

THE MISSION

- To contribute to the reliability and transparency of the Italian insurance industry.
- To help make insurance a tool for the benefit of society and the security of the individual and businesses.
- To accept risks and settle claims honestly and coherently.
- To aim for customer satisfaction in price, performance and quality of service.
- To consider individual and group contributions as essential to the overall development of business, in that human creativity and intelligence are indispensable factors in improving service quality.
- To help partners (trade-unions, organisations of self-employed workers) achieve their aims and carry out their policies.
- To provide exclusive products and services to partners so that their members can obtain better cover at better prices and conditions.
- To remunerate shareholders and to increase the economic value of the company.
- To contribute to job-creation and help developing countries by making specifically targeted investments.
- To work for a political and economic role of the Social Economy both at home and abroad.
- To produce a positive economic yield and increase company solidity.

INTRODUCTION

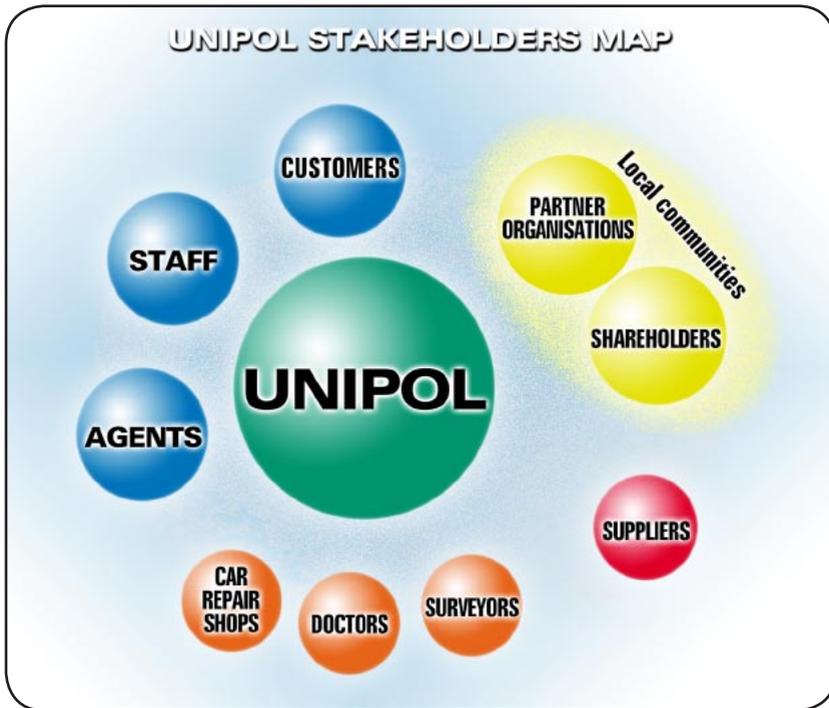
With the publication of this seventh Social Report, Unipol once again wishes to notify results to its stakeholders.

The map of stakeholders has been drawn up in detail and the section dedicated to services in various branches of insurance and to the activities of associated companies has been extended.

The section on safety and the workplace, consumption, purchasing and maintenance policies and their impact on the environment has also been extended.

The QSF (Quality Scoring Framework) has once again been used for self-assessment.

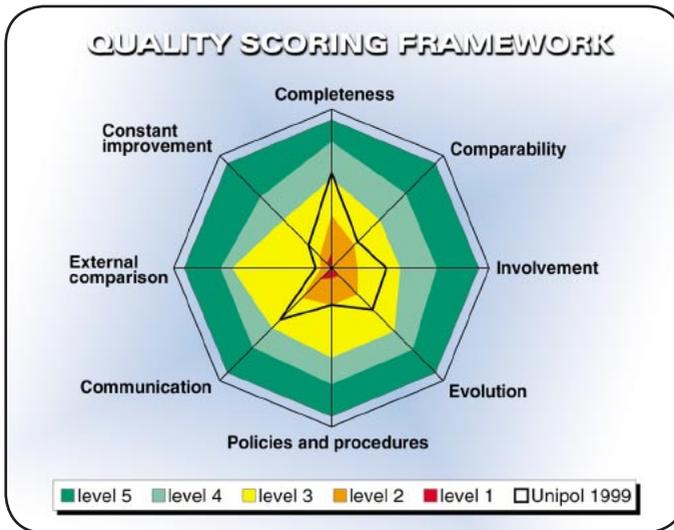
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REVIEW PANEL

For the past three years, on drawing up the Social Report, Unipol has organized a meeting with "special observers", invited to discuss, comment on and make recommendations about the Social Report. They include stakeholder representatives and people from the academic world, research and public institutions. The meeting was of great interest and produced a number of suggestions for future Social Reports:

- to restore the summary used in 1998;
- to continue to improve communications in the Report;
- to publish the Report earlier in the year;
- to highlight the links between the policies of Unipol relating to stakeholders, aims and results;
- to highlight the social value of Unipol relations with stakeholders;
- to give greater space to the activities of the CESAR Foundation;
- to find additional means for disseminating the Social Report (Internet);
- to make further investment in actively listening to customers;
- to communicate results to all Unipol customers.



FRAMEWORK FOR MEASURING QUALITY

This year the QSF (Quality Scoring Framework, or “Quality Measurement System”) has again been used to consolidate the evaluation of the Social Report. This method is also part of a new system of measuring standards (AccountAbility 1000-AA1000) that enshrines principles of social quality including those of the QSF.

Unipol is the first company in Italy – and one of the first in the world – to measure the quality of its Social Report: the aim is to bring the company in line with recent developments in international practice and to apply AA1000 standards for all future Reports.

UNIPOL: A UNIQUE COMPANY

The process of drawing up the Social Report, as developed in recent years, is based on Unipol's mission and commitment, which express the company's values.

The company has become a leader in the Italian insurance market but has not lost sight of its close links with the values of co-operatives and solidarity, the basis of all enterprises that are deeply rooted in society.

The company's role as an integral part of the social economy and its links with trade unions (CGIL, CISL, UIL) and trade associations (CNA, CIA, 'Confesercenti', Legacoop) mean that the company has a priority commitment to customer satisfaction and the safeguarding of the rights of citizens/consumers.

One of the chief aims of the Social Report is to communicate the ethical dimensions of the company, its strategies and actions. We believe that the Social Report is a form of I.D. card which can be used as the basis for an improved, more informed, dialogue between the company and consumers. This is the first step in creating and recognising corporate social responsibilities, and represents the way forward in relations between business, consumers and society as a whole.

THE HISTORY AND ORIGINS OF UNIPOL

Unipol Assicurazioni was founded in 1962 when Federcoop and a group of Bolognese and Emilian co-operatives decided to acquire a small insurance company, authorised to trade but not yet in business: Unipol.

The name Unipol comes from the slogan "unique policy"; the company was previously owned by the Buglione family, owners of Lancia. The rapid growth of the company and intense competition made a number of strategic alliances necessary. The Legacoop joined the International Co-operative Alliance (ICA), allowing Unipol to take part in ACME (Association of European Co-operative and Mutual Insurers) and ICMIF (International Co-operative and Mutual Insurance Federation). Subsequently Volksfuersorge – a German trade union company, the leading insurance co-operative in the European Union and third in the world – joined the shareholders.

The decisive moment came when its shareholder base was enlarged to include first the UIL, then CGIL and CISL, Italy's three largest trade unions. Subsequently, other organisations representing the self-employed became shareholders, such as the CNA (craft workers), 'Confesercenti' (shopkeepers) and CIA (farmers), thus consolidating Unipol's image as "insurance providers for co-operative and labour organisations".

In the first half of the 1980s Unipol Assicurazioni became one of Italy's top ten insurance groups. It was listed on the Stock Exchange in 1986. At the end of the 90s Unipol began to work closely with banks, which provided insurance through their branches. Recent acquisitions have made Unipol one of the top six insurance companies in Italy, with 3.7 million customers and 4.6% market share.

The stages in Unipol's growth

1961	Founding of the Company
1963	Start-up of Non-Life business
1969	Start-up of Life business
1986	Floating of preference shares on Milan Stock Exchange
1990	Floating of ordinary shares on Milan Stock Exchange
1996	Capital increase by ITL273bn + issue of warrants for the equivalent of ITL91bn, exercised from 1/7/97 to 31/12/99.
1999	Premium income: ITL2,752bn (+ 6.6%) Non-Life ranking: 8 th insurer on the Italian market Life ranking: 30 th insurer on the Italian market Life + Non-Life ranking: 12 th insurer on the Italian market
2000	Capital increase by ITL815.1bn (ordinary and preference shares) + issue of a subordinate loan for ITL407.6bn, due in June 2005 (ordinary and preference debt securities)

DOMESTIC AND INTERNATIONAL RELATIONS

A Group such as Unipol, with continuous growth and high capacity for innovation, is aware of the difficulties of the European market, which it does not face alone. Unipol is an important member of the Association of European Co-operative and Mutual Insurers (ACME), which has 39 members in 22 countries. Acme has the ear of the European Commission on financial and insurance matters as well as being a forum for its members. At the end of 1999, ACME began a major study of mutual, co-operative and similar businesses in the European market. ACME is the European arm of the worldwide movement of co-operative and mutual insurers, the International Co-operative and Mutual Insurance Federation (ICMIF), with over 100 members in 60 countries and Unipol has been a member since it was set up. Unipol's links with foreign companies are not limited to the ACME and ICMIF organisations. Although the company was created and has grown together with Italian co-operatives, it has a number of important European partners. Unipol was also a founder of the Luxembourg-based holding company Euresa, set up in 1990 together with the French mutual insurers Macif (for employees in industry and retail) and Maif (for teachers), the Belgian co-operative group P&V, the Swedish group Folksam (owned by the Swedish trade union and co-operative movements). Two years ago, this holding was joined by the German mutual insurance giant HUK-Coburg and by the Danish mutual insurance company LB. This strengthens Unipol's position in the Social Economy and increases its ability to innovate.

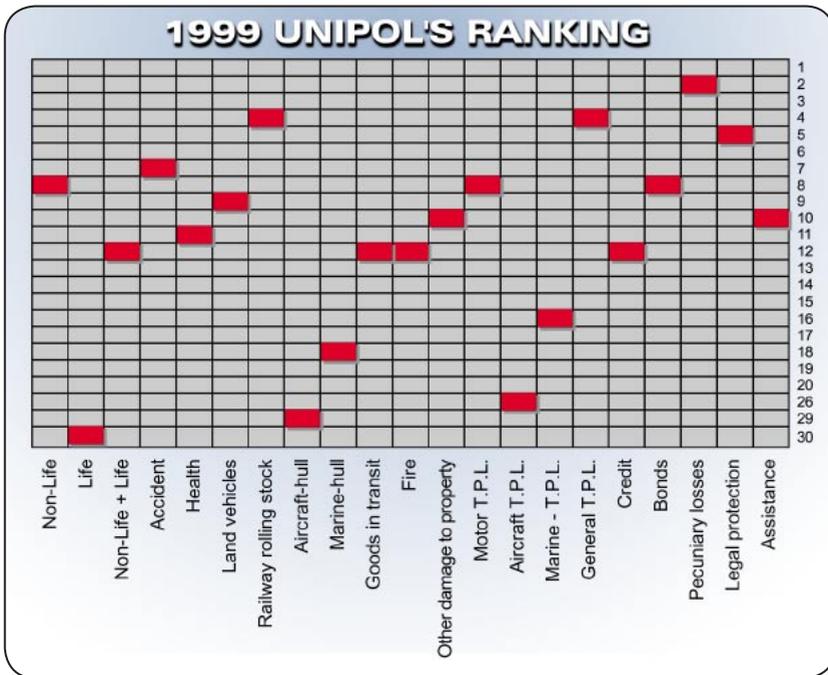
THE 1999 ANNUAL ACCOUNTS OF THE PARENT COMPANY, UNIPOL ASSICURAZIONI

The Unipol Assicurazioni annual accounts for the 12-month period ending on 31.12.99 show further growth in premium income and significant improvements in the technical results of Non-Life insurance business, as reflected in net profits (up 30%). At the strategic level, work was focussed on integrating insurance and banking activities, where the Group has significant business managing private savings. The table below summarises results and compares them with the previous year:

FIGURES 1999	AMOUNTS (in ITL/bn)	CHANGES (1999/1998 in %)
Total premium income	2,752.3	+6.6
Technical provisions	7,635.8	+10.6
Investments and liquid assets	8,199.7	+12.1
Net profit	76.0	+30.0
Shareholders' funds	1,293.7	+10.7
Solvency margin surplus (*)	686.2	
Proposed dividend	46.2	+16.4

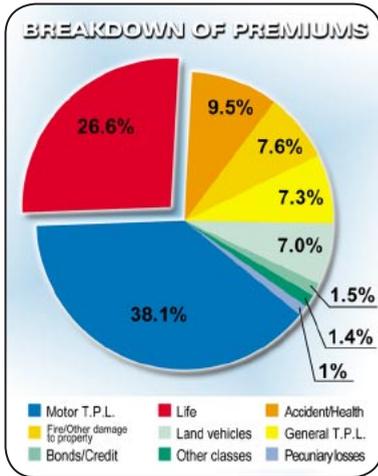
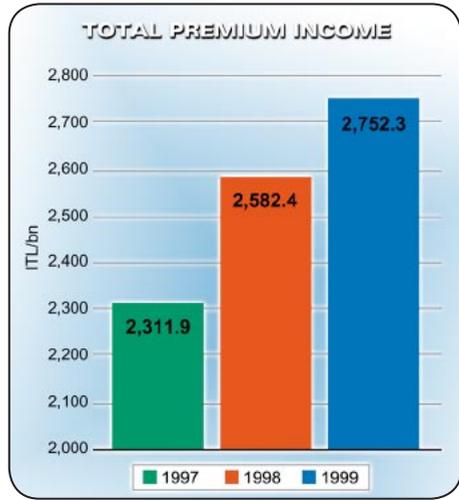
(*) surplus on minimum solvency margin required by law.

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In addition activities in 1999 were characterised by:

- growth in direct premium income of 5.9% (premiums up 6.6% overall);
- a significant improvement in the technical results of Non-Life business;
- a further reduction in operating expenses (about 1% down in terms of the impact on premiums);



- positive growth of investments, accompanied however by a reduction in financial returns;
- ordinary results up 34% on the previous year; extraordinary results unchanged, after deferred taxes of ITL6.7bn arising from previous financial years;
- net profits up 30%.



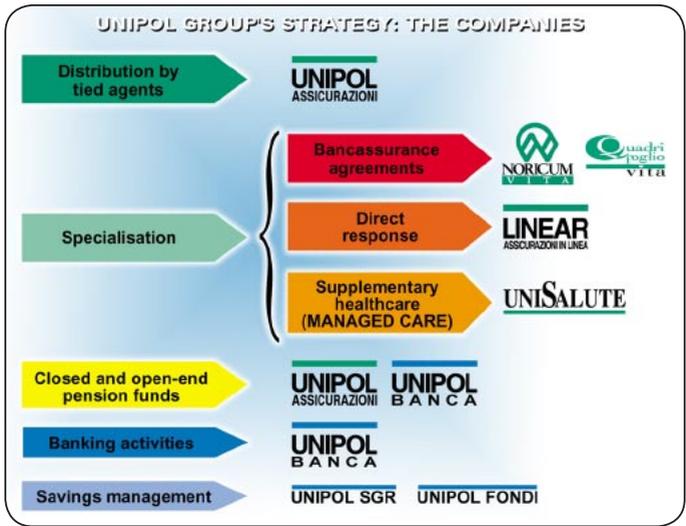
THE CONSOLIDATED ANNUAL ACCOUNTS OF THE UNIPOL GROUP

The consolidated annual accounts for the Unipol Assicurazioni Group consist of the results of a number of companies, including:

- five insurance companies;
- four property companies;
- a services company.

During 1999, in line with development policy for managed savings, Unipol Banca was strengthened to increase its ability to attract savings, with the opening of a further 15 bank outlets and the creation of a network of financial advisers. New forms of distribution were introduced to provide a broader and more integrated range of insurance and banking services. Unipol Fondi Limited was incorporated, with registered office in Dublin. The company is 100% owned by Unipol Assicurazioni. This strengthened the Group's position in the field of managed savings, creating synergy with other companies in the Group.

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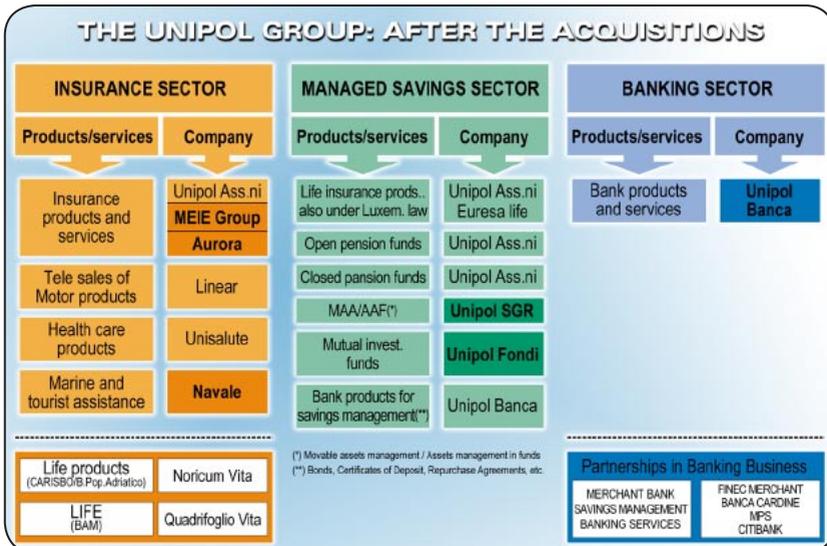
In 1999, Group activities continued to grow, particularly in the field of insurance where Life Assurance was up 32.1% thanks to bancassurance. The consolidated accounts showed a net profit of ITL73.4bn (ITL62.2bn in 1998, + 17.9%).

THE STRATEGY OF THE UNIPOL GROUP

The Unipol Group intends to continue its development as an integrated service provider in the fields of banking, insurance and managed savings. The growth in the Group's size will help this process. In line with this policy, the Group has acquired or set up a bank (Unipol Banca), a company for savings management (Unipol SGR) and an investment fund (Unipol Fondi), and also has a significant stake in a merchant bank (Finec Merchant).

The Group is gradually carrying through a development plan that aims to create an integrated group operating in the insurance, banking and managed savings fields. The fundamental features of this plan over the next three years can be summarised as follows:

- development of the Group in the insurance sector;
- expansion in the banking field, by strengthening the position of Unipol Banca;
- development of the managed savings division of the Group through Unipol SGR;
- increase of products at the disposal of agency customers as supplied by Group members (Unipol Assicurazioni, Unipol SGR, Unipol Fondi);
- the creation of significant synergies among the three business sectors by means of products offered to all customers and the allocation of common functions and services to the parent company;
- development of a multi-channel sales strategy (insurance agencies and bank outlets, a network of financial advisers, telephone and Internet sales) in an integrated and co-ordinated distribution system.



CONSUMERS AND CUSTOMERS

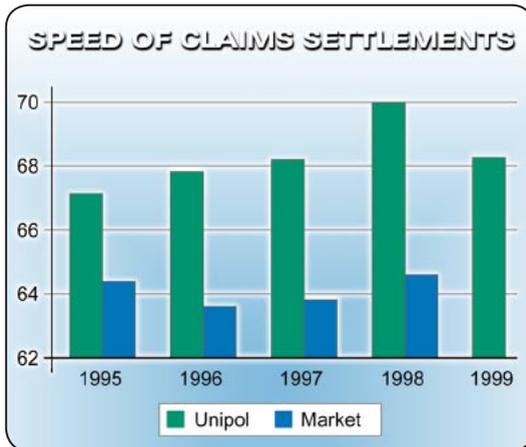
The principles of the mission reflect the values of co-operatives and the social economy and aim for reliability and transparency of insurance business and customer satisfaction.

Unipol has always pursued a customer-oriented policy of transparency in all technical and distribution aspects. This includes:

Speed of claims settlement

Between 1994 and 1999 Unipol reduced the average time for settling direct indemnity claims by 5.2 days; the company maintains a lead of 8.8 days over the average for other companies in the D.I. Agreement (48.6 days compared to Unipol's performance of 39.8 days). The SERTEL telephone service has contributed to this and in 1999 the number of claims settled by means of this service increased: the advantage of SERTEL compared to conventional forms of settling claims is the rapidity with which claims reach the settlement department (4 days compared to 19).

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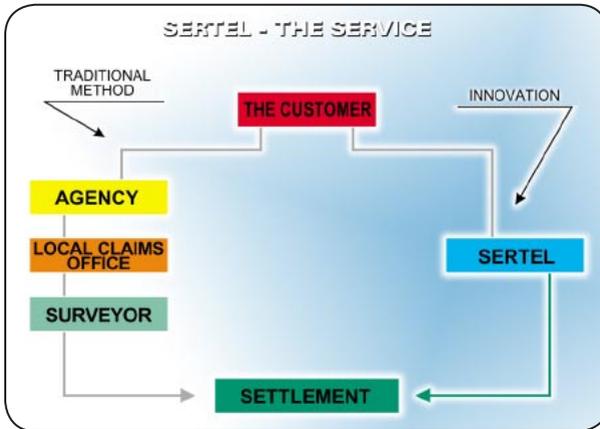
Motor T.P.L. claims settled/reported (% ratio)					
	1995	1996	1997	1998	1999
Unipol	67.1	67.8	68.2	70.0	68.3
Market	64.4	63.6	63.8	64.6	(*)

(*) not available

Settling claims

Unipol's aim is not just to make settlements quicker, but also more efficient and with less red tape.

This is achieved by reducing the number of claims settled by conventional means and increasing innovative claims procedures such as SERTEL and Quick Settlement (claims settled by surveyors) and Direct Settlement Offer (offer = payment by cheque of the damage as estimated by Unipol).



Disputes

Unipol wishes to reduce the number of disputes arising from claims. In certain geographical areas action has been taken to avoid the risk of fraudulent claims. An “anti-fraud” squad has been set up to investigate claims for small injuries (so-called micro-permanent injuries) which are out of proportion with the severity of the material damage. The policy for local offices responsible for settlements is to assess damage as quickly as possible, particularly where the liability of the Unipol customer is certain.

Fraud

1999 was a turning point in the fight against fraud. For Unipol anti-fraud measures are particularly important in the light of its mission.

At the end of 1999 Unipol set up an “anti-fraud” squad to prevent and combat fraud by creating working groups and through co-operation between company functions. Co-operation with police and magistrates has also increased, so preventing a number of fraudulent claims from coming to fruition.

Customer satisfaction

For the past twenty years Unipol has listened to its customers through the service entitled 'Unipol Risponde' (Unipol Replies).

The aim of the service is not merely to safeguard the customer, although this is the priority function; the service acts as interface with the Complaints Division of ISVAP.

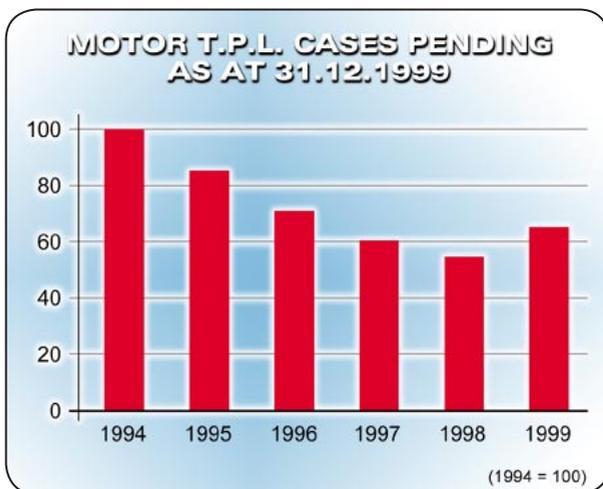
In the past year the number of complaints (written or by telephone) received by Unipol Replies has increased by 22%. The most common complaints are about the obligations specified in the contract (no knowledge of the existence of deductibles, effects on no-claims bonus) particularly for Motor T.P.L. insurance. This increase is in line with a general trend in the insurance world (rather more so in general than at Unipol):

	1998	1999	Variazione
ANIA(*) : written complaints	2,524	2,192	+20%
ISVAP(**) : written complaints	20,256	24,211	+19.5%
Unipol: written complaints	725	935	+28.9%
Unipol: telephone complaints	1,321	1,566	+18.5%
Unipol: total complaints	2,046	2,501	+22.2%
Fines imposed by ISVAP			
	1998	1999	
of which to other insurers	803	882	
relating to claims	541	685	
of which to Unipol	1	0	
relating to claims	1	0	

(*) National association of Italian insurers. (**) Italian supervisory authority

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Unipol emerges with honour if we look at the fines imposed by ISVAP: despite stricter controls by ISVAP and the consequent increase in the number of disciplinary measures taken (685 in the Motor T.P.L. insurance field alone, compared to 541 the previous year), Unipol was not fined during the year.



Relationships with consumer associations

Unipol has long had excellent relations with consumer associations, for the purpose of providing rapid answers about consumer rights and transparent and modern insurance services.

The opportunities for an exchange of views with consumer associations are the publication of the Social Report, the Unipol Replies Report, the meetings of Unipol Regional Councils and the social events they organise.

Dialogue with consumer associations is also fostered by the activities of the CESAR Foundation, including the 1999 Databank survey carried out on behalf of the Foundation, entitled "Motor T.P.L. insurance and consumer associations" and the recent study "Europe and Consumers".

BUSINESS BREAKDOWN

For obvious reasons of length, only some of Unipol Group business areas and specialist companies are described here. Please see the complete Social Report for an overview of the Group's activities, broken down by individual company.

Life Business

In 1999 premiums from life assurance amounted to ITL695.6bn, up 4% on the previous year.

A total of ITL494.4bn was collected for individual policies and group policies amounted to ITL195.6bn. Pension funds totalled ITL5.8bn.

Single premiums amounted to 31% of individual policies, annual premiums 63% and recurrent premiums 6%.

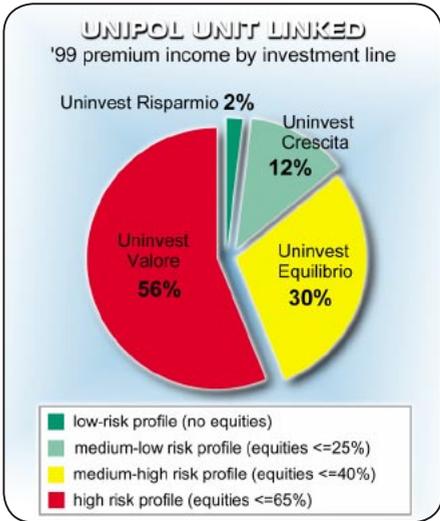
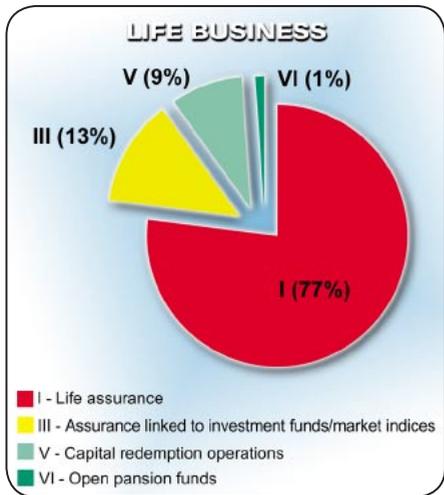
Annual premiums of individual policies amounted to ITL311bn, up 5.8% on 1998. Individual policies with recurrent premiums also performed well, with sales of Tariff 404 from June onwards producing ITL23bn, with a peak in December.

Group policies were up 14.7% on the previous year with an excellent performance in the capitalisation line of business and Unipol insurance funds.

In 1999 the following new products were launched:

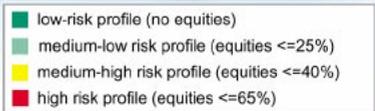
- Tariff 211 Index-Linked with single premium, with benefits related to Stock Exchange indicators.
- Tariff 404 with recurrent premiums, linked to Vitattiva Fund; a highly flexible product.
- Tariff 302 Unit-Linked linked to the 4 funds managed by the Company: for customers wishing to diversify investments. Customers can follow their investments and at the same time enjoy the guarantees provided by conventional life assurance policies.

In 1999 Unipol Banca also sold insurance – a total of about ITL1bn in premiums, for “index-linked” and “unit-linked” products.



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LIFE BUSINESS	
I Life assurance	539,685
III Assurance linked to investment funds/market indices	89,845
V Capital redemption operations	60,264
VI Open pension funds	5,787
Total	695,581



Pension funds

1999 was the year the company entered the important pension fund sector. In March 1999, FONCHIM – the first occupational fund in Italy – came on stream. During the previous month Unipol took over management of part of the Bayer Italia Pension Fund. In addition to the purely financial activity involved, a team of experts based in Bologna and Rome gave support to trade unions called upon to initiate occupational funds.

In April the ‘Unipol Futuro’ and ‘Unipol Previdenza’ open pension funds went on sale through Unipol agencies, branches and advisers of Unipol Banca, the network of Banca Agricola Mantovana and the Cardine Group.

These products allow the self-employed and professionals to enter a private pension scheme in addition to conventional life policies.

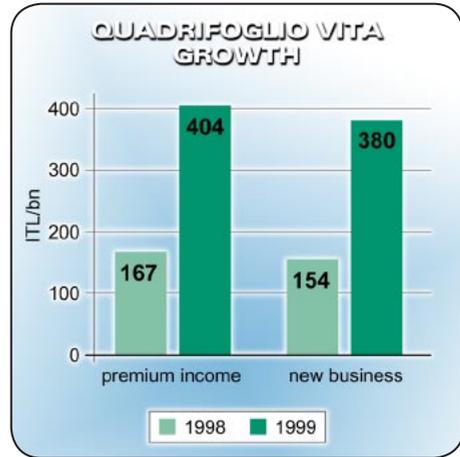
Employees without occupational funds may also take part in the scheme; many employees of enterprises, credit institutions and professional associations and banks have joined the two funds with collective agreements. In addition to the pension funds created in conformity with Legislative Decree 124/93, Unipol also continues to manage 54 pension funds set up before 1992, with over 35,000 members.

Quadrifoglio Vita

Quadrifoglio Vita is the Life assurance company jointly owned by Unipol Assicurazioni and Banca Agricola Mantovana, set up in 1998 with products sold through the 295 branches of the bank and its partners.

At 31.12.1999 premiums amounted to over ITL404bn compared to ITL167bn in 1998 (up 142%).

New business was ITL380bn compared to ITL154bn in 1998 (up 146%).

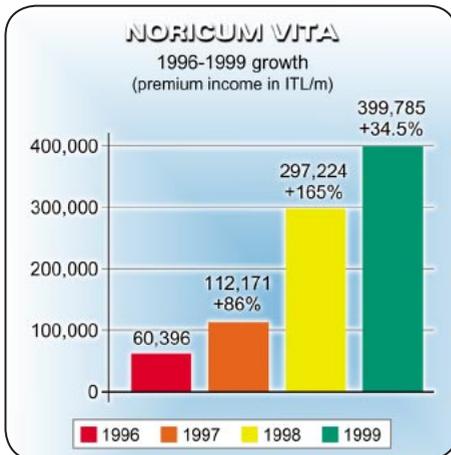


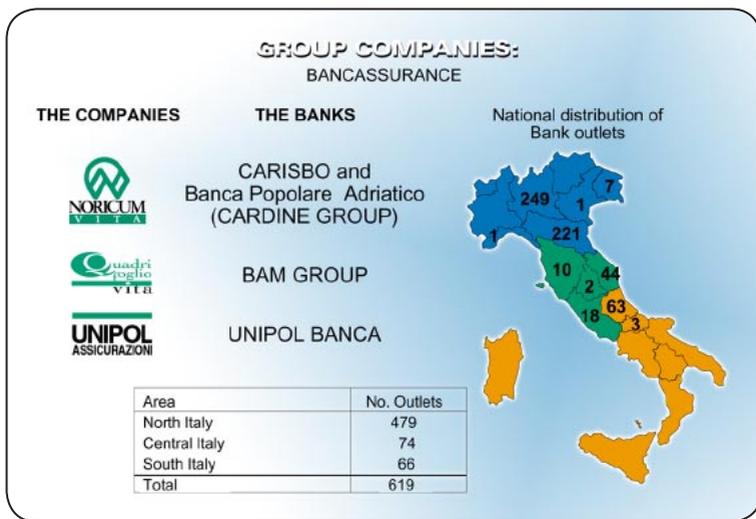
Noricum Vita

Noricum Vita is the company which has been working for some years in the life assurance sector through bank outlets, mainly those of the Cardine Group, including those of the Cassa di Risparmio di Bologna and the Banca Popolare dell'Adriatico. A small co-operative credit bank, Banca di Bologna, is also part of the network. There are about 310 bank outlets in all.

In 1999 the company achieved significant growth, from ITL297bn to ITL400bn in premiums, up 34.5%.

In 1999, Coop Liguria and Coop Estense used Noricum Vita products to provide life insurance services to their members.





SUMMARY

Linear Assicurazioni

Linear Assicurazioni S.p.A. is the company specialising in the direct sale of Motor T.P.L. insurance by telephone and internet. Linear's Mission is to provide customized, quality services at highly competitive prices through the use of technology and the professionalism of human resources. Linear is one of the major companies in on-line insurance. Its 1999 market share is shown on the following page.

Fino al 40% di risparmio sull'assicurazione auto?



E cosa hai fatto per meritartelo?

Beh, sono Automobilista Sapiens!



Non solo. Ho anche avuto garanzie complete e senza sorprese, chiunque sia alla guida della mia auto.

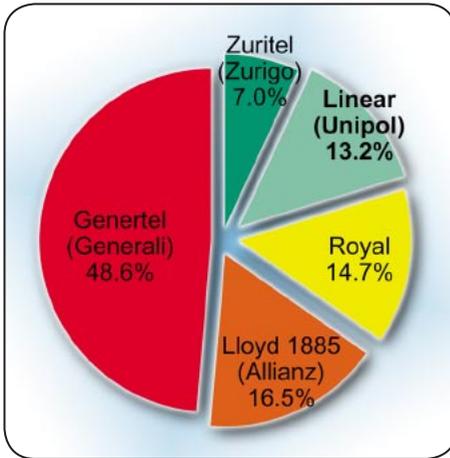
Linear, l'assicurazione auto degli Automobilisti-Sapiens.

Se hai più di 25 anni e guidi da 5 senza causare incidenti puoi risparmiare fino al 40% sulla tua polizza auto. Oltre al risparmio, che ritroverai anno dopo anno, puoi usufruire di un servizio clienti che si prende cura di te e ti assiste in caso di incidente. Telefona indicando la tua età e la classe di bonus-malus; avrai subito un preventivo personalizzato che ti farà scoprire quanto puoi risparmiare senza rinunciare a nulla.

VERDE 800 992233
CHIAMATA GRATUITA dal lunedì al venerdì, dalle 8.00 alle 20.00. *escluso IVA e bolli*

www.linear.it



Telephone sales were initiated experimentally in the second half of 1996; in 1997 the service was extended to cover the entire country. The growth of premiums collected by telephone is shown below:

The sale of policies by Internet was initiated experimentally in the second half of 1998 and, in 1999, made up 5% of total turnover.

The development of Linear has led to new employment opportunities, particularly for young people, many of whom were given their first job at the Call Centre.



Year	Staff	
	Call Centre	Tot. Linear
1997	45	63
1998	63	85
1999	84	110

Unisalute

Unisalute is one of the two Italian insurers specialising in health insurance and the only one that has special agreements with a network of healthcare facilities.

The company provides services for all types of medical expense, disability and healthcare management, mainly to customers covered by supplementary healthcare funds or mutual insurers.

Its aim is to provide healthcare cover to all, at affordable prices, through the organised purchase of healthcare services.



In addition, Unisalute is able to manage healthcare services on behalf of mutual insurers and supplementary healthcare funds.

Unisalute works exclusively in the fields of Health, Accident and Assistance; its shareholders are Unipol, Cassa di Risparmio di Bologna, Banca Agricola Mantovana, Reale Mutua riassicurazioni, CNA (craft workers), 'Confesercenti,' (shopkeepers), CIA (farmers) and Laborfin.

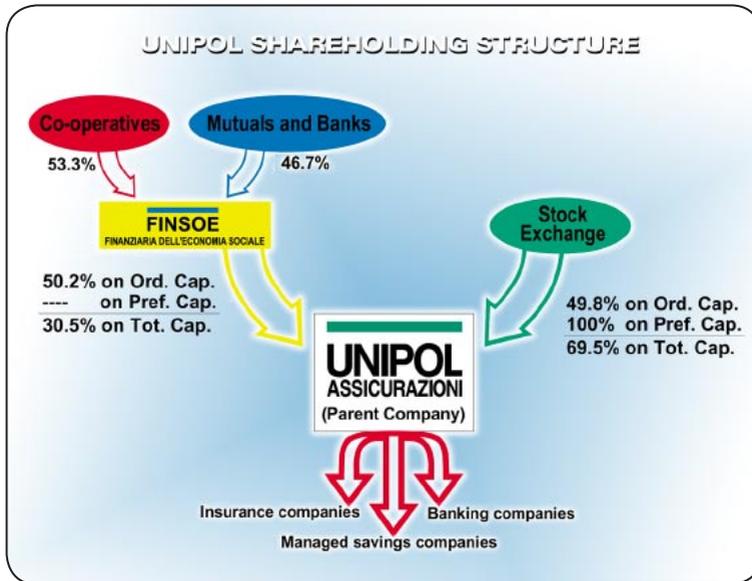
The entire Unisalute organisation is designed for specialisation: doctors who are always available to advise customers; personnel liaising with nursing homes; an IT system for the management of healthcare problems; a help-line for high quality services; insurance personnel for customized insurance products. Sales advisers are also available to meet needs as they arise and to provide the best insurance and organizational solutions.

SHAREHOLDING AND HISTORICAL PARTNERS

After the increase in share capital in 2000, the majority shareholder, with 50.2%, is FINSOE, the finance company of the social economy and the Italian co-operative movement. 53% of FINSOE shares are owned by major consumer and production co-operatives, whilst 46.7% is owned by foreign companies: MACIF and MAIF (French Mutual Insurers), the P&V Group (Belgium), the FOLKSAM Group (Sweden), R+V (Germany) and other Italian partners: Reale Mutua Assicurazione, Banca Cardine and the BAM Group (the latter in the bancassurance field).

Floating capital consists of 49.8% of the ordinary shares of Unipol and 100% of preference shares.

At least 12% of this capital is held by some of the major investment fund managers in Italy and abroad.



Co-operatives in Bologna and the rest of Emilia were among the founders of Unipol. In 1963 they agreed to the purchase of the company within the framework of the Co-operative movement in Italy (League of Co-operatives).

The company was strengthened by the inclusion of first UIL, then CGIL and CISL among its shareholders. Subsequently CNA (craft workers), 'Confesercenti' (shopkeepers) and CIA (farmers) entered the company. This made Unipol a company with a broad shareholding base, which extends to the self-employed and to employees.

In 1986 Unipol became the first company of the co-operative movement to be listed on the Stock Exchange.

The company structure has been further extended to include several major European mutual and co-operative insurers.

Shares are also owned by two major banks: Cassa di Risparmio di Bologna and Banca Agricola Mantovana.

HISTORIC PARTNERS OF THE UNIPOL GROUP

Salaried and self-employed workers



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SHAREHOLDERS

Unipol has been listed on the Stock Exchange since 1986 and important institutional shareholders have acquired Unipol shares, including Italian investment funds and non-Italian pension Funds.

Unipol Assicurazioni: distributed dividends

	1995	1996	1997	1998	1999
Number of ordinary shares (million)	55.7	156.1	156.1	156.2	170.8
Dividend per ordinary share (ITL)	280	120	140	150	160
Number of preference shares (million)	36.2	101.4	101.5	101.6	110.9
Dividend per preference share (ITL)	300	130	150	160	170
Net profit (ITL/bn)	56.7	59.8	53.5	58.5	76.0
Distributed (ITL/bn)	26.5	31.9	37.1	39.7	46.2
Pay-out	46.7%	53.3%	69.3%	67.9%	60.8%

N.B. dividends up to 1995 refer to shares having a nominal value of ITL 2,000. On 5/8/1996, as shares were split, their face value became ITL 1,000.

SPECIAL AGREEMENTS

Special agreements with customer organisations are what makes Unipol itself special.

These agreements are unique in the insurance market, allowing members of organisations to benefit from value added products created by co-operation between Unipol and trade unions or associations representing the insurance needs of their members.

Each special agreement is the result of lengthy discussions and negotiations between Unipol and the various organisations.

These insurance services are part of the overall services provided by trade unions to their members.

The result has been a 16% increase in premiums and a 10% increase in the number of contracts, with a peak of 30% increase in premiums for the largest pensioners associations.

The company is increasingly involved in service provision for the elderly, particularly in healthcare, savings and asset management, with special agreements with the most important pensioners unions. The results are set out below:

IMPLEMENTED AGREEMENTS				
	1999 Premiums	Var. % 98	1999 Contracts	Var. % 98
Salaried workers	237,698,179	+11.18	222,420	+5.07
Self-employed	117,091,207	+10.60	97,567	+5.54
Legacoop	11,244,519	+44.89	7,692	+50.91
Non-profit organisations	25,350,344	+43.36	17,952	+34.11
Pensioners	81,972,790	+30.72	102,718	+26.67
Other agreements	46,150,813		46,724	
Total national agreements	519,507,852	+15.95	495,073	+10.12
Single company agreements	135,164,903	+19.01	157,302	+10.06
TOTAL AGREEMENTS	654,672,755	+16.57	652,375	+10.10

During 1999, some special agreements were re-negotiated on expiry, and a new agreement was stipulated with Slow Food-Arcigola and its members, restaurants and wine makers listed in the Guide to Italian Wines and Restaurants. In addition

to nationwide agreements, “Community Agreements” and “Workplace Agreements” are also important and involve the Unipol sales force providing local trade unions with information about insurance and promoting specific initiatives to individual companies.

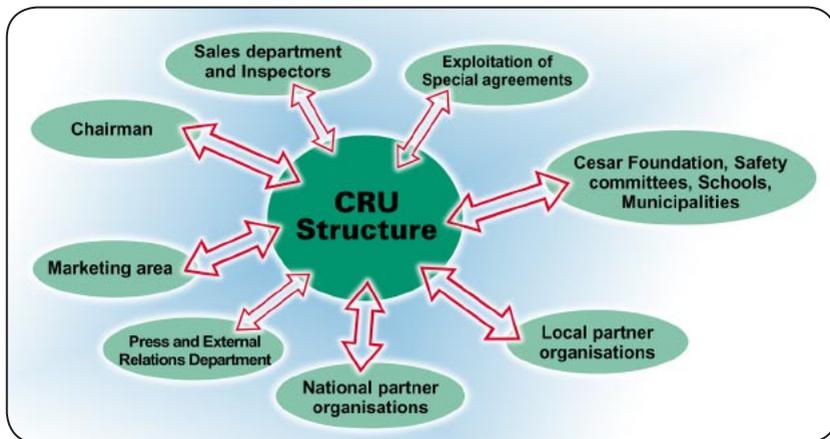
THE ACTIVITIES OF UNIPOL REGIONAL COUNCILS (CRUs)

Unipol Regional Councils (CRUs) co-operate with numerous company functions to define and support activities: in 1999 Unipol Regional Councils continued to broaden and consolidate their relations with trade union organisations and trade associations with shareholdings in Unipol.

Relations between Unipol and member organisations are not just formal: senior and middle management as well as other employees are required to have a full understanding of Unipol activities and Unipol receives full briefs on members’ needs.

This “word of mouth” approach is a way of systematically sounding the market and updating awareness of new market needs.

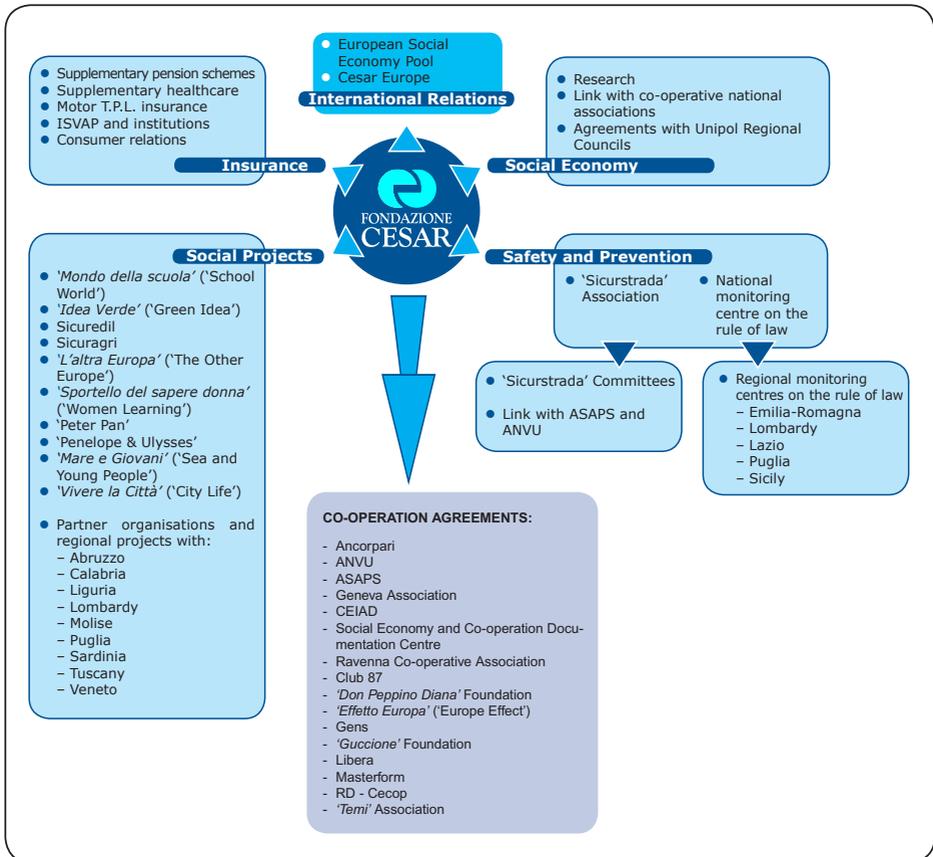
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The contribution of CRU Chairmen, inspectors and members has been fundamental for company strategy.

In 1999, CRUs played a vital social role in establishing new company activities and the new corporate identity, so adding this important social dimension to the other aims of the company.

THE CESAR FOUNDATION AND SOCIAL PROJECTS



The Cesar Foundation (European Centre for Research into the Social Economy and Insurance) was created by Unipol to develop culture and debate as to consumer needs, security and prevention, consumerism and the social economy. The Foundation has received the support of a number of organisations and acts together with Unipol to fulfil the company's social commitments and objectives in terms of insurance, social security and wellbeing.

1999 was a particularly important year for the Foundation, which celebrated its tenth anniversary with the publication of its first Social Report, bringing the activities of the Foundation into line with those of Unipol. The Foundation has achieved official recognition from the Chairman of the Emilia-Romagna Regional Authority. During 1999 it continued its work in the following fields:

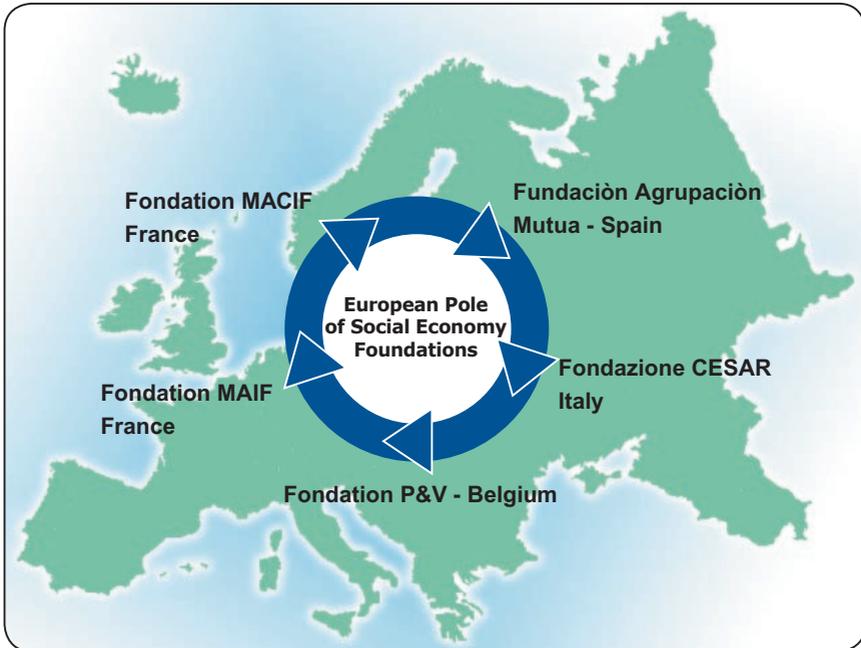
- in the **insurance** field, the Foundation focussed on the transfer of services relating to social security and safety from the public to the private sector. The Foundation also examined guarantees for this process, and examined the organisation of a supplementary healthcare system. It set up a project to introduce objective, scientific criteria for the examination of the problems making the Motor T.P.L. field ungovernable, and also sponsored a major research project into consumer needs in the insurance field;
- in the field of the **social economy**, during the year the Foundation focussed on the reform of the welfare state and the affirmation of new social responsibilities, information and training for entrepreneurs in the social economy, the creation of national and international links with non-profit organisations to increase the specific weight of the social economy and improve dialogue with government bodies; the optimisation of family pension savings and the outsourcing of social activities to other organisations;
- in the field of **safety** and **prevention**, two associations were set up: '*Sicurstrada*' and the Monitoring Centre on the Rule of Law. The former deals with road safety and accident prevention amongst the young, bringing together public authorities and private enterprise, and organising local safety committees. The Monitoring Centre focuses on crime and combating criminal organisations, acting as a crime watch-dog, with both lay and Church organisations;
- in the area of **social projects**, the Foundation sponsored projects for the environment, the preservation and rediscovery of local traditions, the proper exploitation of historic town centres, as well as promoting employment and entrepreneurial activities in services (with particular emphasis on equal opportunities) and promoting child-friendly shops and water sports for the disabled.

The Foundation's international relations

The Cesar Foundation has a wide network of international relations with insurers and mutual insurers working, like Unipol, in the social economy. These relations involve the promotion of social, institutional and employment aims.

The Foundation has always acted within a European and international framework on issues related to healthcare and social security, the reform of the welfare state, the abolition of unfair terms and recognition of consumer rights, as well as sharing entrepreneurial experience in the social economy.

Specifically, the Cesar Foundation is a founding member of the European Pole of Social Economy Foundations, which has the twin purposes of promoting solidarity and youth employment.



THE SALES NETWORK

Agencies are effectively Unipol points of sale. The sales network consists of privately-owned agencies and associated agencies (Assicoops).

Privately-owned agencies

In 1999 the network of privately-owned agencies was consolidated and strengthened.

SALES NETWORK OF PRIVATELY-OWNED AGENCIES

	1998	1999
Agencies	514	508
Agents	742	754
Full-time sub-agencies	884	865
Part-time sub-agencies	900	883
Full-time salespersons	378	372
Part-time salespersons	184	189
Sales managers	160	165
Full-time/part-time employees	1034	1030



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The average level of premium income per agency is close to ITL3.5bn, in line with the average of competitors.

BREAKDOWN OF AGENCIES BY PREMIUM INCOME

Premium income (ITL/m)	No. agencies		Total premium income		Average premium income by agency	
	1998	1999	1998	1999	1998	1999
0-1,000	13	12	9,983	9,456	768	788
1,000-1,800	100	84	145,386	124,646	1,454	1,484
1,800-2,500	122	109	259,506	234,889	2,127	2,155
2,500-4,000	156	164	490,786	515,232	3,146	3,142
> 4,000	110	127	665,265	783,721	6,047	6,171
Assicoop (*)	3	3	59,833	63,994	19,944	21,331
Total	504	499	1,630,759	1,731,938	3,235	3,470

(*) These are privately-owned agencies which have kept their former 'Assicoop' denomination.

Associated agencies (Assicoops)

Currently there are 14 Assicoops, working in the Provinces of Bologna, Ferrara, Forlì, Grosseto, Genova, Modena, Parma, Reggio Emilia, Rimini, Ravenna and Siena. Unipol has a participating interest in 9 of them.

In 1999 they produced about 25% of Unipol Assicurazioni premium income, with 10-15% market share in certain areas.

Assicoops have 74 agencies, 261 sub-agencies, 96 salespersons and 51 financial advisers, making a total of about 900 full-time professionals.

The reorganisation of Assicoops, which began in 1997, has transformed them into S.p.A. (stock companies) where Unipol, co-operatives and member organisations are shareholders.

ASSOCIATED AGENCIES AS AT 31/12/1999

Location	No. agencies	No. sub-agencies	Premium income (ITL/bn)	% Var. on 1998
Bologna	13	26	128,211	7.9
Ferrara	3	17	27,810	8.2
FE – CNA	1	0	2,121	11.5
Forlì	4	39	80,813	2.3
Genova	4	5	18,980	-2.6
Grosseto	6	30	29,609	7.0
Imola	3	5	17,369	10.6
Modena	9	26	101,714	8.0
MO – CNA	1	3	13,327	1.0
MO – Frignano	1	10	4,372	12.6
Parma	4	21	32,343	9.2
Ravenna	7	26	67,257	3.3
Reggio Emilia	15	34	96,446	11.0
Siena	3	19	25,195	13.2
TOTAL 14	74	261	645,567	7.0

global average

Training of agency personnel

Training in 1999 focussed largely on the sales network agents, sales managers, counter clerks, sub-agents and salespersons in privately-owned and associated agencies.

Agency personnel training

Subject	No. of courses	No. of participants
Management courses for agents and agency personnel	109	1,501
Ground courses for sub-agents and salespersons	18	181
Courses for tutors/job trainers	2	18
Total	129	1,700

PERSONNEL

At the end of 1999, the Unipol Group had a total of 1,566 employees, as follows:

BREAKDOWN OF UNIPOL GROUP STAFF BY COMPANY					
	Managers	Clerical staff	Salespersons	Total	% Var. 98/99
Unipol	52	1253	29	1334	-5.0%
FINSOE	1	6	0	7	-
Noricum Vita	1	12	0	13	+8.3%
Quadrifoglio Vita	1	9	0	10	+11.1%
Unisalute	4	74	0	78	+18.2%
Linear	1	38	71	110	+29.4%
Lavoro e Previdenza Service	1	13	0	14	+40%
Total	61	1405	100	1566	-1.1%

The total number is 18 down on 1998.

A breakdown by sex shows a continuing increase in the number of female employees and a drop in the number of male employees. The slight drop in the number of jobs has occurred mainly in the low-profile job areas, whilst the number of specialists – after qualifying with MBAs – has increased. Job losses have occurred only at the parent company, all other companies in the Group having increased the total number of employees, in some cases quite significantly (Linear and Unisalute).

BREAKDOWN OF UNIPOL GROUP STAFF BY SEX						
	Total	% Var.	Male	% Var.	Female	% Var.
1997	1,525		757		768	
1998	1,584	+3.9%	766	+1.2%	818	+6.5%
1999	1,566	-1.1%	726	-5.2%	840	+2.7%

	Total	Male	Female
University degree	407 26.0%	211	196
High school certificate	834 53.3%	423	411
Middle school certificate	319 20.4%	88	231
Primary school certificate	6 0.4%	4	2

Personnel at Unipol have a pension fund (with 1,500 members as at 31 December 1999) and a supplementary healthcare fund, which in 1999 reimbursed 3,756 health-care services (specialist examinations, diagnostics, dentistry).

Training activities for employees

Training of personnel is mainly in the area of technical training in the use of basic and advanced software systems.

Language training has continued at corporate headquarters. Of course, training of new employees took place as usual.

Some specialists and middle managers attended external courses, organised by specialist professional institutes.

Training activities for employees

Subject	No of courses	No of participants
Induction courses	1	8
IT courses	26	158
Language courses	17	40
Total	44	206

SAFETY IN THE WORKPLACE

In 1999, safety and accident prevention in the workplace were developed along the lines set out in the 1999-2001 3-year plan:

- preventative healthcare, with all personnel at the "Sertel" Computer Centre placed under medical supervision, as part of the preventative healthcare programme for all personnel working on video terminals for at least 4 hours a day.
- accident prevention, with the replacement of all materials not meeting the required standards.
- improvement of work stations together with the supervision of the health of personnel on the work stations.
- in 1999 the micro-climate in the workplace was once again analysed, in a sample of offices; some improvements were made in some rooms on the basis of the results.
- fire prevention and safety: the existing programme went ahead, including a fire-drill at head office, with simulated fire and evacuation of the premises.

CONSUMPTION AND PURCHASES

These follow a strict policy.

Consumption

Consumption is monitored in order to identify possible savings, particularly in the energy field.

Waste

Waste disposal is in full compliance with legal requirements safeguarding the environment. Suppliers are held to the same requirements. Waste is collected separately and removed by specialist companies.

MAINTENANCE

In addition to routine maintenance activities, in 1999 the following maintenance operations were carried out:

- improvements to the working environment;
- reduction of architectural barriers to disabled access;
- regular checks on emergency exits, and the completion of the fire fighting plant in compliance with Law 626.

NOTES

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1999 SOCIAL REPORT

Edited by the External Relations
and CRUs Department:

Giancarlo Brunello
Franco Malagrino

In co-operation with
SMAER – Bologna

Graphics and page setting
Ivano Pivetta

Translated by
Ic.Doc - Bologna





On 20th November 1989
the UN General Assembly
unanimously approved
the text of the International
Convention on the Rights
of the Child.

For the first time the rights
of children were given
recognition in international
jurisprudence after years
of marginal attention.

On the tenth anniversary
of that historic vote
Unipol Assicurazioni would
like to contribute to
the awareness and diffusion
of the values contained in
the Convention.

Unipol for UNICEF has
published an edition of the
UN Convention on the Rights
of the Child to be distributed
with the 1999 Unipol
Social Report.



UNIPOL
ASSICURAZIONI

I vostri valori sono i nostri valori

social report



Nineteen ninety-nine

**unipol
assicurazioni**

summary