

February 17, 2012

Advice for travellers following Air Australia grounding

Travellers affected by the grounding of Air Australia should contact their travel insurer as soon as possible, the Insurance Council of Australia (ICA) advised today.

ICA CEO Rob Whelan said travellers whose plans were disrupted by the shutdown should check their insurance documents and contact their insurer with questions or claim inquiries.

“Travel insurance is meant to compensate policyholders for financial losses they may incur in unforeseen and unexpected circumstances. However, each insurer has different terms and conditions,” he said.

“We advise travellers to contact their insurer to ensure that any costs incurred are in accordance with the conditions of their policy before they decide to cancel travel or make alternative arrangements.”

Mr Whelan said it was vital that policyholders:

- Check who you are insured with. If in doubt, contact your travel agent
- Check policy terms and conditions to see if you are covered for any loss you may have incurred
- If in doubt or if you believe you have incurred a loss then contact your insurer to clarify any concerns you may have or alternatively to lodge a claim
- Don't worry if you can't find your policy document. Your insurer will have electronic records
- Ensure you are covered for costs that you may wish to claim before you incur them

Mr Whelan said policyholders should understand most policies had limitations on what costs could be paid and under what circumstances, and these were described in the Product Disclosure Statement for each policy.

“If travellers aren't sure which insurer they're with, they should first contact the organisation where they bought the policy, such as their travel agent,” he said. “Unfortunately, about 10 per cent of Australians who travel overseas neglect to take out travel insurance before they leave, which leaves them financially exposed if things go wrong.”

Mr Whelan said travellers who paid their fares using a credit card should contact their credit card provider to see if refunds were available.

Some insurers exclude the collapse of travel service providers from policies, or may decline to provide cover for travel that relates to certain providers from time to time.

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NEWSROOMS: A brief audio statement is available. Please contact the media adviser on 0432 121 116.