

Invest



Me & My Money

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Travel light with the right insurance plan

Enjoy your holiday abroad with peace of mind, knowing you have the right insurance to cover you



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Many of us are ready to hit the road now that the school holidays and festive cheer are here but don't forget to line up travel insurance.

It's one of those factors that's easy to disregard amid the excitement of planning a getaway, and it could prove costly in the long run.

A suitable travel plan does not have to be pricey yet it offers peace of mind and protects us, our belongings and finances.

The increased use of technology means more of us are buying travel policies online. In fact, a survey by personal finance portal MoneySmart found that buying online was the preferred option among the 3,800 people polled in April who purchased travel insurance.

Those who bought offline cited convenience, trust and personalised service as the draw.

Ms Koh Yen Yen, chief distribution officer at Sompco Insurance Singapore, says online travel sales at its website (www.sompco.com.sg) have more than tripled from five years ago and now account for around 33 per cent of total sales.

Last year, NTUC Income introduced the industry's first travel insurance chatbot, "Jiffy Jane", to enable policy purchase and instant response to enquiries via Facebook messenger. This provides a conversational user experience and greater convenience for its customers 24/7.

Mr Abhishek Bhatia, chief executive of insurer FWD Singapore, says buying travel insurance online is convenient and efficient.

He notes that an FWD customer who buys directly from its website (www.fwd.com.sg) can receive a quote within 10 seconds and have the trip insured in about two minutes. An e-mail with the plan's full details will then be sent to the customer.

If the customer needs to make a claim later, he can do this with the click of a button on a computer or mobile device.

FWD customers can also receive travel insurance claims via PayNow, which not only saves time but also reduces the possibility of delayed or lost cheques, which is how many insurers still settle claims, says Mr Bhatia.

Intense competition has forced insurers to raise the bar by adding special features to travel plans, ranging from covering pre-existing illnesses to hassle-free claims processes.

It is worthwhile shopping around instead of diving in and buying the first travel insurance plan you find on promotion. Not taking out the right travel insurance can end up being very costly.

The Sunday Times highlights 10 tips to help you look for the right plan.

1. Cheap may not be good

Don't buy a travel plan simply because it offers the cheapest rate. Check out the information on coverage to see if you are paying for the protection you want, advises Ms Annie Chua, vice-president and head, personal lines, NTUC Income.

Affordability should not be the only determining factor; what matters more is the value the plan offers in terms of covering you for any risk that comes with the trip.

Mr Bhatia says: "Some considera-



Before your departure, it is worthwhile shopping around for travel insurance instead of diving in and buying the first plan you find. Not taking out the right travel insurance can end up being very costly. PHOTO: LIANHE ZAOBAO

tions for this include the length of your trip. The risks of sustaining injuries or having your trip disrupted are higher if you are away for more than a month to a far destination, as opposed to a quick and easy getaway to a neighbouring city."

2. Maximise pre-trip coverage

Ms Koh notes that its customers usually get travel insurance three weeks before the trip commences with some "last-minute buyers" who push back their purchase until three days or less before heading off.

"These 'last-minute buyers' are missing out the pre-trip coverage such as holiday cancellation or postponement due to unforeseen circumstances or the financial collapse of travel operators.

Depending on the type of unforeseen circumstance, trip cancellation or postponement is payable for events occurring within 30 or 60 days before the trip commences. Coverage for the financial collapse of a travel operator starts on the day the policy is bought, she says.

So it's recommended to get insured as soon as your travel plans are confirmed to maximise your pre-trip protection.

Ms Chua says travellers can enjoy peace of mind by buying insurance immediately after booking their flights.

"This allows them to plan their trip itinerary while knowing that they are covered in the event of circumstances leading to trip cancellation," she notes.

"Income allows travellers to buy travel insurance up to 300 days in advance."

3. Understanding the coverage

Read the terms and conditions before buying travel insurance, especially the coverage benefits you are, or are not, entitled to.

For example, do you need cover

for your expensive golfing equipment? What about haze, full terrorism cover and pre-existing medical conditions?

Mr Bhatia adds that if you travel in groups or with your family, consider their age profile and check if the plan provides suitable coverage for everyone in the group, especially for the young and elderly.

4. Importance of medical expenses coverage

A recent Agoda survey found that the top concern among 37 per cent of Singaporeans polled was someone on a family trip falling sick. These concerns are not unfounded: 54 per cent of travel insurance claims received by Sompco are for medical costs.

"Medical expenses coverage should be a top concern for travellers to countries such as Japan, Europe and the US where medical expenses are high. It is recommended not to save on premium for a lower medical expenses coverage but opt for more expensive plan with better coverage," says Ms Koh.

Also more than half of Sompco's total medical expenses claims were incurred in Singapore. It is quite common for travellers to seek medical treatment here after the trip ends, either because they couldn't get treated overseas or they need follow-up care once back home. So check out a plan that covers medical expenses incurred in Singapore and its duration.

In September, FWD launched its FWD Flyer mobile app, which allows customers who fall sick after they return to seek medical treatment at 500 panel clinics here, without needing to fork out money from their pockets. Customers can also use the app to submit their travel-related claims with just a few clicks.

5. High medical evacuation and repatriation expenses

Not many people are aware that medical evacuation costs are high.

party expenses to transport an insured person home or to a better equipped hospital for treatment.

6. Pre-existing (pre-x) medical conditions

Travellers, particularly seniors, with pre-existing conditions should stay adequately covered.

Ms Chua notes that most travel insurers do not cover claims resulting from pre-existing injuries and illnesses that the traveller knows about or sought treatment for before the trip.

The Income Enhanced PreX travel plans cover common pre-existing conditions such as asthma, eczema, heart attack, stroke, hypertension and diabetes when you are overseas.

Alternatively, if you do not require a full pre-x coverage due to well-controlled pre-existing medical conditions or other personal reasons, consider a plan that covers pre-x for selected benefit, says Ms Koh.

"Sompco knows that medical evacuation expenses are high and adds financial burden to the insureds and their families. Therefore we extended our medical evacuation expenses benefit to include pre-x at no additional premium," she adds.

7. Unexpected cancellation of accommodation

Online booking for vacation accommodation has gained popularity among travellers but this might be cancelled unexpectedly after a trip has started.

Ms Koh says Sompco is the only insurer to provide up to \$100 in cash for the inconvenience if you are caught in such a situation, to defray the cost of finding other accommodation.

8. DIY Japan trips

Japan has become the second-most popular year-end holiday destination for Sompco customers, with Malaysia ahead of it.

Japan National Tourism Organisation's latest report noted that the number of Singapore visitors has grown by 10.9 per cent in the first nine months of this year, compared with the corresponding period last year, says Sompco.

DIY trips to explore off-the-beaten-track locations in Japan are gaining popularity among the well-travelled. But it may not be easy to find a nearby medical facility in such places, or to communicate with the locals when asking for assistance. High medical costs in Japan can be another potential worry for these travellers.

Sompco has launched its Go Japan! Plan which addresses these concerns with higher medical expenses coverage, cashless medical services at over 740 clinics and hospitals in Japan, and free translation services over the phone.

9. Quick and easy claims submission

It is prudent to find out about the claims process before deciding on your travel plan. This is because it is often stressful when unforeseen circumstances happen on holiday. The last thing you want is to try to figure out how to file a claim.

"Ideally, the claims process should be fast and fuss-free, and requires no more than a smartphone to complete," says Mr Bhatia.

The usual options for claim submissions are via an agent, online via website or to mail a hard-copy form. Increasingly, more insurers like FWD and Sompco are making it available via a mobile app.

The Sompco SG app allows claim submissions with instant photo snap and uploading of supporting documents or photos and priority claims assessment.

MoneySmart's survey showed that factors that contributed to a good claims experience include having an easy-to-use online platform and fast processing.

10. Picking the right travel period and destination

Be mindful of selecting the correct destination. If you are going to multiple destinations, make sure that you include them all in your travel insurance, says Ms Chua.

In the same vein, get the travel dates. If you are departing Singapore on Jan 20 at 11.45pm, the travel insurance should start on that day. Similarly, if you return on Jan 26 at 12.50am, the coverage should cease on Jan 26.

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