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Vistara (Tata SIA Airlines) cancelled and delayed several flights over the past few days, upsetting the travel plans of many flyers. The airline's pilots are said to be up in arms over a revised salary structure, an issue linked to the impending merger with Air India.

If you opted for travel insurance when booking a Vistara flight, can you expect any compensation? The answer is probably no. And that's because the reason for the flight cancellations and delays – many pilots are said to have gone on mass sick leave – is not a named peril under travel insurance policies.

“Since Vistara's flight cancellations and delays are the result of an internal operational issue, this will not be covered in a standard travel insurance policy. A standard travel policy covers named perils such as inclement weather conditions like storms, floods, hurricanes, or natural disasters because of which flights gets cancelled,” said Aashish Sethi, Head – Health SBU and Travel, Bajaj Allianz General Insurance.

That said, Vistara flyers need not lose hope. According to Sethi, the DGCA (Directorate General of Civil Aviation) has regulations to address such situations.

Typically, a travel insurance policy provides cover for flight cancellations and delays only if triggered by perils specified in the policy. In such cases, the policy will cover the ticket amount not refunded by the airline (when a flight is cancelled) and other costs, subject to a limit.

However, the few flyers who would have opted for the ‘cancellation for any reason’ or CFAR add-on feature in their travel insurance policy would have been eligible for some relief.

“Due to its typically higher cost, CFAR coverage is often not selected by most travellers. Additionally, the majority - that is 90-95 percent - choose to book their travel through online platforms that generally do not include CFAR as part of their bundled services,” said Manas Kapoor, business head - travel insurance, Policybazaar.com.

A domestic travel insurance policy premium can range from Rs 100 to Rs 300 per person. Opting for CFAR could add Rs 1,000 to as much as Rs 3,000 to the premium.

Also, in the context of a flight delay, you need to take note of something called a 'deductible'. Kapoor explained that if a travel insurance policy specifies six hours as the deductible for a flight delay, then only if the flight is delayed for more than six hours will the insurance cover kick in. It also means that if a connecting flight is missed because of such a delay, that too won't be covered.

Apart from the cost of tickets, travel insurance covers related expenses such as food and other necessities and hotel accommodation. These are all subject to a limit as laid out in the policy.

Trip cancellations

Travel insurance covers trip cancellations – that is, when the traveller misses a flight or cancels an entire trip involving multiple flights. These are covered for specified valid reasons and if all terms and conditions are met.

Dr. Bhabatosh Mishra, director - underwriting, products, and claims at Niva Bupa Health Insurance, said these are covered if the cancellation is due to the hospitalisation or death of an immediate family member or travelling companion, or due to reasons such as natural disasters, riots, strikes, or loss of passport, or compulsory quarantine of the insured or if the insured's presence is required by a judicial authority.

"But trip cancellations due to visa rejection or hospitalisation due to a pre-existing disease, childbirth, pregnancy or related medical complications will not be covered," adds Mishra.

Medical expenses and more

Any emergency medical expenses (treatment, evacuation, etc.) incurred by a traveller during the entire trip - say, from the start at Mumbai airport till the return - gets covered. But, as Kapoor highlighted, this must be an emergency treatment and not a planned one, and the focus is on making the person stable. Beyond that, the person's health insurance cover will kick in.

The policy covers such incidents not only during a flight but also during the entire course of a trip. If the traveller slips and gets injured in a hotel, a claim can be filed for the medical expenses incurred.

Travel insurance also provides some compensation for loss of baggage, passport or personal documents. The amount provided could vary widely from case to case and may not cover the entire loss. It's best to report the loss to the airline as soon as possible to help them trace the lost item at the earliest.

Filing a claim and how much you can get

So, how does one go about filing a claim? Once you suspect that something seems to have gone wrong, you must speak with the airline for more details and then contact the insurance company.

"Every claim has to be backed by the relevant supporting documents. For example, if you are claiming reimbursement for a medical emergency, you will have to submit the discharge summary, the doctor's prescriptions and all other reports. If it was a case of trip cancellation, you need to provide proof of your or a close family member's hospitalisation," said Kapoor.

For flight cancellations, Sethi says the traveller must submit the reimbursement receipt from the airline along with the claims form. Even if the airline refunds no amount, it will provide a nil reimbursement receipt. "Once the insurance company has all the documents, the claims process gets completed in approximately 3 to 7 days," says Sethi.

As mentioned earlier, your travel insurance policy compensates you for each category subject to some capping. According to Sethi, you could be paid up to Rs 30,000 for flight cancellations, up to Rs 50,000 for flight delays, Rs 1 lakh to Rs 3 lakh for accidental medical emergencies and anywhere between Rs 2,500 to Rs 25,000 for loss of checked baggage.