

Relief Efforts in Japan -- Understand the Insurance Limitations

By [Dana Thrasher](#) March 15, 2011

We are getting questions from our clients about needed relief efforts in Japan and want to address a matter of critical importance: employee insurance coverage.

Companies planning group relief efforts or permitting individual leave requests to assist with the earthquake/tsunami/nuclear reactor devastations in Japan *must* consider whether employees who travel outside the United States will have any issues with benefits coverage -- medical, accident, dismemberment, disability, emergency evacuation, or death.

For example, if an individual has an illness or injury sustained from overseas travel to/from/while in Japan, will the group health insurance coverage be effective? Most policies and plans have limitations or exclusions regarding international coverage and specifically "dangerous activity."

Even if the current group coverage applies, the "out of network" provisions likely would require higher out-of-pocket payments by the employee, who may struggle with obtaining prompt reimbursement once back in the US. If the illness/injury is significant, will disability coverage apply? Similarly, in the event of death, would the existing life insurance policy cover?

Even with the urgency of the issues in Japan, companies and individuals must focus and plan accordingly. Companies should consider additional coverage for their US ex-pat employees who will perform work in Japan. The individual should assess whether increased personal coverage is needed. We suggest a careful review of plan documents/contracts and, if necessary, written confirmation with insurers of the terms of coverage to avoid unexpected issues.

Read how the earthquake affects insurance rates overall in "[Japan's Earthquake, Tsunami Will Spawn Higher U.S. Insurance Rates](#)," for related material on the topic.

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