



# Travel Insurance Safety-Check, At A Glance

Bruce Cappon

**C**onsumers who have had their travel claims denied very often complain that they were blindsided by policy exclusions/conditions, later discovered lurking in the policy's fine print. The insurance companies' standard response is that when purchasing policies, the insureds must acknowledge reading, understanding and agreeing to all the terms of the policy.

Not all policies are created equal. Contracts can be complex multi-page legal documents. Is there a shortcut at the time of purchase to help with recognizing these potentially detrimental clauses?

The quick solution is to zoom in on the "Medical Declaration/Authorization" agreement. You'll find this critically important section either as a part of the application or in the policy.

While it's always suggested that you read and understand your entire policy, in the early stage of your travel insurance research, take a few minutes to target this specific coverage description.

When you purchase a policy, you are agreeing to the precise terms of that particular contract between you and your insurer. Each travel insurance company makes their own rules; know them. Be prepared to live with them in the event you incur medical expenses while on your trip.

Beware if the following clause(s) are in your policy's Medical Declaration/Authorization section. They could defeat a claim. There is no standardized industry-wide policy wording so simply consider the implications of the following clauses. (I've created the clause titling but they will not be specifically labelled as such in your policy):

## 1) "The One Strike And You're Out Clause"

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**TIP:** Do you have implicit faith that you have answered all the medical questions not only honestly but absolutely perfectly? If not, are you willing to potentially put significant dollars of your own assets at risk?

"No?" then consider certain policies, which have innovative "compassion clauses" whereby an inaccurate statement may not invalidate your entire policy.

## 2) "The Physician Insurance Expert Clause"

"Where I was unsure of my medical history as it relates to the medical questions, I have verified with my physician."

**TIP:** Ask your physician whether he/she is sufficiently competent to interpret your medical history as it relates to the travel questionnaire and policy conditions. If your doctor says: sorry, he/she does not have the required training and expertise, consider shopping elsewhere. Not all policies contain this clause.

## 3) "The Open Barn Door Clause"

"Should my health change at any time between the date of my application and my effective date. I must contact XYZ Insurance Co. At that time the Insurer will determine whether I am eligible for coverage and if so at what rate".

**TIP:** Certain policies may have an innovative option to "lock-in" coverage, subject to terms and conditions at the time of application. This may avoid your need to have a pen in one hand and a crystal ball in the other.

## 4) "Pre-Existing Condition Stability Clause"

"I acknowledge that the policy will exclude certain pre-existing conditions that were not stable and controlled for a period of X days prior to my effective date".

**TIP:** Certain policies may offer an optional rider to cover pre-existing conditions, which are currently “unstable”, subject to policy provisions.

**Conclusion:** There is no panacea. All policies will have limitations and conditions. Minimize them to maximize your odds of having your Insurer pay your out-of-province Emergency Medical expenses. Shop wisely.

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