

CARRY A COVER AS YOU TRAVEL

Travel insurance helps you stave off high costs of medical care overseas



Vishal Dhawan

Financial planner and founder, Plan Ahead Wealth Advisors

One of my favourite movie scenes, as a financial planner, is from *Yeh Jawaani Hai Deewani* which was released a year ago where the lead actor pulls out a photo album in the middle of an arduous trek and declares that his ambition in life is to visit every part of the world. The scene illustrates a financial goal that is common for a large number of families today—having enough money to travel for holidays, both domestic and international, preferably several times a year.

Along with leisure travel, there has also been a significant increase in work-related travel. Many parents who send their children to study abroad also travel frequently.

Travel is a source of excitement and joy, especially when it is about taking a break from the routine. While people spend a significant amount of time in planning every minute of the vacation, travel insurance often doesn't feature in it. Many publications carry interviews of frequent travellers, asking them what are the must-carry items while travelling—unfortunately, I hardly find travel insurance listed as an essential. A recent survey by a leading insurer substantiates the trend—nearly 80 per cent of the respondents travelling overseas said it was essential to have overseas travel insurance but only 38 per cent

purchased it. For domestic travel, 64 per cent considered it essential but only 4 per cent purchased it.

There are multiple benefits of travel insurance—it broadly covers medical exigencies and travel-related mishaps such as baggage losses/delays, loss of passport, trip cancellation among other things. A travel insurance can be bought online or offline through travel agents or banks. People up to a certain age are exempted from a medical check-up before buying a policy. For frequent travellers, there is an added benefit of

MEDICAL EXIGENCIES AND TRAVEL-RELATED MISHAPS SUCH AS LOSS OF BAG, PASSPORT ARE COVERED UNDER TRAVEL INSURANCE.



GETTY IMAGES

buying a multi-trip cover.

The most important reason to buy a travel insurance is to stave off significantly high costs of medical care overseas. Depending on which part of the world we are comparing against, the costs could vary from five to twenty times the medical costs in India. Your health insurance in India is not effective when you travel overseas. Also, making the money available for a sudden medical treatment is a challenge in a foreign country where you may not know which place is recommended for a particular ailment.

Most insurers have a cashless facility and a tie-up with a Third Party Administrator (TPA) who helps you with guidance on the hospitals under tie-up and the process to be followed for making a claim. The cost of an overseas travel policy depends on where you are travelling to—US/Canada, Schengen countries or the rest of the world. It may also vary as per the sum assured.

Buying the cheapest option is not prudent. Features vary with variants of the policy and it is important to research the features that you want. You must remember that a travel insurance does not cover pre-existing diseases. For people who travel for longer durations, like parents visiting children, the medical risks are higher. It is advisable to spend some time to go through the terms and conditions of the policy. Most insurers have a set of Frequently Asked Questions and even policy wordings available on their website.

Finally, always carry with you the policy details and contact numbers for emergency assistance. There is little sense in having the original policy document in a bag that has been lost. As a frequent traveller myself, I leave a copy of the policy with a colleague in office, keep multiple copies of it in different bags and a scanned copy of it in my mailbox. I also share the policy details with my family, whether or not they are travelling with me, so that they can contact the insurance company if needed. ■