



2019 Internationally Mobile Employee Benefits Design Survey

Summary of key findings

Introduction

Internationally mobile employees (IMEs), both international assignees and business travelers, are valued resources for multinational companies and 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 – there are unique challenges and risks that should be addressed as a matter of duty of care.

Multinational companies are becoming increasingly savvy in providing enhanced benefits and related services to IMEs, as there are multiple factors that make it increasingly difficult to find an “easy button” to offer a suitable set of benefits. A rapidly evolving legislative landscape, security risks and the perpetual rise of health care costs worldwide all have a significant impact on the design and costs of global plans, making it more challenging – but not impossible – to manage compliance factors and stay within a set budget.

The right combination of global health and risk benefits not only helps attract and retain talent but also provides the necessary structure for effective pre-trip/assignment planning, management of chronic illnesses, access to high-quality health care, and various services to support overall wellbeing and security.

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 2019, more than 60 global organizations across 27 industries in 15 countries participated. In contrast to our 2017 IME survey, the 2019 version includes new content that allows for a more focused orientation toward core employee benefits for IMEs – specifically, health care and risk benefits for international assignees and business travelers.

For the purposes of this report, any reference to international assignees will include 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 will 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).

The results of the 2019 survey indicate several new trends and validate several enduring market standards:

- The top factor when selecting an expatriate health care vendor is the ability to offer compliant coverage in all applicable home/host countries (ranked #4 in the 2017 survey).
- 86% of respondents offer one consistent international health plan for all categories of international assignees.
- 73% of respondents offer life insurance benefits to international assignees, with 43% doing so as part of an international plan (versus a home or host country plan).
- 57% of respondents offer business travel medical insurance, and 66% offer business travel accident insurance.
- Most respondents (72%) have formal global mobility policies that vary according to category of international assignee.
- There is a widespread consensus about formal duty of care policies, with 59% of respondents confirming they already have policies supported by both HR and risk management, and 25% indicating this is an area of interest.

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Highlights of participating organizations

Figure 1. Corporate headquarters of participating organizations

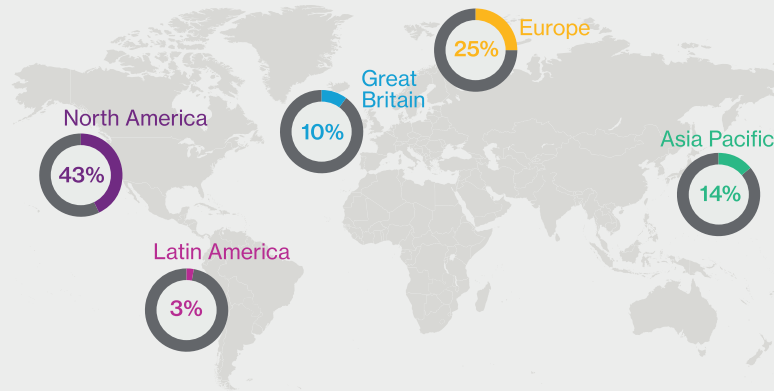
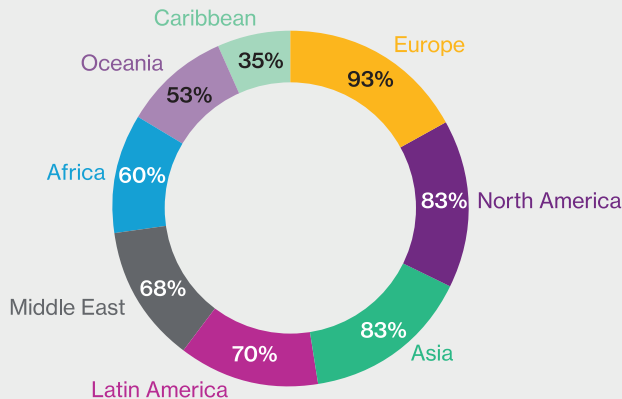


Figure 2. Regional breakdown of operations

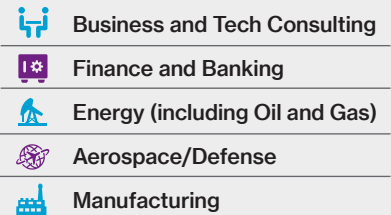


The number of **countries of operation** for the participating organizations ranged from eight to 81, the median being 27.

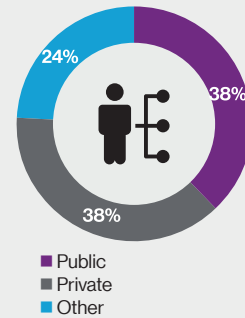
Constructing a composite picture of the most numerous respondents would suggest that they are in the business and tech consulting space, are either privately or publicly owned with revenue in excess of \$10 billion and a global, full-time employee count that is somewhere between 1,600 and 27,500. However, this composite picture overlooks other information revealed by the survey, such as the diversity of industries represented and the employee count.

Figure 3. Participant highlights

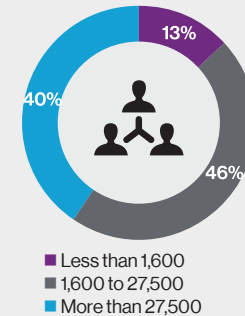
Top 5 industries represented



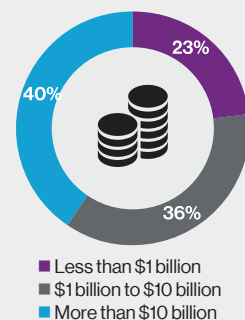
Corporate structure



Global full-time employees



Global revenue



Note: Percentages do not add up to 100 due to rounding

IME demographics

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

Minimum length of time outside of home country for an employee to be considered an international assignee versus a business traveler:

- 66% – six months or more
- 34% – less than six months

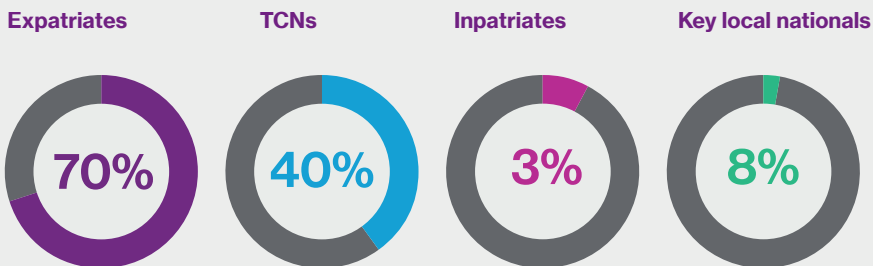
The number of international assignees: range of 5 to 2,225 (median = 70)

About 70% of respondents said they have fewer than 150 assignees, while 56% have fewer than 100. There is a much smaller minority of 15% with over 1,000, which demonstrates clearly that while international assignees are an important part of the workforce, they are not numerically significant and, as the rest of the survey shows, require tailored provisions that reflect their unique needs.

International business travelers: The median percentage of the employee populations traveling internationally is 25%.

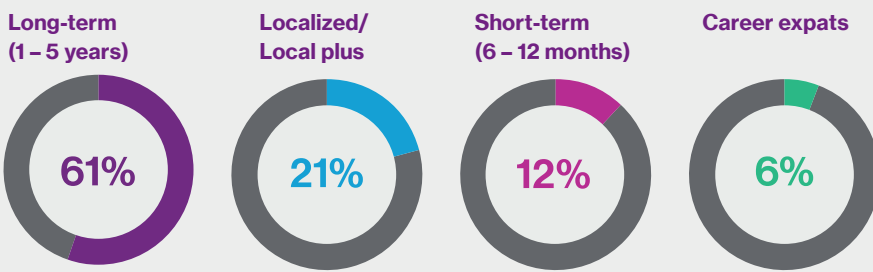
Expatriates and TCNs account for the vast majority of international assignees, with much smaller percentages of inpatriates and key local nationals (e.g., localized expats, returnees and regional executives) (Figure 4).

Figure 4. **International assignees by nationality/employment (median percentages)**



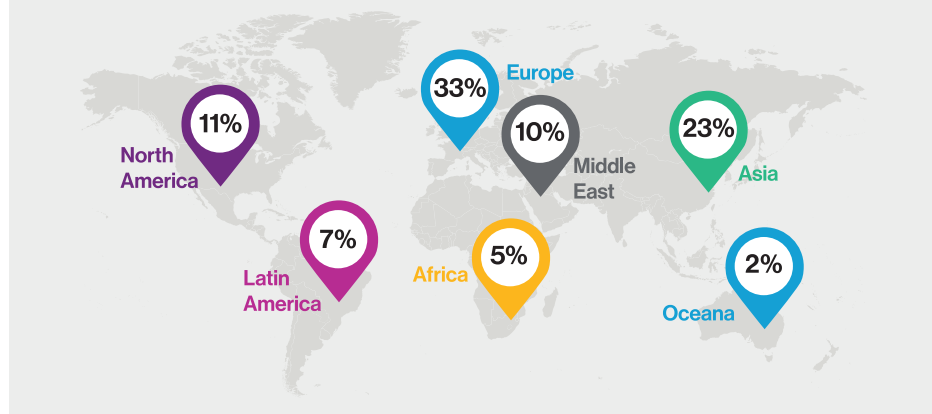
Based on the survey responses, the majority of assignments are long term (one to five years). Notably, the median response indicated 21% of assignees had been fully or partially localized in the host countries (Figure 5).

Figure 5. **International assignees by assignment length**



All respondents have employees on assignment in multiple regions. Matching the results of our 2017 IME Survey, the top three regions in 2019 are Europe, Asia and North America (Figure 6).

Figure 6. **Median percentages of assignments by host regions**




Health care benefits for international assignees

International health care coverage

International assignees may be covered under home, host and/or international benefit programs. Over the past three decades, the trend for multinational organizations has been to offer international health care plans that are tailored to international assignees and their dependents. These plans often include various health care benefits, including medical, dental and vision care.

Health care benefits offered to international assignees

		
Medical	Dental	Vision
96%	92%	60%

With 96% of respondents providing health care coverage to their international assignees, a significant majority (94%) of respondents offer international (versus home or host) coverage to long-term assignees (one to five years) and 82% for short-term assignees (six to 12 months and/or rotators).

Research shows that while 40% of these policies originate in North America (the single largest category), 32% originate in continental Europe. The third placed category is the U.K., where 18% of policies originate.

Plan structure

Many employers maintain more than one international health care plan, generally in response to regulatory requirements regional benefit strategies, or specific needs for a given category of international assignees (e.g., rotators) (Figure 7).

Figure 7. **Plan structure**

86% of respondents offer one consistent plan for all categories of international assignees.



14% manage more than one benefit plan for international assignees, generally in response to regulatory requirements (i.e., U.A.E., K.S.A., U.S.).

32% of plans have geographical restrictions (e.g., worldwide, excluding the U.S.).

82% of plans are fully insured.

36% require employees to contribute a portion of health care premium (premium cost sharing), but most commonly for U.S. expatriates (standard practice) and more often for dependent versus employee costs.

44% allow employees to waive coverage, and 29% require proof of other coverage in order to waive coverage.

Not surprisingly, top considerations (as ranked by respondents) when selecting a global health care vendor have shifted from 2017 to 2019, driven by increasing regulatory factors around the world that impact how international benefit plans must be structured:

#1 Ability to offer compliant coverage in all applicable home/host countries (#4 in 2017 survey)

#2 Quality of services for employees/dependents (#2 in 2017)

#3 Access to preferred service providers/direct payment options (#1 in 2017)

#4 Pricing (#3 in 2017)

Health care plan design highlights

Figure 8. **Medical plan benefits**

Deductible	<ul style="list-style-type: none"> 29% of plans have a calendar-year deductible (down from 33% in 2017), ranging from \$325 to \$1,500 per year, per employee (2x or 3x per family).
Coinsurance	<ul style="list-style-type: none"> 33% have varying levels of coinsurance for U.S. coverage versus all other locations. The vast majority include coinsurance levels as follows: 90% or 80% for U.S. in-network; 80%, 70% or 60% for U.S. out-of-network; 100% or 90% outside of the U.S. 68% of respondents indicate 100% coverage outside of the U.S., down from 76% in 2017.
Out of pocket	<ul style="list-style-type: none"> Out-of-pocket (coinsurance limits) per year range widely from \$500 to \$8,000 per employee (2x per family).
Notable coverage provisions	<ul style="list-style-type: none"> 98% cover mental health. 90% cover preexisting conditions (versus 67% in 2017). 84% cover routine/preventive health care and cancer screenings. 63% cover substance abuse disorders. 62% include medical evacuation and assistance services as a rider to the health care coverage, with 25% of those plans also including political/security and natural disaster evacuation services.



Average health care premium increases in 2019




		
Medical	Dental	Vision
Range:	Range:	Range:
0% to +15%	0% to +8%	0% to +9%
Average:	Average:	Average:
+7%	+4%	+4%

Figure 10. **Vision benefits**

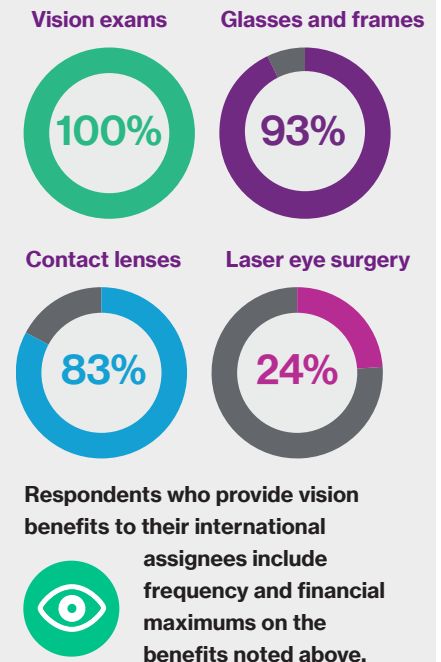


Figure 9. **Dental plan benefits**

Nearly all participants offer preventive, basic and major dental services

32%

of dental plans have an annual deductible, with medians of \$50 per employee and \$100 per family

85%

of plans have a calendar-year maximum, with a median of **\$1,750**

77%

of plans offer orthodontia coverage, with a median lifetime maximum benefit of **\$2,000**



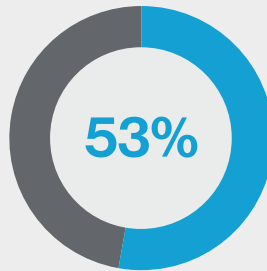
Wellbeing highlights

Nearly 100% of respondents noted that mental health is covered within their global health care plans. Per our [2020 Global Medical Trends Survey](#), mental health disorders are becoming more common in the workforce globally: Around three in 10 employees suffer from severe stress, anxiety or depression. Global rates of depression and anxiety have increased 15% to 20% in the past decade. Even if there was not an altruistic reason why employers should seek to alleviate mental health problems in their workforce, mental health impacts employers in a range of adverse ways, including productivity and absenteeism.

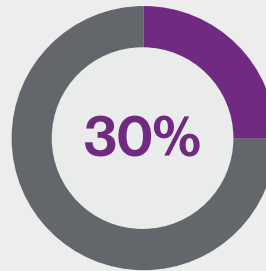
Wellbeing initiatives continue to be an important aspect of employee benefit coverage for international assignees, with the majority incorporated into the international health plan (*Figure 11*).

Figure 11. Wellbeing highlights

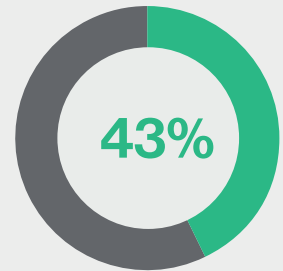
Offer a global employee assistance program (down from 56% in 2017)



Offer additional wellbeing benefits to international assignees and their dependents (down from 58% in 2017)



Align the international assignee wellbeing program with a wider corporate initiative



Risk benefits for international assignees

Similar to health care benefits, international assignees may be offered risk benefits (life, accident, disability) under home, host and/or international benefit programs. While it is less common to offer international risk plans in comparison to international health care plans (given the difficulty in obtaining high levels of risk coverage that would equal home or host country benefits), there is an upward trend for multinational organizations to seek consistent global coverage for all international assignees.

The number of respondents indicating that risk benefits are offered to international assignees is much higher than the results of our 2017 IME Survey, with approximately half of the organizations offering these benefits through an international plan. This is a significant uptick from 2017, when only 21% of respondents indicated an international life plan and 19% indicated an international disability plan.

Life (death-in-service) benefits

73% of respondents offer life benefits to international assignees, with 43% doing so as part of an international plan and 55% as part of a home country plan.

- 75% of plans offer benefits as a lump sum benefit based on a multiple of salary (12 times to 36 times monthly pay).
- Benefits range from \$50,000 to \$1.5 million.
- Less than 10% of respondents offer additional (voluntary buy-up) benefit options.

The maximum benefit amount, when based on a multiple of pay, tends to be between \$450,000 and \$500,000 for expatriates and TCNs and up to \$1 million for key local nationals.

Accidental death and dismemberment benefits

Accidental death benefits are offered by 64% of respondents, with 40% doing so as part of an international plan for expatriates and 57% for TCNs.

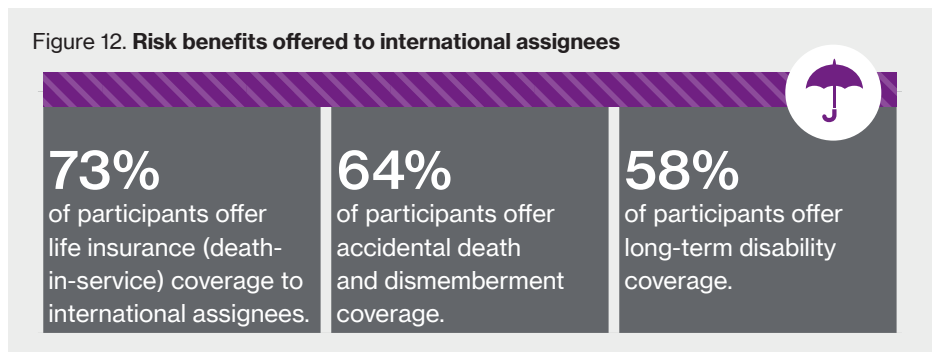
- 81% of plans offer benefits as a lump sum benefit based on a multiple of salary (12 times to 36 times monthly pay).
- Benefits range from \$100,000 to \$1 million.
- Less than 5% of respondents offer additional (voluntary buy-up) benefit options.

Long-term disability

When it comes to long-term disability (LTD) or total and permanent disability (TPD), 58% of the respondents said disability benefits are made available to international assignees, with two-thirds of those companies offering LTD (income replacement) rather than TPD (lump sum) benefits.

- The median range for LTD benefits as a percentage of pay is 60% to 67%.
- 33% of respondents indicate that disability coverage is offered to expatriates via an international plan rather than home or host country plans, and 55% indicate that disability coverage is offered to TCNs.

Figure 12. Risk benefits offered to international assignees



Benefits for business travelers

Figure 13. **Business travel benefit plans**

Business travel medical (BTM) *Core benefit is urgent/emergency medical coverage*

- 57% of participants offer BTM coverage
- **74% of plans include an AD&D benefit**
- 56% of plans are stand-alone BTM plans
- 44% are riders to a business travel accident (BTA) plan
- 36% of plans include “sojourn” travel (leisure travel attached to business travel)

Business travel accident (BTA) *Core benefit is accidental death and dismemberment (AD&D)*

- 66% of participants offer BTA coverage
- 63% of policies are global versus local or regional
- **52% include an out-of-country medical benefits rider**
- 22% of plans include “sojourn” travel
- AD&D benefit (the core benefit of BTA) is offered as a fixed amount for 61% of plans
- 25% of plans have varying levels of benefit depending on employee classification
- AD&D benefit maximums range from \$80,000 to \$1.3 million



Business travel

As noted on page 4, the median percentage of employees traveling internationally on business is 25%. Not surprisingly, 57% of respondents maintain a business travel medical plan, and 66% provide business travel accident coverage. It is not uncommon for employers to offer both plans, as the two types of policies have different core purposes. It is typical to have overlaps of some benefit provisions between the two types of policies.

Figure 14. **Business travel medical plan provisions**

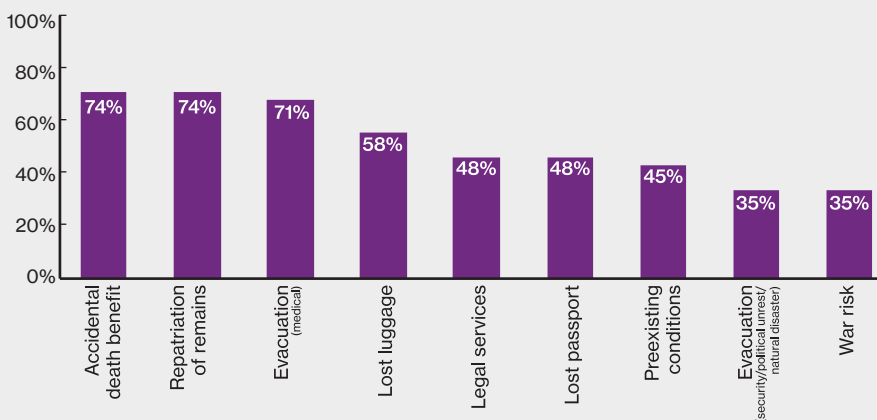
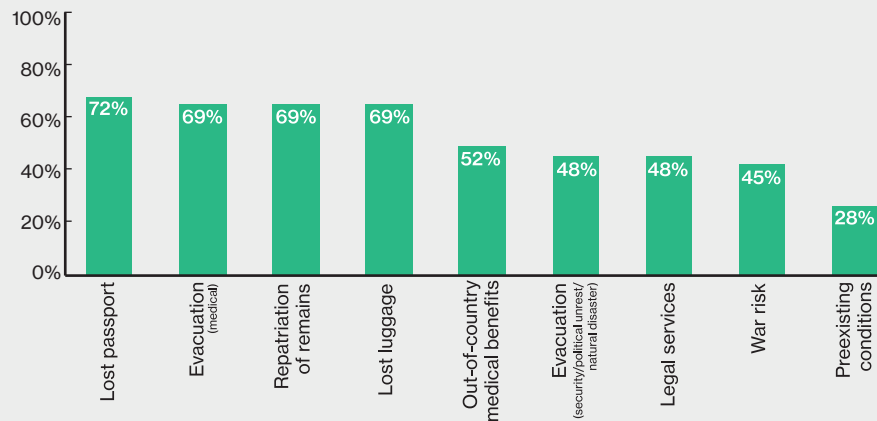


Figure 15. **Business travel accident plan provisions**



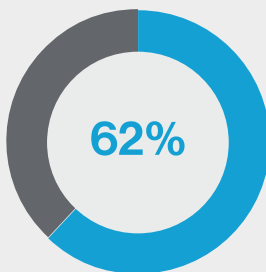
Evacuation and assistance services for IMEs

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 benefit plans, including international health care, business travel accident and business travel medical 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 health 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 16).

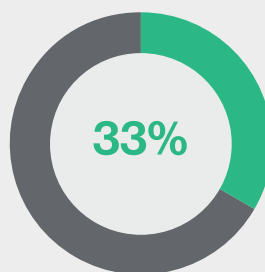
Figure 16. Evacuation and assistance

Plans including medical evacuation and assistance services as a rider to the health care coverage



25% of these plans also include political/security and natural disaster evacuation services.

Participants maintaining separate and stand-alone evacuation and assistance agreements



56% are insured, and 44% self-insured risk.

Participants that have specific protocols to coordinate with insurers (international health and business travel vendors) to ensure appropriate handling of evacuations

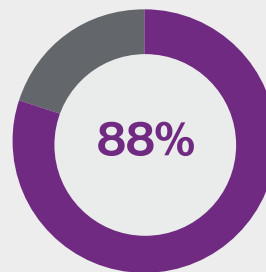
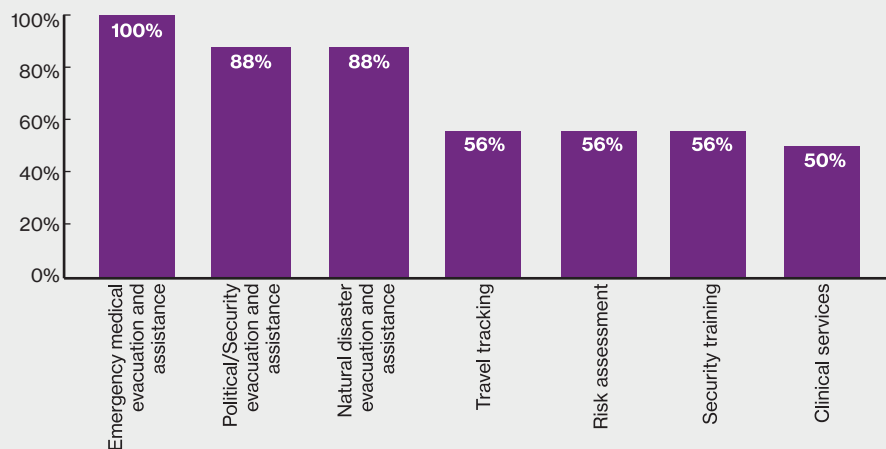


Figure 17. Evacuation and assistance – covered services



Conclusion

In order to meet business objectives and react to changes in the market, multinational companies periodically evaluate their global mobility strategy to ensure suitability. As part of this, maintaining an effective global benefit strategy is imperative since companies frequently encounter challenges in areas of compliance, wellbeing and security for their IMEs. The 2019 IME Survey offers meaningful insights to help companies improve the core benefit strategies they employ for international assignees and business travelers. Below are several notable trends.

A key finding in the survey is that **compliance has become the top factor for employers when selecting an expatriate health care vendor**. In our 2017 IME survey, compliance scored as the fourth most important factor after (1) access to preferred service providers and direct payment options, (2) quality of services for employees/dependents, and (3) pricing. The 2019 responses to this question are not surprising to us, as there are a growing number of regulations related to health insurance for expatriates that significantly impact the structure and design of an expatriate health care program. Leading expatriate health care insurers strive to react to new regulations relatively quickly, adding new fronting partners or acquiring the necessary business licenses in order to offer global programs that are streamlined and yet address the necessary regulations.

As noted in the survey results, many employers maintain more than one expatriate health care plan, generally in response to regulatory requirements. In our experience, there can be opportunities to leverage a single insurer even when multiple policies are required, but there is also value in considering regional solutions through multiple insurers. In some regions, including Asia and Latin America, high-end health care options may even be utilized for localized assignees as “local plus” solutions. Decisions are generally supported by an overall global benefit strategy, centralized versus decentralized corporate governance framework and, of course, the specific demographics and locations of the international assignee population.

There is a continuing **trend toward variations in key plan design features** within expatriate health care plans (deductibles, coinsurance percentages, out-of-pocket limits) that vary based on assignment location – generally between U.S. versus non-U.S. medical expenses. Because the U.S. health care insurance market relies heavily on negotiating costs with medical providers, most U.S. medical plans incentivize plan participants to access “preferred providers.” The majority of U.S. plans offer lower deductibles and higher coinsurance for “in-network” claims, and higher deductibles and lower coinsurance for “out-of-network” claims.

Historically, it has been most common for employers to provide first-dollar coverage (100%, no deductible) for expatriate health care coverage outside the U.S. However, the percentage of respondents offering 100% coverage for medical expenses outside the U.S. has dropped from 76% in 2017 to 68% in 2019.

As health care costs and corresponding insurance premiums continue to increase worldwide, we expect to see a greater trend toward employee cost-share features such as deductibles, coinsurance and premium contribution strategies.

Another major change between our 2017 and 2019 IME surveys is the percentage of respondents indicating that risk benefits are offered to international assignees through an international plan versus home or host country plans. In 2017, only 21% of respondents indicated that life insurance was offered via an international plan, and only 19% indicated that disability was offered via an international plan. In 2019, those percentages increased to 43% and 40%, respectively.



In our experience, multinational employers are looking to offer more consistent life, accident and disability benefits for their international assignees and are **leveraging global insurers to aggregate life, accident and disability coverages under one global policy**. The exception to this trend is often coverage for U.S. expatriates who may expect to maintain high levels of supplemental/voluntary risk benefit options while on assignment; therefore, retaining eligibility for the U.S. risk plans can accommodate that need.

Finally, the majority of respondents indicate that business travel medical (57%) and/or business travel accident (66%) plans are in place, and the inclusion of evacuation and assistance services is typical within these programs (71% and 69%, respectively). When not included within insured benefit policies, evacuation and assistance services are generally contracted separately but aligned with both expatriate and business travel plans. In our experience, business travel and evacuation benefits may be managed by HR and/or risk management, and it is becoming **more prevalent to have clear alignment on emergency medical and security protocols** between the two.

Indications from this survey align with general market trends, with continued expectations for multinational employers to leverage IMEs to support global business strategies. With a growing percentage of employees traveling internationally for business, and a persistent trend toward long-term versus short-term assignments, we anticipate an ongoing focus on IME benefit strategies in the coming years. We expect the global insurance market – particularly in the field of expatriate health care – to continue to address regulatory factors that impact global plans, to innovate and enhance plan features that help employers attract and retain employees, and also help to rein in the escalating costs of these programs.

About Willis Towers Watson's Global Services and Solutions

Multinational companies trust Willis Towers Watson as a strategic advisor. We help clients achieve global people and risk management goals, support governance and objectives, realize the value of leveraging global insurers, and deliver comprehensive and competitive global benefit solutions.

Our global reach and local knowledge coupled with our specialized expertise allow us to put forth industry-leading advisory and support services, innovative solutions and data-driven insights that result in forward-thinking strategies and solutions.

About Willis Towers Watson's Expatriate Benefits Solutions

Willis Towers Watson maintains dedicated Expatriate Centers of Excellence around the globe to advise multinational companies on strategy, execution and oversight of health and risk plans for globally mobile employees.

Our subject matter experts are fully equipped to support our clients with plan design (e.g., benchmarking and industry trends), regulatory compliance in an ever-changing environment, cost management (e.g., market review, analysis and financing), and ongoing management of health and risk benefits for international assignees and international business travelers.

If you would like to learn more about Willis Towers Watson's Expatriate Benefits Solutions or would like to purchase a copy of the full 2019 IME report, please contact your local Willis Towers Watson consultant or send an email to one of our Expatriate Centers of Excellence leaders.

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About Willis Towers Watson

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The survey itself is the responsibility of the Willis Towers Watson Benefits Data Source team, which acts as a source of high-quality market data for benchmarking and governance. If you have any questions about the responses to the survey, its methodology or the statistical base from which the conclusions presented here were drawn, contact bds@willistowerswatson.com.



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