

MULTINATIONAL PROPERTY AND CASUALTY CLAIM SCENARIOS

As the number of organizations conducting business outside the United States continues to rapidly grow, the need for U.S.-based entities to minimize international exposures has never been more critical. In response, Westchester offers International Advantage® to protect our customers against the many risks that these exposures present.

Scenarios like those found below happen every day. Are you and your clients prepared to handle the potential consequences?

Commercial General Liability – Third-Party Property Damage

Problem:

- U.S. employee travels to Belize on business and accidentally leaves the water running in the hotel room bathtub.
- The bathtub overflows, causing water damage to the floors below, including the hotel lobby. The hotel owner demands payment for the damage.
- The claim may not be covered under the U.S. company's domestic general liability policy because the event happened outside of the policy's coverage territory.

Solution:

- An International Advantage® policy can provide third-party property damage liability coverage outside of the U.S.

Products Liability – Coverage Jurisdiction

Problem:

- U.S. company manufactures burners in the U.S. that are sold to a distributor in France. Distributor sells burners to third-party customer in Germany who uses them in an industrial furnace.
- Burner suffers premature failure and damages third-party customer's furnace resulting in a suit brought in Germany against the U.S. company and the distributor.
- The domestic general liability insurer may deny coverage because the suit has been filed outside of the standard coverage territory.

Solution:

- An International Advantage® policy can provide products liability and defense of suits coverage in foreign territories.

Contingent Auto Liability – Difference in Limits

Problem:

- U.S. company employee travels to Mexico on business and rents a car. The local rental car agency carries a local Mexican auto liability policy with limits of MXN 750,000 / USD \$40,000 (Mexico requires compulsory third-party auto liability insurance on all vehicles).
- Employee is involved in a serious auto accident in Mexico resulting in the death of a passenger in the other vehicle and a serious injury to the driver of the other vehicle; the claims could exceed the equivalent of USD \$40,000 under Mexican law.
- The U.S. employer and the driver could be held directly responsible for a judgment in excess of the local policy limit.

Solution:

- An International Advantage® policy can provide contingent auto liability coverage outside of the U.S. with limits of \$1,000,000 per accident and can extend coverage to U.S. entities and their employees.

Executive Assistance Services – Trip Travel

Problem:

- U.S. based charitable organization takes a mission trip to a village in Zimbabwe and one of the volunteers contracts malaria, an endemic disease.
- There are no qualified medical facilities within a reasonable distance from the charity's campsite to treat the volunteer.
- The volunteer's only option is to be evacuated to a qualified medical facility in Johannesburg, South Africa at a cost of \$50,000.

Solution:

- An International Advantage® policy with Executive Assistance services can pay for the cost of emergency medical evacuation to the nearest adequate medical facility.

Foreign Voluntary Compensation – State of Hire Benefits

Problem:

- A U.S.-based manufacturer has sent employees to work in a warehouse in a remote area of Botswana for six months.
- During the course and scope of work, an employee falls from a forklift, breaks his leg, and is disabled for forty days.

Solution:

- An International Advantage® policy can provide foreign voluntary compensation coverage that extends the equivalent of state of hire or country of origin benefits.

Accidental Death & Dismemberment – Non-Occupational Injury

Problem:

- U.S. company's employee temporarily working in Mexico City arranges to visit several tourist attractions on her day off.
- While sightseeing at the local pyramids, the employee breaks her arm and requires medical treatment after stumbling down a stairway.
- Since the injuries were not sustained while working, the incident may not be covered by the U.S. company's worker's compensation program.

Solution:

- An International Advantage® policy can provide Accidental Death & Dismemberment benefits and non-occupational medical expense coverage. Coupling our AD&D/Medical Expense and Employer's Responsibility coverage parts provides true 24-hour protection for international travelers.

Kidnap & Extortion – Kidnapping

Problem:

- Executive of U.S.-based retailer travels to Ecuador to visit company-owned facility.
- On her way from the airport to the hotel by taxi, she is abducted and held for \$500,000 ransom.

Solution:

- An International Advantage® policy responds to the cost associated with kidnap, extortion and detention events if employees or their families are kidnapped and provides valuable services of expert crisis management consultant.

Property – Theft

Problem:

- U.S. based missionaries travel to Africa to help implement modern agricultural techniques.
- Leased farming equipment is stolen soon after their arrival.

Solution:

- An International Advantage® policy can respond to the loss of owned or leased equipment by theft under the Property Coverage form.

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The scenarios listed above are hypothetical and are offered solely to illustrate the types of situations that could result in claims. These scenarios are not based on actual claims, and they do not guarantee that there is insurance coverage under any particular insurance policy for any particular scenario. The scenarios are not intended to represent any position regarding whether or not a particular policy actually or potentially covers a particular scenario. Actual claims under actual insurance policies are handled according to the facts of such claim, the actual terms and conditions of the policy issued, and any applicable laws.

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