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# International Mobility Risk Management Solutions

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XN Financial®



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***RISK MANAGEMENT***

***Corporate and Transferee Risk Exposures and Risk Management Solutions***

The Players/Stakeholders:

- Assignees/Transferees: Employee, Trailing Spouse, Foreign Student
- Employer/Sponsor
- Relocation/Destination Service Provider
- Moving/Removal Company
- Retail Broker: Generalist or Specialist
- Insurer: Exporting domestic products and services
- Claims Adjuster/Loss Adjudicator
- Other



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***RISK MANAGEMENT***

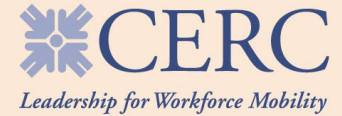
***Corporate and Transferee Risk Exposures and Risk Management Solutions***

Employee Mobility:

- Assignees/Transferees vs. Business Travelers
- Individuals vs. Groups
- Domestic Transferees vs. International Transferees
- Expatriates
- 'In'-patriates
- Third Country Nationals (TCN's)
- Rotational Employees
- Key Local Nationals (vs. local nationals)



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**MYTH, IRONY AND PARADOX**



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### ***MYTH, IRONY AND PARADOX***

#### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***

##### Commonly Held Myths and Misconceptions

- 'Exporting' domestically configured products and services works
- Domestic policies provide suitable cross-border coverage and service
- International programs are prohibitively expensive
- "It'll be covered by the corporate RM program"
- Offshore solutions are an effective way to address local regulatory compliance issues
- One insurer can respond to all our needs

##### Ubiquitous Paradox

- Multinational corporate providers struggle to provide multinational services
- Mission critical employees overseas get short shrift on benefits/retention programs
- Biggest exposures can arise out of situations outside the workplace
- HR and Benefits personnel called upon to deploy finance expertise
- Disproportionate workload...80% of time spent addressing 5% of employees



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**RISK EXPOSURES**



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### ***RISK EXPOSURES***

#### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***

##### Corporate:

- Failed Assignment... “seven figures”
  - Loss of Key Personnel
  - Project Delay
  - Tax equalization implications
  - ...
- Corporate Liability
  - General
  - Employment Practices

##### Personal:

- Life and Health
  - Medical/Vision/Dental
  - Life
  - Medical and Political Evacuation
- Personal Assets
  - Property in Storage/Transit
  - Homeowners’ (Origin and destination)
- Liabilities
  - General Global
  - Auto



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### ***RISK EXPOSURES***

#### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***

##### Why do Assignments Fail?

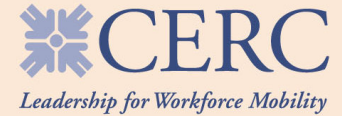
- Not because it's not exciting work
- Not because it's not an opportunity for career advancement
- Not because it's not lucrative
- Often assignment's fail because of ...
  - Process breakdowns, frustration nuisances, annoyances
  - Sense of abandonment, detachment
  - Want for ease of access to health, safety and security
  - Wooed by competition (benchmarking versus 'barstool' marking)

... Poor Risk Management



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**RISK MANAGEMENT**



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## ***RISK MANAGEMENT***

***Corporate and Transferee Risk Exposures and Risk Management Solutions***

### **Risk Management Dept.**

*Skills and Processes to  
Effectively and Efficiently  
Manage Risk to  
Global Capital and Assets...  
Workplace Safety*

### **Benefits and Human Resources Dept.**

*Skills and Processes to Effectively and  
Efficiently Manage Remuneration,  
Retention, etc. of Human Capital,  
Domestic Benefits*

### **Assignee Household**

*Overseas Health, Safety, and Security  
Personal Assets and Liabilities  
Dependants*



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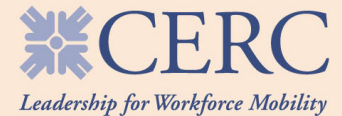
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**RISK TRANSFER  
PRODUCTS:  
INSURANCE**



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***VACANT HOMEOWNERS' INSURANCE***

***Corporate and Transferee Risk Exposures and Risk Management Solutions***

Key Issues:

- Few providers
- Burdensome administration
- Little or no contents or improvements coverage available
- Little or no flood and earthquake coverage
- Geographic limitations and exclusions
- Onerous warranty provisions
- No liability component
- Definition of vacant vs. unoccupied vs. furnished vs. tenanted



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### ***MOVING AND STORAGE INSURANCE***

#### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***

##### Movers/Removal Companies/DSP's

- Regulatory
- Program Flexibility
- Price/Process
- Service

##### Risk Management: Marine Cargo Floater/Self Insurance

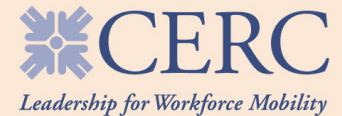
- Limits/Deductibles
- Risk Transfer/Politics
- Service

##### MGA's and Brokers

- Service



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## ***AUTOMOBILE INSURANCE***

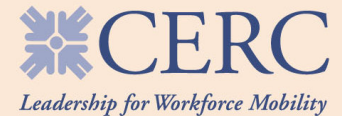
### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***

#### Key Issues:

- Regulatory: Admitted 'Local Insurance'
  - Significant penalties for contravention
- Offshore Providers
  - Taxation
- No substitute for the real thing
- Excess Umbrella Insurance
  - Global coverage
  - Hired auto
  - Watercraft



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**PERSONAL PROPERTY AND LIABILITY INSURANCE**  
***Corporate and Transferee Risk Exposures and Risk Management Solutions***

Key Issues:

- International scope of coverage and services
  - All risks, North American style cover
- Significant corporate risk exposure with relatively infrequent but severe uninsured losses:
  - Also: Significant Employment Practices Liability Exposure
- Cost effective solutions available
- Evidence due diligence, best efforts, plausible deniability
- Program flexibility is key
- Relatively few providers
- Moving Insurance is essentially same u/w data on property
- Beware opportunistic pretenders



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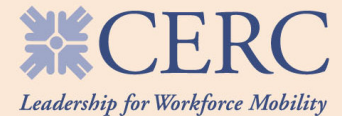
**KIDNAP, EXTORTION AND DETENTION INSURANCE**  
***Corporate and Transferee Risk Exposures and Risk Management Solutions***

Key Issues:

- Absolutely necessary if deploying to global hot spots
- Only a handful of legitimate players
- 'It's not about the money'
- Beware post 9-11 opportunistic pretenders
- May already have it, see Risk Manager
- No real role for in-house or provider transactional systems technology
- Evidence due diligence, best efforts, plausible deniability
  - Access to safety and security information, training



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***HEALTH AND LIFE, ACCIDENT AND SICKNESS***

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Employee Benefits Products

- Comprehensive Medical
- Dental
- Vision
- Rx and International EAP
- Life, AD&D and Disability
- International Travel Medical and Accident
- Medical and Security Evacuation & Repatriation\*\*



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### ***HEALTH AND LIFE, ACCIDENT AND SICKNESS***

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##### Domestic Plan

- III – equipped to address claims in different languages/currencies
- Handle international claims by exception causing reimbursement delays
- Traditional UCR limits have little to no application overseas
- Claims administrators have no appreciation for in-country health customs

##### Host Country Coverage

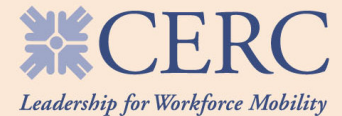
- Limited portability; tend to restrict coverage in North America
- Inadequately cover dependents that reside at home or in third country
- May require the assignee to 'queue' for routine services

***Is properly configured International Healthcare prohibitively expensive?***



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### ***HEALTH AND LIFE, ACCIDENT AND SICKNESS***

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##### International Program

- Provides global network of credentialed providers including medical advice, patient advocacy, direct payment to international providers
- Provides country medical information and resources on-line
- Provide 24/7 service and immediate verification of eligibility
- No onerous translation, currency conversion requirement for claims
- Members can email/fax claims for quicker, more efficient reimbursement
- Allows a company to provide a single, consistent solution regardless of nationality and work location
- Provides access to assistance package that supports medical evacuation, legal assistance and political repatriation
- Can be customized and respond to local compliance.



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### ***HEALTH AND LIFE, ACCIDENT AND SICKNESS***

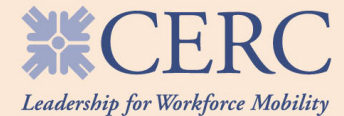
#### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***

##### Global Health Management

- Quality assured process management standards
- Online access and referrals to credentialed medical practitioners, experts for complex cases
- Subset of international providers focusing on preventive medicine supported through pre-negotiated fees for service
- Streamlined access for patients through direct billing arrangement
- Cost containment with providers worldwide with freedom of choice
- 24/7 Multilingual customer service in regional service centers: time zones
- Reimbursement of claims in multiple currencies by cheque or bank-to-bank transfer with Explanation of Benefits accessible online
- Direct billing with hospitals and clinics worldwide



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# *Corporate and Transferee Risk Exposures and Risk Management Solutions*

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**SERVICE AND  
SUPPORT  
ESSENTIALS**



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***SERVICE AND SUPPORT ESSENTIALS***

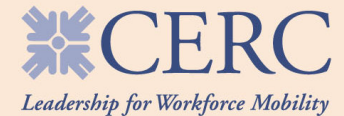
***Corporate and Transferee Risk Exposures and Risk Management Solutions***

Key Elements – Property and Casualty

- ‘24 x 7’ multilingual, customer care specialists
- Accessible by telephone, email and facsimile, toll free worldwide / collect calls accepted
- Able to verify eligibility, confirm coverage and address member concerns across multiple product lines ranging from routine medical inquiries to personal belongings or liability claims
- “Live answer/warm transfer” to allied customer care representatives for complex questions
- Documented workflows and procedures established for each account
- Consistent customer service standards



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***SERVICE AND SUPPORT ESSENTIALS***

***Corporate and Transferee Risk Exposures and Risk Management Solutions***

Key Elements – Health and Life

- 24/7/365 multilingual, multi-disciplined customer care
- Registered Nurses and health care professionals on-site
- Accessible by telephone, email and facsimile
- Toll-free worldwide / Collect calls accepted
- Verification of Eligibility and Confirmation of Benefits
- Warm transfer to allied service representatives for complex questions
- Emergency triage with attending physician, claims administrator and assistance vendor
- Documented workflows and procedures
- Consistent, measurable service metrics



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**STRATEGIC ALLIANCE  
FUNDAMENTALS**



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### ***STRATEGIC ALLIANCE FUNDAMENTALS***

#### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***

##### Shared Visions and Common Mission

- International focus of operations
- Flexible, tailored approach
- Global holistic perspective
- Leveraging alliances to create 'added value'



##### Legal/Contractual Understanding

- International focus of operations
- Legal commitment to enforce service level metrics
- Auditable data, management reporting, due diligence



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### ***STRATEGIC ALLIANCE FUNDAMENTALS***

#### ***Corporate and Transferee Risk Exposures and Risk Management Solutions***



#### Technological Pairing

- Linked, secure technology platforms
- Complementary value added tools and content

#### Member Services Alignment

- Call centre coordination
- Person to person service standard
  - Global service configuration



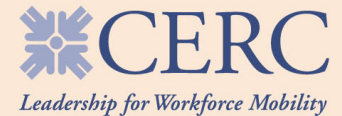
#### Administrative Harmony

- Collaborative renewal exercise
- Unified billing/invoicing
- Vendor Management Solution



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**MYTH, IRONY AND PARADOX  
(Revisited)**



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**THANK YOU**

**Paul Coleman**  
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