

Most people assume travel insurance pricing is driven by age, trip length, and maybe pre-existing conditions. Those factors matter. But two variables that rarely get discussed — where you're physically located and what currency your policy is denominated in — can swing your annual premium by hundreds of dollars in either direction.

If you're a digital nomad or long-term traveler, understanding these dynamics isn't just interesting. It's actionable.

Why Location Affects Your Premium

Travel insurance is fundamentally a risk product. Insurers price your premium based on the expected cost of paying out claims — and the cost of medical care varies dramatically by country.

A week in hospital in the United States might cost \$50,000–\$150,000. The same week in Thailand: \$3,000–\$8,000. In Cambodia: \$800–\$2,500. These aren't small differences. They shape how insurers calculate risk, and they're reflected in premium pricing.

The U.S. Coverage Problem

Policies that include coverage in the United States are consistently more expensive — sometimes two to three times the cost of otherwise comparable plans that exclude U.S. coverage. This is entirely rational from the insurer's perspective: one serious U.S. hospitalization can exceed the entire claim reserve for dozens of policies covering travelers elsewhere.

For non-American nomads who never plan to visit the U.S., paying for U.S. coverage is pure waste. For American nomads who may pass through or return home, it's a genuine consideration — but worth actively asking whether you need it or can carve it out.

SafetyWing's Nomad Insurance, notably, offers a version that excludes the U.S. at a meaningfully lower premium. Many long-term nomads from outside North America choose this option deliberately.

Regional Risk Tiers

Insurers segment the world into risk tiers, though the specific groupings vary by company. A rough general model:

Region	Relative Medical Cost Impact on Premium
United States / Canada	Very High +80–150% vs baseline
Western Europe	High +30–60% vs baseline
Australia / New Zealand	High +25–50% vs baseline
East Asia (Japan, Korea, Singapore)	Medium-High +15–35% vs baseline
Southeast Asia	Medium-Low
Baseline Latin America	Low-Medium -5–20% vs baseline
South Asia	Low -15–30% vs baseline
Sub-Saharan Africa	Variable

Depends on evacuation costs

These aren't precise figures — they vary significantly by insurer and policy type. But the directional pattern is consistent: the more expensive local healthcare is, the higher your premium will be for coverage there.

Where You Buy Matters: The Jurisdiction Effect

Beyond where you travel, *where you purchase your policy* can affect both pricing and legal protections.

Insurance is regulated at the national or state level. A policy issued by an insurer licensed in Germany operates under German insurance law. A policy issued in the U.S. operates under the relevant state's regulatory framework. This has practical consequences:

- **Claims disputes** are subject to the laws of the issuing jurisdiction, not where you are when you get sick
- **Regulatory protections** (mandatory coverage minimums, appeals processes, consumer protections) vary significantly
- **Tax treatment** of premiums differs by country for residents

For most nomads, this is less about pricing and more about knowing where to escalate if a claim goes wrong. Policies issued in jurisdictions with strong consumer protection laws (EU member states, UK, Australia) tend to have clearer claims processes and more formal dispute resolution mechanisms.

Currency Denomination: A Risk Many Nomads Ignore

Here's where things get genuinely underappreciated: the currency your policy is denominated in creates ongoing currency risk that compounds over time.

If you're a British nomad earning in GBP but your policy is priced in USD, a 15% shift in the GBP/USD exchange rate changes your effective premium by 15% without any change to your coverage. Over a year of nomading across a volatile FX environment, this isn't trivial.

The Three Currency Questions

1. What currency are premiums charged in?

Most major travel insurers price in USD, EUR, or GBP. SafetyWing charges in USD. World Nomads varies by region of purchase. Cigna Global typically offers multi-currency billing. Know what you're signing up for.

2. What currency are claims paid in?

This is often overlooked. If you pay a medical bill in Thai Baht and your policy reimburses in USD, the conversion rate applied is usually the insurer's rate on the date of claim settlement — not the rate when you paid. In a volatile FX environment, you can lose meaningful money in translation.

3. Is there a coverage limit set in a fixed currency?

Many policies have per-incident or annual limits expressed in a specific currency. If you have a \$250,000 medical coverage limit and the USD weakens 20% against EUR during a hospitalization in Germany, your effective coverage in local medical costs has dropped by 20%. This matters most for catastrophic coverage, where the limits are what protect you from financial ruin.

How Exchange Rates Affect Real-World Premium Costs

Let's make this concrete with a scenario.

A 32-year-old nomad based between Southeast Asia and Europe buys a SafetyWing Nomad Insurance policy for approximately \$56.28/month (Q1 2026 pricing for their age range, with U.S. coverage excluded).

- **If they earn in USD:** Stable. \$56.28/month is \$56.28/month.
- **If they earn in GBP at the 2024 GBP/USD rate (~1.27):** Effective cost in GBP is ~£44.31/month

- **If GBP weakens to 1.15 (as in late 2022):** Same USD premium now costs ~£48.94/month — a 10.5% real increase with no coverage change
- **If GBP strengthens to 1.40:** Effective cost drops to ~£40.20/month

Over a 12-month period with meaningful FX movement, that's a real difference of £100–£200 that has nothing to do with your health, your travel destination, or any claims activity.

Practical Strategies to Manage These Variables

Match Policy Currency to Your Income Currency

If you're paid in EUR, try to find a policy priced in EUR (or at minimum in a currency that moves similarly). This hedges out FX risk naturally. Cigna Global and some European-issued policies offer EUR pricing. AXA's travel products have broader currency options.

Strip U.S. Coverage If You Don't Need It

This is the single highest-leverage pricing lever available to non-American nomads. The premium difference between U.S.-included and U.S.-excluded policies can fund two or three months of solo travel in Southeast Asia.

Consider Annual Prepayment to Lock In Rates

If your insurer allows annual prepayment and you believe FX is moving against you, locking in 12 months of premiums at the current rate eliminates [earthsim.com](https://www.earthsim.com) your FX exposure for the year. This only makes sense if you have high confidence in your travel plans.

Factor In Medical Cost Environments When Choosing Base Countries

If you have flexibility about where to spend the majority of your time, the local healthcare cost environment is a real consideration. Spending most of your year in Southeast Asia (low medical costs, often direct billing available) versus Western Europe (higher costs, more complex billing) can affect both your premiums and your out-of-pocket exposure.

Putting It Together

Travel insurance pricing is more dynamic than most buyers realize. Location shapes your risk profile. Currency determines your real-world cost. And the interaction between the two creates variability that can make a "cheap" policy expensive over time, or a "pricier" policy genuinely economical.

When you're comparing policies, it's worth going beyond the headline monthly premium. Look at what geographic exclusions are available, what currency the policy operates in, and how claim settlement handles cross-currency situations. The [best travel insurance options for digital nomads](#) breaks down these nuances across the main providers, with specific attention to how pricing and coverage interact for people living internationally long-term.

The bottom line: location and currency aren't footnotes in travel insurance pricing. For nomads who live across multiple countries and may earn in a different currency than their insurer prices in, they're often the most important variables in the total cost of coverage.

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