

Holiday Insurance and Motoring Abroad

INFORMATION SHEET

On holiday, things aren't always plain sailing. You may fall ill or have an accident; you could have money or luggage stolen; your holiday might be cancelled or cut short through injury or illness.

All these risks and more can be covered by a holiday insurance policy. If you take your car abroad you can extend your UK motor insurance policy. Car breakdown insurance can also be purchased from travel insurance agents.

Package holiday policies

Package holiday insurance policies usually cover a wide range of risks which are explained here. Remember that some sections of your policy will have an excess - the first amount of any claim which you will have to pay yourself.

Cancellation

You may claim for holiday expenses which you can't recover, but not the cost of your insurance, if you have to cancel your holiday because of accident, illness, quarantine, pregnancy unknown when you buy the policy, jury service or witness summons. Cover is also provided if your home becomes uninhabitable following fire, storm or flood, and your presence being required by the police following your home being burgled. This section applies to you, and parts of it apply also to close members of your family or business associates travelling with you or remaining home.

Some policies also cover cancellation arising from you being made redundant, or from a strike, or bad weather affecting the departure of the aircraft or ship. Usual cover is for a maximum of £3,000 to £5,000.

You are often covered if you have to curtail your holiday for certain reasons. Similar maximum limits as for cancellation often apply. Check your policy for details.

Delay

Compensation is paid if your departure is delayed beyond a set number of hours. The amount depends upon the length of the delay but is usually limited to £200 per insured person.

Personal accident

Amounts of money are paid on death or permanent disability, or following the loss of an eye or limb.

Average pay out is £15,000 for death and £25,000 for permanent total disablement.

Weekly benefits are sometimes paid for temporary disablement.

Personal liability

This covers your legal liability for injury or damage to others and their property. Usual maximum pay out is between £1 million and £2 million.

Medical expenses

As well as the cost of emergency medical treatment, policies also pay for additional hotel and travel expenses arising from sickness or injury. Also for expenses incurred in returning home because of illness, injury, or death of a friend, relative or business associate. Usual maximum pay out is up to £2 million but it can be higher or unlimited in some policies.

With most policies you must disclose full details of any illness of a permanent or recurring nature. Other policies do cover these pre-existing conditions but won't pay for continuing or routine treatment or if you travel against medical advice. If you are not in good health or suffer from an existing illness which may recur you must tell the insurance company. They may want a doctor's note certifying that you are fit to travel.

Medical treatment costs in the UK are not usually covered.

Insurance is advisable even when travelling to EC countries. This is because few of these countries pay the full cost of medical treatment even under reciprocal health service arrangements. Extra travel and accommodation expenses and repatriation costs are not covered by the reciprocal arrangements. Standards of healthcare also vary between countries. Nevertheless there are still many advantages in the reciprocal arrangements and you should get Form E111 from a Post Office. Some insurers may waive a medical excess under their policies if you use Form E111.

Keep all doctors, chemists and hospital bills to support your claim.

Many insurers provide 24 hour emergency service and telephone advice lines. Take with you a copy of the policy and a note of the UK telephone number.

Personal belongings

Luggage and articles worn or carried are covered against loss or damage. Losses must be reported to the Police within 24 hours and proof of notification obtained. Usual maximum payout is between £1,000 and £1,500.

Most policies allow up to £100 for the emergency purchase of essentials if your baggage is delayed.

There is usually a limit of £200 to £300 for money and a similar overall maximum for any one item or property. Valuable items are usually also subject to a limit. Remember that you may well have cover under an "All Risks" extension to your household policy for some valuable articles.

Legal expenses

Some policies pay legal costs to help you to pursue compensation for damages following personal injury or death. Usual maximum allowance here is up to £25,000.

Cost

Usually around £25-£30 for each adult - less for children - for up to 15 days cover in Europe and the Mediterranean. The charge will increase greatly for

North America and the rest of the world; expect to pay £40-£50 per adult.

If you are engaging in hazardous sports/activities on holiday (such as scuba diving) a standard policy may not cover you. You may need to arrange a specialist policy.

The cost of insurance for a winter sports holiday is at least twice as high as that for a summer holiday.

This is because of the need for extra cover for ski equipment and piste closure. There is also a far greater risk of a personal accident or medical expenses claim. While standard policies do allow for the traditional length of holidays (eg 5, 8, 15, 22 days) it is possible to obtain insurance cover for a longer non-standard overseas visit.

Protect your belongings

All insurance policies say that you must take care of your belongings at all times. If you don't, the policy may not pay out. Follow these tips -

- Don't take large quantities of cash.
- Don't take more valuables than you need.
- Never leave belongings unattended, especially at airports, stations, on the beach or places of entertainment, or in the care of strangers, or unattended in a vehicle.
- Never keep your wallet in your back trouser pocket.
- Keep all valuables, passports and money in your hand baggage when travelling.
- At your hotel keep valuables and cash in a safe deposit box or in the hotel safe.
- Don't leave your home address visible on your baggage.
- Don't enter unsafe areas.
- Take as much care of your property as if you were uninsured.
- Lock all doors and windows.



- Cancel the milk and newspapers.
- Use “timers” on certain lights to create the impression of occupancy.
- Ask neighbours to keep an eye on your home and to push “free” newspapers through your letter box.

Hiring a car abroad

When hiring a car in the USA, insurance cover is sometimes limited to the legal minimum in the State where you hire. You could be held personally liable for any claim for injury or damage over this limit. So ask if your tour operator or insurance adviser can provide top-up insurance to increase your cover. This may be cheaper than buying it abroad.

Taking your car abroad

Each year over 2 million motorists take their cars abroad. Whether you are only making a day trip across the channel to France, driving on business or holidaying overseas, it is vital that you have full insurance cover before setting out. If not, you could find yourself unprotected and left with an expensive bill if you are involved in an accident or your car is stolen.

Motor insurance cover and Green Cards

The relationship between UK motor insurance cover and Green Cards can be confusing. The following notes clarify the position.

All UK insurance policies automatically provide, at no extra cost, the minimum cover required by law in all European Union (EU) countries, or the minimum cover in the UK if that is greater. The minimum required is cover for your liability to third parties.

In the non-EU countries listed below, the same situation will normally apply. However, some insurers may exclude cover in non-EU countries so, if you are travelling outside the EU, you should always check your cover carefully.

Croatia	Monaco
Czech Republic	Norway
Gibraltar	San Marino
Hungary	Slovakia
Iceland	Slovenia
Liechtenstien	Switzerland

Most people want the same protection they enjoy in the UK when travelling abroad, for example Comprehensive or Third Party, Fire and Theft.

This could, in addition to the legal minimum of third party liability cover, include accidental damage to, or theft of or from, their own vehicle, depending on the policy cover. So in most cases you will need to ask your insurer or insurance adviser to extend the scope of your cover before you go abroad. An additional premium may be charged for this extension - although a number of insurers automatically give it, usually for a limited period, without charge.

A Green Card is an internationally recognised document which serves solely as evidence that the holder has the **minimum** insurance cover required by law in the country being visited. A Green Card provides **no insurance** cover in itself.

It is not necessary to have a Green Card when travelling to the EU and countries listed above (although if you do not take a Green Card, you should instead carry your Certificate of Insurance). However, a Green Card can serve as easily recognisable proof of third party insurance, for example in the case of an accident when travelling abroad.

Insurers do not charge for a Green Card. Where insurance is arranged through an intermediary, such as an insurance broker, however, they may levy an administration fee for arranging a Green Card for their client. If they do, they must separately indicate the amount of the fee and its purpose.

There are other countries party to the Green Card arrangements where you will either need to have a Green Card or purchase insurance at the border. Currently they are:-

Albania	Latvia
Andorra	Malta
Bosnia - Herzegovina	Moldavia
Bulgaria	Morocco
	Poland
Cyprus†	Romania
Estonia	Tunisia
Former Yugoslav	Turkey
Republic of Macedonia	Ukraine
Iran	Yugoslavia
Iraq*	(Serbia and
Israel	Montenegro*)

* Membership suspended - Green Cards are not available. Border insurance required

† Southern Greek Cyprus only



If you have any concerns about taking your car outside the UK consult your insurer or insurance adviser. This is especially important with regard to those countries listed immediately above where the situation can change very quickly.

Accidents abroad

If you are involved in an accident, immediately tell your insurer or your insurer's representative in the country concerned. While the Green Card gives details of the local Green Card Bureau, you should still contact your insurer or your insurer's representatives.

Many insurers issue a European Accident Statement. This enables drivers to exchange facts while events are still fresh in their minds and without admitting liability.

Helplines

Many insurers offer 24-hour UK telephone numbers in case you need help in an emergency. Make sure you have these details with you when you travel abroad.

Breakdown insurance

Even if you have extended your policy for driving abroad, this will not cover your car against breaking down. Vehicle breakdown policies can be bought with your holiday insurance or separately. Check to see if your motor insurer can provide this cover.

A policy will cover the cost of hiring a car while your own is being repaired, road-side assistance and emergency repairs, the cost of returning your car to the UK and sending out spare parts, together with emergency accommodation if you are unable to use your vehicle. A monetary limit will apply to each section of the policy.

Protecting against car thieves

Foreign registered vehicles attract thieves, so do not make your car an easy target:

Always check with your motoring organisation the legal requirements for any countries you may visit.

- Lock all doors and the boot when leaving the vehicle as well as closing windows and the sunroof.
- Park in a well-lit place.
- Avoid leaving your possessions in an unattended vehicle. If you have to leave property, make sure it is in a locked boot. In a hatchback, the rear shelf should be in position. In an estate car, cover up property with a sheet or blanket.
- Don't leave car ownership and insurance documents in your car when parked.
- Use an anti-theft device.
- Take your keys with you at the petrol station when you are going to pay.

Don't leave home without it - what to take with you

Don't set off unprepared. Make sure your vehicle is serviced before you leave and that you know of and comply with the vehicle requirements of the countries you are visiting. And don't go without taking:

- A spare set of keys.
- A GB sticker and a set of head lamp converters.
- A fire extinguisher, first-aid kit, tool kit, spare bulbs and warning triangle.
- Registration document, driving licence and passport.
- Your UK motor insurance certificate, Green Card (if issued), details of any breakdown and travel insurance, together with any emergency helpline numbers.

The Association of British Insurers represents around 450 insurance companies, which between them account for over 96% of the business of UK insurance companies. The Association represents insurance companies to the Government and to regulatory and other agencies, and it provides a wide range of services to its members.

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