

NGO Foreign Voluntary Workers' Compensation

OVERVIEW

As more U.S.-based NGOs have operations in countries around the world, it is becoming increasingly important that their workers' compensation policies be properly structured to address the significant exposures created by their employees conducting business outside the U.S.

This is true whether they are on permanent assignment, a short-term contract or a brief work-related trip. While there is some coverage available through endorsements to domestic workers' compensation policies, most do not pay for work-related injuries that occur overseas. Employers must be certain that their coverage is evolving right alongside their NGO operations and that their employees are being adequately covered -- regardless of where they are working.

Fortunately, a solution can be found with Safe Passage International, which offers U.S.-domiciled NGOs the opportunity to purchase Foreign Voluntary Workers' Compensation to fill in the gaps left open by standard domestic workers' compensation insurance.

BENEFITS

There are several significant benefits afforded under the Foreign Voluntary Workers' Compensation coverage offered by Safe Passage International that are not generally available via endorsement to a standard domestic workers' compensation policy. Benefits include:

- Coverage for 'Third Country Nationals' -- These are foreign-based employees who are temporarily assigned to a country other than their home country, for example, a UK employee on temporary assignment in Italy.
- Employers' Liability for Local Nationals -- This coverage is essentially a security blanket protecting the insured from any gaps that they may have in their various local placements around the world.
- Repatriation Expense -- This relates to the lack of proper medical care in many developing countries, which may result in the repatriation of an employee to the U.S. or another country so that they can receive appropriate medical treatment. The coverage also provides for repatriation of the body in case of death.
- Coverage for Endemic Disease -- Refers to a disease such as cholera that is particular to a specific region.
- Extensive Worldwide Claims Network -- AIG WorldSource provides access to an extensive network for handling claims. This is not always the case with competitors' offerings, nor is it generally true under an extension to a domestic workers' compensation policy.

Key Issues

Since there are significant differences in coverage from one product offering to the next, there are two key issues that should be evaluated prior to buying Foreign Voluntary Workers' Compensation coverage. While the less expensive covers initially may be attractive from a cost standpoint, should a situation arise where this type of protection is needed, the insured may find that significant gaps in the coverages provided make the final cost to the NGO much higher.

- War & Terrorism exclusions. Serious risks are faced by employees on assignment in various areas around the world, including the Middle East and other high-alert terrorism target spots.
- Many of our competitors apply these exclusions to coverage A of the policy. While our form has an exclusion under coverage B, no such exclusion is provided under coverage A.
- Our coverage is primary. Frequently the policies offered by other carriers apply excess of limits provided under a local policy or DIC (Difference in Condition) over any coverage provided under their domestic workers' compensation program. The insured is thus exposed to high deductibles that may apply to the domestic program. Primary coverage is an important consideration when comparing price as premium savings from an Excess/DIC offering can evaporate quickly if a claim falls under the domestic program and is subject to a \$500,000 retention. The coverage offered by Safe Passage International is primary coverage.

It is an exciting time for U.S.-based NGOs working overseas, but one that can be challenging as well. Safe Passage International's Foreign Voluntary Workers' Compensation coverage presents a convenient and financially secure method for dealing with one of the challenges.

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*In California, Safe Passage International
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Coverage may not be available in all jurisdictions.