

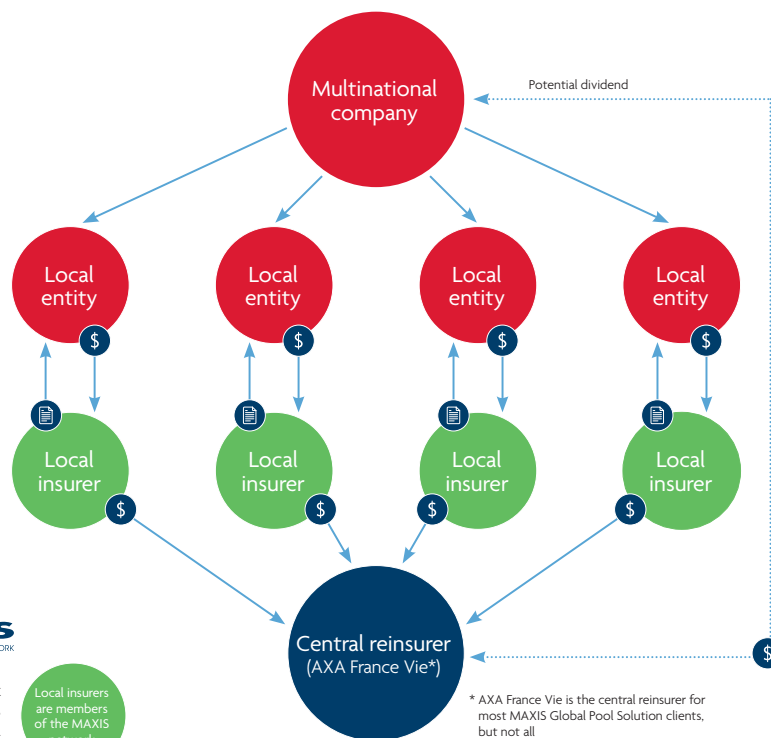
# MAXIS GLOBAL POOL SOLUTION

## MAXIMISING GLOBAL ECONOMIES OF SCALE FOR AN EFFICIENT APPROACH TO INSURING EMPLOYEE BENEFITS

Managing multiple insurance contracts in different countries, each with its own specific market practices, renewal processes and regulations can be a challenge for multinational employers. How can you effectively manage your programme and offer the benefits your people need without breaking the bank?

Pooling is still one of the most popular ways for multinational employers to manage their global employee benefits (EB) risks, combining local insurance policies into an international pool through reinsurance. This uses global purchasing power to deliver stronger risk management and better global governance.

A pool is a profit-sharing arrangement, which means that employers have the potential to receive a dividend, if there's a positive result at the end of the year.<sup>1</sup>



Manages the network  
Facilitates reinsurance  
Underwriting support  
Annual reports

Local insurers  
are members  
of the MAXIS  
network

\* AXA France Vie is the central reinsurer for most MAXIS Global Pool Solution clients, but not all

### How it all works (the technical bit!)

Employee benefits policies are combined to form a global pool through reinsurance.

Annual dividends can be shared with the global employer, depending on the financial results and the dividend calculation method of the pool programme. Each year a report is shared detailing the participating local policies, the performance of the programme and the calculation of any available dividend.

In some circumstances, you can actively manage your pool, where we use your dividends to try and achieve a break-even pricing strategy.

Eligible coverages include any group policies, such as:

- life benefits
- accident benefits
- disability benefits
- medical and dental coverage

<sup>1</sup> A 'dividend' in the context of multinational pooling is the profit-sharing payment made when the reinsurer shares an applicable part of the underwriting profit with the multinational company"

## Supporting you through every step of your pooling journey

The MAXIS Global Pool Solution is designed to support you at every stage of your pooling journey. Most pool programmes will begin as part of a multi-employer pool (MEP). The MEP has been designed for multinationals with less than US \$750k in participating premium in the pool.

It uses an annual stop loss (ASL) accounting method, meaning losses aren't carried forward and every pool year begins with a clean start. If the performance of the programme is positive, the dividend is then calculated on a collective basis with other MEPs. This approach helps reduce the volatility and make the experience more predictable for smaller pools.

Once a programme reaches US \$750k in premium and meets the qualifying conditions, it will transition to a single-employer pool (SEP). The SEP gives greater flexibility, with a choice of accounting methods and preferred currency. And if the performance of the programme is positive, the dividend is calculated on a standalone basis.

MAXIS Global Pool Solution allows for a seamless transition between MEP and SEP as the programme grows, without the need for a new contract.

## Multi-employer pool (MEP) vs single-employer pool (SEP)

	MEP	SEP
<b>Dividend calculation method</b>	Calculated on a collective basis	Calculated on a standalone basis
<b>Accounting method</b>	Annual stop loss (ASL) - any negative pool result is written off at the end of each year	Indefinite loss carried forward (ILCF), loss carried forward 5 years (LCF5Y), or loss carried forward 3 years (LCF3Y)
<b>Number of countries required</b>	2	2
<b>Premium volume required</b>	US \$250,000 US \$10k premium in each country	US \$750,000 US \$10k premium in each country
<b>Preferred currency</b>	USD	USD, EUR, GBP or CHF

## Frequently asked questions

### Who is this solution for?

Multinational employers who are managing their employee benefits centrally.

### How much EB premium do we need to have in our local policies to make a pool work for us?

To start your MAXIS pooling journey, you'll need to operate in at least two different countries and have at least US \$10,000 in premium in each country, with a total of US \$250,000 across all markets.

### What happens when we reach the US \$750k premium mark and are ready to move to a SEP?

Once you reach US \$750k in total premium and meet the qualifying conditions, you will be seamlessly transferred from MEP to SEP. There will be no need for a new or amended contract.

### What if we're not centralised enough to start a pool at this time?

No problem! We can look to start you off with a MAXIS Global Preferred Data Solution, which we can strategically grow towards becoming a pool. Many of our existing clients have followed this path.

### What if we don't have an existing global employee benefits programme in place?

If you are at the start of your global employee benefits journey, we would recommend the MAXIS Global Pool Solution or MAXIS Global Preferred Data Solution.



## Why choose MAXIS Global Pool Solution?

We have a long history of working with multinationals using a pool to manage their global EB. We can set up a new pool and help you move new policies into the programme. We offer:

- strong underwriting expertise, with in-depth knowledge of local risk factors through our local members.
- a consultative approach on the diversification of risk to balance the portfolio and reduce volatility.
- potential dividends if the pool balance is positive.
- different accounting methods to suit all types of risk management such as indefinite loss carry forward, deficit write-off and programme protections under SEP, and annual stop loss under MEP.
- comprehensive financial data analysis in interactive annual reports, showing all income and expenses across your policies, via our OneClient portal.
- in-depth health & wellness reports and support – our MAXIS Global Medical Dashboard reports provide a holistic view of health issues by identifying country-specific trends and cost drivers. Our dedicated Health & Wellness team will help analyse report data and provide practical health and wellness recommendations.<sup>2</sup>
- stronger control with local insurers in over 100 markets globally.
- insight, guidance and benchmarking knowledge during renewal process.
- dedicated account managers at global, regional and local level, working closely with you to support and help manage your programme.

For more information about MAXIS Global Pool Solution, contact [marketing@maxis-gbn.com](mailto:marketing@maxis-gbn.com) or speak to your MAXIS representative.

<sup>2</sup> Where the local policy experience is credible enough

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