

[Safe trips: More travellers are taking insurance cover for holidays after Covid](#)



Apart from health insurance, travellers are taking policies for flight cancellations and delays and hotel quarantine.

Travel insurance, a key requirement for those going overseas, is becoming increasingly popular in the domestic market, growing in double digits following the Covid-19 scare over the past two years.

The number of people who bought travel insurance climbed by more than 15 percent from pre-pandemic levels, said Bhaskar Nerurkar of Bajaj Allianz General Insurance.

Before Covid-19, there were hardly any takers for health cover during domestic holidays – travellers primarily purchased international travel insurance, said Prahlad Krishnamurthi, chief business officer of Cleartrip, an online travel company. A travel health policy was essential to meet guidelines set by the immigration departments of several countries.

“But now travellers proactively opt for coverage. Also pre-Covid, while people were looking for the cheapest insurance, people now are looking at the most comprehensive coverage,” Krishnamurthi said.

Growth in domestic travel insurance has more than doubled since pre-Covid times for Cleartrip.

Demand rising

“A number of customers who were eager to travel abroad faced difficulties procuring testing kits and getting proper medical care when travelling abroad last year. All these passengers have now opted to buy travel insurance before going on vacations or on work trips. We have seen around 60 percent repeat customers for our product when travelling abroad,” said an official of Tata AIG General Insurance.

An official of New India Insurance said the bulk of travel insurance policies bought last year was by those visiting Australia, Singapore, and Vietnam, which had zero-Covid policies and required incoming passengers to have travel insurance valid till June-July 2022.

With demand shooting up, this segment is expected to exceed pre-Covid levels by the end of this financial year, said Sanjay Datta of ICICI Lombard General Insurance.

“Post-Covid, there has been an increase in policy uptake among those in the higher age band. However, the concentration of policies is in the lower age group till 40,” he added.

Nerurkar said there is more awareness among travellers in India, unlike earlier, and they are now looking at what the policy covers.

“In addition to lingering post-pandemic apprehensions, the spike in this trend (buying travel policies) can be attributed to a higher number of cancellations and visa rejections,” said Krishnamurthi.

Shireen D'Souza, who bought a travel policy to insure her trip to Goa last November, said that while most policies cover health and Covid-related hospitalisation, she finds flight delay insurance the most helpful.

“On my Goa trip, the flight that was to take off at 3 pm took off only at 3 am the next morning. That's a delay of over 12 hours... My husband and I got a claim of Rs 1,000 each and we had paid Rs 498 including GST for the insurance. It was during this trip I realised that policies cover flight delays,” she said.

Trip cancellation cover has become very important, especially due to uncertainties that people faced over the past two years, said Nerurkar

“Also, lost gadgets and cover for sporting activities during travel is a feature many travellers are checking for in a travel policy,” he said.

According to a recent survey by travel platforms Thomas Cook and SOTC, 50 percent of the respondents said cancellations, delays, pre-existing medical conditions, Covid-19 cover, hotel quarantine, and emergency hotel extensions were their top priority while considering travel insurance.

Critical cover

“For travellers in the senior age group, medical cover is the critical part and as more people from this age group are travelling, they are buying more travel policies,” said Nerurkar.

Medical expense cover with sums insured (the amount paid to a policyholder in case of unpredictable events like an illness) ranging from \$50,000 to \$500,000 are chosen by travellers, apart from trip and baggage related coverage like trip delays, trip interruption and trip cancellation, said ICICI Lombard's Datta.

Cleartrip's Krishnamurthi noted that leisure travel led the way for comprehensive or family insurance.

“Bite-sized products are also in good demand, whether it is coverage against flight cancellation, delay or visa coverage,” he said.

Choosing a policy

Insurers highlighted the key aspects that travellers should look at while buying a travel policy for overseas trips.

“It is very important to purchase travel insurance based on the country the person is travelling to and the location has to be kept in mind when choosing the sum insured. For example, when travelling to the US, a higher sum insured is advisable, given the higher medical expenses there,” said Datta.

Another aspect is extension functionality, he added. Extension modes allow the insured person to extend a policy on one’s own, without relying on an executive.

He said travellers must declare their existing medical condition before buying travel insurance. They must also state whether they have a non-immigrant visa, whether they are Indian residents, and whether they are travelling from India.