



A TRAVELLER'S GUIDE TO INSURANCE

It's just as important as your passport—even when you staycation

BY STEPHANIE PORTER

'Don't leave home without it' is a cliché—but when it comes to travel insurance, they are words to the wise, whether you're travelling halfway around the world or to the next province over.

"Travel insurance should be required if you're travelling, just like car insurance is required if you're driving," says Gary Howard, vice-president of marketing and communications for CAA Atlantic. "If you have a heart attack in the U.S., and that costs you \$500,000 in medical expenses, and you can't pay it ... well, there goes your home."

That situation probably won't happen if you're travelling within Canada, but you may still end up on the hook for more expenses that you expect.

"Your provincial coverage will only cover what it would have covered in your home province," says Kirby Hingley-Veal, an insurance advisor with MacLellan and Moffatt Health Insurance. "If a broken arm means \$700 in expenses in Ontario but Nova Scotia would only pay \$500, you pay the difference."

Air ambulance or other specialized transportation back to your home province probably won't be covered either, among other incidental expenses.

"One of our Nova Scotia-based travel insurance brokers was in Ontario recently, and she had a relatively serious injury," recalls Daniel MacLellan, president of MacLellan and Moffatt. "She missed her flight home and had to stay in Toronto at a hotel for multiple days between medical appointments—without insurance, she would have had to pay out quite a bit."

Figure out your existing coverage

Before buying trip insurance, Howard says, the first thing to do is understand what coverage you currently have and in what circumstances it will be paid out. "Some people think they have enough coverage through their credit card or through their work, and often that's not the case," says Howard. "Many credit cards used to include insurance and now don't. Work or group plans are often limited in what coverage they provide. Look at what coverage you actually have."

Howard suggests calling your credit card company and getting the specifics. "How much will they pay? If it's just \$50,000, that's not going to cover much for that heart attack in the U.S." His recommendation: \$5 million in coverage.

If you have insurance through work or another group plan, check with human resources about your travel coverage. You don't want to pay for something you already have, Howard points out, but you definitely don't want to find out what you don't have the hard way.

Investigate your options

The cost of travel insurance will vary depending on age, health, length of time away and activity. An in-Canada plan is generally quite a bit cheaper than one for travels abroad.

As when purchasing any service, take time to shop around. A broker such as MacLellan and Moffatt, with access to a number of providers, may help in sifting through the options, especially if you have particular health or travel considerations.

Many insurers offer quick, on-line quotes, which can be another helpful resource; better, insurance providers, brokers, CAA, and some travel agencies offer insurance counselling.

"In the end, you as the consumer are responsible for knowing what you do have in terms of insurance coverage and what you don't," Howard says. "We have had cases where people come back to us and say, 'Oh, I didn't know.' Well, you need to know. You're a grown-up."

OTHER CONSIDERATIONS

Insurance plans can vary greatly in ways other than the maximum medical expenses covered, including:

Pre-existing conditions

These are ongoing or past medical conditions that may affect your premium. "This is the main reason a claim would be denied," says Hingley-Veal. "You need to understand what pre-existing conditions are and how that affects your coverage."

Stability periods

"All policies have some type of stability period written in," says Hingley-Veal. "Meaning you are covered if you have been medically stable for a certain period of time before you leave: no change in medications, dosage, that sort of thing." Depending on policy and provider, stability periods can be between seven days and several months.

Activities

"One thing I learned is that only one travel insurer would cover me for off-piste back-country skiing," says MacLellan. "I have coverage through a group plan and my credit card. But I will buy additional coverage if I'm going skiing." You may also need to purchase additional coverage for snowmobiling, skydiving, scuba diving and other adventure activities.

Trip cancellation and interruption

If you have to shorten or cancel a trip for any reason—sickness, death in the family—you may get all or some of your costs back if you have the right insurance. Costs incurred because of weather delays may also be covered. "Pay attention to the details," says Hingley-Veal. "And buy cancellation coverage the day you pay for your trip."