

Travel With Care

Media liability insurance specialist **TIM EHRHART** lays out the personal and corporate perils when employees are on the road.

Dear Expert,

An employee recently travelled to a shoot in Nevada by car. On the way, she was seriously injured. Our workers comp policy will respond, right?

Hopeful in Hollywood, CA

Dear Hopeful,

The short answer is “yes,” but there are nuances to consider. Workers compensation benefits apply to the cost of injuries to employees that happen in the “course and scope” of employment.

Your employee’s injury would qualify as compensable, given the business-related travel reasons. The person would be insured for needed medical treatments, and your company would likely be free of liability for the accident.

However, for many companies, workers compensation benefits are not sufficient to meet the benefits needs of their employees. Take, for example, an employee who dies while travelling on business. Workers compensation will pay an annual death benefit based on a percentage of their salary. While a helpful benefit, this will not provide financial security for many white-collar employees – leaving the beneficiary with a financial hardship.

In the event of the death or serious injury of an employee, the beneficiary may have the need for immediate cash. For that reason, many major U.S. media companies have a business travel insurance program with an accidental death and dismemberment (AD&D) benefit. The business travel policy may also provide benefits for accidental disabilities.

Most U.S. workers compensation policies provide employees a basic level of protection for short-term travel overseas, and foreign voluntary workers compensation insurance

may extend coverage for longer assignments. However, there is still the same need to help supplement the benefits provided under foreign voluntary compensation with a business travel insurance program.

What if there is a serious illness (like a heart attack or stroke) that is deemed not related to the “course and scope” of the employee’s job?

Some foreign voluntary workers compensation plans may include modest out-of-country medical benefits, but a stroke or heart attack could easily lead to over

Employers need to be cognizant of the gaps that exist in workers compensation insurance in the context of business travel.

\$100,000 in medical costs. These costs may be reimbursable by the employee’s major medical insurance, but there can be additional costs, for example, if the employee needs to be medically evacuated for treatment.

A good business travel insurance program includes out-of-country medical insurance, which provides short-term coverage (up to 365 days) for accidents or sickness for employees traveling abroad. Typical limits are up to \$250,000 per insured per covered incident. This benefit is designed to fill gaps and supplement major medical, workers compensation insurance and foreign voluntary workers compensation.

Most business travel policies also include travel assistance services that manage medical care for traveling employees and typically pay directly on behalf of the employer or insurance company. The leading assistance companies have medical staff located globally and available 24/7 who can monitor the medical situation abroad and communicate with stakeholders at home.

Depending on the insurer, travel assistance services can be packaged with the business travel insurance program or the insurance carrier can work seamlessly to coordinate claims with the assistance company selected by the employer.

Both in the U.S. and abroad, a business travel insurance policy can be extended to cover employees while working on company premises. In the event of a security event, terrorist attack, natural disaster or felonious assault, the business travel policy would, again, be available to respond.

All companies are responsible for providing a safe environment for their staff members, which is complicated by the types of work many media companies engage in.

There are many reasons to purchase a business travel insurance program. They can include the desire to reduce the chance of being sued where negligence may be involved, to protect a company’s reputation and to ensure a competitive employee benefits package. Certainly, one of the most compelling reasons to purchase these insurance products is the clear message it sends to employees: “We truly care about your health and well-being.” There are few better ways to strengthen an organization’s reputation.

The claim scenarios described here are hypothetical and are offered solely to illustrate the types of situations that may result in claims. These scenarios are not based on actual claims and should not be compared to actual claims. The precise coverage afforded by any insurer is subject to the terms and conditions of the policies as issued. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law.



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