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Travel insurance means peace of mind

Costs of overseas mishap well above Canadian medicare, employer coverage

For Canwest News Service

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In April, Ed Doucet was biking down a mountain in Majorca, Spain, at 50 km/h when a tire became caught in a rut in the road. He flipped over the handlebars, landing on his pelvis. The damage: three pelvic fractures and four cracked ribs.

Doucet, 33, found out first-hand that when a medical emergency arises outside Canada, travel insurance is a traveller's best friend.

In fact, travel insurance is the most important item to pack on any foray outside Canada, even a day trip across the border. If you find yourself in a hospital in the U.S. or abroad without medical coverage, the bill could take a huge chunk out of your savings.

In Doucet's case, five days in hospital in Majorca came to \$6,300.62. His stay had to be extended until his condition stabilized, which meant purchasing a first-class airline ticket home. Add in ambulance transportation from the hospital to Majorca's airport, ambulance in London from Gatwick Airport to Heathrow Airport, and another ambulance ride from Toronto to Brantford, Ont., where Doucet lives, and his return trip came to \$11,264. His insurer, RBC Insurance, sent a Toronto nurse to Majorca to accompany him home -- for another \$5,162.88. The total bill rang in at \$22,727.50.

"And I paid \$63 for 11 days' coverage," says Doucet. "It was probably the best \$63 I'll ever spend."

Many Canadians are not aware of the gap between what medical services cost abroad and what their provincial health plans allow towards these bills. The provinces partly cover hospital stays outside Canada, but some pay nothing toward specialists' fees, prescription drugs, X-rays or anesthesia. The province of Ontario paid \$974.20 towards Doucet's medical bill, a fraction of what his hospital stay cost.

"Our surveys show only about 60 per cent of Canadian travellers buy travel insurance," says Moscou Cote, vice-chairman of the Association of Canadian Travel Agencies in Montreal. "We assume they are covered through their credit cards or their employee benefits. But we really don't know."

Travellers may assume they have more coverage through their credit cards and work benefits than they really do. Length of stay outside Canada is a common limitation; if you're away longer than the limit, you won't be covered.

They may also set family limits, adds Stan Seggie, president and CEO of RBC Insurance's travel division in Toronto. "If there's a \$3,000 family limit for trip cancellation or interruption coverage, it may not be enough for four or five airfares home," he says.

Before you fly out, find out exactly what your credit card or your employer's group plan covers. If necessary, top it up with travel insurance.

Travel insurance typically covers you in three areas: trip cancellation or interruption; the cost of lost, stolen or damaged luggage; and health coverage.

This will pick up the medical bills incurred outside Canada that are not covered under your provincial health plan. Make sure the policy covers air ambulance for your return to Canada, as it may be weeks until you are able to travel on a commercial airliner.

The cost of medical travel coverage varies widely, depending on the benefits, your medical condition and your age. But don't choose a policy just because it's cheap. You may save a few hundred dollars but end up spending thousands on extras not covered.

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