



2024 Office of Risk Management Annual Conference

WHERE IN THE WORLD IS OUR INSURANCE

Joan Rupar, Area Senior Vice President
Arthur J. Gallagher & Co.

A close-up, low-angle shot of a baseball, showing the texture of the leather and the stitching. The lighting is dramatic, with a strong light source from the left, creating a bright highlight on the top of the ball and casting the rest into shadow.

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Objectives

What we'll cover in the session

- World Wide Coverage - Coverage vs. Jurisdiction
 - Important Terms to Know
- Engaging multiple policies to fulfill a single claim
- Do your travelers need assistance?
- Crafting contractual wording
 - Recognizing restrictions to locally issued coverage globally

A close-up, top-down view of a baseball, showing the stitching and the texture of the leather. The lighting is warm, highlighting the curves and the texture of the ball.

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Casualty Coverage &
Property Policies
Special Crime
Travel Accident &
Assistance
Crisis Response

Points to consider differ by line of coverage

1. What is the jurisdiction of the coverage – will coverage still respond regardless of where a suit is brought?
2. WW coverage provider – do they have a global claim network and can contain claim expenses using carrier resources familiar with local laws and customs?
3. Is it legal to represent the institution and pay on behalf? Or do you need a legal representative referred by the carrier in order to be reimbursed in the US?
4. What happens when the event is catastrophic?

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International Insurance Terms

The international market has a unique set of terms which apply differently to international coverage.

ISO is not a recognized authority for policy wording as we use in the US Insurance Market. Foreign Packages will use ISO wording for excess/DIC terms that sit over locally issued cover.

- Non-Admitted – insurance placed from the US to cover occurrences in another country. Many countries do not permit this cover and in the event of a claim, cover will indemnify the policy holder.
- Jurisdiction - the territory where claims/suits will be accepted. This can differ from the coverage territory by only accepting suits in the US – not globally.
- Public Liability / Civil Liability – other terms used for what the US market refers to as General Liability
- Own Damage - known in the US as Physical Damage
- Cash Before Cover – many countries require premium payment in full before coverage can be effective.

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World Wide Coverage

The downside to relying on US issued, World Wide coverage territory placements

- The “coverage territory” in a Foreign Liability package is typically defined as Occurrences outside of the US with a suit/claim brought anywhere in the world, including the US.
 - Note – some carriers will exclude US & Canadian suits for Non-Profit/NGO risks. The removal can be negotiated.
- Foreign Liability packages are first dollar policies with defense outside the limit.
- Compliance issues could result in significant tax liability

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Locally admitted coverage

When are you required to purchase locally admitted coverage?

What are the requirements to do so?

- Automobile – Rentals – buy local compulsory cover!
- Not every line of coverage is available in each country
 - Some countries do not recognize Professional Liability, or Medical Malpractice - Know what products are available
- What qualifies your institution as a legal entity and eligible to secure locally issued coverage?
 - The institution is a registered business with a tax ID
 - You own/lease property in country
 - You maintain a bank account for ease of access to cash

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Locally admitted coverage

- When establishing a location/entity in a country, locally issued coverage is often required. Each country can differ by line of coverage; some coverage may not exist.
 - If coverage does not exist, the non-admitted policy will be acceptable in countries not allowing non-admitted cover.
 - Example: Medical Malpractice
- Two options are available to secure local coverage
 - Stand alone coverage
 - Endorsed to a foreign package creating a Controlled Master Program
 - Ease of administration – premium payment, taxes, policy issuance
 - Claim coordination

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Emergency Assistance

How can you help a traveler in another country, in urgent need of medical care, and no way to pay a hospital bill?

Is that your responsibility?

- Emergencies outside of the US are not just “out of network”
 - Varying legal systems
 - Payment prior to treatment/care
 - Privacy more strict and subject to fines
 - Differences in medication names & formularies
- Some medications are considered controlled substances
- How do travelers know where is safe to go for medical help?
- What about natural disaster / earthquake / flood
- A Terrorist Attack?

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Emergency Assistance

- Identify assistance resources available to travelers
- Share contact details and availability of technology
- Register all travel with the Department of State – STEP
- Make all communication requirements clear with any exchange partners or tour providers – they will not assume you are to be in the communication loop.

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A Crisis outside of the US - Complex Claims

When would you engage multiple policies for the same event?

- Multiple Policies & Other Coverage – who responds?
Issues for consideration
 - Retention
 - Global Claim/Legal Representation
- Incident mapping: which coverage and in what order?
 - Coverage - type of loss, multiple triggers?
 - Territory
 - Resources
- What coverage & resources are needed to manage the claim?
 - Needs of traveler - medical, security, counseling, legal representation
 - Emergency Medical Response
 - Collaboration with authorities
 - Translator
- What is needed to meet your Duty of Care and where do you find the resources and coverage?

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Contractual Agreements

Locally Admitted
coverage &
Good local standard

- Contract requirements might differ by country
 - Not all coverages are available globally
 - Typical limits carried can vary by country
- What about your in-country/exchange partners?
 - U.S. contract insurance terms and requirements are likely not the norm
 - What work are they doing and what risks do you need to insure?
 - Make sure coverage and limit requirements are correct
 - Be extra precise if dealing with a U.S. company that has a presence abroad—may need to require with both U.S. and international terms

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Additional Resources

Department of State

- www.dos.gov
- www.studentsabroad.state.gov

OSAC – Bureau of Diplomatic Security

- www.osac.gov/

NACUBO International Resource Center

- www.nacubo.org/

NAFSA Health & Safety

- <http://www.nafsa.org/findresources/default.aspx?catId=518265>

Center for Disease Control

- www.cdc.gov/travel/

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Thank You!

Questions?

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