



How international income protection insurance works



William Cooper
Marketing Director

Date Published: 11 June 2025

The basics

International income protection is an insurance policy that pays you a replacement income if an illness or injury prevents you from working. It's specially designed for expats, digital nomads, and internationally-minded people who are living and working abroad. You can purchase a new policy if you're 60 or under, and you can renew your policy until your 65th birthday.

Think of income protection as a *private sick pay*. If you're unable to work, your employer is unlikely to pay your wages indefinitely, and statutory sick pay (if you're even eligible for it) is unlikely to cover your needs. Without a regular income, you'll soon start eating into your savings.

Did you know?

Income protection is known as disability insurance in the USA. William Russell is one of the only providers of international income protection insurance for people living and working abroad.

Income protection is not intended to supplement any income you lose through parental leave, redundancy, or losing your job. It only pays you a replacement income if you lose your income because an injury or illness prevents you from working. It's also not a lifetime benefit—the replacement income ceases when you're able to return to work.

Key benefits of income protection

Aside from paying you a replacement income if you're unable to work, income protection allows you to focus on your recovery from illness or injury. It also prevents unnecessary stress about returning to work before you're ready.

People purchase income protection for several reasons:

- Your family depends on your income, and you couldn't make ends meet if you weren't able to work
- You have monthly expenses that you pay from your salary, such as school fees or healthcare costs
- You want to safeguard your family's lifestyle while you're living abroad

About this guide

The best way to explain how income protection works is by taking you through the entire journey, from applying for insurance cover right through to making a claim. Here are some key terms that we use in the guide.

Salary

Your annual income from your normal occupation, including contractual bonuses (but not dividends).

Disablement

Your incapacity to perform the duties and responsibilities of your normal occupation because of an illness or injury.

Income benefit

The replacement income we pay you when you're disabled from performing your normal occupation. You choose the income benefit when you apply for a policy.

Deferment period

The period of total disablement before we start paying your income benefit.



Stages of the journey

Stage 1

Choosing your insurance cover

Stage 2

Applying for a policy

Stage 3

Calculating your premium

Stage 4

Calculating your renewal premium

Stage 5

Things that might stop you from working

Stage 6

Making a claim

Stage 7

When we pay your income benefit

Stage 8

Reasons why we wouldn't pay your income benefit

1/ Choosing your insurance cover

With income protection, you're insuring your salary. So, the question you should ask yourself is: how much money would I need if disablement prevented me from working and my salary stopped?

You can insure up to 80% of your salary, up to a maximum of US\$144,000 or £120,000 or €130,000. The salary you insure is called your 'income benefit'. It's the annual replacement income that we pay you monthly if injury or illness prevents you from working. The higher your income benefit, the higher your insurance premiums because we'd be paying you more if you were unable to work. If you make a claim, we reduce your income benefit by whatever other income you're entitled to receive (e.g. sick pay, state benefits, pension).

Here are some examples of how people have approached choosing their insurance cover.

Once you've decided your income benefit, you must choose a deferment period. The deferment period is the waiting period from the date of your disablement before you can claim for your income benefit. You cannot claim for your income benefit before the deferment period has expired.

You can choose from two options:

3 months

This means your income benefit can start after 3 months of disablement.

6 months

This means your income benefit can start after 6 months of disablement.

With a 3-month deferment period, we start paying your income benefit sooner so your insurance premiums will be more expensive than if you choose a 6-month deferment period.

Use case 1

Mr Smith lives with his family in Vietnam

He earns US\$100,000 per year working as an IT consultant. His spouse doesn't work, and his two children attend a private school in Hanoi. The family depends on Mr Smith's salary, so he wants the maximum income benefit. Since you can insure up to 80% of your salary, Mr Smith selects an annual income benefit of US\$80,000.

Use case 2

Mrs Jones lives with her family in France

She's a single mother with one child, earning €80,000 per year as a financial adviser. Her company has general sick pay policy, which would cover her at 80% salary for 6 months. She chooses to insure her salary up to the maximum amount, but chooses a 6-month deferment period (to account for her company's sick pay policy).

Use case 3

Mrs Dupont lives in Hong Kong

She's single, with no dependants who rely on her financially. She wants to insure a portion of her salary to cover her bills and the mortgage on her flat were an accident or illness to prevent her from working. She chooses an annual income benefit of US\$10,000.



2/ Applying for a policy

Once you have chosen your insurance cover, your next step is applying. Our application form is an editable PDF that you can complete digitally with a digital signature.

On your application form, you must disclose your occupation and your medical history. Based on the information you provide to us in your application, we'll give you the terms on which we can provide you with an income protection insurance policy. If you're generally fit and healthy with no pre-existing medical conditions, we're likely to accept your application with standard terms.

If you have pre-existing medical conditions, we might exclude insurance cover for those conditions or we might increase your premiums. In general, we won't pay your income benefit if your disablement was caused by a pre-existing medical condition or related condition.

Reimbursement for medical examinations

Depending on your age and the income benefit you apply for, we may require you to undergo a medical examination before we can accept your application. We'll reimburse you for any medical examinations we request once your policy starts, up to US\$750.

Common questions

Can you cover all occupations?

No. Income protection is intended for people with desk-based occupations. We don't cover specialist occupations like aeroplane pilots, surgeons, or offshore workers.

Can you cover self-employed people?

Yes. It's worth noting that we don't count dividends as part of your salary.

Are there alternative deferment periods?

No. Our only options are 3 months and 6 months.

3/ Calculating your premium

Once we've accepted your application, we'll issue you with an acceptance invitation with an insurance premium for your policy.

There are 5 factors that affect the premium that we charge you:

Your age

Premiums for income protection insurance get more expensive as you get older.

Your location

We charge the same basic premium in all countries. In certain countries, however, you may have to pay an insurance premium tax.

Your income benefit

The higher your income benefit, the higher your premiums.

Your occupation

Certain occupations represent a greater risk, so we charge a higher premium for these.

Your medical history

If you have pre-existing medical conditions, we may charge you a higher premium.

You can renew your policy until your 65th birthday. Your premium will increase each year as you get older. We don't re-underwrite your policy each year, which means you can renew your policy even if your health deteriorates. If you want to increase your income benefit, we'll ask you to submit an application for the additional income benefit. In that application, we'll ask you more questions about your occupation and your medical history.



4/ Things that might prevent you from working

Here is a non-exhaustive list of example illnesses or injuries that might cause your disablement and prevent you from working



Cancer

If you're diagnosed with cancer and you need intensive treatment (e.g., chemotherapy), you may not be fit to perform your occupation.



Strokes

If you suffer a stroke, you may not be fit to perform your occupation. It's possible that you won't be able to work again in any capacity.



Broken limbs or torn ligaments

A workplace or general sporting injury could disable you for several months.



Long-term hospitalisation

A serious illness or injuries sustained in a road traffic accident could confine you to hospital for months.

5/ Making a claim

If you suffer an illness or injury that is likely to prevent you from working for a period longer than your deferment period, email us at claims@william-russell.com. We'll appoint a dedicated claims adviser to handle your case.

Your adviser will request the following information:

A claim form that asks you to make a declaration of any other income you're entitled to receive (e.g., from the state, your employer, or another insurance provider).

A detailed medical report from your doctor and medical team.

A copy of your passport (or another official document that can identify you).

Proof of your pre-disablement salary from your employer (or from your accountant, if you're self-employed).

You must let us know about your illness or injury no later than 30 days before the end of your deferment period (i.e., before 2 months if you have the 3-month deferment period, or 5 months if you have the 6-month deferment period).



6/ When we pay your income benefit

We start paying your income benefit if you suffer an illness or injury that results in your disablement from carrying out your own occupation for a period longer than your deferment period.

How we assess your claim

If you suffer disablement, you must submit a claim for your income benefit. We'll assess your claim from a medical standpoint, but we'll also assess your claim from financial standpoint. We'll ask you questions about any other income you're entitled to receive. This income could be sick pay, state benefits, pension income, or private rental income. We'll deduct this income from the income benefit we pay you.

Here's how the income benefit works for the first 24 months

- Once we've accepted your claim, we'll pay your income benefit in monthly instalments from the end of your deferment period.
- Your income benefit will be the amount stated on your certificate of insurance, 80% of the salary you were receiving at the time you became disabled, or US\$144,000 (whichever is lower).
- We'll deduct from your income benefit any other income you're receiving (e.g., state benefits, sick pay, pension)
- You'll need to provide us with medical records from your doctor, and we might appoint an independent doctor to examine you.

After 24 months of receiving the income benefit

- We'll only continue paying your income benefit if you're medically certified as being totally disabled from following any suitable occupation.
- We'll ask you to have a medical examination to assess your capability to return to any suitable occupation.
- If the medical examination reports that you're medically fit enough to return to any suitable occupation, your income benefit will cease (even if that occupation is less well-paid than your previous occupation).
- If you're unable to return to any suitable occupation, we'll pay your income benefit until your 65th birthday or your death.

If you can return to work with restricted duties within 24 months of receiving your income benefit

- If you can resume your own occupation, but your disablement restricts the scope of your duties that results in a reduction in your salary, you can claim for a reduced income benefit.
- In this scenario, we'll recalculate your income benefit by reducing your policy's income benefit by the salary you're receiving for your reduced work.
- We'll stop paying your reduced income benefit:
 - after 6 months of us paying it;
 - once the salary you receive from your reduced work exceeds 80% of your pre-disablement salary;
 - if you're medically certified as being fit enough to return to your pre-disablement occupation;
 - when we've paid your income benefit and reduced income benefit for 24 months in total;
 - upon your death; or
 - upon your 65th birthday.

What is a suited occupation?

A suitable occupation is your own occupation, or any occupation for which you're reasonably suited by training, education, or experience.

Let's say your occupation was Head of IT before your disablement. We would consider IT Manager or IT Consultant as a suitable alternative occupation because it's close to your original occupation. We wouldn't consider driving a taxi or working in a shop as a suitable alternative occupation.



7/ Are there any reasons why we wouldn't pay your income benefit?

Yes, income protection insurance does have some exclusions.

Your policy only covers you while you're employed and you have a salary to insure, or if you're in between jobs for a period of up to 4 months. If you're unemployed for longer than 4 months, your policy will cease.

If your disablement is a result of mental health issues, we'll only pay your income benefit for 24 months.

We won't pay your income benefit if your disablement arises from the following:

- ✗ A pre-existing medical condition or related condition (unless you've told us about it, and we've agreed to cover it)
- ✗ Anything we've specifically excluded on your certificate of insurance
- ✗ Your participation in war or terrorist activities
- ✗ Your gross negligence or deliberate exposure to exceptional danger
- ✗ Your participation in professional sport or professional racing
- ✗ Your participation in an activity that's illegal in the country where you're performing it
- ✗ The consequences of attempted suicide or self-harm
- ✗ Abuse of drugs, alcohol, and medication
- ✗ Normal pregnancy
- ✗ Your loss of license to perform your own occupation
- ✗ War, terrorism, kidnap, assault, or any act of violence sustained while you're in a country or region that the British Foreign, Commonwealth & Development Office has advised its citizens to leave, advised against all travel to; advised against all but essential travel to.
- ✗ Any cause sustained while you're in Iran, Libya, North Korea, South Sudan, Syria, or Yemen

Common questions

Can I continue my policy if I move countries or return home?

Yes. However, there is a small number of countries where we would not be able to continue your policy.

Can I return home when I'm receiving my income benefit?

Yes. You can return to your home country without affecting your income benefit payments.

What happens if my salary increases?

You can apply to increase your income benefit until you reach age 60 to keep pace with increases in your salary.

Is my income benefit linked to inflation?

No. We increase your income benefit by 2% compound after 12 months of us paying it, and on each 12-month anniversary thereafter.

Will I still pay my policy premium if you're paying the income benefit?

Yes, but we'll waive your premium for the next policy year if we're still paying your income benefit when your policy renews.

Can I purchase income protection if I'm self-employed?

Yes. If you need to claim, we'll ask for proof of your salary for each of the three years prior to your claim. We'll take an average to decide the income benefit we'll pay you. We don't count dividends as part of your salary.

What if I suffer a relapse after returning to work

If the same illness or injury that caused your original disablement recurs within 26 weeks and again prevents you from working, we'll resume your income benefit from the date you're unable to work. If your relapse occurs more than 26 weeks after returning to work, your deferment period resets. We'll resume your income benefit from the end of your deferment period.

What if I receive social security payments or support from the state?

We'll deduct any payments you receive from your employer or from the state from your income benefit.