



**FINANCE COMMITTEE**  
**96<sup>th</sup> session**  
**Rome/remote, 12 October 2023**

UNIDROIT 2023  
F.C. (96) 7  
Original: English  
September 2023

**Item No. 8 on the Agenda: Update on the social security package applicable to UNIDROIT staff**

(prepared by the UNIDROIT Secretariat)

|                           |   |
|---------------------------|---|
| <i>Summary</i>            | <i>Update regarding the social security package offered to UNIDROIT staff</i>   |
| <i>Action to be taken</i> | <i>To take note of the update</i>   |
| <i>Related documents</i>  | <a href="#">UNIDROIT 2017 – A.G. (76) 7 rev.</a> ; <a href="#">UNIDROIT 2017 – A.G. (76) 10</a> ;<br><a href="#">UNIDROIT 2020 – F.C. (90) 7</a> ; <a href="#">UNIDROIT 2022 – F.C. (93) 4</a> ;<br><a href="#">UNIDROIT 2022 – F.C. (94) 8</a> ; <a href="#">UNIDROIT 2023 – F.C. (95) 5</a> |

**I. INTRODUCTION**

1. Following an extensive review, upon recommendation of the Finance Committee, the General Assembly at its 76<sup>th</sup> session (Rome, December 2017) adopted important compensation and social security reforms, together with the necessary revisions to the UNIDROIT Regulations. The General Assembly provided the Secretariat with flexibility in the implementation of the new social security system, which would be reviewed by the Finance Committee ([A.G. \(76\) 7 rev.](#); [A.G. \(76\) 10](#)).

2. The Finance Committee and the General Assembly have been updated on the social security reforms on a regular basis. The new pension scheme was activated in September 2019 and has since been administered by the ISRP. In 2020, the proposal of the Committee for the Administration of Funds (CAF)<sup>1</sup> regarding the investment of the Institute's pension fund was approved. This approach entailed that the fund would be invested in two stages. Initially, the incoming contributions to the Fund would be kept in treasury (i.e., on a bank account to preserve capital), and in a second stage, when the Fund reached a threshold amount of € 500,000, the assets would be moved towards a portfolio invested in financial markets ([F.C. \(90\) 7](#)).

3. During its 93<sup>rd</sup> meeting in May 2022, the Finance Committee was informed of important changes in the estimation of the administrative costs for UNIDROIT's pension fund, largely due to an expected significant increase in fees for the custodian bank. This had led the ISRP to increase the

---

<sup>1</sup> The CAF is composed of representatives of five Organisations that externalised the administration of their pension reserve fund assets to the ISRP (see Annexe I).

minimum threshold for investment in the financial markets to € 900,000, and UNIDROIT would not be affected by the increase in custodian fees as long as it did not reach the threshold for investment.

4. During its 94<sup>th</sup> session in October 2022, the Finance Committee agreed with the Secretariat's proposal to transfer a substantial amount of the pension fund assets from the savings bank account at *Crédit Industriel et Commercial* (CIC) to a longer term account to obtain a higher interest rate (F.C. (94) 8). During its 95<sup>th</sup> session in March 2023, the Secretariat informed the Finance Committee that it had been decided to open a bank account at *Crédit Agricole*, which offered advantageous rates for term deposits (F.C. (95) 5).

5. Regarding health insurance, the Secretariat obtained insurance with AXA in September 2019, which was tacitly renewed each year. During its 95<sup>th</sup> session in March 2023, the Finance Committee was informed that the general dissatisfaction of staff members with the AXA insurance policy had led the Secretariat to explore alternative options. The Secretariat had shared a quotation from Cigna with the Finance Committee and it was agreed that the Secretariat would follow up with Cigna to verify the coverage and terms under the proposed Cigna Beta plan with a view to change the insurance plan from AXA to Cigna, if beneficial.

## II. UPDATE

- *Pension Fund*: Details regarding the management of the Institute's pension fund are available in the CAF's Second Bi-Annual Report (Annexe I). The Secretariat wishes to highlight the following points:
  - The pension funds' total assets increased to € 811,318 by end-August 2023 (i.e., still below the threshold for investment).
  - A leaving allowance was paid to a departing official in April 2023 (around € 40,000). Another leaving allowance will be paid in October 2023 (around € 30,000).
  - Since January 2023, the interest rate at the CIC bank account was 1%. Since June 2023, UNIDROIT has benefitted from higher interest rates (3.60%/3.65%) on the newly negotiated short-term deposits at *Crédit Agricole*.
- *Health Insurance*: Following the 95<sup>th</sup> meeting of the Finance Committee in March 2023, the Secretariat has further negotiated Cigna's health insurance offer. These negotiations have led to a significant (nearly 50%) reduction in premiums compared to Cigna's offer from March 2023, mainly due to the revision of the geographical scope to 'worldwide excluding the United States'.<sup>2</sup> Cigna's plan thereby became clearly more attractive than AXA's policy from an economical perspective. Furthermore, the Secretariat compared the terms and coverage under the proposed Cigna Beta plan, on the one hand, with the coverage under the AXA health insurance plan and the benchmark Allianz Silver plan that had been approved by the General Assembly at its 76<sup>th</sup> session, on the other. It concluded that Cigna's plan would offer staff members with an equitable, and in some cases better, level of protection.<sup>3</sup> Moreover, due to Cigna's extensive experience in serving international organisations, it was expected that the system would be more user-friendly for UNIDROIT staff. During a staff meeting in July 2023, the affected staff members agreed that it would be beneficial to replace AXA's health insurance policies with the Cigna Beta plan.

---

<sup>2</sup> Staff members remain covered in the United State on an accident or emergency basis and up to 90 days per annum.

<sup>3</sup> One difference between the AXA and Cigna policies concerned the subjective scope: Under the current AXA policies, staff members' entire household was covered for a fixed premium while coverage under Cigna is individual, limited to staff members and their dependents. Given this difference, staff members were provided with the option to extend coverage under the new Cigna plan to non-dependent household members at their own cost.

Accordingly, notice was given to AXA in July 2023 to cancel the sickness and accidents policies from the expiry date (30 September 2023), and coverage under the Cigna plan<sup>4</sup> will begin on 1 October 2023.

### **III. ACTION TO BE TAKEN**

*The Finance Committee is invited to take note of this update regarding the social security package applicable to UNIDROIT staff. The Finance Committee is also requested to take note of the update provided in the CAF's Second Bi-Annual Report (**Annexe I**) and of Cigna's final health insurance quotation as accepted by UNIDROIT (**Annexe II**). Please note that the Annexes are confidential.*

---

<sup>4</sup> UNIDROIT signed up for Cigna's Beta health insurance plan, as well as the accidental death & disability protection and the temporary incapacity coverage (see Annexe II).

**ANNEXE I**

**ISRP – CAF (COMMITTEE FOR THE ADMINISTRATION OF FUNDS)  
UNIDROIT – BI-ANNUAL REPORT TO THE GENERAL ASSEMBLY**

**ANNEXE II**

**FINAL QUOTE FROM CIGNA AS ACCEPTED BY UNIDROIT**