

BUSINESS INSURANCE

WORLD

CAPTIVE FORUM

Employee Benefits Track: Mastering Employee Benefits



Mark Cook
Willis Towers Watson
MODERATOR



David Arick
International Paper



Bill Fitzpatrick
Deutsche Post DHL
(DP DHL)



Josh Savage
The Coca-Cola
Company

Who do we have up here.

Bill Fitzpatrick; DHL Deutsche Post



Josh Savage; The Coca-Cola Company



Dave Alrick; International Paper



Mark Cook; Willis Towers Watson

Willis Towers Watson 

#WorldCaptiveForum



This session is about Mastering EBs

We want to cover:

1. What we've done
2. What was successful
3. What wasn't
4. What do we want



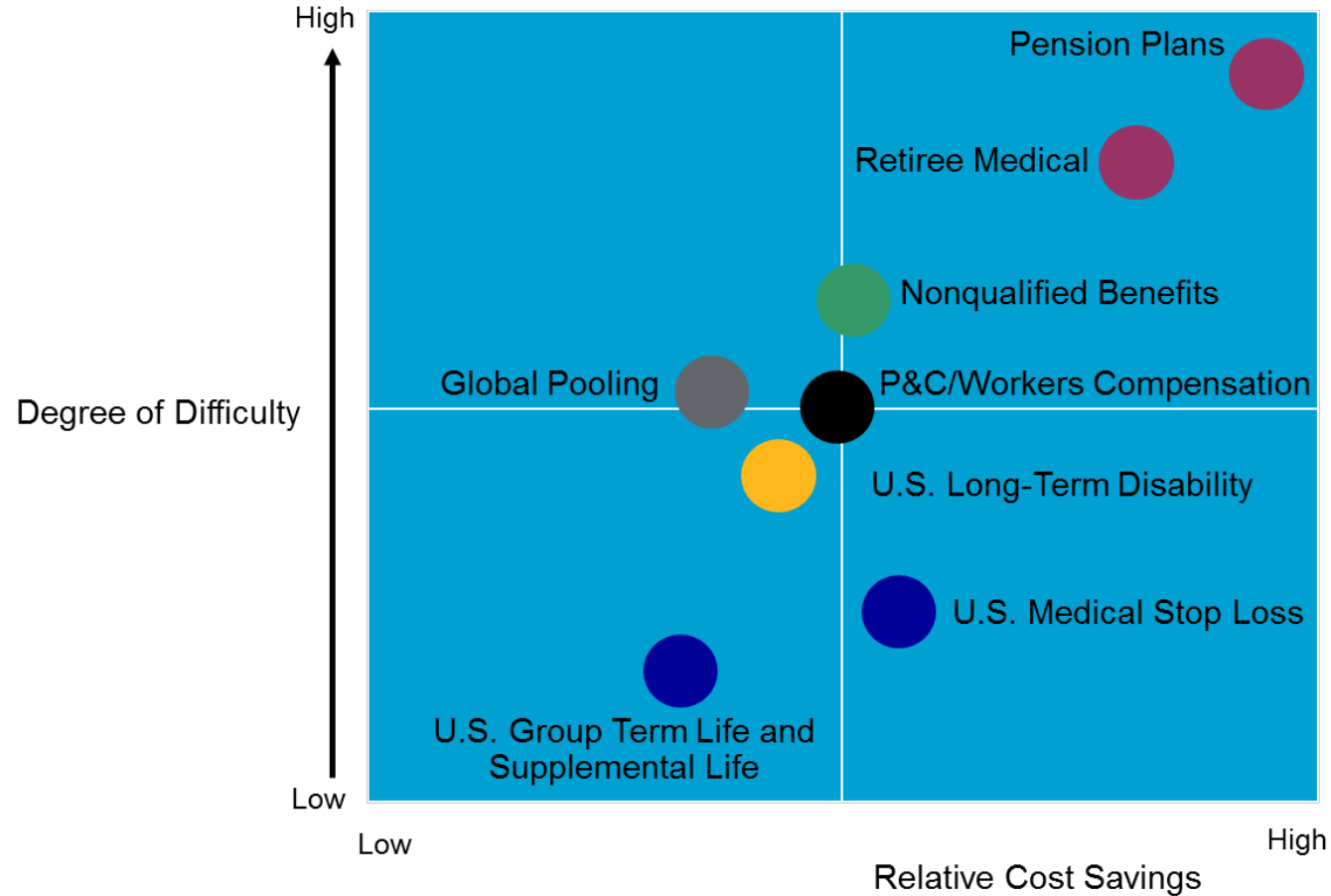
#WorldCaptiveForum

Introductions: what we've done



#WorldCaptiveForum

What EBs are we talking about



#WorldCaptiveForum

International Paper's EB model

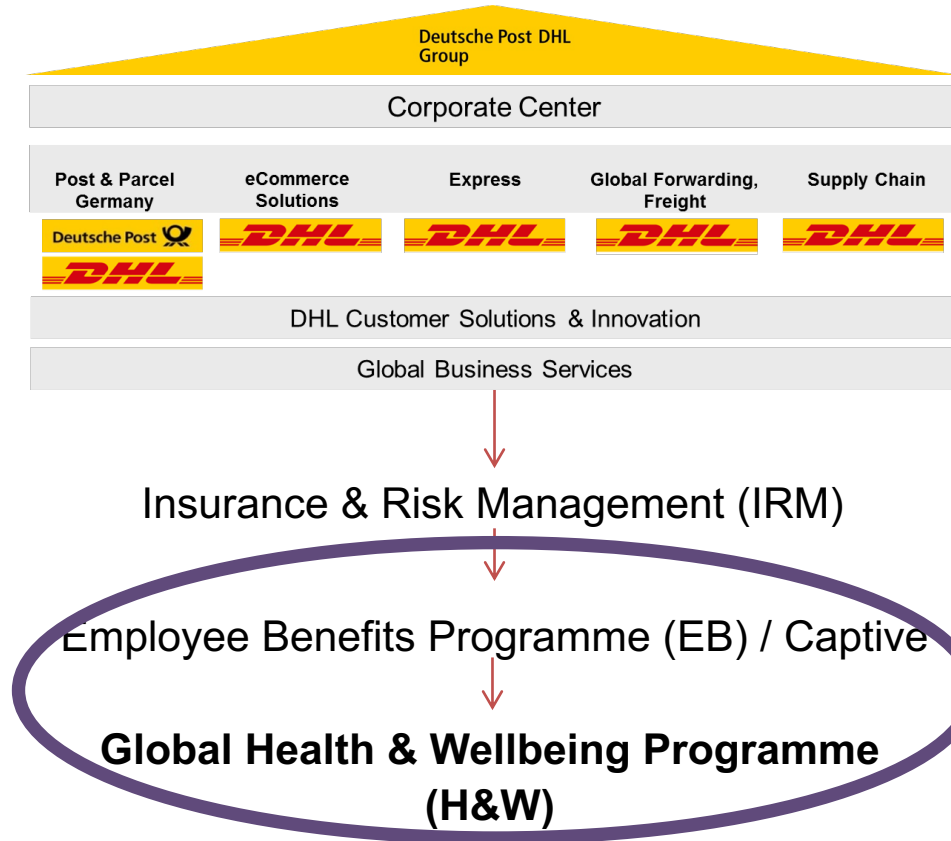
- Employee Benefits Model
 - Balanced approach – standardize vs. competitive in local markets
 - U.S. programs centrally managed
 - Non-U.S. programs locally-managed but largely using one broker
 - Some experience with non-U.S. life/benefit pools
 - Increasing global oversight and governance from Corporate
- Use of Captive
 - Certain U.S. benefits since early 2000's (Life, LTD, Medical)
 - Investigating non-U.S. opportunities for captive



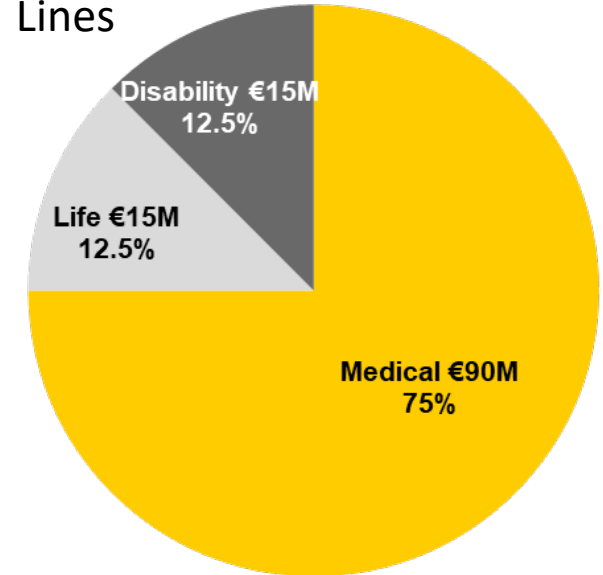
#WorldCaptiveForum

Deutsche Post DHL's model

The Corporate structure



Lines



#WorldCaptiveForum

BUSINESS INSURANCE
WORLD
CAPTIVE FORUM

DHL's EB program

Highlights

- Total internal market size all entities (ex US) +/- €125m
- Thereof, DPDHL GEB €120m +/- 96% internal market share
- 225,000 FTE's + dependents in 107 countries
- Original value proposition to DHL was €20m p.a. cost savings delivered directly to local BU's
- Substantial H&W risk data available quarterly per local BU entity
- Opportunity existed to use above data to drive a pro-active global H&W initiative in a measureable way

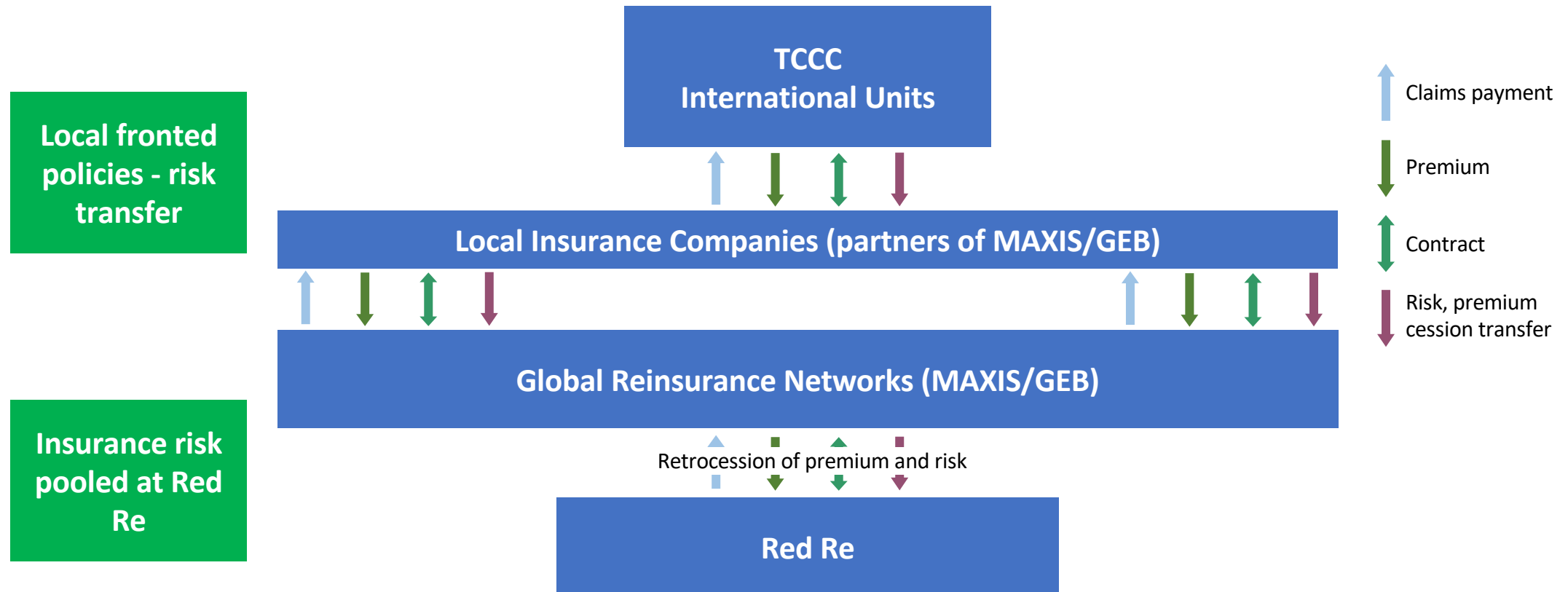
DPDHL Global Benefits Programme Countries			
Algeria	Cyprus	Japan	Qatar
Angola	Czech Republic	Jordan	Romania
Argentina	Denmark	Kenya	Russia
Australia	Dominican Republic	Kuwait	Saudi Arabia
Austria	Ecuador	Lebanon	Sierra Leone
Bahamas	Egypt	Luxembourg	Singapore
Bahrain	El Salvador	Malaysia	Slovakia
Bangladesh	Fiji	Mauritania	South Africa
Barbados	France	Mexico	Spain
Belgium	Gabon	Morocco	Sri Lanka
Benin	Germany	Mozambique	St. Maartens
Bermuda	Ghana	Myanmar	Sweden
Bolivia	Greece	Netherlands	Switzerland
Brazil	Guadeloupe	Netherlands Antilles	Taiwan
Bulgaria	Guatemala	New Zealand	Tanzania
Cambodia	Guernsey	Nicaragua	Thailand
Canada	Haiti	Nigeria	Togo
Caribbean	Honduras	Norway	Trinidad & Tobago
Caroline Islands	Hong Kong	Oman	Turkey
Cayman Islands	Hungary	Pakistan	Ukraine
Chile	India	Panama	United Arab Emirates
China	Indonesia	Papua New Guinea	United Kingdom
Colombia	Ireland	Paraguay	United States*
Congo	Israel	Peru	Uruguay
Costa Rica	Italy	Philippines	Venezuela
Croatia	Ivory Coast	Poland	Vietnam
Curacao	Jamaica	Portugal	TOTAL 107

* USA – LTD only – written on a quota share basis

#WorldCaptiveForum



Coca-Cola's EB captive



#WorldCaptiveForum



Coca-Cola's EB captive

- Running since 2006
- \$47MM in premium for 2019; \$547MM ITD
- ~450 contracts covering ~80 operations in ~60 countries
- Increased control over the management and financing of risk benefits
 - Reduced global insurance costs by removing profit margins (est. \$30MM ITD)
 - Pooled assets into a structured investment program
 - Flexibility to offer benefits driven by TCCC philosophy, outside market norms



#WorldCaptiveForum



What has been successful



#WorldCaptiveForum

EB Insurance Management is becoming more global and successful

HR is becoming more global (Benefits CoE)

Technology makes data driven insights possible on a global scale

Fewer/no expert HR resources in small/medium sized countries

EB captives/global underwriting becoming mainstream

Better definition of roles of HR and Risk/Finance

Desire to rationalize provider landscape

Desire to leverage global scale

Automated benefits administration is easier with provider stability

Providers developing global products and tools

Closer links within providers between P&C and EB

High medical inflation in many markets

Global consistency increasingly important

#WorldCaptiveForum

Successes...



#WorldCaptiveForum

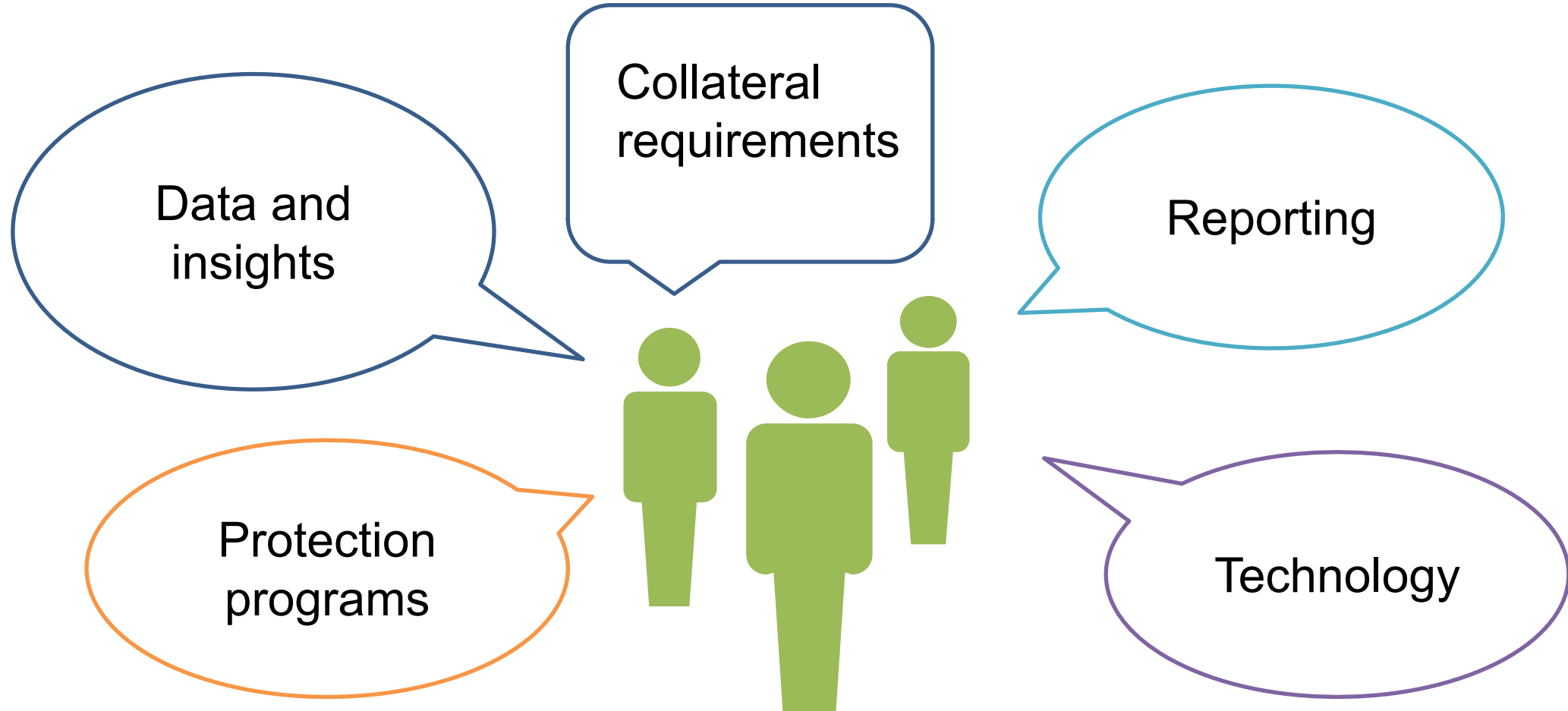
What have been the challenges



#WorldCaptiveForum

What have been the challenges

Discussion Points



#WorldCaptiveForum

The future?



#WorldCaptiveForum

What will happen in 5 or even 10 years time?

Where's the investment?

How many EB captives?

What will the Networks be focusing on

What will be the EB captive norms?

#WorldCaptiveForum

Thank you



#WorldCaptiveForum

BUSINESS INSURANCE
WORLD
CAPTIVE FORUM