



CHOOSING THE RIGHT EXPATRIATE PLAN

MEETING THE UNIQUE NEEDS OF
A GLOBALLY MOBILE WORKFORCE



Globally mobile employees want to know that their unique needs will be met while on assignment, and employers seek an efficient solution to make it happen. Our 11th Annual MetLife's Employee Benefits Trends Studies' suggested that just over half of employers maintain internationally-mobile employees on their home country plan. Is there a better option? **We found employers with international plans tend to be more committed to benefits as a talent strategy**, seeking relevant plans for their diverse populations while managing costs. When does an international plan make sense, what are the advantages, and does one make sense for you?

Corporations make **large investments in internationally-mobile employees** – both in assignment costs and time invested by the HR team and local management. With **globally mobile workforces estimated to grow at more than 10% a year**,² it's worth considering what type of benefit plan will deliver optimal results.



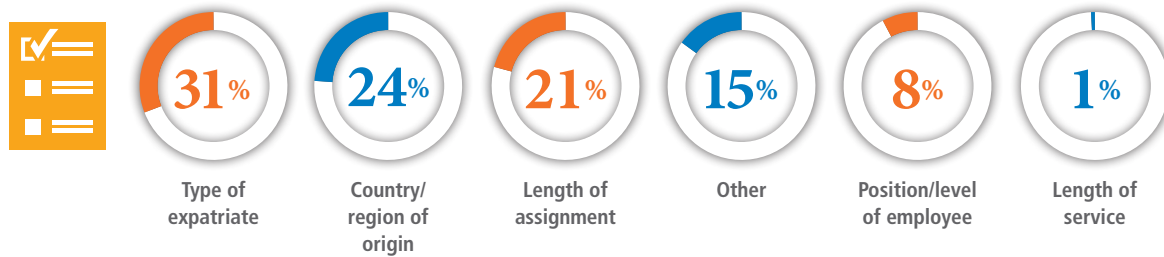
Right plan for the right assignment

The 11th Annual MetLife Employee Benefits Trends Study reported that 55% of multinational companies kept their internationally-mobile employees on their domestic plan. We asked the same type of question in MetLife's Latin America Employee Benefit Trend Study and found roughly 33% do the same.

So what type of benefit plan is used under what circumstances?

The **type of internationally-mobile employees has the greatest impact on the type of benefit plan.** So-called global nomads — those who frequently move from expatriate assignment to expatriate assignment — along with traditional two to five year expatriates are most frequently covered with international or home country plans. Long-term expatriates, with more than five years in-country, tend to have localized benefits via the host country plan. A study by Mercer confirmed this finding:

If you provide an international/tailored plan, how does your organization determine which internationally-mobile employees are eligible for private medical expenses and under which arrangements?³



The type of plan selected also varies by type of benefit. **Medical and dental coverage are the most frequently used international specific plans.** Conversely, retirement benefits are largely implemented via a home plan due to their complex financial nature. Life insurance and other ancillary benefits are sometimes included in expatriate plans – to keep benefits bundled with one carrier, and because of the difficulty of getting coverage for mobile employees from their home country insurer.

What do employers want to improve in their plans?

We asked multinational managers in MetLife's Latin America Employee Benefits Trends Study about benefits and potential areas for improvement for internationally-mobile employees. They, like their counterparts in the US, were very concerned about cost containment. Almost as high was interest in **improving the level of personalized service internationally-mobile employees receive** – a reminder of the importance of being able to provide customized “person to person” support when the internationally-mobile employee needs it.

How important are each of the following improvements for your company to implement in your expatriate plan? Percent responding very important



As noted on the next few pages, an international plan is specifically designed to provide the types of services and access requested by internationally-mobile employees. Quality providers of international plans are well prepared to provide personalized care to this select, often small but, highly important population of employees. Less obvious, **international plans can actually be the more cost effective option – both in terms of real costs of care and management time.**

Why carve out an expatriate plan

1. The right medical coverage/assistance

Domestic US plans do not offer global provider networks. Without international networks, employees can often struggle with finding quality-oriented and accessible health services, particularly in lesser developed countries, or in emergency situations that require immediate care.

Additionally, they may not offer the necessary type of medical products and services. When employers in MetLife's Latin America Employee Benefits Trends Study were asked what products and services expatriates value most, **emergency medical services, including evacuation capabilities, topped the list.**

Rated as highly valued product or services to the internationally-mobile employee

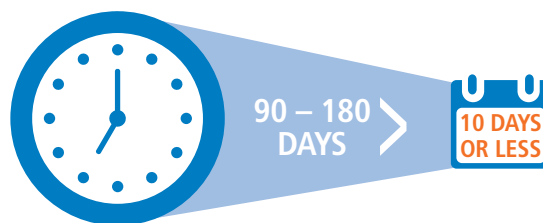


A quality international specific plan should provide global, fully portable international health coverage, and will carefully vet providers by reviewing their accreditation, licensing, medical and administrative quality, and pricing. It typically also offers very important value-added services such as international emergency medical and evacuation services, international employee assistance programs, and second opinion services from world-renowned medical centers.

2. Efficient claims processing and discounts that drive down costs

Typical domestic US benefit plans can be cumbersome when provisions are applied rigidly outside the US. In-network incentives may place internationally-mobile employees at a financial disadvantage to US colleagues. In certain locations, and with some international providers, internationally-mobile employees must pay in full at the time of service and apply for later reimbursement. With domestic carriers, it is not uncommon for internationally-mobile employees to see reimbursement turnarounds of 90 to 180 days, and then incur hefty bank fees for depositing US dollar checks into their foreign account.

Turnaround time on reimbursements can be reduced from 90-180 days to 10 days or less

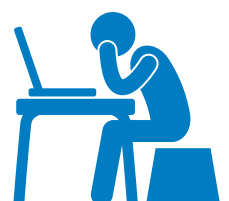


Effective international health plans contract to make payment directly to international providers, typically with turnaround times of 10 business days (or less). Some also have deep relationships with local in country networks that provide access to local fee schedules and medical expertise. This facilitates the internationally-mobile employee's receiving cost efficient care that meets their needs locally – which is often much less disruptive and expensive than flying back to get care in the US.

3. Fewer Human Resource hurdles

Many HR departments spend an average of **two-to-four times the amount of time working through expatriate issues** than on similar domestic employee health plan issues.⁴

Complications include: sourcing qualified medical services (often in emergency situations); reimbursing employees who present invoices in foreign languages; and understanding variations in the health care delivery systems and regulations worldwide, all of which may fall outside an HR department's expertise. Also, because senior level internationally-mobile employees often expect prompt problem resolution, a poorly managed program will be quickly brought to senior management's attention.



In the end, **selecting a proven international carrier can save significant HR time and resources**, as well as offer improved overall program satisfaction to the company's most senior executives.

Quick questions to ask yourself

Regardless of your international plan size or needs, MetLife's focus is on delivering a **highly personalized professional service to keep this unique workforce engaged and productive**. MetLife's Expatriate Benefits team can assist you in deciding whether an international plan is appropriate and if so, defining the plan that will work best for you. To help you consider whether an expatriate plan might be a good fit, ask yourself:

- Q. In what markets do you and will you have internationally-mobile employees?**
Some countries have more strict or complicated benefits regulations than others.
- Q. Are your internationally-mobile employees situated in many different countries?**
If so, especially in less developed countries, an international plan can deliver a much better experience.
- Q. Do you mainly have long term assignments or does the length vary?**
Assignments of less than 5 years in particular can really benefit from an international plan.
- Q. Does your current carrier provide critical services like emergency medical, evacuation services and second opinion services?**
As per our study, these are highly valued by internationally-mobile employees.
- Q. What parts of the world do you hear the most concerns from internationally-mobile employees?**
If not the US, you may want to think about what provider can best deliver in those markets.
- Q. How many hours does your HR staff spend on international benefits issues?**
Consider time spent by local and global HR management, too, not just your US benefits team.
- Q. What has your carrier done to help control international benefit costs?**
This often does not get the attention it deserves on a domestic plan.



Learn more about how MetLife, the 2013, 2014, and 2016 Employee Benefits Provider of the Year,⁵ can help at MetlifeExpat.com, or contact your account executive today.



For more of the latest findings from MetLife's *Employee Benefits Trends Study*, visit BenefitTrends.MetLife.com



Unless otherwise noted, statistics based on those responding to survey.

¹ benefittrends.metlife.com

² VDC and the ADP Research Institute, "Mobile HR Solutions: Connecting & Empowering Your Workforce", 2011

³ Mercer, "Benefit Survey for Expatriates and Internationally Mobile Employees," 2011/2012

⁴ Based on internal MetLife experience

⁵ The Forum of Expatriate Management, "Expatriate Management and Mobility Awards," October 2015

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