

GBV
GLOBAL BENEFITS VISION
 Knowledge & Wisdom for Global Employee Benefits Professionals



Interview

Wendy Liu, CEO Zurich Global Employee Benefits Solutions

16 French Income Tax Reform

One Month Left for Companies to Comply with their New Obligations

*Claire Toumieux,
Camille Wattralos*

36 The Five Stages of Grief Don't Come In Fixed Steps

Nick Haslam

22 EU Commission Propose Directive to Protect Whistleblowers

*Markulf Behrendt
Inge Vanderreken*

40 Big Data and Health Insurance

Could Your Fitbit Data Be Used to Deny Health Insurance?

Andrew Boyd

28 How Scientists are Fighting Infection-Causing Biofilms

Nicholas Fitzkee

Why Health Apps are Like the Wild West

Michael L. Millenson

32 Toxic Workplaces are Feeding the Impostor Phenomenon

*Amina Aitsi-Selmi
Theresa Simpkin*

Can Persuasive Technology Change Behaviour?

Samir Chatterjee

60 Inclusion of Employee Benefits Risks into a Captive Aids Human Resources

*Paul Wöhrmann
Reto Heini*



**EU COMMISSION PROPOSE
 DIRECTIVE TO PROTECT
 WHISTLEBLOWERS
 SCANDALS NECESSITATE REFORMS**

**MARKULF BEHRENDT,
INGE VANDERREKEN**

Index of Articles

	ARTICLE TITLE	AUTHOR	TAGS
SEPTEMBER 2018 	<i>UK Group Risk Market Update</i>	Paul AVIS	<i>MARKETS</i>
	<i>GBV at Three</i>	GBV	<i>EDITORIAL</i>
	<i>The Data Privacy Act of the Philippines and GDPR</i>	Nico LACSON , Cesar RUPERTO P. ONG	<i>DATA</i>
	<i>Quick Take on InsurTech: Reto Toscan, SwissRe</i>	Reto TOSCAN	<i>INTERVIEW</i>
	<i>Creating a Top-Tier Benefits Package</i>	James REID	<i>MANAGEMENT</i>
	<i>Health Coaching Might Help in Reaching Old Age</i>	Ayse CINAR	<i>HEALTH, PREVENTION</i>
	<i>The Latest Blood Pressure Guidelines</i>	John WARNER	<i>HEALTH, PREVENTION</i>
	<i>Is Cancer Just a Question of Bad Luck?</i>	Yvane WIART	<i>HEALTH, PREVENTION</i>
	<i>Opioid Epidemic</i>	Blair SMITH	<i>HEALTH, PREVENTION</i>
<i>Interview Enrique Acevedo, Correcol Interview, WBN</i>	GBV	<i>INTERVIEW</i>	
OCTOBER 2018 	<i>The Pooling Market in 2018 – A Position Paper</i>	Ludovic BAYARD Roland DE CROMBRUGGHE Mauro DUGULIN Michael HANSEN Wendy LIU Morten UNNEBERG Peter DE VRIES	<i>POOLING</i>
	<i>Pensions – A Multi-Faceted View from Ireland</i>	INVESCO	<i>PENSIONS</i>
	<i>Brexit Timeline</i>	Julian CALNE	<i>MARKETS</i>
	<i>The New Data Protection Scheme in Germany</i>	Tobias NEUFELD	<i>DATA</i>
	<i>What HR Departments Must Know – GDPR4HR</i>	Thomas KOCHAN Duanyi YANG Erin L. KELLY Will KIMBALL	<i>LEGAL</i>
	<i>Who Wants to Join a Union?</i>	Leon LACK	<i>HEALTH, PREVENTION</i>
	<i>Monday's Medical Myth</i>	GBV	<i>INTERVIEW</i>
	<i>You Need Right Hours of Continuous Sleep Each Night</i>	Chris BURNS Brian QUINN Marc REINHARDT	<i>INTERVIEW</i>
	<i>The Mind of the Leader – an Interview with authors Jacqueline Carter and Rasmus Hougaard</i>	GBV	<i>INTERVIEW</i>
<i>Employee Benefits Captive Integration</i>	GBV	<i>CONFERENCE REPORT</i>	
NOVEMBER 2018 	<i>An Overview of the Characteristics and Funding of Pension Plans in Public Universities in Mexico</i>	Denise GÓMEZ-HERNÁNDEZ	<i>PENSIONS</i>
	<i>Cross Border Benefits Alliance Paris Seminar on Cross-Border and Pan- European Pensions – The French perspective 8 October, 2018</i>	GBV	<i>CONFERENCE REPORT</i>
	The Flu is Back! A Flu Special	Patricia SCHNABEL RUPPERT	<i>HEALTH, PREVENTION</i>
	<i>Get a Flu Shot Now</i>	Seema LAKDAWALA Linsey MARR	
	<i>Flu Lasts for More than an Hour in Air and on Surfaces</i>	Michelle SCONCE MASSAQUOI	
	<i>Why Washing your Hands well is so Important to Protect your Family from the Flu</i>	Jonathan RUNSTADLER	
	<i>Influenzas Wild Origins in Animals Around Us</i>	Tim SPECTOR	<i>HEALTH, PREVENTION</i>
	<i>Stop Measuring Obesity with a Ruler</i>	Sophie MEDLIN	<i>HEALTH, PREVENTION</i>
	<i>The Best Foods for a Good Night's Sleep</i>	Peter DEVLIN	<i>MARKETS</i>
<i>Ten Years On: The Legacy of the Financial Crisis</i>			

NOTICES

Global Benefits Vision is proudly produced in the heart of Europe with contributions from all over the world, particularly from the United States, France, Belgium, Germany, and the U.K.

Global Benefits Vision is published by Global Benefits Knowledge SA, 100 rue de Cessange, L 1321 Luxembourg, Luxembourg. ISSN 2418-4349. VAT LU 28396959. Corporate registration number RC B200289. Global Benefits Knowledge SA is wholly owned by GBV management members. Legal deposit with Bibliothèque Nationale du Luxembourg www.bn.lu. The publisher of record is Eric Müller-Borle.

All material published in *Global Benefits Vision* is copyrighted and all rights are reserved. Recording the magazine in its entirety or partially is only permitted when performed by the subscriber himself/herself and for archival purposes only. Specifically, posting of the PDF file or an extract thereof under whichever format, on an intranet, an extranet, the Internet, any social media, or a shared storage is prohibited. Partial or full printing of one copy for ease of reading is permitted provided no further reproduction is made. Reproduction by any means is prohibited unless specifically authorised by Global Benefits Knowledge SA and subject to the terms and conditions as detailed in said authorisation. Short citations are permitted subject to *Global Benefits Vision* and the author(s) being mentioned as the source.

Unless expressly specified otherwise, contributors to *Global Benefits Vision* write in a personal capacity and their views should not be construed as reflecting those of their employer or of their clients as may be the case.

TEAM

Eric Müller-Borle, co-founder, publisher
Frédérique Hindryckx, co-founder, sales and marketing
Yazid Hammoumraoui, co-founder, operations & support
Cheryl Rosen, senior editor
Agnès Molitor, senior designer
Julian Calne, general editor
Olivia Dunn, assistant editor
Caroline Heisbourg, junior news editor
Marc Signorel & the team at Outer Rim, web design and operations

INDIVIDUAL SUBSCRIPTIONS

EUR 490 per year, 10 issues. Subscribe online at global-benefits-vision.com or by email to sales@global-benefits-vision.com.

GROUP SUBSCRIPTIONS

Group subscriptions are available for organisations wishing to give all their members access to *Global Benefits Vision* magazine for a flat yearly fee. Please inquire by email to sales@global-benefits-vision.com.

ADVERTISEMENTS

Global Benefits Vision welcomes advertisements. Please refer to the Advertisement page on the website or inquire by email to sales@global-benefits-vision.com.

GROUP SUBSCRIPTIONS + ADVERTISEMENT COMBOS

Save by purchasing a combined Group Subscription + Ads package. Inquire by email to sales@global-benefits-vision.com.

CONFERENCE AND TRAINING ANNOUNCEMENTS

Global Benefits Vision is happy to announce commercial Conferences and Training sessions. Inquire by email to sales@global-benefits-vision.com. *Global Benefits Vision* is happy to announce non-commercial Conferences and Trainings free of charge, subject to space availability.

Table of Contents

EU COMMISSION PROPOSE DIRECTIVE TO PROTECT WHISTLEBLOWERS SCANDALS NECESSITATE REFORMS

MARKULF BEHRENDT,
INGE VANDERREKEN

PAGE 22

16 French Income Tax Reform

One Month Left for Companies to Comply with their New Obligations

Claire Toumieux, Camille Wattrélos

60 Inclusion of Employee Benefits Risks into a Captive Aids Human Resources

Paul Wöhrmann, Reto Heini



28 How Scientists are Fighting Infection-Causing Biofilms

Nicholas Fitzkee

32 Toxic Workplaces are Feeding the Impostor Phenomenon

Amina Aitsi-Selmi, Theresa Simpkin

36 The Five Stages of Grief Don't Come in Fixed Steps

Nick Haslam

40 Big Data and Health Insurance

41 *Could Your Fitbit Data Be Used to Deny Health Insurance?*

Andrew Boyd

45 *Why Health Apps Are Like the Wild West*

Michael L. Millenson

48 *Can Persuasive Technology Change Behavior?*

Samir Chatterjee

52



Interview

Wendy Liu, CEO Zurich Global Employee Benefits Solutions

65 Upcoming Conferences and Events

73 Index of Articles

68 News



COVER : AGNÈS M.
© Elnur - stock.adobe.com

DR.RER.POL. PAUL WÖHRMANN

paul.woehrmann@zurich.com

ZURICH INSURANCE

Head of Captive Services EMEA, Asia Pacific and Latin America



Dr.rer.pol. Paul Wöhrmann has spent his entire career at Zurich Insurance Company where he currently is the Head of Captive Services for a geographical area spanning Europe, Middle East, Africa (EMEA), Asia - Pacific and Latin America.

As such, he leads Zurich's involvement in the captive market as well as the integration of life & non-life solutions.

Prior to his current position, he was Global head of Captive services for corporate customers (national and international commercial business); Head of alternative risk transfer (ART) & Executive manager of Continental Europe, Corporate business; Head of Financial Services, Corporate business; Head of reinsurance & captive management; he began his career as a captive & financial risks management specialist.

Paul is a Doctor of Economics in Business Administration (Dr. rer.pol.) from the University of Freiburg, Switzerland, where he also taught as an Assistant in the Corporate Financing and Business Tax department and earned his master's degree in Business Administration (MBA) after receiving a bachelor's in Business Administration (BBA) from Universität Hamburg, the University of Hamburg, Germany.

Since 2014, Paul is on the "Captive Review Power 50" list of the 50 most influential individuals in the Captive industry.

Profiles of Contributors

RETO HEINI

reto.heini@zurich.com

ZURICH EMPLOYEE BENEFITS NETWORK*Senior Corporate Relationship Manager – Member of Executive Staff*

Reto is a Senior Corporate Relationship Manager and a member of the Executive Staff of Zurich Global Employee Benefits Services, Zurich Insurance's multinational pooling network.

He looks after multinational companies in Continental Europe with regards to their employee benefit plans around the world (pooling, captive and alternative solutions).

He joined Zurich from Swiss Life where he was a Vice President, responsible for UK-based multinational companies, then leader of the Broker and Consultants team. Previously, he was an Account Executive with Kessler & Co in Zurich, Switzerland, responsible for global property and casualty programmes for Swiss multinationals.

He is a graduate of the University of applied Sciences in Basel, Switzerland.

INCLUSION OF EMPLOYEE BENEFITS RISKS INTO A CAPTIVE AIDS HUMAN RESOURCES

Loading...





Paul Wöhrmann



Reto Heini

W

With large international companies managing and financing their group-wide risks centrally, there is a pressing need for a central risk management tool. Captive concepts, which have been around for many years, answer this need and have become very popular in risk management.

A captive company is an insurance or reinsurance company – most often a wholly owned subsidiary of a non-insurance company, whose primary role is to insure, or reinsure, the risk exposure of its owner and fellow subsidiaries. Given strict capitalisation requirements and regulatory frameworks for insurers in many countries, most owners choose to establish reinsurance captives.

Essentially, reinsurance captives offer their owners the entire range of proportional and non-proportional reinsurance instruments.

Captives have recently been used in the international marketplace for a number of reasons including:

- *optimisation of insurance and reinsurance structures in the Solvency II environment;*

- *bringing two ‘worlds’ (life and non-life insurance) into one reinsurance captive;*
- *allow companies to benefit from arbitrage opportunities in the markets (with regards to pricing, coverage, and capacity);*
- *assist in strengthening the core business of the captive owner;*
- *allow the collection of data that, once analysed, can drive risk prevention initiatives; and*
- *have served the development of solutions for new, emerging risks.*

Since the implementation of the European Solvency II Framework, which provides for capital credits for reinsurance companies with

diversified portfolios, we have seen captive owners showing an increasing interest in employee benefit programmes.

The European Solvency II Framework rules assume that life and non-life risks do not correlate, so, in effect, if both risks are assumed by one single reinsurer, the diversification of the captive's portfolio is increased. This helps organisations meet Solvency II capital adequacy rules.

RISK AND HR COLLABORATION

Very often, risk managers are responsible for the non-life exposure management and are asked to oversee the operational management of existing captives; while human resource (HR) managers are responsible for employee benefit programmes (EB programmes) and are constantly seeking greater transparency in their regional or global employee benefit programmes to identify potential improvements. Captive owners interested in following the so called “*holistic captive approach*,” thus, seek stronger collaboration between risk and finance managers and their HR colleagues. Furthermore, market variety sees risk management increasingly interested in optimising the financing of the Employee Benefits and, crucially, their risk management.

In the past, with strict separation between life and non-life insurance on the provider, consultant, and purchaser side, it was common for many companies to have the risk management or insurance departments running the non-life insurance programmes, whereas EB insurance tended to fall under the remit of HR or the compensation and benefits teams.

The challenge for an organisation wishing to implement an EB captive programme is to, therefore, convey the advantages of partici-

pation to colleagues responsible for EB plans – and the inevitable question is how to best set out to achieve this?

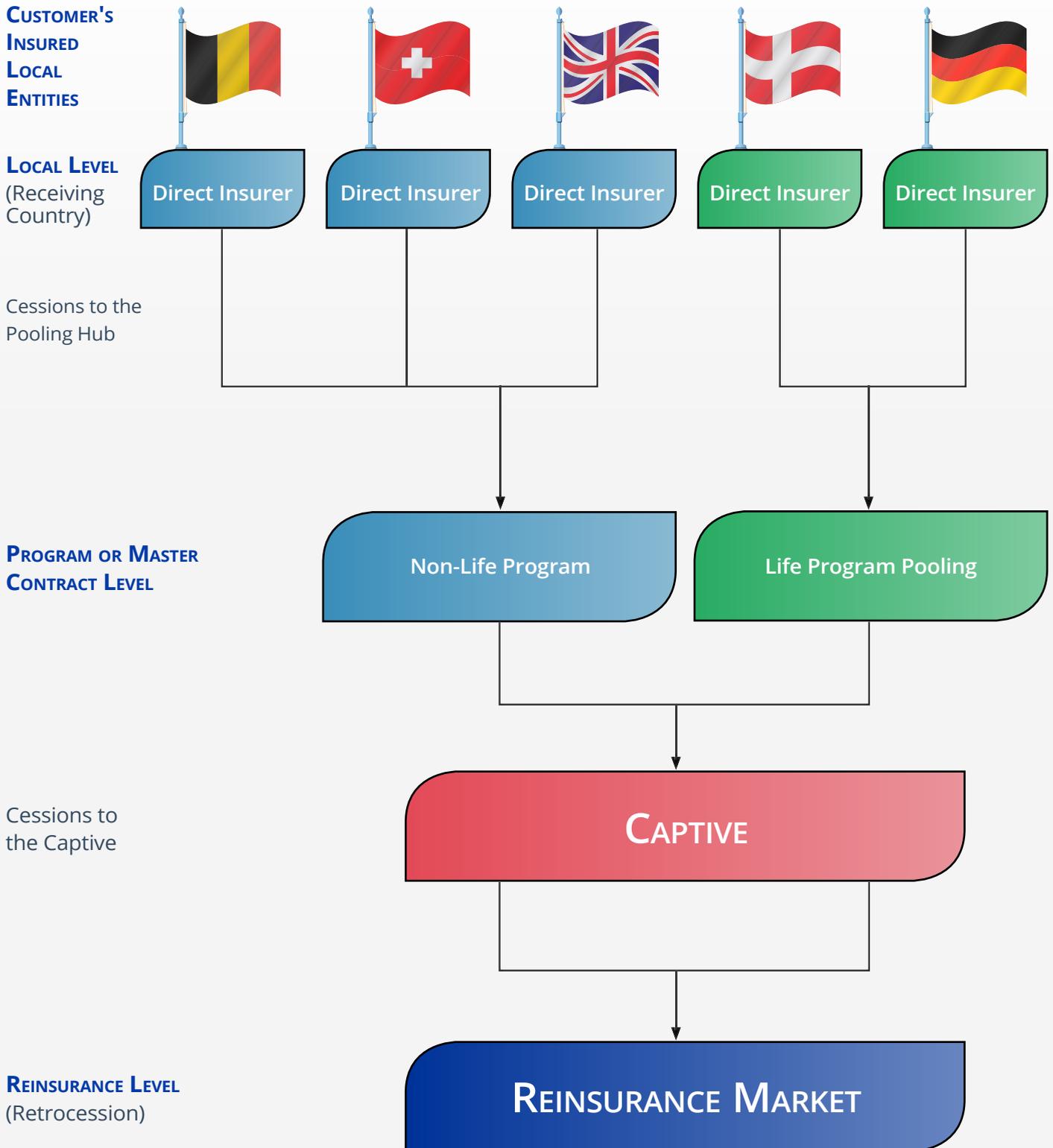
The structure and decision making process within the HR team is important to understand in this scenario: large international organisations can be extremely complex when it comes to their HR and benefits and compensation units with layers of international, regional, and local structures. A good understanding of these structures and the respective interests of the stakeholders is crucial.

Risk management and finance tend to focus more on the financial advantages gained by inclusion of EB plans into the captive, which may be of lesser interest to HR, whose traditional remit has been the recruitment and retention of employees (supported by benefits plans). For example, the efficiency benefits arising under Solvency II through portfolio diversification and the increase in cash flows may not be relevant to HR.

Therefore, they need to be provided with practical examples of how the captive can help them achieve their goals.

Given this, we set out to highlight actual case studies where the involvement of the captive has helped human resources departments achieve their objectives. In some cases, these are financial – and there are a number of cases where, in order to enable a swift transition to the captive, straightforward percentage reductions to existing plan prices (on equal terms) have been agreed. More commonly though, we find the focus switching to aspects such as set up design, tailoring of policy conditions, and taking a more flexible approach to underwriting in order to provide custom-fitted cover for the local policyholder.

INTERNATIONAL INSURANCE PROGRAM INCLUDING CAPTIVE NON-LIFE FRONTING AND EMPLOYEE BENEFITS



Practical examples where we have seen captives use their influence as the risk taker to influence the quality of the local contract to the advantage of the HR function and as well as employees include:

Policy terms

Companies involved in reconstruction and development in dangerous regions have secured cover for 'Passive War' risks, which would normally be excluded by a local insurer.

In addition, we have seen several inclusions of risks such as 'High Risk Sports,' 'AIDS/HIV treatment,' and 'Suicide,' which insurance carriers typically have little appetite for.

Underwriting

We have also seen flexibility granted to underwriting conditions applied to employees joining a company, where these easements are particularly useful for human resources when looking to provide matching cover in order to attract talent.

Examples include waivers of exclusions that might normally apply under a local policy due to an employee's medical history. This could be an exclusion that would apply to a disability policy because the covered person has a history of back problems, for example. More fundamentally, under a medical policy it could provide cover for the employee (or indeed a covered family member like a spouse or a child) where they may already be receiving treatment for a condition. Being able to provide cover in this way when trying to attract new employees to the company is potentially a big advantage to the HR team when recruiting.

Similarly, the captive may look to increase the normal limits in order to improve immediate cover on joining and make coverage more attractive to new hires.

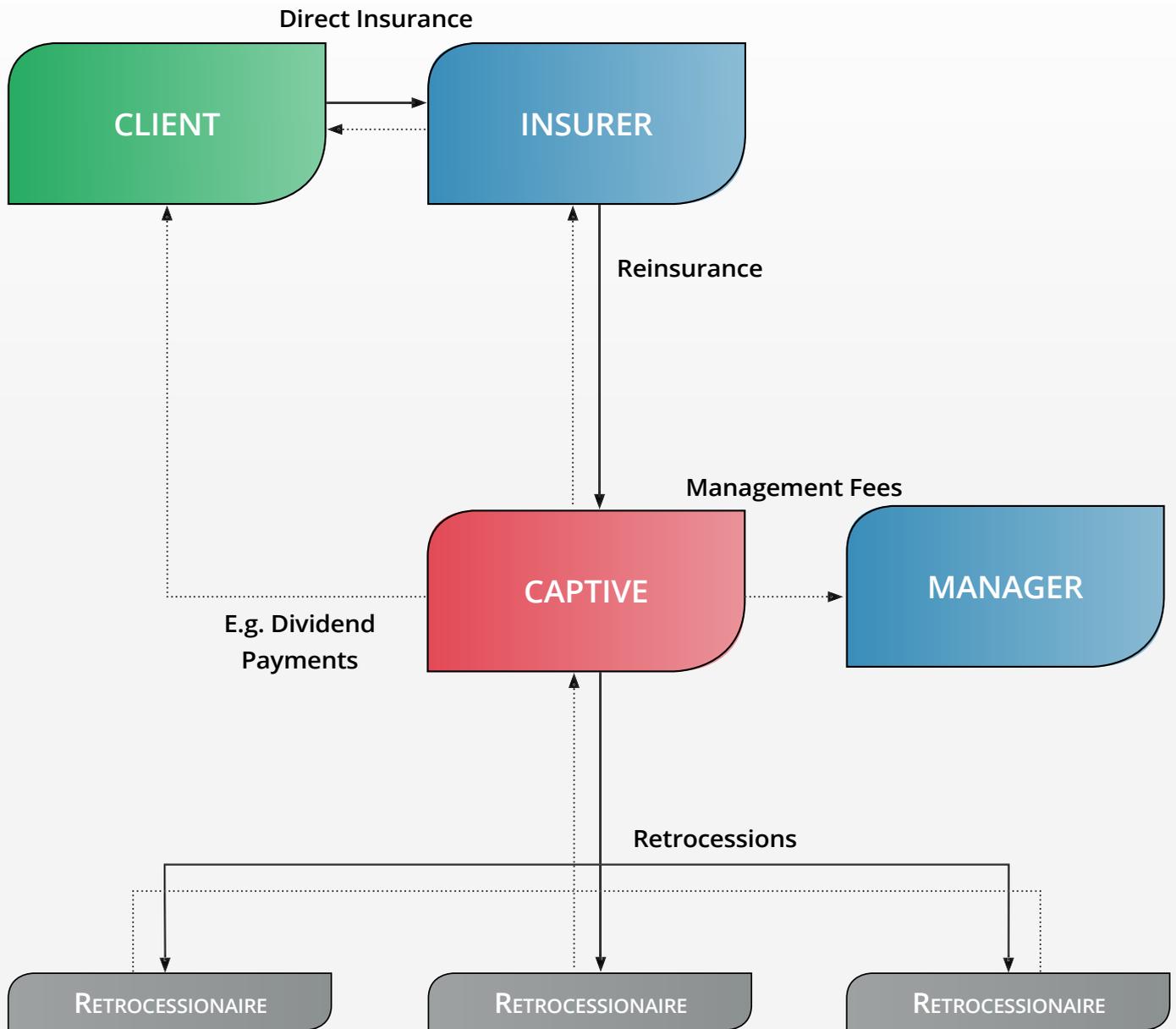
For example, in one case in Ireland, a captive was able to make a meaningful difference: the local operation was looking to appoint a new manager from a competitor who had a serious existing ailment. The prospective hire was refused cover in excess of the Free Cover Limit (a local limit up to where evidence of health is not required) due to the illness. The captive was asked to intervene, and by increasing the local Free Cover Limit to the required level of cover, the employer was able to offer improved terms which enabled the company to recruit the employee. Had the captive not been in a position to do this, the employee would have remained with their previous employer.

Claims acceptance and management

Both of these examples are pre-loss situations in which the captive improves terms the local employer can offer. However, the captive may also assist post-loss in case a claim or claims process falls outside the normal local rules, a common situation under medical policies – often surfacing in cases of hardship. The captive can either speed up the local process or make voluntary payments.

One such case arose in Guatemala, where a covered person developed an acute condition requiring immediate treatment. Unfortunately, while the local diagnosis was not in dispute, standard local practice required the medical records to be provided prior to admittance of the claim in order to validate the claim. To add to the complications the covered person was actually out of the country at the time and the relatively costly treatment of USD

MAIN FINANCIAL FLOWS IN A CAPTIVE ARRANGEMENT



———▶ Premium Flows
▶ Loss Payments

20,000 required payment up-front. Given these circumstances, the health of the covered could have deteriorated in the event of any delays.

Following a discussion between HR, the customer's Head Office, Zurich and our local partner, the captive immediately authorised our partner to release a pre-certification, which allowed the covered person to undergo immediate surgery abroad.

There was also recently the case of a manager in Thailand with benefits in excess of free cover that had not been insured. To become part of the international EB captive programme, the customer's Thai operation decided to switch the local Group Life solution to our partner, but given the high salary of the manager, she was asked several times to complete a medical questionnaire but failed to do so.

When the manager suddenly died, the local insurer followed the normal process and paid out a lump sum up to the Free Cover Limit of USD 100,000. The balance of USD 200,000 was not paid as the member had not provided the required medical questionnaire. The captive agreed to increase the cover by a further USD 50,000 – substantially improving the situation compared with what would have happened had the member died while the solution was placed with the previous insurer.

We could list several other examples of how the captive may be used to convince an HR team that participation in the arrangement can only be advantageous. This in turn will help broaden support of the arrangement and increase the chances of a successful EB captive implementation.

CONCLUSION

The current market environment does provide attractive and comprehensive risk self-financing and risk transfer solutions for captive owners.

The holistic captive approach of bringing together the non-life and the life world results in tangible value for human resources teams. Thanks to the captive's inclusion of EB exposure, local coverage optimisation of is possible, HR receives transparent risk reports, and benefits from an attractive loss ratio. The latter can be used to initiate investments to increase the quality of risk, which in turn results in more efficient local insurance pricing.

Furthermore, recent regulatory developments should motivate captive owners to explore this path, provided an operating captive is in existence.

Insurance companies and captive frontiers, who are experienced with such an approach, can provide the necessary advice in order to facilitate a productive discussion between risk management & human resources management.

Corporate insurers operating globally might be faced with an increasing demand from captive owners to keep their network infrastructure available for EB frontings, since most popular EB captive reinsurances are proportional reinsurances up to 95% of 100%. The traditional role of an EB Insurer will consequently shift to a comprehensive service provider for the issuance of international EB programmes. ∞



HELP TAKE CARE OF YOUR PEOPLE AND BUSINESS TOGETHER.

With Zurich, you can get a variety of tailored global solutions: employee benefits, liability and property insurance. And if you consolidate them into a single captive it could be financially beneficial – giving you greater control of your insurance portfolio.

FIND OUT MORE AT
zurich.com/captives



**ZURICH INSURANCE.
FOR THOSE WHO TRULY LOVE
THEIR BUSINESS.**



This is intended as a general description of certain types of insurance and services available to qualified customers through subsidiaries within the Zurich Insurance Group, as in the US, Zurich American Insurance Company, 1400 American Lane, Schaumburg, IL 60196, in Canada, Zurich Insurance Company Ltd, 100 King Street West, Suite 5500, PO Box 290, Toronto, ON M5X 1C9, and outside the US and Canada, Zurich Insurance plc, Ballsbridge Park, Dublin 4, Ireland (and its EU branches), Zurich Insurance Company Ltd, Mythenquai 2, 8002 Zurich, Zurich Australian Insurance Limited, 5 Blue St., North Sydney, NSW 2060 and further entities, as required by local jurisdiction. Certain coverages are not available in all countries or locales. In the US, risk engineering services are provided by The Zurich Services Corporation. Employee benefits insurance coverages are provided by the relevant Zurich entity or a network partner in the main jurisdictions. Certain products, contract terms and services may not be available in all jurisdictions or may vary by local jurisdiction.

HELP TAKE CARE OF YOUR PEOPLE AND BUSINESS TOGETHER.

With Zurich, you can get a variety of tailored global solutions: employee benefits, liability and property insurance. And if you consolidate them into a single captive it could be financially beneficial – giving you greater control of your insurance portfolio.

FIND OUT MORE AT
zurich.com/captives



**ZURICH INSURANCE.
FOR THOSE WHO TRULY LOVE
THEIR BUSINESS.**



This is intended as a general description of certain types of insurance and services available to qualified customers through subsidiaries within the Zurich Insurance Group, as in the US, Zurich American Insurance Company, 1400 American Lane, Schaumburg, IL 60196, in Canada, Zurich Insurance Company Ltd, 100 King Street West, Suite 5500, PO Box 290, Toronto, ON M5X 1C9, and outside the US and Canada, Zurich Insurance plc, Ballsbridge Park, Dublin 4, Ireland (and its EU branches), Zurich Insurance Company Ltd, Mythenquai 2, 8002 Zurich, Zurich Australian Insurance Limited, 5 Blue St., North Sydney, NSW 2060 and further entities, as required by local jurisdiction. Certain coverages are not available in all countries or locales. In the US, risk engineering services are provided by The Zurich Services Corporation. Employee benefits insurance coverages are provided by the relevant Zurich entity or a network partner in the main jurisdictions. Certain products, contract terms and services may not be available in all jurisdictions or may vary by local jurisdiction.