

Global Capabilities

Multinational companies face many of the same benefit plan issues as purely domestic companies, but their concerns are global in scope and encompass more complex challenges due to location and employee status. By securing strategic partnerships with dedicated international consultants, benefitsContinuum is able to provide vast expertise and critical guidance to design and implement solutions customized for the following international benefits activities:

- **EXPATRIATES, THIRD COUNTRY NATIONALS, KEY LOCAL EXECUTIVES**

Benefits for these employees require special handling, and the best arrangement may be Umbrella Coverage to fill the gaps between home and host country. Umbrella Coverage can be short or long term in nature depending on the duration of the assignment, and can even cover accident and sickness for business travelers.

- **GLOBAL BENEFITS GUIDELINES**

When it comes to international benefit plans, one size does not fit all situations. Umbrella Coverage may solve problems for employees on international assignments and certain Key Local Nationals, but can't meet expectations for local national employees. Multinational companies need a global benefits strategy and guidelines to support corporate business objectives in recruiting and retaining local talent. While the plans may differ in each location by currency, insurance carrier and benefit levels, global guidelines will help to ensure compliance with overall design and cost objectives.

- **INTERNATIONAL BENEFITS AUDIT**

A global benefits strategy also requires knowing details of existing plans, how these plans compare with competitive local practice and comply with corporate guidelines. This information is best obtained by conducting an international benefits audit, looking closely at design, cost and compliance with local statutes and regulations. The audit will recommend changes to bring local plans in line with competitive practice, corporate guidelines and regulatory requirements.

- **MULTINATIONAL POOLING OF LOCAL GROUP INSURANCE CONTRACTS**

Cost is certainly one of the biggest issues in managing international benefits. While each local plan will have its own costs, based on combining best practice with corporate guidelines, multinational pooling helps to realize global purchasing power. Group insurance contracts issued by the local member of an international insurance network can be pooled with contracts covering benefits in other countries to reduce overall costs by diversifying the insurer's risk. Combined with experience rating of each local group contract, these reduced costs help to produce dividends payable to the multinational parent company when premiums exceed claims. When claims exceed premiums, the excess losses are carried forward to future years; there is no requirement to increase local insurance rates, making multinational pooling a "win-win" proposition: dividends when the pooled experience is positive; no increases when pooled experience is negative.

- **START-UPS, MERGERS AND ACQUISITIONS**

Regardless of size, multinational companies have similar problems. The solutions are found in working carefully to diagnose each situation, whether opening in a new location or acquiring an existing local operation.