

**GLOBAL RECOVERY
MANAGEMENT MODEL**

	<i>Area/Body</i>	<i>Date</i>
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GLOBAL CLAIM MANAGEMENT MODEL

I. INTRODUCTION

The **Corporate Operations Area (COA)**, within the scope of its competences, has defined a Specific Model to manage recovery case files. This document sets out the key pillars of this Model. The Claims Operating Model is the reference for all those aspects that have not been considered in the Specific Recovery Model, or as a source of interpretation for any questions that may arise.

This **Global Model** affects and is the responsibility of each and every one of the people who form part of the Benefits Areas. They must therefore be committed to achieving the objectives pursued.

The model will be put into practice through the elaboration of the different processes, procedures and operations that establish the best way to carry out this objective, in accordance with the legislation in force in each country and, therefore, complying with the legal requirements that affect our service.

The **Corporate Operations Area (COA)** also defines and promotes all the initiatives directed at meeting the proposed objectives, providing the necessary documentation and training to ensure this.

The different Regional and Local Management Operations Teams maintain high standards of professionalism, commitment, responsibility and team work. By doing so, they help ensure that claims are managed correctly, which is the best guarantee of progress.

II. COMPETENCES

The COA has a global scope of action and responsibilities for the processes related to claims and benefits case file management. This spans from the client's notification of the incident to the financial settlement of the claim or benefit. This competence extends transversally to all processes that come into play while handling a claim.

III. GENERAL PRINCIPLES

The Specific Recovery Model, as part of the Claims Operating Model, is composed of a set of globally applicable general principles that define the orientation of the management model.

Technical rigor

Given the significance of claims management to the financial results of the Company, it must be undertaken with the utmost technical rigor by all personnel involved in the process. This technical rigor takes the form of:

- The correct application of the conditions (special and general), as the contractual basis of the relationship with the client.
- Strict compliance with all applicable laws and regulations when handling each claim.
- The scrupulous application of the procedures, protocols, technical rules, etc. defined by MAPFRE, which will generate a positive effect on:
 - i. Cost control. The correct application of the valuation criteria, limits, insured sums, deductibles, etc. will result in effective control of costs.
 - ii. Cost control in case files. The implementation of agreements reached with service providers or other providers, and control over the correct implementation of such agreements, will facilitate the correct estimation and subsequent payment of costs.
 - iii. Accurate valuation of case files. Helps avoid deviations from the reserves posted for the case files.
 - iv. Recovering amounts via recovery proceedings and salvage processes. We must undertake all actions needed from the start of the claim to recover any amounts already paid out by MAPFRE.
 - v. Fraud detection. To help prevent payment of any undue indemnification.
- Control and supervision. Ensuring that all the above points are applied, follow-ups, analyses, audits and any other actions will be carried out to ensure technical rigor in the services provided.

Operational efficiency

The aim is to balance objectives with respect to costs in order to achieve cost optimization, both from an operational point of view in claims management and in terms of process efficiency.

This efficiency will be achieved through the optimization of tasks, the elimination of those that do not add value, and the clearing away of bottlenecks and loops that slow down or paralyze the process. The automation of all tasks that can be automated will be sought, though always checking the return on investment needed to automate the task.

Risk control and internal control

The detection and analysis of any potential risks generated in the Recovery management processes will allow for the definition of measures to be adopted in order to eliminate or mitigate such risks.

Innovation and Continuous Improvement

The departments that are part of the Operations Areas shall be subjected to the principle of continuous improvement, seeking excellence in service and maximum efficiency in processing. To do so, they will rely on innovative projects and actions in order to incorporate into the process any improvements that help attain the objectives.

Continuous improvement should be understood as a work philosophy that permeates all actions, tasks and projects that are executed in the area.

Corporate Social Responsibility (Economic, Environmental and Social Sustainability)

MAPFRE's Corporate Social Responsibility Policy is defined as a reference framework applicable to all companies and countries.

The Benefits and Providers Areas must work together on implementing these principles, most notably on the following:

- Compliance with national and international laws and regulations in force in all the countries where the Group operates and adopting

supplementary international standards and guidelines where there is no adequate or sufficient legal implementation.

- Conservation and promotion of the environment, in accordance with the Group's environmental policy.
- Clients—including potential clients—and insured persons are the cornerstone of the business. Therefore, MAPFRE assumes the following commitments:
 - i. Provide honest advice and complete information.
 - ii. Provide an accessible and quality service within the agreed period, monitoring clients' experience through surveys that measure their satisfaction and by other means and systems that allow for active and permanent listening to the client in all processes and operations in which the client deals with the company.
 - iii. Maintain due confidentiality in the processing of client data.
 - iv. Manage and resolve complaints in the shortest time possible.
 - v. Maintain adequate and efficient communication channels using the most suitable means.

IV. SCOPE

The scope of action where the Specific Recovery Model is to be implemented focuses on:

- ✓ Countries with **insurance** businesses.
- ✓ Initially limited to the **Claims and Benefits Areas**, but also in **coordination** with the **Providers Area** at those points in the process where responsibilities may supplement one another or there is interconnection with their own processes or activities.

V. OBJECTIVE

Develop a Specific Recovery Model that, based on the Claims Operating Model, delves into the management of Recovery case files with the objective of increasing the amount recovered, through the design of efficient processes that increase productivity and reduce possible impacts on the company's economic and financial control.

VI. STRUCTURE AND MODELS

The Specific Corporate Model defined by MAPFRE for the management of Recovery case files is the benchmark against which to compare the different local models.

The implementation of the uniform CORPORATE management model will bring about the standardization of processes, methodologies, structures and functions, with use of the model for the deployment of solutions in the COA line, the regional operations management and the operations management of the country.

In order to ensure the attainment of the objectives and scope established in this global model, the COA, through the Issuing, Benefits and Providers Management Team, will be responsible for executing the corresponding plans, work and projects. The COA reasonably and adequately assures the necessary independence of the work and the information generated.

VII. FUNCTIONS

In order to carry out its objective, the functions of the Claims Operating Model will be developed, while adapting as necessary to the management of Recovery case files:

1. Establish the most suitable processes for management of recoveries in compliance with the general principles identified in section III of this document.
2. Design the most suitable structures, identifying the profiles of the participants and their functions
 - Devise the most efficient structure to provide the Management Operations Teams with the necessary capacity to manage claims, determining the figures involved in the process to be more effective and efficient.
 - Design of effective organizational models that promote the selection of resources on the basis of qualified profiles for the functions defined.

- Establish the relationship model between the different participants. During the mapping of the process and its phases, interrelations between the participants will be defined by means of the identification of execution tasks and deadlines.
 - Prepare training plans. Designing continuous training models, including the identification of the functions per job position and the training needs of human resources in accordance with those defined in the Claims Operating Model.
3. Identify and comply with the General Regulations and Rules in order to materialize them in the procedures of minimum mandatory implementation.
The procedures (standard and local unit/region specific) and the operational procedures necessary for their implementation in business processes will be defined.
4. Monitor each region/country's claims management results through the development of dashboards that incorporate the most relevant KPIs in this area, with monitoring indicators, design of objectives for each job position, etc.
In order to facilitate decision-making for claims management and process improvement, a series of indicators have been defined from different perspectives and with different objectives, and their information can be broken down by their respective dimensions.

These dashboards will make it possible to measure, on the one hand the benefits of the structure and technology implemented through the project and, on the other, the degree of commitment of each local unit to the objectives set.
5. Define and implement a model of Internal Operating Control
This model will include the identification of operational risks and will establish an action plan that implements measures to correct or minimize any risks.
6. Establish a relationship model between COA, region and country
The COA will collaborate in the implementation of the Specific Recovery Model together with the Regional Management Operations Teams and will monitor the progress of each of the regions/countries through the preparation of a corporate dashboard.

VIII. COMPONENTS OF THE GLOBAL MEASUREMENT SYSTEM

As a key baseline for the consolidation of the model, the main indicators related to recovery case file management will be monitored at least monthly.

Irrespective of the measurement at the corporate level, each region, local unit and country can define the necessary dashboards to supplement the information related to the management of claims and benefits. To do so, the COA will provide a list of the most relevant KPIs in this area, which are intended to be an open model to be supplemented with the peculiarities of each country/local unit.

IX. APPROVAL, ENTRY INTO FORCE AND SUBSEQUENT REVISIONS

This MAPFRE Global Recovery Management Model was approved by the Executive Committee of MAPFRE S.A. on **XXXX xx, 2020**, on which date it entered into force.

The policy will be reviewed once a year and may be amended at any time, subject to approval by the Executive Committee of MAPFRE S.A., in order to adapt it to any significant change that affects any of its contents.

The necessary adaptations will be made to ensure compliance with local regulations, where necessary.