

Q&A From Worldwide ERC®'s "Relocation's Biggest Challenges" Webinar

NOTE: You can listen to a full recording on Worldwide ERC®'s [website](#), [request a full copy of the report](#), or [download the Survey Highlights](#) for more information.

QUESTION	ANSWER
<p>What is "danger money"?</p>	<ul style="list-style-type: none"> • "Danger money" refers to hardship premiums that are paid to employees as incentives to move to locations that can pose certain risks to assignees and families, such as health, environmental, or security issues.
<p>Are "contingency plans" usually targeted just for expats, or are local employees also included?</p>	<ul style="list-style-type: none"> • Contingency plans are designed to cover any type of situation, from political upheaval to weather- or health-related situations. • Though contingency plans are typically focused on expats in-country, the plans themselves are linked to general emergency plans that the company utilizes. For example, if a natural disaster occurs and expats need to be evacuated, then the company would apply this to local hires as well. • In addition to covering evacuation, it is also advisable to have a business continuity plan that covers data maintenance/recovery and items such as working remotely.
<p>Are companies moving to more global policies?</p>	<ul style="list-style-type: none"> • Yes, we're seeing a move toward global policies to support more consistency in approach and administration, yet we're seeing an awareness that there must be regional flexibility, as well.
<p>In Brazil, bodily injury liability is the only liability required for local purchase, leaving responsibility for driver's insurance solely on the driver. Is this the same in China and other communities with a large population of expats?</p>	<ul style="list-style-type: none"> • We usually advise employees to purchase driver's insurance if they are going to be driving; that's certainly the case in Brazil. In many hardship countries, such as China, it is a more standard practice to provide cars and drivers, so the issue is obviously not as great.
<p>Is it common to have kidnap and ransom insurance included in relocation packages in Africa?</p>	<ul style="list-style-type: none"> • This would typically be incorporated within the company's corporate travel insurance, rather than within the specific relocation package. It really depends on the risk levels in the specific location and, of course, the company's tolerance for that risk.
<p>Will the economic downturn in Brazil have any significant consequences (positive or negative) affecting relocation issues?</p>	<ul style="list-style-type: none"> • The economic downturn in Brazil is impacting overall relocation volume, as companies are sending fewer expats. We have also seen companies managing their needs via different move types (e.g., EBTs or localizations) to avoid the long-term costs.

From the three locations you have covered today, which would you say would have the highest cost of assignment, assuming all of the circumstances and conditions are the same (salary, family members, level of experience of an assignee)?

- It's difficult to pinpoint one specifically. We do know that Luanda, Angola, has among the highest housing costs, with three-bedroom houses in Luanda costing up to US\$30,000 per month. In a 2015 cost-of-living report, Mercer put four African cities in the top 20: Luanda, Angola (#1), N'Djamena, Chad (#10), Kinshasa, DRC (#13), and Lagos, Nigeria (#20).
- However, several Chinese cities were also in the mix: Shanghai (#6), Beijing (#7), Shenzhen (#14), and Guangzhou (#15). Hong Kong was #2. The only South American city in the top 20 was Buenos Aires, at #19. In Brazil, São Paulo came in at #40, and Rio de Janeiro at #67.

You talk about the downturn in Brazil. What are you seeing happen to volumes in the UK and Europe?

- We've definitely seen companies more hesitant about sending assignees into Brazil, and they are certainly less inclined to put regional headquarters there. Per our *2015 Biggest Challenges* survey, Europe had the second-largest increase in relocation volume, maintaining its position from last year, yet increasing seven percentage points. Europe also came in second place in regions most important to business goals.

Have you seen companies actually building housing for their employees in certain areas, or partnering with local builders to do so?

- Certainly, we've seen this in some areas, most particularly in some remote areas in Africa where there is simply no housing available, and where they know they will be continuing to send volume.