

CHOICE

TRAVEL INSURANCE CHEAT SHEET



- Why should I get it?
- What cover should I get?
- How do I save money?
- Where do I get it?

Why should I get travel insurance?

- › So you're not a burden on your family and friends – **foreign hospitals can be really expensive** and the Australian government won't pay your medical bills for you.
- › **So you don't have to worry** as much about what could go wrong on your holidays.
- › It's **relatively cheap** and easy to do compared with what it could cost you if you don't.
- › **Because you're travelling overseas.**

It's really that simple. If you're going overseas, even to London or just visiting family, it's your responsibility to get travel insurance just as much as it's your responsibility to bring your passport.

If you don't believe me, ask Claire*

Claire fell down some stairs while visiting historic sites in Madrid, crushing her skull. She underwent emergency surgery and was unconscious for four days. Thankfully, Claire's travel buddies quickly notified her insurance company.

The insurer was able to help Claire and her family immediately. The travel insurer paid for her mother to fly to Spain for support as she recovered and also met all of the costs associated with her medical treatment, her recovery in Spain and her medical evacuation to Australia.

Claire's insurance saved her and her family more than \$140,000.

Why should I bother? Insurers don't pay out

In the 2012-13 financial year, around 90 per cent of travel insurance claims were paid – that's over 200,000 claims. Of the claims that are denied, this often boils down to a misunderstanding of the policy by the person who bought it.

What type of travel insurance should I get?

Getting the wrong travel insurance can be just as bad as getting none at all.

Not convinced? Type the name Sean Kenzie into [YouTube.com](https://www.youtube.com). Sean thought he was covered by his insurance when a taxi knocked him off his scooter in Thailand. But riding a moped was an optional extra he hadn't opted for.

Instead, the hospital in Bangkok refused him full treatment because he could not afford his \$20,000 bill. Sean was transferred under guard to a 'rat infested' hospital until friends and family coughed up the funds.



Everything you need to know about your travel insurance is written down by the insurer in its **Product Disclosure Statement (PDS)**. Look out for these things in the PDS:

- The **table of benefits** and the **policy cover section** are useful to understand what is included or excluded in the policy. Do you have valuable items like a digital SLR camera? Make sure they're covered.
- **Pre-existing medical conditions** are often not covered. This bit is essential reading for anyone with any kind of medical condition, no matter how mild.
- **General exclusions** is a list of events that aren't covered by any section of the policy. Not all policies provide cover for things like contracting avian bird flu or injuries sustained while drinking or taking drugs. So if you have a few drinks, then slip and break a leg, this may not be covered because arguably it happened while you were drunk.
- The **word definition table** also clarifies important terms of the policy – a good place to check on the definition of a “relative” or even a “moped”.
- The **claims section** lists some further pointers to avoid or be aware of (e.g. you must not admit fault or liability in the case of an accident) and the paperwork you may need to collect while you're away if you need to make a claim (such as police reports).
- Not all **activities** are covered such as skiing, riding a moped or quad bike, or jumping out of a plane.

Names have been changed to protect personal information

Peter* was riding a quad bike in Peru when he crashed over a cliff into a river bed. As a result of the crash, Peter suffered serious spinal injuries and required surgery in Lima. Sadly, Peter is now a paraplegic.

Because Peter's insurance policy didn't cover quad biking, the insurer refused to pay the claim. His family and friends needed to raise \$90,000 for the surgery and a medical escort back to Australia.

How do I save money?

Travel insurance isn't expensive. It can save you hundreds of thousands of dollars and you can get **great deals online**:

- You can bargain – **compare product prices** and ask your travel agent what they can match.
- If you know you'll do several trips each year, consider a **multi-trip package**.
- **Buy your policy early** so you will be covered for any events that occur before you travel.
- Take advantage of **member discounts** offered by health insurance funds.

Where do I get it?

- **Online** – there are dozens of providers.
- With your **travel agent** or often with your airline.
- Through **credit cards** – but look out for conditions.

If you're thirsting to find out more about what to look out for and how to save money on your travel insurance, read the CHOICE Travel Insurance Buying Guide at www.smarttraveller.gov.au/insurance