

**INSURANCE INFORMATION AND REQUIREMENTS FOR EXCHANGE
VISITORS
University of Portland P-1-00205**

Students and visiting scholars who hold J-1 status are required to have medical insurance coverage for themselves and their dependents throughout their stay in the U.S.

As an Exchange Visitor in the United States, under a rule effective September 1, 1994, you are required to carry health insurance for yourself and your J-2 dependents for the full duration of your J program. Government regulations stipulate that if you willfully fail to carry health insurance for yourself and your dependents, your J-1 sponsor must terminate your program, and report the termination to the Department of State.

The necessity of health insurance:

It is dangerous to reside in the United States without adequate health insurance. Although in many countries the government bears the expense of health care for its citizens and sometimes even for visitors, individuals and families in the United States are responsible for these costs themselves. Since a single day of hospitalization and medical treatment can cost thousands of dollars, many hospitals and doctors refuse to treat uninsured patients except in life-threatening emergencies. Most Americans rely on medical insurance for access to quality health care. It provides the only protection against the enormous costs of health care in this country.

How medical insurance works:

When you purchase medical insurance, the money you pay (your premium) is combined with the premiums of others to form a pool of money. That money is then used to pay the medical bills of participants who need health care. Your coverage remains valid only as long as you continue to pay your insurance premiums.

Once you purchase insurance, the company will provide you with an insurance identification card for use as proof of coverage when you are seeking health care from a hospital or doctor. The company will also provide written instructions for reporting and documenting medical expenses (filing a claim). The company will evaluate any claim that you file, and make the appropriate payment for coverage under your particular policy. In some cases the company pays the hospital or doctor directly; in other cases the company reimburses the policyholder after he or she has paid the bills.

Required insurance specifications:

Sponsors must require that all exchange visitors (as well as their accompanying spouses and dependents) have insurance in effect that covers them for sickness or accidents during the time of their exchange visitor program. As of May 15, 2015, minimum coverage must provide medical benefits of at least \$100,000 per accident or illness; repatriation of remains in the amount of \$25,000; expenses associated with medical evacuation to the exchange visitor's home country in the amount of \$50,000; and deductibles cannot exceed \$500 per accident or illness (Section 62.14(a)). Inadequate

insurance coverage may be catastrophic for an individual exchange visitor. Thus, the Department increased the requirements.

Program participants and their dependents are required to have medical insurance coverage with the following minimum benefits [22 CFR 62.14].

- Medical benefits of at least \$100,000 per accident or illness
- Repatriation of remains in the amount of \$25,000
- Expenses associated with the medical evacuation of the exchange visitor to his or her home country in the amount of \$50,000
- A deductible not to exceed \$500 per accident or illness.

Sponsors are to require that their participants (and any dependents entering the United States as holders of a J-2 visa) have insurance in effect during the period of time they are in the sponsor's program. An insurance policy secured to meet the benefits requirements must be underwritten by an insurance corporation with an A.M. Best rating of "A-" or above, an Insurance Solvency International, Ltd. (ISI) rating of "A-I" or above, a Standard and Poor's Claims Paying Ability rating of "A-" or above, or a Weiss Research, Inc. rating of B+ or above. Alternatively, the sponsor may ascertain that the participant's policy is backed by the full faith and credit of the government of the exchange visitor's home country. For other options, see [22 CFR 62.14].

Choosing an insurance policy:

Your J-1 sponsor may include medical insurance as part of a sponsorship at no cost to you. Alternatively, your J-1 sponsor may have selected and approved a specific policy for all its Exchange Visitors, and may require you to buy that insurance as soon as you arrive in the United States. In many cases, however, you will be required to select and purchase your own insurance coverage. In choosing an insurance policy, you should consider many factors, not simply the minimum stipulated by the Department of State:

- The Reliability of the Company - Does it treat people fairly? Does it pay claims promptly? Does it have staff to answer your questions and resolve your problems?
- Deductible Amounts - Most insurance policies require you to cover part of your health expenses yourself (your part is called the deductible), before the company pays anything. Under some policies, the deductible is annual, and you pay only once each year if you use the insurance. Under other policies, you pay the deductible each time you have an illness or injury. The J regulations limit the deductible to \$500 per accident or illness. \$500 is the maximum deductible that is to be paid by the policyholder. Other policies can offer a lower and more advantageous deductible. In choosing insurance, you should think carefully about how much you can afford to pay out of your own pocket each time you are sick or injured, and weigh the deductible against the premium before you decide.
- Co-insurance - Usually, even after you have paid the deductible, an insurance policy pays only a percentage of your medical expenses. For example: a policy might pay 80% and the remaining 20%, which you would have to pay, is called the co-insurance. Thus, if you were injured and incurred \$3,000 in medical

expenses, a policy with a \$400 deductible and 20% co-insurance would cover \$2,080 (80% of \$2,600). The J regulations require the insurance company to pay at least 75 % of medical expenses covered in the policy.

- Specific Limits - Some policies state specific dollar limits on what they will pay for particular services. Other policies pay "usual" or "reasonable and customary" charges, which means they pay what is usually charged in the local area. Be very careful in evaluating policies with specific dollar limits; for serious illnesses, if the limit is too low and you may incur large medical bills not covered by your insurance.
- Lifetime/Per-Occurrence Maximums - Many insurance policies limit the amount they will pay for any single individual's medical bills or for any specific illness or injury. Exchange Visitors must have insurance with a maximum no lower than \$50,000 for each specific illness or injury, which is enough for most conditions. Major illnesses, however, can cost several times that amount.
- Benefit Period - Some insurance policies limit the amount of time they will continue paying for each illness or injury. In that case, after the benefit period for a condition has expired, you must pay the full cost of continuing treatment of the illness, even if you are still insured by the company. A policy with a long benefit period provides the best coverage.
- Exclusions - Most insurance policies exclude coverage for certain conditions. The J regulations require that if a particular activity is a part of your Exchange Visitor program, your insurance must cover injuries resulting from your participation in that activity. Read the list of exclusions carefully before choosing a policy.

Where to find insurance information:

If you need further information about purchasing insurance, ask your J-1 sponsor about policies available to Exchange Visitors in the United States. Remember to read the policy information carefully and do not be afraid to ask questions before you buy medical insurance.

Insurance agents:

An agent is an individual who represents one or several insurance companies and sells insurance to individuals and groups. When working with an agent you should feel free to ask questions and take the time to learn about and understand several choices before you make a decision. If you are uncertain or confused, do not sign anything. Consult a knowledgeable friend, or your J-1 sponsor, for help.