Global Travel: Protecting Associates Traveling on Company Business

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Last year, 459 million trips were taken by US residents for business purposes. In a recent survey conducted of 100,000 travelers, 83 percent did not carry any type of card with them and had no idea whom to call if a minor or major incident occurred. Of those polled, 50 percent would consider taking legal action in the event of an emergency being mishandled. These statistics alone illustrate the issue many companies face as they send valued associates out on business trips around the world. When you also consider terrorist attacks and political turmoil occurring over the past year, the situation becomes something of critical importance to address.

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If you have taken a business trip over the past year or are involved in structuring insurance policies or emergency protocols for traveling employees, take a moment to look through these questions below and ask yourself if you are satisfied and confident in the answers to these diagnostic questions:

1. What types of programs do you have in place to ensure the safety/health of your traveling employees?
2. How would your organization respond to an employee accident or death while traveling on the company's behalf that is not work-related?
3. How would your organization respond to an employee needing special assistance following a medical event when trying to get home (i.e., cardiac nurse/physician following a heart attack, etc.)? How are expenses paid on behalf of the employee?
4. What is your organization's response strategy for employees who may be caught in quickly changing sociopolitical environments (i.e., Egypt-Arab Spring 2010)?
5. What is your organization's approach to mitigate the Duty of Care responsibilities you have towards traveling employees?
6. How does your organization monitor and prepare your employees who are traveling to foreign destinations?

If you find yourself questioning how your organization would respond to one or several of the questions above, it may be time to think about refreshing or creating a Travel Risk Management (TRM) plan for your organization.

The first step in bringing clarity to this critical area of risk management is to identify the key parties involved in developing and communicating protocols, resources and insurance covering their employees. These are examples of who is most commonly involved in these tasks in an organization: Human Resources, Finance/Risk Management, internal travel coordinators, legal, and/or a third-party travel provider. Once you identify who should be involved, pull these people together into the same conversation to discuss the next step in the process: determining and agreeing on a company philosophy/strategy and then identifying gaps or opportunities in the current program.

It is often only when various stakeholders involved in providing benefits, insurance, or vendor services to traveling associates get in the same room that gaps or contradictions in philosophies emerge. Two examples below illustrate the way that separation of responsibilities within companies can lead to an incongruent protection for traveling associates:

1. As a result of a company's decision to let each country determine an appropriate level of coverage and insurance for their traveling associates, it was discovered that senior executives from one region were protected by insurance coverage that provided 10 times salary in the event of a death while traveling on company business while senior level associates in another part of the company were protected by a plan that only offered two times salary.

2. A company prided itself on the robust, comprehensive medical coverage offered to their most valuable asset, their associates. As a result of a discussion between two different divisions of the company that handled global rewards and US rewards, it was discovered that the coverage the company intended to offer all associates was drastically different when those associates leave their home countries. In this example, the discrepancy arose as a result of the way a medical policy was structured and the capabilities of the medical insurer the company had aligned with.

These two examples serve to illustrate how well-intentioned divisions of companies responsible for the well-being and safety of associates end up with a program that falls short or has unintended gaps as a result of a lack of collaboration between different divisions. By getting together and laying out each division or stakeholder's philosophy, coverage, and approach to protecting associates while traveling, companies can determine where there are problems or opportunities to better align. Once the gaps or inconsistencies in the overall company strategy for protecting traveling associates are identified, the next steps of restructuring protocols and the insurance program can begin.

After identifying key stakeholders, agreeing on a consistent approach to benefits and protection for associates traveling, and then identifying gaps or inconsistencies, the work of restructuring the company program can begin. Often companies discover that there are multiple policies all responding to various stages and portions of associates' travel. Common examples are Foreign Voluntary Workers' Compensation, Business Travel Accident or Medical policies, Home Country medical benefits and travel assistance benefits offered through a company credit card. These policies should be inspected and compared to ensure that the goals and priorities previously identified by the company are accomplished through the coverages in place and the way the coverages interact with one another. Frequently, the changes made are a matter of filling gaps and identifying inconsistencies in coverage, but these changes also commonly lead to material cost-savings associated with eliminating duplicate coverages.

Process for creating a Travel Risk Management plan

1. Identify the key parties involved in developing a TRM plan.
2. Determine and agree on company protocols, philosophy, and strategy.
3. Identify gaps or problems in the current protocols/program.
4. Structure program/protocols to eliminate gaps or overlap-dovetail EB and P&C policies.
5. Develop protocols to communicate and equip traveling associates.

The last piece of building a TRM plan is the communication and roll out to associates. Without this last and crucial step, the rest of the process can turn out to be strictly as an academic and internal exercise that does not have the intended effect on associates traveling on behalf of the company. Many TRM programs can

be well-structured and work great theoretically, but in practice fall short. Some examples of ways that a TRM plan can work in theory, but fail in the real world:

- If associates are traveling frequently and are not prepared for the risks they may face while in a certain country, the company may be liable under Duty of Care legislation for failing to prevent reasonably foreseen risks and for not notifying their associate of said risks.
- Many associates travel abroad and do not know which number to call or what protocols to follow in the event of an injury or emergency. These associates can either end up stranded, having care delayed, or figure it out what to do on their own, often at additional cost to the company.
- In the event of an emergency or crisis, many companies cannot locate their associates and have no way of informing family members of traveling associates whether their loved ones are safe or being taken care of quickly.

The challenge of building a TRM plan is multifaceted. The plan requires identifying stakeholders, agreeing on a company philosophy and approach to protecting associates, and then structuring a program. The program should appropriately dovetail with insurance policies in place as well as travel vendors that provide assistance in order to ensure a seamless delivery of benefits to traveling associates. This process, once completed, should be communicated to associates in a way that is readily accessible, easily applied, and, in the time of a crisis, efficiently deployed. The effort it takes to go through a process like this is well worth it in the end, as associates end up better protected in the event of an injury or crisis while traveling on behalf of their employer.

Sources:

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