

POOLING OUR VALUE PROPOSITION

WHAT IT MEANS

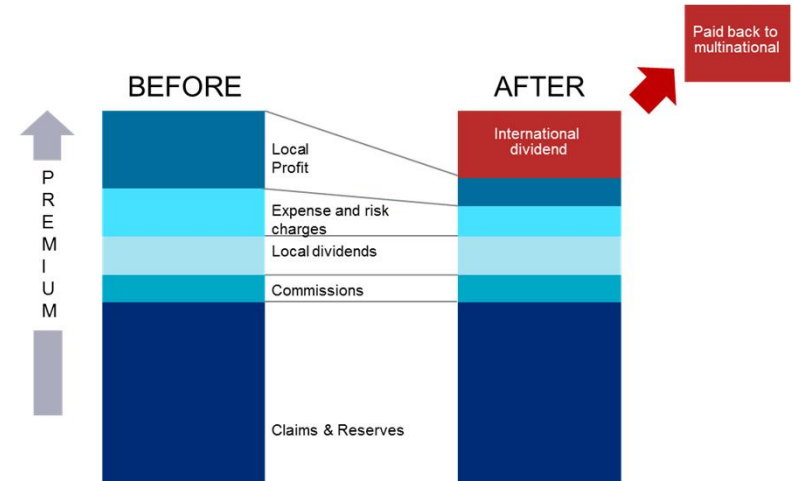
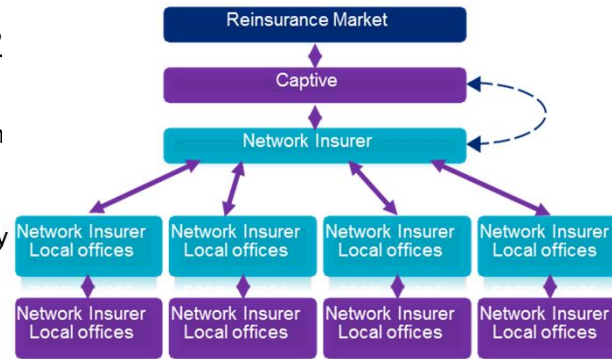
Mercer is appointed to review the multinational pooling program and for on-going pooling advise. Pooling may be reinsured and administered via a captive.

HOW DOES THIS ADD VALUE

- Efficient placement process and leveraging purchasing power saves cash (in our experience generally over 10% of total employee benefit risk insurance spend)
- Independent and unbiased advise on choice of pooling provider and type of pool.
- Advise on whether to pool an insurance contract or not.
- Cost savings in the range of 5% - 15% of global pooled premiums over longer terms.
- Handle communication and interaction with chosen pooling networks as agreed with parent company
- Implementation of global pooling policy according to the desired level of governance and central control as defined by parent company
- Annual review of pooling reports for correctness and advise on possible changes to pool
- Feasibility study on whether to or to what degree to cede risk from pools to a captive

WHY MERCER MARSH BENEFITS?

- Pooling has been a core consulting business for Mercer over 30 years for hundreds of clients.
- Large database of pool data and leading consulting experience enabling us to identify the 'right' contracts for pooling.
- Proven track record of cost savings and governance improvement for multinationals.
- Leading edge consulting capabilities in the Captive area coupled with resources from our sister company Marsh.



TARGET MARKET

Multinationals with subsidiaries abroad looking for cost savings on insured benefits

Multinationals able to make decisions centrally

CASE STUDY

A global engineering company appointed Mercer as its Global Pooling adviser

- Mercer reviewed and re-negotiated network terms and conditions and selected two pool providers
- Pooling dividends tripled to 9% of premiums over a three year period in addition to a reduction in up-front premiums.
- About 2/3 of global risk premium pooled in one of selected pools.
- Efficient pooling administration with a minimum of central client resources.