

OLIVER WYMAN

Financial Services

Insurance

# Interview

**Giovanni Perissinotto**

Group Chief Executive Officer,  
Assicurazioni Generali



## biography **Giovanni Perissinotto**

### **Group CEO Assicurazioni Generali S.p.A.**

Born in 1953, he joined Assicurazioni Generali in 1980 after graduating with a degree in Economics.

He worked abroad as an investment manager at the Generali U.K. Branch, Generali Belgium and Generali U.S. Branch until 1988, when he moved to the Corporate Centre in Trieste becoming Head of Foreign Investments.

From 1993 he managed the Corporate Finance Department and in 1996 he was appointed Deputy General Manager. Two years later, he became General Manager in charge of Investments, Accounting, Tax and Investor Relations.

In 2001, he was appointed Managing Director.

In April 2010 he was appointed Group CEO.

Mr. Perissinotto holds office as Director of several companies belonging to the Generali Group as well as of Pirelli & C. and Fiat Industrial. He is also a member of the Presidential Committee of Assonime, of the Executive Committee of ANIA and of the Management Council of Federazione ABI-ANIA. He is a member of the Advisory Board of SDA Bocconi School of Management.

In October 2007, Mr. Perissinotto was conferred the honour of “Cavaliere del Lavoro”.

**Globalisation is a fashionable term these days: what does it mean in the insurance and finance industry?**

**GP** Globalisation has been a reality for many years in some areas of our business. The major risks sector is a case in point: in that area the insurer's approach can only be global because the market is highly efficient and prices are compared with every domestic and international provider. At an international level, one of our priorities is to meet client needs and deliver a service to match their expectations and requirements.

**What do you see as the most important challenges for the European and global insurance and asset management industry over the next few years? What specific challenges will Generali be facing, especially for its international growth?**

**GP** For us the most important challenges relate to regulatory issues, in other words the implementation of the new Solvency II requirements for European insurers. In second place I would put the volatility of the financial markets, and in third place the impact of relatively low interest rates. So I would say the key to success is the ability to do our job well on a technical level. In international markets, the Generali Group has built up an important presence in today's fast-growing areas. It is also a market leader in Continental Europe's mature markets, but here too I think we can target growth by identifying the areas where demand for insurance products will be greatest – I would say pension plans are a key area. In other markets, for example in very aggressive and dynamic regions like China or Russia, where the laws and regulations are very different, I believe it is important for us to join forces with a local partner in order to avoid novice mistakes and to be perceived from the start as a provider with local roots. A final rule, and one we consider to be very important, is never to lose sight of the medium/long-term view, which is a fundamental part of the work of the insurer.

**What approach should a global financial group take today? What's more important, the pursuit of synergies or speed and effectiveness to seize opportunities for growth?**

**GP** I would say both things are important to seize opportunities for growth. Efficiency in particular is an indispensable requirement in today's financial world.

**What features distinguish the Generali Group from the other major European insurance groups?**

**GP** I think the Group's distinguishing features are its large distribution capacity, its focus on the retail sector, and its attention to pensions and welfare. The Life sector accounts for about 70% of our overall business.

**Italy, Generali's home country, presents a number of important challenges for insurers: catastrophe covers, healthcare, pensions, SMEs. What's your take on these issues?**

**GP** I think many of the challenges in the Italian market can be approached through constructive synergy between the public and the private sectors. This is obvious in catastrophe covers, where insurers can establish a rate with a certain maximum exposure and well-distributed risk: but a public protection network is needed to avoid endangering solvency and capital.

As far as healthcare is concerned, this is the largest area of expenditure for Italy's regional government authorities. Here too, a reduction in public spending and a larger contribution from the private sector is likely. So, looking ahead, insurance groups like ours will play an even more important role.

Regarding pensions, the latest studies indicate that when today's young Italians retire, their pensions will be not more than 40% of their final salary. But we know that if you want to maintain your lifestyle without making too many sacrifices, you need to retire with a pension of at least a 70% of your last salary. So there is a pressing need today to bring to the market pension plans enabling young people to reach this target. It's equally clear that the earlier you start building a pension plan, the lower the initial annual premium you have to pay.

Turning finally to small and medium enterprises, Italy clearly has an under-insurance problem. The insurance industry may be partly responsible for this, especially with regard to providing businesses with adequate information. We need to be able to show all these companies – which are a cornerstone of the Italian economy – the benefits offered by insurance, particularly in an economic climate in which SMEs are more vulnerable since they have fewer financial resources to deal with unforeseen events. To overcome this specific problem, we launched a new all-round insurance advisory for SMEs

at the end of last year. This wide-ranging project is designed to strengthen Generali's commitment to this market segment, and we are organising special meetings in many Italian regions to promote it.

**One of the effects of Solvency II will be to make the risks companies underwrite, and the consequent capital requirement, more explicit. What impact, positive and negative, will this have on insurers' ability to complement public welfare systems and provide people with financial security?**

**GP** Solvency II will bring a dramatic change in the way we do business. One of the main requirements will be that our policies will have to be designed to optimise the balance between risk and profit. We shall have to keep a constant, closer watch on the way capital is used. Through appropriate asset allocation insurers will certainly be able to deliver the financial guarantees that clients require.

**How does Generali approach innovation?**

**GP** We've just set up a Group Innovation infrastructure focusing on processes as well as on products and services. Essentially, this is a worldwide network designed to promote the development of a culture of innovation and stimulating new ideas for products, processes and insurance and financial solutions in our companies in Italy and around the world. These activities provide the input for subsequent feasibility analyses and implementation of the concepts that emerge, in the form of projects that can be adapted to the various contexts in which the Generali Group works. I consider this approach essential to keep abreast of, or ideally anticipate, change on the markets, among clients and in regulations.

## A CEO's Experience – “Building a Leadership Career”

**The “war of talent” is a challenge for every company, financial or otherwise: what sort of talents is Generali targeting for its managers of the future?**

**GP** The search for talent is fundamental in a people business like ours. We offer a clear career path to all of our employees and encourage a meritocratic working environment to allow all employees to reach their full potential. We look for employees with strong credentials and international experience and we prefer candidates who have worked in the field, at operational level, before moving into management. The reason is that entrepreneurial attitudes must always be a priority for Generali Group employees. We don't want a bureaucratic approach to take precedence.

**Being the CEO of a major group is a difficult job: what are the things you find most exciting every day?**

**GP** For me one of the most exciting things is watching new initiatives develop within the Group and the satisfaction of seeing how we respond constructively to challenges and difficulties. You only have to look at how Generali has grown during the current crisis, the most severe since 1929.

**What advice would you give youngsters aiming for a managerial career in the insurance and asset management field? To focus on technical expertise or on leadership and managerial skills?**

**GP** I think you have to start with solid technical skills. After that, you build managerial competences step by step, through an internal career path. Generali has of course always been regarded as an excellent management and career school.

**Every job has “specialties” people don't know much about; what are the most unusual insurance covers Generali offers?**

**GP** I would like to think every risk can be insured, it's simply a question of price!

# OLIVER WYMAN

For more information please contact the marketing department by email at [info-FS@oliverwyman.com](mailto:info-FS@oliverwyman.com) or by phone at one of the following locations:

EMEA

+44 20 7333 8333

North America

+1 212 541 8100

Asia Pacific

+65 6510 9700