

The National



Insuring a soft landing

Nina Montagu-Smith

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Accidents, lost baggage and medical emergencies are the last things you want to think about when planning a holiday. But when you consider that treatment for a heart attack could cost more than US\$40,800 (Dh150,000) in Spain, while fixing a broken hip in the UK might set you back more than \$10,900 (Dh40,000), according to the health tourism website Treatment Abroad, making sure you are covered before you go is worth the extra effort.

If you are skiing, or undertaking other hazardous activities, the costs resulting from accidents vary enormously around the world. According to claims statistics from the insurance group Aviva, for instance, a broken leg costs on average \$5,500 (Dh20,000) in Italy or France, and up to \$27,000 (Dh100,000) in the US.

Hemant Gupta, the regional travel insurance manager for AXA Insurance Gulf, says: "Travelling without insurance in this world is like skydiving without a parachute. A large number of the population here are expats and the UAE is a hub both in terms of business and leisure travel." Gupta recommends checking that your insurer provides a 24-hour contact number for emergencies, adding: "The cost of medical emergencies can be very high, especially in the US and some European countries. A life-threatening emergency could easily cost you \$100,000 [Dh367,000] and sometimes if evacuation or emergency airlift is involved, it could be up to \$500,000 [Dh1,830,000]. We recently had a claim where we paid around \$200,000 [Dh734,600] for an emergency airlift from the place of the accident, transfer to the best hospital, a one-month stay in hospital and then the final transfer in a private aircraft to the client's home. We settled the amounts directly with the various medical suppliers overseas without making the client pay upfront."



It is vital, therefore, to obtain adequate travel insurance before you go on holiday, and not assume your health insurance policy, usually provided by your employer, will cover it. Malcolm Tarling, a spokesman for the Association of British Insurers (ABI), says: "Medical insurance when you travel is a necessity, not a luxury. It is very important to make sure you can get medical treatment quickly and to the standard you would expect at home when you are abroad. People living in the UAE tend to be fairly affluent and probably travel a lot, so proper medical coverage within a travel insurance policy should be integral."

Furthermore, being forced to cancel a \$2,700 (Dh10,000) holiday because of an accident, illness or other emergency, is heart-breaking, no matter how affluent you may be. A good travel insurance policy will offer cancellation cover of up to \$6,800 (Dh25,000).

Shelter Offshore, a website which offers financial information to expats, also urges special care when it comes to arranging travel insurance. "More expats travel outside their new nation compared to the numbers of their peers who reside back home in their original nation," its spokesman, Rhiannon Davies, says. She adds that it is unwise to rely on your health insurance policy to cover you in another country: "Depending on where in the world you're living as an expatriate, chances are high that you will have taken out medical insurance, but this policy is probably just domestic and will not cover you if you travel outside the state or the country in question." Expatriates should also be aware that annual travel insurance policies taken out in their home country will usually be invalid while they are abroad.

Insurance sold by travel agents or airlines is often inferior to a policy tailor-made to your own needs. "Travel agencies sometimes offer just trip cancellation cover with only very limited emergency medical coverage," says Derek Patterson, the CEO of eGlobal Health Insurers Agency, a US-based insurance brokerage, "The plans may be limited in scope and possibly meant more for insuring the cost of a trip only."

Graeme Anderson, the head of travel at the UK-based broker JBI International Insurance, adds: "If you rely on travel insurance from your travel agent or airline, you may find there are issues with pre-existing medical conditions, and you may not be covered for certain activities such as winter sports. Travel agents may not be qualified to advise on insurance."

A good travel policy should include around \$1.36m (Dh5m) or more for emergency medical expenses, such as hospital costs and surgery, and repatriation – possibly up to \$13.6m (Dh50m) if you are travelling to North America, where healthcare costs can be much higher than elsewhere in the world.

It is also wise to make sure that there is adequate baggage cover as some basic policies only offer the statutory amount already included in your airfare. A good policy will cover around \$2,000 (Dh7,500) to \$2,700 (Dh10,000) for lost baggage. Also check the

single item limit – will it cover your valuable watch, laptop or new camera?

Of course, finding suitable cover even when you know you need it can be a minefield. One reader of The National on Saturday reports being unable to obtain even basic information from her bank, HSBC in Abu Dhabi, about its own travel insurance policy, underwritten by ALICO General Insurance for \$65 (Dh239) for a family of two adults and any number of dependent children for a year. While the bank provided a cursory list of cover limits and the annual cost of the policy, the salesman simply did not know what was included and excluded. After pushing for more information, she found out that the baggage cover was no more than what is provided by airlines (\$250 or Dh920 per bag). And, at \$50,000 (Dh184,000), the emergency medical expenses cover was only a fraction of that offered by other travel insurance policies. Only after considerable persistence was our reader offered the AXA Travel Smart annual travel insurance policy, which includes winter sports, through HSBC Insurance Brokers.

There are a number of specialist international insurers and brokers that can offer comprehensive travel cover, including for winter sports, to people living in the UAE. Policies vary considerably in price and coverage, so you should decide what you need most from a travel policy before you buy. The table (right) shows the cost of travel insurance from a selection of insurers. All annual policies on our table include cover for winter sports as well as travel in the US and Canada – premiums may be reduced if you choose to exclude these.

AXA Travel Smart, available from HSBC Insurance Brokers as well as some travel agents in Dubai, such as South Travels, is the only policy payable in dirhams, although the benefits are quoted in US dollars. It includes up to \$1m (Dh3.67m) in emergency medical expenses, and unlimited cover for repatriation or medical transportation. It also includes \$5,000 (Dh18,365) of cover for lost baggage and money, and up to \$1m for personal liability. The policy costs \$240 (Dh850) per person for a year.

If you want total peace of mind, Ihi Bupa, a joint venture between the UK health insurer Bupa and Ihi of Denmark, provides unlimited travel cover to expats living all over the world. Its Worldwide Travel Options policy is extensive, including unlimited medical cover as well as medical and political evacuation. It will even cover travel to Iraq and Afghanistan for an extra premium. All sports, except motor sports, have unlimited cover. Premiums can be paid in sterling, US dollars, or euros. While premiums for this cover are higher than others for single-trip policies, they compare favourably with other providers for adult annual policies, given the level of cover received.

The US-based eGlobal Health offers both single-trip policies and annual policies offering up to \$1m (Dh3.67m) in emergency medical treatment, \$50,000 (Dh183,650) per adult in accidental death cover, trip interruption of up to \$5,000 (Dh18,365), but only \$250 (Dh920) for loss of baggage. It is possible to reduce your premiums by electing to pay an excess (also known as a deductible) towards any claim of between \$100 (Dh367) and \$2,500 (Dh9,200). Most people choose a \$250 (Dh920) or \$500 (Dh1,840) excess. A single person will pay \$25.20 (Dh93) for a 14-day trip with a \$250 (Dh920) excess, or \$360 (Dh1,320) for annual cover with sports insurance, again with a \$250 (Dh920) excess. eGlobal offers a discount if you elect to exclude the US and Canada where the cost of medical treatment is particularly high, bringing the cost down to around \$240 (Dh880) for a single person annual policy.

While most insurers restrict the number of days you can spend on each holiday you take under an annual policy, the Australian group World Nomads offers continual cover for 12 months and is therefore more appropriate for people travelling all the time. While cover for a two-week holiday anywhere in the world for a single person under 65 costs \$50 (Dh184), an annual policy for the same person costs \$1,243 (Dh4,560). Policies include up to \$300,000 (Dh1.1m) for medical expenses and repatriation, \$1,000 (Dh3,670) for lost luggage, and \$2,000 (Dh7,300) for cancelled bookings. JBI International Insurance Brokers and Healthcare International offers annual policies to people anywhere in the world for \$197 (Dh720) per person aged 18-64, or \$394 (Dh1,440) for those aged 65-74. Winter sports are included, for up to 17 days per year. JBI and Healthcare International also cover travel that is delayed for more than 12 days due to the weather.

You could also reach into your wallet for the insurance cover that may be included with cards such as American Express and some gold cards; however, as I hope that you have learnt by now, it is important to check the smallprint.

Travel@thenational.ae

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