

# Credit-card travel cover: good to go?



Many of us hop on a plane to an overseas destination thinking – or, rather, hoping – that the travel insurance we receive courtesy of our credit cards will be sufficient if something goes wrong. But, as **Martin Hesse** reports, the limits and exclusions on automatic credit-card insurance may leave you significantly exposed.

**I**F YOU ARE ABOUT TO GO ON HOLIDAY OVERSEAS and are relying for travel insurance on the automatic cover that comes with paying by credit card, you might need to take a closer look at what the policy covers. The chances are, very little indeed. On most of the lower-level (blue, classic and silver) cards, you have emergency medical cover of only about R150 000 – about US\$11 000 when this article was written in November 2015 – and you are not covered for lost baggage, stolen personal effects or cancelled flights.

Credit cards have been part of life in South Africa since the early 1970s, and one of their features is free (or “automatic”, as it is referred to in this article) travel insurance, particularly for foreign trips, if you buy your travel tickets with your card. The number of people who have had the benefit of this insurance over the years probably amounts to millions, but how many of those travelled in the full knowledge of what they were covered for, and for how much?

As with other types of insurance, many people read the small print only if they have to claim – or, worse, if their claims are rejected. But ignorance of policy conditions and even the basics of how much you are covered for versus how much you need, seems to be particularly common with travel insurance.

An educational booklet by the short-term insurance industry body, the South African Insurance Association, has the following to say: “The world is full of deluded travellers. They think they’re insured. They have a brochure from a bank or travel agent to prove it. They lack a copy of the policy document, which lists the exclusions.”

Since the introduction of the Financial Advisory and Intermediary Services Act in 2002 and other regulations targeted at financial services, people who sell financial products, including travel insurance policies, are obliged to ensure that you understand the terms and conditions of a product or policy when you buy it. It’s probably a result of this increased regulation that complaints about travel insurance to the Ombudsman for Short-term Insurance have declined over the past few years (see “Ombud warns about card cover” on [page 44](#)).

## What you need cover for

TRAVEL INSURANCE POLICIES VARY, AND SOME offer what seem to be trivial benefits, such as cover for a golfer’s round of drinks after scoring a hole-in-one, or for additional kennel or cattery fees for your pets if your flight is delayed. But what are the essentials for travellers? The three main categories of risk for which



ILLUSTRATIONS: COLIN DANIEL

most travellers expect, or want, to be adequately covered are:

■ **Medical treatment and associated costs** in case of an emergency resulting from an accident in which you are injured, or sudden illness – for example, being bitten by a foreign bug and contracting a deadly disease. The costs could run to hundreds of thousands, even millions, of rands, particularly if you happen to have your accident, or contract your illness, in a jungle, for example, and need to be airlifted to a reputable medical facility, possibly thousands of kilometres away in another country (see “High expenses” on page 46). You might have to alter your travel arrangements, and, if you are extremely sick, you might need a relative or friend at your bedside. The declining value of the rand against the world’s major currencies has dramatically compounded the scale of these costs. (Note that these expenses might be covered by your medical scheme, as is the case with Discovery Health on all but its lowest options. It’s advisable to check.)

■ **Loss or theft of baggage and personal effects.** Although the financial implications are limited

compared with emergency medical costs, they could still be fairly substantial if you had valuable items with you or in your baggage.

■ **Travel cancellation costs.** If you have to cancel or curtail your trip, changing or cancelling flights or accommodation bookings, either before you leave or after arriving at your destination, you need to be covered for non-refundable costs, which could amount to thousands of rands.

Be aware that most automatic credit-card cover, in particular, does not cover these three categories of risk to the extent that you might expect. But it may offer the following, for which you might also have cover under another policy, such as your home contents or life assurance policy:

■ **Life and disability accident insurance.** This is a lump-sum payout in the event of an accident in which you are killed or permanently disabled – for example, a plane crash.

■ **Personal liability cover.** Cover for your liability if your actions result in someone else being injured, or in someone else’s property being damaged or lost, resulting in a claim by the injured party. >>

## >> Exclusions and conditions

WHETHER OR NOT TRAVEL INSURANCE comes free with your credit card, policies have common conditions and exclusions about which you should know before you embark on your dream holiday. Some of the exclusions can be covered by additional insurance.

The list below is not comprehensive, and some insurers may not apply all the exclusions – you need to study your policy document for all the details.

■ **Cover is limited to 90 days**, although some policies have a lower limit on the length of your trip – as low as 30 days, for example, in the case of Nedbank’s automatic cover. Top-up cover will be required for longer trips.

All policies (including their cover limits) apply per person per trip, with the exception of some corporate travel insurance for frequent business flyers (see “Cover for business travel” on page 50).

■ **Pre-existing conditions.** Generally, pre-existing medical conditions are not covered. For example, if you have a heart condition, you will not be covered if you suffer a heart attack during your trip. Only one automatic policy listed below, from First National Bank (FNB), offers limited cover for an emergency related to a pre-existing condition, but most top-up and comprehensive policies do offer a certain degree of cover in this regard.

■ **Age.** Most regular policies provide cover only to the age of 70 or 75. If you are over the cut-off age, you have to take out separate seniors’ cover (see below).

■ **Pregnancy.** Most policies cover pregnant women who have a pregnancy-related complication or emergency up to only the 26th week of pregnancy.

■ **Hazardous pursuits.** Most policies list pursuits and sports for which you are covered, unless you are participating in them professionally. These would include skiing, snorkelling, cycling and taking a game drive through the savanna in a 4x4. There may be a list of more dangerous activities for which you are not covered, such as bungee jumping and white-water rafting. Note that the cover for users of Nedbank, Standard Bank, Diners Club and American Express cards, which is provided by AIG South Africa, lists a number of relatively innocuous leisure activities, including swimming and cycling, for which you are covered only if you take out top-up cover. In other words, you are not covered for cycling or swimming under the automatic cover.

■ **Dangerous countries.** Travel to countries at war, such as Syria or Libya, is not covered under most regular policies.

■ **Acts of terrorism.** You usually need extra cover for a medical emergency arising from an act of terrorism. You also need to know how “terrorism” is defined in your policy.

■ **Reasons for cancellation or curtailment of trip.** Policies that cover this typically require good reasons for the cancellation or alteration of your travel arrangements. A condition often inserted into policy contracts is that your travel documents, such as visas and passports, are in order (see “Case study:

## OMBUD WARNS ABOUT CARD COVER

IN 2014, THE NUMBER OF PERSONAL LINES (IN OTHER words, not commercial insurance) complaints received by the Ombudsman for Short-term Insurance was 9 581, of which only 56 (0.58 percent) pertained to travel insurance. Travel insurance complaints have fallen since 2008, when they constituted 92 out of the total of 9 264 complaints (one percent), and 2009, when they were 96 out of 8 643 (1.1 percent).

In 2010, the ombudsman at the time, Brian Martin, felt the need to issue a warning about travel insurance because of the nature of the complaints reaching his office. Martin wrote: “Many consumers, when travelling, rely upon ‘free travel insurance’, which may be a benefit of an airline ticket or travel package purchased on a credit card. The cover provided by such policies is usually extremely restricted and limited, and may prove to be of little practical benefit to a traveller.

“Consumers are advised not to rely on such products to provide them with adequate cover for travel purposes and carefully to check whether the cover provided meets their requirements or expectations prior to departure. Particular attention should be given to the cover provided

for delay or cancellation of flights, theft of documents or money and emergency evacuation.”

A complaint to the ombudsman in 2012 went the way of the policyholder when it emerged that the insurance company could not recall having brought an exclusion to the policyholder’s attention when the policy was sold.

Mr A submitted a claim to his insurer for medical expenses related to heart failure during his journey. The insurer rejected the claim, because Mr A was over 69 years of age at the time of the incident, and the policy specifically excluded people of that age from being covered for the condition.

However, in his complaint, Mr A said that, when he took out the policy, he advised the insurer of his date of birth, but he was never informed of the exclusions applying to people over the age of 69.

The insurer was specifically asked to tell the ombudsman how these exclusions were brought to Mr A’s attention, in compliance with the Policyholder Protection Rules (rules under the Short Term Insurance Act that protect consumers). The insurer decided to settle the claim.



no visa, no cover" on page 48).

An important point is that the insurance company may not cover you if you don't obtain authorisation for a particular claimable expense that exceeds a certain amount (see "Emergency assistance", below).

Another thing: you may not be covered by automatic credit-card insurance if you pay for your journey using air miles or benefits from a frequent-flyer programme. The Standard Bank website states: "If you have purchased your travel ticket with frequent-flyer miles that you have accumulated from spend on your Standard Bank credit card, you are not covered under automatic travel insurance."

### Emergency assistance

THE TRAVEL INSURANCE COMPANIES ARE LINKED to international emergency-assistance services providers, such as EuropAssistance, and these have a 24-hour call centre that you must contact in the event of an emergency on your trip. The call centre uses a network of services, from air ambulance operators to medical personnel. If your condition warrants it, it will take charge of your case, taking care of the necessary communications, payments and claims arising from the emergency.

Uriah Jansen, the managing director of Oojah Travel Protection, an underwriting >>

# HIGH EXPENSES

THE “HEARTBEAT” OF TRAVEL INSURANCE IS WHERE insurers pay for the cost of medical treatment in foreign currencies, Simmy Micheli, the marketing and sales manager for Travel Insurance Consultants, says.

“What seems to be a simple claim can quickly become complicated, racking up huge medical bills. For example, we had a recent claim in Switzerland where a client fell ill with pneumonia and passed away – the total claim amounted to R1.4 million.”

Earlier in 2015, Micheli says, a traveller on a business trip to Guangzhou province in China collapsed with a cerebral haemorrhage during a conference and fell into a coma. She had to be brought back to South Africa, but later died. The final cost of her claim was R4.5 million. And in October, she says, a young traveller in Canada was involved in a serious car accident, and the claim amounted to R5.5 million. Both travellers had a comprehensive policy, she says.

In another case earlier in 2015, a 60-year-old engineer travelled to the United States on a business trip. He was visiting an industrial site when he stepped into a pit and injured his foot. He was admitted to hospital, X-rays were taken, and it was confirmed that the engineer had fractured his left ankle. He underwent emergency surgery and, after a three-day stay in hospital, was discharged. He flew back to South Africa on a business-class flight. Cost of accident: R648 561.

>>> management agent of The Hollard Insurance Company, says that, depending on the policy, you need to obtain authorisation for expenses exceeding a specific amount (either R5 000 or R10 000). This must be obtained from the 24-hour number before incurring the expenses, unless you are physically prevented from calling the number, in which case you or someone else must call the number within 24 hours. An expense under the authorisation limit would usually be paid by you, and then you can claim when you return to South Africa.

Jansen says expenses in excess of R10 000 usually require in-patient treatment or specific diagnostic procedures, such as scans.

“First, we will provide a guarantee of payment directly to the hospital or provider. In a case where we have provided a guarantee, you are not out-of-pocket while overseas. We also determine whether your condition is life-threatening, or whether treatment can wait until your return to South Africa. If you need the treatment immediately, we will check whether you are ‘fit to fly’. If the doctor provides a fit-to-fly letter, we will change your tickets and repatriate you to South Africa to continue with the treatment. If not, we will monitor the case, and our doctors will discuss the treatment provided with the treating doctor

overseas. We will also arrange for repatriation after treatment, and, based on medical advice, will arrange for a medical or non-medical escort.”

Jansen says it is important to understand that the 24-hour emergency call centre acts on the insurer’s mandate and according to the terms and conditions of the policy. The liability is ultimately with the insurer, she says. If the assistance provider does not follow the mandate, or you are unhappy with the service you receive, the provider must refer your complaint to the insurer to investigate or respond. And, Jansen says, larger claims that fall outside the provider’s mandate will also be referred to the insurer.

If you fail to contact the emergency call centre and submit a claim over the authorisation limit, Jansen says the insurer will typically take into consideration what prevented you from calling the emergency number – for example, you were in an intensive-care unit (ICU) and unable to communicate with anyone – and whether the insurer would have agreed to the costs incurred, or whether it would have repatriated you.

“It is difficult, however, always to compare apples with apples after the event. When we provide the guarantee of payment, we have direct access to the medical reports. When you settle the account directly with the hospital, they will not release any medical records to a third party,” Jansen says.

## Automatic cover

SO WHAT DO YOU GET FREE ON YOUR CREDIT card, and is it necessary, in most circumstances, to top it up? As you will see, the answers are “not much at all” and a big “yes”, particularly if you have a lower-level card. Despite this, most travellers rely on the automatic cover on their card.

Simmy Micheli, the marketing and sales manager for Travel Insurance Consultants (TIC), a subsidiary of Santam, which provides cover for FNB cardholders, says: “On the bank products that TIC underwrites, only 15 percent of travellers will either buy a top-up or opt for a comprehensive policy.”

PERSONAL FINANCE obtained details of the automatic cover for trips outside South Africa on the following personal (not business) cards, from the banks’ or insurers’ websites or call centres, and they were correct when this article was written in November 2015:

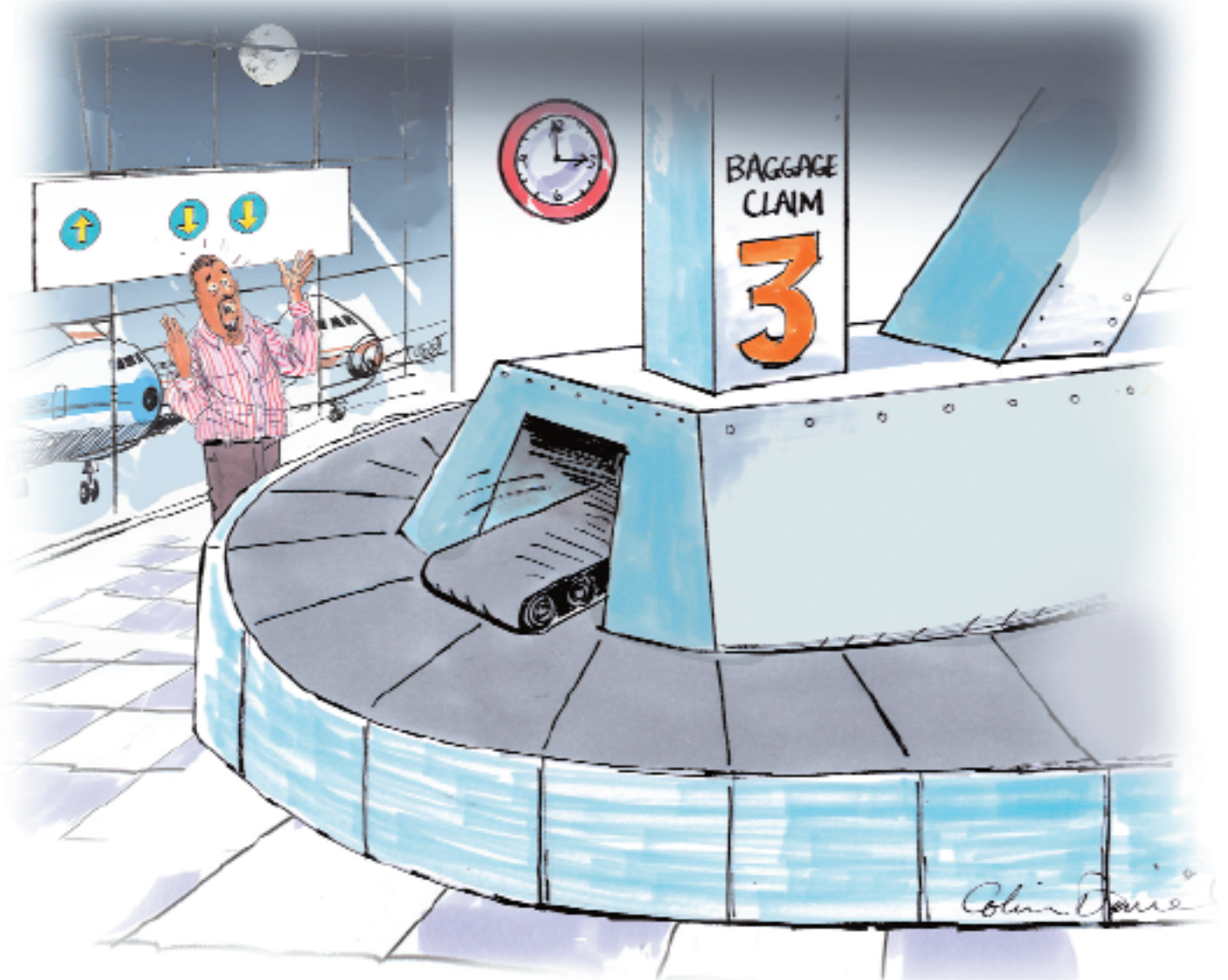
■ **Absa:** Silver, Gold Titanium and Platinum credit cards.

■ **American Express:** Blue, Gold and Platinum credit cards, and Gold and Platinum charge cards.

■ **Diners Club:** Club card and Privé card.

■ **Discovery:** Silver and Gold credit cards (cover applies only if you have joined the DiscoveryMiles programme), and Platinum and Purple credit cards. Medical expenses on the Discovery cards are covered separately by the medical scheme’s international travel benefit.

■ **FNB:** Classic, Gold and Platinum credit cards



and Platinum cheque card.

■ **Nedbank:** Classic, Gold and Platinum credit cards.

■ **Standard Bank:** Blue, Achiever, Bluebean, Gold, Platinum and Titanium Mastercard, and Visa credit cards and cheque cards.

TIC services FNB; AIG provides insurance for Standard Bank, Nedbank, American Express and Diners Club cards; Oojah Travel Protection provides the cover for non-medical claims on the Discovery Card; and Absa has its own insurance division.

Again, the benefits listed below are not comprehensive and simply serve as a guide to the more important aspects of the cover. Note that:

■ Excesses apply. These may be about R500 for a lost baggage claim and about R2 000 for a medical emergency claim.

■ Most insurers offer lower, more limited cover for

travel within South Africa – for example, R70 000 for injury and zero for illness on Standard's Gold card, with personal accident insurance at a lower level.

#### **Emergency medical and related expenses**

Cover is for the emergency treatment of an illness or injury and related costs, including evacuation or transport to medical facilities, repatriation (being flown back to South Africa for treatment), a daily hospital benefit and the costs related to a disrupted holiday, such as cancelled accommodation.

■ **Absa.** Cover is limited to R150 000 (Silver card) or R1 million (higher-level credit cards). The hospital cash benefit is R200 a day for a maximum of 15 days. You receive a maximum of R3 000 compensation for holiday disruption because of a medical emergency, and expenses for visits or return flights of family members come out of the main benefit. >>

>> ■ **American Express.** Cover is limited to R150 000 (Blue and Gold credit cards), R4 million (Gold charge card and Platinum credit card) or R10 million (Platinum charge card). Actual expenses are covered for medical evacuation, repatriation or transportation, and for a visit by or return flights for family members.

■ **Diners Club.** The cover limit is R2 million. Return flights for family members or a travel companion or medical evacuation repatriation or transportation are covered at actual expense.

■ **Discovery.** Emergency medical expenses are covered on your Discovery Health scheme option – up to R10 million for members of the Executive plan; up to R5 million for members of the Classic, Essential, Core/Coastal plans. The medical cover is not available on the KeyCare plans. For non-medical expenses, such as transportation and repatriation, actual expenses are covered.

■ **FNB:** The Classic card provides cover of R500 000 and no hospital cash benefit. The Gold card has cover of R5 million, and the Platinum card has cover of R10 million, and both have a hospital cash benefit of R200 a day. The limits include emergency transportation and repatriation. There is also cover of up to R100 000 for emergency treatment for an acute attack related to a pre-existing condition. Unlike the emergency medical cover provided by the other cards, war and terrorism are not excluded.

■ **Nedbank.** The limits are R150 000, R1 million and R3 million respectively for the Classic, Gold and Platinum credit cards. Actual expenses are covered for medical evacuation, repatriation or transportation and for a visit by or return flights for family members.

■ **Standard Bank.** The limit is R150 000 (Blue, Achiever and Bluebean Mastercard and Visa cards) or R1 million (Gold, Platinum and Titanium cards). Actual expenses are covered for medical evacuation, repatriation or transportation, and for a visit by or

return flights for family members. The hospital cash benefit is R200 or R250 a day for a maximum of 15 to 20 days, depending on the card.

#### **Cancellation or curtailment of trip and loss of baggage**

■ **Absa:** no cover on the Silver and Gold cards; R2 500 for missed departure, travel delay or baggage delay on the Platinum card.

■ **American Express:** no cover on the Blue and Gold credit cards or Gold charge card; R20 000 for loss of baggage and up to R25 000 for cancellation or curtailment of trip on the Platinum charge card.

■ **Discovery:** up to R15 000 for baggage loss (maximum of R2 000 for any one item); R15 000 for journey curtailment or cancellation.

■ **Diners Club:** up to R30 000 for trip cancellation and up to R25 000 for baggage loss (maximum of R2 000 for any one item) for Privé cardholders only.

■ **FNB:** no cover on the Classic card. R10 000 for journey cancellation on the Gold card and R15 000 on the Platinum card. Up to R2 500 (Gold) or R5 000 (Platinum) for baggage loss.

■ **Nedbank:** no cover on any card, only on a top-up policy.

■ **Standard Bank:** no cover on the Blue, Achiever, Bluebean and Gold Mastercard and Visa cards. The only cover on the higher-level cards is for expenses related to baggage delay (R2 500 on Titanium and R3 500 on Platinum) and travel delay (R2 000 on Titanium and R2 500 on Platinum).

#### **Personal accident (death/permanent disability)**

■ **Absa:** up to R250 000 for 24-hour cover (cover for the entire time you are on holiday except when travelling in a public conveyance), and from R350 000 (Silver) to R750 000 (Platinum) for an accident in a public conveyance, such as an airliner, bus or train.

## CASE STUDY: NO VISA, NO COVER

LL HAD COVER UNDER HER COMPANY'S GROUP travel insurance for a business trip to London. She decided to take the opportunity to fly from London to the United States, to spend some time with friends in New York. She applied well in advance for a US visa and made her bookings and paid for her flights.

The US foreign service then experienced a global problem with printing visas. Although the requirements for the visa had been fulfilled, and she was entitled to one, LL did not receive her "hard copy" US visa before leaving for London. Despite frantic attempts to obtain even a temporary document from the US embassy, she was forced to cancel the US leg of her journey. This meant losing money on her air tickets and the deposits she had paid for accommodation in New York.

On her return to South Africa, LL submitted a claim to the travel insurance company for her unrefunded expenses. The insurer rejected the claim. A condition for covering losses related to travel arrangements was that all travel documents were in order, it said.

LL regarded the rejection of her claim as most unfair, because she had applied for the visa in good time, and she said it wasn't her fault that the US visa-printing system had gone awry.

Fortunately, LL's employer put some pressure on the insurance company, she says, and it made an ex gratia payment. But LL says that, when she contacted the insurer's call centre, an operator told her they had received several claims related to the failure of the US visa-printing system, and these had all been rejected.



■ **American Express:** for 24-hour cover, R50 000 (Blue and Gold credit cards), R500 000 (Gold charge card and Platinum credit card) or R1.5 million (Platinum charge card); for public conveyance, R450 000 (Blue and Gold credit cards), R1 million (Gold charge card and Platinum credit card) or R3 million (Platinum charge card).

■ **Diners Club:** R250 000 for 24-hour cover; R1 million for public conveyance cover.

■ **Discovery:** R250 000 for 24-hour cover; R500 000 for public conveyance cover.

■ **FNB:** For accidental death, the cover on Classic and Gold is R100 000, and R250 000 on Platinum. For accidental permanent disability, the cover is R350 000 on Classic, R400 000 on Gold and R750 000 on Platinum.

■ **Nedbank:** R50 000 (Classic), R100 000 (Gold) or R500 000 (Platinum) for 24-hour cover, and R450 000 (Classic), R750 000 (Gold) or R1 million (Platinum) for public conveyance cover.

■ **Standard Bank:** For trips outside South Africa, R100 000 (Blue, Achiever and Bluebean Mastercard

and Visa cards), R375 000 (Gold), R500 000 (Platinum), and R400 000 (Titanium) for 24-hour cover; and R150 000 (Blue, Achiever and Bluebean Mastercard and Visa cards), R750 000 (Gold), R1 million (Platinum) or R800 000 (Titanium) for public conveyance.

#### **Personal liability**

■ **Absa:** liability cover of R2.5 million for injury or material damage to a third party, only on Platinum.

■ **American Express:** R2.5 million, only on the Platinum charge card.

■ **Diners Club:** none.

■ **Discovery:** R2.5 million.

■ **FNB:** none on Classic, R1 million on Gold or R2.5 million on Platinum.

■ **Nedbank:** only on top-up cover.

■ **Standard Bank:** cover for all damages, compensation and legal expenses for which the insured becomes legally liable as a result of the injury or death of another person, or loss or damage to property to a maximum of R2.5 million and >>



# COVER FOR BUSINESS TRAVEL

INSURANCE FOR BUSINESS TRAVEL CAN BE LINKED to a business or a corporate credit or charge card, or it can be stand-alone cover for a single trip or multiple trips, or a company can take out customised group cover to suit its needs.

Essentially, the insurance contract follows much the same structure as that for leisure travel, with similar conditions and exclusions, although there are some differences:

- If you are travelling on business and are not engaging in manual labour, you are considered a lower risk than if you are travelling for leisure, so the cover limits may be higher or the rates may be more competitive. A consequence is that you may not be covered if you use your business travel cover for leisure travel. Simmy Micheli, the marketing and sales manager for Travel Insurance Consultants, says her company allows for a little leisure travel at the beginning or end of a business trip, as long as the days of leisure travel do not exceed the days of business travel. But beware: other insurers might be less flexible.

- Some insurers cover the cost of flying in a replacement employee or business associate to take over your business commitments if you are incapacitated, or if you have to return home early in an emergency. There may also be cover if you resume an assignment once you have recovered from your accident or illness after having been repatriated in an emergency.

Your company would pay any excesses that apply.

## Card-linked cover

The big four banks, Diners Club and American Express offer automatic and top-up cover on their business and corporate credit and cheque cards. These cards, which are used by company employees for business expenses, range from those for mid-level staff, such as sales representatives, to those for high-level managers and

executives, as well as for small-business owners.

The banks also offer a card exclusively for travel and accommodation expenses, known variously as a Travel Lodge or Business Lodge card, which may be retained by your company's travel agent.

As with leisure travel, the automatic cover on the lower-level business cards may be woefully inadequate. For example, the emergency medical cover limit is R150 000 on the Nedbank Classic Business or Corporate cheque or credit card.

## Stand-alone individual cover

Travel insurance companies offer a range of packages for business people, depending on their risk profile and frequency of travel. A tradesman involved in manual labour will be covered under a different type of policy to, or will pay a higher premium than, an executive travelling for administrative or consultative purposes. Frequent-traveller options provide for multiple trips within a fixed period of, for example, a year.

As an example of a single-trip, stand-alone policy, Bidvest Travel Insurance has a standard business travel policy that provides emergency medical cover of R50 million, pre-existing condition emergency medical cover of R750 000, trip cancellation cover of up to R30 000, baggage loss cover of up to R30 000, permanent disability accident cover of R1 million and personal liability cover of R25 million. The premium is R40 a day for the first 30 days.

## Customised group cover

Insurers can provide customised cover for businesses, depending on the nature of their staff's travel requirements. A danger is that employees who travel on company business may not see, or be able to familiarise themselves with, the insurer's terms and conditions, and thus would not know of any exclusions that may apply.

>> R2 million respectively on their Platinum and Titanium cards.

## Free assistance

All policies also offer free 24-hour emergency help in getting medical treatment, the transmission of urgent messages, embassy referrals, making emergency travel and accommodation arrangements, finding legal assistance, replacing lost travel documents, and facilitating cash advances.

## Top-up credit-card cover

BECAUSE AUTOMATIC COVER IS SO LIMITED, credit-card insurers offer top-up cover for a relatively low premium, which can substantially improve your cover. For example, on a Standard Bank credit or

cheque card, for R511 for a trip of up to 90 days, your emergency medical cover increases to R5 million, you have R1-million cover for terrorism-related medical expenses, and cover for lost baggage (R7 500) and cancellation or curtailment of your journey (up to R20 000). This is the cheapest of three top-up options offered by Standard Bank through AIG.

## Seniors' cover

IF YOU ARE OVER 70 (75 IN SOME CASES), YOU don't qualify for regular travel insurance on your credit card, so you need to buy a policy specifically tailored for seniors. These packages cover people between 71 (or 76) and 85.

As an example, Standard Bank's seniors' package costs R1 524 for an international trip of between 16

and 90 days. It provides similar medical emergency cover to the top-up credit card cover outlined above, with R10 000 for baggage loss and R15 000 for trip cancellation or curtailment. However, it provides only R50 000 personal accident insurance, substantially less than most automatic cover. In fact, most seniors' packages have low personal accident life/disability cover, probably because this cover is more appropriate for younger, working people with minor dependants.

Most seniors' policies have specific exclusions. For example, cardiac or cardio-vascular or cerebro-vascular illnesses are excluded from the emergency medical cover, as may be any conditions related to osteoporosis.

### Stand-alone cover

YOU DON'T HAVE TO TAKE OUT TRAVEL INSURANCE via your credit card or through your bank. Several insurers – including those that provide credit-card cover for the banks, such as AIG, TIC and Hollard – offer stand-alone policies that match or exceed the top-up cover you receive on a credit card, although the premiums vary, as do the packages and how your premiums are calculated (some insurers have a per-day rate for premiums, or base your premium on the country you are visiting), so it pays to shop around.

Comprehensive packages offered by some of these companies provide the best cover available. For example, for R950 for a holiday of up to 15 days, you can take out a TIC policy with medical emergency cover of R50 million, pre-existing illness cover of R500 000, trip cancellation cover of R30 000 and baggage cover of R25 000.

Recently, Bidvest Insurance Group announced a new travel insurance product range, and its package for seniors offers insurance for travellers up to the age of 86, which is a year higher than the seniors' policies of most of its competitors.

It may still be preferable to use a credit card, if you have one, to buy your travel tickets, because the top-up cover is discounted and you enjoy other travel-related benefits on a card, such as access to airport lounges (applicable to certain cards), reward or loyalty points on the purchase, and discounts on flights, vehicle hire and hotel accommodation (applicable to certain cards).

### Tips for travellers

MICHELI HAS THE FOLLOWING ADVICE IF YOU want to get the most out of your policy:

- You must buy your travel insurance before you leave, but you can extend your policy while travelling, on condition that you contact your insurer while the policy is still in effect.

- Cover of R1 million to R2 million for emergency medical expenses is simply not enough, Micheli says. Claims are paid in foreign currencies, and the costs



for serious illnesses or injuries that require treatment in ICU and repatriation or transportation to an appropriate medical facility by air ambulance, if necessary, are very high.

- If you are travelling to malaria areas, it is important to check that you have unconditional tropical disease cover (whether or not you have taken preventative medication).

- If you lose your luggage, cash or any documents while travelling, you need to obtain a written police or airline report as soon as possible. □

## FOR SCHENGEN VISAS

A REQUIREMENT OF THE SCHENGEN VISA, WHICH, IF you have a South African passport, you need for travel to the Schengen countries of Europe, is a "travel medical insurance policy" covering any medical emergency, with hospital care and repatriation to your home country for medical reasons.

The Schengen area is comprised of 26 countries that have agreed to allow free movement of their citizens within this area as a single country.

The policy must cover expenses up to 30 000 euros (about R450 000 at the time of writing, which means that most automatic cover on lower-level credit cards is not sufficient), and it must be valid in all of the Schengen countries. The policy must be purchased before you obtain your visa.

As far as PERSONAL FINANCE could ascertain, countries such as the United States, United Kingdom, Australia, Canada, China and Japan do not have such a requirement for a visa.