

\*\*\* CHECK AGAINST DELIVERY \*\*\*



**Agenda Item 134**

**Programme budget for the biennium 2016-2017**

**Managing after service health insurance liabilities (A/70/590)**

**FIFTH COMMITTEE**

**Statement by**

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**4 March 2016**

Mr. Chairman,  
Distinguished Delegates,

1. I have the honour to introduce the Report of the Secretary-General on the management of the after service health insurance liabilities in response to the requests contained in the General Assembly Resolution 68/244. In that Resolution the General Assembly requested the Secretary General to take two actions.
2. The first request was to examine the option of broadening the mandate of the United Nations Joint Staff Pension Fund, based on input from the United Nations Joint Staff Pension Board, to include the cost-effective, efficient and sustainable administration of after-service health insurance benefits, taking into account the advantages and disadvantages of that option.
3. The second request was to undertake a survey of current health-care plans for active and retired staff within the United Nations system, and explore all options to increase efficiency and contain costs.

4. In order to do this, a Working Group was established under the Finance and Budgetary Network of the High Level Management Committee of the CEB. The Working Group has representatives from FAFICS, FICSA, Human Resources Network, the United Nations Joint Staff Pension Fund, the CEB and 16 UN System agencies.
5. Based on the actions carried out by the Working Group, for the first time since the health insurance scheme is in place, we have a comprehensive perspective of the number and type of plans, how they are managed, their annual cost and the number of insured persons.
6. For instance, there are 23 plans covering 401,166 active and retired staff and their dependents, both International and National, with a total annual cost in 2014 of \$731.7 million dollars (equivalent to an average cost per insured person of \$1,824 dollars). The total cost represents only around 1.7% of the total amount of resources the UN system receives in both assessed and voluntary contributions and only 6% is administrative cost, well within the lower limit of comparative benchmarks..
7. However, in order to improve the management of the health insurance UN system wide, the Working Group proposed eight recommendations that are presented in this report to be endorsed by the General Assembly.
8. Recommendations 1, 2, 3 and 8 encourage the UN System entities to collectively negotiate contracts with third-party administrators, health-care providers, insurers and asset managers.
9. Recommendation 4 proposes securing, where possible, access of retirees and their dependents to national health insurance schemes of the countries where they reside.
10. Recommendation 5 proposes not to broaden the mandate of the United Nations Joint Staff Pension Fund but only to capture its best practice approach and methods of centralization and administration of a complex multi-employer plan.

11. Recommendation 6 proposes to standardize, to the extent possible, the general valuation methodology for after service health insurance liabilities across all organizations of the UN system.

12. Finally, Recommendation 7 highlights the need for the Organizations to adequately fund the liability that, according to figures of 2014, reached \$16.1 billion dollars for the whole UN system. It is important to highlight that this recommendation does not represent a specific funding plan for the liability of the United Nations Secretariat.

Mr. Chairman,  
Distinguished Delegates,

13. The Secretary-General values the dialogue, comments and recommendations held with and made by the Advisory Committee on Administrative and Budgetary Questions and proposes that the General Assembly may wish to:

- a. Welcome and take note of the report of the Working Group on after-service health insurance and note particularly the results of the survey and the analysis in paragraphs 45-49 regarding any potential role for the United Nations Joint Staff Pension Fund in after-service health insurance;
- b. Endorse recommendations 1 to 8 of the report of the Working Group;
- c. Request the Secretary-General to maintain the Working Group to study further options for increasing efficiency and containing costs, and put forward specific proposals regarding those matters to the General Assembly at its seventy-first session.

14. Mr. Chairman, Distinguished Delegates, I look forward to the discussions on this item. Thank you.