

Are you insured against terror?

While abroad, a travel insurance policy can cover terror incidents, but be mindful of the exclusions.

by Preeti Kulkarni

The recent serial blasts in Sri Lanka that killed more than 200, including a number of foreign nationals, has delivered a huge blow to the country's tourist-friendly image. The terror attacks also brought into focus the numerous risks that travellers face, over and above routine ones like loss of checked-in baggage, flight delays and medical expenses. Well-informed travellers, aware of the importance of insurance, take adequate cover to protect themselves against such risks. However, even such travellers need to read the policy wordings carefully before choosing a plan so they are aware of certain exclusions specific to terror incidents.

Cover against terror

Broadly, most policies define terror incidents as violence, whether actual or threatened, intended to harm human life and property, with economic, political, racial, ethnic or religious interests being the underlying objectives. This also includes any incident that is specifically declared as an act of terrorism by the governments in charge. Most travel insurance policies do extend coverage to claims arising out of terrorist attacks.

"Any exigency due to a terror attack is an inbuilt cover in all our travel insurance plans. It covers medical expenses, accident and death arising due to a terror attack," says Sasikumar Adidamu, Chief Technical Officer, Bajaj Allianz General Insurance. Expenses related to hospitalisation, emergency evacuation, trip cancellation, missed connection, flight delay and repatriation of remains are paid for as part of the coverage against terror attacks.

"Some travel policies specifically offer insurance against terror, while others do not explicitly mention it as an exclusion," says Mahavir Chopra, Director, Health, Life and Strategic Initiatives, Coverfox.com. For both categories, claims related to terror are covered just like other risks built into the policy—there is no additional premium or higher sum insured involved. For example, if you are injured due to a terror attack and have to undergo treatment at a hospital, the insurer will treat it the way any other medical emergency is treated. Similarly, if your trip is cancelled or delayed because of such incidents, the policy will come to your rescue.

However, there are policies where terrorism is specifically mentioned as an exclusion, which calls for thorough homework while comparing plans. "It cannot be bought separately as an add-on or rider. It purely depends upon how the product has been underwrit-



ten," says Tarun Mathur, Chief Business Officer, General Insurance, Policybazaar.com. While choosing a policy, therefore, you need to take a close look at the wordings to understand if terror-related claims are indeed covered. Read the policy terms and conditions across each section—hospitalisation, trip cancellation, accidental death and dismemberment, trip delay, loss of baggage and documents and so on—to ensure that all bases are covered. For example, a policy may insure you against terror in case of trip cancellation or hospitalisation in the destination country, but exclude damage caused by a terror incident back home to your house and its contents. It is wise to not treat travel insurance as a formality needed to meet the destination country's requirements. Buying the cheapest policy assuming that such covers come with standard coverages and exclusions is a mistake you could regret later. You would not want to be stranded in a foreign land due to a terror attack, if it is an exclusion in your policy.

Know the exclusions

Even if your travel policy offers insurance against terror, it will not come in handy if you violate the laws and regulations. The most obvious exclusion is that you should not be connected to the terror activity.

"The claim is payable only if the travelling member is an accidental victim of terror attack without his/her active involvement in such activities," says Adidamu. You need to take adequate precautions after a terror attack has taken place. "For instance, if a curfew has been imposed or an advisory has been issued to avoid certain areas, but you chose to ignore the advice and land in trouble, the claim will not be paid," points out Chopra. Post-attack advisory apart, you should also steer clear of areas within the destination city or the country that have been earmarked as disturbed areas.

Understand the claim process

Ensure that you preserve all documentation when you are making a claim, like you would in other cases. "Usually, a terror incident is publicly known and hence, claim processing will be smooth. Typically, insurers investigate claims closely only in case the policyholder undergoes treatment for an ailment. This is done to rule out cases of pre-existing diseases, which is a standard exclusion," points out Chopra. For instance, in case of flight cancellations or delays, the same can be easily established. You simply need to preserve your flights tickets and boarding passes. Details of hospitalisation due to injuries sustained in terror attacks, too, are easily verifiable, facilitating hassle-free claim settlement.



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Insuring against terror

What is covered

- Hospitalisation due to injuries sustained in an attack
- Trip cancellation
- Flight delay
- Emergency evacuation to home country
- Repatriation of remains

Claims will be rejected if ...

- Your policy specifically mentions terror as an exclusion
- You travel to certain troubled areas despite government advisory to tourists
- You do not heed curfews imposed by authorities post terror attacks