

HEALTH INSURANCE AND INTERNATIONAL TRAVEL: ARE YOU PROTECTED?

Know your coverage advises UStiA

The US Travel Insurance Association is advising travelers to check their health insurance policies before traveling abroad. According to a recently released study, traditional domestic health insurance, including Medicare, may not provide travelers abroad with the comprehensive medical coverage that travel insurance does.

The study concluded that most traditional domestic health insurance plans:

- typically limit coverage for out of country medical expenses to emergency-related costs;
- have high deductibles and co-pays for emergency treatment abroad;
- do not cover out-of-country emergency medical transportation in cases of emergency or life threatening illness where medical evacuation may be required.

Fifty percent of Medicare recipients may not be covered abroad

The study revealed that 50% of people insured under Medicare may not have out-of-country coverage. All standardized Medicare Plan C and some higher standardized plans, representing 50% of Medicare policies, typically provide coverage for medical expenses outside the U.S. However, Medigap C coverage and other applicable policies are normally limited to 80% of emergency treatment costs, with a \$250 deductible.

Medical Costs and Care

“Travelers may mistakenly believe they are covered for healthcare abroad, and potentially encounter a situation such as a severe illness or injury which could cost them thousands of dollars,” says Ed Walker, UStiA president. “An air medical evacuation alone could run \$50,000 or more,” he points out. According to an earlier UStiA Consumer Study, the vast majority of people are unaware that medical evacuation is often included in comprehensive travel insurance policies.

Standard comprehensive travel insurance policies provide a shield against the unexpected, covering hospitalization abroad, providing medical evacuation where needed, and reimbursing co-payments and deductibles not covered by a patient’s healthcare policy. Additionally, should a traveler need to return home early due to illness or injury, non-reimbursable travel expenses such as hotel and airfare are covered.

There are other concerns that travelers may not anticipate, cautions Walker. These include quality of care issues, communication and financial matters.

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Other Sources of Aid

Should you or a loved one become ill there are other sources of aid, but none provide the array of coverage under one umbrella that a comprehensive travel insurance policy does, the UStiA study concluded. U.S. embassies do provide a level of emergency travel assistance to citizens, and, under most conditions U.S. embassies will assist in arranging return transportation. However, the embassies will not pay for medical transportation.

The study also found that certain credit cards do provide some emergency travel and medical assistance such as finding referrals to doctors and health services. However, the vast majority of credit cards do not provide coverage for emergency medical costs. While a few credit cards provide medical coverage for an additional fee, only one of the credit cards reviewed in the study provided medical transportation and evacuation, and this card carried a high annual fee. Unlike most typical travel insurance policies, none of the credit cards reimbursed for travel expenses lost due to illness or injury.

Dispelling Misconceptions

In undertaking the study, UStiA sought to dispel a number of common misconceptions about travel insurance that have circulated among the media and elsewhere. Titled "Sources of Travel Insurance and Assistance in the U.S. Market: Addressing the Myths & Misconceptions," the study was conducted for UStiA by Avalon Actuarial Inc. and released in 2008.

About UStiA

UStiA promotes fairness, integrity and a commitment to excellence in the travel insurance industry. With a mission to educate the public on travel insurance while maintaining high industry standards, UStiA is a non-profit association of insurance carriers and allied businesses involved in the development, administration and marketing of travel insurance and assistance. Travel insurance is available from travel agencies, airlines, tour operators, hotels and resorts, and insurance brokers as well as through the Internet.

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