

Travel insurance

Choosing travel insurance

Travel insurance can provide you with cover for:

- **cancelling or cutting short your trip** for specific reasons outside your control, for example, the unexpected illness of you, a close family member or a member of your travelling party
- **missed transport or delayed departure** for reasons outside your control
- medical and other emergency expenses
- personal injury and death
- lost, stolen or damaged personal property, including baggage
- accidental damage or injury you cause to someone else.

You can buy travel insurance to cover a single trip, or an annual policy covering several trips. As most travel policies cover you for cancellation, you should take out insurance when you book your trip. Some package holidays offer to include travel insurance but you do not have to accept this. You are free to make your own arrangements. A travel agent must not charge you more for a package holiday because you do not buy their insurance. If a travel agent tries to do this, you should contact Consumer Direct on 0845 404 0506.

Ask for quotes from several insurers to help you get the best deal for your circumstances. You will need to compare what each policy covers and:

- any **exclusions**. Some policies exclude **dangerous activities** or high risk sports such as skiing or scuba diving. If you are going on a holiday involving one of these activities, you may have to pay more for your insurance
- **compulsory excesses**. This is the amount you have to pay towards the cost of a claim. The amount may vary, depending on the claim
- **additional conditions**, for example, how long your journey has to be delayed before your insurer will pay you compensation.

Check whether any **age limit** applies.

Check your **household contents** insurance policy, as this may cover you for loss or damage to your personal belongings while you are abroad. You may decide that you only want to take out insurance for some of the other risks you can be covered for while you are abroad.

Your **credit card** company may provide you with some free insurance cover when you use it to pay for a holiday. Check carefully what is covered. In general, this should not be used as a substitute for your own insurance as it may not cover you for everything.

When you take out insurance cover, you must tell your insurer, or the person who sells you the insurance, about anything which might affect their decision to insure you and how much to charge for the insurance. This could be, for example, for an existing medical condition for which you need to get treatment while you are away. If you withhold information, this could prevent your insurer from paying out on any future claim.

Once you have taken out an insurance policy, you must tell your insurer as soon as possible about any change in your circumstances which might affect any future claim.

Remember to take a copy of your travel insurance policy away with you.

Making a claim

If you need to make a claim on your travel insurance policy:

- check that you are within the **time limits** for making a claim
- check that you are **covered** for the situation you are claiming for. There is usually a maximum amount which can be claimed under each section of the policy, and a limit on the amount you can claim for any single item
- check your policy for any **terms or conditions** that you need to meet
- **contact** your insurer as soon as possible to request a claim form. This may be once you have returned home. Your insurer may have an international helpline which you can use to get advice on the procedures you must follow. Complete the claim form carefully, and **keep a copy**. Make sure you enclose **copies** of all relevant receipts. You may need the originals if your claim is refused. If you are also covered for part of your claim by your home contents insurance, you will need to state this on your claim form.

Lost, stolen or damaged personal property or luggage

You will be expected to take reasonable care of your belongings and to minimize any losses.

Your insurer will want evidence of the loss or damage. This may mean making a **report to the local police** which should be done within 24 hours, if possible.

If you have to replace any essential items that are lost, for example toiletries or clothing, make sure you ask for **receipts** as you will probably need to provide your insurer with copies. Ask for receipts for any essential services that you need to pay for as well.

Remember that unless you have a 'new for old' policy, the amount you get for an item may be less than the cost of replacing it. This is to take account of any use you have had out of the item.

Medical emergencies and personal injury

If you need medical treatment while you are away, contact your insurer by phone as soon as possible to get **authorisation** for the treatment. If possible, you should try to contact them before agreeing to the cost of the treatment.

Get **receipts** for treatment and medication.

Some insurance policies will not cover you for the treatment of a **health problem** which you knew about at the time the policy was taken out. You may also be excluded from claiming for the cost of medication which you usually need, and may have to take while travelling.

In some European countries, you can get free urgent medical treatment if you have a European Health Insurance Card (EHIC). In addition, many other countries have health care agreements with the UK which mean you might be able to get free emergency treatment. You can find out more by going to www.doh.gov.uk/traveladvice/forme111.htm.

Travel insurance usually covers you if you are **pregnant**, as long as you are in normal health.

Cancelling or shortening your trip

Your insurer will only meet a claim for a cancelled or a shortened trip if you can show that you had good reason to cancel or shorten it. This might include:

- unexpected illness, injury to or death of you, your partner or a travelling companion
- if a pregnant woman is advised not to travel for a medical reason which occurred after you took the policy out
- if you are called for jury service or as a witness in court
- if a fire, burglary or unexpected damage occurs in your home
- if you are made redundant.

If you have to return home early, your insurer will usually pay any extra travelling costs and the cost of unused holiday accommodation may be returned to you.

How to make a complaint

If you have a problem with an insurance claim, check your policy carefully first of all, to make sure that your insurer is not entitled to withhold all or part of any payment. This could be because:

- you have an excess on your policy
- you have an exclusion in your policy
- someone has overcharged you for their services. In this case, your insurer might refuse to meet all the costs of your claim and you will have to meet the balance yourself.

If you want to make a complaint, write to your insurer, giving details of your complaint, and how you would like it to be resolved. If you are not satisfied with the response, make a formal complaint, using your insurer's complaints procedure.

If you are not satisfied with the outcome of the formal complaints procedure, consider taking the complaint further. All insurers must be covered by the rules of the financial watchdog, the Financial Services Authority (FSA). This means that if you have a complaint about an insurer, you can take it to the Financial Ombudsman Service. This is a free service available to policyholders who have already followed their insurer's complaints procedure. The Financial Ombudsman will try to resolve the complaint through mediation. If the dispute cannot be resolved this way, the Financial Ombudsman will begin a formal investigation. The final decision given at the end of this investigation is binding on your insurer, but if you do not agree with it, you are free to take your insurer to court. For more information about the Financial Ombudsman, you can visit their website at www.financial-ombudsman.org.uk, or phone them on 0845 080 1800.

If you bought your insurance from a travel agent or tour operator as part of a package holiday, the rules are slightly different. You can complain to the Financial Ombudsman if your complaint is about the insurance company with whom you have your policy. However, if your complaint is about the way you were sold the policy by the travel agent or tour operator, you will probably need to go to court if you want to take your complaint further (see below).

If your insurer is a **member of Lloyds**, contact Lloyd's Complaints Department on: 020 7327 5693. If you are not satisfied with the outcome of this complaint, complain to the Financial Ombudsman.

If you have tried all the options for resolving your complaint through the complaints procedures, but have not met with success, or if your insurer is based outside the UK, or your complaint is against a travel agent or tour operator not covered by the FSA's rules, you may want to consider taking legal action. However, you should only consider going to court as a last resort. This is because the amount of compensation a court may award you could be reduced if you have not tried other ways of resolving the problem before taking legal action.

Before taking legal action, you need to consider whether you have sufficient evidence. You will have to prove that your claim is covered by your insurance policy and you may have to provide expert evidence.

Your local Citizens Advice Bureau can give you advice about insurance problems, and on how to take legal action. To search for details of your nearest CAB, including those that can give advice by e-mail, visit www.citizensadvice.org.uk.

Other fact sheets that might be helpful

- Starting court action
- Services
- Alternative dispute resolution
- Household contents insurance
- Package holidays

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This fact sheet was last updated on 1 August 2007, and is reviewed on a monthly basis. If it is some time since you obtained this fact sheet, please contact your local Citizens Advice Bureau to check if it is still correct. Or visit our website - www.adviceguide.org.uk - where you can download an up-to-date copy.