

Strategic case of boogaard assurantien

Business



A look into the future of brokerage industry in the Caribbean A strategic case of Boogaard Assurantie N. V. Introduction For the assignment of strategic management I chose to make an analysis of the future of Boogaard Assurantie. For obtaining insight on the future planning of this company, a personal interview was conducted.

The subject of my interview was the Managing Director Mr. Celestino Dabian, a function he has occupied since 2002. Boogaard Assurantie may be unknown to a lot of people, but has established a strong reputation in the brokerage and insurance company on Aruba. Interviewer: Ferdinand Hsing

Date: 26 May 2010 Company: Boogaard Assurantie N. V. Interviewee: C.

Dabian Place: Boogaard Assurantie located at Paardenbaai 8, Oranjestad

Duration: 50 min History Mr. Johannes C. M. Boogaard started in the insurance world in 1978 in Haarlem, Holland. Since then has grown in the last 32 years to a recognized independent insurance broker for both business and private market. Mr.

J. C. M. Boogaard arrived in Aruba in 1997, where he started up with a small broker's office with 5 employees. Boogaard Aruba now has grown to operating as the largest broker's office with authorizations on Aruba and Netherlands

Antilles, owns two offices, and employs close to 80 workers.

Some of their major clients are the Aruban government, hotels, local wholesalers and car dealers. Key facts | Head office | Paardenbaaistraat 8, Oranjestad | | Phone |(+297) 528 8888 / (+297) 5288832 | | Fax |(+297) 582

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6862 | | Website | [www. boogaard-aruba. om](http://www.boogaard-aruba.om) | | Branch | Helfrichstraat 2A,
San Nicolaas | | Phone |(+297) 528 8890 | | Fax |(+297) 584 3268 | |
Employees | 78 |

Figure 1: Key facts of Boogaard Assurantien Business description Boogaard Assurantien N. V.

Aruba is an expert in insurance, mortgages, financing and pensions. We can assist you with all your questions concerning insurance both for damage- and for life insurance ([www. boogaaard-aruba. com](http://www.boogaaard-aruba.com)). Boogaard Assurantien N. V.

acts as the largest independent broker of Aruba with a large number of authorizations. An authorization means that Boogaard has power to take certain decisions on behalf of the insurance company where the policy is closed.

The level of authorizations varies between insurance companies. This is unique of its kind on Aruba, where a broker acts as an insurance company. Because of these authorizations the company is able help you rapidly and adequately. Organization chart of Boogaard Assurantien N.

V. [pic] Objectives of the company The objectives of Boogaard Assurantien are found at the Chamber of Commerce. (a) To mediate at the effecting of insurance and re-insurance (b) To collect insurance contributions (c) To fulfill insurance indemnity claims (d) To advice in insurance problems e) To represent insurance companies Major products and services As a broker, Boogaard offers policies that include coverage classified business, life, living, traffic, medical, recreation and students. At Boogaard the client has the options of insurance coverage from different insurance companies as shown <https://assignbuster.com/strategic-case-of-boogaard-assurantien/>

in figure 2. As a broker Boogaard also has authorizations to takes certain decision for the insurance company.

This includes handling the customer's policy, either to approve an extension request, changing information but greatly of fulfilling with insurance indemnity claims.

The fulfillment of the insurance indemnity claims consist that a loss experienced will be (partially) covered by the insurance company, in such a way that the policyholder will be to the same financial condition prior to experience this loss (Glover, 2006). The majority of the portfolio (around 60%) consists of vehicle insurance. The degree of coverage for the vehicle damages varies from WA, Casco, Mini- Casco and Super Polis. This depends on what the policyholder request.

Insurance company	Coverage	Acting Power	Local or Foreign
Royal Sun Aruba	Business, recreation, traffic, living	Authorized	Local
Fatum	Business, recreation, traffic, living, life	Authorized	Local
The New India	Business, recreation, living, traffic	Provincial	Local
Citizens	Medical, life, traffic	Provincial	Local
Alico	Medical	Provincial	Local
Ennia	Business, life, living, traffic, recreational	Provincial	Local
American Home	Business, life, living, traffic, recreational	Authorized	Local
Morgan White	Medical	Authorized	Foreign
VPZ	Medical, students	Provincial	Foreign
Onderlinge Hulp	Funerary	Provincial	Local
New Treston	Business, life, living, traffic,	Fully authorized	Local
Elvira	Travel	Fully authorized	Local

Figure 2: Overview of policies from

associated insurance companies Competition Boogaard most direct competitions are the insurance companies.

Here are assessments of their position and developments on the market:

Nagico Strong points lie in their aggressive marketing campaigns. For this they have a growing image in the local market. Has develop their under writing with success the past years. Not as efficient in settling claims as Boogaard. Fatum A good life insurance partner, and is no direct threat to Boogaard for what concerns other assurance coverage.

Has new business relationship with Interassure that is proving successful.

ENNIA

Is a strong competitor on the vehicle insurance area with constant new attractive products. Has a long-establish good reputation. Very strict policy on coming with agreements with claim settlements. Strategic Management Boogaard Assurantien has the unique where the broker (who represent the client) itself handles the claim indemnities. This brought a change in the business process in the insurance industry that ultimately led to better service to clients.

With its fast and good service processes and unmatched low price on premiums, Boogaard set focus on expanding. With these came aggressive strategy to building its portfolio by buying the policies from several brokers on Aruba.

Boogaard now has established a reputation to provide a quality service to customers and for having a good understanding of the customers' need. Because of its authorization of insurance companies, it opens the path for <https://assignbuster.com/strategic-case-of-boogaard-assurantien/>

international insurance companies for the local market. Its unique way of doing business contributes to a strong and sustaining competitive position in the Aruban market.

Mr. Boogaard has a diversified portfolio of investments on Aruba and has also business ventures on Curacao and Bonaire. This includes a newly acquired insurance company on Curacao, Seguros Brouwers NV. Furthermore expansion includes broker companies on Antigua and St. Maarten.

With this comes the opportunity to offer more international insurance possibility for the local market.

Their current strategic plans lay in improving their financial position, mainly in reducing their costs concerning vehicle insurance claim settlements. One option is the negotiate better terms with local car dealers, with the other to

SWOT matrix SWOT analysis is the process of analyzing organizations and their environments based on their strengths, weaknesses, opportunities and threats. This includes the environmental analysis - the process of scanning the business environment for threats and opportunities (external factors), and the organizational analysis - the process of analyzing a firm's strengths and weaknesses, shown in table 3.

Table 3: SWOT analysis	
Boogaard's internal environment factors	
Main strong points	Main weak points
Authorization with insurance companies	1. Communication in company
2. Flexibility in meeting third party claim settlements	2. Few resource in marketing area
	3.

Flexibility/attractive premium rates | 3. Fast increase of customers base can lead to decrease in | | 4. Overall good customer service | quality of service | | 5.

Fast and good feedback from acquisition | 4. Improve information structure for customers and employees' | | 6. Good in meeting with client's requested conditions and needs | suggestion/ideas | | 7. Continually development of products | 5. Room for employees performances improvements | | 8.

Associates with international insurance companies | | | 9.

Biggest broker on Aruba and growing | | | Boogaard's external environment factors | | | Opportunities | Threats | | 1. Growing population | 1. Increasing claim settlements costs | | 2. Broaden NTI products | 2.

Strong price competition | | 3. Obtain authorizations from more international companies | 3.

Customers are looking more to price area rather conditions of | | 5. Start up own body shops | policies | | | 4. Customers are difficult to satisfied in claim settlements | | | 5. Lack in advertising | Conclusion Boogaard looks to grow their position in the local and international market.

Now they are considering alternatives that are of significance to the company's performance. The alternative to start up their own body shop will affect their current relationship with car dealers.

It will be more difficult to negotiate more attractive agreements, as they are vital for the obtainment of body parts. Besides weakening their bargain power position, this decision will affect their company's structural

information flow, requires taking on a complete different business, which is the automotive repair industry. When considering such decision external trends and internal capabilities and resources should be evaluated. Successfully adapting to internal and external factors is crucial for companies' success. Mr.

Boogaard has shown the true characteristics of a true innovator, where his thinking that has change the way brokerage and insurance industry on Aruba operates, and could consequently have such impact in the Caribbean. Boogaard Assurantien has shown a distinctive way of going by their business always looking for improving their service for the good of the customers, even if it may and has drastically change the core functional activities of the company. This is what sets Boogaard Assurantien apart from most companies. ————— Ferdinand Hsing 1057421 Strategic Management B. Martha 28 April 2010 Managing Director Financial Director Commercial Director Human Resources/ Secretary Archives ICT Receptionist/ Operator Administration Claim Authorization Field Agents Acquisition Medical Agents Collection Prolongation Cleaning Building Messengers