

Travel Health Insurance: The Unexpected New Necessity

by BRENDAN SHARKEY

Last year, over 73 million Americans traveled internationally on work assignments, leisure travel, or study abroad programs. The seasoned traveler or veteran global citizen is likely to be familiar with the benefits offered by travel health insurance – namely the relative affordability of the coverage in comparison to a domestic health insurance plan, access to quality medical care internationally, and 24/7 customer support. However, millions of Americans still meticulously prepare and make arrangements for their trips while remaining unaware of the risks they may encounter by not taking equal measures when it comes to their medical care while abroad.

Domestic health insurance plans are designed to work best domestically and may leave critical gaps in international care. Many travelers may be surprised to learn that services covered by their domestic carrier overseas are strictly on a “pay and claim” basis, leaving subscribers to absorb sometimes pro-



hibitively high medical costs, depending on the treatment they are administered. Travelers sometimes face a serious medical emergency that requires a medical evacuation using an air ambulance or an expensive medical procedure. Most travelers are not in a position to make an upfront payment in the tens of thousands of dollars to secure these services and then file a claim with their domestic health insurance carrier when they return home. Keep in mind, most domestic plans don't cover expensive medical evacuations. For those that say they do, good luck finding the actual terms of coverage spelled out in a certificate of insurance.

If the unexpected isn't enough to put travel health insurance at the forefront of your pre-trip planning list, consider the routine. The majority of our medical cases outside of the U.S. have been for routine sick visits, infections, common digestive problems, management of a chronic illness, orthopedic visits, and primary care.

Traditional travel insurance, which many travelers do rely on, may also leave critical gaps. Travel insurance is mostly designed to protect against the cost of the trip with a focus on trip cancellation, interruption, and baggage loss benefits. These policies typically provide medical care only in the case of medical emergencies and have little to no coverage for non-urgent or routine medical care. Travel health insurance offers seamless payment from insurer to a health-care provider and incorporates routine and primary care, bridging the gap between the traditional secondary or supplemental coverage (coupled with a traveler's existing domestic plan) and a primary, more comprehensive travel health insurance package.

The need for travel insurance went beyond trip cancellation or lost luggage for the tens of thousands of college students in Paris at the epicenter of the November 13, 2015 terror attacks and the millions of travelers heading to Zika-impacted Rio de Janeiro in the summer of 2016. Suddenly, tangible risks threatened their safety and well being. Travel health insurance plans that covered medical services and evacuation were a vital lifeline and source of support. In light of the terrorist events



and epidemics of the last few years, a whole range of integrated disaster response services is now available with travel health insurance, including video consultations, specialist referrals, medical evacuations where local treatment is sub par and political and natural disaster evacuation.

Take the recent story of a college student who embarked on an exciting post-graduation trip around the world. Her adventure brought her to Chiang Mai, Thailand where she began exhibiting symptoms of typhoid fever, which is rare in the United States, but much more prevalent there. When she purchased her individual travel health insurance plan, she admittedly put little (if any) thought into the idea of ever needing to access the benefits. At her sickest and most vulnerable, in a country where she was not familiar with the medical system nor the language, she now looks back on that coverage as her most vital lifeline and clearest path to recovery.

Additionally, the duration of a subscriber's time abroad or on assignment is significant in determining the appropriate insurance for their needs. Expats in particular, (categorized under periods of a relocation of six months or more), need insurance that provides robust benefits that are not simply limited to emergency treatment since the likelihood of accessing healthcare in their host location is significantly increased. Aside from the limitations of their domestic U.S. health insurance

policies in terms of the overseas coverage and network, expats should pay close attention to the fine print. While eligibility requirements may vary, many can find themselves no longer insured under their domestic plan after as early as 60 days living and working outside of their home service area.

When it comes to travel health insurance, the writing has been on the wall for decades. In the past 20 years, the number of Americans holding passports has increased by 300% to almost 19 million; statistics suggest that the uptick of applications continues monthly. The availability of travel health insurance and the variety of coverage options will only continue to correlate directly with this trend. Brokers will continue to be a resource for their clients in need of these valuable solutions.

We must bring that same vigilance we hold in insuring our luggage and itineraries to our physical health and security. ★

Brendan Sharkey is the director of Individual Products for GeoBlue. From the nuts and bolts of international health insurance to the crucial themes of global health and safety, Brendan is frequently called upon to discuss the global insurance landscape. His contributions include CNBC "Squawk Box," WGN AM Talk Radio, Forbes, The Wall Street Journal, NY Times, USA Today, LA Times, among others. A citizen of the world, Brendan has lived in Scotland, Canada, Australia, and the United States. To contact Brendan Sharkey email bsharkey@geoblue.com.