

ILO STAFF HEALTH INSURANCE FUND

Record of Decisions
of the 239th Meeting of the Management Committee

Tuesday, 31 January 2017

at 9.30 a.m., ILO, room VI (R3 South)

Present:

Representing the insured persons of the ILO:

Mr. Pierre Sayour (Titular member)
Mr. Jean-François Santarelli (Titular member)
Ms. Mireille Ecuillon (Titular member)
Ms. Colleen McGarry (Substitute member)

Representing the Director-General:

Mr. Jean-Claude Villemonteix (Titular member)
Mr. Tilmann Geckeler (Titular member)
Mr. Fikri Gurzumar (Titular member)
Mr. Giuseppe Zefola (Substitute member)

Other attendees:

Mr. Florian Léger, SHIF Executive Secretary
Ms. Heather Harris, SHIF Claims Supervisor
Ms. Corinne Michoud, SHIF Secretary
Mr. Baart Breemans, AON
Mr. Geert Coene, AON

Apologies for absence were received from:

Representing the Director-General of the ILO:

Mr. Sietse Buijze, Ms. Anne Drouin

Representing the insured persons of the ILO:

Mr. Christopher Land-Kazlauskas, Mr. Fabio Duran Valverde

The meeting opens at 09.45 a.m.

**Item 1: Election of the Chairperson and Vice-Chairperson
of the Management Committee**

Management Committee (MC) decides to re-elect:

- as Chairperson: Mr. Jean-François Santarelli
- as Vice- Chairperson: Mr. Jean-Claude Villemonteix

**Item 2: Approval of meeting agenda
(SHIF/MC/17/239/AG)**

MC refers to document ref. SHIF/MC/17/239/AG and approves the agenda.

Item 3: Composition of the Standing Subcommittee

MC decides to re-elect as SHIF Standing Subcommittee members:

- representing the insured persons of the ILO: Mr. Pierre Sayour and Ms. Mireille Ecuillon;
- representing the Director-General of the ILO: Mr. Tilmann Geckeler and Mr. Fikri Gurzumar.

**Item 4: Approval of the Record of Decisions of the 238th meeting of the Management Committee
(SHIF/MC/16/RD.238)**

MC refers to document ref. SHIF/MC/16/RD.238 and **decides that, given the short notice to its members to read and provide comments on the Record of Decisions of the 238th meeting of the Management Committee, comments could still be provided to the Secretariat until Friday 3 February at the latest. Should no comments be received by the Secretariat at that time, then the draft Record of Decisions of the 238th MC meeting will be considered as approved.**

Item 5: Working priorities for 2017

MC holds a general discussion and decides on its working priorities for 2017, as follows:

- Cost-containment measures (including preventive measures): the Working Group shall make concrete recommendations and draft a report for submission to the MC by the end of March 2017.
- Revision of SHIF Regulations and Administrative Rules: the Working Group shall now meet and start its work (it was postponed due to other working priorities such as the organization of the 2016 SHIF Referendum).
- Working group on the SHIF governance: representatives of the participants are asked to share with the MC a position paper.
- Finalization of the actuarial study for the 2016-2026 period.
- Organization of the election of representatives of the insured persons sitting on the SHIF Management Committee for the 2018-2020 period
- Finalization of the Report on the Operations of the Fund for 2013 and 2014
- Drafting of the Report on the Operations of the Fund for 2015 and 2016 (to be made available for MC members in July 2017)

**Item 6: Actuarial Study of the SHIF for the 2016-2026 period:
Presentation made by Mr. Bart Breemans from Aon Hewitt GmbH
(SHIF/MC/2017/238/6)**

The actuary from Aon in charge of the study, Mr. Bart Breemans, makes a presentation of the Actuarial Study for the 2016-2026 period. He first presents the SHIF data and the actuarial methodology used to perform the calculation. He explains in detail the different actuarial assumptions that AON recommends to adopt. The assumptions have been discussed with the SHIF ES and are consistent with the assumptions that were used in the previous study as well as with the assumptions that are used in the yearly ASHI valuation.

Mr. Bart Breemans then presents the draft results of the demographic projection, as well as the projection of contributions and expenditure and of the SHIF Guarantee Fund. Draft results indicate that, while the 2017 increase in the contribution rates will allow the SHIF technical results to remain positive for a few years, it is expected that the SHIF will experience negative technical results afterwards. As a result the SHIF Guarantee Fund will reach its peak around 2018 and then start to slowly decrease. Projections indicate that the SHIF Guarantee Fund may fall below the statutory minimum before the end of the projection period but would remain positive until the end of the projection.

Mr. Breemans warns MC that the SHIF being a Fund of medium size it is subject to volatility in its income and expenditure, and that the projections are highly sensitive to exchange rate fluctuations. The volatility and exchange rate fluctuations largely explain why the SHIF is currently in a less favourable situation than what had been projected in the previous actuarial valuation conducted 3 years ago.

MC notes that the draft results of the actuarial study confirms that the increase in the contribution rates was necessary. MC holds a discussion on the assumptions, and notably the most important ones that are medical inflation, exchange rates, rate of return on investments, etc... and decides on the sensitivity analysis that the MC would like the study to include.

The actuarial consultant will prepare the sensitivity analysis requested by the MC, finalize the projections and present them to the MC at its next meeting in March.

Item 7: Any other business

- 7.1 SHIF annual reports. MC stresses the importance to have the different annual reports published as soon as possible (see item 5 above).
- 7.2 External Review of the SHIF. MC members request that the ILO Administration share the consultant's report with them. ES is requested to send a reminder to the ILO Administration in this respect.
- 7.3 ASHI. MC members thank the ILO Administration for having consulted them regarding the paper that will be presented to the ILO GB in March 2017 at the 329th session of the ILO GB.

The meeting ends at 12.30 p.m.
