

Considerations for an Effective Travel Risk Management Program

Presentation to
**NORTHEAST OHIO RIMS CHAPTER
EDUCATION DAY**
March 11, 2010

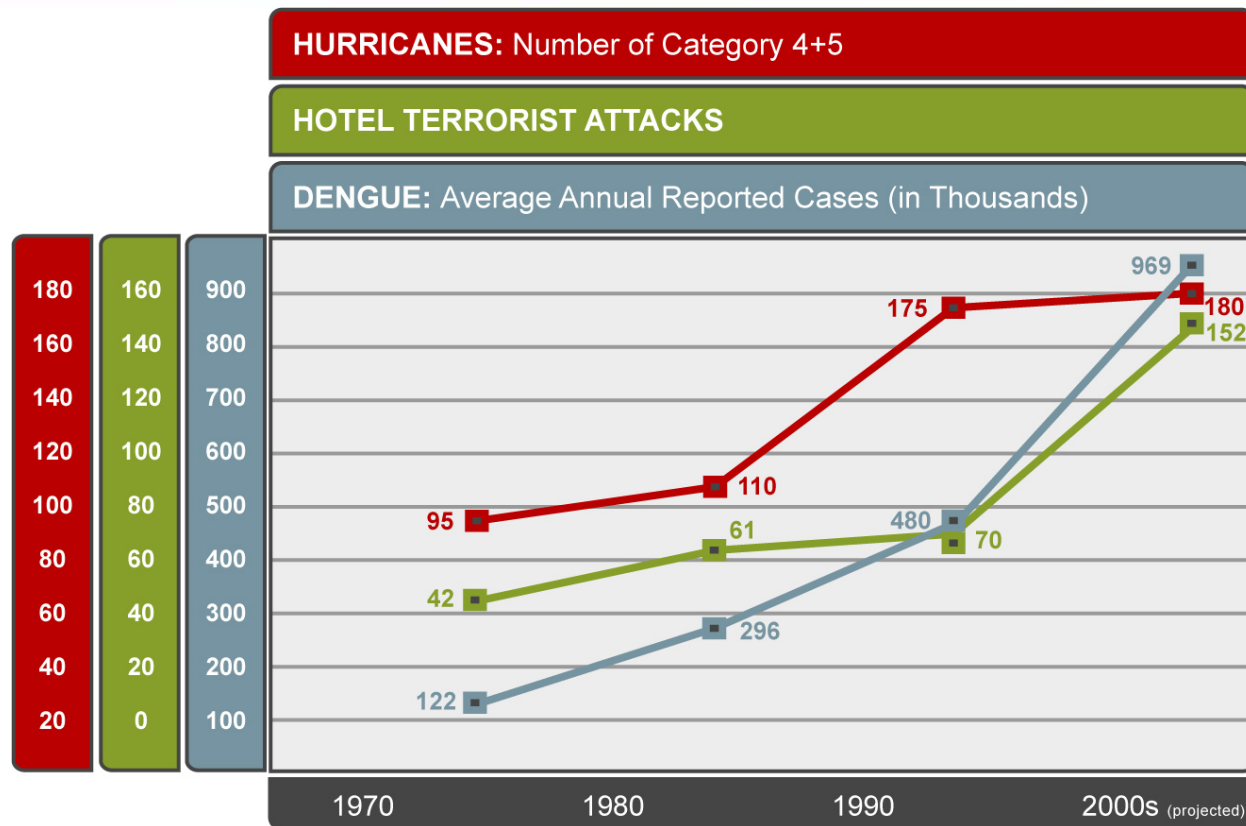
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Business Disruptions



...impact more businesses globally every year.

Escalating Global Threats



SOURCES: Georgia Institute of Technology. National Center for Atmospheric Research. The Rand Corporation. The World Health Organization.

Concentration of Risk



India controls 44 % of the global market for back office

China makes 50% of the world's cement and flat glass, and about 33% of its aluminum.

Disruptions Impact the *Entire* Enterprise



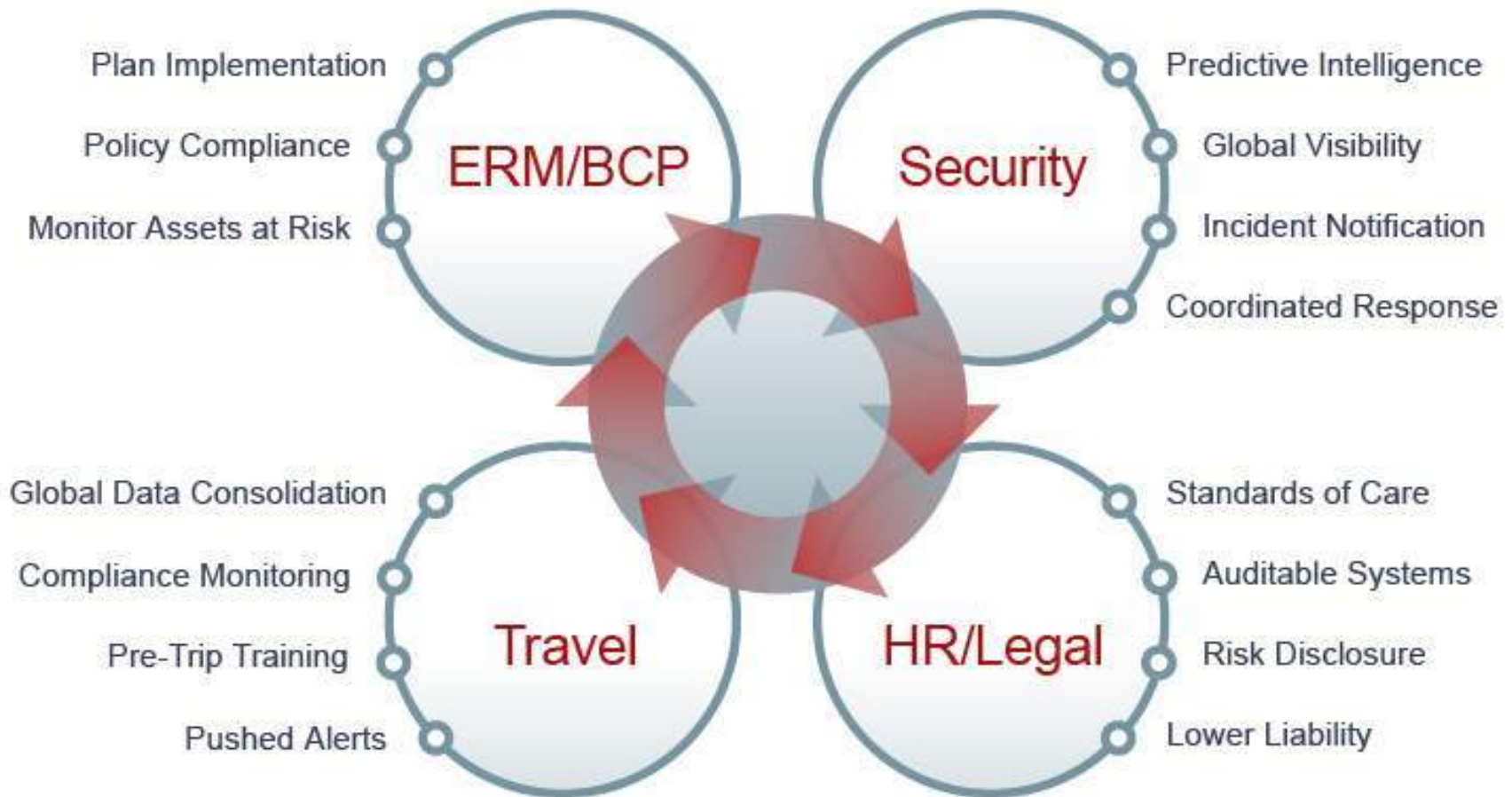
Disruptions Drive Costs



Driving Cost:

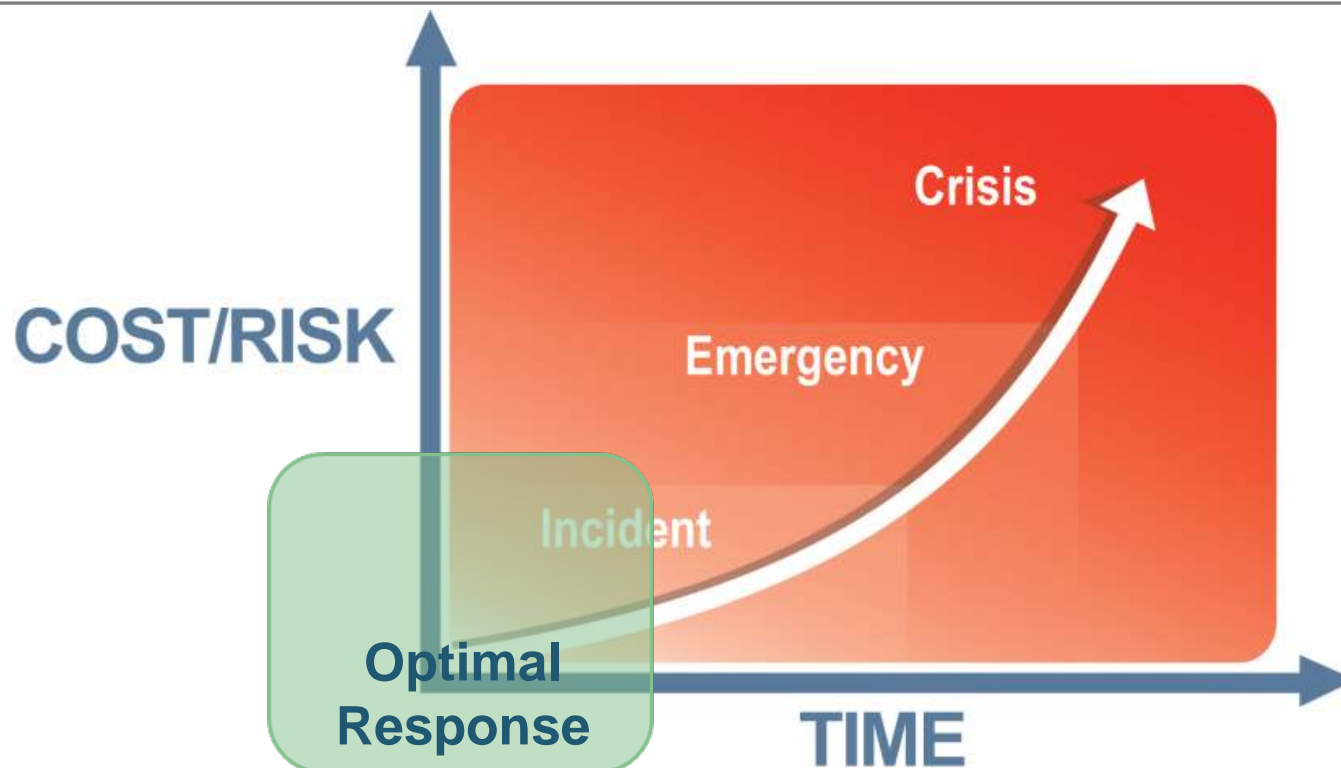
- Response & Recovery
- Control & Compliance
- Mitigation
- Liability
- Lost Business

Cross-Functional Impact



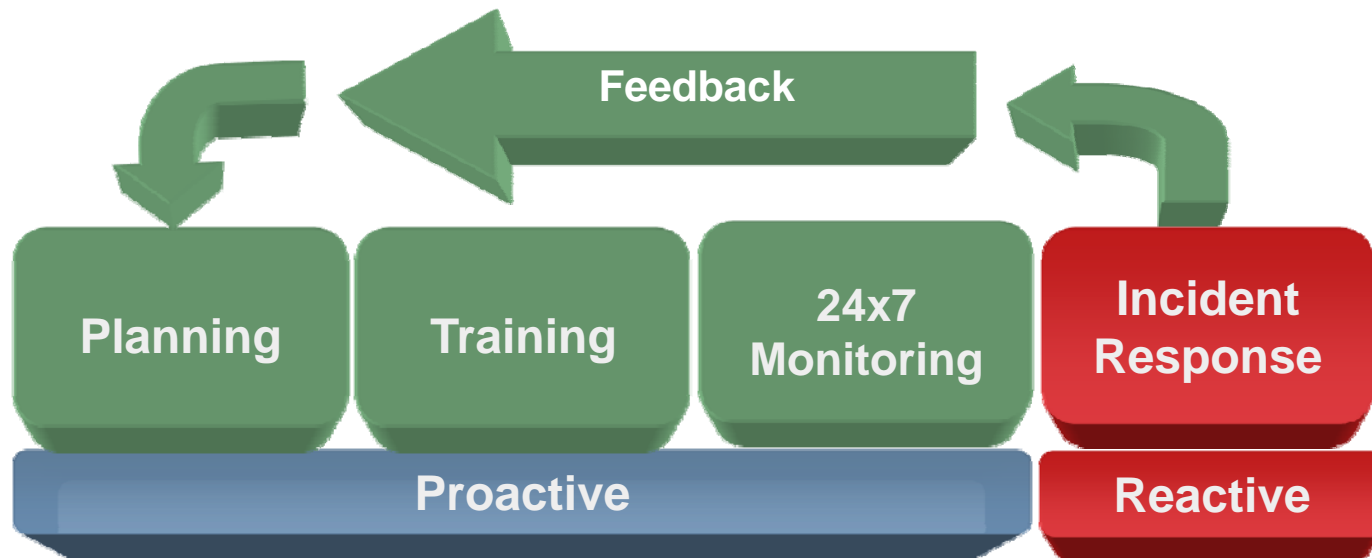
Response Time is Key

The longer it takes to respond to a threat or incident, the greater the risks and costs



Travel Risk Management (TRM) Program

Travel Risk Management is a well defined process to identify risks, prepare travelers pre-trip, monitor threats, and respond to incidents as they arise.



Legal Requirements

- **Duty of Care**
- **Risk Disclosure**
- **Standard of Care**



Benefits of Effective Risk Management

- **More productive and prepared business travelers**
- **Reduced number of costly “incidents”**
- **Lower cost of response**
- **Reduced liability**
- **Peace of mind**



TRM Provides a Decision Framework

Threat

—

Mitigation

=

Risk



- **Identify the Threats**
- Evaluate and Assess (Relevance)
- Set Acceptable Level of Risk
- **Mitigate Exposure (\$\$\$)**
- Monitor Situation
- Respond as Appropriate

Where do programs fail?

- All energy & focus on planning
- Project mentality - deliverable oriented
- Management “checks off” and moves on

Failure to execute



Most Risk Management Programs Start with Response

- “No brainer” for management
- Need to be ready if something happens
- Most outsource to 3rd party (or parties)
- Typically leaves gaps
- Frustrates employees in time of need
- Totally reactive

**Incident
Response**

Response Only - Creates Issues

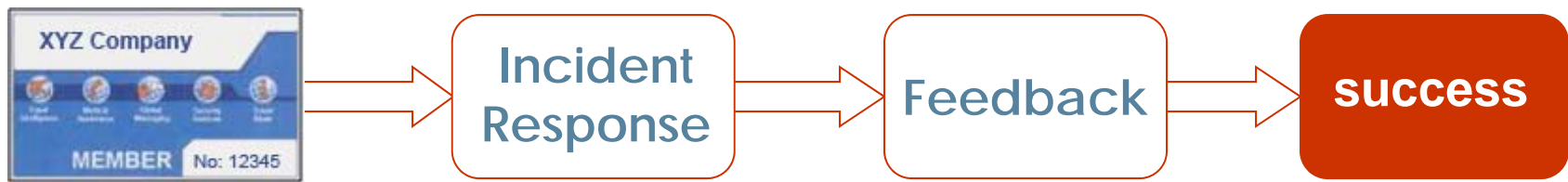
Emergency Response is not Risk Management

- Proliferation of providers
- Multiple numbers to call
- Support gaps - “not sure what to do”
- No global view of issues
- No control over protocols - no lessons learned
- Protects company but not employee



Benefits of Corporate “Branded” Program

- **Consistent “face” to employees**
- **Company owned number - never changes**
- **Ability to change or add response providers**
- **Control response protocols**
 - **Implement lessons learned**
 - **Customize to organization**
 - **Quickly adapt to changing situation**



Next Phase - Employee Communication

- **New Hire Orientation - Benefits**
- **Ticket “stuffer” - paper & electronic**
- **Post 24x7 contact info on intranet**
- **Emergency Notification Card**
- **Periodic articles in organization newsletter**



All good - but still not protecting employees

Proactive Protection - Avoid Problems

- **Training**
 - Local emergency procedures
 - International assignment & travel briefing
 - High-threat environment training
- **24x7 Monitoring**
 - Identify higher risk activities, locations & travel
 - Communicate known threats & what to do

Training

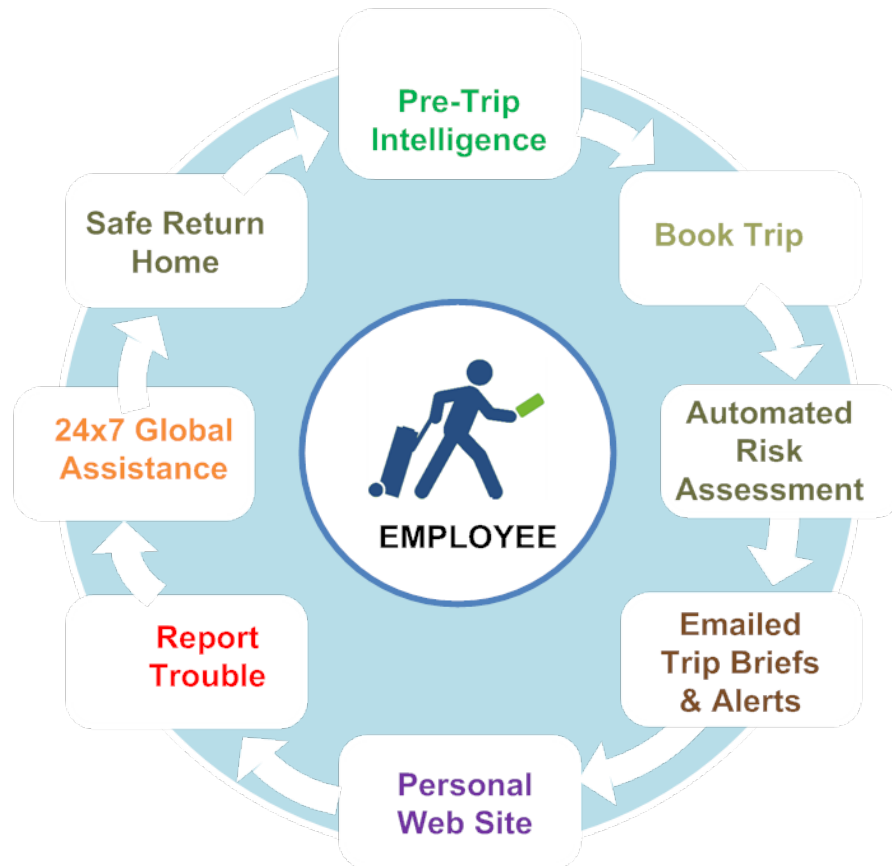
24X7
Monitoring

Global Threat Information

- **Subscribe to a service that is “All Hazard”**
 - **Security**
 - **Medical**
 - **Transportation**
 - **Weather**
 - **Even Culture**
- **Look for Country or City Ratings**
to drive risk mitigation & response protocols
- **Get 24x7 access to analysts**

EMPLOYEE EXPERIENCE

Protecting Employees



MANAGER EXPERIENCE

Protecting Employees



Types of Insurance Covering Expats and International Travelers

- **BTA – Business Travel Accident**
- **Foreign Worker’s Compensation**
- **Foreign Casualty**
- **Travel Insurance – Retail & Corporate**
- **Expatriate Medical Insurance**
- **Domestic Medical Coverage**

Business Travel Accident - BTA

- Available through most A & H commercial carriers
- Covers employees on international travel while performing work-related tasks



Foreign Worker's Comp/Foreign Casualty Insurance

- Available via most major carriers
- Usually part of a larger insurance relationship
 - Property and Casualty
 - Accident and Health
- Required by Defense Base Act for companies performing work for US Govt
 - Military contractors, war reconstruction



Travel Insurance

- **Retail**
 - Sold via websites and travel agents
 - Sometimes includes evacuation coverage and limited amounts of medical and dental coverage
 - Only covers trips (some offer annual products)
- **Corporate**
 - Some policies are sold to corporations but little success has been seen in this area
- Market leaders are Access America (Mondial) and Travel Guard

Expatriate Medical Insurance

- **Available to companies with expat populations**
 - **Covers employees and dependents while living out of country**
 - **Very similar to domestic health insurance with evacuation coverage usually included**
 - **Aetna Global Benefits and CIGNA International own 80% of the market**
 - **Performs like indemnified major medical not HMO**
 - **International medical networks (Global PPO)**

Domestic Medical Coverage

- **Few domestic plans offer structured programs for international coverage**
 - BCBS offers BlueCard Worldwide as a rider
- **Most domestic insurance programs are not accepted outside the US, members must pay and claim**
- **Serious issues arise with complicated medical cases in locations with inadequate medical care**
 - Evacuation and/or relocation may be required
- **Costs escalate quickly for serious cases**
 - Evacuation or hospitalization

Types of Assistance Response

- **Medical Assistance**
- **Security Assistance**
- **Travel Assistance**

Medical Assistance Services

- **Medical Evacuation**
 - (nearest available Center of Excellence or Western Level Care)
 - **Air Ambulance**
 - **Commercial Transportation**
- **Guarantee of Payment (GOP)**
- **Admission to Hospital**
- **Consultation for Illness**
- **Repatriation of Mortal Remains**

Security Assistance Services

- **Political evacuation from foreign countries**
- **Personal safety advice and guidance**
- **Kidnap and ransom**
- **Terrorism**
- **Arrest**
- **Violent attack/robbery**
- **ID theft**

Travel Assistance Services

- **Lost luggage**
- **Lost travel documents**
- **Prescription replacement**
- **Cash advance**
- **Attorney referral**
- **Flight cancellations**
- **Embassy referrals**

Five Questions to Ask Before Selecting a Travel and Medical Assistance Provider

1. Are we paying too much for travel and medical assistance?
2. How well does your assistance service fit within our overall risk management and resiliency program?
3. How can you help us minimize disruptions to employees on business travel or international assignment?
4. How do you decide how (or whether) our personnel are evacuated from a dangerous situation?
5. How can you support us as our company enters new markets?

Questions/Discussion

Thank You!

Offline Questions:

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