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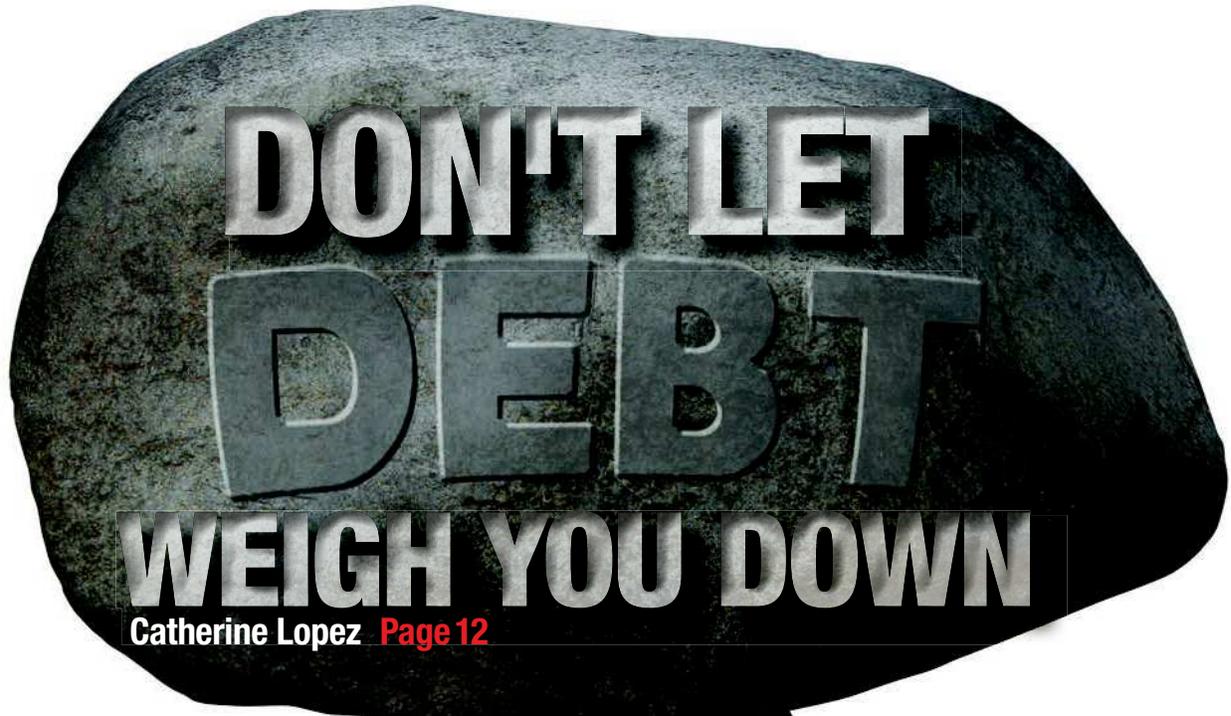
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# Student Medical Insurance

## Your Options. The Pitfalls. Our Advice.

Isabelle Beaudoin

**W**hether to learn a new language or get a degree, the experience of studying abroad can help students build self-confidence, better understand cultural differences, be more knowledgeable of world events and most importantly, develop awareness of their own identities.

In the thrill of the preparation, some families forget that being young doesn't mean being invulnerable and that accidents do happen. In fact, accidents and illnesses are among the main risks that young people face when living abroad.

This article discusses three key lessons that will help you get a better understanding of the main options you have when it comes to student health insurance, the pitfalls to avoid and recommendations that will help you make the right choice.

### Lesson 1 : The Options

#### Work-benefits Plan

Most of the work-benefits plans focus on non-core services that are either not covered or not fully covered by the government plan. Basically, their benefits include dental, drugs and medical expenses due to illness and injury.

#### Tips

- ✓ Get the details of what is covered out of your province of residence. Your work plan has two kinds of supplemental health insurance: in-province and out-of-province. In-province refers

to medically required expenses where a physician who certified the condition demanded medical attention to avoid detriment to the patient's health.

- ✓ Out-of-province expenses are related to a medical emergency defined as an unforeseen event that poses danger to life or health and requires immediate medical attention.
- ✓ Confirm that you meet the insurer's eligibility criteria.
- ✓ Check the period of coverage and purpose of the trip. Work plans may not cover the medical expenses when the purpose of the trip is not business or vacation, or exceeds a specific number of days.

#### University Health Insurance Plan (UHIP) And Government Health Insurance Plan (GHIP)

Some US universities have compulsory insurance that can be waived if you can prove your private insurance complies with the Affordable Care Act health coverage. On the other hand, there are countries like the UK where international students staying under 6 months have access to the National Health System.

Consider these options based on the length spent abroad and the country of study as well as visa requirements.

#### Tips

- ✓ Check the limitations and exceptions. Compulsory insurance require students to get medical care from a specific list of in-network providers ("Preferred

providers” or PPOs). Failure to do so may result in being charged higher out-of-pocket expenses. Example: an in-network primary care visit to treat an injury or illness will cost \$25/visit. The same visit out-of-network will cost 20% coinsurance and the deductible applies first, meaning you might just end up paying the full amount for the consultation. But before rushing into the in-network option, ask for a list of their service providers (physicians, hospitals, etc.). It may be very limited and you'll have to wait weeks before getting an appointment. You want to keep your options open to get the best medical care available, not the one that is more convenient for the insurer's interests.

- ✓ Ask about out-of-pocket expenses. Get a detailed list of amounts for deductibles, coinsurance and copayments for the covered services. Out-of-pocket also includes all costs for services that aren't covered.

Find out the pros and cons of GHIP: Ask for a comprehensive list of what is covered and of the exclusions applying to non-residents. A typical specialist's consultation in the UK can cost between £100 and £250.

## Student Emergency Medical Insurance (SMI)

Think of student medical insurance as a tailored version of travel insurance at a more affordable price.

Most carriers will offer the regular benefits you already find in travel insurance such as hospital and doctor fees, diagnostic services, ambulance services, repatriation, emergency air transportation, and family transportation including accidental death and dismemberment.

### Tips

- ✓ Verify the maximum limit of insurance per benefit (expressed in Canadian Dollars) is enough considering the medical costs in the country of study.
- ✓ Check for specific additional benefits like maternity, professional services (chiropractor, podiatrist, etc.), eye examination, psychiatric/psychological and annual physical visit.

**Note:** Watch the language! If you consider purchasing student insurance from a local carrier in the country of study, make sure that all binding documents like the policy wording and claims forms are available in English unless you want to read about exclusions in German or get a Spanish dictionary to fill-in forms.

## Lesson 2 : Learn To "Speak Insurance"

The policy wording specifies the limits, conditions and exclusions that apply to your coverage. You will be in a much better position to ask questions to the insurer and compare specific products when you speak their language.

**Eligibility:** Refers to the criteria you must meet to apply for insurance determined mainly by age, legal status in the country and health conditions. Check the one specific to your case.

**Period of coverage:** The policy has an effective date and an expiry date which are pretty obvious, but not so obvious is that your coverage can terminate when certain conditions are met, i.e. you are no longer a full-time student.

**Benefits:** They are limited or capped to certain amounts. So, if your policy covers you for a maximum limit of insurance, e.g. \$1 million dollars, that doesn't mean that you have that much coverage for all the benefits.

Look out for ...

- ✓ **Capped benefits:** It can be either a maximum dollar amount to a certain benefit (e.g., \$700/day for hospitalization), or a maximum number of days (e.g., prescription drugs are covered for 30 days).
- ✓ **Continuous treatment:** The very first time you get medical attention is considered the emergency visit, and most policies will cover a follow-up consultation related to the same condition. What is not covered by most insurers are additional tests or exams after the emergency is over.
- ✓ **Pre-existing medical conditions:** Basically, it is an illness, injury, medical condition or symptom for which you received diagnosis, medical consultation and/or treatment before the effective date on the policy. This definition may vary from one carrier

to another and has a significant impact on the way a claim is analyzed. Most policies require the pre-existing condition to be “stable” for a certain period of time before the policy will cover any treatment. Check these provisions carefully if you have an existing medical condition.

- ✓ **Definitions:** Your doctor can declare you are stable, but it might not be the case for the insurer. Words written in italics in the policy wording are usually found in the definitions section.

**Conditions:** Being eligible and having paid for the insurance is not enough. Some benefits might be conditioned to specific actions like getting pre-approval from the insurer.

**Cost shared amounts:** Or out-of-pocket expenses, is the cost you share with the insurance for the medical expenses incurred by you.

- ✓ **Deductible:** If you select a deductible, e.g. \$500, if you have a medical claim, you must pay the amount of costs up to the amount of the deductible before the insurance company begins to pay. If your hospital visit costs \$1000, and you have a \$500 deductible, the insurance company would only cover \$500. The rest is your responsibility. Deductibles may renew annually. Make sure you check the terms carefully.
- ✓ **Copayment and coinsurance:** A copayment is a fixed amount and coinsurance is the percentage you have to pay out of the total cost of the covered service.

**Coordination of benefits:** To lower costs, insurers will coordinate payment of benefits with your provincial health plan and other liable parties, i.e. credit card, work plan, etc. If, for example, you have an SMI private plan and the UHIP coverage, you'll have more options to claim from. One carrier may cover for the services excluded or denied by another.

**Exclusions and limitations:** The golden rule with insurance is that all coverage is always subject to the exclusions, terms and conditions of the policy wording.

The best thing you can do (besides trying to foresee the future) is to read through all the exclusions and make sure you understand what they each imply. Most SMI plans have between 30 to 40 exclusions. It can be confusing, so we've compiled a list of the most important ones.

Look out for ...

- ✓ **The 90-day stability:** Most carriers will not cover a medical emergency if it is related to a pre-existing condition that was not stable 90 days before the effective date on the policy. The stability period may vary depending on the plan and/or your medical history. The policy will state how “stability” is determined and what you need to do to prove it. A note from your doctor may not be enough.
- ✓ **The non-approved exclusion:** Some benefits will not be covered if you fail to call the insurer at the time of an emergency.
- ✓ **The continuous treatment exclusion:** As explained before, most companies will exclude the continuous treatment of a medical condition after an emergency ended if you decide to stay in the country of study.
- ✓ **The elective treatment exclusion:** If it is not an emergency it is not covered even if it is required.
- ✓ **The abuse of drugs and alcohol:** It makes sense, and yet...
- ✓ **The sports exclusion:** Insurance companies can be extremely specific about the list of covered sports. Double-check if the one you'll be practicing during your time abroad is excluded.
- ✓ **The emotional or psychological disorder exclusion:** Usually it refers to anxiety, panic attacks or similar conditions.

**Marketing materials:** They showcase the main benefits and advantages of a particular product. Before purchasing or adhering to any insurance, ask for the actual policy wording as it is the document your insurer will use to base its final decision on a claim.

## Lesson 3: Recommendations

Our final lesson is a list of recommendations based on experience and common sense. We hope it will help you take the first steps into making the best choice out of the existing options for student medical insurance.

- ✓ **Get private insurance.** Even if you cannot waive the UHIP, a small premium may compensate for

the out-of-pocket costs you'll be facing if you only have one insurance.

- ✓ **Buy Canadian.** In case you must dispute a claim, you want to make sure everything can be settled and dealt with in Canadian courtrooms. Avoid policies with the mandatory arbitration (a.k.a. you-cannot-go-to-court-in-the-event-of-a-dispute) clause.
- ✓ **Talk to the company.** If you have a very special situation or concern don't guess; call the insurance provider and ask. A good customer service representative will be able to explain the way the coverage works in a case per case scenario.
- ✓ **Read the policy wording.** Yes, there are general rules, but make sure you are aware of the specifics of the plan you're purchasing.
- ✓ **Disclose information.** If there is a change in your medical condition from the day you purchased the insurance to the day you leave, call the company and ask how this new situation may affect your coverage and whether they have special riders to offset this change of health.

There is tons of information out there, especially on the Internet. But nothing beats the advice of an insurance professional you trust. Contact a broker that knows about student and medical travel insurance to help you select the best option. Use the information provided in this article as a good start to you know what to look for and what to be aware of.

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## Best Annuity Rates

This will give the best annuity rates out there without the CMS reader having to shop for them and receive conflicting numbers from the various annuity sites.

### Best Prescribed Annuity Rates: \$250,000 10-year Guarantee

1. Male Single Life Prescribed Annuity  
ages 65,70,75 and 80

Male age at purchase	Annual income	Annual Taxable Amount
65	\$15,256	\$2,929
70	\$17,417	\$2,676
75	\$19,675	\$2,173
80	\$22,157	\$1,874

2. Female Single Life Prescribed Annuity  
ages 65,70,75, and 80

Female age at purchase	Annual income	Annual Taxable Amount
65	\$13,952	\$2,902
70	\$15,857	\$2,543
75	\$17,994	\$1,812
80	\$21,031	\$1,655

3. Joint Life Prescribed Annuity Male/Female  
ages 65,70,75, and 80.

Joint age at purchase	Annual income	Annual Taxable Amount
65	\$12,671	\$3,122
70	\$14,209	\$2,741
75	\$16,154	\$2,118
80	\$18,838	\$1,967

Annuity income values were obtained from highly rated Canadian insurers and are for illustration purposes only.

Annuity rates change daily. Income and tax rate will depend when the annuity contract is issued.

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