

Can you rely on credit card travel insurance?

Travel Insider

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Everybody loves a freebie, especially if it's at the expense of a bank making huge profits. But is free travel insurance something we can trust? Many travellers rely solely on the insurance that comes with their gold or platinum credit card, but others prefer a stand-alone policy.

The problem with any insurance policy is that the only way to test it is to make a claim and then it is too late. If you fall outside the fine print of a travel insurance policy and the insurer refuses to pay up, it can quickly become a desperate situation.

An independent insurance expert, Allan Manning, says these warnings should be heeded. Manning, the managing director of an insurance comparison and risk management says the free travel insurance that comes with credit cards is “very basic” cover, at best.

“I've got credit cards like most people, but I always buy my own insurance,” he says.

“It's a very important purchase. It can cost you everything if you get it wrong.”

Manning says credit card travel insurance is a “Claytons cover” – the insurance you have when you're not having insurance. **He says travellers should rely on this insurance only “if it's not going to happen”.**

One of the biggest problems is that credit card travel insurance does not usually allow for pre-existing medical conditions to be taken into account. “If you've had a heart attack in the past or you've got high blood pressure, they're always looking for a reason not to pay,” he says.

Credit card policies often have limited maximum trip duration, provide restricted cancellation cover, no protection in the event of kidnap or political evacuation and little or no death cover.

Manning believes travel insurance can be divided into 3 levels: credit card, retail & corporate travel policies. Those with corporate cover have the best protection, while retail policies are better than free credit card insurance.

“If you see ads on television, they suggest that insurance is simple, that it's all the same and it's just about the price. But there's a massive difference between policies,” says Manning.

Manning says coverage is only half the story. You need to be able to claim if something goes wrong. “Some [providers] look for any excuse not to pay and some are very good,” he says.

Manning says claims experience is vital in medical situations. “If you're overseas and trying to deal with someone in Mumbai who can't understand you, it can be very difficult,”

If you stick with the travel insurance provided through your credit card, the most important thing to check is the conditions about activating the cover.

Some cards require you to pay for **all of your trip through the card** – which is easier said than done as many airlines and travel companies discourage credit card payments and levy Merchant Fees anyway – while some require only the bulk of your trip or your airfare to be paid through the card.

Take time to check the wording, particularly on exclusions, and see how the coverage compares to a stand-alone policy. If you're a frequent traveller, it might be worth considering an annual stand-alone insurance policy, which you can get for less than \$300 a year.

Just remember that cheapest is not necessarily best when it comes to insurance.

See your Travel Agent who will not only give you advise and issue the best Policy but also be there when the needs arise and assist you with re arranging travel arrangements and working alongside the Insurance provider . Saving a few dollars is false economy when your Travel arrangements or life is at stake!