

# Jelf International Insights



In this edition, Jelf International highlights new legislation, key requirements and policy considerations when structuring International Private Medical Insurance (IPMI) for expatriate employees in Qatar.

Legislative changes, benefit appropriateness and creating a wellbeing at work culture are key areas of focus for progressive employers in Qatar. This edition will be of particular interest to Global Human Resource Directors, Compensation & Benefits Specialists and Mobility Managers who have employee populations in Qatar.

## The Environment

In the year that Qatar Airways announced a direct flight between Edinburgh and Doha, one of South Korea's largest builders won a contract worth \$910m to complete a 200 kilometre motorway connecting the Mesaieed region with Ras Laffan Industrial City according to regional commentator Arabian Supply Chain. It becomes evident that significant investment is flowing both in and out of what is widely proclaimed as the next economic power in the Gulf, after UAE and the Kingdom of Saudi Arabia. Ranked in 2014 at 48 in The World Bank's Ease of Doing Business Index, ahead of Russia, Kazakhstan, China and Brazil, it is an energy-based economy with over 86% of exports based on either oil or liquefied gas. Economic growth estimates in this oil rich state is nearing 18.7% GDP growth (CIA Worldfactbook) and with a highly educated national workforce, it is becoming increasingly more attractive to foreign investors looking beyond the UAE for a Middle Eastern operation. Major infrastructure projects have been aimed at diversifying the economy away from its overreliance on energy and as the host of the 2022 World Cup, further international interest is expected to follow into Qatar.

Most of the working population is expatriate from South Asia, Europe and United States, with many expatriates in the state having senior roles in Financial Services and Professions. Simultaneously the majority of the blue collar workforce is also expatriate, predominately from Egypt and South Asia. Unemployment is below 1% and none of its 1.26 million nationals are estimated to live below the poverty line. Furthermore Qatar does not levy personal income tax on employee earnings, making it an attractive relocation for expatriate employees.

## Access to healthcare

Provision of healthcare in Qatar is amongst the best in the Middle East region, and was recently ranked at the top of healthcare expenditure in the Gulf Cooperation Council Countries (GCC), by the World Health Organisation. Spending \$1.67bn US on healthcare and related projects has provided Qatar's citizens with some of the best qualified medical staff and most up to date facilities. In Doha alone there are 5 public hospitals, of which 4 are privately run, 23 healthcare centres and over 200 private outpatient clinics. Facilities including Rumalliah Hospital, Al Khor General and Hamad Medical Corporation will be familiar to the expatriate community in Qatar, as many house English speaking staff and are well respected facilities.

The medical insurance market is less developed than that of neighbouring UAE, however some international insurers including Aetna International and Aviva Health have been early entrants into the market, partnering with locally registered insurance companies (Al Kaleej Takaful and Qatar Insurance Company respectively) to ensure that employers have access to locally compliant, recognised cover which is backed by a leading Western IPMI provider. When selecting an insurer to cover your expatriate population in Qatar, it's critical to consider their local Qatari partner and their relationship with local medical facilities.

## Legislation

A programme of healthcare reform has been ongoing for the past three years and aims to standardise a mandated medical insurance coverage and delivery of care for both Qatari nationals and expatriates alike. The new scheme is enacted through Law No 7 of 2013 concerning the Social Health Insurance Scheme (**The Health Insurance Law**). The Implementing and Executive Regulations have already been issued, which sets out a Basic Healthcare Services for mandatory insurance. Article 16 of the Health Insurance Law mandates health insurance companies (including international insurers) to have its place of business in Qatar and therefore registered with the Supreme Council of Health and other Government Authorities in Qatar. In the first quarter of 2015 coverage for white collar non-nationals and visitors will



be introduced and blue collar non-national workers will be included in the final phase of the scheme by the end of 2015. The establishment of the National Health Insurance Company, and the National Health Insurance Scheme (NHIS) have been key to the reforms, aimed at taking better care of the medical needs of its citizens. Under the new legislation the Qatari government pays premiums for local nationals; however employers with expatriates in Qatar are legally obliged to pay premiums on behalf of their employees.

The law states that employers will not be issued with residence permits for their staff unless they have subscribed to the NHIS and have suitable coverage in place. The reforms also cover specific medical benefit limits (a full list of which is available from Jelf International) for example, pre-existing medical conditions cannot be excluded and cover for congenital anomalies is mandatory up to full coverage. There is going to be an initiative between phasing in the mandatory coverage whereby the National Health Insurance Company & the Scheme will work with private health insurers in order to transition their member schemes to compliant plans to avoid double coverage. Although there is no detail around this in the legislation.

Employers operating in the region should pay careful attention to the actual cost of medical care in the Gulf region and the mandated benefit guidelines, before selecting a plan design. Jelf International can provide a full breakdown of the legislation, key dates and make a suitable, locally compliant recommendation for your international employees in Qatar.

## Jelf International - your trusted consultancy partner

As a leader in Employee Benefits consultancy, our clients benefit from our attention to detail, exceptional experience and a robust review process. We help our global clients manage:

- ◆ International healthcare spend
- ◆ Member experience
- ◆ Administration
- ◆ Benchmarking against competitors' benefits
- ◆ Review of insurers
- ◆ Financial analysis and projections

Our consultative approach and background in insurance, financial planning and employee benefits offers our clients a full service consultancy, with in depth knowledge and international experience.

## Jelf International assesses:

- ◆ **Legal framework**  
To confirm your coverage is compliant, and allowing you a flexible approach to recruitment.
- ◆ **Recognition**  
To ensure that your insurer is widely recognised and accepted in the region.
- ◆ **Plan design**  
To reflect local costs of healthcare and associated risks.
- ◆ **Service delivery**  
To help ensure peace of mind and business continuity.

## Contact Us

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## Sources:

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