

ILO/ITU STAFF HEALTH INSURANCE FUND

**Record of Decisions**  
**of the 225<sup>th</sup> Meeting of the Management Committee**

**Tuesday, 2 December 2014**

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

Present:

Representing the insured persons of the ILO:

Mme Chantal Amine (Titular member)  
Mr. Sylvain Delaprisson (Titular member)  
Mr. Gérald Weder (Titular member)  
Ms. Mireille Ecuivillon (Substitute member)  
Ms. Cherry Thompson-Senior (Substitute member)  
Mr. Jean-François Santarelli (Substitute member)

Representing the Director-General:

Mr. Tilmann Geckeler (Titular member and Chairman)  
Mr. Fikri Gurzumar (Titular member)  
Mr. Jean-Claude Villemonteix (Titular member)  
Ms. Anne Drouin (Substitute member)

Other attendees:

Mr. Florian Léger, SHIF Executive Secretary  
Ms. Corinne Michoud, SHIF Secretary

**Apologies for absence were received from:**

*Representing the Director-General of the ILO:* Mr. Giuseppe Zefola – Mr. Sietse Buijze

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The meeting opens at 9.35 a.m.

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**Item 1: Approval of meeting agenda**  
(SHIF/MC/14/225/AG)

Management Committee (MC) refers to document ref. SHIF/MC/14/225/AG and **decides to approve meeting agenda**. MC also requests under “any other business” to add an update regarding progress in the discussion with the ITU and an update of the situation in the SHIF secretariat. Due to lack of time, the items under “any other business” will be discussed at the 226<sup>th</sup> meeting of the MC scheduled on 18 December 2014.

**Item 2: Approval of the Record of Decisions of the 224<sup>th</sup> meeting of the Management Committee**  
(SHIF/MC/2014/RD.224)

MC refers to document ref. SHIF/MC/14/RD.224 and **decides to approve the Record of Decisions of the 224<sup>th</sup> meeting of the Management Committee with the following change in item 3:** “MC takes note of the new policy which aims at improving the returns without taking undue risks”

**Item 3: Currency of SHIF Investment portfolio**

Mr. Hsien Tan, Chief Treasury Operations, reminded the MC that the SHIF Investment portfolio has been 100% hedged to the CHF. He explained that current market expectations are that the USD will likely strengthen against the CHF. The Fund had benefited in the last years from significant unrealised revaluation gains due to the weakening of the USD against CHF, which may reverse. Based on the latest analysis of SHIF data showing that 65% of expenditure is denominated in CHF it is recommended that the level of hedging to CHF be reduced to that level. The most efficient method of implementing this will be discussed with the Fund manager.

MC noted that prior the departure of ITU the level the expenditure denominated in CHF was higher. **MC agreed with the proposal.**

**Item 4: Request to exceed the maximum liability as per. Art. 2.6 of the Fund’s Regulations**  
(SHIF/MC/2014/225/4)

MC recalls former discussions related to the maximum liability as per. Art. 2.6 of the Fund’s Regulations. In particular, MC wonders if it would be timely to study again the possibility of reinsurance of large claims. MC asks the ES to provide recent statistics on large claims. **MC decides to increase to USD 900’000 the SHIF’s 2014 maximum liability in respect of the insured person associated with claim ref. 42557.**

**Item 5: Continued discussion on possible benefit adjustments**

At its 224<sup>th</sup> meeting on 3 October 2014, the MC constituted a working group to recommend possible benefit adjustments for adoption at the current meeting of the MC. The Working Group (WG) was composed of Ms. Mireille Ecuivillon and Mr. Jean-François Santarelli (representing the insured persons) and Mr. Fikri Gurzumar and Mr. Jean-Claude Villemonteix (representing the administration). The WG met 7 times between October 8 and November 25.

The ES provides a summary of the discussions of the WG. The WG was provided with many statistics and analysed many different options. It was noted that SHIF maximum benefit limits and ceilings remain adequate in most cases. It compared SHIF benefits with benefits provided by other UN organizations. The proposal of the WG focuses on gaps in benefits measured in comparison of average benefits reimbursement and provides incentives for moderate and rational use of benefits.

MC members representing the Director-General recalled the recent ILO Governing Body (GB) discussion of ASHI (After-Service Health Insurance) and the clear message from the GB to be cautious with any increase in the benefits. MC mentions that the SHIF ceiling/maxima have not been increased for many years and that there was a need to adjust them to take into account price inflation. MC also recalls that the SHIF actuarial valuation assumes medical inflation of 3 to 5 per cent per year.

As a measure to accompany the increase of contributions already approved in principle (SHIFMC/14/RD.223), MC decides to change the following ceilings/maxima:

Code 2.5 “long-term nursing services in an institution” §2 to read: Max. approved expenses US\$ per day: **150.00**.

The estimated impact on cost is **USD 140,000 per annum**.

Code 5.2 “Hearing aids” §2 to read: The approved expenses shall be limited to US\$ 3,750.00 per ear (i.e. ordinary benefit US\$ 3,000.00) for any three calendar years.

The estimated impact on cost is **USD 40,000 per annum**.

Code 5.1 “Optical” §4 to read: The balance of approved expenses remaining at the end of any calendar year shall be carried over and added to the entitlement for the following year, subject to a maximum carry over from one year to the next of **US\$ 960.00 (i.e. ordinary benefit US\$ 768.00)**.

The estimated impact on cost is **USD 90,000 per annum**.

The estimated impact of the new ceilings/maxima on supplementary benefits would be **USD 30,000 per annum**.

Regarding Code 4 “Dental care”, the MC did not reach any consensus. The insured persons of the ILO requested a vote in favour of an increase in the annual credit by 10% (i.e. from US\$ 1,500 to US\$ 1,650, ordinary benefit from US\$ 1200 to US\$1320). The MC members representing the insured persons voted in favour and the MC members representing the Director-General voted against. Article 4.6 of the Fund’s Regulations reads “when an equal number of votes are cast for and against a motion the Chairperson shall have a casting vote”. As a result, the proposal was not adopted.

MC further decides to delete article 1 of Code 2.4 (Cures) related to the maximum benefits for accommodation during cures. The estimated savings are minimal.

MC decides to hold a last meeting before the end of the year to approve the package of amendments to the SHIF Regulations and Administrative rules required to implement the contribution increase and adjusted ceilings.

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The meeting ends at 12.40 p.m.
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