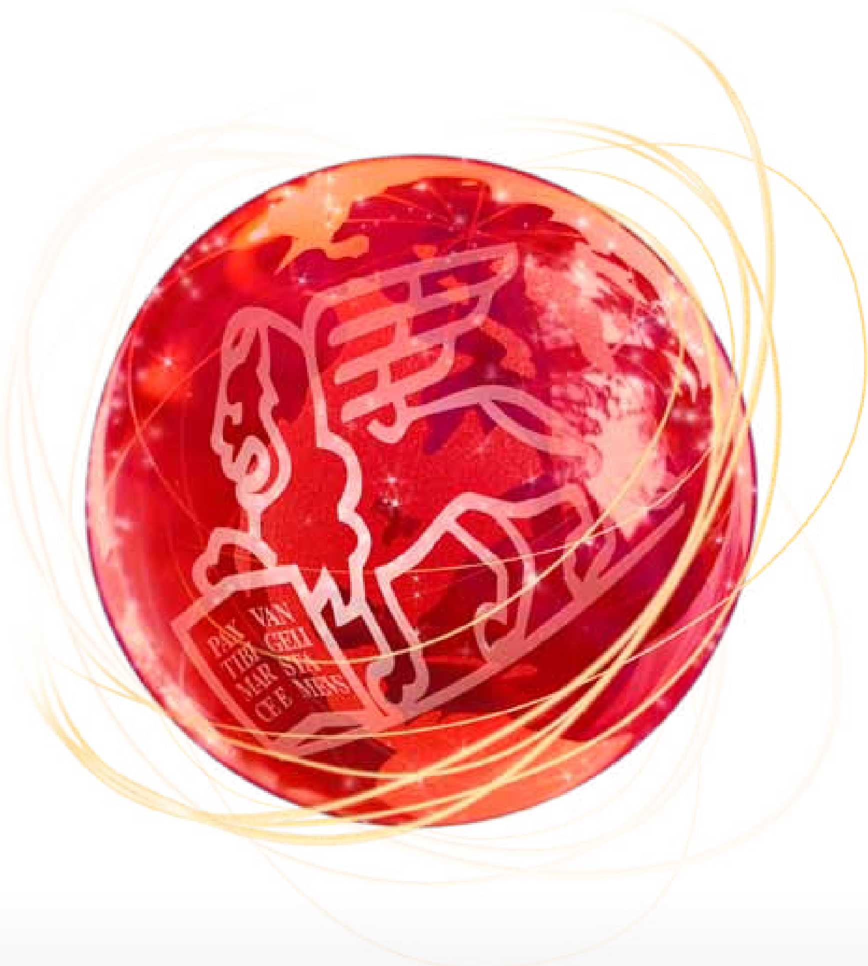
GENERALI
Employee Benefits Network

GEB News - May 2014



Generali Employee Benefits

Local protection, global connection

Head Office: Simona Frisoli - Marketing & Communication Manager Tel: +32 2 537 2760 Fax: +32 2 537 5266 e-mail: frisoli@geb.com
Editorial office: Generali Employee Benefits - Brussels email: marketing@geb.com website: www.geb.com

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A word with our Chief Insurance Officer

"Ambition is a dream with a V8 engine" *(Elvis Presley)*

Generali Employee Benefits is the world's leading provider of coordinated employee benefits solutions. Our success has been built on a clear vision, an executable strategy, a superior operating model, the wealth of expertise, skills and enthusiasm of the best people in the Employee Benefits industry and, most importantly, a continuing, mutually nurturing cooperation and dialogue with our clients and their advisors.

The evolution of a successful organization is however a process that features both a succession of gradual and continuing improvements, as well as certain transformative moments, call them quantum leaps, or "revolutions within the evolution".

The year 2014 started with several of these events for GEB, as we have been putting our ambition at work to review, transform where needed and further improve the "engine" that runs the GEB business, i.e. our **Reinsurance business model**.

We have embarked upon a very challenging project to automate the time consuming, detail-driven, time-constrained reinsurance **data upload process**, which will feature a web-based portal to capture and pre-check all quarterly reinsurance data from 120+ local carriers.

This will enable GEB's Reinsurance country specialists deepen their focus on analyzing data from a technical standpoint and provide valuable insight to our Regional Offices and our clients.

We have hired new, experienced resources to further boost our servicing capabilities and steer our Reinsurance, Captive Services Multinational Pooling units to further pursue agility, efficiency and scalability in all our client-facing operations.

We have refined the methodology and increased the frequency of our **technical reviews of all local GEB insurance carriers**, a demanding effort to ensure that all our local partners manage our mutual book of business in strict compliance of all the KPIs needed to ensure high quality service, sustainable growth and long term profitability.

GEB believes in pursuing this fundamental strategic objective in full alignment with our clients' needs, and this is why we are establishing a full time **Pricing & Underwriting Unit** which will become fully operational in Q3, thus providing authoritative, comprehensive underwriting support to our global sales force and our risk-bearing clients.

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We have structured our activities in the **Legal & Compliance** and fiscal fields, by establishing a fully staffed Legal Services unit, to support our Regional Offices, our customers and their advisors, who more and more need a qualified legal counterpart in the often complex initial negotiations and ongoing dialogue.

We are running at full steam in the production of our **Health Paid & Incurred Claim reports**, an innovative and unparalleled risk management tool in the market, which will help our clients make sense of the underlying cost drivers in their global health strategies.

GEB's efforts to innovate in the marketplace we are leading and striving to shape also include designing new products, such as the recently launched **Generali Multi Plan**, a multi-employer pool product tailored for the international middle market sector, to maximize the savings opportunities that fast growing, smaller multinational companies, must benefit from in their growth to success. We are also introducing an innovative range of **risk advisory services**, in cooperation with some of our largest customers and their consultants, to support their risk management strategies by providing underwriting support, claims reserving methodologies, industry benchmarks and optimization of risk retention policies.

In conclusion, the "GEB Supercar" in 2014 is receiving a complete overhaul, and our ambition is to carry all our clients in their journey: a sleek looking, faster and fuel efficient GEB supercar, with cutting edge electronics and the best and most reliable drivers in the business. Come along for the ride!

Marco Giacomelli

Chief Insurance Officer

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2013 Generali Group Consolidated Results

Operating result rose to more than €4.2 bln (+5.3%)

Net result €1.915 bln (€94 mln FY12), the highest of the last 6 years

Dividend per share €0.45, more than doubled (€0.20 FY12)

Strong improvement in cash generation. Net Free Surplus up to €2.1 bln (+38%), already above the 2015 target

Significant progress made towards 2015 targets:

Operating RoE increased by 80 bps to 12.1% (2015 target: >13%)

Solvency I ratio approximately 150% as of end of February, on track with the >160% 2015 target (141% FY13)

Debt reduced by €500 mln with an 80 bp improvement of the debt leverage ratio to 39.6% (2015 target: <35%)

Improved operating results in Life (+4.3%) and P&C (+3.5%). Stable premium income at €66 bln

The Generali Group CEO, Mario Greco, said: *"2013 has been a fundamental year for the turnaround of Generali and the results confirm that we are on track, or ahead, of the targets in our strategic plan. For the first time, after many years, our net result derives entirely from our business operations rather than being impacted by one-off items.*

During the year we have made deep changes to the Group. In particular, we have disposed of €2.4 billion of non-core assets and acquired minorities in strategic areas for €1.5 billion. We have strengthened the management structure and simplified the Group's governance, which is now in line with international best practice. Over 2013, we generated a total shareholder return of 26%. These results and the more than doubling of our dividend confirm we are on the right track. We are aware that a lot still needs to be done to reach the targets we set ourselves. In 2014 the debt will be reduced further and significant cost savings will be achieved. We estimate to improve the operating result and the net profit further, in line with the plan that aims to gradually increase the profitability for our shareholders."

To read the full press release please click here.

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S&P affirms Generali rating

Generali passes S&P stress test with positive solvency in highly distressed scenario

Trieste – Standard & Poor's, the rating agency, has today affirmed Generali's rating at A-, following the resolution of a CreditWatch as a result of its global criteria change introduced last year. The outlook is Negative.

S&P implemented a global criteria change that had the effect of an automatic downgrade if a financial entity was unable to pass an onerous stress test, based on an aggregate of severe historical financial crisis in Mexico, Thailand, Russia and Greece. Generali has passed S&P's extreme stress test clearly demonstrating its ability to maintain a positive solvency in a highly distressed scenario.

The **Generali Group CEO, Mario Greco**, said: *"This is a substantial achievement for Generali and the clearest possible signal of the inherent strength of the Group. Our ability to pass such a dramatic stress scenario is a testament to the significant balance sheet buffers and financial flexibility the Group has today. Moreover, we have always considered extremely unlikely the scenario of a potential default of Italy. S&P's affirmation is an important and independent acknowledgement of the global diversification of the Group where approximately 70% of our business and assets are outside the domestic market. But it is also a positive signal of Italy's attractiveness as an investment destination. In conclusion, it is a validation of the excellent progress Generali is making in its strategy of rebuilding solvency, reducing leverage, and improving profitability."*

To read the S&P press release please click here.

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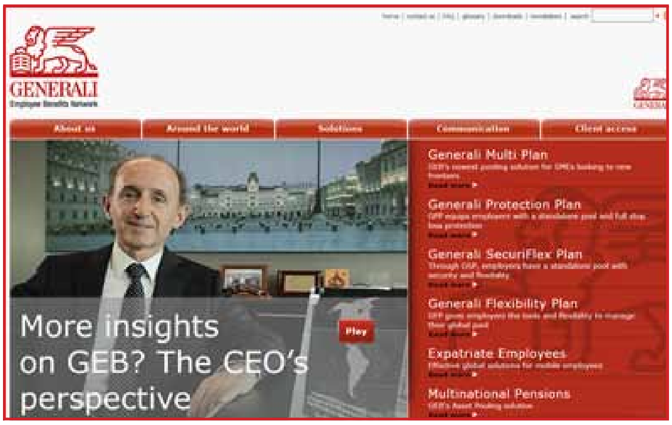
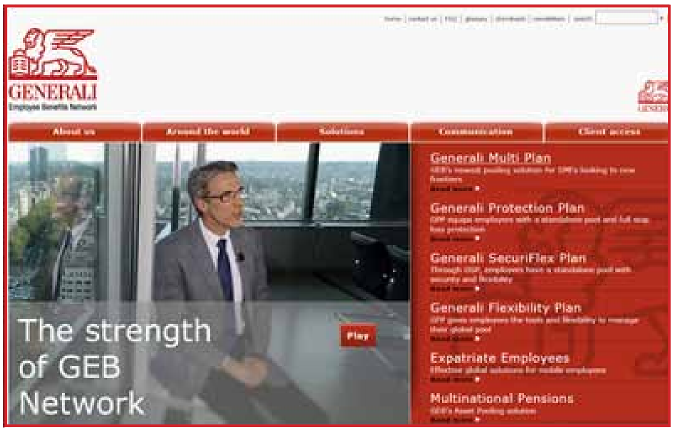
New GEB testimonial videos available!

Check them out at www.geb.com





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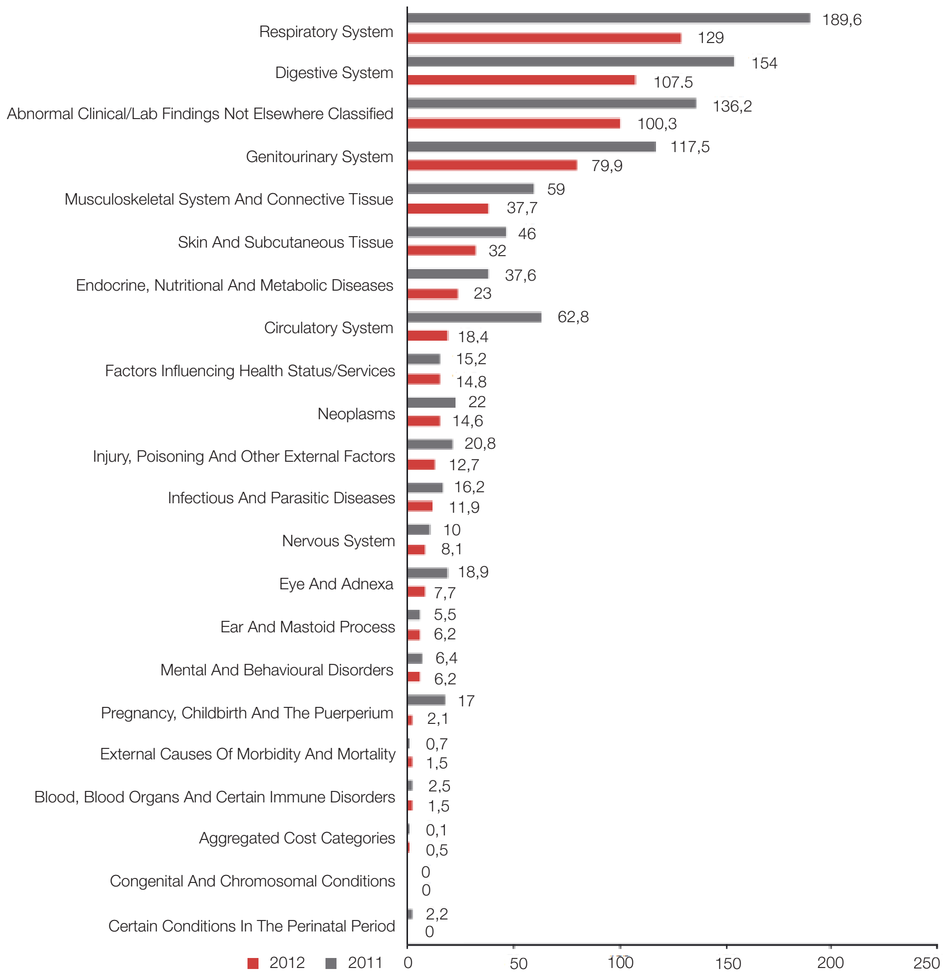
GEB Medical Incurred Claim Reports in production

As anticipated in the 2013 GEB News Healthcare special edition, GEB is now producing *Incurred Medical Claim Reports* for its international clients.

The reports incorporate demographic counts to provide insight into incidence and utilisation, average claim costs and total incurred claim costs per member per year for each benefit class and diagnostic category. From this report, GEB clients will be able to more easily identify principal cost drivers and year-over-year trends using normalised data.

Along with GEB's *Paid Claim Reports*, the *Incurred Medical Claim Reports* allow clients to move forward by having a clearer picture of the recent past and arm employee benefits and risk managers with the kind of data necessary to implement the most effective initiatives for mitigating underlying cost drivers in their EB portfolios.



Comparative Overview of Projected Paid PMPY

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GEB CRM Customer Portal

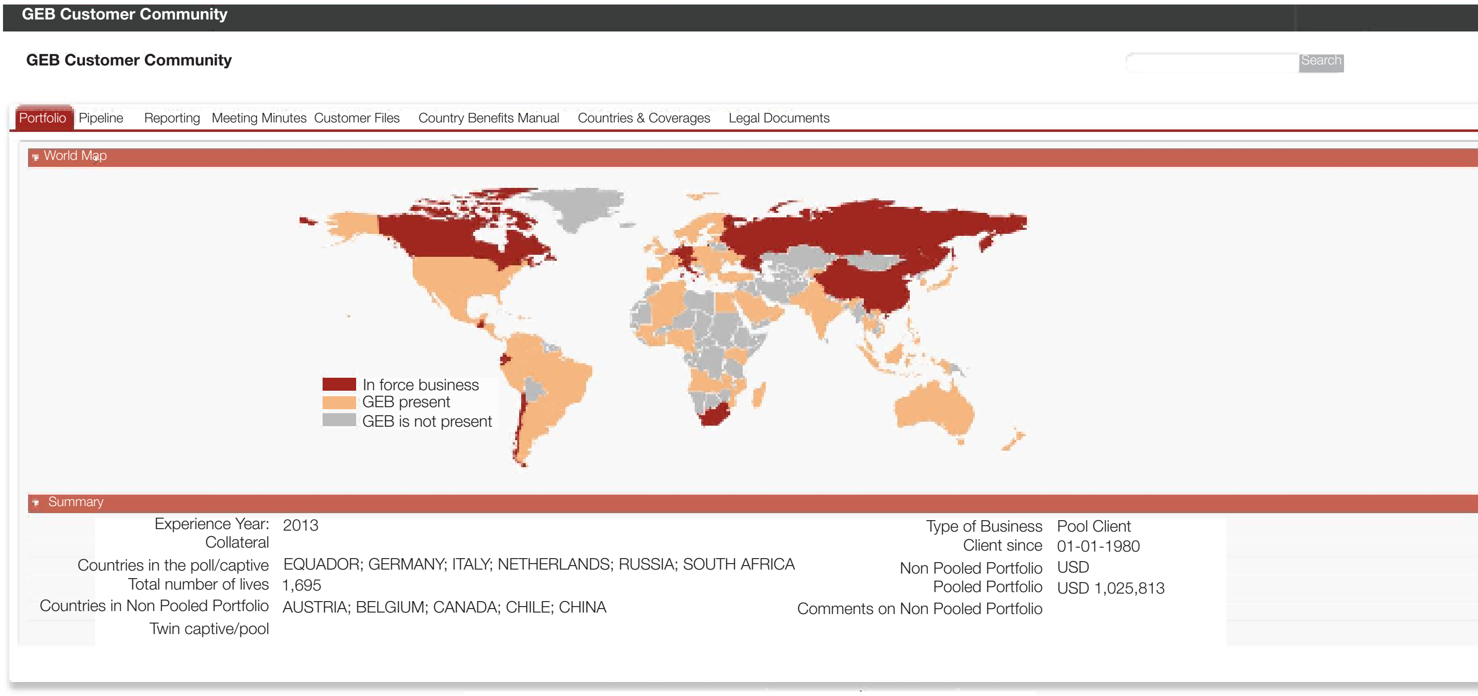
Generali Employee Benefits is proud to present its newly launched GEB CRM Customer Portal.

Directly linked to the GEB internal CRM, the Customer Portal is an information-rich electronic interface, offering access to a wide range of information specific for each client.

Each CRM Client Portal is accessible through a secured connection and personal login credentials and it will display updated information concerning

- The Client Portfolio
- Pipeline of quotes and renewals
- Annual and quarterly reports & Healthcare Dashboards
- Meeting Minutes
- A direct access to the GEB Country Benefits Manual, providing an overview of the usual and customary benefits offered in the public and private sectors of our Network' s representative countries around the globe
- The most updated Countries & Coverages list, detailing all the GEB Network local carriers and coverage available
- Legal Documents

For more information, you can reach your contact at GEB who will guide you through the platform and allow you to explore the detailed features of the first release of the GEB CRM Customer Portal through the demo platform.



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GEB CEE-CIS office moves to Prague

As of April 1, 2014 the CEE-CIS Regional office of the Generali Employee Benefits Network (GEB) was relocated from Vienna to Prague.

"This initiative emphasises the attention we are paying to the increasing needs of our customers and the growing potential in this area," said Sandor Jonas, the Regional Manager of the new office. "Moving to Prague will further enhance our capabilities of being much closer to our clients."

Prague is the regional hub for the Generali Group for the CEE region and the new GEB office will be fully embedded into the Generali PPF Holding (GPH) structure. There is a clear focus of the Generali Group to develop its employee benefit business in the region, enlarging the GEB CEE-CIS team to accomplish this development. Sandor will be assisted by two area managers, two account executives and an underwriter.

The team is both international and as well represents the region, with all members coming from different CEE countries. The new GEB office will not only focus on multinational business but will also support GPH group companies to improve their business with middle market companies and other local clients. They will also launch cross-selling activities with Global Corporate & Commercial (GC&C) – the new Generali Group unit dedicated to property and casualty business and insurance services for medium and large companies – and Europ Assistance. The unit will also serve as an employee benefits underwriting coordination and support center for all GPH companies.

The new office is located in the building of the Generali's CEE holding company GPH in Prague (Na Pankráci 1658/121, 140 21 Prague 4, Czech Republic). The new team is made up of the following GEB representatives:

- Sandor Jonas – Regional Manager D +420 281 044 770, M +420 702 212 362 jonas@geb.com
- Alin Anastasiu – Area Manager D +420 281 044 768, M +420 72 7814 887 anastasiu@geb.com
- Tomas Kriz – Area Manager D +420 281 044 769, M +420 602 614 022 kriz@geb.com
- Ioana Conchintoiu – Account Executive D +420 281 044 772, M +420 727 814 754 conchintoiu@geb.com
- Svetlana Barkar – Account Executive barkar@geb.com

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AP Pension: solid progress, new product in 2013

GEB's local partner in Denmark continued its substantial annual growth, posting an eight percent increase in regular premiums for 2013. Additionally, a merger with FSP Pension helped lower expenses per policy holder around 30%.

"I'm pleased to note that we managed to maintain solid growth in 2013," said CEO Søren Dal Thomsen.

"We still experience that many customers see advantages in having entrusted their pension savings to a customer-owned company. In 2013 we welcomed 3,600 new customers."

During 2013, the company launched a new savings product, AP Stabil. The new fund offers a defensive alternative to rate guarantee funds with higher potential returns thanks to the absence of interest rate hedging and a built-in buffer against future negative returns, currently at 8.2% of allocated reserves.

For more information on AP Pension, please visit their website at www.appension.dk.

Generali Spain names new CEO

Madrid – The Board of Directors of Generali Spain has appointed Santiago Villa as the new CEO. Santiago takes over from Jaime Anchústegui, who became Regional Head of LatAm.

The Board has coopted as Vicepresident Giovanni Liverani, the Group's EMEA Regional Head. The Generali Group CEO, Mario Greco, said: *"Through the appointment of Santiago, we aim to strengthen our activities in Spain, a strategic market for the Group. Santiago will head the local implementation of the Generali strategy to boost profitable growth based on the development of distribution channels, the focus on clients, the excellence in customer service and the innovation as the key driver of new products' and services' design and roll-out. Over the recent years, under the management of Jaime Anchústegui, Generali gained a solid market position in Spain and is, today, at the forefront for innovation and customer satisfaction."*

Santiago Villa, 46, graduated in Industrial Engineering from the University of Sevilla and specialised in Business Economics at the Università Bocconi in Milan. He joined Generali in 1996 and since then has developed his career within the Group, holding positions of increasing responsibility until he was nominated Director General Comercial of Generali Seguros. Spain is the fifth largest market for the Group with more than 3 million clients and a widespread presence across the country through 1,700 offices and 10,000 intermediaries.

For further information on GEB Network Partner Generali Spain, visit www.generali.es

Amendments to Russia's insurance law take effect

Several amendments to Russia's insurance law in 2013 took effect in January of this year, changing the landscape of the Russian insurance industry and affecting licensing requirements, information disclosure and regulator rights and functions.

One of the most notable changes to the Russian insurance industry following the July 2013 amendments is the amount of transparency and information insurers must disclose. All insurance companies in Russia are now required by law to have a corporate website where they publish their rating, managers, shareholders, annual reports and other relevant information. Additionally, Russian insurers must publish general terms and conditions, also known as rules of insurance, that include insurance fees, exclusions and documents required for quoting policies and settling claims.

Regulation, solvency and financial stability of Russian insurance companies are subject to higher standards with the passage of the new amendments, and as of September 1, 2013, the Central Bank of Russia oversees the regulation of the insurance industry, including private pension funds and securities markets. The Central Bank will appoint regulators to monitor companies and grant licenses for the newly defined insurance activities that include voluntary life insurance; voluntary accident, health and medical insurance; voluntary property insurance; compulsory classes of insurance; mutual insurance; and inward reinsurance.

The amended insurance law also stipulates that insurance companies must have certified compliance officers to oversee the actuarial and underwriting activities for their portfolios. Insurers must adopt compliance policies and appoint officers by April 21, 2014. Likewise, the Central Bank will require that actuarial assessments of insurance companies be conducted annually by an independent actuary.

Overall, the amendments aim to fulfil requirements for Russia's entrance in the World Trade Organization in August 2012. The updated law also adds consumer protections through increasing solvency, transparency and compliancy.

Generali offers exclusive products for Confindustria Romania

On April 15, Generali and Confindustria, a major Italian Employers' Federation, organised an event in Bucharest to present Generali's international capabilities to Italian entrepreneurs operating in Romania.

The event highlighted the strong partnership between Generali and Confindustria Romania thanks to which Confindustria associates in Romania have access to the sophisticated services and coverages of Generali's multinational programmes within the country.

Italian entrepreneurs that do business abroad must understand the risks and insurance coverages available to them beyond their home borders.

GEB's EMEA Director Andrea Valacchi explained the advantages of multinational employee benefits programmes, which grant employers the same benefits of a local policy with the plus of having centralised control and coordinated risk management.

The audience included more than 15 Italian companies that were very keen to learn more about these solutions, and a follow-up presentation during the annual general assembly of Confindustria in Romania is being envisaged.

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2014 GEB School gathers 40 partners from over 21 countries

The GEB Network relies on the commitment of its local insurance partners to provide multinational customers with the highest level of service and most accurate data. To introduce our partners to the network and help them understand our business, we host the GEB School every year at our home office in Brussels.

GEB's regional offices suggest new colleagues within our extensive network of 120 local insurers to attend the three-day training and meet with managers and representatives from all of GEB's departments.

During three-day training, the group learns about how the network functions, the services GEB offers and ways to better communicate between local insurers and GEB.

Participants come away with a better understanding of our reinsurance model as well as multinational clients and their need for data to make informed decisions on their worldwide benefit portfolios.

As a testament to the GEB School and the growth of the GEB Network, more than 40 people participated in the 2014 GEB School from over 21 countries.

GEB sponsors IEBA 14th Annual Conference

International Employee Benefits Association

GEB sponsored the International Employee Benefits Association's (IEBA) 14th Annual Conference from March 11-13, 2014.

In a session on healthcare and wellness, GEB presented "Managing benefits in a health conscious society" alongside L'Oréal.

L'Oréal's Head of International Benefits Marc Raymond presented L'Oréal's "Share and care" initiative, which is social programme for its worldwide operations that aims to implement a common social framework and make each country a social innovation laboratory and explained how it contributes the company's sustainability commitment.

Ana Cristina Nunes, Operations and Claims Manager for GEB's Health Unit, demonstrated how GEB's services and data assist L'Oréal with the 'Protect' and 'Care' pillars of their ambitious programme.

GEB also hosted the gala dinner on Wednesday, March 12 at the historic Chateau Sainte-Anne. As in previous years, the conference took place in Brussels with a high level of participation from corporate employee benefits specialists as well as brokers and consultants.

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EB Connect – Business Networking in London

Employee Benefits Connect is a one-day event comprising of a conference, roundtables and exhibition. It brings together around 350 senior HR and reward professionals to network with peers and connect with 35 leading suppliers; organised by Centaur Events, one of the UK's leading EB Conference & Events producers.

Often, the best way to answer questions, share ideas and discover solutions to potential issues is to speak to those in the same position. Dedicated networking opportunities at Employee Benefits Connect facilitate the occasion to meet others in a relaxed, informal environment, while also providing the chance to meet key suppliers and learn from influential industry players about latest innovations and best practice in the field.

Employee Benefits Connect brings together the top HR, compensation, benefit and reward specialists from employer organisations, offering delegates access to free learning, benchmarking, guidance to ensure compliance as well as the chance to explore career development.

For the 4th year running, Generali Employee benefits UK is pleased to have participated in this high-profile event in partnership with the London Regional Office of the GEB network.

… and New York

GEB and Europ Assistance sponsored a booth at the Employee Benefits Connect which took place for the first time in the United States on March 25, 2014, in New York City.

This forum, partnered with "The Total Expat Show", gave HR professionals the opportunity to network with industry peers and vendors and to engage about the latest trends with industry experts.

Photo – © Centaur Events

GEB sponsors World Captive Forum

Generali Employee Benefits was pleased to be a Silver Sponsor at the 23rd World Captive Forum held January 29-31 in Aventura, Florida. The event drew more than 325 attendees from not only North America, but all around the world. The conference provided a three-day forum of exchanging ideas, networking and building relationships within the industry and attendees could choose sessions from two tracks – Benefits or Property & Casualty. Within the Benefits track and General Sessions, topics included an introduction to captives and employee benefits, US regulatory implications for captives, "best practices" case studies, healthcare captives and more intimate round table discussions. The forum brought together risk managers, benefits managers and financial executives in a well-organised, educational and entertaining event.

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Seguros Atlas: a new partnership in Mexico

From January 22 to 24, GEB executives and managers gathered in Mexico City to officially announce GEB's partnership with Seguros Atlas and launch a strategic initiative between the two companies with the creation of the GEB Desk Mexico project.

Over the three days, GEB CEO Mauro Dugulin, together with GEB Chief Commercial Officer Ludovic Bayard, Director and President of GEB Americas Marc Reinhardt and GEB managers for Latin America Massimo Martinoli and Rodrigo Tovar met with Mr. Rolando Vega, President and General Manager of Seguros Atlas and the managers of Seguros Atlas' internal departments such as Finance, Sales, Marketing, Underwriting, Operations, Claims.

The official partnership was announced on January 23 at the Agents & Brokers Cocktail organised by Seguros Atlas – an event that gathers around 750 representatives from the insurance sector, including major clients and consultants.

Mr. Vega emphasised the importance of the partnership with GEB and Mr. Dugulin highlighted the main strengths of the Generali Employee Benefits Network, including its history, solidity, experience, solutions and worldwide coverage.

The two companies also met with leading brokers in Mexico, including Aon, Marsh – Mercer, Willis and LM&S, among others, to promote the commercial alliance between GEB and Seguros Atlas and the new GEB Desk Mexico.

To seal the partnership, GEB hosted a gala dinner for the governing body of Seguros Atlas which created an atmosphere of cordiality and enthusiasm.

GEB executives and managers in Mexico City.

GEB CEO Mr. Mauro Dugulin and Mr. Rolando Vega, President and Generali Manager of Seguros Atlas.

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Thanks to Seguros Atlas' reputation, the GEB Desk project was welcomed by the Mexican market. Seguros Atlas has a long history and is well known for its strength, financial solidity and market position.

The opening of the GEB Desk Mexico also creates great expectations and opportunities. We are confident that the ambitious and innovative project will create a synergy with Seguros Atlas within the dynamic and competitive Mexican market and in the wider employee benefits market.

The GEB Desk is located in the headquarters of Seguros Atlas in Mexico City and will be led by Rodrigo Tovar, who reports directly to the GEB Regional Office for Latin America in Miami.

Two years running Assicurazioni Generali Panama Branch awarded Insurer by Excellence

Panama, March 28, 2014 - For the second year in a row, Assicurazioni Generali Panama Branch has been awarded Insurer by Excellence in the event dedicated to the insurance sector "Excellence by CAPECOSE", which is organised by the Panamanian Chamber of Insurance Brokerage Business (CAPECOSE). CAPECOSE is the association that gathers the main Panamanian insurance companies that make up approximately 70% of the local insurance market premiums.

In addition to receiving the highest honour of Best Insurer in Panama, Generali Panama Branch also received eight out of 16 awards in different categories and services.

"It is an honor to receive for the second year in a row this prize", said Mr. Gabriel de Obarrio, Executive Vice-President of Assicurazioni Generali in Panama. *"It is recognition of the excellent job done by our employees who have in their DNA the attitude to always work at the best of their possibilities"*.

GEB congratulates with Generali Panama Branch for this prestigious award.

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ADISA: a new partner in Central America

We are pleased to announce that the GEB Network has a new local partner in Costa Rica. Aseguradora del Istmo (ADISA) is a dedicated life and healthcare provider established in 2010 in Costa Rica.

"It is a win-win partnership", said Marc Reinhardt, GEB's Director and President for the Americas, at a meeting in San Jose, Costa Rica in February to inaugurate the partnership.

"As a global business, GEB has a significant presence in Costa Rica and ADISA in turn can diversify and specialise in this line of business thanks to our expertise and track record of more than 45 years in the employee benefits market."

For more information about GEB's new local insurer, please visit the ADISA website at www.adisa.cr.

Aseguradora del Istmo

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GEB Latin America Regional conference in Miami

The GEB Latin America Regional Office organised the annual GEB Latin America Network meeting from April 7-10 in the wonderful city of Miami.

The event's rich agenda aimed at deepening and sharing relevant news and information related to the "GEB World", including results, regional performance, global projects and initiatives. Additionally, the meeting provided an opportunity to discuss the project dedicated to Regional Multinational Enterprises (Multilatinas). Three prospects from Brazil, Mexico and Guatemala joined a global customer in Latin America to contribute as speakers in a panel specifically dedicated to Employee Benefits. The companies' risk managers, CFOs and HR officers presented and debated about their policies in this field and how a global Network such as GEB could be useful to them in order to consolidate the growth of their business outside their respective countries.

The interactive panel spurred a lively debate and concluded with tangible solutions that GEB can offer in terms of reporting and ability to provide periodic and specific information about the various trends of coordinated programs.

The Latin American Regional Office has already begun to take into account the ideas that the panel generated, preparing a strategic action plan aimed at selecting, collecting and implementing global coordinated programs and dedicated management to potential customers, beginning with the two major strategic markets of Brazil and Mexico.

One day of the regional meeting was dedicated to GMMI (Global Medical Management), Memorial International and Europ Assistance and gave participants the chance to know the latest available solutions and coordinated regional projects in these fields.

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The 10 countries represented also presented on their respective markets, providing useful updates and trends in their countries, their companies and their collaboration with GEB in Latin America.

An excellent networking opportunity, the gala dinner brought together global customers based in Miami together with the leading international brokerage firms such as Aon and Mercer Marsh.

At the closing of the event, GEB awarded three companies for 10 years of sustained partnership with the GEB Network: Generali Argentina , La Caja de Seguros and Generali Ecuador.

In parallel to the marketing meeting, the traditional technical and reinsurance seminar was successfully organised by the manager of the reinsurance department Serena Longaro and Chief Insurance Officer Marco Giacomelli.

We thank all the GEB colleagues and Network partners that attended the meeting and who contributed to the success of the event with their enthusiasm and proactive participation.

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China: new tax regulation for enterprise annuity plans
An interpretation and simulation of the new rules

The new tax rules for enterprise annuity (EA) were implemented on January 1, 2014. The change was highly anticipated by the market and seen as a milestone for the progress of Chinese retirement pension development.

Compared to the old tax rules, the new reform emphasises a tax deferred basis for individual income tax. This article provides a comparison of the new and old rules with a sample.

The average salary of the local society varies from one city/province to another. In this example, we have applied the Shanghai rules for this simulation.

- The social average salary is RMB 4,692 per month, as published by the Shanghai government
- Individuals are burdened with an 18% contribution for local social security. This amount should be deducted before income tax calculation
- Assuming the employer contribution to the EA plan is 8.3% (the cap)
- Assuming the employee contribution to the EA plan is 4%, and is capped at RMB 563.04 (according to the maximum amount for monthly deferred tax on the individual contribution)

If the old tax rules applies:

Monthly Salary	Social security contribution	Tax deductible	Tax % applied on Salary	Income tax on Salary	Total income tax on Salary + EA contribution	Tax % applied for EA Employer contribution
4,000	720	3500	0%	0.0	10.0	3%
5,000	900	3500	3%	18.0	30.5	3%
6,000	1,080	3500	3%	42.6	57.6	3%
8,000	1,440	3500	10%	201.0	221.0	3%
10,000	1,800	3500	20%	385.0	410.0	3%
20,000	2,534	3500	25%	2,486.6	2,548.2	10%
50,000	2,534	3500	30%	10,434.9	10,746.4	10%
60,000	2,534	3500	30%	13,434.9	13,879.5	20%
80,000	2,534	3500	35%	20383.2	21,161.0	20%

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If the new tax rules applies:

Monthly Salary	Social security contribution	Tax deductible	Tax % applied on Salary	Income tax on Salary	Total income tax on Salary + EA contribution	Tax % applied for EA Employer contribution
4,000	720	3500	0%	0	0	0%
5,000	900	3500	3%	12	0	0%
6,000	1,080	3500	3%	35	0	0%
8,000	1,440	3500	10%	169	0	0%
10,000	1,800	3500	20%	325	0	0%
20,000	2,534	3500	25%	2,346	0	0%
50,000	2,534	3500	30%	10,266	0	0%
60,000	2,534	3500	30%	13,266	0	0%
80,000	2,534	3500	35%	20,186	0	0%

According to the new rules, the tax of the investment income of the accumulated account value will also be deferred.
Below we simulate another comparison of the withdrawal between the old and the new rules:

Employee's location	Shanghai
Employer contribution	8.33%
Employee contribution	4%
Current age of the employee	30
Planned retirement age	60
Current monthly salary	RMB 5,000
Expected annual salary increase	5%
Current social average monthly salary	RMB 4,692
Expected annual increase on social average monthly salary	5%
Individual contribution to the social security	18%
Expected annual salary increase	5%
Annual investment return	4%

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	New rules applied	Old rules applied
Accumulated account value at retirement	1,477,377	1,427,952
Withdrawal with 20 years annuity		
Monthly income tax	1,224	0
Monthly net income	7,673	8,599
Total withdrawal amount	1,273,502	1,427,952
Current value of the above gap (at the age of 30)		47,620
Withdrawal with a lump sum (Overseas immigration or death of the retiree)		
Taxed amount	532,508	0
Total withdrawal amount	944,869	1,427,952

As per the above sample, we can better understand the impact of implementing the new tax rules.
If you would like to know more on the simulations provided or the new EA tax regulations in China, please do not hesitate to contact GEB.

Future Generali appoints new MD and CEO

Mr. Munish Sharda has been appointed MD & CEO of GEB Network partner Future Generali India Life Insurance with effect from January 2, 2014.

Mr. Sharda joins Future Generali from Aviva Life where he served as Director of Sales and Distribution for the past five years.

Mr. Sharda began his career with Citibank India where he spent over ten years in consumer lending, primarily in its mortgage business, before moving into the life insurance industry. Throughout his career he has gained extensive leadership experience in product distribution and portfolio balance sheet management, as well as a deep understanding of consumer behaviour in the financial services sector.

Mr. Sharda will drive the strengthening of the company's presence in India with a focus on profitable growth. A key priority will be on building distribution and marketing capabilities at Future Generali while tapping into Future Group's deep understanding of consumer behaviour.

Mr. Sharda holds a Master's in Business Administration (PGDM) from the Indian Institute of Management, Lucknow and a Bachelor's Degree in Mechanical Engineering from Punjab Engineering College, Chandigarh. *"We extend a very warm welcome to Munish for joining the Future Generali family. His in-depth understanding of the financial services industry, coupled with his leadership qualities will strongly contribute to further extending Future Generali's success in India,"* Generali Asia Regional Officer for Asia Sergio Di Caro said. For more information on Future Generali India Life, visit http://futuregenerali.in

Thailand: Generali Life Assurance names new CEO

Recently, GEB Network partner Generali Life Assurance (Thailand) Public Compnay Limited (the "Company") announced the appointment of Bundit ("Kenny") Jiamanukoonkit as Chief Executive Officer.

Commenting on the appointment, Mr. Sergio Di Caro, Regional Officer, Generali Asia Regional Office, stated *"We extend a very warm welcome to Kenny for joining the Generali family. Generali is committed to growing its presence in South East Asia. As the second largest economy in South East Asia, Thailand is an important and attractive market to Generali. Given his extensive industry experience and strong leadership capabilities, Kenny is well positioned to spearhead the expansion of our life business in Thailand"*.

Kenny has nearly two decades of experience in the financial services sector. He joins Generali Thailand from Thai Samsung Life Insurance Co., Ltd. where he held the position of President and CEO. Previously, Kenny was the Managing Director of Siam Commercial PCL. where he was responsible for managing and growing all distribution channels, including the leading bancassurance operation in Thailand. Kenny holds a M.B.A. from Wichita State University (USA) and a Bachelors Degree in Computer Science from Srinakharinwirot University. For more information on Generali Life Assurance (Thailand), visit http://www.generali.co.th

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Country Focus - Mexico

Mexico is a country rich in natural resources, with oil fields, as well as silver, gold and copper mines, among others. The country also boasts an expansive coastline, rivers, lakes and lagoons, along with abundant flora and fauna with numerous species of plants and animals. Mexico ranks first for the diversity of reptiles, second for mammals and fourth for plants and amphibians.

The manufacturing industry represents more than 83% of exports (excluding oil). Several of the world's main cement, bottling and metallurgical companies are located in Mexico and the country produces almost 2.5 million oil barrels on a daily basis.

Mexico is a federal and Democratic Republic made of 31 states and a Federal District.

- Territorial area: 1,964,375 km^2
- Maritime area: 3,149,920 km^2
- Population: 118.4 million.
- Language: Spanish.
- Currency: Mexican Peso
- Exchange rate: 13.20 pesos per dollar.
- Development index: 0.775 ranking 61st in the world.

In 2013, Mexico exported a total of US $380.2 billion.

Mexico maintains one of the lowest unemployment rates of the Organization for Economic Cooperation and Development (OECD), with only 4.3% unemployment.

The main sources of foreign exchange are oil, tourism and remittances from workers abroad.

The Energy Reform was approved in 2013. Some of the benefits brought by this reform are:

- Lower electric power and gas expenses.
- Creation of nearly half a million additional jobs within a six-year period.

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The oil industry will reclaim its place as a driving force of Mexico's economic growth.

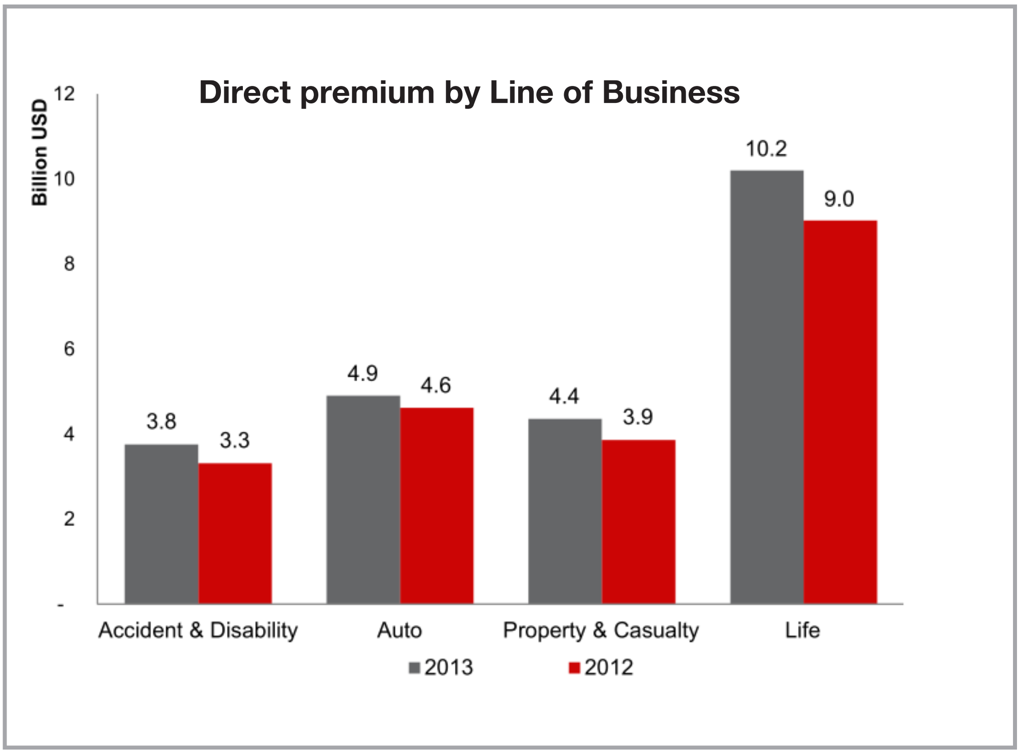
The opening of the electric industry to private investors will lead to a large growth of this sector.

In 2013 GDP increased by 2%, a 3% increase is expected this current year and a 5% increase for 2015.

The Insurance Sector in Mexico

The insurance sector in Mexico represents 1.9% of the gross domestic product (GDP). This figure is lower than the average in Latin American and developed countries. In Latin America the sector represents up to 4.5% of the GDP, while in developed countries such as the United Kingdom, France and the United States, the percentage is respectively 11.9, 10.7 and 8.0% of the GDP.

There is a lack of penetration within the insurance industry at all levels of the population. Only 7.8 million inhabitants have life insurance, and only one of every 20 Mexicans are insured for major medical expenses.



***Source AMIS 2013 fourth quarter*

Insurance companies continue to adapt to the current financial crisis and important changes in regulations, while also seeking opportunities for growth. Alongside the state-owned petroleum company Pemex, economic growth has been prompted by the life insurance sector (40.3% of all written premiums in September 2013); compared with September 2012, the actual growth in premiums for this sector was 8.8%. The growth of the sector is also linked to the following insurance lines: property and casualty – P&C, excluding earthquake (+73.7% in real terms); health and accident (+7.3%); and auto insurance (+3.3%). The sustained demand in P&C, auto, life and health insurance sectors has been promoted by a greater risk awareness, a greater development of life “bancassurances”, other non-traditional products and overall by the relatively low penetration rates in the sector.

The total life and medical premiums of the insurance sector increased by 8.76% at the end of the fourth quarter of 2013.

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The increase in premiums is estimated to be 13% in 2014, which reflects the strong momentum of demand for insurance as a consequence of the expected economic recovery in 2014, the maximum reach in new sales of life insurances, due to the increment in buying power resulting from annual salary bonuses.

Another branch with a significant growth potential in the short to medium term is the health insurance sector. It is deemed that, starting in 2015, this branch will tend to grow, with the enforcement of the new insurance law, since insurance companies that expect greater medical expenses will have to incorporate preventive advisory services in their policies. As of today, only the Institutions Specialised in Health Insurances (ISES) are allowed to do this. Therefore, insurance companies will compete with the ISES to provide preventive cover at affordable prices and as an option for the customers.

As for the levels of efficiency, the pending adaptation activities to Solvency II do not seem to have a significant impact for many insurance companies, given that the regulatory changes required will be implemented gradually. Nevertheless, for small insurance companies, the need to accelerate the adjustment process could result in a significant burden in operation expenses, even if the full impact of these additional costs takes more time at the industry level.

In 2014, the return on investments will slow down due to the situation of low interest rates. Therefore, for the sector to maintain satisfactory levels of profitability, insurance companies will have to improve the performance of their technical result. This is deemed to be a challenge, since this should chiefly be achieved through an increase in premiums. Nevertheless, the capacity of insurance companies to transfer these increments varies depending on sectors and classes, and is usually limited by competition.

Historically, in spite of its disastrous exposure, the Mexican insurance industry has been less dependent on reinsurance than other large insurance markets in Latin America; this is in part due to the relatively

greater proportion of transactions retained. Over the years, the Mexican insurance industry has maintained the average proportion of retained premiums at a level relatively close to that of the gross written premiums.

The sector's high retention is due to a relatively low participation in the general damage sector, excluding earthquake (4% of total premiums), given that earthquake and other catastrophic risks are covered by non-proportional reinsurance (XL).

In addition, sectors that typically reflect a high retention, such as health and car insurance, represent a large proportion of all the premiums in Mexico (33% of the whole portfolio). Nevertheless the Mexican insurance sector uses a limited reinsurance protection, due to its strong statutory reserves; this allows insurance companies to retain more than their own risk and to minimise the potential counterpart, dispute and availability risks.

Mexican insurance companies have operated with one of the most rigorous regulatory frameworks in Latin America; in spite of this, in 2010, the National Mexican Commission of Insurances and Bails (CNSF) began to revise the state of current capital in order to introduce a new Insurance Law inspired by Solvency II. This new regulatory framework requires a risk-based capital (RBC) calculation process, and also involves the goal to increase the revelation and transparency of information and the authorization for dedicated insurance companies to sell bails.

The new prudential standards will take effect on April 20, 2015. The Insurance Law is evaluating quantitative Impact studies (QIS) on the required risk models. With these studies, insurance companies will have to reasonably try to quantify their own risk profiles, which they will have to take into account in the calculation of the individual level of capital target.

Later, the guidelines of the regulator presume that insurance companies will have a risk administration system ready to evaluate the risks to which the companies are exposed and the implications in their capital adequacy.

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The increase in the solvency requirements of insurance companies for 2015 should encourage mergers and acquisitions, as well as the consolidation of the insurance industry.

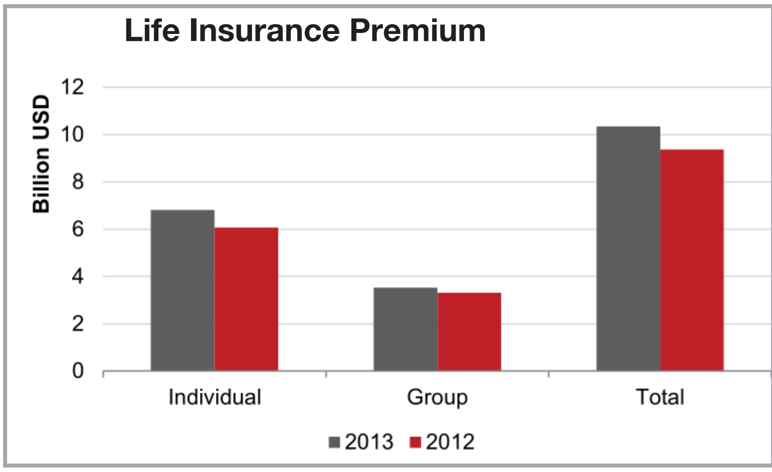
Meanwhile, the subsidiaries of small international financial groups, or even small local insurance companies, will have a reasonable access to capital, if required. Another considerable number of insurance companies, with narrow capitalization and limited scale of operations, could miss the requirements and might have to seek an increase of capital and to base their growth ambitions in association with large financial or insurance conglomerates, with strong capital resources.

The medium- and long-term creation of large insurance companies with more financial resources will change the dynamics of the market; especially in the areas of distribution models, product offer and reinsurance agreements.

Insurance companies have been emphasising the reduction of acquisition costs. These were 17% of the net written premium in September 2013: lower than the 18% registered in September 2012. Nevertheless, these costs still represent an important proportion of the total costs structure, due to the importance of the individual life insurance sector (26% of premiums in September 2013), since these insurances usually require high commissions, benefits, incentives and training for intermediaries. Like other insurance sectors in the region, the relative high acquisition costs index is due to the significant participation of sectors with an intense competition of brokers, such as car and health insurance (33% of the sector's premiums).

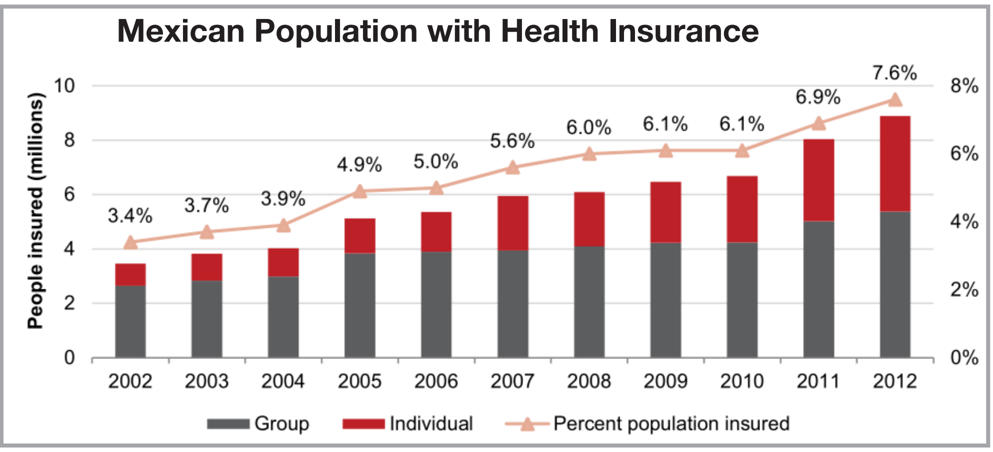
Group life and health insurance in Mexico

As with other lines of business, the market penetration of life insurance is relatively low, with about 7.8 million citizens holding life insurance policies – 16% of the working population. While the majority of life premium comes from individual policies, group life premium increased 7.5% in 2013 to US $3.5 billion and the overall life sector grew 11.3% with total premium at US $10.3 billion.



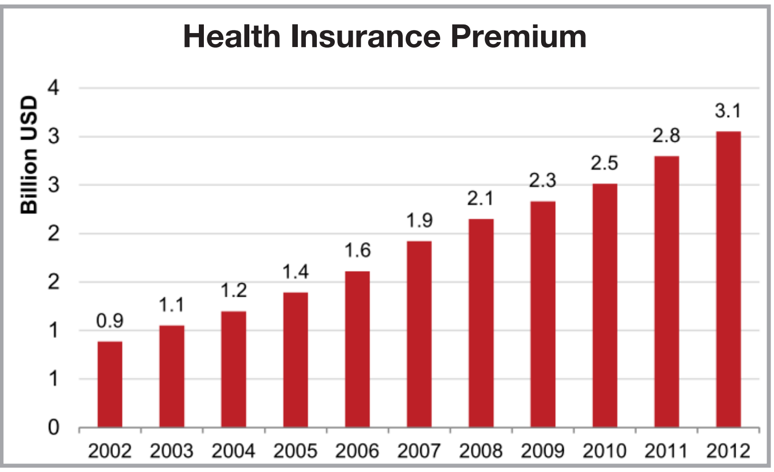
Source: AMIS – Asociacón Mexicana de Instituciones de Seguros

While the bulk of life insurance premium stems primarily from individual policies, healthcare is largely a benefit provided by employers. With approximately nine million Mexicans with health insurance, the penetration remains low at less than 10%; however, of those nine million, 62% of the health insurance policies come from group contracts.



*Source: SESA AyE

The health sector has also undergone solid and consistent growth in the past decade. Medical premiums have steadily increased year after year with a 126% growth over the ten-year period from 2002-2012.



*Source: SESA AyE

Seguros Atlas in the market

As a 100% Mexican owned Company, Seguros Atlas has operated for more than 70 years in the Mexican insurance market with the same shareholders or descendants since its inception. The company operates with one of the highest capitalization ratios and solvency margins of the Mexican insurance market.

With the newly established GEB Desk Mexico, Seguros Atlas will provide GEB clients with group life, medical, accident and disability. Specifically for medical insurance, the partnership grants clients access to a wide network of nearly 4,000 physicians, an online search engine for local doctors and hospitals, a modern call centre that is available 24-hours per day, 365-days per year and rapid claims processing.

Additional source: KPMG report, international network of multidisciplinary firms that offer audit, taxes and counselling services.