



Will That Be Swiss Cheese Or Travel Insurance?

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How Do You Avoid “Claim Denied” on Individually Issued Travel Health Insurance?

Avoid These Insurance Mistakes

Make sure your policy truly meets your needs. If you have an existing medical condition, you’ll want your policy to cover emergency travel expenses related to that particular illness or injury. Most but not all Insurers will build exclusions into their insurance contracts in order to avoid claims arising from unstable pre-existing conditions. Even major employer group retirees’ travel policies, and some public employees and teachers’ plans may have these broad based stability clauses—so be wary!

Generally policy benefits are fairly standardized. You’ll want to be insured for a minimum of \$1 million to \$2 million. So concentrate on evaluating what is NOT covered.

The Biggie

The Number One claim “escape clause” for insurance companies is the non-payment for medical expenses tied to pre-existing conditions, which have NOT been stable for a period of time prior to departure. So at application time, it’s essential to compare your health history to the policy stability definition. Insurers divide applicants into risk classes. The healthier ones may be given a narrow 90-day window while those with more serious medical issues must be stable for up to 365-day stability requirement period.

Definition Of Stability

Typically, clinically stable means that you have NOT experienced the following for any sickness, injury or medical condition for the required stability period before your trip:

- hospitalization and/or
- a medical procedure or intervention and/or
- a change in medication and/or
- a change in medical treatment and/or
- experienced new or more frequent symptoms and/or
- are requiring investigation (other than a routine check-up).

Anyone of the aforementioned factors could cause you—the insured—to be to on the wrong end of an expensive medical claim.

It’s easy to envision how a slight change in medication could render the traveler unstable – see stats below:

*Canadian Seniors Age 65+
62% use 5 or more drugs
21% use 10 or more drugs
6% use 15 or more drugs
<small>*reported in Medical Post article, April 6, 2010 from studies from the Canadian Institute for Health Information (CIHI).</small>

The Solution: If you know darn well the policy you’re considering will not cover your pre-existing conditions for emergency medical expenses, then shop for an Insurer who will. Several Insurers do have a rider that will waive the pre-existing stability requirement condition for single and multi-trip policies.

Does Your Policy Come With a Medical Certificate From a Fortune Teller?

Now here’s the number two “escape clause”. Let’s say you purchase a cruise six months in advance so you figure “hey, why not get my travel insurance out of the way too. Especially as I may also want to add Trip Cancellation/Interruption coverage?” (There are short deadlines for buying this portion of coverage). So you purchase your medical policy too.

Based on the known factors, your stability is “A OK” so you’re good to go, right? Wait, not so fast! Unless the policy also included a certificate from a fortune teller guaranteeing your health will NOT deteriorate between the time of purchase and departure, you will never be sure until the day you actually cross the border whether you are actually insured or not or if so, under what limiting conditions.

Intuitively, you may feel at application time that it’s a done deal, but it’s not! You likely only bought a conditional policy. The Insurer may have left the door wide open to bail out on a subsequent claim for pre-existing conditions, which arises post application, before departure and results in medical expenses while on your trip.

The Solution: Buy a hedge option that allows locking in your good health and insurability at the time of application, for single and multi-trip plans.

This is particularly important to consider when purchasing your insurance well in advance of your departure date – perhaps 60 days or more. Also, lock-in your stability prior to your medical check-up. Without the option, by the policy definition, you may be deemed “unstable” thereby risking a “Claim Denied” scenario.

Other Exclusions

It is not unusual to see upwards of 40 exclusions/conditions/ limitations in travel policies. The exclusions I quoted above can be either totally eliminated or positively modified by selective shopping. If you find a policy with fewer than 20 exclusions, you’re doing well!

If you know that you will be involved in high-risk activities and sports, check to see if your policy excludes

these from a claim. Also, there are currently 72 countries or regions where Foreign Affairs/International Trade Canada has issued travel advisories. If you are visiting one of these locations, check the exclusions. There are policies that are more generous in their definitions.

Wait Times For Healthcare Could Be Problematic For Travel Claims

Longer waiting lists for medical tests or specialist appointments are becoming more prevalent. Do your utmost to ensure that these do not span past your departure date. **Most policies will outright exclude claims for medical expenses on a trip tied to: tests performed when diagnosis has not been received prior to departure and/or where the insured is on a waiting list for investigation or diagnosis or treatment.**

Conclusion

There’s no panacea. All policies will have limitations and conditions—minimize them to maximize your odds of having the Insurer pay your out-of-province emergency medical expenses.

Recognize a quality travel health policy from the Swiss cheese variety, the one riddled with holes and exclusions.

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