

International Health and Medical Insurance for Expats

Contributed by OffshoreWorld
Sunday, 05 October 2008
Last Updated Friday, 23 October 2009

International Health Insurance - maybe not an interesting subject, and probably something we don't care to think about too much. But a very important topic for expats nonetheless! When it comes to taking care of your health and that of your family, it's never too early to plan ahead.

If you are contemplating moving abroad to retire or work as an expat, or you're already living an international PT/sovereign individual lifestyle, it's extremely important to have this aspect "covered." This service for Offshore World is provided by our recommended insurance brokers ExpatriateMedical.net who have kindly contributed the following article.

Do you need an international medical policy?

If you are already reading this, then most likely yes!

Accidents and mishaps occur when least expected, and in some of the most remote places. What happens if you are injured in a skiing accident in the mountains of Andorra, or suddenly struck down by a mysterious fever in the Paraguayan Chaco?

Although you need health insurance, it may not be necessary to buy the most expensive policy around. There are other good value healthcare options, and you don't need to waste money buying coverage you don't need. And there's more good news, especially for Americans and Canadians seeking health insurance overseas... this kind of comprehensive international insurance is generally less expensive than comparable US coverage. Why? Because the insurer knows that most regular claims will be paid outside of the USA, where medical costs are generally much lower.

Here's a crash course in International Health Insurance.

An International Plan, or Domestic In-Country Insurance?

Sometimes expats wrongly assume that they must buy insurance from an international company, or one from their country of origin, that covers them for living abroad. Such plans are usually good but tend to be expensive.

Most countries have domestic insurance plans, designed for residents of that country. If you are planning to work or retire abroad and live most of your time in one country, then one of these domestic plans may well work out best for you, as they tend to cost less than true worldwide medical insurance.

Once you have official residence papers, you will qualify for these plans. These may be either government-operated social security programs, or private medical coverage offered by local insurance companies, mutual plans, or a combination of these (as is common in France for example). Sometimes it is not easy to get information on these plans, especially if you don't speak the local language. But researching the matter thoroughly could well result in coverage that is just as good for your circumstances, but at a much lower cost.

Coverage varies vastly from country to country, and even from plan to plan within one country. This is something to analyze very carefully, preferably with the help of an expert.

Domestic Plans with Temporary International Coverage?

Better domestic plans will cover you for a certain limited time while you are travelling abroad, but there are often strict limitations on this as they are not intended as travel insurance replacements. Therefore, these national policies can be supplemented by a separate travel insurance policy that you can buy easily online at a daily rate for the days you are travelling away from your home base.

An example is the Atlas Series, underwritten at Lloyds of London and available from <http://www.expatriatmedical.net> This is a flexible plan for travellers which allows you to buy coverage from five days up to a year. However, it is intended for travel and cannot be regarded as a substitute for a full basic medical policy.

State vs. Private Healthcare Providers

Going back to the domestic plans, it's important first of all to understand what is covered - or, perhaps more importantly, what are the exclusions. Most policies cover basic hospitalization, but does the plan you are being offered cover wellness clinics, regular checkups or routine mammograms? How about pregnancy… and will the policy automatically cover newborn babies? What about homeopathic treatments? Dental coverage? Sporting accidents? Organ transplants? HIV? Of course you may be content to go for a cheaper policy which won't cover all this, but it's important to be aware and to compare like for like.

Then, talk to locals and other expats with relevant experience about the quality of the care you can expect when faced with the need.

These days medical services are more advanced than many people believe, even in developing countries. For example in Latin America or the Caribbean, you will frequently find doctors who have been trained in English in the United States. They are trained to first world standards, and work with first world equipment, but this quality care costs a fraction of what it would in the US. Hence the growth in medical tourism.

Of course the most important factor to consider is the actual quality of medical services. Don't forget, however, to consider the level of personal service you can expect. A typical problem in many countries is that the state healthcare system, being the biggest, has access to the widest range of specialist doctors and the most advanced equipment. But

doctors and nurses are stressed out, don't have time to give patients the attention they deserve, and may even be lacking basic medicines and supplies. If you have to spend time in hospital, you want to be in a pleasant environment with a private room and hotel-style services, not an overcrowded communal ward with no air conditioning.

Yes, private hospitals will treat you much better… but especially in developing countries and outside major cities, they can be small and not so well equipped. They can handle routine matters, but if you need complicated treatments or surgical processes you may find these private clinics lacking in sufficient expertise or modern medical equipment.

Ideally, therefore, you'll want to be able to choose state or private medical care at the time you actually need the care. This usually means you will need to contract a domestic private medical insurance, and sometimes a separate state insurance.

Emergency Medical Evacuation

In extreme cases, for example in island nations of the Caribbean, or smaller countries like Andorra or Liechtenstein, you may even need to be transferred to another country for the treatment you need. If this could happen in your adopted country of residence, it's very important to ensure that domestic plans cover not just the overseas healthcare costs, but also the cost of the medical evacuation itself - an air ambulance if necessary, a doctor or nurse to accompany you, airfares and hotel accommodation for family members visiting you, and more.

Coverage for External Consultations

If you are in good health you probably don't need insurance which covers every single doctor's appointment. In many countries a visit to a doctor need not cost the earth - typically under \$50 for a consultation and common medicines. If you only visit the doctor once a year on average, it will be much cheaper for you just to pay the consultation in cash, not to mention the paperwork hassles you will save by not having to submit a claim. This way you can keep premiums and paperwork to a minimum.

We normally recommend our clients to buy insurance cover for catastrophes. In the unfortunate event that you are involved in an accident or diagnosed with a serious illness, you need to be sure that you are covered for the best possible medical care. Beyond that, you need to think about what would happen to your income in this case.

Fully International Health Plans

Domestic plans provide good coverage if you are moving to one particular foreign country. However, if you are a committed internationalist and traveller, and you want the maximum flexibility to choose any doctor, any hospital, any place in the world… only a fully international plan will do.

When it comes to plans that are truly international, the choice is limited. Many providers limit coverage depending on

your country of citizenship or residence… this might make their underwriting easier, but seems to me to defeat the whole object of international insurance. Frequently my clients have different citizenships and countries of residence within the same family, and are looking for a comprehensive plan that will cover them anywhere… no ifs, no buts!

One good insurance company that offers unrestricted coverage is International Health Insurance of Denmark (www.ihl.dk) I should point out that I have no affiliation whatsoever with this company, but have heard excellent reports on it over a period of many years.

The problem with IHI is that their coverage is very expensive. You can check the exact prices via their website. A lower cost option is that offered by my own company, Expat Medical (www.expatmedical.net) In fact there are two options: CitizenSecure and CitizenSecure Economy. For full details of the coverage, together with online quotations, you can visit the website.

The thing I like about the CitizenSecure series is the flexibility. First of all, it's available to citizens of all countries of the world who are at least age 14 days and not older than age 74.

The basic policy offers you almost total freedom of choice when it comes to doctors and hospitals anywhere in the world - allowing you, for example, to choose between state or private hospitals. CitizenSecure policies are administered by a reputable US company, Multinational Underwriters (MNU) a subsidiary of HCC Insurance Holdings, and are ultimately underwritten by Lloyds of London. Rated 'A' (Excellent) by AM Best Company and 'A' (Strong) by Standard and Poors, Lloyds provides financial strength and security that is unparalleled in the worldwide insurance market.

However, you can choose a couple of options that will reduce the premiums considerably, without unduly inconveniencing you. One is the option to exclude coverage in US and Canada, the most expensive healthcare in the world. Many people simply don't need this coverage. Let's say for example you live far away from the states in Asia or Europe, or if you already have US coverage such as Medicare or Veterans' Administration coverage - or Canadian Social Security in the case of Canadians - then this plan gives you the flexibility to reduce premiums considerably by excluding this unnecessary cover, without compromising the quality you need.

The other interesting option is to choose a large deductible, which again makes a big difference to the cost. As I said earlier, you really need to ensure you have the best coverage for major catastrophes. But you might well find you can get a better deal on minor, routine surgery simply by paying cash at your local hospital. And, if the worst comes to the worst, you could charge a few thousand dollars to your credit card for emergency coverage and then worry about it later. By covering these small risks yourself, you can again cut your premium substantially, again without compromising on the really important cover.

To give you an example, by accepting a US\$5000 deductible instead of \$250, the CitizenSecure plan allows you to cut your premium approximately in half.

Needless to say the CitizenSecure series also includes a broad range of extra services, such as a 24/7 telephone service to help you out in emergencies wherever you are in the world. Not only can they refer you to a reputable English speaking doctor or arrange a medical evacuation, but they will also help with less life threatening emergencies such as lost passports and credit cards, emergency cash transfers and so on.

And one other caveat… this article is intended to be an overview, not an offer or a statement of coverage. For full details on the respective policies, please visit our website.

What Will it Cost Me?

The good news, especially for Americans and Canadians, is that this kind of comprehensive international insurance is generally less expensive than comparable US coverage. Why? Because the insurer knows that most regular claims will be paid outside of the USA, where medical costs are generally much lower.

Rather than give examples here, I would invite you to click over to www.expatsmedical.net Just by entering your age and one or two other details, you can get an exact online quotation in a matter of seconds. You don't need to give your name, email address or any personal details to get a quotation.

Conclusion

In addition to the outline of plans described here, a variety of other policies are available with different types of coverage. We also offer products such as Term Life Insurance, group policies and accident insurance… all for international citizens. Whatever your needs or circumstances, researching your health insurance options is an important part of planning your international lifestyle. Be sure to look at plans offered by various reputable insurance companies, read the fine print and ask questions if there are items you don't understand. A wise choice can protect your health and your wealth.

Further reading on overseas insurance: The writer is a consultant with Expat Medical, an offshore brokerage representing international underwriters based in the US, Europe and Bermuda. He is very happy to correspond with Offshore World readers and answer informal questions, on the understanding that he cannot give legal advice. He can be contacted via www.ExpatMedical.net