

Why international health insurance?

Local health plans may not cover those whose lives span two countries

In view of the wide variety of international private medical insurance plans available from many different providers worldwide, anyone interested in such insurance is hard pressed to make a well-informed choice that is appropriate to their situation and requirements. Indeed, of the large number of private medical plans available, only relatively few are worth considering at all.

In international health insurance too, you have to read the small print and in the end you get what you pay for. Such insurance plans do not normally provide cover for pre-existing conditions (and if they do, then only after a two to five-year waiting period), neither are items such as cosmetic treatment or alternative medicines included. But otherwise, the extent of coverage and the services offered depend mainly on your budget. Interestingly, however, this principle is sometimes compromised by a few expensive plans that offer surprisingly little in terms of coverage.

Local or international

Quite generally, insurance makes sense for everyone. Even if you have substantial funds to pay all your medical bills yourself, it is never-

theless sensible to take out appropriate health cover as both short and long-term benefits practically always outweigh the costs. So the principal question to ask is whether to opt for local or international health insurance. The answer depends on your individual circumstances.

Many countries run a compulsory health insurance scheme or a public health-care system which provides at least basic cover. Domestic insurers also offer different types of private medical insurance, inclusive of cover for temporary stays abroad.

In most countries, however, the coverage offered by local health insurers is limited to residents of that country. If someone moves abroad, their policy will normally not be continued. They are left with a choice of finding another local insurer in their new country of residence or turning to an international health insurer. Although an international insurance policy which provides coverage independently of place of residence or duration of stay in any particular country is naturally more expensive, it is often well worth the extra cost.

Cost of cover

If you compare costs, you may find that for a particular

age band, prices under different insurance plans vary by as much as 300 per cent or even more, simply because the coverage of the different insurance plans vary greatly. Indeed, the costs of international health plans are based on a number of factors, and principally the age of the insured person.

All private insurance plans consequently charge tiered premiums with different age bands. Generally, whichever insurance plan you consider, it is advisable to take out the insurance policy as early as possible in life as this can keep the overall premium costs down later on.

Choosing the right plan

Policies differ greatly not only in their coverage of optional extras such as homeopathy, for example, but also of major eventualities such as transplants and chronic illnesses.

It is therefore relatively difficult to effectively compare the wide range of products available internationally. All too often, key insurance conditions are hidden in the small print of the policies. Also, people often look at what they currently pay but neglect to consider what will happen when they get older. The premiums of some health plans become extremely

expensive for higher age bands. Particularly if you need long-term coverage, you should not only look at the product but also at the company itself.

Check out the claims

There are many attractive policies on the market, some of them at apparently very affordable prices. However, it is advisable to check out the company's claims handling procedure, and it also makes sense to ask what the situation will be like in ten years' time and whether the health plan - or the company - is still likely to be around. The last thing you want to happen is to be in a faraway place when an emergency occurs and you need medical assistance urgently but have insufficient coverage.

A good investment

This is why, when it comes to international health insurance, most people choose more comprehensive and established plans and are generally quite prepared to pay more for good coverage that is appropriate to their needs, as the price they pay for this insurance buys them true peace of mind for themselves and their family.

Dr. André Herrmann and Marco Gantenbein of SIP Swiss Insurance Partners AG, Zurich

Why paying that little bit extra pays off

Even here in France where the public health system is so highly rated it's worth making that extra bit of investment to cover you in the event of a serious illness or accident. Like other countries, it may even give you access to treatments that could be off limits within the state budget.

The French Social Security system (*Sécu*) works on the basis that the public service medical profession invoices the patient within an agreed range. The level of cover provided by the state is usually 70 per cent of the *tarif de convention*, so a visit to your local GP for example should cost €21 and to a specialist €25. However doctors can charge more and do so, but the *Sécu* will only reimburse you 70 per cent of the agreed limit and not of the price you pay. For example, if a doctor charges €30 you will be reimbursed 70 per cent of €21.

Funding the difference

However you are affiliated to the French system, you are going to have to make your

contribution at some stage. Although 100 per cent cover is available for certain very serious conditions, such as terminal cancer, a simple diagnosis does not always grant full cover. Another concern is that it may not take account of complications arising from the original illness so you would be left funding 30 per cent of those costs. In any event, the balance not covered by *Sécu* has to be paid by the patient. If you do not have extra health insurance, this comes out of your pocket which could become expensive if for example you needed major surgery. It is perhaps worth noting here that prescribed medicines are reimbursed 35 per cent or 65 per cent by the state.

Enter the mutuelle

You will find that most French residents finance their contributions via an extra insurance policy often referred to as a *mutuelle*. Of course there is a wide choice of providers all offering an extensive range of plans

whose cost will depend on the age, general health and medication requirements of the policy holder.

Note that the *mutuelles* will reimburse you only once *Sécu* has notified them that you have been reimbursed by it for their part.

Infact, many have set up an automated system so you don't have to deal with too much paperwork and the French postal system. Some more progressive ones allow you to pay into them with a special card which enables you to pay the balance of your bill to the provider without having it deducted from your bank account until the *mutuelle* reimburses you.

The issue about how or whether you are able to join the French system is another subject and depends on if you are a European Citizen or not. The safest course of action is probably to visit your local *Caisse Primaire Assurance Maladie* (CPAM) office or talk to the equivalent organisation in your country. CL/PF

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