

Global Underwriting Programme

Data Transparency, Premium Optimisation and Local Rate Guarantees: a summary

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What is a global underwriting programme (GUP)?

A GUP is a solution for international companies that affords Employee Benefits (Life, Disability, Accident and Medical) premium rate optimisation and extended local rate guarantee.* Not only that, but also improved data transparency, communications and controls.

The optimisation is applied upfront depending on the portfolio experience of the contracts per line of risk. The extended rate may be applicable to Life, Disability and Accident covers.

Local policies participating in GUP are issued to the international client's subsidiaries by Generali Employee Benefits' (GEB) Network Partners. The GUP agreement is between the client's head office and GEB on behalf of the Generali Group.



* A local premium rate and its three year guarantee is applicable upon exclusive decision of the GEB Network Partner.

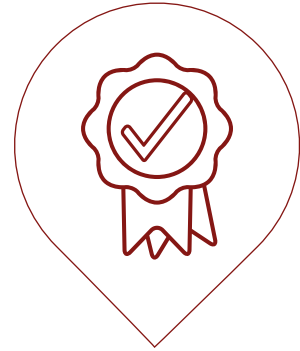
The 3 basic principles of a GUP are:



**Governance
and data
transparency**



**Upfront premium
optimisation by line
of risk**



**Extended
premium local
rate guarantee**

Key elements for the successful roll-out of a GUP strategy:

- **ENGAGEMENT FROM THE CLIENT IN MANAGING RISKS TOGETHER WITH THE GEB NETWORK AND ITS DEDICATED ACCOUNT MANAGEMENT TEAM**
- **ACCESS TO THE GEB NETWORK COMPRISING 121 COUNTRIES**
- **ENHANCED GOVERNANCE BOTH LOCALLY AND CENTRALLY**
- **PREMIUM OPTIMISATION THROUGH TECHNICALLY SUSTAINABLE UNDERWRITING**
- **CAPABILITY TO FACILITATE NO WORSE TERMS LOCALLY**
- **MEDICAL CLAIMS REPORTING TOOLS SUPPORT THE QUALIFIED MEDICAL RENEWAL**
- **MULTI-YEAR LOCAL RATE GUARANTEES TO REDUCE TIME SPENT NEGOTIATING RENEWALS**
- **DETAILED REPORTING AS PART OF COORDINATED FINANCIAL INFORMATION**

How does the optimisation work?

Eligibility

The Group Life, Accident, Disability and Medical contracts insured with GEB Network Partners and reinsured to Generali are eligible for GUP.

Optimisation

Premium optimisation applies per country and per line of risk. Optimisation varies depending on the combined ratios per country and per line of risk.

The medical schemes can also be subject to optimisation based on a combined ratio assessment that takes into account a yearly medical trend rate adjustment.

The optimisation applies on employer-sponsored schemes. It is not granted in tariff countries. The Life, Accident and Disability covers already insured by the GEB Network Partners are eligible for optimisation at renewal.

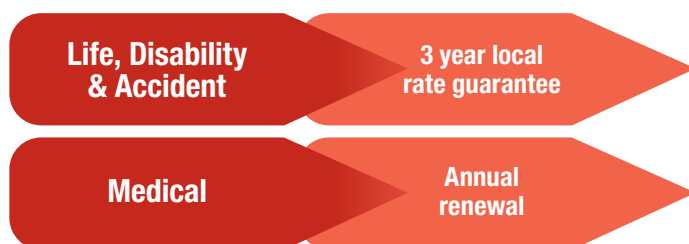
Timing

A GUP contract is set up for 3 years. Optimisation happens at implementation and each renewal.

Implementation



Duration



Life, Disability and Accident covers renew at the end of the 3-year GUP contract while Medical cover is subject to an annual renewal.

At the end of the 3-year period, the GUP stakeholders face three possible scenarios:

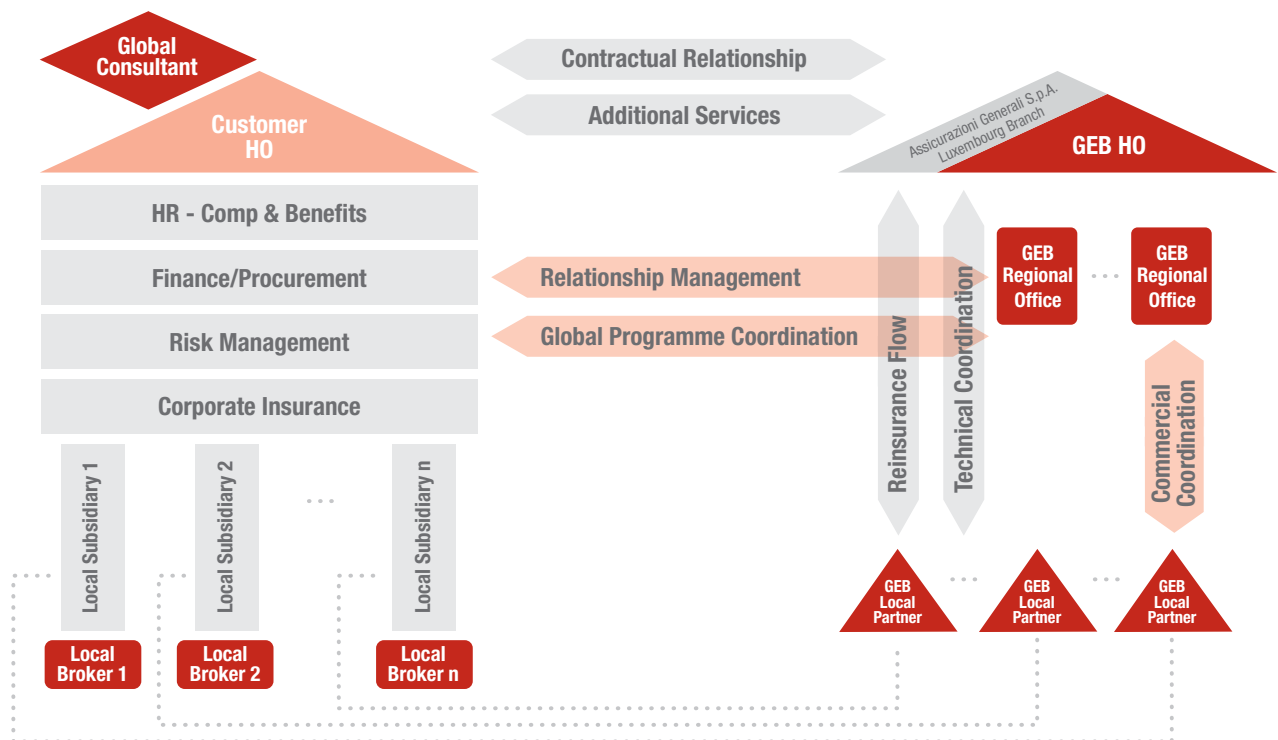
- The projected GUP results are below expectations: in such case we may make rate adjustments and/or benefit design changes to bring the client's portfolio back to sustainability
- The projected GUP results are above expectations: in such case, the funds above the central cost will be used for further optimisations
- The projected GUP results are in line with initial expectations: in this scenario the stakeholders will determine how to re-allocate premium rate optimisations if needed

Who assumes the risk of the GUP?

Generali is in principle the ultimate bearer of the risk for the contracts participating in the GUP, as a result of the reinsurance business model underlying the programme.

See below overview of the relationships between all stakeholders, namely:

- Client: Head Office and Local Subsidiaries
- Consultant / Broker: Global Practice Group and Local Intermediary
- GEB: Head Office, Regional Office and Local Network Partners.



Insurance contract / Relationship Management

The Programme is designed to ensure the coverage of network expenses and risk. Protections such as stop loss are not applicable. Losses, if any, are absorbed by Generali in its capacity as reinsurer.

What are the minimum requirements to set up a GUP?

A minimum of € 5 million annual premiums (reachable within 24 months) and at least 5 countries are required to establish a GUP.

Why GEB?

The Generali Employee Benefits Network, a Global Business Line of the Generali Group, is focused on providing Employee Benefits solutions for corporate clients. Established in 1966, GEB is recognised as a leading Employee Benefits solutions provider. The GEB central team is based in the Luxembourg Branch of Assicurazioni Generali S.p.A.

At GEB we help to offer attractive Employee Benefits to your employees around the world. We provide pooling, global underwriting and captive solutions as well as comprehensive Health & Wellbeing services. We do this through our network partners in over 121 countries across the world.

More than 50% of our local network partners are owned by Generali, the other 50% are independent local insurers, and all are experts in their markets and help us to find the right solutions for your locally based business and your employees around the world.

As with all GEB international programmes, the GUP has its foundation in GEB Network Partners which aims at ensuring full compliance with laws and regulation, local best practice, as well as the products, services and knowledge of local insurance. When entering into the GUP, GEB is only acting in its own name and behalf. Therefore in the countries of the GEB network partners certain characteristics of the GUP (not detailed in the above summary) may not be applicable and the local policies may deviate from the rates and conditions agreed in the GUP.





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