



GEB News

Summer Edition

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GEB strengthens its international management team as it gears up for new strategic opportunities

Generali Employee Benefits (GEB) announces a set of new appointments to its executive management team:

- **Eric Butler**, leading the Healthcare & Wellness department
- **Roland Raad**, leading the newly created Personal Accident & Business Travel Insurance department
- **Thierry Mestach**, leading Network Management & Partnerships



“We are excited to welcome on board high profile professionals who are all well-known for their successful track record in the international benefits arena,” says Sergio Di Caro, GEB Chief Executive Officer. “Their arrival confirms GEB’s ability to attract top talent and to place them in key roles to deliver impact for the organisation and its client base. After the celebration of our 50th anniversary last year, 2017 marks a milestone year for GEB. Thanks to our recognised excellence and our operational agility, we plan to unlock new opportunities to create value for our clients and partners by helping them respond to complex and rapidly changing markets.”

Ludovic Bayard, GEB General Manager added: “These new appointments further signal GEB is moving full steam ahead into the execution of its new strategy which sees the company strengthening its leadership in its core pooling and captives market as well as tapping into new and innovative opportunities such as the international middle market, health & wellbeing and travel insurance. The reinforcement of our network & partnerships governance will further enhance both our global service quality and operational capabilities to meet our ambition of constantly delivering on promises made to our customers.”

The Generali Group officially confirmed to

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stakeholders, during its last Investor Day (November 2016), its commitment to strong investment in support of GEB's growth.

New appointees and impact on the organisational structure:

Eric Butler joins us from the US with over 25 years of experience in international medical insurance. He has been appointed GEB's Director of Global Health and Wellness with a remit to lead the company's growth ambitions in this area, from data management and reporting capabilities to new innovative solutions. Eric spent the last 3 years as Vice President of Global Health & wellness with MetLife, where a portion of his responsibilities included the position of Chief Health and Wellness Officer at MetLife's joint venture MAXIS. He previously worked at Generali, first as head of its expatriate insurance solutions (Generali Worldwide) and then at GEB where he led the launch of its ground-breaking set of medical reports.

Roland Raad joins GEB as Director of its newly created Business Travel Insurance department.

Roland will oversee the company's expansion into this new market, leveraging its core assets and the integration with Generali owned Europ Assistance. Roland brings significant management experience in international insurance, first acquired in American companies and then at AXA. During his 12 years at AXA, he successfully contributed to the launch and management of new businesses.

Thierry Mestach has been appointed GEB Director of Network Management & Partnerships. He joins us with 19 years' senior management experience gained in various roles at AXA and the MAXIS Network. These included Members' Relations, Sales and Business Development with a primary focus on European and Asian markets. As part of his role in the GEB Headquarters in Brussels, Thierry will leverage his experience in managing a global network to steer Generali initiatives. This includes ensuring that GEB network governance and partnerships' development continue to provide a unique competitive edge to GEB clients worldwide.

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Generali Group Q1 2017 results

The first quarter results confirm the effectiveness of core business operations: operating performance is up significantly and net result is solid. Strategic profitability objective reached again

- Operating result exceeds €1.2bn (+4.2%). P&C performance remains solid and Life and Financial business improve further
- Combined Ratio at excellent level, 93.1% (+1.1 p.p.) despite increased catastrophe claims. Excellent Life profitability with strong growth of NBM at 37.8%
- Operating RoE rolling increased at 13.6% (+0.1 p.p.), again in line with the target (>13%)
- Premiums over €19.2bn (-2.5%): growth recorded in P&C business (+1.9%) and the disciplined approach to Life business continues (-4.6%)
- Net result confirmed solid at €0.5bn (-9%). The decrease is attributable to the lower non-operating investment result, mainly due to the continued policy to reduce realised gains, and to the stronger impact of taxation
- Solid capital position with Regulatory Solvency Ratio at 178% and Economic Solvency Ratio at 195%

The Group CFO of Generali, Luigi Lubelli, commented: “The first quarter’s results confirm the excellent performance in terms of the Group’s profitability and capital strength. In a scenario of persisting financial market volatility and low interest rates, and considering the absence of catastrophes during the previous year, Generali has continued its disciplined and effective approach to its core business. We have generated further value, which is reflected in excellent results and technical performance among the best in the industry, with operating RoE again in line with the target at 13.6%. Confirming the effectiveness of business operations in line with strategic objectives, the operating result increased due to the solid performance of the Property & Casualty business and improvement of the Life and Financial segments. The new business margin (NBM) continued to rise, reaching 37.8% and the combined ratio held to excellent levels, despite the stronger impact of natural catastrophes. In the Life segment, the trend in premiums and net cash inflows reflects the disciplined implementation of a more selective underwriting policy in the savings segment and the rebalancing in favour of products offering better risk-return terms. Premiums in the P&C segment, on the other hand, increased as a result of the good performance in both Motor and Non-Motor business”.

Further info available [here](#)

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Generali promotes the restoration of the Royal Gardens of Saint Mark's Square in Venice

In line with Generali's sustainability focused vision and values, the Group has announced that it will partner with the Venice Gardens Foundation to restore the Royal Gardens of St. Mark's Square and the Procuratie Vecchie (please refer to photo below).

Generali's support for these complementary projects is particularly pertinent considering the Group opened its first office in Saint Mark's Procuratie Vecchie in 1832, just a few months after being founded in Trieste in December 1831.

Following the Royal Gardens' restoration, an

area of around 5,500 square meters, Generali's contribution will continue through participation in activities planned for the public in the Royal Gardens.

Garden Designer Paolo Pejrone commented: "After many years the Royal Gardens are finally returning to life and becoming an example of botanical elegance and exuberance, as well as a modern symbol of sobriety and sustainability."

Works started in May and are expected to end in the second half of 2018.



Procuratie Vecchie - ph. Martino Lombezi / Contrasto

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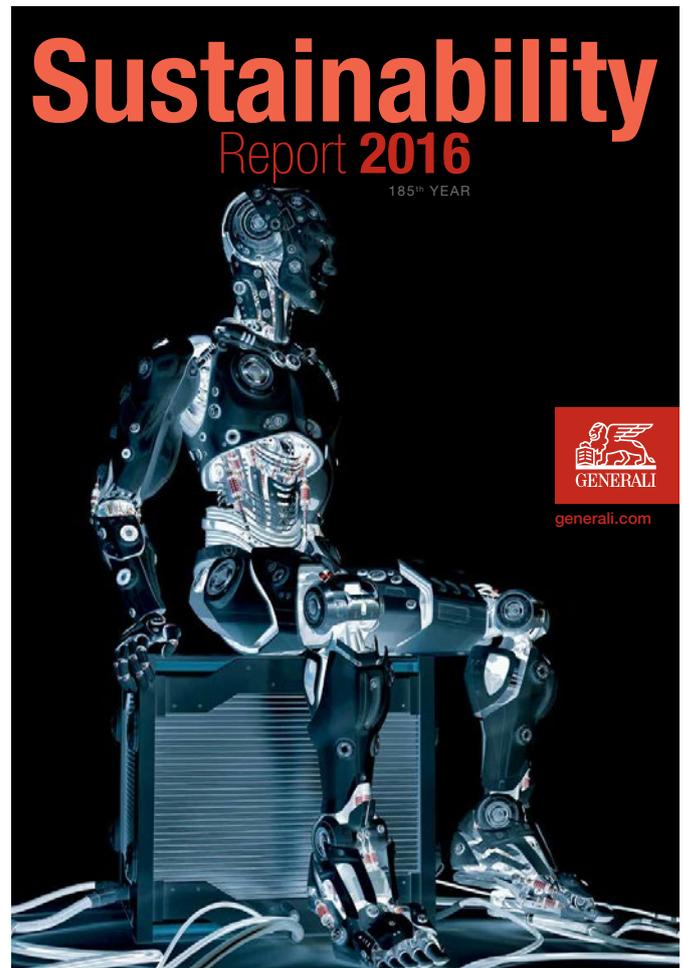
Generali Group Sustainability Report: download it today!

Across the Generali Group, sustainability is a tangible part of everyday life. This is reflected in the way our internal vision and values are brought to life, and in the way we communicate, interact and do business.

Generali now ranks amongst media and research organisation Corporate Knights' 2017 Global 100 Most Sustainable Corporations in the World, as announced during the World Economic Forum in Davos earlier this year.

The annual Group Sustainability Report - available for free download at <http://www.generali.com/media/media-kit> - informs our stakeholders of our commitments, actions and performances in the social and environmental spheres, which also underline our support for the United Nations Sustainable Development goals.

To us, the value of sustainability includes: breeding trust to help better meet business goals and compliance with industry changes (such as the EU Directive on data protection); ensuring sustainable working lives; and meeting vastly different demographic needs, whilst controlling costs and improving productivity.



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Generali wins Global Innovation Award

We are incredibly proud to be awarded this important accolade at the 2nd annual Efma-Accenture Innovation in Insurance Awards in London, especially considering that there were in total 219 innovations from 144 institutions in 38 countries.



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Summer holidays on the agenda: Europ Assistance – IPSOS Holiday Barometer

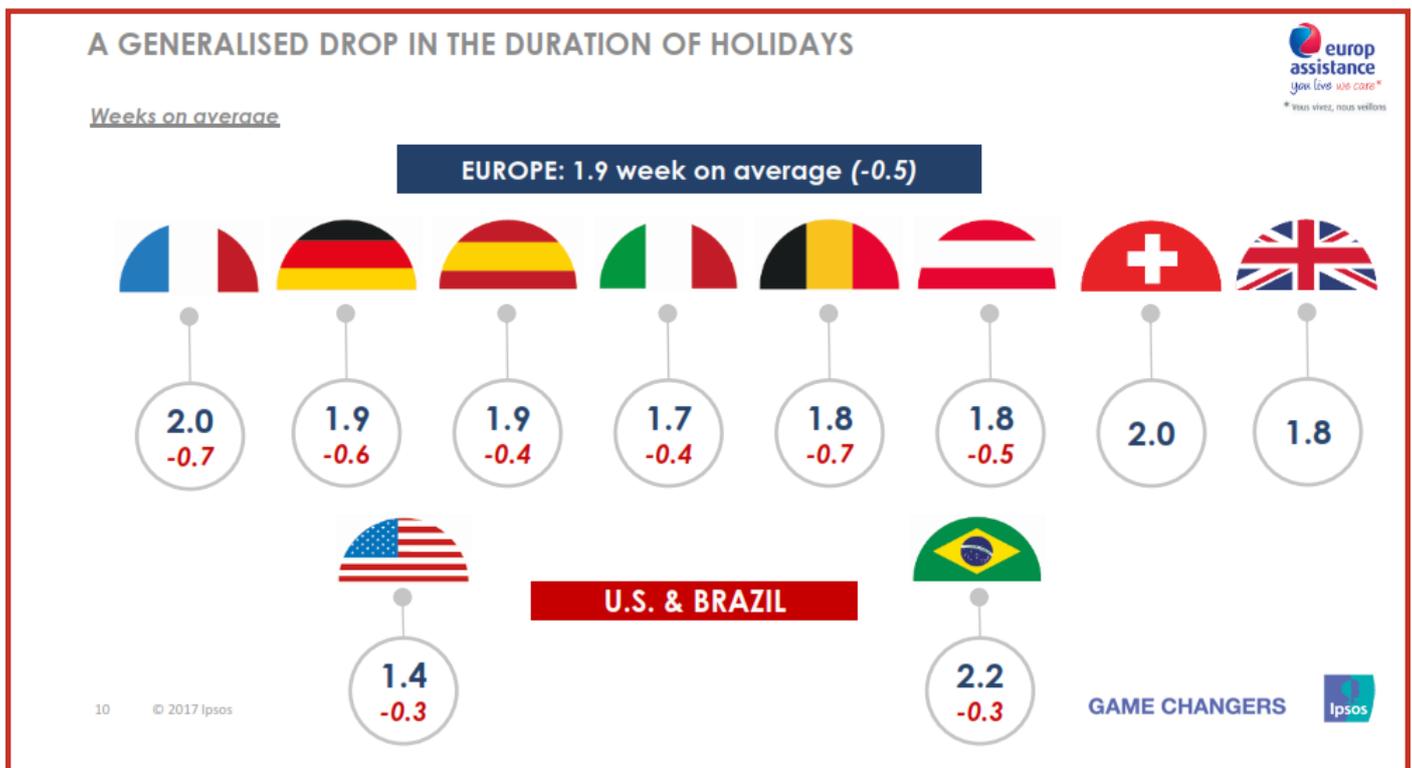
Summer holiday plans are rising again for 2017, the 17th edition of Europ Assistance's IPSOS Holiday Barometer has revealed.

The study of 10,000 people in 10 countries found that 63% of Europeans, 66% of Americans, and 66% of Brazilians are planning to take leave this summer. The figures are up by 9, 5 and 2 points

respectively from 2016.

Shorter breaks

However, the duration of holidays has dropped, with Europeans taking an average of 1.9 weeks (down 0.5 points), Americans 1.4 weeks (down 0.3 points) and Brazilians 2.2 weeks (down 0.3 points).



Spending less

Budgets are also smaller than in 2016, mainly due to the fact that breaks are shorter this year. Europeans are spending €1,989 (down 12%), while Americans are spending \$2,679 (down 20%) and Brazilians are paying R\$4,407 (down 23%) for their holiday.

Staying home

'Staycations' in particular are proving popular,

with 63% in France, 56% Italy and 52% in Spain intending to take leave in their own country.

Locations & activities

Perhaps unsurprisingly, the seaside is still the favourite destination of all Europeans, especially the Italians (72%), Swiss (65%), Germans (64%) and Belgians (56%).

Resting is a priority for Europeans, with 54%

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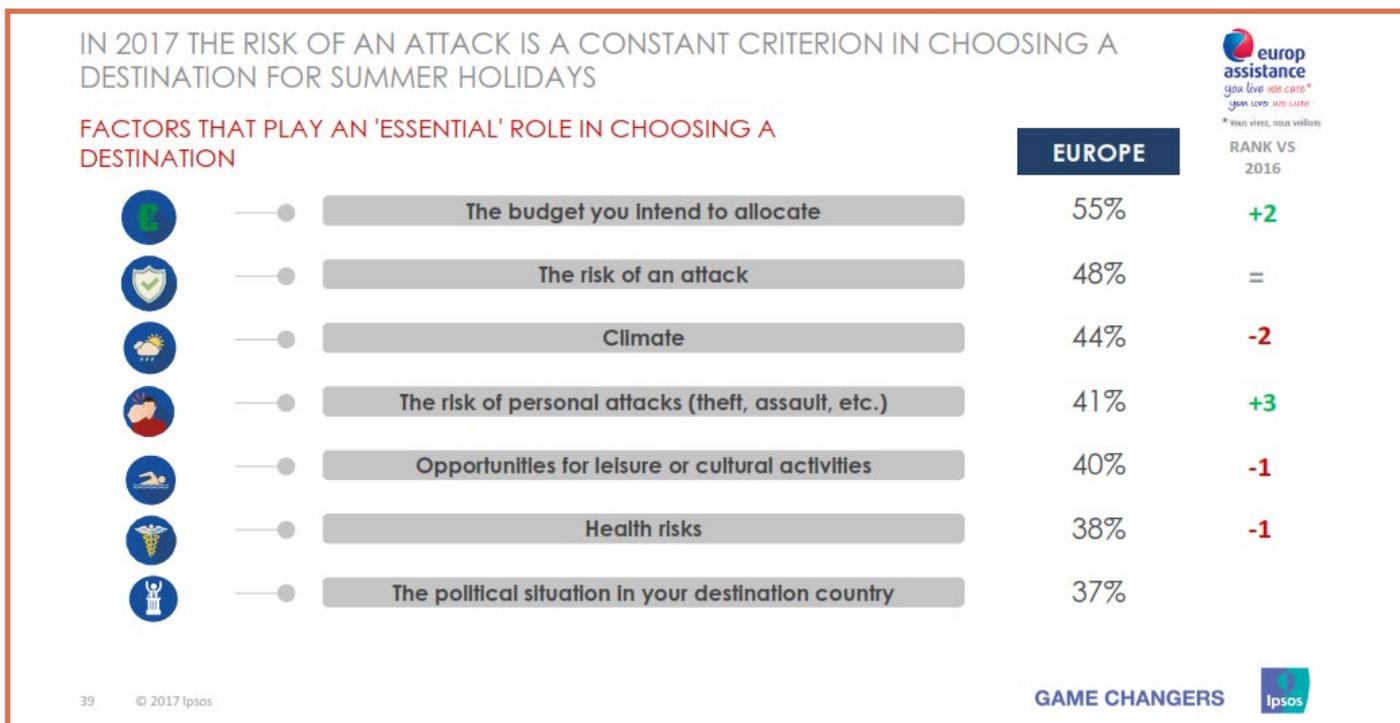
planning to relax on their holiday and 43% wanting to spend time with their friends and families. A change of scene is important for 41%, while at the bottom of the list is playing sport (9%).

However, while Europeans are keen to relax, they are least likely to disconnect from work while on holiday, with 20% admitting to still checking their emails but not necessarily answering them, 9% answering emails and/or calls, and 4% continuing

to work in some capacity.

Destination choice

In 2017, the risk of a terror attack is a key consideration in choosing a destination for 48% of Europeans – second only to the allocated budget (55%). Climate is the third most essential factor (44%), followed by the risk of a personal attack, such as theft (41%).



Accommodation preference

When it comes to accommodation, hotels are still preferred by 47% of European holidaymakers, followed by a house or apartment (35%), staying with friends or family (22%) and bed and breakfasts (14%).

The least popular choices are staying on a boat (5%) or in a motor home, camping trailer or mobile home (4%).

And while hotels also top the list for Americans (57%) and Brazilians (59%), staying with friends

or family comes second at 32% and 35% respectively, while renting a house or apartment is third choice at 18% and 21% respectively.

Dream destinations

The research further found that New York topped the list of cities that people across Europe dream of visiting, while for Americans and Brazilians, the Big Apple trails behind Paris are the number one destination to visit.

[Download the Ipsos-Europ Assistance Holiday Barometer 2017 - Report](#)

It's summer time! Make the most of the great outdoors

With lighter and longer summer evenings upon us, as well as warmer temperatures, now is the perfect time to take part in outdoor activities and enjoy nature.

Exercising outside, watching the sun rise and walking barefoot on the grass all offer the chance to relax and unwind while breathing in some fresh air.

A short bike ride, jog or yoga in the park are great ways of getting in shape during summer. However, even walking to dinner or going for a stroll with a friend is better than no exercise at all.

In addition, gardening is another popular outdoor activity, with farmers' markets and garden centres often providing a number of affordable options at this time of year.

Other ways to reduce stress, disconnect from work and spend some time with friends and family include taking a swim in the sea, sleeping under the stars and enjoying an outdoor picnic or barbecue. Dining al fresco is an ideal opportunity to bring those nearest and dearest together to enjoy good food and company over the holiday season.

With plenty of daylight time available, there really is no excuse not to seize the outdoor opportunities summertime brings.

Source: thriveglobal.com



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Korean public / private pension initiative brings benefits to SMEs

GEB's Network partner Kyobo Life has joined forces with the European Chamber of Commerce in Korea (ECCK) to develop an innovative Umbrella Defined Contribution Pension Plan that helps extend retirement savings to those employed by SMEs.

Although the Korean pension system provides an adequate allowance for the majority of people currently employed by corporations, small to medium sized enterprises (SMEs) can sometimes be left conspicuously exposed.

SMEs either don't have a corporate pension plan in place, or they only have a severance pension plan. This is because for many SMEs the adoption of a defined contribution plan is too complex and expensive.

Kyobo Life Insurance, in cooperation with the European Chamber of Commerce in Korea (ECCK), has developed the first "Umbrella Defined Contribution Pension Plan". This innovative concept allows multiple employers to participate under one umbrella plan.

Main advantages of the ECCK Kyobo Plan

Simple and Easy: Defined Contribution plan administration processes are pre-established and standardised, allowing companies to swiftly adopt and efficiently manage the plan.

Cost Efficient: The more the company's pension assets are combined, the lower the fee rates that will be applied.

Reduced Costs: Under this plan, the pension service provider's fee is determined by the combined amount of pension reserves of all the companies participating in the plan. This means that the fee rate becomes lower as the amount of asset increases. In other words, SMEs benefit from economy of scale.

One on One Service: Kyobo Life is the one and only pension provider that offers a "1 on 1 matching consultant" service. This involves a consultant actually visiting the company to provide updated information on the plan.

If you want to know more, consult the dedicated [brochure](#) or contact us at marketing@geb.com

Jubilee Life launches an innovative health app: a first for the Pakistan market

GEB's network partner Jubilee Life has introduced a customer-orientated smartphone app to give customers the opportunity to view policy and claims information, plus locate the nearest hospital from wherever they are. This represents the first innovation of its kind in the life insurance industry of Pakistan.

The Jubilee Health app, which is available for free download from Google Play Store, ensures privacy and security as log-in credentials are not saved in the app.

It will help users find the nearest Preferred Panel Hospitals in times of emergency, based on their location, from anywhere within Pakistan. It will also provide a guided route to the chosen hospital.

In addition, users can review their claim information and also that of their dependants, including details of respective claims made along with their status.

Any complaints regarding the user's health insurance services may also be registered via the app, saving time on sending emails or waiting in call centre queues.

GEB applauds Jubilee for the design and launch of this customer-friendly and wellbeing focused solution. Wellbeing is one of the key strategic topics for GEB so it's great to see our Network Partners also placing emphasis on this important area. If you would like to learn more about GEB's wellbeing offer, please take a look at our [brochure](#)

Jubilee
HEALTH INSURANCE

JUBILEE HEALTH APPLICATION

First time in the Life insurance industry of Pakistan, **Jubilee Life** introduces a customer oriented smart phone application to address to your needs and keep you updated on all your Health Insurance related concerns.

With Jubilee Health App you have access to your health insurance claim details in your hands, along with various convenient features that will save your time!

Available on the Google play

GET THIS APP FOR FREE AND MAKE YOUR LIFE EASY!

KEY FEATURES

Here are some of the features you have been looking for:

- HOSPITAL LOCATOR
- INSURED PERSONS
- COMPLAINT

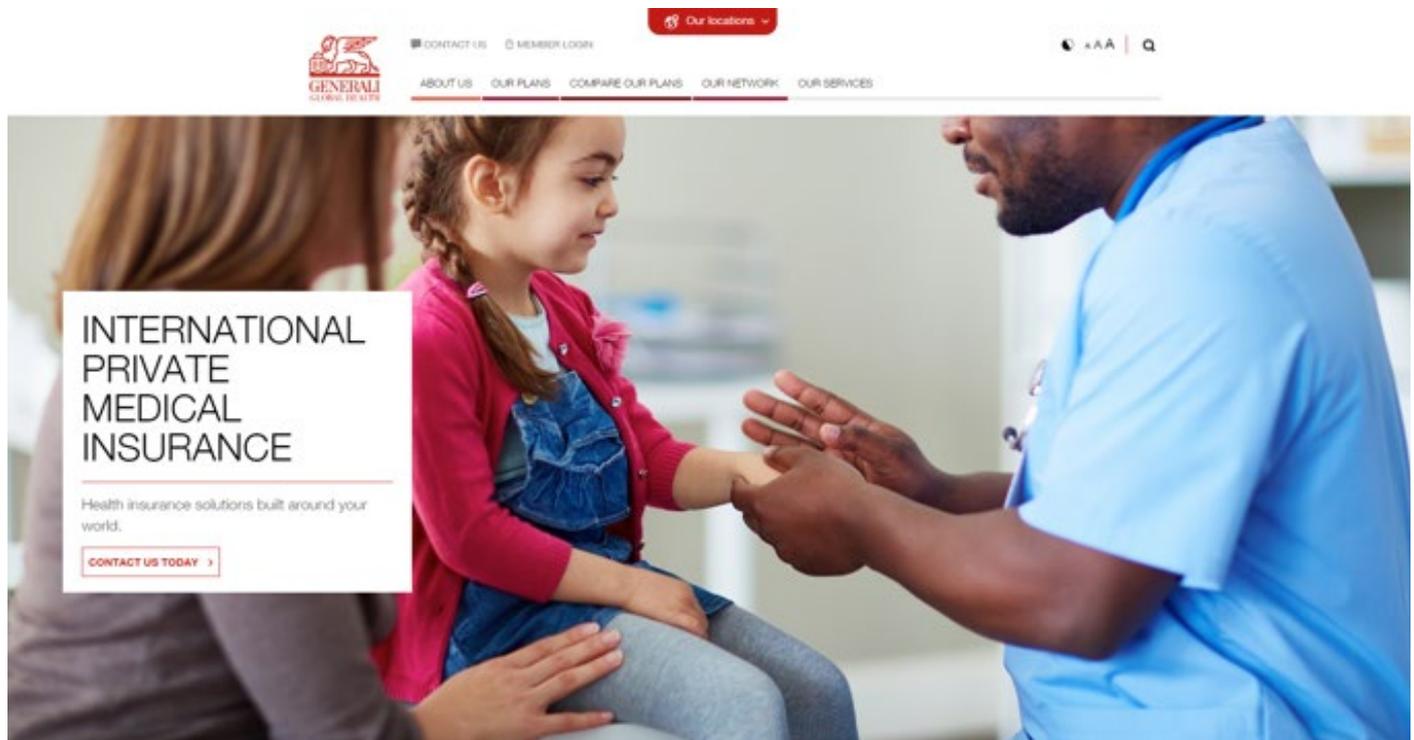
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Generali Global Health unveils its new website

Generali Global Health unveils its new website

Generali Global Health (GGH) has just launched its new global website!



It has all of the information from the previous site, but as GGH launches new products, in new geographies, to new clients and members, there will now be room for growth.

GGH will also be delivering more information about the international private medical insurance

(IPMI) market and enhancing the tools to help advisers, clients and their employees access the best healthcare information and services, from anywhere in the world.

Visit it today at generaliglobalhealth.com

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GEB lends support to global thought leadership

GEB is a proud sponsor of global conferences for HR and Risk management professionals.

In this section of our newsletter, you will find more information on our contribution to this year's **IEBA Conference** in Brussels, where we focused on health and wellness trends and calculating ROI on prevention. Plus an article on captives on the back of a webinar we hosted with **Captive Review**, which includes a client case study. On that note, we also sponsored this year's **World Captive Forum**, which took place in Florida. This edition of our newsletter includes an interview with GEB's speaker at this event Vittorio Zaniboni, GEB's Chief Technical

Officer, which was first published in **Captive Insurance Times**.

So far this year we have also delivered speeches in both London and Washington DC as part of the **Lockton Global Benefits Forum** and in Cannes for the **IBIS Academy**. These were all focused on the hot topic of ensuring expatriate assignment success.

Finally, read about our support for **Reward Guide's** Wellbeing in the Workplace event this September in Manchester, England, and find details about how to sign up to attend this free event.



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GEB at the World Captive Forum 2017, Florida

Captive Insurance Times interviewed Vittorio Zaniboni, Chief Technical Officer of Generali Employee Benefits after the event that took place on 29 – 31 January:

How the use of data within employee benefits captive programmes has evolved?

Generali Employee Benefits has been involved in reinsurance to captive since the very launch of employee benefits captive programmes in the '90s.

Over time we have shifted our approach: from simply duplicating operations and procedures from the pooling world, to adopting a tailored response to the specific needs of these arrangements.

First of all, captives tend to use data more intensely to gather business insight by closely monitoring how schemes are performing, their structure and evolution, the generosity of coverages in place.

Secondly, captives have different types of users and information needs: not only insight on business performance for the captive manager, but also accounting information from the formal reinsurance flow. Rather than reconciling these two perspectives in a single unified view we have been focusing on providing distinctive and more comprehensive sets of data.

The importance of benefits data has been at the centre of a dedicated panel you joined at the recent World Captive Forum. What were the main findings?

Captives use data to inform key management decisions. At the Forum we discussed how gaining new insight has been affecting key areas, from the captive set-up, with the feasibility study and Request For Proposals (RFPs), to the pricing and reserving decisions.

One of the areas where we have seen most innovation happening is the use of data to price new business and to steer renewals. We have



been investing particular effort into facilitating data-informed pricing and renewal decisions. This is quite challenging since the time frame is very short from the moment networks receive meaningful local data flows to when captives have to issue instructions to their subsidiaries.

Reserving is also an area that attracts high attention from captive managers – in particular in relation to Incurred But Not yet Reported (IBNR) or Outstanding Claims Reserves (OCR).

Is what I am reserving enough for future liabilities?

We work together with each of our client to address this concern and to define how to ensure this condition is true. As an example, we may think that the answer lies in the calculation methodology (how the locals calculate the reserves that pass over to the network and ultimately to the Captive) but we also need to ensure that the methodology is applied correctly and get more visibility on what is behind reserving numbers.

This is another area where our network has been putting tremendous effort, striving to define the best answer to this need. We believe reserving

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should not be treated in an isolated way but in an interconnected environment to derive what makes sense and why so.

Furthermore, we should look not only at the environment internal to the captive but also open up to benchmarking insights.

From data to insight: what are the challenges and the expectations?

We have more and more data available and the technology to support the handling of huge amount of information. So certainly collecting data is not an issue any more. But what remains a challenge is to navigate this sea of information and to derive from it better visibility and understanding.

I would like to point out the example of medical reporting, since healthcare costs represent certainly an urgent area to address for employers and individuals. Up to 5 years ago, networks were just providing accounting information on medical experience which could not provide actionable insight.

With the launch of our medical reports back in 2013, we changed this landscape. We integrated a more complete set of data that can explain the underlying cost drivers in the medical experience of a specific population and allow identifying a tailored corrective course of action.

We also discuss with our clients the need for benchmarking to fully understand the medical performance by putting it into context: even a bad performance in absolute terms can be normal in a given country, or the opposite can be true.

What are in your view the main trends ahead in data consumption?

I would like to point out three main trends we have observed over the last three decades.

The first one relates to the role played by employee benefits captives in a company's risk management strategy. We have seen employee benefits captives evolving from mainly risk financing tools to proper risk management vehicles, with companies investing to better understand and improve the performance and the wellbeing of their people.

A second and related trend refers to how the role of the benefits provider has been evolving. While at the beginning we acted as fronting partner, focusing on the reinsurance infrastructure, we have enlarged and sharpened our scope. Building on our privileged position - and access to employees' data - network providers are more and more acting as business partners that can coordinate and deliver value added services to enable our clients to take well informed-decisions on their employees' risk (from renewal support to benchmarking and tailored wellness programmes).

Finally another trend we have been observing relates to the need to develop "industry standards". Captives tend to use more than one network and expect them to align terminology and metrics to help consolidate information and facilitate a coherent overview of their benefits schemes around the world.

First published in Captive Insurance Times

GEB at IEBA 2017, Brussels

Staying ahead of health & wellness trends

The driving factors behind health and wellness trends, the impact on employers and employees and the ongoing question mark over whether it's possible to calculate tangible ROI on preventative measures all continue to represent hot topics for HR debate. GEB brought together all of these essential areas as part of a presentation at the International Employee Benefits Association (IEBA) annual conference in Brussels, with a view to helping companies stay ahead of health and wellness trends.

What is driving medical costs?

Speaking at the event, Carlos Lorente Panadero Area Manager - GEB's EMEA Regional Office, and Heiko Ditzel, Director Insurance, Group Insurance Dept. at Adidas, explained that the ongoing rise in medical costs are due to the combined and interrelated effects of price and increased utilisation, the latter due to longevity and spread of chronic disease.

According to the latest data from the World Health Organisation (WHO) by 2020, for the first time in history, people aged 60 and over will outnumber children younger than the age of five. In addition, healthy life expectancy is now 63 years globally. As the world's population gets older, people's health needs tend to become more complex. This is largely due to declining capacity and the increased likelihood of having one or more chronic diseases.

Worldwide, obesity has more than doubled since 1980 and, in 2014, 11% of men and 15% of women aged 18 years and older were obese.

Additionally, the Willis Towers Watson (WTW) Global Medical Trends Survey 2017 revealed that cancer, cardiovascular and respiratory conditions are expected to represent the top three issues globally over the next five years. Over the same time period, the biggest cost drivers in Asia Pacific

are expected to come from inpatient and outpatient services, whilst the Americas expects to see the biggest cost increases related to pharmacy, Europe outpatient treatment and Middle East & Africa maternity.

Is the work environment helping or hindering?

Meanwhile, an EU survey of new and emerging risks in the workplace^[1] shows that stress continues to be a considerable problem. Stress is thought to contribute to about half of all lost working days, along with other psychosocial risks, yet only about 30% of organisations in Europe have procedures in place for dealing with psychosocial risks. At the same time, the number of insurers globally that include treatment for mental health and stress in their standard medical insurance programmes has improved significantly, according to the WTW survey, to 61%, from 50% in 2014.

The work environment is intrinsically linked to some of these worldwide health issues. The EU report showed the most frequently identified risk factors for companies across sectors are:

- Dealing with difficult customers, pupils or patients (58%)
- Tiring or painful position including sitting for long periods (56%)
- Repetitive hand or arm movements (52%)

The survey found that desk-bound working comes with particular risks. Being bound to a desk for 8 to 10 hours a day increases a person's vulnerability to diabetes, cancer and depression, even if they are a sport enthusiast and exercise regularly.

During the presentation, Carlos highlighted the fact that as these health and wellness trends escalate, the associated medical costs are outstripping inflation. In 2016, the global projected medical trend rate was 9.8%, compared to a much lower projected global inflation rate of 3.9%.

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Return on value: two examples

Absenteeism and presenteeism

46.9% of the time (almost half of our time) the average worker is not paying attention

(The Potential Project)

Study on corporate mindfulness:

- 45% increased focus
- 35% improved effectiveness
- 34% better work-life balance
- 17% more engagement
- 35% decreased stress and
- 18% decreased multitasking.

General Employee Benefits

Standing desks

Study on call center employees: users of stand-capable desks are **~45% more productive** on a daily basis compared to their seated counterparts. (Texas university, 2016)



Building the business case

With businesses potentially bearing the brunt of declining health trends with regards to increasing absence, reduced productivity and increased medical costs, there is an essential need to invest in preventative measures when it comes to the health of a workforce.

Where to invest

Areas of focus might include:

- Network facilities performance.
- Phone / online assistance and services.
- Workers' cost sharing (where both employer and employee cover the cost of medical insurance).
- Lifestyle and behavioural change.

How to measure what works

Carlos pointed to many examples of organisations seeing tangible returns on investment in the health of their employees. For example, a study[2] by Texas University in 2016 in a call centre showed employees using stand-capable desks were 45% more productive on a daily basis compared to their seated counterparts.

Whilst research by the International Social Security Association[3] shows that for every €1 invested in occupational safety and health, employers can expect a return of more than €2.

In addition, by prioritising the health of employees, businesses may see added value benefits, such as:

- Better external corporate image.
- Increased employee motivation and

satisfaction.

- Lower rates of absenteeism and presenteeism: 46.9% of the time (almost half our time) the average worker is not paying attention. This lost time is obviously a concern for employers.
- Greater productivity as the Texas University call centre study illustrates.

How benefits networks are responding

As part of a consistent global framework, it's possible to get to grips with health and wellness trends by:

- Overcoming a sectoral approach
- Providing systematic solutions to complex challenges
- Identifying and collecting data. This includes detailed medical reporting to help companies identify and mitigate health cost drivers and

improve wellness.

- Providing central, global oversight and local insight to deliver corrective actions.
- Tailoring relevant solutions to drive employee engagement.
- Improving communications and engagement at both a local and a global level.

Sources:

[1] European Survey of Enterprises on New & Emerging Risks: Managing safety and health at work, The European Agency for Safety and Health at Work, 2015 https://osha.europa.eu/en/node/6745/file_view

[2] Call centre productivity over 6 months following a standing desk intervention, Texas A&M Health Science Centre School of Public Health, 2016 <http://www.tandfonline.com/eprint/km4nB428SqEGEqw7Bwjz/full>

[3] Calculating the international return on prevention for companies: costs and benefits of investments in occupational safety and health, International Social Security Association, 2013 http://publikationen.dguv.de/dguv/pdf/10002/23_05_report_2013-en--web-doppelseite.pdf

GEB at Lockton Global Benefits Forum 2017, London & Washington

Ensuring expatriate assignment success

This annual forum took a variety of global trend and innovation topics to HR and Risk audiences in Manila, Washington DC and London. Topics included: the how, what and why of HR and Risk collaboration; global health and security trends; the challenges posed by global Merger & Acquisition (M&A) activity plus the effect of cognitive technologies and changing demographics on the workplace. As one of the sponsors, GEB delivered speeches in both London and Washington.

Bjørn Røine, Business Development Manager at GEB's International Lines Department, led a presentation and Q&A session focused

on expatriate assignments. He explored considerations for HR and Risk professionals, placing particular emphasis on the importance of getting the cultural, social and emotional right in order to ensure a successful assignment.

Bjørn commented: "Sending an employee abroad will normally cost two to three times that of an equivalent position at home. When you take into account cost of living adjustment, relocation costs and settling in a family with international schools and daily allowance for the spouse / partner, it will amount to anywhere between \$300,000 and \$1m each year. So it is important to send the right people as failure will be very expensive for the employer.

Benefits around the World

Benefits	US Multinationals	EU Multinationals	EM Multinationals
Travel Ins.	Yes	Yes	Yes - extended
Group Life	1 - 2 x salary	2 - 6 x salary	1 - 2 x salary
Disability, <small>(income protection)</small>	50 - 65% of salary	50 - 80% of salary	
Disability <small>(lump sum)</small>	Limited	2 - 4 x salary	1 - 2 x salary
AD&D	1 - 2 x salary	2 - 6 x salary <small>when provided</small>	1 - 2 x salary
Healthcare	Yes - <small>some co-payments towards family cover</small>	Yes	Yes - <small>minimum ref travel insurance</small>
Retirement	DC 6 - 8%	DC 10 - 12%	Seldom
Supplementary top-up	Yes, <small>paid by the employee</small>	No/seldom	No
National Ins.	Limited	Generous (+/-)	None +

“In line with this, the type of support and benefits provided could make the difference between success and failure. In addition to ensuring that benefits packages are comparable to those provided by other employers in a region, it can also pay dividend to tailor benefits to individual needs.

“It is possible to set up different benefit designs within the same plan, which makes it possible to keep different groups of staff in one single contract. I’ve been involved in setting up a plan

for 93 expats: 47 needed a life insurance, 63 needed income protection, 58 were married or had a partner that needed both life insurance and income protection insurance.

“This involved a bit more administration on the employer’s side, but it was a cheaper and more beneficial solution as all employees were highly paid employees of a pharmaceutical company.

“One size fits all solutions work for some, but for others they’re likely to be very expensive and may not be very competitive.”

GEB at IBIS Academy 2017, Cannes



The IBIS Academy, organised by employee benefits consultancy Arthur J. Gallagher & Co, presents global HR and benefits professionals with knowledge and resources on international pensions and employee benefits in markets around the world. GEB partnered with the consultancy to share our expertise at this year's Academy.

Moderating a discussion entitled Ensuring Assignment Success: the role of your employee benefits and tax strategy was GEBs' Damian Ross, Regional Manager – UK, Ireland & Nordics. The speakers were Bjørn Erik Gigernes from client company Jotun, a global paint company responsible for projects such as the Eiffel Tower in Paris and the Burj al Arab in Dubai, Elisabeth Toffaloni from the Global Tax Network and

Pasquale Gorrasi, Director of International Lines at GEB.

The panel discussed the way in which policies must provide the same type of package for the same categories of employees, segmented according to the type of assignment (i.e. whether long-term or short-term) and how this can be achieved in practice. They also looked at the way in which such packages must allow a certain degree of flexibility to integrate the tax saving opportunities of each country.

Separately, Sven Roelandt, WEMEA Regional Manager of GEB Network, took a lead role in various discussions on multinational pooling, focusing on everything from the basics of pooling and types of pools through to selecting a network and captives.

Captives: leading a quiet revolution in international employee benefits

The recent Captive Review webinar entitled 'Employee Benefits – adding value to your risk management strategy' brought together experts from Generali Employee Benefits (GEB) and American multinational Cargill Incorporated, to discuss the benefits of adding employee benefits to a captive

Although captives are well-known and utilised by companies worldwide to control insurance risks and costs, it's fair to say that the practice of including employee benefits in such an arrangement is still in its relative infancy. Yet the advantages of doing so for companies with a risk management mindset are manifold, according to insurers and clients alike.

Originally designed in the early 1960s to help mitigate a company's property and casualty risk, there are now over 7,000 captives in operation worldwide. In contrast, the inclusion of employee benefits is a more recent development – albeit over the last 20 years - with around 80 companies using such an arrangement. This represents a growth area, with captives earning an enviable reputation, not only for risk management but also for a whole host of other advantages that a globally coordinated, yet locally sourced, programme can bring.

Why use a captive arrangement?

For global companies looking to mitigate risk, reduce volatility, stabilise costs, improve business intelligence, gain central control over employee benefits - yet enhanced service at local country level - there might be no better all-singing, all-dancing solution than a captive.

Marc Reinhardt, Director Sales & Distribution, GEB, explains that when a company adds employee benefits into a captive they are essentially taking the traditional concept of

multinational pooling one step further.

"A captive is a sophisticated risk transfer mechanism," he says. "The company is effectively setting up its own insurance company to cover their risks. A fronting insurer - such as GEB – issues the insurance policy on behalf of the captive and basically acts as its third party administrator. The underlying contract has to be locally admitted (compliant) where employee benefits are included in the captive and there is a reinsurance element, allowing for the transfer of risk from the local entity to the captive. The arrangement may include an aggregate stop-loss facility to cap the amount of losses the client is responsible for in terms of the frequency and severity of claims."

Put simply, captives allow companies to limit risk and retain what would have been the insurance companies' underwriting margins. Unused premiums and income generated by the captive insurance company on this third party business are returned to the company, turning what used to be an expense into a profit-generating programme.

What types of benefits can be included in a captive?

Typical benefits include life, accident, disability, medical, business travel insurance and pensions.

"We're seeing an increasing interest from clients in putting pensions into a captive arrangement," says Damian Ross, Regional Manager UK, Ireland and Nordic countries, GEB. "Putting a wide variety of employee benefits in a captive lends stability to the programme. This is particularly advantageous when property and casualty business is in there too, in terms of risk diversification."

What are the keys to success?

For a start, says Ross, it's vital for the company to ensure buy-in from senior decision makers

GEB lends support to global thought leadership

GEB at the World Captive Forum 2017, Florida

GEB at IEBA 2017, Brussels

GEB at Lockton Global Benefits Forum 2017, London & Washington

GEB at IBIS Academy 2017, Cannes

GEB & Cargill: Captive Review Webinar

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at a central, regional and local level and good communications are essential.

Success also depends on the choice of insurer / network partner and their capabilities in terms of:

- Solvency of the network used – locally and centrally.
- Ensuring that geographies match, in terms of the provider's local insurer partners and the local subsidiaries of the client company.
- Reporting capabilities.
- IT capabilities.
- Reinsurance capabilities – what levels and from which countries can the company reinsure?
- Service elements.

What kind of reporting is available?

Captives allow for the aggregation of reinsurance data, which may be used by HR and Risk managers to help identify all costs, improve processes, and identify any problem areas so that solutions may be tailored accordingly.

For this reason, it's important for global wellbeing programmes to be rolled out as part of overall employee benefits programmes, says Ross, ensuring fully integrated management information and solutions. He adds: "Via captive programmes GEB can now provide to clients detailed medical trend reports and other bespoke reporting. This information may be split to both company and policy level to help develop a more proactive risk management strategy."

Case study– Cargill Incorporated

Operating in 70 countries and with more of its 150,000 employees outside of the US than inside the country, Cargill provides food, agriculture,

financial and industrial products and services to the world.

Audrey Rudberg, President of Minnetonka Insurance Company (MIC) - Cargill Incorporated, explained that certain employee benefits were viewed more like other insurance risks that could be managed at on a corporate level.

"We have a centralised philosophy for risk funding," says Rudberg. "Our integrated approach allows for good financial oversight and the ability to manage terms and conditions. We also have a culture of compliance and are cognisant of the rules, regulations and culture in other countries. The captive is used as a tool for consolidating the risks of separate country programs.

The challenge

Cargill desired to move from a de-centralised to a centralised financing position. As part of this, they wanted to move select risk benefits from outside the U.S. U.S. benefits were not initially in-scope due to regulatory issues under U.S. law.

Cargill was no stranger to captives, having run one for over 50 years for its property and casualty business. "Although previously some of our employee benefits were run through it, they weren't reintroduced until around 3 – 4 years ago," explains Rudberg. "We took a strategy proposal to our leadership team, along with HR, to bring certain employee benefits into the captive."

The opportunities

One of the most obvious reasons for this was cost but, as Rudberg explains, perhaps even more important was the business intelligence that a captive could provide.

“In particular, we wanted a picture of total compensation, with employee benefits being such a critical spend there.

“We wanted the captive to give a picture of all costs, not just profits and losses. For example, what does it cost to administer those benefits? What does the broker cost? What does compliance cost?

“We also wanted more central control over financing of the selected non-US benefits. The same purchase was happening many times in the same countries. We wanted to find out whether there were opportunities to integrate. We also wanted to look at how to enhance the service to Cargill at a local level.”

Managing pushback

The captive partnered with the HR Total Rewards Center of Expertise /International Benefits departments. They reached out to regional HR managers to discuss the plans. They provided regional HR teams with information on what a captive is, why the new move, what they were trying to accomplish etc.

“We also published a company policy,” adds Rudberg. “This helped ensure everyone is on

a similar page at a local level and encouraged participation in the program unless there were compelling local reasons to remain outside.

“Local Cargill still designs the local benefit program. We’re trying to help ensure they understand the overall strategy and total spend at a country level.”

Getting started

Rudberg provides her top tips for ensuring the success of a captive programme:

- Ensure that HR and / or Finance and Risk work in partnership.
- Understand the benefits, policies and funding in place.
- Conduct a feasibility study. “This helped us with the internal discussions with the leadership team as we didn’t have a total understanding of the life side,” says Rudberg.
- Find a network partner that fits the company model and footprint.
- Communicate constantly!
- Be cognisant of data protection – for example, the latest changes to EU data protection requirements.

On the last point, Rudberg explains: “We’ve constructed a Chinese Wall. The benefits team and local Cargill have more of the participant detail and the local team and insurer comply with data privacy laws. The captive has the

information at a summary level – never anything private or confidential. For example, in the medical reporting that we receive, the data is arranged in such a way that you can’t identify individual claimants.”



The screenshot shows a video player interface. At the top left is the Generali logo with the text 'GENERALI Employee Benefits Network'. The main title of the slide is 'Employee Benefits Captives Adding value to your risk management strategy'. Below the title are three items:

- Get the Basics**
Marc Reinhardt – Director Sales and Distribution at Generali Employee Benefits
- Company's strategy to set-up a captive programme**
Damian Ross – Regional Manager UK, Ireland and Nordic countries at Generali Employee Benefits
- Captive company's perspective**
Audrey Rudberg – President Minnetonka Insurance Company (MIC) – Cargill Incorporated

The video player controls at the bottom show a play button, a time of 0:02, the text 'Generali Employee Benefits', a volume icon, a settings gear icon, and a full-screen icon.

Pencil 27th September into your diary
if you want to learn more about...

GEB & Generali-UK at Reward Guide's Wellbeing in the Workplace event, UK

Reward-Guide invites you to attend the annual Wellbeing in the Workplace conference on 27th September at The Lowry, Manchester, UK.

This free-to-attend conference brings together HR and Reward practitioners and a line-up of expert speakers who will address the different strands of a good health and wellbeing strategy – from promoting physical and emotional health to safeguarding employees' financial security.

Entitled *Build a wellbeing strategy for a happier, healthier and engaged workforce*, a key theme running throughout this event is how to achieve tangible results in a cost-effective manner.

A keynote address will be provided by Lis Robinson, Head of Work and Wellbeing in Later Life from the Department for Work and Pensions in the UK.

GEB and Generali-UK will also contribute their insight in the following advisory session:

- **Wellbeing on a budget: Damian Ross, Regional Manager – UK, Ireland & Nordics, Generali Employee Benefits Network**, will look at how UK-based companies with subsidiaries abroad can give employees access to local wellbeing benefits and services – helping to improve employee engagement and absence management – even on a limited budget. We will take a full end-to-end view from ensuring local compliance to achieving global consistency of approach and competitiveness.

The event programme is available here <http://events.reward-guide.co.uk/witwManchester/>

Please register online where you will also find more information about the event, the venue, speakers and sponsors.

We hope you enjoying reading our latest newsletter. If you have any comments, we would be delighted to hear from you. Email marketing@geb.com.

In the meantime, enjoy the sunshine and as our article on [page 11](#) states make the most of the great outdoors!

Have a great summer!



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