

Risky Business:

Choosing the Right Business Travel
Insurance

Risky Business

Choosing the Right Business Travel Insurance

As a business travel manager, you understand better than anyone that your company has a duty of care towards all its employees, wherever they may roam. Duty of care is all about ensuring a safe, healthy work environment, even when your employees are trotting the globe.

International business travel provides companies with unprecedented opportunities for growth and success. However, it also poses unique risks – both to the health and safety of the individual employee, as well as to your company's financial interests.

Think, for example, of how an unexpected injury can impact a colleague who is travelling in a foreign country where medical facilities may be less accessible than at home. Or, how an unexpected travel delay can result in lost revenue for your company.

The only way your company can protect itself from these travel-associated risks, while also living up to its duty of care towards employees, is to provide adequate insurance. Yet, finding the right insurance policy to match your company's specific needs can be a daunting task.

This eBook looks at the various business travel insurance options that are out there today. It helps you to determine whether your current employer liability or health insurance policies cover all the travel-related topics that are relevant to your company and its employees. It also gives you insights into the latest travel insurance trends, and helps you make a better-informed decision in case you're in the market for a new insurance policy.

This is part two of a three-part series of eBooks from Booking.com for Business, all about managing risks with business travel insurance. In [part 1](#), we introduced you to the topics of risk management and your company's duty of care as an employer of business travellers. Part three, which you will receive shortly by email, tells you all about business travel health service providers and how they can work alongside you and your travel insurer to help create a complete safety net for your employees on the road.



Business travel insurance

Is business travel insurance mandatory?

The short answer is 'no'. While employers in many countries like Australia, Belgium, Germany, the Netherlands, Spain, the United Kingdom and the United States are bound to a 'duty of care' towards their employees under their countries' labour laws, this does not specifically require them to purchase additional travel insurance for employees who travel for work.

Employers are, however, constantly liable for the health and safety of their employees while on the job. This is why employers are required in most countries to purchase employer liability insurance, so they are covered for medical expenses and other damages arising from workplace accidents.

Additionally, employers provide group health insurance benefits to their regular employees in most countries. In the European Union (EU), anyone with health insurance can also obtain a [European Health Insurance Card \(EHIC\)](#) which entitles them to treatment at public hospitals whenever they are travelling (whether for business or pleasure) in any of the 28 EU countries as well as Iceland, Norway, Liechtenstein and Switzerland.

Does my company really need additional business travel insurance?

This is a question that every company has to answer on an individual basis. Experts agree that if your company regularly sends employees on business trips, either domestically or abroad, then its policymakers should at least seriously consider purchasing additional insurance that specifically covers business travel-related risks.

Ultimately, the decision whether or not to insure comes down to how willing your company is to shoulder the risks of uncovered expenses. Consider the following points first: Is your existing coverage enough? And, what are the potential costs of employees travelling uninsured?

Is your existing coverage enough?

You cannot always rely on other forms of insurance to cover all risks associated with business travel. Many bank accounts and credit cards offer travel insurance coverage, however according to [Bluefin Insurance Brokers](#), these policies often contain exceptions in case of medical expenses for pre-existing conditions, or they may set age limits.

According to Bluefin, the EHIC also does not guarantee full coverage for medical costs and, very significantly, it does not cover the costs of repatriation. That means an employer might face very high out-of-pocket expenses in case a travelling employee needs to be evacuated for an on-the-job injury.

Similarly, your company's employer liability and health insurance policies may contain exceptions or limits on claims for damages incurred outside your home country. For example, some insurance policies may limit reimbursement based on the average costs for medical care in your home country. If your employee is injured while working in a country like the United States, where medical costs are often far greater than in European countries, your company is often stuck paying the difference in price.

What are the potential costs of employees travelling uninsured?

The real costs of sending employees on the road without travel insurance can vary greatly. These costs depend on the destination, the type of accident and the level of coverage your company's existing policies already offer.

According to [Insurance Journal](#), the average cost of an international medical evacuation is US\$ 50,000 (EUR 40,900). Consider the financial impact expenses like this could have for a small to mid-sized enterprise (SME). Nonetheless, recent market research found that nearly [20% of SMEs](#) in the UK who send employees on overseas trips do so without business travel insurance.

Business travel insurance

Assessing your company's actual level of risk

To determine whether business travel insurance is a worthwhile investment for your company, you should perform a risk assessment. [Bluefin Insurance Brokers](#) recommend performing a risk assessment for every single trip, citing market research that shows up to 86% of employers fail to do this.

If you are a travel manager for a large company, which might conduct thousands of business trips each year, a risk assessment is no simple task. It's wise to seek external advice from multiple insurance brokers in that case, so you can compare the outcomes of various risk assessments – as well as the costs of various insurance policies.

When conducting a risk assessment, always consider at least the following points:

What do our existing insurance policies cover?

Check with your company's legal team to find out about the travel-related coverage you already have. It's important to communicate with your legal team regularly to be sure your travel management activities are always fully in line with your company's insurance coverage. Networking with your colleagues in legal and keeping up-to-date on insurance-related topics is always beneficial.

Is an individual business traveller prone to specific health risks?

Does the employee have pre-existing health conditions or are they past any age limits that may disqualify them from claiming damages under your company's existing insurance policies?

What about medical costs in the destination country?

Will your existing policy fully insure your employee in case of a medical emergency in the destination country? What are the costs of medical care in the destination country, compared with the costs in your home country? Will your insurance cover any differences in costs?

What about safety and security risks in the destination country?

Are there heightened security risks in the destination country, due to civil unrest or terrorism, for example? Are there greater risks of damages or injury due to natural conditions, such as seasonal flooding or extreme temperatures?

What about labour legislation in the destination country?

If your employee is injured on the job while working in the destination company, could your company be liable for additional costs under that country's workers' compensation legislation? Could your company be at risk of legal action in that case?

If you have assessed these risks and found that your company is potentially exposed to high out-of-pocket costs in case of a business travel-related incident, it's time to consider which business travel insurance you need.

Business travel insurance

How does business travel insurance work?

Like leisure travel insurance, business travel insurance can be purchased on a one-off basis (to cover a single trip) or on a 'blanket' basis, meaning you are insured for all trips made by your company's employees throughout the year.

Blanket insurance is the more cost-effective option for companies who send many employees on business trips. With a blanket insurance policy, your company pays a monthly or annual premium based on its level of risk.

What should your company's business travel insurance cover – and what it should not? 1/3

Your company's specific business travel insurance policy must cover all the uncovered risks your employees are exposed to when they travel. This varies greatly from one company to the next. So, when choosing a business travel insurance policy for your company, seek an insurer that offers flexible, customisable cover packages.

Customisable insurance is important not only for making sure you cover all the potential travel-related risks. It is also important to avoid 'over-insuring' your employees.

According to [GoCompare.com](https://www.gocompare.com), most insurance policies stipulate that if coverage is provided by more than one insurer and a claim is filed, then each insurer is only required to pay a portion of the claim. 'Over-insuring' can also cause your company's premiums to increase.

That's why, once again, it's important to coordinate with your legal team to know what coverage already exists.

Below is a list of the most common and important topics your company will want to consider including in its business travel insurance policy (sources: [CompareTravellInsurance.com](https://www.comparetravellinsurance.com) and [Finder.com](https://www.finder.com)). These are typically areas that your company's existing employer liability and health insurance policies will not already fully cover.

○ Supplemental foreign medical expenses:

With a business travel insurance policy, you can insure employees against foreign medical costs that your company's normal insurance will not reimburse. These include higher costs of drugs and healthcare for employees injured on the job in countries like the United States.



Business travel insurance

What should your company's business travel insurance cover – and what it should not? 2/3

○ Designated healthcare provider:

Many business travel insurance companies partner with an emergency healthcare provider or network of vetted, local healthcare professionals. In this way, insured employees have easier access to reliable healthcare in case an emergency occurs while they are working abroad. This service provides peace of mind and ensures employees receive adequate medical attention when they need it most. Please check out part three of this eBook series for more information about this topic.

○ Evacuation:

If an employee must suddenly return home because of a medical emergency, natural disaster or other unforeseen event, the travel costs can be considerable. This is especially true if the employee must be evacuated from a remote location. Business travel insurance can cover costs of special travel arrangements in such cases.

○ Repatriation of remains:

In the sad event that an employee dies while working abroad, returning their remains home can result in substantial out-of-pocket costs for which your company may be liable. As with emergency evacuations, your company's business insurance policy can absorb these unexpected expenses.

○ Luggage and company property:

Theft or loss of luggage, including expensive company property like laptops, business plans or prototypes, can result in major setbacks for your company. Be sure your business travel insurer will reimburse you for this.

○ Travel delay expenses:

If an employee's travel is unexpectedly delayed, your company's business travel insurance can pay for the costs of their additional accommodation, meals and alternative transportation costs.

○ Supplemental rental vehicle insurance:

If your employee has an accident in a rental vehicle, typical rental insurance will only cover up to a certain amount of the damages. Your company's business travel insurance can cover any extra costs. This can be extremely beneficial if your company regularly hires vehicles to transport its employees and materials abroad.

○ Liability:

If an employee causes damage or injury while on the job (for example, while operating machinery or a vehicle), your company can be held liable. If this damage takes place while the employee is abroad, your company's regular liability insurance may not fully cover the costs. Business travel insurance can include additional cover for any such gaps in your company's regular liability protection.

Business travel insurance

What should your company's business travel insurance cover – and what it should not? 3/3

○ Cancellation:

If a trip must be cancelled due to illness, an accident or other unexpected circumstances, your company could be seriously out of pocket for unused tickets and accommodations. As with leisure travel insurance for individuals, business travel insurance reimburses your company in such events.

○ Alternative transport:

If an employee's flight or other transportation is cancelled while he or she is on the way to a work-related event, your business travel insurance company can provide alternative transportation.

○ Alternative staffing:

If a travelling employee must be replaced in the middle of a project, due, for example, to a workplace injury, your company's business travel insurance can cover the costs of dispatching a replacement employee.

○ Resumption of assignment expenses:

If an employee has returned home due to a medical emergency, your company's business insurance can cover the added costs of returning that employee to work abroad once he or she has recovered.

○ Foreign workers' compensation:

An employee's legal obligations towards its employees can vary significantly from one country to the next. If an employee is injured while working abroad, employers may be liable for additional costs or subject to legal action that would not apply if the worker were at home. Business travel insurance can shield employers from these additional costs.

○ Care for the business travellers' family:

Business travel insurance can also provide benefits to the insured worker in case they are travelling while their spouse passes away, or a medical emergency occurs in their family.

Business travel insurance

What are the limitations of business travel insurance?

Business travel insurance can be customised – at a cost – to meet your company's needs. However, like any insurance policy, there may be some limitations lurking in the fine print.

Be sure to watch out for the following limitations:

Age limits: Older or younger employees may be subject to exclusions or different levels of coverage.

Trip durations: Your business travel insurance benefits may only apply to trips up to a certain length. If employees are stationed abroad for longer periods, other forms of insurance may be required.

Non-emergency cancellations: If travel plans are cancelled for foreseeable or controllable reasons, such as a change in business plans, your company's business travel insurance probably won't cover the costs.

So, do the benefits outweigh the costs?

In the business world, taking risks is an everyday fact of life. Smart, successful risk-taking, however, involves careful preparation – and a backup plan.

Think of your company's business travel insurance as a backup plan. It is a safety net that springs into action whenever something goes wrong.

Insurance, as we all know, can be very expensive. However, if you consider how valuable financial protection can be when your company and colleagues really need it, the benefits outweigh the costs.

A travel-related injury or illness can have devastating effects on an employee's life. Lost or stolen company property can be a crushing blow to your company's business. Even if these events seem very unlikely, their impacts cannot be overstated.

Business travel insurance can make all the difference.

Stay tuned for part 3 of this eBook series, which takes a detailed look at the world of business travel health providers. You'll receive part 3 by email very soon.