

# 3 P'S OF INTERNATIONAL RISK MANAGEMENT

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April 13, 2021



# TODAY'S AGENDA

- Risk Management Scenarios Overlooked
- 3 P's of International Insurance
- Insurance Needs Based on Level of International Presence
  - International Package
  - Global Master Program
  - Reverse Flow
- Claims Examples

# SCENARIOS OFTEN OVERLOOKED



**1% of sales are international.**  
That's covered on my current policy, right?



**Employee is extending business trip to vacation with family.**  
Is he covered on my current policy?



**Our company now has stock stored in a warehouse in Amsterdam.**  
I'm covered on current property policy, right?



**My employee is traveling to Germany next week.**  
Our international package policy will cover their rental vehicle, correct?

# THE THREE P'S OF INTERNATIONAL EXPOSURES



People



Product



Place

# PEOPLE



**DOMESTIC  
WORKERS  
COMPENSATION**



**FOREIGN  
WORKERS  
COMPENSATION**



**TRAVEL  
ACCIDENT  
SERVICES**

# PRODUCT


- Some domestic insurance policies do not have a worldwide coverage territory.
- ▶ *A separate foreign package policy including general liability is normally required. This covers bodily injury or property damage to a third party due to your product.*
- ▶ *Ocean cargo policy covering products to end destination is important. Domestic and foreign transit can be included.*

# PLACE

- When you operate a physical location in a foreign country, many situations require you to have an international package or local property policy in place
- Dependent business income coverage is another consideration when you are dependent on certain suppliers or vendors



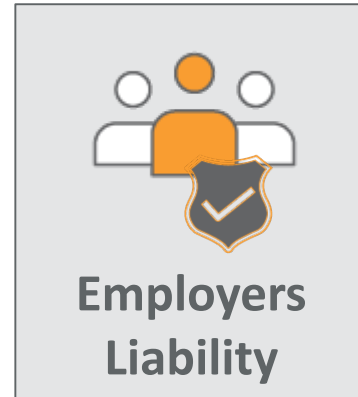
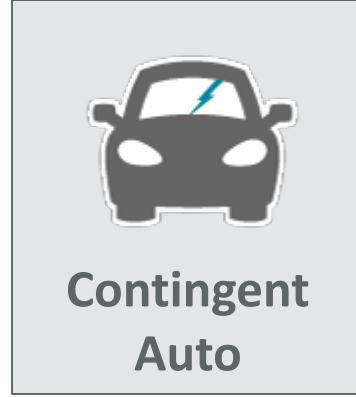
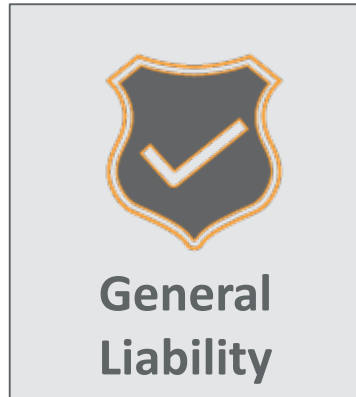
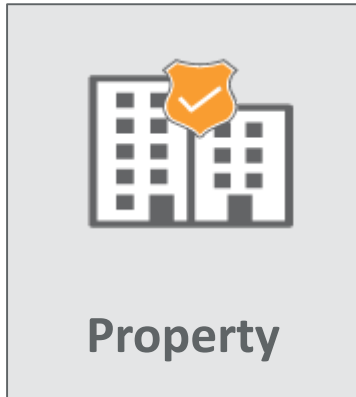
# INSURANCE NEEDS BASED ON LEVEL OF INTERNATIONAL PRESENCE

	International Package	Global Master Program	Reverse Flow
<b>Beginning Expansion to Global Sales</b>		-	-
<b>Physical Locations Outside of U.S.</b>			-
<b>U.S. Operations for a Foreign Parent Company</b>	-	-	



# INTERNATIONAL PACKAGE POLICY

Normally the main coverages included are as follows:



# GLOBAL MASTER PROGRAM

- Parent company's broker and insurer direct local policies outside the insured's home country.



**Coordination with  
local broker**



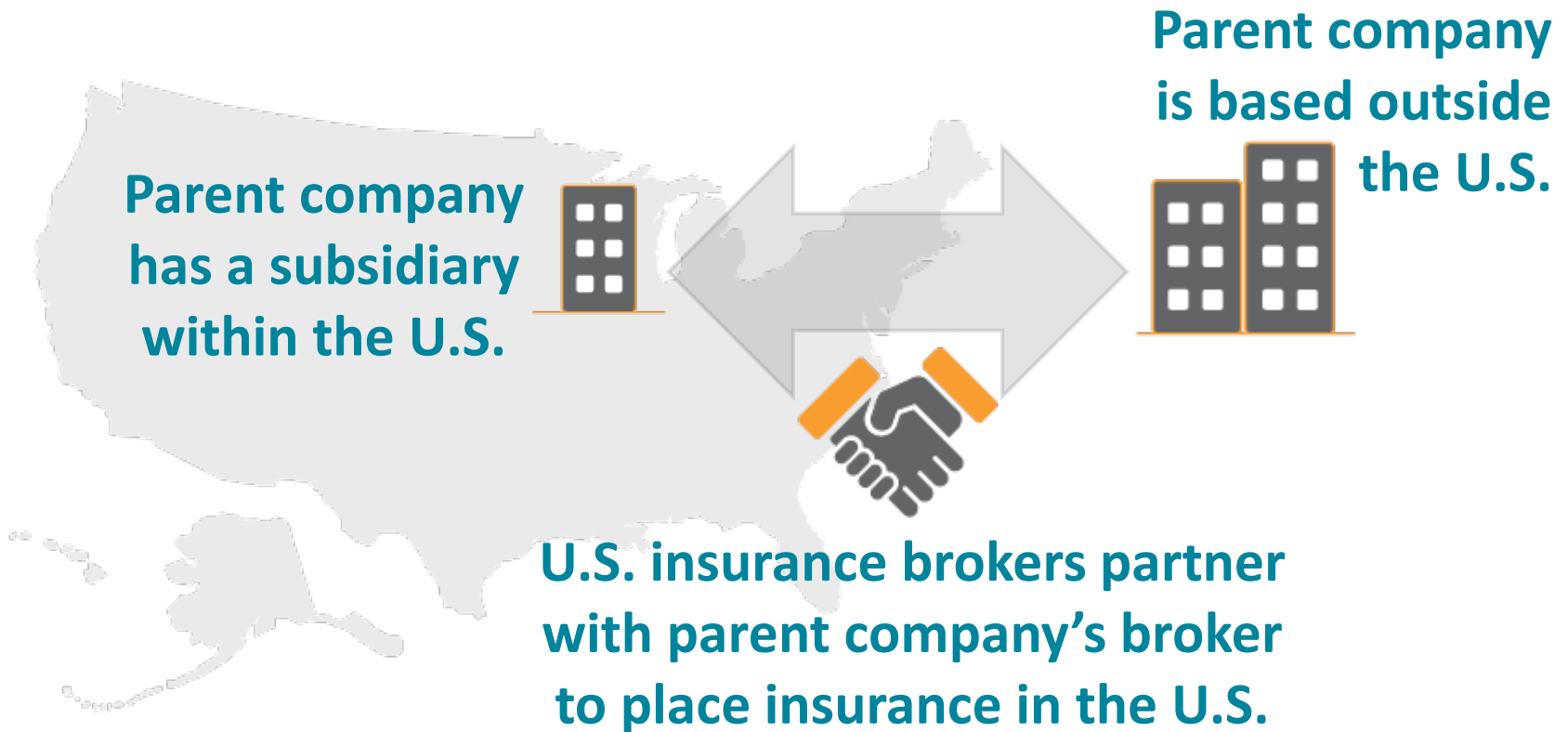
**Communication is key**



**Parent broker acts as  
international liaison**

- Global broker networks (ie Unison and Euribron)

# REVERSE FLOW



# PEOPLE, PRODUCT AND PLACE EXAMPLE

- Your company has operations outside of the United States (for example, Mexico). Request that your broker run an AXCO International report to help you determine the following:
  - Coverages that require a local policy
  - Coverages that require a local broker
  - Coverages that are cash before cover
  - Other important requirements

# OTHER COVERAGE NEEDS

## Make sure:



Any other insurance coverages that can extend worldwide should be updated to include a worldwide coverage territory (think employment practices, directors & officers, ocean cargo, travel accident, etc.)



Your foreign entities should be added as named insureds

# SCENARIOS OVERLOOKED: RE-VISITED



**1% of sales are international.**

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**International Package**



**Employee is extending business trip to vacation with family.**

Is he covered on my current policy?

**Travel Accident**



**Our company now has stock stored in a warehouse in Amsterdam.**

I'm covered on current property policy, right?

**International Package**



**My employee is traveling to Germany next week.**

Our international package policy will cover their rental vehicle, correct?

**International Package**

# THANK YOU

- Questions / Discussion
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