

Keeping Employees Safe While Traveling Internationally



Because multinational businesses rely on international markets to drive profitability, they regularly send employees to other countries for short-term travel and long-term assignments. US businesses are expected to spend nearly \$300 billion on travel in 2016, according to the Global Business Travel Association, with much of that devoted to international travel. Businesses and their employees must be prepared for a variety of safety issues, from auto accidents and other “everyday” risks to natural disasters, terrorism, political violence, and more.

Although these risks cannot be eliminated, they can be mitigated through a combination of insurance and effective risk management.

INSURANCE COVERAGE CONSIDERATIONS

If an employee is injured while traveling on business, several forms of insurance coverage could apply, depending on the nature of the work and the amount of time spent away from home.

- **Workers’ compensation** coverage in most states will respond to an injury sustained while traveling outside of the US, if the injury arises out of and in the course of employment and the travel is for a short period of time (referred to as a “reasonable” time period). That period of time varies by jurisdiction.

- ▶ If an injury occurs outside of a “reasonable” period, **foreign voluntary workers’ compensation (FVWC)** may apply. A foreign voluntary policy extends domestic workers’ compensation benefits to cover injuries that occur on foreign soil. Policies can be written to duplicate workers’ compensation benefits in an employee’s state of hire or to extend benefits of a particular state to all employees who travel, regardless of where they are from.
- ▶ **Defense Base Act (DBA) insurance** may apply for contractors hired by the US government to do work overseas. The DBA provides employees of government contractors or their dependents with disability compensation, medical benefits, and death benefits in the event of injury or death while deployed outside of the US. The DBA covers most contracts with US government agencies for foreign work, including military and public works contracts, and applies to all employees, regardless of nationality.
- ▶ **Personal accident coverage** is often broader and more flexible than FVWC. Personal accident policies typically include several add-on benefits, such as luggage protection, travel services, and legal assistance; and can include benefits for local nationals. Coverage can also be extended to include contractors and guests, including customers, vendors, and others. Organizations can also choose to purchase narrower business travel accident insurance.
- ▶ **Employee benefits programs** are an important consideration, particularly because most other countries do not divide occupational and non-occupational injury management in the same way that the US does. In some cases — especially when immediate treatment is required — an employee benefits program or public health scheme in-country will respond, even for work-related injuries.

Employers should discuss the above insurance coverage and benefits options with their insurance advisors, along with other specialty coverages such as kidnap, ransom, and extortion (K&R) insurance. Risk professionals and others involved in commercial insurance purchasing decisions should also:

- ▶ Work closely with employee benefits managers to help avoid unnecessary gaps in coverage and understand how insurance policies will respond in various situations.
- ▶ Consider marketing multiple forms of coverage at the same time. For example, foreign voluntary coverage can be marketed jointly with personal accident coverage. In some cases, K&R coverage can also be included in this go-to-market effort.
- ▶ Consider structuring accident programs on a contingent basis, so they are triggered after the exhaustion of certain occupational coverages.

EDUCATING AND PREPARING EMPLOYEES

Before they travel, all employees should be educated on how to respond in the event of an emergency or injury suffered while abroad on business. Among other items, employees should know:

- ▶ Which insurance policies the employer purchases and how those apply in specific circumstances (with the notable exception of kidnap and ransom placements).
- ▶ Which toll-free phone numbers to call for medical treatment, language translation services, or other support typically provided under business travel accident and FVWC policies.
- ▶ What to do to protect themselves from risks specific to their country of travel — for example, personal safety tips related to local health crises.
- ▶ How to respond in the event of a crisis, such as political unrest, terrorism, or a natural disaster.

Many employers provide this information to employees through information packets and/or wallet-size cards. This could be combined with other relevant information for travelers, such as the location of local offices, US consulates and embassies, hospitals, hotels, and restaurants.

EFFECTIVELY MANAGING CLAIMS

Just as with a domestic workers’ compensation claim, the ultimate goal is to provide the employee with effective treatment and to achieve maximum medical improvement as quickly as possible. This is not only for the employee’s health, but helps speed their return to work. In many cases, the claim management process for a foreign injury will mirror the process for a domestic one.



But some additional considerations are often necessary for foreign claims, including the need to access evacuation and repatriation services. This could be especially important for injuries suffered in developing economies, where adequate medical services may be less readily available. Claims personnel and employee supervisors should know how they can access support. In many cases, services are included in FVWC policies or business travel accident policies, and can be accessed via the appropriate insurer(s).

CRISIS MANAGEMENT

Multinational organizations should develop crisis management plans to help senior executives determine how to respond to various events. Although crisis management plans are typically risk-agnostic — meaning they provide a universal process for dealing with any type of crisis — they can be particularly useful in helping organizations respond to events that threaten employee safety.

As part of the crisis management process, businesses can protect employees through a four-step process:

- 1. Understand key risks.** Before sending employees abroad, businesses should consider risk assessments of the countries and regions to which they will be traveling. Risk assessments should address several questions, including whether employees can access appropriate medical treatment in the event of a crisis,

how insurance will respond in-country, and whether there is a high risk of criminal activity, political violence, or unrest in-country.

- 2. Develop plans and procedures.** In addition to the overarching crisis management plan, organizations should develop action plans that specify the roles and responsibilities during a crisis of individual departments, including human resources, global security, and health and safety. This corporate action plan should complement and align with response plans that already exist for individual offices around the world.

- 3. Empower employees.** Before traveling, employees should know which phone numbers to call in specific circumstances, how they can access insurance and medical assistance, personal safety tips, and if travel advisories are in effect.

- 4. Test and maintain crisis management and other plans.** Plans should be regularly updated, and crisis management teams should be frequently trained through regular tabletop exercises.

For more on this topic, listen to a replay of our webcast, [Worker' Compensation: Protecting Employees While Working Internationally](#).

For more information, please visit marsh.com or contact:

CHRISTOPHER J. FLATT

Workers' Compensation COE Leader
christopher.flatt@marsh.com
+1 212 345 2211

THOMAS F. RYAN

Workers' Compensation COE
thomas.f.ryan@marsh.com
+1 212 345 1313

ROBERT J. BURNS

US Multinational Client Service Practice Leader
robert.j.burns@marsh.com
+1 973 401 5011

BRUCE COHEN

Northeast Leader, Multinational Client Service
bruce.cohen@marsh.com
+1 202 263 7889

MARY-ELIZABETH D. HAHN

US International Casualty Advisory Leader
mary-elizabeth.d.hahn@marsh.com
+1 973 401 5114



About This Briefing

This briefing was prepared by Marsh's Workers' Compensation Center of Excellence (WC COE), in conjunction with the Marsh Claims Practice, Marsh Multinational Client Service, and Marsh Risk Consulting.

Marsh's WC COE is dedicated to enhancing our workers' compensation offerings and to helping our colleagues and clients navigate the complex workers' compensation landscape. Through MPACTSM, Marsh's integrated approach to reducing total casualty cost of risk, we deliver to clients a full spectrum of casualty diagnostics and offerings: Optimal insurance program design and placement, advanced analytics and modeling, pre- and post-loss consulting strategies, claims management and advocacy, and thought leadership.

MARSH IS ONE OF THE MARSH & McLENNAN COMPANIES, TOGETHER WITH GUY CARPENTER, MERCER, AND OLIVER WYMAN.

This document and any recommendations, analysis, or advice provided by Marsh (collectively, the "Marsh Analysis") are not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, tax, accounting, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. Marsh makes no representation or warranty concerning the application of policy wording or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage. Although Marsh may provide advice and recommendations, all decisions regarding the amount, type or terms of coverage are the ultimate responsibility of the insurance purchaser, who must decide on the specific coverage that is appropriate to its particular circumstances and financial position.