

Health and Risk Benefits Design for

Internationally Mobile Employees

2021 Survey Report

Introduction

Internationally mobile employees (IMEs) – both international assignees (expatriates) and international business travelers – are valued resources for multinational organizations. IMEs often play a critical role in supporting global business strategies, including expansion into new markets as the economies of different geographies become more interdependent. When employees travel outside of their home country to support the business needs of their employer – whether on a short business trip or a long-term international assignment – unique factors and risks must be addressed as a matter of duty of care.

This became paramount in 2020 based on the immediate impacts on global mobility during the COVID-19 pandemic and has continued to be a theme throughout 2021 as multinationals have reviewed practices and policies related to their IMEs.

This report highlights the results of our 2021 IME Benefits Design Survey and is intended to provide meaningful insights to help organizations improve the core benefit strategies employed for international assignees and business travelers.

Key findings



31% of respondents expect an **increase in international assignments** in the upcoming year



1 in 5 respondents allow some flexibility for employees to **“work from anywhere”**



#1 consideration in selecting an international health plan (IHP) vendor is ability to **offer compliant coverage** in all host/home countries



Almost half (47%) recognized a **gap in wellbeing services**, specifically telehealth and employee assistance programs (EAPs)



In a continuing upward trend, a **vast majority** bundle medical, dental and vision benefits within an IHP



A majority offer business travel medical and accident benefits, with **a quarter managing two distinct travel programs**

About the survey

Recognizing the unique nature of IME benefits and the challenges employers have in maintaining competitive and compliant plans, we conduct a biennial IME Benefits Design Survey, drawing responses from organizations around the world. In 2021, 107 global organizations across 33 industries in 15 countries participated. Our IME Benefits Design Survey is focused on core health and risk benefits for IMEs – as well as new trends and strategies amid the COVID-19 pandemic.

For the purposes of this report, any reference to international assignees includes all categories of employees working on expatriate assignment or secondment outside their country of origin (home country) for a period of time, typically six months or more. This includes expatriates, inpatriates, third-country nationals (TCNs) and key local nationals (e.g., localized expatriates, regional executives).

International business travelers include employees who travel on short- or long-term business trips outside their home country, usually for short periods of time (less than 180 days per trip).

Highlights of participating organizations

Top industries represented in the 2021 survey are financial services, energy/natural resources, professional services, consumer goods, pharma/health and aerospace/defense. Participant headquarters represented by region indicate 54% in North America, 35% in Europe and 9% in Asia Pacific. Constructing a composite picture, a strong majority of respondents are either privately or publicly owned with revenue between \$1 billion and \$50 billion; have an average global, full-time employee count of approximately 43,000; and conduct business on at least five continents.

IME demographics

While each employer has unique business needs and IME demographics, there is some consistency in survey responses as to how IMEs are categorized.

The minimum length of time outside of the home country for an employee to be considered an international assignee versus a business traveler is at least three months for 39% of respondents and six months or more for 61% of respondents.

The number of international assignees ranges from two to 7,500, with an average of 460.

Of survey respondents, 63% have 100 or fewer assignees, and only 8% have more than 1,000. While assignee populations

Figure 1. Assignments by type*

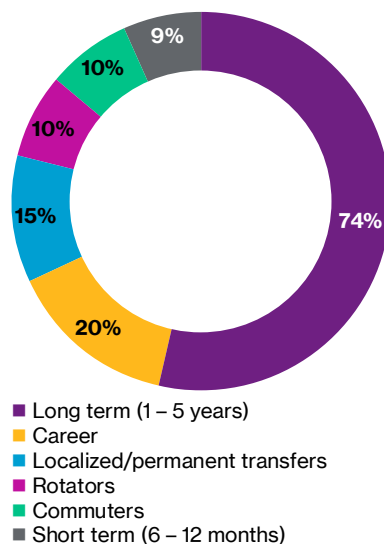
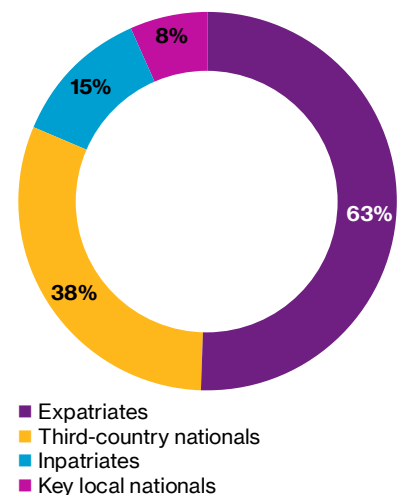


Figure 2. Assignees by assignee type*



*Percentages are not intended to equal 100%

31% of respondents expect an increase in international assignments

are not often numerically significant, they are an important part of the workforce and, as the rest of the survey shows, are provided with tailored provisions that reflect their unique needs.

Only 31% of respondents expect an increase in international assignments in the coming year, with 15% expecting a decrease and 54% expecting no notable change. Only 8% are planning to shift from long-term assignments to short-term assignments.

Based on the survey responses, the majority (74%) of assignments are long term (one to five years) and 9% are short term (six to 12 months). (Figure 1).

The survey indicates an earlier shift toward permanent transfers and localization, with 13% of respondents doing so within the first two years, 24% between two and four years, 44% between four and five years, and only 20% waiting until five or more years.

Expatriates and third-country nationals account for the vast majority of international assignees, with a much smaller percentage of inpatriates. With respect to enrollment in IHPs, a small percentage of covered populations is made up of key local nationals, typically localized expatriates and regional executives (Figure 2). The median percentage for key local nationals in the 2021 survey is 2.7 times greater than the 2019 survey.

Healthcare coverage for international assignees

International assignees may be covered under home, host and/or international benefit programs. Over the past three decades, the trend for multinationals has been to offer international healthcare plans (IHPs) that are tailored to international assignees and their dependents. These plans increasingly include multiple healthcare benefits, bundling medical, dental and vision care.

Figure 4. Healthcare benefits offered via IHPs



Including dental coverage under the IHP has increased from 87% in 2019 to 95% in 2021. There has been a significant increase in offering vision benefits within the international plan (88% in 2021 versus 60% in 2019).

It must be noted that the survey results indicate over half (51%) of the international plans originate in North America (the largest category with growth of 11 points over 2019), and 37% originate in Europe, including the U.K. Policy situs can have a direct impact on specific plan design features given various regulations; therefore, the survey results specific to plan design will be weighted toward U.S.-based plans.

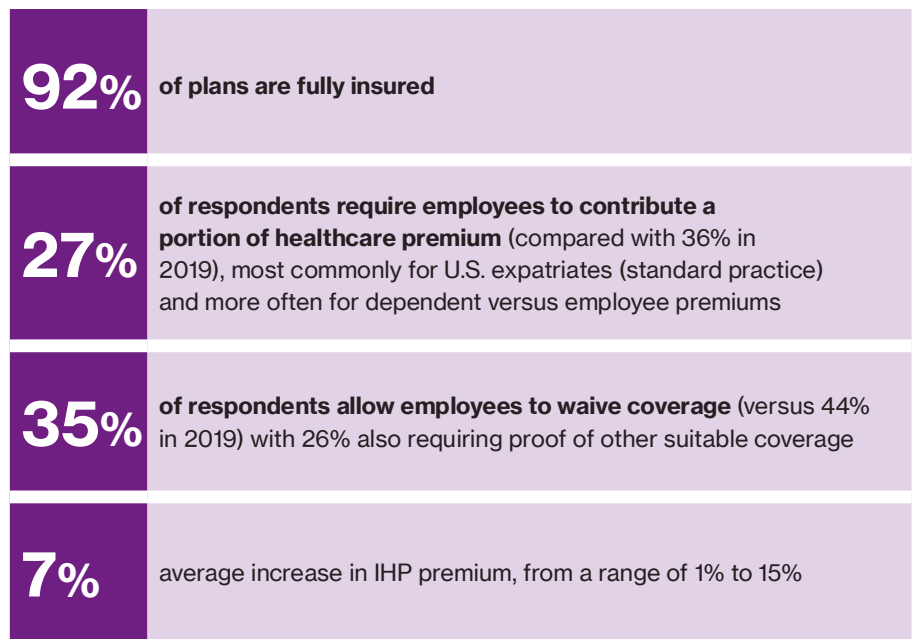
International health plan structure

Many employers maintain more than one plan design, generally in response to regulatory requirements, regional benefit strategies or specific needs for a given category of international assignees (e.g., rotators). In this year's survey, 24% of respondents had two or more plan designs.

Figure 5. IHP plan structure



Figure 6. IHP funding



Medical benefit highlights

Nearly one-third of respondents have plans with varying levels of deductibles, coinsurance percentages and out-of-pocket limits, based on claims incurred in the U.S. or outside the U.S. This is a typical practice in the U.S. healthcare market due to steerage into medical networks to contain costs.

Deductibles (excess)

- For plans with consistent provisions worldwide, 82% do not require a deductible; for those that do, the median is \$420 for an individual (2x for a family).
- For plans with individual deductibles that vary based on U.S. or non-U.S. care, median amounts are \$500 for non-U.S., \$550 for U.S. in-network and \$950 for U.S. out-of-network. Family deductibles vary from 2x to 3x the individual amounts.

Coinsurance

- For plans with consistent provisions worldwide, 68% indicate 100% coverage worldwide (same as 2019).
- For plans that vary based on U.S. or non-U.S. care, median coinsurance levels are: 90% for U.S. in-network, 70% for U.S. out-of-network and 100% for non-U.S.

Out-of-pocket limits

- For plans with consistent provisions worldwide, median amounts are \$1,235 per individual, \$2,850 per family.
- For plans that vary based on U.S. or non-U.S. care, amounts range widely with median individual amounts of \$2,000 for non-U.S., \$2,500 for U.S. in-network and \$3,000 for U.S. out-of-network (2x per family).



The top considerations when selecting a global healthcare vendor have remained fairly consistent over the past two years:






-  **1 Ability to offer compliant coverage in all applicable home/host countries**
-  **2 Quality of services for employees/dependents**
-  **3 Pricing**
-  **4 Contractual and plan design options**
-  **5 Access to preferred service providers/direct payment options**

Figure 7. Notable coverage provisions

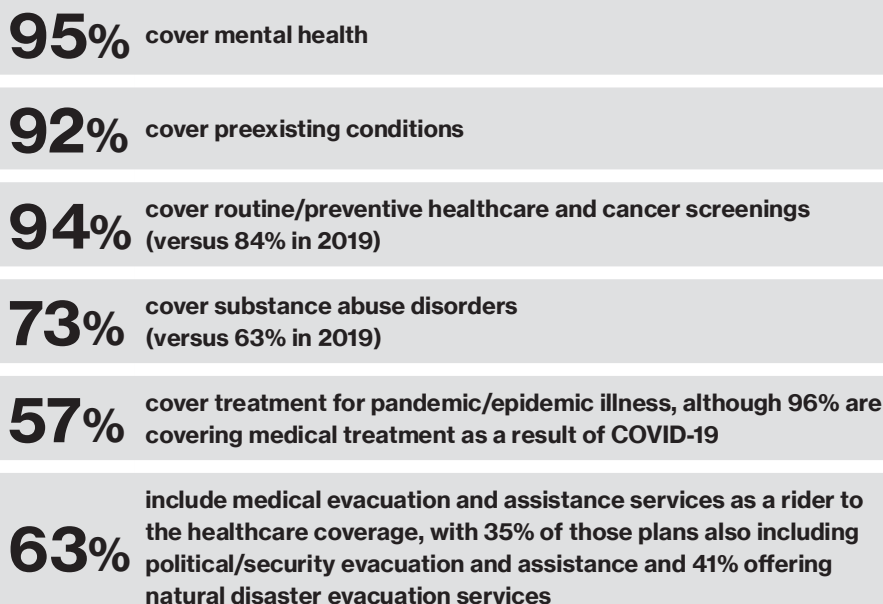
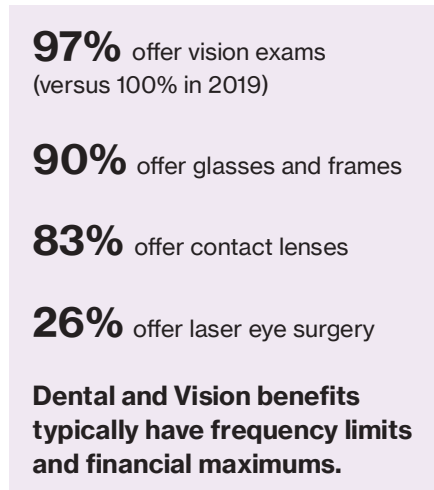


Figure 8. **Dental benefit highlights**



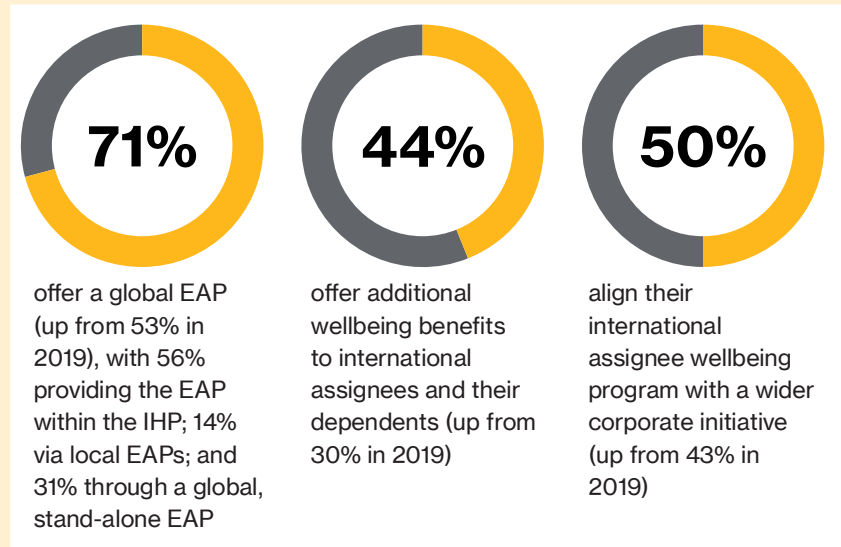
Figure 9. **Vision benefit highlights**



Wellbeing highlights

As evidenced by the increase in prevalence below, wellbeing initiatives continue to be an important aspect of employee benefit coverage for international assignees, with the majority incorporated into the IHP (Figure 10).

Figure 10. **Wellbeing highlights**



Additional wellbeing highlights



Nearly half (47%) of respondents recognized the need to expand wellbeing services (e.g., telehealth and EAPs), in order to cover gaps brought to light by the COVID-19 pandemic. Per our 2021 Global Medical Trends Survey, 50% of insurers globally offer telehealth across all plans; this is a growing trend as insurers expect almost one-third of plan members to access services in this manner moving forward.

Benefits for business travelers

The median percentage of employees traveling internationally on business in 2020 was 10%, a significant reduction from 2019 (25%) due to the pandemic.

While 64% of respondents maintain Business Travel Medical (BTM) benefits, and 60% also provide Business Travel Accident (BTA) coverage, it is not uncommon for employers to offer two separate insurance plans covering emergency medical and business accident coverage, respectively. A quarter of respondents manage both unique types of programs. But it is also very common to bundle these coverages within a classic BTA or Personal Accident program (Figure 12).

Figure 12. Business travel benefit plans

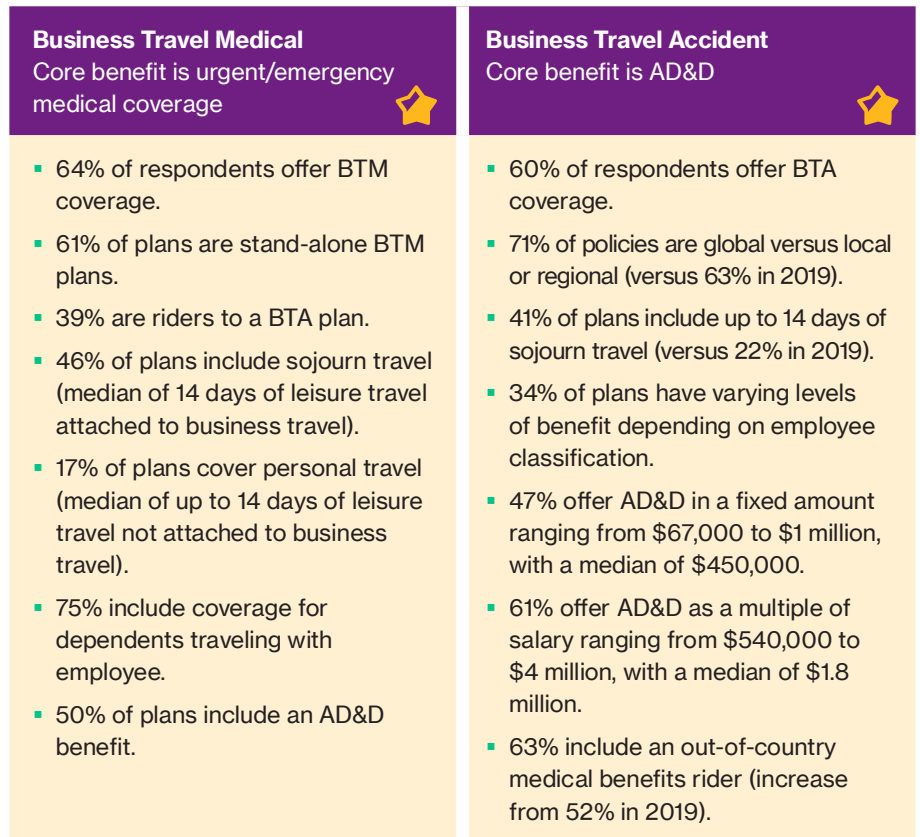
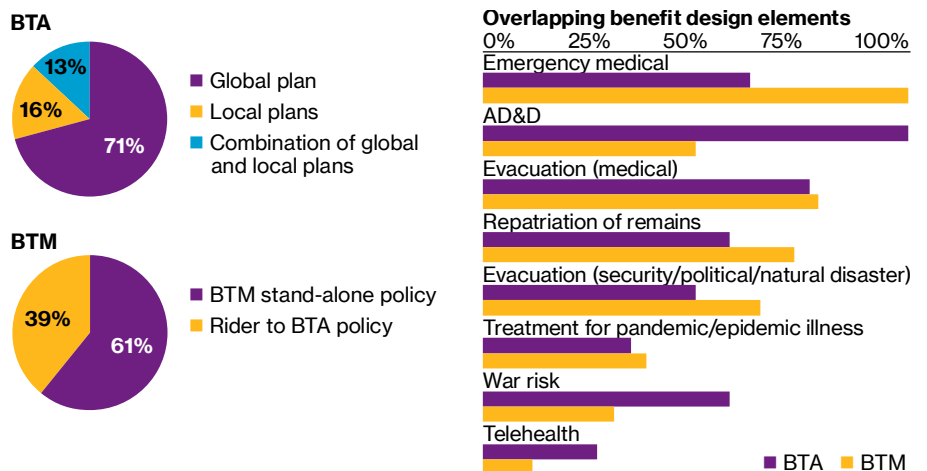


Figure 13. Business Travel Accident vs. Business Travel Medical benefits



Evacuation and assistance services for IMEs

For most employers, it is imperative that IMEs – both international assignees and business travelers – have access to evacuation and assistance services. Such benefits can be found in a number of insured plans, including international healthcare, BTA and BTM plans. It is also quite common for employers to contract directly with an evacuation and assistance service provider.

A very high number of respondents have protocols in place in the event they need to liaise with international healthcare and business travel vendors around evacuation procedures. It is typical and recommended that HR and risk management work together to ensure alignment on such protocols (Figure 14).

Figure 15. **Evacuation and travel assistance – prevalence of services**

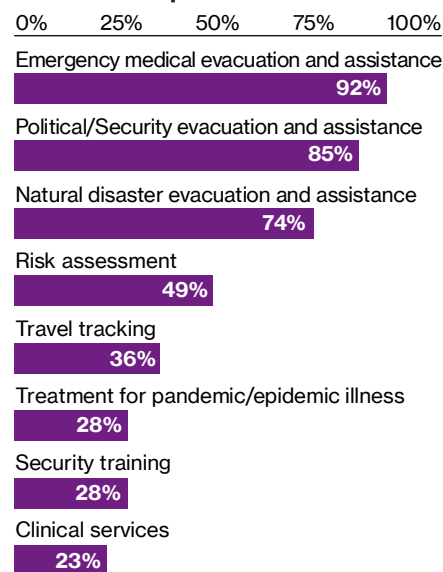


Figure 14. **Evacuation and assistance prevalence**

