



Association of British Insurers

Travel insurance – what you need to know

April 2011

Contents

Introduction	2
Why do I need travel insurance?	2
Aren't all travel insurance policies the same?	2
Top tips	3
Things that can go wrong before you travel	4
Cancellation	5
Missed departure	8
Travel delay	10
Things that can go wrong during your trip	12
Baggage delay	13
Lost and stolen belongings	14
Lost and stolen money	17
Lost and stolen passports	18
Emergency medical treatment and repatriation	19
Cutting your holiday short	23
Personal liability	26
Personal accident	27
Legal expenses	28
Additional cover options	29
Scheduled airline failure	30
Hazardous or sports and leisure activities	31
Winter sports	32
Terrorist incidents	33
Independent travel/travel disruption cover	35
Frequently asked questions	37
Access to travel insurance	37
Existing medical conditions and changes to health	37
Terms and definitions	38
Before your departure date	38
While you are away	39
Claims and complaints	39

Introduction

Most travellers have trouble-free trips when going overseas. But sadly, sometimes things go wrong, and having a comprehensive travel insurance policy can be a great help if you are faced with a problem abroad and huge bills to follow.

Why do I need travel insurance?

These are just a few of the reasons why you cannot afford to travel abroad without cover.

- **Cancellation cover**
- **Medical expenses and repatriation**
- **£407m** – The amount travel insurers paid out to policyholders in 2009.¹
- **Lost and stolen possessions** including hand luggage, money, passports and other belongings.

Did you know? Britons spend more than double the cost of an average single trip travel insurance policy on magazines and sweets at the airport².

Aren't all travel insurance policies the same?

Different travel insurance policies cover different things. This guide explains some of the common things that are often covered, and perhaps more importantly, some things which may not be covered. No insurance policy can cover absolutely everything that *might* happen during a trip, but policies try to provide cover for the most common problems.

You need to decide what is important to you and check if the policy you are considering provides the right level of cover for your circumstances. This will help to avoid any nasty surprises if you are unfortunate enough to have a claim.

Follow the links below for more information about just some of the main things covered by a standard travel insurance policy and details of

¹ ABI claims data, 2009.

² Research commissioned by FCO and carried out by RedShift research in June 2010, based on a UK sample of 1,000 people.

additional policy features that you may need. Some policies have all of these features and more, while others may only offer a selection of benefits.

Alternatively, if you have any specific questions, or you are finding it difficult to obtain cover, visit our *Frequently asked questions* section.

Top tips

1 The cheapest price may also mean the least amount of cover

That is why it is important to check a policy meets your needs before you buy it and consider whether additional cover might be necessary.

2 You must tell your insurer about your health history

If you declare your existing medical conditions your insurer will be able to confirm whether or not any claims relating to them can be covered. Cover may be free of charge or require payment of an additional premium. But if you do not tell your insurer about an existing condition they may not pay for medical treatment or the costs to get you home, and this will also invalidate your whole policy.

3 Act responsibly at all times

Going on holiday is the perfect time to relax and have fun, but you should never take unnecessary risks. Insurers do not cover drink or drug-related incidents and leaving possessions, particularly valuable items, unattended will invalidate a claim.

Things that can go wrong before you travel

The best laid plans can sometimes go wrong and despite your best efforts when booking a trip and making plans to reach your destination, the unexpected can happen. That is why it is important to ensure you are covered as soon as your holiday is booked.

This section looks at some of the things that can happen to people before travelling with information about how travel insurance policies can help.

- *Cancellation*
- *Missed departure*
- *Travel delay and abandonment*

These are just some of the main things covered by a standard travel insurance policy. Some policies have all of these features and more, while others might only offer some of these benefits. So check that the cover provided suits your needs before you buy and travel. Then you will not get any nasty surprises if you are unfortunate enough to have to claim.

Cancellation

Did you know?

- **£1,488³** – Average cost of a one-week holiday for family of four of travel and accommodation.⁴
- **£3,000 to 5,000** – Typical level of cover for cancellation claims, less a £50-75 excess.
- **246,000** – Number of people helped with claims for the cost of cancelling a holiday in 2009.⁵

Why does insurance matter?

One of the most common reasons people make a claim on their travel insurance policy is when they have to cancel their trip because something unexpected has happened between making a booking and the date of travel. There are a number of different reasons why people need to cancel holiday plans, some of which are covered by travel insurance. Where cover is available, the policy will provide compensation for financial loss.

If you are going on an expensive trip, it is important to make sure that the cancellation cover limit is enough to cover the full cost of your trip.

What does insurance cover?

All providers *do* offer standard cover insuring against accident, illness and abandonment following a delay. A cancelled trip is typically compensated if you:

- fall ill or have an accident;
- are made redundant;
- are called up on jury service;
- are quarantined because of sickness; or
- experience a long delay to the planned departure and your trip has to be abandoned.

Examples of those situations in which policies typically *do not* provide additional cover include:

³ Source: Churchill Insurance. Based on £372 expenditure on travel and accommodation per person per week.

⁴ Britain's Holiday Spending Revealed. Confused.com, August 2010.

<http://www.confused.com/news/travel/travel-insurance/britons-holiday-spending-revealed-1787641000> [Accessed: 06/10/10]

⁵ ABI claims data.

- If the accident and illness of you, a family member or travelling companion in circumstances could be 'foreseen'. For instance, you are unlikely to be covered if you were sick when booking the trip or the claim is related to an existing medical condition of a 'non travelling close relative' that was not declared and accepted by the insurer.
- If self-employed, you are unlikely to qualify for cover in the event of redundancy.
- If the trip has to be abandoned, delays caused by air traffic control failure or computer failures are usually excluded.

Compensation *might* be paid if a close relative or travelling companion falls ill or has an accident, but you should check with your insurer before cancelling the trip. Some policies *might* provide additional cover in other circumstances outlined below.

1 Government advice

This occurs where the [Foreign & Commonwealth Office \(FCO\)](#) or the government of the country you are going to visit have advised against travel to that destination. Travel insurance is intended to cover costs that cannot be claimed from another source. For instance, a travel agent, tour operator or airline will often arrange a different date or destination, or give a full refund.

Most policies *do not* provide cover unless certain parts of the trip were booked independently and cannot be changed or refunded. You can find more information about cover for *Terrorist incidents* and *Independent travellers* in the relevant sections of this guide.

2 Airline failure

If you have booked your own flights with a scheduled airline that goes bust, you might not be able to recoup the money. Scheduled airline failure cover will pay out compensation, but most policies *do not* include this feature. You can find more information in the *Scheduled airline failure* section of this guide.

Chartered airlines or those operated through tour operator are covered separately by a different compensation scheme – Air Travel Organisers' Licensing (ATOL). You can find more information about chartered airline and tour operator failure in general on the [ATOL website](#).

3 Taxes fees and charges

Airport taxes and Air Passenger Duty (APD) taxes are only payable by the airline if you actually travel and these amounts should be refunded if you have to cancel. As these costs can be claimed back from the airline, many policies *do not* cover them.

4 Invalid passports and visas

Most policies *do not* provide cover if you cannot travel because you did not arrange for a valid passport and/or any necessary visas before the trip.

5 Timeshares, property bonds and reward schemes

Some policies *do not* provide cancellation cover for timeshares, holiday property bonds or trips booked using airline mileage or similar reward schemes. If you are booking a holiday in this way you should check that you are covered.

Missed departure

Did you know?

- **1 in 10** – Number of delayed train journeys in the UK.⁶
- **20** – Average number of times UK motorists will breakdown in their driving life.⁷
- **£100s** – Cost of buying a replacement ticket if you miss the departure time.

Why does insurance matter?

Cover for a missed departure provides assistance and financial support to reach your final destination.

Even the best laid plans can sometimes go wrong and despite your best efforts to get to the airport, ferry or other departure point from the UK on time, you might be delayed and miss it.

If you do miss the departure time, the cost of buying last-minute tickets can be expensive – from a £30 administration fee to the full cost of a replacement ticket. On a popular long-haul flight that could add up to several hundred pounds or more. And you might need to stay in a hotel overnight before the next flight.

What does insurance cover?

Many policies *do* provide assistance and financial support in getting you to your final destination if the reason for your missing your flight, ferry or train is one of those covered.

1 Public transport

When travelling to the departure point by public transport, policies *do* cover:

- cancellation;
- delay;
- curtailment;
- suspension; or
- failure or alteration of the service.

⁶ National rail trains arriving on time: 2008/09. Office for Rail Regulation, 2010.
<http://www.dft.gov.uk/pgr/statistics/datatablespublications/trends/current/> [Accessed: 05/10/10]

⁷ British drivers on brink of breakdown. Direct Line, 2005.
http://www.directline.com/about_us/news_300605.htm [Accessed: 05/10/10]

2 Private transport

When travelling to the departure point by private transport, policies *do* typically cover:

- incidents involving a breakdown; or
- an accident that immobilises the vehicle in which you are travelling.

The most common reasons that policies *do not* cover include:

- failing to allow enough time to get to your departure point; or
- getting stuck in a traffic jam.

Travel delay

Did you know?

- **850** – Number of flights affected at Heathrow airport during one spell of bad weather in February 2009.⁸
- **6 or 12 hours** – Length of delay before policies typically cover delays.
- **60 hours** – Delays experienced by passengers affected by the weather.⁹

Why does insurance matter?

Compensation for additional costs incurred while waiting for a delayed departure.

Once you get to your departure point (e.g. airport, port, station etc) a common problem, particularly in the busy summer season, is travel delay. Perhaps the departure time of your flight is put back several hours because the airport is very busy. Or in winter, sometimes flights and ferries are delayed because of bad weather.

What does insurance cover?

Most travel insurance policies provide you with a small benefit in such circumstances, to go towards any additional costs you might have while waiting for your departure. There is usually a minimum qualifying period of delay before the benefit is payable, and this will vary depending on the individual policy. Valid reasons for delay are usually specified by the policy, and cannot cover every possible reason.

The most common reasons for unforeseen delays that policies *do* typically cover include:

- Strikes
- Industrial action
- Adverse weather conditions
- Mechanical breakdown of aircraft
- Mechanical breakdown of sea vessel
- Mechanical breakdown of coach

⁸ Travellers 60-hour wait at Heathrow. Evening Standard, 2009.
<http://www.thisislondon.co.uk/standard/article-23632972-travellers-60-hour-wait-at-heathrow.do>
[Accessed: 22/11/10]

⁹ Travellers 60-hour wait at Heathrow. Evening Standard, 2009.
<http://www.thisislondon.co.uk/standard/article-23632972-travellers-60-hour-wait-at-heathrow.do>
[Accessed: 22/11/10]

- Mechanical breakdown of train

If you need to make a claim, you **must** get the carrier to confirm the reason and length of delay in writing.

More information about these some of these reasons has been outlined below.

1 Strikes and industrial action

Policies **do not** cover for delays caused by strikes or industrial action if the dates were known when you booked your trip.

2 Rescheduled flights

Policies **do not** cover delays where the airline has cancelled a flight and rescheduled your trip.

Things that can go wrong during your trip

So you have finally managed to get out of the country. Surely nothing more could go wrong? Sadly, for many people, arriving at their destination abroad can be the start of their difficulties. Here are some things that can happen and details of how travel insurance policies can help.

- Baggage delay
- Lost and stolen belongings
- Lost and stolen money
- Lost and stolen passports
- Emergency medical treatment and repatriation
- Personal liability
- Personal accidents
- Legal expenses

These are just some of the potential problems covered by a standard travel insurance policy. Some policies have all of these covers and more, while others might only offer some of these benefits. So check that the cover provided suits your needs before you buy and travel to minimise the chance of any nasty surprises if you are unfortunate enough to have to claim.

Baggage delay

Did you know?

- **72 hours** – The time it usually takes British Airways to return delayed baggage to its owner.¹⁰
- **21 days** – The length of time baggage can be 'delayed' by the airline, before it is deemed to be 'lost' under aviation law.¹¹
- **3,700** – The number of people insurers helped with baggage and possessions claims each week in 2009.¹²

Why does insurance matter?

If your baggage is sent to a different destination, or left at the starting point due to no fault your own, it can be a very inconvenient start to your holiday.

What does insurance cover?

Travel insurance policies *do* cover expenses for a limited amount of emergency supplies until your baggage arrives. They *do not* cover expenses for non-emergency items.

You *must* keep receipts for all emergency supplies and obtain a report from the carrier stating the length of the delay.

¹⁰ Damaged, delayed and lost baggage. British Airways.

http://www.britishairways.com/travel/baggen/public/en_gb [Accessed: 22/11/10]

¹¹ Montreal Convention.

¹² ABI data, 2009.

Lost and stolen belongings

Did you know?

- **£3,000** – The cost of clothes, gadgets and toiletries taken on holiday by the average British family.¹³
- **£23m** – The amount insurers paid out in claims for lost and delayed baggage and stolen money in 2009.¹⁴
- **85%** – Proportion of people unaware that valuables are only covered if kept as hand baggage during transit.¹⁵

Why does insurance matter?

Sometimes your baggage never arrives, or perhaps your hotel room is broken into, or your belongings are lost or stolen in some other way.

If your baggage is lost during transit through no fault of your own, you cannot rely on compensation from the airline to cover the cost of replacing your possessions. By law, airlines only have to pay a specified minimum value per kilo of lost baggage and this is unlikely to cover their full value.

What does insurance cover?

Some travel insurance policies provide cover for your baggage, although some people choose not to take this cover if they are already covered 'away from the home' under a [home contents insurance policy](#).

Policies *do* cover personal belongings against loss from secure locations, including 'valuables'. There is normally a limit to the maximum amount payable in total and also other limits for single items and valuables. In the event of a claim, you should report any loss to the police as soon as possible – preferably within 24 hours – and request proof of notification to help support your claim. See our *Frequently asked questions* section for more information about instances when you cannot report the loss.

If you need to make a claim, receipts or other proof of ownership must be available.

If you leave personal belongings unattended, policies *do not* cover any loss. A common definition of 'unattended' is when the belongings cannot be seen

¹³ Excess Baggage. Sheila's Wheels, 2010.

http://www.sheilaswheels.com/media/EXCESS_BAGGAGE.html [Accessed: 05/10/10]

¹⁴ ABI claims data

¹⁵ ABI quarterly survey. October 2010.

and you are not close enough to them to prevent unauthorised interference or theft of the property. For example, policies typically *do not* cover belongings if they are stolen when left under a towel by the side of the pool or on the beach while you swim.

1 Theft from a car

In the event of theft from a vehicle policies *do* provide cover if:

- the items concerned have been locked out of sight in a 'Secure Luggage Area';
- forcible and violent means has been used by an unauthorised person to get into the vehicle; and
- evidence of such entry can be proven.

Some policies *might* have restrictions on loss of baggage from unattended vehicles such as losses that happened during certain times. This will be specified in the policy wording – for instance, leaving items overnight between 9pm and 9am.

2 Loss of valuable items

Cover for 'valuable' items will vary considerably between policies, and is subject to certain limits. Examples *might* include:

- cameras, photographic, and video equipment;
- perfume¹⁶;
- computer hardware and software;
- games consoles (PSP, Nintendo DS, etc.), accessories and games;
- personal organisers;
- mobile phones;
- televisions;
- portable audio equipment (DVD, CD, iPod, etc) and associated discs, memory sticks and accessories;
- spectacles;
- prescription sunglasses;
- telescopes;
- binoculars;
- jewellery;

¹⁶ There are strict limits on the quantities of liquid you are allowed to take on board a plane in your hand luggage. If you buy more than this quantity of perfume abroad, you may not be allowed to carry it on board the aircraft with you, but if you pack the perfume in your luggage and it is broken or stolen, it may not be covered.

- watches;
- furs; and
- precious stones and articles made of or containing gold, silver or other precious metals.

Policies *do not* cover valuables that go missing from your suitcase between the time they are checked in until you collect them at your destination, or when they have been left unattended. To make sure valuables are covered by your travel policy, do not put them with your checked-in bags – keep them with your hand luggage.

3 Limits

There is a maximum amount – called the 'single article limit' – that will be covered for each individual article. There is also a limit on the total amount that can be claimed for items listed as valuables.

If you have very expensive jewellery or a laptop, camera, or camcorder, it is important to check that the single article limit is high enough before buying a policy.

The 'total valuables limit' applies regardless of the single article limit and you should check that it is sufficient to cover your belongings if you are taking more than one valuable item with you. For instance, if you have a camera worth £300 and a camcorder worth £200, but there is a total limit of £300, in the event that both are stolen the most you would be able to claim back is £300.

Lost and stolen money

Did you know?

- **£566**¹⁷ – Amount spent by each holidaymaker while overseas.¹⁸
- **196,000** – The number of people helped with baggage and possessions claims in 2009.¹⁹

Why does insurance matter?

If your money is stolen while you are on holiday, travel insurance can provide compensation. This may be available as optional cover in the 'Personal belongings' section of a policy.

What does insurance cover?

Travel insurance policies *might* compensate for lost or stolen money while on a trip. As with baggage, you may choose not to take out this cover if your [home contents insurance](#) already provides cover for personal money away from the home.

Lost money will be compensated, up to a specified amount. A lower level of cover will be payable if the person is aged less than 16 or 18 years, depending on the policy. And if you need to make a claim, evidence of the loss and proof of ownership *must* be available.

Providers *do* cover lost and stolen money when it has been kept:

- on your person; or
- in a secure safe or locked accommodation.

Policies *do not* cover scenarios where you have failed to take these precautionary steps.

¹⁷ Total world holiday spending abroad by UK residents divided by Total world holiday visits abroad by UK residents (21,787,000,000 / 38,492,000 = 566)

¹⁸ Quarterly Overseas Travel and Tourism - Quarter 1 2010 (Tables 19 and 22). National Statistics, 2010. http://www.statistics.gov.uk/downloads/theme_transport/mq6-q1-2010.pdf [Accessed: 05/10/10]

¹⁹ ABI claims data, 2009.

Lost and stolen passports

Did you know?

- **27,000** – The number of lost or stolen passports report by British nationals in 2009.²⁰

Why does insurance matter?

Losing your passport while travelling can be inconvenient but it does not have to be a disaster. There are some simple steps to follow to help make sure you will get a replacement travel document in the shortest time possible and travel insurance can provide compensation associated with the loss.

What does insurance cover?

Travel insurance policies *might* compensate you for the loss of a passport while abroad. Reasonable compensation will be paid for the additional costs incurred in replacing the passport, but not usually the cost of the passport itself. This is because British Consulates usually provide an [Emergency Travel Document \(ETD\)](#) valid for a single or a return journey, rather than a permanent replacement.

Where cover is provided and you have to travel to another town to pick up a replacement passport:

- Policies *do* cover travel costs.
- Policies *might* reimburse costs for a temporary replacement passport or documents.
- Providers typically *do not* cover fees charged by the British Consulate or the UK Passport Service for replacing a passport.

When making a claim, any receipts for all expenses *will* be required.

As soon as you discover your passport is missing you must report your lost or stolen passport to the local police and to the [Foreign and Commonwealth Office \(FCO\)](#), Embassy or High Commission of the country you are in.

To speed up the replacement of your passport if it is lost or stolen, make a photocopy and store it separately from the original.

²⁰ British Behaviour Abroad. Foreign & Commonwealth Office, July 2010.

Emergency medical treatment and repatriation

Did you know?

- **£2,040** – average cost for medical treatment overseas.²¹
- **£49,000** – cost of a coronary artery bypass and an emergency flight home for a holidaymaker taken ill in the USA.²²
- **£9,000** – cost of treating a woman who suffered a severe allergic reaction while holidaying in Cyprus.²³

Why does insurance matter?

Medical emergencies and repatriation is one of the most common, and expensive, reasons for travel insurance claims. They are also the most important reason for taking out cover.

Many countries have very limited public health services, and the quality of the medical treatment available without payment can be poor. Costs in some countries (particularly North America) can be extremely high. Even treatment for a simple condition, such as a twisted ankle, can cost hundreds or even thousands of pounds.

Examples of the most common illnesses requiring medical treatment while abroad²⁴ include:

- Stomach upsets
- Ear infections
- Allergies
- Heart problems

1 EHIC cover is limited

Many people believe that when travelling in the [European Economic Area or Switzerland](#) they only need a [European Health Insurance Card \(EHIC\)](#) as this will cover the costs of treatment in EU state hospitals. While it is important to carry your EHIC card at all times, this is not quite correct as it will only provide the same level of benefit that residents of that country receive and **will not** cover repatriation. The level of benefit provided by the EHIC

²¹ Sainsbury's Finance, 2010.

<http://www.guardian.co.uk/money/2010/sep/11/travel-insurance-european-holiday>

²² £5.3 million a week - travel insurers helping record number of people falling ill while abroad. ABI, July 2010.

http://www.abi.org.uk/Media/Releases/2010/07/53_million_a_week_travel_insurers_helping_record_number_of_people_falling_ill_while_abroad.aspx [Accessed: 13/10/10]

²³ Ibid.

²⁴ Ibid.

therefore varies from country to country and some costs associated with food or accommodation may not be covered. In some countries residents pay a percentage of any medical bills themselves. Relying on the EHIC in those countries will result in paying the same percentage and relying on friends or family to bring you food, change bedding etc. Remember in an emergency situation the closest hospital may be 'private' or you may have no control over the hospital you are taken to by ambulance.

If you carry an EHIC while on holiday, many travel insurers will waive the policy excess on any claim where it is used. If you are travelling within the European Economic Area or Switzerland you can register for an EHIC, entitling you to some reduced or free emergency care – apply online via the [EHIC website](#).

2 Foreign Office consular assistance will not pay your costs

It is also important to remember that the British Embassy or High Commission **will not** pay for any medical expenses or repatriation costs.

What does insurance cover?

It is important to be sure that you have full cover for emergency medical costs and other associated costs.

Medical emergencies that policies **do** cover include:

- Unforeseen illness, injury or accident.
- Repatriation to the UK where the time required to recover from the medical problem results in missing a booked flight home. This would also include the cost of stretcher, costs for a doctor or nurse to escort you home, and space on a chartered plane or air ambulance, if medically necessary. Remember, even if you have an arm or leg in plaster, you may need an additional seat on a flight home, and that will add to the cost.
- Temporary emergency dental treatment for the relief of immediate pain.
- In the event of death, travel insurance covers the costs of burial or cremation abroad or bringing the body home. The insurer can also provide help and support in making all the necessary arrangements through an international funeral director.

Medical emergencies that **might** be covered include sports and activities classed as high risk. Some may be covered at no additional cost, some may

only be covered when you pay an additional premium and others may not be covered at all.

Medical emergencies that policies *do not* cover include:

- Claims relating to existing medical conditions that have not been declared and accepted by the insurer. Some policies operate on the basis of providing no cover for existing medical conditions. Other policies require you to contact a medical screening service to make a health declaration. An additional premium may be required to cover some medical conditions.
- Medical costs arising from injuries sustained due to the insured requiring medical attention as a result of consuming alcohol or illegal drugs, behaving irresponsibly or taking unnecessary risks. You are on holiday so drinking a reasonable amount of alcohol is not excluded.
- Cover for medical bills if the policyholder chooses to stay abroad after the treating doctor agrees with the insurance company doctor that they are fit to return home.
- Medical conditions connected to your failure to take your prescribed medication or get vaccinations and other preventative measures (such as malaria tablets) advised for the country being visited.

1 Travel and accommodation costs

If you or a member of your family falls ill or has an accident abroad, it is not just medical costs that can be an issue. There may be additional travel or accommodation costs for a family member or friend to stay with you.

Policies *might* cover these costs and any additional costs incurred in getting children home if their parents cannot accompany them.

2 Assistance

Travel insurance policies *do* provide 24-hour assistance help lines than can provide you with help and support at any time. They have staff trained to deal with hospitals and doctors abroad in the local language. If you are sick or injured, having a friendly, English speaking voice on the end of a phone line to help you can make all the difference.

It is common for policies to require you to contact your assistance company as soon as possible when medical bills are likely to exceed a fixed amount, such as £500.

3 Helpful tips

Policyholders should check that emergency medical costs are fully covered by a policy and if any medical conditions need to be disclosed, *everything* should be declared.

Find out if any vaccinations or medication are advised for your destination well before you travel by visiting the [National Travel Health Network and Centre \(NaTHNaC\) website](#).

Cutting your holiday short

Did you know?

- **£1,488**²⁵ – Average cost of a one-week holiday for family of four.²⁶

Why does insurance matter?

Sometimes people need to cut short – or curtail – their trip and return to the UK because something unexpected happens while abroad. There are a number of different reasons why people need to curtail holiday plans, some of which are covered by travel insurance.

Where cover is available, the policy will provide compensation for a proportion of the financial loss and works in the same way as *Cancellation* cover when something unexpected happens between making a booking and the date of travel.

What does insurance cover?

Providers *do* provide compensation if you:

- fall ill or have an accident;
- are made redundant;
- are called up on jury service; or
- are quarantined because of sickness.

Examples of those situations in which policies typically *do not* provide additional cover include:

- If the accident and illness of you, a family member or travelling companion in circumstances could be foreseen. For instance, you are unlikely to be covered if you were sick when booking the trip or the claim is related to an existing medical condition that was not declared and accepted by the insurer.
- If self-employed, you are unlikely to qualify for cover in the event of redundancy.

Compensation *might* also be paid if a close relative or travelling companion falls ill or has an accident, but you should check with your insurer before

²⁵ Source: Churchill Insurance. Based on £372 expenditure on travel and accommodation per person per week.

²⁶ Britain's Holiday Spending Revealed. Confused.com, August 2010.
<http://www.confused.com/news/travel/travel-insurance/britons-holiday-spending-revealed-1787641000> [Accessed: 06/10/10]

curtailing the trip. However, providers **do not** cover curtailment due to a 'non travelling close relative' with an existing serious medical condition being ill.

Some policies **might** provide additional cover in other circumstances outlined below.

1 Government advice

This occurs where the [Foreign & Commonwealth Office](#) or the government of the country you are going to visit advise against travel to that destination after your arrival.

2 Packaged trips

Travel insurance is intended to cover costs that cannot be claimed from another source. For instance, a travel agent, tour operator or airline will often arrange return flights, or give a partial refund.

Most policies **do not** provide cover unless certain parts of the trip were booked independently and cannot be changed or refunded. You can find more information about cover for *Terrorist incidents* and *Independent travellers* in the following sections of this guide:

3 Airline failure

If you have booked your own flights with a scheduled airline that goes bust, you might not be able to recoup the money. Cover for scheduled airline failure will pay out compensation, but most policies **do not** include this feature. You can find more information in the *Scheduled airline failure* section of this guide.

Chartered airlines or those operated through tour operator are covered separately by a different compensation scheme – Air Travel Organisers' Licensing (ATOL). You can find more information about chartered airline and tour operator failure in general on the [ATOL website](#).

4 Taxes, fees and charges

Airport taxes and Air Passenger Duty (APD) taxes are only payable by the airline if you actually travel and these amounts should be refunded if you have to cancel. As these costs can be claimed back from the airline, many policies **do not** cover them.

5 Invalid passports and visas

Most policies *do not* provide cover if you cannot travel because you did not arrange for a valid passport and/or any necessary visas before the trip.

6 Timeshares, property bonds and reward schemes

Some policies *do not* provide curtailment cover for timeshares, holiday property bonds or trips booked using airline mileage or similar reward schemes. If you are booking a holiday in this way you should check that you are covered.

Personal liability

Did you know?

- **£1,678** – Cost of repairing damage to a Jacuzzi caused by a holidaymaker.²⁷
- **£500** – Charge for replacing a glass door in the hotel lobby that shattered when a holidaymaker accidentally walked straight into it.²⁸

Why does insurance matter?

If during your trip you are responsible for accidentally injuring someone or damaging their property, there is a chance that they will sue you, so it is important to have this cover. This is particularly important if you are taking part in any activities where there is a risk of collision with another person, such as skiing or snowboarding.

What does insurance cover?

If during your trip you are responsible for accidentally injuring someone or damaging their property, many travel insurance policies **do** cover your legal liability to pay compensation.

A policy **might** provide cover for accidents involving winter sports, such as snowboarding and skiing, but this is often an optional feature in standard products. Check the *Winter sports* section for more information.

One important exclusion to note is that most travel policies **do not** cover you if you injure someone while driving a vehicle. If you plan to drive a car, hire a motorbike, jet ski or even a bicycle while you are on your trip, check to make sure you have adequate cover in place.

Check Government advice on driving abroad on the [FCO's driving abroad website](#).

²⁷ Mondial claims record (by email). November 2010.

²⁸ Mondial claims record (by email). November 2010.

Personal accident

Did you know?

- **5,930** – Number of British Nationals who died overseas in 2009.²⁹

Why does insurance matter?

If you are injured in an accident abroad, it can have a major impact on your life. This is particularly important when taking part in any activities, although accidents can happen at any time, so it is important to have this cover.

What does insurance cover?

Travel insurance policies *do* pay a lump-sum cash benefit to you or your estate if you suffer a severe accident during your trip that results in losing a limb or an eye, death, or permanent and total disability.

Personal accident benefits *might* be lower for older or younger people. Any differences will be specified in the policy document.

In the event of a claim, full details of the accident together with medical reports or a death certificate will be required as evidence.

Policies *do not* cover suicide.

²⁹ British Behaviour Abroad. Foreign & Commonwealth Office, July 2010.

Legal expenses

Did you know?

- **£9,000** – Cost of pursuing compensation for injuries sustained in a skiing accident.³⁰
- **£7,000** – Legal fees when a 5-year old fractured his arm after riding his bike into a hole at a Spanish campsite.³¹

Why does insurance matter?

If you are injured in an accident abroad, it can have a major impact on your life. This is particularly important when taking part in any activity, although accidents can happen at any time, so it is important to have this cover.

What does insurance cover?

Most policies *do* provide cover for the cost of legal action to obtain compensation if you are injured in an accident abroad, and someone is responsible for that accident.

Policies *do not* provide cover when:

- A reasonable settlement is unlikely or the costs of legal action could be more than the settlement
- The person is an employee or family member
- The damage came about due to your business
- The damage arose from a criminal or malicious act on your part

³⁰ Aviva claims record (by email). November 2010.

³¹ Chartis claims record (by email). November 2010.

Additional cover options

In addition to the standard features of a travel insurance policy, some policies will offer additional types of optional cover and you may want to consider whether they are appropriate for your needs. This will often depend on:

- Where you are visiting
- How you booked the holiday
- What you are planning to do on the trip

Taking steps to make sure that the cover in a policy suits your needs before you buy it can help to minimise the chances of a nasty surprise if you are unfortunate enough to have a claim.

So what else could affect your trip?

- Scheduled airline failure
- Hazardous or sports and leisure activities
- Winter sports
- Terrorist incidents
- Travel disruption for independent travellers

Scheduled airline failure

Did you know?

- **250,000** – The number of people affected when XL airlines went out of business in 2008.³²

Why does insurance matter?

Scheduled airline failure cover will pay out compensation if you have booked your own flights with a scheduled airline that goes out of business.

What does insurance cover?

Cover for scheduled airline failure is not a standard feature of most travel insurance, but it is available in many policies and you should consider whether it is needed if you have booked your own flights for a trip.

Chartered airlines or those operated through tour operators are covered separately by a different compensation scheme. You can find more information in the *Cancellation* section of this guide.

³² Thousands stranded in XL collapse. Evening Standard, 13 September 2008.
<http://www.thisislondon.co.uk/standard/article-23554966-thousands-stranded-in-xl-collapse.do>
[Accessed: 20/10/10]

Hazardous or sports and leisure activities

Did you know?

- **£7,000** – Cost of medical treatment and repatriation for a broken leg after a tobogganing accident.³³

Why does insurance matter?

More and more holidays offer the opportunity to enjoy a range of action pursuits. Bungee jumping, scuba diving and zorbing are typical of the wide range of activities you might be offered. Even with the highest level of safety precautions, sometimes things can go wrong and you could need medical assistance. That is why travel insurance is so important.

A standard policy will not cover every possible activity that you may choose to do. For this reason, you need to check your policy and you might need to extend your policy or get specialist cover for activities that have a bigger risk of accident or injury. You may have to pay more, for example, to cover winter sports. See the *Winter sports* section for more information.

What does insurance cover?

It is important to be sure that you have full cover for any hazardous or sport and leisure activities, and that you take care to ensure you are fully covered before you travel. Risks that are covered will vary from policy to policy and your policy wording will specify any necessary precautions or limitations. For instance, policies will often state the maximum depth below sea level for scuba diving or the maximum height above sea level in relation to trekking.

Hazardous activities covered by a policy *will* be specified in the policy wording and include cover for emergency medical expenses and repatriation, including search and rescue assistance if necessary.

³³ A risk too far for all you winter thrillseekers. Times Online, 10 November 2007. <http://www.timesonline.co.uk/tol/money/insurance/article2835147.ece> [Accessed: 20/10/10]

Winter sports

Did you know?

- **£9,420** – Cost of medical treatment, airlift and repatriation for a fractured vertebrae whilst skiing in France.³⁴
- **£18,220** – Cost of medical treatment and repatriation for a broken leg sustained whilst snowboarding in the USA.³⁵

Why does insurance matter?

You will need a specialist policy if you are going on a winter sports holiday. It is vital that you have adequate cover for medical expenses – it can cost hundreds of pounds simply to stretcher an injured skier off the slopes. And personal liability cover is essential in case you injure someone else. Cover for accidents arising from winter sports are not covered in a standard policy, otherwise it would add unnecessary costs to the price of all policies.

What does insurance cover?

When skiing on-piste (i.e. official marked routes) travel insurance policies for winter sports *do* cover the following:

- Medical expenses
- Personal accident costs
- Compensation for piste closure
- Cost of ski pack if you are ill or injured and cannot ski
- Loss, theft and damage to ski equipment

In addition, you *might* be covered in the following circumstances:

- Skiing 'off-piste'
- Tobogganing/sledging

Policies *do not* cover activities such as ski-jumping, bobsleighbing, heli-skiing and ice hockey unless you have extended your cover and paid an additional premium.

³⁴ ABI member data.

³⁵ ABI member data.

Terrorist incidents

Did you know?

- **60%** – Proportion of policies that include cover for terrorist incidents.³⁶

Why does insurance matter?

If a war breaks out or terrorists strike **during** your trip, and you are injured or have your baggage destroyed, you will need terrorism cover for the cost of medical treatment and compensating your lost belongings. A standard policy *might* include these features so it is important to check and decide whether you have an appropriate level of cover.

Where the [Foreign & Commonwealth Office \(FCO\)](#) has advised against travel to a particular country or region due to acts of terrorism or other forms of civil unrest **before** you leave the UK, the tour operator or airline will usually offer an alternative trip. Where this is not possible, insurers sometimes provide cancellation cover. You can find general information about how this works in the *Cancellation* section.

Exclusions for acts of terrorism **do not** apply to personal accident claims. You can find more information in the Personal accident section of this guide.

What does insurance cover?

When travel insurance includes terrorism cover these policies **do** cover medical costs and repatriation if you need to be flown home as a result of serious injury after a terrorist attack.

Some providers *might* also cover damaged goods and the cost of alternative accommodation or flights home in the event of a terrorist act. Where this cover is available any details will be specified in your policy document.

Providers **do not** cover the knock-on effects of a terrorist incident, including the UK or another country shutting airspace or grounding all aircraft, or where increased security lead to travel delays.

In addition, providers **do not** typically cover problems arising from acts of terrorism if you travel to a country against FCO advice. [CLICK HERE](#) for more information on the latest advice for your destination on the FCO

³⁶ ABI data, 2009.

website. If your travel is essential, contact your insurer and ask whether your policy is valid before leaving the UK.

Travel disruption for independent travellers

Did you know?

- **60%** – Proportion of holidays taken abroad in 2009 that were independently booked and not as part of a package.³⁷

Why does insurance matter?

If you make your own holiday arrangements and book your travel and accommodation separately, *Independent traveller cover* will provide some of the financial compensation you would normally receive from a tour operator when purchasing a package holiday. This type of protection may also be called *Travel disruption cover*.

Traditionally the majority of holidays have been booked via travel agents or tour operators with the customer booking a package of two or more services, including:

- transport;
- accommodation; and
- other tourist services such as car hire, airport parking, excursions and transfers that could also be included in the holiday booking to form part of your travel itinerary.

With legal protection given to travellers booking package holidays, travel insurance products only needed, in the past, to provide cover for events outside of the responsibilities of the travel agent or tour operator to provide financial and other assistance to their customers.

The advent of online booking, low-cost airlines and the use of regional airports for connecting flights has dramatically changed the way holidays are booked. This has meant that independent travellers no longer enjoy the same legal protection because they are booking components such as flights separately rather than as part of a package. Even booking one component of a trip – for instance a cheap flight – via a travel agent rather than direct, will not constitute a package.

What does insurance cover?

Independent traveller cover is a relatively new feature on some policies in addition to the cover provided under other sections of a policy, such as

³⁷ Mintel report. 2010.

cancellation or curtailment. This feature may be included as a separate section and be an optional extension to the standard cover or the additional coverage may be included within the relevant sections of cover.

The level of cover varies from product to product and *might* provide protection in the following circumstances:

- The [Foreign & Commonwealth Office](#) or the [World Health Organisation](#) have advised against travelling to your destination since booking the trip
- Your holiday accommodation is unavailable due to fire, flood, earthquake, explosion, tsunami, landslide, avalanche or storm.
- Flight cancellations
- Denied boarding
- Delayed or missed connections
- Loss of unused accommodation due to the insolvency of your accommodation provider, and necessary additional costs, such as extra transport or alternative accommodation

Frequently asked questions

Access to travel insurance

Is travel insurance available to people of all ages?

Travel insurance is available to customers of all ages. The typical travel insurer provides single trip cover up to around age 85 and annual cover up to between 70 and 75. There are also many specialists and some mass market insurers who provide travel insurance at any age. In 2009, there were around 66 different policies available for people aged 85 and over, and 23 annual policies.

A person's age is an important factor in helping travel insurers to determine the level of risk they pose. [CLICK HERE](#) for more information about the importance of age for travel insurance.

Existing medical conditions and changes to health

Can I get travel insurance to cover an existing medical condition?

If you have a disability, health condition or illness, or have had one in the past, this could affect your premium and the level of cover available. An insurer's assessment of risk is based primarily on claims experience built up over many years. Evidence shows that medical history can affect the likelihood of the person making a claim and the potential cost of that claim.

Finding travel insurance when you have had certain medical conditions can be difficult, but cover is normally available and many insurance companies are now looking at cases individually rather than refusing to insure everyone who has had a particular illness or excluding it from the policy.

[CLICK HERE](#) for more information about health support groups and access to travel insurance.

Do I need to inform my insurer about any change to my health?

It is important that you tell your insurer about your health history. If you disclose something that does not increase your risk of making a claim, your premium will not be affected. But if you had a condition before your trip and did not tell the insurance company, your insurer may not pay for medical treatment or the costs to get you home for any claim related to that condition. To make sure this does not happen, tell the insurance

company about any changes to your health before you go. They will reassess the situation and confirm whether or not the condition would be covered.

Finding travel insurance when you have had certain medical conditions can be difficult, but cover is normally available and many insurance companies are now looking at cases individually and there are also a number of policies designed specifically for people with existing medical conditions. [CLICK HERE](#) for more information about health support groups and access to travel insurance.

Terms and definitions

What does 'reasonable care' mean?

You need to take all reasonable care to protect yourself and your property, as you would if you were not insured. So if you put 'valuable' items in your suitcase and check it in or if you drink far too much and decide to dive into the swimming pool at midnight, the insurer is within their rights to refuse to pay out.

What does 'excess' mean?

You will have to pay an excess under most sections of the policy. This means that each person covered under the policy will be responsible for paying the first part of the claim for each incident. In some instances the excess may be waived – for instance, if you need medical treatment while on holiday in Europe and use a valid EHIC.

Is there a standard definition for a 'family'? Does it include nieces, nephews and step children?

There is no standard definition of family used by all travel insurers. If you want a policy to cover nieces, nephews, step children or members of your extended family contact your insurer to be certain. To cover members of your party that aren't defined as 'family' members, you will need purchase an individual policy.

Before your departure date

Where can I find travel advice on the country I am going to visit?

Check the [Foreign & Commonwealth Office \(FCO\) website](#) for up-to-date essential travel information or call them on 0845 850 2829.

While you are away

What should I do if my passport is lost or stolen abroad?

For details of the nearest FCO call +44 20 7008 1500 or visit the [Foreign & Commonwealth Office \(FCO\) website](#). After reporting the loss or theft to the FCO, you will need to complete a lost or stolen declaration form LS01, which is also available from the [FCO website](#). You can also obtain the form from local FCO posts.

If your passport has been stolen you will need a police report with crime reference details to complete the LS01 form.

When you have completed the relevant paperwork, the FCO will record the loss of your passport and it will be cancelled to prevent someone else from using it. A new passport will then be issued to you so that you can continue your travels.

For more information, visit the [Identity & Passport Service website](#).

What should I do if I cannot report a loss, theft or damage to my possessions?

It is important to obtain an official police report as evidence to support a claim in normal circumstances. This minimises the risk of fraudulent claims. Where you are not able to contact the police or obtain a written report, a report should be made either to your tour representative, accommodation provider or carrier – for example, the airline or ferry company. You should also be prepared to explain why you could not report the loss to the police.

Passport theft or loss should also be reported to the nearest British Consulate or Embassy. If you need to make a claim you will need to provide a record of the crime and proof of receipts.

Claims and complaints

How do I make a claim?

Your insurance policy will give you details of how to make a claim. Importantly, it will also contain emergency numbers for you to ring when abroad.

How do I make a complaint?

Your insurance policy will have in it a complaints procedure which tells you what steps you can take if feel your claim has not been handled fairly or efficiently. If you are not satisfied with how the business has dealt with your complaint, you can ask the [Financial Ombudsman Service \(FOS\)](#) to look at it for you.

You will need to fill out a complaint form with the details. For more information visit the [FOS website](#).