

John Berrill from Maurice Blackburn Cashman reviews

Travel Insurance & Chronic Illness

What you need to know

Travel insurance covers you for specific losses which happen during a holiday or other trip. Most travel insurance is only sold for overseas trips and some cover, such as for hospital and medical expenses can't be sold for travel within Australia.

The terms and conditions of travel insurance are in policy documents which are usually fold-out glossy brochures. They set out all the types of cover you can get – although it doesn't mean you are covered for all the items, there are usually many limitations and exclusions on what is covered.

People with chronic illnesses can get travel insurance – although the terms and conditions vary. It's very important to check what cover you're offered and shop around.

Types of travel insurance

There are two types of travel insurance:

Non-medical cover

- Lost luggage
- Theft of goods, money
- Cancelled holidays, flights.

Medical and disability cover

- Overseas hospital and medical expenses
- Loss of income due to injury or illness
- Death and disability lump sums.

How do I get travel insurance?

Most travel insurance is sold by travel agents. If you purchase your airline

ticket or holiday package through a travel agent, they will encourage you to take out travel insurance from an insurer they have a relationship with.

However, many travel agents don't know much about travel insurance and simply give you a glossy brochure.

Alternatively, you can:

- Contact an insurance broker to get you the best deal;
- Apply to insurance companies direct; or
- Get travel insurance from your credit card, union, bank or even your superannuation fund.

If you have a chronic illness, it's not a good idea to apply to an insurance company direct for cover because if you are refused, that will count against you in applying to other insurers.

Travel insurance is usually divided into basic and advanced or premium cover. Medical and hospital expenses are included in basic cover – although there may be a limit on the amount of cover.

Some items, such as death and disability insurance, might not be included at all in basic cover. Under some policies, the amount of cover depends on how old you are and the countries you are travelling to.

Many policies cover both you and your partner or travelling companion – although not necessarily for all insured items.

The glossy brochure will spell out all the items you may be covered for, while the schedule or policy invoice will set out which of the items you are covered for.

What is not covered?

Most travel insurance policies exclude pre-existing injuries or illnesses from medical and hospital expenses and other disability or death cover.

Injuries or illnesses which occur during your trip are covered – unless they are related to your pre-existing chronic illness.

However, some policies allow for cover for pre-existing conditions if you pay a higher premium. There are usually some exceptions to this, such as terminal illnesses, mental disorders or heart conditions.

Other policies might allow cover for pre-existing injuries or illnesses if you or your doctor fill in a health questionnaire and the insurer is prepared to accept the risk. Some policies list some pre-existing conditions they will cover, such as diabetes, epilepsy, asthma and some cancers, so long as the health problem is under control.

How do I apply for medical cover?

Under most travel insurance policies, you can get medical and disability cover for injuries and illnesses that happen during your trip.

Under some travel insurance policies, you can also get some medical and disability cover for your pre-existing chronic illness.

To get cover for your chronic illness, take the following steps:

1 Ask your travel agent or an insurance broker if the travel insurance policy you have been offered or any other travel insurance policy provides medical and disability cover for your chronic illness.

2 Check if the policy has a total exclusion for pre-existing injuries or illnesses. If it has, try another insurer.

3 Check if the policy sets out types of pre-existing conditions that are covered or excluded. If your chronic illness is covered or you have not received medical treatment or taken medication for your chronic illness in the last six or twelve months you can get medical and disability cover. If your chronic illness is excluded, try another insurer.

4 Check if the policy has a health questionnaire and if so, fill in the questionnaire. Also get a certificate from your doctor as to the state of your health. If you are in good health and not a significant risk of needing medical and hospital treatment on your trip, you should get medical and disability cover.

What if I'm refused medical or disability cover?

You can appeal. There is no reason why you can't get full non-medical travel insurance or medical and disability insurance for injuries or illnesses that happen during your trip. If you are refused, you should appeal. (See "Complaints" and "Appeals" below.)

If you are refused medical or disability cover for your chronic illness or if you are offered cover with an increased premium or with an exclusion for your condition, you might be able to appeal.

Much depends on whether your chronic illness is under control and therefore not an unacceptable risk, or, if not, whether you should get disability cover with an exclusion only for your chronic illness. It's very important to get medical reports from your doctors which show:

- Your condition is under control;
- Your condition fits within the definition of a listed pre-existing condition which is covered (if applicable);
- You are not likely to need medical or hospital treatment or make a claim from your trip;
- You don't suffer from any other significant health problems.

Send in any good medical reports with your application form for any Complaint/Appeal.

Standard cover

Travel insurance policies are standard cover policies under the Insurance Contracts Act. Under the Act, travel insurance companies can't refuse to cover you for medical, hospital and transport expenses incurred as a result of an injury or illness suffered on your trip unless:

- you were subject to the injury or illness in the six months before you took out the policy and afterwards; or
- the insurance company told you in writing within 14 days of the policy start up date that you won't be covered.

This means that if you weren't suffering from the effects of your chronic illness in the 6 months before the start date, if you weren't given the policy or a brochure before starting your trip or if the wording is unclear, you might still be able to claim under your travel insurance policy.

Complaints

If you are refused cover or if you make a claim and it's rejected because of a chronic illness, you can take the complaint further.

You can lodge an Internal Dispute Resolution Complaint with the insurer. They have 3 weeks to make a decision on the Complaint. It's important to get up-to-date medical reports and make written submissions to support your Complaint.

If a Complaint on a claim is rejected or no decision is made, you can then lodge a Complaint to the Insurance Ombudsman Service (IOS). The IOS can order the insurer to pay your claim and it is costs-neutral. However, the IOS doesn't currently have the power to order an insurer to give you cover. It's very important to get the right medical reports dealing with the relevant issues and make submissions supporting your Complaint. Many Complaints are successful or are settled.

Get help with a complaint

Appeals:

Anti Discrimination Appeals

If your claim or application for insurance cover is rejected, you might be able to lodge a Complaint with the Equal Opportunity Commission.

Under anti-discrimination laws, insurance companies can't discriminate against someone with a chronic illness unless the discrimination is reasonable or based on actuarial or statistical data that justifies the discrimination..

This means that if you are refused travel insurance or your insurance claim is rejected because of your chronic illness, the insurance company will have to show that there is evidence from past claims that justifies excluding your chronic illness and that on the medical evidence, your chronic illness is an unacceptable risk.

Experience shows that insurance companies often rely on data or medical research that is either incomplete or out of date. They often fail to distinguish between various levels of chronic illness and haven't kept up to date with new treatments that reduce the risk of death or hospitalisation.

If you bring a Discrimination Complaint, the onus is on the insurance company to justify the discrimination. That might be hard to do, particularly if you have medical evidence that shows your chronic illness is under control and not a significant risk of leading to a claim while you are on your trip.

Discrimination Complaints are lodged with the Equal Opportunity Commission and must be made within 12 months of the rejection of your claim or cover.

Courts

If your travel insurance claim is rejected or the IOS refuses your complaint, you can take your case to Court. Unlike the IOS, the loser usually pays for the costs in a court case. However, many court cases win or are settled. There is usually a 6-year time limit for lodging a Court Writ from when the claim occurred.

The above travel insurance material was prepared by *John Berrill* from *Maurice Blackburn Cashman*. In conjunction with the *Chronic Illness Alliance*, John offers a free advice telephone advice service to any person with a chronic illness needing help to understand their travel insurance rights. You can contact John on freecall 1800 810 812 or (03) 9605 2742 or by email jberrill@mbc.aus.net

Insurance Ombudsman Service (IOS)

PO Box 561, Collins Street
West Melbourne 8007

Tel: 1300 780 808 (local call fees apply)
or 9613 6300 or email to
IOS@insuranceombudsman.com.au
or visit the website
www.insuranceombudsman.com.au

The Epilepsy Report kindly thanks the *Chronic Illness Alliance* for permission to reprint this information. For more information about the work of the *Chronic Illness Alliance* visit www.chronicalliance.org.au