

J1 Exchange Visitor Insurance Requirements

This handout is designed for J-1 Exchange Visitors and their dependents. It explains the need for health insurance in the United States and outlines the minimum provisions of the coverage required for every person in J-1 or J-2 Status. It also defines some of the terms generally used in discussions of health insurance.

This table reflects the insurance requirements for all J1 and J2 participants.

Item	Insurance Requirements
Medical benefits	\$100,000
Repatriation of remains	\$25,000
Medical evacuation	\$50,000
Deductible per accident or illness	\$500

- All J1 exchange visitors and any accompanying spouse and dependent(s) may also be subject to the requirements of the Affordable Care Act."
- If you are purchasing your medical insurance from the University of Louisville, the PPO and EPO policies are the only two that meet all of the above requirements and therefore the only ones accepted for J1/J2 employees. You would need to purchase the Repatriation of Remains and Medical Evacuation policies from an outside company since UofL does not offer these.

Your proof of purchase and summary of your insurance coverage for you and any J2 dependents must be submitted at the time of your arrival to campus and prior to the start date of your program. You must resubmit your insurance information at the time of an extension request for your J1 Program.

The requirement

As an Exchange Visitor in the United States, you must carry health insurance for yourself and your J-2 dependents for the full duration of your J program. ***Government regulations stipulate that if, after that date, 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 United States Information Agency (USIA) in Washington.***

The reason for the requirement -- and the need for health insurance

It is dangerous to be 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 insurance, and you should do the same. Insurance gives you access to better and more timely health care, and provides the only protection against the enormous costs of health care in this country.

How medical insurance works

When you purchase health coverage, 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 those 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 the use as proof of your 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 claims 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 others the company reimburses the policy holder after he or she has paid the bills.

Choosing an insurance policy

Your J-1 sponsor may include coverage as part of sponsorship, without further charge to you. Alternatively, your J-1 sponsor may have selected and approved a specific policy for all the 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 USIA:

- The reliability of the company. Does it treat people fairly? Does it pay claims promptly? Does it have staff to answer your question 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 others, you pay the deductible each time you have an

illness or injury. **The J regulations limit the deductible to \$500 per accident or illness, but many policies offer a lower, more advantageous one.** 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 expense. The policy might pay 80%, for example, 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 \$2600). The J regulations require the insurance company to pay at least 75% of covered medical expenses.
- 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, the limit might be too low and you might have 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 \$100,000** for each specific illness or injury, which may be 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 go on 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’s 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 so that you understand exactly what is not covered by the policy.

Required Insurance specifications

In additions to the deductible, co-insurance, and exclusions described in bold type in the preceding section, USIA has established the following requirements for the type and amounts of coverage you must carry if you hold J-1 or J-2 status:

- The policy must provide “medical benefits of at least **\$100,000** for each accident or illness,” according to the text of the regulations. Since insurance companies cover no more than the policy-holder’s expenses (minus a deductible and, under co-insurance, a percentage), and never provide a minimum amount for each accident or illness, the quoted text should be worded differently. Presumably it was intended to mean that an acceptable policy cannot set a maximum lower than \$100,000 in benefits for each accident or illness. **The deductible cannot exceed \$500.**
- Repatriation of Remains: If you should die in the United States, the policy must provide at least **\$25,000** in benefits to send your remains to your home country for burial.
- Medical Evacuation: If, because of a serious illness or injury, you must be sent home on the advice of a doctor, the policy must pay up to **\$50,000** for the expense of your travel.
- The policy may establish a waiting period before it covers pre-existing conditions (health problems you had before you brought the insurance), as long as the waiting period is reasonable by current standards in the insurance industry.
- The policy must be backed by the full faith and credit of your home country government or the company providing the insurance must meet minimum rating requirements established by USIA (an A. M. Best rating of “A-“or above, an insurance Solvency International, Ltd. (ISI) rating of “A-1” 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”.

Where to find insurance information

There are many insurance companies that offer the appropriate policies. The following websites are those companies that students and scholars at UofL buy from most frequently. Please go to their websites to review their policies and cost. Read the policy information carefully and don’t be afraid to ask questions before you buy.

BETA	www.betins.com
ISO	www.isoa.org
Compass	www.compassbenefit.com
Insubuy	www.insubuy.com
Visit	www.visitinsurance.com

Insurance agents

An agent is an individual who represents on 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, don’t sign anything. Consult a knowledgeable friend, or your J-1 sponsor, for help.