



Snowbirds, Are You Ready To Fly?

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Put your travel insurance knowledge to the test. See how well you do on this Quiz!

1. *Well in advance of your departure, you booked your travel arrangements including travel medical insurance. The policy states that if your health condition changes prior to departure you must notify the Insurer immediately. You're nervous. Under these conditions, how can you truly make firm vacation commitments? What are the consequences of purchasing an open-ended policy?*

- a) If I am honest and accurate when completing my application, I have no worries;
- b) Insurers add that health condition to intimidate but it's rarely enforced;
- c) Since adverse health changes extend all the way to the departure date, I may not know until I get there whether I'll be covered or not.

2. *You purchased a policy 4 months prior to your departure date. It included a 90 day pre-existing condition stability clause. At the time you disclosed that you take medication for a heart condition. When completing the application, you compared your prior 90-day medical history against the definition of stability within the policy. You had no change in meds, no worsening of any conditions; other terms were fine so according to the policy definition you were "stable". If you have a heart attack on your trip, would you be covered?*

- a) Definitely, I'll be covered. Disclosing all the facts on the application ensures that I am covered;
- b) No, because there are policy exclusions for reimbursement of expenses for heart related condition;
- c) Maybe. It depends on whether I had adverse health changes post application prior to departure.

3. *Prior to your departure, you plan on traveling to an area where Foreign Affairs and International Trade Canada has issued a travel warning. Will you be covered?*

- a) It depends on whether the policy has any specific exclusions for countries, regions where Foreign Affairs and International Trade Canada has issued a travel warning;
- b) Policies may have war, riot or terrorism exclusions but there is not a specific one for travel warnings issued by Canada;
- c) No. Insurers each have their own list of dangerous locations where they exclude or modify coverage.

4. *Most insurance policies are priced by age bands. Sample pricing: ages 65-69, premium increases by about 30%; ages 70-74, premium increases by an additional 32%; ages 75-79 increase is 67%. Can you avoid an imminent price increase by purchasing insurance prior to your birthday even though your departure date is after your birthday?*

- a) No. The premium is always based on age at departure;
- b) Maybe. Depends on the company. Many Insurers use age nearest birthday. Once I am 6 months past my birthday, I'll be charged at the higher age rates;
- c) Yes. Most insurers apply age based on the purchase date not the departure date.

5. *You've been having chest pains. Your doctor says we should investigate the cause. You've already purchased your travel insurance. The tests are scheduled for your return. Are you fortunate that you already purchased your insurance? Would you be covered for a claim resulting from a heart condition?*

- a) For sure, I would be covered. An insurer cannot expect me to predict the future. Besides, I already purchased my policy;
- b) Absolutely not;
- c) As long as my heart condition was stable prior to application, the pre-requisite period, I would have full coverage.

6. *You run marathons, work out regularly and your doctor says you're in perfect health. While on vacation, you like to physically challenge yourself. You may on occasion engage in what some would consider high risk activities: para-sailing, snowboarding, scuba diving, mountain rock climbing, heli-skiing, bungee jumping, you name it! Would you be covered?*

- a) If I pass the medical questions and am in top risk category, coverage is automatically granted;
- b) Maybe. Every policy is different;
- c) If I am a licensed professional, I'll be covered.

7. *You are Canadian but extended your out-of-province limit so you are now no longer eligible for a Government Health Insurance Plan (G.H.I.P.). You've heard that most government insurance plans cover a very small proportion of out-of-province medical emergency claims. Without government insurance, would your private travel policy still cover your expenses?*

- a) It's the law: If you are not insured under a government health care plan in the province in which you reside, the portion that would have been refunded by the provincial plan will be deducted from your claim benefit;
- b) Most policies will cover me irrespective if I have government insurance in place from my home province;
- c) It depends on the specific policy provisions. Some insurers do not insist that you are insured under a Government Health Insurance Plan (GHIP) but will offset the claim by the amount government plan would have otherwise contributed to the claim.

8. *Since you make numerous trips each year out-of-province, you took advantage of a pricing incentive to purchase an annual multi-trip plan vs. single trips. Does that guarantee you locked-in your health for one year from the time of application?*

- a) Of course, it does! Otherwise there's no major advantage. How else could one depend on the coverage?;
- b) No. Most policies have a pre-existing stability clause in effect prior to each and every trip over the 12 months period;
- c) I just have to notify my insurer prior to each trip and coverage is automatically extended.

9. *You usually go down south for 3 to 5 months a year. What's the most economical method of purchasing coverage for extended durations?*

- a) Getting a volume discount for many single trips;
- b) Purchasing a 5 months multi-trip plan;
- c) Blending an annual plan while topping-off the balance with a single trip.

10. *You purchase a single trip policy but during the term you often re-enter and depart your home province for a few days at a time to take care of business or personal matters. Does this jeopardize your coverage?*

- a) Yes typically policies will automatically (but not always) expire on re-entry to your home province;
- b) Not if I advise the insurer on entry and departure but do not exceed my expiry date;
- c) No, in fact it will extend the expiry date because the time spent in the home province will extend the expiry date.

11. *You are very sceptical about completing long and what seems to you to be ambiguous medical questionnaires. You worry about whether a claim could be denied should you make an error or omission. Do you have cause for concern?*

- a) No. As long as my claim for reimbursement of medical expenses is neither directly nor indirectly related to my misstatement, the insurer must honour the claim;
- b) No. As long as I do my best to answer honestly, I have nothing to worry about;
- c) Yes. If I misrepresent any material information provided in the application, the insurer will typically void my entire policy and I won't be covered for any benefits under the policy even if the misrepresentation is unrelated to the circumstances that gave rise to the claim.

12. *Do policies cover claims from terrorist events?*

- a) Exclusions for terrorism are illegal;
- b) All policies have a maximum cap based on the aggregate value of all policies sold. My claim may become pro-rated based on the amount, which exceeds the aggregate applicable limit;
- c) Certain policies do not have this exclusion.

CONTINUED ON NEXT PAGE...



13. *You intend to rent a condo in Florida. Four months prior, you had a TIA (mini-stroke). The travel application indicates that if you've suffered a mini-stroke in the past 6 months, you're ineligible for coverage. What is your best option?*

- a) Travel without insurance;
- b) Postpone my application for two more months at which time, if there is no reoccurrence, I can answer "No" to the question;
- c) Stay home.

14. *You have numerous health conditions: heart, lung and blood pressure. You require a 180-day stability period for each condition. You're frustrated in making long-term vacation plans because your medications and health conditions are so changeable. What is the best strategy for snowbirds in your predicament?*

- a) Keep my travel plans flexible so I can exploit the 180-day stability window for each medical condition should the opportunity arise;
- b) If my doctor says it's safe to travel, my policy will pay;
- c) Refuse to accept any medical advice from my doctor, which will adversely effect my 180-day stability period.

15. *All out-of-province Emergency Medical policies will exclude claims arising from what geographical area?*

- a) The Artic and/or Antarctic;
- b) My home province;
- c) Regions where Foreign Affairs and International Trade Canada has issued a travel warning.

16. *The term in a policy definition: "medically necessary" can become crucial in determining the scope and quality of care for a claimant. The precise wording of this clause can make a major difference between whether a claimant's needs are of primary concern. Which of the following definitions for "medically necessary" would you prefer in your policy?*

- a) "Where a service or supply cannot be omitted according to the insurers, advisors and medical team without adversely affecting your condition or quality of medical care and is delivered in the most cost effective manner possible, at the most appropriate level of care and not primarily by reason of convenience.";
- b) "The medical service or product in question is necessary to preserve, protect or improve your medical condition and well-being";
- c) "Means one which is ordered by a physician and one which the company determines is the most appropriate supply or level of service, which can be

provided on a cost-effective basis. The fact that the insured's attending physician prescribes the services or supplies does not automatically mean such services or supplies are medically necessary and covered by the policy".

17. *You currently have a Group Extended Health Care Plan, which includes travel insurance but has a lifetime maximum benefit level of \$100,000. Can you purchase additional travel medical insurance coverage where your \$100,000 lifetime maximum would be preserved in the event of a claim?*

- a) No. Insurance companies will always share in paying the claim in accordance with the coordination of benefits guidelines issued by the Canadian Life and Health Insurance Association with respect to out-of-country, provincial medical expenses;
- b) Yes. I can shop for a travel policy with a provision that specifies there will be no coordination (subrogation) where the lifetime maximum is \$100,000 or less;
- c) The travel insurer will always be the second payor after other benefits are depleted.

18. *Medical questionnaires typically do NOT ask direct questions about alcohol/drug use or abuse. Does this mean that related claims for intoxication due to alcohol, drugs or medication cannot be denied based on abuse (prior to or during your trip)?*

- a) Most policies even where no questions are asked will have general exclusions relating to drug/alcohol use or abuse;
- b) By law, if questions are not asked in the medical questionnaire, claims relating to those conditions cannot be denied;
- c) Most policy exclusions will only apply if at the time of the sickness or injury, the insured person is under the influence of drugs, alcohol (blood level in excess of 80 mg of alcohol per 100 ml of blood or other intoxicant);

19. *You have an annual (multi-trip) plan. Are there restrictions on a minimum time separation between the return to your home province before a new trip can commence without jeopardizing your coverage?*

- a) There is no time restriction. Proof of entry/departure is all that is required;
- b) Policies can differ. Check the specific policy wording for "layover time" provisions;
- c) A 24 hour time separation is mandatory between trips;

ANSWERS NEXT PAGE...

ANSWERS

To “Snowbirds, Are You Ready To Fly?” Quiz:

1(c). This is a standard clause in most policies but one which constitutes a major conundrum for the traveler. Without the ability to predict the future you'll never really be in a position to know whether you will be fully covered for a trip. Know that this provision provides the Insurer the right to re-evaluate their risk. While a minor ailment may not effect your coverage adversely, a major change in health could invalidate the policy or a pre-existing exclusion could apply. Snowbirds may be eligible for the purchase of certain policies, which may mitigate this vulnerability at the time of purchase. (further details in question #2).

2(c). Yes, possibility as long as you also had no adverse change in your stability between the date of application and departure. Also, assuming that you are NOT traveling contrary to other policy exclusions. If, in the 90 day period post application, your doctor altered your heart meds then by the policy definition, you would no longer be considered “stable”. Remember that the definition of stability runs to the date of departure NOT the date of purchase so in this case, your claim would be denied.

⇒*TIP*: There is an Insurer who offers a policy option, which can remove a great deal of uncertainty in the event of changing medical conditions at the point of purchase. They offer 2 options:

- a) The “Future Stability Option” (FSO), which locks in your good health from the date of purchase all the way to the departure date;
- b) The “Guaranteed Stability Option” (GSO), which will provide coverage for an unstable condition

For additional details, see answer to Question #8.

3(a). Foreign Affairs and International Trade Canada issues travel advisories such as: “avoid all travel or avoid non-essential travel”. As of this date, there are about 70 countries/regions with similar travel warnings. Most (but not all policies) will have complete or modified exclusions especially for those events occurring at destinations where prior to departure a formal government travel warning was declared. Read your policy exclusion. If you are not fully protected, consider shopping for a policy without exclusions.

4(c). Yes, most Insurers will allow short pre-birthday purchase to freeze your age. Some will allow purchases up to one year in advance.

5(b). Absolutely not. Even if you purchased a multi-trip policy, the stability clause kicks in prior to each and every

departure. Additionally, policies have numerous other very specific exclusions. A very common one would specifically exclude claims resulting from tests/investigations, which spanned your return date. Another excludes claims resulting from tests taken prior to departure where the diagnosis have not been determined.

6(b). Policies are all over the map on this one. Shop for a policy with the least exclusions. Many are very liberal while others have extremely rigid broadbased activity exclusions.

7(c). Most will not cover you at all unless you have a government insurance plan in place. If you're in that situation, be sure to shop for a policy, which does not have this exclusion. Some will only exclude the small portion of the claim, which the government plan would have otherwise paid.

8(b). ⇒*TIP*: as a snowbird (age 60+), you may be eligible for a multi-trip plan, which may lock-in our health for the 12 month duration and waive the stability period. There are two options:

Both provide coverage up to \$5 million for stable conditions. But even if your medical condition(s) is/are unstable at issue or becomes subsequently unstable during the year, coverage could be available for up to \$150,000.

All other plans on the market measure stability prior to each departure throughout the year.

A word of caution: there is no panacea. Other exclusions and conditions will also apply so understand the full limitations of the policy contract.

9(c). Do the math. Often, it can actually be less expensive to include a “free” multi-trip plan as part of your trip duration. Calculate the single trip premium for the full days. Then do a second quote including the price of a multi-trip (typically 30 days) “topping off” the remaining time with a single trip plan.

Compare the price difference. You may be pleasantly surprised to discover that you can utilize your multi-trip plan for unlimited excursions over the border for no added cost.

10(a). With most single trip policies, if you had a claim during your return trip, you would not be covered. Policies generally terminate on re-entry into your province of residence. So you would have to cancel and re-purchase on each return visit prior to departure. There are certain policies, which have more liberal conditions, which may allow

one temporary brief return trip up to a maximum of 10 days. As always, check the terms in your policy wording. It's all spelled out there in the contract.

11(c). The process can be delightfully simple with certain insurers. It begins with a medical questionnaire, which helps qualify applicants in a quick straightforward manner. This is your first line of defence against a potential "claim denied" scenario. Most insurers will outright deny claims where relevant errors or omissions have been made.

⇒**TIP:** There is an insurer who has a contractual "compassion clause" where under certain circumstances, the deductible may be raised to \$10,000 when a misstatement has occurred. This is a bargain on a claim in the hundreds of thousands, which may otherwise be completely denied.

12(c). Some do, some don't. There are those in between. Certain policies have a maximum cap based on the aggregate value of all policies sold so you can never be confident that you'll be fully covered to your maximum limit. Your claim may become prorated based on amount that exceeds the aggregate applicable limit.

13(b). Postponing your application can sometimes be advantageous. It may make the difference between being eligible for coverage or not. It may also qualify you for a lower premium. Also, by extension, put you in a more favourable risk category since the risk category is often tied to the stability period. It can also make the difference in enabling qualification of coverage for a pre-existing condition. The better the risk category, the shorter the stability period requirement for pre-existing conditions.

In this question, postponing your application for 2 months may allow you to answer "No" to this question thereby making you eligible for insurance.

14(a). Try to keep your travel plans flexible so you can work towards that 180 day stability period window and leave on short notice. If you do purchase insurance and your stability is compromised, most Insurers will refund your premium (providing cancellation is requested prior to the effective date). First and foremost, your health will be your primary focus. Seek your doctor's advice on whether he/she believes it's safe for you to travel. Bear in mind that your physician is not providing insurance advice on the specific terms of your policy.

If your doctor gives you the green light, that doesn't necessarily mean a claim on your insurance will be valid. However, if you were to travel contrary to your doctor's advice, your claim would be denied based on a specific exclusion in the policy contract.

15(b). after all, it's called out-of-province medical coverage.

16(b). ⇒**TIP:** Shop for a policy that puts your attending physician in the driver's seat. For example, re: emergency air transport back to your home province, certain policies will allow the decision to be made on your attending physician's written recommendation. This may not always be in the best financial interests of the insurer. Insurers may prefer repatriation to your home province where health care is "free". Also, policies that allow you the freedom to choose the hospital or physician of your choice are preferable to those that reduce benefits if you do NOT follow the insurer's protocol for use of their restricted service providers.

17(b). Most travel policies will state that their insurance is in excess to any other valid insurance policies, plans or contracts including private or provincial and automobile insurance. Tip: To protect a lifetime maximum limit for all in-country and out-of-country benefits under that plan, shop for an insurer that will not subrogate your plan (under a \$100,000 or less).

18(a). ⇒**TIP:** Where there is a probability of this exclusion adversely affecting a claim, shop for a policy that narrows the parameters i.e. restrict to activities to the time of the sickness or injury (not prior to trip) and preferably defines alcohol abuse to 80 mg alcohol per 100 ml of blood or other intoxicant.

19(b). Multi-trip plans can be economical but more insurers are introducing restrictions. Know your specific policy provisions. The preferable policy will have no separation timeframe required between trips.

How did you do:

Score one point for each correct answer:

15-19 = Quit your day job and sell travel insurance

5-14 = Use a magnifying glass on policy fine print.

Under 5 = "you're flying on a wing and a prayer"

Note: policies have varying clauses. Be sure to check actual wording. Certain policies have up to 40 exclusions/conditions. This Quiz is not intended to make any specific insurance recommendations. Speak to a competent travel insurance advisor for personal advice.

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