

The Influence of Bancassurance System on the Quality of the Insurance Services

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Abstract

Bancassurance system is one of the most dynamic channel of the distribution of insurance industry, although it appeared recently. Its main quality consists in the possibility of an intensive operation of the portfolio of clients, through a substantial improvement of financial services offer, with minimum administrative and implicitly financial effort. The diversity of bancassurance institutional models induce complex processes of buying or merging, starting with simple contractual relations, continuing with the products which create the object of distribution through this system.

The part of the bancassurance partnership on the quality of the distribution of insurance products shows both in satisfaction concrete institutional advantages of the two partners (bank and insurer) and in favorable bearings towards the consumer/customer. The level of turning to good account and putting into practice of the potential advantages depends on a series of factors like: the size of the partners, the applicable legislation, the level of the market development, the cultural factors, the institutional model on which is founded the partnership. The systems according to Basel II and Solvency II rules and regulations offer new expectations of analysis concerning the management of the quality of the offered financial services through the bancassurance channel of the distribution having in view the control of the associated risks. Both the common characteristics of the two solvency conditions and the existing differences among them imply a cooperation of the relevant regulation institutions of the two financial market shares, with the object of eliminating those discrepancy which have no economical basis and cause a reduction of the efficiency and an unjustified growth of the costs for the analyzed model of distribution.

Keywords: bancassurance, quality, insurance, advantages, risk management

Foreword Bancassurance – Conceptual Coordinates

At the beginning, the bancassurance model was referring to the distribution through the institutions of credit of the insurance products attached to the credit lines and other banking products. At present the bancassurance model cover a larger scale including both selling the products through the network distribution of the non banking financial institutions (NFI) and providing complex products/services distributed through a common channel and/or using the same portfolio of clients.

Initially the bancassurance system was limited to distribute the insurance products to natural persons, the clients of the banks. In time this system developed and is selling to any potential client any product of this type : group or individual, protection or saving, life or general insurance, the decisive factor being the scale and purpose savings.

The concept, as it is defined in the Law no. 32/2000 with all the subsequent modification and completion, implies “intermediary activity of the insurance products which are complementary to the products of credit and non banking financial institutions, carried on through the network of these institutions, taking into account the terms stipulated by the issued rules putting the law into operation”.

Above all, the bancassurance is a model of operating in the financial markets, which offer the possibility of an intensive utilization of purchasing capacity of the portfolio of the clients owned by the banks through a substantial improvement of the offer of financial services, accomplished both with a minimum administrative and financial effort.[3]

The motive factor of the bancassurance system is to be found in the common need of the banks and insurance companies to optimize its structure and the efficiency of the channels of distribution. So, if the credit institutions are looking for additional income through turning to good account the potential of the territorial network , based on their own marketing policy, the insurance companies are interested in diversifying the possibilities of the traditional distribution, with no significant capital investment, thus a larger number of potential clients access the offered products and services

Bancassurance Models And Products

The historic evolution of the partnership bancassurance type developed in different periods and countries with significant characteristics concerning: legal framework, market terms, the level of development of partner entities, the degree of international development of operations and other factors. All these factors generated a great variety of bancassurance models, beginning with bilateral agreement aiming at the (remunerated) distribution of the policy through the network of the banks to partnership of strategic kind with demise or transfer of ownership or brand.

The varieties of bancassurance institutional models, starting with simple contracts of distribution and continuing with complex processes (merging and acquisition), is induced by the cultural environment and the regulation and supervise systems, especially in the case of multinational societies.

Thus **the protocols of the distribution** are of different types:

The agreement of distribution is a formal or informal arrangement through which a bank recommends clients to an insurer. The agreement is characterized by a sole product or by a limited relationship. Two different kinds of agreement are known:

- as part of a nonexclusive distributional agreement, the bank plays the role of a broker, selling the products to an associated insurance company by the side of the products of other insurance companies;
- as part of a limited distributional agreement, the insurance company provides one or more products or types of products for the associated credit institution exclusively; both parts can have contracts with different partners which make not the object of the bilateral agreement.

The exclusive distributional contract represents an exclusive and formal relationship by which the bank sells only his partner's products of insurance through its channels; so the credit institution operates like an insurer's assigned agent.

The strategic partnership takes place when between the two parts exist a common shareholder and/or firm strategic objective and preserves the relationship of exclusiveness between the bank and insurer.

The joint venture systems presume that an insurer and a bank create a new company. Both sides have a well defined common concern, while the structure of such a business, capital sharing, the used commercial founs, the connectivity of the business, may vary considerably

The systems of integrated operations, known as **M&A** (merging and acquisition), are established through exchange value transactions of the banks and insurance companies, achieving the redistribution between partakers of stock holder equity and control over these entities. The aim of these transactions can be both, to take over a significant stock from the accepted partner (acquisition), and the reunion of the two partners in the process of distribution into a new company (merging).

If the first models tend to follow a linear specter of concentration, in which the business of distribution are characterized through reduced levels of the insurer's control, resources and, as a consequence, of the level of the financial motivation, in the case of joint ventures and M&A partnership tend to be inverted. (Figure 1)

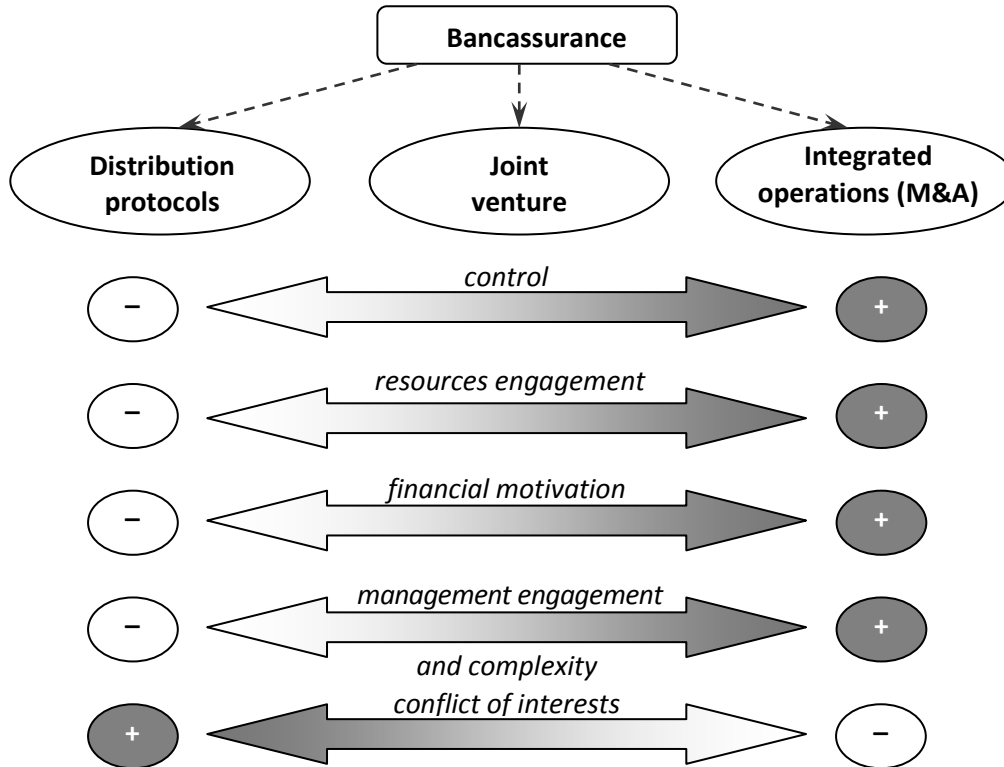


Figure 1. The evolution of the main co-ordinates of the models of bancassurance

So far, the experience showed that there is no ideal institutional structure to include favorably, even relatively, the main functional co-ordinates of a successful bancassurance partnership. Even for the international organizations, we can not talk about a common experience in this matter.

In spite of a long and sufficiently firm usage, an institutional standard for the system of bancassurance, did not impose. First of all, this is a consequence of the variety of the adopted strategies by the operators of the two segments of the financial market. Besides, the specific conditions of the target-markets are decisive in choosing the most suitable model of partnership.

No doubt the institutional structure of the bancassurance system causes the variety of scale of products and services sold through this channel of distribution. Thus, the three fundamental answer as many main kinds of products: traditional insurance products, combined insurance/banking products established for bancassurance distribution and fully integrated financial services.

This does not mean that any insurance product is automatic suited to such kind of distribution, not to mention the efficiency of these dealings. As a meter of fact, **the bancassurance products** are at the intersection of the influence of some factors whose action is rarely convergent. We mention some of these factors: models of distribution, clients (the demand of the market),

competition, taxation, the legal framework, the surveillance of the system, the internal resources of the partners, co-ordinates of the social security. [6]

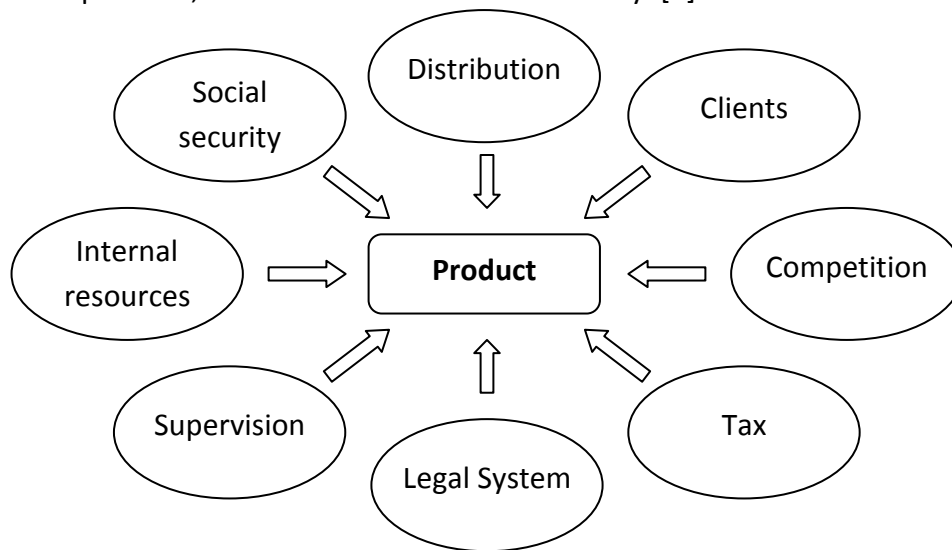


Figure 2. The influence factors of the bancassurance products (Mainz, S., 2004)

Starting from the fact that the success of any product depends on the background of the market of distribution, it is obvious that, the bancassurance products must be adapted to specific requirement of each market. It is also true that, a number of characteristics of these products make them attractive to any geographical context. We are taking into account the following aspects: the facility of selling, the connection with the products of the bank, complementary feature towards these products, engendering the added value.

For a long time, it has been maintained the idea that the simplicity of the product would represent the prerequisite to facilitate the selling. At the same time, as the complexity grows, the financial consulting becomes more difficult and thus, the process of distribution becomes heavier and the employees of the bank are quite reserved in offering the insurance products together with the banking product in a non-discriminating way.

At the beginning, the partnership was materialized almost exclusively on contractual basis and the activity of bancassurance was concentrated on the retail network of the banks. Later on, the need of diversifying sent the bancassurance operations to other target-groups gradually, such as the corporate clients, the result being the enlarging of the scale of the products offered through this channel of distribution. New methods of selling were experimented, based on simplifying the procedure of subscription (the exclusion of conditioning, the waiting clause, “accept or renunciation” decisions), or those which even eliminate negotiation during the process of subscription. Another possibility to facilitate the distribution represents the configuration of subscription units inside of the selling units of the banking products (branches, agencies, specialized offices).

Moreover, the distributed insurance products must be completely adapted to the banking system, synchronized to the selling procedure of the bank, standard application forms, and

simple medical or financial selection, all these contributing to increase the speed of transaction. Most of the products that make the object of the distribution through the bancassurance system are in the field of traditional insurances: joint life insurance, life insurance associated with credits, car insurance and property insurances. The interest of the consumers rises when the insurance products are associated with the banking products, especially in the case of the reduced level of the premium, even in these are associated with quite low levels of protection. For example: the personal needs credits or consumption credits and the attached life insurance; car credits and motor insurances, real estate or mortgage credits and attached property insurances.

This complementary selling respond to the consumers' expectations, whose requests are not always covered by the characteristics of the banking products. Thus, the mixed life insurances with minimum granted profit represent for the client a long term guarantee, while for the partner bank generate immediate annuity. Moreover, the taxation policy of this kind of insurance may be different from the similar products to the scale of pension funds.

The added value of the insurance products as part of bancassurance partnership depends, to a great extent, on the employees from the offices of the banks. In the process of selling the products of the bank, these employees take notice of the insufficient covered zones of protection where the insurance products are to be found. Together with the credits given to a company for business activity, the enlargement of the protection can be achieved attaching some goods and house insurances, group life insurances offered to the employees and even the supplementary insurance of some important persons from the board of the company, or who are involved in some strategic projects (key-man life insurance). In order to protect the family, the personal needs credits can be associated with life insurance or insurance for temporary invalidity, health insurance and accident and sickness insurance. In the same way, a product of an exchange type can justify the offer of a health insurance or a touring assistance insurance.

The Influence Of The Bancassurance Partnership Over The Quality Of The Distribution Of The Insurance Products

The setting up and the significant development of the bancassurance system was not accidental. The bancassurance partners (the bank and the insurer) function in a competitive environment, at least from the point of view of the quantity of the resources of the population and the other entities operating on relatively different segments of the financial market.

The reason of the common interest is represented on one hand, by fulfilling some real institutional interests of the two partners and, on the other side, the favorable implication over the consumer generated by the association under different forms of the companies.

The activity of the regulation and surveillance institutions from the financial market can benefit from the positive influence of the bancassurance system.

The improvement of the quality, at **the supplier of the insurance products**, expresses on many levels.

The enlargement of the potential market - both it is about the enlargement of the distributional network, by the access of the clients portfolio of the bank and it is reporting on the access on new segments of the market through its network - probably represents the most significant argument of approaching of the bancassurance system, especially when the traditional channels of distribution show a relative saturation of the custom in comparison with the traditional products (motor third party liability insurance and property insurance), and the process of liberalization and deregulation of the financial market causes an increasing of competitive pressure.

The insurer, using the network of distribution of the bank, benefits by the brand of the credit institution and moreover a reduction of the dependence upon the implied agents in the classical systems of distribution (agents, brokers) is to be noticed. The partnership also offers the possibility to imagine more sophisticated products, more suitable to the requirements of the potential clients.

The financial advantages are mostly referring to the partition of the costs - both the costs of distribution, through the use of an existing territorial structure (implying to reduce the premium rates for the clients) and the costs of operation, knowing the fact that the insurance companies use less capital than the banks to cover the debt. In the process of globalization, the risks often exceed the financial capacity of the traditional insurers and their possibility to obtain a supplementary capital from the partner banks, in order to extend their business and improve its rates of solvency. This is another significant benefit of the bancassurance system.

The relevant addition of quality of the business partner (**the implied credit institution**) may be structured having in view some criterion.

In comparison with the bank customers, the best card is represented by the offer of a complex and extended scale of suitable products, and through their association, to correspond to the customers' requirements and make them loyal customers. Moreover, we are present at an increase of the number of the customers, due to the combination of data basis of the bank and of the insurer. We can add to this, the progress of the IT technologies, which allow a management of the clients' portfolio, in a more structured and directed to the target-categories manner. The office of the bank is the first step in the view of the "financial supermarket", and "one stop access point" contributes to the economies of scale and scope, both for the client and the institution of credit.

The financial advantages of the bank are also significant. First of all, we shall refer to the diversity of the sources of the profit through the insertion of the income resulting from the distribution of the insurance products and to the fact that the implication in bancassurance activities reduces the dependence of the profitability indicators towards the management of the interest margin. The cost of distribution can be looked as being marginal, if the sale of the insurance products is realized by the employees of the bank. In addition, the capital requests (in comparison with the level of the assumed risks) are more reduced for the same level of the income in the frame of this partnership.

Another potential benefit refers to reduction of the volatility, based on synchronization of the cycles of the profit, both for the banking and insurance products. The access to the funds of the life insurance companies, including reasons of fiscal type, from the point of view of the volume of liquidity, increase the level of competitiveness of the credit institutions in comparison with the in house banking, funds used for refinance in a preferential policy of the large companies.

The operational arguments refer to assure continuity in the activity of the bank network, through supplying integrated services adapted to the consumers' life cycle. As a meter of fact, we are speaking about optimization of the use of the existing network, having in view the growth of its rate of utilization and profitability. More, during the time the insurance companies developed advanced techniques of management of risks, which can be used by the partner banks.

It is easy to notice, as a meter of fact that thanks to the synergy of the system, a part of the above mentioned advantages refer to both partners. More, we shall see further that the advantages will have repercussion on the consumer of the financial services.

The level of turning to good account of the previously mentioned potential advantages depend on a series of factors, as : the size of the partners, the applicable legislation, the development level of the market, the cultural factors and especially , the institutional model through which the partnership is realized.

At the consumer' level the quality increase given by the bancassurance system, in the last analyses, determines the level of the request of products and services and implicitly the volume of the accomplished transaction through the channel of distribution.

The reduction of the rates and taxes represents a favorable look of maximum visibility. The reduction is based on common utilization of the network of the bank, lower costs of distribution towards the traditional channels, resulting from the growth of the utilization of the network, inclusively. More over, the methods of payment of insurance premium are simplified, the collecting being realized directly from the bank account of the clients.

The comparative advantages of the bancassurance system [8]

Table 1

Advantages of the banks	Advantage of the insurers		
	Protocol	Joint-Venture	M & A
A stable and supplementary source of income which reduces their dependence upon the margin of the interest	x	x	x

The enlargement of the potential clients' portfolio	x	x	x	The reduction of the dependence upon the agents/brokers	x	x	x
Diversity of the scale of products and services as a possibility to increase the loyalty of the customers		x	x	The division of some category of services with the bank		x	x
The reduction of the capital requests (in comparison with the assumed risks) at the same level of income	x			Increased efficiency in developing new products in partnership with the bank		x	x
The continuity of the activity through supplying integrated and adapted services to the life cycle of the consumers		x	x	Quick access to new markets, with no need of building a distribution network	x	x	x
The access to funds owned by life insurers, including fiscal's reasons		x	x	Getting capital for the growth of the solvency and the development of the business		x	x

The facility of the access through an extended network to a complex scale of financial products and services constitutes another element of comfort, materialized in the opportunity of the utilization of a single office or even of an ATM for insurance premium payments and repayments, credit installments, benefits due to life insurances, making and closing bank deposits.

The suitable products adapted to the necessities of the consumer create a special relationship between the client and the bank, inside which the client's loyalty is realized through reorientation of the services from the accentuation of the client's needs: spreading out the premium (monthly), insurance of the deposits, inclusion of the insurances in the volume of credit guaranties, and so on.

For **the surveillance authorities** the quality increase must be analyzed having in view their essential task, the configuration and conformation to the legal frame, through which are established the fact that the assumed risks by the financial institutions, are permanently monitored and controlled, in a suitable manner towards the demand of stability of national finances.

At the first sight, the possibility of the financial institutions to diversify their activity, in connected sectors, should contribute to reduce the level of the systemic risk. The banks could benefit by a reduction of the volatility and the insurance companies could obtain supplementary capital in order to cover permanently the necessary level of solvency. More, for the two involved partners, the bancassurance system diversifies the income sources, so that the business becomes more stable and implicitly, more secure, both for the share holders and the clients.

On the other hand, even the increase of the complexity rate of the activity can bring additional sources of risk, reason for what, in some countries, the competent authorities are reluctant in giving the permission to the supervised financial institutions to develop some other operation outside the main object of activity. On European level, we witness at a tendency of a gradual and progressive liberalization of the financial system, so the balance between the risk and the opportunity starts to incline in favor of the bancassurance system.

The risk management: implications of the quality of the bancassurance system

The regulation frame initiated by the Basel II and Solvency II agreements, offer new coordinates of analysis concerning the management of the quality of the offered financial services, through the bancassurance channel of distribution, from the point of view of the control of the associated risks.

At a first sight, such an approach regards mainly the Joint Venture and M&A bancassurance models, taking into consideration the high level of functional and institutional integration of the two associated entities. This does not mean that the partnerships resulting from distribution agreements or contracts presents an insignificant risk, but they present a higher possibility for an individual risk management for each of the two partners.

However, most of the risks confronted by both banking and insurance institutions have the same nature, except the underwriting risk, specific to the insurance risk. Otherwise, both of the entities are exposed to the credit risk, market risk and operational risk. [2]

It is true that the relative (estimated) influence of each risk category for the own funds, presents significant differences between the areas of activity taken into consideration, as it is shown in figure 3.

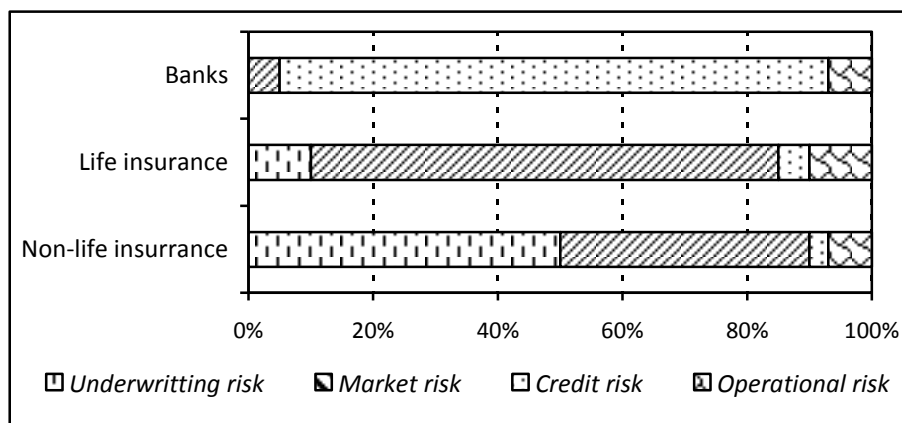


Figure 3: Incidence of the different type of risks for activity categories

In this respect, where in the banking sector the credit risk has the biggest amplitude, in the insurance sector this risk is much less relevant, and it does not exceed 10%. In their turn, the insurers are more exposed to the market risk, while the operational risk shows comparable values in both of the areas.

We must mention the fact that the credit risk, as defined in Basel II, is a term more comprising than the term of counterparty risk defined in Solvency II, as it includes the spread risk and the underwriting risk for credit insurance and guaranties.

Also, the market risk has different means within the two regulation systems (see table 2). In Solvency II it is structured on six categories, as follows: the interest rate risk, the spread risk, the equity risk, the foreign exchange risk, the real-estate risk, the concentration risk.

According to Basel II agreement, the corresponding risk categories are: the market risk relates to trading operations (interest rate risk, equity risk, foreign exchange risk); credit risk relates to banking operations (inclusive equity risk, risk on tangible assets); interest rate risk for non trading operations; concentration risk.

One can observe that the concentration risk (of the portfolio - for products categories, of the investments - for types of investments and within these, of the offer - for a small group of clients) means including, in the valuation process, the costs generated by the additional assessment, decision and management processes. As opposed to those two types of risk analyzed above, the operational risk has, basically, the same meaning in both of the regulation systems, including the legal risk and without taking into consideration the strategic or reputational risks. [9]

Correspondence of the market risk components (Solvency II vs. Basel II)

Table 2

Solvency II			Basel II			
Risk category	Distribution		Risk category		Distribution	
	Pillar I	Pillar II			Pillar I	Pillar II
<i>Interest rate risk</i>	✓		<i>General risk of interest rate</i>	trading	✓	
			<i>Interest rate risk</i>	banking		✓
<i>Spread risk</i>	✓		<i>Specific risk of interest rate</i>	trading	✓	
<i>financiare</i>			<i>Credit risk</i>	banking	✓	
<i>Equity risk</i>	✓		<i>Equity risk</i>	trading/ banking	✓	
<i>Foreign exchange</i>	✓		<i>Foreign exchange risk</i>	trading/	✓	

<i>risk</i>				banking		
<i>Real-estate risk</i>	✓		<i>Risks on tangible assets</i>	banking	✓	
<i>Concentration risk</i>	✓		<i>Riscul de concentrare</i>	trading/ banking		✓

If, “under the umbrella” of the operational risk we can include all those risks emerging from inadequate internal process or from the failure of this kind of process and which have not been comprised, explicitly, in other risk modules, this does not mean that an extension of the respective notion to each diversification of the effects of the mentioned risk in report with other types of risk can be accepted. Defining, as exactly as possible, the operational risk, is being justified especially from the perspective of the prudential requests regarding the adequate level of the own funds, regardless the fact that for their rating there will be used standardized approaches (enforced by the competent authority) or internal calculation norms.

The Basel II Regulations allow also another tool of determining the influence of the operational risk on the own funds (“basis” approach), starting from a minimum 3 years monitoring, of some indicators specific to the credit institutions.

The two regulation systems, Solvency II and Basel II, have in common not only the three pillars structuring of the prudential request regarding the financial market segments in which they operate, but also the similar objectives referring mainly to the following aspects: creating a prudential framework as sensible and reactive as possible, in report with the current risks; strengthening the activities for risk monitoring and management; enforcing the requests provided by the legislative framework regarding the own funds level and setting-up with this purpose adequate internal procedures; harmonization of the European and international regulations; harmonization of the sectorial regulations on the financial market (similar products should comply with comparable requests regarding own funds level).

A detailed analysis of the legislative framework content shows that, as regards the prudential concepts approach, even if there are some differences between the two sectors, the similarity elements are dominant. (see table 3)

Therefore, it is likely that the procedures and technical specifications which are subject to approval by the competent authority in the insurance field are similar to those of Basel II, both regulatory systems imposing particular requirements on corporate governance and control models of risk management, in particular as regards the organization, the internal rules and the used instruments.

Differences regarding the prudential concepts approach (Solvency II vs. Basel II)

Table 3

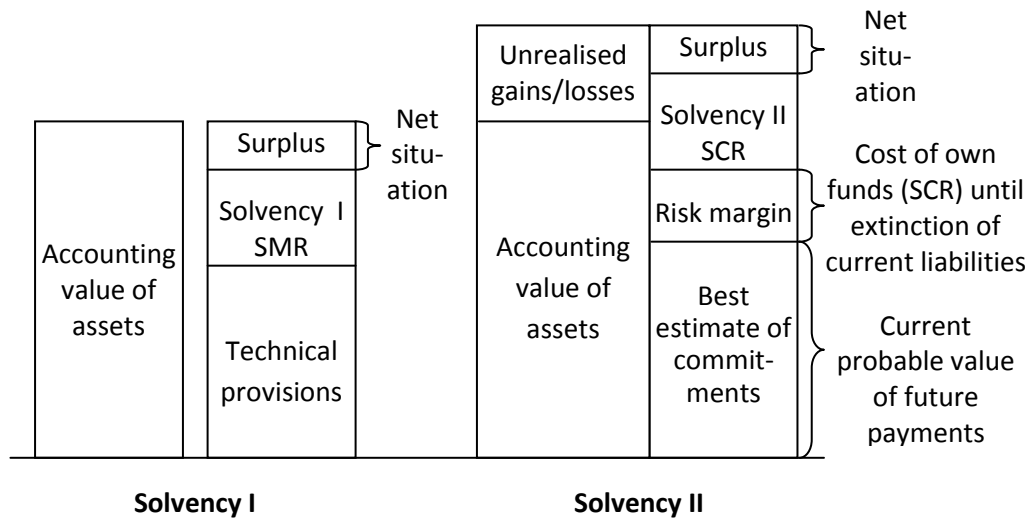
Solvency II	Basel II
<p><i>Pillar 1: Minimal and solvency own funds requirements</i></p> <ul style="list-style-type: none"> Solvency capital requirements against all significant risk (standard, full or partial economic capital model) Minimal capital requirements against all risks except operational risk (standard only) Computation of economic technical provisions <p><i>Pillar 2: Controls and Supervision</i></p> <ul style="list-style-type: none"> Sound risk management principles Internal controls efficiency (capital 'add-ons' are possible in case of inadequacy) Supervisory review process <p><i>Pillar 3: Disclosures</i></p> <ul style="list-style-type: none"> Only objectives are currently defined Requirements of transparency and financial communication 	<p><i>Pillar 1: Own funds requirements</i></p> <ul style="list-style-type: none"> Own funds requirements against main risks (credit, operational, market) For every risk categories, standard and internal approaches are possible Economic capital models are not allowed to compute own funds requirements <p><i>Pillar 2: Supervisory review process and internal capital</i></p> <ul style="list-style-type: none"> Internal capital assessment (ICAAP) in relation to all significant risks Quality of internal controls and risk management Supervisory review process (a pillar 2 ratio may be imposed to banks, other prudential measures) <p><i>Pillar 3: Risk and capital disclosures</i></p> <ul style="list-style-type: none"> Disclosures for certain risk categories Disclosures on own funds requirements and composition

As a result, financial departments of both types of institutions (banking and insurance), needs to improve the procedures and the mechanisms used in monitoring and managing its own funds. The prudential framework of the two financial markets segments shows however, some significant differences, diverting from the specifics of the governed sectors, in particular those concerning the distribution and nature of risks, as well as from the specificity of the regulation activity.

Thus, the differences regarding the risk definition and those regarding the content of the three pillars of the analyzed regulatory systems, shall impact the risk management internal models. For example, for life assurance, internal models are basically models of ALM (Application Lifecycle Management), taking into account the main risk relates to the business sector (market risk generated by the cycle of life) and is based on the projection of assets and liabilities in the context of various economic scenarios, the used techniques being mostly of actuarial type.

Instead, the dominant risk in the banking sector (credit risk) is assessed by means of scoring or rating, using the instruments in particular statistics and, additionally, the range of expert systems. Actuarial simulation techniques based on economic scenarios are used by way of

exception, only in some first rank investment banks. Regarding the treatment of financial statements, the transition from Solvency I to Solvency II approach means abandoning accounting approach in favor of an economic approach of the balance sheet items (fair value of assets, the economic value of liabilities).



SMR: solvency margin required

SCR: Solvency capital requirement

Figure 4. Differences in approaching the financial situations under Solvency I and Solvency II

In the banking sector, the regulatory institutions and companies are concerned with the profile of pro-cyclicality phenomenon, which is why they defined a set of prudential criteria to reduce the impact of applying the *fair value* concept on the regulated level of the available own funds. Another important distinction between Solvency II and Basel II is the determination of capital requirements. If Basel II approach comes - more or less - from Basel I, in the insurance field, the risk aggregation method (from the standard approach) is more complex, since it is based on correlations matrix defined by the supervisory authority. In order to determine the capital requirements in the standard approach, it can be taken into account the stress scenario assimilation capacity through the dividend policy.

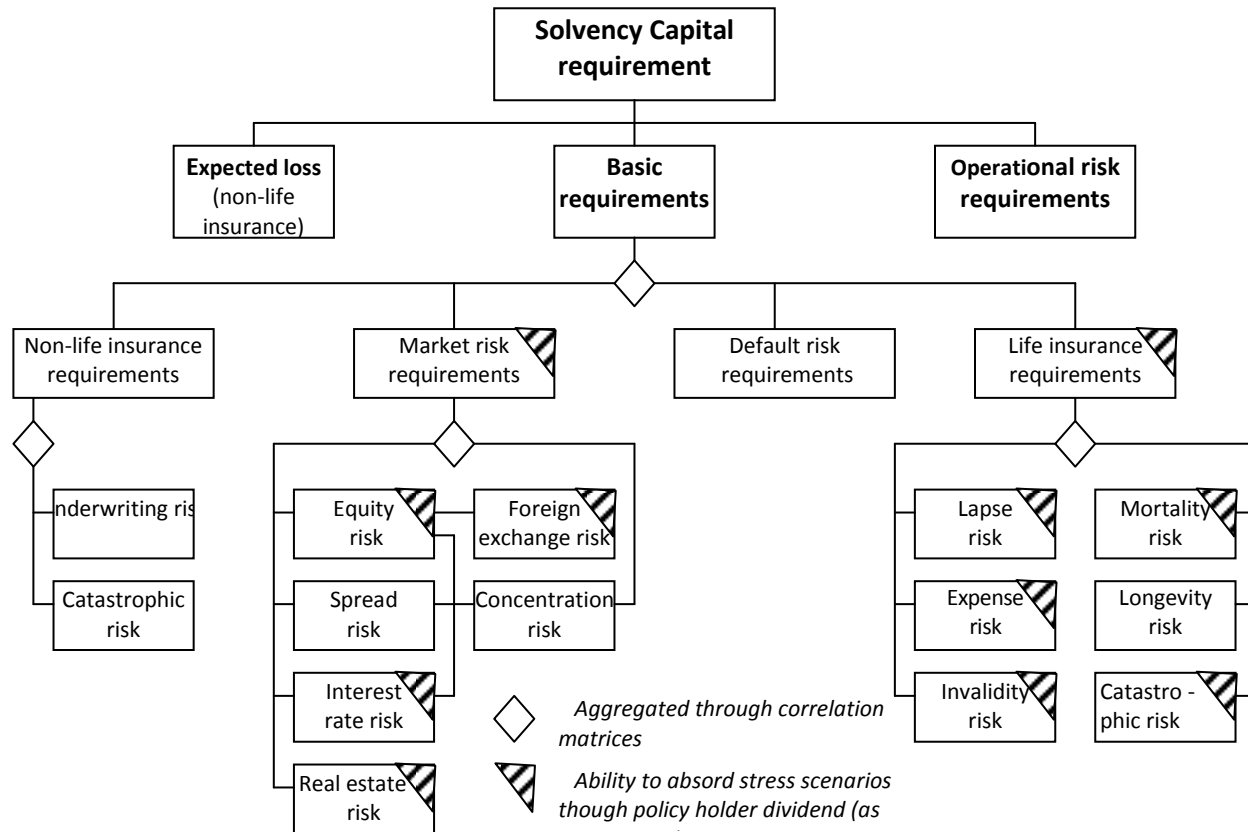


Figure 5. Risk factors aggregation for capital requirements measurement (Solvency II)

Conclusion

The specific characteristics which differentiate the services from the products and especially their inseparability impose for considering the system of distribution as one of the ruling factor of the quality of the financial services. From this perspective, the bancassurance partnership, through its own content, represents an operational concept of a higher quality (if we refer to the quality of the conception) towards the traditional systems of distribution. The advantages of the bancassurance system are fund on the entire line planning- production-distribution-consumption, inclusive at the competent supervising authorities. But it is also true, that the established institutional model of partnership, among some other internal and external factors, shall impact on the quality in report with the potential benefits, which are the motive factor of the bancassurance system.

A new possibility of dealing with the quality of functioning of the bancassurance partnerships is offered by the implementation of the regulations concerning the solvency conditions of the credit and insurance institutions - respectively Basel II and, more recently, Solvency II agreements - through which the risk management becomes integrant part of the management of the quality of the financial services.

Both the common characteristics and the differences of the two solvency conditions, presume a collaboration in report with the regulation institutions of the two segments of the financial market, for the purpose of elimination of those discrepancies that have no economic basis and cause a reduction of the efficiency and an unjustified increase of the costs for the systems of integrated activities, of the bancassurance type.

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