



FACING FORWARD:
CHANGING EMPLOYEE
BENEFITS FROM
THE INSIDE

IMAGES: SHUTTERSTOCK: MICHAELJUNG

Young, confident, dedicated to their mission: meet Chiara Righi and Frederik Van den Eede, two of the faces of today and tomorrow within Generali Employee Benefits, who are driving forward innovations in the captive employee benefits sector.

How do you approach underwriting for captives?

CHIARA RIGHI: I think of underwriting as an art. It's the art of interpreting data, of understanding and assessing risks and benefits. We look at data we collect from and for our clients, then try to accurately assess what the future will bring.

Of course, we don't have a crystal ball and it would be presumptuous to say we know every market by heart. But we do have skilled, experienced professionals on the ground in local markets all over the world. These people evaluate the underlying risks and benefits, interpreting them in the best manner possible, and as a consequence provide particularly well-informed viewpoints for our clients.

They help make sure we possess a deep understanding of the market and maintain both global and central views of our employee benefit programs.

What are some of the value-added services underwriters provide to captives?

RIGHI: We customize our services to our clients' needs, for example providing quarterly reporting services and other advantages that Frederik offers through his department, Client Services. That's the service-forward side.

Equally important, thanks to our position as a major global insurer, is that we offer something at least as valuable: a broader market perspective. With locally-based underwriters and professionals in markets around the world, we can offer a holistic, comprehensive view of what's happening in each market. This has enormous benefits for our captive insurance clients, who may not have access to the same knowledge.

Why are today's underwriters more actively involved with captives?

FREDERIK VAN DEN EEDE: There are two reasons. First, the COVID-19 pandemic has made the world a much more complicated place for captive insurance clients. It has created new concerns and a need for increased information.

Second, our clients are expressing a concrete need for additional comfort factors.

They are doing their own underwriting, their own risk assessments. Ultimately that risk sits directly with them. That's the reason they have a real, genuine appreciation for the second set of eyes we provide, for the second opinions we offer.

We supply expert opinions informed by experiences our company accumulates in markets all over the world. They're happy and reassured to hear someone they trust say: "We've gone through this and evaluated it. We think it's okay. You can underwrite this. You can take this risk."

What helps GEB Client Services stand out?

VAN DEN EEDE: Our reach and what it implies for the companies that hire us. Our clients appreciate the fact that we work with multiple captives all over the world, with whom we have tackled complex problems and developed innovative solutions. Different clients, different markets, different industries.

We often hear clients say: "I'm a captive and I'm dealing with this issue. But I can't be the only one—other captives must be grappling with this too. What are those other companies doing? How are they tackling this? How have you been able to help them?"

The fact that we can share concrete experience based on how we helped other clients in similar situations is useful. It's a source of comfort. It helps them work through the process with increased confidence and security. They appreciate having us as partners. We help them find solutions to problems that threaten their businesses.

The captives segment is growing. What problems do you find yourself helping with most often?

VAN DEN EEDE: Probably their annual renewals, as well as onboarding new schemes. This means helping them with their dashboards, providing data that gives them full performance

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overviews, and providing other useful information around that. We work together to determine what kind of exposure they have, what the captive's goals are and so forth.

It's important to emphasize that this is not about sales. It's about providing value-added services and trying to help clients deal with technical or insurance questions they have around their risk. This starts with the quarterly reports we provide, but quickly extends to other areas—anywhere I can help a client with her or his daily decision-making processes.

Are captive clients coming to you for pricing and cost, for services offered, or for something else?

VAN DEN EEDE: It's a combination of services and expertise. Let's say you're an international company, currently operating in 10 markets and evaluating expansion into several more. In order to select an insurer that can meet your employee benefit needs, you'll evaluate two criteria: first, strength of network.

Clients who consider Generali Employee Benefits (GEB) are comforted to know that we have local providers available in each of the 10, or 20, or 50 markets where they're operating. They know they'll become part of that network and have an opportunity to benefit from it.

Second, as an international company you'll be looking at cost. You'll compare prices and fees between different providers, and more importantly you'll compare the services, tools and know-how you receive in return for these fees.

We stand out for the kind of overall services we offer captive clients. Captives are assessing whether these are in line with their needs and whether they will help improve their business and the way they run their captive. Today they're increasingly emphasizing control and the services we provide.

How does your team help captive clients deal with employee benefits?

RIGHI: Many of our captives are already active in non-life or other segments, and—in part because of the pandemic—an increasing number of captives are starting to take employee benefits into consideration. These captives really appreciate having our expertise on hand, especially in the beginning. They have a counterpart who can act as a sounding board, or maybe challenge ideas they are working on in-house.

Our technical advice becomes especially valuable to them, helping them feel their way around a complex area of the market that they are not necessarily familiar or comfortable with yet.

We've also seen increased cooperation with captives already active in employee benefits. This has been driven in part by the effect the pandemic has had on employee benefit risks and claims patterns, driving an evolution in claims trends compared to the past, especially in certain markets.

In response, we've helped clients understand what's driving these developments—in the lines of risk in health or life for example—so that they can navigate this complex landscape in the best manner possible. Our advice is also useful for renewal actions, and it's all made possible by the broader perspective we can offer as a global network to local markets.

In what direction do you see captive employee benefits heading?

RIGHI: I'm seeing an increasing emphasis on informed global data. If you're a captive client, you receive a wealth of data, but everything you receive is related directly to you and your position in the market. You learn how much you're paying for your employees in each country, what their medical consumption is like, average ages, what coverages are like, and so forth. This is a lot of interesting stuff, but it's always related to you.

For captives in this position, perspective is more useful than raw data. What are other companies like mine doing in this market? What benefits are they providing to retain their employees? How are they handling employee benefits overall? What issues are they dealing with and what solutions have they come up with to resolve them?

Generali is a global player. That means we can offer a wealth of informed data and a multitude of informed perspectives. We help captive clients paint a picture of the market that is no longer just about their business or their specific, local market, but about all the interactions we have with a range of different clients globally.

We help them align with other companies, see what companies with similar footprints are doing, evaluate solutions that other companies have come up with and figure out whether or not these will work for them.

What services are your captive clients focusing on?

VAN DEN EEDE: I'm seeing a lot of interest around the global services we provide. These include voluntary employee benefits, which allow global corporate clients to offer additional coverage purchases at advantageous rates to their employees, for example additional health benefits for parents, car insurance for children, and so forth.

“ We customize our services to our clients’ needs. ”

CHIARA RIGHI, GEB



It includes internal ratings, a service we provide for captive clients. We already know many of them don’t go through the process required to receive a yearly financial rating. In order to bridge that gap, we use our Group Internal Rating team to assign each captive client a Generali financial rating that they can then in turn use to mitigate collateral requirements.

Last but not least, I’m seeing increasing interest in disability reporting. This is a new, innovative dashboard we are about to provide, primarily to captive clients. The report focuses on a client’s long-term global disability exposure, providing deep detail on things such as how long a claimant remains on disability, whether or not reserves have been set correctly at the beginning of the disability period, average claimant age and other key data points.

Employee benefits are all about caring for employees. Where do you see your captives taking special steps to meet employee needs?

VAN DEN EEDE: Mobility is an important issue for our clients today. For example, there is a global population of important employees—managers, engineers, technology specialists and so forth—who are regularly sent on short notice into different countries and new markets. These kinds of employees are very sensitive to quality of service, and we are lucky enough to have put together what I believe is among the best packages on the market, thanks to partnerships such as the one we have with Bupa Global.

At the same time, we offer one of the best risk packages—this matters to our captive clients. They need to cooperate with human resources, to take care of their people. They need to satisfy the needs of these special talents being flown all over the world.

Where do you see your captive clients placing special attention today?

RIGHI: This ties in to what Frederik is saying about mobility—our clients have a growing appreciation for the way we proactively craft employee health and wellness benefits to fit their needs.

Our clients are not only looking for a trusted partner who can provide insurance solutions and proactively manage captive programs; increasingly they’re looking for a partner who is willing to provide additional services for their employee strategies. The pandemic has undoubtedly reinforced their sense of urgency, increasing the attention they pay to wellbeing programs and driving adoption of mental health

initiatives. It’s also fostering increased interest in digital services such as telemedicine and digital health tools.

These things are becoming a top priority for employers, and I believe they will continue to be of key importance in the future, not only as a way to mitigate costs and prevent risks, but also to support employee strategies. We are committed to being a strong partner here, helping clients develop these initiatives, implementing additional health and wellbeing services, and leveraging an ecosystem of partnerships to serve them in the best manner possible.

Can you add a parting consideration for captive and potential captive clients?

VANDENEDE: If I had to send a message to potential clients, I’d point out that the world of captive employee benefits is evolving quickly. New captives are choosing to include these risks, and existing captives are continuing to innovate employee benefits to respond to demand from within their employee populations.

I’d make sure they understand that at GEB we undertake this journey alongside our clients, expanding our scope in order to be a lifetime partner to them.

RIGHI: I would emphasize the value of global data. Many captives still rely on local data. They’re missing the next level up: a global network that works with comparable companies, doing comparable things, which can therefore offer valuable insights into what are the markets trends and evolutions. ●



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