

# COVERING EMPLOYEES TRAVELING ABROAD: 3 CONSIDERATIONS IN BUILDING AN EFFECTIVE INTERNATIONAL INSURANCE PROGRAM

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The hours and days immediately following an employee suffering an injury abroad is not the best time to think about the details of your company's international insurance coverage. Rather, it pays to be proactive when determining the most effective way to mitigate the risks and potential claim costs that can arise from international employee travel. The first step of any proactive risk management process should start with understanding the exposures and the options that employers have in building a robust international insurance program. It also involves communicating the important details of the coverage to employees and ensuring employees, both abroad and at home, know what to do in the event of a claim.

## 1 UNDERSTAND THE INTERNATIONAL INSURANCE COVERAGE OPTIONS

As with any type of coverage, there are important policies and endorsements to existing policies that are designed to respond to employee injuries or claims abroad. One of those is the Foreign Voluntary Compensation endorsement added to a U.S. workers' compensation policy or an international package policy. This endorsement can provide coverage for employees traveling abroad for company business. It typically covers medical costs and lost wage benefits, as well as costly repatriation expenses when an injured worker needs a medical evacuation back to the United States. However, this coverage can be fairly limited. As with traditional workers' compensation coverage, the endorsement may be subject to a policy's high deductible and, more importantly, employees may not be covered when they are not engaged in work activities at the time of the incident.

For example, an employee, who slipped in his hotel lobby or was in a car accident may not be covered under the workers' compensation policy if it is not deemed to be in the course and scope of employment.

Business travel accident policies provide out of country travel benefits and can apply the entire time that employees travel abroad - 24 hours a day. The policy can be written to also include coverage during personal travel by executives. It is important to understand the specific policy language. A knowledgeable broker can help build the policy and ensure endorsements, such as 24-hour coverage, are addressed.

An international package policy involves combining multiple lines of coverage into a single policy. Having an international package policy allows employers to build a comprehensive policy based on the specific risks and exposures the company and its employees may encounter.

Coverages that may be placed in an international insurance package include, but are not limited to:

- General and products liability
- Kidnap and ransom
- Continent automobile
- Property and transit

Once the best travel coverage is identified and acquired for the organization, the next step involves communicating the details of the policy to all departments and employees.

## 2 COMMUNICATE COVERAGE DETAILS

Effective communication goes beyond notifying a company's own departments. That communication should also be specifically addressed to all employees who travel abroad so that they know the details of their policy before they step on a plane or pack their suitcase. Many organizations include these details on a company intranet or will give them to managers to share with employees. Carriers and brokers can create wallet cards for traveling employees with policy details and contact information. In addition, carrier partners typically provide instant access to key travel information via mobile apps and other tools while the employee prepares for travel or is abroad. Assistance services offered by the insurance carrier may include legal assistance, lost baggage and passport assistance, personal and pre-trip services and repatriation and evacuation.

The most effective communication plan has a risk management aspect to it as well. There is an opportunity for employers to share tips for staying safe while traveling abroad.

These details can be tailored to where employees are traveling and any specific information related to the country in question. Another resource many employers use in accessing international travel risks is the travel advisories found on the U.S. Department of State website, [Travel.State.Gov](https://www.travel.state.gov). This can be a valuable tool to stay up to date on relevant information about the destination country.

## 3 CLARIFY THE CLAIMS PROCESS

Any employee communications should not just inform the employee about the types of coverage in place or facts about the destination, but should also emphasize what to do in the event of an injury or illness abroad that requires filing a claim. Communication tools, whether it is a wallet card or a mobile app, should provide specific instructions to employees overseas. Moreover, designated employees in the home office should have a thorough understanding of the claims and incident management process.

International claims are often complex. There may be a preapproval process for payments and other requirements.



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Time differences, language barriers and unfamiliar health care systems only complicate matters. Swift and accurate actions are critical. It is important to work with a carrier whose travel assistance team has 24/7 access to the claims department. It is also important to work with a broker that has the requisite experience and knowledge to successfully guide a claim to its desired outcome.

## A BETTER APPROACH TO INTERNATIONAL TRAVEL COVERAGE

Maintaining effective international insurance coverage is not just good business practice, it also demonstrates to your employees that you are taking a proactive approach to their health and safety. As an informed employer, you can provide much-needed peace of mind for international travelers. Offering such a benefit depends on first securing adequate coverage and then sharing the necessary details to employees. It is also critical to have trusted partners to ensure you are building the right coverage and providing ongoing support to proper communication tools and claims resources.

### CASE STUDY:

*To better illustrate some of the common issues surrounding international travel insurance, here's a brief case study detailing some established best practices:*

A U.S. salesperson attended an annual sales meeting in Italy. She spent the morning at business meetings and then afterwards took part in a hiking excursion at her own leisure. While hiking, she fell and broke her leg. Since the injury did not occur in the course and scope of her work, it is questionable whether her injury would trigger coverage under an endorsed workers' compensation policy. Even if it is covered, the loss may be subject to a high deductible for the employer and other potential limitations.

However, the company has an international package policy including business travel coverage with a 24-hour coverage endorsement with a \$0 deductible. The employee, who was carrying a wallet card with key contact information, contacted the carrier's travel assistance team immediately and notified her HR department. The carrier partner approved and coordinated her medical care locally. Then, they arranged her flight home once her leg was stabilized. The broker ensured smooth handling of the claim behind the scenes.

To discuss international insurance options:

**Please contact a Conner Strong & Buckelew representative**

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