



INSIGHTS

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IN THIS ISSUE...

Ensuring Expatriates have Appropriate Health Coverage

- How to go about protecting Canadian expatriate employees

Proper Eye Protection

- Essential while enjoying the great outdoors

Did You Know?

- Electronic Fund Transfer (EFT) for EHC and Dental claims is available

Invite a Nurse into Your Home

- Call Telehealth Ontario to get health advice or general health information

Ensuring Expatriates have Appropriate Health Coverage

I recently had a call from a client asking about expatriate group insurance protection for an employee who was going to be working in China. This employee was leaving for the Far East within the month.

I must admit that I didn't have an answer. Most Canadian employee benefit plans do not have long term solutions for the expatriate employee - those individuals that move to another country with their families for a period of one to five years. These employees no longer have access to either the Canadian Health Care System or their employer's group health plan because they no longer meet the eligibility requirements. That is, they are no longer residents, and they are out of the country for 181 days or more a year.

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I would imagine that it wouldn't be uncommon to discover that many Canadian expatriates do not have the right type of coverage. Many are wrongly covered by health insurance plans designed for local employees through conventional group insurance providers. The needs of expatriates are so different from those working in Canada. The risks posed to these individuals are not the same either. Kidnappings may be a threat, terrorism is or may be an issue, the diseases they face could be different, and weather conditions will take some getting used to - all issues that need to be addressed before the employee leaves home.

Last year, Mercer Consulting surveyed fifty employers, representing some 450,000 employees in various sectors of activity, including financial services, pulp and paper, engineering and construction, technology, transportation and manufacturing products. The study revealed that being able to count on a good Life Insurance, Disability, and Health Care plan was a concern for 51% of respondent employers. The reality tells a different story. Twenty-seven per cent of employers felt that their program did not fully meet the needs of employees posted outside of the country, and sixteen per cent had not reviewed their plans in the past two years to adequately assess their needs.

Expatriates are expensive. Mercer estimates that costs vary between US \$600,000 and \$1.3 million per employee

for a three-year assignment. The benefit program alone ranges between US \$25,000 and \$35,000 for 3 years. It obviously can cost more if the posting is a failure. Employees cited concerns about their personal safety and that of their families as the principle reason why things didn't work out.

The work world has changed a great deal during the past few years. As employers look to compete globally, more individuals will be sent abroad. Insurance overseas has become essential, but the insurance industry hasn't yet stepped up to meet the new reality. Expatriates need to know that their employers have thought through what they will be facing. There is the stress of moving, combined with the resulting culture shock, which can lead to depression. There is the issue of assimilation. Employees will need access to services facilitating their integration into the new 'way-of-life'. There may be ransom and terrorist threats, epidemics such as Avian Flu and severe acute respiratory syndrome (SARS). Employers need to provide rapid access to high-quality medical and counselling services that are available twenty-four hours a day.

So, how do Canadian companies go about protecting their expatriate employees? They need to undertake a crisis management analysis. Preparing a budget that 'blue-skies' all the 'what-ifs' should be done. A process for the selection of candidates needs to be found.

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Having an international employee assistance program and a world-wide employee benefits provider in place would be a start.

Finding and designing the right program takes time. Consideration of all the factors that could affect the success of postings outside of Canada requires careful planning. However, planning that is done in concert with the business decision will ensure that the support provided to employees and their families corresponds to their needs, and in the long term will help to ensure the successful assimilation of expatriates and their families into their new culture.

Until next time...



Proper Eye Protection is Essential When Enjoying the Great Outdoors

With more Canadians heading outside to enjoy the spring and summer activities, the potential risk of damage to the eyes from ultraviolet rays from the sun increases greatly. Prolonged exposure to UV rays can cause burns to the surface of the eye. The cumulative affect of UV damage has been linked to cataracts and age-related macular degeneration later in life.

How does the sun damage the eyes?

Three types of rays come from the sun:

- | Visible: what you see as color.
- | Infrared: invisible but felt as heat.
- | Ultraviolet (also called UV radiation): invisible but often called "sunburn rays."

UV radiation includes two types of rays that normally reach the earth, UV-A rays and UV-B rays. These invisible UV rays can damage your eyes. Some of the damage can happen right away and some can occur over a lifetime of exposure. Constant exposure to bright sunlight can damage the cornea (the clear outer part of the eye that allows light through to the retina), the lens (the part of the eye responsible for focusing), and the retina (the innermost layer of the eye that sends an image to the brain).

We can't stress enough how important it is to protect your eyes every day from the sun. Even when the weather is overcast, the sun still emits intense, harmful rays. Fortunately, adults and children can easily protect their eyes by wearing the proper sunglasses and a brimmed hat. Consumers must be careful of the type of sunglasses they purchase because not every pair offers UV protection. Just because a lens is tinted does not mean it offers UV defense. However, affordable sunglasses that block 99 to 100 percent of UV-A and UV-B rays are widely available.

Adults at a higher risk for eye problems caused by UV rays are those who spend a large amount of time in the sun, whether for work or recreation. Also, people who have had cataract surgery or other retinal disorders, and people who take certain medicines, such as tetracycline, sulfa drugs, birth control pills, diuretics and tranquilizers, are also at special risk, since these drugs increase the eye's sensitivity to light.

Why do I need sunglasses?

Sunglasses can help your eyes in two important ways. They help filter light and they protect against the damaging rays of the sun. Good sunglasses reduce glare and filter out 99 to 100% of ultraviolet (UV) rays. They should be comfortable and protect your eyes without any distortion.

How can sunglasses protect my eyes from UV radiation?

All types of eyewear, including prescription and nonprescription glasses, contact lenses and lens implants, should absorb UV-A and UV-B rays. UV protection does not cost a lot of money and does not get in the way of seeing clearly. Shop for sunglasses that block 99 to 100% of both types of ultraviolet rays: UV-A and UV-B.

Sunglasses should also eliminate glare and squinting. Be wary of labels that claim a product blocks harmful UV without specifying exactly what amount of UV rays they block.

Children are more susceptible to UV damage than adults because they tend to spend more time outside than adults. Parents should be encouraged to help protect their children's eyes by doing the following:

- | Only purchase sunglasses that offer UV protection.
- | Make sure the sunglasses fit the child's face and shield the eyes from all angles.
- | Choose lenses that are impact resistant and made of polycarbonate, never glass, unless prescribed by a doctor.
- | Always insist that children wear a brimmed hat in conjunction with their sunglasses.

Sun damage accumulates over time so teaching children to protect their eyes is an important early step toward a lifetime of healthy vision.

RWAM *Administration Tip*



Did You Know?

RWAM has been offering Electronic Fund Transfer (EFT) for Extended Health Care and Dental Claims.

RWAM has been offering Electronic Funds Transfer (EFT) as an option to all of our clients for over two years. Benefit payments can be electronically deposited directly into an employee's bank account for Extended Health Care and Dental Claims. There is no need to wait for a cheque!

An application for any employee interested in using the EFT option can be found on the RWAM web site: www.rwam.com - Forms tab - Administrative forms - Electronic Deposit of Payments.

Please note, this is optional and employees are not obligated to participate. Once the form is completed by the employee and a void cheque is attached, it can be mailed to RWAM Insurance Administrators Inc., 49 Industrial Drive, Elmira, ON N3B 3B1 Attn: Group Administration.

If you have any further questions, feel free to contact the Group Administration Dept. at 1-877-888-7926.



Invite a Nurse into Your Home

Sick child? Feeling ill? Wondering about medications? Call Telehealth Ontario to get health advice or general health information from a registered nurse. All you have to do is describe your symptoms and answer a few questions so your problem can be assessed. The registered nurse will then advise you on things you should do.

| Free & Confidential

| 24 hours a day / 7 days a week

| Talk directly with a Registered Nurse

| Translation for 110 languages

Telehealth Ontario
1.866.797.0000