



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Benefits Beyond Borders: Managing Global Employee Benefits in Small and Midsize Multinational Companies

August 21, 2024



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Agenda

- 1** HUB Global Benefits

- 2** Midsize Multinationals – Business Considerations

- 3** Small Locations – Benefit Design and Funding Challenges

- 4** Global Benefit Management – Challenges and Opportunities

- 5** Key Takeaways

HUB Global Benefits



HUB International

HUB's Global Benefit Practice offers a Full Range of Consulting Services

**Largest
Privately-Owned
Global Broker**



**Global
Network of
Consultants**

**Based
in
Chicago**



19,000+
employees



2 million+
clients



600+ locations



5th largest risk
consultancy in the
world

Midsize Multinationals

Business Considerations



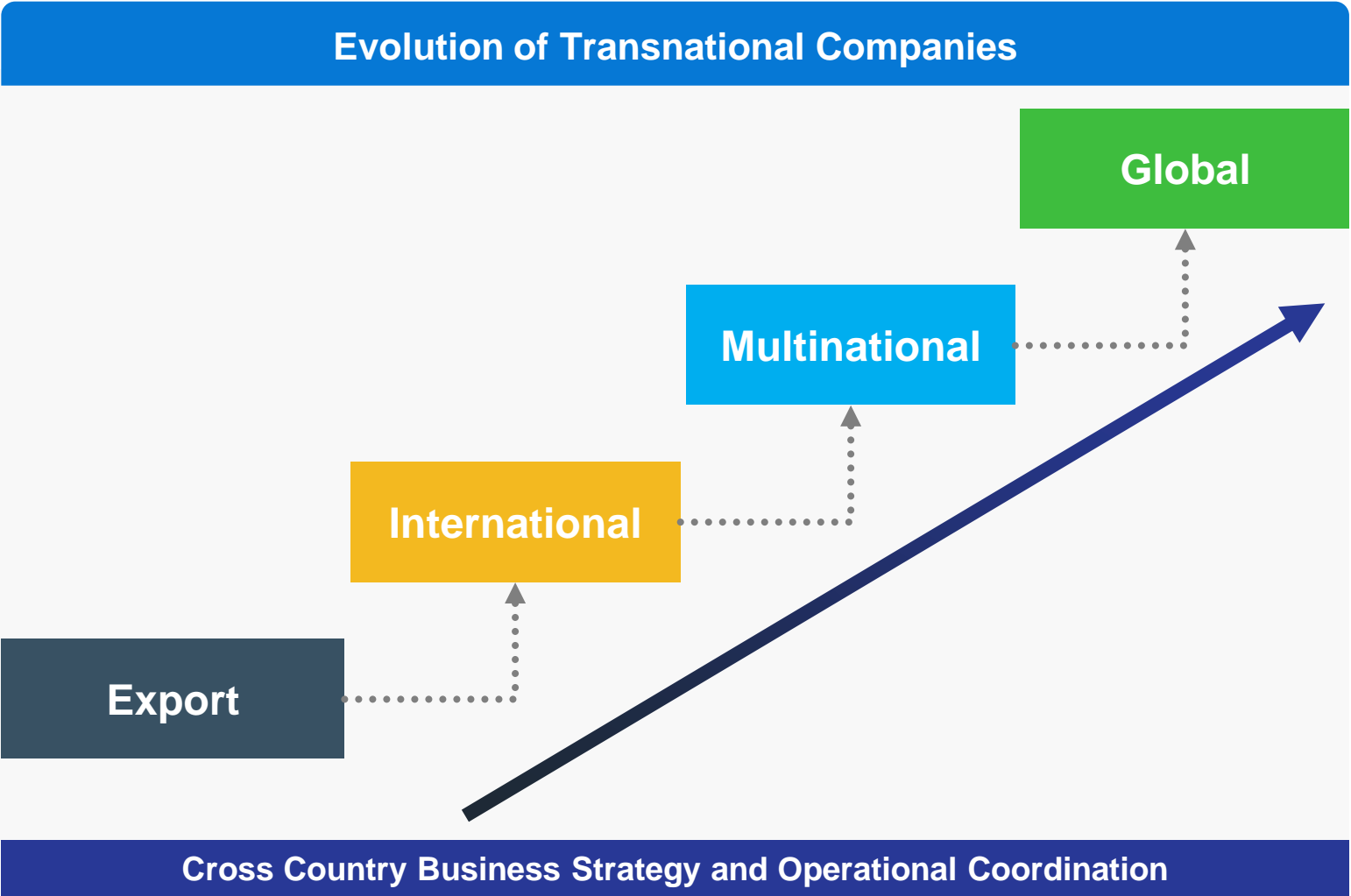
Midsize Company Markets



2.5M
Firms

- Defined as businesses with revenue of at least USD 5 million but less than USD 1 billion
- Represent one third of US GDP and nearly half of all jobs

To grow, middle-market companies are increasingly looking to expand internationally



Important Business Considerations

The non-US operations of American multinationals – a critical part of the business:



For multinational companies, having global benefit management skills is a necessity, not a luxury

Acquiring, Developing and Keeping Needed Talent



Understanding Talent Markets

- Attracting the right talent in every market is essential to the success of the business
- For small and midsize firms, every talent decision carries more weight - positive or negative



Right Benefits are Essential

- Social benefits are often inadequate. Supplementary benefits are a major differentiator
- Employees are ever more demanding of benefit flexibility and individual choice



Skill and Resource Limitations

- Midsize companies at HQ level typically lack the breadth of skills and resources, systems and tools enjoyed by larger firms
- This situation is more acute at foreign locations, and extreme at small subsidiary level

Small Locations

Benefit Design and Funding
Challenges



Critical Benefit Problems at Small Locations



High Pricing

- Use of individual insurance/pension products
- Use tax inefficient solutions
- Stern commercial terms



Lack of Local Products

- Group insurance/pensions unavailable
- Limited choice in funding alternatives
- Lack of access to group insurance underwriting



Poor Contract Terms

- Low free cover limits, many exclusions and restrictions
- Poor SLA terms
- Limited transparency

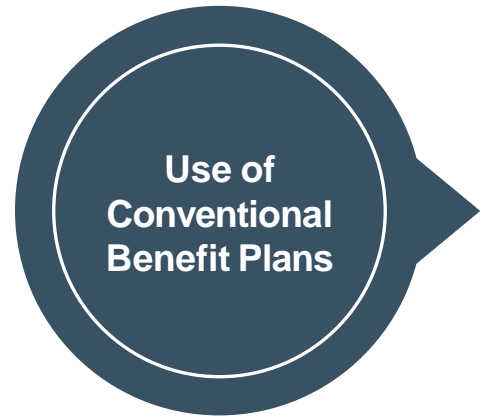


Insufficient Resources


- Local HR/benefits skills, tools, financial resources
- Inadequate administrative resources from vendors
- Limited support from parent

Small Headcounts - Solution Range

A full range of solutions have been found to work. However, these are highly tailored to each situation, and should be subject to proper legal and tax due diligence review and consultation with individuals involved



Pre-packaged
Local Solutions



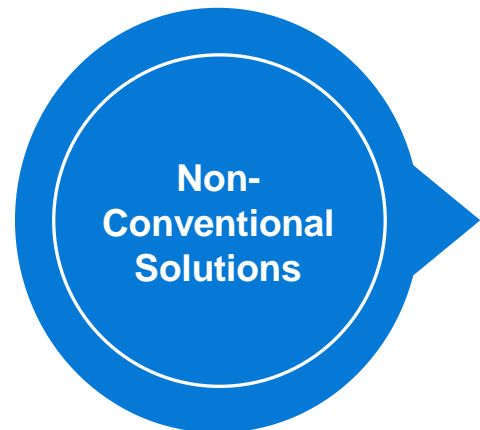
Non-admitted Plans
Sourced at HQ



Interim Use of
Expat Plans



Individual Local
Products



Alternative
Employment Models



Cash
Solutions










Self-insure
Risk



Wait until
Local Population
Numbers Grow

Factors to Consider

Solution	
	Alternative Employment Models
	Pre-packaged Benefit Solutions
	Individual plans
	Non-admitted Global/ Regional Plans
	Cash Allowances
	Expatriate plan
	Self-insured risk



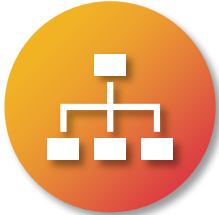
Cost Effectiveness



Competitive Benefit Levels



Preferable Terms & Conditions



Ease of Administration



Compliance Risks



Employee Friendly

Global Benefit Management

Challenges and Opportunities



Central Resources for Global Benefit Management

Maintaining global benefit management skills in house is an expensive proposition

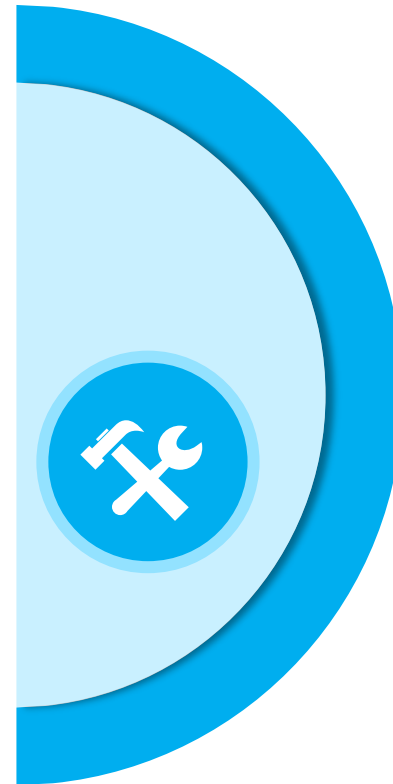
High Cost of Specialized Skills & Resources

- High demand, high salary levels
- Cost of additional support staff
- Training & Development costs
- External consulting budgets



Difficulty in Operation

- Lack of organizational support for global benefit management function
- Inadequate supporting infrastructure
- Gaps from staff turnover



Where to Start

Develop and share a global vision for the global benefit function



- Strategic Global Benefit Management:
 - Legally Compliant
 - Competitive Levels, Aligned with Corporate Goals
 - Positive Employee Experience
 - Lowest Possible Costs
 - Maintaining Full Line of Sight

Quantify potential financial and HR value



- Recruitment of right talent
- Lower employee turnover
- Reduction of compliance risks
- Benefit cost savings, lower financial risks
- Lower vendor costs
- Gains in HR function agility
- Improved business results

Leverage resources you already have



- Enroll your benefit providers as partners in your quest
- Consider deploying domestic benefit staff that you already have
- Galvanize collaboration with other corporate functions and global locations

Consider outsourcing technical & time-consuming tasks

Buttressing the Global Benefit Management Function

The journey toward being a successful global company can be greatly facilitated by early adoption of a solid global benefit management framework



Key Takeaways



Key Takeaways

1
Managing international
employee benefits can
have a major positive
impact in your business

2
You don't have to do it
alone

3
Be realistic – and
systematic

4
Recognize the effort and
resources required to do it
right

5
The support of senior
management is critical

Q&A

Thank you

