

## INTERNATIONAL HEALTH INSURANCE

# Keep cover portable if you want to hit the road again

Reports by Peter Pallot

INSURANCE advisers have long underlined the importance of "portable" cover for expatriates. And recent events would seem to justify this advice.

Unforeseen economic shocks reverberating around the globe have forced many well-established expatriates to reconsider long-term plans. The draw of home state can become irresistible when a plunging pound slashes the value of one's pension and sterling-based investments.

Expats with portable private medical cover are well placed to avoid a care "vacuum" which can catch out those who have to rely wholly on the NHS. Under regulations introduced in 2004, access to the NHS is reserved to those who spend a minimum period in the UK. Returning expats have to convince managers that their decision to stay is irrevocable. There are reports of this taking up to 18 months.

And expatriates with portable cover will not be penalised for any medical condition they may have developed. Notoriously expensive treatments for cancer and heart disease are often used to illustrate the near impossibility of buying fresh cover once an existing plan lapses.

Of course, individuals with top-of-the-range global cover can settle anywhere knowing they can access local private treatment; they can be airlifted from a road accident or opt to

go to a leading hospital abroad for elective surgery. But that sort of cover is unaffordable to most individuals.

Until December last year, the well-regarded insurer Exeter Friendly Society offered its Euro plan, which covered expats in Spain and Portugal and one other nominated European country – usually the policyholder's home state.

The plan is no longer available, but existing customers will be able to keep cover as long as they wish, according to Exeter.

However, the bigger the insurer, the better they tend to be at providing no-strings portability, according to adviser Jan Lawson. Ms Lawson, of The Private Health Partnership in Otley, West Yorkshire, said any of the major insurers that offered UK and international policies would be her choice.

"It's the names you'd expect. Bupa and AXAPPP will offer transferability between their UK scheme and their international schemes. Another is Norwich Union; they are much better known for their UK cover but they do have a small portfolio of expat policyholders, mostly private individuals."

Ms Lawson added: "Instead of going to a specialist international insurer which doesn't have an equivalent policy in the UK, it's better, when people are uncertain as to whether or not they are going to stay abroad, to go with someone who has a presence in the UK as well as an international presence."



Expats can't always take everything with them, but 'portable' health cover is a good idea

But life is unpredictable. As Ms Lawson points out, expats struck by a life-threatening disease usually tend to seek to return to their home state, even if they would choose to go to a local hospital for major elective surgery, such as hip replacement.

The temptation for expats in Iberia to buy a local, non-portable scheme is considerable. These plans are often half the cost or less, reflecting relatively less expensive medical care, tight benefit limits and, often, strict limits as to where the patient is treated.

These plans have sold well in Spain, where uptake of private medical insurance exceeds that in the UK.

Britons who buy these plans could find they've crossed a Rubicon, according to Mike Izzard, chairman of the Association of Medical Insurance Intermediaries (AMII) – insurance brokers specialising in health cover.

Expats who want to return home and have enjoyed good health should be able to get cover on no worse terms. "But anyone with cardiovascular disease or cancer has a problem if they have a plan with an

overseas company like Sanitas. The plans are cheaper – but they don't have a dual role, like Bupa, AXA or InterGlobal. The cheaper alternatives abroad just cover you abroad."

Mr Izzard, of Premier Choice Healthcare, of Towcester, Northants, added: "Cases should be assessed on a case-by-case basis and anyone who has a problem should seek advice from an AMII member and they will probably do better than if they try to sort it out on their own."

Adviser Stephen Walker said: "On policies for Europe, AXAPPP are very cost effective as are IMG for younger people – those up to 40 or 50 years old. They cover you wherever you are in Europe; you can be a UK citizen in the UK and you're still covered." Portability was always important, "particularly at the moment for those in Spain where expats are suffering."

Mr Walker, of Brighton-based Medical Insurance Services, said the insurance industry was increasing portability by virtue of UK domestic players offering overseas plans.

Major UK domestic insurer Standard Life Healthcare is

gearing up to hit the international market later this year. And in the wake of Exeter Friendly Society scrapping its overseas network last December, another insurer has stepped in. Last month insurers Expatriate Healthcare launched its Primario plan which has similar features.

However, Mr Walker said he preferred IMG Europe's Global Select for portability and premiums. IMG claims to be one of the first properly to bridge the gap between international and domestic cover.

Managing director Carl Carter commented: "A Brit who had been in Spain with an IMG plan could return to the UK and keep continuous cover, without re-rating or underwriting. He would not have to be concerned about his local primary care trust refusing 'free' NHS treatment. He could choose to have treatment anywhere in the area of cover, so not just UK or Spain."

Expats who factored in portability when assessing the scores of different plans are now sitting pretty from an insurance standpoint if they have since developed a serious condition.

## New player in the Med market

LONDON-based Expatriate Healthcare's new Primario plan is aimed at expats in Spain, Cyprus, Gibraltar and Andorra. Policyholders are offered "the benefit of full medical cover" and also in their country of nationality on higher levels of the plan.

Lee Gerry, the healthcare manager, said: "The Primario Health Insurance Plan is ideally suited to English-speaking expatriates who want the flexibility to move freely between Spain and the surrounding regions."

The cheapest plan, Primario Budget, is certainly inexpensive but suffers from several snags, according to adviser Stephen Walker.

He said: "It's very basic and covers you up to £50,000 per period of cover (premium year) which isn't a huge amount. It's basically in-patient cover only. You've got £1,500 per period of cover for out-patient surgery, specialist consultations and diagnostics and very little else – and you are only covered in this scheme in your country of residence."

For a couple aged 55 and 45 in Spain the combined annual premium for Budget would be £1,464.

"The closest that readily show up are either IMG or AXAPPP each at just over £2,000," said Mr Walker.

For comprehensive cover, the top plan Primario Más, would cost the same couple £3,551 a year. AXAPPP comes in cheaper, at £2,596. "And I would suggest that as regards the range of benefits companies such as InterGlobal have more to offer," Mr Walker added.

"Expatriate Healthcare is a new company and added competition is always good. But I am always a bit wary of recommending companies without a track record, especially if they are small."

## Valencia tariff decision still awaited

AT least 1,600 Britons living in Spain's Valencia province are uncertain as to what they will have to pay for healthcare three months after a deadline that was supposed to set the tariff.

Discussions between British embassy officials and politicians in the provincial parliament have produced nothing since January 15. That was the date when part of the expatriate community expected to learn what they would have to pay to stay within the health system.

Those affected are early-retired individuals. Many people on the Costa Blanca believe the total number implicated exceeds the official estimate of 1,600 Britons plus expatriates of other nationalities.

Those in registered work and their dependants, plus

men over 65 and women over 60, are unaffected. The position for those receiving bereavement benefits or long-term incapacity benefit is also unchanged.

A spokesperson at the British Embassy in the Madrid said: "We have made representations on numerous occasions but we have no idea when a decision might be forthcoming. There is not much more we can do. Although the situation must give rise to uncertainty, Valencia has agreed that those concerned will continue to have free medical care."

Helen Biss, an insurance adviser with brokers Datalink, based near Alicante, said the information vacuum had left people, some already under a financial cloud, unable to plan.

"There's nothing from the government, nothing in the papers," she said. "The figure that's being bandied about is around €110 a month."

"That's based on roughly half the self-employed stamp, as that pays for the whole social security network, and healthcare is part of that – but how much?"

Mrs Biss confirmed that hospitals were continuing to treat most early-retired expats if they showed a SIP card. The card, which is free of charge to those deemed eligible, certifies residency.

She continued: "Even if the SIP card is temporary it's really down to the discretion of the doctor and the hospital."

"In some places in Alicante where there are lots of expats, they can be awkward with early-retired people who come

here with a bit of insurance cover and then that expires when the individual is below pensionable age."

She said people in the "gap" could not return to Britain and expect treatment because they had not been contributing to National Insurance while the Spanish authorities, quite reasonably, took a similar view.

"A lot of people and particularly people with kids and those in the building industry are having to go back to the UK because they haven't any work."

Not only were large construction projects being frozen as the industry imploded under a burden of debt and collapsing property values, but expat pensioners who were staying on lacked cash to pay for "jobbing" improvements, such as building a patio.

Award-winning international health insurance

International health insurance from **£45** per month

+44 (0)1252 745900  
interglobalpmi.com

**red**

Award-winning international health insurance plans for expatriates, frequent travellers and international business people all over the world.

**InterGlobal**  
International Private Medical Insurance

InterGlobal is a trading name of InterGlobal Limited which is authorised and regulated by the Financial Services Authority in the United Kingdom.

© 2009 InterGlobal Ltd. All rights reserved. For full terms and conditions, please visit our website. \*UK residents only.