



**RISK
MANAGEMENT**

INSURING EMPLOYEES TRAVELING ABROAD

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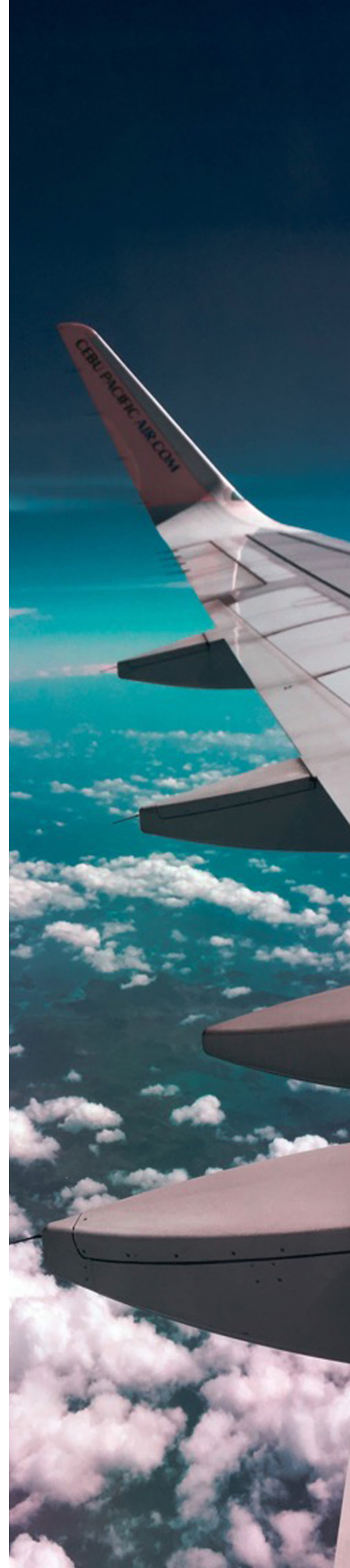
Consider the following scenario: A U.S. salesperson attended an annual sales meeting in Italy. She spent the morning at business meetings and then went on a hiking excursion at her own leisure. While hiking, she fell and broke her leg. Since the injury did not occur in the course and scope of her work, it was questionable whether her injury would trigger coverage under an endorsed workers compensation policy. Even if it was covered, the loss could have been subject to a high deductible for the employer and other potential limitations. However, if the company had an international package policy in place—including business travel coverage with a 24-hour coverage endorsement and no deductible—many of these concerns could have been alleviated, allowing the employee to receive the necessary medical care and providing much-needed peace of mind.

Maintaining effective international insurance coverage is not just good business practice, it also demonstrates to employees that the company is taking a proactive approach to their health and safety.

But the best time to think about the details of your company's international insurance coverage is not the hours and days immediately after an employee suffers an injury abroad. Rather, it pays to determine in advance 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 when building a robust international insurance program.

It also involves communicating the important coverage details to employees and ensuring that they know what to do in the event of a claim, both when abroad and at home. In addition, it is critical to have trusted partners in place to ensure you have the right coverage and are able to provide ongoing support for proper communication tools and claims resources.



The following are three important considerations for putting together an effective international coverage program:

1 UNDERSTAND 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 on company business. It typically covers medical costs and lost wage benefits, as well as costly repatriation expenses in the event 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 deemed not 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.

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 general and products liability, kidnap and ransom, continent automobile, and property and transit.

2 COMMUNICATE COVERAGE DETAILS

Once the best travel coverage is identified and acquired for the organization, the next step involves communicating the policy's details to all departments and employees. The organization should also specifically address all employees who travel internationally so that they know the details of their policy before they pack a suitcase or board a plane. 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 the appropriate contact information in case of emergency.

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 already working 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.

An effective communication plan for business travelers should include a risk management component as well.

Employers should share tips for staying safe while traveling internationally, with details tailored to where employees are traveling such as any specific information related to the country and city in question. Another resource many employers use to learn about international travel risks is the travel advisories found on the U.S. Department of State website, [Travel.State.Gov](https://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 only inform the employee about the types of coverage in place or facts about the destination, but should also provide specific instructions about what to do in the event that an injury or illness abroad requires filing a claim. Moreover, designated employees in the home office should have a thorough understanding of the claims and incident management process.

International claims are often complex, and may require measures like completing a preapproval process for payments.

Time differences, language barriers and unfamiliar health care systems only complicate matters. Because swift and accurate actions are often 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.

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