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INTERNATIONAL BENEFITS ALERT

When it comes to international benefits exposures, many companies are far more vulnerable than they realize. Often, the majority of benefits professionals' expertise is focused on domestic benefits. With an ever-increasing global economy, now more than ever it is of critical importance to be well-informed as to how to avoid the risks associated with doing business internationally. The following is a compilation of common international benefits issues that if not managed properly, could result in serious ramifications for both employers and employees.

- **Lack of Established Policies.** All too often, companies do not have a comprehensive plan in place to cover medical expenses incurred when employees are traveling or assigned internationally. If medical care is needed in a foreign country, your employee could have to pay expenses out of his or her own pocket. Although he or she may be able to submit a claim to their U.S. insurer, international claims are often flagged for potential fraud, resulting in a delay of reimbursement. It's not uncommon for a claim to take six months to process due to lack of coding and language translation issues. Even then payment might not be assured.
- **Providers and Medical Facilities.** U.S. insurers and benefits departments are not set up to provide the critical assistance of locating a qualified provider, a credentialed hospital, and medical monitoring, 24/7.
- **Medical Emergencies.** There are a wide variety of medical emergency scenarios and employers must be prepared for them. Of particular importance is providing medical evacuation services for international assignees (expatriates) living in or traveling to another country.
- **Quality Healthcare.** All healthcare is not created equal. It is important to be well-informed on the standards of healthcare throughout the world. Employers must be able to ensure that quality healthcare will be available to employees when needed.
- **Healthcare Regulations.** Many benefits regulations including ERISA, COBRA and HIPAA apply to U.S. expatriates. As an example, if a U.S. citizen is working in Asia and quits, they must be offered COBRA benefits and their employer must be able to administer those benefits, even if the former employee stays in Asia.
- **Duty of Care.** Employers have a Duty of Care to those employees who leave their home country for business. Employers have been sued and lost in U.S. Courts under the legal concept of "negligent failure to plan." Companies can be held liable for the damages to their employees, even if those potential damages were unknown or reasonably unforeseeable.

The bottom line is that the global economy necessitates a mobile workforce that has all the tools in place to successfully complete their business trip or international assignment. The lack of appropriately delivered healthcare is one of the major reasons why international travel and assignments can fail. With the average three-year international assignment costing employers approximately \$1.3 million dollars each, it's important to find solutions that protect the employee's health, the employer's risk and the company's return on investment.

If you would like any further information on international benefits, please contact your Woodruff-Sawyer account representative. To view information about our upcoming podcast, **International Benefits Issues and Challenges**, visit:

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