

Free Choices: International Private Medical Insurance

When living outside your home country, it is often better to go with an international health insurance than to find local private health cover in the new country of residence. In any event, it pays to check the available options thoroughly and for the long term, writes *Marco Gantenbein, TEP, Managing Director of Swiss Insurance Partners AG, Zurich/Switzerland.*

Settling down comfortably in a new country requires a lot of preparation and can be quite challenging. A matter of equal importance that should not be overlooked when living abroad is making sure your family and your health care needs are well covered by a health insurance that you can rely on. As an expatriate you will realise that insuring your health is top priority as some are often in a situation where they are unable to provide the best available healthcare to their loved ones due to limitations in the choice of hospital or country of treatment as stipulated by their health insurance. This is one of the reasons why having an international health insurance makes more sense than a local health policy.

Although many local private health insurance products are available it is important that you find one that suits not only your present needs but caters to your long-term needs as well, for example if you should move to another country. Domestic insurers offer different types of private medical insurance, inclusive of coverage for stays abroad. However, if someone moves abroad, their private policy will generally not be continued. Therefore they are left with finding local private coverage in their new country of residence or turning to an international health insurer.

Many countries including Singapore run a compulsory health insurance scheme or public health system which provides at least basic cover. Singapore is fast becoming a regional centre for medical care and many foreign nationals especially from Southeast Asia choose to seek treatment here for its high-tech and world-class healthcare. However, the exceptional quality of care also spells a higher cost of treatment and it is thus important to protect yourself with an international medical insurance plan. Similarly, the medical facilities in Dubai are also among some of the best in the world but the cost to an expatriate living in Dubai and using these facilities can be extremely high.

Singapore Permanent Residents and Singaporeans are required to contribute to their personal retirement plan and medical insurance. Medisave is a national healthcare savings scheme and under this scheme every working individual is required by law to set aside 6% to 8% of his or her income into a personal Medisave account. The Medisave account can be used to pay hospital expenses for individuals and their family members. Medisave savings can also be used to pay the premiums for Medishield, a medical insurance scheme for major or prolonged illnesses. Medisave contributions are also tax deductible and earn a minimum interest of 4% per annum.

However, those who do not have Medisave or Medisheild should seriously consider taking up a good health insurance policy. Furthermore, effective October 2007, Singapore's Ministry of Health will reduce medical subsidies for non-citizens at public hospitals and national medical centres. There are about 875,500 foreigners and 480,000 permanent residents in Singapore currently. With this move foreigners will have to fork out the full cost of medical treatment at public hospitals while permanent residents will have their bill subsidy percentages reduced by 5 percentage points, and another 5 the following year.

There are several options for expatriates seeking health insurance. You can consider a home country health insurance by your company which may be extended to your family. This may be possible but you need to check on the limits of cover in relation to price differences. Many employers provide medical cover for their staff at home but this is not always the case overseas and in some cases the cover is not sufficient or is inappropriate for every employee.

Singapore based companies also provide medical coverage to their employees. However, you need to check again as the level of this coverage can vary quite a bit. For those who do not have these coverage or are not comfortable with the level of coverage an international medical insurance would be a wise option.

For some foreigners living in China, medical treatment can be a major concern due to the substandard options for treatment in most places. While there are hospitals designed for international clientele, the cost could very well exceed the cost in your home country. As a result many expatriates in China including some wealthy Chinese are looking outside the country, making China a new market for international medical insurance. Most would opt for an international health insurance which can promise more and a plan that will be able to cover the high medical cost in a hospital of their choice.

One of the main reasons that make international insurance policies attractive is that they provide the benefit of coverage independent of place of residence or duration of stay in any particular country. Naturally, it is often somewhat more expensive than a purely local policy, but a few international health plans also offer a restricted-area option for those who prefer to reduce their premiums in this way. In any event, a private, international health policy gives you the freedom to choose doctors and hospitals without being restricted by your medical insurance. Thus you can choose to be treated in Singapore, Thailand, or indeed in any other country, even in Europe and the USA.

There are many health plans to choose from with benefits and prices that vary widely. Policies differ greatly not only in their coverage of optional extras, but also of major eventualities such as transplants and chronic illnesses. When comparing premiums, it is also very important to compare the same geographical area of coverage. All too often, key insurance conditions are hidden in the small print of the policies. It is therefore relatively difficult to get a good overview and understanding of all the features, benefits, exclusions, options, and premiums of the various plans and policies. Furthermore, people

often look at what they are currently paying for but neglect to consider what will happen in the future, when they get older and the premiums get higher.

In case you need long-term coverage, you should not only look at the product but also at the insurance company itself. There are many attractive policies in the market, some of which are apparently very affordable too. However, it is advisable to check the company's claims handling procedure, and to assess what the situation will be like in ten years' time and whether the health plan - or even the insurance company - will still be around. The same is of course true for low-end plans which offer poor cover.

It may be advisable to seek the help of an independent insurance consultant, who will be able to advise on the type of policy which will best suit your personal needs and recommend companies that will be able to provide the desired policy. Furthermore, you can seek advice at any time on the most suitable specialist doctors, hospitals or clinics for the type of treatment you will need.

Overall, the long-term benefits of an international private medical insurance almost always outweigh the costs in the long run. These benefits include:

- Complete, global coverage regardless of your place of residence
- Freedom to choose any specialists or hospitals worldwide
- Guaranteed lifetime renewal of the policy, regardless of age and state of health
- Full coverage regardless of your occupation, leisure interests, and sports activities

In international private health insurance, too, you have to read the small print and in the end you get what you pay for. With international health insurance, most people choose more comprehensive and established plans with 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.

Swiss Insurance Partners AG , Neustadtgasse 12 , CH-8001 Zürich
Tel. +41 44 266 22 66, Fax +41 44 266 22 67, info@sip.ch ; www.sip.ch