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Because we are specialists in individual health insurance in California, we have seen the international health insurance market go from a niche to a demanding specialty. And though the health insurance business has survived federal and state assaults, new and pending legislation and programs have tempted us to change our titles from "brokers" to "consultants."

There is much to be excited about, however, in this business. The senior market is abuzz with activity because of long-term care, and medical savings accounts are considered a "best kept secret." Just as exciting is the travel insurance market, which is filling a vital need with improved and expanded products. And this

product enjoys the largest prospect base of all — the world.

"When a client adds to his overseas crisis a time difference, a language problem, cultural misunderstandings, and a socialized form of medical care, his crisis is now a disaster!"

Has the agent ever had a health insurance client ask whether his or her insurance policy would cover him on his trip overseas? What did the agent say? Most likely the agent said "yes," remembering that most health insurance covers emergencies anywhere in the world. This reassures the agent's client and the agent also is relieved, relieved that he doesn't have to mention the "T" word — for travel insurance!

For many agents, travel insurance is that oddball coverage that the last time they checked pro-

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vided discounts on rental cars and included trip cancellation and baggage loss — benefits best left to a travel agent or credit card company to explain.

What the agent told his client might be true, but there is more to the client's question than meets the eye. Has this agent provided coverage without peace-of-mind?

First of all, let's call this coverage something else. One reason agents have not accepted the coverage as legitimate is the broad and confusing reference to "travel." We really are referring to *international health insurance*, consisting of short-term medical plans for persons traveling outside their countries of residence for two weeks to a year, and permanent coverage for persons who need coverage for a year or longer.

Not in Kansas Anymore

In California, most individual and small group medical insurance plans cover the insured on trips overseas for *basic medical emergencies only*. This, I have learned, is typical with plans in other states and rarely are plans more generous. Medicare does *not* cover seniors for medical expenses outside the United States, and only some Medigap policies and senior health maintenance organizations (HMOs) include a limited emergency-only benefit. The biggest mistakes people make about this level of coverage are assuming that 1) it is sufficient, and 2) their domestic insurance carrier is standing by to provide emergency assistance.

Many people believe that if they dial the toll-free number on the back of their identification card, people immediately will go to work for them. Sorry, the toll-free number won't work. When a client adds to his overseas crisis a time difference, a language problem, cultural misunderstandings, and a socialized form of medical care, his crisis is now a disaster! Even at home, in the strictest of managed care policies, a client is at least aware of who will provide care, what the care will be, and where that care will be received. Who is monitoring and coordinating the level and quality of care a client receives in Turkey, India, South America, or the United Kingdom? The client might have to trust strangers to make critical decisions for him.

Equally as disastrous can be the claims process. The following is a typical "to do" list when filing an overseas claim:

- Pay the bill (in some countries care will not be provided unless the client can show a method of payment).
- Obtain copies of all medical records.
- Pay to have receipts, laboratory reports, and medical records translated.
- Have currency converted into dollars.
- Submit claim and wait for the carrier's determination as to its medical necessity. (Appeals to review boards are common, i.e., did that stomach ailment that resulted from the bad pizza a client ate in Rome really require emergency treatment?)

If this is good coverage, then where is the peace of mind?

A Valuable Supplement

Overseas nightmares like this can be averted. International health insurance makes a great supplement to an existing domestic major medical plan. Coverage includes:

- 24-hour multi-lingual customer service with collect calls accepted.
- Emergency medical evacuation.
- An injury and illness benefit not only for emergencies.
- Accidental death and dismemberment protection.

The assistance that this coverage provides is as valuable as the coverage itself. To ensure that the person receives the highest quality medical care available, these plans will locate the physician and facility that can provide the most appropriate care, have physicians on call to confer with local physicians, and transport the person back to the United States if necessary, which can cost tens of thousands of dollars. Direct payment to the provider can be made in many cases.

A growing number of carriers offer coverage, including several that are A-rated or better, and have in-house customer service, claims, and administrative staff. Policies have many different deductibles and policy limits from which to choose and applications can be processed in minutes by fax or on-line from anywhere in the world. Rigid restrictions on pre-existing conditions apply.

Permanent International Health Insurance

Because of advances in computer technology, telecommunications, and transportation, and with third world nations and former and existing communist countries expanding their economies to allow privatization and access from the outside, living and working abroad are becoming more common. A recent U.S. Department of Labor report indicated that the number of non-U.S. government and military persons living and working abroad was nearing four million and growing every year. Many of these people are world travelers, missionaries, entrepreneurs, or employees of U.S. companies working in foreign countries.

Because of the demand for a long-term insurance product, carriers have created comprehensive major medical plans that mirror domestic insurance policies, but also provide worldwide access to care, emergency evacuation, 24-hour multi-lingual customer service, and direct claims-paying. Policy limits can be as high as \$5 million with a choice of deductibles and added perks.

One carrier has a preferred provider organization (PPO) network of U.S. providers for care received in the U.S. The insurer will reduce the deductible and waive the coinsurance when this network is utilized. For the overseas employee, this coverage is a "carve-out" insurance policy that is compliant with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and is much less expensive than traditional group coverage.

For the world traveler, no longer will a string of short-term travel plans be the only solution. For them, some medical underwriting is required, but once enrolled, coverage is annually renewable, HIPAA compliant, and can be paid for with a credit card. Coverage for pre-existing conditions, preventative benefits, and maternity benefits are phased in.

Have You Forgotten Someone?

Let's not forget the foreign national. Ninety-nine percent of the world's population is covered under some form of socialized medicine, and the out-of-country coverage either is inadequate

or not included. Because of this, foreign visitors are knowledgeable shoppers and believers in insurance. Perhaps the person offered the most peace of mind is the foreign citizen living in his or her own country. The permanent international medical insurance coverage described earlier is available to these persons as well. Imagine having an insurance policy that afforded you the opportunity to receive major surgery in a U.S. hospital performed by the world's best surgeons — this is not bad back-up insurance! Carve-out policies also can be offered to foreign employees working in offices in or out of their home countries of residence.

Marketing to the World

The best place for the agent to start marketing international coverage is in

his own backyard. His existing client base will provide excellent prospects. Many clients who travel either don't know the risks and are going without coverage, don't know the coverage exists, or are buying from another agent. Most of our clients who travel abroad do so more than once, and their repeat business is virtually guaranteed.

Newsletters, direct mail, or even a P.S. in the agent's correspondence telling people the agent offers this coverage will generate calls. Permanent insurance prospects may be more difficult to find, but there is no richer source of referrals. World travelers usually know other world travelers. If the agent has a Web site, he should include this coverage in his portfolio of products.

Can you think of a better match in the insurance business than the Inter-

net and international health insurance? A growing trend for agents is linking with other agents and companies that have a substantial presence on the Internet and specialize in this coverage. Leads can be tracked and commissions shared. Arrangements like this can work both ways; the agent's sign can hang on other Web sites as well.

Closing

The next time a client asks you about coverage for a trip abroad, urge him to consider international insurance in addition to what his domestic policy provides. By educating clients about the realities and risks of traveling underinsured and offering high-quality products, you provide your clients not only coverage, but peace of mind. And that is the business we are in.

