

Choosing The Right Travel Insurance

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“Do I need Travel Insurance?”

- **60%** of travellers purchase travel insurance (NATAS Survey Feb 2011)
- **30%** in Year 2004 (ZaoBao 21.7.04)

Not for me because ...

*“Touch wood!
I am perfectly
healthy!”*

*“I am already well
covered by life, health
and personal accident
insurances.”*

*“I am travelling
to a city, medical
care is available
at every corner of
the street!”*

*“The place
that I am
travelling to is
very safe, it is
not a prone to
natural
disasters.”*

*“I am not
bringing along
expensive stuff,
I don't care if I
lose them.”*

*“My credit card company
provides complimentary
travel insurance
coverage when I travel”*

*“I am a very lucky man, I have made so many
trips, and never once had any accident!”*



Main Assumptions



**Luck is
always
with me**



**Everything
has been
carefully
planned**



**Nothing
will go
wrong**

Other Assumptions

Healthy

- No accidents
- No Minor illnesses e.g. fever / flu

Existing Policies

- Has the coverage needed during the trip
- Limits are adequate

Medical Facilities

- Can afford the cost of the treatment
- Know where to find medical help

Well Planned

- No unexpected events

Credit Card Coverage

- Covers the whole trip
- Has the coverages needed during trip

I don't care & Can Afford

- Don't mind losing baggage or deposit
- Travel/baggage delays doesn't bother me



WITHOUT TRAVEL INSURANCE?

Illustrating its importance

BEFORE THE TRIP



'What ifs' Before the Trip:

Scenario 1 –

Your children are looking forward to a 5-days trip to Hong Kong next week.



HFMD!

- Daughter to be quarantined
- Family decide to cancel trip

Costs

- Tour Package for 4 persons = S\$3,000

Insurance Coverage

- Pays Non-refundable travel costs as much as \$20,000 (Family)
- **Family Plan Premium S\$90 - \$120**

'What ifs' Before the Trip:

Scenario 2 –
60 days away from a romantic
time in Maldives for your
honeymoon!



Agency Collapsed!

- Financial Collapse of Travel Agency
- Cannot proceed with trip

Costs

- Loss of fees paid for Tour Package of S\$5,000

Insurance Coverage

- Non-recoverable fees paid \$1,000 to S\$12,000 (per person)
- 5D Premium for 2 to Maldives = \$120 to \$150

DURING THE TRIP



'What ifs' During the Trip:

Scenario 1 – Family Bonding – Skiing fun in Korea!



BAM!

- Wife collided with another skier!
- Severe leg injury
- Evacuate from ski resort to hospital
- Repatriation to Singapore

Loss

- Evacuation
- Medical Fees
- Accommodation & transport for family
- Repatriation
- Total S\$90,000

Insurance Coverage

- Medical: \$500,000
- Evac: \$500,000/Unltd
- Accommodation/Travel: \$3,000 to \$25,000 per pax
- **7D Family Premium = \$120 to \$165**

'What ifs' During the Trip:

Scenario 2 –

Happily snapping pictures of the majestic Pyramid, felt a little tug....



GONE!

- Wallet
- Passport

Costs

- Travel to Embassy
- Accommodation/ Travel Expenses
- Loss of cash
- Total S\$5,000

Insurance Coverage

- Travel & Hotel expense, Replacement of Travel Docs \$3,000 to \$5,000
- Loss of Money \$300 to S\$500
- **7D Premium for 2 pax S\$140 - \$180**

'What ifs' During the Trip:

Scenario 3 –

**Had a great time in London!
Looking forward to Laksa,
Chicken Rice ...**



Snow Storm!

- All Flights Cancelled
- Bad weather will continue for at least a week!

Costs

- Costs of alternative Accommodation
- Additional transportation costs
- Total S\$2,000

Insurance Coverage

- Cash Benefit for Travel Delay max S\$1,000
- 10D Premium to London S\$85 - \$120

**AFTER THE
TRIP**



'What ifs' After the Trip:

Yummy oysters at a fancy restaurant in Melbourne Airport just before boarding the plane home



UPSET!

- Stomach upset on flight
- Medical treatment at airport
- Follow-up treatment

Costs

- Cost for the 2 rounds of medical treatments including injection
- Total S\$250

Insurance Coverage

- Medical expenses on return to Singapore \$12,000 to \$30,000
- **5D Premium to Australia \$40 - \$60**



TYPES OF PLANS

And their Common Benefits

Common Benefits

Benefits	Basic	Packages
1. Personal Accident	Yes	Yes Level of coverage differs by plans
2a. Medical Expenses - Overseas	Yes	
2b. Medical Expenses – Return Singapore	No	
3. Trip Cancellation / Curtailment	No / Limited	
4. Travel Delay / Baggage Delay		
5. Emergency Medical Evacuate/Repatriate		
6. Loss or Theft of Personal Effects		
7. Others	No	Differs by Plan

!!! Coverage differs among insurance companies and by plans

Common Exclusions

- Pre-existing Conditions
- Self-inflicted injuries
- Radioactivity from nuclear materials
- War & Civil Commotions
- Trip Cancellation due to Natural Disasters
- Travel to specific countries such as Afghanistan
- Engaging in hazardous/military/sports activities



!!! Exclusions differs among insurance companies and by plans

Selecting the Right Policy

Not by Chance!
Not by Price alone!



Questions to Ask:

1. Single Trip Plan or Annual Plan?

- Annual for frequent Travellers: cost & convenience
- maximum 90 days per trip

2. Individual Plan or Family Plan?

- Family Plan can cover: Insured, spouse & children
- Single trip Family Plan can cover: 2 adults & their related children

Selecting the Right Policy

3. How much to cover?

- How much coverage do you have currently?
- Where you are travelling to?
 - Are medical facilities readily available?
 - Likelihood for natural disasters or bad weather
- What is the cost of medical treatment?

GOOD
BETTER
BEST

Selecting the Right Policy

4. Other requirements

- Purpose of my trip? Business or leisure?
- What are the activities during your trip?
 - Adventure, sightseeing?
 - Adventure Trip? Scuba-diving or Skiing? Covered?
- Self-Drive Trips?
 - Select Plan with Rental Vehicle Excess coverage



Selecting the Right Policy

5. Coverage Expectation?

- Accident & Medical only?
- Evacuation & Repatriation
- Cash Benefits for inconveniences

6. Budget for Insurance?



!!! Coverage & Exclusions differs among insurance companies and by plans



When to Buy?

As soon as you make initial deposit for the trip

- To maximize Cancellation of Trip Benefit
- To enjoy Financial Collapse of agency coverage
- Some policies require you to make purchase x-no. of days before date of departure

Changes to your Trip?

- Policy can be amended
- No refund for Single Trip policies in view of pre-trip coverage

APPLY
HERE >

Where to Buy?



- Insurance Intermediaries e.g.
 - Agents, brokers, financial advisors
 - Sales representatives of travel agencies
 - Banks
- Directly from insurance companies
 - Various platforms for purchasing
 - Policy wordings available online
 - Call insurers for clarifications



More Information?

Visit **General Insurance Association (GIA)**
website www.gia.org.sg

Consumer Guide *'About Travel Insurance'*

- Why need Travel Insurance?
- Types of coverage
- Benefits, limitations, exclusions
- FAQ on claims & exclusions
- How to ensure premium remains affordable

Thank you for your attention

