

## Protecting workers in a danger zone

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1123 words

1 September 2005

[Employee Benefit News](#)

English

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Recent terrorist attacks, anti-Americanism and political instability across the world have amplified the need for travel insurance.

The financial, physical and emotional toll can be huge when a business traveler experiences a medical crisis, natural disaster, abduction or terrorism while working abroad. That's why multinational companies are putting a greater emphasis on employee safety, according to Gerry Winters, an international consultant with Watson Wyatt.

"There's just a lot more people traveling now, and employers are trying to adjust to it," he observes. "We're definitely having a lot more companies in the last few years asking about [travel insurance]. That doesn't mean they're taking action on it. [Travel insurance] comes up quite often. There's lots of interest and talk about it."

However, the benefit isn't necessarily well-known to employees. Derek Patterson, owner of eGlobal Health Insurers Agency, a travel insurance provider, says, "People don't really look at what could happen. Very few people think very much about it. They think their local health insurance is going to cover them. They find out too late that it doesn't extend that far."

Travel insurers typically cover trip cancellation, travel delay, lost luggage and certain medical services. Most of them also incorporate coverage for repatriation, accidental death and dismemberment, and reuniting family members in an emergency.

Many travel insurers won't cover terrorism, war, hijacking or medical evacuation. Others will cover those risks in group plans or allow companies to buy a rider, or separate coverage, for those risks. In most cases, a domestic health insurer will not cover medical evacuation or medical services rendered outside the United States.

Winters notes that travel insurers are becoming less likely to cover terrorism, especially for foreign nationals. "For local coverage, there's a big resistance to it," he states. "There's lots of restrictions. It's really since Sept. 11 that you're seeing a shift in how they're handling this."

The greatest need for travel insurance is with workers who are ill, over 65 or working outside the United States, experts say. Journalists, soldiers and aid workers are traditionally associated with working in dangerous locations, but they're not alone. Demand for engineers, architects, truck drivers, investigators and security guards to work in danger zones is evident in job listings and online forums.

Employers should be aware that some countries pose a greater hazard than others. As of July 1, the U.S. State Department maintained warnings against travel in 29 countries, including Columbia, Iran, Iraq, Israel, Nepal, Philippines and Zimbabwe.

### Danger zone

DynCorp makes sure that its 6,000 workers are covered for war injuries, medical evacuation and repatriation. That's because the Irving, Texas-based company does dangerous work, providing aircraft maintenance, engineering services and personal security services for clients in 200 locations, including Iraq, Afghanistan, Qatar, Kuwait and Nigeria.

Joe Tassani, a senior risk analyst for DynCorp, explains, "We offer them quite comprehensive coverage. There are areas of concern where there are far greater risks than others, such as war."

[Workers] want to make sure they have a bit more than a regular person working in Texas. We wouldn't want to do without [war coverage]."

The company re-examines its travel benefits every three years to ensure that workers' needs are being met. It contains costs through employee education and having claims managers write up incident reports, develop recommendations to prevent similar incidents, and identify where the biggest risks are.

"We've seen a good trend of a low number of claims, and that's due to safety and health managers at each site. They do a fantastic job of managing risk abroad," Tassani observes.

He's seen costs for travel insurance rise by 5% to 7% each year, but it's "nothing that would send the company bankrupt."

However, he notes, it's becoming more difficult to obtain coverage for workers in the Middle East, a problem that may be more pronounced for smaller employers. "We're finding a limited marketplace in terms of folks who want to be involved in the Middle East. I do see carriers limiting themselves to war coverages. Usually, large accounts are able to secure those harder types of coverages."

Travel insurance helps with recruitment in some industries. "The benefits are always a plus. Nobody in their right mind would" go to work in Iraq without proper coverage, Tassani states. "It's definitely an attraction that we use in recruiting."

#### Medical evacuation

Americans are traveling more for business, and employers are increasingly interested in protecting their workers for practical and legal reasons, according to Scott Lawson, national sales director for MedjetAssist, a medical evacuation provider.

MedjetAssist flies its members to the hospital of their choice when they need hospital care. Membership costs \$205 per year, but a medical evacuation can cost up to \$15,000 domestically and \$75,000 internationally for those who don't have coverage, Lawson estimates.

Some employers fund the membership for their workers, and others offer it as a voluntary benefit. About 30% of the firm's members are in employer-based groups, and the rest are individual consumers.

Patterson comments, "Emergency evacuation seems to be the top priority that a lot of people are wanting. A lot of employers are just purchasing that for their employees."

#### Reaching people in crisis

The Steele Foundation provides executive protection, consulting services and seminars to teach clients' employees how to protect themselves in dangerous situations. It also operates call centers that help clients locate their employees, assist in communications between employees and their families, and make safety assessments.

After the bombings in London on July 7, the Steele Foundation provided communications assistance for corporate clients, since it knew the hotels and itineraries of their employees working on London. The employers could determine who had been located and then get the foundation's recommendations about who should come home immediately and who should stay in London.

Kenneth Kurtz, CEO of the Steele Foundation, a risk management firm, says, "Employers are focusing more on supplying international employees more direct contact support services. Companies have a heightened concern for the safety and security of employees, and they are responding to that by providing more proactive support and training for employees. There is a heightened risk for Americans and employees of Western companies. That's a fact of today's

political climate. The threats to Western workers are going to become more complex, and Western companies are going to become more of a target in the future because of the political climate."

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