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Wines of the New World (Sofía Pescarmona).

Bioethics. Principles and Scope (Ana Luisa Villanueva).

Xavier Moret: "Iceland, more than ice and volcanoes".

Inditex Group: "Passion for fashion".





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editorial

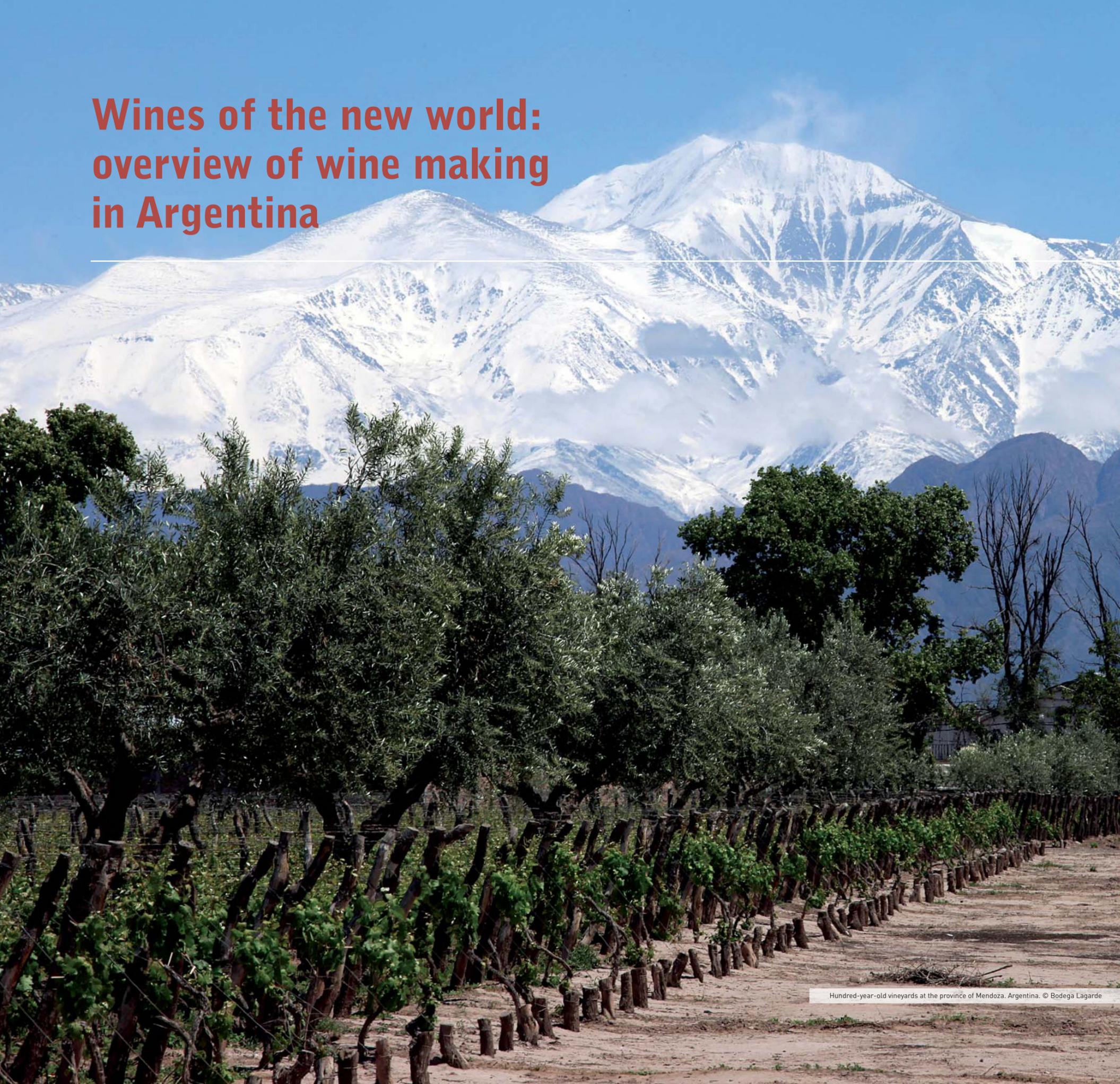
In these troubled times, it seems that it is necessary to reinvent yourself in order to be reborn and rid yourself of past mistakes. Sofía Pescarmona, President of *Bodega Lagarde* in Mendoza, provides us with a good example: the evolution of the wine industry in Argentina. She covers from the arrival of new European settlers in Argentina's Cuyo region, with their knowledge of vines and wine making, up to the current situation as a market for exporting Premium wines. Since all business activities involve risk, staff of Mercantil Andina Insurance Company explains the covers available for each stage, from the vineyard to the wine glass. We wish them an excellent 2013 harvest.

The term "Bioethics" comes from the Greek words *bios*, life and *ethos*, behaviour. The Hippocratic Oath and Ethical Principles have turned into proceedings and specific regulations involving the most critical events in human life: conception, treatment of diseases and death. Dr. Ana Luisa Villanueva, Chief Medical Director of the Life, Health & Accident Division at MAPFRE RE, reviews the solutions proposed by Bioethics to modern world challenges such as human reproduction, healthcare relationships, final moments of life, research, neuroethics and insurance.

Possibly, history will consider that the 2008 financial crisis in Iceland was a scaled-down example of what would happen in Europe soon after. Xavier Moret, a journalist and traveller who has fallen in love with Iceland, has gathered opinions of its inhabitants on the people's subsequent reaction to its politicians and bankers. He also refers to other characteristics of this highly dangerous volcanic island situated in the middle of the Atlantic: its history, music, environment, literature, economy and the insurance of natural risks.

For several generations of Spaniards, shopping in Zara was their first fashion conscious decision. At last, in the Zara shops, youngsters felt that their tastes and trends were understood. Over the years, when visiting the principal cities around the world, it is typical to come across an Inditex shop in the main high streets and shopping centres. The Group continues to surprise with new propositions for all ages of the general public and at the same time, it is committed to solid strategic plans of investment and geographical expansion, as well as robust environmental and human resources policies.

Wines of the new world: overview of wine making in Argentina



Sofia Pescarmona
President of *Bodega Lagarde*
Mendoza - Argentina

“The new era of quality wine production in Argentina started at the end of the 90’s when focus was put on Premium wines and export markets”

Sofia Pescarmona is President of the Mendoza’s Lagarde winery which was founded by her grandfather in 1897. It brilliantly combines tradition with experimental curiosity in order to please and surprise the local palate and lovers of good wine worldwide. Through her authoritative outlook, we review the fascinating development of wine production in Argentina and in particular, the province of Mendoza.



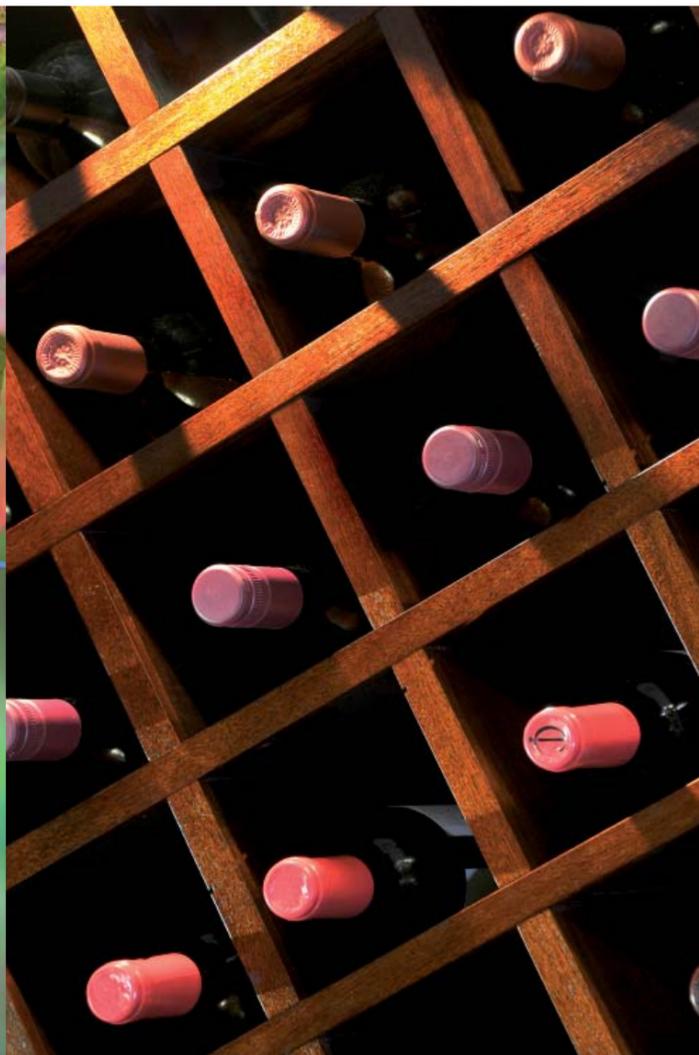
Sofia Pescarmona. © Bodega Lagarde

Origins and history

The beginnings of the local colonial wine making

The history of Argentine wine production dates back to the colonial era since the cultivation of the vine was closely linked to agricultural practices of the Spanish colonists. The first species of the *Vitis* common grape vine reached Peru in the middle of the 16th century, from there they passed on to Chile and, as from 1551 they were introduced into

Hundred-year-old vineyards at the province of Mendoza, Argentina. © Bodega Lagarde



The first vineyards were planted in the Provinces of Mendoza and San Juan between 1569 y 1589 which, over time, gave rise to the development of a huge industry that transformed the arid nature of the region into a vast oasis

Argentina, mainly by Catholic priests who planted vineyards close to their monasteries in order to guarantee the supply of sufficient wine for use in celebrating mass.

The first vineyards were planted in the Provinces of Mendoza and San Juan between 1569 y 1589 which, over time, gave rise to the development of a huge industry that transformed the arid nature of the region into a vast oasis. Favoured by optimum climate and soil conditions, winemaking developed rapidly and extensively.

During the 17th and 18th centuries and the first half of the 19th century, the Cuyo region, which includes the provinces of Mendoza and San Juan, was consolidated

as the principal region for production whilst the main centres for consumption were the cities of Rosario, Córdoba and Buenos Aires.

Evolution and development of the industry

From the second half of the 19th century onwards, there was a radical transformation in the production of wine, due to various factors such as: the increase in internal demand which was generated, to a great extent, by the large migratory influx from Europe and the strengthening of the market thanks to the arrival of the railway. Previously, a cart going from the city of Mendoza to Buenos Aires, would take three months to arrive whereas by rail, with a steam locomotive, the trip only took two days.

shortages caused by the two World Wars. In the first half of the century, the expansion of the wine making industry was consolidated in terms of quality and volume.

Industry data shows that in 1941 there were 200,000 cultivated hectares in the country. In Mendoza, 80% of the vineyards had quality French grapes and the Malbec grape was the principal variety with 43,500 hectares.

The crisis

The continuous political and economic crisis meant that at the beginning of the seventies, Argentina's wine industry had turned over to mass house wines. At that time, the average consumption *per capita* in Argentina was close to 80 litres of wine per year, a consumption level only found in European producing countries such as France, Italy and Spain.

In the 80's there was an important drop in the consumption of wine which resulted in mergers of many companies. In this period, the vines covering almost 30% of the surface area were eradicated and the vineyards were dominated by varieties with a low oenological quality and high output.

The recovery through modern viticulture

In the 90's, Argentine winemaking and wine-growing experienced a real transformation as a result of the change in the production model from one based on volume to one of quality. The favourable exchange rate during the period of conversion promoted an important influx of foreign investment. Moreover, the recovery of the planted land was undertaken with varieties of a high oenological value.

Oenologists from France, California and Australia introduced modern techniques and knowledge of viticulture and oenology such as yield control, fermentation temperature control and the use of new oak barrels amongst others.

At the same time, it was observed during this period that there was a dramatic drop in the domestic consumption of wine. The Argentine wine producing industry changed

An important contribution of the European immigrants was their knowledge of wine making techniques and the cultivation of varieties of vine suitable for fine wines

In the 90's, Argentine winemaking and winegrowing experienced a real transformation as a result of the change in the production model from one based on volume to one of quality



strategy and concentrated more aggressively on the export market.

At the end of the 90's, a new era of quality viticulture commenced but this time, focusing on Premium wines and the export markets.

Climate and geography

Argentina's main wine growing regions can be found in the western part of the country, at the foot of the Andes between the Tropic of Capricorn to the North and 42° parallel to the South. They are located preferably in wide valleys or sloping plains. The proximity of the Andes mountain range means that the wine crops are cultivated on plains with a

slope from 0.2 to 2% and at altitudes that are between 300 and almost 3,000 metres above sea level. The soil throughout the country is in general, of alluvial origin and some regions with clay, gravel and limestone soils.

The majority of the regions have a semi-arid desert climate, with annual rainfall that rarely exceeds 250 mm per year. In the warmer regions, such as the provinces of Catamarca, La Rioja, San Juan and Eastern Mendoza, the summer temperatures during the growing seasons can be high during the day with temperatures above 40°C and the night temperatures can drop down to 10°C at night. Some regions have more temperate climate, such as Cafayate in Salta, Neuquén, Río Negro and the far West of Mendoza, which includes the regions of Luján de Cuyo and the Valle de Uco.

In winter, temperatures can drop to below 0°C, but they do not cause damage to the plants since this is the winter resting period. Temperatures below 0°C during the growth period can cause damage in the vineyards. Late frosts are more frequent than early frosts and some years, have caused important damage in certain areas.

During most of the growing season the climate is dry and therefore, diseases that affect the grape are infrequent. Treatments are not very intense or frequent and therefore, are favourable for organic wine growing.

The wine growing regions further to the West and closest to the Andes, are particularly prone to the effects of the strong wind called *Zonda*, that blows from the mountains during

spring and summer. This strong dry and hot wind can stop the flowering process and reduce the yield.

The scarce rain is normally registered during the summer months and is often in the form of hail which can damage the vines.

The periodic appearance of "*El Niño*" phenomenon may have a strong influence and cause more or less extended periods of rain and relatively high humidity, a typical situation that promotes diseases outbursts as a result of fungi.

Irrigation

The irrigation system used to bring water from the thaw in the Andes was developed in the 16th century by the Spanish colonialists

Treatments for diseases are not very intense or frequent and therefore, are favourable for organic wine growing



through techniques previously used by the Incas and has been a vital component of Argentina's agriculture.

Nowadays, water distribution is regulated by a Water Law. Water flows down from the mountain through a network of canals which are progressively smaller until they reach the properties that have a "right to water" for its use.

The vineyards planted on lands that do not have a right to surface water, resort to using subterranean water by means of drilling between 60 to 200 metres below the surface, in order to recover water from the underground aquifers.

Whilst, historically, watering through flooding is the most used method, in late 1990, drip irrigation started to become the most popular system. Although the installation is expensive, it provides the most efficient use of water. Apart from saving water, it facilitates control of the production and increases the potential quality of the grape through the regulation of water content of the plants.

The Argentine wine market

The new technology of the wineries, interest from the local and, for a while now, foreign market, investments and the change in mentality and knowledge of the consumer, have slowly moulded the wine producing industry. The national oenological map changed noticeably and new production areas have appeared which, together with the traditional areas, have meant that the figures for Argentine wine production numbers are very different to those from their beginnings.

The domestic market

The drop in the consumption of table wine started 30 years ago but at the same time, there was a growth in Premium wines demand. In 1970, the total annual consumption fell from 80 litres *per capita* to less than 30 litres *per capita*. Today, Argentina is amongst the top ten consumers of wine in the world, with the United States leading the ranking where

traditional markets such as France and Italy coexist with those of the New World, Australia, Chile and the emerging markets such as China.

The behaviour of the figures for consumption in Argentina did not follow the worldwide trend but it was in line with those countries which had high consumption levels, such as the traditional Europeans. Thus, between 2005 and 2010, the domestic market fell to an average rate of 1.6% and in 2010 it fell by 2.6% when the annual world growth was at 2.9%.

As far as the domestic market is concerned, the conclusion reached is that in recent years there has been a fall in the total demand for wine whilst there has been relatively strong growth in the medium and high price market segments.

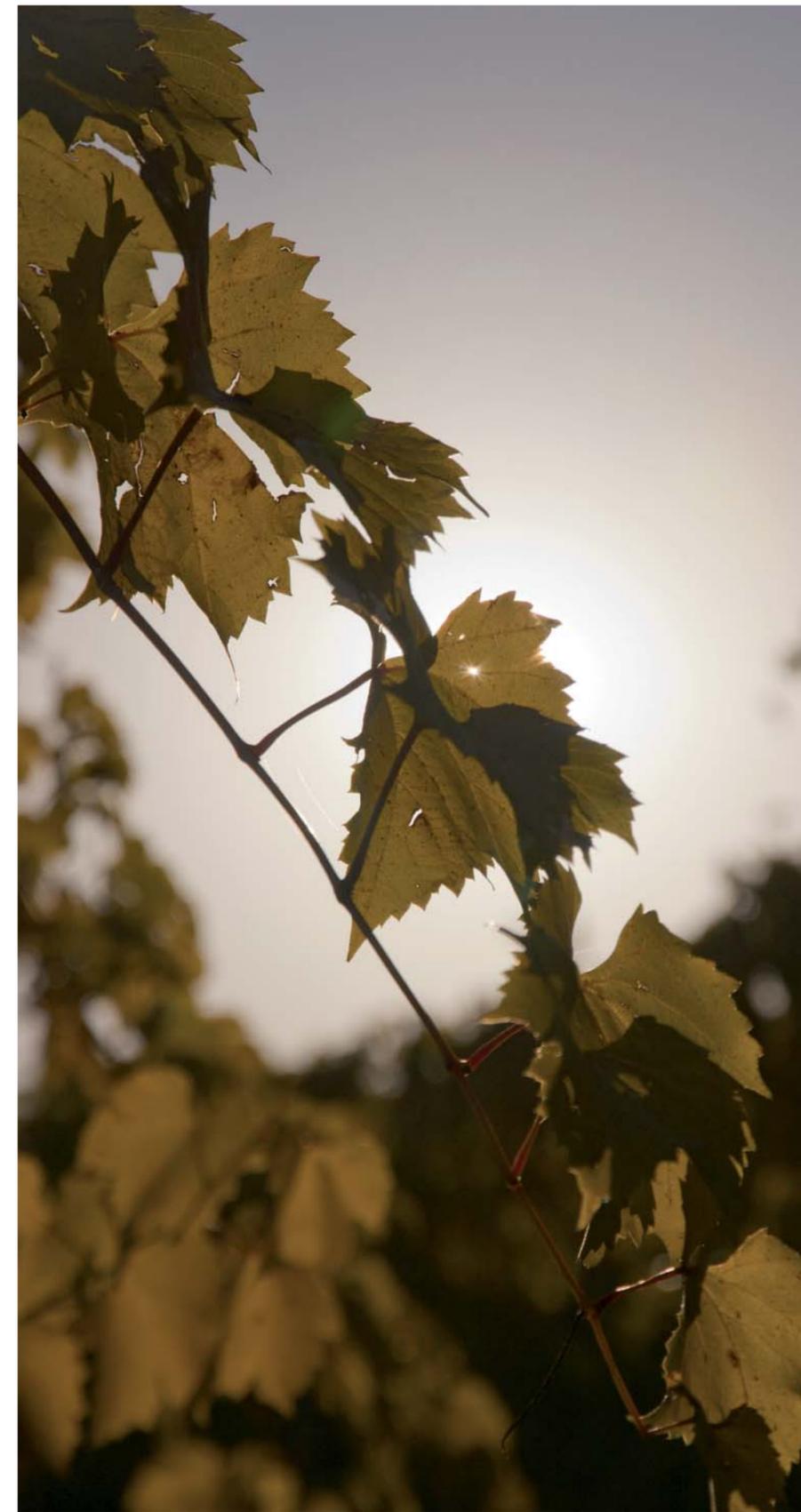
Export market

An analysis of Argentine export figures for wine shows that between 2006 and 2011 the average rate of annual growth was 19% whilst the exports of wine on a worldwide level grew 2.9% per year. However, an analysis of the total export figures for Argentine wine by volume highlights that they dropped as from 2008, as a result of the sharp reduction in the export of wine in bulk.

What makes a substantial difference is the increase in the average export price and therefore, the incentives for businessmen to develop this segment. In the macro-economic figures, it can be said that there is an increase in the demand for Argentine wines, as it went from 16% of the total business in 2005 to 21% in 2010 and, as far as turnover is concerned, therefore, the effect on the average price increase was 30% to 40%, for the same period.

In 2011, Argentina exported USD 716 million of bottled wines, almost 300 million, when five years ago it was less than half, almost 300 million. So, the rate of growth over the last five years was 140%.

The main market destinations for Argentine wines are the United States, Canada, Brazil and the United Kingdom.



Insurance in the wine industry

Néstor Ariel Donnini. Reinsurance Manager
Carlos Alberto Gutiérrez Fernández. Property and Liability Manager
La Mercantil Andina S.A.
Mendoza - Argentina

Insurance activity accompanies wine production in all the links of its value chain, from the vineyards to its sale. The following is an outline of the insurance products specifically designed for this market segment.

Hail Insurance for Vines

Cover: Damage caused exclusively by hail. There is also a public cover taken out by the Government of the province of Mendoza which includes all the registered growers in the province. It is a catastrophe cover and contemplates a non deductible franchise of 50%. Cover commences from the date that the policy is taken out or the flowering of the plantations, whichever occurs latest.

Additional covers: Damage produced by late or spring "radiation frost" type and "advection frosts in the restricted sense" which only affect the Province of Mendoza's microclimate between the months of October and November. The so-called "advection frost in the classic sense" and "mixed frosts" are expressly excluded. "Early frosts" that arise in the region at the end of the summer or beginning of autumn, are also excluded.

Insurance for Wineries

The intention is to offer a wide range of covers that protect the Insured's property and the liability in the event of a claim. It is directed at the Winery's owners or administrators.

Operational All Risk

- ▶ Material Damage and Business Interruption Expenses.

Additional covers:

- ▶ Fire and/or earthquake damage.
- ▶ Hurricane, wind, cyclone, tornado.
- ▶ Hail.
- ▶ Insufficient cold.
- ▶ Fire extinguishing expenses.
- ▶ Extraordinary expenses.
- ▶ Debris removal.
- ▶ Glass.
- ▶ Theft of general contents, theft of valuable in safe and theft of valuables in transit.
- ▶ Electronic computer equipment.
- ▶ Damage by water and flooding.
- ▶ Accidental spillage and pollution.
- ▶ Professional Fees.
- ▶ Reinstatement of files and documents.
- ▶ Temporarily removed goods.
- ▶ Contractors' equipment.
- ▶ Repairs, extensions.

Liability

Basic cover: It is directed at protecting the Insured against the possible liability that may arise under articles 1109 to 1136 of the Civil Code, incurred exclusively as a consequence of carrying out its activity.

Additional covers: The following are some of the optional covers that can be included:

- ▶ Fire, lightning, explosion, electrical discharges and gas leaks.

- ▶ Poster, sign posts and/or similar objects.
- ▶ Steam installations, hot water or hot oil.
- ▶ Lifts or goods lifts.
- ▶ Use of fire arms.
- ▶ Contractors and subcontractors.
- ▶ Travelling salesmen and market sellers.
- ▶ Goods in the care, custody and control of the Insured.
- ▶ Supply of food without charge.
- ▶ Sale and/or services of food and drink.
- ▶ Surveillance of vehicles.
- ▶ Cranes, winches and elevators.
- ▶ Spectators Liability (product launches, fashion shows).
- ▶ Products liability.

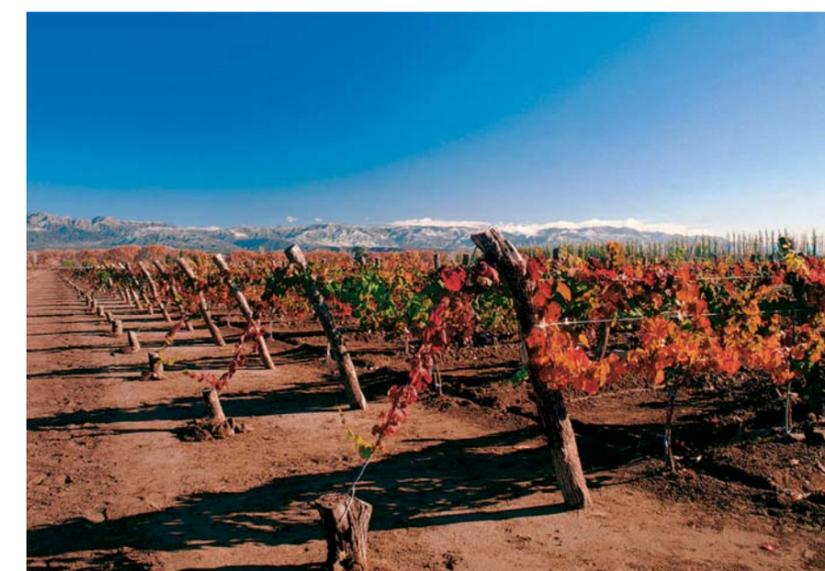
Transport Insurance

There are three different forms of cover:

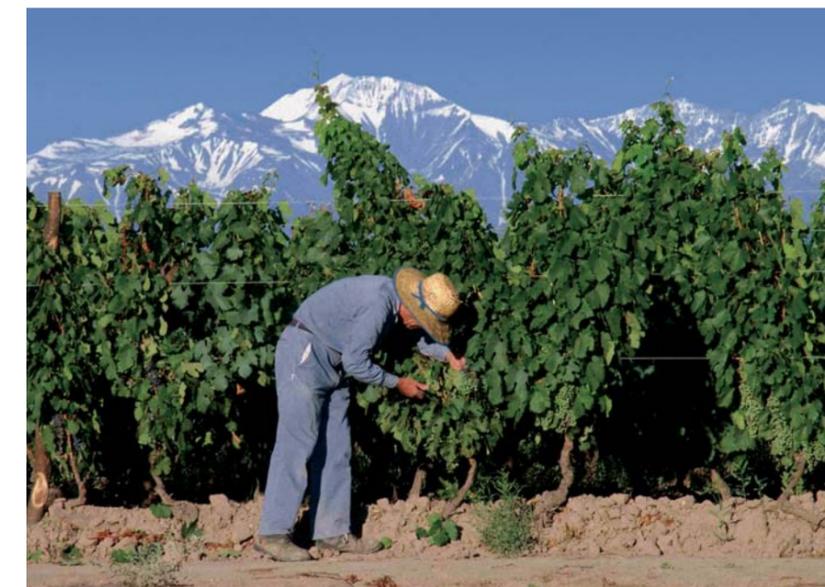
- ▶ **Policy for a specific sending**, in which the cargo is covered for an individual voyage and destination.
- ▶ **Policy for a specific vehicle**, which cover the trips undertaken by one vehicle during a specified period of time.
- ▶ **Open Policy**, based on a monthly declaration. This form covers all shipments carried out by the insured within a specified period (a year) and which are declared monthly.

Different covers are offered depending on the means of transport (air, land or sea).

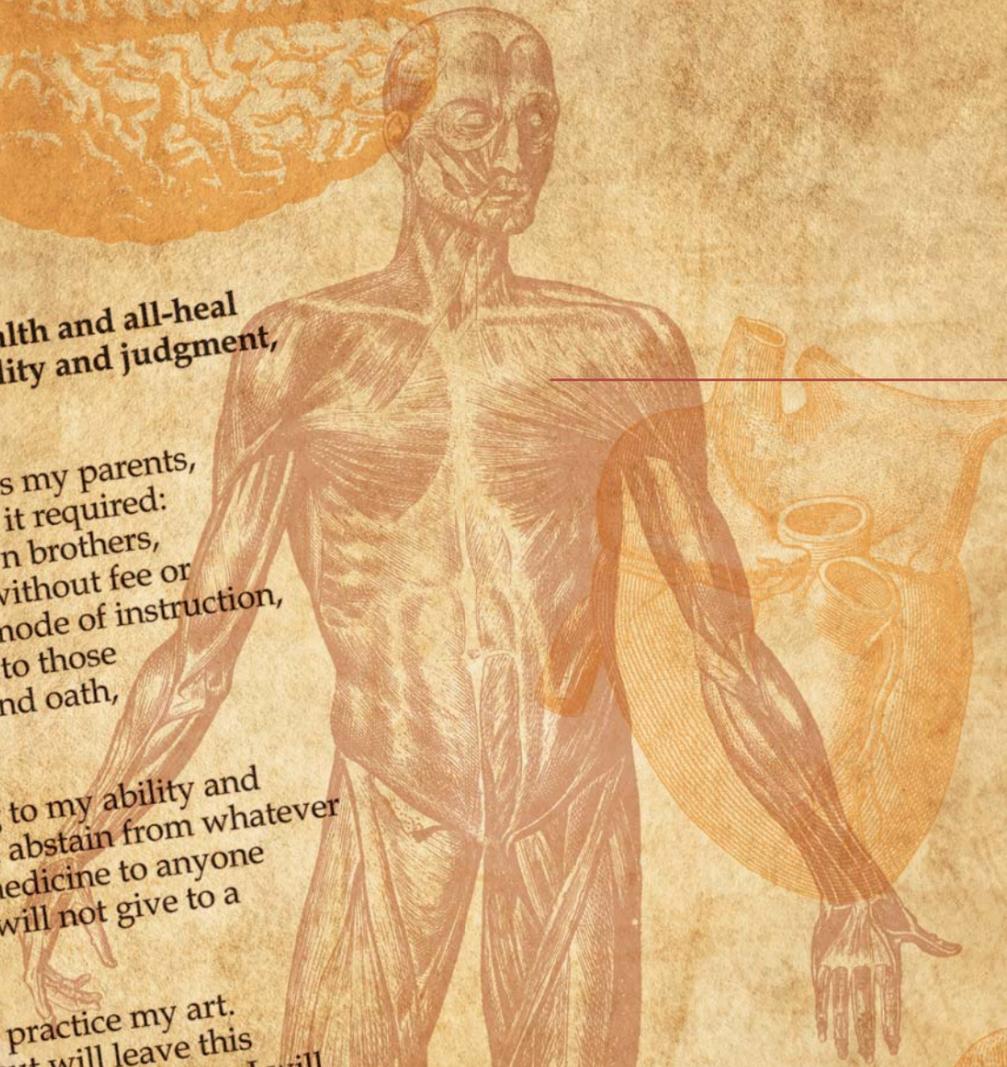
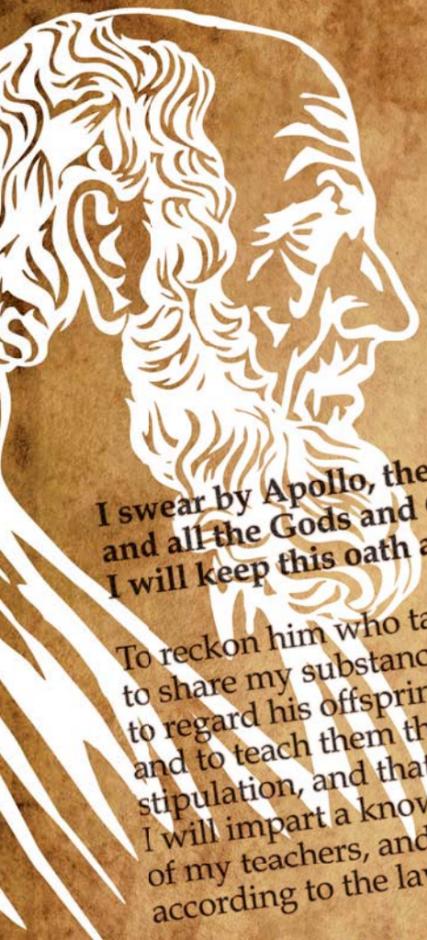
The irrigation system used to bring water from the thaw in the Andes was developed in the 16th century by the Spanish colonialists through techniques previously used by the Incas and has been a vital component of Argentina's agriculture



Vineyards at the province of Mendoza, Argentina. © Bodega Lagarde



Farmwork at the vineyards. © Bodega Lagarde



I swear by Apollo, the Physician, and Aesculapius and health and all-heal and all the Gods and Goddesses that, according to my ability and judgment, I will keep this oath and stipulation:

To reckon him who taught me this art equally dear to me as my parents, to share my substance with him and relieve his necessities it required; and to regard his offspring as on the same footing with my own brothers, and to teach them this art if they should wish to learn it, without fee or stipulation, and that by precept, lecture and every other mode of instruction, I will impart a knowledge of the art to my own sons and to those of my teachers, and to disciples bound by a stipulation and oath, according to the law of medicine, but to none others.

I will follow that method of treatment which, according to my ability and judgment, I consider for the benefit of my patients, and abstain from whatever is deleterious and mischievous. I will give no deadly medicine to anyone if asked, nor suggest any such counsel; furthermore, I will not give to a woman an instrument to produce abortion.

With purity and with Holiness I will pass my life and practice my art. I will not cut a person who is suffering with a stone, but will leave this to be done by practitioners of this work. Into whatever houses I enter I will go into them for the benefit of the sick and will abstain from every voluntary act of mischief and corruption; and further from the seduction of females or males, bond or free.

Whatever, in connection with my professional practice, or not in connection with it, I may see or hear in the lives of men which ought not to be spoken abroad I will not divulge, as reckoning that all such should be kept secret.

While I continue to keep this oath unviolated may it be granted to me to enjoy life and the practice of the art, respected by all men at all times but should I trespass and violate this oath, may the reverse be my lot.

Bioethics, science and technology intervention on life. Principles and Scope

Ana Luisa Villanueva
Chief Medical Director, Life, Health & Accidents
MAPFRE RE
Madrid - Spain

The concern about misuse of medicine and scientific knowledge dates back to ancient times. Practising this profession implies dealing with life, healthcare and death, and always had an ethical dimension.

For centuries, doctors themselves were those who after their experience and common sense made the necessary competences and honesty requirements, to work in hospitals or be part of a professional society or academy, come true in the form of oaths or codes. Medical Ethics has mainly expressed as medical deontology and its first and best well-known consequence is the *Hippocratic Oath* (5th century BC).

The term "Bioethics" comes from the combination of *Bio-Ethik* (Greek "bios", life; "ethos", behaviour) and was coined by the German protestant pastor, theologian, philosopher and educator, Fritz Jahr, who in 1927 published an article reviewing the relationship of humans to plants and animals.

The American biochemist, dedicated to oncology, Van Renselaer Potter, used the term "Bioethics" in 1970 in his article "Bioethics: The science of survival". In 1971, he published "Bioethics: a Bridge to the Future" where he expressed a set of concerns about medical practice and the use of technology.

Bioethics projects on the beginning of life and its planning, cure and treatment of diseases and the end-of-life stages. The concepts it moves around not only have ethical implications but scientific, political, social, economical and legal ones. Therefore, bioethics is a multidisciplinary discourse. It aims to provide clear and conclusive rules to what (ethically) shall and/or should be done to every problem or bioethical raised discussion and to reach consensus on the present and future bioethical issues where disagreement exists or might exist.

For Daniel Callahan, founder of the *Hastings Center*, one of the factors that has most contributed to the acceptance of bioethics studies in the United States was leaving the theological or religious analysis to focus on secular bioethics, more interested in seeking consensus to cultural and ideological diversity. He defines the *minimum ethics* as the least common moral denominator in a pluralistic society, the minimal ethical level required; allowing society to legislate on matters not only at state level but also globally, whereas the *maximum ethics* refers to the maximal ethical optional level for our particular ideas of moral perfection.

Basic principles in Bioethics

Bioethics is no exception to ethics since its principles are the same as those ruling in any other human environment, they just have to adapt to the procedures of the activity.

The three **Classic or Fundamental Principles in Ethics** are:

1. The **Principle of Respect for Autonomy**. This principle entails a third person not to make a decision for another one that cannot make it.
2. The **Principle of Dignity**. This principle compels to respect individuals; requiring not causing harm to others or use them as a simple means.
3. The **Principle of Universality or Equality**. This principle implies not giving a different treatment for those in the same situation.

The basic principles of bioethics build in ethical criteria for decision-making in clinical practice and biomedical and biological research, which achieved broad consensus around research using human embryos, experiments on humans, euthanasia, transplantation, gene therapies, refusal of medical treatment and allocation of health care resources among others.

The bioethics theory of a decent minimum care dominating the contemporary discussion is expressed in 1979 by Tom L. Beauchamp and James F. Childress (Kennedy Institute of Ethics, Washington, USA). In their book "Principles of Biomedical Ethics", they present four basic principles in medicine:

- ▶ The **Principle of Respect for Autonomy** requires respect for self-governance of the patient. This principle has generated the Spanish Act 2002 of Patient Autonomy.
- ▶ The **Principle of Beneficence** or the duty to be of the benefit of the patient and strive for the best possible alternative both in practice and in research.
- ▶ The **Principle of Justice or Fairness** or the duty to promote fairness in treatment, distribution of benefits and research.
- ▶ The **Principle of Nonmaleficence** (*primum non nocere*) or the duty to avoid doing harm, imposing respect to physical and psychological integrity of the individual. Within this principle fall two classical principles in medical ethics.
 - > *The Principle of Proportionality in Treatment* requires the gained benefits to compensate the harm or risks caused by medical

intervention, such as the removal of a part of the body to save the live of the patient.

- > *The Principle of Double effect or Indirect Voluntary* refers to lawful medical act with two effects, one good and another one bad. Having no better alternative, it is performed seeking for the positive effect, even if, as a side and involuntary effect, the negative effect occurs. This would be the case in terminal patients under pain relive therapy, even if this procedure shortens their life.

Two more Basic Bioethical Principles can still be added to the Classical Ethical Principles of Respect for Autonomy, Dignity and Universality or Equality:

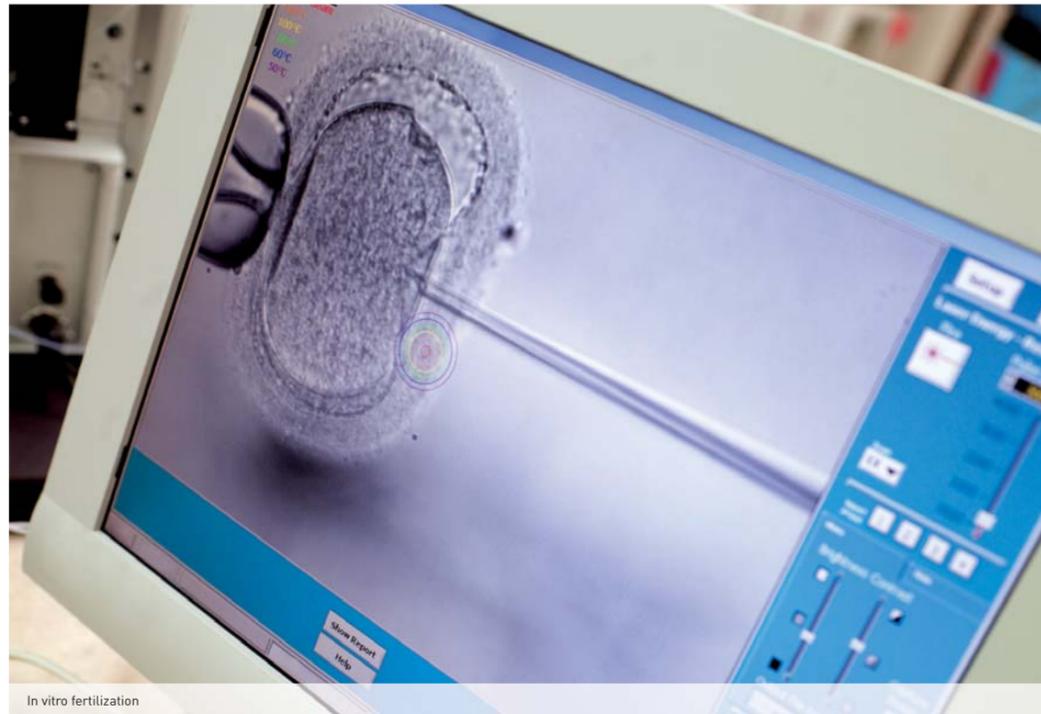
- ▶ The **Principle of Information**, closely related to Respect for Autonomy, express the duty to inform individuals of all possible aspects that affect or may affect their health.
- ▶ The **Principle of Non-Instrumentality**, which is another form of the principle of dignity and expresses the duty to treat individuals as ends, not merely as a means.

"A physician in no case will leave a patient who needs his medical assistance in case of attempted suicide, hunger strike or refusal of treatment. He will respect the freedom of the competent patient. He will treat and protect the life of those who are not able to do so, asking for legal support when necessary" Code of Ethics and Medical Deontology, art. 9.4



Classical Ethical Principles	Principles in Bioethics	
	Main	Secondary or complementary
Respect for autonomy	Respect for autonomy Information	Paternalism True-telling
Dignity	Beneficence Nonmaleficence Non-instrumentality	Restricted utilitarianism
Universality or equality	Justice and fairness	Difference

The Oviedo Convention in 1997 expressly prohibits the creation of human embryos for research purposes and cloning for reproduction but allows countries to research and experiment with already existing embryos in vitro while ensuring their adequate protection



There could be the case where personal circumstances do not let the individual make a decision or conditions for the application of the principles of respect for autonomy, information, dignity and equality cannot be considered.

In this case, the **Secondary or Complementary Principles** are proposed:

- ▶ **Principle of Paternalism.** It is allowed to make a decision involving the life and health of another one if the latter is in a disabling situation and the action grants a benefit to the individual.
- ▶ **Principle of Truth telling.** It is allowed to hide information about health to an individual if, by doing so, his person is respected or enables a study to which there has been a previous consent.
- ▶ **Principle of Restricted Utilitarianism.** It is allowed to take an action that involves a benefit to the individual if this provides a significant benefit to another or others, there is a previous consent of the person involved and the action is not degrading.
- ▶ **Difference Principle.** It is allowed to treat a person in a different way if the difference in

treat is based on a circumstance that grants significant benefit to another or others and can be rationally presumed that the involved individual would give consent if he could.

Scope

Bioethics in Human Reproduction

The Principles of Beneficence and Nonmaleficence, as well as that of Respect for Autonomy, project on human reproduction in a very intense and controversial way. The latter has gone from being an event to a voluntary and deliberate act, which makes those involved the only responsible for it. Women liberation, mainly regarding sex, contraception, abortion and assisted conception represent a group of cultural and technological factors that have contributed to this change.

Deciding when the embryo becomes an individual will determine the solution to the conflict between respect for the reproductive autonomy of the parents and the obligation not to harm the individual as in the principle of Nonmaleficence. Around this concept, new

questions show up, such as using frozen eggs and embryos, what to do with them after some time or the number of embryonic transfers.

Bioethics in Health Care Relationships

Moral rules demand requirements that possibly may enter into conflict with other legal ones. This discrepancy in the doctor-patient relationship may generate the following situations:

Conscientious objection

The objector disobeys those rules that represent an obligation whose performance is not compatible with one's own conscience.

Refusal of medical treatment

It may be considered that it only serves to prolong life unnecessarily (and maybe the agony) or the refusal seriously endangers health or the life of the patient, and there are no other available alternative therapies. Both the Council of Europe Bioethics Convention and the Spanish Act of Patient Autonomy, consider the patient's right to refuse treatment. The latter has recognized the value of the "Living Will", also named "Advance Directive or Advance Decision" which grants the

patient the right to reject or stop treatment in case of certain situations where circumstances may not allow him to do so.

Limitation of Therapeutic Effort or LTE

It refers to not starting certain advanced technology measures that may seem extraordinary or disproportionate to the therapeutic purpose in patients with poor prognosis and/or quality of life.

There are two possibilities:

- ▶ Not starting certain measures.
- ▶ Withdraw a previous treatment.

The main ethical problems that arise are:

- ▶ A *non-indicated LTE*, which usually comes from the refusal of a measure in the fear of not having the choice to withdraw it later on.
- ▶ *Professional obstinacy*, opposite situation to the above mentioned.
- ▶ *Refusal of an indicated LTE* by relatives, due to a wish to maintain life at any costs, denial of death or guilt feelings.

Functions of informed consent

Primary functions	Secondary functions
<p>Promote the autonomy of individuals.</p> <p>Encourage rational decision-making.</p>	<p>Protect patients and individual from experimenting.</p> <p>Avoid fraud and coercion.</p> <p>Encourage health professional self-evaluation and self-assessment.</p> <p>Relieve from fear and reduce mistrust.</p> <p>Introduction of a probabilistic mind increasing capability to face uncertainty.</p>



Spanish Criminal Code defines euthanasia as a crime, same type as extenuating circumstances in cooperation to suicide. This law states the penalty of imprisonment from two to five years for those cooperating in the necessary actions for suicide and with a penalty from six to ten years if cooperation leads to death. There is not any sentence in Spain to date

Informed Consent

This document is a new way to understand doctor-patient relationship and decision making in medicine. It is currently an ethical requirement and a right recognized by law in all developed countries. Its presence involves overcoming paternalism, giving patients access to control information and decision-making.

Ethical Committees in Health Care or Clinical Ethical Committees (CEC)

Conflictive ethical situations in clinical practice are quite numerous, for this reason, healthcare institutions have a CEC. This is a multidisciplinary group made up of physicians from different specialties, nurses, nursing assistants, customers, lawyers and other people related to the centre, all of them with a background in bioethics. This is a non-executive advisory board, so their decisions are non-binding. Protection of patient's rights, coordination of methods for decision-making in ethical conflicts (Clinical Ethical Guidelines and Advice) and education in Bioethics for in-house staff are among their main tasks.

End-of-life Bioethics

In the last years, due to organ transplantation, legislation has moved away from the strict brain death criteria as being the only criteria to determine the death of the individual. The reason behind is "organ donation in asystolia", that is to say, use the organs of someone who suffered sudden death, circumstance which does not follow the protocol for brain death.

When talking of the end-of-life, some questions come up: should we avoid death? Do we have to live? These questions take us to a very up-to-date issue: Euthanasia.

Euthanasia, from Greek *eu* - "good" and *thantos* - "death", is the central point of one of the deepest social demands of our time, to die in good conditions. Disagreements on its definition deal with:

Mode of behaviour: action or omission

When the term refers to taken actions causing (directly or indirectly) the death of person suffering from an incurable, painful

and severe disease, it is called *euthanasia* or *active euthanasia*. It has a negative connotation and is very much denounced.

When it comes to not taking, withdraw or avoid the measures that could artificially prolong the live of the individual, it is referred as *orthothanasia* or *passive euthanasia*. It is considered benevolent and used when life is fatally approaching the end.

Nowadays, medical advances allow prolonging life to unthinkable limits. In this environment of possible therapeutic obstinacy, *passive euthanasia* shows up as a sort of disease management and used when these advances can cause useless suffering. It is not enough to have a serious physical illness and a very poor quality of life but it has to be irreversible.

Person's will

Euthanasia is sometimes identified with an involuntary behaviour that is not requested by the one who is dying. On the other hand, there are times when it is identified with a demand for dying.

Motivation and circumstances

The motivation behind this behaviour is, on one side merciful, to avoid suffering, and on the other side resembles murder, genocide or extermination.

Bioethics in Research and Experimentation

Jean Dausset, 1980 Nobel Prize in medicine and President of the Universal Movement for Scientific Responsibility, defined in 1991 the "freedom of research" as key for development of knowledge and justified by the right of humanity to know. In the case of Research in Biology and Medicine, it is also supported by the benefit of their results and the impact they may have on health and welfare of the people.

The above mentioned could be called "external limits", that is, what could be studied. There are also some "internal limits" that require addressing two issues: human experimentation and research on human embryos.

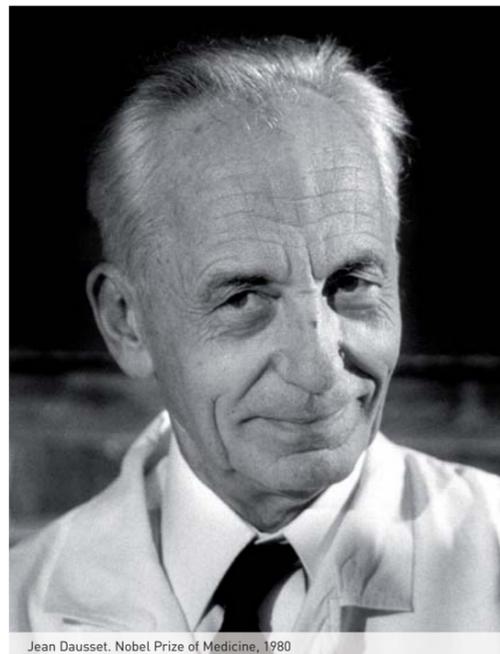
The World Medical Association Declaration of Helsinki in 1964 was the first document

including ethical criteria and guidelines to protect those individuals participating in clinical research.

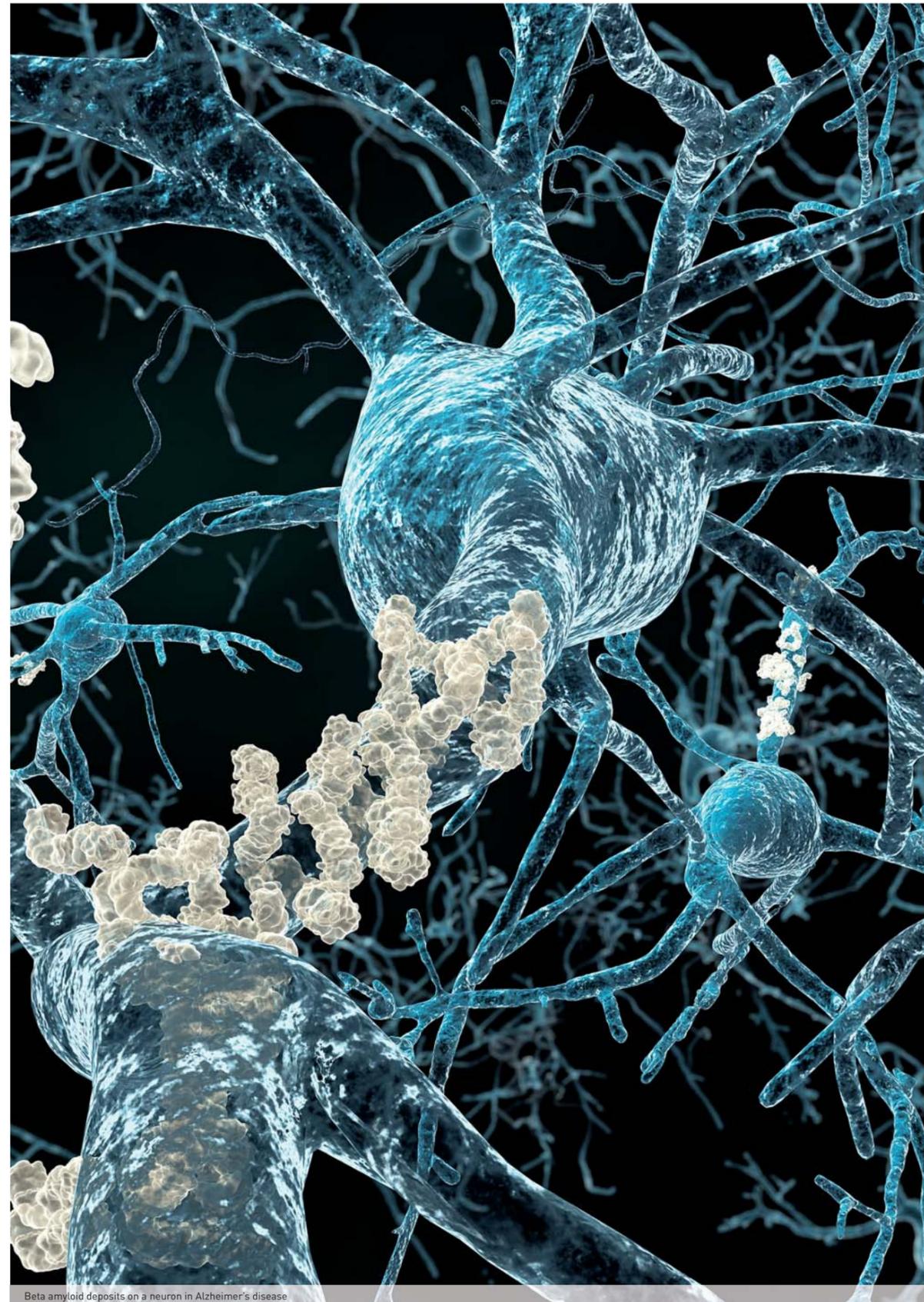
In 1982, the CIOMS (Council for International Organizations of Medical Sciences) issued the International Ethical Guidelines for Biomedical Research Involving Human Subjects, emphasizing the need for developing countries to protect individuals from experimentation. The *Principle of Justice* is applied in this case, so research with no therapeutic benefits cannot be carried out at the expense of vulnerable subjects and those with therapeutic benefits cannot exclude this very same population.

Regarding the human embryo, we know today that it carries *stem cells*. Research on these cells offers great hope for the cure of many currently incurable diseases. Therapeutic cloning or somatic cell nuclear transfer to create stem cells from a clone embryo to develop tissue or organs for self-transplantation is one-step ahead.

The main ethical problem arising from therapeutic cloning is the instrumentalization and loss of value of the human life. The embryo is created for the sole purpose of research or developing treatments, only as a simple source of biological material, which



Jean Dausset. Nobel Prize of Medicine, 1980



Beta amyloid deposits on a neuron in Alzheimer's disease

downgrades its moral status transforming it into a means to an end.

Bioethics and brain or Neuroethics

The term is coined in 2001 from an event gathering neuroscientists, bioethicists, psychiatrists, psychologists, philosophers and professors of Law and Public Policy in San Francisco, USA. It is understood as the relationship among ethics, neuroscience and clinical practice, keeping in mind the freedom and responsibility of the individual, the biological bases of the social behaviour, decision-making factors, consciousness, memory, education and learning process, social pathology, privacy, prediction of future brain diseases, pharmacotherapy, ethical changes in Alzheimer's disease and other dementia, surgery, gene therapy, neurotechnology, brain implants, cyborgs, science dissemination and scientists training.

Brain implants are implants placed on the brain to restore lost or impaired brain functions. Cyborg, short form of cybernetic organism, refers to a person carrying a cybernetic device to enhance capabilities of the organic part

In this section, we cannot forget the weight of the widely used Living Will, also named "Advance Directive or Advance Decision. In 2007, Spain published a Royal Decree establishing a civil register for such wills. Patient's medical record has just started to include it. This encloses those diseases or situations for which there is no wish for vital support to maintain life. There are relatively clear cases such as deep coma and others much more difficult such as Alzheimer's disease.

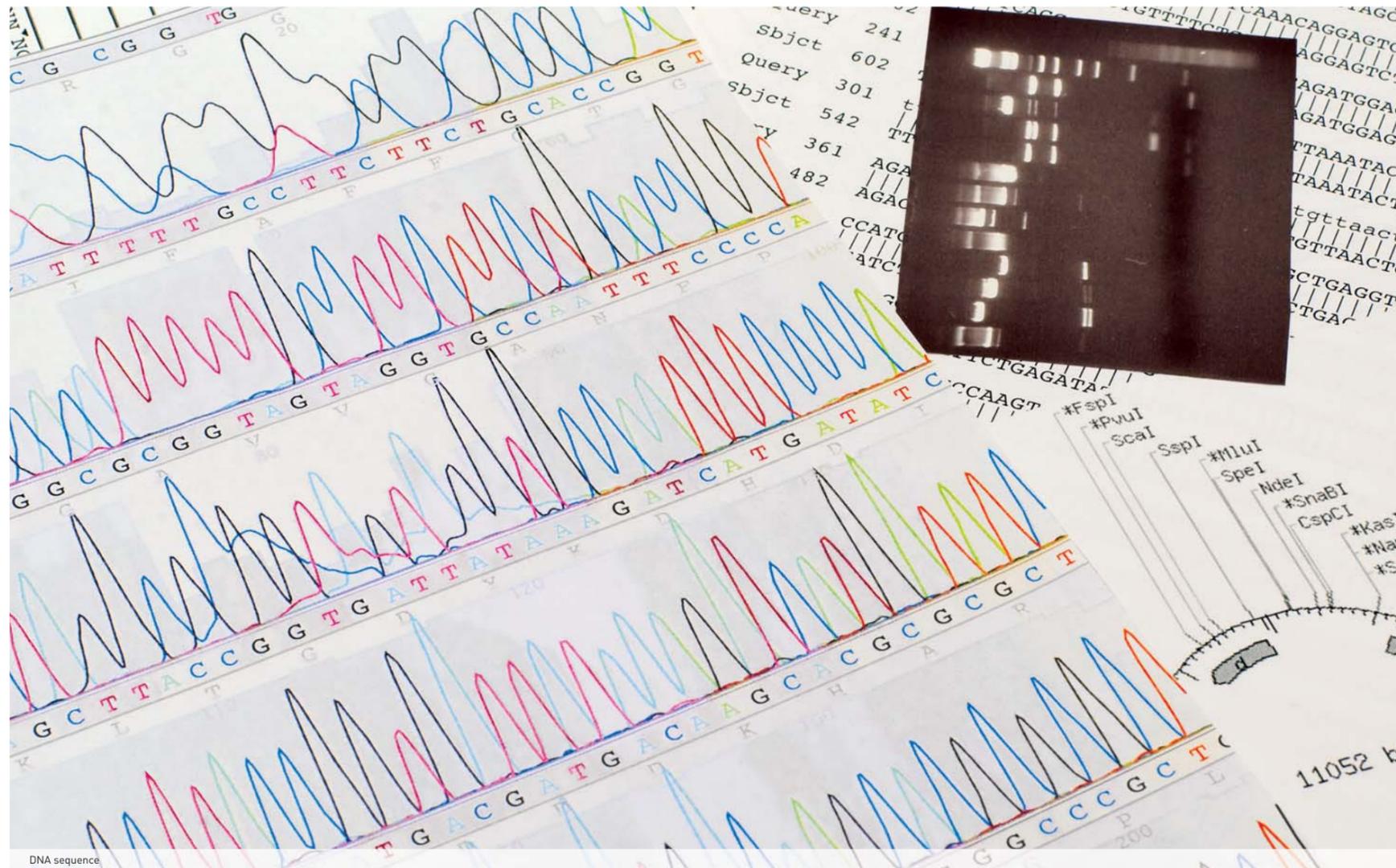
Bioethics and Insurance

Most of the above issues, so far, have implications for the insurance world.

In risk assessment:

- ▶ The *Principle of Respect for Autonomy* in the Health Declaration. Article 10 of the Spanish Insurance Contract Act indicates the duty of policyholders to declare their health state according to the questions submitted by the insurer. The insured is free to answer these question and the answers shall be true and within their knowledge.

It is in the hands of the insurer to prepare the questionnaire and set the necessary medical tests to know the applicant's health state.



The New medical and diagnostic advances, mainly in genetics, have introduced the concept of predictive testing.

Predictive testing shows the risk of developing disorders that may not yet be present. If we consider this test in an asymptomatic individual, we shall also consider the limitation of the result, since there are other non-genetic factors, mainly from life style and interaction with the environment that may influence the outcomes of prediction.

Nowadays, any information related to genetic testing is not used in risk assessment. Nevertheless, advances in genetics are going to have a great importance in treatment and

diagnosis of diseases and will fully affect life and health insurance.

- ▶ *Informed consent* for the tests to be performed.
- ▶ The *right to be informed* of the results of these tests. An extreme case would be the duty to inform the applicant of a positive HIV testing.
- ▶ *Non discrimination*, again related to genetics, in both prescribing and asking for results and the inability to use that information for risk assessment.
- ▶ *The Principle of Fairness*, that does not mean equality. Each insured pays a premium according to his risk factors - fair rating.

In health insurance, it fully involves covers and services:

- ▶ *Diagnostic methods and new medical developments*, such as in vitro fertilization, stem cells therapy, genetic testing and pharmacotherapy.
- ▶ *Informed consent* for all procedures that require one.
- ▶ *Ethical Committees* to provide guidelines.
- ▶ *Fairness* in treatment with no discrimination.
- ▶ *Information* available to insureds/patients.
- ▶ *Maintaining Confidentiality*.

- ▶ Clear statements on decisions at the *end-of-life*.
- ▶ Healthcare policy and strategies according to *minimum and maximum ethics*.
- ▶ *Principle of Respect for Autonomy*, considering disability or level of dependency.

Long Term Care/Dependence Insurance providing any kind of services shall consider all bioethical principles. The intense relationship between medical knowledge and life makes it necessary to build a solid base to understand, respect and treat the individual, always looking to maintain their dignity and quality of life.

To think about

- ▶ Bioethics let us address how scientific and technological advances involve life, death, health and the environment.
- ▶ The step where the embryo becomes a foetus is one of the main open questions involving decision making in both reproduction and research.
- ▶ The thin line between life extension and death invites the individual to think over his future and express it on a Living Will or make his beloved ones party to his decisions.
- ▶ We must find a balance between science and life in order to maintain a proper relationship with the environment.

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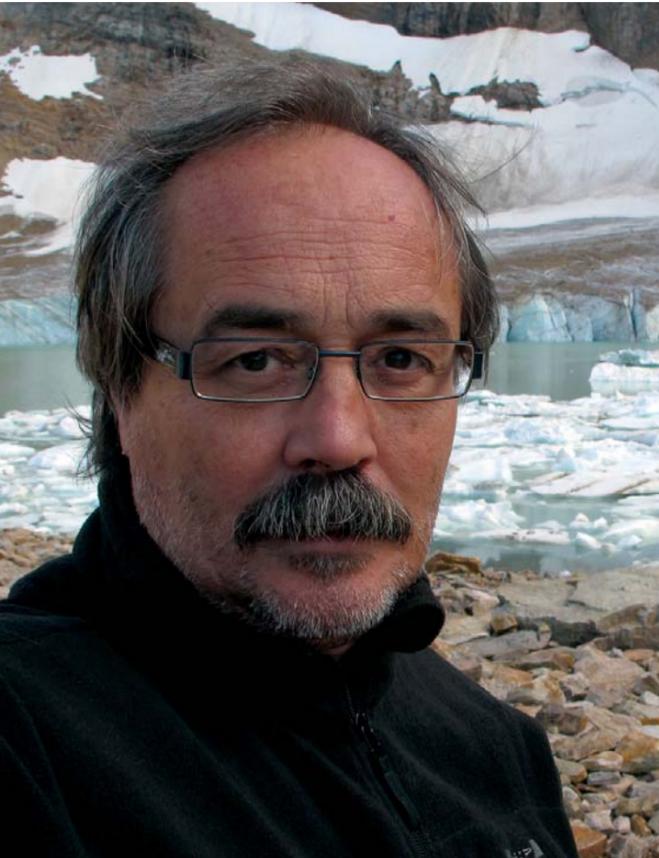
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interview with

Xavier Moret

Journalist and writer
Barcelona - Spain



Sculpture Solfar (The Sun Traveller) at Reykjavik, Iceland

Xavier Moret was born in Barcelona in 1952 and studied English Philology and Journalism at *Universidad Autònoma* (Barcelona). However, he has learned much more from his travels. From being the translator of Superman and Batman in his youth, he has been lucky to have been able to earn a living by combining the three things that he loves most: reading, writing and travelling. He started working as a journalist with the now defunct Catalunya Express and *El Correo Catalán* newspapers and, for more than ten years, he formed part of the cultural section of *El País*. He has also worked in TV3 and *La Vanguardia*, and as from 2006 has been a travel reporter for *El Periódico*, which means that he has to travel around the world writing articles. At the age of 30 he wrote his first book, "The American that loved Moby Dick", and in 1998 he published "*América, América*" his first travel book. In 2002 he won the *Grandes Viajeros* Award with "*La isla secreta*", in 2004 the *23 d'abril* prize with "Dr. Pearson" and in 2006 the *Sent Sovi* Award with "*El Bulli desde dentro*".

"The financial disaster struck in the autumn of 2008 due to a group of bankers and financiers who acted with the mentality of casino capitalism"

Iceland is a 103,000 sq.km. volcanic island situated in the Atlantic Ocean whose capital is positioned at 64° N latitude. It is part of Europe, has 330,000 inhabitants, the eldest rocks are just 16 million years old, its first permanent colonist was a Norwegian in the year 874, it has had its own parliament since the year 930 and only became independent from Denmark in 1944. Being so young and mature at the same time, it is attracting attention for the way that its financial crisis is evolving, how it manages the volcano emergencies and the natural wonders it offers to visitors. Xavier Moret is a journalist who has fallen in love with Iceland and tells us that it is an example for many reasons. He has written two books on the country and returns there whenever he can.

Iceland is a young country since it broke away from the Danish Crown in 1944, taking advantage of the chaos during the Second World War when Denmark was occupied by the Germans. But, who are the original inhabitants of Iceland?

The first settlers in Iceland were Vikings that were fleeing the King of Norway's taxes. The first colonist, Ingolfur Arnason, arrived in what is now Reykjavik in 874 and it is well known where his farm was. The Book of Settlers states that the first inhabitants arrived on the island between 874 and 930. Before then, it was considered that Iceland was uninhabitable due to its volcanic nature. Nevertheless, there



Snow-covered Iceland from space. © Jeff Schmaltz (NASA GSFC)

Today's Icelanders have inherited from the old Vikings tenacity, a respect for nature and the refusal to surrender



Leifur Eriksson statue at Reykjavik, Iceland



Eyjafjallajökull volcano during 2010 eruption, Iceland



Gullfoss waterfall, Iceland

is evidence that some Irish hermits arrived before that date.

How would you define the character of the Vikings and their influence on today's Icelanders?

The Viking character is reflected, above all, in the Sagas. They were warriors that could be fighting in battle and reciting poems at the same time, such as Egil¹. They were a warlike nation that never surrendered and believed in gods that emerged from nature. Today's Icelanders have inherited from the old Vikings tenacity, a respect for nature and a refusal to submission.

What are the Sagas? Do they still influence Icelandic thinking, culture and the way of thinking in the 21st century?

The Sagas are Iceland's great literary milestones. For centuries, parents would read them to their children by the light of the fire during the long winter nights. They are epic stories based on true events of the first settlers, distorted over time,

with imaginative additions and the appearance of trolls and other dark beings. They were written down in the 13th century and the Icelanders still adore them today.

The Thingvellir valley is very special from the geological point of view, as the expression of the opening between the Eurasian and North American plates. However, above all, for the Icelanders, it is a symbolic place from the socio-political point of view. What happened there more than ten centuries ago and still occurs each year?

Thingvellir is a marvellous place where the first settlers of the island would meet, once a year at an assembly. In 930 the *Althing* was born there and it is the oldest Parliament that is still active. The Spokesman of the Law would quote the laws by memory from the top of a rock and the disputes between neighbours would be resolved. When independence was proclaimed on June 17th 1944, 20,000 Icelanders met there and each year on that date, they still gather.

In Reykjavik, opposite the Cathedral (*Dómkirkjan*), there is a statue of Leifur Eriksson, the first Viking and European to explore the Vinland region, in about the year 1000, which is now part of Terranova and Labrador in Canada. This statue was a gift to the Icelanders from the U.S. in 1930 to commemorate the millennium since the founding of *Althing* (the Icelandic Parliament). Why do you think that such an important discovery, far before Christopher Columbus' birth, has not transcended to the European history books?

The discovery of America (in fact, only Vinland) in the year 1,000 by Leifur Eriksson, the son of Eric the Red, has a very different connotation to the discovery by Columbus. Both Erik and Leifur were fleeing Iceland in search of new lands where they could live outside the law. So, they were not going to broadcast it as opposed to Columbus who went in the name of the Spanish kings and, since it involved taking possession of land in the name of the Crown, his discovery was proclaimed from the rooftops.

It is said in Iceland that the master Jules Verne described the marvellous landscapes and the mysterious atmosphere of the Sagas very successfully in his science-fiction novel- "*Voyage to the centre of the Earth*". However, many tourists discover when they get to the Snæfell volcano, that they cannot descend the chimney since it is blocked by an icecap. If he never visited the country, how do you think that Jules Verne obtained all of this information?

Jules Verne was a visionary writer that set his novels in many countries which he had not set foot in. But he was well documented. According to his biographer, Herbert Lottman, he wrote this novel in 1864 because he was fascinated by volcanoes. In fact, René de Pont-Jest accused him of plagiarism as he had published a philosophical tale in the *Revue Contemporaine* with a similar subject. Anyway, the Icelanders say, sarcastically, that if it was true that you could reach Sicily by the Snaefellness crater, the island would have been deserted a long time ago.

Volcanic eruptions are, in fact, the reason why Iceland was considered to be uninhabitable for a long time. When Laki erupted in 1783, the King of Denmark considered evacuating the island

¹The *Egil Skallagrímson Saga* is an Icelandic tale written by at the beginning of the 8th century by Snorri Sturluson. The main character is the Egil Skallagrímsson, the poet-warrior.



The Icelandic volcanologists think that the Katla volcano, that erupts more or less every 50 years, may be the next

The historical record, which can still be seen, reveals that the eruption of Eldgja in the year 934, Hekla in 1104, Laki in 1783 and Askja in 1875, were of cataclysmic proportions. What do you know of the suffering of Iceland's population from this era during these catastrophes?

It is a fact that the volcanic eruptions are the reason why Iceland was considered to be uninhabitable for a long time. The numerous fields of lava throughout the island provide an idea of the damaged that they caused and one should also consider the toxic emissions. Hekla was considered to be the Gate to Hell and, up until 1750, nobody had reached its peak. When Laki erupted in 1783, the King of Denmark considered evacuating the island. The Askja eruption caused strong emigration of Icelandic farmers to America because the lava destroyed their best land.

Statistics indicate that there is a volcanic eruption in Iceland every four years. Recently, Europeans were very conscious of Eyjafjallajökull for its effect on air traffic in 2010. Where do the volcano experts expect the next eruption to happen?

The Icelandic volcanologists think that the Katla volcano, that erupts more or less every

50 years, may be the next. Hekla is another of the volcanoes that is being watched closely.

The eruption of the Grimsvötn volcano in 2004 kept the scientific community on edge as it happened underneath the Vatnajökull glacier, melting an enormous quantity of ice which, on release, caused huge flooding in the Southeast of the country. What were the effects on the infrastructure in the affected area?

Highway number 1, which goes around the island, was cut off due to the flooding produced by the melting of the ice which was on top of the volcano. If this were to happen on a grand scale, it would undoubtedly be a huge problem, as the Vatnajökull glacier occupied an area equivalent to two times the size of Majorca.

Driving in winter in Iceland on the Ring Road, or even on the inland roads, must not be an easy job. What experiences have you had on the road?

The Ring Road is good, mostly asphalted, but problems arise when you go on the secondary roads where you often have to cross rivers and rocky or waterlogged areas. If you kill one of the many sheep

"Iceland, revolution under the volcano" by Xavier Moret in brief:

Eyjafjallajökull and the crisis

"It was solidarity, meaning Icelandic style solidarity, in extreme situations that was activated especially when there was a volcanic eruption, a threat against which everyone was prepared to join forces. However, it was not easy to know how to pull together against the economic crisis".

Not only Björk...

"I remember that when I commented to Einar that there were far more musicians per square metre in Iceland than in Spain, he shrugged his shoulders and said: that is normal. What do you want the youngsters here to do? They cannot go to the beach like in Spain. They have to do something so they get together in a garage and form a musical group".

Secret discoveries: the Sagas and America

"For the history of the universe, it is as if the Scandinavian books and wars did not exist; everything is uncommunicated and without trace, as if it happened in a dream or those crystal balls that fortune tellers use. In the 12th century, Icelanders discovered the novel, the art of Cervantes and Flaubert, and this discovery is as secret and futile for the rest of the world, as their discovery of America".

The financial crisis, disaster, *kreppa*

"What happened here -Arthur summarized before ordering the food- was, at the end of the day, what you would expect when you put together a group of adolescents, crates of beer and car keys. You can be sure that it will end badly. Teenagers will drink too much, will drive drunk and end up crashing the car".

"The figures were already alarming before the big collapse: Iceland's three main banks -Glitnir, Landsbanki y Kaupthing- which were privatised in 2001, had a combined external debt that exceeded five times the nation's GNP and amounted to EUR 160,000 per inhabitant. They operated in twenty coun-

tries and had bought leading companies in the UK and Denmark. Corrupt bankers authorized loans to themselves, their friends and some politicians, without asking for any guarantees. Those were the years in which everyone worshiped the *BuyKings* (a play on words between "Vikings" and "kings of buying"), who were the most similar in Europe to the Arab Sheiks".

"The Kaupthing bank was nationalised and the other two were intervened by the State -Arthur went on-. The three of them represented around 90% of Iceland's banking system. Now they are managed by women. They have had to sort out the mess created by the men".

"The Government asked for help from the IMF that approved a 2,100 million dollar loan, which was backed by another one of 2,500 million from other Nordic countries. Iceland had to be rescued by the IMF who imposed the usual measures: lower salaries and higher taxes. The Icelanders purchasing power has been reduced and the Welfare State has suffered the effects".

Geostrategy and Global Warming

"It is interesting to look at it from the strategic geopolitical point of view -Arthur continued-. First of all the North American base linked Iceland to the United States, after the country looked towards Europe and now, after the crisis, there are those that think they should join the European Union, although this is a very controversial subject. In any event - he smiled - Iceland is one of the best positioned countries in the world, half way between Europe and America, and is evident that it will benefit from global warming".

The "revolution of the saucepans"

"With regard to the demonstrations, in 2009 they provoked the holding of new elections and a change of Government. The reaction of the Icelanders was a real lesson for some politicians who intended to go on after the crisis as if nothing had happened".





Blue Lagoon Spa and geothermal plant at the background, Iceland

Iceland Catastrophe Insurance (ICI)

Iceland Catastrophe Insurance was founded in 1975 as a public company by a special law passed by the Icelandic Parliament (*Althing*) and operates as an insurance company.

Catastrophe cover is provided under a separate policy with a sum insured for buildings which is in accordance with the evaluation for fire, as per the State Property Registry. Contents are covered for the agreed value in the fire insurance and infrastructures at replacement cost.

It covers direct damage by earthquake, volcanic eruption, avalanches of snow, landslide and flood. It is obligatory to acquire it with all buildings and contents that are insured under an insurance policy. Storm cover remains in the private sector. Consequential and indirect damage is not covered by the ICI.

The private insurance companies collect the catastrophe premium together with the fire premiums in exchange for a commission.

Certain infrastructures, even though they are not insured against fire, are obliged to be insured with the ICI (if they are public property), such as the geothermic heating systems, water treatment installations and sewers, bridges and ports, electrical distribution installations and systems, telephone systems and distribution networks and chair lifts.

Rates are fixed by law and one single rate of 0.25 per mille is applied for buildings and contents. For infrastructures it is 0.2 per mille. A deductible of 5% per claim is applicable.

The ICI evaluates and manages the claims. It purchases Stop Loss reinsurance cover in the international market.

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The collapse arrived in 2008 due to a group of bankers and financiers that risked too much and speculated, promising very high interest rates and acting with a casino capitalism mentality. In the end they crashed

on the island by accident, you have to pay for it. People there are very responsible. I remember that in Reykjavik we scraped a car whilst parking and an Icelandic friend with whom we were travelling immediately reported it to the police.

What was the economic situation in Iceland before the crisis and how did they get to the downfall?

Prior to the crisis there was euphoria in Iceland. The economy was going well, the banks were announcing optimistic years ahead and, as if that was not enough, a survey showed that Iceland was the place where the happiest people in the world lived. The collapse arrived in 2008 due to a group of bankers and financiers that risked too much and speculated, promising very high interest rates and acting with a casino capitalism mentality. In the end they crashed.

Who was responsible for Iceland's economic crash as from October 2008?

The unconscious bankers who were allied to corrupt financiers and politicians are the ones to be blamed. Whilst all was going well, the politicians closed their eyes to irregular operations. When the bubble burst, people did not stand still and sought out the guilty ones.

Why do you think that women play such an important role in the country's society and politics?

For centuries, when Iceland was just a county of fishermen, the men went off to sea for weeks on end and women stayed in charge of the family economy. In fact, Vigdís Finnbogadóttir was the first female President in 1980 and was re-elected in 1996. The people have an excellent memory of her.

What economic sectors does the Icelandic economy currently depend on?

Cod fishing is still the basis of Iceland's economy although, in recent years, the Government has been promoting the aluminium manufacturing industry. Tourism is on the rise but it is concentrated only in the summer months.

Preservation of the environment forms part of the inhabitants of Iceland's religion. What are the opinions with regard to the Kárahnjúkar dam in the fjords on the East coast?

Icelanders are very conscientious with regard to nature. They consider that it has to be preserved and passed down to their children in good condition. For this reason, dams such as the Kárahnjúkar, which have flooded various valleys in the Northeast of the country, are not well looked upon. The Government alleges that they are necessary for supplying the aluminium factories but the majority of the Icelanders are against them and have gone out onto the street in protest.

What smells remind you of Iceland?

When you open the water tap, the smell of sulphur immediately embraces you. This is normal because the hot water comes from the underground volcanic activity. The use of geothermal energy, on the other hand, means that there is almost no pollution in Iceland.

Are you thinking of returning to Iceland to write more books?

I have travelled to Iceland a dozen times as I love the country and I am lucky to have friends there. I have already written two books: the first, *"La isla secreta"* to narrate my fascination for the island and explain how life is there. The second, *"Islandia, revolución bajo el volcán"* was written to explain what the 2008 crisis meant and how the country has changed.

<http://www.xaviermoret.com/>

Icelanders are very conscientious with regard to nature. They consider that it has to be preserved and passed down to their children in good condition

Inditex Group

Spain



Inditex headquarters at Arteixo (A Coruña - Spain). © Inditex



“Passion for fashion has no borders”

A commitment to internationalization has been part of the Inditex Group’s personality right from the start. Expansion outside Spain began in Portugal in 1988 and since then the Group has never stopped growing abroad.

Inditex is one of the main fashion distributors in the world; it has eight commercial brands (Zara, Pull and Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe) and over 6,000 stores in 86 countries, where the company has succeeded in instilling the same corporate culture.

The Group includes over a hundred companies linked to the different activities making up the design, manufacturing and textile distribution business.

The company’s way of understanding fashion -creativity, quality design and a quick response to market demands- has enabled rapid international expansion and the eager acceptance of what the different chains offer.

The first Zara shop opened in A Coruña (Spain) in 1975, where the Group started up its activity and where the company’s headquarters are located.

The Group employs an international staff of over 110,000 professionals spread over the whole world -60% of the personnel work outside Spain. About 80% of them are women- and they are young, their average age being 26.

Inditex handles each phase of the fashion process: design, manufacturing, logistics and sales in its own stores. “The business model aims for flexibility and agility: the capacity to adapt the fashion on offer to clients’ wishes in the shortest possible time. Vertical integration makes for shortening of deadlines and provides the flexibility needed to respond more precisely to demand.”

Furthermore, in order to get closer to different types of customer, Inditex runs eight different brand names: Zara, Pull and Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe. “All the chains share the same business model, the philosophy of how to do things and the Group’s corporate culture”.

The store is the meeting point with the customer, the main source of information for the design teams and the centre around which all the company’s departments revolve



zara.com photo shoot © Inditex



International expansion

The commitment to internationalization has formed part of the company's personality right from the start. Inditex's expansion outside Spain began in Portugal in 1988. The Group currently has over 6,000 stores in 86 different countries. "Thanks to the current strategy, the Group has a significant global presence, taking advantage of all opportunities both in Europe and in the different Americas markets and Asia. We should add to this the firm commitment to electronic trade, which also has a global reach".

The usual scheme for advancing in a new market consists of no more than "going from store to store, listening to the customers and steering which fashion they might be interested in." In most cases, Zara has been the first chain to culminate "gathering experience", which has also enabled "faster international expansion of the more recently created chains."

Prominent among recent openings are stores in line with the new Zara concept in both Fifth Avenue in New York and Oxford Street in London, the entry of Massimo Dutti into the North American market with the opening of its new store image, also on Fifth Avenue in New York, the launching of Stradivarius in Mexico and the arrival of Zara Home in Colombia and Brazil. "Success among people, cultures and generations, which in spite of their differences share a special sensibility for fashion, resides in the conviction that there are no borders to prevent them from sharing the same culture of clothing. Passion for fashion, quite emphatically, has no borders".

Plans for growth

Inditex makes the most of opportunities for growth in any of the geographical areas where it operates. In this regard, "Europe is still one

Europe is still one of the main areas of expansion for Inditex, while the company is progressively increasing its presence in the Americas and continuing to establish itself in the Asian markets

The success of the collections

The models for each campaign are developed entirely by the different chains' creative teams, over 300 designers, whose main source of information are the customers themselves and their shopping decisions in the stores. "The success of the collections depends on the capacity to recognize and assimilate the constant changes in fashion trends, which take place every single day. The designers' aim is to catch this spirit, to be able to provide new models at all times to meet customers' wishes."

In some cases they have their products made by external suppliers. Supervision of their work is a global task involving all who feature in the value chain, from the purchasing to the sales teams via the social responsibility units. "Quite naturally, manufacturers of products sold by Inditex are obliged to fulfil the Manufacturers' and Suppliers' Code of Conduct, and to verify that the requirements are met, through a system of regular audits carried out by Inditex or high-level independent auditors. The quality required in the three specific certification standards is very high," says the Inditex Communication and Institutional Relations Department.



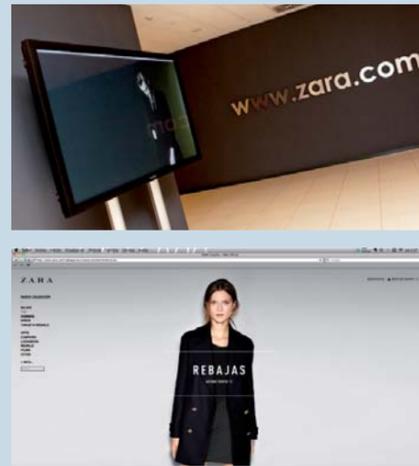
Zara Woman design team members. © Inditex

e-business, ongoing expansion

Since 2011, all the Group chains have been selling on the Internet and "the number of countries in which this possibility is available for our customers is constantly growing."

Inditex considers on-line sales to be a new service for its customers. "We are highly focused on the ongoing improvement of the commercial transaction in this new channel, so that customers can enjoy the exact same service quality in this environment as they do in physical stores. Both channels are complementary, both from the customers' point of view and in the commercial formats."

Zara started on-line sales in China last September and Massimo Dutti and Zara Home did so in the USA in October. The goal is to "extend e-business to the markets where the company operates with actual stores."



Each store places an order twice a week and the time lapse between the ordering and the arrival of the goods in the shop is, on average, 24 hours for European stores and a maximum of 48 hours for stores in the Americas and Asia



Zara shop, Chicago - USA. © Inditex

of the main areas of expansion for Inditex, while the company is progressively increasing its presence in the Americas and continuing to establish itself in the Asian markets."

Some 60% of Inditex staff work outside Spain, but location does not matter; "corporate culture responds to recognized and valid criteria in all the countries where Inditex is present, and it is based on teamwork, overcoming difficulties, unrelenting hard work, open communication and a permanently high level of demand."

Stores: location and management

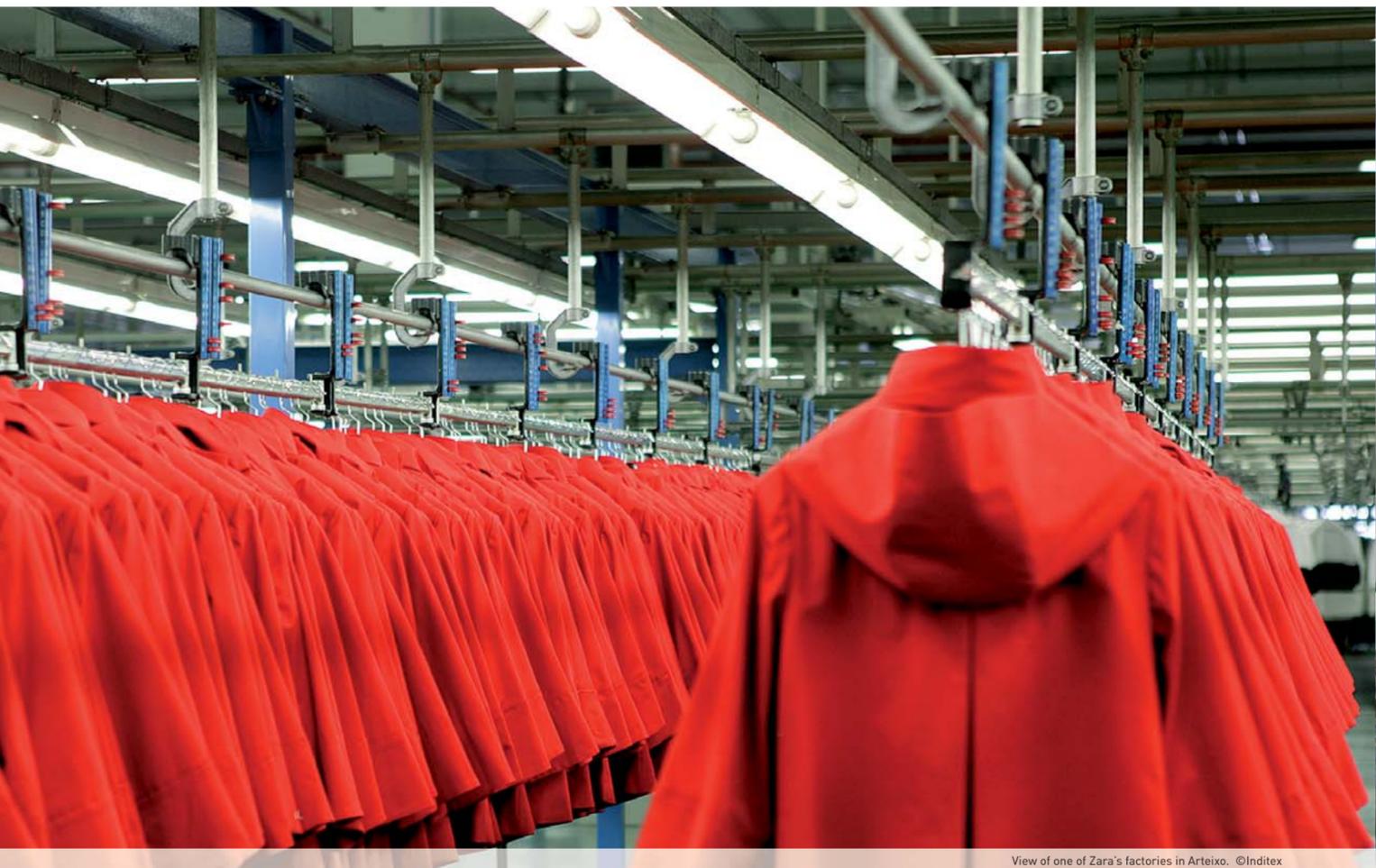
The store is the key piece in the Inditex business model. As the meeting point with the customer, it is the main source of information for the design teams and the centre around which all the company's departments revolve.

Today we can find Zara shops, for example, in the main commercial arteries worldwide, and in shopping centres that fulfil the selective Inditex criteria, "always in places that guarantee visibility and accessibility."

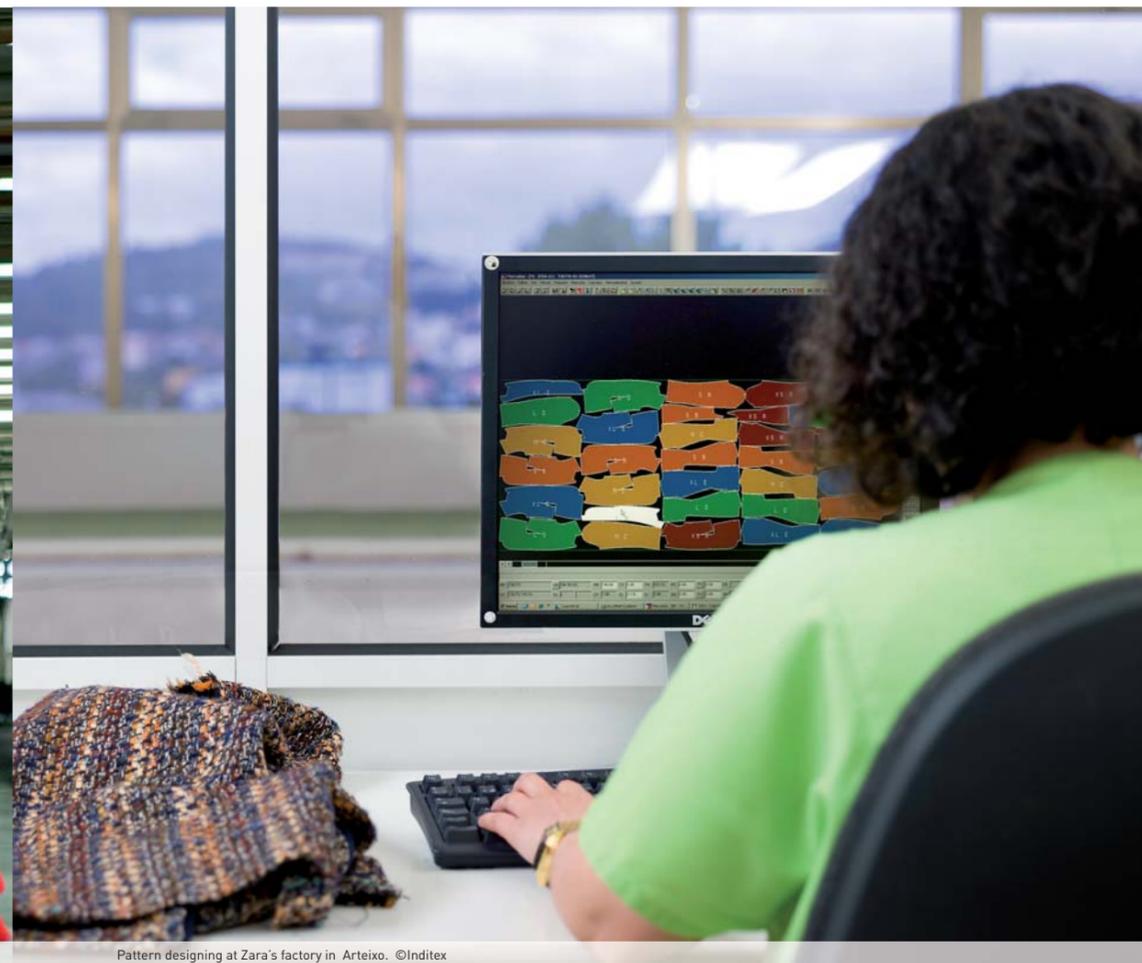


Bershka shop, Tokyo - Japan. © Inditex

The eco-efficient store is a new model in the way that it conceives commercial spaces within the distribution sector, with pioneering elements regarding light, fixtures and fittings, recyclability and waste management



View of one of Zara's factories in Arteixo. ©Inditex



Pattern designing at Zara's factory in Arteixo. ©Inditex

Inditex is deeply committed to investing in infrastructures in Spain, from where it sustains the global projection of the eight chains, permitting the incorporation of maximum added value with regard to both human talent and technology

The company's young age and sense of responsibility have doubtless moulded a character that is permanently oriented towards environmental management

In some cases, in privileged locations "a part of cities' historical heritage is recovered with detailed projects for restoring unique spaces". In addition, stores have to be located in places with "suitable surface and facade characteristics, for example, to enable each of the brand names to present its collections to customers in the right way".

The main development strategy for Inditex commercial brands is to open their own stores - those in which Inditex holds all or the majority of the share capital. But in markets of limited size, Inditex Group has expanded its store network by means of franchise agreements with local companies that are leaders in the retail sector.

"At all events, franchise stores account for a very small percentage of the whole. The main characteristic of the franchise model, from the business point of view, is the total integration of the franchise store business

management, which ensures the necessary homogeneity in the global Inditex image for customers in any country in the world."

Centralized distribution

Another of Inditex's strong points is distribution. Over 50% of the Group's production is manufactured locally, basically in Spain and Portugal, and "both this production and the rest, regardless of its origin, goes to the logistics centres of each chain in Spain, from which it is distributed to all the stores."

Each store places an order twice a week and the time lapse between the ordering and the arrival of the goods in the shop is, on average, 24 hours for European stores and a maximum of 48 hours for stores in the Americas and Asia.

Moreover, "every shipment always includes new models, which means that the stores can always offer their customers a renewed offer".

Investment in Spain

The Group's commercial activity in Spain is stable, "which is appropriate for a market where growth in the sales-floor surface area is selective. Spain is a country that the Group knows very well and one in which it feels very comfortable".

Inditex is currently deeply committed to investing in infrastructures in Spain, from where it sustains "the global projection of the eight chains, fostering the incorporation of maximum added value with regard to both human talent and technology".

This investment policy in the Spanish market has recently yielded three milestone events: the enlargement of the headquarters in Arteixo (A Coruña), which will increase the capacity of the commercial area of Zara and Zara Home by 70,000 square metres, the construction of the new logistics centre for Massimo Dutti in Tordera (Barcelona), which incorporates state-of-the-art technological innovation, and the acquisition of a 300,000 square metre plot of land in Guadalajara to build a new international logistics centre that will be in operation at the end of 2013.

In figures, "this policy involves an investment of EUR 450 million in Spain and a capacity to generate 1,400 direct new jobs". The motivation for all this is to enable the Group to maintain its ranking as a leader in the fashion distribution business, without losing sight of the social and environmental commitment inherent in its activities, and for the benefit of all its interest groups.

Insurance, a guarantee providing “experience and solvency”

Social Corporate Responsibility is embodied with the company’s business model. “It is a priority for Inditex to ensure the sustainability of the production line and to play a pioneering role in that area, by implementing dynamic measures both to fulfil the Manufacturers and External Workshops’ Code of Conduct, in force since 2001, and for the ongoing pursuit of the best quality standards”.

We should not forget that the Group operates in 86 different countries, “and so it is well aware of the most demanding quality requirements in the whole world, and it makes the most of this experience to be at the service of its clients globally. All Group teams work to accomplish this task”.

Inditex is fully committed to environmental management in every aspect of the business. “The company’s young age and sense of responsibility have doubtless moulded a character that is permanently oriented in this direction”.

This motivation is what has led the company to develop the eco-efficient store concept.

According to the Inditex Communication and Institutional Relations department, this model is “completely new in the way that it conceives commercial spaces within the distribution sector, with pioneering elements regarding light, fixtures and fittings, recyclability and waste management. In short, each activity within the Group’s value chain is considered in relation to its environmental variable both in planning and development.” Furthermore, the company promotes environmental awareness in internal training courses, and externally for suppliers and collaborators.

But what does the insurance sector contribute to a group like Inditex and how does it accompany them in their national and international development? “Risk management is a highly important area in any organization, and all the more for Inditex, bearing in mind the complexity and geographical scope of its operations. In this regard, it is a guarantee for the Group to collaborate with leading companies in the sector that can contribute their experience and solvency in this area”.

Manufacturers of products sold by Inditex are obliged to fulfil the Manufacturers’ and Suppliers’ Code of Conduct and to verify that the requirements are met, through a system of regular audits carried out by Inditex or high-level independent auditors



agenda

COURSE ORGANISED BY FUNDACIÓN MAPFRE

Course	Method	Beginning	End
Reinsurance	E-learning	25 February 2013	21 June 2013

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