International Health Insurance

SOLUTIONS FOR THE GLOBALLY MOBILE

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GeoBlue

Discussion Points

- GLOBALIZATION
- EXPATRIATE VS. INTERNATIONAL TRAVELER
- OPPORTUNITY ASSESSMENT
- WHAT'S AVAILABLE?
- ACA VS. MEC
- SELECTING THE RIGHT PLAN
- SCENARIO WALK THROUGH
- UNDERWRITING
- QUESTIONS TO ASK
- SUMMARY

Globalization

42.9% Foreign sales[1]

51.28%
Energy sector

58.19%
Information technology sector

34%
Consumer discretionary sector

32.65%
Consumer staples sector

Global expansion of U.S. companies:

49% of U.S. companies see their best growth opportunities outside their home region, compared to 35% in June 2020.[2]

52% identify Europe as their most important region for outbound investment, followed by Asia at 42%, Middle East at 37% and Africa at 15%.[2]

84% of workers after the pandemic would relocate for jobs, with nearly half (46%) open to international relocations.[3]

93% consider international assignments as potentially life-changing experiences and pivotal to their career growth.[4]

Sources: 1. S&P 500 2018: Global Sales, S&P Dow Jones Indices, https://www.spglobal.com/spdji/en/documents/research/sp-500-global-sales-2018.pdf 2. U.S. Companies Bullish on Global Expansion, According to Standard Chartered, March 2021, https://www.businesswire.com/news/home/20210311005278/en/U.S.-Companies-Bullish-on-Global-Expansion-According-to-Standard-Chartered 3. State of Mobility 2021 Report: Full Results, Graebel, State of Mobility 2021 Survey and Report (graebel.com) 4. On the Go Is Here to Stay: Talent Mobility Adds Value in Tough Economy, Graebel 2023, On the Go Is Here to Stay: Talent Mobility Adds Value in Tough Economy (graebel.com)

Definitions

KEY LOCAL NATIONAL

A key person (e.g. business executive) who lives in their native country and requires international health insurance likely due to the terms of their employment contract.

INTERNATIONAL BUSINESS TRAVELER

A person who travels outside their native country for less than 6 months of the year (in aggregate).

EXPATRIATE: A person who lives outside their native country for more than 6 months of the year.

- **U.S. EXPATRIATE:** A U.S. citizen who lives outside the U.S. for more than 6 months of the year.
- **INPATRIATE:** A foreign national (e.g. Indian citizen) who lives in the US for more than 6 months of the year.
- **THIRD COUNTRY NATIONAL (TCN):** A foreign national (e.g. UK citizen) who lives outside the UK (e.g. China) for more than 6 months of the year.

Significance of U.S. Expatriate Population

5.4M Americans

Live in 160+ countries[1] (excluding military)

UP TO 40% OF EXPAT ASSIGNMENTS FAIL[2]

Top 4 reasons for international assignment failure[3]

- PHYSICAL AND MENTAL HEALTH ISSUES
- LACK OF ORGANIZATIONAL SUPPORT
- LANGUAGE AND CULTURE BARRIER
- ISOLATION/ HOMESICKNESS

$311,000

Typical annual cost of expatriate assignment[2]

Salary costs account for just over 60% of the total cost of year-long assignment

Sources: 1. How many Americans live abroad, AARO, https://www.aaro.org/about-aaro/how-many-americans-live-abroad 2. Why 40% of Overseas Assignments Fail and What You Can Do to Prevent It, Learnlight 2018, Why 40% of Overseas Assignments Fail and What You Can Do to Prevent It (learnlight.com) 3. Expatriate Mental Health Challenges, Psychology Today, 2023, Expatriate Mental Health Challenges | Psychology Today

Inpatriates

5M H-1Bs

From 500K employers[1]

- Some insurers require 3-6 month waiting period
- Audience not accustomed to paying for healthcare
- Many want to return to home country when ill

Source: 1. VisaDoor Landing Page, VisaDoor, http://visadoor.com/h1bvisa-database

International Business Traveler

Business travel nears full recovery from pandemic:[1]

- International bookings reach 70% of their 2019 levels (up from 63% in 2018)
- Global business travel spending is expected to recover to its pre-pandemic total of $1.4 trillion in 2024
- Health and security of international business travelers increasingly important
- Foreign country, foreign healthcare system
- Language barriers, different Rx names

Source: 1. GBTA Business Travel Industry Outlook Poll, GBTA, 2023, https://www.gbta.org/wp-content/uploads/HIGHLIGHTS_Business-Travel-Outlook-Poll-October-30-2023-FINAL.pdf

What's Available?

LINES OF COVERAGE

Medical, pharmacy, dental, vision, evacuation, life, LTD, international employee assistance program

PLAN OPTIONS

- **Domestic plan:** Limited portability, no international support
- **Onshore expatriate plan**
- **Offshore expatriate plan (i.e., surplus lines):** Minimal essential cover?
- **Business travel accident:** Limited scope for medical
- **Business travel accident + AD&D rider**

Nearly 1 in 4 Americans have had medical issues while traveling abroad[1]

ACA and MEC

- **Affordable Care Act (ACA):** A federal statute enacted to increase the quality and affordability of health insurance
- *Expatriate Health Coverage Clarification Act of 2014 exempts expatriates and expatriate health plans from most provisions of the ACA*
- **Minimum Essential Coverage (MEC):** Type of coverage an individual needs to have to meet the individual responsibility requirement under the ACA

Source: 1. GBTA Business Travel Industry Outlook Poll, GBTA, 2023, https://www.gbta.org/wp-content/uploads/HIGHLIGHTS_Business-Travel-Outlook-Poll-October-30-2023-FINAL.pdf

International Health Insurance

A quality international health insurance plan will help members identify, access, and pay for quality health care anywhere in the world

What makes the right plan?

- Access to a strong international network of providers
  - Owned or leased?
  - Quality of network vs. size of network
- Pay via direct billing/ guarantee of payment
- Compliant solutions for regulated markets
- Integrated medical evacuation solutions
- 24/7/365 customer service
- Robust digital tools

Unexpected Medical Situation

NHA TRANG, VIETNAM

Medical situation: A 29-year-old male experienced severe abdominal pain during his honeymoon in Vietnam. He had prior medical history of Carcinoid Syndrome, which was said to be in remission.

Action plan: Local doctors had coordinated surgery in nearby Ho Chi Minh City, but the insurer's medical team recommended immediate transfer to Bangkok, based on the patient's prior medical history. Hospital re-admission was arranged at a center of medical excellence in Bangkok.

The air ambulance flight needed to be carefully orchestrated since the air strip in Nha Trang is open only during daylight hours. Special approval to keep the airport open after dark was coordinated through the U.S. consulate in Ho Chi Minh City.

Emergency surgery was performed in Bangkok by a surgeon who is U.S. board certified. The patient was stabilized post surgery but remained weak. Due to the length of the flight back to the U.S., the insurer coordinated a commercial flight with a medical escort to manage the patient's medical needs.

Routine Medical Situation

RIO DE JANIERO, BRAZIL

Medical situation: Member was a 15-year-old girl relocating from Miami, FL, to Sao Paolo, Brazil, with her family. Due to several allergies, she required weekly administration of a customized allergy shot.

Action plan: The insurer was able to contact a contracted, English-speaking general practitioner with U.S. medical training in Sao Paolo. He was able to assist with planning for the shipment and administration of the allergy shots.

Payment was guaranteed for all charges related to allergy shot administration, so there were no out-of-pocket expenses for the member.

Expected Medical Situation

HONG KONG

Medical Situation: An expat had been offered an assignment in Hong Kong, which represented a promotion from the position he currently held in Manila. Before accepting the assignment, the expat had questions about care for his wife, who was four months pregnant.

Action Plan: The insurer rigorously pursued all the non-government and private hospitals and secured a bed for the member's delivery, which was five months away.

Arrangements were made with a contracted physician to manage the patient's continuing prenatal care and to perform the delivery. Direct billing arrangements were made with both the hospital and the doctor.

Underwriting

Expatriate Plans

- Demographics: age, gender, tiering, home country, host country
- Industry: corporate, government contractor, embassy, technology, non-profit, missionary
- Funding methodology

International Business Travel Plans

- Expected days of travel to U.S. and non-U.S. destinations
- Expected travel destinations
- Additional riders: dependents, sojourn, leisure

Questions to Ask Clients

- Do you have employees traveling outside the U.S. on business travel?
- Do you have any operations outside the U.S.?
- Do you currently have any known expatriates (U.S. expats, inpats or TCNs)?
- Do you sponsor any H-1B visas?
- If no to all of the above, are you planning international expansion anytime soon?

Summary

Uncertain economic times resulting in unclear expatriate/inpatriate growth forecast while international business travel growth expected to remain strong

- “Bring jobs back to America”
- Impact to H-1B visas, Executive Order on Protecting American Jobs and Workers by Strengthening the Integrity of Foreign Worker Visa Programs

Top reasons for companies to expand internationally remain unchanged

- Expand markets and increase sales, controlling expenses, diversification, competitiveness[1]

Failing to ask the question of your clients leaves the door open for your competitors

Source: 1. 2.2 Why Do Companies Expand Internationally, DPCDSB, http://www.dpcdsb.org/NR/rdonlyres/0535EED9-639D-4D95-B7AA-461E34742340/63623/Chapter_221.pdf

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