Travel Insurance Post Covid-19

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Planning a trip post-COVID-19 requires not only meticulous research of the tour operators' terms, including the destination's restrictions but also an exhaustive review of the ever-changing travel insurance policy wording. Since 2021, travel insurance policies have undergone a plethora of amendments because of COVID-19 advisories, testing requirements, vaccine requirements and now, vaccine adverse reactions. Some insurers revised their wording three or four times in 2021-2022. Do these contractual alterations undermine Canadian travellers' ability to qualify for reliable exhaustive coverage? How do vaccine adverse reactions impact applicants' eligibility and stability requirements? Which existing clauses underwent the most significant overhaul? What new clauses, if any, have been inserted in carriers' plans?

1) VACCINE ADVERSE REACTIONS:

After being sued by the Public Health and Medical Professionals for Transparency (PHMPT) for failing to respond to a Freedom of Information Act (FOIA) request filed in September 2021, Pfizer and the FDA were ordered to release 55,000 pages of documentation per month.[1] As Pfizer's documents are released, adverse reactions experienced by travellers and pilots are confirmed and correlated to the vaccine.

Several insurers have amended their policy wording to acknowledge this new set of circumstances. For example, the CAA (North and East Ontario) has the best disclosure regarding vaccine adverse reactions, which is a covered risk in their Trip Cancellation/Interruption plan (p.28): *"Any of the following occurrences that prevents you from departing or returning on your return date… 3. Side effects and/or adverse reactions experienced by you or your travel companion to vaccinations required for your trip."* [2]

On May 13th, 2022, *"The Center for Disease Control and Prevention (CDC) released new data showing a total of 1,261,149 reports of adverse events following COVID-19 vaccines … submitted between December 14, 2020 and May 6, 2022 to the VAERS reporting system"*.[3]

The recurring question I hear from applicants is: How do their adverse reactions affect their insurability and benefits under the plan. In other words, are vaccine adverse reactions covered?

In a nutshell, it depends on whether you are still able to clear the insurers' eligibility and pre-existing conditions stability requirements.

Eligibility Clause:

The first step is to carefully review an insurer's eligibility criteria to determine whether the insurer will decline you as an applicant. If you don't meet the insurer's eligibility requirement, you are not insurable under their plan. Since travel insurance is underwritten at claim time, the insurer will be able to obtain your medical records and determine insurability at that time. If not eligible, the contract will be retroactively voided as if it never existed, and any claim will be denied.

For example, if your doctor has recently advised you not to travel due to a serious adverse vaccine reaction, then you are no longer able to obtain coverage as this is a standard eligibility requirement in all Canadian travel insurance applications. You may feel fine, however, as long as your doctor has not revised his recommendation in your medical file to state you can travel again, no insurer will cover you.

Having said that, some insurance companies have a longer list of eligibility requirements than others, so it is worth shopping around. For example, an applicant who was prescribed or treated with home oxygen 12 months prior to application will not be eligible to purchase the Manulife plan (as per their eligibility requirements on p.4)[4] the CAA North East ON (p.2)[5], or the Ontario Blue Cross policy which will decline 55 years old and up in the same predicament (See p.3)[6]. Yet, they would pass Tugo's Eligibility requirements (p.4) as this condition is not listed.[7]

Stability And Pre-Existing Condition Clause:

If you clear the eligibility criteria, the next step is to examine an insurer's stability and pre-existing condition clauses. New adverse vaccine reactions are handled under this clause. A few insurers will exclude all pre-existing conditions regardless of stability. The majority exclude pre-existing conditions which do not meet the insurers' definition of "stable" (review their definition) for 90, 180 or 365 days before departure.

A handful of insurers may even offer a rider to cover unstable conditions, i.e. which do not meet the aforementioned stability requirement. For example, under their "Vacation Package Plan", age 60-84, CAA exclude "a heart condition, if you had a heart bypass or valve surgery more than eight years prior to departure" AND a change in medication six months prior to departure. However, you may be eligible to purchase their $200,000 unstable condition rider, although this seems to require a special review and approval by the CAA.[8]

When it comes to protecting stable or unstable pre-existing conditions, Tugo outshines the competition. Stable conditions are fully covered up to $10 million if stable 90 or 180 days prior to departure, depending on age bracket. New unstable pre-existing conditions, including vaccine adverse reactions, may be insured under their $10 million "Unstable Pre-Existing Condition" (PEC) rider (see p. 45) if the health change does not occur within eight days of travel and no tests/results are pending the return of the trip. Furthermore, if a claim arises after departure which can be linked to an adverse vaccine reaction (when the vaccination took place more than seven days prior to departure), Tugo will cover it like any other unexpected medical emergency.[9]

Tugo's "Unstable Pre-Existing Condition" (PEC) rider is a blanket rider meaning that it covers any current or new unstable pre-existing condition which arises during the term of the policy (subject to above-noted conditions).[10] Therefore, it is a valuable add-on to annual plans as the $10 million benefit resets after each return to Canada.

Undiagnosed Conditions:

To my knowledge, no insurance companies will cover an undiagnosed condition under investigation. This means symptoms which are or were tested with no conclusive diagnosis will be indefinitely uninsurable until a diagnosis is reached. Therefore, a claim which can be linked to tests performed anytime prior to departure will be denied. To qualify under the "Unstable Pre-Existing Condition" (PEC) rider, all tests and results must be completed seven days before departure and a diagnosis must have been arrived at with treatment started, if applicable before the eight days (inclusive of departure date).

2) TRAVEL ADVISORIES – Emergency Medical :

Among one of the most revised clauses in the last two years, travel advisory stipulations can often lead to confusion. This is because a distinction is now made between a new advisory and a COVID-19 advisory, whether said advisory is issued before OR after departure and in some cases, conditional upon your vaccination status and whether it pertains to emergency medical or trip cancellation/interruption. Let's look how it affects a COVID-related emergency medical:

NEW Travel Advisories:

Before departure, new advisories Level 3 or Level 4 are typically excluded. However, emergencies unrelated to the new advisory continue to be covered.

After departure, some insurer will cover new advisory-related claims until return while others restrict coverage to 30 days. A new trend among insurers is to add what I call the "Return Home Ultimatum" whereby insurers may have a clause giving them the option to cancel the policy if the insured does not return within 10 days, as was the case for RTO policyholders during the March 2020 advisory. In some cases, no timeline is even specified.

For example, Blue Cross added a special Endorsement on p 39 of their policy: *"Return To Province Of Residence At The Request Of The Insurer: In the absence of medical contraindications, when the Canadian or provincial government recommends that travellers return home while you are already travelling, we may require your return to* *the province of residence within a timeframe that we deem reasonable".*[11]

This type of new wording is even more worrisome than RTO's ten-day ultimatum and may leave the insured at the mercy of the insurance company at a very vulnerable time. In March 2020, having to return within ten days and booking a return flight in the middle of a pandemonium proved very costly for many retired teachers insured under RTO. What is the point of purchasing travel insurance, if this type of clause is part and parcel of your contract? In 2020, Tugo allowed their insured to decide whether they wished to return or complete their vacation. However, in the last year, they revised their contract to cover an advisory-related emergency for 30 days only. But, at least the insured is not given a "Return Home Ultimatum".[12] The policy carries on to protect the insured for any other emergencies until the end of their trip.

COVID-19 Advisories And Benefit – Emergency Medical :

Added in the last two years, the face amount and conditions of this new benefit vary greatly from one insurer to the next and correlates to the travel advisory. Applicants may find each insurer's qualifying terms convoluted and obfuscated.

For example, the CAA will provide $2.5 million of COVID-19 emergency coverage under a Level 3 advisory IF the applicant has received at least one COVID shot 14 days prior to departure OR $5 million to fully vaccinated.[13]

Manulife, on the other hand, includes $1 million automatic COVID emergency medical coverage for unvaccinated in addition to their $5 million for unrelated emergencies (except on cruises, which requires vaccination). Fully vaccinated are insured up to the $5 million under their policy.[14]

Both cover under a Level 3 or lower COVID advisory but remember, the COVID benefit provided by those insurers will discontinue for the unvaccinated or partially vaccinated if the advisory increases to a Level 4 (avoid ALL travel) even as you are travelling.

Tugo only covers vaccinated travellers for a COVID-related emergency medical. They discontinued their COVID Unvaccinated Plan earlier in the year. Unvaccinated have access to their base plan including the PEC rider and other add-ons.[15]

COVID-19 Advisory and Benefit – Trip Cancellation/Interruption:

Trip cancellation/interruption or trip interruption standalone has become extremely important. However, bear in mind that the insurer will not pay a claim if your tour operator or airline would provide a refund, credit, or a voucher. Thus, first verify which prepaid travel expenses are "non-refundable" before purchasing trip cancellation. At minimum, purchase trip interruption. It is much less expensive and would likely provide valuable protection from your departure date to your return date.

For example, Tugo's $1500 single-trip trip interruption costs $31 per person (higher amounts are available as well). Their policy covers a trip cancellation/interruption regardless of vaccination status if a traveller becomes sick or simply test positive for COVID or one of its variants. Note: Any other COVID-related claims such as border closure, job loss, airline cancellations, etc. are not covered.[16]

Manulife also covers up to $2800 of trip interruption regardless of vaccination status (except on cruises).[17]

4) TRIP CANCELLATION - CANCEL FOR ANY REASON (CFAR)

Newest addition in some contracts, Cancel for Any Reason (CFAR) trip cancellation/interruption is trending as travellers are seeking more certainty in protecting their trip expenses from another COVID-related disruption (Note: trip cancellation/interruption due to new advisories are covered subject to the terms of each policy). Although some insurers like Tugo and Manulife now include cancellation/interruption due to a COVID sickness or positive test, other COVID-related risks are not covered.

CFAR would provide additional relief in case of a border closure, airline cancellation, etc. However, is the extra premium cost worth it? It is important to realize that this benefit usually costs an extra 50% of the TC/TI premium but only covers up to 50% of eligible expenses. In other words, up to 50% of prepaid, non-refundable, and non-transferable expenses. This means the insurer would not pay a claim if your tour or airline provides a voucher, refund, or transfer for all your travel expenses.

This is the wording you'll find p. 25 and p. 46 in Tugo's policy to that effect: *"any refunds or travel credits from the travel supplier for your original, unused prepaid travel* *costs, reimbursement towards an economy fare or commercial accommodation will be limited to the amount over and above the refunded/credited amount."*

And :

"If you decide to cancel your trip for any reason other than a Covered Risk listed in this Policy, we will pay up to 50% of either a) or b) below, whichever is less:

- *a Prepaid travel costs which are non-refundable and non-transferable to another date; or,*
- *b Up to the sum insured selected before departure which is non-refundable and non-transferable to another date.*[18]

Tugo is one of the rare insurers allowing you to insure the trip with their basic plan more than 72 hours after the initial deposit (subject to a three day waiting period from purchase). Their CFAR must be added before any cancellation penalties apply. So, you could self-insure the initial low deposit and only purchase a trip cancellation including CFAR rider soon before paying your larger non-refundable deposit and before penalties start.

Another approach would be to pay a surplus to buy fully refundable airfare and accommodation fees instead of paying an additional 50% for CFAR. Again, compare to see which option is more advantageous in your situation.

Some travellers may find the basic plan cheaper and quite sufficient as it includes coverage if you test positive or are sick with COVID or its variants. Others may feel the extra CFAR rider cost is justified. It is a personal choice, and each circumstance differs. Just make sure you do the math to ensure it is worth the extra 50% in premium for only up to 50% refund. Depending on the outlay of your trip expenses, you may find that CFAR is FAR from worth it.

CONCLUSION:

Travel insurance underwent swift transformations since the reported onset of COVID-19 pandemic in March 2020. In the early days of July 2020, a COVID-19 insurance fever spread among all stakeholders with insurers luring Canadians with promises of various levels of protection. Two years later, insurers removed or added new benefits and conditions to their COVID-19 emergency coverage, which became mostly accessible to vaccinated travellers.

Now, a minority of providers include this benefit regardless of vaccination status. However, the focus when applying for emergency medical travel insurance should be on the typical pitfalls still prevalent in policies' contractual wording. Applicants should first refer to the "eligibility", "warning labels" and the "exclusions" sections of a policy to determine whether they are still insurable and if their new adverse vaccine reactions will be covered. The COVID-19 benefit is meaningless if the insurer can easily avoid any claim. Remain vigilant and identify policies with the voiding clauses!

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1 Newly Released Pfizer documents reveal COVID jab dangers: https://peterlegyel.wordpress.com/2022/03/22/newly-released-pfizer-documents-reveal-covid-jab-dangers/

2 CAA North and East Ontario Policy - https://caaneo-website.cdn.prismic.io/caaneo-website/77641059-a3ff-48c9-a57f-1a4de32583ca_CAA+NEO+ENG+Policy+March2022.pdf

3 Children Health Defense https://childrenshealthdefense.org/defender/deaths-covid-vaccines-vaers-cdc-data/

4 Manulife COVID-19 Pandemic Travel Plan For Travelling Canadians - https://www.coverme.com/content/dam/affinity/coverme/english/documents/coverme-covid-19-pandemic-travel-plan-policy.pdf

5 CAA North and East Ontario Policy - https://caaneo-website.cdn.prismic.io/caaneo-website/77641059-a3ff-48c9-a57f-1a4de32583ca_CAA+NEO+ENG+Policy+March2022.pdf

6 Blue Cross Travel Insurance Policy (January 2022) - https://qc.bluecross.ca/en/dam/jcr:e0825264-816e-4c43-ad84-9f688c7e5ab0/11QVV0187A_2022-01.pdf

7 Traveller Tugo Travel Insurance Policy- https://firstrateinsurance.com/wp-content/uploads/2022/03/A-TRAVELLER-POLICY-WORDING-FEB-2022.pdf

8 CAA North and East Ontario Policy - https://caaneo-website.cdn.prismic.io/caaneo-website/77641059-a3ff-48c9-a57f-1a4de32583ca_CAA+NEO+ENG+Policy+March2022.pdf

9 Traveller Tugo Travel Insurance Policy- https://firstrateinsurance.com/wp-content/uploads/2022/03/A-TRAVELLER-POLICY-WORDING-FEB-2022.pdf

10 Ibid.

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12 Traveller Tugo Travel Insurance Policy- https://firstrateinsurance.com/wp-content/uploads/2022/03/A-TRAVELLER-POLICY-WORDING-FEB-2022.pdf

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14 Ibid.

15 Manulife COVID-19 Pandemic Travel Plan For Travelling Canadians - https://www.coverme.com/content/dam/affinity/coverme/english/documents/coverme-covid-19-pandemic-travel-plan-policy.pdf

16 CAA North and East Ontario Policy - https://caaneo-website.cdn.prismic.io/caaneo-website/77641059-a3ff-48c9-a57f-1a4de32583ca_CAA+NEO+ENG+Policy+March2022.pdf

17 Manulife COVID-19 Pandemic Travel Plan For Travelling Canadians - https://www.coverme.com/content/dam/affinity/coverme/english/documents/coverme-covid-19-pandemic-travel-plan-policy.pdf

18 Traveller Tugo Travel Insurance Policy- https://firstrateinsurance.com/wp-content/uploads/2022/03/A-TRAVELLER-POLICY-WORDING-FEB-2022.pdf