



Singaporeans are among the most avid travellers in Asia and travel insurance are commonly available. However, travellers would do well to know about some common sticky situations in which insurance claims may be refused.

### 1) Valuables and loss due to personal negligence

Travel insurance policies often explicitly state that the loss of personal valuables due to negligence is not covered.

For example, MSIG states that under its TravelEasy policy, it will not pay for “loss of baggage, money or other insured property including business samples left unattended, mailed or shipped separately or as a result of your failure to take due care and precaution for the safeguard and security of such property.”

Furthermore, some basic schemes also exclude the loss of jewelry in overseas trips, whether or not it is the result of negligence.

### 2) “Known Events”{loadposition advert1}

Some insurers, such as NTUC Income, have a specific exclusion with regard to “Known Events”.

According to NTUC Income, “Known Events” refer to any “condition, event or incident which you have prior knowledge or should reasonably have been aware of and which have arisen before the inception of the policy”.

Such scenarios include “normal medically accepted pathological development of the illness or disease” or the knowledge of events that “may be acquired through statements issued by the general mass media or relevant government authorities”.

If for example a member of your travelling party was stricken by an illness before you applied for the travel insurance, but he proceeded with the trip nonetheless and had to be hospitalized overseas subsequently, insurers may at their discretion deny the claim for by invoking the reasoning that the hospitalization is the direct (and hence foreseeable) result of an inevitable development of the pre-existing illness.

Claims arising out of such “known events” may thus not be admissible under the policy coverage.

### **3) Mode of transport**

If you are going on packaged tours, you should be aware that occasionally, deaths and disabilities resulting only from travelling via public transportation (a.k.a. “public conveyance or common carrier”) are covered under the most basic of travel insurance packages.

For example, the UOB Visa Signature credit card lists free Travel Personal Accident Insurance as a perk, but only covers for “accidental death or disablement whilst on public conveyance”. Likewise, for its cardholders who charge their travel fares to its credit card, DBS’s free program only offer coverage if the “injury is sustained while the Insured Person is travelling in any

Common Carrier”.

#### **4) Disease outbreaks**

Although medical claims for illnesses contracted overseas are covered, insurers may stop short on compensating for losses from travel delay or air travel reschedule as a result of disease outbreaks. The recent H1N1 scare is one such event under which some travel insurance policies will not compensate for disrupted travel plans.

#### **5) Trip cancellations**

In certain insurance policies, trip cancellations are valid for a small list of events which occur 30 to 60 days prior to departure. Such events may for example be limited to deaths or serious injuries to immediate family members or civil unrest at the destination countries.

For example, during the volcanic ash incident in Apr 2010, which shut down European airspace, AXA declined to compensate for trips which have to be cancelled as weather conditions are not listed as an admissible reason for coverage under trip cancellations.

#### **6) Reporting of loss**

As in the terms and conditions of most other forms of insurance, for travel insurance claims to be admitted, insurers generally require reports to be filed either with the police (or with parties such as airlines in the case of loss luggage) within 24 hours of the occurrence of the incident or accident.

For travel delays claims, some insurers may require clear written evidence. United Overseas Insurance, for instance, states that the claimant must “submit to UOI the relevant Airline's confirmation letter stating the reason and duration of delay.”

If copies of police reports or written evidence are not provided to the insurer, the chance of succeeding in claiming against losses is usually very low.

### 7) Length of trips

For frequent travelers, insurers often offer a multi-trip “one-year plan” in which a travel insurance policy is in effect over a year and activation is not required for each trip. Despite the nature of such plans, such policies do provide not long term coverage. Coverage may often only be applicable for trips which do not exceed 180 days (or less depending on the specific policy purchased).

Claims arising from such extended trips are generally inadmissible as they are not short-term business or holiday trips for which travel insurance are designed for.

### Conclusion

Travel insurance is supposed to offer peace of mind during business and holiday trips, but you should not take for granted that you will be compensated for all losses resulting from unforeseen circumstances, however reasonable your claims may seem to you.

Like all forms of insurance, exclusions to discourage frivolous claims and frauds are necessary. Moreover, if all eventualities are to be covered by insurers, travel insurance premiums would likely rise to unaffordable levels.

On the other hand, each insurer generally has its own peculiar set of terms and conditions attached to its travel insurance policies. Rather than just going for the cheapest (or even complimentary) policies, it may actually be worth your while to read the terms and conditions and avoid insurers which insist upon including overarching clauses which are unreasonably one-sided in their favour.

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