
MONEYSAVER

Travel Insurance

Make sure your policy covers your needs.



Most of us don't give a second thought to jumping in the car and heading out of province or taking advantage of a discount flight to attend a course or meeting.

Unfortunately, many don't give a second thought about purchasing travel insurance to cover us in the event of injury or illness.

Different Jurisdictions, Different Coverage

Even though your province may offer medical coverage, travel insurance should be the number one consideration of any business that has employees on the road. Even if the trip is within Canada or just to the United States for the day to close a business deal, owner/managers and employees should not leave their province without maximizing coverage. An accident outside the coverage area of the provincial healthcare insurance could cause personal bankruptcy and potentially leave a business in financial turmoil.

Although many credit-card issuers provide insurance coverage they often only cover death and dismemberment rather than medical treatment for heart attacks, strokes, or broken arms.

When purchasing travel insurance consider the following available types of insurance. Brokers may bundle some types of coverage or provide the insured with the opportunity to purchase additional types of coverage. Purchasers would have to consider their destination, the length of stay and the cost. In most instances, the cost of the insurance is so minuscule in comparison to the cost of the incident that full coverage is the only way to go.

Types of Insurance

Comprehensive travel medical insurance is for those who may not have any medical coverage at all. This type of insurance would be of benefit to those who decide to see the world, are living and working outside their country of residence, or have no permanent address.

Emergency travel medical coverage is what most Canadians want when they travel outside their province to other parts of Canada or the world. This type of policy normally covers emergency services outside the provincial health jurisdiction. Coverage is usually up to a maximum of 30 days with premiums dependent upon such factors as whether it is family coverage, the number of individuals within the family and the ages of the applicants.

Medical evacuation insurance is often included within emergency travel medical coverage. Under normal circumstances individuals injured or ill would recover in the country where the incident occurred, then fly home on a domestic airline. But, consider that if the country where you are injured or ill lacks modern hospital facilities or is unable to provide a specialist, you may have to be airlifted to better facilities. The cost could run into the tens of thousands of dollars whereas the cost of the insurance may be as little as a few dollars a day. Examine the exclusions applicable to medical evacuation insurance. For instance, the policy may be null and void if injury resulting from, for example, a skydiving or scuba-diving accident created a medical emergency that could not be treated at a local hospital.

Trip cancellation and interruption insurance covers the cost of cancellation of the trip and, in some instances, may cover the additional cost of getting home should your trip be cut short. If a business cruise is cancelled, more

comprehensive insurance policies will cover any cancellation before or after your departure for such incidences as mechanical failure, grounding or quarantine of the ship or repositioning of the ship due to inclement weather.

Policies could exclude the requirement for refund in the event of war or acts of terrorism. The fine print of some policies suggests that the act of terrorism must have occurred after the ticket has been purchased and within the foreign city originally ticketed. There may be a rider that the policy is only valid if you were to arrive at that destination within 30 days after the act of terrorism as well as a stipulation that the act of terrorism has been reported by the Canadian government or other reliable sources such as Reuters.

In some instances the policy may not offer a refund of money but rather a credit voucher for another trip to the same location or with the same company.

Suppliers default insurance is designed to cover in the event the carrier, cruise line, tour operator or other providers of travel services declare bankruptcy or are unable for other reasons not to provide the service. With natural disasters on the rise, acts of terrorism and political instability within many destinations, insurers have been reviewing coverage. Enquire of your general policy and the specific default insurance as to the exclusions that may apply.

Insure That Rental Vehicle

Never assume that your at-home business/personal vehicle insurance will cover you if there is an accident with a rental or borrowed vehicle while in another province or country. Before leaving home determine with your automotive carrier *specifically* what you are covered for in a foreign country or province. Determine also whether it is possible to purchase vehicle insurance through your broker to cover you, third parties, and repairs to the third-party or rental vehicle. Expect to have to pay for the cost up front and then be reimbursed by the insurance company many months later.

An additional premium may be required.

Pre-Existing Medical Condition?

Travelers with a pre-existing medical condition should disclose this information when applying for the insurance. An additional premium may be required, depending on your medical condition. Actual misrepresentation or failure to disclose may result in cancellation of the policy or denial of coverage if a claim is submitted. Older travelers (considered by many insurers to be those over 60) may have to pay a deductible or higher premium.

Having a Baby?

Pregnant women may wish to check the availability of travel insurance. Most policies will exclude you once you are within nine weeks of term. (Also, check with your airline for any restrictions on when within your term they prefer you not to fly.)

Credit-Card Insurance Coverage

Credit-card holders should not automatically assume they have all the coverage needed. Indeed, unless you have the policy in front of you, and unless you have a copy of all the changes made since the time when you received your “gold” or “platinum” card, you may not have the insurance you thought.

Foreign Countries Have Different Rules

Canadian travelers must put aside their “made in Canada” perceptions of how the world runs. Keep in mind that foreign countries’ insurance requirements, socio-economic conditions and jurisdictional differences could make recovering medical and rehabilitation cost through other insurance companies or law suit next to impossible. And even if you can, the cost and time involved may bankrupt you both financially and emotionally.

Maximize Your Medical Coverage

Don’t worry about dying while out of the country, worry instead about illness. Most policies will provide a death benefit, or you may already have life insurance. Consider however, a severe heart attack, a tropical disease or

infection, or a personal-injury accident that hospitalizes you for an extended period of time, may cost over half a million dollars. And if you die, the bill is still there for your survivors to deal with.

Health policies that complement your provincial coverage will provide out-of-province coverage 365 days a year regardless of where or when you travel. If these policies provide adequate coverage they may be the most economical and convenient means of taking the worry out of traveling.

Travel insurance is probably the most valuable part of any travel expenditure. Maximize the coverage and the coverage limits every time you leave the country or your province.