

Coverage Insights

Brought to you by: Garland-Sturges & Quirk



Insuring Foreign Operations

Opening foreign markets to U.S. products and services is an important part of sustaining America's economy. According to the Bureau of Economic Analysis, international trade accounts for nearly one-third of the U.S. Gross Domestic Product.

If doing business abroad is part of your company's growth strategy, understanding the scope of insurance available for international business is critical to protecting corporate assets. Most insurance policies placed in the U.S. provide limited, if any, coverage for losses occurring abroad. The good news is that there are numerous specialized insurance coverages available for companies conducting international business that are specifically designed to provide global protection.

Depending on the extent of the foreign business being conducted, typical coverages to consider are as follows:

- Foreign Commercial General Liability coverage is similar to domestic liability coverage; however, it applies to foreign occurrences and includes protection for U.S. occurrences when a suit is brought outside the U.S. or Canada. For example, manufacturers and distributors that sell products outside of the U.S. may be sued in foreign jurisdictions. A U.S.-based policy only covers lawsuits that are filed in U.S. or Canada.
- Foreign Business Auto coverage provides physical damage and liability coverage for hired and non-owned vehicles operated overseas. Coverage is typically needed for limits over and above the minimum or statutory limits that are required to be purchased from the rental company in the foreign country.
- Foreign Voluntary Workers' Compensation or Employers Liability coverage extends benefits for U.S. employees while traveling overseas or assigned to work outside the U.S. and Canada. Coverage can include medical assistance programs and repatriation expenses.
- Foreign Commercial Property and Business Income coverage affords protection at unscheduled locations while in transit for laptop computers, sales samples and personal property at trade shows overseas. A more extensive policy may be required for owned or leased facilities.
- Foreign Crime coverage offers protection against losses resulting from dishonest acts perpetrated by employees overseas including forgery theft or robbery.
- Foreign Travel Accident & Sickness coverage provides additional protection in the event of an emergency while traveling overseas.
- Kidnap, Ransom and Extortion coverage is an important consideration; as global commerce grows the risk of kidnapping increases for corporate executives, key employees, wealthy citizens and their families.
- Marine Ocean Cargo offers coverage for international shipments.
- Political Risk covers losses arising from confiscation, expropriation, nationalization and selective discrimination of property by foreign governments, or embargo and license cancellation coverage for contracts.
- Foreign Travel Assist coverage is designed to provide employees 24-hour emergency travel assistance services.

Many of these foreign liability coverages can be purchased together as a package policy and expanded as your business grows. Certain countries can be excluded. Securing coverage from a reputable carrier with international expertise, specialized products and strong global network capabilities will mitigate the risks associated with conducting business in other countries. Partnering with Garland-Sturges & Quirk means you're selecting an insurance adviser you can trust. Please contact Tom Quirk at (408) 227-9991 to discuss your foreign exposures and obtain more information on how we can assist you.

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