



JOHNSTONE'S JOURNAL is published monthly, and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies, and use as a payroll staffer.

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International Business Travel Protect Your Employees from Overseas Risks

The Global Economy

Over the past number of years, we've noticed Canadian companies expanding into new global markets in ever-increasing numbers. The United States is the most common area of expansion, but we also see companies moving overseas to regions in Africa, Asia, Central and South America, Eastern Europe, and the Middle East. Wherever a company expands, there are new challenges and inherent risks that they don't face at home.

Many of these regions are politically unstable, which can lead to civil disruptions, political demonstrations, and more serious events such as terrorist attacks or hostage taking situations. Unfortunately, more and more tragic events have occurred in recent years in these areas. If you have employees overseas, **are they protected against political or other security risks?**

Business Travelers Facing Risks

Most domestic insurance policies have exclusions for war (declared or undeclared), riot, terrorism, civil unrest, etc. Very few companies who send travelers abroad have taken the necessary steps to ensure they have the proper coverage in place to properly protect their international employees. We've found most companies have not reviewed their policies for war risk exclusions or implemented specific business travel risk management practices. If an employee is injured or killed in a terrorist attack, the company could be held liable.

Duty of Care

Away from usual surroundings, employees may be in environments that present increased and unfamiliar threats to their health, safety, and security. This in turn,

heightens corporate liability in terms of the legal, fiduciary, and moral *duty of care* intrinsic to the employment relationship. This obligation extends to employees and their dependents who are abroad as international business travelers or as short- or long-term assignees.

ACA in the USA (Obamacare)

The Affordable Health Care Act (ACA), also known as Obamacare, was enacted in March 2010. It may present complications for Canadian employers. The ACA includes a mandate for individuals to maintain "minimum essential coverage" for themselves and their dependents. Individuals failing to meet the requirements are now subject to a tax penalty. Therefore, if you send employees to the US, and they spend enough time there to be considered resident aliens, the ACA may apply.

From a Canadian employer's perspective, unless you have 50 full-time employees (or equivalent) working in the US, the law **does not** currently require you to offer health care coverage; however, to ensure compliance with the ACA you still may want to.

Canadian employers with operations in the US face many challenges to understanding, designing, administering, and managing cost and compliance issues in this foreign benefit market. If this applies to you, contact us with your questions.

Business Travel Risk Management Plan

Johnstone's Benefits can arrange specialized business travel insurance depending on your specific needs. Working with you, we can develop an insurance plan designed to address the risks to the business traveler or expatriate on international assignment. For a quote, or more information, call us.