

The first meeting of the HR SIG took place in January and members have met about every six weeks since then. Membership comprises some 15 UK professionals employed in a variety of HR-related activities in the Kingdom and together constituting a powerful combination of skills and experience in the HR side of the business.

Saudiisation has now come to the top of the Saudi Agenda for both socio-economic and political reasons. This SIG has determined to be a source of informed advice on human resource affairs in the

Kingdom, to the UK business community working in Saudi Arabia or contemplating establishing business here, and to Saudis seeking best practice in human resource management of which the UK is exemplar. Its interests embrace all aspects of HR development, and legislation governing employer and employee rights.

Members are invited to consult with the HR SIG on any HR issues that may be affecting their business. If we don't know the answer we will surely know someone that does.

HR SIG



Wes Harry
Deputy Chairman
HR SIG

MEDICAL INSURANCE

The HR SIG has been sharing information on a number of topics of interest to employers in the kingdom. One issue which will soon affect all employers with more than 500 expatriate staff (including their dependents) is medical insurance.

Most RGBB members will be aware that the government of Saudi Arabia intends to make medical insurance compulsory for all non-Saudis. This medical insurance is to be provided by authorised insurance companies and its cost will largely be borne by employers.

There are probably a number of reasons for the medical insurance scheme but a crucial factor is likely to be the cost to government health services of providing free medical services to those non Saudis who cannot afford treatment and whose employers refuse to pay. A number of other GCC states have already introduced compulsory medical insurance schemes to deal with this issue and to shift the burden of expatriate costs from government to the private sector. Perhaps more crucially, the government has made known its intention to extend the compulsory medical insurance scheme to Saudis in due course.

The date for the introduction of compulsory medical insurance has not yet been determined but it is likely to be soon. Some major employers have decided not to wait for the compulsory scheme and are far advanced in their negotiations with insurance companies to introduce schemes. The costs to employers could be substantial but the benefits should not be ignored. For a start, those employers who currently provide medical service benefits are no

doubt employing staff to administer the scheme. In future this burden will largely be outsourced, as the insurance company will undertake much of the administration and negotiations with medical service suppliers. Further, since the premiums for this insurance are largely experience-based, the bulk purchasing power of some insurance companies will certainly enable premium savings to the individual employer in the form of enhanced discounts with the medical service providers themselves. Furthermore, there is currently significant investment in IT improvements by insurers which will enable better trend analysis and fraud prevention too.

The employers will not be able to sit back, though, as they will have to make sure they negotiate a good deal with the selected insurance provider and be certain that the promised standard of care is provided to staff.

The role of the employer will change in a subtle way because he will now be on the side of the employee negotiating with the insurance company instead of always looking for best value for the company.

Insurance companies are keen to develop this business and show that they can perform an effective role could be extended into other areas such as vehicle insurance (which may also become compulsory).

Below I have given two useful web sites of insurers offering Medical Insurance and the email address of one of our HR-SIG/RGBB members.

<http://www.saudinsure.com/>
<http://www.ncci.com.sa>
andrew.greenwood@notes.royalsun.com

GIA to expedite Visas for foreign businessmen

According to a report in the Arab News in May, the General Investment Authority will facilitate visa formalities for foreign businessmen who wish to attend investment related activities in the Kingdom.

Chambers of Commerce will continue to be the recommending authorities for visas related to export/import business.

Foreign businessmen will be advised to send in their applications to the GIA, furnishing details of their passport, intended duration of stay, purpose of visit and other relevant information. They should specify the city where the Saudi Mission is located and from where the Visa should be issued.

Both foreign and local businessmen have welcomed the initiative and believe the rules could be further simplified in the future.

NEW VISA FORMALITIES