

POWERED BY A COLLABORATIVE CONSCIOUSNESS



Andrea Valacchi, director EMEA at Generali Employee Benefits (GEB) Network, reflects on his career and the importance of unity in the employee benefits space

Andrea features for the second year running in the *Captive Review* Power 50 and it's easy to see why; an inspirational, yet modest, man with a passion for collaboration with peers across the market, with colleagues at GEB, business partners and, now also helping facilitate that collaborative ethos within client companies for the benefit of their internal communities; an imperative that has been accelerated as a direct result of the Covid-19 pandemic.

Captive Review (CR): Where did your career start and how did you reach where you are at today?

Andrea Valacchi (AV): My career began in 1989 with the Generali Group. I had the privilege of being a marine underwriter and learning on the job thanks to a fantastic mentor named Aldo Salcioli who was, at that time, a treaty leader underwriter in London. This represented the perfect school to help me understand the insurance business. I've never stopped learning since. This experience gave me the fundamental basics that allowed me to develop and grow over time.

Andrea Valacchi



Andrea Valacchi, director EMEA, started working for Generali Trieste in 1988, and moved first to Generali France and then, in 1991, to Brussels, where he was promoted to assistant manager of Generali European Services (GES). In 2003, he joined Generali Employee Benefits global headquarters as area manager, and then regional manager, supervising Western Europe, and the GEB Network expansion in Middle East and Africa. From 2010 to 2015, Valacchi was director of the EMEA Region. In 2016 he became global director of corporate with responsibility for managing large international programmes.

Within the scope of a training programme, I was then selected for a post in France, where I learnt the basics of property and casualty underwriting. For the first 10 years of my career, I was a non-life professional. This is where I learnt what captive funding was all about. Obviously, the volatility in the non-life area is much higher than that in the employee benefits segment, but it was an important school for me, pro-

viding me with the grounding to later transition from non-life to life.

In 1999, I was asked to join GEB. At that time, we were 12 business developers - we used to call ourselves the "dirty dozen"! - who looked at opportunities across the global marketplace. We were managed by the founder and CEO of GEB, Elio Moccia.

I joined the business unit at a time when it was capturing less than €100m per year of consolidated income generated by international and multinational client companies. It was a fantastic journey, to go from there to what it is today; namely a strategic business of Generali Group, specifically involved in the area of international employee benefits. It is nowadays a business unit that is capturing more than €1.5bn per year of income across more than 130 different partners together with 200 GEB community members.

CR: What do you consider to be your greatest successes throughout your career?

AV: What is important to me is having contributed to the development of the marketplace.

As part of GEB, we have been pioneers in

facilitating clients to fund their employee benefit programmes through captives. We were also pioneers in designing a new framework in the marketplace, in the shape of the Global Underwriting Programme (GUP). Together with one consultant at that time, I had the privilege to represent Generali Employee Benefits in launching and developing the GUP concept. That was 12 years ago. Now, the GUP has been recognised by all our peers as a viable funding strategy to propose under certain conditions. When thinking to our peers, in my opinion, we are not competitors since we are all contributing to provide value to the global marketplace.

GUPs are now very much in 'fashion', especially in Europe, as evidenced by the amount of RFPs we received in relation to this specific segment. It was an absolute privilege to have had the opportunity to contribute to all of this. This is a job that is constantly leading me to think about additional developments and evolutions. Of course, these things cannot happen overnight. But, at the end of the day, everything comes from the spark of an idea.

This is what we have been able to relay after more than 50 years of activity: ideas. Ideas on how to contribute to the greater good. Because when we're talking about employee benefits, we're really talking about the most important – let's call it an 'asset' – that an international or multinational company can have.

We're talking about their own internal community, without which they would not be able to operate; community that in certain areas are actually contributing to create the intellectual property rights that are fundamental for the growth of those corporations. Consequently, any disruption to this community can cause serious harm to it. In other words, we're dealing with a very important strategic environment (employee benefits) and that's true for every corporation.

CR: How do you foresee the employee benefits market evolving?

AV: The impact of employee mental health on business productivity has become indisputable. We already know in our world that stress-related issues represent the underlying cause of disability cases for around 50% of new cases. And this will most likely increase in the future, simply as a consequence of how we live our lives today.

Being able to analyse data properly and with the necessary granularity – including through a captive – will enable organisations to manage communities' risks properly.

I strongly believe that cooperation and communication between finance, risk and HR is going to be fundamental in the future, in order to manage and protect internal communities. I think that what we have experienced around the world over the last year or so is going to accelerate a process that was inexorable, albeit moving very slowly pre-pandemic. This is what I perceive as an evolution for the employee benefits market.

We're already observing this acceleration in North America, where an important development we are noticing is an increase in request for proposals (RFPs) in the area of captive business, specifically from

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'new world' companies. At the same time, though, we are also seeing increased interest from companies in Europe.

What they all have in common is that they're looking to better manage the risk portfolio generated by their communities, in a way that is aligned with the strategy of the company in terms of funding and risk appetite. Every company will of course be different here. A captive can help to steer the framework in a way that is aligned with the strategy of the company.

However the client funds this – whether a captive, GUP or pooling – what is really important is how they manage and protect their own internal communities.

For insurance networks to be ready for this, they do not just need the 'standard' capabilities; it will also be fundamental for them to offer additional services to international and multinational clients like telemedicine, global EAPs programmes, and mental health assistance services. This is what clients are looking for, too. This won't

happen overnight, but the trend is clear.

Of course, we are not reinventing the wheel here. We are simply trying to bring together an overall value proposition. These services have been offered and included in employee benefit programmes for many years, but they were not approached and offered in a consistent and coordinated way like insurance networks are seeking to do today.

These offerings are going to be fundamental for every risk and HR manager. They will facilitate proper collaboration between the two segments – let's call them silos, because in many companies we are still talking about silos – and that collaboration will be in the genuine interests of the internal community. This is how I see the employee benefits arena in the future.

CR: Appearing in the Power 50 again, you are clearly considered by your peers to be an influencer in this market. How do you view your wider market responsibilities in that regard?

AV: It is not about Andrea Valacchi making it as a top 50 influencer in my opinion. I am simply reflecting as a person the work of an entire organisation that is GEB. I am simply reflecting and representing my own community.

All 50 influencers are representing the market, consisting of different players: clients; brokers; consultants; peers. It's a niche market but, at the same time, it has a fundamental influence on how things could develop in the future; how companies can accelerate a more effective management of their own communities.

Covid-19 has been a shock for many companies. Of course, there was the economic impact, but it was about more than that. It was impressive and humbling to learn at the start of the pandemic that it was not just the financials that put organisations into a state of 'panic'; rather it was HR and risk managers wanting to know whether their employees were properly covered.

The fact that a shocking event like a pandemic has generated such concern is indicative of the fact that, in the future, companies are going to better coordinate their approach to managing and protecting their communities and managing the risk generated by their communities.

This represents an important development in the marketplace. And I believe it will accelerate the use of captives in the employee benefits arena, too. 