GENERALI
Employee Benefits Network

# The Generali LifeCycle Pooling Approach

The Generali LifeCycle pooling approach is adapted to the client's evolving risk profile as they grow the number of countries and premiums participating in the pool. It makes it easy to switch from a Multiemployer to a Standalone mode.

The Multiemployer mode protects smaller contracts from the volatility of claims experience that smaller pools would be unlikely to recover from. The Standalone mode provides additional flexibility for larger programmes and caters to clients interested in a proactive approach to benefits management.

## HOW DOES IT WORK?

A pool functions as an overall profit and loss account. GEB centralizes into a single portfolio all of the policies originally placed with the local insurers. The premiums, claims, and other expenses are combined together and when there is a surplus balance that remains, that amount is what contributes to the calculation of the dividend that the pooling client can receive during positive years.

If the overall experience of the Multiemployer pool is positive, an international pooling dividend will be redistributed to each companies' Head Office on the basis of the positive results of their country subsidiaries. To encourage participation all countries with a positive experience are eligible for a dividend payment. Negative countries are not eligible for a dividend, and there are no losses carried forward to the next account period in the Multiemployer mode.

The Standalone mode aggregates the policies of a single employer and its subsidiaries. The dividend is based on the overall balance of all the participating policies. A dividend is available only if the client's Standalone pool is positive.

An annual report is provided to the Head Office of every multinational employer.

## ELIGIBLE COVERAGES

- Life insurance and riders
- Accident insurance
- Medical insurance
- Disability insurance

## REQUIREMENTS

Clients with a diverse pooling portfolio of at least 3 countries and 1 Million Euros will be transferred to or start in Standalone mode. If either of these thresholds is not met the client will participate in the Multiemployer mode.



As of April 2017

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## POOL CURRENCIES

The contractual currency of a Multiemployer mode is EUR.

Standalone pooling programmes can be denominated in the following currencies: EUR, USD, CHF, GBP or JPY.

## ADVANTAGES

The benefits to your company include:

- Opportunity to save money and to receive a dividend
- Consolidated global reporting
- Support your internal decision making and governance model
- Competitive local solutions
- A pooling approach that adapts to the clients' profile.

## POOL PROTECTIONS

The Multiemployer mode is equipped with full stop loss protection. In the event the overall pool ends with a negative balance (a loss), Generali will assume the loss and no balance will be carried into the next accounting period.

The Standalone mode features two forms of stop loss protection. Claims in excess of thresholds are credited back to the pool:

1. Pooling Point – this is an individual excess of loss coverage that protects against the impact of large individual life, disability and accident claims (not medical).

2. Stop Loss – limits a negative experience balance at the end of the accounting period. The Stop Loss takes effect no matter what kind of claims have actually occurred (a series of small claims, a few high claims, or a mixture of the two).

## CANCELLATION OF THE POOL

The agreement may be terminated by the client or by Generali by providing a written notice to the other at least 90 days before the year's end. In the event of termination, no penalties will be imposed to the client.