



International Health Insurance: Moving into the Mainstream

The pace of globalization brings brokers opportunity... and the need to meet the expectations of clients and regulators

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Savvy agents and brokers have noted that the relentless pace of globalization is expanding the horizons of health insurance products. The economies of Asia, Europe, North America and South America are integrating steadily, and U.S. citizens go abroad to work, play and study in ever-increasing numbers. These “globalists” have awakened to the need for quality health insurance products to cover them anywhere in the world.

Now some of the largest health insurance producers in the U.S. are carving out a share of the growing market for individual major-medical products that feature global benefits. Long relegated to the periphery of the market, policies tailored to international travel and lifestyles are moving into the mainstream as important specialty products. Expectations among buyers are rising. They are accustomed to being covered by robust health benefit programs, not property and casualty policies. Regulators, too, can be expected to ratchet up their scrutiny and standards.

These important trends cannot be ignored by brokers and agents seeking to serve an increasingly mobile client base or to penetrate a new market segment. A new breed of international major-medical products is now available in most states. It's time to start evaluating alternatives and solutions, especially in states such as California and Florida, which are feeling the greatest impact of globalization.

Regulators have historically encountered international health plans primarily in the form of P&C surplus-lines products. Few insurers have filed admitted products to serve this segment, preferring to avoid the cost of filing state by state and relying instead on specialty brokers to do the legwork required in finding and binding the coverage under



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the rules that apply to any surplus-lines policy. Regulators, too, have relied on specialty brokers to issue international health plans in compliance with state surplus-lines regulations. Brokers serving a broader market are often unaware of these requirements and can unwittingly fail to comply when selling an international plan.

By selling admitted international health insurance products, brokers can turn the regulatory apparatus to their advantage and give their clients added protection. Brokers can market to the emerging international market without spending the time and effort to comply with the usual surplus-lines practice of taking affidavits from customers or rejection letters from carriers as evidence that admitted products are not available to meet their needs. Selling admitted products also typically gives brokers broader coverage under their errors-and-omissions policies. In addition, insurers filing admitted products are often domiciled in the U.S. and report financial solvency in terms that are more familiar and transparent to regulators and insurance professionals.

Brokers pass along these advantages to clients, who benefit from a more streamlined and comfortable buying experience because they are working with brokers confident in the products they sell. Customers also benefit from the consumer-friendly regulations promulgated by state insurance departments:

- Mandated coverage and benefit levels
- Policy wording that meets the "plain English" standard
- Right to redress and arbitration through regulatory channels

Taken together, these advantages strongly suggest that brokers should take a hard look at all the international health products in their marketplace to make sure they are offering the most value, reliability and convenience to their customers.

Protection and service are the broker's key to building a reputation and a client base, and that's especially true in this important market segment that is moving into the mainstream. Take a hard look at international health insurance as an important growth opportunity and arm yourself with the best products you can find. You can succeed in this "specialty" market without encountering the doubts and burdens that come with surplus-lines rules and regulations. Your customers, new and established, will thank you for it. ■

