



TOGETHER WE ARE STRONGER

2012 Annual Report



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Season highlights



→ **GUILLAUME SARKOZY**

CHIEF EXECUTIVE OFFICER OF THE MALAKOFF MÉDÉRIC GROUP
AND PRESIDENT OF THE BOARD OF DIRECTORS OF QUATREM

In view of the announced expansion of supplementary health insurance to all employees, I feel it is important to highlight that Malakoff Médéric's development strategy is centred on "broker" distributed insurance, as well as direct distribution. Future regulatory changes are expected to create greater business opportunities with respect to group and individual insurance. One of QUATREM's key strengths lies in the possibility it has of drawing on the group's resources and benefiting from its commercial and financial assets, its continuous innovations in products and services, as well as its image and reputation. By making its assets available to QUATREM, Malakoff Médéric is demonstrating its desire to build, in collaboration with QUATREM, a unique new cross-functional model for brokers by positioning itself as a "bridge" between the insurer and the distributor. This model combines two areas of expertise: technical knowledge with respect to underwriting, delegated management and management, on the one hand, and brokerage knowledge, on the other.

In pursuing its growth objective and positioning itself as one of the leaders in broker-distributed insurance, QUATREM has the full support of Malakoff Médéric. The rollout within the group of a new organisational structure promoting synergies has enabled QUATREM to successfully integrate this new model. Malakoff Médéric's strong position, reputation, brand, and capacity for innovation are some of the resources that QUATREM can leverage to make a difference. After a year of excellent results, in 2013 QUATREM can consolidate these benefits and continue to develop within the Malakoff Médéric group and according to our shared vision: "Together we are stronger".


→ YANN CHARRON

CHIEF OPERATING OFFICER OF THE MALAKOFF MÉDÉRIC GROUP
AND VICE PRESIDENT OF QUATREM

2012 was a good year for QUATREM with net new business coming in at more than double our projections. This result confirms our strategy, as well as our new organisational model. In 2012, the Malakoff Médéric group strengthened its ties with its brokerage-dedicated subsidiary with the rollout of a new operating model designed to leverage synergies. By reconciling our fields of expertise, this model enables us to better assist distributors. QUATREM's teams are also able to achieve operational efficiency through more complementary and cross-functional working practices. QUATREM met its ambitious objectives in terms of investments. The new services and risk management products implemented by the Group and rolled out by QUATREM also met with great success among brokers. As a result, QUATREM is keen to embark on further development projects. I believe there are few companies capable of posting such strong results in so little time following a change in organisation, especially given the challenging environment. These solid results provide another reason for continuing to take the lead and maybe even sooner than planned.


→ ALAIN QUIBEUF

MEMBER OF MALAKOFF MÉDÉRIC GROUP'S EXECUTIVE COMMITTEE
AND GENERAL MANAGER OF QUATREM

QUATREM delivered a remarkable performance with new business of more than €156 million in 2012. Premiums were down 0.8% to €1,129.5 million as a result of a loss of net new business in 2011. However, net income increased from €4.5 million to €20.5 million, paving the way for the company's successful financial and technical consolidation following a year afflicted by the economic crisis and unstable financial markets. By working closely with the teams of the Malakoff Médéric group, we have endeavoured to address the specific needs of each type of insurance broker. We concentrated on dedicating more time to sales activities in order to strengthen our positioning with respect to sales teams at brokerage firms and agencies. We also increased our teams outside of Paris in Lyon, Lille, Toulouse and Bordeaux. In an effort to help distributors manage changes in legislation, QUATREM helps them with sensitive issues, such as objectively defining employee categories. Our new range of products, which includes Qualiopée Santé for brokers and Santer for MMA tied agents, also provides a tailored solution to the planned expansion of supplementary health cover for all employees. More than ever, QUATREM wants to play an active role in meeting the challenges of 2013 and will continue to strengthen its relationships with insurance brokers while keeping up its efforts to improve efficiency and innovation.

QUATREM, an entity governed by the French Insurance Code and a wholly-owned subsidiary of the jointly-managed and mutualist non-profit group Malakoff Médéric, is specialised in providing insurance through brokers in the areas of supplementary health insurance, life and disability insurance and supplementary pensions.

QUATREM works with more than 3,000 distributors. Its two main commercial channels are brokers, the dominant means of distribution on this market, and MMA tied agents.

Relations with MMA (QUATREM's founding shareholder until 2010) have been maintained within the framework of a new sales agreement. A range of other network partnerships make an additional contribution to QUATREM's development. In order to assist its customers abroad, QUATREM relies on two networks: the International Group Program (IGP) and the ING Global Network.

MALAKOFF MÉDÉRIC IN 2012

Combined key figures – Personal insurance

RECURRING PREMIUMS	SHAREHOLDERS' EQUITY – INSURANCE	TECHNICAL RESERVES
€3.3 BILLION	€3.6 BILLION	€14.7 BILLION
SOLVENCY MARGIN	EMPLOYEES	PORTFOLIO OF POLICYHOLDERS
€4.9 BILLION	5,700	3.7 MILLION EMPLOYEES AND 1.2 MILLION INDIVIDUALS

QUATREM IN 2012

QUATREM'S INCORPORATION

2000

RANKING

5TH

largest employee
benefits company
in France

3RD

largest player
in corporate life
and disability insurance

PREMIUMS

€1,129.5 MILLION

POLICYHOLDERS

2.12 MILLION

EMPLOYEES

523

PORTFOLIO OF COMPANIES

54,800

SHAREHOLDER

WHOLLY-OWNED

by Malakoff Médéric
(since 2010)







A team player

At QUATREM, the expression “a human-sized company” has real meaning. We believe that community, local service and openness form the cornerstone of customer satisfaction.

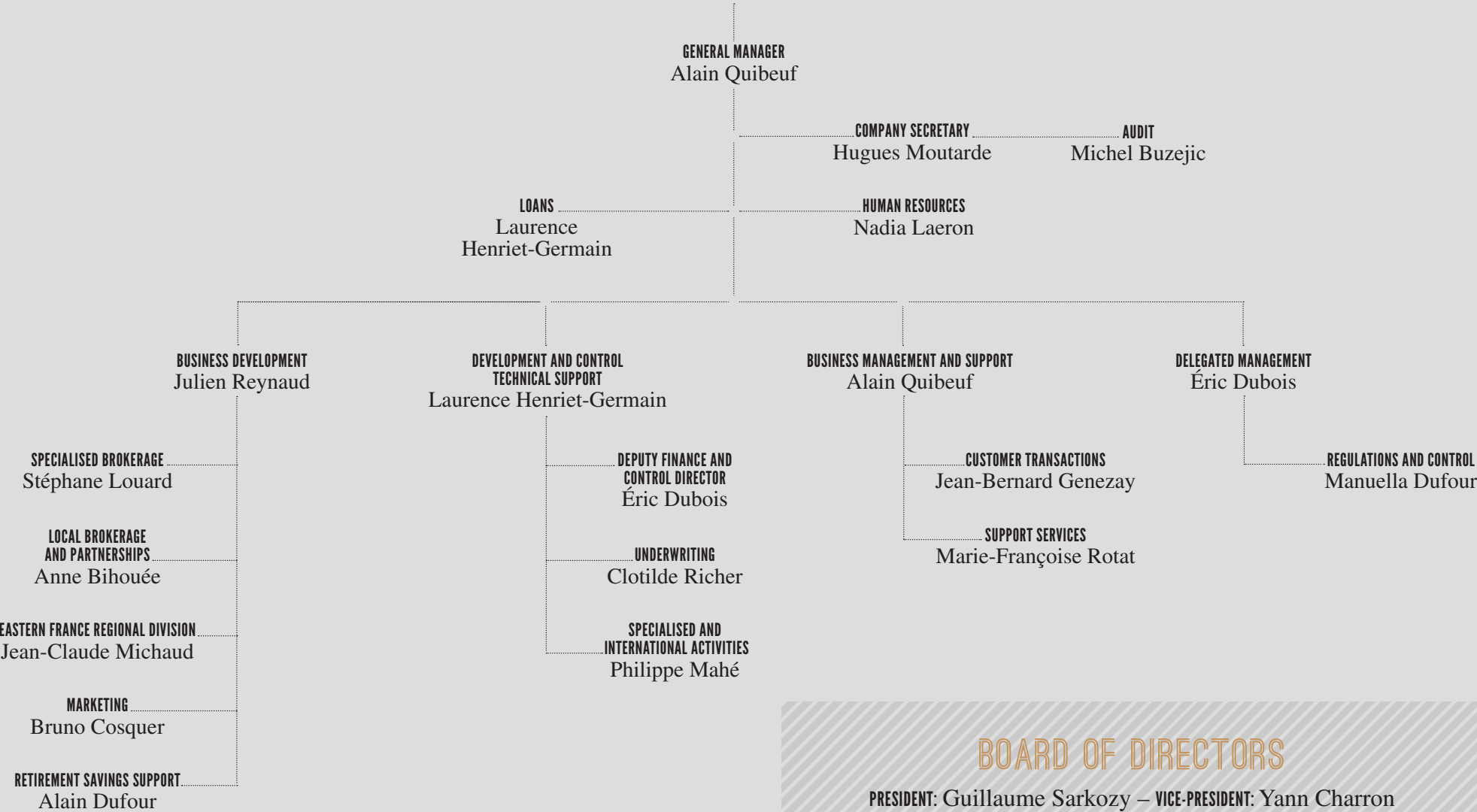
A new game plan

SPECIALISED TEAMS

In 2012, QUATREM and Malakoff Médéric reorganised their joint activities. QUATREM is backed by the financial weight of one of France's leading jointly-managed groups and the company now benefits from Malakoff Médéric's innovative products and service offering. Teams have been organised to generate synergies, ensuring ever more coordination and consistency. This new operating method is designed to further improve customer service.

OPERATIONAL MANAGEMENT TEAM

At 26 June 2013



BOARD OF DIRECTORS

PRESIDENT: Guillaume Sarkozy – **VICE-PRESIDENT:** Yann Charron
Dominique Trébuchet, Hugues du Jeu, Pierre Nuyts, Olivier Sentis,
Alain Quibeuf (**GENERAL MANAGER**)

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2012 scores

A PROMISING BUSINESS CAMPAIGN IN 2012

In 2011, QUATREM set out an ambitious five-year growth strategy. Success has already been achieved, with the company exceeding its targets. The company's health, life and disability insurance business outperformed its €82 million target, generating €108 million in revenue. The pension savings business generated €49 million in revenue, surpassing the initial €33 million target. Despite the difficult economic climate, net income for the business climbed from €4.5 million to €20.5 million. Premiums edged down 0.8% to €1,129.5 million as a result of lost business in 2011. In 2013, premiums will benefit from revenue generated in 2012.

Sound financial position

Thanks to its rigorous management, its structurally positive cash flows and its financial consolidation with Malakoff Médéric, QUATREM has a sound financial position. Its €625.5 million in shareholders' equity coupled with a prudent provisions policy for risks on both the liabilities side (technical reserves, equalisation reserves, policyholder surplus reserves) and the assets side (impairment provisions) represent additional safeguards.

Certified quality approach

One of the drivers of QUATREM's strategy is facilitating distributors' work with quality. At the end of 2008, QUATREM embarked on the ISO 9001 certification process and in March 2010 the company successfully passed its first review concerning the processing of standard new business in health, life and disability and pensions. In 2011, the scope of the certification process was broadened to cover standard endorsements. In 2012, directly-managed benefits – loans, pensions, life, and disability insurance for corporate and regional and local authorities – were also certified. In addition, QUATREM successfully passed its recertification review that covered the entire certified scope. On 20 April 2013, QUATREM celebrated its third year of certification.

PREMIUMS

€1,129.5 MILLION

SHAREHOLDERS' EQUITY

€625.5 MILLION

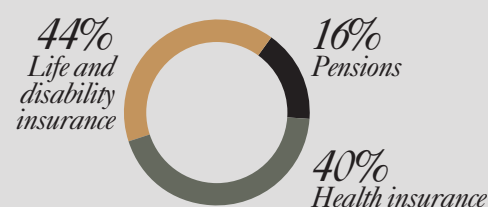
ASSETS REPRESENTING TECHNICAL RESERVES

€6.142 BILLION

REGULATORY SOLVENCY MARGIN

304%

BREAKDOWN OF 2012 PREMIUMS BY ACTIVITY



DISTRIBUTORS

3,000

QUATREM'S COMMITMENT CHARTER

At the close of its first quality plan, QUATREM circulated a charter to all of its distributors. It comprises four commitments relating to key deadlines for its partners and for their corporate customers:

- the issue of standard contracts for life, disability, healthcare and pension products within 15 days*;
- the processing of tailor-made proposals for life, disability, healthcare and pension products within 15 days*;
- the processing of benefits applications (death benefits, temporary disability benefits, retirement benefits, supplementary capital) within 15 days*;
- lastly, immediate handling of calls by QUATREM's customer service team or within 48 hours if the matter requires expert consultation.

* Following receipt by QUATREM of the completed application.



A winning strategy

We believe that an innovative strategy is essential in the current economic climate, so we are encouraging our teams to cultivate an entrepreneurial, curious and dynamic mindset. We enjoy being a market innovator!



An all-rounder

MEETING THE DIVERSE NEEDS OF ALL CUSTOMERS

QUATREM's insurance offering is suited to all companies, whatever their size, industrial or business activity, or geographical area in France or abroad. The company offers two large product categories: (i) standard products, adaptable to each company's business profile and (ii) tailor-made products designed to meet customers' particular specifications and specific requirements in formal calls for tender.

A complete range

LIFE, DISABILITY AND HEALTH:

- Death benefits
- Educational annuities
- Widow(er) annuities
- Temporary disability benefits
- Long-term disability annuities
- Corporate supplementary health insurance
- Keyman insurance
- Loan insurance
- Health, life and disability insurance for self-employed managers

PENSION PLANS:

- Coverage of mandatory retirement liabilities: termination benefits
- Defined benefit pension plans
- Defined contribution pension plans (unit-linked and non-unit linked)
- Mixed defined benefit/defined contribution plans to meet certain company profiles
- Early retirement plans
- Self-employed manager plans

Supplementary health insurance for all employees

In 2012, QUATREM prepared for the rollout of two new supplementary healthcare products: Qualiopée Santé for brokers and Santem for MMA tied agents. With Qualiopée Santé and Santem, businesses can set up a collective healthcare agreement for all employees who then have the possibility to add to their healthcare cover by subscribing, on an individual basis, to supplementary plans suited to their needs. By using risk management levers, Qualiopée Santé and Santem enable businesses to both provide employee healthcare insurance and control their employee benefits budget. Qualiopée Santé and Santem were also designed to take into account the wide range of healthcare costs and more frequent surcharges in large cities.

In addition to these new products, QUATREM had updated its dedicated brokers website, Comtoo². These new products, which were launched in spring 2013, combine healthcare insurance, healthcare budget management and employee satisfaction. This is also QUATREM's first offering that integrates

the Malakoff Médéric group's risk management techniques.

Group pension plans: a new-generation defined contribution plan

QUATREM is offering brokers a new group savings product called the "New generation multisupport defined contribution plan". This new multimanager product acts as both an employee benefits and a customised individual savings plan which allows individual, optional payments. It is intended for all types of business and all saver profiles as it offers companies the choice of three financial categories: *sécurité* (for employees seeking security), *confort* (managed on the employees' behalf) and *patrimonial* (self-managed by employees).

Managing risk with Malakoff Médéric's innovative services

As a subsidiary of the Malakoff Médéric group, QUATREM is increasingly deriving the benefits of the group's innovative service offering. With improved risk management, these services bring real added value to policyholders

and to brokers and agents, who can advise their customers on these products.

Kalivia's network of opticians and hearing-aid specialists was created in partnership with Harmonie Mutuelle and with the direct payment system Viamédis (a Malakoff Médéric group subsidiary). This network is now open to QUATREM's partner brokers. Kalivia is the largest network of opticians in France with more than 4,200 registered professionals. It proposes discounted prices on more than 300,000 lens and contact lens products that are on average 40% cheaper than the average market price. Similarly, the network of 1,350 hearing aid specialists is based on service quality and moderate pricing.

Safeguarding the health of employees and managers

Brokers can offer their manager or senior executive customers a medical check-up to screen for cardiovascular diseases, and a personalised fitness or weight-loss programme. If a broker identifies a customer that could benefit from this offer, he or she contacts a superior who puts the company in touch with QUATREM's dedicated partners: Abcos Santé, Montaigne Santé and Sportonus. QUATREM was granted an *Argus d'or*, an award for the French insurance sector, for this new service offering.



In addition, QUATREM is offering a new healthcare assistance plan in partnership with Auxia Assistance. This offer includes benefits in the event of planned hospitalisation, serious illness or long-term care (support for carers). In collaboration with Réhalto, QUATREM offers measures for the prevention of sick leave: the Business Assistance Programme and the reintegration and return to health and to work health service.



MALAKOFF MÉDÉRIC'S OCCUPATIONAL HEALTH DIAGNOSTIC TOOLS

Two occupational health diagnostic tools designed by Malakoff Médéric and its partner JLO Conseil are available to QUATREM's partner brokers:

- the occupational health and well-being barometer (MMS), a turnkey self-assessment tool that generates comprehensive occupational health statistics which it compares to the sector average using anonymous data collected by Malakoff Médéric over more than three years;
- a personalised health review, which provides companies with a detailed overview of employee health in a company as well as recommendations for monitoring risks and acting on any contributing factors: work organisation, schedules, health and safety.



Established techniques

We play a key role in society in protecting people throughout the course of their lives. To achieve this, we are committed to training our teams to ensure they are kept up to date on the latest regulations.

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Dream Team

THE BRIDGE BETWEEN INSURER AND DISTRIBUTOR

QUATREM counts on a veritable partnership and long-term, trust-based relationship between brokers and agents and their customers for the sale of its products. The past ten years have seen QUATREM establish itself as a leading player focused on providing solutions tailored to companies' needs and helping distributors manage regulatory changes.

A stronger business development plan

QUATREM enters into tailor-made partnership and performance agreements with its distributors and has consolidated its business relations in Paris and elsewhere in France. Larger teams are now available to brokers with a dedicated contact person, sales staff and technical sales staff in direct contact with account managers. QUATREM is gradually broadening its presence on the largest regional brokerage markets by expanding its teams in Lyon and opening offices in Lille and Toulouse. In 2013, QUATREM recruited around ten managers.

An improved website to facilitate the work of brokers

Following two years of development, Comtoo², the new version of QUATREM's dedicated brokers website, was officially launched in 2011 and meets QUATREM's objective of facilitating its partners' daily work. Since 14 December 2011, brokers have been able to view a summary and breakdown of their commission and the management fees they have been paid. Brokers can view amounts in total by practice, in aggregate, by sector (health, life, disability and pensions) or contract-by-contract, with details of contributions, premium receipt numbers and payment dates. In 2012, the developments made to Comtoo² mainly concerned the optimisation of sales support functions, remote direct editing of standard agreements, as well as ways of viewing the breakdown of contracts.

Objective employee categories: assisting distributors

As of 12 January 2012, a decree relating to the collective and mandatory aspect of employee benefits

insurance sets out five criteria that define an "objective" employee category, with a view to employers benefiting from a social security exemption with respect to their funding. The decree also includes provisions relating to the "mandatory" aspect of group insurance systems and others relating to the "uniform" aspect of their funding. Company plans implemented before this date must be brought into compliance with this decree by 31 December 2013. All of the departments at QUATREM are concerned by these developments and are keen to facilitate the

work of the company's distributors and their business customers. Starting in spring 2012, QUATREM has rolled out a comprehensive system to help brokers and agents win new business and inform them of the business opportunities related to the new conditions for exemptions, leading businesses to expand health-care cover to all employees. In 2013, an interactive guide will be posted on Comtoo². In addition to presenting practical guides, FAQs and other informative material, the website directs distributors through procedures and automates their processes.

CUSTOMER-FOCUSED SERVICE

A customer service team is available to answer telephone queries from companies, QUATREM policyholders and distributors regarding contracts. This seven-strong dedicated team is available at 0 811 744 444 (France only), Monday to Thursday from 9 a.m. to 6 p.m. and Friday from 9 a.m. to 4 p.m., to answer queries on contract management, contributions and benefits. If a query cannot be answered immediately it is passed on to a management services expert and a response is guaranteed within 48 hours.



www.quatrem.fr



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Entity governed by the French Insurance Code
French *société anonyme* (corporation) with
capital of €380,426,249
Registered with the Trade and Companies
Registry of Paris under number 412.367.724 –
VG 1494 (08/13)

