



JOHNSTONE'S JOURNAL is published monthly, and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies, and use as a payroll staffer.

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## Employees and Dependents Living Out-of-Province The Limits of Travel Insurance

### Temporary Absences

An integral part of extended health care plans is the coverage for out-of-province or out-of-country medical emergencies. This component of the plan is extremely valuable for employees because it means they don't have to purchase extra travel insurance. Whether taking a short trip to the US, or a holiday in Mexico, their health insurance needs are covered.

The intent of this coverage is to protect employees and their dependents during **temporary** absences for both business and pleasure. Occasionally, we learn of dependent children who are attending university in another province or country, or of employees who are on an assignment in another country. While both of these situations could be defined as temporary absences, they pose another problem—the employee or dependent is no longer travelling: they are **residing** in another locale.



- "...while travelling or on vacation outside your province of residence."
- "...for emergency treatment of an injury, disease or pregnancy while travelling and that is incurred during the first 90 days after the commencement of the absence from Canada."

The moment an employee or dependent establishes residence (temporary or not) in another province or country, they are no longer travelling.

Some insurers, however, will consider administratively extending coverage to provide for employees and dependents who are away for educational reasons, while other insurers may apply an additional premium. Nevertheless, they are extremely reluctant to extend coverage to employees who are on assignment, although they may offer coverage with a limited dollar maximum.

### Coverage Restricted to Travel

With soaring claims costs, many insurers will no longer agree to cover employees or their dependents who temporarily **reside** out-of-province. Coverage is restricted to emergencies that occur while travelling for business or pleasure. A review of three different insurers' contract wording clearly illustrates their intent:

- "...an accident or unexpected illness which first occurred while travelling outside your province of residence on business or vacation."

When it is apparent that an employee or dependent will reside in another province or country, it is critical to contact our office **before he or she leaves**. We will determine whether coverage can be extended, and if so, whether there is an additional cost involved.

### Individual Coverage may be the Solution

When travel coverage cannot be extended, additional coverage through an individual plan may be the solution. This is easily arranged by phone through our office, and is relatively inexpensive. These plans cost about \$1.50 a day, and can be purchased for the number of days required—up to a full year (365 days).