GUIDE TO iPMI

COMPLEX BUT PENETRABLE

BROKERS: DON’T SHY AWAY FROM iPMI

PLUS //
GDPR: Broker vox pop & expert view
Latest global mobility trends
GRASP iPMI BY THE HORNS

The iPMI market is no longer the sole domain of the big employee benefit consultancies. The market potential is growing as more UK-based small to medium sized enterprises (SMEs) expand business overseas. At the same time, client needs are changing as the globally mobile employee gets younger and assignments get shorter.

Although iPMI necessitates a certain degree of specialist market knowledge on the part of the broker it’s not an impenetrable science, especially with on the ground support from providers.

Global mobility is on the rise, according to the latest annual BGRS Global Mobility Trends Survey (see page 8). And in the ever-competitive global environment, attracting and keeping the right people for the job, whilst also keeping a lid on costs, is a constant challenge for HR. The right employee benefit package can make a big difference.

The demographic make-up of globally mobile employees is also changing, and with this comes different needs. People identified as potential high flyers are being sent on global assignment at much younger ages by a small, but growing, number of forward thinking organisations. The knock-on effect for business? Whilst developing a future pipeline of potential high flyers, costs are contained as younger individuals are less likely to have a family in tow. This, in turn, reduces the likelihood of assignment failure.

Assignments are also getting shorter, according to the most recent Aviva Relocation research (see page 4). This is leading to employers favouring travel insurance over iPMI: a worrying trend considering the limitations of travel insurance in terms of caps on medical cover and lack of local expertise, advice and preventative support.

For any smaller brokers thinking about dipping their toes in this market, the client need is quite clearly there. And the support is available. As the adage goes, ‘you’ve got nothing to lose and everything to gain.’

David Sawers
Editor, Health Insurance Daily
A dichotomy has emerged in the world of relocation. On the one hand, just over 7 out of 10 (72%) of consumers say they’d take out iPMI if relocating abroad. On the other, a decreasing percentage of employers are seeing iPMI as a key part of a relocation package.

Just over a third (35%) of employers felt iPMI was a key component last year, in comparison to nearly two-thirds (60%) two years prior, according to Aviva’s biennial Relocation Report: research that involves interviews with both employers and consumers¹.

Instead, travel insurance has now usurped iPMI as the third most common element – after expenses and housing – offered in a relocation package.

Running parallel to this is a noticeable shift to shorter-term relocations. 65% of employers are now sending employees abroad for less than one year, in comparison to just 40% two years ago.

Anecdotal evidence suggests that companies are instead increasingly trying to use their own nationals and bringing in foreign support for shorter periods.

The research also revealed a trend towards maintaining or increasing existing international commitments – up from 66% in 2014 to 72% in 2016 – as opposed to relocating employees to new territories, which is down six percentage points to 31% from 37% in 2014.

Relocations to existing territories tend to be focused on established economies and include, in order of popularity, France, Germany, US, Spain and Italy. In 2014, China appeared as 2nd place favourite but is now absent from the top 5. In fact, all of the emerging BRIC nations have seen a decline – those identified in 2011 as the largest emerging economies in the world, namely Brazil, Russia, India and China - while historically stronger economies have increased.

Interestingly though, Japan has seen an 11% increase in relocations in 2016. This might well increase following reports at the end of last year that

As assignments get shorter, consultants and providers have a duty to raise employer awareness of the full benefits of iPMI over travel insurance to ensure employees aren’t left out in the cold, says Suzanne Clarkson.

---

¹ Source: Aviva Relocation Report 2016

Where employers are now relocating employees that they didn’t before; biggest changes

**Source:** Aviva Relocation Report 2016
Britain and Japan have signed an agreement that significantly expands cooperation in the nuclear energy sector.

Meanwhile, the Gulf has emerged as the destination to which consumers would be most uncomfortable moving for work, followed by India and Africa.

Whilst the knock-on effect of shorter and more familiar assignments in existing territories is easier relocations - according to 74% of employer respondents - IPMI is taking a noticeable hit.

Doesn't travel do health?

This is a growing concern that needs addressing by both consultants and providers. Whilst travel insurance does offer some medical cover, it is limited and isn’t comprehensive. It can be purchased in the form of single-trip plans that cover both travel expenses and all or part of a medical treatment. Extended plans are also available, but some plans cap coverage after a certain number of days (up to 180 days in some instances). This may be inconvenient for employees that travel for an undetermined duration or frequently relocate.

The cost of needing emergency medical treatment abroad can be high and this needs to be factored in when comparing plans. For example, Association of British Insurer (ABI) data reveals that one claim for treating a stroke in the US cost £760,000 – the equivalent of working over 25 years on an average UK salary of £27,500. Another claim, for a jet-ski accident in Turkey, cost £125,000. Whilst £32,000 was paid for a four-day hospital stay to treat a 12-year-old girl who caught pneumonia on a school trip.

Additionally, IPMI providers often have invaluable local expertise that single-trip plans lack. This includes guidance through the selection of doctor, hospital or other medical facility, not to mention 24/7 help with a whole host of other concerns that the employee and their family might have whilst abroad. As outlined later in this article, it’s this kind of support – not to mention a whole host of preventive solutions - that individual find incredibly valuable.

Meanwhile, it’s important to note that whilst employers may be shifting allegiance to travel insurance, consumers aren’t. The research found that greater pre-emptive support for employees who’ll be spending a significant amount of time overseas would be welcome. Of those who take a regular prescription, for example, only 13% knew what equivalent medicine would be in a different country.

Help smooth the move

Relocations are a costly exercise so it’s important to get them right first time. This can be better achieved by helping employers get to grips with what their employees want from a relocation package.

The research found that greater pre-emptive support for employees who’ll be spending a significant amount of time overseas would be welcome. Of those who take a regular prescription, for example, only 13% knew what equivalent medicine would be in a different country.

Information on local healthcare provision and the comfort of knowing that someone is available 24/7 to answer any concerns were found to be the things consumers would most value. It’s these kind of aspects, not to mention the considerable financial support, that ensure IPMI stands head and shoulders above travel insurance when it comes to giving employees peace of mind when ‘on location’.

Sources

1. Aviva Relocation Report. Published December 2016. Research carried out in October 2016 by independent agency ICM, on behalf of Aviva. It involved interviews with 300 employers and 1,501 consumers, the latter selected representative of national quota on region, age and gender.
Traditionally the preserve of middle-aged men, it seems that international assignee demographics are steadily changing, writes Suzanne Clarkson. This will inevitably have a knock-on effect on benefit and support requirements.

As any good intermediary knows, in order to best understand what clients need, it pays to spend time taking a look under the corporate bonnet. In addition to doing this on an individual client basis, for advisers who may be new to the market one of the best sources of information on international mobility trends is an annual survey by Brookfield Global Relocation Services (BGRS).

Entitled Global Mobility Trends 2016, this is a comprehensive survey of 163 global companies, representing over 11 million employees. Here we pull out the most pertinent information for intermediaries, with a view to helping improve understanding of some of the key challenges and opportunities faced by clients in the international space and help better shape appropriate solutions.

Assignment growth rate
Firstly, it seems that global mobility is on the rise. Good news for iPMI! 28% of the international companies surveyed by BGRS reported that their assignment growth rate in 2015 compared to 2014 had increased, while another 35% said it stayed the same.

China was still the top emerging destination for assignments in 2015 (8%) – although with the slowing pace of growth over the last 12 – 18 months that could very soon change - followed by the US (8%), Singapore (6%), United Arab Emirates (5%) and Mexico (4%).

Looking forward, 36% of the respondents said the future assignment volume growth rate will increase in the next two years. The most cited reason for assignment volume growth was business growth, followed by merger and acquisition activity.

Respondents who believe that the number of international assignments in their company will increase in the next two years

<table>
<thead>
<tr>
<th>Reason for Assignment Volume Growth</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business growth</td>
<td>66%</td>
</tr>
<tr>
<td>Merger &amp; acquisition activity</td>
<td>17%</td>
</tr>
<tr>
<td>Changing assignment objectives</td>
<td>8%</td>
</tr>
<tr>
<td>Workforce dynamics</td>
<td>5%</td>
</tr>
<tr>
<td>Recruitment strategy</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: BGRS Global Mobility Trends 2016

For any international assignments, along with everything else on their agenda. For large companies, there is more likely to be someone – or a team – generally reporting to HR, that has responsibility for the ‘mobility’ of employees.

Whoever is responsible for international assignments, the key thing is that must ensure a competitive package to help attract and retain the desired talent. The ‘package’ includes everything from salary and bonuses to the provision of intercultural training and skills, employee benefits and repatriation. At the same time, however, HR and mobility teams are also under pressure to contain costs, more of which later.

HR helping drive business success
One of the overriding themes to come out of the report is that the HR function is increasingly being leaned upon to help drive overall business success. In small to medium sized companies, the HR team would be responsible

Demographic changes
Millenials, soon represent the largest segment of the workforce, come with a unique set of expectations that will have a bearing on attraction, engagement and retention for
companies. BGRS reports that Millennials are often drawn to opportunities that include an international experience.

A small number of companies included in the BGRS report see the role of global mobility as a strategic driver of their talent agenda. They’re sending more Millennials on international assignment to help ensure a pipeline of future leaders with global management experience. This helps contain assignment costs too. For example, premiums for insurance-based products will generally be lower for younger individuals, plus it’s less likely that they will be taking a family with them: another cost containment aspect — from both an overall programme perspective but also because assignment failure is less likely when a family isn’t being moved to another country with the employee, more on which later.

Traditionally — and still now — the typical international assignee would be generally older, probably because at an older age they would be considered more experienced. Respondents to the BGRS survey said that 40 – 49 year olds represented the highest percentage of international assignees, followed by 30 – 39 year olds, and the 20 – 29 year old category came in nearly last, ahead of only the 60+ category. Plus, the majority of international assignees were married / partnered men.

### A question of cost

As with everything cost is key and at the same time as trying to put together the most competitive mobility programme on the block, HR and mobility teams are also expected, as mentioned earlier, to find savings and realise efficiencies.

The requirement to reduce global mobility programme costs has featured as an ongoing theme in the BGRS survey ever since the financial downturn of 2008. One might be forgiven for thinking that the situation has improved a little since the downturn, but there doesn’t seem to be any real improvement. Nearly all (96%) of survey respondents report that the situation has improved somewhat since the downturn, but a little since the downturn, but it’s something that iPMI providers and mobility teams often refer to this by the arguably impersonal and off-putting term ‘assimilation support’... The family-related problems generally revolve around the inability to adapt to the host location. This can apply equally to the employee as well as their family. It’s well known that adaption issues can lead to diminished performance, and, in some instances, assignment failure, as well as potential attrition, either on assignment or post repatriation.

Finally, it’s worth a look at what causes assignments to go wrong. As indicated earlier, family-related issues represent the number one cause of assignment issues, followed by poor candidate selection.

### Factor most commonly responsible for assignments not going as planned

reasons for assignments failure

<table>
<thead>
<tr>
<th>Reason for Assignments Failure</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family-related issues</td>
<td>33%</td>
</tr>
<tr>
<td>Poor candidate selection</td>
<td>18%</td>
</tr>
<tr>
<td>Cannot adapt to host location</td>
<td>18%</td>
</tr>
<tr>
<td>Job expectations not met</td>
<td>14%</td>
</tr>
<tr>
<td>Compensation-related dissatisfaction</td>
<td>7%</td>
</tr>
<tr>
<td>Quality of life</td>
<td>5%</td>
</tr>
<tr>
<td>Security/safety concerns</td>
<td>4%</td>
</tr>
</tbody>
</table>

The family-related problems generally revolve around the inability to adapt to the host location. This can apply equally to the employee as well as their family. It’s well known that adaption issues can lead to diminished performance, and, in some instances, assignment failure, as well as potential attrition, either on assignment or post repatriation.

For this reason, training and skills in line with what to expect in the host location, along with support whilst there, should be provided to all assignees and accompanying families. Mobility teams often refer to this by the arguably impersonal and off-putting term ‘assimilation support’...

### ‘iPMI has been designed to ensure that the health and wellbeing of employees and their families is taken care of’

The survey also found though, somewhat conversely, that cost planning isn’t a feature across all companies. Three in five (61%) prepare cost estimates for all assignments, and only 26% require a cost / benefit analysis as part of the business justification for all international assignment types.

### When things go wrong...

Finally, it’s worth a look at what causes assignments to go wrong. As indicated earlier, family-related issues represent the number one cause of assignment issues, followed by poor candidate selection.

<table>
<thead>
<tr>
<th>Reason for Assignments Failure</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family-related issues</td>
<td>33%</td>
</tr>
<tr>
<td>Poor candidate selection</td>
<td>18%</td>
</tr>
<tr>
<td>Cannot adapt to host location</td>
<td>18%</td>
</tr>
<tr>
<td>Job expectations not met</td>
<td>14%</td>
</tr>
<tr>
<td>Compensation-related dissatisfaction</td>
<td>7%</td>
</tr>
<tr>
<td>Quality of life</td>
<td>5%</td>
</tr>
<tr>
<td>Security/safety concerns</td>
<td>4%</td>
</tr>
</tbody>
</table>

The family-related problems generally revolve around the inability to adapt to the host location. This can apply equally to the employee as well as their family. It’s well known that adaption issues can lead to diminished performance, and, in some instances, assignment failure, as well as potential attrition, either on assignment or post repatriation.

For this reason, training and skills in line with what to expect in the host location, along with support whilst there, should be provided to all assignees and accompanying families. Mobility teams often refer to this by the arguably impersonal and off-putting term ‘assimilation support’...

We’ll just refer to it as support for the purposes of this article, and it’s something that iPMI providers do very well. Recognising the things that could potentially go wrong, iPMI has been designed to ensure that the health and wellbeing of employees and their families is taken care of. Put simply, it’s an essential element of an international assignee package. Without the NHS to fall back on, employees travelling or living abroad consider access to reliable and quality diagnostics and healthcare an essential aspect of their benefit package.

And now with the advent of modularity, it’s possible to accurately tailor packages to employee requirements. Considering the gradually changing demographics of international assignees and the need to ensure competitiveness, this element is ever more essential.

### Impacts of an assignment on employees' careers

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage of assignees</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 29 years old</td>
<td>31%</td>
</tr>
<tr>
<td>30 – 39 years old</td>
<td>40%</td>
</tr>
<tr>
<td>40 – 49 years old</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Assignees by age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage of assignees</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 29 years old</td>
<td>31%</td>
</tr>
<tr>
<td>30 – 39 years old</td>
<td>40%</td>
</tr>
<tr>
<td>40 – 49 years old</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Assignees by gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage of assignees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>75%</td>
</tr>
<tr>
<td>Female</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Assignees by marital status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Percentage of assignees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married/employed women</td>
<td>49%</td>
</tr>
<tr>
<td>Married/partnered men</td>
<td>22%</td>
</tr>
<tr>
<td>Single men</td>
<td>19%</td>
</tr>
<tr>
<td>Single women</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: BGRS Global Mobility Trends 2016
What is GDPR?

With effect from 25th May 2018, the General Data Protection Regulation (GDPR) will come into force along with the specific changes in Law made by the UK government, in the Data Protection Act 2017.

The GDPR is a robust new EU-wide regulation with global reach, providing greater levels of protection and control to clients. Whilst it may appear similar to DPA, GDPR provides greater levels of protection and control to individuals so it will be more onerous than the current requirements.

The GDPR will apply to the processing of personal data by a ‘controller’ or ‘processor’ in the context of the activities of their particular organisation in the EU, regardless of where the processing formally takes place.

What are data controllers and processors?

These definitions are broadly the same as under the DPA. The controllers set out the whys and wherefores of how personal data will be used in a particular firm, whilst the processors are the ones actually using the data in line with the controller’s specification.

What’s changing for brokers?

The information to be provided at the point we collect customers data will change significantly.

If individuals want to see any personal information we hold on them we must disclose it.

If there are any data breaches, there are new timeframes and types of breach that need to be reported to the regulator.

Individuals have new rights to request the erasure or rectification of data and to object to or restrict certain processing methods.

The difference in responsibilities between data controller and data processor have been reduced and overall accountability increased.

Privacy must be a constant part of any process design within an organisation and data privacy impact assessments must be carried out.

Criminal conviction data can only be processed if one of the conditions described in DPA 2017 are met.

The conditions for obtaining consent will alter under GDPR legislation. This means (1) parental consent is required to process children’s data (2) indirectly acquired data must not be processed without consent or notification and (3) better records of consent must be kept.

Larger financial penalties: The maximum fine will change from the current £500,000 to either 2% or 4% of a firm’s global annual turnover, depending on the type of breach.

Individuals will be in a position to seek damages and bring claims directly against businesses based inside and outside of the European Economic Area (EEA).

What does disclosure of data look like in practice?

One of the aims of GDPR is to make sure customers are clear on why brokers are collecting their information, how it will be used and stored and who it will be shared with.

In order to achieve this, brokers will need to provide information before they start collecting client’s personal information. This includes:

- Identity and contact details of the controller.
- Contact details of the Data Protection Officer. This needs to be someone employed or contracted by the firm reporting to the Board, but must be independent and not influenced by the Board.
- Legal basis, as well as purpose, of the processing.
- Whether provision of data is required by law, or for a contract, whether there is an obligation on the individual to provide the data and the consequences of not providing it.
- Information on the legitimate interests, if relevant, on the part of the controller or third party in processing an individual’s data.
- Where processing is based on consent, make it clear there is a right to withdraw consent at any time.
- Information on the data retention period.
- Reference to the new rights (subject access, erasure, objections to processing, right to complain and portability).
- Clearly state if data is to be shared with third parties and say which third parties or category of third party is the recipient of the data.
- Information on international transfers and safeguards.
- Existence of any automatic decision-making including profiling (and consequences for the subject), making clear there is a right to object to or restrict the processing of data via these methods.

What does this mean for broker marketing activity and gathering of prospect info specifically?

As long as the broker is clear to the customer why their information is being collected and what it will be used for, GDPR should not affect this activity.

If someone asks what data a broker holds on them, how quickly do they have to respond? And in what format?

Brokers need to be able to supply the personal data they hold on their clients within 30 days and no fee can be applied to provide this information.

What kind of support can insurers provide?

Aviva is keen to ensure all its partners will be compliant to protect our customers’ data. While each firm has its own responsibilities, Aviva Health teams want to help and collaborate with firms where data transfers and common customer data exists. We have a large project team working on the contracts and relationships with our partners with respect to GDPR. Please contact your relevant business partner for further information.

Do you think there’s enough ‘out there’ from the EU GDPR to help businesses?

There is a huge amount of information out there and the UK regulator, the ICO, is keen to make sure the right information is understood and has started publishing a myth busting blog which is a useful reference point: https://ico.org.uk/for-organisations/data-protection-reform/
Nearly half of UK adults intend to activate new personal data rights

Nearly half (48%) of UK adults plan to activate new rights over their personal data, according to a poll of 2,000 UK adults commissioned by analytics firm SAS. The poll was designed to explore the nation’s sentiment towards GDPR. Fifteen per cent of adults even expressed their intention to activate their new rights in the same month that the GDPR comes into force on 25 May 2018.

The consumer poll explored which organisations would receive a request to remove or provide access to consumer data with social media companies, retailers, insurers and supermarkets ranking top of the list. As consumers become wearier about sharing personal details and contact information, it will impact the information they are willing to share – only 41% would be willing to share their basic demographic information and approximately a quarter (24%) would give away their personal details or marital status in return for a preferential service or discounts, according to the survey findings.

### BROKER VOX POP

Please sum up the key impacts of GDPR on your business or industry

- **David Heppard**
  Head of International, IHC Ltd.
  - Protecting against data theft needs careful consideration and could have obvious repercussions, especially where data is stored on our system and those of the insurers we work with.
  - It could be difficult to meet all individual requirements where clients may be directing or instructing us on the way we should handle the data they send to us, and the information we send on to insurers.
  - There is currently a lack of guidelines available to us to follow.

- **Hannah Fry**
  Head of Risk & Compliance, Stackhouse Poland
  - Positive: Increased data security – in an ever increasing technical world where data is transported electronically as the norm, it is important that businesses have secure networks, encryption and other tools to protect communications. The GDPR has focused our minds and resources on this to ensure we strengthen our controls.
  - Negative: Even more paper for our clients. The need for our privacy statement to be provided to clients separated from our usual Terms of Business, means that we are sending numerous documents in an already document heavy industry.

- **Stuart Scullion**
  Executive Chairman, Association of Medical Insurance Intermediaries (AMII)
  - There is still no clarity around certain aspects of GDPR, which remain open to interpretation, from the ICO.
  - There is a risk of employer & employee detriment if claims information becomes unavailable, particularly on experience rated group schemes.
  - Is GDPR not a sledgehammer to crack a walnut?

- **Mark Simmonds**
  Technical Consultant, Health & Benefits GB, Willis Towers Watson
  - Businesses within our industry will have already conducted impact assessments to understand the risks involved and where necessary put in place procedures to mitigate any risks identified to ensure they comply with the regulation. The authority to process data and whether the organisation acts as processor or controller will have been reconsidered and appropriate action around the nature of the consent to process data will have been investigated.

- **Andrew Apps**
  Head of Global Healthcare, Bellwood Prestbury
  - Preparing for GDPR will help to improve the accuracy of data stored on our database because GDPR will allow customers to review the data we hold. The regulations will require us to act and amend any identified errors – resulting in increased accuracy of data stored.
  - GDPR also requires knowledge of data protection law and practices and this will automatically result in more training across the industry, which will no doubt result in better cybersecurity and, as a result, we should see a decrease in data breaches.
  - Finally, we await with interest the steps being taken by ‘big’ insurers as to date we have seen very little progress other than statements to inform us that they are working on strategies to implement the new GDPR guidelines.
The iPMI market is growing and although there are no certainties, the general feeling is that Brexit is unlikely to change that. In fact, it could well end up giving the market a further boost as a result of the need for many companies to look further afield than Europe.

Against this backdrop, there are opportunities for brokers new to the market to get involved, with the right kind of support. The key, according to Swann, is to watch for providers that can offer compliant solutions in the destination country, price sustainably, that are digitally enabled and yet offer face-to-face as well as remote support from an experienced field sales team.

**Country compliance**

For a provider to succeed in this market, being compliant is up there at the top of the essentials list. “Making sure we’re compliant with local regulations is central to our strategy,” says Swann. “Many countries do not allow business on a non-admitted basis now. You either need a local license to trade iPMI or a fronting partner - as per the situation in Dubai – where the fronting partner holds the licence. There are different routes a provider can take but clients need to trust their provider to get this right.”

For the benefit of those new to this market, trading on a non-admitted basis is where a provider offers insurance in a country without being locally licensed to do so. An increasing number of countries are now preventing overseas companies from trading on a non-admitted basis and instead insisting that they have a local partner.

“Aivia are currently compliant in a significant number of countries worldwide and we are continually looking to expand our coverage to meet customer demand. Being a multinational insurance group is obviously a big asset in this regard,” adds Swann.

“This helps us meet current and potential future market need. For instance, whatever happens with Brexit, we’re prepared. If we end up with a hard Brexit and we leave the EU and the single market entirely, we’ll have a solution that enables us to remain a licensed supplier in the EU.”

**“Whatever happens with Brexit, we’re prepared”**

**Market realities**

According to Swann, iPMI offers a huge market opportunity for all shapes and sizes of broker firm. “It’s a growing market, unlike domestic PMI and premiums are high so even a few policies can represent a significant portfolio. At the same time though, brokers in this sector have a lot of work to do to keep up to speed with local compliance and legislation.

“The demands and needs of customers and employers have also grown over the years. Plus there are an awful lot of nuances in iPMI, such as minimum and maximum levels of benefit, maternity included or not, different documentation for different regions etc. Finally, customers want more variety and bespoke solutions, which is why we designed a modular product that can be shaped around our customers’ unique requirements.

“In short, it’s not something you can do off the side of your desk. If you offer advice without a good foundation of knowledge, you might put the customer at risk.”

**Help at hand**

Realistically smaller broker firms will be dealing with many aspects of corporate advice for smaller companies and their need to delve into the world of iPMI will be sporadic – for example, an existing UK customer is sending an employee, or a number of employees, to work abroad.

“This is a common scenario and in such circumstances the broker will lean on us as they have an existing relationship with us already in terms of other products in their client’s portfolio,” says Swann.

“Price sustainability is an issue in this market. There are those who just want to write more and more business by ensuring initial low premiums. But we don’t want clients to experience big hikes in price.

**“We don’t rank brokers by size or importance to us”**

**Demands & needs**

Swann has worked on the broker side in the past so enjoys a good insight into broker requirements and ways of working, in addition to client demands and needs. On the latter, he has noticed a big change.

“Price is more key now than it ever was 10 – 15 years ago when I was a broker. Then it was less important to have a competitive price. Instead it was all about the level of benefits. Employers simply wanted to know that their employees were well protected and cared for.

“Now though the world has moved on. There are many more purchasers and decision-makers within client companies, often meaning that the price is the focal point. Now the priorities are: good service; competitive price; and the ability to tailor benefits to employee and country requirements.

“There’s always a competitor that’s cheaper. So the customer is often torn between good service, brand and reputation against price.

“In addition to offering help via the website and marketing material, we have an experienced field sales team that can offer help over the phone or face to face: for example, to help brokers understand the modular product and country requirements.

“iPMI is still very much a growth business for us, which means that we’re keen to work with all brokers. We don’t rank brokers by size or importance to us, therefore we can offer tailored support as and when needed, product training, specific country compliance education, and in some cases, sales training.”
INTERVIEW: iPMI TRENDS & BROKER SUPPORT

“One price sustainability is an issue in this market”

year on year, especially when medical inflation is already a big challenge for everyone. We want to keep things sustainable.”

Digitally enabled

Digital capability is an essential for all markets now, it seems, but especially one that operates across numerous time zones. Aviva is currently in the process of re-designing and updating its App as the digital world moves so quickly. This will give clients some of the online functionality they already have - downloadable information on benefits, country information and the ability to submit claims forms online – plus additional functionality, such as the ability to chat online with a claims advisor.

“In our experience, people want digital solutions but we also recognise that the phone is still important for many so 24/7 phone support will remain – for example, to help untangle some of the complexities and jargon associated with medical claims. We have foreign speaking case managers who can help customers navigate complex medical situations in foreign countries,” says Swann.

Ever changing environment

Whether big or small, this is a market for everyone, concludes Swann. But it’s important to go in with your eyes wide open and be cognisant of the challenges.

Swann adds: “This is a very complex market to trade in, especially for smaller brokers who may not be experienced or educated in the sector. So we’re there to help them put together an appropriate solution to meet customer needs, because those needs - especially in relation to country requirements – can change frequently. In the Gulf, for example, rules and regulations can and often do change within short time frames. It can be a rewarding market too though, just so long as you have the right support.”

SME GLOBAL GROWTH

The market potential in the UK is vast. According to latest government statistics1 99.9% of all private sector businesses at the start of 2016 were SMEs. Total employment in SMES was 15.7 million: 60% of all private sector employment in the UK.

Few SMEs export beyond the EU at present, but according to a report by the European Commission2 increasing the internationalisation of this sector is crucial for competitiveness, economic growth and innovation. The EU Commission states that an estimated 90% of global growth will originate outside the EU in the coming years, plus developing and emerging markets are expected to account for 60% of world GDP by 2030.

Sources

1 Department for Business, Energy & Industrial Strategy: Business population estimate for the UK and regions: 2016 statistical release
2 SME Internationalisation beyond the EU, European Commission

Aviva

Your employees deserve the best. And so do you.

Whether you prefer to speak on the phone or meet face to face, you can rely on our dedicated team to provide award-winning international Private Medical Insurance with the personal touch.

Call 0800 015 5255 or visit aviva.co.uk/meet-the-team
(Calls to and from Aviva may be monitored and/or recorded)

Sources
