

CHUBB®

Global Risk Spotlight

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# The World Has Changed. Has Your Corporate Travel Accident Program Kept Pace?



## Global Risk Spotlight:

The World Has Changed. Has Your Corporate Travel Accident Program Kept Pace?



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of Distribution and Account  
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Frank D'Ancona is responsible for defining and developing insurance products to meet the unique corporate travel exposures of multinational companies. Mr. D'Ancona works with our customers to evaluate Global Travel exposures in order to develop Travel Risk Management insurance solutions to meet the needs of travelers and to address insurance requirements worldwide.



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Joseph Weiss is responsible the product development and underwriting of accident and health insurance solutions for corporate clients including U.S.-based multinationals. These solutions fill gaps and supplement existing coverages to allow corporations to effectively manage the accident and sickness risks of their people.

Most companies with employees traveling on business—domestically or internationally—feel an obligation to address the risks and challenges employees encounter along the way. With the world more uncertain than in recent memory, many companies are taking a closer look at their corporate travel accident exposures and migrating to a new paradigm. This Global Risk Spotlight examines why more and more companies are thinking beyond traditional Business Travel Accident (BTA) coverage for employees, and what the new global standard in multinational travel accident protection entails—and delivers.



## What is spurring companies to look beyond U.S.-based global BTA policies?

Companies that employ local nationals in various countries are realizing that, in many cases, the terms and conditions of their BTA insurance policy may not measure up to local exposures and/or to the local insurance requirements of many countries.

By way of example, traditional BTA policies may not include sufficient policy limits to address their exposure. They may have gaps—for instance, not providing adequate coverage for medical expenses, political unrest, and natural disaster exposures—which are essential coverages for employees traveling to foreign locations.

There are also compliance issues to consider. Many countries require local national employees to be insured under locally admitted policies. If they are not, there can be issues with how and where a claim can be paid and tax implications for payments as well.



## How can companies avoid these issues?

A Multinational Travel Accident (MTA) Controlled Master Program (CMP) allows companies to address local exposures, with locally admitted policies as required (or preferred) in certain countries, and integrates these policies with the broader, universal terms of the U.S.-issued master policy. This ensures that the company has consistent coverage, and coverage that is able to respond as expected for employees, including local nationals, where it's needed.

Programs also often integrate Out-of-Country Medical coverage for employees traveling outside their home country, which reduces or eliminates gaps in medical coverage. Medical evacuation is included and coverage for security evacuations may be available. Travel Assistance Services can be embedded or carved out and provided separately. Taken all together, this is the new global standard in Business Travel Accident protection.

For an international company that does not have local nationals in foreign operations, an MTA plan (not structured as a CMP), is a good stepping stone to expand on their traditional BTA policy and enable them to address gaps in coverage that may exist for employees who travel out of country.

CMPs are common in other lines of insurance, and becoming increasingly prevalent for Multinational Travel Accident programs.



How does an MTA CMP work when a company has diverse employees working in different countries, or traveling country to country?

An MTA CMP enables a company to meet the varied coverage requirements and needs of all employees worldwide with local admitted policies, where required, all under one master policy, with one effective date. It creates consistency of coverage and eases program administration. Coverage can also be tailored to meet the unique needs of specific employee populations.

This consistency is especially important when groups of employees from various countries are traveling together. For example, consider the case of an Argentinian local national who travels to Berlin to meet with counterparts from China and India. Argentina, China and India all require local nationals to be covered under a locally admitted BTA policy. And Germany does not accept any national healthcare plans outside of the EU.

The three colleagues are seriously injured while traveling to a company facility, and the Argentinian local national succumbs to his injuries. Fortunately, the company had an MTA CMP and the local nationals were each covered under locally admitted policies in their home country, so benefits could be paid directly to the beneficiaries in the home countries. In addition, medical evacuation and repatriation of remains were arranged and covered. And the company's travel assistance provider and policy paid the healthcare care provider directly for emergency care and covered healthcare expense up to \$500,000.



What advantage does a MTA CMP deliver in claims administration?

An MTA CMP offers the convenience of centralized claims management with a single claims contact and claims philosophy. There is single point of contact for claims since it is managed under the master policy. That means one claims management team administering claims worldwide, as opposed to multiple contacts handling claims separately in various countries with locally admitted policies.

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## An Obligation

A leading technology company felt it had a duty of care and responsibility—an obligation to protect its global workforce by keeping employees aware, safe and protected.

### **Before** Fragmented & inefficient

#### **A Maze of Policies, Contracts, Services**

The company's BTA program was comprised of multiple contracts, carriers, travel assistance providers and effective dates. Management was concerned about inconsistent insurance coverage and their inability to exercise centralized control of the insurance program.



#### **Fresh Perspective**

The company worked closely with its insurer and broker who analyzed its risk management and benefit needs, global footprint and employment landscape.

### **After** Streamlined, robust & comprehensive

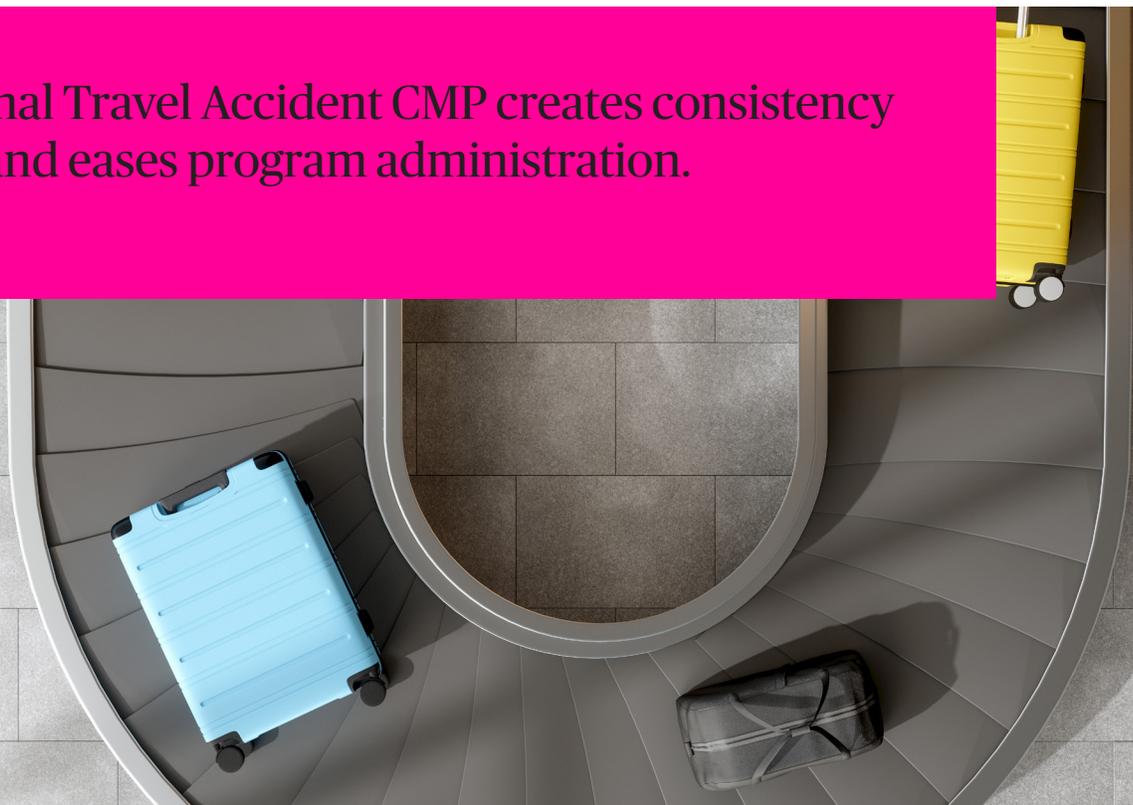
#### **Streamlined, Coordinated & Compliant**

The company adopted a new paradigm: A consolidated global solution with a single master policy in the United States and local policies issued through the insurer's global network with one single effective date and a carefully crafted implementation process.

The program included local policies, each with locally appropriate terms and conditions, tax reporting and claims servicing capabilities.

Travel assistance services were delivered by the company's preferred provider, and seamlessly integrated with the insurer's claims processing and billing services.

**A Multinational Travel Accident CMP creates consistency of coverage and eases program administration.**



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Global companies are migrating to a new paradigm in corporate travel accident coverage, discovering the ease, consistency and efficiency of a Multinational Travel Accident CMP.



### What does administration of a CMP entail?

In addition to centralized claims management, administration and management of an MTA CMP is streamlined and simplified compared to the traditional country-by-country coverage approach. Rather than managing multiple policies, with multiple effective dates, an MTA CMP utilizes locally admitted policies as required to insure local nationals. All of these ‘roll up’ into the master policy. Importantly, these various local policies are synced under the master policy to simplify administration, resulting in one effective date and billing cycle.



### How does a Multinational Travel Accident CMP measure up in cost efficiency?

Placing BTA policies on a country or regional basis marginalizes a multinational company’s spread of risk and economies of scale, which typically results in higher cost of both coverage and administration. A CMP allows the insurer to evaluate a multinational company’s global travel risk profile holistically, resulting in a spread of risk and economies of scale.



### How does a Multinational Travel Accident (MTA) plan compare to coverage employees already have via Foreign Voluntary workers compensation?

MTA coverage is specifically designed to help address the gaps in coverage and the needs and exposure employees face when traveling abroad. The result is 24/7 round-the-clock protection.



### This example illustrates the difference:

A company sent its Illinois-based employee to meet with company executives at a conference in Japan. During the trip, the employee suffers a fatal accident. The employee was earning an annual salary of \$125,000. Workers compensation death benefits in Illinois will pay a maximum of just over \$1,300 a week to beneficiaries—or about \$71,000 yearly. These payments cease at a maximum of \$500,000—which in this case would mean within seven years. However, because this company had an MTA policy, an accidental death benefit of \$2 million was paid to the employee’s family. The beneficiaries receive all that, in addition to the workers compensation death benefits. That is a substantial difference and illustrates the value MTA insurance offers well beyond workers compensation benefits. The policy also paid the provider directly for the employee’s covered healthcare expenses—up to \$500,000.

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## Does an MTA plan address visa requirements for proof of medical coverage?

Yes—and it typically goes beyond the required limits. This is increasingly critical today, as more and more countries, including China, Russia and countries that are part of the Schengen region in Europe, are mandating proof of adequate medical coverage before issuing a visa.

Out-of-Country Medical limits under an MTA plan typically range between \$250,000 and \$500,000, and can be as high as \$1 million, ensuring your employees meet local visa requirements.

Ensuring comprehensive, consistent coverage for corporate travel risks has never been more important.

## Leading the Way, Locally and Globally

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Chubb provides Controlled Master Programs that allow our clients to centralize coordination of corporate travel risks, while ensuring customized and compliance-focused travel accident and medical benefits for employees worldwide. We provide CMPs through an unmatched worldwide network: Chubb's global organization spans more than 630 offices. Chubb Global Services is our dedicated team of 350 professionals worldwide who are all working for our clients every day in local markets, keeping our clients programs in step with local legal and regulatory developments. Our clients also have the convenience of centralized U.S.-based program management—with even locally admitted policies around the world all coordinated stateside.

Our comprehensive line of products can be customized for diverse and dynamic employee populations and include Business Travel Accident, Business Travel Medical, Out-of-Country Medical, and a robust portfolio of travel-related benefits and services.

Chubb brings unique flexibility to travel assistance services, providing our own, embedding those of our client's preferred provider into our programs, or both. Chubb's Travel Assistance Portal gives employees on-the-go access to the information they need before, during and after travel while our award-winning Worldview® platform makes it simple for employers to monitor, track and manage their global program.

*Elevating multinational risk management.*

## Chubb. Insured.<sup>SM</sup>

The claim scenarios described here are intended to show the types of situations that may result in claims. These scenarios should not be compared to any other claim. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law. Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at [www.chubb.com](http://www.chubb.com). Insurance provided by ACE American Insurance Company and its U.S. based Chubb underwriting company affiliates. All products may not be available in all states. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb, 202 Hall's Mill Road, Whitehouse Station, NJ 08889-1600.