GEB News

December Edition

GENERALI
Employee Benefits Network

In this issue...

Generali Group 2017 nine month results

Generali's latest results, published in November, confirm overall a consistent execution of strategy and focus on technical excellence.

Some of the highlights include a stable operating result at €3.6bln confirming Operating Return on Equity (RoE) in line with target. Performance remains solid in Life and Property & Casualty businesses, despite the increase of €70mln in natural catastrophic claims. The Group also saw an improved performance in Holding and other businesses.

Generali Group CFO Luigi Lubelli, commented: "The nine-month results confirm our strong performance. Our business continues to grow thanks to the consistent execution of our strategy which has resulted in the increase in P&C premiums, especially in the Motor sector; strong Life net cash inflows exceeding €8.2 billion, among the best of the European peers, driven by Unit-linked and Protection products; as well as a significant increase of more than 13% in third-party assets under management.

"Continued focus on technical excellence is shown by the outstanding combined ratio, despite the increase in natural catastrophe claims, and by the notable growth of the Life new business margin. Cost reduction, lower impairments and the decrease in the cost of our financial debt further contributed to our performance in the period. Net profit before discontinued operations grew by 7.2% and underlines the solid level of our current underlying profitability."

For more information

https://www.generali.com/investors/reports-and-presentations

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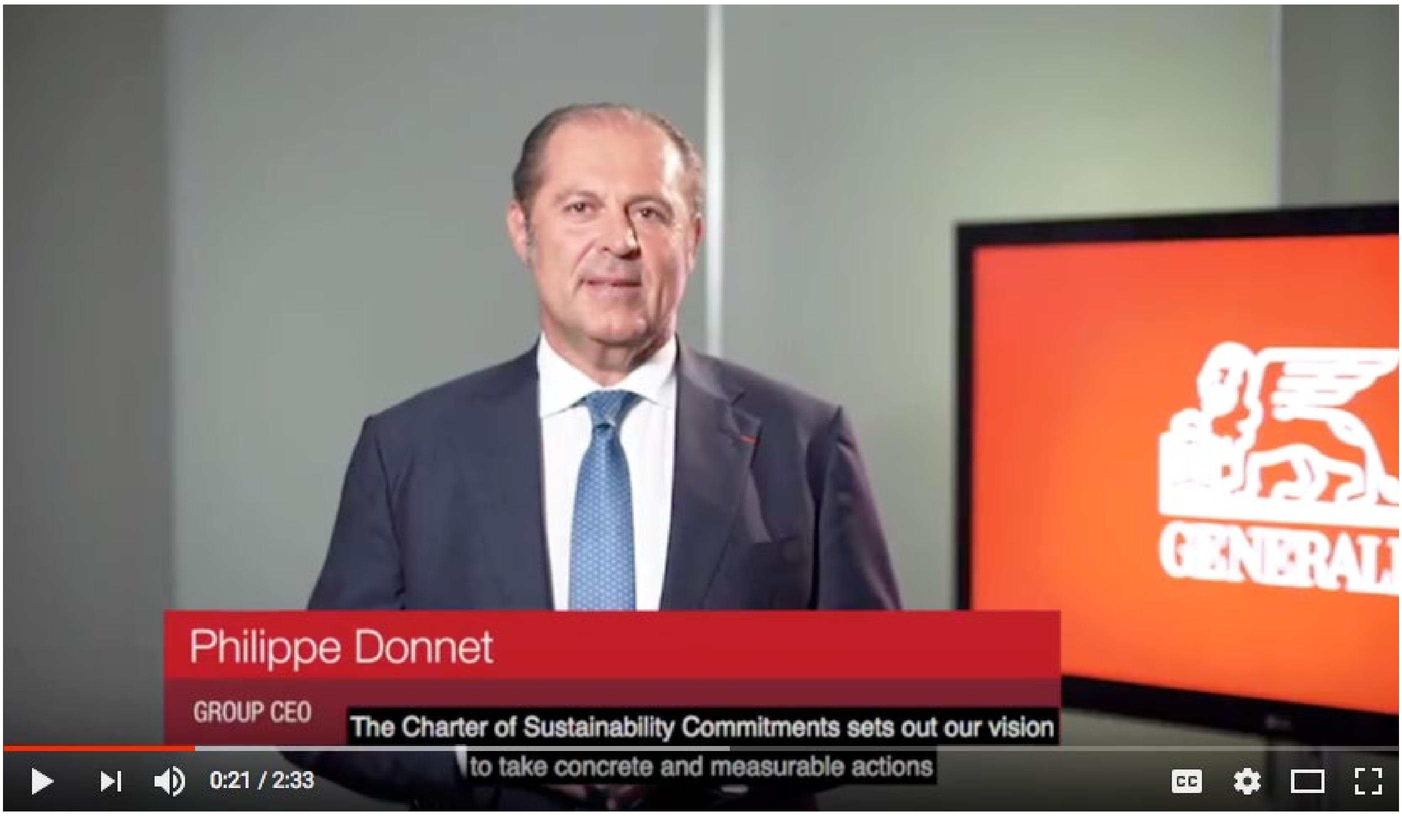
Group CEO Philippe Donnet on Generali's vision for a sustainable business

Generali Group CEO Philippe Donnet introduces Generali's Charter of Sustainability Commitments in this short video



The Charter is built on the foundation and understanding that there is a concrete and measurable link between resilience and sustainability in the workplace and in wider society.

It sets out long-term goals within these two areas, with a specific focus on business investment and employee engagement through to climate change and demographic trends.

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The Human Safety Net

The Generali Group proves its sustainability promise is much more than rhetoric as it launches a worldwide community support initiative.

The Generali Group launched **The Human Safety Net**, a global movement that aims to help some of the most vulnerable communities around the world.

Three programmes will be established, inspired by ideas put forward by Generali employees, focusing on families, refugees and newborns. All the programmes share a common purpose: to unlock the potential of disadvantaged people so they can transform their lives, that of their families and of their communities.

This is about connecting communities on a global basis with the idea of 'people helping people'. It's a far-reaching and ambitious goal, which is why Generali is open to alliances and partnerships with like-minded people and organisations.

Three programmes:

- The Human Safety Net for Families promotes equal chances for children who grow up in poverty, initially providing support to 30,000 parents during the first six years of their children's life.
- The Human Safety Net for Refugee Start-Ups takes a different approach to the refugee crisis in Europe by empowering refugees to realise their entrepreneurial potential and build livelihoods in their new home countries.
- The Human Safety Net for Newborns works with the medical community and parents to improve prevention and treatment for a devastating birth condition called asphyxia, which leaves many babies handicapped for the rest of their lives and tragically can even result in death.

Venice, the home of The Human Safety Net

As part of its long-term commitment, Generali has created a home for The Human Safety Net in the Procuratie Vecchie in the iconic Piazza San Marco in Venice. Generali is currently undertaking a unique restoration of the Procuratie Vecchie, the place where the Group opened its first office in 1832, that will bring together other parts of the square and the Royal Gardens.

Once restored, the building will provide an open door for people to seek inspiration for The Human Safety Net from programmes, exchange ideas, and volunteer to take collective action.

For more information about The Human Safety Net, go to www.thehumansafetynet.org

Generali's Mobile Hub app wins top strategy accolade

Generali's international mobile app was awarded 'Best mobile strategy' during a recent event held in Paris by one of the industry's most prestigious insurance magazines ***Argus de l'assurance digitale.***

Known in France as Mon Generali, Generali's Mobile Hub provides its users with swift access to their insurance agent, allowing individuals to independently manage their own insurance assets via their mobile phones.

Also, in case of emergency, users can directly contact the support team, whilst monitoring the assistance process.

This service is currently available in France and Switzerland, but will soon be available in other countries.

Isabelle Conner, Generali Group Chief Marketing & Customer Officer, commented: *"This award acknowledges the hard work carried out by Generali Group and confirms our ability to remain at the cutting-edge of digital innovation. Thanks to the adoption of increasingly customised solutions we aim to increase the brand's visibility and significantly raise the level of consumer preference, in line with our customer-oriented strategy."*

Carline Huslin, Head of Marketing and Multichannel Customer Experience at Generali France, added: *"This award represents the formal recognition to a project of major relevance within our process of transformation. Also thanks to the collaboration with Europ Assistance we have been able to offer a more intuitive experience for our clients and an improved ease in resolving problems."*

Generali's restoration of the Royal Gardens in Venice receives high praise

Generali was awarded the special 'Art Bonus' prize at the Corporate Art Awards 2017 held recently in Rome, for the restoration of the Royal Gardens in Venice's Piazza San Marco. The winners were applauded by the President of the Italian Republic, Sergio Mattarella.

The event, which was established to promote international ties between the worlds of business and art, acknowledges those companies that have taken action to sustain artistic and cultural heritage.

It is organised by pptArt in partnership with LUISS Business School and the Ministry of Cultural Heritage and Activities and Tourism.

More info here

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Make use of vaccinations included with many disability benefits prior to flu season

Australia is having a particularly bad flu season this year, which could have a knock-on effect on the US, Canada and Europe, according to a recent report by news agency CNN[1].

Considering that vaccinations and immunisations may be included alongside a range of wellbeing services in many disability insurance packages, employers would be well advised to check out what they've got and make full use.

Almost 2.5 times more flu infections than in the same period last year were reported in Australian Government data. A total of 52 deaths associated with influenza have been reported in the country this year, compared with 27 as of this same time last year. There have also been more flu-related hospitalisations this year: 1,429 versus 719 in last year's report.

What does this mean for the Northern Hemisphere nations? According to Dr Anthony Fauci, Director of the United States' National Institute of Allergy and Infectious Diseases, quoted in the CNN report: "In general, we get in our season what the Southern Hemisphere got in the season immediately preceding us."

[1]http://edition.cnn.com/2017/09/03/health/australia-bad-flu-season/index.html

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Consider giving the gift of time this Christmas

Juggling work and home-life is often difficult, but throw Christmas into the mix and this challenge is taken to a whole new level. At times like this, it could pay for employers to gift to staff a half-day or simply a few hours of free time to use as they see fit – from Christmas shopping to catching the school nativity. If corporate finances won't permit this, perhaps allow employees to give up a small amount of salary in return for extra leave, or the ability to make up the time elsewhere.

Meanwhile, it's interesting to note that people who spend money to buy themselves more free time are happier, according to a recent survey. This might have implications for the workplace, in terms of the type of reward and benefit packages offered – for example, childcare and eldercare support, concierge services, having lunches delivered to work – but also in terms of the working environment and flexibility offered. Many employers claims to offer flexibility but how many are truly happy with the idea of their employees at a variety of levels choosing to work from home or alter their hours to suit their lifestyles?

The study, by psychologists in the US, Canada, Denmark and the Netherlands, found that people report greater happiness if they used €34 ($40) to buy themselves more free time by, for example, paying for someone to do the chores at home – rather than spending the money on material goods.

Significantly for employers, the study went on to conclude that stress over lack of time causes lower wellbeing and contributes to anxiety and insomnia. Yet it also added that even the very wealthy are often reluctant to pay people to do the jobs they dislike.

Considering that mental ill health accounts for almost 20% of the burden of disease in the World Health Organisation (WHO) European Region[1] and mental health problems affect one in four people at some time in life, anything that can be done to help lessen know stress indicators – by both country health systems and employers - can only be a good thing.

More than 6,000 adults, including 800 millionaires, were asked questions about how much money they spent on buying time. The researchers found that fewer than a third of individuals spent money to buy themselves time each month. Those who did reported greater life satisfaction than the others.

The findings were published in the journal, Proceedings of the National Academy of Sciences[2].

Sources:

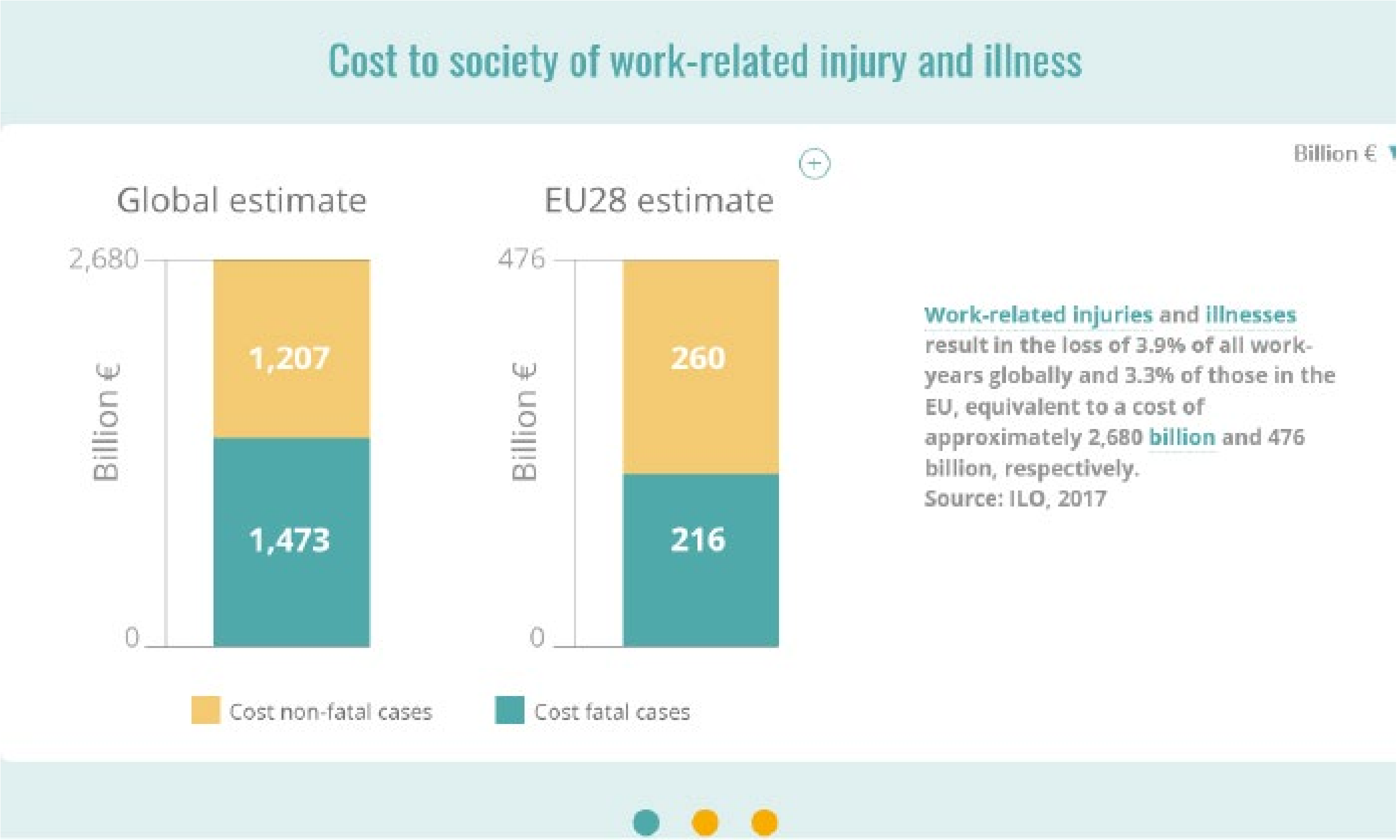
[1] http://www.euro.who.int/en/health-topics/noncommunicable-diseases/mental-health

[2] http://www.pnas.org/content/114/32/8523.short?ssource=mfr&rss=1

Health & Safety at work: good practice pays

If employers needed any further evidence that investment in wellbeing and prevention pays, they need only look at the latest global estimates of the cost to the European Union of poor Occupational Safety & Health (OSH).

Work-related accidents and injuries cost EU €476 billion a year according to new global estimates. That's 3.3% of the EU's GDP.



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The estimates are findings from a major project on the costs and benefits of OSH, carried out by a range of organisations. Two of those organisations involved - the European Agency for Safety and Health at Work (EU-OSHA) together with the International Labour Organisation – are presenting the findings at the XXI World Congress on Safety and Health at Work, held in Singapore.

Speaking ahead of the World Congress, the Director of EU-OSHA, Dr Christa Sedlatschek, said: "Safe and healthy work is a fundamental human right but these new estimates of the costs of poor or non-existent OSH measures show that the economic case for OSH has never been stronger."

Further findings to be presented at the World Congress include:

- Work-related illnesses account for 86% of all deaths related to work worldwide, and 98% of those in the EU.
- 123.3 million DALY (disability-adjusted life years) are lost globally (7.1 million in the EU) as a result of work-related injury and illness. Of these, 67.8 million (3.4 million in the EU) are accounted for by fatalities and 55.5 million (3.7 million in the EU) by disability.
- In most European countries, work-related cancer accounts for the majority of costs (€119.5 billion or 0.81% of the EU's GDP), with musculoskeletal disorders being the second largest contributor.

A data visualisation tool highlighting the key findings will also be unveiled at the Congress. For more information go to https://visualisation.osha.europa.eu/osh-costs#!/

Generali Employee Benefits provides support to EU-OSHA's campaign on safety and health at work.

GEB & HR Zone launch HR guide

Global employee benefits for middle market companies: Building the business case for pooling

For growing mid-sized companies, it's generally a given that expansion into global markets is going to be required at some point in order to ensure overall business success. The EU Commission[1] states that an estimated 90% of global growth will originate outside the EU in the coming years, plus developing and emerging markets are expected to account for 60% of world GDP by 2030.

The competitive reality of the global economy, however, plus the increasing demands being placed on HR functions to help drive that business success, are another matter entirely.

Attracting and retaining talent is critical and the right employee benefit package plays an essential role, whether employing locals or relocating employees and their families to another country for any period of time. Whilst HR professionals might have a clear idea of what benefits make sense in their home country, it's not easy to know what to offer employees abroad.

For a start, there are the practicalities of understanding what benefits are available locally to consider – including state benefits – and how to access them. On top of that is the need to tailor benefits to individual employee need. For example, millennials, soon to be the largest segment of the population in the workforce, will present a unique set of expectations having a bearing on attraction, engagement and retention for companies.

In short, the role of HR functions in equipping their organisations with the required talent is more challenging than ever before.

What's more, like the rest of the wider business community, HR leaders continue to be expected to find savings and realise efficiencies. Cost reduction has featured high on the agenda of multinational companies since the onset of the financial downturn in 2008.

On all of these aspects multinational pooling can help. Traditionally the preserve of larger multinationals, an increasing number of growing mid-sized companies are now taking advantage of the potential cost savings and access to global expertise associated with a pooling arrangement.

Subscribing to a pooling arrangement gives a single point of access to a network of insurer partners around the world, the benefit of which is not only access to local products and services but also up-to-date country and regulatory information.

Pooling brings cost efficiencies associated with economies of scale, ensuring competitive terms and conditions, pricing and flexibility, plus an annual overview of all the contracts in which the client company is present. And, what's more, cashback.

Pooling arrangements offer a full stop-loss system. In other words, the insurer absorbs any negative balance, while potential dividends will be paid to the client if the overall portfolio balance is positive.

In the complicated international sphere, where HR leaders are expected to get – and keep - the best for less, the right support is essential and pooling can provide that.

In this guide, we take you through everything you need to know about pooling, putting you in a position to build a robust business case that will resonate not only with the Board but also with local HR. It will provide the framework your company needs to support its growth trajectory and its employees at the same time.

[1] *SME Internationalisation beyond the EU, European Commission* https://ec.europa.eu/growth/smes/access-to-markets/internationalisation_en

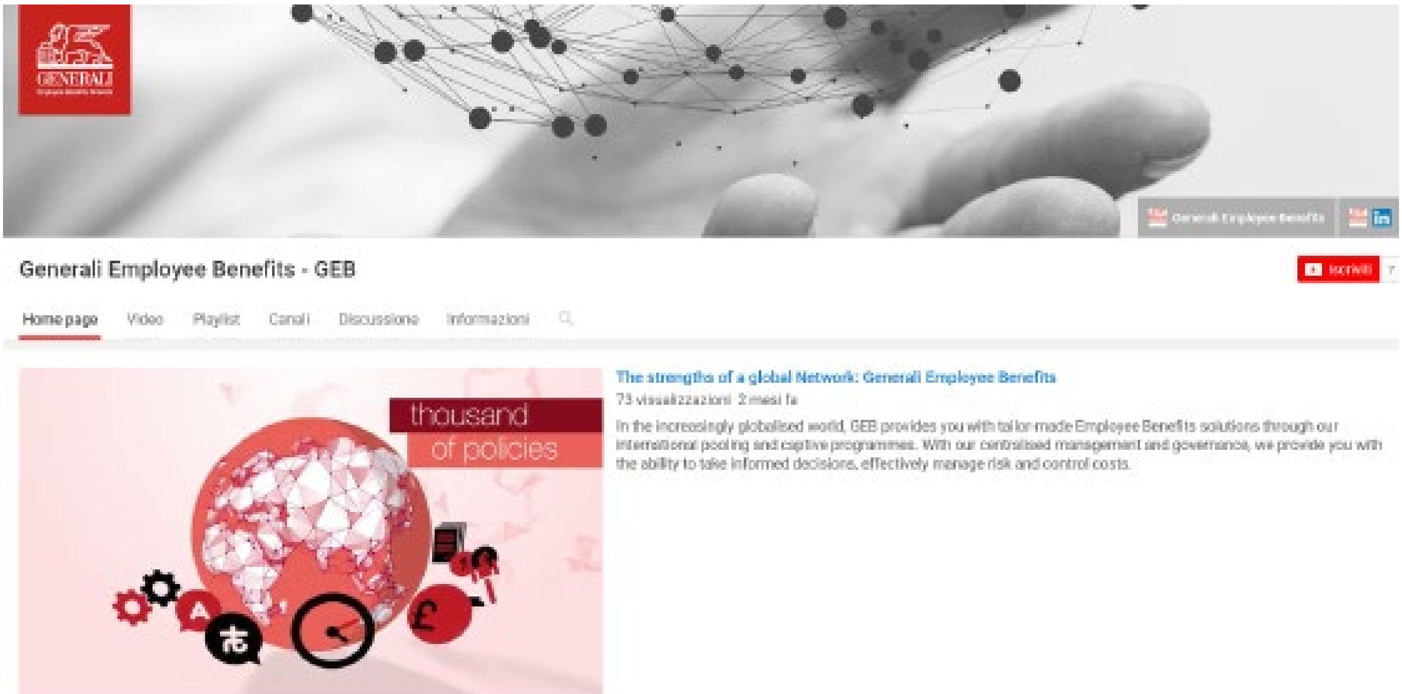
Interested? Register now to download your free copy!

Generali Employee Benefits
GEB launches its Youtube channel!

Complementing GEB's LinkedIn and Twitter feeds is our new, official, YouTube channel!

Here you'll find everything you need to know about trends and hot topics in the employee benefits industry: from videos of all our solutions for multinational organisations and GEB speaker presentations at worldwide events to webinar recordings, tailored to the needs of HR and Risk Leaders.

Check it out to find out more and subscribe to stay tuned on the latest trends and solutions in the employee benefits industry!



Generali Employee Benefits – GEB launches its Youtube channel!
Another great year for Generali's Multiemployer solution!
A conversation with Marc Reinhardt: the evolution of pooling

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Another great year for Generali's Multiemployer solution!

2016 marks the 4th consecutive year of positive performance and impressive growth in the portfolio with overall premiums that increased by over 50% compared to 2015.

The Generali Multiemployer solution has proven yet again its unique value for companies with a small benefits portfolio who are looking for an effective way to stabilise risks, access global expertise and simplify the management of their employee benefits programmes.

Could Generali Multiemployer be interesting for your company as well? Drop a line to imm@geb.com and Generali's International Middle Market team will provide you with all relevant details about this solution!

Looking at the top 5 countries by premium volume, we see The Americas Region countries capture the largest share of the portfolio, with an equal share of the remainder between the Middle East and Europe.

The average pay-out ratio since the inception of this solution in 2013 is over 20% for each country with a positive experience.

The portfolio breakdown by line of risk has remained stable as compared to the previous 3 years. This year the relative weight of the medical component decreased slightly, and there was a slight increase in the amount of disability.

60 countries represented

Geographical distribution: all 3 main macro regions (Americas, Europe and Asia) are equally represented with a slight prevalence of Europe

Top 5 countries by premium volume represent 59% of total portfolio

A conversation with Marc Reinhardt: the evolution of pooling

Global Benefits Vision interviewed Marc Reinhardt, Head of Sales & Distribution at GEB, about the evolution of pooling since its inception till nowadays.

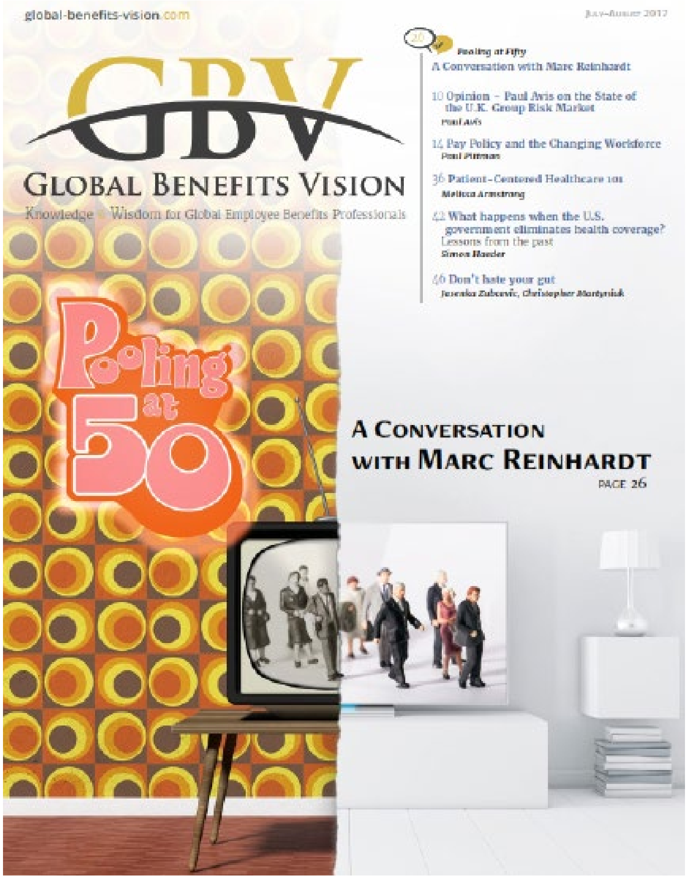
Global Benefits Vision: Looking at the concept of multinational pooling, which has been around for about five decades, what has changed over the decades, and what has changed recently, in terms of insurance markets and the way multinationals manage benefits and ultimately utilize the concept of pooling?

Let's take a look at the initial starting point of pooling and recap how the concept started, and why companies were interested in this management tool.

It dates back to a time when U.S. multinationals in particular began to obtain what we call "experience-rated rates," and were getting very competitive insurance conditions because they were able to utilize economies of scale domestically. The first pool I believe was set up in the mid-1950s. In the 1960s, companies began taking advantage of their larger inter- national scale to get better conditions for their benefit plans around the world.

In much of Europe up to 1992 (introduction of the 3rd EC Life Directive), for example, we were dealing with so-called tariff markets where rates were not determined by the insurers based on their portfolio experience, but were literally set by regulators, and so obviously contained high safety margins. So multinational companies began trying to get their arms around this, and anywhere where they had a presence of local nationals, combine these employee groups under one umbrella to gain from economies of scale. So, the concept of multinational pooling as a profit sharing arrangement was born. GEB's first pools date back to the late 60s.

As a concept, it is quite prevalent today but took



some time to gain traction, especially outside Europe and the US. If you look back to the early '90s when I started being involved in pooling and literally heard about the concept for the first time, many multinationals still did not utilize the concept of pooling in any way, shape, or form.

Then in the late 1990s Japanese companies entered the pooling arena. So initially U.S. corporations, later European multinationals, then Japanese companies became interested— and today it is applied by companies all across the globe. It has worked very well for many decades. Today, we have a few pooling clients in Latin America and companies in China and Singapore that are utilizing the concept for the first time.

Of course, a lot has changed in the recent past, and I can certainly attest to that, having been in

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this business for over 25 years. For us, as an employee benefit network, multinational pooling was always our bread-and-butter business. For many years it was our core business activity, and all the players in the industry were referred to as "pooling networks," because that's what we were: we did pooling and anything associated with pooling. But over the past few years, many aspects in the way companies manage benefits have changed and also in the way insurance markets operate on the employee benefits side.

One major shift is a technical one related to the fact that tariff markets, where regulators set the insurance rates, are few and far between.

Japan comes to mind; South Korea to some extent. But in most cases insurance markets have been liberalized and group insurers can set rates within certain parameters based on their portfolio experience. I recall that in the early 90s when I was working for Generali in Germany, EU wide directives were passed that allowed insurers to use their own portfolio experience to develop their pricing models, and we saw a significant decrease in rate levels.

What that meant, over time, is that pooling arrangements offer less savings potential: rates went down and some of the technical margin that was available through the pooling mechanism has decreased. In addition, insurance markets, like other markets, have become much more competitive, so rates even for smaller groups are decreasing.

Also, back then it was not as easy to access information on international employee benefit plans. When a company would look at expansion and set up shop in Brazil or in Malaysia for the first time with a small number of employees, it was more difficult to accomplish this. It's much easier today. There is more information available, and obviously more support from networks, broker and consultant groups, so there is more availability of international expertise that companies can tap into.

Looking at this concept from the perspective of a multinational corporation, the way benefits are managed today has changed to some degree. Any type of engaged international employee benefits management requires a certain level of control and centralization at the head-office level. I remember the days when clients' companies had dedicated international employee benefits managers who focused on managing benefits outside of their home countries. The people responsible for the pool for the most part had an H.R. background; they were not risk managers or finance managers or procurement managers. And so, they managed benefits from an HR perspective. In many instances, they exerted a lot of control over benefits decisions within their organizations. Much of that has changed over the years. There is less centralization in the sense of ultimate decision making.

Centralization today, in our experience, has shifted to more of a governance approach, to having certain corporate governance guidelines to be adhered to companywide. "We try to apply criteria globally as a corporation when we select vendors, whether they be insurance vendors or others; there are governance rules and regulations; we may select a number of preferred EB networks from which local subsidiaries can choose. But at the end of the day, the decision of whom you work with is yours." One very important element in that decision-making process is cost, especially if the local subsidiaries are large and have operated fairly autonomously. The objective of obtaining savings nowadays is driven less by pooling considerations. It's really more about achieving savings on a local basis first, so, in other words, it's the local benefits manager or risk manager's P&L, and yes, if pooling works for them as a second step, that's great. But first and foremost, they have to find a cost-effective solution locally and that has to be in line with their governance model.

In keeping with the focus on cost, we have, over the years, sustained stronger involvement today by finance management, and increasingly by procurement, which is very new and very different from the past in terms of decision-making.

GBV: In terms of tariffs and margins, do your own observations square with the fact that, 30 or 50 years ago, typical pooling dividends would be in the 30%-40% of premiums range, and now they're down to 5%-10%?

That's a reflection of the fact that the pricing model of employee-benefit plans around the world has changed, that we're working in a much more competitive market environment. It's also true that the profile of many pools has changed. If you think about it, the basic concept was predicated on combining a number of smaller contracts around the world to make a bigger arrangement, obtaining economies of scale by combining smaller groups that, by themselves, would not qualify for self-insurance or local experience rating. They would be priced based on "manual rates." There wasn't much leeway to reduce rates based on experience because these groups were simply not credible.

So, we try to build that credibility and balance in risk composition by expanding the pool. That has also changed, by the way; we have and are seeing very large contracts entering pools. As we all know, the bigger the contract, the more competitive pricing and underwriting become. These contracts are typically based on lower rates, encompass plan designs with higher benefit levels while underwriting requirements tend to be less stringent. So, all these elements can play into underlying pool experience volatility. So, we are seeing a number of contributors to the overall reduction in pooling dividends.

GBV: So, you are saying, essentially, that we are seeing guidelines replacing older, binding policies, as might have been the case in the past?

Yes, exactly. Again, it's about corporations issuing corporate governance guidelines to say, "Here's what we expect you to do locally." But in the process, in many cases, they are leaving decision-making to locals or regional benefit or finance managers, as long as they comply with corporate governance rules and regulations. I don't want to imply that the pooling concept is no longer part of that governance structure.

In fact, many corporations view pooling as a tool to establish robust governance and to retain a certain level of control as well as a line of sight into what's going on globally. But I think the decision-making process has changed and has been pushed out more to the locals and the regionals.

GBV: Several networks, including GEB, AXA, and Zurich, have recently introduced global underwriting products. Doesn't product require the corporation to be very centralized?

That is correct, and that is a key element. You definitely need to have centralized control and someone owning the project for these global underwriting programs, because you need to get the locals on board. To run effectively and be financially attractive to insurers, these programs have a lot of data requirements because you're dealing with up-front discounting, so you need a very clear line of sight into the underlying claims experience.

This is similar to captive programs. Captives are a classic example of companies taking very strong control of their risk and managing benefits that way.

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GBV: Aren't both captives and global underwriting programs geared more toward risk managers and C-level decision-makers in the corporation than to HR departments?

Absolutely. With these programs, you are dealing with risk and finance managers and also procurement managers because the point is obtaining cost savings, actively managing risk. In fairness to captive and global underwriting programs, for them to work efficiently across the board, you certainly have to get HR benefits management into the boat.

We can't do it without them. But in reality, the decision-makers driving these programs are from the finance side. That is very clear.

GBV: Are you seeing a separation of responsibilities between plan design that would rather be done by comp and ben teams (the HR side) and insuring/not insuring decisions being made by the finance side of the business?

Yes, you do still see that: the basic plan design, questions, and discussions take place with HR because they're oftentimes much closer to the ground in understanding what is required to keep the employees happy. It's for the financial parameters—the pricing and free coverage limits, maximum benefit levels, anything related to assuming the risk itself — that you get more involvement from risk and finance management.

But again, for many of these programs to run successfully, there needs to be that cooperation and in reality, that's not always so easy; it's still something that many corporations struggle with. It's one thing to get all these individual stakeholders into the boat, and another to get them all to row in unison, because they have different perspectives on what benefits are meant to achieve.

GBV: Can you comment on the long-term view of the past versus the shorter-term view of the present?

Pooling was a management tool that took the longer-term view in the sense of achieving savings over time. Today, with obvious business and economic pressures on multinationals, managers in finance, risk and procurement have to show cost savings as soon as possible. It's no long feasible to say, "well, through a pooling arrangement I can attain cost savings in 18 or 24 or 36 months."

The same goes for switching contracts. Pooling used to be very "sticky," where once you signed an agreement with a company it lasted for 20 or 30 years. We still have one program in force that is 50 years old. I don't want to overgeneralize; there are still companies that deploy the pooling concept in that way.

I would also like to differentiate between large multinational corporations and smaller companies, like startups, who are just beginning to set up shop in many countries and expand their benefits plans overseas.

Obviously, for them, the pooling concept is still a very attractive, easy way to attain a number of benefit management objectives, especially with multiemployer pool options available from some networks. There's no downside to pooling other than possibly having to move some local contracts. But for the larger multinational corporations, single employer pooling arrangements are just one of the programs available in managing benefits globally.

We are still a very small community of people in the international employee benefits environment.

GBV: What about consultants?

Looking back 20 years ago or more, the benefit consulting industry was still very much involved in the Request for Proposal (rfp) process, in selecting benefit networks and assisting multinational corporations in implementing pools and really taking a very active and engaged role in managing benefit programs around the world.

A lot of our business in those days came through those formal global rfps. That has declined to a large extent, and one of the reasons, frankly, is that consulting budgets are not what they used to be for these projects. The way benefits are managed today is pro- bably not as conducive to these broader-based projects. Today it's more of an ad-hoc "natural pool" approach; if you already have business in force, you try to put that together and see what happens.

We're experiencing less of the "why don't we start this major pooling project and perhaps turn things upside down and move benefit plans to select the best vendors for us and make this into a full-fledged, consultant-supported project."

But consequently, because of that shift to local and regional control, the consulting and brokerage networks have rolled out "global broker mandates" that, in essence, allow them to assist client with that local decision-making process on the ground in the various countries. And they've been very successful, I think. So, there is a bit of a shift away from consulting, but on the other side, in line with shifting benefit management strategies, there is that support function now through brokers on the ground through these global broker agreements.

GBV: I've heard repeatedly that ours was very much a "cottage industry," comprised of maybe 500 people who are very knowledgeable about it. Do you think that has changed? Or do we see the same people as 10 or 20 years ago at industry events?

I think that's a fair statement. We are still a very small community of people in the international employee benefits environment. Obviously, there's a new generation of employee benefit managers coming in, there's a new generation of consultants and brokers, and there's certainly a new generation coming in on the networks side as well.

But it's still a very small community, and I think we'll stay a niche industry for the foreseeable future. If you want to work in insurance, I think this is still a cool place to be.

GBV: That is perhaps one of the things that hasn't changed in the past 50 years. But let's go back to the matter of collecting and analyzing data and information from the contracts.

That's an area that certainly has seen a major change over the years. Pooling was always meant to provide data to the client— I think that's part and parcel of the concept of providing benefit, risk or finance managers with information they would otherwise have a difficult time obtaining. That is a main benefit of the pooling report itself: once a year I get a snapshot of my benefit world. In essence, it was fairly basic data: premiums, claims, broken down by country and contract, but still, for the most part, on an aggregated basis. Obviously, what has changed over the past few years is that data analytics are key. It's so important for managing benefits cost effectively, especially when you consider medical plans: medical inflation and trend are a major challenge for most corporations around the world today; they're spending more on benefit plans than they ever did and bending that famous cost curve is so important. The way corporations try to get a better handle on this is through access to reliable data.

As benefit networks, we're now tasked with taking that aggregated data and breaking it down for employers to the greatest extent possible. We obviously run into confidentiality limitations, etc., but we try to break it down so corporations can better manage their benefit plans, together with us and the brokers, through a better line of sight into the underlying claim drivers. So, we've developed various tools, medical reporting capabilities that we didn't have as recently as 10 years ago. We can now break down the underlying claims experience in various countries into utilization patterns by claim categories and diagnostic codes, so we are able to give benefit managers a much clearer understanding of what drives their claims experience.

GBV: Did this result in GEB launching any specific products using data analysis?

In terms of local insurance products, it has not resulted in vastly different medical plan designs. But the medical reporting capabilities have led captive clients, in particular, to look at their plan designs and say, "look, maybe we have to tweak a few elements here and there when we see overutilization of a certain benefit component, what's the reason for that spike in claims experience.

But I don't think there's a new product out there that is solely driven by analytics at this point in time.

GBV: Let's move on to risk management tools.

Today, pooling itself is more of a financial tool and more of a risk management tool. Again, it is a clear shift in the risk management/finance/procurement perspective, that goes back to what we discussed earlier. It's a bottom-line focus on, "how can we get savings and still do the right thing for the employees in offering competitive benefit plans?"

We want to keep HR happy but ultimately, it's a question of affordability and managing costs over time and of course that entails having a good risk-management approach and philosophy within the company.

In the recent past, we've also seen large corporations migrate from pooling to a captive approach or a global underwriting approach; they use pooling as the initial risk management tool, but then go on to the next step to manage risk more closely.

GBV: Are we not seeing the same kind of combination in many very large companies, that use a pool or several pools for some risks, self-insurance for other risks, perhaps a medical stop-loss here and a bit of a captive there. So, it's not an "either/or" proposition, but rather an "and" kind of proposition?

You make a good point. Obviously, there's no one-size-fits-all, the captive industry has different rationales for utilizing the captive concept. My personal observation is that our captive clients, for the most part, utilize the captive concept only and have dissolved their pools over time and tried to move all of their eligible business into the captive.

They might utilize one or more captive providers, but they ultimately try to move as much as possible into their captive programs. There obviously are still a number of large companies that run several pools. Often that's an indication of a decentralized benefit management approach.

GBV: If we look at a pooling network as an organization, it has a network of local insurance companies that can underwrite locally, and usually that is necessary if you want to set up a captive as well. So, couldn't pooling networks actually morph into providing insured and noninsured employee benefits locally, always featuring global coordination, and in addition to that, leaving it to the client to decide where the ultimate risk should lie, depending on its risk appetite?

You're absolutely right, of course in order to work with these large multinational corporations you have to have the requisite global footprint and the local capabilities. At the end of the day, with captive clients, we work with whatever is within the realm of possibility to align with local regulations and market practice, as well as local tax and labor law.

These plans are ultimately controlled by captive management, both in terms of design and pricing. Pooling is different as the risk ultimately remains with the network.

GBV: Is there anything else that you would like to address now?

Sure; I think one thing to keep in mind in that we are dealing with changes within corporations: mergers, acquisitions, spinoffs, ever faster paced change.

That has had an influence on the managing of benefits and the way pooling is utilized as a concept.

GBV: Back in the old days and today as well, the market penetration of pooling is still very low. We may say it's 5%, but in reality, it's more like 2% or 3% and after 50 years, so the number of multinationals not having a pool or a captive is underwhelming. Would you agree with those numbers?

The number frankly surprises me because if I look at a Fortune 500 or 1000, the number of corporations using one of those concepts is much higher. Five percent seems awfully low based on the book of business that we as networks have in place.

That being said, I am still surprised when you engage with a corporation and see they are not utilizing the concept. You wonder why companies haven't gone down that route, and for the most part the number seems very high.

I would say the number of companies utilizing these concepts in our experience is not as many as we probably would like, but I think it is higher than you suggest. I would also qualify this by saying that merely having a presence in a few countries is not enough to make a company automatically suited for pooling. There needs to be a modicum of an international benefits management strategy in place.

GBV: Well, the number of pools around is said to less than 5,000, but covering approximately 3,000 to 3,500 different corporations because many corporations have several pools. That's one side of the number. The other number comes from the United Nations and they count just shy of 100,000 multinationals today. Obviously, it does include a large number of SMBs.

I think they look at Asia, Latin America, and the Middle East, but I was thinking more in terms of the Fortune-500 - type companies, companies that make up most of the major stock market indexes - and those all have utilized the concept for a long time. But you are correct that a lot of companies out there are not familiar with the concept.

We're seeing a bit of an increase in interest in Asia; we have engaged with some Chinese multinationals who are looking at it for the first time, Malaysians, companies in Singapore as well as Multilatinas in Brazil and Mexico.

GBV: It seems to me that what hasn't changed much is that it's still very difficult to achieve cross-selling with P&C portfolios. Is that changing?

Over the years we've seen attempts to change this. Based on my limited experience, we've had some success in it from time to time,

but as a general concept I will be so bold as to say it is difficult and will remain so for some time.

GBV: What has not changed is that there seems to be no club or industry or trade association of pooling networks.

Given that the number of networks is relatively small and as you said is on a decreasing trend, I think there was always an attempt to avoid an impression of collusion

or somehow getting together because the industry is so small.

GBV: Perhaps that's the reason for the last point I have, which is that there is very little sharing of market information among networks, and market statistics are very hard to come by.

They are very hard to come by, because we're a very small industry, we know each other very well, and at the end of the day, we're still competitors. In many cases it's friendly competition in a positive spirit.

But there is little if any sharing. Everyone tries to steer clear of that and I think it's understandable why.

GBV: Could you comment on the challenges faced by the pooling industry today?

For one thing, I think there is still untapped potential as you mentioned earlier when looking at broader market statistics. We're seeing a focus on what we refer to as SMEs or international middle market companies. Given the market potential of companies that are embarking on pooling or other benefit management tools for the first time—including startups, which don't have the experience in managing international employee benefits— there is still a lot of potential out there. So we view this as a positive challenge.

Another thing is that for employee benefits networks that are based on the concept of reinsurance, the trend toward captives by has been a positive development. It's very easy for such networks to work with them because the reinsurance infrastructure (risk transfer capability), which is also required for global underwriting programs, is in place.

A number of technical networks have developed sophisticated underwriting expertise and I think that also helps us engage with clients that are interested in managing risk in a more sophisticated way.

Of course, the changes that we're seeing in the traditional pooling concept do have an impact on our business. But we have positive challenges on the other side, and we're certainly adapting to those changes in the marketplace.

We've heard about the decline and even potential demise of pooling in the past, prematurely I may add. In my opinion, it is still a great concept; it will continue as one of the best international employee benefit management tools available to companies.

GBV: Are there any other points you would like to cover?

If you look at merger and acquisitions activity or spinoff restructuring, of course that could have a tremendous impact on the EB plan of the local operation. As an example, if you're going through a spinoff phase, cutting back from perhaps 1,000 employees down to 200, that will impact the plans that are available and the funding method. So, we as employee benefit networks, together with our local partners, have to adapt to those changes that are happening very quickly today.

Of course, there have always been mergers and spinoffs, but there is more volatility and turmoil today than in the past; that's just the age in which we're living. So, we have to adapt to the changing profiles of corporations as well as the decision-making changes that happen when there is major restructuring at a corporation.

You've been dealing with one head office and managing staff and suddenly you're dealing with a completely different part of the world, and they have a very different philosophy for managing benefits; they have their own pools in place; they have a different perspective on what that means. You have to shift and adapt as your clients change. It's not easy but it's something that we've learned to deal with over time.

GBV: How has the role of the intermediary, the global broker, changed over time? How does it influence your own flexibility?

We see brokers as partners.They play a very important role, especially in light of the fact that the benefits management approach of companies has changed. They have farmed out more of the decision-making locally and they require more of a support structure. Brokers have frankly stepped up to fill that need, and in fairness, they're doing a good job.

Of course, brokers have their own business models and sometimes, like in any other business, their model may not align perfectly with the business model of an insurance network. So you can have some discussions and sometimes different points of view on what is the right decision globally or centrally. What makes sense from a global perspective doesn't fit into the local perspective all the time everywhere, and so some discrepancies exist.

But it's a partnership. The client plays a crucial role here as well, to align the networks, the brokers, and its own strategy. If we're not all rowing in the same direction, there's a problem.

As a final word, I would like to mention the importance of data analytics, an investment in technology that I think is key. It's important to get information to clients accurately and as soon as possible. I think we're seeing that as an element in staying competitive in this industry.

GBV: Thank you very much, Marc.

Generali UK helps extend access to tailored wellbeing services

Following the launch of Generali-UK's innovative Wellbeing Investment Matching service in July this year - which sees the insurer helping employers fund new and much-needed wellbeing initiatives – more partnerships were recently announced. These include Mental Health at Work, Nuffield Health, ToHealth, Randox Health and Check4Cancer.

Now, along with the inaugural partners Optum, Babylon and Doctor Care Anywhere, the vast range of wellbeing services made more accessible to group income protection clients (UK-based multinationals) includes:

- Practical, skills-based mental health training;
- Virtual and artificial intelligence GPs;
- Health assessments;
- Fitness solutions;
- Health tracking / self-help monitoring;
- Whole body screening, using advanced blood testing;
- Cancer detection services;
- On-site workshops in everything from stress resilience training, mindfulness and sleeping well to improving work / life balance and achieving goals;
- Critical incident support.

Simon Thomas, Director – UK Employee Benefits, Generali, commented: "This initiative was launched in direct response to feedback from consultants and clients. Help was needed with the hurdle often faced in trying to support group income protection clients with the implementation of new and much needed wellbeing initiatives. The financial support for clients is only the start though. Further gains can be made over time thanks to improved claims experience and employee outcomes."

Here's what Generali-UK's latest wellbeing investment matching partners had to say:

Alison Pay, Marketing and Operations Director at Mental Health at Work

"Recent research showed that less than a quarter of line managers received any training in mental health, and 35% report not having an facilities or services to support employee mental health and wellbeing.

"We urge all organisations to use these research findings as an opportunity to reassess their approach to mental health and begin to make real headway in removing the stigma.

"This means a focus on bespoke, facilitated training supported by activities to embed the messages and provide the right support, such as masterclasses, 1:1 support and crisis prevention."

Alaana Linney, Director of Business Development, Nuffield Health

"We are delighted to be the preventative health partner for Generali's investment match initiative. Investing in preventative health strategies has a direct return on investment in a number of key areas such as reduction of lost working days and access to gross income protection schemes.

"Generali are proving to be an innovative and forward thinking partner in not only recognising the importance of, but also investing in, strategies for early detection and prevention of disease, actively managing down risk."

Sanjay Chada, Business Development Manager, ToHealth

"Wellbeing investment matching is a great opportunity for Generali's corporate customers to benefit from additional Wellbeing benefits that will help to ensure employees are empowered to take ownership and accountability for their personal wellbeing.

"ToHealth are delighted to be supporting this initiative by providing a range of health assessment options and wellbeing day options that have been designed to encourage employers to take a proactive approach to health & wellbeing."

Dr Peter FitzGerald, Founder of Randox Health

"The next revolution in healthcare is focused on preventing illness, rather than managing sickness. Randox Health goes further than standard health screening programmes and uses our patented blood science technology to identify the earliest warning signs of illness. Clients are then empowered with the knowledge they need to take control of their health through a programme that includes repeat testing to track improvements.

"We celebrate the fact that employee benefits which invest in wellbeing and health are becoming the norm in workplaces. Through our wellbeing investment partnership with Generali-UK, we now offer private and tailored corporate programmes to ensure companies can easily access the UK's most advanced health screening programmes."

Jackie Wishart, Sales Director, Check4Cancer

"Investment matching for cancer screening from Generali is a very worthwhile project and one that will have positive outcomes for employees and employers. Detecting cancer early not only saves lives, it also helps to mitigate the financial and strategic risk faced by UK-based multinationals.

"At Check4Cancer we provide personalised, risk-stratified cancer screening with recognised onward diagnostic pathways, not a one size fits all service. Thus ensuring appropriate screening for the employee and appropriate costs for the employer."

For further information on Generali-UK's wellbeing investment matching initiative and partners, plus a full overview of all the insurer's added-value wellbeing services, please go to http://uam.me/generali-uk/wellbeing17

Alternatively, contact Generali: eb.enquiries@generali.co.uk

GEB @ The World Brokers' Network, Paris

GEB attended the World Brokers' Network (WBN) Global Conference that took place recently in Paris and saw the participation of Generali's Group CEO Phillippe Donnet as keynote speaker.

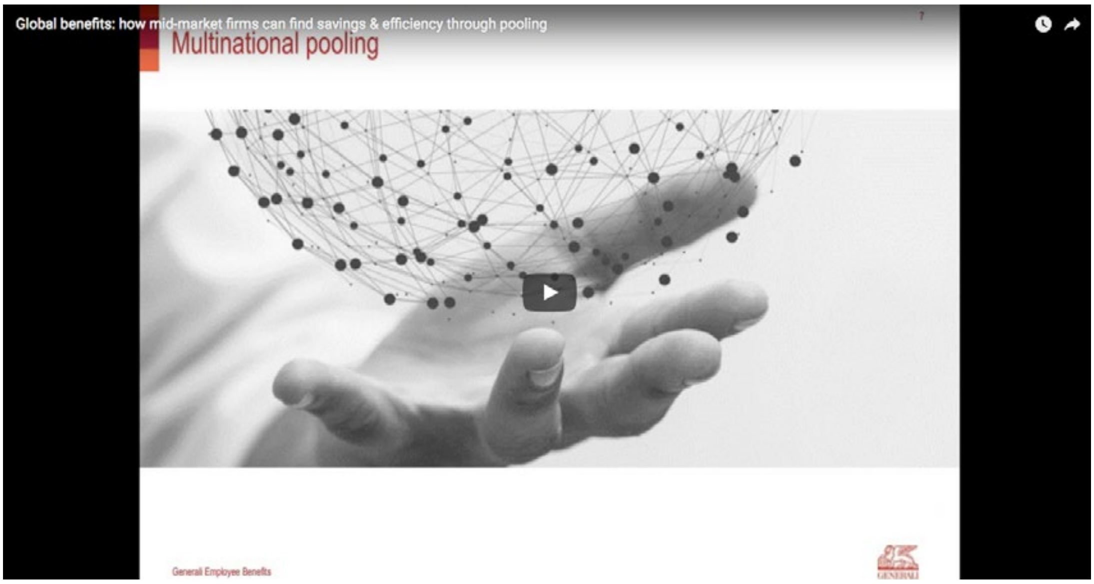
Mr. Donnet focused on the impact of digital disruption on the current insurance business model, pointing out that intermediation remains key to the long-term success of an insurer, and investments in innovation should go hand-in-hand with those of employee empowerment. You can read Philippe Donnet's LinkedIn editorial on these topics here.

"The insurance industry is undergoing one of the most radical shifts since its inception," said Philippe Donnet. "Digitisation and connectivity make it possible for insurance companies and their distributors to build better relationships with their clients. These relationships continue to be based on prevention and care. This is a shift in paradigm and requires companies not only to redesign their processes and products but also to develop a mindset that focuses first and foremost on the customer. Only those companies that succeed in doing this will be sustainable in the long term."

The WBN represents a key date in GEBs events calendar due to the importance of intermediaries and local partners to the organisation. GEB endeavours to build strong relationships with all parties, with a view to ensuring good governance of the network.

GEB & HR Zone Webinar: How mid-market companies can find savings and realise efficiencies through pooling

Get a copy of the free guide to building the business case for pooling by completing this basic form!



Multinational pooling is no longer just the preserve of very large multinationals. An increasing number of mid-sized companies are now taking advantage of the potential cost savings and access to global expertise associated with a pooling arrangement. But what exactly is pooling? How do you get started? And what does it mean in reality for clients?

These are just some of the questions that were posed and answered during our recent webinar, in partnership with online human resource publication HR Zone. Also taking part in the webinar were two representatives from our client company DNV GL, a global company with its head office in Oslo, Norway, that specialises in the safety and sustainability of businesses.

What will you learn from the webinar?

- **Damian Ross, Regional Manager – UK, Ireland & Nordics, Generali Employee Benefits Network**, explains what multinational pooling is and how it works, what types of benefits can be pooled, the advantages it brings to companies and how to get started. Damian also explains the concept of networks and why they offer pooling.

- **Johan Stromqvist, Compensation & Benefits Specialist at DNV GL and Kari Ekvall, HR Officer / Specialist at DNV GL**, discusses why the company does pooling, their experiences and the benefits, the dividend and what they've done with it, plus what makes a good pooling partner and how they're expanding the pool to other countries within the Group.

"Pooling is a very low risk initiative that has a great upside from both a financial perspective – in terms of the dividend, global overview of benefits and also having all the information to hand for any merger and acquisition activity – and also from a sustainability perspective, in terms of helping us build relevant wellbeing programmes," concludes Kari as part of the webinar.

GEB @ The World Brokers' Network, Paris
GEB & HR Zone Webinar: How mid-market companies can find savings and realise efficiencies through pooling
GEB & Generali-UK @ Reward Guide: Wellbeing in the Workplace, Manchester

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GEB & Generali-UK @ Reward Guide: Wellbeing in the Workplace, Manchester

Speaking at this event in September, Damian Ross, Regional Manager – UK, Ireland & Nordics, Generali Employee Benefits Network, focused on ways for companies to achieve 'Wellbeing on a Budget'. The magazine also interviewed Damian for a question and answer section, entitled '5 minutes with…'

What will you be addressing the Wellbeing in the Workplace audience about, and why?

I'll be talking about how to achieve wellbeing on a budget, with a particular focus on UK companies with subsidiaries abroad. Pretty much every HR manager knows they should be "doing" wellbeing but getting senior management buy-in is notoriously difficult. The problem is that everyone gets hung up on return on investment: firstly how to measure it, and then how best to interpret it. What if that issue was removed from the equation? What if you didn't need to factor in Return on Investment (ROI) calculations because you hadn't invested much – if anything – in having all the wellbeing benefits you could possibly need at your fingertips? That could be music to Human Resource Managers' (and Finance Directors') ears.

Why is it important for Small to Medium Sized Enterprises (SMEs) in particular to hear this?

There's enough evidence out there to show now that wellbeing matters to employees and it matters to business. The economic outlook continues to be uncertain, we've got an ageing workforce and a talent deficit. These things affect every company: no matter what their size. HR leaders across a broad spectrum of industry sectors – and with employees in the UK and abroad - know that wellbeing is the key to a more engaged and productive workforce. Yet those from SMEs in particular can face a somewhat bigger challenge than their larger corporate counterparts thanks to tight budgets and lack of resource and expertise. This is further exacerbated where companies have subsidiaries – and hence employees – abroad as there is a need to ensure local compliance, competiveness and consistency of approach across countries.

Why do employers need to address wellbeing?

Prevention and early intervention are key to helping companies ensure that their employees are healthy and happy. This may sound simplistic but it's no mean feat considering the extent of contributing factors to presenteeism and absence. By tailoring wellbeing products, services and initiatives to need, employers will find themselves well on the road to a happy and healthy workforce, the benefits of which are manifold and include an improved business 'brand' which helps greatly with recruitment and retention, plus a reduction in absence which helps reduce costs and improve productivity.

How can employers manage employee wellbeing?

The key is to find out what employees in a particular company need and value. Communications are key – in the shape of surveys and also face-to-face focus groups. Alongside this, absence tracking and early intervention helps ensure that HR is always on top of absence and potential trends, putting in place targeted ways to help employees get back on their feet before a small problem becomes a big one.

As for the benefits and services needed to meet all of these needs, they're probably already available to you - although you might not be aware - via your Group Income Protection (GIP) in the UK. Many employers will already have GIP in place to help cover the costs of mandatory and voluntary sick pay obligations. This is available for a very small percentage of payroll and comes with a vast range of wellbeing benefits and services at no extra cost.

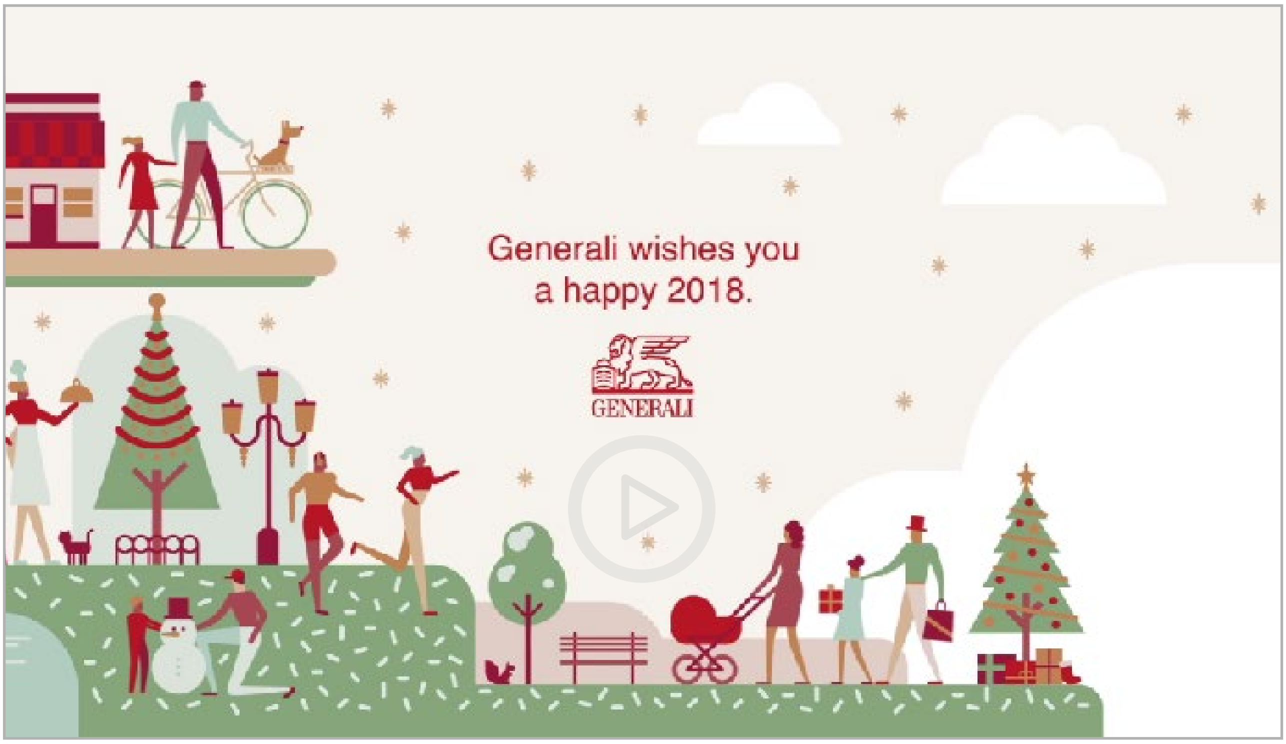
These are made available to all employees of a GIP policyholder (in other words the employer) whether they are insured under the policy or not, plus their dependants. They range from Employee Assistance Programmes, Best Doctors and eldercare support services to personalised pathways in mental health, cancer, heart disease, chronic paid and fatigue. And some providers even offer a communications service, allowing for tailored employee communications. On top of that, some providers will also help clients fund any initiatives that fall out of the remit of all these services where a specific need is identified. These types of add-on services, available in many countries around the world, address the cultural and health needs of your local employees.

So why is it important to you to get this message across at Wellbeing in the Workplace?

It's telling that today's workplace wellbeing programmes cover less than 9% of the global workforce – primarily those who live in industrialised countries or work for large, multinational firms. Employers are perfectly placed – and indeed have a vested interest in – putting in place targeted programmes, according to need in the particular countries in which they operate and supporting national health and wellness focal points – for example, mental health issues in the UK, heart disease in Canada, cancer mortality in France and the obesity crisis in China.

In short, getting the message out there that wellbeing benefits can be made accessible to more employers is vital.

Season’s greetings from Generali!



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