

International Health Plans: Why Buyers Need to Beware

HTH Worldwide

What you need to know

Given the choice, would you rather buy a health plan that is subject to state regulators' standards, or one that is not?

When it comes to international health plans, consumers often encounter products from “non-admitted” insurers that operate beyond the reach of U.S. state insurance regulations. These offshore plans – also referred to as surplus lines policies – are cheap but should be purchased only after very careful consideration.

- What is a non-admitted health plan? Any plan that has not been approved by the state insurance department as health insurance is considered non-admitted even if the administrator or marketing company is located in the U.S. By law, buyers typically must acknowledge in writing that they are aware that they are buying a plan that does not conform to health insurance regulations. This is a kind of “buyer beware” warning.
- Non-admitted insurers are not bound by state financial solvency requirements. To draw an analogy, buying a non-admitted plan can be likened to opening a bank account that is not FDIC protected.
- The “rock bottom price” on a non-admitted plan can be a warning of troubles ahead. The cheapest health plan at the time of purchase often turns out to be the most expensive in the long run.

When plans from Admitted carriers, such as those offered by HTH Worldwide, are an option, consumers are fully protected under the law

- If a consumer files a complaint with the Department of Insurance, the state has direct recourse to the Admitted insurer to demand fair claims payment.
- State regulations are designed to protect consumers, making it is less likely that buyers will have to confront hidden gotcha’s on waiting periods, harsh exclusions, inside limits, penalties or unusual claims payment procedures.
- Policy definitions must be stated in plain English. For example, admitted plans define a pre-existing condition as one that was treated or diagnosed prior to the effective date of the policy. In contrast, non-admitted plans often define it as a condition that was treated, diagnosed, or “could have manifested itself (whether symptoms existed or not)” prior to the effective date. This broad, ambiguous wording often backfires at time of claim.
- Those returning from a stint abroad in need of a new health plan have peace of mind knowing that U.S. health insurers will recognize an admitted plan as creditable coverage. Additionally, members returning home are entitled to keep coverage in place for the long haul on certain HTH products such as the Global Citizen plan.

What is the bottom line?

Avoid the financial risk and potential headaches that come with non-admitted health plans. Purchase admitted plans protected by U.S. state insurance regulations. You will sleep safe and sound at night.

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