

HEALTH INSURANCE TO GO

Exotic foods and rounds of corporate cocktail parties may make expatriates sick, but the medical bills in some countries could make them considerably sicker. This article explains some of the matters to be considered when arranging international health insurance.

Health insurance for expatriates is a misunderstood subject:

- Many organisations make arrangements within the framework of their corporate or business travel policy - rather than utilising a purpose designed international health insurance policy.
- Many expatriates leave arranging cover until they are overseas - they may not always have access to competitive options and/or superior policy coverage.
- Many do nothing - “it will not happen to me”

Some carefully research the market and make arrangements before going overseas.

Expatriates need to know that if something serious happens they will be covered. Although New Zealand has reciprocal arrangements with some countries, it is still advisable to take out health insurance. Standards of state provided healthcare can vary from country to country and so do waiting lists and queues.

In some countries such as the USA medical bills have the potential to wipe out personal savings if medical expenses are not insured.

SPECIAL CONSIDERATIONS

There are special considerations that expatriates must address before final decisions are made and these are:

- The length of appointment and /or future intentions
- Nature of work
- Local conditions
- Age and individual or family responsibilities

Find out as much as possible in advance about the destination and the standard and cost of medical care. North America is by far the most expensive area for medical costs but costs in the Gulf States and industrialised Asia can also be expensive.

TYPES OF POLICIES

Choose a health insurer who will pay hospital bills direct rather than one that leaves the client to settle and seek reimbursement at a later date. Leading international health insurers have direct links with hospitals around the world to ensure their clients do not have to pay up front.

International health insurance policies fall into two categories:

- Yearly renewable
- Guaranteed renewable

Yearly renewable policies are just that. Each year the insurer invites renewal but there is no compulsion to do so. A change of insurance arrangements may result if the:

- Expatriate's health deteriorates
- Corporate claims experience has been high

Expatriates may then find themselves with no cover or at best with cover on altered terms and when this occurs such a situation can only produce anxiety at a time when peace of mind is required. The best type of cover for anybody spending a long period overseas is a guaranteed renewable policy.

Guaranteed renewable cover still has cancellation provisions but they relate to non-payment of premiums.

- The benefit of having a guaranteed renewable policy is
- Remains in force for natural life, depending on the insurer
- Is fully portable
- Is fully underwritten so it can include qualifying pre-existing conditions. In some cases the insurer will impose a premium loading or modify the policy conditions.

Premiums will increase with age and become increasingly expensive for the elderly, similar to health insurance costs at home. Under some plans children under age 9 are insured free of charge.

FLEXIBILITY

International health policies can be arranged so they:

- Provide a comprehensive range of in-hospital and out-of-hospital benefits.
- Apply to hospital only expenses - major medical.
- Include reimbursement of dental and optical expenses (the same as executive health plans in New Zealand).
- Are on full reimbursement basis or, if cost minimisation is desirable, an annual excess per person can apply.

WORLDWIDE COVER

Do not fall into the trap of relying on a corporate travel policy to provide adequate cover - they are intended for travel-related claims and just that. Once in force an international medical expenses policy will be fully worldwide in scope. Some insurers however, have regional premium rating to reflect medical costs in different zones of the world.

TOP PRIORITY

Those offered work on a self-employed basis will generally need to make their own private arrangements. But for expatriates in employment they should wherever possible insist on private healthcare as part of their employment package. Most top multinational companies and government agencies automatically cover employees but there may be gaps in the provision of insurance for spouses and families - it always pays to check on this aspect.

Superior international health insurance policies give expatriates the ability to make their own arrangements with confidence - doctors who speak their own language, a hospital or facility of their choice without bureaucratic difficulties and waiting lists.

Next to housing and food, health insurance should be the top priority for New Zealanders living abroad. With the price of overseas medical expenses, the cost of failing to get arrangements right could have a crippling effect. The solution is to make careful arrangements in relation to expatriate medical insurance and to ensure worldwide emergency evacuation and repatriation assistance is also in force.

ADDITIONAL SERVICES

Value added services are also important - this distinguishes between providers who are just selling you a product compared to those who have a real interest in your well being. For example:

- Global support provided by offices and partners across the globe and international provider access. Blood and blood transfusion products.
- Country reports and travel safe information, access to up to date information about the general and political risks and health reports of the country you will be living in or visiting.
- Web enablement - this is a most important consideration for expatriates who may be based in remote areas - knowing that you can access your personal information, attend to personal administration in relation to your insurance and also obtain health information online.

CONCLUSION

We have had a long experience providing assistance to New Zealanders based overseas. Our personnel have travelled extensively and are familiar with the risks of travelling and living in remote regions.

Use our experience to help you avoid the pitfalls and challenges that can be encountered overseas; we provide the security that you need by working in partnership with strong and respected insurers to give you global service. Through our network of contacts, we are able to advise you on the personal risk protection solutions necessary for financial security essential for your time overseas.

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