



International Student Health Insurance Best Practices



Colleges and universities around the country are proud to open their doors to international scholars. These students play an important role on campuses — not only by enriching the learning environment but also boosting these institutions' global reputations and building a worldwide pipeline of skilled talent.

However, due to their unique enrollment status, many schools allow international students to waive their student health insurance plan (SHIP) with those that are not Affordable Care Act (ACA)-compliant. As the ACA was established to help **increase the accessibility, affordability and overall quality** of health care in the United States, permitting international students to hold non-compliant plans can harm their finances in the event of illness or injury while studying in the U.S., preventing them from receiving adequate care or leaving with extensive medical debt.

This article will outline why waiving SHIPs with non-equitable plans should be discouraged, the reasoning behind mandated ACA-compliant coverage as a best practice for international students and the challenges and repercussions of waiving coverage.

Outcomes of Waiving SHIP Coverage for International Students

According to [Post University](#), students in the country on a J-1 or F-1 visa will need to maintain insurance coverage for the full duration of their study. Requirements of this policy include coverage for accidents or illnesses, potential medical evacuation to their home country and repatriation of remains.

When considering a student's basic health needs, however, it becomes apparent that securing a policy meeting only these requirements can leave them vulnerable to costly medical bills. These include:

- **Lack of comprehensive coverage** – Whether a student becomes pregnant far away from home, needs mental health counseling or basic preventative care, non-ACA-compliant plans may exclude these essential health benefits. This can leave students vulnerable to significant out-of-pocket expenses. Under an ACA-compliant plan, these services would be covered with allowed cost sharing, such as copayments, coinsurance and low deductibles.

Exclusions for pre-existing conditions – In the U.S. alone, it's believed that up to 35% **of nonelderly adults** between the ages of 18 and 24 have a declinable health condition, also known as pre-existing conditions. As some alternative policies exclude pre-existing conditions, international students may not be aware of their health history's impact on their coverage, potentially leading to denied claims for necessary treatments.

- **Limited consumer protections** – Similar to the points on pre-existing conditions above, short-term duration plans written offshore and offered to international students often bypass federal mandates and protections they would otherwise receive under an ACA-compliant plan. These can include appeals and grievances, state oversight and coverage protections under Title IX, as well as the elimination of exclusions and allocated limitations of minimum essential coverages (MEC).
- **Coverage lapses** – Being so far from home and engrossed in their studies, it can be easy for an international student to miss an insurance payment. Unfortunately, international plans might have strict payment schedules and missing a payment can result in termination of coverage. This can lead to stressful situations where a student needs medical care only to discover they are uninsured.
- **Age-banded premiums** – Older international students require more medical care compared to younger students. Some non-ACA-compliant plans adjust premiums based on age, leading to higher costs for older students. This can lead to adverse selection, with younger, healthier students opting out of school plans and potentially destabilizing the insurance pool. ACA-compliant SHIP plans, meanwhile, are now allowed to be rated using age banding.



Reasons for Mandating International Student Coverage

Ensuring students' health insurance needs are met is a crucial responsibility for educational institutions. To mitigate the challenges listed above, some universities have implemented mandatory health insurance policies requiring all international students to enroll in their ACA-compliant plans. This conveys several tangible benefits to students, including:

- **Comprehensive coverage** – University health insurance plan providers design policies to meet students' specific healthcare needs, ensuring access to essential services. For international students, this includes ACA-compliant preventative care, mental health support and access to emergency services. Comprehensive coverage safeguards students against unexpected medical expenses, ensuring they are happy and healthy while focusing on their studies.
- **Compliance with state, federal or institutional legal requirements** – Federal and state laws often require international students to maintain adequate health insurance while attending college. On top of that, universities might have their own requirements dictating mandatory health coverage. Failure to comply could result in a student being prohibited from matriculating until their policy issue is resolved. It's also important to note that insurance requirements in the U.S. — let alone those by state and institution — can vary greatly from those a student is familiar with in their home country. And, when planning to study abroad, insurance requirements and compliance are likely at the bottom of one's list of concerns. It's up to institutions welcoming international students to guide them through and protect them from this complex and foreign process.

- **Simplified access to trusted healthcare providers** – Unlike local students, international visitors won't be familiar with the country's network-based system of providers. Confusion regarding what is in- or out-of-network can lead to harmful delays. And, with plans not built for a school's region — especially international plans — it may be difficult, if not impossible, to find in-network providers near the institution. Local medical providers might not accept plans from a student's home country, as well as travel insurance, since they are not equipped to file claims directly with companies outside the USA. Conversely, university-sponsored plans usually have established networks with local healthcare systems, enabling better access to necessary medical care.
- **Enhanced financial protection** – Quality medical care is expensive. Without insurance, diagnosing a broken arm can cost thousands of dollars, not to mention the price of subsequent visits during the healing process. Those costs might be too much to bear for international students on tight budgets. Schools that enforce a mandatory enrollment method in their SHIP plan will help protect students from significant out-of-pocket expenses.

Mandating a single, university-wide insurance plan also offers convenience and consistency for plan administrators. Not only will the institution comply with all state and federal requirements, but internal communication efforts can be streamlined while facilitating efficient handling of claims and other policy-related matters.

While waiving school-provided insurance in favor of alternative plans may seem cost-effective in the short term, it is more important to ensure students' health insurance is ACA-compliant to guarantee their coverage is sufficient for their care needs.

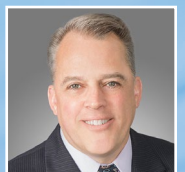
Institutions play an important role when setting stringent waiver criteria. By mandating enrollment in its sponsored health plans, colleges can protect students' wellbeing and ensure they can focus on what matters most: their studies. There are rare circumstances where a student may in fact be insured by an active and fully compliant, USA based carrier plan, so those requests should be managed on a case-by-case basis.

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