

PUBLIC INFORMATION ON STRATEGIES IN SPANISH INSURANCE COMPANIES

Dr. Clara I. Muñoz Colomina (econ203@sis.ucm.es)
Dr. Adolfo Millán Aguilar (amillan@ccee.ucm.es)
Dr. Javier Sevillano Martin (jsevillano@ccee.ucm.es)
University Complutense de Madrid.

Key words: financial Information, strategies, insurance companies.

ABSTRACT

In the current economic environment the demand of financial information of the companies by social agents is every time bigger. When it is demanded to this information a predictive value to support the decisions of their users it begins to be excellent the necessity to diffuse the strategic line of the entities, that, until the moment, they make through their annual reports, unique information that is made public to third persons.

This aspect has been verified with a sample of companies in the insurance Spanish sector, without any doubt one of the most significant for importance and size. With the information there contained, we have been able to define which are the main strategic lines of this sector.

Postal Address: Clara I. Muñoz Colomina. Universidad Complutense de Madrid. Facultad de CC.EE.
Campus de Somosaguas s/n. 28223 Madrid (Spain).

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1. INTRODUCTION

One of the critics that have been carried out to the Spanish entities is the scarce relevant information that they offer on their strategy or future perspectives

Before this posture, we have tried of to deepen by means of the realization of a study, referred to a concrete sector that allows us to contrast the following hypotheses:

Hypothesis 1: the Spanish companies offer scarce relevant information on their strategies. In this sense we understand that the information to offer should be better to the one shown at the moment, unless we consider difficulties in offering it.

Hypothesis 2: the Spanish local companies offer less information that multinational companies. In this case, it becomes necessary to compare among entities of the same sector and to verify if the size or the territoriality are really excellent circumstances, like we consider this way.

Hypothesis 3: The insurance sector constitutes an example of that expressed previously and the information that we obtain is excellent and it can become extensive to the rest of the economy.

Why has been chosen this sector? Three are the reasons that justify it:

- i. Without any doubt is one of the main sectors in Spanish economy.
- ii. It is a sector that, traditionally conservative in managerial culture, it is beginning to assume the necessities of important reforms to enter in a competitive market. Mainly because the entrance of multinationals have bought important companies of the sector.
- iii. This sector, in Spain has had fame of opaque and not very transparent. We consider that transparency should be a fundamental requirement since it negotiates significant volumes of resources with transcendental social implications, economic and great dynamism at the present time to the thread of its important shares movements. Surely, this circumstance has made our study more attractive.

The field work has consisted on the revision of a series of annual reports of representative companies of the insurance sector with the following objectives:

- ⇒ To verify the degree directly of diffusion of the strategy by means of their annual reports, only document of well-known public diffusion.
- ⇒ To settle down if differences exist among the information that the multinational companies and the Spanish present.
- ⇒ To settle down with the available information in this reports, a prototype of strategy or give the basic strategic line of the insurance sector that will be ordered according to the four perspectives included in the Balance Scorecard of Kaplan and Norton. These groups have been chosen because they allow to evaluate if the managers have a long term vision and if some objectives have been marked from a focus of global organization important to know in order to reach the success. Using the tangible property (economic and financial means) as the intangibles (human resources, organizational and managerial culture,...) (Navas y Guerras, 1998).

The strategic information is an information that traditionally has not been included in financial statements of the Spanish companies harming the function of utility, basic component in any pattern of financial information. In these moments has been detected some basic problems to this information as the lack of accounting representation of the intangibles, the necessity of international homogenization of the accounting statements (Cañibano 1999: 42) or explicit comments to the dexterity of the companies to make reality the principle of going concern (López Combarros 1998). These limitations to solve although they are important they are not the only ones, as shown in the multiple proposals of modification outlined in recent publications like the Jenkins Report (AICPA, 1994).

If the last purpose of the accounting information it is to satisfy the utility function of users, it is necessary that it is enlarged the relative elements to the past and present of the economic entity (segmented information, cash flow statement, etc.) but these data are insufficient if wants to fully satisfy the characteristic of relevance. The relevance implies capacity to predict and elevates the quality of the information since it facilitates that the users can increase the probability to carry out estimates or forecasts correctly.

Although the capacity is recognized of the historical information to serve as base to predictions, lacks can be appreciated in the current accounting information on the future perspectives of the entity. For example, if the user acts as an investors, the basic objective is the expectations of future and no the present.

The “Jenkins Report ” outlines a series of recommendations among which we want to highlight the following one: to satisfy the changing necessities of the users, the reports of the companies should provide more data about projects, opportunities, risks and uncertainties; should be centered in those factors that increase long-time value and to include financial measurements of results and reached objectives; and to improve the external information by the publication of documents used internally for the management of the company.

In fact, in Spain there are still many companies that only publish the minimal information that legislation impose (all the medians and small and even some big ones). On the other hand, the big companies (those that trade on the stock exchange) give a bigger volume of information that is made public through the Stock Market and that it is

directed mainly to the analysts, so is clearly insufficient according to the environment previously exposed.

In this sense, strategy is what the investor wants and he needs to know to make his decisions in the future. For that reason the society demands, more every time, information on the strategic plans and waits that the generated expectations to the users of accounting information about the viability of the company are endorsed by the opinion of the auditor regarding the annual budget, approved by the board of administration and executives of the company, the special programs with a temporary horizon among 2 and 5 years and the general plans that include projects of investments with a superior horizon of 5 years (Marques, 1999). Our opinion coincides with C. Mallo (1998) when affirms that for medium and high size companies compete in a globalized world and highly competitive and that they are forced to dominate their environment and their future, should have few difficulties to present provisional accounting statements based on the strategic plan approved by the company.

2. CONCEPT AND DIFFUSION OF STRATEGY

In a competitive market and in environment of international companies that they need to plan their future to survive, the managers of the companies debit have to design and execute some strategies that mark the line of performance with those they hope to obtain future earnings.

Practice of management in a more complex and competitive environment has characterized focus of the strategy in different senses. If we consider different works, as Martinez (1994, 62-63) we would like to consider Ansoff's opinion (1965) as he focus strategy as a group or rules and principles to be consider in future decisions in the company. This model, knows as the lineal model, considers that has to solve problems related about company business, and define rules in order to guide synergy between the company and its environment.

The opinion of Porter (1980: 3) because it considers that the strategy is a combination between opportunities and risks of the environment and the capacities of the company to exploit them. This model, denominated "adaptativo" considers that "the essence of the competitive strategy is the relationship between the company and its environment." And finally, the focus given by Peters and Waterman, (1984:320) for who the strategy is prospective behaviors in order to produce favourable results: "any organization, to survive and to be successful, should have a solid managerial culture. in which to base their strategic performances"

Anyway all the definitions of strategy have always in common the concepts of plan, averages, pattern, position, and perspective (the five P's). Mintzberg (1987) gathers these five characteristics and AECA (1999, 28) picks up them as:

- ✦ Plan: consciously certain course of action to approach a specific situation.
- ✦ Averages: manoeuvres to win the departure to the competitor or competitor.
- ✦ Pattern: consistency in the behavior, intentional or not.
- ✦ Position: the form by an organization is related with its competitive environment.
- ✦ Perspective: the form managers see themselves and the world around them.

With the objective to integrate them in an own definition, AECA (1999b:27) adopts an eclectic posture when identifies "the concept of accounting strategy like a pattern of behavior in a certain period of time" "This behavior implies a way of using resources according to some specific capacities, starting from the conditions of a competitive environment and to reach a group of objective and goals."

With regard to the topic of the diffusion and just as we affirm in the introduction we believe that the information on the strategies should be disclosed inside public financial information. This statement takes us to think about and to give answer to two questions:

- ✓ What degree of diffusion should be given to the strategies?.
- ✓ What method of diffusion can be the most appropriate?

Regarding the first question, in the measure that the strategies contain an objective and plans about how to reach them, in Spain two opposed managerial attitudes exist:

- ⇒ An active attitude based on the philosophy of that the diffusion of the strategic line is a necessary factor so that economic units could value appropriately the entity, therefore it will be positive and it will improve its image and expectations.
- ⇒ A closed attitude in which is considered the line and strategic objectives as an information of internal and limited use, whose diffusion should decrease the most possible thing to avoid that could be known by competitors and can counteract its effect. This attitude is very frequent in the small and medium company. They have the fear of that the diffusion of its strategies it will harm them in front of big size companies, without thinking that in an economic environment where only exists the alternatives of to grow or to disappear, it is positive that other companies can know their projects of investment, growth, its bets for quality, etc. since it can imply better negotiations in operations of alliances, future coalitions, mergers, etc.

In our opinion, in the current context of wide diffusion of information, with some specialized media and very attentive to the most minimal news, some avoid investors give information, and some very volatile markets before any rumour, it is very difficult to keep the strategy secretly because in the moment that is necessary to carry out some movement linked with third persons, it will be news and, therefore, public. Only those punctual operations in those that participate a very reduced group of people will be able to stay with the opportune discretion. The solution is maybe in an intermediate attitude. It seems logical that the development of the strategy, or the aspects of detail, have internal character to avoid the derivative problems of its copy or being counteracted by the competition, but the diffusion of its basic line, to know which is its vocation and its managerial objectives, believes that it is of interest to transmit to the economic units the profile and projection of the entity and that has positive effects in any company

To answer the second outlined question - to establish the channel of diffusion of the main line of the strategy, and in relation to the information that publish the companies in Spain, it is necessary to remember that the only legal duty of to diffuse some content of the strategic line of a society is the one contemplated in the article 202.2 of the Law of Anonymous Societies (LSA) relative to the content of the manager's report when says "... it will inform equally on, the foregone evolution of that (the society) ", sufficiently wide and ambiguous writing as for not saying anything excellent. In fact the reports that habitually can be observed of the entities, and concretely in insurance companies present diverse forms and contents, difficultly comparable to each other.

Another different thing is to outline if the legislation should force of some form to the diffusion of the strategic line of the company. The authors of this work understand that this should be one of the purposes of the manager's report, or at least, it sought to be on the part of the legislator when it incorporated the previous paragraph: "the foregone evolution of that" (the society), so that truly makes honour to its name. Especially in entities where the knowledge of the future plans of the entity is practically indispensable. We refer, concretely, to the companies that trade on the stock exchange. In the measure that the small investor should take his decisions with the published information, he will act as a protective element of his investments. We also refer to the financial entities and insurance companies where not is only negotiated the shareholders'

money but also the one of the clients and these should know what readiness and use will give to the same one.

In the practice, it is not known if in a voluntary or involuntary form, or more for image than for true vocation of transparency, the companies diffuse more or less every year messages deep on their basic strategic line through the annual report. That is to say, they take advantage of this basic document to formalize their communication with the group of the economic units. In definitive, this report that is not a legally an obligatory document, and that it began as a way to guide the shareholders on the association aspects of interest has become the instrument to diffuse to the society the economic situation of the entity.

The annual report that Spanish companies publish usually consists of two different parts :

- An exhibition of the activities of the society during the year that can coincide with the obligatory report according to the LSA, the map of the company, letter of the president or to the shareholders and any association aspect that it has been considered relevant.
 - Annual Statements (balance, profit and loss accounts, and annex), individual and consolidated (if it proceeds), economic information of subsidiaries, and the auditor's report
- The authors understand that the annual report can be the appropriate document to include, together with annual statements and the economic present of the entity, some principal lines on the future strategy of the entity more or less developed.

A third question is if the companies have understood what the economic units claim and they have begun to act in this direction. The answer to this question is affirmative because, at the present time, the exhibition of the activities of the companies in the reports it is more and more extensive and there is a growing sensibility to enlarge its content, what can be proven observing its volume, with a gradual tendency to be every time bigger and to inform of several topics. In this sense the authors present a work done with this purpose in the insurance sector and can affirm that, in these moments, by reading and interpretation of the annual reports published by the insurance entities, it is possible to extract the main line of its administration and, in its group, to be able to establish the general strategies.

3. FIELD WORK

The field work has consisted on the revision of a series of annual reports of representative companies of the insurance sector with the following objectives:

- ⇒ To verify the degree of diffusion of the strategy by means of their annual reports, only document of diffusion publishes.
- ⇒ To settle down with the content of this reports, a prototype of the basic strategic line that develops the insurance sector in these moments, contained by the areas: financial / shareholders, clients, systems and human resources.

The study has been carried out containing the companies according to the geographical environment of performance:

- t) The multinational environment. There is been selecting to the companies that figure in the annex for their volume of business.
- b) The entities of a national environment. In this case the selection approaches have been discretionary to get a representation of diverse tendencies of the sector. The selected companies figure in the annex:

The banking-assurances companies have been excluded for their excessive linking to the internal objectives of the banks they belong to.

Procedure followed in the work:

1°.- Reading and revision of the exhibition of activities and managers' report of each one of the annual reports.

2°.- Selection and extraction of its main lines.

As general comments to the development of the work we can highlight the following ones:

- ✓ The main aspect that differentiates the notes between the multinational groups and the local entities is that the first ones dedicate a section to the strategy, in which they mark its main line of performance. The second ones reflect more operative and dispersed aspects along the text. All of this allows us to affirm that the multinational company is perfectly identified with the necessity of diffusion of the strategy, and local entities, however, are more concerned for immediate questions and although one cannot affirm flatly for lack of information, doesn't have a precise definition and it sums up of their strategic objectives.
- ✓ Frequently the strategies of national companies are extracted more than of their explicit exhibition, reading the activities that they have carried out or even on their objective as entity that is picked up in the letter to the shareholders. The information is not very homogeneous in the presentation although is possible to extract a series of managerial objective. The most important difficulties found in this sense and the adopted solutions have been the following ones:
 - ✓
 - ⇒ Comments on the strategic line are dispersed inside the text of the activities of the exercise what has forced us to their grouping and homogenisation.
 - ⇒ Only a relative sentence appears to the strategic objectives in the letter of the president, what has forced to its breakdown in its different parts.
 - ⇒ In certain occasions it is not exposed a line or explicit strategic line, but they can be deduced in function of the developed activities mainly when studying two followed years. For example: it is not spoken explicitly of growth or increase of quota of market but in those two years they have been acquired and absorbed a certain number of small companies.
 - ⇒ It has been detected that some strategic line is tied to a surface area of the company, mainly those referred to innovations or about product commercialisation, as they need a strong systems support.

On the other hand in the study it has been observed that there are two types of information:

- ✓ The performance plans that mark the actions companies are following or will follow in the future
- ✓ The strategic line understood as the general objectives to get by means of the previous performance plans. In some cases these objectives are clear and defined, mainly in the multinationals. In other the performances are deduced of the entity actions.

4. RESULTS OF THE WORK

STRATEGIES OF THE MULTINATIONAL GROUPS

Multinational groups present annual reports that pick up fundamental strategic objectives, perfectly defined for the organization, and that are: vocation of world leadership, creation of value and adaptation to the necessities of the victims. At the same time, are derived other more concrete objectives that are direct or indirectly picked up in the annual reports and that can be grouped in function of the mentioned perspectives that are object of concern for the current managers of the companies.

Perspective FINANCIAL/SHAREHOLDERS.

In multinational groups are calculated three objectives of financial economic character - perfectly clear and defined:

- Creation of value for the shareholder, translated in a percentage of increment of the price of the share.
- Yield for the small marked shareholder as a percentage of dividend about the accounting benefit or as an increment of the benefit.
- Yield of the utilized resources picked up as a percentage of economic profitability (ROE).

These companies express two additional objectives:

1.- Their will of world or local leadership, in segments, etc., what takes implicit a maximum growth. To get this leadership they outline the following line of performance:

- ✓ To develop a politics of purchases of companies with some limitations. For example: to limit the group of investments (3% of the residual net income), for acquisitions that they carry out in countries with previous installation.
- ✓ To intrude and to grow in the emergent markets as the Asian southeast that is considered with a great future potential, Europe of the East, or Latin America, with vocation to win important quotas of market and to be numbers one in this countries.

2.- To evolve toward the consideration of agent of patrimonies without losing the perspective of the insurance activity. In this line they outline the following scheme of action:

- ✓ Politics of alliances with other companies to supplement the activities and to look for synergy mainly with bank entities and agents of patrimonies.

By way of summary the main results are synthesized in the following table n° 1¹:

¹ At the end of the paper, symbols used for every company are explained

STRATEGIC CONCEPTS	2000	1999	1998
Creation of value for the shareholder, by means of increment of the price of the share.	AE, AX, GEN,	AE, AL, AX, GEN,	AE, AL, AX,
Increase of the benefit	AE, AX,	AE, AL, AX,	AE, AL, AX,
Yield of the utilized resources picked up as a percentage of economic profitability (ROE).	AE, AX, MAF,	AE, AL, AX,	AE, AL, AX,
Vocation of world leadership, or at grade of segment or in a concrete geographical area	MAF,	AE, AL, GEN,	AL, GEN,
Evolution of the business so that besides an insurance company, will become to an agent of patrimonies	AL, GEN,	AL, GEN, MAF,	AL, GEN,

Perspective of CUSTOMERS. From this focus are highlight the following objectives:

- Increase market position with new channels for sale, as the electronic commerce in Europe, logically adapted to the specific necessities of each country.
- Increase sales on line of products with high profitability like life and health.
- To satisfy the necessities of the customers personalizing the products that are offered.

STRATEGIC CONCEPTS	2000	1999	1998
The development of Electronic commerce in Europe.	AE, AL, AX, GEN, MAF	AE, AL, AX, GEN, MAF	
To increase the sales in products of high profitability like life y/o health.		AE, AL	AE, AL
.Satisfaction of the necessities of the customers.	AE, AL, AX, GEN, MAF	AE, AL, AX, GEN, MAF	AE, AL, AX, GEN, MAF

From the perspective of the Systems and processes, the observed common objectives are:

- Design of adapted products to concrete interests of the clients. In the case of companies the products should be developed according to their requirements.
- Technological development including the transfer of technology to subsidiary companies, mainly in the case of recent acquisitions and technological alliances.
- Develop of technological systems to foment the initiatives of sales like electronic commerce.
- Organization changes as: decentralization of decisions to be adapted to the concrete situation of each country; politicians of coalitions of companies that compete in the same markets in order to applying a line of common performance and to avoid divergent situations or competition among them.

STRATEGIC CONCEPTS	2000	1999	1998
Technological development.	AE, AX, GEN, MAF	AE, GEN	MAF
Electronic support for Internet commerce	AE, AL, AX, GEN, MAF	AE, AL, AX, GEN, MAF	
Reorganization (or decentralization of decisions)	AE, GEN	AE, GEN	AE,

Perspective of PERSONAL. Respect to human resources, we have found these common actions:

- To develop plans of formation to improve the professional qualification of the employees of the entity and their adaptation to any circumstance.
- To foment the plans of formation for agents.
- To incentive the retribution in stock options for directives.

STRATEGIC CONCEPTS	2000	1999	1998
Develop plans of internal formation for employees.	AX, MAF,	AX	MAF,
Selection and formation of agents	MAF		MAF
Stock options for directives	AL	AL	

STRATEGIES OF THE NATIONAL COMPANIES

After the analysis of the Spanish entities information (depending on multinationals or not) the basic point to highlight is that they present two particular characteristics: they don't describe the big strategic line accurately but ambiguous and generalist aspects, and, in second place, in their information they include details that present a lot of interest to know the most operative objectives or the schemes of action of the entities.

As for the strategic objectives found we want to highlight that they are quite similar to the three mentioned for multinational companies: to increase the value for the shareholder, entity focus to customer attention, and vocation of leadership.

As nowadays several companies are in processes of coalition, for example those belonging the group Generali or Allianz, a fourth objective are necessary to add to reflect growth through the interest to culminate the processes of coalition.

From the FINANCIAL/SHAREHOLDER perspective, the Spanish companies leave implicit a message to increase the value for the shareholder but this is not materialized in a explicit form, neither they point out which is the level they want to reach in each exercise. On the other hand measures are pointed out to reach the following strategic objectives:

- Vocation of leadership or politics of growth of the business proposing the following schemes of action: acquisition of smaller companies; alliances with financial entities, when the company doesn't have shares in common with some of them, to get a new distribution channel or an access to new geographical markets; or expansion of offices.
- Only one company considers relevant to maintain an assets administration policy.

STRATEGIC CONCEPTS	2000	1999	1998
Leadership politics or growth of the business volume	AD, CA, C/O, IS. PE	AD, CA, C/O, IS. PE	AD,CA, IS, PE.
Importance of assets administration	PE	PE	PE

From the perspective of CUSTOMERS, the managers of national companies are concern for aspects like:

- To develop the sale through the electronic commerce.
 - ✓ To increase customer fidelity improving the quality offered. In this sense, they take decisions like to improve the administration in connection with the collection of receipts for bank domiciliation; to create phone centers of attention to customers (call center); to

offer an attention and personalized rates; or to offer important allowances to good drivers in the case of the insurance of automobiles.

- To put into practice measures of marketing for the promotion of the company with two line of orientations: promotion and support for sale of the products of the entity, development of the corporate image.
- To adapt the offer of the products to necessities of the clients and to new opportunities of business. The undertaken measures presents two focuses: it improves the existent products and it offers new products or new lines of business.
- To select clients taking preventive measure like for example: to cancel wallets in deficit fields, more rigorous control of the subscription: bigger revision of risks, study of antecedent, etc.

STRATEGIC CONCEPTS	2000	1999	1998
Measures of quality in the administration. They look for to improve the quality and the fidelity in the relationship with the customer	C/O, PE	C/O, PE	AD, C/O, PE
Marketing for the promotion of the company	AD, IT IS, PE	AD, IT IS, PE	AD, IT IS, PE
Adaptation of the offer of the products to cover the necessities of the clients and new opportunities of business.	AD, CA, C/O, IS, PE	AD, CA, C/O, IS, PE	AD, C/O, IS, PE.
Selection of customers like preventive measure	PE	PE	PE

From the perspective of SYSTEMS and PROCESSES: has been detected the following common points:

- Control and adjustment of the accidents in certain fields. The situation at this time for the entities it is worried for the high technical losses no compensated by the financial yields as happened at the first of the nineties. The proposed action is: diffusion and application of specific medical relations in the case of health; fights against the fraud in the catastrophes; increase of the speed of procedure of the catastrophes mainly by means of transactional agreements; increase of prices to adapt the rate to actual cost of accidents by products.
- Integration of processes and administrative functions to improve the quality of the customer service and reduction of cost. As schemes of action they highlight: centers for accidents procedures national or territorial according to dimension of the entities; centralization of the systems of emission of policies; reorganization of the commercial net.
- Expansion of communications using the last innovations in this type of technology. As action highlights: the alliances with important communication companies in order to get an important technological development.
- To reach an important computer development at all the levels of the entity: computerization of the products; improving and management and operational systems; installation of integrated systems like SAP/R 3. Establish a personal rate requiers an important computer support.
- To get high quality administration. Some companies are implied in the necessary processes to reach the ISO 9002 certification.

STRATEGIC CONCEPTS	2000	1999	1998
Integration of processes and administrative functions to improve customer attention	CA, ES, PE	CA, ES, PE	ES, PE
Integration of administrative processes and functions to reduce cost.	ES	ES	ES
Expansion of communications using the last innovations in this type of technology.	AD, CA	AD, CA	
Control of the accidents in certain fields.	AD, CA, C/O, ES; PE	AD, CA, C/O, ES; PE	AD, CA, C/O, ES; PE

Lastly from the perspective of PERSONAL in the Spanish insurance entities two big line exist of performance:

- I Develop of the nets of agents. These, although legally they are not part of the personnel of the entity, their narrow dependence, mainly in the case of the affections or exclusively, implies that they should be considered, in the practice, as members of the personnel of the entity. The relevant actions taken are:
 - ✓ To create nets of specialized agents and to foment full time personnel through three ways: Processes of selection with previous practice, courses of formation and installation of the opportune computer support so that they can assume functions of emission in the case of simple risks.
 - ✓ Design of nets of agents specialized by big line of products: life, industrial, etc.
- Plans of formation for all the levels and areas of the companies highlighting: the formation for administratives; the formation of the experts and appraisers of damages; and the formation for the whole insole in order to be adapted to new entity systems.
- Reorganization of the personnel of the entity with: Integration of processes originating readjustments and displacements and renovations of insole with descent of the age average.

STRATEGIC CONCEPTS	2000	1999	1998
Develop of the nets of agents.	C/O, ES	C/O, ES	C/O, ES
Plans of formation for all the levels and areas of the companies	CA, C/O, ES, PE	CA, C/O, ES, PE	CA, C/O, ES, PE
Reorganization of the personnel	CA, ES	CA, ES	CA, ES

Observations

After the exhaustive reading of the annual reports we would like to mention two excellent observations in the national entities:

- ⇒ No has been found references to strategic lines about investments business, except in one case. There have only been a series of relative data about management during the exercise: profitability, volume of active negotiated, portfolio composition, etc., as well as index to certain punctual operation of building management, usually acquisitions of significant buildings.
- ⇒ No exists references to international expansion.

5. CONCLUSIONS

The dynamism of the economy forces companies to maintain some strategic line of performance without which they are condemned to failure.

In current situation of fluency of information and markets pending of the expectations it becomes necessary the diffusion of the rules of the strategy so that they serve as a decision

factor although it is necessary to fix some limits in its depth to avoid that it is counteracted by the competition.

The manager's report it is the most suitable road to diffuse the strategic line.

Annual reports of the insurance entities publish, in the part corresponding to their exhibition of activities, some information where we can extract the main strategic lines

However, we can affirm that the information presented is generally insufficient since it doesn't cover the minimum requirements that define the concept of strategy like it has been defined by the main accounting organizations .

Analysis of the strategies allows to affirm that these are common in the group of the insurance sector. This sector has been shown as clearly representative of an economically excellent group and for tradition conservative in management.

Difference exists in the form to present the information between the multinational groups and the local companies.

Multinational companies define and diffuse their main line with absolute precision and clarity. The local entities inform of more operative aspects, in some very ambiguous cases (growth, accidents improve, etc.) and in other very punctual ones (i.e.: adquisition of a company, etc.).

Still when we understand that the work shows important limitations, since the sample size should be increased, we believe it valid our initial hypotheses that, without any doubt, should become extensive by means of the analysis of new sectors and markets. This is the work that we intend to develop with posteriority.

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ANNEX

Multinational companies selected:

Group Aegon. (AE)

Group Allianz. (AL)

Group AXA. (AX)

Group Generali. (GEN)

Mapfre mutuality. (MAP)

(Mapfre has been added to be the only Spanish company with multinational vocation.)

National companies:

Adeslas (AD). To be a company specialized in a line of business it sums up: sanitary attendance.

Caser (CA) : to be an entity with different activities, in insurance and financial sector

Catalana/Occidente (C/O). To be an entity with an important volume of business that maintains their independence and autonomy of administration.

Estrella (ES). To be an entity controlled by a multinational: Generali.

Pelayo PE): Mutual very specialized in automobiles, although is expanding to other business.

When selecting the sample of entities the annual reports they have been used of the 1998, available 1999 and 2000 in the INESE (Spanish institution for insurance) and in the library of the Mapfre Foundation Studies. Both in Madrid.