



TOP 5 THINGS TO LOOK AT WHEN RELYING ON TRAVEL INSURANCE FROM A CREDIT CARD



INTRODUCTION



I don't need private travel insurance.
I got it with my credit card.



TRAVEL INSURANCE FROM CREDIT CARDS

Wise travellers know of the importance of travel insurance. And many of them rely on the protections included with their credit card thinking that they will be covered, no matter what. But are the protections really optimal? Is the insurance automatically in force just because they paid their most recent bill? Are there any stability clauses to know about?

Are your clients aware that:

- After a certain age, coverage can be limited to a few days only?
- Some protections may be limited or nonexistent if the trip was not paid with that credit card?
- Protection may be invalidated if the client buys a top up from another insurer?

There are many things to consider! And so many cards to compare! We have analyzed eighteen popular cards known for their travel insurance plans or reward programs, and came up with the Top 5 things to discuss with your clients before they officially decline private travel insurance.



N°1

VALUE OF THE MEDICAL PROTECTION



TOUR+MED

Most private travel insurances cover the clients for at least \$5 Million.

CREDIT CARDS

From all of the cards we analyzed almost half provided coverage of only \$2 Million or less.

Just like anything else, medical costs increase year after year. Thankfully, million-dollar claims don't happen often... but they happen. Remember Million Dollar Baby in Hawaii? Or the patient that needed a special respiratory device and was hospitalized for weeks before he was stable enough to be repatriated to Canada, with claim costs close to \$5 Million? Coverage of at least \$5 Million is highly recommended or the client could be left with hefty bills to pay after their return home.



N°2

NUMBER OF DAYS INCLUDED



TOUR+MED

Tour+Med provides Per Trip plans up to 183 or 212 consecutive days, depending on the client's province of residence. We also provide Multi-Trip Annual plans of 8 and 15 days from clients of less than 85 years old, and a Multi-Trip Annual plan of 30 days for clients of less than 80 years old.

CREDIT CARDS

Although some of the credit cards we analyzed promote coverage for trips up to 60 days, such lengths are usually limited to clients of less than 55 years old. As the clients get older, the number of days included with their credit card diminishes quickly.

In most cases:

- Clients between 60 and 64 years old will get from 15 to 31 days (some of the cards offering only 8 or 10 days), and
- Clients 65 and older will get from 3 to 15 days (most cards offering 7-8 days).
- Some cards were no longer offering any coverage after 65 years old!





Nº3

ARE TOP UPS WITH OTHER INSURERS PERMITTED?



TOUR+MED

Many private travel insurances will provide top ups, but it is the client's responsibility to verify if their credit card allows top ups from other insurers. If top ups are allowed, the clients should also confirm the extent of their protection since many private insurances won't provide any coverage for events that occurred while the client was covered by another insurer – their credit card in this case.

CREDIT CARDS

Some clients could be surprised to learn that coverage can be invalidated if the top up is purchased from another insurer. This is pretty important stuff to know about!

Out of the cards we analyzed:

- Some required the top up to be purchased from the same insurer or their coverage was invalidated;
- Most sold top ups with the same insurer but did not mention what happens if the clients got it elsewhere;
- A few sold top ups with the same insurer but also allowed top ups elsewhere;
- Many did not provide top ups and some even mentioned that coverage was literally cancelled if the trip lasted longer than the number of days included with the card!

Clients shouldn't take anything for granted. It is their responsibility to verify if the financial institution provides top ups or if it allows them to get it from another insurer. If so, they should also confirm if there will be continuation of benefits once coverage from their credit card has ended, so that they don't end up having to pay for a follow-up visit, for example.



Nº4

STABILITY OF PRE-EXISTING CONDITIONS

TOUR+MED

Tour+Med requires 3 months of stability for clients of less than 59 years old, and 6 months for clients of 60 years old and older (which can often be reduced to 30 days with our Reduced Stability Period option).

CREDIT CARDS

While 3 to 6 months of stability is also the norm for the majority of the credit cards we analyzed, some cards required as much as 1 year of stability for clients over 74 years old.

Whether we are talking about private travel insurance or protections from credit cards, pre-existing conditions must satisfy stability criteria to be covered. So although this is common, clients should nonetheless pay attention to specific requirements according to their age, as this varies from one card to another.





Nº5

MUST THE TRIP HAVE BEEN PAID WITH THIS CARD IN PARTICULAR FOR THE TRAVEL INSURANCE COVERAGE TO BE IN EFFECT?



TOUR+MED

The last thing clients should look at is if it's mandatory to have purchased the trip with that card for coverage to be in force. While medical coverage is not affected by this rule, it can have a huge impact on non-medical protections.



CREDIT CARDS

One of the cards we analyzed only offered medical coverage so we will consider the remaining cards for the following categories.

Trip cancellation and/or interruption:

Although a few cards mentioned that the clients were covered for trip cancellation or interruption if “part” of the trip had been paid with that card, the majority of the cards did not provide any coverage if the trip had not been paid in full with the card, or did not provide coverage for elements that had been paid using another mode of payment.

To better understand this, let's imagine a couple visiting Europe: they purchased their plane tickets with their card, but once there, they pay for a Mediterranean cruise in Euros. In case of trip interruption, only their plane tickets would be covered since their cruise was paid using another mode of payment. This isn't practical and the losses could be substantial!

Baggage:

Not only should clients check if their baggage is covered depending on how they paid for their trip, but they must also verify what is covered about their baggage: loss, theft, delay, damage? Some cards cover only a few of these misfortunes. Tough luck if you experience another one!

Accidental death and dismemberment:

A small number of cards don't provide any coverage in case of accidental death or dismemberment. A few required that at least 75% of the price of the ticket be paid with the card for coverage to be in force. The remaining cards required full payment of the ticket for coverage to be in force.

Let's have another look at our couple visiting Europe: if they decide to purchase a bus tour of Paris while there and pay in Euros, they are aboard a common carrier and private non-medical insurance would cover them in case of accidental death or dismemberment resulting from a bus accident. However, coverage from their credit card would be of no help since their tour was not paid with the card.

IN CONCLUSION

As you can see, travel insurance protections offered by credit cards can be interesting for some clients, but they are not suitable to all travelers, or to all trips. To have peace of mind while traveling, clients should analyze their needs and not be afraid to ask questions to the various insurers. Will the value of the medical protection be sufficient? Do they get enough days? Can they get a top up from another insurer? Are the stability requirements realistic? What conditions must be met for non-medical coverage to be in force, if available? All of these questions, and many more, should be addressed with the clients before they officially decline private travel insurance.