

MARSH INSIGHTS: TRAVEL INSURANCE

Most Canadians crave the thought of jetting to foreign and exotic destinations or just taking the family on a road trip to Florida, but what happens if emergency medical treatment is required during your time out-of-province or away from Canada? Provincial health plans only cover a small percentage of health care expenses incurred outside Canada and limit coverage when travelling to other provinces or territories. Quebec in particular does not have a reciprocal billing arrangement with the rest of Canada, meaning that you would have to pay for treatment immediately for even a covered medical expense and seek reimbursement later on from your own provincial plan. Depending on severity, paying out-of-pocket for a medical emergency away from home has the potential to financially cripple a typical Canadian family.

Hospital and medical expenses in US vacation spots such as Florida can cost over US\$10,000 per day, yet the Ontario Health Insurance Plan (OHIP), for example, limits daily out-of-province emergency medical care to CDN\$400. Even the cost of an air ambulance to transport a patient home from the US can cost up to US\$75,000. Without private travel insurance, patients are personally liable for charges that exceed provincial plan limits.

WHAT TO LOOK FOR IN TRAVEL INSURANCE COVERAGE

The benefits, limits, and exclusions of travel insurance coverage plans differ greatly from offering to offering, so it is important to read the policies carefully and understand the circumstances under which coverage would either be approved or rejected. Only by understanding the parameters and choice of coverages fully can you make an educated assessment of what coverage is right for you. Here's a checklist of features to look for:

- **A High Limit of Coverage** – Hospital and medical costs can be expensive. Choosing a higher limit gives greater peace of mind and lessens the possibility that your treatment is more costly than your coverage. Limits of up to \$5,000,000 in coverage are commonly available.
- **Emergency Travel and Medical Assistance** – 24/7 access with multi-lingual support as required. There is no replacement for being able to speak with someone when you're in the position of needing help.
- **Claims Service** – Access to expert and knowledgeable claims consultants should the need ever arise.
- **Multi-trip Coverage Plans** – For frequent travellers, multi-trip plans can save money as they provide coverage for a set period of time instead of individual trips. For example, if you needed up to 15 days of coverage in total for a number of trips over the timespan of a year, multi-trip coverage would be an excellent choice.
- **Extended Stay Plans** – Particularly helpful for "Snowbirds," these plans allow coverage options for those who spend up to six months of the year abroad.



- **Pay According To Destination Pricing Option** – This may be of benefit if you are travelling to a destination where health care costs are comparatively lower and this is reflected in the coverage pricing.
- **Assistance with Lost or Stolen Documents** – This service is invaluable if you are travelling abroad and lose your passport.
- **Easy Application Process** – Taking the leap and choosing to be prepared doesn't mean you should have to endure a lengthy application process. Look for insurance providers that will strike the balance between asking the right questions and not wasting your time.
- **High Customer Satisfaction Rate** – This should really speak for itself. The higher the company's satisfaction rate, the better indicator that it is a company you want to do business with.

WHERE TO BUY COVERAGE

With most provincial health insurance plans recommending the purchase of travel insurance for those who intend to leave their home province for work or pleasure, the question becomes, “Where should I purchase my travel insurance coverage?”

- **Coverage Through the Workplace As a Benefit** – Some workplaces offer travel insurance as a benefit of employment or membership to an organization. Often this benefit is provided free of charge to those who are fortunate enough to have access.
- **Credit Cards** – Some “premium” credit cards offer travel insurance as a benefit of using the card. It is important to note that an annual fee is often associated with this type of credit card, but if you already have one, it would be in your best interests to determine the coverage available.
- **Existing Insurance Broker Relationship** – In some cases, individuals are offered the opportunity to receive discounted rates through an existing insurance broker or insurance company relationship.
- **Airlines/Travel Agencies** – When purchasing your travel and accommodations, airlines/travel agencies will often offer travel insurance.
- **Third-Party Insurance Providers** – Specific banks, financial service companies, and insurance companies all offer travel insurance coverage options.

Regardless of where your travel insurance coverage comes from, always be sure to fully examine and understand the terms of coverage.

Clients of Marsh’s Private Client Services are eligible for special discounted rates on travel insurance through Allianz Global Assistance at 1 877 467 1502 (reference code Marsh 6747).

Allianz Global Assistance has products that suit both outbound and inbound travellers, students, snowbirds, and foreign workers. Marsh Canada Limited receives a fee for business referred to Allianz Global Assistance.

Case study provided courtesy of Allianz Global Assistance.

This coverage is available to residences across Canada for all PCS clients, excluding Quebec and British Columbia, through Allianz Global Assistance. Travel insurance is underwritten by CUMIS General Insurance Company, a member of the Co-operators group of companies, and administered by Allianz Global Assistance. Allianz Global Assistance is a registered business name of AZGA Service Canada Inc. and AZGA Insurance Agency Canada Ltd. Note: For illustration purposes only. Travel insurance does not cover everything. Your coverage is subject to the terms, conditions and exclusions set out in your policy. Please read and understand your policy before you travel.

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CASE STUDY

Problem – While on an out-of-country camping trip with his family, Tom suddenly collapsed while he was chopping wood, nearby to the campsite. Tom’s wife called for an ambulance and he was taken to a nearby hospital. The doctors at the local hospital told Tom’s wife that he had suffered a brain hemorrhage.

Solution – Tom’s wife called Allianz Global Assistance who arranged for an air ambulance to transfer Tom to a hospital at home and a doctor to treat him when he arrived. About 24 hours later, he was on his way to continuing his treatment there. Tom was pre-cleared for customs by the time he and his wife reached the airport. Allianz Global Assistance also made arrangements for the kids, the family truck, and trailer to get back safely while Tom’s wife accompanied him on the air ambulance home. When they landed, the air ambulance company took Tom straight to his hospital bed so he could start his treatment right away. After treatment, Tom continued his recovery at home. In the meantime, Allianz Global Assistance dealt with the bills from his out-of-country hospital stay and treatment directly.

Benefit – In a situation that would leave most people in panic, Allianz Global Assistance acted in a professional manner by providing timely advice and followed through with all of the actions required for an optimal outcome. It’s easy to imagine what could have happened if travel insurance coverage was not purchased or if the insurance provider was not as adept at handling crisis situations.

CONCLUSION

Emergency medical treatment is the single most expensive hidden cost you could be faced with while travelling. While you might think you’re covered, there’s a limit to how far your health care plans will cover you outside your home province or territory. If you’re not covered by a workplace travel plan or credit card coverage, or you are not satisfied with the parameters of those coverages, it is in your best interest to be prepared and purchase travel insurance coverage.

ABOUT US

Marsh’s Private Client Services (PCS) is one of the largest personal property and casualty insurance brokerage businesses in Canada and an operating practice of Marsh Canada Limited. We specialize in the design, placement, and servicing of personal insurance programs for individuals and groups.