environmentally friendly and sustainable materials, and the separation of waste. We also maintain our properties in accordance with specified sustainability criteria. One example of this is the condition that the renovation of the a.s.r. office in Utrecht's Archimedeslaan should result in an 'A' rating for energy performance. The design for the renovations was awarded BREEAM Excellent certification, and we aspire to the same certification for the renovated building itself. In Enschede, a.s.r. arranged for BREEAM certification for the De Klanderij shopping centre. De

Klanderij is the first existing shopping centre in the Netherlands to undergo BREEAM certification for all retail units as well as general and public spaces. The centre was rated 'Good'. BREEAM (Building Research Establishment Environmental Assessment Method) is a system used to certify sustainable construction. Sustainability is also an important aspect of property development at a.s.r. vastgoed ontwikkeling, since the property developed often lasts for many generations. A number of developments have been awarded BREEAM certification, including the Waddinxveen shopping centre, which was the first new shopping centre in the Netherlands to obtain certification.

De Monarch in The Hague and the IJDock office building and law courts in Amsterdam have also been awarded certificates. Under the Land-for-Land initiative, one square metre of land is given back to nature for every square metre of land on which a.s.r. vastgoed ontwikkeling develops property. Among other things, Utrechts Landschap was given support with the acquisition of land to expand a nature reserve in the province of Utrecht.

## Environment

a.s.r. uses resources, energy and water efficiently. Furthermore, we make conscious efforts in the areas of waste management, mobility, energy reductions and carbon emissions, and we have developed a special environmental management system for this purpose. The following are specific examples of such efforts:

- The decision to renovate the head office in Archimedeslaan rather than construct a new building. Not only is this sustainable in itself, but, more importantly, following the renovation the building's energy consumption will fall by 50%, resulting in an 'A' energy rating (instead of 'G').
- Energy: a.s.r.'s head office uses a long-term energy storage system, which provides ground source heating and cooling for the building. This system significantly cuts energy costs. In view of this, the capacity of the system was increased to approximately 1800 kW in 2012.
- Waste: a.s.r.'s policy is to minimize the volume of waste and to recycle wherever possible. By pursuing this waste policy, we managed to reduce our carbon emissions by 62%, or 697 tonnes, in 2012. Waste is collected by Sita for treatment. According to information provided by Sita, a.s.r. recycles 49% of its waste.
- Transport: a.s.r. seeks to improve sustainability in the areas of commuting and business travel. Only leased cars in the categories of a, b and c may be chosen, and a.s.r. contributes towards the cost of Utrecht Bereikbaar passes (renamed QB passes in 2014), which allow employees to pay reduced fares on public transport. There are also a number of schemes in place to encourage cycling

## Purchasing policy

a.s.r. is committed to the Sustainable Procurement & Business Practices Manifesto (MVIO). Since 1 January 2013, a.s.r. has taken social, environmental and economic impact into account in its procurement process.

Sustainable purchasing involves more than just applying criteria in the procurement process; it also concerns choices made in business operations that translate into work, supplies or services which need to be purchased. Moreover, a.s.r. seeks to ensure that international human rights are respected throughout the entire production process for the goods and

services it purchases. These aspects of sustainability are considered in all new contracts and when contracts are renewed. a.s.r. has also signed the Circular Procurement Green Deal manifesto.

As from 2014, all tenders will be assessed against circular procurement criteria, in the same way as sustainable procurement criteria are currently applied. Suppliers will also be encouraged to join FIRA, a digital register which companies (suppliers) can use to show their CSR practices to clients (buyers). The information is verified by FIRA as an independent body.

## Community

a.s.r.'s motto of 'Helping by taking action' is aimed at encouraging and enabling its employees to become involved in the community. This provides help to social organizations or target groups, and at the same time strengthens team spirit among employees and their sense of pride in a.s.r.

Over 1000 employees took part in an activity offered by a.s.r. Foundation in 2013. In addition, 30 employees made use of the Stimulus Plan. Under this plan, employees can apply for a financial contribution for the voluntary work they perform in their community. In 2013, the RopaRun and Stichting Fly4You received support under the Stimulus Plan.

More than 40 teams of various sizes combined a team-building event with giving back to the community by performing work at a wide range of organizations, including Kamp Amersfoort and a number of care farms. In addition, a.s.r. Foundation organized a number of projects itself. In this context, assistance was provided to the Giovanni van Bronckhorst Foundation's SV Gio learning club in the form of used books (donated by employees), laptops and furniture.

# Financial performance

**The financial performance of ASR Nederland N.V. is described in the annual report. It provides a picture of the overall results as well as the results of the Non-Life, Life and Other segments.**

Premium income fell 9% to € 3,923 million (2012: € 4,290 million). This fall was seen in both the Non-Life segment (down 4%) and the Life segment (down 12%).

The fall in the Non-Life segment, where premium income stood at € 2,392 million (2012: € 2,487 million), was visible in almost all product groups and was due to a.s.r.'s decision to prioritize value over volume as well as the fact that the market is in decline in some respects. Higher product sales were cancelled out by a greater number of policy cancellations due to a focus on profitability and to business closures, particularly among self-employed persons.

In the Fire Insurance business, risks were reassessed, which led to the cancellation of some policies. As a result of this, a.s.r. was less affected by large fires in 2013. The total Health Insurance portfolio grew, thanks largely to a successful Ditzo campaign. Gross premiums written in the Life segment fell by 12%, from € 1,891 million to € 1,666 million. This fall was

## **ASR Nederland N.V. in brief:**

- Net results at € 281 million
- Operating expenses down a further € 40 million, a fall of 7% from € 587 million to € 547 million
- Gross premiums written fell 9% to € 3,923 million (2012: € 4,290 million) due to market developments and focus on profitability
- DNB solvency ratio robust at 268% (year-end 2012: 293%)

mainly attributable to lower income from regular premium policies. After reaching a peak in 2012, the volume of policy surrenders in the Individual Life business was halved in 2013, as a result of which it has now returned to what are considered more 'normal' levels from a historical perspective.

The focus on profitability led to a further decline in immediate annuities/single premium policies. Premium income from the Pension business fell by 6%. The new

Werknemers Pensioen (Employee Pension) was introduced in late 2013. The first contracts have since been signed and the number of requests for tenders is rising. Premium income from the Funeral Expenses Insurance business was more or less stable, despite a declining market, thanks in part to the acquisition of de Facultatieve.

## **Operating expenses**

a.s.r. managed to achieve a further structural reduction in its operating expenses in 2013, which fell 7% to € 547 million. Despite the focus on cost reductions, a.s.r. continued to make targeted investments. Examples include investments in innovations such as a new pension product, in improving the services (such as Ardanta's new website), and in streamlining processes and systems, such as the introduction of a new IT system for the administration of occupational disability insurance policies.

In addition, operating expenses became more flexible in 2013, as a result of which they are now a better reflection of the volume of the insurance portfolio. In this context, various support activities related to Life portfolios were outsourced, and third-party IT systems are now used at the Health Insurance business.



## α.s.r. key figures

(in millions of euros)	2013	2012
Gross premiums written, Non-Life	2,392	2,487
Gross premiums written, Life	1,666	1,891
Eliminations	-135	-88
<b>Total gross premiums written</b>	<b>3,923</b>	<b>4,290</b>
Operating expenses, Life and Non-Life	-439	-449
Operating expenses, Other	-108	-138
<b>Total operating expenses</b>	<b>-547</b>	<b>-587</b>
Provision for restructuring expenses	-24	-30
<b>Reported for 2012, before change in accounting policies under IAS19R1</b>		
Net results, Non-Life (including additional WGA-ER charges)	5	59
Net results Life	367	275
Net results Other	-91	-79
<b>Net results</b>	<b>281</b>	<b>255</b>
<b>After change in accounting policies under IAS19R</b>		
Net results, Non-Life	5	59
Net results Life	367	275
Net results Other	-91	-18
<b>Net results</b>	<b>281</b>	<b>316</b>
Cost-premium ratio, insurance business	10.9%	10.2%

(in millions of euros)	31 December 2013	31 December 2012
Total equity (including revaluation of real estate)	3,799	3,537
Total equity (IFRS)	3,015	2,663
Return on equity (IFRS)	10.6%	14.1%
DNB solvency ratio	268%	293%

1) In 2013, a change in accounting policies was implemented in relation to the recognition of the a.s.r. pension plan (IAS19R), as a result of which the comparative figures for 2012 of the Other segment were restated. This also affected the consolidated figures for 2012. This change has an accounting effect on the net results, operating expenses and total equity, as well as on return on equity.

## Net results

The net results for 2013 amounted to € 281 million. This amount reflects the improved profitability of the Non-Life segment, which was, however, more than cancelled out by the additional WGA-ER (Partial Incapacity Policy excess insurance) provision (€ 137 million). Disregarding this additional provision, the net result of the **Non-Life segment** showed a strong improvement, rising to € 142 million, at a combined ratio of 96.5%

In the **Life segment**, the net result increased from € 275 million to € 367 million, thanks to higher investment returns and lower operating expenses. In addition, several impairment losses recognized in previous years were reversed, in view of the tentative recovery of the financial markets.

The net result for the **Other segment** was affected in 2012 by a one-off tax benefit of € 90 million due to adjustments on previous years. Excluding this benefit and the impact of the IAS19 restatement, the net result from the Other segment increased to €-91 million (was €-169 million).

This increase is due to better performance of the banking business, risk reduction and decreased losses for a.s.r. vastgoed ontwikkeling (property development), amongst others. The net result also improved due to fewer write-offs on participations and private loans. Interest rate expenses were also occasionally down, including the interest accrual of the pension plan for staff.

## Non-Life segment

€142 mln

net results exclusive of  
impact of WGA-ER

1%

fall in operating  
expenses

4%

fall in gross  
premiums written

- Net results in Non-Life segment dominated by additional WGA-ER provision
- Net results exclusive of WGA-ER provision at € 142 million
- Combined ratio exclusive of additional WGA-ER provision at 96.5% (including additional WGA-ER provision: 104.6%)
- Operating expenses down 1% to € 240 million on like-for-like basis, despite investments in claims management and in streamlining of processes
- Gross premiums written fell by 4% to € 2,392 million (2012: € 2,487 million)

The Non-Life segment comprises all types of non-life insurance policies that a.s.r. offers to consumers and business owners. These policies insure risks related to motor vehicles, fire, travel and leisure, liability, legal assistance, occupational disability and medical expenses. The policies are offered under the following labels: a.s.r., De Amersfoortse, Europeesche Verzekeringen and Ditzo, both via the intermediary and the direct channels.

€367 mln

net results

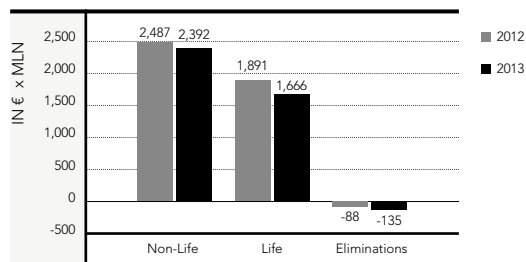
11%

fall in operating  
expenses

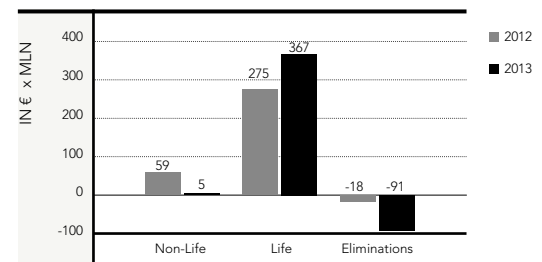
12%

fall in gross  
premiums written

### Gross premiums written



### Net results

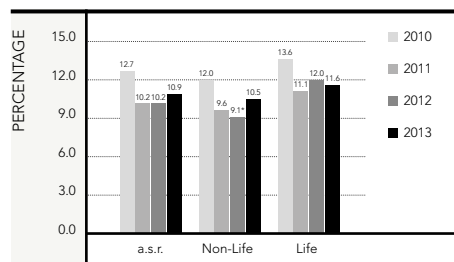


## Life segment

- Sharp increase in net results to € 367 million (2012: € 275 million)
- Operating expenses down 11% to € 199 million (2012: € 223 million)
- Gross premiums written fell by 12% to € 1,666 million (2012: € 1,891 million)
- New life insurance contracts sold (APE) down to € 65 million (2012: € 87 million); introduction of new Werknemers Pensioen (Employee Pension) in Q4

The Life segment comprises all insurance policies that concern asset-building, asset reduction, asset protection, family income protection and funeral expenses for consumers and business owners. These operations are carried out by ASR Levensverzekering N.V. The policies are offered under the a.s.r., De Amersfoortse and Ardanta labels. The majority of these policies are distributed via the intermediary channel, although funeral expenses insurance policies, small immediate annuities and pensions may be arranged directly.

## Cost-premium ratio



\* Ditzo became part of the Non-Life segment at the start of 2013. On a like-for-like basis, the cost-premium ratio for 2012 was 9.8%.

## Other segment

- Net results at € -91 million
- Operating expenses down to € 108 million (2012: € 138 million)
- Increase in sale of new WelThuis mortgages to € 1,411 million (2012: € 839 million)

The Other segment comprises all non-insurance business, i.e. the banking operations (a.s.r. Bank and a.s.r. Hypotheken (mortgages)), SOS International (emergency desk), a.s.r. vastgoed ontwikkeling (property development) and several holding companies. Specific expenses related to holding companies are also recognized in this segment. The Ditzo distribution activities were integrated into the Non-Life segment early in 2013, and are therefore no longer included in the Other segment.

# €-91 mln

net results

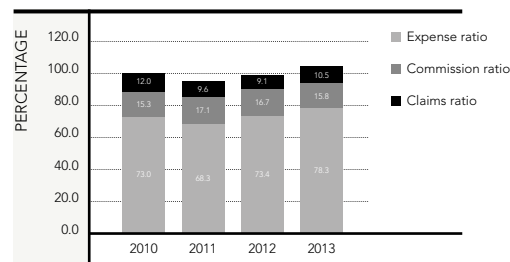
# €108 mln

fall in operating expenses

# €1.4 bn

in sales of WelThuis mortgages

## Combined ratio



# Financial summary

## Banking

The Banking business performed well, owing to the introduction of the a.s.r. online savings account, among other things, and doubled its share in the mortgage market, thanks to the WelThuis mortgage. This made a.s.r. the sixth largest mortgage lender in the Netherlands late 2013. a.s.r. also made second place in the ranking of Dutch mortgage lenders among insurers.



## Operating expenses

a.s.r. managed to achieve a further structural reduction in its operating expenses in 2013, which fell by 7% to € 547 million. Despite focus on cost reductions, a.s.r. continued to make targeted investments. Examples include investments in innovations such as a new pension product, in improving our services (such as Ardanta's new website), and in streamlining our processes and systems, such as the introduction of a new IT system for the administration of occupational disability insurance policies.

## IORP

The Institution for Occupational Retirement Provision (IORP), a joint venture between a.s.r. and Brand New Day, continued to grow in 2013. The combination of a clear product, low costs and excellent service appeals to customers. So far, pension contracts have been signed with more than 500 businesses, covering over 7,500 members in total, in what is a highly competitive market. The number of new requests for tenders continues to grow.



## Health insurance business

Premium income was up at the Health Insurance and Group Occupational Disability Insurance businesses. The Health insurance portfolio grew for the second year in a row (up 8%), with customers mainly taking out policies online via Ditzo. However, in keeping with developments in the market, there was also an increase in the number of policy-holders who cancelled their supplementary insurance or opted for a more limited health insurance package at a lower premium.

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## De Amersfoortse

De Amersfoortse offers products and services for self-employed people and small and medium-sized businesses with up to 250 employees. Alongside new group insurance products, De Amersfoortse is also developing a service offering that focuses on prevention and reintegration. Services related to prevention include De Gezondheidsenquête (which provides business owners with an evaluation of their vitality) and Het Ondernemersprofiel (which provides an evaluation of the vitality of the business and the way it is run by the business owner). In the area of reintegration, services include supplying reintegration assistants and reintegration managers.



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## Pensions

In the insured pensions market, there was a further shift from defined benefits (DB) to defined contributions (DC). The trend towards a more individual approach to pensions also continued. Pension products are becoming low-cost products with just fees for administration and building assets and low margins for providers. The launch of the a.s.r. Werknemers Pensioen (a transparent pension product with low charges) in the fourth quarter is a good example of this type of product.

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## Compensation

The process of providing compensation for unit-linked policies at the Individual Life business was completed in 2012. In consultation with the Netherlands Authority for the Financial Markets (AFM), 40,000 customers were contacted in 2013 in order to draw their attention to the growth in the value of their policies and help them to make a conscious decision about the future. This group of customers will be expanded in 2014.

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## Property development

In keeping with the strategy followed in recent years, a.s.r. vastgoed ontwikkeling took major steps to reduce portfolio risks. Various projects were scaled back. The property development business' exposure to property risk (balance sheet position plus obligations to complete) was reduced by 25% in 2013, and in line with the total assets, the pipeline, the size of the organization and internal funding were all reduced in 2013.



# The Executive Board

## Jos Baeten (CEO)

Chair of the Executive Board since 2009

Jos Baeten (born 1958) is the Chairman of the Executive Board and Chief Executive Officer (CEO) of a.s.r. His areas of responsibility are Human Resources, Corporate Communications, Strategy, Marketing, Business Support, CSR, Audit, Integrity and Legal. Jos studied law at Erasmus University Rotterdam and started his career in 1980 when he joined Stad Rotterdam Verzekeringen, one of a.s.r.'s major predecessors; he was appointed CEO of Stad Rotterdam in 1999. He then joined the Board of Directors of Fortis ASR Verzekeringsgroep N.V., becoming Chairman of the Board of De Amersfoortse Verzekeringen in June 2003. In 2005, he was appointed Chairman of the Board of Directors of Fortis ASR Verzekeringsgroep. He has served as the Chairman of the Executive Board and CEO of a.s.r. since January 2009.

### Additional positions

Jos Baeten is a member of the general meeting of the Dutch Association of Insurers, Vice-Chairman of the Supervisory Committee of Gemiva-SVG Groep, an organization providing support to the disabled, and Chairman of the

Supervisory Committee of Stichting Rotterdamse Schouwburg (Rotterdam Theatre). In addition, he sits on the General Administrative Board of the Confederation of Netherlands Industry and Employers (VNO-NCW) and is a member of the Advisory Board of ROC Midden-Nederland vocational college.



a.s.r.  
de nederlandse  
verzekering  
maatschappij  
voor alle  
verzekeringen

Filtr: Michel Verwoest,  
Karin Bergstein,  
Jos Baeten and  
Roel Wijmenga

## **Karin Bergstein**

Member of the Executive Board since September 2011

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Karin Bergstein (born 1967) is a member of the Executive Board. Her areas of responsibility are the product lines Non-Life, Life, Banking and Funeral and the divisions Intermediary Distribution, Customer Service and Europeesche Verzekeringen. Karin studied medical biology at Utrecht University and earned an MBA from Nyenrode University and the University of Rochester in the United States. She started her career at ING Bank in 1991, where she held various positions until 2010. Her last position was that of Director of Products & Processes, which gained her a seat on the Executive Board of ING Bank Nederland. She previously also served as CEO of ING Car Lease International. Karin Bergstein was appointed to the a.s.r. Executive Board in September 2011.

### **Additional positions**

Karin Bergstein is a member of the Supervisory Committee of Stichting Sanquin Bloedvoorziening, a blood bank, and of the Supervisory Board of Utrecht University. She also serves as a supervisory director of ArboNed, a nation-wide occupational health and safety board.

## **Michel Verwoest**

Member of the Executive Board since December 2012

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Michel Verwoest (born 1968) is a member of the Executive Board. His areas of responsibility are the product lines Pensions, Occupational Disability Insurance and Health Insurance. He is also responsible for Property Development, Property Asset Management and Technology & Change (IT&C). Michel studied marketing at TiasNimbas Business School in Tilburg and business administration at IBO Business School, and held several executive positions at ING Group between 1997 and 2012. Within ING, he served as CEO of RVS Insurance and was in charge of the Individual Life business. His last position within ING Group was that of CEO of Nationale Nederlanden Services/Director of Nationale Nederlanden Life. Michel Verwoest was appointed to the a.s.r. Executive Board as of 1 December 2012.

### **Additional positions**

Michel Verwoest is a member of the Board of the Dutch Association of Health Insurers and of Stichting Vrienden van de Gelderhorst, a care provider for elderly deaf people. In addition, he sits on the Advisory Board of Post & Blankestijn, a recruitment and secondment company.

## **Roel Wijmenga (CFO)**

Member of the Executive Board since early 2009

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Roel Wijmenga (born 1957) is a member of the Executive Board. His areas of responsibility are Finance, Accounting, Reporting & Control, Financial Markets and Risk Management. Roel studied econometrics and earned a Ph.D. in economics from Erasmus University Rotterdam. He started his career in insurance at AMEV, one of the legal predecessors of a.s.r., where he held several executive positions until 2003. After having left AMEV, he served as a member of the Executive Board of Interpolis and as CFO/member of the Executive Board of Eureko/Achmea. He was appointed to the a.s.r. Executive Board early in 2009.

### **Additional positions**

Roel Wijmenga is the Chairman of Stichting Certificering Federatie Financieel Planners, a foundation for the certification of financial planners, and a member of the Board of Stichting DSI, a foundation for the promotion and monitoring of the integrity and reliability of financial services providers and compliance professionals. He also serves on the Financial & Economic Committee of the Dutch Association of Insurers.

# Helping by taking action

a.s.r. wants to go back to the basics of insurance: helping people. This is something that a.s.r. demonstrates every day in its services and also in its marketing campaigns. In 2013, there were three initiatives aimed at helping people or organizations that could use some support. These proved to be successful and high-profile.



## **a.s.r. helps advisors**

Regional advisors, who work hard every day to help customers, can benefit from help themselves when it comes to raising their own profile. They often lack the expertise and financial resources required for this. This gave a.s.r. the idea of offering knowhow in the area of advertising and publicity, in exchange for a small fee, to 49 selected advisors.

**'My daughter was surprised to see my poster at the bus stop'**

Besides advertising on local radio stations, posters were printed and put up in the advisor's region. Theo Deur of Deur Financiële Diensten in Leersum was one of these advisors. 'When I was invited to take part in this campaign, I didn't hesitate for a second. It was fantastic for our brand recognition. My 16-year-old daughter, who takes the bus to school every day, did get a surprise though, the first time she saw her dad on a poster at the bus stop.'



People rushed to buy Olli the elephant

#### **α.s.r. helps Rotterdam Zoo**

α.s.r. helped Rotterdam Zoo Blijdorp by giving it the opportunity to advertise on Feyenoord's shirts. The zoo was in trouble due to the cancellation of the subsidy it received from the city. The campaign to assist the zoo included a television advertisement featuring former professional footballer Giovanni van Bronckhorst and Olli, a toy elephant specially designed for Rotterdam Zoo. On the day of its launch, in a space specially laid out for Olli, people rushed to buy the mascot. In December, sales of Olli passed the 100,000 mark at the souvenir shop. A large proportion of the proceeds raised from sales of Olli went to Rotterdam Zoo, which saw visitor numbers increase by some 75,000.



John de Wolf and the a.s.r.  
'medical team'

### **a.s.r. helps Netherlands Cancer Institute**

Every year, health insurers set aside large amounts of money to spend on winning new customers in November and December. Ditto decided to spend its entire marketing budget for a television advertisement to support a campaign in the area of cancer research. At [www.kijkkankerderewerelduit.nl](http://www.kijkkankerderewerelduit.nl), retired football player John de Wolf called on everyone in the Netherlands to help in the fight against cancer by sharing a video with their friends and family. a.s.r. donated one euro to the research department of the Netherlands Cancer Institute for every visitor to the platform, and two euros for every visitor who shared the video. The campaign proved so successful that the goal of € 1 million was reached within just a few days. Inspired by Professor René Bernhard, who presented an appeal on television for more money for research, Ditto was able to donate € 1 million to the Netherlands Cancer Institute at the end of the year.

**a.s.r. donated one euro to the research department of the Netherlands Cancer Institute for every visitor to the platform**



# Works Council

**a.s.r.'s Works Council holds regular talks with the Executive Board on many matters affecting business operations. The Works Council meets with collective business interests at heart: together with a.s.r.'s approximately 3,800 employees, who want to help build a sustainable future for the business and take their role seriously.**

The Works Council has 20 members. The day-to-day management of the Works Council comprises Marieke Kwakkel (chair), Marcel Hindriks (vice-chair) and Henk Ariëns (secretary). Besides the central Works Council, a.s.r. also has twelve subcommittees for individual divisions. In total, approximately 60 employees are active on employee representation bodies.

The Works Council, its working groups and committees monitor developments in the business and raise matters where necessary. As part of this, it provides advice in relation to changes to the organization, such as when departments and divisions are merged or split up, and in the event of acquisitions and subsequent integration. In the case of arrangements affecting employees or groups of employees, the Works Council even has to give its consent prior to any action taken. Such arrangements include changes to appraisals systems, working conditions and the policy on appointments.

In 2013, the matters discussed by the Works Council and the subcommittees included a large number of requests for a formal opinion, as well as information memorandums related to organizational changes, among other things. In many cases, the Works Council entered into talks with members of the Executive Board at an early stage.

When discussing and assessing plans, a balance was constantly sought between the interests of the employees and the interests of a.s.r. 2014 is the last full calendar year of the current Works Council's term of office. New elections will be held at the start of 2015, leading to the appointment of a new Works Council. Rather than being a year of standing still, however, 2014 will be an eventful year in terms of employee representation, as there are a number of large, complex matters to deal with, such as a.s.r.'s future, changes in terms and conditions of employment, and how to deal with strategic staff planning.



Chair

Marieke Kwakkel

Vice-chair

Marcel Hindriks

**Seeking a balance between the interests of employees and the interests of a.s.r.**

# Customers appreciate complaints being handled by telephone

Customers who talk to someone about their complaint (either over the telephone or in a face-to-face meeting) feel more positively about the support they are given than customers who only have contact in writing. According to an NPS survey a.s.r. introduced for customers with complaints in 2013, approximately half of all customers who had a complaint did not feel that their complaint had been dealt with properly. But 'complaining customers' provided even more feedback.

There was a 12% rise in complaints about a.s.r. from customers (including all divisions, labels and support departments) in 2013 compared with the previous year. There were approximately 9,600 complaints in total, most of which related to the Health Insurance and Non-Life businesses. The greatest fall in the number of complaints compared with 2012 was seen at the Life business. Many complaints relate to clerical procedures at a.s.r, with matters taking too long, responses not being provided, or errors being made.

Although the number of complaints did not decline year-on-year, improvements were made to the complaints handling process. This was based on new insights obtained from the NPS survey, which was also used for customers with complaints. It turns out that complaining does make a difference: more than half of all complaints made in 2013 were judged to be legitimate either in full or in part.

## New perspectives

Liesbeth Pecht, Complaints Management: 'The NPS survey method has provided many interesting new perspectives. We have learned that half of all customers with complaints feel that



**'Handling  
complaints  
directly by  
phone makes for  
more satisfied  
customers'**

their complaint has not been resolved. It is therefore important that we improve the way in which we coordinate the resolution of the complaint with the customer. We have also seen that customers with complaints appreciate having contact over the telephone, and that a combination of spoken and written communication is even more effective.' The NPS survey also revealed that customers define the complaints handling procedure more broadly than a.s.r. does. Essentially, the complaint starts when a problem arises. As a consequence, customers often do not view a.s.r. more positively even if their complaint is handled properly. In view this, prevention is better than cure.

### **Top three**

All product lines, support departments and labels therefore produce a top three of complaints every quarter and take targeted action in order to deal with the causes. As part of this, the Banking business has reviewed the process for converting mortgages and reduced processing time by more than half. The Occupational Disability business will be making its letters more informative, and the Health Insurance business is looking into whether certain workflows are too slow, in response to complaints from customers that claims were taking too long to be processed.

### **Workshop**

In 2013, Complaints Management developed a workshop on basic skills for calls related to complaints, in conjunction with the Customer Contact Centre. The members of the complaints teams learned to deal with the emotions of customers, deliver bad news and ask questions in order to get to the root of the complaint, among other things. 'The workshop gives everyone who deals with complaints the right tools to answer a call about a complaint. Handling complaints directly over the phone makes for more satisfied customers. Customers have indicated, for instance, that they are more likely to get an answer to their questions in a telephone call than they are in emails or letters.'

This resulted in 66% of customers with complaints being contacted by telephone in 2013. Only 30% of such customers received written responses only. 'Our target was to call at least 66% of customers who lodge complaints. We achieved our target exactly. As part of the aftercare service provided by telephone, we also ask the customer whether we can close the complaint file. They appreciate this.' Approximately 56% of customers with complaints felt that their complaint had been resolved. This percentage is slightly below a.s.r.'s target of 59%.

# Renovation

In 2013, good progress was made with the renovation of the building at Achimedeslaan 10 in Utrecht. During the summer, the head office's concrete outer wall was replaced by an environmentally sustainable, climate-sensitive facade. In addition, the main entrance slowly took on a new form. All this time, employees continued to work in the other wings of the building, an unique situation for a renovation project of this size.

The a.s.r. building dates back to the 1970s and had become quite outdated. Following a detailed study, a.s.r. opted for renovation, rather than a new build, in view of cost considerations, sustainability and the fact that a.s.r. does not want to add to vacancy rates by leaving one of the largest office buildings in the Netherlands standing empty.

During the Dutch Green Building Week, which took place in September, a.s.r. was awarded a new energy rating based on the design of the building. As a result, the rating rose from 'G' to 'A'. This rating was attributable to the efficiency of the future heating system, double glazing, ventilation, solar panels and insulation. In March 2014, the first 1,600 employees moved into the wing, which has been given the colour code Green. The renovation will continue at least until the end of 2015, after which the building will accommodate approximately 3,800 a.s.r. employees.







# Diversity and long-term employability

One of the most important tasks of Human Resources is to develop and implement a policy that helps to attract employees, contributes to their development and promotes staff retention. At a.s.r., employees are encouraged to work on their personal development and to take ownership of their career path, personal development and ambitions.

## Recruitment and selection

a.s.r. focuses on internal mobility to a great extent. All vacancies are initially matched with employees whose positions have become redundant, after which they are opened up to internal staff. In 2013, 58% (146 vacancies) of all vacancies were filled by a.s.r. employees. Vacancies are only opened up to candidates outside the organization if the internal recruitment process is unsuccessful. Increasingly, these vacancies are advertised online on the

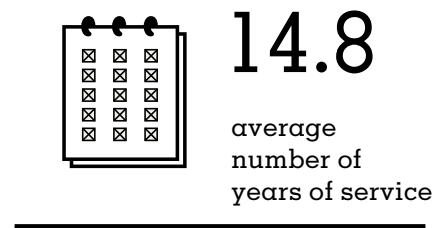
werkenbijasr.nl website and through social media, such as LinkedIn and Twitter. The majority of such vacancies were filled by candidates who applied directly through the website. The ‘Wie ken jij bij a.s.r.?’ (Who do you know at a.s.r.?) tool was launched at the end of 2013. People who are interested in working at a.s.r. can use this tool to see whether they know anyone at a.s.r. and to ask them for information about the business. The tool is also useful for employees, who can use it to contact each other and make informal enquiries about positions at other divisions, or ask about a course that one of their colleagues has followed.

## Sustainable employability

In 2013, in addition to the normal training budget, all employees were assigned a personal budget for improving their long-term employability. The related training courses are all aimed at ensuring that employees can take on a wider variety of work and improving job mobility both within and outside the business. The courses include workshops on elevator pitches (how to give a 40-second presentation on yourself), networking and applying for jobs, and a master class on sustainable employability. In total, over 750 employees followed a training course on sustainable employability in 2013.

## Number of employees

	Women	Men	Total
Part-time	872	327	1,199
Full-time	571	2,103	2,674
Employees with fixed-term contracts	91	114	205
Employees with permanent contracts	1,352	2,316	3,668
<b>TOTAL</b>	<b>1,443</b>	<b>2,430</b>	<b>3,873</b>



In addition, a.s.r. employees made good use of the Career Centre, where they can explore their career prospects at a.s.r. and elsewhere. They can also use the Career Centre to find out what their talents and qualities are.

### **Diversity**

For years, a.s.r. has been working to enhance diversity in a variety of ways. Employees are encouraged to be active in a wide range of business networks in order to broaden their horizons and advance their personal growth.

a.s.r. attaches great value to diversity within its organization, and is focused on appointing women to management positions and retention of female talent. The Executive Board has been active in driving this, with initiatives including extra places for women on trainee and management development programmes, an intensive mentoring programme and special focus on hiring women in management positions. Our efforts have had a visible effect. One consequence is that the Management & Professional Development Programme and trainee programme will not be coming back in their current form.

### **Honourable mention**

At year-end 2013, women made up 25% of the Executive Board and 50% of the Supervisory Board. These percentages, which were unchanged compared with 2012, are higher than the national average. In 2013, a.s.r. was given an honourable mention by the Talent to the Top Monitoring Committee for the efforts it has made and results it has achieved in appointing more women to management positions. According to the

committee, a.s.r. has demonstrated that it is committed to more women in senior positions, through the Female Leadership programme, our mentoring programme for women, and the M! women's network.

### **Talent development**

The fifth group of high potentials completed the Management & Professional Development Programme in 2013. A total of 29 employees (10 women and 19 men) took part in the five MD/PD programmes. Women made up 35% of all participants.

The programme focuses not only on the career advancement of employees in management position, but also on the development of professionals. To qualify for the programme, employees need to have obtained a college degree (as a minimum) and be recognized as high potentials by their manager. The programme helps talented staff advance to the next stage in their career. It encourages cooperation between divisions by bringing together people who work in different areas of the organization.



## Number of employees broken down by pay level

Pay level	Women	Men	Total
1	1		1
2	19	20	39
3	61	15	76
4	30	35	65
5	189	127	316
6	376	314	690
7	213	319	532
8	128	373	501
9	149	349	498
10	103	261	364
11	89	242	331
12	35	142	177
Higher management	20	77	97
Senior management	6	22	28
Front office	24	134	158
<b>TOTAL</b>	<b>1,443</b>	<b>2,430</b>	<b>3,873</b>

In 2013, a.s.r. was given honourable mention by the Talent to the Top Monitoring Committee for the efforts made and results achieved in appointing more women to management positions

## Number of employees broken down by years of service

Years of service	Women	Men	Total
0-5	242	387	629
6-10	423	558	981
11-15	322	451	773
16-20	135	212	347
21-25	135	260	395
26-30	81	198	279
31-35	62	168	230
36-40	36	138	174
41-45	7	53	60
45-50	0	5	5
<b>Total</b>	<b>1,443</b>	<b>2,430</b>	<b>3,873</b>
<b>AVERAGE NUMBER OF YEARS OF SERVICE</b>	<b>12.8</b>	<b>15.9</b>	<b>14.8</b>

## Number of employees broken down by age

Age group	Women	Men	Total
16-20	1	2	3
21-25	50	37	87
26-30	141	163	304
31-35	242	262	504
36-40	215	286	501
41-45	283	433	716
46-50	242	414	656
51-55	166	446	612
56-60	80	287	367
61-65	23	100	123
<b>Total</b>	<b>1,443</b>	<b>2,430</b>	<b>3,873</b>
<b>AVERAGE AGE</b>	<b>41.5</b>	<b>45.3</b>	<b>43.9</b>

## Top-trainees

a.s.r.'s Talent Development Programme is designed specifically for talented young individuals. The programme spans two years. The current group started the programme in September 2012 and will finish by the end of 2014. The trainees, who are part-time Business Administration students, rotate between a.s.r. divisions in four modules of six months each, taking on a different role in each module. After their traineeship, most of the trainees are offered a management position, or they are asked to join a specialist team.



Jack Julicher, Director of Investments:

# 'Sustainable investment is important to our customers, and to us as well'

**a.s.r. applies a Socially Responsible Investment Policy, in which it recognizes the importance of the environment for example, to the entire portfolio. Jack Julicher, Director of Investments: 'We take social responsibility seriously. Moreover, it has been shown that companies that have their environmental, social and governance policies in order are more profitable in the long run.'**

The investment department is of crucial importance to a.s.r. Jack Julicher: 'Our department ensures that returns are solid, the process is transparent and the risk profile is balanced. Our solid, robust investment policy supports a.s.r.'s financial position in every respect. We contribute to the high level of solvency.'

## **Good return on investment**

In spite of the uncertain economic conditions in 2013, a.s.r. managed to achieve solid returns on its investments without taking additional risks. 'This was because a.s.r. vastgoed continued to sell off property and made a profit doing so.'

We were also able to reverse write-downs on bank bonds that were made in 2009. We introduced a number of changes without changing the risk profile. Besides selling bank bonds and reinvesting in residential mortgages, we also took action in anticipation of the upcoming downgrading of Dutch and French government bonds. We also bought a small number of Spanish

short-term government bonds, in view of the fundamental improvements seen in that country. I am happy to report that the equity portfolio has continued to rise in value even though we have not made any additional share purchases.'

## **Best in class**

a.s.r. follows a Socially Responsible Investment Policy that applies to all managed assets. By pursuing this policy, a.s.r. explicitly acknowledges the importance of environmental, social and governance factors, and of a healthy, stable market in the long term. 'Sustainability has become an important topic in the area of investment, too. It is no longer a matter of simply achieving the highest possible returns. We take social responsibility seriously as a company, and so we invest in a sustainable way.'

We believe that this is important to our customers, but it is important to us, too. We select the best in class based on environmental, social and governance (ESG) criteria. Moreover, it has been



'If a company is unwilling to make improvements, we may decide to withdraw our investment'

shown that companies that have their environmental, social and governance policies in order are more profitable in the long term.'

a.s.r. continues to focus on these issues after it makes investments. 'If we find out about an environmental problem or a contravention of labour law at a large listed company in which we have a stake of, say, 5%, we engage in an active dialogue with that company. Experience has shown that these companies take such

dialogue very seriously. If a company is unwilling to make improvements, we may decide to withdraw our investment.'

### Conventions

a.s.r. requires external asset managers to sign up to the United Nations Global Compact Principles (UNGCP) and the United Nations Principles for Responsible Investment (UNPRI) as a minimum. These conventions, together with the Principles for Sustainable Insurance of the United Nations Environment

Programme (UNEP) Finance Initiative, form the framework for a.s.r.'s investment policy. Jack Julicher: 'By signing the UNGCP, we are saying that a.s.r. complies with general conventions in the area of human rights, worker's rights, the environment and corruption.

We emphasize the fact that we are responsible insurers through our endorsement of the Principles for Sustainable Insurance of the UNEP Finance Initiative and by abiding by the Sustainable Investment Code of the Dutch Association of Insurers. By stating that we comply with these conventions, we guarantee that we apply ESG criteria to our investments.'

The benchmark published by the Association of Investors for Sustainable Development (VBDO) provides an annual measurement of how insurers are doing in the area of sustainable investing. a.s.r. continued to perform well, and in 2013 it was ranked in third place for the third year in a row.

According to Jack, improvements can be made in the way in which the policy is presented. 'We need to be even more transparent. The next question is whether customers or interest groups can get in contact with us easily.'

Furthermore, a.s.r.'s Socially Responsible Investment Policy was assessed by the Fair Insurance Guide (Eerlijke Verzekeringswijzer) for the first time in 2013. 'We scored ten out of ten for our weapons policy. We were ranked third overall in the Fair Insurance Guide, but we have now started to publish more information about our policy and we expect that this year we will achieve better results in the next Fair Insurance Guide update.' The fact that a.s.r.

came third in both rankings reflects the recognition it has gained as a sustainable investor.

**Exclusion**

There are some companies and countries that a.s.r. consciously avoids. 'We exclude suppliers of "dirty" weapons, for example, as well as countries where controversial activities take place and states that score poorly in the freedom index or corruption index, which is compiled under the auspices of the United Nations. We have no investments in the tobacco industry either. In all cases, we require that companies and countries uphold workers' rights and human rights.'

# α.s.r.'s ratings

The creditworthiness of α.s.r. is assessed by Standard & Poor's, a credit rating agency. This is expressed as a letter grade and a description of the outlook. α.s.r. aims to have a rating in the 'A' category (A+, A or A-).

On 19 June 2013, Standard & Poor's confirmed the 'A' rating of ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. The outlook is described as stable according to the rating agency's report. More information and Standard & Poor's rating report for 2013 can be found on the α.s.r. website ([www.asr.nl/en/about-asr](http://www.asr.nl/en/about-asr)).



Standard & Poor's ratings	Type	Rating	Outlook	Date
ASR Levensverzekering N.V.	CCR	A	Stable	23-08-2012
ASR Levensverzekering N.V.	FSR	A	Stable	23-08-2012
ASR Schadeverzekering N.V.	CCR	A	Stable	23-08-2012
ASR Schadeverzekering N.V.	FSR	A	Stable	23-08-2012

# Stakeholders

a.s.r. wants to be in touch with social attitudes and perceptions, and seeks to ensure that products, services and operations are in tune with the wishes of all stakeholders insofar as possible. We are in constant dialogue with the following stakeholders.

## Our customers

In 2013, a.s.r.'s dialogue with customers included customer panels and customer discussion forums. a.s.r. uses the information obtained through such surveys to improve the information supplied to customers, make changes to existing products and develop new products. Every day, a.s.r.'s Customer Contact Centres talk to customers and help them find answers and solutions.

## Our shareholder

We held six formal meetings with our shareholder, Stichting Administratiekantoer Beheer Financiële Instellingen (NL Financial Investments or NLFi), in 2013. We were also in frequent contact with our shareholder between meetings.

## Our employees

a.s.r.'s organizational structure offers employees plenty of opportunities to enter into dialogue with each other through a number of established consultation forums, bilateral discussions and other bodies. Dialogues on performance, development and

advancement are laid down in HR protocols. The Works Council is also closely involved in all changes to the organization. The Executive Board explains policy in, among other things, the staff magazine, a.s.r. video journals, and informal town-hall meetings involving different people, called 'In gesprek met...' ('A conversation with ...').

## Politics

a.s.r. was in close contact with a number of politicians in 2013. Edith Schippers, the Dutch Minister of Health, Welfare and Sports, paid a visit to a.s.r.'s Occupational Disability and Health Insurance business. Jos Baeten and Roel Wilmenga both held meetings with representatives of various political parties. In 2013, a.s.r. also organized a round table discussion with representatives of the youth wings of the Dutch political parties PvdA, VVD and D66, to talk about the future of the pension system with people including Michel Verwoest, the member of the Executive Board responsible for the Pension business. In addition, talks were held with

members of the Dutch government and MPs from various Dutch political parties on a regular basis.

## Trade unions

a.s.r. met with trade unions on five occasions in 2013. The talks covered subjects including a proposal for cutbacks affecting terms and conditions of employment.

## The media

a.s.r. was mentioned in over 3,000 reports that appeared in the media. These reports were published online, in newspapers and in magazines. a.s.r. had contact with the press on almost 400 occasions. This contact took the form of questions from the press, interviews with employees, press releases and photo opportunities, and media briefings by the Executive Board, senior management and specialists.

## Intermediaries

In 2013, a.s.r. organized meetings and workshops for intermediaries on the subjects of pension propositions, occupational disability insurance related to the Dutch Work and Income (Capacity for Work) Act (WIA), Inkomen Nu (Income Now), the improved Voordeelpakket, sports and health, and the Dutch Sick Pay and Disability Benefit Limitation Act (BeZaVa). Nearly 2000 people attended these meetings.

## NGOs and industry associations

a.s.r. held talks on the sustainable investment policy benchmark for insurers with the Fair Insurance

Guide and other parties, and on products and communication with the Dutch Consumers Association.

a.s.r. is also a member of the Dutch Association of Insurers, Zorgverzekeraars Nederland (an association comprising all Dutch health insurers), MVO Nederland (the Dutch national CSR knowledge centre and network organization), and many other platforms.

## Rating agencies

Meetings were held with Standard & Poor's at a.s.r.'s offices and at the rating agency's offices. Various topics were discussed during these meetings, including the annual financial results and financial results for the first half year, trends in the solvency ratio and a.s.r.'s strategy.

## Investors

A number of meetings were held with investors and equity analysts in 2013, including meetings related to the publication of the annual figures for 2012 and the interim figures for the first six months of 2013. The meetings also covered topics such as the Dutch insurance market and a.s.r.'s strategy.

## Regulators

We were in frequent contact with our regulators, the Dutch Central Bank (DNB), the Netherlands Authority for the Financial Markets (AFM) and the Dutch Healthcare Authority (NZa), in 2013. We received dozens of requests for information from the regulators, and we kept them closely informed of the many developments at a.s.r.



# The Supervisory Board

The task of the Supervisory Board is to supervise the policies of the Executive Board and the general state of affairs at a.s.r. The Supervisory Board also advises the Executive Board. The Board consists of four members from various professional backgrounds. They offer a.s.r. a wide range of experience and expertise in the financial sector, combined with an excellent reputation, verified by regulators.

## Membership

### **Dr. C. (Kick) van der Pol (1949)**

Chairman of the Supervisory Board  
Member of the Selection, Appointment & Remuneration Committee

Kick van der Pol is the Chairman of the Board of Directors of Ortec Finance, Chairman of the Board of the Federation of Dutch Pension Funds and Chairman of the Advisory Board of Syntrus Achmea, a pension administrator. He is also a member of the Bank Council of DNB and a member of the Board of the Confederation of Netherlands Industry and Employers (VNO-NCW). In the past, Kick served as Vice-Chairman of the Executive Board of Eureko/Achmea and as Chairman of the Executive Board of Interpolis.

First appointed on: 15 December 2008, current term of office: 15 June 2010-15 June 2014.

### **Ir. A.P. (Annet) Aris (1958)**

Chair of the Selection, Appointment & Remuneration Committee

Annet Aris had a 17-year career at McKinsey as a management consultant, nine years of which she served as a partner. She serves as a supervisory director at several Dutch and foreign enterprises and institutions, including at Finnish-based Sanoma Group and German-based Kabel Deutschland AG, Jungheinrich AG, Tomorrow Focus AG and Hansa Heemann AG. Annet is an adjunct professor of strategy at INSEAD international business school (Fontainebleau, France).

First appointed on: 7 December 2010, current term of office: 7 December 2010-7 December 2014.

### **Drs. C.H. (Cor) van den Bos (1952)**

Chair of the Audit & Risk Committee

Cor van den Bos was on the Executive Board of SNS REAAL N.V. until August 2008; in this position, he was responsible for all insurance operations. He is the Chairman of the Supervisory Board of CED, a claims-processing manager, and of Noordwijkse Woningstichting, a housing corporation. Cor also sits on the Supervisory Boards of NIBE-SVV, a knowledge institute and publisher for the Dutch banking, insurance and investment industry, and Trust Hoevelaken. He is also a Non-Executive Member of the Board at investment firm Kardan.

First appointed on: 15 December 2008, current term of office: 15 June 2011-15 June 2015.



## Meetings

The Supervisory Board met with the Executive Board 11 times. Six meetings were scheduled as regular meetings and five were ad-hoc meetings to discuss specific issues related to a.s.r.'s future privatization.

The Supervisory Board also held periodic work planning meetings. Both the Audit & Risk Committee and the Selection, Appointment & Remuneration Committee met

six times in 2013. Every member also attended a regular consultative meeting with the Works Council.

## Continuing Education

Three CE sessions were organized for the members of the Supervisory Board in 2013. These sessions addressed developments in consumer behaviour, developments in rules and regulations, and value management respectively.

### **Drs. M.A. (Margot) Scheltema (1954)**

Member of the Audit & Risk Committee

Until 2009, Margot Scheltema served as the Finance Director of Shell Nederland B.V., prior to which she held several international management positions at Shell since 1985. She is a Supervisory Director at Triodos Bank, Schiphol Group, TNT Express, Lonza Group of Basel, Switzerland, and Warmtebedrijf Rotterdam, a heat management company. She is also member of the Supervisory Board of the Rijksmuseum. Margot serves as a council member of the Enterprise Chamber of the Amsterdam Court of Appeal and chairs the Monitoring Committee of the Code of the Pension Funds. She is also a member of the World Press Photo Supervisory Council and the treasurer of Genootschap Onze Taal, a society dedicated to the Dutch language.

First appointed on: 15 December 2008, current term of office: 15 June 2012-15 June 2016.



# New products



## Improved Voordeelpakket insurance package

The improved Voordeelpakket insurance package is a comprehensive package of non-life insurance policies, which customers can adapt, with the help of an advisor, so that the package is always appropriate to the customer's specific situation. Customers who take out more than one policy as part of the package are given a package discount. The improved Voordeelpakket insurance package was developed in collaboration with intermediaries and employees from the Non-life business, IT&C, Marketing and Sales departments.



## Annuity savings account

The annuity savings account replaces the Lijfrente opbouwrekening annuity savings account. The introduction of the new savings account has improved the annuity proposition of a.s.r.'s Banking business in this rapidly growing market. The new product is more flexible and easier to apply for, since much of the application process has been automated.

The annuity savings account offers the following benefits:

- a competitive interest rate
- compound interest (the same rate of interest on the sum deposited and on interest)
- a fully automated application and management process
- speed: the customer receives an account number within one hour
- the possibility of making extensive model calculations
- online access to account information 24 hours a day



## SOS International INFO tag

SOS International, a subsidiary of a.s.r., started to sell INFO tags (metal tags with a QR code) in April 2013. Healthcare professionals can scan the tags to gain direct access to important medical information and contact details. Users activate the tag online and enter their details. The tag can be attached to, for example, helmets or training shoes. In an emergency, healthcare professionals can scan the QR code in order to obtain all relevant information. Users can select which details are displayed.

## Online savings account

a.s.r. launched the new online savings account in order to win a larger share of the Dutch savings market. The account is easy to apply for and manage online. Rather than receiving statements, the customer is given a personal login code for a secure webpage, where the current balance, contract details, all movements and applicable interest rates can be viewed. Customers are able to put money aside and earn a fixed interest rate (deposits). No charges apply when amounts are deposited or withdrawn. The savings account is the first online product to be offered under the a.s.r. label.

## NGA

NGA (Next Generation Occupational Disability System) is De Amersfoortse's improved Group Occupational Disability Insurance product. It incorporates a new platform that insurance advisors can use to calculate premiums quickly and to apply for and manage policies. The initial responses received from intermediaries are positive:

- the process is faster
- the structure and flexibility of modular products is appealing
- the advisor is in control
- NGA is a transparent system that is easy to use.

A number of issues have been found, such as problems with tenders involving many members and/or alternatives. Such bottlenecks are being dealt with in order to find a solution as soon as possible.



## Werknemers Pensioen

The new Werknemers Pensioen (Employee Pension) got off to a flying start in 2013, even though it was not officially launched until 1 January 2014. There were many requests for tenders and the first contract was signed immediately. 80% of pension advisors were positive about the new proposition, according to a survey conducted by account managers at offices with a pension portfolio. When developing the Employee Pension, advisors were asked to provide input. The new pension product gives employers a better handle on pension charges and can be terminated at any time. It can be accessed online by employers, members and advisors 24 hours a day. In addition, there are a limited number of cost elements, and fees have been kept low. Members can opt either for asset-building in the form of investing or for guaranteed benefits.



## Extra Pensioen Uitkering

The Extra Pensioen Uitkering (Extra Pension Benefit) annuity product, designed for capital that has been built up for the purposes of an annuity and is due to be released, is a bank-based alternative to the immediate annuity. It has been specially developed for a.s.r. customers with a life insurance policy that is about to expire.

When such policies expire at a.s.r., a sum of money is released for the customer. Tens of millions of euros are released each year, but customers are not free to spend the capital they built up under the policy in any way they wish. They are required to purchase an annuity, which pays out capital on a regular basis. The Extra Pension Benefit annuity product is a bank-based alternative to the immediate annuity that a.s.r. already had on offer. In certain cases, an annuity product from a bank can prove a better deal for customers.

## BeterDichtbij health insurance

BeterDichtbij health insurance is an initiative of a.s.r. and insurer DSW in conjunction with an alliance of 42 regional hospitals, and aims to bring top-quality personal healthcare to the customer. The BeterDichtbij policy offers customers another possibility for taking out health insurance with a.s.r. in addition to the products offered by De Amersfoortse and Ditzo. Besides the basic policy, the product includes four top-up packages. The benefits for customers are as follows:

- no policy excess for five common forms of treatment at 42 hospitals
- no restrictions on choice of healthcare provider: there is no obligation to go to a hospital that is a member of the alliance
- no charge for a BeterDichtbij healthcare coach
- right to additional care following an accident (compensation capped at € 250)

# Risk management in nine steps

What do a.s.r.'s risk managers do? Chief Risk Officer (CRO) Jerphaas Campagne explains in nine easy steps what risk management entails at a.s.r.

## 1. We scan for risks

Essentially, risk management comes down to having a good overview of risks and being familiar with them. And being certain that these risks are proportionate to the returns you want to achieve, or finding ways to reduce or mitigate these risks. It is vital to ensure that you never incur more risk than you can bear. This is true for every individual, and particularly true of insurers such as a.s.r., as our business is taking on risk from third parties. a.s.r. has obligations towards these third parties, and we need to be sure that we are always able fulfil these obligations.

Our buffers and solvency need to be sufficient to fulfil these obligations and absorb the risks. During the credit crunch, we saw how things can go wrong at banks and insurers. Every time the problem was a lack of solvency: they took too many risks compared to what they could bear. a.s.r.'s management is responsible for managing risk.

The role of the Risk Management department is to ensure that a.s.r. does not take greater risks than it can bear. The department advises, reports on and checks all the risks incurred or taken by a.s.r.

## 2. We have three lines of defence

Our risk organization has three lines of defence. The first line of defence comprises the management and all employees of a.s.r. who are responsible for making decisions that could result in a risk for the organization. They are familiar with the processes at their own division and know better than anyone else where the potential risks lie and how they can be managed. This is facilitated by local risk managers. They support the business with the identification and assessment of risks and with the formulation of measures aimed at managing those risks.

For example, in the case of a non-life insurance product, the premium we need to receive in order to be able to make payments, i.e. cover costs (and also earn something on the policy), is calculated. This calculation has to be accurate and take account of the right factors to enable the risk to be covered properly. If the premium turns out to be too low, this will be detrimental to a.s.r.

My department, the Risk Management department, is responsible for second-line risk management. The department is made up of the Risk Strategy and Policy team and the Financial Risk Management team. We ensure that the total risk at the divisions is not excessive, and that the aggregate amount of risks is



‘You should never  
incur more risk than  
you can bear’

proportionate, given our solvency. As Chief Risk Officer, I am in a central position. I advise and report to the Executive Board on risk management. The third line of defence is the Audit department, which monitors whether the risk management system works properly.

### **3. We say 'Don't go too far'**

Without risk, there are no returns. However, the risks you take should never exceed what your buffers can cover. That is why risk is expressed as an amount of capital: the capital you require to fulfil your obligations. The Risk Management department provides advice on the amount of risk, and types of risks, that a.s.r. can take. a.s.r. should not take excessive risks, but it should not avoid risk to an excessive degree either. You cannot make a profit without taking risks. What matters is whether the risks you take are the right ones and are proportionate.

### **4. Risk Management is independent**

The Executive Board and management run the business, and they have to weigh up the amount and types of risk taken against the returns that are sought. In connection with this, the Executive Board decides whether, for instance, it wants to invest in new forms of distribution, or that divisions have to achieve a certain level of growth, or that investments are to be made in new systems.

The Risk Management department has an advisory role in this regard. In addition, if we believe that excessive risks have been taken at a.s.r., a safeguard exists in the form of the CRO's direct line to the Supervisory Board. The Supervisory Board monitors the policy pursued by the Executive Board. The CRO's direct line to the Supervisory Board is intended to ensure the independence of risk management at a.s.r.



### **5. We categorize risks by type**

There are financial risks and there are non-financial risks. Financial risks can be broken down into risks that can be reduced quickly (in other words, are more liquid), and other risks. The former include different kinds of investments, such as equities/shares. Shares can be sold quickly, if necessary, reducing risk. Owing to the speed with which this can be done, a.s.r. is able to take relatively more risks when it comes to assets of this kind. If you ensure that risks are sufficiently liquid and monitor them closely, you can take more risk, relatively speaking, and therefore earn more.

These risks can be contrasted with risks that cannot be reduced so quickly (and are therefore less liquid), such as property investments or mortgages. These assets cannot be sold as quickly, and so it is harder to respond to developments that have a negative impact on income from property or mortgages. However, as the returns are often better – and that is what we all want – long-term risks are still taken on. Besides financial



**‘Sometimes people think we’re very strict, particularly when things are going well’**

risks there are also non-financial risks. The risk managers at the divisions check whether the procedures related to insurance applications, for instance, have been arranged properly. Are applications entered correctly, with the right codes and the right premiums, who has been given authorization, and for what, and how are checks arranged?

Some risks are more appealing than others. Moreover, we do not assume that all risks will occur at the same time. A division that we think can achieve higher returns may be given more capital – take more risk – if it has been calculated that another division will take less risk. The integrated overview is kept by us, the central department and second line of defence. The Risk Management department provides the Executive Board with information on risks that it can use when they ultimately makes their decision.

## **6. Sometimes Risk Management is strict**

The Risk Management department helps the business to become and remain aware of the risks that exist and the choices that can be made in order to cope with those risks. The amount of risk one is prepared to take is referred to as the ‘risk appetite’. Risk appetite relates to the types of risk and proportionality as well as to the actual sum of money involved. Sometimes people think we are strict, particularly when things are going well. They wonder why we are being so difficult. But if things go wrong, we would be accused of not being strict enough.

## **7. It is impossible to avoid all risks, but...**

The Risk Management department keeps an eye on all major risks so that it can take action immediately in the event of impending losses. When choosing which risks to monitor, we consider which risks form the greatest threat to the business

plan. For example, agreements reached with customers and other stakeholders are very important in this context, and they need to be mapped out. This is done using CRSA (Control and Risk Self-Assessment). Once we have a good picture of everything, risk priorities are selected so that we know what the greatest threats to a.s.r. are, and it is clear that something has to be done about these risks.

Major risks that may exist at any insurer, and not just a.s.r., include new claims and lawsuits related to compensating policy-holders, or another financial crisis in Europe. There are some events that a.s.r. cannot rule out, but the sooner the risk is identified and the more effectively this is done, the sooner action can be taken and matters can be stopped from getting worse.

## **8. Sometimes things go wrong**

In spite of all the systems and the fact that we employ some very clever people with in-depth knowledge of risks, as I always say we can never replace common sense. But even that cannot preclude something from going wrong at some point in time. The best risk management system in the world cannot prevent unexpected events from occurring.

## **9. Risk management is everyone’s responsibility**

Prevention is better than cure. We considered the three lines of defence, and the importance of the first line – all employees – cannot be stressed enough. If an employee comes across a tender that has not been prepared properly, it is important that he or she take the initiative to correct it. Equally, if an employee discovers a suspicious situation he or she must take it seriously and if appropriate, report the incident. This is the essence of risk management: being alert to risk, and taking action when you identify a risk.



# What customers say about us



**Name** Ruud Hoeks

**Case** Operation on hand and knee

**Insurance** Ditzo

'We've been customers right from the start, and this is now the third year that we have health insurance from Ditzo. We checked out the Independer insurance comparison website before we took out our health insurance policy, and in terms of price you are doing very well. In 2013, my hand and knee were operated on, and so I had to call Ditzo a number of times, partly because I had questions about my cover and claims. I'm very happy, and I've convinced my son to choose Ditzo, too.'

**Score for service:**

'A good eight out of ten.'

**Name** R. Vos

**Case** Broken tendon

**Insurance** Occupational disability insurance from De Amersfoortse

**Score for service:**  
**'Eight out of ten, definitely.'**

'I've been a customer for years, and apart from the time when I broke both my thumbs I've had very little contact with De Amersfoortse. However, recently I tore a tendon in my arm. I'm not sure how I did it, perhaps I strained it. I'm an installer, my business is a franchise of HomeTeam in Steenwijk, and I install gas, water and electricity systems. I told De Amersfoortse through my advisor that I was unable to work anymore. Soon after, I received a call and was given assistance. The service was excellent. I've only had very positive experiences with De Amersfoortse.'



**Name** Frank van Stekelenburg

**Case** Pension for employees

**Insurance** Werknemers Pensioen from De Amersfoortse

'As an advisor, I selected the new Werknemers Pensioen as the pension for my employees, primarily because of the convenience of the digital environment. You can go online and see how your pension is doing. Moreover, the fees are low and De Amersfoortse offers excellent service. At first, my employees were rather hesitant, but once they had logged on to the portal they became very enthusiastic. The product is also clear and simple, and as an advisor I believe it is important that customers can understand products. This is most definitely the case with the Werknemers Pensioen product, thanks to all the tools that are available.'

**Score for service:**  
**'For De Amersfoortse?**  
**Nine out of ten.'**

**Name** Rinus Kempes

**Case** Hit by car on holiday

**Insurance** Travel insurance from Europeesche Verzekeringen

'When I was on holiday in Greece I rented a scooter, and wouldn't you know, I got hit by a car. It wasn't my fault, by the way. I had three broken ribs and a collapsed lung. I wasn't allowed to fly home and I spent eight days in hospital out there. My wife called our travel insurer and I was pleasantly surprised. Europeesche Verzekeringen sorted out everything very nicely, and I was very satisfied. I thought that submitting a claim to my insurer would be quite a hassle and that we wouldn't receive the money in our account for a long time. But everything was arranged, even when we had to pay for a new hotel room because I wasn't able to fly for two weeks. My advice: carry on as you are.'



**Score for service:**  
**'Top marks.**  
**Ten out of ten.'**



**Name** Rinus Manders

**Case** Death of father

**Insurance** Life insurance

'I came into contact with a.s.r. because I remembered that my father – he died a long time ago – had at some point taken out a life insurance policy for me and my sister. My sister kept on paying the premiums. When she turned 65 the policy paid out and she threw out all the papers related to the policy. Of course, she had no idea it was a double policy! After my 65th birthday, I started making some calls and ended up at a.s.r. The gentleman who helped me was extremely kind and went the extra mile for me. Even when I had no paperwork at all. A sum of around 900 euros will be transferred to me in the near future. It has all been perfectly arranged by a.s.r.'

**Score for service:**  
**'100% for everything.'**



**Name** Rob Meuter

**Case** Complex case

**Insurance** Expiring life insurance policy

**Score for service:**  
**'Ten out of ten,  
particularly because  
my expectations were  
so low.'**

'My advisor told me at quite a late stage that my life insurance policy would expire in November. That was unfortunate, because there were a number of conditions that had to be met in order for payments to be made, and satisfying them would take up a great deal of time. So at that point I called a.s.r. It was a complex case as half of the policy was based on an annuity, and so the premiums were tax-deductible. I'd deducted them on my tax return in some years, but not others. And no tax is payable on the portion of the annuity payments for which premiums had been deducted for tax purposes. Obtaining a clear picture of all the rules and conditions took some time. In addition, the Dutch Tax and Customs Administration insisted that I proved I had actually been paying premiums for 30 years. The bank was unable to provide any evidence, but a.s.r. managed to arrange this within two days. I felt that the matter was dealt with in an extremely pleasant, positive and professional manner. I do have some advice for a.s.r.: tell customers that their policy is about to expire. I would have been able to prepare all the documents, and would not have had to wait so long for payments to start.'



# IJDock, celebrating property development

In September 2013, a full 14 years after the ideas were first put forward, a.s.r. vastgoed ontwikkeling saw the completion and official opening of the IJDock project. The event was marked with a great celebration. IJDock is a unique island located in Amsterdam's IJ bay. a.s.r. has built apartments, a hotel, a marina, offices and retail units on the island, which is 1.5 times the size of a football pitch.

## Confetti

The official opening was marked by the ribbon being cut by all the partners, as a symbol of their joint efforts. In the foreground are a.s.r.'s Charles Scholten and City Counsellor Maarten van Poelgeest.





### Opened by the King

The court buildings that used to be located alongside Amsterdam's Prinsengracht have been given a prominent position in IJDock. The new court buildings were officially opened by King Willem-Alexander in early October.



### Inspiration

The IJDock marina has 50 mooring places for yachts (including motor yachts). Back in 1999, property developer Jaap Hofstede sailed across the IJ bay and was unable to find a place to dock, which inspired his initial idea for IJDock.



### Slice of cake

This is not an optical illusion. The building on the right really is shaped like a slice of cake. The corner apartment extends almost the full width of the building.



### Toasting on board

A toast was made in front of the authentic sailing ship that transported the City Counsellor to IJDock. The man in white is the harbour master.



### Almost fully occupied

A look at one of the 285 rooms at the Room Mate Aitana. This design hotel, which is part of an international chain, has been almost fully occupied since it opened.

*Photography by John Lewis Marshall, René den Engelsman, Jeroen Musch*

# Financial information

## Consolidated balance sheet

(in millions of euros)

	31 December 2013	31 December 2012 restated
Intangible assets	253	269
Deferred acquisition costs	241	271
Property, plant and equipment	97	75
Investment property	1,617	1,774
Associates and joint ventures	190	213
Investments	19,655	20,547
Investments on behalf of policyholders	8,049	8,217
Loans and receivables	8,484	7,197
Derivatives	1,054	2,201
Deferred tax assets	228	12
Reinsurance contracts	407	445
Other assets	639	718
Cash and cash equivalents	1,517	2,556
<b>TOTAL ASSETS</b>	<b>42.431</b>	<b>44.495</b>

The table is continued on the next page.





## Consolidated balance sheet - continued

(in millions of euros)

	31 December 2013	31 December 2012 restated
Share capital	100	100
Share premium reserve	962	962
Unrealized gains and losses	583	503
Actuarial gains and losses	-107	-224
Other reserves	699	504
Profit for the year	281	316
<b>Total equity attributable to shareholders</b>	<b>2,518</b>	<b>2,161</b>
Other equity instruments	515	515
<b>Equity attributable to holders of equity instruments</b>	<b>3,033</b>	<b>2,676</b>
Non-controlling interests	-18	-13
<b>Total equity</b>	<b>3,015</b>	<b>2,663</b>
Liabilities arising from insurance contracts	23,928	25,440
Liabilities arising from insurance contracts on behalf of policyholders	8,992	8,926
Employee benefits	2,426	2,548
Provisions	38	31
Borrowings	88	126
Derivatives	535	366
Deferred tax liabilities	-	-
Due to customers	1,366	1,415
Due to banks	677	1,882
Other liabilities	1,366	1,098
<b>Total liabilities</b>	<b>39,416</b>	<b>41,832</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>42,431</b>	<b>44,495</b>



## Consolidated income statement

(in millions of euros)

	2013	2012 restated
Gross premiums written	3,923	4,290
Change in provision for unearned premiums	1	92
<b>Gross insurance premiums</b>	<b>3,924</b>	<b>4,382</b>
Reinsurance premiums	-164	-162
<b>Net insurance premiums</b>	<b>3,760</b>	<b>4,220</b>
Investment income	1,484	1,518
Realized gains and losses	486	285
Fair value gains and losses	348	569
Result on investments on behalf of policyholders	783	948
Fee and commission income	45	69
Other income	205	264
Share of profit/(loss) of associates and joint ventures	14	-9
<b>Total income</b>	<b>3,365</b>	<b>3,644</b>
Insurance claims and benefits	-5,122	-5,707
Insurance claims and benefits recovered from reinsurers	110	100
<b>Net insurance claims and benefits</b>	<b>-5,012</b>	<b>-5,607</b>
Operating expenses	-547	-587
Restructuring provision expenses	-24	-30
Acquisition costs	-455	-584
Impairments	-91	-103
Interest expense	-357	-403
Other expenses	-279	-265
<b>Total expenses</b>	<b>-1,753</b>	<b>-1,972</b>
<b>Profit before tax</b>	<b>360</b>	<b>285</b>
Income tax (expense)/gain	-84	24
<b>PROFIT FOR THE YEAR</b>	<b>276</b>	<b>309</b>

The table is continued on the next page.

## Consolidated income statement - continued

(in millions of euros)

	2013	2012 restated
<b>Attributable to:</b>		
- Shareholders	248	282
- Holders of other equity instruments	44	45
- Tax on interest of other equity instruments	-11	-11
<b>Profit attributable to holders of equity instruments</b>	<b>281</b>	<b>316</b>
Attributable to non-controlling interests	-5	-7
<b>PROFIT FOR THE YEAR</b>	<b>276</b>	<b>309</b>



# Everything you need to know about funerals on one interactive website

Creating a website dedicated to all things death-related was not an obvious move, but [doodgaanendoorgaan.nl](http://doodgaanendoorgaan.nl) hit the mark. By the end of 2013, it had had 80,000 visitors, with the tool for calculating the cost of one's own funeral proving to be the most popular.



For most people in the Netherlands, funerals make for an emotionally difficult subject, that needs to be dealt with tactfully. Funeral insurers are no exception. According to Philippe Wits, director of Ardanta, this way of thinking is outdated. 'We think customers should not be made to feel scared when they take out a funeral insurance policy. Advisors should not be saying to customers that they will die, the average cost of a funeral is currently € 8,000 and will increase sharply in future, and then ask them whether they have that money at hand. At Ardanta, we want to get away from all those advertisements full of falling leaves. We do things differently, because we are different.'

Ardanta wants to accommodate the wishes and needs of the customer and not focus on the product. This means offering options and providing information on everything that happens when a death occurs, rather than focusing exclusively on the funeral. 'We need to be a guide to death and funerals. There is a great deal to say about the business

side of a funeral in particular.' Ardanta also wants to provide customers with information on the matters that need to be arranged when a death occurs. This information is available on [doodgaanendoorgaan.nl](http://doodgaanendoorgaan.nl). According to Philippe, it did not take long to decide on the contents of the website. 'We want to inform customers in advance about the whys and wherefores of funerals. What are the benefits of funeral insurance for the customer? How do they envision their own funeral? What matters do they need to sort out now? What matters have to be arranged on the day the death occurs? And how are important matters settled in the days and months following the funeral? It is not a very pleasant subject, but customers have to start talking about funerals, be provided with information and make use of the information they receive.'

The website's rapid success proved Ardanta is right. Within just a few months, the site had been clicked on by 30,000 visitors, who visited 120,000 pages in total. Within a short space of

‘We want to be there for our customers during their lifetimes as well’

time, it had received over 1,000 likes on Facebook. By the end of 2013, the website had welcomed 80,000 visitors.

According to Philippe, the website is entirely in keeping with a.s.r.’s new distribution model. ‘We offer information, an overview and handy tools, such as checklists. It is simple and down-to-earth, and prevents waste. We want to be there for our customers during their lifetimes as well. The Ardanta logo is prominently displayed, and there is a possibility for taking out funeral insurance. Consumers do not have any problem with this. That said, we do not, in principle, win new clients through a website of this kind, but that was never our intention. A total of 1.5 million households have policies with Ardanta. We believe in the hybrid model and in multi-access, in enabling customers to gain access and obtain information in a variety of ways. doodgaanendoorgaan.nl contributes towards this.’



# Awards for a.s.r.

Mention any ranking, awards or prizes in the area of sustainability, customer focus or employees, and there is a strong chance that a.s.r. is among the top performers.



## Customer focus

- Product comparison website Moneyview gave a.s.r. its top score of five stars for a number of products. These products included legal assistance insurance (in the product rating category), the a.s.r. annuity savings account (in the price category), and De Amersfoortse's Occupational Disability Insurance policies (in the flexibility category).
- The Dutch Consumers Association's test panel awarded a score of nine out of ten to a.s.r.'s passenger insurance policy, which was the highest score given to any product of its kind.
- The Dutch Consumers Association recommended taking out health insurance with Ditzo, based on premiums, coverage and applicable terms and conditions. This was done in the light of the Association's first health insurance auction.
- Customer-Oriented Insurance Quality Mark (KKV) awarded to a.s.r.
- Customer-Oriented Insurance Quality Mark retained by Ditzo, De Amersfoortse and Europeesche Verzekeringen.
- Europeesche Verzekeringen named Best Travel Insurer 2012 (announced in 2013).
- Ditzo won the Customer Centric DNA Award, the award for the most customer-focused insurer.
- Ditzo won the first place in the Preferenso Service Awards 2012 (presented in 2013).
- Helpdesk staff came fifth in the televised National CQ Test.
- SOS Internation won the IAG Innovation Award 2013 for INFO Tag.

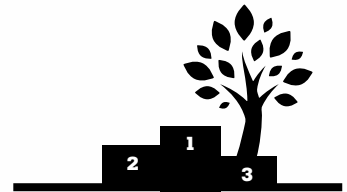


a.s.r. was named the best,  
or one of the best, insurers on  
numerous occasions in 2013



### Employees

- a.s.r. received an honourable mention in the Talent to the Top Monitoring Committee's report (as part of the initiative in which Dutch businesses commit to appointing more women to senior positions).
- a.s.r. vastgoed ontwikkeling was the most highly sought after employer in the construction sector.
- 2013 sees highest score for employee commitment since 2008.



### Sustainability

- BREEAM sustainability certificate awarded for design of renovation of Archimedeslaan 10 in Utrecht.
- a.s.r. ranked third for sustainable investment by Fair Insurance Guide.
- For the third year in a row, a.s.r. ranked third in the survey conducted by the Dutch Association of Investors for Sustainable Development (VBDO).
- a.s.r. comes third in Duurzaam Werken Awards for sustainable working practices.
- a.s.r.'s general and technical services department were number one in the Netherlands Facility Cost Index.

a.s.r.  
de nederlandse  
verzekerings  
maatschappij  
voor alle  
verzekeringen



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