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Traveling Without Worries with Travel Insurance

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ABSTRACT

It's the 21st century. People are getting smarter, more intelligent, and extra-ordinary. With the intellectual ability we possess, it is noteworthy to see the pace the world is rushing toward more advanced science and technological developments. But today we are not discussing fast-paced scientific advancements, we are discussing traveling! So, as we are getting aware of our surroundings, city, and country(s), we are getting more curious about moving to different places and explore. Exploration and traveling have become well-developed job where people are earning millions of dollars. It is noteworthy that due to media and internet sources people have become rational about traveling. Also, when we love something to the core, we don't ever let anything or anyone demolish it easily. But then again sometimes due to some irrational decision or lack of awareness, people lose their belongings and don't even think about getting it back because they are unaware of their rights and duties. Imagine you went to Paris and you lost everything, including your passport! That's where 'Travel Insurance' helps. Travel insurance not only helps cover expenses but also provides coverage for emergency services like replacing lost passports, etc. Travel insurance covers most of the major situations where one can feel helpless, especially if traveling alone for the first time. It not only covers lost passports but also lost baggage, valuables, and even medical facilities. There is a number of advantages in opting for the right insurance for your own benefit so that when you travel to your dream destination, mere difficult situations like this don't bother you.

I. INTRODUCTION

Let's start with a short story. Alex was a first-time traveler from London to Mexico. He was extremely excited. He had just graduated from the university and was moving to Mexico for a job. As it was his first time traveling abroad, he even purchased expensive luggage bags to carry with him. After reaching the airport, he successfully checked in the baggage and moved to the security area. Subsequent to the clearance, he flew to Mexico. Reaching there, he found that his baggage has been lost. Due to this confusion and anxiety, Alex fainted. He was rushed to

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hospital. It was announced to Alex that he was fine and healthy and he fainted because of sudden shock. Now Alex has to pay the bills. But he kept the insurance papers in the baggage which is nowhere to be found. Extremely worried, he called his parents and asked for help. Fortunately, his cousin from Mexico helped him pay the bills and after one week the airport authorities called him saying his baggage has been found.

Now, this is Alex's mere luck that took him out of the burdensome situation. But not every passenger who flies to their respective destination has the same luck. They can stick because of these unseen situations and be clueless. So, to avoid getting stressed and anxious, it is always recommended to opt for the right travel insurance. It not only covers losses but also covers random ransom requests from unauthorized parties.

According to a survey by an insurance company in 2021, it was stated that most of the population wants to opt for insurance policies after Covid-19 hit. Most of them diligently acquired insurance even for domestic travel.

II. WHAT IS COVERED?

When choosing the right insurance, it is always convenient to check with the travel agency which is providing the traveling details and documents because some agencies offer great insurance deals which might be helpful. The 'Travel Insurance' covers: -

- **Baggage loss:** - Baggage loss is enclosed if the belongings are lost, stolen, or damaged as it is a common matter for regular flyers. Although some airlines provide that safety and ensure that you get reimbursed in case of any error made by them, that reimbursement may have some restrictions. Many insurance policies only contribute to the situation if all other available claims have been consumed.
- **Personal property damage:** - In the case of personal belongings loss or damage, the airlines may reimburse for the damage caused by them or if the personal belongings have been stolen, it can be reimbursed by the travel insurance companies or agencies. The credit card from the bank can also contribute to compensating for the damage caused by providing automatic protection for delays, baggage, and rental motor vehicle accident if used for deposits or other trip-related expenditures.
- **Rental equipment damage:** - If any rented equipment gets damaged, lost, or stolen then it is also covered under the travel insurance, provided no exclusion or exception is made with regard to this point. Credit card from banks also provides and offers reimbursement in case of sudden unforeseen situation happened to rented equipment,

- **Passport loss:** - Traveler's insurance or insurance policies also covers 24-hour services for lost, stolen, or damaged passports.
- **Medical facilities:** - Medical facilities vary from destination-to-destination and also from time period-to-time period. That means there are two categories of medical facilities offered by the agencies or companies, i.e., short – term facility and long – term facility. Short-term medical services cover tenure from 5 days to 1 year, whereas long-term medical services cover tenure from 6 months to 1 year or even longer. Depending upon your situation, the medical insurance also covers medical expenditures, helps locate doctors, medical practitioners, and healthcare facilities, or even gets assistance for foreign language services. Medical insurance varies from price to provider. Some medical insurance policies provide airlift travel to a medical facility or longer stays at hospitals. Also, the policies vary for international to domestic travel. That is why, it is recommended to opt for the facilities which are right and conform to the medical conditions one has, accordingly.
- **Trip cancellation cost:** - There can be a number of reasons which can contribute to the cancellation of the non-refundable ticket. In these situations, travel insurance refunds the lost amount. Usually, the amount is only refunded if the reason is valid like sickness, business conflicts, death in the family, or sudden changes in weather conditions. Also, this policy is not valid on refundable tickets.
- **Unfortunate death by accident:** - The insurance also covers the untimely death of the policyholder. In this case, the family members of the policyholder will be reimbursed for the loss.
- **Flight accident:** - Either way, if the policyholder died in the accident, then the nominee or the immediate family member will be reimbursed for the loss. But if there is a flight accident caused by negligence or other turbulence issue and the policy-holder survives, everything will be reimbursed under medical insurance added if the beneficiary has already opted for Life Insurance, then this facility will not be validated unless additional travel insurance under this category has been purchased.
- **24-hour emergency services:** - These are the special services provided to the policyholder who has lost the passport either by damage or it gets stolen, and the same with important travel documents. Lost passports, cash wire assistance, or re-booking of canceled flights are all covered under this service.

- Ransom requests: - It rarely happens, but sometimes traveling to a different destination for business or personal matters leads to the unwanted attention of some unauthorized persons. This issue can create chaos in life as such situations are sudden and unexpected which can harm others too. In this matter, some travel insurance policies cover and offer special assistance and benefits.

Travel agencies or even banks offer mostly medical and accidental death coverage insurance policies. So, before buying it is always suggested to read the fine print, and comprehend the cancellation policy or coverage costs.

III. FURTHER UNDERSTANDING

Before taking the further steps of purchasing the right insurance it is always necessary to read the terms and conditions with disclosure statements because every cost and policy varies with different providers. The travel policy validates the tenure of stay within the prescribed time of execution of the policy, for e.g., pre-trip covers single travel for people who travel sporadically, multi-trip covers multiple trips in a year not exceeding 30 days single time and yearly trip covers a whole year and is for frequent flyers. Nowadays, the arena has expanded so much that anyone can purchase insurance from trusted sources within a few hours and start getting benefits. These ‘sources’ are indeed expanding the horizons fruitfully. Also, as much as this tourism industry is expanding there are still a few situations that are excluded in the insurance policy and do not include: -

1. Pre-existing diseases
2. Political or civil tension at the traveler’s destination
3. Pregnancy or childbirth
4. Engagement in risky activities or perilous sports like bungee jumping, snowboarding, etc.
5. Suicide or insanity

Although most of the situations or issues are covered under the policy, the most general or common ones are excluded for the sake of the traveler’s comfort and position.

Case Study

Before going further, it is expedient to note that every job and every industry has a black sheep and it is always on your part to be alert and safe. This case is related to a man who got prisoned

for £75,000 of bogus travel insurance claims². The facts are as follows:

1. A man has been prisoned after using the identities of the people he knew in an attempt to submit £75,000 worth of bogus travel insurance claims.
2. Joshua Moorcroft of Moss Gate Road, Liverpool, has made over 15 claims with six different insurance companies for missed or canceled travel and made numerous excuses to validate his claims like injury or commotion due to Covid-19.
3. After one of the insurers, Aviva, alleged the fraudulent activity, denoted the case to the City of London Police's IFED³ for investigation.
4. Moorcroft was penalized to 16 months imprisonment at Liverpool Crown Court on Monday 22 August 2022. He formerly pleaded guilty to 15 counts of fraud by false depiction at Liverpool Magistrates Court on Monday 25 July 2022.
5. Detective Constable Justin Hawes, from the City of London Police's Insurance Fraud Enforcement Department, said: "Although Moorcroft proximately acknowledged to the first five offenses when interviewed by IFED, he wasted police's time by refuting that he had submitted any other claims. A review of his devices found that this was undoubtedly not the case and that he had in fact scored a further 10 bogus claims. Moorcroft has shown very little regard in terms of whom he has implicated whilst obliging these crimes, including his family, former colleagues, partner, and even her family. I don't doubt that he has put all of these innocent parties through a lot of stress by doing so."
6. Aviva referred the case to IFED for further investigation, Moorcroft was arrested by IFED at his partner's home in October 2020, where officers apprehended multiple pieces of evidence, including a phone and laptop.
7. When questioned by officers, Moorcroft admitted full accountability for the five claims. He was asked if he wished to unveil any further offenses, but said that there were no other fraudulent claims. The unit then examined the seized devices, which exposed a further ten claims with Aviva and five other insurance companies.
8. During a follow-up interview with IFED officers, Moorcroft admitted to the further claims found on his devices.

² <https://www.cityoflondon.police.uk/news/city-of-london/news/2022/august/man-jailed-for-75000-worth-of-bogus-travel-insurance-claims/>

³ Insurance Fraud Enforcement Department

IV. CONCLUSION

The above case teaches us a lesson that it is always important to be alert and safe in every area of life. Most importantly when buying insurance, it is always advised to follow up with a trusted agency or company when applying for the insurance. Usually, one should always follow up with the banks for such policies because when banks provide credit or debit card services, the travel insurance benefits do come along, so it is rational to check with banks as well. Also, traveling should be fun or hassle-free even if it is a business trip, no one wants to be anxious from unnecessary tension nowadays.

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