



- FAMILY BUSINESS AND CORPORATE GOVERNANCE



CORPORATE GOVERNANCE FOR INSURANCE FIRMS

Guillermo Cruz PhD.



“THE ART OF INSPIRING, PROTECTING
AND INCREASING THE COMPANY VALUE”

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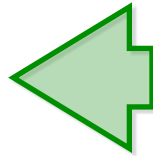


Benefits – Corporate Needs

Corporate Governance: Program of business practices implemented with the feedback and oversight of the board to protect and increase the value of the company, Practices necessary to facilitate:

- ▶ **Trust and Confidence**
- ▶ **Security**
- ▶ **Growth**
- ▶ **Strong administration**
- ▶ **Priorities alignment**
- ▶ **Clear definition of ethic, principles, policies and rules**
- ▶ **Adequate shareholders relation**

Audit Functions



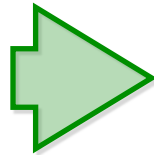
Methodology to protect and increase corporate value

BOARD OPERATION Aggregated Value

- Internal Control System
- Risk Management
- Regulatory and Tax Compliance
- Financial Risks and Statements
- Analysis of Relevant and Unusual Transactions
- Compliance Follow up of Stockholders and Board Agreements
- System of Suggestions, complaints and denunciation
- Internal Audit and Process of Quality and Performance Improvements
- External Audit

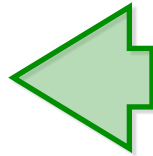
Role of the Board of Directors for Oversight of
Principle-based Reserves
(SOLVENCY II)

**Risk Oversight
Responsibilities**



- **RECEIVE AND REVIEW THE REPORTS**
- **CERTIFICATION OF INTERNAL CONTROL AND COMPTROLLER**
- **PROMOTE INFRASTRUCTURE IN PLACE - PROCEDURES**
- **DISCUSSION, AGREEMENTS AND COMMITMENTS BY BOARD**
- **SENIOR MANAGEMENT SHOULD FACILITATE THE BOARD OVERSIGHT**
- **QUALIFIED ACTUARIES, CERTIFIED THE CALCULATION**
- **SUFICIENT CORPORATE RISK EVALUATION: SOLVENCY RISK, INVESTMENT RISK, PRODUCT PRICING RISKS, PROVISION OF RESERVE FUNDS RISK, INTEREST RATE RISK AND OTHERS**
- **MITIGATION PLAN OF ACTIONS (CORRECTIVE AND IMPROVEMENTS MEASSURES)**
- **ASSURE ADEQUATE REPORTING TO AUTHORITIES**

Enterprise Practices Functions

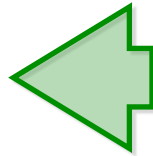


Methodology to protect and increase corporate value

BOARD OPERATION Aggregated Value

- **Estrategic Plann**
- **Policies and Budget**
- **CEO Report and Follow up**
- **Key Performance and Performance Indicators**
- **Relevant Executives Nomination**
- **Relevant Executives Performance Evaluation and Compensation**
- **Corporate Governance Model Implementation and Evaluation**
- **Management and Policies to treat Conflict of Interest and Related Parties transactions**
- **Social Responsibility Program**

**Business
Opportunities
Responsibilities**

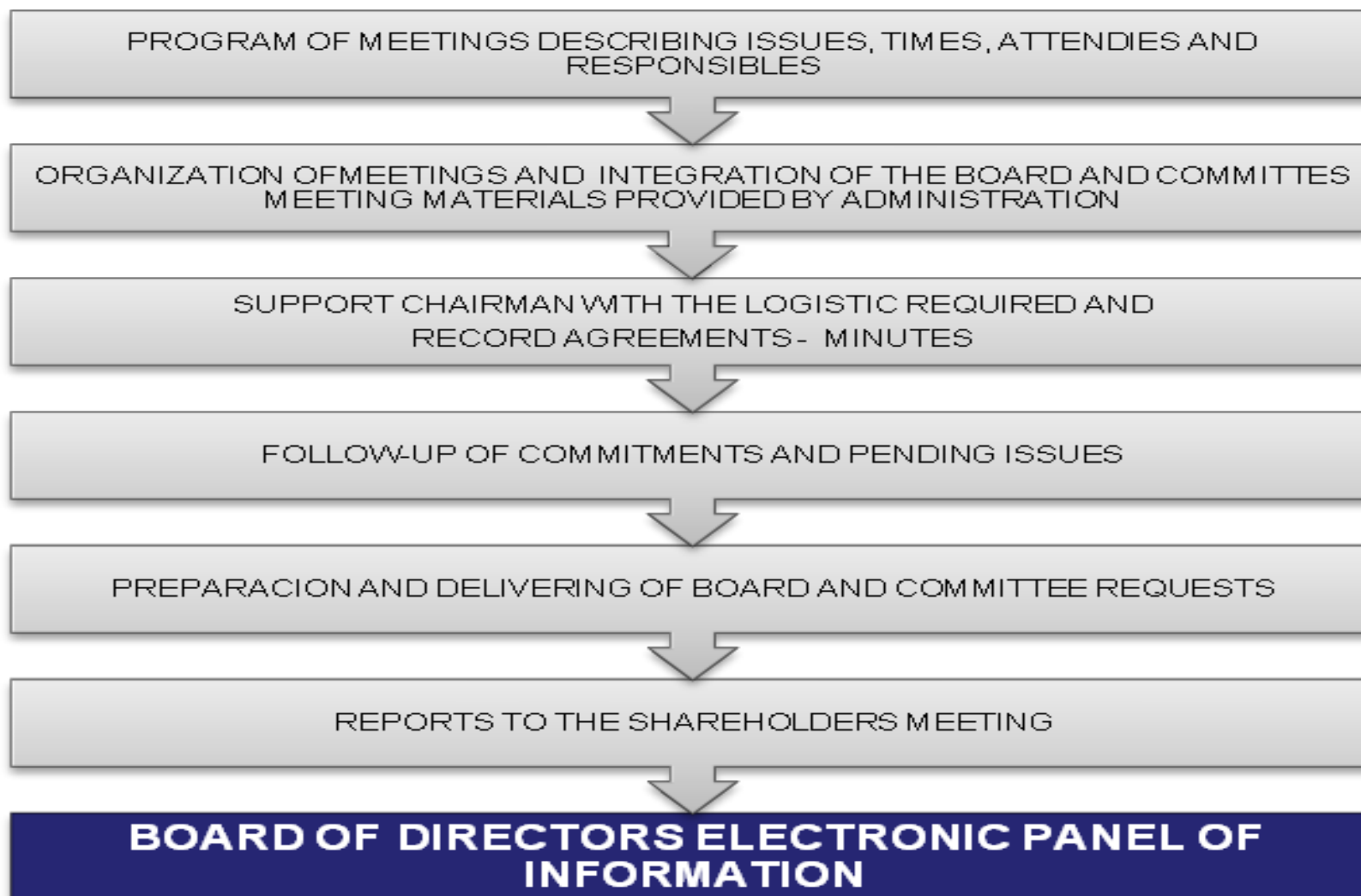


Methodology to protect and increase corporate value

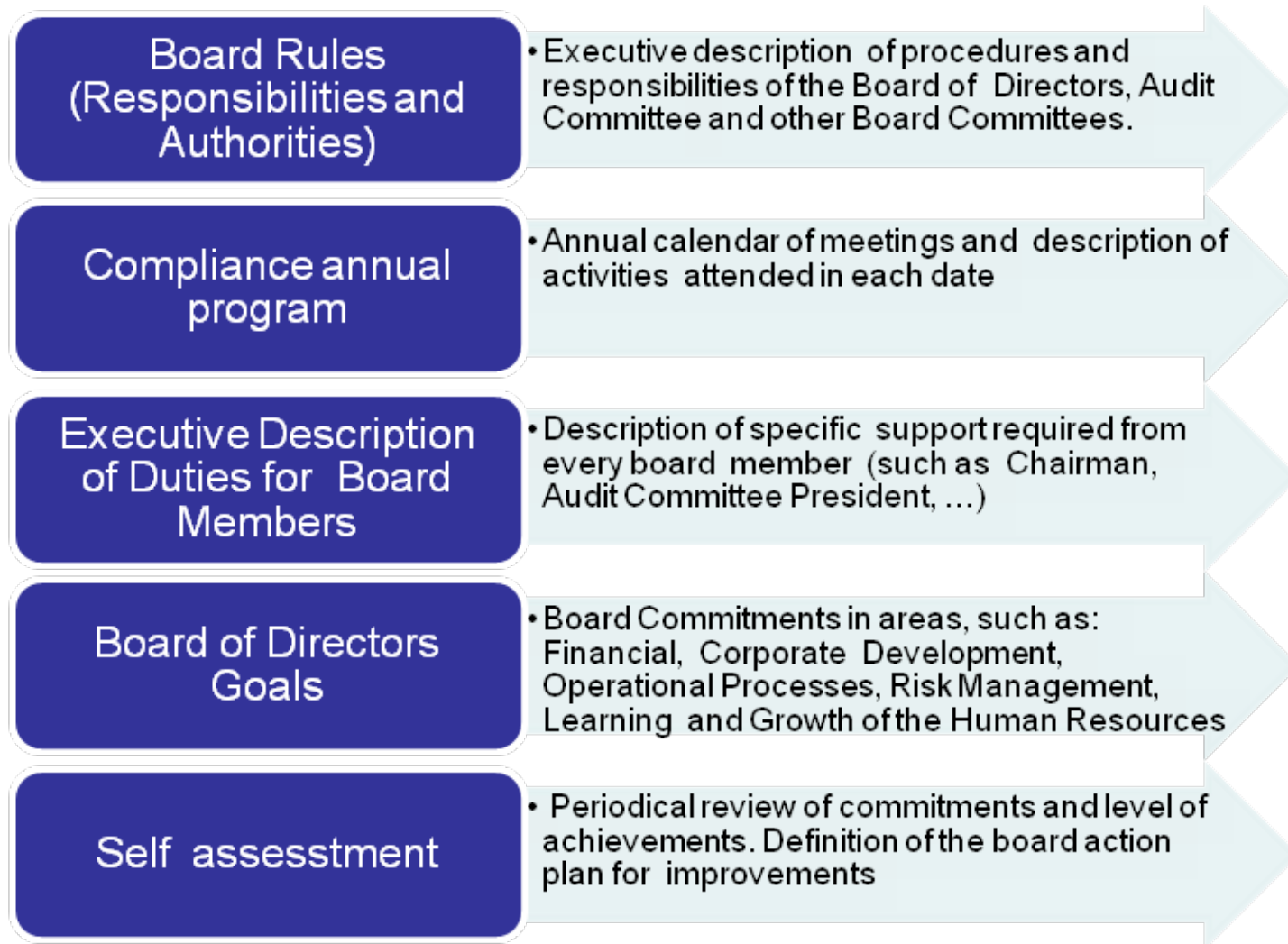
BOARD OPERATION
Aggregated Value

- **INCOME INCREASE OPPORTUNITIES**
- **PROFIT MARGIN OPPORTUNITIES**
- **PRODUCT PORTAFOLIO**
- **CUSTOMER SERVICE**
- **COMPETITIVE ADVANTAGES**
- **COMPETITORS**
- **PRICES**
- **ALLIANCES**
- **NEW BUSINESS OPPORTUNITIES**
- **CORPORATE CULTURE OF EXCELLENCE**

Methodology to assure high effective and efficient meetings



Board Configuration - Corporate Governance Model





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“THE ART OF INSPIRING, PROTECTING
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Partner Director of the Firm " Asesores de Consejo y Alta Dirección, S.C. " & "Board Solutions LLC"

Dr. Cruz has been in charge of providing corporate governance, internal control and risk management services to an important number of corporations, some of them sector national leaders (more than 150). Near to 30 are companies listed in the Mexican or International Stock Exchange Markets.

Mr. Cruz has a Doctor's Degree on Administration with concentration on Systems of Control and Corporate Governance (University Anahuac), Master Degree in Administration (ITAM); International Management Certificate (New York University); Certification of Directors Education, (National Association of Corporate Directors); Finance and Senior Management Certifications (ITAM); Certificate of Systems and Computer Science Audits (Rosenblueth Foundation); CPA - Accountant Bachelor Degree ("IPN-ESCA")



- For almost 10 years he was Deloitte Senior Partner in charge of the Corporate Governance, Internal Audit and risk Management Services for Mexico and Latino America.
- During 19 years in Banamex, Mr. Cruz was in charge of important positions such as the International Internal Auditor (General Auditor) and Controller of the Bank.
- As General Auditor during seven years he was in charge of the internal audit for the offices abroad (in Europe, Asia, EUA and Latin America), with base in New York City.
- Mr. Cruz is author of 10 books which describe success cases and methodology of his specialty and specific consulting.
- He is founder of the Board of Directors Mexican Association ("Center of Excellence in Corporate Governance"), to initiate that center he worked with the World Bank - Global Corporate Governance Forum, Yale's university and the Anahuac University;
- Mr. Cruz is also founder of the eGovernance Institute which has the commitment to promote the integration and sharing of experiences among board members.
- Mr. Cruz is also recognized in México as a leader expert voices in terms of enterprise strategies and corporate governance best 'practices, in such status he collaborates with "El Financiero" Newspaper in a weekly basis and in a radio business program FM 88.1 "Red Empresarial – Voz de los Expertos".

Dr. Guillermo Cruz

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Some of the clients that has been served by Guillermo Cruz PhD

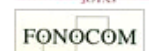
Sector Público



Comunicaciones y Entretenimiento



Salud



Turismo



Tecnología



Transportes



Impresión y Artes Gráficas



Minería



Financiero





The National Association of Corporate Directors

honors

Guillermo Cruz, PhD

as a



BOARD LEADERSHIP
Fellow 2011

*upon completion of NACD's Board Leadership Program and in recognition
of an ongoing commitment to exemplary board leadership.*

A handwritten signature in black ink, appearing to read "Anna O'Connell", written over a horizontal line.

PRESIDENT AND CEO, NACD

MAY 2011

DATE

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Thank you!

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