

Buy travel policies with wide coverage

Just having a basic cover that provides medical insurance can hurt

KIRAN TELANG

On a short trip to London, K Sable realised the importance of having a comprehensive travel insurance policy. The policy came to his rescue when his baggage and passport were misplaced.

Travel insurance is not a factor one pays much attention to when planning a trip. But even if you feel that the chances of things going wrong in your otherwise well-planned holiday or business trip are slim, a good travel insurance cover is a must have in today's context. It can be quite reassuring if something, God forbid, goes awry.

Though travel covers for domestic and foreign travel are now easily available, domestic insurance covers have not real-

ly picked up. Two basic covers are available to travellers: one, a simple overseas medical-insurance cover, and two, a more comprehensive travel-insurance one. Both these types are available to leisure and business travellers as well as to students going abroad for studies.

Travel insurance seeks to minimise financial losses of various kinds during your travel period. This is done either through reimbursement of costs, mostly for smaller expenses which you pay from your own pocket during your stay abroad, or, in cases of greater expenses, through a cashless system set in place through tie-ups in various countries or transfer of funds in case of an emergency, depending on the type of emer-

gency and cover purchased.

Most travel-insurance policies are issued for seven to 180 days. They can be extended to 360 days for business travellers or students. A policy can be either for a single trip or for multiple ones where the duration of each trip not exceed 30 days. Many insurers provide country- or region-specific covers such as policies covering travel to the Americas or to Asia or to the rest of the world excluding the Americas. You can choose according to your destination. The main areas of travel insurance coverage include:

Health: The emotional turmoil of being in a foreign land without any support system can be frustrating and aggravated in case of medical emergencies.

Travel-insurance policies cover expenses for hospitalisation abroad. Remember that this medical cover is quite different from health insurance within your country of residence. It will not pay if you have hospitalisation requirements in India.

Similarly your local health insurance cover will not cover you for hospitalisation abroad. Some companies have tie-ups with health insurance companies in other countries. This is usually quite a considerable help. Some offer cashless settlements across the world. You must necessarily have a decent cover size for this portion of the health insurance. Smaller covers might bring down the cost of a policy but might not provide adequately in case an emer-

gency actually arises. Pre-existing illnesses are not covered under this policy. Some companies offer some respite in case of life-threatening conditions due to pre-existing diseases, but under very specific terms and conditions.

Medical evacuation costs back to the home country are

also covered. This is an important clause. You might face a situation where you might need emergency evacuation either to a bigger city or to your home country. In most cases, this has to be done by chartered flight or first-class travel on a regular airline with medical support. This is quite likely to burn a major hole in your savings. So cover it well through adequate travel insurance.

Repatriation of remains: In the unfortunate case of death abroad, repatriation of remains

to the home country is also a costly affair, though covered under most health-insurance policies as an extension of benefits of the health cover.

Other minor covers provided are in the form of dental coverage, daily cash allowance in case of hospitalisation, etc.

Baggage: Delay, or loss, of baggage can be expensive as you then would have to purchase stuff in a foreign country for the duration of your stay. Most policies offer cover on the loss of checked-in baggage as well as for delay in receiving checked-in baggage beyond a certain number of hours, which can range from as low as 6 to 48.

Loss of Passport: Being without your primary identification—your passport—in a foreign land can get you into not a little trouble. Travel policies provide for financial aid to cover the costs involved in procuring travel papers for the rest of your journey or for return to

your home country.

Travel: There could be cancellation or delay of a trip for personal reasons or due to circumstances beyond your control such as sudden illness of self or a family member, death in the family, or natural calamities such as earthquakes, storms, etc.

Theft/Burglary/Loss of money: In the unfortunate event of losing all of your money and requiring emergency cash assistance, some travel policies provide you with cash assistance through their service providers.

Stay: In case you have to extend your stay for some reason such as cancellation of flight due to a natural calamity or your own ill health, etc., you will be able to obtain some relief through your travel policy towards paying the extra costs

The writer is certified financial planner

SAFETY FIRST

- Ensure that adventure sports are covered in a standard policy or pay extra and secure such cover
- People travelling with you should know emergency numbers and processes for help, if required
- Keep insurance papers, hotel bookings, ongoing tickets, phone chargers and important medicines in hand luggage
- Bundled travel-insurance products, available with forex cards, etc, are usually insufficient for your needs