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# Targeting terror

Travel and terrorism insurance for employees is not just a perk for big multi-nationals, it is an often essential cover for small businesses too, explains **Edward Murray**

In 2015 there were almost 12,000 terrorist attacks carried out in a total of 92 countries worldwide, resulting in over 28,000 deaths. It has never been more crucial for employers to ensure their staff are well prepared and properly protected when travelling on their behalf.

Today's business environment has evolved very rapidly in recent years, but there is still a lingering sense in some quarters of the SME market that business travel insurance is a perk enjoyed by employees of large multinationals.

It is not. It is a minimum standard that any firm sending employees overseas should have in place and buying insurance will help firms demonstrate their desire to fulfil their duty of care to staff.

"Any employer who sends their employees abroad on business would be negligent not to take out business travel insurance," says John Gardner, senior underwriter in Towergate's personal accident and travel team.

And he's not alone. Indu Leefe, a senior trading underwriter at Zurich, says business travel insurance is important for all employers whether they are SMEs or multinationals. She says: "The turnover is almost irrelevant and

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John Gardner

employers have a duty of care when they are sending employees overseas, and there is also a moral duty, to make sure they have adequate cover in place."

## Minimum standards

She adds: "If a firm wants to be seen as a good employer there are minimum standards it should be upholding for staff and business travel should be a minimum standard without a shadow of a doubt. No employee should be expected to travel outside of their country without adequate cover in place."

Some start-ups and SMEs understand the need for business travel insurance, but try to cobble together an ad hoc solution that

## Terrorism is a global issue

● In 2015, terrorist attacks took place in 92 countries around the world. However, there are some particularly troubled territories and over 55% of all attacks took place in five countries - Iraq, Afghanistan, Pakistan, India, and Nigeria.

Deaths due to terrorist attacks were also concentrated in certain areas and 74% of all fatal casualties took place in five countries - Iraq, Afghanistan, Nigeria, Syria, and Pakistan.

On average, there were 981 terrorist attacks, causing 2,361 deaths, and injuring 2,943 people per month worldwide in 2015. There were 2.5 deaths and 3.3 people injured per attack, including perpetrator casualties.

In 2015, a total of 11,774 terrorist attacks occurred worldwide, resulting in more than 28,300 total deaths and more than 35,300 people injured. In addition, more than 12,100 people were kidnapped or taken hostage.



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Grant Thomas

problems in the consistency of cover that the business is supplying to its employees."

In addition to creating consistency, firms that take out personal accident and business travel insurance get a lot more than a simple policy. They get an entire information, assistance and support service and many SMEs do not realise the full scope of what's on offer.

Leefe says that Zurich works with medical assistance partner Healix International. She comments: "There is an online pre-travel learning facility that can be used and it has seven modules.

A risk manager can detail what modules staff have to complete before they travel. That ticks boxes for the employer so they can show what training and preparation they have carried out. That e-learning can help protect the company from an employers' liability point of view."

Leefe adds: "There is also an app you can have on your phone and in the app it has travel advice for individual countries. You can pick and choose countries that you want to get news and information about and you can load all of your details into the app so that the assistance company can track you if you trigger an alert."

## Care

In addition to the pre-travel information and support that is available, insurers also offer support to policyholders that go beyond simply paying out a lump sum to settle claims. Zurich, for example, offers a significant amount of post-accident care ranging from rehabilitation support and counselling to giving advice on what sort of equipment might be needed in the home to help cope with a catastrophic injury and where it can be purchased.

It is also essential that insurers and their assistance partners can deliver for

policyholders in every corner of the world that they travel to. "You have got to keep up with client demand in terms of the countries that people want to go to," says Grant Thomas, director, personal accident, at broker Arthur J Gallagher.

"You also need to make sure they have the best tools for their trip. That means having the right protocols in place and sufficient resources to back up the policy to make sure it responds and delivers when needed."

In practice this means using assistance companies that can repatriate a policyholder from a remote location in Africa or guarantee payments to a local hospital in Afghanistan. Thomas says the best assistance companies also have a patient-first mentality and should be quick, easy and effective to deal with in all circumstances. He adds: "As a broker, I am looking for online functionality from the insurer and the scope of the service they provide is important. User-friendly websites are also a must, especially if employees are going to be signing up to do pre-travel awareness learning."

## Causes for claims

In regard to the value of claims, Chris Brookes, casualty claims practice leader at Zurich, says: "The biggest claims in terms of value tend to be where there has been a serious injury or a fatal accident abroad and so there will be a claim for benefits under the policy for death in service type benefits or there may be significant medical costs involved. Repatriation also adds to the cost of the claim."

On the frequency side, he says it is normally medical expenditure or loss of possessions when travelling that account for the majority of the day-to-day claims received by insurers. Given that personal accident and travel policies are available for hundreds rather than thousands of pounds for SMEs, there is little to prevent firms from getting appropriate cover in place.

As a market, perhaps the biggest challenge is ensuring these smaller companies realise not only that policies are relatively cheap, but that the best also offer excellent value given the scope of the surround services they offer, ranging from pre-travel information and guidance, to post-accident rehabilitation and support. ■

simply isn't up to the job.

Matthew Clark, a director at broker La Playa, says it is encouraging that many of the small and recently established businesses that he speaks to realise business travel is an important insurance, even if staff are only doing a limited amount of travelling.

But he adds: "What many of them tend to do is to rely on the travel insurance that they may get as part of their credit card deal, for example, or as part of something else they have. But we caution against that as often if they are buying travel as an extension to another policy it might not cover business travel. If you have two or three guys running around with different levels of cover from different insurers, it creates