

Travel Insurance

LEAVING IT ALL UP TO YOUR DOMESTIC INSURANCE POLICY AND LEAVING IT ALL UP TO CHANCE

By BRENDAN SHARKEY

If you have ever been to Dhaka, Bangladesh, you know firsthand that its streets are crowded, sweltering, chaotic and buzzing. It was precisely in this densely-populated intersection of cultures, sights and experiences that an American tourist began feeling disoriented, short of breath and on the verge of what would be the first of several seizures. An urgent admission to the closest intensive care unit would later reveal what her sudden onset was all about. It was encephalitis, an infection that causes swelling of the brain, reportedly on the rise in Dhaka and its nearby villages. This infection resulted in a staggering 28-day hospitalization followed by an air ambulance evacuation back to the United States costing hundreds of thousands of dollars, for which she was fully covered. Behind the scenes, her health insurance company worked on all the arrangements to deploy the aircraft and carry out the mission that would bring her back to her loved ones, where a hospital room in her receiving care facility was ready immediately upon her arrival. This was only possible because she purchased supplemental travel medical insurance prior to her trip. (See cost breakdown in case study.)

Everyone knows someone who suffered a terrible affliction or mishap while far from home, when they were the most vulnerable and “out of their element.” And yet so many travelers still operate under a false sense of security, not fully realizing the limitations of their domestic insurance internationally, or the scope of that coverage. This is to say nothing of the assistance services

and lifelines that supplemental insurance provides that a domestic insurance policy flat out won't offer. Below are common questions and misconceptions that brokers are hearing directly from their customers and some effective talking points for countering them and closing the sale.

“I have some international benefits already, so I am assuming the essentials are at least covered. Wait...what are the essentials?”

True, there is some uncertainty in our domestic insurance marketplace nowadays, but for the time being the Affordable Care Act remains the law of the land. Domestic insurance companies are still bound by certain baseline requirements that they must offer their members at home; not so the second you set foot outside of the U.S.

Domestic insurance plans typically don't include international coverage for:

- Travel expenses for a spouse or family member to join you during a hospitalization or evacuation
- Your choice of provider – you may be limited to an urgent care clinic or have only one option for local treatment, regardless of how inadequate the services may seem
- Repatriation benefits to cover or arrange the transportation of your remains home should you pass away
- Any situation that they don't deem an

“emergency”: that unfortunate case of the shingles or food poisoning won't be covered, no matter how much discomfort or pain it caused you.

“I've spent quite a lot on my vacation, why do I need to spring for additional health insurance too?”

Even if your expenses are covered through your domestic insurance, you will most likely be paying out of pocket first. Depending on where you are traveling, you may be denied care, transportation or detained from leaving the hospital if you can't hand over a credit card with enough of a limit to cover all the charges. It's safe to assume that most travelers don't have tens of thousands of dollars at their disposal to pay for lengthy admissions, evacuations that can go into the six-figure range and expensive surgeries, leaving them vulnerable to embarrassing loans from family and friends, financial ruin or worse, being cut off from lifesaving services. Filing a claim usually involves providing itemized receipts in English which is neither realistic nor practical in some parts of the world, and may require additional costs just to facilitate a translation.

“Well that type of stuff doesn't really happen to people in my age group.”

There is undoubtedly a market for the younger crowd. Millennials are traveling more often and for longer than generations that preceded them and are more likely to partake in active adventures that could result in complicated injuries.

The 65-year-old plus demographic is definitely trending toward this type of coverage as well, with some brokers re-

garding them as better prepared, more responsible and well-informed because of their likelihood to have one or more pre-existing medical conditions and an increased intake of maintenance medications. But others are troubled by the obstacles they still face in convincing senior citizens and retirees of just how vital supplemental travel medical insurance is. Many are buying into the notion that Medicare supplemental is equivalent to it. It's not. And it's important to stress to them that Medicare supplemental only provides a \$50,000 maximum per lifetime of the enrollee; all it would take is one high-dollar injury or illness to deplete those funds or, worse, exceed it, leaving them to absorb the coverage. Add to this the limitations on what is covered (particularly that there is no evacuation coverage), a lack of international or personalized assistance, and no "cashless service" to speak of, and you can easily paint a pretty grim picture of a vacation gone terribly awry due to having the wrong type of insurance, or not enough of it.

"Give me a real-life example of the risk of assuming I am covered adequately under my domestic insurance."

While there may be a slight advantage to having insurance through a major company that international providers might recognize (as opposed to a regional carrier), your domestic plan will still close its phone lines every evening and weekend, or lack a network of trusted providers in other countries. William Adams of Adams Insurance Services recalls one story of a client traveling without supplemental international coverage who needed urgent medical assistance in Barcelona and was left to fend for herself. "She was left to look for a hospital and cover the costs all on her own. There was no assistance available to her during what was already an extremely stressful period in her life."

Or, just ask Susan White, an insurance broker who focuses on Medicare, if forgoing supplemental travel health insurance coverage is a good idea. "I had a client going on a cruise in the Panama Canal who decided to stick with his primary insurance. Guess what? His wife started feeling sick immediately after their ship set out and needed care.

Case Study of a Traveler in Dhaka, Bangladesh on a Typical International Health Insurance Policy

▶ MEDICAL SITUATION

Member suffered intense disorientation, respiratory distress, and seizures and went into treatment in the cardiac care unit of the local public hospital.



▶ DIAGNOSIS

Encephalitis

▶ ACTION

The member's international health insurance reps worked with the hospital to monitor progress during the several week stay in the ICU and began coordinating the transfer to a more adequate facility.

▶ OUTCOME

Despite the fact the patient would not be stable enough to travel commercially, they needed to get to a higher level of care: An air ambulance with full medical support was arranged and covered by the international health insurance, to safely transport the member back to the U.S. for long-term care.

Cost for medical expenses in Dhaka	\$30,000
Cost of air ambulance back to the U.S.	\$148,000
Total Incurred Expenses	\$178,000
Premium paid for plan	\$210.00

Member Benefit	Customary Domestic Coverage	Customary International Plan Coverage
24/7 Support and Verification of Benefits	Not Included	Included
Routine/Office Visits/Prescriptions	Not Included	Covered
Mental Health, Physical Therapy	Not Included	Covered
Medical Evacuation & Repatriation	Not Included	Covered
Coverage for Bedside Visit	Not Included	Covered
Travel Accidental Death and Dismemberment	Not Included	Covered
Direct Settlement for Outpatient Care	Not Included	Covered

They racked up the medical expenses, had no evacuation coverage and what's worse, they found out their domestic insurer didn't cover any treatment rendered six hours away or more, from a U.S. port."

Not all supplemental travel health insurance is the same. When helping your clients choose a great policy, pay attention to the assistance component of that plan:

- Can the insurance company be reached 24/7/365 from anywhere in the world?
- Is their global network of providers extensive and what are the qualifications and standards they use to vet them?
- Do they offer translation services and at what cost, if any?
- Is direct payment available, offering a true seamless billing experience for your client while overseas?
- Do they have user-friendly tools? Travelers of all ages are relying on mobile apps to access their plans internationally


The international coverage offered by primary health insurance policies is

simply not enough.

Remember our subject from the beginning of the article? What are the odds of her having had six-figures in cash or credit limit to initially pay for the emergency services she desperately needed to survive? Could she really have been expected to coordinate her own life-saving evacuation and hospital admission back home, from her hospital room in Dhaka, thousands of miles away? As the broker, you know the answers to these questions and know trusted solutions are available for just dollars a day. ★



Brendan Sharkey is the director of individual product sales for GeoBlue. GeoBlue is the trade name for the international health insurance programs of Worldwide Insurance Services, an independent licensee of the Blue Cross Blue Shield Association. GeoBlue combines mobile technology and worldwide healthcare expertise to deliver assistance and health benefits for the health, safety and convenience of world travelers.



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