

CLAIMS

INSURANCE

AUTOMOBILE

H
O
M
E

PROFIT

Make Your Move a Smart One~

Review Your Insurance Before You Go

By ADAM BATES

Moving your family anywhere, let alone to another country, is an exciting endeavor – a challenge not for the faint-of-heart. Your zest for life is evident as you step away from what's comfortable, jump forward into something new and take a chance on living abroad. You know a thing or two about taking risks, so you'll balance your eager excitement with prudent deliberation about some very important things before you move to your next locale.

High on your “to do” list is organizing your finances, including reviewing your life and disability insurance policies. Not glamorous. Not exciting. But very important.

Why? Because both life and disability insurance, especially for families with a single wage earner, help protect against a potentially catastrophic financial burden. In the event the breadwinner unexpectedly dies of natural causes or becomes physically or mentally disabled and is unable to work, it's not just a standard of living at stake – it's the family's future. And your family's future is very important.

Life and disability insurance can help pay dependent children's college education, can help purchase a home and is an income source for the surviving spouse and dependent children – if the policies are chosen correctly.

Expatriates and families relocating overseas need to take special care that their current life insurance policy is hefty enough to take on specific and costly scenarios in the event of a death:

- Funeral arrangements often involve transportation expenses for the family as well as costs to repatriate mortal remains
- Surviving family members may want to move back to their country of origin or perhaps to a new location altogether
- An extended period of time may be needed as surviving family members establish new sources of income in their host country

In the case of a physically or mentally disabling illness or accident, those relocating abroad need to ask and answer specific questions in light of their current disability insurance:

“High on your “to do” list is organizing your finances, including reviewing your life and disability insurance policies. Not glamorous. Not exciting. But very important. ”

- What are the local costs of living expenses?
- In the event of an emergency, will we move back to our country of origin?
- If so, will our policy cover potential cost of living increases?
- In what currency are my wages paid? Is the currency a volatile one, and will I have to adjust for fluctuations in exchange rates?

If current policies cannot handle the demands of overseas living, you need to evaluate and choose an alternative before you relocate. Furthermore, other policy details need to be reviewed. Again, not glamorous. Again, not exciting. But again, very important.

Why? Because typical life and disability insurance policies can limit the geographic area for which the policy will cover you – you may be surprised to find your life or disability insurance won't cross international borders and may be viable only in the country you purchased it.

“ If current policies can't handle the demands of overseas living, you need to evaluate and choose an alternative before you relocate. ”

For example, many American life insurance policies restrict the amount of time you can travel outside the United States and can be terminated if you permanently relocate to another country. Review your life insurance policy with an insurance agent. If your policy will not follow you to your new home, find an insurance agent who offers international life insurance.

International life insurance works like the life insurance policies found in your home country but expands the area of coverage to include foreign countries and international travel. It takes into consideration risks specific to your new location and job as well as the risks of travel. And because it's an international plan, you can keep it if you decide to relocate back to your country of origin.

Similarly, your disability insurance may carry limitations you need to know about. Ask an experienced insurance agent specializing in international disability insurance if your policy will cover you in your new home and, if needed, back in your country of origin. Also, consult a knowledgeable relocation service to help determine the living expenses required to live in your new country. You may discover the need for one, or both, of the following types of disability insurance:

- Temporary total disability insurance provides a percentage of your salary if you are briefly unable to work. A typical policy kicks in with monthly benefits after 60 days and usually pays benefits up to 24 months.
- Permanent total disability insurance typically pays a monthly benefit after 24 months up to age 65. Most policy waiting periods and benefit limits can be tailored to your specific income requirements.

Sometimes, employers provide international life and disability insurance for their employees, but if not, policies can be purchased by an individual. Expatriates, humanitarian workers, missionaries, volunteers, corporate executives and private consultants are usually eligible for coverage. There are only a few country restrictions and, as an additional benefit,

special riders can be added to cover losses due to war, acts of terrorism, kidnapping and ransom scenarios. Again, a knowledgeable insurance agent can help you decide what's best for your specific situation, occupation and location.

When carefully selected, international life and international disability insurance are both excellent financial instruments to help maintain your standard of living and protect your family's future – wherever that future may find them. ■

About the Author



Adam Bates is a licensed health and life insurance agent and the Vice President of Insurance Services of America. With over 13 years in the international insurance business, Bates is a member of the Association of Corporate Travel Executives and a constituent member of OSAC (Overseas Security Advisory Council). He serves clients living in over 150 countries and is himself an experienced jet-setter having traveled over 500,000 miles across five continents. In 2010, this University of Central Florida alum netted over \$8.5M in sales for Insurance Services of America. He may be reached at adam@isahealthinsurance.com

