

Travel Insurance – Tips on Travelling

Key Points

- Travel insurance is a priority when considering travel.
- The travel insurance market is highly competitive and consumers have a range of coverage options.
- It is important to purchase cover that appropriately suits your individual circumstances and travel plans.
- Policies may contain some exclusions (for example, some extreme sports), you should carefully read the policy before purchasing cover to ensure that it meets your individual needs.

Background

Travel insurance covers the policyholder for insurable events that may occur before or during travel, such as trip cancellation/interruption, medical expenses, baggage damage/theft and more.

Regardless of whether you travel overseas regularly, infrequently or on a once-in-a-lifetime trip, travel insurance is very important. The Department of Foreign Affairs and Trade assists more than 20,000 Australian travellers a year who find themselves in difficulty due to injury, hospitalisation and even more tragically, death.

Travellers without travel insurance can find themselves in significant financial difficulty in the event that they or a family member falls ill whilst travelling abroad. In addition to this the common occurrences of theft and/or loss of personal belongings can also cause a great inconvenience and undue hardship when travelling.

The cost of travel insurance is based on the type of cover requested, the age of the insured, the destination of travel, length of stay and any pre-existing medical conditions. It is important to obtain the right type of travel insurance to suit your individual requirements.

When choosing a travel insurance policy you should:

- Always read the product disclosure statement prior to purchasing your travel insurance. Travel insurance policies are competitive so it may pay to shop around to find a policy that suits your individual requirements.
- Ensure that you understand exactly what your travel insurance covers, as travel insurance cover is not unlimited.
- Speak to your insurer to clarify any policy issues that may cause any confusion.

- Read the policy carefully to make sure you are aware of any excess and where it may apply.
- Ensure that any medical cover is adequate for possible expenses in the country you are going to visit. In regions such as North America, Europe, Africa and some parts of Asia medical costs can be very expensive.
- Ensure you declare any pre-existing medical conditions you may have.

Personal Belongings

Generally, cover for luggage and personal belongings will be limited. It is important to know the total amount of cover along with any per-item limit that may apply to any expensive items you may wish to cover, such as cameras, laptops and/or jewellery.

Credit card insurance

Some financial institutions provide travel insurance as part of their credit card service to their customers. It is important to read your credit card provider's policy and the Product Disclosure Statement carefully to determine the extent of the coverage provided by this policy and whether certain eligibility requirements need to be met.

Exclusions

Like most insurance policies there are standard general exclusions on most types of travel insurance policies. These can include acts of civil unrest, self inflicted injury, loss/theft of unattended baggage, loss/theft of cash and pre-existing medical conditions.

Dangerous Activities

Travel insurance policies may not also cover dangerous or extreme activity, such as snowboarding or surfing. Most extreme activities require an additional premium. It is also important to note that most dangerous activities may be classified as general exclusions in most policies and could include activities such as rock climbing, kite surfing, hunting, bungee jumping and underwater activities involving the use of an artificial breathing apparatus.

Prior to Travelling

It is important to review any special travel advisories issued at www.smartraveller.gov.au prior to booking your trip or travelling. Most policies do not cover cancellation as a result of government prohibiting travel to a particular destination or changing a travel advice.

Disputes

- The General Insurance Code of Practice ensures that the industry is committed to be open, fair and honest in the way it deals with its customers. If you have a dispute with your insurer you can take your dispute to your insurance provider's Internal Dispute Resolution (IDR) process and ask for an IDR decision. If the dispute remains unresolved, or you are unhappy with the decision, you may then contact the Financial Ombudsman



Service (FOS) who independently and impartially resolves general insurance disputes between insurers and their customers.

Contact

Karl Sullivan

General Manager

Policy Risk & Disaster Planning

T: 02 9253 5155

ksullivan@insurancecouncil.com.au