



Creating products and services that allow **our customers** to improve their financial wellbeing

In this chapter, we describe how our business model enables us to create long term value for our customers, by putting them at the heart of everything we do.

Creating value as an insurer and asset manager

The core of our business model is to help people carry risks that they cannot bear alone, providing protection for what matters most to them. As such, we offer life insurance products to protect people against the financial risk of living a long life without sufficient means of support, or dying at an early age. In some markets, we also offer non-life products to protect the assets that matter to our customers, and savings and investment products to ensure their long term income.

Our customers entrust their money to us when purchasing our products and services. We invest and manage this money actively to be able to pay out claims and benefits. We are committed to offering products and services that are easy to understand and that empower our customers with the knowledge and tools they need to make sound financial decisions. Through our multi-access distribution approach, we aim to be where our customers want us to be, supported by efficient and effective operations. This is reflected in our strategy to deliver an excellent customer experience.

 [Read more about our strategy on pages 38-45 of this Annual Review..](#)

Customer suitability

We strive to meet customers' needs throughout all different stages in their lives. We want to offer them fair value for money and an experience that is straightforward, personal, and caring. This means that we need to deliver insurance products that are suitable, transparent, and contribute to the financial wellbeing of our customers. Our Customer Golden Rules express that:

- We offer fair value to customers
- We explain the risks, returns and costs of our products and services
- We regularly assess products, services and distribution practices
- We only work with professional and licensed distributors

“You matter” is not just a slogan. It defines what we do at NN.’

Lard Friese
CEO NN Group

What matters to our customers matters to us

NN Group wants to be known as the ‘You matter’ company: a people-oriented, and authentic service provider in the long term financial planning industry. We want our customers to have an experience with our company that lives up to the promise we make. Therefore, ‘You matter’ is not just a slogan; it defines what we do at NN, influencing every department, every employee, and every interaction with our customers.

With our ‘You matter approach’, we wish to inspire people to think about what matters most to them, and to help instil in them the confidence and knowledge to secure their financial futures. This also means that we take an active role in helping our customers recognise what truly matters to them in life. Our campaigns, focused on understanding the deeper motivations of individuals, and sharing what makes our customers happy, play an important role in this.

In 2016, we launched our new international advertising campaign, ‘It’s different when it’s yours’, celebrating the uniqueness of our individual customers. It focuses on those moments in life we all experience, yet we all experience it differently. So even though NN is proud to help millions of families and businesses every day, we know that the family, home or business of each individual customer will matter most to him or her.

Supporting our customers in protecting their data and the risks of cyber crime

As a financial services provider, NN Group is always concerned about security. We have vast quantities of personal and financial customer data, which we treat with utmost care.

Now that digital technology is the primary means with which to process information, new forms of risk and crime are also on the rise.

At NN Group, we make every effort to provide optimal security and the confidentiality of our customers' data and transactions. We also recognise our role in supporting our customers in their own fight against cyber crime. Therefore, we have launched the Dutch Cyber Collective, an overarching alliance between suppliers and users in the cyber sector.

This initiative, officially launched in 2017, has been set up to help small- and medium-sized enterprises in the Netherlands to reduce cyber crime. Initiated by NN Group, the Dutch Cyber Collective connects associations, commercial companies, NGOs, and other parties who are committed to cyber security.

 [Link to full article: www.nn-group.com/annual-report](http://www.nn-group.com/annual-report)

Our business model

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Customer empowerment

At NN Group, we aim to be a positive force in the lives of our customers. We want to help them secure their financial futures by empowering them to make sound financial decisions. For this reason, we developed several tools to support customers in their financial planning. We also work together with several specialised partners, such as Wijzer in Geldzaken, Nibud and Viva magazine, to contribute to the increased financial awareness and resilience of our customers and society at large.

People may experience difficult financial situations due to unforeseen circumstances in their lives. We want to be there for our customers during these times, as well as when things are going well. For this reason, our business units developed policies for customers in arrears aimed at helping them better overcome these difficulties. In addition to these specific policies, we developed general practical measures for customers, such as the opportunity to receive the help of a budget or career coach.

We strive to help mortgage customers in financial distress by looking for solutions to address their financial situation. We realise that there is no 'one size fits all' solution to financial issues. This is why we try to offer assistance in various ways, based on an analysis of income and expenses of mortgage customers in arrears.

In 2016, NN Bank developed a pilot project focused on mortgage customers at risk of being in arrears. Via an early warning system, we proactively reached out to a group of customers to help them before they became behind in their payments. Measures we offer include grace periods, interest holidays, budget coaching, and job coaching.

By partnering up with initiatives of Wijzer in Geldzaken, a stakeholder platform coordinated by the Dutch Ministry of Finance, we aim to increase awareness of pensions. Nationale-Nederlanden in the Netherlands was nominated for an award from Wijzer in Geldzaken for our online service Pension Help. Pension Help starts ten years before a person's retirement date, and aims to help customers by sending them customised and relevant information step-by-step.

In Bulgaria, we have an information portal called Pensiopedia which provides information about the Bulgarian pension system in an accessible and understandable way, with NN experts available to answer questions. Additionally, in Bulgaria we provide tools which aim to improve the financial literacy of children.

In Turkey, we provide fund consultancy services. Fund consultants inform customers via telephone calls about their current funds, returns, and stock market fluctuations. In Spain, we are delivering more information to help customers make the right investment decisions, with the help of a matrix where they can see different investment options. Customers are shown which investment solution best fits their needs by linking their investor profile with the potential risks of different investments. Additionally, we created a newsletter with financial information to increase customers' knowledge of financial markets.

Financial inclusion

NN reaches out to people who may not have access to insurance and could benefit from additional support. We want to provide a positive and inclusive experience for many different groups of people by anticipating their specific needs and individual situations.

In Romania, we developed a health insurance product that offers affordable access to private care, as health care is becoming increasingly expensive to lower- and middle-income families. The core of this new proposition is extensive care for patients and less financial worry for their families. This health care product also aims to address the long term sustainability of Romanian public healthcare. In a collateral project, our Insurance Romania business unit focuses on disadvantaged children and children placed in foster care.

In Spain, we have the ForYou life insurance product with breast cancer coverage. The insurance provides special coverage in case of breast cancer and allows for a second medical opinion, home assistance, and child care services. Also in Spain, we have 'Orange points' which are sales points in small villages. In 2016, we had 121 sales points providing access to our products and services. In Japan, we launched a new life insurance product that provides a critical illness coverage in case of cancer, acute cardiac infarct and stroke. It was developed to support business owners who are unable to manage their company due to critical illness.

Case study

Survey into financial behaviour

In collaboration with the University of Tilburg, NN conducted an international survey into consumers' financial behaviour. Around 9,300 people in 14 European countries participated in the research, which focused on the degree to which people feel in control of their financial future. The results will allow us to shape our policies to better meet the needs and wishes of our customers.



Link to full article:
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Case study

Value for money to SMEs in Japan

NN Life Japan launched a new value proposition – COLI critical illness insurance. It offers protection to business owners from the risk of deadly diseases. The product was developed to support business continuity when SME owners cannot stay at the helm of their company due to illness. We also opened a sales office in Kitakyushu. It enables us to better provide business continuity protection as well as other products related to business issues that SMEs are facing today

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NN Group is involved in the Netherlands Investment Institution (NLI). The aim of the NLI is to increase long term investment opportunities in the Netherlands by matching supply and demand. This gives institutional investors the opportunity to invest in the Dutch economy, and allows entrepreneurs and SMEs to benefit from additional financing opportunities. We also have a partnership with microfinance organisation Qredits through our membership of the Dutch Association of Insurers (Verbond van Verzekeraars). Qredits offers microfinance loans to both starting and experienced entrepreneurs, who are not able to obtain a regular bank loan.

Additionally, NN is involved with the Foundation for Sustainable Micro Pensions in Developing Countries (SDMO), through our membership of the Dutch Association of Insurers. The micro pensions programme works with a local partner – the Development of Human Action (DHAN) Foundation – which supports one million families in India. The pension is a defined contribution product with two options upon retiring: pensioners either take a higher pension which ends when they die, or they take a slightly lower pension and the remainder is paid when they die to their families.

Measuring our brand and reputation

We measure how our customers value our products and services using – amongst others – the Net Promoter Score (NPS) methodology. With NPS we collect, evaluate, and act on a constant stream of customer feedback. This information drives improvements in our product portfolio and customer service. In 2016, all of our insurance businesses maintained or improved their Relationship NPS scores compared with the previous year, with the exception of Life in Romania. The NPS for Romania Life is still well above market average and the highest score compared of all our business units.

The NN Global Brand Health Monitor monitors how our brand is perceived externally, amongst our customers and society at large. Twice a year, we measure our main brand indicators and provide insight in the development of the brand performance. The Global Brand Health Monitor measures the brand awareness per business line per country, and whether customers feel we are living our values.

NPS is measured in all countries where we have business activities. The table shows NPS of our insurance countries. Measurement for the insurance business is conducted for all business lines covering banking, life insurance, and pensions. Our insurance business in Japan is included in a separate study. Luxembourg is also included in a separate study as their clients mostly live outside Luxembourg. Measurements for the asset management business is conducted amongst both institutional and retail investors. For institutional clients we only report the aggregate score, which was +7.

NPS in 12 of our insurance countries (where we measure NPS)

Country	Life (unchanged/ improved NPS-r)	Non-life (unchanged/ improved NPS-r)	Pensions (unchanged/ improved NPS-r)
1 Belgium	yes	yes	n.a.
2 Bulgaria	yes	n.a.	yes
3 Czech Republic	yes	n.a.	yes
4 Greece	yes	n.a.	n.a.
5 Hungary	yes	n.a.	n.a.
6 Japan	yes	n.a.	n.a.
7 Poland	yes	n.a.	yes
8 Romania	no	n.a.	yes
9 Slovak Republic	yes	n.a.	yes
10 Spain	yes	n.a.	yes
11 The Netherlands ¹	n.a.	yes	yes
12 Turkey	yes	n.a.	yes

¹ Due to product portfolio and organisational set-up, the Dutch Life products are embedded in the Non-life and Pension results.