



YOUR GUIDE TO OBTAINING LONG TERM HEALTH INSURANCE



The importance of a long term health insurance plan

As medical costs continue to rise, one of the chief concerns among the majority of the population is how to ensure access to quality healthcare now and in the future. The right health insurance plan will help offset all or a majority of your healthcare costs, but is it sustainable in the long run?

Our recently released *International Private Medical Insurance Inflation - 2018* report, which reveals the rate increases of 8 popular plans offered by 7 major insurers in 10 locations, helped illuminate the fluctuating nature of premium inflation in the past 8 years. While small premium increases upon renewal are inevitable, erratic rate increases can lead many to drop their policies in favor of a more “affordable” plan.

There are many disadvantages, however, to switching health insurance policies regularly. One major reason for this is that any conditions that you’ve developed during the course of your current policy will be regarded by the new insurer as pre-existing. Pre-existing conditions are one of the most common exclusions in health insurance plans, so when you switch to a new plan, you likely won’t receive any reimbursement for such conditions.

Finding a health insurance policy that can be maintained in a cost-effective manner for a long period of time is therefore the superior choice. As specialists in all things insurance, our expert team at Pacific Prime has created this guide to help our readers and clients make more informed insurance purchasing decisions. In particular, this guide focuses on:

- Defining long term health insurance
- The key reasons why health insurance should be purchased with the view of keeping it for a long period of time
- How to identify the best long term health insurance plan

Please note: This guide is based on a reflection of Pacific Prime’s 18+ years of experience, and does not constitute any form of contract or advice. When securing health insurance, it is important to seek help from a licensed broker or agent before any decisions are made.

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What is long term health insurance?

In this guide, we use the term 'long term health insurance' to describe the act of securing and maintaining the same coverage for a long period of time. This definition is based on the premise that changing insurers frequently - i.e. within one year or once every few years - will in most cases lead to higher costs for you as a policyholder in the long run vis-a-vis maintaining the same policy with a stable insurer.

Most health insurance plans are renewed on an annual basis, and often up to a certain age. If, say, the policyholder was dissatisfied with their health coverage - e.g. because of an unreasonably high increase in premiums, bad customer service, etc. - the end of the policy year marks an opportunity for the customer to switch insurers instead of renewing their current medical plan.

There are several downsides, however, to switching insurance providers regularly. For one, any health conditions arising during the course of your current policy period will be regarded by the new insurer as pre-existing. Pre-existing illnesses are in virtually all cases automatically excluded from cover, meaning the policyholder will not receive any reimbursement for the treatment of such conditions.

Certain providers of international health insurance plans, however, can be more lenient towards the negotiation of pre-existing conditions coverage - provided that the condition is not too serious, and you agree to a waiting period attached to that particular benefit or pay a higher premium. That being said, the extra time and monetary costs involved in finding an insurer that is willing to cover your medical conditions again supports the premise that choosing the right long term health insurance plan from the get-go is, in most cases, the most optimal decision.

There are also instances where an insurer may decide to refuse renewing a policyholder's health insurance coverage in light of expensive claims or new health conditions that have emerged during their policy period. We

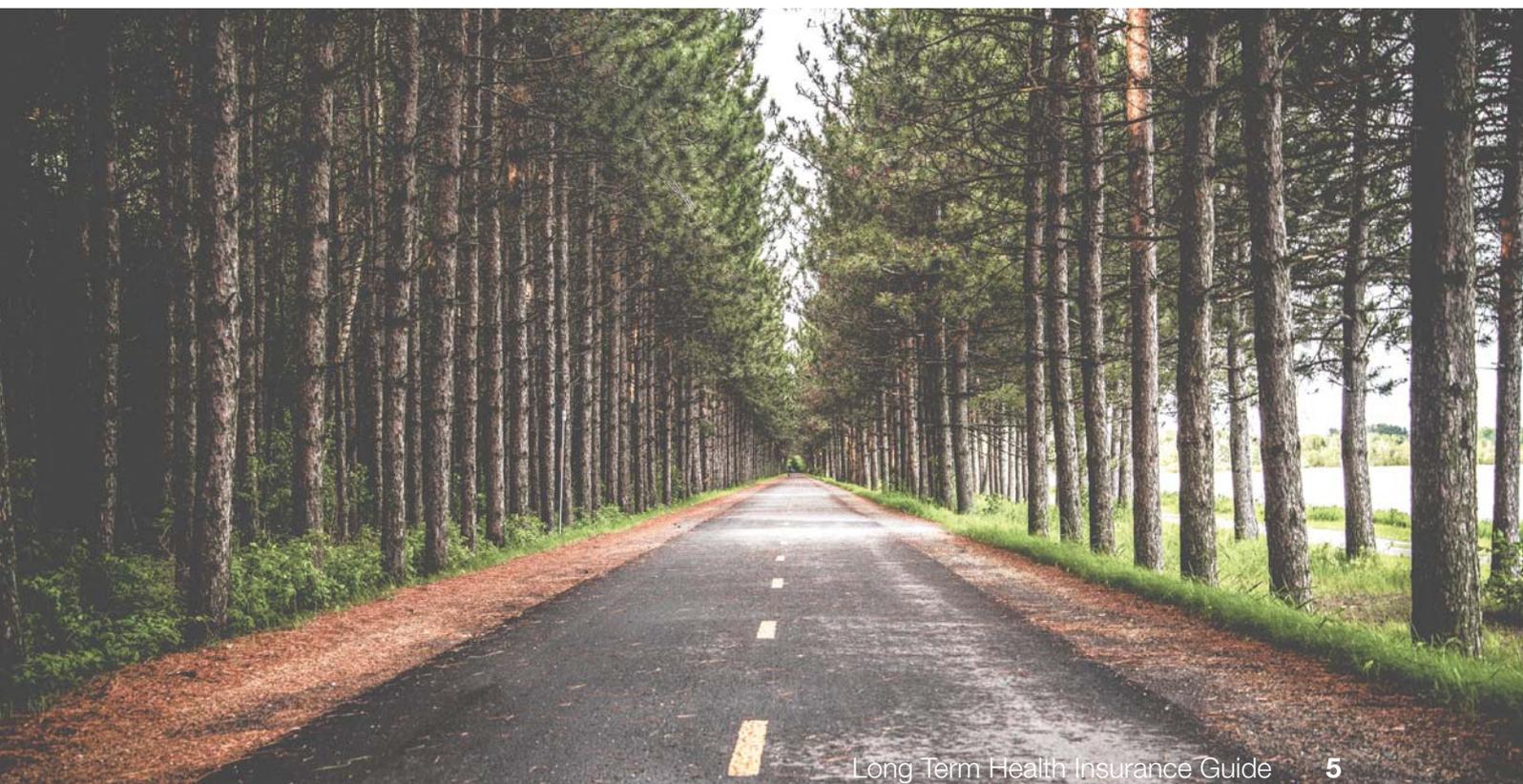
usually see this with local health insurance plans, as they tend to carry a “renewable upon mutual agreement” clause, which grants insurers the right to reject renewal. International health insurance plans, on the other hand, are usually more suitable to act as long term solutions, as they’re typically “guaranteed lifetime renewable”.

With the above in mind, the key, overarching step to ensuring that you are able to maintain your medical coverage sustainably year-on-year is to learn how to identify and secure quality, long term health insurance. We’ve only just scratched the surface, though. For an in-depth description of the top reasons why it is important to consider long term insurance, read the following section.

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Five reasons why you should consider **health insurance** for the long term

1

Cover your healthcare costs now and in the future



By purchasing health insurance with the view of keeping it for the long term, you are ensuring that your healthcare costs are taken care of not only now, but in the future as well.

With the right long term insurance plan, you can rest assured that any condition(s) developed further down the line will be covered without the looming threat of a drastic premium increase, or the insurer outright refusing to continue your coverage.

Moreover, there's also the age cut-off point to consider. It's commonplace for insurers to impose maximum age limits on policies, which usually ranges from 64 - 69 years old. Beyond the cut-off point, insurers will no longer allow for the renewal of your policy.

Not all insurers will impose maximum age limits, though. As such, finding a plan that does not have an age cut-off point might be something worth considering, depending on your age and circumstances.

2

The right coverage will move with you wherever you go



When buying health insurance for the long term, an essential thing to consider is your future plans as they pertain to moving to another country, and whether you can receive care outside of your current location of residence.

Local health insurance plans, as the name suggests, provide little to no reimbursement for care sought outside of the policyholder's country of coverage. In the event that the insured relocates to another country, their local health plan will no longer protect them.

International health insurance, on the other hand, features the highly coveted global portability benefit. As one of the most important health insurance features to consider - especially for expats - globally portable plans allow policyholders to retain coverage even if they move to another country.

3

Protect yourself from long term financial loss



We all know the major risks associated with not having health insurance: financial loss, and even bankruptcy! But, what about the financial risks of obtaining ill-fitting coverage? Oftentimes, plans with the cheapest premiums are too good to be true. The monetary gains of paying a lower premium will likely be short-lived, and can even be dwarfed by longer-term losses.

An example of this is when an insurer offers a cheap plan with rich benefits to entice new clients, only to increase premiums drastically over the next few years to make up for their initial losses. By then, it will no longer be financially sustainable for the policyholder to maintain the same coverage.

Not only that, but when searching for a new plan, policyholders will quickly find that any conditions developed when they were with their previous insurer will no longer be eligible for coverage with the new one. Should the condition require frequent specialist treatment, uncovered medical bills can easily send long term out-of-pocket costs into the stratosphere.

4

Constant access to reliable, quality healthcare



Do you wish you could go to a doctor who isn't covered by your plan? When shopping for health insurance, another important factor to consider is whether it would grant you access to reliable, quality healthcare now and in the future.

One very important feature to pay attention to when buying a plan is its network of providers, which limits coverage to facilities and doctors that are contracted with the insurance provider. Local health insurance plans typically feature restrictive provider networks, meaning you'll have a limited choice of healthcare facilities to frequent.

Of course, you can still see doctors outside of your plan's network, but your insurance may only reimburse a very small amount on out-of-network claims, or even reject the claim. Finding a long term health insurance plan that covers your preferred doctor, and also a comprehensive range of facilities, therefore ensures that you have constant access to reliable, quality healthcare.

5

Enjoy auxiliary coverage benefits



Some policies can go above and beyond standard health coverage by offering in-house or third party supplemental support services such as:

- Assistance for major political/terror issues
- Medical evacuation
- Right to second opinion
- Convenience services - e.g. 24 hour nurse advice hotlines, pharmacy delivery
- Right to a second opinion
- And more

Such supplementary services can offer tremendous peace of mind, especially for those who travel frequently or move countries often. While the chances of something going wrong are generally pretty slim, the risk of encountering mishaps or untoward incidents can be higher for expats.

Ten ways to identify quality long term plans

Now, you might be wondering, “How do I identify quality long term health insurance?” Based on our vast experience serving over 500,000 clients, we’ve outlined the below 10 factors to consider when shopping for health coverage:



Benefits vs price

Like most other products, the cheapest health insurance plan is likely not indicative of the best overall coverage. Some of the most common downsides and limitations associated with cheap health plans include:

- Limited provider network
- Lack of international coverage
- Poor service
- Low benefit limits
- Many exclusions
- High out-of-pocket costs (e.g. co-payments)
- Erratic premium increases

Looking for the best long term health insurance solution therefore means striking the right balance between cost and policy benefits.



Quality of customer service

Intangible elements, such as the insurer's quality of customer service, are not exactly quantifiable, but can make a world of difference - especially when it comes time to submit a claim.

In order to ensure that you're buying the best long term health insurance plan, you'll want to avoid signing yourself up with an insurer that balances low premiums with poor customer service and claims support.

Customer service touchpoints to look out for can range from the mundane-but-essential (e.g. how quickly they return your calls), to the more critical (e.g. support on escalations).



Is the insurance provider well recognized by hospitals?

When seeking inpatient treatment (i.e. care received when you are admitted to hospital), a Guarantee of Payment (GOP) from the insurer is usually needed to confirm that your provider will settle your medical bills.

One thing to bear in mind here is that sometimes medical facilities will reject GOPs if they are wary of the insurer's reputation as it pertains to settling hospital bills.

It is therefore critical to secure health insurance from an established insurer with an exceptional history of settling claims and bills.

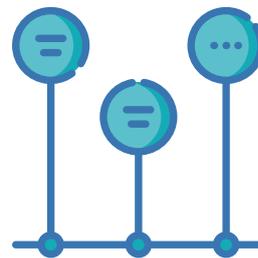


Who is the underwriter?

Insurance underwriters evaluate the risks of insuring potential clients to determine how much coverage they receive, the premiums they should pay for it, and whether or not to accept the risk of insuring them.

One important thing to note here is that not all insurers run their underwriting operations - many providers actually outsource their underwriting process.

As such, the underwriter's reputation should also be considered when buying health coverage, as it will help avoid problems further down the line (e.g. inability to renew your policy).



How long has the insurer been in the market?

Insurers that have been in the market for a long period of time are more likely to be stable and established in the industry, and less likely to have razor thin or even non-existent margins.

Generally speaking, less established insurers are more likely to run into profit issues, which can lead to problems for policyholders in the long run, such as the insurer drastically increasing premiums to unaffordable levels, or even exiting the market.



Number of insured members

The provider's number of insured members can also indicate their stability. This is due to the concept of health insurance risk pooling, where the premiums of individuals are combined so that the higher costs of less healthy individuals are defrayed by the relatively lower costs of the healthy.

Typically speaking, the larger the risk pool, the more stable and predictable an insurer's premiums can be.



Portability of plans

If you move countries, will you still have access to your current health insurance benefits? When buying coverage for the long term, portability is a key feature that should be considered, especially if you are an expat or see yourself relocating in the future.

With the portability feature, you won't have to arrange new coverage if you leave your current country of residence. This is because globally portable insurance allows you to retain your benefits, and also means that any existing conditions will also be covered.

It's important to bear in mind, however, that not all international plans will cover nationals in their home country. Some will only allow it in certain/all countries, while others will explicitly exclude this.



Premium increases at renewal

Another key factor to consider is the insurer's history of premium increases. While premium increases are inevitable, it's important to ensure that your plan's costs will increase at a stable rate without any sudden price hikes.

It can be hard, however, to ascertain which insurer has the most stable history of premium increases. Fortunately, help is at hand in the form of our recently released *International Private Medical Insurance Inflation - 2018* report.

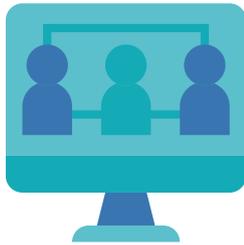
In particular, our report reveals the inflation rates of 8 major insurers across 10 locations between 2009-2017. [Download](#) our health insurance inflation report today to find out which insurers experienced the lowest and most stable premium increases over the past eight years.



How does the insurer increase premiums?

Beyond the insurer's history of premium increases, learning how the insurer increases premiums is also important in ascertaining whether a plan is ideal as a long term health insurance solution.

Particular attention should be paid to whether the insurer will consider the number of claims you've made when deciding your renewal premium. Major insurers won't usually take this into account, but less stable insurers may do so.



How is the broker-insurer-customer relationship?

Securing health coverage from an established broker is usually the best choice, as they usually have close working relationships with all major insurers.

Not only do brokers help clients identify the best long term medical insurance for their needs, they can also provide an additional layer of support by leveraging their relationships with insurers to streamline claims processes, and help you negotiate more favorable terms and premiums.

Of course, not all brokers are the same, so make sure you do your research on who you're securing insurance from. For example, less reputed brokers may not have close working relationships with insurers, meaning they likely don't hold as much influence when negotiating premiums, conditions, and claims.



4. How Pacific Prime can help

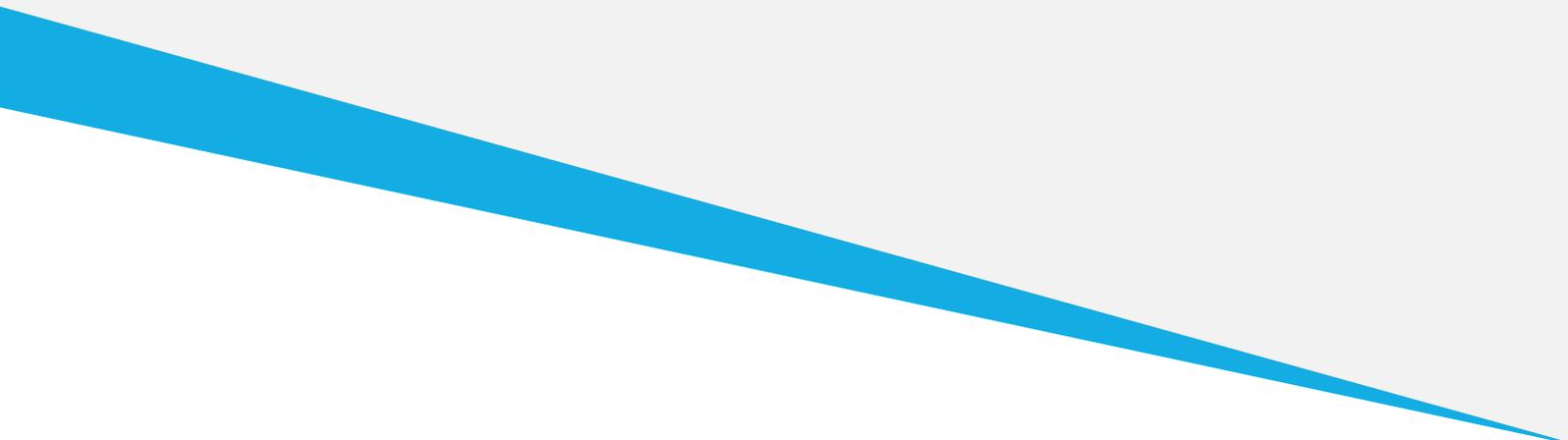
Clearly there's a lot to unpack here, so if you'd like some additional support, our team is standing by to answer your questions, understand your requirements, and present you with quality long term health insurance solutions.

As the broker of choice for over 500,000 clients worldwide, our team of 500+ professionals are always striving to help you find the best health coverage from the most established insurers, including AXA, Aetna, Allianz, Bupa, Cigna, and many more.

Obtaining your health insurance through us grants you access to a wide range of added-value services at no extra cost vs going direct to the insurer. As a Pacific Prime client, you can benefit from the following support services:

- Unrivalled claims assistance
- Administration and renewal support
- Premium and benefits negotiation
- Impartial advice
- Free plan comparison
- Hospital info and recommendation
- Insurer liaison
- And more

To get started with the world's leading insurance broker, [get in touch](#) with Pacific Prime today.



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