
GENERALI PANEUROPE LIMITED

TRENDS IN LIFE AND INCOME CONTINUANCE BENEFITS

LAURA DENNIS
TECHNICAL SPECIALIST

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AGENDA

INTRODUCTION

- Generali

GROUP RISK

- Benefit structure
- Common issues
- Alternatives
- Globalisation
- Trends
- Case Law
- Rates

Q&A



AT HOME
*throughout
the world*

180 Year History

€70 billion in Premiums

65 million Customers

Over **80,000** Employees

Source: www.generali.com

Correct as at April 2014

GENERALI PANEUROPE EMPLOYEE BENEFITS

Generali PanEurope is a specialist provider of Group Risk solutions

- Ireland
- Pan-Europe
- Sweden
- Generali Employee Benefits Network



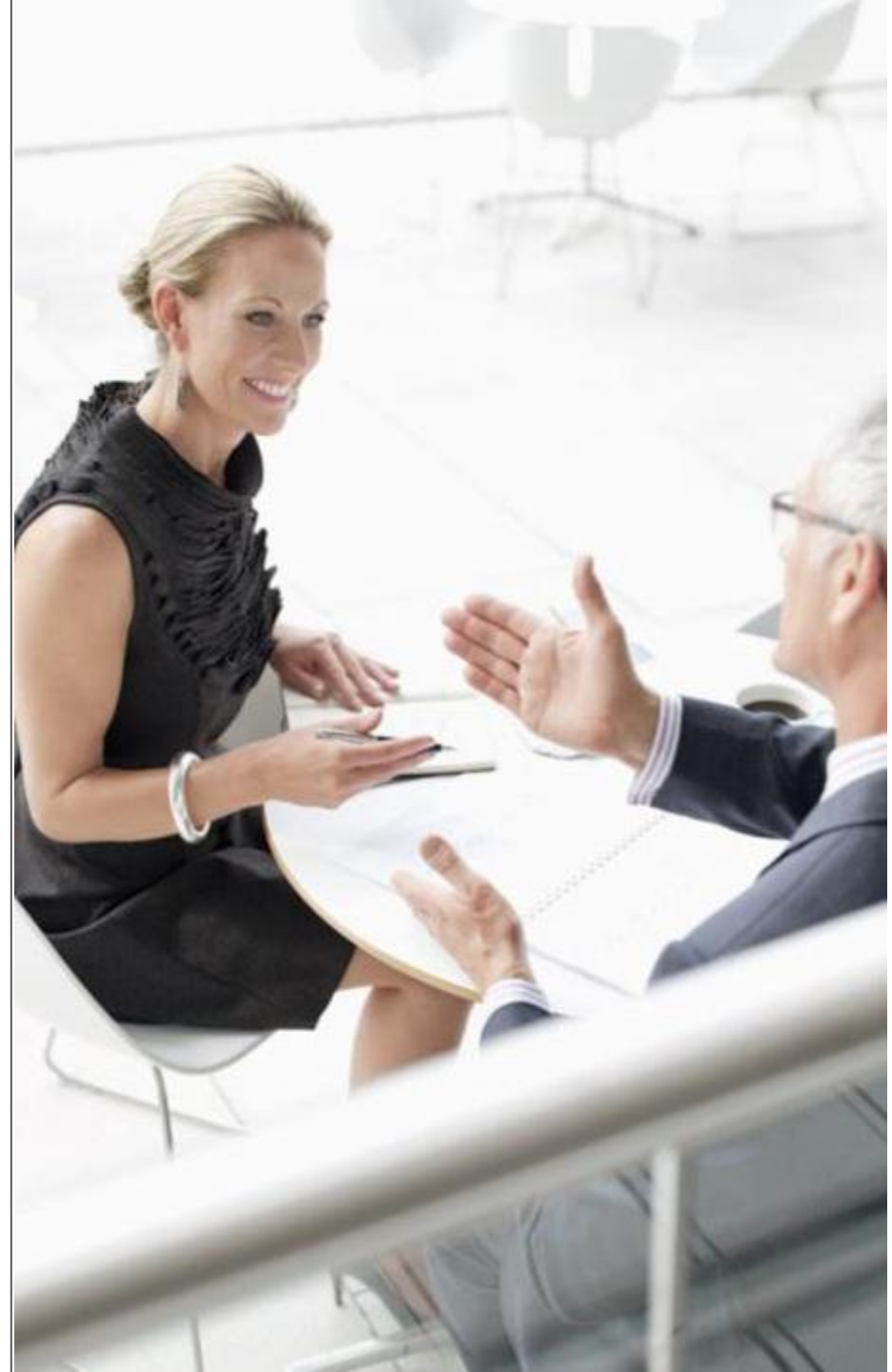
GENERALI EMPLOYEE BENEFITS NETWORK



- One of the largest Employee Benefits Network's in the world established in 1966
- Operate in almost 100 countries worldwide strategically positioned to be close to the 1,500 multinational clients that we serve
- Provide Multinational Pooling & Captive solutions
- Known for our superior customer service and technical expertise across the markets that we serve

GENERALI PANEUROPE LIMITED

GROUP RISK



GROUP LIFE COVER – Benefit structure



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- Most popular benefit remains 4 x salary – offered by most pension plans
 - Move towards voluntary and flexible benefits
 - Cost out of benefit “pot” or employee paid
 - Fixed amount not linked to salary – US MNC
 - Spouse pension cost increasing
 - Move away from fixed pension benefit
 - Insuring a lump sum benefit – transfer of risk?
 - Insuring a limited payment term annuity
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GROUP LIFE COVER – Common issues



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- Definition of Spouse
 - Definition of children/orphan
 - No provision for children/orphan
 - No or out of date expression of wish
 - Adverse underwriting decisions – potential liability
 - Ceasing age with increase to state retirement age
 - Business travel
 - Secondees
-

GROUP INCOME PROTECTION – Benefit structure



- Most popular benefit remains 66.67% less single person state benefit – however 27% of DC schemes offer no gip benefit
- Some move towards voluntary and flexible benefits
 - Core plus prescribed tranches
 - Fixed amount not linked to salary
 - Maximum benefit

GROUP INCOME PROTECTION – Benefit structure



- Costs under scrutiny
 - Change benefit design
 - Extend deferred period
 - Adjust escalation – almost 25% still linked to 5% escalation

GROUP INCOME PROTECTION– Common issues



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- Linking of absence periods
 - When does deferred period start
 - Fixed term contracts – meet eligibility requirement, benefit payment cease
 - Adverse underwriting decisions
 - Ceasing age – potential gap
 - Business travel
 - Secondees
 - Contractual benefit?
-

GROUP RISK

ALTERNATIVES TO INSURED SOLUTIONS

- Stop Loss
 - Self insured
 - Moving from DB to DC
- Pooling
- Captive



GROUP RISK

TRENDS

- Income Protection
 - Limited payment term
 - Cost savings marginal
 - Protection of employee limited
 - Difficult decision on termination
 - Social security changes impact
 - Deduction – sustainable?
 - UK government looking at form of income protection auto enrollment



GROUP RISK – Case Law



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- Dismissing an employee on long term absence – BS v Dundee City Council
 - Facts – BS worked at council for 35 years and was absent with anxiety and depression from September 2008 until dismissed in August 2009
 - Claim – unfair dismissal
 - Decision – referred back to Employment Tribunal. However Court of session detailed guidance on assessing the reasonableness of ill health dismissals
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GROUP RISK – Case Law



Guidance

- Consider if employer can be expected to wait any longer for return with relevance on exhaustion of sick pay, how easily job can be covered, size of the organisation
 - Consult with employee and take their views into account. If state can return this will count against dismissal where an unknown date will lend weight to a decision to dismiss
 - Employers obligation to obtain proper medical advice i.e. ensure correct questions are asked and answered
 - Length of service is not automatically relevant
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GROUP RISK – Case Law



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- Compulsory retirement – Paul Doyle v ESB International
 - Facts – Mr. Doyle unaware of compulsory retirement age until he received an email inviting him and colleagues to departure drinks
 - Claim – discrimination on grounds of age
 - Decision – Equality officer accepted ESB rationale for fixing retirement age at 65 necessary to provision promotional opportunities for younger employees “sharing employment between generations” found to be justified by ECJ
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GROUP RISK – Rates



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- Life
 - Death in service stable – UK seen increase over last year
 - Spouse pension continue to increase
 - Income Protection
 - Hardening expected
 - Reductions available
 - Effective absence management procedures
 - Evidence of engaging in early intervention
 - Access to health insurance
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SUMMARY

- Understand policy definitions
- Understand contractual obligations
- Communicate benefits
- Seek ways to manage costs/risk
- Maintain awareness of market trends



QUESTIONS & ANSWERS



CONTACT



Generali PanEurope Limited

Generali House, Navan Business Park, Athlumney, Navan, Co. Meath

Tel: +353 (0)46 9099 760

Fax: +353 (0)46 9099 849

www.generalipaneurope.ie



Laura Dennis DipPFS Technical Specialist

Mobile: +353 (0)87 774 5476

Email: lauradennis@generali.ie

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