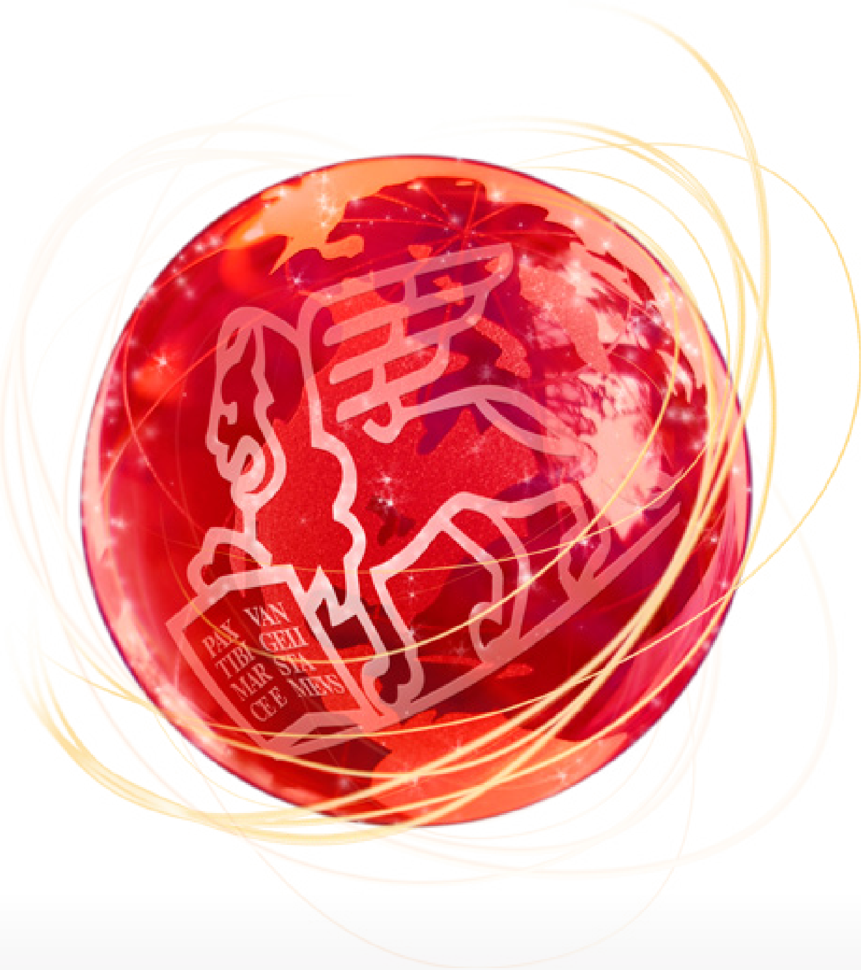
GEB News - April 2015



Generali Employee Benefits

Local protection, global connection

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Interview with the new Head of GEB: Sergio Di Caro

What will be your role at GEB?

My role is to lead GEB through continuing success, and to conduct it to the next level of service and innovation.

What are your achievements?

I have been almost 30 years at Generali, of which 25 spent in Asia, and it all started with GEB, as Employee Benefits were my first love. When I got seconded by GEB to open the Asia-Pacific office, I felt Asia was the place to be. I decided to stay, and I spent the last 25 years setting up all the Generali group's insurance operations across the Asia-Pacific region.

How did it go?

We started very humbly: the entire population of Generali in the region back then amounted to two people, my assistant and me. Now I leave a structured organisation with thousands of employees and a strong salesforce. And Generali today operates as the leading foreign insurer in the Life segment in China, besides Hong Kong, India, Indonesia, Japan, the Philippines, Thailand, Vietnam, Malaysia and Singapore.

What will you bring from this experience to GEB?

After so many years spent in the region, I will personally contribute my deep knowledge of the Asian markets, with expertise in both corporate and retail insurance, to enhance GEB capacity to respond to the fast growing demand for employee benefits in the area.

I am also fully aware that this time I am taking over an entity that is already the n. 1 in the world, which is not easy.

I am extremely proud of how GEB managed to become the first global network and leader in the market. But we, GEB, are convinced we have important achievements ahead, and all the capacity and ambition to catch them. Our success as a growth company has always relied on our capacity for innovation and for being first mover in the market. And we are confident we will continue to grow further.

What makes GEB unique?

Its people first and foremost: GEB means to me a terrific team of global professionals, with recognised unparalleled technical skills and risk management capabilities, but also deeply committed to service excellence. GEB has been able to entirely articulate its global network around its clients' needs, strongly investing in long-term relations. Our clients loyalty, and the unique expansion of our geographic footprint over the years, well demonstrate our capacity to best serve them.

What GEB partners and clients should expect?

GEB will continue to be "the same": simply the number one global network over the last 50 years.

We will keep investing in our core business to continuously improve our offer, enhancing at the same time our salesforce agility. We intend to listen to and groom younger generations of talents, responding to new emerging needs and trends. Finally, we will focus on renewing our capacity to build strong partnerships with clients and business partners, to enable a true holistic approach to their workforce needs.

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Generali 2014 results: The turnaround is over. All targets have been delivered one year in advance.

2014 results mark early conclusion of Generali turnaround as all targets have been delivered one year in advance.

Despite the challenging macro-economic scenario and low interest rates, the Group profoundly transformed its financial and business profile in just two years.

Generali Group closed the financial year with strong growth, completing its three-year 2015 turnaround plan one year ahead of schedule. Strategic initiatives have enabled Generali to improve its profitability and rebuilt its capital strength.

The implementation of the strategic plan also allowed the company to exceed its 2015 main profitability target one year ahead of schedule: operating RoE reached 13.2% at the end of the year (vs 13% 2015 target; 11.7% FY13).

2014 Consolidated results in a snapshot:

- Overall operating result rose to more than €4.5 bln (+10.8%), with excellent performances in both business segments
- Operating RoE increased to 13.2% (vs 2015 target 13%)
- Net result €1.7 bln (€1.9 bln FY13), which includes €0.4 bln of extraordinary one-offs (BSI sale and Ingosstrakh impairment); adjusted net result €2.1 bln
- Proposed dividend per share of €0.60 (+33%; €0.45 FY13)
- Gross written premiums exceeding €70 bln (+7.7%) thanks to growth of unit linked products in the Life segment
- Continued focus on the Group's solidity; Solvency I at 164% (vs 2015 target 160%).

For more information, please consult the Press release

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Generali Outlook 2015 Global View

2014 what happened: 2014 was the seventh year since the outbreak of the Great Financial Crisis (GFC). Yet, challenges have remained high for euro-based investors: the growth momentum in the euro area fell yet again, inflation receded markedly, and significant geopolitical risks added to volatility in financial markets.

2015 running on one cylinder: For the year 2015, we expect the investment environment to remain challenging. In terms of global macro, we see convincing signs of an economic upswing only in the US. In terms of investment income, we anticipate a low total-return world, with periodic spikes in financial market volatility.

Needless to say, risks will again be plentiful. Find out more from Generali Investments Europe Research:

http://www.generali.com/Generali-Group/Media-Relations/corporate-magazines/homepage-s-focus/?idSezione=329119

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Focus: Towards a workforce without borders

Over the last decade the number of high educated migrants increased by more than 70% in OECD countries. In Europe, citizens are increasingly working across borders, and for the first time in 2014 south-south migration between developing countries outnumbered south-north migration to developed countries (World Bank).

Managing global talents is today more than ever key to competitive advantage on the world stage.

Which is why GEB is stepping up its dedicated capacity with its newly rebranded **International Lines Unit**, providing a full range of solutions for what expatriates and employers most need and value today.

This issue of GEB News includes a special focus on expatriates to bring to you latest trends and emerging challenges, their impact on talent expectations and industry strategies, as well as resources to shape state-of-the-art global mobility strategies.

Expatriates: who are they?

The profile of the average expatriate is evolving into a newly diversified picture, with new countries and generations entering the scene, thus challenging more traditional approaches to mobility programs.

The expatriate condition is attracting an increasingly diversified population. As in the past, the average profile is still predominantly of a mature male person, around his 40s, moving accompanied by a partner/ spouse.

But new trends are emerging, that are reshaping the global workforce:

- More and more feminised: more women are entering the scene and are open to an experience abroad as part of their career progress
- Millennials picture their future career on a global scale, and expect by their company the opportunity to have an exciting assignment abroad

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- They are recruited directly from their studies, as international students are integrated in the host country recruitment channels. Students consitute one of the fastest growing category of expatriates as more and more governments support foreign students participation in the labour market (Better Skills, Better Jobs, Better Lives, OECD, 2012)
- Younger expatriate population tend to move alone (about 30% moved as single in recent years), and though they can be less costly than executives, they bring about new challenges in terms of loyalty and motivation (Cartus, 2014)
- Countries of origins and mobility patterns are changing, with Asia gaining importance. And overall in 2014 south–south migration across developing countries was slightly larger than south–north migration, from developing to developed countries (Building human capital through labour migration in Asia, OECD, 2015)
- Varied mobility solutions: while the return-home becomes less and less relevant, developmental assignments are expected to increase the most, followed by short-term assignments and rotational programmes, permanent transfers, and extended business travel (global commuting), according to Cartus latest survey.

With different generations of workers moving aborad and new geographies entering mobility patterns, companies strategies face a variety of expectations and needs, as well as new challenges to unlock the full potential of expatries while balancing budget constraints.

Global workforce: new trends

In the context of increasingly globalised and connected societies, the number of expatriates is set to continue to increase, expand across sectors, and play a major role in both governments and companies strategies.

There is a general consensus on the positive impact of workforce mobility for both hosting and sending economies.

Expatriates can be a vehicle to stimulate foreign investments and create a bridge with business opportunities in their home countries. In the long term they contribute to boosting local innovation, competitiveness and capacity to expand into global markets. (World Bank, 2013)

Overall growth objectives and expansions into new markets are leading to an increase in mobility programs within their organisations for respectively 74% and 50% of companies participating in the last survey on Global Mobility Policy and Practices, published in 2014 by Cartus.

As mobility of skills and talents constitute the backbone of knowledge-intensive economies, governments worldwide are increasingly called to review their skilled migration policy.

How countries can favour mobility of skilled expatriates:

Quotas	Restriction on the numbers of expatriates can be at country level (as in UK and US) or an industry basis (taking into account the size of the company as in Mozambique or the investment amount as in Ghana and in Thailand)
Temporary Work Permit (TWP)	Reducing uncertainty and lack of clarity about how to obtain a TWP and whether specific support for companies (such as fast-track, one-stop-shop assistance) is available: the global average time needed to get a TWP is 8 weeks, with Asia Pacific as best practice (only 5 weeks needed on average, up to 10 days in Singapore) and MENA region lagging behind with on average 11 weeks needed
Accompanying person	From Spousal Work Permit, to extended protection to family members, and additional services and programmes available to facilitate the accompanying perosn/family to adjust to the new country
Dedicated support	Countries can invest in dedicated support not only to foreigners but also to local companies on how to recruit and best retain global talents. Japan is a best practice

(Source: Dieter De Smet, Employing Skilled Expatriates, World Bank, 2013, License CC BY 3.0 IGO)

While skilled migrant workers are recognised to fully contribute to the economy of both host and home countries, they remain extremely vulnerable and unprotected as pointed out by the International Labour Organisation of the United Nations (International Labour Organisation).

They risk of not being entitled to social security in their home country, due to their absence, but they can find themselves being prevented from fully receiving benefits in the host country, even when contributing to local schemes. If they relocate, they can face constraints to portability up to losing what paid for.

While the workforce goes without borders, we need to ensure protection and rights goes the same way. Employers can make a difference through sustainable investments in their global talent strategies.

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Global workforce: new challenges

Cost control, but not only. If costs control is still a top challenge for employers when designing their mobility programs, it is far from being their only focus. One clear trend is increasing complexity: with stronger demand for flexibility, one-size-fits-all is not an option anymore. But opportunities lie ahead too, as the mobile employees become a key asset in globalised economies.

- The evolving profile of expatriate employees, with new generations and countries entering the scene, offer companies both the opportunity and challenge to manage an increasing variety of mobility programs
- Introducing greater flexibility can help not only comply with budget constraints, but also address needs and expectations of different generations of employees, as confirmed by three-quarters of companies responding to the Cartus mobility survey (2014)
- Mobility practices are increasingly integrated in overall business strategies, in particular linked to expansion into new markets
- If expatriates are an asset in globalised economies, companies face an extra challenge in balancing the imperative for cost control with longer term strategic growth objectives
- Measurement: it is essential to integrate variety into the most appropriate monitoring system, by identifying right data and analytic approach
- More and more companies are adopting a global approach to coordinate tailored solutions with central governance and control, thus matching cost control with enhanced return on investment and strategic growth
- Employees increasingly value not only an attractive compensation but also meaningful careers and relations with their employer. They are global citizens but face a less secure future. Clearly communicating your commitment to their protection, wherever they are and will be, is key to retain them and ensure the success of your assignment projects
- Gauging risks: 2014 proved not all risks can be predicted and uncertainty should be a central component in employers strategies. Ebola crisis, conflict in Ukrain and global terrorism signal the need to protect your investment abroad with rapid response and assistance capacity at global scale.

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Best global mobility strategies, step by step

Companies that understand how mobile employees can be a key asset, are fine-tuning their strategies to coordinate global activities and select the most suitable approach. Find out how:

Building the foundations:

- Your unique workforce: A good starting point is carrying out an analysis based on a detailed employee population census. This will allow to assess where they are located, their status and expectations, and to integrate this information into your overall strategy
- The environment: Conducting a geographic and industry benchmark will shed light on the employee benefits market, identify best practice, and assess how your own company perform against competitors
- Flexibility: Based on previous analysis, it is possible to identify tailored solutions, by selecting benefits to match the needs of different groups of employees in the same plan

Global design:

- Governance: Define the balance between flexibility and cost control and central coordination to enhance your company operations
- Measurement: Set up centralised monitoring, measurement and reporting systems to assess effectiveness and return on investment in your mobility plans
- Support and assistance: Assess the need for centralised support in managing different regulatory systems, across countries or even within the same country across industry sectors or regions
- Pooling: Integrate your expatriate benefits in a global portfolio will allow you to reduce costs and enhance profitability of your benefits solutions

Employees value proposition:

- A multinational plan will ensure portability of coverage, so as not to face constraints when relocating, and enhance protection of the employees, who may for instance be ensured access to facilities and care not available in their host or home country
- Part of the return on your costs, is based on how much your workforce understanding of the benefits they are provided contribute to their engagement and retention
- Make your benefits a statement and a competitive advantage with clear messages to explain to your employees the value of benefits provided

GEB International Lines solutions

GEB International Lines provides a full range of cross-border and customised solutions, ranging from life insurance via income protection, accidental and travel insurance to pensions and worldwide healthcare plan for the whole family. Find out more on our expatriate solutions

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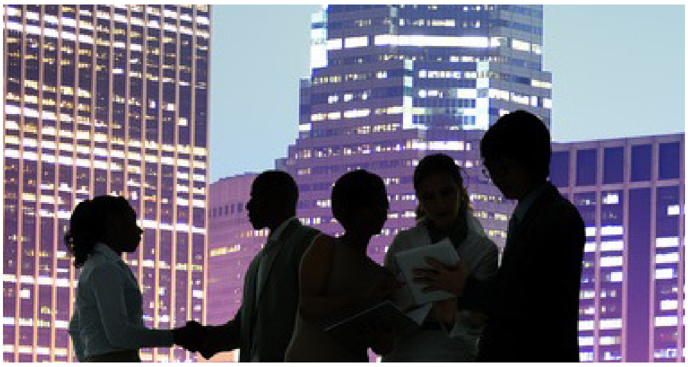
European Compensation & Benefits Forum

5 - 6 March 2015 - Vienna, Austria. Compensation and benefits are key to improving the quality of life of employees, their motivation and engagement at work, thus strongly contributing to enhance companies performance.



Unlocking their impact on your workforce is however a complex and challenging task, as companies are asked to design and deliver the right plans at a reasonable cost, properly communicated and understood by all partners involved.

The European Compensation & Benefits Forum, sponsored by GEB, brought together main market leaders from all over Europe to discuss and share experiences on urgent challenges and best practice to attract and retain talents in the EMEA region.

During the two-day event, experts from the region discussed in several panels the current market landscape, the need to align rewards with overall strategies to maximise return on investment (ROI), how to invest on new flexible approaches and improve communications with employees.

- Data:

  Debate opened on 5 March, with a panel on changes affecting reward plans and challenges to measure their effectiveness.

  Discussions focused on the need to set in place the correct measurement system, by collecting meaningful data and designing an accurate monitoring and reporting process, in order to assess the effectiveness of your plans and demonstrate appropriate ROI.

- Flexibility:

  In today's globally competitive environment, rewards provide a key opportunity to create value for your talents but they need to be flexible, meaningful and integrated in the overall employees value proposition.

The one-size-fits-all benefits package for the baby boomer generation is not adequate anymore to link rewards with motivation for the different generations in today's workplace. Among the tools employers can use, segmentation techniques to manage different expectations, and tailored programs for the new generations.

Employers have to strike a balance between the need to adopt an individualised approach and the need for governance and cost control.

GEB discussed the impact of diversity management on benefits programs for expatriates, as a career without borders is not

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any longer a prerogative of a restricted group of employees but increasingly “normal” for a variety of generations and professions.

- Wellness:

  New solutions are emerging outside the perimeter of traditional benefits, such as the growing investment on promoting health at work with wellness programs. Having a healthy and balanced life is among the most valued reward and can be implemented effectively, as presented in a best practice exchange session.

- Engagement:

  The impact and success of your benefits programs will ultimately rely on your ability to improve employees’ understanding on the benefits they are offered.

  HR professionals need support from benefits professionals to structure complicated financial contents in a clear and meaningful way. Social media, gamification and cloud services are increasingly common platform to deliver rewards in a more proactive way, in line with an overall trend, that the 2015 Forum contributed to highlight, in managing employee benefits: from compliance to competitiveness tools.

  http://www.uni-global.eu/en/event/2015-169

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GEB and INGO Insurance Group celebrate cooperation with a new program in Ukraine

Kiev, Ukraine. Generali Employee Benefits Network (GEB) joined its partners INGO Ukraine PJSIC and INGO Ukraine Life PJSC to present results from their 2-year cooperation to an audience of risk managers, HR and benefits professionals.

The event offered the opportunity to present progress to date in delivering corporate risk life and voluntary medical insurance services across the country, as well as new plans ahead.

“We are successfully pursuing the strategic goal of our cooperation, which is all about ensuring new high-quality client service standards in the market of Ukraine” noted Andrea Valacchi (GEB Director, Europe Middle East & Africa). “In addition, we have developed, and we are proposing now together with INGO Ukraine Life, a brand-new long-term corporate life insurance program for “Additional pension”. This pension plan will complement the package of personal insurance programs used in the Ukrainian companies.”

“We are delighted to represent such a respected and recognized global insurance brand in Ukraine” said Igor Gordienko (CEO of INGO Ukraine PJSIC). INGO Insurance Group provide high-quality services at local level, while Generali Employee Benefits Network guarantees quality and control worldwide. Risks insured are covered by one of the largest reinsurance companies in the world”.

“During the second year of our cooperation we observed increasingly better results. We provided corporate voluntary medical insurance coverage for nearly 3600 employees from 25 companies”, said Gennadiy Mysnyk (Deputy CEO, INGO Ukraine PJSIC).

“Effective GEB and INGO Ukraine Life partnership helped the Company gain a strong foothold and a leading position in corporate risk life insurance”, noted Tatiana Ryzhova (Director General, INGO Ukraine Life PJSC). “Our cooperation resulted in 115 insurance contracts concluded. 12.6 thousand employees were insured.”

Discussions further addressed best strategies to ensure employee benefits programs contribute to corporate social responsibility strategies and to building internal corporate culture, by motivating and retaining key employees, attracting new experts, while potentially saving costs.

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The 2014 - 2015 Ebola Outbreak: Lessons Learned

The time has come, as the epidemic is at long last showing signs of gradually subsiding, to ask ourselves what lessons we have or should have learned, and what we could do to make ourselves less vulnerable to the impact of infectious disease outbreaks on our workforce and that of our clients.

Last fall numbers were still growing and efforts still had to be stepped up to fight the epidemics progression. Several measures were implemented by local governments, international organizations, NGOs and private sector to first of all reduce the incidence of cases, but also to geographically contain the epidemic and also to start addressing the economic and social reconstruction required after such a devastating event.

Systematic plans are now in place in various areas, and international medical assistance companies are now better equipped to support their clientele.

Numbers have started going down and commitments up

Last figures (8 April 2015) published by the World Health Organization (WHO) show that there have been 25,515 cases and 10,572 deaths since the beginning of the epidemic, but that the number of new cases for the least week had been the lowest for almost a year.

There were no new cases in Liberia and figures in both Guinea and Sierra Leone showed a marked decrease.

At the same time, under the stewardship of the newly created UNMEER (United Nations Mission for Ebola Emergency Response, created September 19th 2014), the international community has worked together to stop the outbreak through four strategic actions: case management, case finding and contact tracing, safe and dignified burials, and social mobilization. Funds have been dedicated to aid the fight against the progress of the epidemic. And among those 1 Billion USD pledged by World Bank partners.

There are still warnings that the impact is not over, and on the need for a long-term reconstruction of the economies of the three most affected countries, Guinea, Liberia and Sierra Leone. However the immediate needs for treatment are reduced and plans for decommissioning some treatment facilities have been activated. The outbreaks in all other countries, notably concerning ones in Nigeria and Mali, have been contained, which illustrates the quality of the response in those countries.

On the scientific front, this emergency triggered **accelerated research efforts** focused on the development of vaccines which are now being treated, as well as on the use of immunological and antiviral therapies, which are also in the process of being tested.

The Involvement of Europ-Assistance in planning for this type of contingency

The Europ Assistance group had to react on one hand to protect its clients in affected areas and in neighboring countries, and to be prepared to eventually evacuate or repatriate potentially affected clients.

This involved some direct actions on the ground, as some facilities, such as those in Port-Harcourt, Nigeria, were at some point directly threatened by contamination. The rapid deployment of solutions centered on the establishment of triage and patient isolation mechanisms, and on the equipment and training of staff in the proper use of such equipment. This confirmed the need to plan ahead of time, and

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to take into account facts such as resistance from members of the staff to go to work, or to comply with the strict circulation control regulations, by investing on extensive information to all staff, including those not on site or off rotation. The essential messages was that compliance with rules does provide almost fool-proof protection and that industrial activities can be maintained despite such threats. Thresholds at which activity reduction and even site evacuation must be implemented are part of the plans to be put in place.

While initially the overall public health strategy of non-affected countries was to keep the disease away from their countries, certain evacuations and repatriations did take place, and in some cases this resulted directly or indirectly in the triggering of limited local outbreaks. Initially only military aircraft and one private provider mandated by the military were able to safely conduct air ambulance flights with Ebola patients or high risk contacts on board, then several air ambulance providers developed solutions. Europ Assistance France, under the leadership of its medical director Dr. Daniel Boulanger, purchased isolation units and trained staff in order to be able to fly clients back should it be required. The acquisition of such a capability is an

investment to best prepare to respond to future public health emergencies.

The main lesson is that development of corporate plans for all entities with large numbers of staff, mainly in isolated environment with limited local resources is a cost-efficient investment. Going ahead with such a planning exercise and not while under the direct threat of an emergency such as Ebola can be optimal, as it allows stepwise implementation and does not require any “corners to be cut”.

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India new insurance framework to foster growth

The Indian government is implementing a major reform of the insurance sector, in the context of its drive to foster economic development.

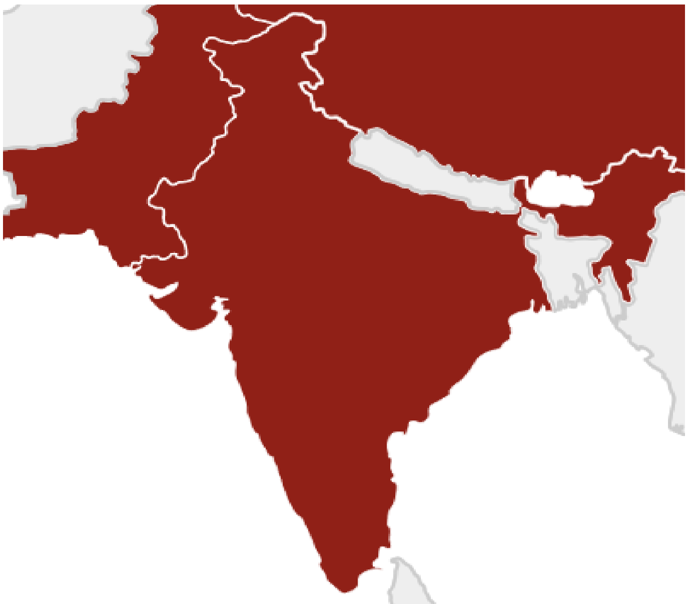
The Insurance Laws (Amendment) Act (passed in March 2015) opens the sector to stronger collaboration with the global economy and with private sector. A key measure in the bill raises the cap on Foreign Direct Investment (FDI) from 26% to 49% thus contributing to frame India as one of the fastest growing economy and most favourable destination for investments.

With over 1 billion population, India is the world's second largest country. Still the insurance penetration is among the lowest, with only about 30% of the population covered by general insurance. The government recognises privatisation can help fill this gap bringing about not just increased capital inflows but also technology, expertise and effective management to ensure greater penetration for a large and varied society as India is.

The Insurance Regulatory and Development Authority of India (IRDAI) explains in a dedicated journal (The Insurance Laws (Amendment) Act, 2015 - A Game - Changer for the Insurance Industry) the benefits to be derived from this the paradigm shift, as well as counter-measures in place to ensure consumer protection.

Following the notification of the Act, the IRDAI is currently working on new regulations that will be rolled out over the upcoming months in support to its implementation. Among the proposals under scrutiny, the revision of the **health insurance guidelines**, that will impact various areas from products and distribution to actuarial aspects and claims experience, to better respond to growing demand for health coverage.

With very low public spending (1% of GDP) healthcare has been relying on private sector providers, and out of pocket expenses sustained by citizens. As anticipated by The Times of India, the new proposal will amend the Employees' State Insurance Act of 1948, India's first social security legislation, in order to give workers the right to individual choice between a scheme run by the ESIC - Employees' State Insurance Corporation (up to now compulsory for certain employers) or an insurance product available in the market. State-run ESIC schemes mandate employers to contribute 4.75% of an employees' gross salary with a 1.75% matching premium payment from employees.



Workers covered under an ESIC scheme will be allowed to subscribe to a health insurance product if approved by the Insurance Regulatory Development Authority Competition. Costs and product innovation are among the expected benefits. Restrictions on contracts duration could be removed with employers gaining access to long term plans, while at the moment they have to be annually renewed.

Long-term plans, health savings accounts and single-premium health insurance policies could be available to individuals. More on IRDAI.

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