



## Six considerations for a multinational insurance program

# What's at risk and which policy is right for you?

As your business expands across time zones and borders, your opportunity for growth and prosperity increases as does your exposure to risk. How will you protect your company? What are your options? The opportunities? The potential obstacles?

The reality is that there is more than one way to build an effective multinational insurance program. That's why at **AIG Multinational** we provide three uniquely different policy options. Whether it's local policies, a single global policy, or a Controlled Master Program, we will help you find a solution that fits your specific needs. However, the first step is to assess the risks you might encounter – from every angle.



# Six factors that will guide your decision-making process



## Exposure Evaluation

### Exposure evaluation

**The greater the exposures, the greater the need for local insurance protection**

- What products/services do you provide?
- What type of physical presence do you have?
- What lines of insurance are you considering?
- What contractual counterparties do you have?



## Coverage

### Coverage

**A global policy for local risks**

- Are there particular insurance terms and conditions that local operations need to be adequately protected?
- Are the necessary terms and conditions available only under a local policy?



## Compliance

### Compliance

**A multinational's regulatory and premium tax requirements**

- Does local law require the local subsidiary to purchase and/or be covered by insurance from a locally licensed carrier?
- Does local law prohibit the local subsidiary from purchasing and/or being covered by insurance from a carrier not locally licensed?
- Will the parent company need to settle and pay premium tax in the local subsidiary's country?



## Proof of Insurance

## Proof of insurance

### Satisfying local authorities

- Are local operations required to obtain insurance from locally licensed carriers?
- Does a contractual counterparty or government entity need to be shown evidence that coverage has been obtained locally?
- Will failure to provide evidence of locally obtained insurance breach contractual covenants or trigger any commercial, contractual or reputational consequences?




## Claims

## Claims

### The need to respond locally

- Can the local subsidiary retain local counsel to defend a lawsuit?
- Will the subsidiary be able to retain loss control experts, engineers and medical providers to assist in the claim adjusting process?
- Will the subsidiary be able to retain investigators, search for beneficiaries or arrange for housing or other accommodations in the wake of a loss?
- Will the subsidiary be able to arrange for immediate medical treatment and evacuation?



## Tax and capital

## Corporate tax

### Tax liability and capital

- Will the claim need to be paid in-country?
- If the global policy cannot respond by paying the claim locally and must instead pay the parent company, will the parent company incur tax liability in its home country?
- Will the parent company need to make a capital contribution to the local subsidiary; if so, will the local subsidiary incur tax liability?
- Can the local operation survive if the parent company does not infuse capital to make it whole for a loss?



## Moving forward

- There is not just one right way to build a multinational program.
- Understanding local regulation is extremely important but should not be the sole factor you consider when designing a program.
- Continue to follow basic risk management principles; even though the exposures are foreign, the principles for addressing them remain the same.
- If the decision is not to purchase a local policy, all stakeholders should be well versed on the potential pitfalls and limitations.

## Leading the way. Around the world or around the corner.

AIG Multinational is one of the world's leading insurance companies—with a global network of underwriting and claims experts in over 400 worldwide offices. That's why we can back your multinational insurance program with licensed carriers in large commercial hubs like London, Paris, Tokyo, Hong Kong, Singapore and Sao Paulo. Moreover, in smaller regions like Papua New Guinea, Kenya and Qatar.

Let us put over 80 years of multinational experience to work for you. Designing, implementing and servicing a global insurance program that fits your needs and takes into account your preferences.

Are you ready to get started? To learn more, visit [www.aig.com/multinational](http://www.aig.com/multinational) or contact your broker.



American International Group, Inc. (NYSE: AIG) is a leading global insurance organization. AIG provides insurance solutions that help businesses and individuals in more than 200 countries and jurisdictions protect their assets and manage risks through AIG operations, licenses and authorizations as well as network partners. For additional information, visit [www.aig.com](http://www.aig.com). This website with additional information about AIG has been provided as a convenience, and the information contained on such website is not incorporated by reference herein. AIG is the marketing name for the worldwide operations of American International Group, Inc. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries and jurisdictions, and coverage is subject to underwriting requirements and actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

Copyright © 2026 American International Group, Inc.