

# Insights



## Supporting expatriates through turbulent times

A sustainable expatriate benefit program can provide security and boost wellbeing

By James Leung

Even – and maybe especially – in the midst of the current pandemic, getting international benefits right will be more critical than ever for multinational organisations. Employer surveys and other market data indicate that few employers have fully repatriated their expatriates back to their home countries, although extended home leaves have become a more typical scenario.

The need to provide support and protection for existing overseas assignees is more critical than ever. It's imperative that benefit plans for these key employees provide support and counseling for employee health and wellbeing, as well as access to medical advice through telemedicine.

And given the current underlying and anticipated economic challenges, employers are understandably more cost-conscious. We conducted research to gauge how employers as well as International Private Medical Insurance (IPMI) providers are responding to the current crisis.

Between this research and our client consulting projects in 2020 so far, we've found that:

- An immediate concern for employers is about coverage around COVID-19, particularly whether testing and treatment, and emotional support plans such as EAPs, are covered
- Telemedicine has understandably become a popular alternative to traditional medical care
- Employers are considering employee cost-sharing in order to continue offering competitive coverage at a manageable cost
- Plan design options are also gaining traction for cost management, such as Local Plus plans, which offer a much wider scope of cover and services than a typical local plan but are scaled back from a full global offering



#### In this article:



The most recent concerns of employers and options available to support employees' well-being



Market observations and relevant insights from our Internationally Mobile Employee (IME) benefit design survey



Typical and recommended benefit design options



Approach to benefit program evaluation for effectiveness, cost and financial sustainability



Benefits projects you may consider in the immediate term

Current employer benefit concerns

Benefits coverage

Since the pandemic, concerns related to employee benefits in Asia Pacific have mostly been related to coverage for testing and treatment of COVID-19. Immediate concerns have been related to potential coverage exclusions, determination of whether there is a need for supplemental cover, and to confirm availability of services to support employees for their emotional wellbeing. Additional concerns have been related to continuity of medical cover due to employment uncertainty.

Supporting employees' emotional health

The various effects of the pandemic – including the prolonged impact of working from home, individuals' anxiety and worries about their own health and job security – have all caused an increase in demand for program such as Employee Assistance Programs (EAPs) that provide mental and emotional support for employees.

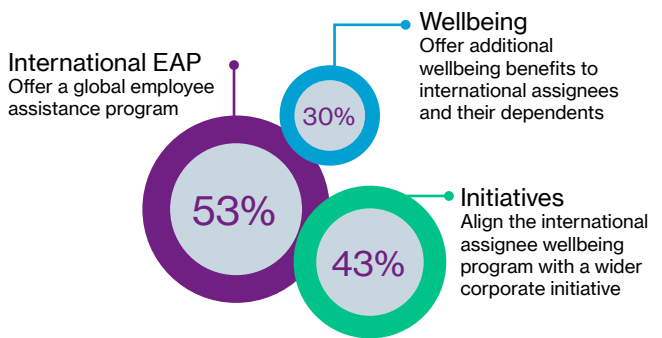


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Even prior to the COVID-19 outbreak, one of the findings from our 2020 Global Medical Trends survey indicated that nearly one-third of employees were already suffering from severe stress, anxiety or depression. Not surprisingly, early indications of 2020 claims utilisation in health plans worldwide show an increasing percentage of employees having to deal with mental health concerns.

- A key finding in our most recent Internationally Mobile Employee (IME) benefit design survey indicates that nearly all participating employers provide mental health cover under their IPMI programs, including 53% offering international EAP services (Figure 1).

Figure 1. Global employers offer an array of benefits to support wellbeing



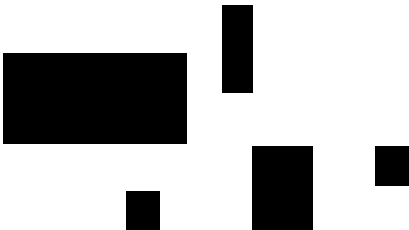
Source: Willis Towers Watson 2019 Internationally Mobile Employee Survey

- Based on an IPMI vendor review conducted in April 2020, the majority of IPMI providers provide a EAP as part of their health benefits solutions, either as a standard or by request. Those who can not provide one at present are considering offering one in the future. In Asia, 63% of IPMI providers already provide EAPs as part of their policy provisions; this compares to 70% in Great Britain and in the U.S., all leading IPMI providers have an EAP included (Figure 2).

Figure 2. The majority of leading IPMI providers provide an EAP as part of their health benefits solutions

Region/Country	EAP as standard provision	EAP available by request	EAP not provided
Asia	38%	25%	37%
Great Britain	40%	30%	30%
North America	60%	40%	-

Source: Willis Towers Watson IPMI vendor review, April 2020







## Telemedicine and virtual consultation

Due to the highly contagious nature of the COVID-19 virus, telemedicine has become a popular alternative for seeking medical advice and care rather than traditional visits to medical clinics. One should consider, however, that telemedicine is not feasible for ongoing treatment of medical conditions, but rather can help triage the care from virtual to clinic-based care as necessary.



### Leading IPMI providers offer telemedicine services to their insured members.

From our research with major IPMI providers across the globe, we found that a significant majority include telemedicine as a standard part of their benefit solutions.

Figure 3. Telemedicine may grow popular as an alternative to traditional care

Region/Country	Telemedicine is available	Telemedicine is not available
Asia	63%	37%
Great Britain	67%	33%
North America	100%	-

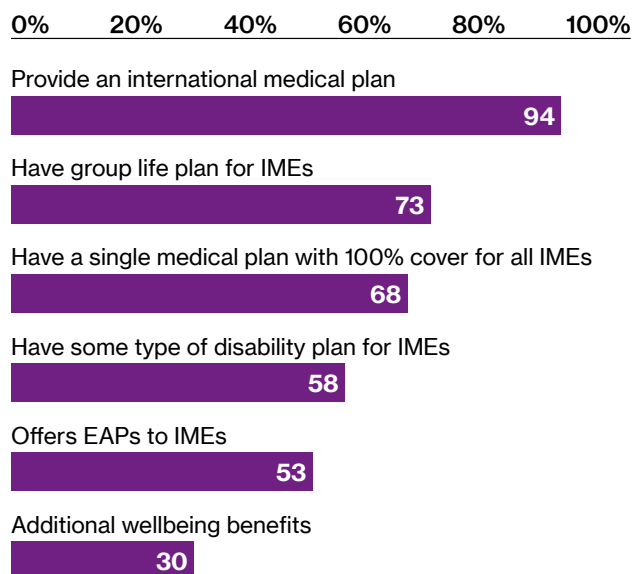
Source: Willis Towers Watson IPMI vendor review, April 2020

## Prevalence of expatriate health and wellbeing benefits

Typical health and wellbeing benefits for expatriates include healthcare, life, accident and disability coverage. In both our 2017 and 2019 IME surveys, nearly all survey participants offer international (IPMI) plans rather than home or host country plans for their international assignees. (Figure 4).

Furthermore, in our 2019 survey, 86% of participants provide a consistent plan design for all international assignees, although those providing first dollar cover has dropped from 74% to 68%. In other words, 32% of the participants are providing health benefits with variations of co-insurance, deductibles and sub-limits. Given the escalating costs for healthcare globally, more employers are considering employee cost-sharing in order to continue offering competitive coverage at a manageable cost. We expect this trend to continue given the growing economic concern.

Figure 4. Provisions for expatriate benefit plans



Source: Willis Towers Watson 2019 Internationally Mobile Employee Survey

## Balancing benefits and premium costs through program design

Local Plus (high-end medical) plan designs are gaining popularity. Traditionally, IPMI policies have been rich in coverage with minimal benefit sub-limits. This still stands for most policies that employers are providing to their expatriates for peace of mind while working abroad.

### In recent years, there has been a clear trend of employers implementing Local Plus healthcare plans for key executives and localised expatriates.

In recent years, there has been a clear trend of employers implementing Local Plus healthcare plans for key executives and localised expatriates, creating an additional eligible group of employees for a modified IPMI program.

A Local Plus plan design generally offers more than a typical local plan, but is scaled back from the full IPMI offering, allowing for comprehensive coverage that is more affordable. The increased adoption of Local Plus plans has been especially notable in key Asia markets such as China, Hong Kong SAR, Singapore, and in Latin America. Key drivers of this trend include:

- **Localisation of employment terms for expatriates:** Local Plus options have proven to be a favourable choice over traditional local group medical plans.
- **Offering Local Plus cover for key executives and talent:** These plans generally offer regional or global coverage for key staff, offering more than typical local plan options while also scaled for competitive pricing.
- **Cost savings:** Local Plus plans maintain tailored services to support common concerns and needs for localized expatriates and key executives, but with up to a 25% premium differential compared to traditional IPMI plans.

## What's top of mind for global employers in 2020?

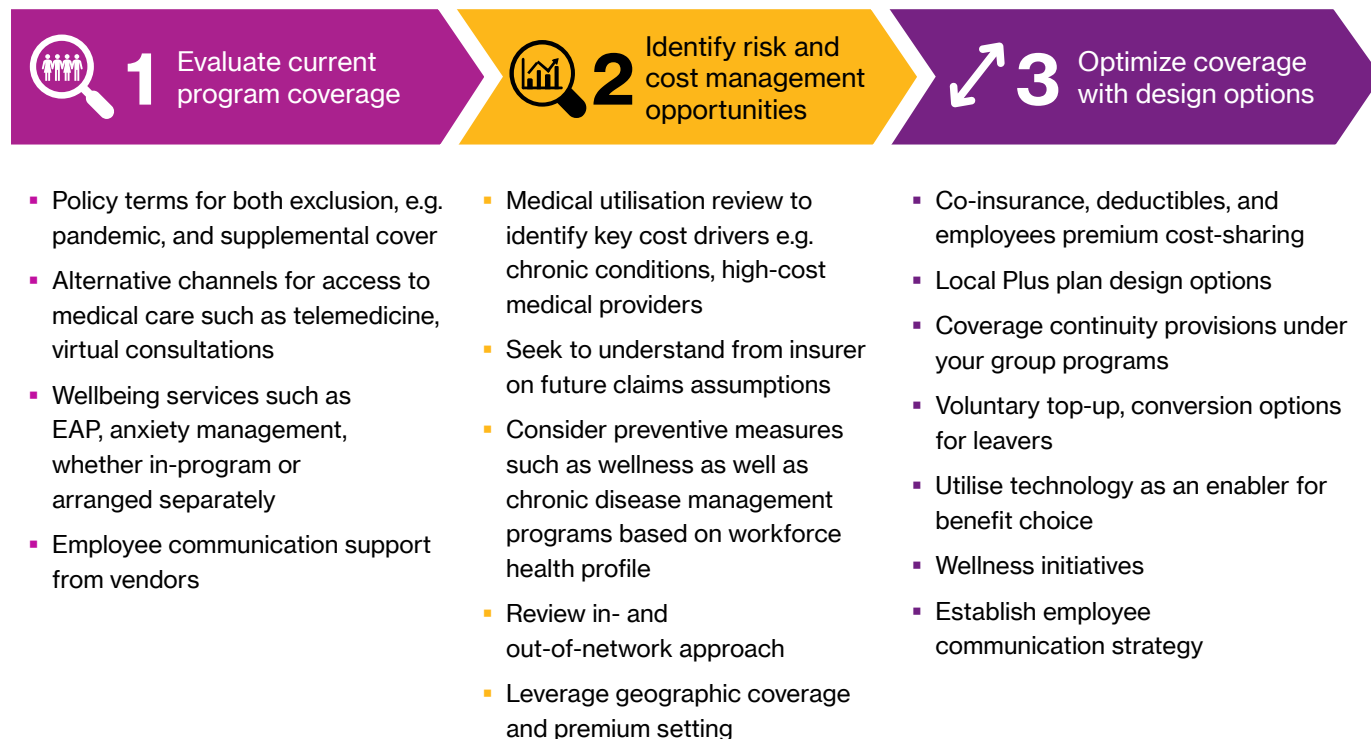
Our survey found that, unsurprisingly, the top considerations (as ranked by respondents) when selecting a global health care provider have shifted from 2017 to 2019, driven by increasing regulatory factors around the world that impact how international benefit plans must be structured:



One of the most common initiatives for program and cost management is the annual remarketing exercise. These initiatives should not be conducted on an ad-hoc or siloed basis. A more holistic evaluation can lead to a thorough understanding of key cost drivers which in turn can provide the context for program design remodeling, and ultimately a more sustainable program that effectively supports employees as well as business financial perspectives.

## Guide to establishing a sustainable benefits program in the future

Given the current realities and stress points of COVID-19 and the economy, we believe that this is an important year to review current IPMI programs, and potentially consider Local Plus options depending on relative business concerns with staffing, financial budgets, and potential changes to global mobility policy.



### For more information

If you are considering whether your IPMI program is relevant in these unprecedented times, given the healthcare landscape during COVID-19 and the anticipated economic and unemployment outlook, please let us know – we can help.

**Please contact your Willis Towers Watson consultant, or:**



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