

# HERE AND THERE

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## LOOK AFTER CLIENTS' HEALTH CARE NEEDS, EVEN IF THEY LEAVE CANADA.

**H**ave you taken a pass on providing support to your clients' expatriate or in-patriate health insurance needs due to the complexity of this market? Or have you let business go to a competitor because you were unfamiliar with this area of risk?

If yes, then it's high time you gained the confidence to discuss this coverage with clients, and opened your eyes to the opportunities.

Unlike many other insurance markets in Canada, expatriate health insurance is serviced by both national and international companies. Internationally, many U.S. and Europe-based underwriters offer a number of plans. Once you understand your client's insurance needs there may be good reason to use an international market for coverage.

### Going Out

First, there's expatriate insurance. For an advisor offering other insurance types, development of this business line often starts serendipitously—you'll learn during a routine meeting that the client plans to move out of the country. Clients may also ask questions about offshore investing or residence status that can lead to an advisor uncovering a need for expat coverage.

In many of these scenarios, the client may not have considered his or her health risks. So, simply pointing out that one requirement of securing non-resident status is termination of provincial health coverage is a great place to start the conversation.

Addressing such a risk requires understanding the strengths of the

various insurers as well as the differences in risks. It's not always enough to know a person is leaving Canada without provincial health care eligibility, such as in the case of a Canadian who has established or is in the process of declaring non-resident status. It's also important to know where they're travelling.

There are country loadings built into most expatriate medical insurance policies that factor for country risk. So it's advisable to supply a list of countries where the client intends to live, work, and travel. And, you should advise your client to update this information if there are significant changes throughout the year. An underwriter will insist on knowing:

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continued from page 27 nature of travel (work or adventure); and

- Will the client undertake high-risk activities such as professional sport, chartered aircraft or helicopter travel, explosives handling, mining, or oil and gas exploration?

In the case of work contracts it's important to gather information on the type of work, and percentage of time spent doing office duties versus site duties. Structural or mechanical engineers who spend most of their time on-site will often be rated higher than those who work primarily in an office.

It's also necessary to supply detail on living arrangements (secure compound, or expat hotel), travel arrangements (armored car, or public transit). The better you become at defining the risks for the insurance company, the better chance you have of placing the risk at a fair and reasonable premium.

### Coming In

Inpatriate, also known as Visitor to Canada insurance coverage, is required for foreign workers, international students, vacationers and others who are in the country for set periods of time. This cov-

erage is provided by a broader selection of insurers such as travel insurers, life insurance companies, and property and casualty companies. Unlike expatriate insurance, this coverage is almost always best placed within the Canadian market. How exactly to cover the health insurance needs of these workers varies from province to province. It's important to check with the registration department of the provincial health care service where the visitor will reside and determine whether private coverage will be required—and for what period.

In Ontario there's no coverage for international students, while in British Columbia they have coverage under the Medical Services Plan after they satisfy a three-month waiting period (calculated as two months, plus the balance of the month during which they apply). In Alberta, a full-time student has coverage as soon as he or she arrives in the province. However, a part-time student, or someone engaged in classes to learn specific job skills for fewer than 11 months is not eligible for provincial health coverage.

Not all inpatriate plans are created equal. Advisors will find significant differences in the levels of coverage and benefits. It's common for many travel insurers and some life insurance companies to offer inpatriate coverage at levels as low as \$10,000. So if a visitor had serious injuries, this coverage could be used up in less than a day. That being the case, there's no good reason to place coverage at levels below \$50,000. Competitive advantage is not an acceptable excuse for issuing less-than-reasonable amounts of coverage.

As with all insurance markets, the more knowledge you acquire and the more relationships you forge, the better you'll navigate the markets and provide clients with the best possible coverage, for the best possible price. <sup>AE</sup> **SIMPSON**

## Resources

Direct clients to the CRA forms page at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca) and have them review form NR73 (Determination of Residency Status - Leaving Canada).

Web-sites such as the Canadian government's HR site ([www.hrsdc.gc.ca](http://www.hrsdc.gc.ca)); the provincial healthcare site; and the official immigration web-site of your province can be a great resource to work through some questions before sitting down with an inpatriate client.