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Why Clients Might Need Foreign Voluntary Workers' Comp

In spite of videoconferencing, social media and other new technologies, many businesses depend on their key executives and top sales people to travel overseas to meet with clients in person, to negotiate with foreign business leaders and to explore potential new markets.

Businesses may be tightening budgets, but opportunities for growth are often outside the United States, in markets such as Brazil, India and China, and that often involves travel to foreign countries. In fact, the recent Barclaycard Business Travel Survey predicted that the number of international flights taken per business traveler will increase by 12 percent in the next six years.

Employees who travel outside of the country, however, face health risks that they may not typically encounter at home. Accidents and illnesses can happen anywhere, but far from home, in an unfamiliar country, even routine health problems can become more difficult to manage and can quickly escalate into a more serious problem.

Most U.S. workers' compensation policies will provide employees with a basic level of protection if they are injured while traveling outside the United States on business. But often times the coverage may not be enough to cover some of the expenses that can arise when employees travel to foreign countries.

A broader level of protection is available through a foreign voluntary workers' compensation policy along with a business travel accident policy. These two voluntary policies provide an additional level of benefits that can be critical for employees who become sick or injured while traveling on business.

Potential Health Risks

When people travel to foreign countries, they face any number of potential health risks. While travel to lesser-developed parts of the world may involve increased risk of illness or accidents, business travelers can become injured or sick even in major Western countries.

Auto accidents, for instance, are one of the most common causes of injury for business travelers. In foreign countries, business travelers may get into auto accidents if they are not familiar with the rules of the road or accidentally drive on the wrong side of the road.

Illnesses, such as food poisoning and travel-induced diarrhea, are also problems for business travelers. Travelers' diarrhea is the most common illness, affecting about 20 percent to 50 percent of international

travelers, according to the Centers for Disease Control and Prevention.

In other more remote countries, travelers also may be at risk from infectious diseases, such as malaria, and may face greater challenges finding, and then getting to, good medical facilities.

One of the biggest worries that people have about business travel outside of the United States is how to find a doctor in case of an emergency. A Chubb survey recently found that 61 percent of travelers said they would be concerned about how to locate a qualified doctor in case of an emergency while traveling overseas. More than half said they would not know how to find a trustworthy translator to assist with medical or legal issues, the survey found.

A Comprehensive Travel Program

Employees who are sick or injured while on the job at home are typically covered either by a workers' compensation policy, which employers are required to carry, or by their health insurance policy.

While U.S. workers' compensation policies may provide some medical and wage benefits for employees who are traveling outside of the United States, that insurance may be rather limited. Businesses can provide their employees who travel outside the U.S. with additional protection by purchasing foreign voluntary workers' compensation and a business travel accident policy.

A foreign voluntary workers compensation policy can — in addition to medical benefits and wage continuation — cover the additional expense of repatriating a sick or injured employee. These repatriation expenses can be very costly. Typical costs of a medical helicopter evacuation, for instance, runs about \$60,000. However, depending on the location, costs can become significantly higher.

An additional benefit of having a foreign voluntary workers' compensation policy is that sickness due to endemic diseases are not excluded. Also, any foreign workers' compensation losses that occur outside the U.S. will not affect the insured's domestic workers experience modification. In addition to foreign voluntary workers' compensation, a business travel accident policy can provide additional protection for employees.

One of the key features of a business travel accident policy is that it provides insurance for both domestic and international travel, including even when employees are traveling on personal excursions that are not part of the business trip.

A business travel accident policy also will insure some circumstances not covered under a foreign voluntary workers' compensation policy and insure some illnesses not covered under a foreign voluntary workers compensation policy.

Access to a medical assistance provider, on a 24/7 basis, anywhere around the world, is also an important part of a comprehensive benefits program and should be included with both the foreign voluntary workers' compensation and business travel accident policies.

If employees become sick or need help, they can reach out to the medical assistance provider, who can help them to locate a doctor or medical facility. In some countries in which hospitals may require payment upfront before providing care, the medical assistance provider can help with those arrangements.

Travel Risk Management

Providing additional protection to ensure the health and safety of employees who are traveling to foreign countries makes good business sense. A company's employees are one of its key assets. The risk goes beyond just the potential loss of time due to illness or injury. The Chubb Travel survey showed that a lack of proper benefits also could discourage employees from going on trips and could even lead some

employees to look for work elsewhere.

According to the survey, 23 percent of business travelers said they would refuse to go on a trip to a location they considered dangerous unless their employer provided them with emergency medical and other services. Another 21 percent said they would go, but would refuse to go on the next trip, and 14 percent would go but would look for a new job after returning.

Businesses should review their insurance programs and determine what benefits and services are provided if their employees are injured or become ill while traveling abroad.

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