

Optional travel insurance to cover accidents, thefts

OUR BUREAU

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The move in the Rail Budget to provide optional travel insurance to passengers will involve a lot of effort to educate people on the benefits of the cover, say insurance industry experts.

Domestic travel insurance is not popular in India. Though many insurers offer it, most travellers opt for it only while travelling overseas. M Ravichandran, President - Insurance, TATA AIG General Insurance, said, "Presently, the domestic travel insurance market is about 8-10 per cent of the total travel insurance market of ₹500 crore. Of the current domestic travel insurance market, the major chunk is

generated from the airline sector. Hence, this move (to provide optional travel insurance to railway passengers) will help to increase the penetration of travel insurance in India."

A travel policy will cover accidental death/injury, loss of baggage, monetary loss due to cancellation of journey, expenses for accommodation due to delay in the trip.

Safety net

The policy can be given for an affordable price given the high rail passenger traffic, but if there are not many takers for it, insurance companies may end up charging a higher premium.

Suresh Sugathan, Head - Health and Travel Insurance, Bajaj Allianz General Insurance, says, "The Railway Ministry is indicating towards a comprehensive travel insurance cover. We view this as an essential safety measure for the travellers in case of any unfortunate events." Rajiv Kumar, Head, Product Development, Universal Sompo General Insurance, says, "There is no better way to extend insurance awareness and product solutions to citizens than by providing it to travellers while booking a railway ticket. With the right product design and pricing, we are confident, rail travellers will see a value by opting for a travel cover."