ALLIANZ GLOBAL BENEFITS GMBH

MULTINATIONAL POOLING

International Risk Management Program.

A risk sharing program that allows multinational companies to share in the results of local employee benefits plans across the globe.

We help you to optimize your employee benefits programs across countries, providing a clear overview, more advanced risk management and governance.

Pooling helps to keep the costs of employee benefits plans under control, to keep track of the development of the plans abroad, to detect problems at an early stage and to ensure that plans are in line with your corporate policy.

AT A GLANCE

Pooling consolidates local employee benefits plans from two or more countries into one account to assess and additionally optimize the overall result through a better spread of risk. In addition to optimal service and enhanced transparency through global reporting, multinational corporations can receive the benefit of an international dividend.

The combined insurance risks can comprise life, accident, disability, pension (risk elements only) and health.

HOW IT WORKS

Local group insurance contracts are combined through annual consolidated reporting: the local performance depicts the total premium amount reduced by the total local claim amount and the local costs. Then, profits from one country can be used to offset losses that may arise from another.

In our pooling program, the global performance of the pool is the result of the consolidated performance of all local plans reduced by international costs. A portion of the potential positive result is refunded to the client via an international dividend.

OUR APPROACH

The program allows to oversee the employee benefits risk situation firm wide. It follows a clear and customer focused value chain, comprising the following steps:

Identify
the subsidiaries that are already insured by our network insurers.

Assess
the overall potential for a multinational pooling program.

Illustrate
the pooling solution that is best suited including potential savings.

Implement
the program in close collaboration with the corporate client.

Manage
the transition of business into the pool.

Evaluate
the development of the program via annual consolidated reports.

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Allianz

OUR POOLING SYSTEMS

The choice of the right pool depends on a number of factors including size and composition of the pool in combination with your company's risk profile. Allianz Global Benefits offers a full range of pooling systems to ensure that multinationals of all sizes can benefit from pooling.

Multi-Employer Pool (MEP)

Countries: 1+
No. of employees: 50+
Risk premium (€): 10,000+

The MEP is designed to give companies with a small portfolio of pooled group contracts an opportunity to enjoy the advantages of pooling, which are usually only available for much larger portfolios. In the MEP, the client's risks are combined with risks from several other multinational clients into one single pool. In case of an overall positive result, losses within the MEP are distributed amongst all the participating multinational clients, ensuring that an international dividend is paid to those multinational clients with positive individual results (after deduction of the international costs). In case of an overall negative result our MEP pools are protected by an annual Stop Loss cover set at 100% of the premium in the pool. Through this mechanism our clients are not exposed to financial loss from participating in our pools.

Three Year Stop Loss (3ySL)

Countries: 2+
No. of employees: 500+
Risk premium (€): 150,000+

The 3ySL is suited to companies with a small to medium portfolio of pooled group contracts. Each client has its own self-standing pool, which means that the pool is of a size that enables it to assume its own risk and consequently has the potential to profit solely from its own experience. Under this arrangement, we look at the experience over a three year accounting period. At the end of each calendar year any positive or negative results are carried forward within the accounting period of three years. The overall three year experience of the participating policies is therefore grouped together. In case of an overall positive result, an international dividend (after deduction of the international costs) is paid to the multinational client. In case of an overall loss the pool is covered by a Stop Loss set at 100% of the premium in the pool.

Limited Loss Carry Forward (LLCF)

Countries: 2+
No. of employees: 1,000+
Risk premium (€): 250,000+

The LLCF is for companies with a medium to large portfolio of pooled group contracts with a more mature and predictable experience.

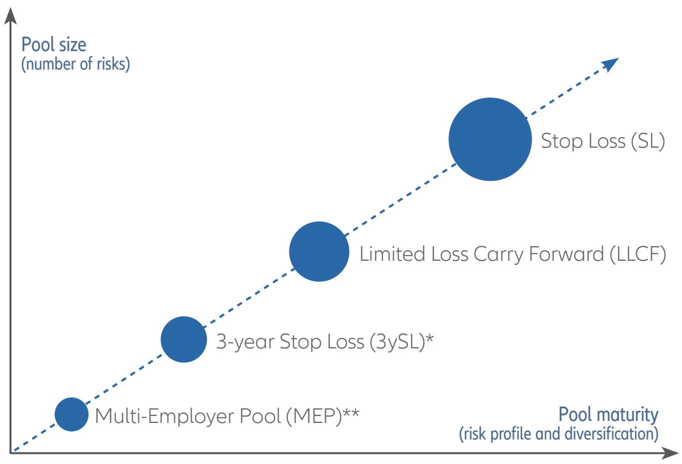
Each client has its own self-standing pool, which means that the pool is of a size that enables it to assume its own risk and consequently has the potential to profit solely from its own experience.
The experience of the participating policies is grouped together. In case of an overall positive result, an international dividend (after deduction of the international costs) is paid to the multinational client. However, in the event of an overall loss being incurred, a year-specific loss will be carried forward to the subsequent years and balanced with positive results (maximum of three years). After the three year period a pool protection (Stop Loss) will be triggered to protect the pool from the original loss which could not be balanced with positive results. The Stop Loss is set at 100% of the premium in the pool.

Stop Loss (SL)

Countries: 2+
No. of employees: 2,000+
Risk premium (€): 500,000+

The Stop Loss pool is suited to companies with a large portfolio of pooled group contracts. Each client has its own self-standing pool, which means that the pool is of a size that enables it to assume its own risk and consequently has the potential to profit solely from its own experience.
The experience of the participating policies is grouped together. In case of an overall positive result, an international dividend (after deduction of the international costs) is paid to the multinational client. In case of an overall loss, the pool is covered by a Stop Loss set at 100% of the premium in the pool.

RISK MANAGEMENT OPTIONS



* Three year accounting period, ** Multiple companies' risks in one pool