

GET COVERED FOR A STRESS-FREE TRIP

Read the fine print to understand what all is covered, or you could be stuck with huge bills. **By Khyati Dharamsi**



ILLUSTRATIONS BY ANV THAKUR

Mumbai-based Madhumita Chatterjee, 59, planned a fortnight's vacation to stay with her son in Hong Kong. But she ended up with a hospital bill of HK\$1,500 (around ₹13,000) for an emergency surgery caused by a fall when she was abroad.

Whether you are on a business trip or embarking on a sun-chasing, mojito-sipping seaside holiday, anything untoward – right from lost baggage to stolen passport to medical emergency – can turn the trip into a nightmare. Still, many choose to travel without any safety net even though the cost of buying a travel insurance policy is far from prohibitive. A \$1,00,000 travel cover for two adults on a 30-day tour of US/Canada costs ₹3,599-5,363 (\$50-80), and the price shoots up for senior citizens aged above 70. But it is not much more than the per-room, per-night charge of \$75-150 that Indians spend on an average.

Young travellers without insurance could also face huge risks, going by Indian

consumers' leisure travel habits. "Indian millennials are more adventurous and confident, and more inclined towards discretionary consumption of activities such as travel, as opposed to saving. They prefer independent travel over group tours," says a CAPA India-Expedia travel report titled *The inflection point for India outbound travel*.

Nevertheless, planning for vacation contingencies is on the rise as more people are going abroad (intercity travel cover has not picked up yet), and insurers are developing products in sync with the latest demand. For instance, Bengaluru-based

Digit Insurance is now covering adventure sports. According to the Insurance Regulatory and Development Authority of India, domestic companies issued 2,30,000 overseas travel insurance policies in FY2016/17, covering 4,60,000 people.

\$50-80

Cost of a \$1,00,000 travel cover for two adults on a 30-day tour of US/Canada

What's On The Platter

More than 40 general insurance companies in

India offer extensive coverage overseas and the sum assured could vary from \$25,000-50,000. Apart from emergency hospitalisation, these policies cover personal accidents, loss of documents and luggage, cost of evacuation and, under unfortunate circumstances, cost of transporting the mortal remains of a traveller. "Most often, customers file for claims related to medical expenses incurred due to hospitalisation, flight delays, baggage delay, loss of personal documents and loss of checked-in baggage," says Anurag Rastogi, Member of Executive Management at HDFC ERGO General Insurance. "Documents like payment receipts, doctor's notes and police reports are required to process claims. Hence, you need to save and share them with your insurer when filing a claim."

Also, before buying a policy, take a look at the exclusions and caveats, how much of the claim will eventually be settled and the extent of premium repayment in case of policy cancellation. For instance, under emergency hospitalisation, the first \$100 has to be paid by the policyholder. Similarly, companies offering home insurance against burglary and fire while you are away, often mandate that 5 per cent of the amount should be paid by the insured. Now that you are aware of the pros and cons, here is a low-down on how travel insurance can help when emergencies strike.

Medical emergency: "In many parts of the world cost of medical treatment could be exorbitant, running into thousands of dollars. But people's capacity to cope with such contingencies is limited and they must have a safety net," says Sanjay Datta, Chief of Underwriting, Re-insurance and Claim at ICICI Lombard General Insurance. The best part of the deal is you need not undergo a health check-up to get your policy. "However, a declaration of pre-existing medical conditions is required before policy issuance," says Datta.

If a traveller wants to get treated in India for any injury caused abroad, the return journey and the cost of treatment back home will be covered by the policy, subject to the sum assured. On the other hand, discretionary expenses should be avoided when one is abroad. For instance, cosmetic surgery and prosthetics are not covered by any policy. Medical costs for pre-existing conditions, barring life-threatening emergencies, may not be considered either.

Finally, if a person needs treatment due to a self-inflicted injury such as an attempt to commit suicide or self-harm under the influence of drugs or alcohol, expenses for the same will not be paid by insurers. Again, mishaps due to sports or adventure activities are not covered by most companies.

Trip delay/cancellation/interruption: If flights get delayed or cancelled due to bad weather, technical/mechanical faults or staff strike, one can benefit from the trip delay/cancellation coverage. Trip delay claims are not accepted by insurers if the gap between connecting flights is less than three hours. If you have to cut your trip short due to natural disasters, terror attacks or personal reasons, such as the death of a family member, you will be protected under the trip interruption clause.

Lost baggage/passport/money: The lost-baggage cover will be available only if the entire checked-in baggage is permanently lost by the common carrier (commercial flights on regular routes charging agreed rates). A copy of the boarding pass and the property irregularity report issued by the airline will be required as proof of baggage loss. Delay in receiving baggage is also covered if the delay is more than six hours within India and 12 hours while you are travelling abroad.

Losing your passport or other travel documents or your wallet is another major disaster. Report the loss to the local police within 24 hours and submit the report to get your insurance claim accepted. For financial emergency, a pre-decided amount is handed over to the traveller.

Save More On Premium

Travel insurance can undoubtedly stretch your holiday budget, but the icing on the cake is that if you plan to cancel the policy due to change in plans, you can do so midway and a part of the premium will be refunded as long as no claim has been made under the policy. If you are not sure how long you will be travelling, take the travel cover for a shorter duration and seek an extension later in case it is required.

"There are variations in deductibles and sub-limits, which could have a huge impact on one's budget. Check out premiums for various sums insured from one insurer and compare them with what others are offering. That is the way to ensure you are spending as per your budget without compromising on the adequacy of protection," says Anand Roy, Executive Director and Chief Marketing Officer at Star Health and Allied Insurance.

"Customers should also look for continent-specific or country-specific plans to save on premium," says Rastogi of HDFC. "For those going on a family holiday, it is advisable to choose a basic plan that covers a family of four and then go for a higher-sum-insured family floater plan that ranges between \$2,00,000 and \$5,00,000." **MT**

The writer is a Mumbai-based freelancer



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