



A Special Trends Report

Perspectives on Expatriate Benefits

From a Survey of Brokers

(Q1, 2022)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in November and December 2021 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 151 benefits brokers and consultants. To participate, brokers in this exchange were required to recommend/sell expatriate benefits to at least one or more clients.

We conducted a previous exchange in July 2020. Where possible, results from that exchange are included for reference.

Executive Summary

This Briefing covers 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).

- In addition to medical benefits (which was required for survey participation), most participating brokers indicate that they sell/recommend several other expat benefits as well, most commonly prescription drug coverage, dental, life, visions, and emergency medical evacuation.
- Most participants say that expat benefits premiums accounted for a small percentage (<10%) of their total group insurance premiums last year.
- In this exchange, we asked several questions about brokers' offices/firms and expatriate benefits:
 - First, we asked about brokers' office's total premiums from expat benefits in the past year. Not surprisingly, brokers provided a wide range of responses. Roughly three-fifths report their office's annual expat premiums accounted for \$1 million or less.
 - When it comes to broker's firm's growth rate in terms of total number of expat group benefits clients in the past three years, about one in three say theirs increased.
- Participants have most commonly recommended Cigna Global for expat benefits in the past 2 years, followed by United Healthcare Global, GeoBlue and MetLife.
- As seen in 2020, brokers are mixed as to the importance of expat benefits, with about two-fifths indicating these are very important or important to the success of their business.
- Just about half of participating brokers think there will be no change in the importance of expat benefits to their business over the next five years, while two in five expect expatriate benefits to be more important.
- With regard to the impact of COVID-19 on expat benefits:
 - About half say COVID-19 has decreased the demand for expat benefits and just about a third see the demand increasing because of the pandemic.
 - Brokers have a more positive outlook for three years from now. Nearly half anticipate that the demand for expat benefits will be higher than pre-COVID levels. About one in five think it will stay the same, while about one third say either the demand will be lower, or they don't know.
 - Nearly all expect the prevalence of working remotely from home to be higher in three years than it was pre-COVID.

Expatriate Benefits

We built on past exchanges and continued to explore the topic of expatriate benefits with brokers. In this exchange, we asked them more specifically about their thoughts for the future and the impact of COVID-19.

Types of Expatriate Benefits Sold/Recommended

We asked participating brokers which types of expatriate benefits they sell and/or recommend.

We required brokers to be selling/recommending medical expat benefits to participate. In addition to medical coverage, most brokers sell/recommend several other expat benefits as well. More than seven in ten say that they sell/recommend prescription drug coverage, dental and/or life insurance. About two-thirds sell/recommend vision and/or emergency medical evacuation.

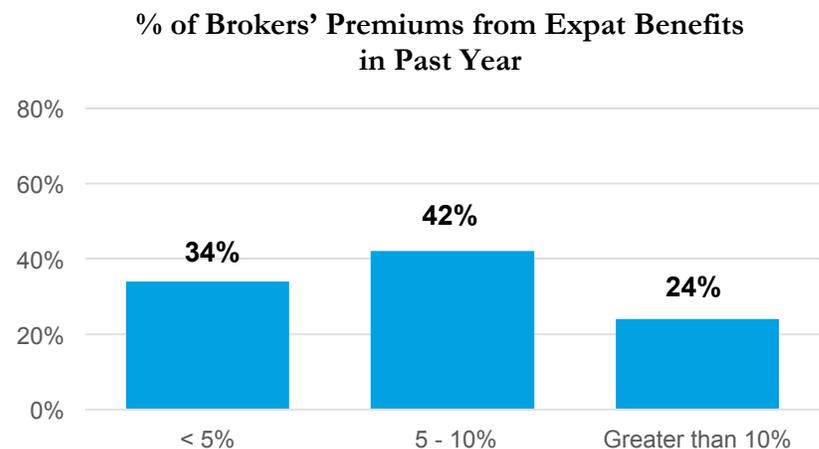
Percentage of Premiums from Expat Benefits in Past 12 Months

We then asked participants what percentage of their total premiums from group insurance benefits in the past 12 months came from expatriate benefits.

For most participating brokers, expat premiums in the last 12 months accounted for small percentage of their total group premiums.

On average, expat benefits have accounted for 11% of broker's premiums in the past year, with only about one in four reporting that more than 10% of premiums came from expat benefits. See chart below.

This year's results do show an increase compared to 2020, on average.



Did You Know? Factors Impacting Overall Demand for Expat Benefits

We asked participating brokers what the biggest factors impacting the overall demand for expatriate benefits over the course of the next year will be.

Brokers rate the following factors as **most commonly impacting** (listed in order of importance):

- The ability to work remotely from anywhere in the world
- The need for expat employees to address talent shortages in certain markets
- The overall desire to take on expat assignments by employees
- The rate of increase in the overall number of expat deployments by US employers
- The rate of increase in the overall number of expat deployments by employers globally

Premiums of Broker's Office from Expat Benefits in Past 12 Months

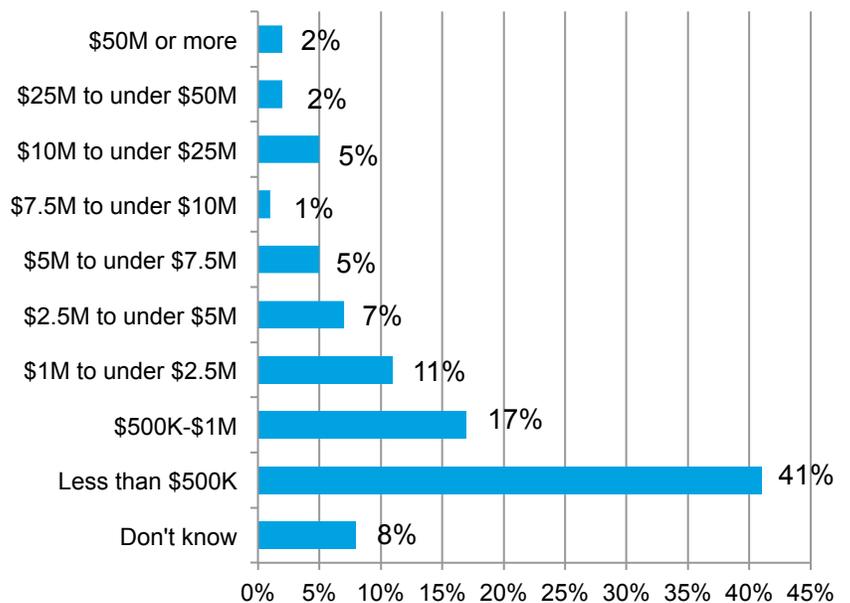
We also asked participants about the total premiums produced from expat benefits by their entire office in the past 12 months.

See results in chart below.

Most, close to three in five, say their office's expat premiums accounted for \$1 million or less in the past year, with just about two in five reporting total office expat premiums of less than \$500K.

Those surveyed this year report lower office premiums, as compared to those surveyed in 2020.

Total Premiums for Expat Benefits from Broker's Office in Past 12 Months



We compared brokers' percentages of premiums from expat benefits to their offices' total premium dollars from expat benefits, and we continue to find a correlation. Those who have a higher percentage of their premiums from expat benefits tend to say their total office premiums are higher.

Firm's Growth Rate in Number of Expat Clients in Past Three Years

We asked participants about their firm's growth rate in terms of total number of expat group benefit clients in the past 3 years.

More than one in three say that their firm's number of expat clients increased over the past three years, while just about one in four say this number has decreased.

It's likely some of these changes are attributable to the pandemic and its impact on travel, working from home, etc.

Talking About: Reasons why Brokers think Expat Benefits will be More Important in the Next 5 Years

We asked brokers who think expat benefits will be more important in the next 5 years why they think that. Most think the clients will continue to globalize/the global economy will grow:

"Most of my larger clients have significant international presence. We expect that trend to increase over the next few years with more clients adding international locations."

"We see a trend towards companies moving to a more global platform and employing more employees overseas."

"We are becoming more of a one world planet with the need for product development and trade crossing across all countries."

"With the onset of Covid variants, employees being sent outside the US by employers are more concerned on the type of coverage provided outside the US."

"Employers are looking for talent across the globe. I believe with the next 3 years we will see a drastic increase in expat/TCN needs increase."

Expatriate Benefits Carriers Most Commonly Recommended

We then asked participants which carriers they have recommended in the past two years.

The five most commonly recommended carriers for expatriate benefits (in order of mentions) include:

- ❖ Cigna Global (76%)
- ❖ United Healthcare Global (56%)
- ❖ GeoBlue (52%)
- ❖ MetLife Worldwide Benefits (40%)
- ❖ Aetna International (39%)

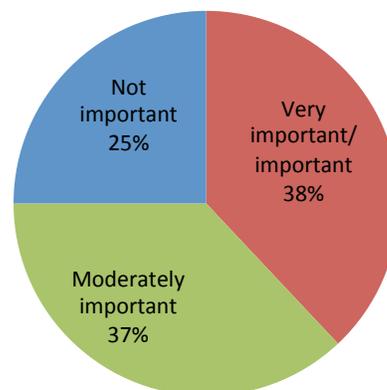
Cigna Global continues to be the most commonly recommended carrier for expat benefits. Recommendations of Aetna have substantially declined since last year; all other carriers are similar.

Importance of Expatriate Group Insurance to Success of Business

We asked participants (all who sell/recommend expat benefits) how important expat group insurance employee benefits are to the success of their business.

About two in five say expat benefits are important or very important to the success of their business, and a similar amount report they are moderately important.

Importance of Expatriate Benefits to Success of Business



Expected Change in Importance of Expatriate Group Benefits in Next Five Years

We also asked participants how they anticipate the importance of expat group employee benefits changing over the next five years, if at all.

Talking About: Reasons why Brokers think Expat Benefits will Stay the Same in Importance in the Next 5 Years

We asked brokers who think expat benefits will stay the same in importance in the next 5 years why they think that. Here's what they tell us:

"Don't expect it to be a product or service that gains more or less attention in the broker space in future."

"It has been consistent over the 5+ years and we are expecting that trend to continue."

"More employers are choosing not to engage in international contracts."

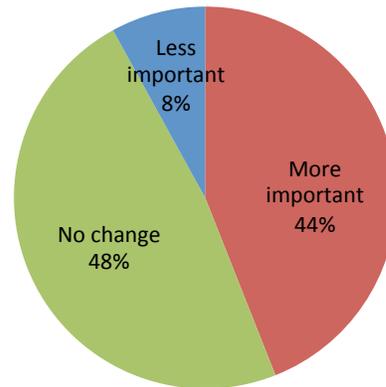
"It is important now for our groups that have employees working overseas, or working in the US and are foreign nationals. Will remain important to help them with good benefit solutions."

"We will quote them upon request, but not looking to proactively sell these benefits."

Expected Change in Importance of Expatriate Group Benefits in Next Five Years (cont.)

Just about half of participating brokers think there will be no change in the importance of expat benefits to their business over the next five years, yet, two in five expect expatriate benefits to be more important.

Expected Change in Importance of Expatriate Benefits in Next 5 Yrs



Impact of COVID-19 on Demand for Expatriate Benefits

We asked participants how they think the COVID-19 pandemic has impacted overall demand for expatriate benefits, as compared to pre-COVID-19 levels.

Different from 2020 results, this year, we're seeing most brokers (about 1/2) say that COVID19 has decreased the demand for expat benefits. Just about a third say the demand for expatriate benefits has increased in light of the pandemic, and one in five think there's been no impact.

Client Changes Enacted in Response to COVID-19

We asked brokers about changes their clients have enacted in response to COVID-19 and their thoughts about the permanence of these changes.

Brokers report that clients have enacted multiple changes in response to COVID-19; most commonly, seven in ten say their clients are leveraging more work from home scenarios/virtual assignments in lieu of sending employees abroad. Half report clients have modified protocols to allow homeworking outside of the country of citizenship.

The majority expects the changes made in reaction to COVID-19 to become permanent, particularly protocols around working from home outside the country.



Expected Demand for Expatriate Benefits Three Years from Now

We asked participants what they think the overall demand for expat benefits will be three years from now.

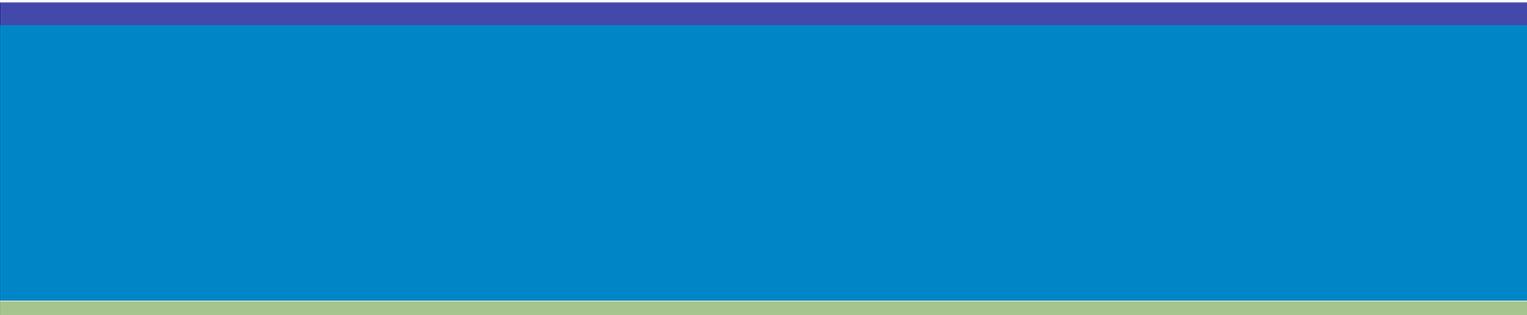
Nearly half anticipate that the demand for expat benefits will be higher than pre-COVID levels three years from now. About one in five think it will stay the same, while about one third say either the demand will be lower, or they don't know. As far as the actual number of expat clients expected in three years, half expect that to increase as well.

Expected Demand for Expatriate Benefits Three Years from Now

Lastly, we asked participants what they think the prevalence of working remotely from home will be three years from now.

Nearly all expect the prevalence of working remotely from home to be higher in three years, as compared to pre-COVID levels. Most think it will be significantly higher.

As we're experiencing, the pandemic is impacting our lives, including professional experiences, in many ways – working from home has been a significant shift and clearly one that is not shifting back in the near future.



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