EMPLOYEE BENEFITS
MULTINATIONAL POOLING
An overview

INSUROPE

Insurope is THE Premier Multinational Pooling Network. Our network of top independent insurance companies represents the best insurers in their local markets and, together, we have been providing employee benefit services to multinational companies across the world for over 55 years.

Insurope's focus is multinational pooling, a concept which allows multinational companies to combine employee benefits insurance policies under one umbrella, and allowing them to benefit from financial and administrative advantages.

With more than 1,040 multinational clients, 80+ Network Members covering 80 countries, Insurope has been consistently ranked among the top networks in the market.

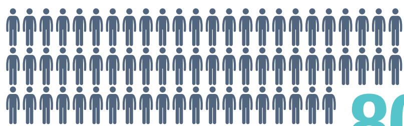
Known for its flexible and innovative approach, supported by superior service, Insurope is proud to serve as the "Network of Choice" for many international companies.

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

Over
1,040 Multinational clients

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

More than
€ **920 million**
in pooled premium



80+
Network Members

covering
80 countries
and territories

insurope

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 helps multinational companies optimize their employee benefits programs by combining policies in more than one country under a single multinational pooling program.

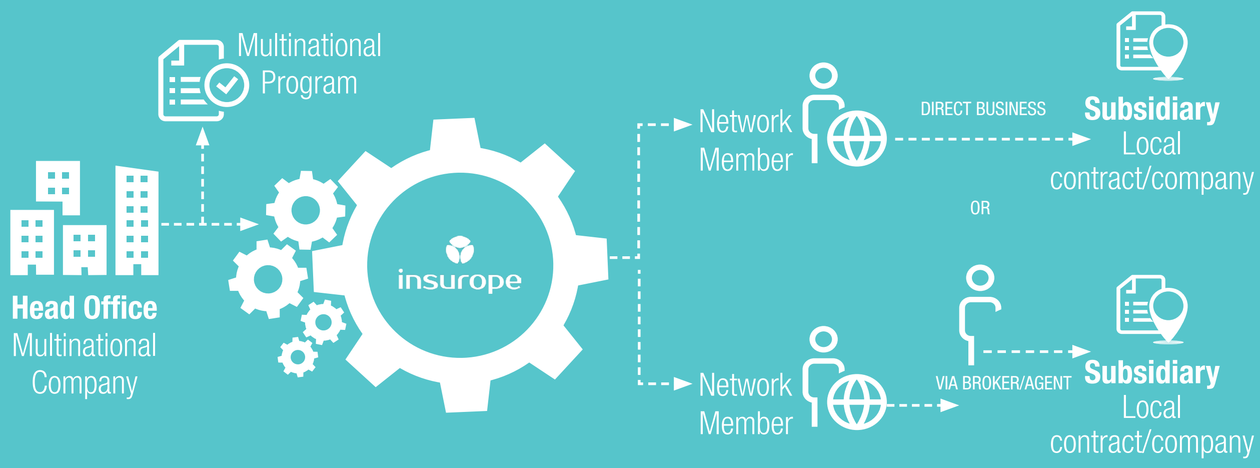
This approach offers advanced risk management and governance, centralized reporting, and can reduce the cost of employee benefits through multinational pool dividends.

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 savings
- access to worldwide reporting and information
- high global Free Cover Limits



Multinational profit & loss account

By combining 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 paid to the multinational company and/or its subsidiaries as a multinational pool dividend.

Estimates by international consultants suggest that over an extended period, an 8% to 15% reduction of local risk costs can be achieved.

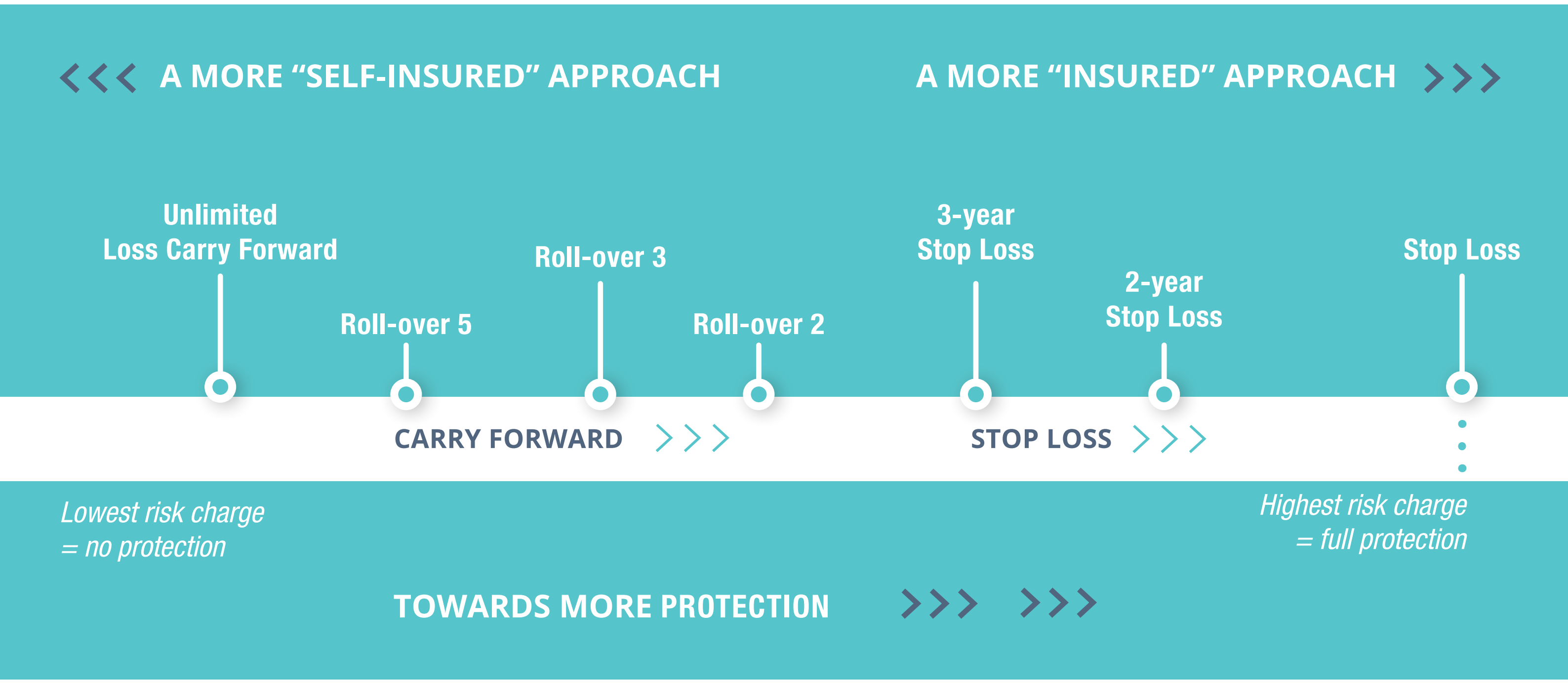
	Contract A	Contract B	**Total**
Income Premiums	100	200	**300**
Outgo Claims	50	100	**150**
Result	50	100	**150**

Multinational pool 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



- **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 a balance between protecting the pool result and maximizing premium pooled.
- **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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