

# Pack off the kids with the right travel cover

## The next step

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If young adults in your household are heading off on holiday soon – whether for schoolies after their final school exams or for a well-earned break at the end of a university semester – don't forget about travel insurance. Your kids may overlook it but you'll bear the financial burden if things go wrong.

Consider it even if they're holidaying in Australia, says Campbell Fuller of the Insurance Council of Australia (ICA). "If as part of a Schoolies trip, they hired a car, bought tickets to events and entertainment and are injured and unable to complete the holiday, [insurance] may well allow you to claim for the unused part," he explains.

If you're not sure what to look for in a policy, use the following tips as a guide:

■ **Don't scrimp on cost** A basic travel policy for an 18-year-old travelling to Bali for a week will typically cost about \$30, says Abigail Koch of comparison site [www.comparethemarket.com.au](http://www.comparethemarket.com.au). While this will cover most overseas hospital expenses and personal liability, just \$20 more will mean compensation for delayed flights, insurance for luggage and personal effects, as well as rental vehicles.

■ **Put it in their names** While you may have an annual multi-trip family travel policy, says Koch, your kids won't be covered unless they're travelling with at least one parent. They will need their own policy. "So if you travelled as a family to London and your child took a trip by themselves to Paris, they won't be covered for that part of the journey," adds Michelle Hutchison of comparison website [www.finder.com.au](http://www.finder.com.au).

■ **Check exclusions** As Fuller points out, if your offspring makes a claim for something that happens as a result of being under the influence of drugs or alcohol, there's a good chance of it being denied or reduced. And if they're travelling in Asia, adds Koch, check whether the policy covers them for accidents involving a moped because not all do. Make the same check if they intend rock climbing, scuba diving or rock surfing because many travel insurance policies exclude these "high-risk" activities.

■ **Think gadgets** If expensive photographic equipment is going on holiday too, look for a policy with higher claim limits in this area. Also, warns Koch, don't assume claims for lost or stolen mobile phones will be paid out in full. "Even if your policy states it will reimburse you up to \$600, you'll more than likely face deductions for general wear and tear of the device. You also won't receive payouts for things like rental charges or free minutes," she adds.

■ **Be across health cover** "A travel insurer may only cover the healthcare given in the country listed on the policy," Koch says. "With most overseas hospitals only providing enough care until the patient is fit to fly back to Australia, once the patient lands on home soil, any

additional treatment outside of Medicare must be covered by the individual," she adds.

■ **Buy cover soon.** Remember that cover starts the minute you buy it.

That way, if something happens to prevent your young adult from making the trip, it may be possible to claim back the cost of the holiday.

■ **Free is not always best.** While you may assume you or your kids can use the free comprehensive travel insurance offered on your – or their – credit card, double check whether the policy is extensive enough or whether there are conditions that apply. Sometimes, says Hutchison, a portion of the trip must be paid using the credit card. Also, she adds, "complimentary travel insurance on credit cards is often more limited than comprehensive stand-alone policies". "For instance, they don't generally offer an excess eliminator where you can pay extra upfront to waive an excess fee if you need to make a claim. They are also usually a basic policy, particularly standard and low-fee rewards cards."

■ **Understand exposure without cover** Fuller has a word of caution for the 58 per cent of Australians who regularly travel overseas and who don't believe that they will incur significant debt thanks to not having insurance if they get into

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Abigail Koch. [comparethemarket.com.au](http://comparethemarket.com.au)

trouble overseas. "Hospital stays in the United States can total tens of thousands of dollars a day," he says.

"In Asia, quality hospital care can cost thousands of dollars a week. And that's without considering the cost of medical evacuation where necessary. "There are also potentially other issues, such as having legal action taken against you overseas due to something you're accused of doing." Any one of these, he adds, could lead to "considerable financial exposure".

In an ICA survey\* this year, only 9 per cent of travellers who went overseas without travel insurance realised that an incident overseas could result in a lifetime of debt.

■ **Be upfront with the insurer** Declare pre-existing medical conditions to make absolutely sure your kids will be covered if something happens. Some insurers, Fuller says, will cover them for the medical condition for a slightly higher premium. Make the same checks on any riskier activities that make take place on the trip – either go through the product disclosure statement or ask the insurer whether these will be covered.

\*Understand Insurance Quantum survey of more than 900 Australians.

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Young and carefree ... it's worth paying more for a higher level of cover.  
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