

# Multi-individual travel plans are costlier but offer better coverage

Buy this type of plan instead of a floater cover when heading to a developed country

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If you plan to head to a foreign destination during the winter holidays, make sure you buy adequate travel insurance. This will ensure your family is protected against a range of emergencies and mishaps. Two types of travel covers are available for families nowadays: multi-individual covers and family-floater covers.

"A family travel insurance must be taken for international travel as it can provide coverage against financial losses that might arise due to unforeseen events," says Parthanal Ghosh, president, retail business, HDFC ERGO General Insurance.

This policy provides coverage for medical expenses under emergency situations such as hospitalisation, dental issues, medical evacuation, body repatriation, etc. It provides journey-related coverages such as flight delay, personal liability, and emergency financial assistance. It also provides baggage-related coverage such as loss of checked-in baggage and personal documents like passport. "All these coverages are provided under one policy," says Ghosh.

## Floater versus individual sum insured

A family floater plan covers all family members under a single policy. The single sum insured 'floats' among all the family members. In other words, one family member can avail of the entire sum insured. A multi-individual policy also covers multiple family members but here there is an individual sum insured for each of them.

"In a floater plan, a \$100,000 sum assured can be used up by one person, or it can



## PREMIUM DEPENDS ON DESTINATION, TRIP DURATION, AND AGE

Premiums (in ₹) are for a sum insured of \$100,000

Category	Insurer	United Arab Emirates, 15-day trip			Switzerland, 15-day trip			US, 30-day trip		
		2A	2A1C	2A2C	2A	2A1C	2A2C	2A	2A1C	2A2C
Multi-member family cover	Care	1,197	1,701	2,142	1,430	2,033	2,560	5,127	6,526	7,739
	Tata	2,271	3,227	4,063	2,271	3,227	4,063	5,518	7,425	9,088
	Niva	1,574	2,361	3,148	1,566	2,350	3,133	4,711	6,327	7,943
Family-floater cover	Reliance	1,382	1,628	1,876	-	-	-	3,419	4,030	4,642
	Bajaj	1,994	1,994	-	-	-	-	-	-	-

A stands for adult, C for child. In the case of travellers to the UAE and Switzerland, adults are aged 29 and 30. In the case of one child, it is aged 1 year. In the case of two children, they are aged 1 and 3. In the case of travellers to the US, the adults are aged 56 and 57. In the case of one child, it is aged 17. In the case of two children, they are aged 15 and 17.

Source: PolicyBazaar

be divided among all the members, depending on need. A multi-individual plan, on the other hand, allocates a specific sum insured to each member. For instance, each individual could be covered for \$100,000," says Manas Kapoor, product head-travel insurance, PolicyBazaar.

## Cost-effective option

Most family floater policies cover up to two adults and two children. "The entire family gets covered by a single policy and there is a discount on the premium," says Debashish Roy, head-point of sale business, Anand Rathi Insurance Brokers.

The coverage can, however, prove inadequate at times. "In

case more than one family member falls ill, the sum insured may not suffice. Customers will also find the sum insured restrictive in case of claims for baggage loss or delay," says Roy.

T A Ramalingam, chief technical officer, (CTO), Bajaj Allianz General Insurance says the medical coverage typically offered in a floater cover for all family members is relatively low. "The maximum is usually US \$100,000," he says.

One needs to be careful when travelling to a Schengen country. "Due to the minimum health insurance requirement of 30,000 euros and visa applications for multiple family members, Schengen member states do not recog-

nise the family-floater policy," says Ramalingam.

## Comprehensive coverage

Multi-individual plans cost a little more than floater plans but provide higher coverage. Such policies are ideal for families with young children and senior citizens.

Medical expenses tend to be higher in developed countries. "If you are heading to a Western country, always opt for the family individual sum insured cover rather than the family floater as medical expenses tend to be higher in them," says Ramalingam.

## Points to remember

Your travel cover requirements will vary depending on the part

of the world you are travelling to. "Check the sum insured and hospitalisation cover requirements for the destination you are travelling to. The policy's claim limits need to be in line with the average expenses in that country," says Apaar Kaslival, executive director, PolicyBoss.

Ramalingam too emphasises that the limits offered for each risk section should be adequate to cover all the members.

The range of coverage offered by a policy is also crucial. "Emergency dental treatment should also be included in a family travel insurance cover along with other regular medical expenses like emergency hospitalisation, medical evacuation, etc." He adds that the policy should also provide hospital daily cash to manage out-of-pocket expenses and hotel accommodation for family members if an insured person is hospitalised.

According to Ghosh, prospective buyers must take into consideration the insurer's brand, its financials, scale of operation, settlement ratio and turnaround time. "The number of hospitals in the cashless network is also important," he adds.

Check the plan's age-related provisions. Some insurers allow individuals up to age 80-85 to be included in family covers while others have age-related limits. "It may be better to club all those under 60 in one cover and those above 60 in another," suggests Kaslival.

At the time of purchasing this policy, declare all pre-existing diseases fully. "Ensure that your pre-existing conditions are covered," says Kapil Mehta, co-founder and chief executive officer (CEO), SecureNow.