

A white paper to help you grow your business

Sending employees abroad: Employers take steps to mitigate risk

A global economy presents exciting opportunities for multinational companies to introduce their products and services to new markets or to expand in existing ones. Opening that door also exposes the company and its staffers to security and other risks that result from sending employees and their families to work in unfamiliar surroundings.

“The economic climate of the past few years has increased organizations’ appetite for risk as businesses pursue new opportunities – perhaps in places they wouldn’t have considered entering before the economic crisis hit,” says Steve Hoffman, CEO of iJet Intelligence Risk Systems, an intelligence and risk management firm in Annapolis, Maryland. “Managing risks and preparing for inevitable disruptions that accompany operations in unstable areas are a reality for global organizations today.”

Fortunately, there are resources a multinational employer can tap into to ensure that globally mobile employees have a safety net in the case of all types of emergencies.

“The need for global security is not new,” says Howard Wallack, director of international programs and panel staff leader for global issues at the Society for Human Resource Management (SHRM) in northern Virginia. But over the past 30 years, the concerns have changed. Today, corporations worry about business interruptions and lost opportunity costs brought about by natural disasters – such as the recent example of the volcanic ash cloud, which shut down many European airports and stranded travelers in April 2010.

They also worry about overseas terrorism, the top threat cited by C-level executives who responded to the 2007 Chubb International Risk Survey of 242 U.S. companies.

Contrary to popular belief, however, it’s not terrorism or kidnapping that poses the most frequent threats to corporate travelers’ personal security, says Johan Selle, director of resiliency services for iJet. “It’s eating the wrong food and petty theft at airports, restaurants and hotels,” he explains.

Duty of care

In addition to protecting their brands and physical assets, multinational employers have a legal and moral obligation as well as a social responsibility to safeguard their workers overseas. This obligation, known as “duty of care” goes above and beyond what employers would consider adequate protection

for domestic employees. It provides the impetus for them to establish global emergency response plans and relationships with vendors that can assist business travelers and expatriates in a crisis.

It's not just the corporate giants looking for help. "Small and medium-size companies with overseas operations have an even greater need to mitigate their risks," says Daniel L. Richards, chief executive officer of Boston's Global Rescue LLC, which provides worldwide emergency evacuation, field rescue and crisis response services. "These businesses have fewer resources and they usually don't have an in-house security staff. The loss of one person can have a more dramatic effect on their operations than on a large company with thousands of employees."

Who's in charge?

The ability to bounce back in a crisis requires an integrated duty of care strategy that in a best case scenario starts with global HR. "HR gathers a team that often includes finance, risk management, global benefits and corporate security," says SHRM's Wallack. The details – action plans, policies, procedures, and vendor agreements – flow from there.

Key players also vary depending on the organization. At the University of Washington in Seattle, for example, Brent Barker, the travel security and information manager in the Office of Global Affairs, works primarily with the University's risk management office, which in turn coordinates with human resources. Barker, a retired State Department employee with 20 years of service in outposts like Shanghai, Lithuania and the Fiji Islands, is the central point of contact for the University's 2,000 undergraduate students and 200 faculty members engaged in study or research abroad.

One of Barker's first assignments was arranging with an outside vendor for the successful evacuation of a faculty member and her family from Haiti after the 2010 earthquake. Since then he's also evacuated a UW student from Namibia and been in regular contact with UW students in Thailand during the civil unrest there.

Although the University had a global emergency management plan in place when it hired Barker, it was up to him to refine and implement it. He's developed procedures for UW's 24/7 emergency overseas hotline, for example, and by year end he hopes to have an online travel registry in place to track the whereabouts of all students and faculty members abroad. He's also creating an incident database to log accidents and injuries for this group, as well as episodes of sexual assault and mental illness. The obvious objective is to help individuals who might need services and intervention. An overarching goal in creating infrastructure and the associated documentation is to demonstrate the University's fulfillment of its duty of care responsibilities.

"Duty of care" is a multinational employer's legal, moral and social responsibility to safeguard workers overseas.

Ensuring employees' peace of mind

Duty of care is also important in global recruitment and retention, says Peyman Dayyani, SPHR, GPHR, a member of SHRM's Global Expertise Panel and a former HR manager for Nokia Siemens Networks, a multinational telecommunications company with 60,000 employees in more than 150 countries. From 2004 to 2006, Dayyani hired 1,500 new employees for 25 countries in the Middle East and Africa.

"In recruiting candidates and their families for these assignments, often in remote locations, I had to reassure them that the company was looking out for their safety and well-being," he says. To understand the constraints associated with an employee's overseas assignment, Dayyani visited these countries himself and encouraged Nokia's senior executives to do the same (they did).

What he learned was that the company's regular medical insurance plan would not be honored at private hospitals in Africa. Employees would have to pay cash before being admitted. Even then, they were at risk of being turned away. As a result, Dayyani contracted with a network of local medical clinics, ambulance services and physicians so that Nokia's employees and their families could receive medical and emergency room treatment if and when they needed it. He also put local doctors on the payroll to evaluate when a medical evacuation was necessary.

When it came time to establish ties with an overseas medical assistance company, Dayyani learned from his global insurance broker that he had to work with several, not one. "Back then, these firms tended to concentrate their operations in Europe, North America and developed countries in Asia," says Dayyani. "Even the largest had just three or four centers of operation in Africa."

Keeping up with change

Less than a decade ago, travel managers were becoming increasingly responsible for the management of crises, risk, evacuation and/or security, according to employment studies by the Association of Corporate Travel Executives. An understanding of technology and the interface between HR and IT, along with the development of global practices and policies, were also on the horizon.

Even given the best strategies and plans, however, employee security can be a moving target for global companies. "After 9/11, in some parts of the world, the business climate and attitudes have changed," says SHRM's Wallack. "Today there isn't the same positive regard for U.S. brands or for capitalism in general as there was in the past."

Global Rescue's Richards agrees. "The need for multinationals to respond in a crisis and to difficult environments has escalated dramatically in the past 10 years," he says. "The threats to American personnel have increased and with them the need for services." That's why Richards feels it's important for employers seeking services to understand the distinction between assistance companies who may simply offer phone triage and crisis response companies that handle on site rescue missions.

"The best indicator we've done a good job is when nothing happens."

**– Brent Barker,
University of Washington, Seattle**

As a result, pre-planning and prevention have been added to the list of security managers' duties. University of Washington's Barker conducts pre-departure training sessions and threat assessments for students, faculty and staff slated to travel abroad. He routinely offers travel and safety tips and suggests resources for them to keep abreast of short-term coups or security threats. He also encourages them to register with the American embassy when they arrive and with the University's overseas travel assistance partner. Barker considers the latter, which offers a toll-free number in the event of an emergency, "the international equivalent of a local 911 response system."

As the nature of overseas assignments has shifted – from long-term commitments by men traveling with their families to short-term stints by solo business travelers of both genders – so has the manner in which medical coverage is provided, observes Wallack. In the past, these families might have qualified for resident status and for their host country's national health insurance plan. Today, a corporate traveler may have to pay the full bill and get reimbursed. That might be acceptable for a one-time illness or injury, but not if a patient needs extensive treatment or follow-up care.

Finding the right partner

Finding the right global assistance partner, a firm that will go the extra mile to assist an employee in an emergency or crisis situation, is critical.

For Barker that means a partner with "feet on the ground" to make a personal visit to a patient who is confined to a foreign hospital for an extended period of time, to arrange for a family member to accompany the patient home and to coordinate the transportation for both.

Thomas Bettes, MD, MPH, American Airlines' corporate medical director, knows firsthand how vital those services can be. Three years ago, the multinational company which has approximately 87,000 employees, a large percentage of whom travel on a regular basis, tapped Europ Assistance USA (EA), a well-established global assistance firm based in Bethesda, Maryland, to help identify local medical services for employees and expatriates overseas.

"We needed the ability to find orthopedic surgeons, hospital and clinics in real time, especially in an emergency," says Bettes. In a demonstration of the above and beyond factor, EA was on hand to air transport a non-employee passenger who suffered a mishap in Jamaica back home to New Jersey.

The priority in finding a travel assistance partner for Nokia Siemens was simplicity. "Having one partner to handle all of our overseas medical assistance needs would be ideal," Dayyani says, referencing the opposite experience he had in the Middle East and Africa. "It's too costly to educate employees when you have a variety of vendors."

For that reason alone, contracting for overseas security and medical assistance may be worth the expense.

"The cost of overseas medical assistance services is typically bundled and based on either per member per month fees, annual fees and/or capitated fees per incidence," says Glenn P. Maykish, vice president of sales and marketing for Europ Assistance USA. "While there is no minimum number of lives required, a minimum set-up fee of approximately \$15,000 is standard for

The right global assistance partner:

- Has "feet on the ground" in the countries where the employer has a business presence
- Offers personalized assistance to employees and their families
- Provides comprehensive services to reduce the number of vendors with which an employer needs to contract
- Has the ability to make a range of referrals – doctors, dentists and medical supply firms – as well as handle emergency evacuations or return of mortal remains.

the industry. This fee applies to customized protocols, training the vendor's 24/7 contact center staff, dedicated toll-free numbers and other related implementation costs."

Insurance coverage for medical evacuations and the repatriation of mortal remains are an additional expense and the most costly. "Those charges vary depending on travel locations, the number of employees and families and the levels of coverage," explains Maykish.

Meanwhile, global security firms like iJet charge their corporate customers an annual subscription fee of \$5,000 and up. Use of its WorldCue Expatriate Risk Management tracking tool, which provides a snapshot of all corporate travelers' locations at any time (provided they have registered with their in-house travel department or a company-contracted vendor) is based on the cost per traveler. Other services are available on an a la carte basis or by arrangement with their partners.

Although he is often the first point of contact for students and faculty if problems arise, Barker looks to the University's global security partner to provide travelers with many helpful resources. These include Internet-based information in advance of their trip and help by phone if they lose their passports or need a legal referral far from home. In extreme circumstances such as civil unrest or a natural disaster, he expects the vendor to arrange for evacuations. Fortunately, in the case of the 2010 earthquake in Chile which affected UW students there, an evacuation was not necessary. "The best indicator we've done a good job is when nothing happens," says Barker.

What's the broker's role?

Because overseas medical and security assistance services represent a small percentage of the benefits dollar, HR and benefits professionals are apt to focus more on higher-cost items like health care and retirement plans. They should be able to look to their broker to analyze what the company needs and what it doesn't in the global sphere. For example, medical assistance services may be embedded in the employer's travel accident policy. Some insurance carriers, such as Minnesota Life and Securian Life, offer travel assistance services in conjunction with basic group life insurance plans.

"A client shouldn't have to pay twice for the same services," says an insurance broker with a benefits consulting firm in New York City. "On the other hand, extending employee coverage to business and personal travel is worth it." (American Airlines offers a compromise: the company pays for business travel assistance and offers a supplemental policy for personal travel, including dependents, for which employees pay.)

Before an employer contracts with a global assistance provider, the broker can help review the terms of the policy, understand what they mean, and where the gaps, if any, are. For example, the policy may cover an evacuation in a life-threatening emergency, but not transportation to a hospital or airfield; that could be a problem if the patient is outside of a medical facility. Or, a medical evacuation could be subject to a "medical necessity" screening by a physician hired by the overseas assistance firm. Advising a client on what the policy includes and where it might come up short is a part of a broker's consultative service.

Travel assistance – on the ground and online

Global assistance firms such as Global Rescue and Europ Assistance USA offer a laundry list of services that encompass the following and more:

- Referrals to English-speaking doctors and dentists and assistance with locating and getting admitted to Western-quality medical facilities
- Medical evacuation and monitoring
- Arranging return of family members, mortal remains, pets and vehicles; relay of messages back home
- Real-time travel guides to cities and countries around the world to help with pre-trip planning
- Updated alerts concerning security, health and transportation
- Country-specific overviews including health and safety information, weather, cultural awareness and currency exchange
- Advice on how to minimize risks, what to expect at airports and on the ground

What the future holds

Global Rescue's Richards believes that the need for outsourced medical evacuation services will only increase. "We conducted 150 domestic and overseas missions last year and expect that number to increase to 1,000 in 2010," he said. He also expects that the demand for medical consultations will outstrip the number of evacuations.

David Weir, vice president of iJet's resiliency services, predicts that technology will play an even greater role in preventing security mishaps to business travelers in high risk areas. His firm is partnering on a new application that will enable a person in danger to alert a call center via Blackberry™. To be proactive in a volatile situation, call centers like iJet's, which routinely monitor security threats, will also use their database and GPS capabilities to identify and alert individuals who may be at risk.

iJet's Selle also foresees a time when HR will be able to link an individual's travel itinerary with specific training modules that are part of a company's travel management system.

¹iJet Outlines Risk Landscape for 2010; Intelligence Firm Issues Recommendations for Protecting Employees, Facilities and Supply Chains, PR Newswire, New York, January 12, 2010.

²2007 Chubb International Risk Survey Highlights, www.chubb.com/corporate/chubb6893.pdf.

³The Changing Role of the Travel Manager, Part III, Business Travel News, June 23, 2003, Vol. 20, Issue 11, p. 1.