



insurope

Market leading insurers
in group employee benefits
across the globe

EMPLOYEE BENEFITS

MULTINATIONAL POOLING

An overview



INSUROPE

Insurope is a network of independent insurance companies providing employee benefit services to multinational companies across the world for more than the last 50 years.

The central area of Insurope's activity is **multinational pooling**, a concept which allows multinational companies to combine employee benefits insurance policies under one umbrella, and they benefit from financial and administrative advantages.

With more than 800 multinational clients, 80 Network Members covering more than 100

countries, Insurope has been consistently ranked among the top networks in the market.

Known for its flexible and innovative approach, supported by superior service, Insurope became the "Network of Choice" for many international companies.

Insurers are selected to become a member of the Insurope network on the basis of financial strength and proven proficiency in the field of group insured employee benefit solutions.

More than
800 Multinational clients



More than **4,500**
local country plans in force



More than
€ 800 million
in pooled
premium



80
Network Members



covering more than
100 countries



MULTINATIONAL POOLING...

THE BENEFITS



RETIREMENT



DEATH

Partner pension
Lump sum benefit
Orphans' pension



DISABILITY

Short & long-term
pension
Lump sum benefit



HEALTH



AD&D

(Accidental Death
& Dismemberment
Insurance)

THE PRINCIPLE

Multinational pooling is a financing mechanism that can reduce the cost of employee benefits through sharing of multinational dividends.

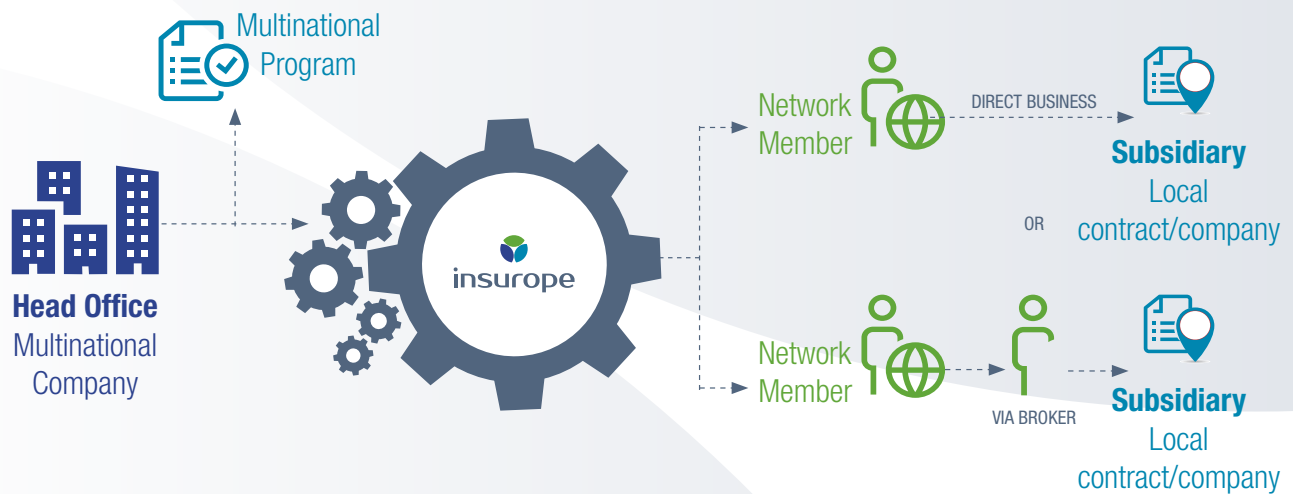
It combines policies in more than one country under a single multinational pooling program.

There are **two types** of multinational pooling arrangements:

- **STAND ALONE:** company-specific used by multinationals companies who are large enough to do the pooling on their own
- and **MULTIPOOL:** multi-client available for smaller multinational companies but also bigger ones with smaller number of employee participation.

The **advantages** of multinational pooling include:

- economies of scale and purchasing power
- financial cost savings
- improved underwriting terms and conditions
- annual reporting
- management tool and information base



Multinational profit & loss account

By consolidating the insured employee benefits with Insurope Network Members worldwide, Insurope is able, through a better spread of risk, to provide the multinational company with a multinational profit & loss account. Through this multinational profit & loss account the multinational company and its subsidiaries receive the benefit of international profit sharing.

To simplify, this multinational profit & loss account will identify the difference between premiums and claims.



Any positive balance is made available to the multinational company and/or its subsidiaries as a multinational dividend.

all at no additional cost

Estimates by advisers on multinational pooling suggest that over a period of years an 8% to 15% reduction of local risk costs can be achieved.

	Contract A	Contract B	Total
Income Premiums	100	200	300
Outgo Claims	50	100	150
Result	50	100	150

Multinational dividend = 150

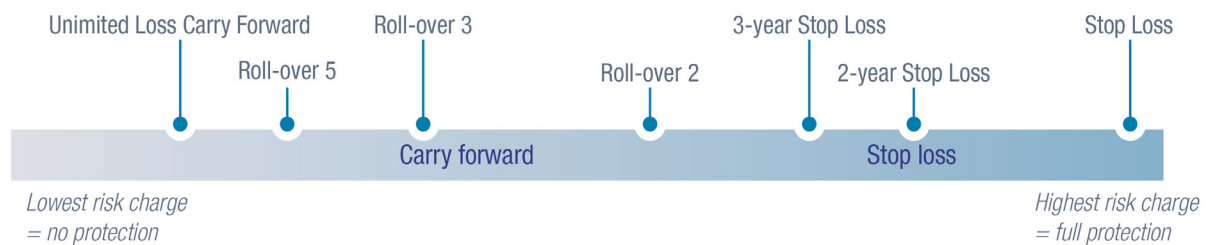
POOLING SYSTEM FEATURES

Insurope offers a variety of pooling systems which ensure a flexible solution for the global risk financing of a multinational's worldwide employee benefits. Each system provides its own specific protection of the results of the multinational profit & loss account.

RISK SPECTRUM

◀◀◀ A more “self-insured” approach

A more “insured” approach ▶▶▶



▶▶▶ Towards more protection ▶▶▶

- **Global free cover limits** determine the level of coverage offered by the Insurope Network Members without any medical evidence, often significantly increasing the local level available.
- **Global rating limits** protect the profit & loss account from high individual claims and are designed to provide an optimum balance between protection of the pool result.
- **Administration charge:** represents the cost for the local administration of the insured benefit plans included in the pooling system. Charges are governed by an Insurope worldwide network scale.
- **Risk charge:** reflects the cost for the protection offered by the pooling system (see ‘Risk Spectrum’ diagram above).

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