



Benefits Briefing VOLUME 38

Perspectives on Expatriate Benefits From a Survey
of Employers & Brokers
(Q2, 2020)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in March and April 2020 to understand its members' experiences regarding various employee benefits-related topics.

Specifically, this summary includes perspectives from participants regarding **expatriate benefits** (i.e. employee benefits, including medical, dental, life or disability insurance for expatriates [or expats] who temporarily or permanently reside in a different country from where they are a citizen).

The information in this report is primarily based on an online survey taken by 314 benefits brokers and consultants.

In addition, this report includes information gathered from a small number of employers interviewed. Employers were small in number as they were required to have the following qualifications: Organization offers expat benefits, is knowledgeable about expat benefits, and is the primary influencer on, or very involved in, selection of carrier chosen for expat employee benefits. (Similar broker qualifications are mentioned as results within this report)

This exchange is a follow-up to a similar exchange on the topic of expatriate benefits conducted in December 2019. Where possible, results from that exchange are included for reference and findings of the two studies are compared.

Within this summary, we identify and call out differences in results by broker client market focus, where applicable. Market groupings include the following: Small (<100 U.S. employees), Mid-size (100 - 4,999 U.S. employees), and Large (5000+ U.S. employees).

Executive Summary

This Briefing is primarily focused on participants' views on and experiences with expatriate benefits (i.e. employee benefits, including medical, dental, life or disability insurance for expatriates [or expats] who temporarily or permanently reside in a different country from where they are a citizen).

- More than four in ten participating NEBAF brokers say they currently recommend or sell expatriate benefits.
 - As might be expected, brokers who focus on large employers are more likely to recommend/sell expatriate benefits than brokers who focus on mid-size or small employers.
- Brokers who recommend/sell expat benefits tell us that an average of 13% of their clients currently offer expat benefits.
 - Brokers who focus on large employers report a higher percentage than brokers who focus on mid-size and small employers.
- When we asked both brokers and employers about the importance of factors when deciding to renew expat benefits with a carrier, they name four of the same factors as most important: carrier's reputation, claims processing, customer service, and product offering.
 - Additionally, brokers identify network strength as important and employers cite rates/cost as important.
- When it comes to expectations around inquiry turnaround time, almost nine in ten brokers who recommend/sell expat benefits expect expat carriers to respond to questions by email within 24 hours.
 - This expectation applies whether the expat carrier is responding to the broker or to a client's employees.
 - Over half of brokers consider an email response turnaround time within two hours to be exceptional.
- When it comes to expectations around claims turnaround time, most expat brokers expect claims for expat employees for medical, dental and vision to be turned around within a week; expectations for life and LTD claims are generally a little longer. Employers' expectations are more mixed.
- Exceptional claims turnaround time and exceptional email response time are the top two most important factors to brokers when considering clients' employees' experiences with their expat benefit carriers.
- According to employers (as mentioned in the methodology), the benefits most frequently offered to expatriates include dental, medical, and vision, while the most frequently offered services include repatriation, moving assistance, and medical evacuation.

Expatriate Benefits

We asked *brokers and employers* about their experience with and views on expatriate benefits (i.e. employee benefits, including medical, dental, life or disability insurance for expatriates [or expats] who temporarily or permanently reside in a different country from where they are a citizen).

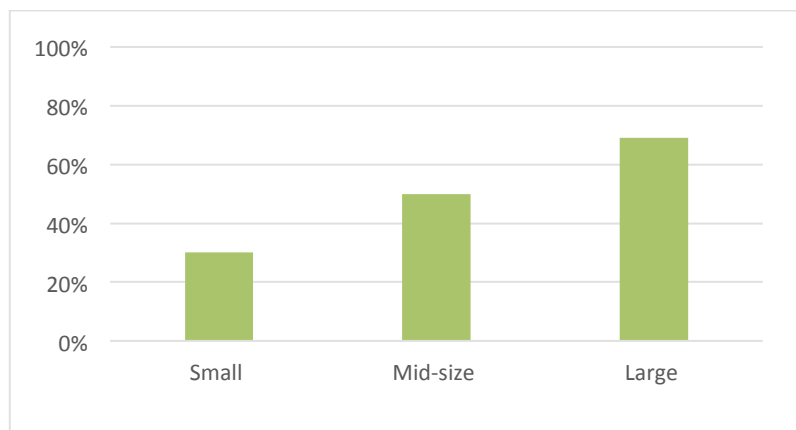
NEBAF Brokers Currently Recommending or Selling Expatriate Benefits

We asked brokers whether they currently recommend or sell employee benefits to multinational employers for their expatriates.

More than four in ten NEBAF brokers report that they currently recommend or sell expatriate benefits.

Brokers who focus on large employers are more likely to recommend or sell expatriate benefits than brokers who focus on mid-size or small employers. More than two-thirds of brokers focused on large employers recommend or sell expat benefits, compared to only one-half of brokers focused on mid-size employers, and just under one-third of brokers focused on small employers. Results by market size are shown below.

% of NEBAF Brokers Saying Currently Recommend/Sell Expat Benefits



Percentage of NEBAF Brokers' Clients Offering Expat Benefits

We then asked brokers who recommend or sell expatriate benefits what percentage of their clients currently offer benefits to their expatriates (expats) or globally-mobile employees who temporarily or permanently reside in a different country from where they are a citizen.

Brokers who recommend/sell expatriate benefits report that 13% of their clients, on average, offer expatriate benefits to employees.

A Look Back: Percentage of NEBAF Brokers' Clients Offering Expat Benefits

An online exchange conducted this past winter also explored the topic of expatriate benefits. In that exchange, we also asked brokers who recommend or sell expatriate benefits what percentage of their clients currently offer benefits to their expatriates (expats) or globally-mobile employees who temporarily or permanently reside in a different country from where they are a citizen.

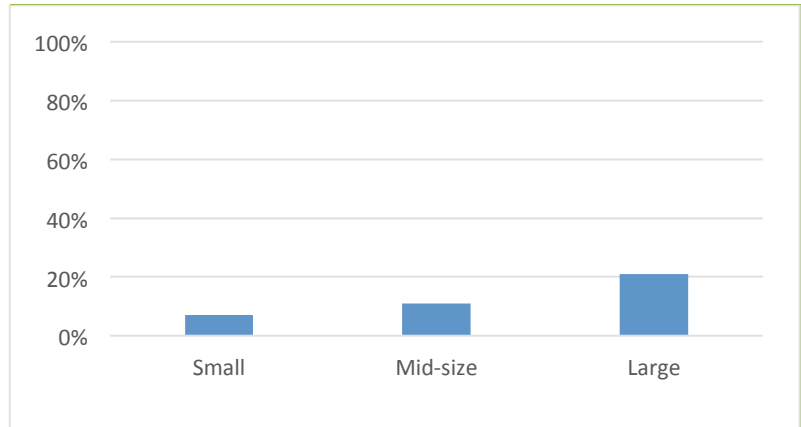
In the *Benefits Briefing*, we reported that among brokers who recommend/sell expat benefits, an average of 16% of their clients currently offer expat benefits.

These results are consistent with our most recent findings, of 13% on average.

Percentage of NEBAF Brokers' Clients Offering Expat Benefits (cont.)

As might be expected, brokers who focus on large clients report a higher percentage of clients (21%) offering expatriate benefits than brokers who focus on mid-size or small clients (11% and 7%, respectively).

% of Brokers' Clients Offering Expat Benefits



Did You Know? Factors Important to Brokers Selecting Carriers for Expat Benefits

As part of the 2019 exchange on expatriate benefits, we asked brokers who recommend/sell expat benefits about the importance of various factors when evaluating expat insurance providers.

Brokers rate the following factors as most important (listed in order of importance):

- Network strength
- Customer service and claims processing
- Demonstrated expat industry experience
- Expat product offering
- Compliance guidance on insurance regulations in relevant geographies around the globe

Brokers report that network strength is at the top of list in importance when evaluating an expat insurance provider and also when deciding to renew (see current results, right side).

Importance of Factors When Renewing Expatriate Benefits

We provided both brokers and employers with a list of 14 factors and asked them to rate how important these factors are when deciding to renew expatriate benefits with a current carrier.

Brokers who sell or recommend expatriate benefits say the following factors are most important (listed in order of importance):

- ❖ Network strength
- ❖ Customer service
- ❖ Product offering
- ❖ Carrier's reputation
- ❖ Claims processing

As might be expected, brokers who focus on large clients are more likely to rate claims processing as highly important than brokers who primarily focus on small clients.

Employers who offer expatriate benefits to employees rank the following as most important (listed in order of importance):

- ❖ Customer service
- ❖ Claims processing
- ❖ Rates/cost of plan
- ❖ Carrier's reputation
- ❖ Product offering

Talking About: Issues Brokers or their Clients Have Experienced with Expatriate Life or Disability Coverage

We asked brokers who currently recommend or sell expat benefits what issues they or their clients have experienced with expatriate life or disability coverage (in terms of claims/payments, compliance, policy approvals, etc.). While most brokers say they have not experienced any issues, some name specific challenges:

"Achieving minimum participation limits can be challenging. Also, understanding the network options is difficult depending on the carrier and country of the expats."

"The issue really lies in the lack of coverage in certain countries. In large metropolitan areas, there are very little issues."

"We have had very few problems. Most problems occur because of infrequency and no one remembers what to do."

"We've had a couple of customer service delays/miscommunications over the past couple of months."

"None other than timeliness of claims payment."

"On the disability coverage front, confusion over the currency that the claim will be paid. Also concern regarding the carrier renewing the business. Not knowing the tax consequences is also a concern when working with expats."

Importance of Factors When Renewing Expatriate Benefits (cont.)

When deciding to renew expat benefits with a carrier, **employers and brokers generally rate the same factors as most important**, although they do not necessarily agree on the order of importance.

There are key differences between the two groups' views: network strength ranks at the very top for brokers, but it does not rank in the top five for employers, while rates/costs are 3rd in importance for employers and do not rank among the top five for brokers. This suggests an opportunity for brokers to explore the importance of network strength for expats with their clients.

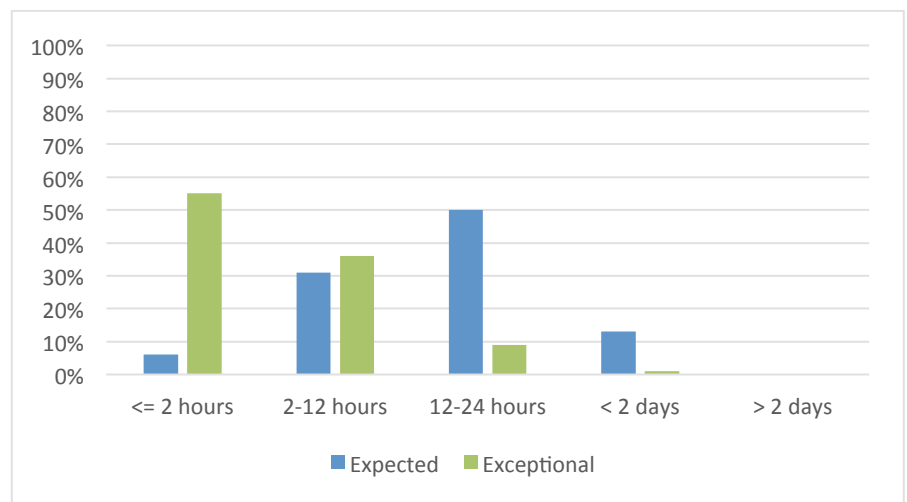
Brokers' Expectations for Expat Carriers' Email Turnaround Time to Clients' Employees

We asked brokers who recommend/sell expat benefits how quickly they would expect employees to receive an email response from their expat carrier in response to a customer service inquiry. We then asked these brokers what they would consider an exceptional response time.

Almost nine in ten brokers expect an email response within 24 hours, with half of brokers expecting carriers to take 12-24 hours to respond. About four in ten expect a faster response, within twelve hours.

Over half of brokers consider a response within 2 hours to be an exceptional response time. An additional third say a response within 2-12 hours is exceptional, while only one in ten consider a response that takes longer than 12 hours to be an exceptional response time.

Brokers' Expectations and Preferences for Email Turnaround Times from Expat Carriers to Employees





Brokers' Expectations for Email Turnaround Time from Expat Carriers' Account Managers

We also asked these brokers how quickly they personally expect to receive email responses from expat carriers' account managers, and what they would consider an exceptional response time.

Mirroring their expectations for email responses to their clients' employees, almost nine in ten brokers expect an email response from expat carriers' account managers within 24 hours. About four in ten brokers expect carriers to take 12 to 24 hours to respond, while just under four in ten expect a 2 to 12-hour response time.

Over half of brokers consider a response from an account manager within 2 hours to be an exceptional response time. As with expectations for email responses to clients' employees, an additional third of brokers consider a response within 2 to 12 hours exceptional, while roughly one in ten consider a response time longer than 12 hours exceptional.

Brokers' Expectations for Claims Turnaround Time by Product

Then we asked brokers (who recommend/sell expat benefits) how quickly they expect claims to be paid out (on average) to expatriate employees for various benefits products.

Most brokers expect claims for medical, dental and vision to be turned around within a week; about three in ten expect medical, dental and vision claims to be paid out to expatriate employees in less than four days.

Expectations on timing on life and LTD claims are generally a little longer. About half of brokers expect claims for these benefits to be turned around within a week; only about one-fifth expect them to be paid out within four days.

It's unclear how these expectations for expatriate claims compare to claims processing for employees located in their home country, as expatriate benefits are the focus of this exchange. These responses suggest fairly high expectations when it comes to expat claims processing.

Importance of Aspects of Clients' Expat Employees' Experiences with Benefits Carriers

We asked brokers who recommend/sell expatriate benefits to rate a variety of factors in terms of their overall importance in clients' expat employees' experiences with their benefits carriers.

Did You Know? Factors Important to Employers in Devising Employment Packages for Expats

Again, looking back to the 2019 online exchange on expatriate benefits, we asked a small subset of employers (those who currently offer expat benefits, and who are responsible for expat benefits as part of their role) about the importance of various benefits when designing employment packages for their expatriate employees.

Employers reported that the following are all very important, with no one rated more important than others:

- Medical benefits
- Ancillary benefits (life, accident, disability, dental)
- Repatriation benefits (assistance returning to home country)
- Compensation package (salary, cost-of-living adjustments, tax implications)
- Relocation benefits (moving costs, finding housing or schools)

This indicates that a well-balanced benefits package is more likely to be well-received by expatriate employees than one that provides robust options or coverage for some benefits but weak alternatives for others.

Importance of Aspects of Clients' Expat Employees' Experiences with Benefits Carriers (cont.)

Brokers say the most important factors are the following (in order of importance):

- ❖ Exceptional claims turnaround time
- ❖ Exceptional email response time
- ❖ Pre-travel assistance (member support pre-enrollment)
- ❖ Custom onboarding calls for every member (post-enrollment support on how to utilize expat benefits)
- ❖ Ongoing email-based member communications to help expats better understand their benefits

Perhaps not surprisingly, we find exceptional claims turnaround time at the top of the list. Claims are a critical piece of the benefits relationship.

Most Common Types of Coverage/ Services Offered to Expats by Employers

We asked *employers* (who offer expatriate benefits as mentioned in the methodology) whether they offer a variety of coverages or services to their expat employees or globally-mobile employees who temporarily or permanently reside in a different country from where they are a citizen.

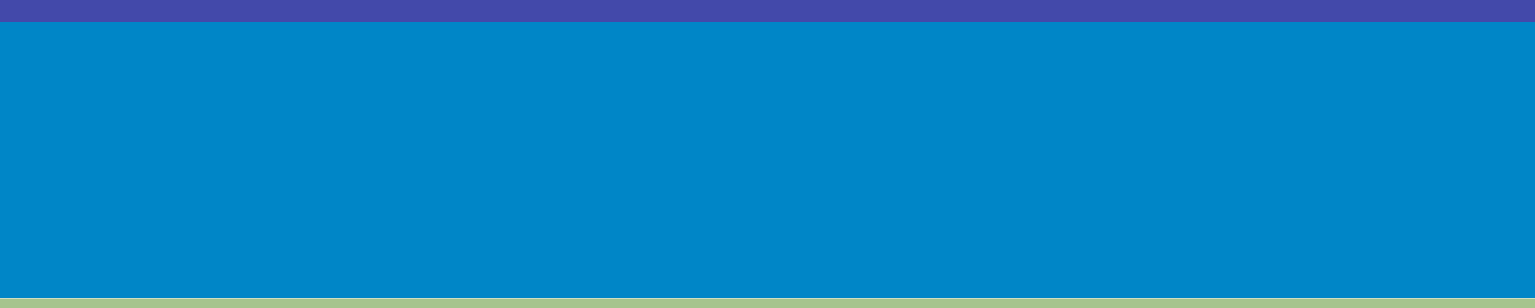
Employers (who offer expatriate benefits as mentioned in the methodology) most frequently say they offer the following types of coverage to their expatriate employees (in order of prevalence):

- ❖ Dental insurance
- ❖ Medical insurance
- ❖ Vision insurance
- ❖ Life insurance
- ❖ Short-term disability

They say they most frequently offer the following services to their expatriate employees (in order of prevalence):

- ❖ Repatriation
- ❖ Moving assistance
- ❖ Medical evacuation
- ❖ Tax assistance
- ❖ Security evacuation

The coverage offered to expatriate employees seems to be in line with what would be most commonly provided to employees not working outside the country. Obviously, the services offered cover a number of areas important for living and working abroad.



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