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FINANCE COMMITTEE
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**Item No. 6 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 applicable to UNIDROIT staff</i>
<i>Action to be taken</i>	<i>To take note of the update</i>
<i>Related documents</i>	UNIDROIT 2017 – A.G. (76) 10 ; UNIDROIT 2022 – F.C. (93) 4 ; UNIDROIT 2022 – F.C. (94) 8 ; UNIDROIT 2024 – F.C. (97) 4 ; UNIDROIT 2024 – F.C. (98) 10 ; UNIDROIT 2024 – A.G. (84) 12 ; UNIDROIT 2025 – F.C. (99) 5 ; UNIDROIT 2025 – F.C. (100) 7 ; UNIDROIT 2026 – F.C. (101) 5

I. INTRODUCTION

1. Following the adoption of social security reforms in 2017 ([A.G. \(76\) 10](#)), the Secretariat has regularly updated the Finance Committee on the social security package applicable to UNIDROIT staff.

2. The pension system that was activated in 2019 is being administered by the International Service for Remunerations and Pensions (ISRP). Initially, the Committee for the Administration of Funds (CAF)¹ had proposed to keep the incoming contributions to UNIDROIT's Pension Reserve Fund (PRF) in treasury until it reached the threshold amount of € 500,000, following which the assets would be transferred to a portfolio invested in financial markets. The minimum threshold for investment was increased to € 900,000 in 2022 ([F.C. \(93\) 4](#)). The Finance Committee has since agreed to transfer a substantial amount of UNIDROIT's PRF assets from a savings bank account to a longer term account to obtain a higher interest rate ([F.C. \(94\) 8](#)) and, since June 2023, UNIDROIT has benefited from higher interest rates with term deposits.

3. During its 97th session (24 April 2024), the Finance Committee was informed that the indicative threshold for investment had been reached ([F.C. \(97\) 4](#)). At the subsequent session (24 October 2024), the Secretariat indicated that the ISRP was preparing a proposal for the investment of the PRF's assets in the financial markets ([F.C. \(98\) 10](#)).

¹ The CAF is composed of representatives of five organisations that externalised the administration of their pension reserve fund assets to the ISRP (see the Annexe).

4. At its 84th session (12 December 2024), UNIDROIT's General Assembly approved the proposed strategy for investing the PRF assets in the financial markets ([A.G. \(84\) 12](#)). At its 100th session (October 2025), the Finance Committee was informed that the CAF had approved the necessary documents relating to the implementation of the investment strategy and that UNIDROIT had finalised the contractual process with the custodian, which was completing the necessary administrative steps to start investments. In addition, UNIDROIT would enter into contracts with individual asset managers ([F.C. \(100\) 7](#)).

5. At its 101st session (9 April 2026), the Finance Committee was informed that the investment of UNIDROIT's pension fund assets had commenced end-February 2026 ([F.C. \(101\) 5](#)). An amount of approximately € 1,6 million had been invested pursuant to the investment strategy approved by the General Assembly in December 2024. After this initial investment, the monthly pension contributions would be invested on a quarterly basis, subject to a minimum investment amount of € 100,000 and considering future cash requirements (e.g., any expected leaving allowance payments).

6. Regarding health insurance, the Secretariat obtained insurance with Cigna from 1 October 2023. Following a first annual renewal of the health insurance policies without an increase in premiums, the health insurance premiums increased – as was expected – for the year 2025-2026. The increase in medical premiums was considerable (initially 40% and ultimately 35%). However, the overall increase in costs for health insurance in 2025-2026 compared to 2024-2025 was negligible in absolute terms due to the cancellation of the temporary incapacity benefit and changes in plan membership ([F.C. \(100\) 7](#)).

7. At the Finance Committee's 101st session (9 April 2026), the Secretariat indicated that it intended to renew the Cigna policies (medical insurance and accidental death and disability cover) for another 12-month period, while doing its utmost to contain costs ([F.C. \(101\) 5](#)).

II. UPDATE

Pension Fund:

8. The pension fund's total assets increased to approximately € 1.8 million by 31 July 2026 (the latest date for which data on the performance of the investment is available). Details regarding the management of the Institute's PRF are available in the CAF's Second Bi-Annual Report for 2026 (see the Annexe).

Health Insurance:

9. End-June 2026, Cigna informed the Secretariat that the medical insurance premiums would increase by 27% for the next policy year (1 October 2026 – 30 September 2027). The proposed increase was based on medical inflation, claims experience, and global inflationary pressures. Considering UNIDROIT's budget constraints and given that the proposed increase was again (like last year) much higher than expected, the Secretariat immediately and simultaneously (i) entered into negotiations with Cigna; and (ii) contacted another health insurance provider, Allianz, from which a quote had also been obtained last year (which was ultimately rejected due to too uncertainty regarding the coverage).

10. The negotiations with Cigna led it to change its renewal offer several times, ending with a final offer of a 20% increase in medical premiums, while the premiums for the accidental death and disability policy would remain unchanged. In the meantime, the Secretariat had obtained several quotes from Allianz, for both medical insurance as well as death and disability cover. Allianz' premiums were lower while the coverage was similar to that under the Cigna policies. Therefore, end-July 2026, the Secretariat notified Cigna of the termination of the medical insurance policy and the accidental death and disability policy. Cigna subsequently offered a revised proposal with a 12%

increase. The Secretariat did not take up that offer since the premiums remained higher than those offered by Allianz.

11. Ultimately, the Secretariat thus entered into two agreements with Allianz, for medical insurance and for life and permanent disability insurance. The cover under these policies is similar to that under the previous Cigna policies, while the effective costs to be borne by the Institute from its regular budget are slightly lower than in the previous two years.²

III. ACTION TO BE TAKEN

12. *The Finance Committee is invited to take note of this update regarding the social security package applicable to UNIDROIT staff and the Report of the CAF (see the Annexe). Please note that the Annexe is confidential.*

² In the periods 2024-2025 and 2025-2026, the effective costs for the Institute's budget were approximately € 45,5-46,5k. For the period 2026-2027, estimated costs amount to approximately € 40,5k.

ANNEXE

CAF
UNIDROIT – FIRST BI-ANNUAL REPORT 2026