

Latest Travel Insurance Update

The last few months have certainly been unprecedented, and created different and challenging issues for everybody in all walks of life. For keyworkers, such as those working in the NHS and other emergency services the demands have been enormous and the country is rightly grateful for everything they have done.

Whilst the issues faced by the travel industry have not been of the same magnitude, with holidays and flights cancelled overnight from March this year, it has certainly been a torrid time and has put significant strain on many providers which has meant that many companies will be struggling to survive.

Certainly it has been a mixed bag in how different travel providers have reacted to the situation. The best have quickly stepped up to mark, kept customers updated, and provided refunds very quickly when requested. On the other side of the coin some have put all sorts of obstacles in the way of their customers seeking refunds, and some have only done so after action taken by the Competition and Market Authority.

When they could not get any response from their airline/travel provider it is understandable that some consumers have looked to their Travel Insurers to automatically step in and cover this situation. However, this is often not the solution to their problem. **The cancellation and curtailment element of a policy is designed to cover you when holidays are available but you are unable to go. They are not designed to cover companies who cannot or do not provide a service but still want to keep hold of your money.** Therefore, the travel insurer will only consider a claim once other avenues are exhausted, and if you are legally owed a refund from the travel provider then it is very unlikely that the insurer would meet a claim under these circumstances.

At the time of writing this article the Foreign Commonwealth Office has updated its advice against all but essential travel, exempting some destinations that no longer pose an unacceptable high risk for British Travellers.

However, the situation remains extremely fluid as the corona virus pandemic is ongoing and the advice for many destinations remains against all but essential travel. It is also possible that further restrictions could be imposed if there is a further outbreak in countries where travel is currently permitted.

The fluidity of the situation is not helpful, and means that this has been treated as constantly reviewable by airlines, travel companies and insurers. It continues to provide uncertainty for everybody, consumers and companies alike.

As holidays recommence many are now asking what does this mean in terms of future travel and what does my insurance cover if I go on holiday, or indeed if I choose not to go.

If current travel restrictions are lifted to your intended destination and there is no other FCO advice against travelling to your destination

1. You are covered to travel under the insurance policy for all elements of cover provided the holiday was booked prior to the 17th March 2020.
2. If the holiday is available but you choose not to travel this would be classed as disinclination to travel and no claim is payable by either the insurer or the Travel Company.
3. If you think the holiday is likely to go ahead, but you will not go anyway, then your only option is to discuss this with your travel company. They may offer you a credit note against another holiday or rearrange the original plans.

4. If you, or somebody else covered on the policy becomes unwell before the travel date, and are medically certified as unfit to travel then the cost of the holiday may be claimable through the Insurance, subject to the terms, conditions and exclusions shown in the policy wording and provided the holiday was booked prior to the UK lock down on 17th March. You will need a medical certificate to confirm that you are not fit to travel in these circumstances.
5. If you do travel and become unwell abroad then the policy will cover you for medical expenses incurred, including matters related to Covid-19, provided that you or they are not travelling against FCO advice or the advice of the Doctor, subject to the terms, conditions and exclusions shown in the policy wording.
6. No claim can be made on the insurance for any costs recoverable from another source.
7. The requirement to quarantine upon return would not be sufficient reason to trigger a claim and insurers would treat this as disinclination if members chose not to travel for this reason.

If current travel restrictions to your destination remain in Force or are reintroduced due to a further outbreak of Covid-19

1. If you have booked a package deal your holiday company will make contact with you nearer the time you are due to travel. They will generally offer you a credit note or re-booking of your original holiday for a later date. Under current EU Regulations if your holiday is a package deal you are not obliged to accept a credit note and you can insist on a refund from them.
2. If you have booked flights and accommodation separately then you should be able to get a refund on your flights under EU Regulations if they start or finish in the EU. In terms of accommodation this may be a bit trickier but you are usually due a refund if the service has not or can't be provided as a result of lockdown.
3. Ensure your holiday and travel company are backed by ABTA/ATOL which means that your money remains protected.
4. For additional protection we would suggest that use a credit card to pay for your holiday, as in the event that your travel company goes into liquidation you are covered under the Consumer Credit Act for purchases over £100.00. Whilst you could get your money back in this situation through ABTA/ATOL it is often quicker to claim through your credit card in this situation.

Booking Future Holidays

We are starting to get some queries around booking holidays for next year and what the situation is with travel insurance.

1. Insurance is about covering the unexpected. As Covid-19 is a known event that is likely to give rise to a claim there is no cover for cancellation and curtailment, travel disruption or travel delay for holidays booked after 17th March 2020.
2. Medical problems whilst abroad will be covered provided that there are no restrictions in place against travel at that time. Travelling against FCO advice would invalidate your insurance.
3. Due to EU Regulations a package deal generally offers greater protection than accommodation and transport booked separately.
4. If you are booking flights and accommodation separately talk to your travel provider. Before parting with any money check the refund policy in the event that restrictions are in place at the time you are due to go – obtain confirmation of this in writing
5. As above pay on a credit card rather than bank transfer/ debit card.

This remains a really fast moving state of affairs so things can change as the circumstances develops. Members should ensure before travelling, or booking a holiday they make themselves aware of the current advice and situation and be guided by those.