Disruption dilemma

New statistics have shown that, since 2010, one in eight US adults have had their travel disrupted by natural disasters or other major world events. Stefan Mohamed reports

The survey, conducted on behalf of the US Travel Insurance Association (USTiA), showed that 12 per cent of American travellers either had their plans disrupted or considered changing them due to unforeseen catastrophes such as earthquakes or the Icelandic volcano. It also showed that only 29 per cent of these travellers had travel insurance, although 96 per cent of those who were insured said that they were ‘satisfied’ with their insurance, and 46 per cent said they were ‘very satisfied’.

The figures indicated that 18-to-34-year-olds were the most likely group to either alter their plans or to have them impacted by natural disasters or other events, making up 20 per cent of those surveyed. They were closely followed by college graduates (17 per cent).

Twenty-seven per cent of individuals with a household income exceeding $50,000 said they would probably purchase travel insurance, while 22 per cent of those aged 55 or over planned to purchase it at some point.

Premium price hike in Ireland

A new survey has found that the cost of travel insurance premiums has risen by 26 per cent since 2009. Mandy Aitchison has more details

The survey, by the Consumers’ Association of Ireland (CAI), found that the average cost of an annual policy for families is now €184, compared with €153 three years ago. It also suggests that insurers have lowered their maximum payout for claims related to medical expenses by up to a quarter.

The CAI’s figures show that online travel agency Ebookers, while being one of the cheapest providers of travel cover, has decreased the amount of benefits on offer, including medical cover, baggage delay, money loss, personal accident and cancellation cover. It has, however, increased coverage for loss of personal property. Specialist health insurer VHI was dubious about being excluded from the survey, claiming that their large market share and competitive deals should have qualified them for inclusion.

Greek crisis could prompt problems

The long-term economic problems in Greece could have potentially serious implications for holidaymakers stuck there in the short term; but what about if a visitor suffers an injury in that jurisdiction? Mark Lee of Penningtons Solicitors considers the effect on international travel insurers

If one considers the example of an English claimant who suffers injury due to the negligence of a third-party Greek driver while on holiday, ordinarily the claim would be negotiated with the Greek insurer of the defendant driver if the claim were to be pursued in Greece, or alternatively, with the UK handling agents nominated by that Greek insurer if the claim is pursued in the UK. In either situation, it is the Greek insurer that must pay the damages and associated costs if the claim is successful. However, if the Greek insurer goes bust in the interim, what are the options?

“In these circumstances,” said Lee, “the best advice would usually be to lodge a claim against the Greek Auxiliary Fund, which is the Greek equivalent of the Motor Insurers’ Bureau in the UK. This fund was set up to help ensure damages are paid to a claimant in circumstances where there is no identified defendant, an uninsured third-party vehicle, or if the insurer of the third-party driver becomes insolvent.” All is not as it seems with the Fund, though, as it reportedly has debts of around €700 million. According to Lee, “This is surely unsustainable, and it therefore seems inevitable the Fund will be declared bankrupt in the foreseeable future. If that occurs, there is currently no alternative means of recovering damages (assuming the third-party driver has insufficient financial means to satisfy a judgement).”

Lee also pointed out that that the above problem is not necessarily unique to Greece – there are concerns over the continuing economic and unemployment woes on the Iberian peninsula, and with Spain and Portugal both receiving high numbers of tourists, the problem could escalate significantly in a short period of time.

Greek crisis could prompt problems
The edge of the volcano

If or when Greece defaults from the eurozone, what will holidaymakers in the country at the time have to cope with?

FEATURES

This sporting life ... and death

ITIJ asks if professional sports associations are taking enough responsibility for insuring their athletes at international events

ITIC Oxford Review

A synopsis of each session that took place at ITIC Oxford, complete with a gallery of pictures taken throughout the conference

Assistance & Healthcare World Markets: Switzerland

A relatively safe country with a sophisticated medical system offers few challenges for insurers and assistance companies

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Squaresmouth advises Olympic attendees

The huge swell in visitor numbers to London during Olympics season will present a much increased risk of inconvenience for travellers, according to US-based comparison website Squaresmouth, and travel insurance should be considered a necessity. The number of people passing through Heathrow Airport is expected to increase by up to 30 per cent, from 180,000 passengers per day to as many as 233,000, an increase that “can cause major issues for air travellers,” according to Squaresmouth marketing manager Anna Coats. “Airline passengers may have travel delays, missed connections or lost baggage occurrences,” she continued. Heathrow is expecting to handle over 200,000 individual pieces of luggage on its busiest days, and Squaresmouth warns travellers that this will significantly add to the risk of baggage-related mishaps. “When attending something as substantial as the Olympics, travellers should protect their investment,” said Chris Harvey, chief executive of Squaresmouth. “Spending a few dollars now can save thousands if something were to go wrong.” Elsewhere, Squaresmouth’s customers are being advised to thoroughly research all available travel insurance policies before purchase so as to avoid choosing the wrong coverage and potentially facing substantial unpaid claims. Squaresmouth urges travellers to consider any medical issues they may have, whether it is necessary to purchase Cancel for Any Reason coverage or primary or secondary medical insurance, and that timing is important when purchasing insurance, as it is often beneficial to buy early. The site hopes that highlighting these common pitfalls will help to better educate customers about the importance of insurance.

One in five claims due to cancellation

A study by Irish insurance site GetCover has found that almost 20 per cent of travel insurance claims by Irish travellers relate to cancellation, but that many are finding themselves uninsured because they purchase their insurance at the last minute. GetCover estimates that there were over six million overseas trips by Irish people made in 2011, but despite this, a significant proportion either overlooked travel insurance entirely or booked it far too late. “If someone books a holiday on 1st May but is not actually travelling until 1st August then there is a period of over 90 days in which, for whatever reason, their holiday may be cancelled,” said Louis Ledwidge, travel insurance specialist at GetCover. “However, if the individual holds off on buying the insurance until a week or so before then they are not covered in the interim. Unfortunately, many people have fallen foul of this oversight and it has been a costly lesson.” The study showed that, on average, Irish travellers wait until as late as seven days before their departure date to buy insurance.

ASTA runs membership drive

The American Society of Travel Agents (ASTA) launched its industry-wide ‘Join and Be Counted’ membership campaign on 14 May. The week-long campaign was aimed at expanding the organisation’s membership base and publicising its advocacy work, including its efforts to deregulate the role of agents in the sale of travel insurance in certain US states, in partnership with the US Travel Insurance Association (USIA). “We want to ensure the industry – both agents and suppliers – understands the unique value ASTA delivers on their behalf,” said Tony Gonchar, CEO of ASTA, “and that is in the form of creating and maintaining a healthy retail travel environment in which to conduct business.” The multimedia campaign used targeted messages by top industry leaders to promote the benefits of ASTA membership.

Life guards return to Phuket beaches

Life guards are to return to the beaches of Phuket, Thailand, after a number of recent incidents. Two French tourists drowned at Karon and Freedom beaches within three days of one another in May, and the low standards of safety have been attributed to a lack of lifeguards, who have been absent since 7 April due to the requirement for local authorities to renegotiate their contracts annually. Contracts have now been negotiated and signed, and lifeguards should be returning to Phuket’s beaches imminently. Two more tourists also narrowly escaped drowning near Karon beach recently.

Lifeguards return to Phuket beaches

Lifeguards return to Phuket beaches

Insurance Hotline pinpoints misconceptions

Online insurance comparison site Insurance Hotline has pinpointed a number of common insurance misconceptions for customers. Many consumers think that travel insurance is only necessary for international travel, rather than domestic travel, but Insurance Hotline reminds them that they are just as much at risk travelling in their own country as they are travelling overseas. The site also debunks the myth that airlines cover the costs for cancelled flights (they often don’t!), that hotel or airline bookings will be refunded in the event of an emergency (they often won’t be) and that short trips don’t require insurance (a weekend trip offers as much scope for mishaps as a month-long trip).

Family of victim to sue Carnival

The family of a German holidaymaker who died in the Costa Concordia disaster earlier this year is suing Carnival plc for negligence. The suit blames the disaster, in which over 20 people — including the decedent Siglinda Stumpf — lost their lives, on the captain’s ill-conceived decision to ‘sail’ the residents of Isola del Giglio, and alleged Carnival plc’s failure to ensure that proper safety standards were maintained. Stumpf’s family described the safety and evacuation procedures as ‘travesty’. The day after the suit was filed, US magistrate John Froeschner issued an arrest warrant for the Carnival’s captain, which had been moored in Galveston. The ship left that evening.
A man suffering from a brain haemorrhage, who was allegedly discharged from a Thai hospital because he couldn’t afford his bills, has flown home after being left stranded after the hospital refused to give him a platelet transfusion that would enable him to fly home for treatment unless the bill was paid in full.

According to the Belfast Media Group, McDonald was left stranded after the hospital refused to give him a platelet transfusion that would enable him to fly home for treatment unless the bill was paid in full. After discharge, he reportedly spent the next couple of weeks at his son’s apartment, without any medical assistance, whilst his family attempted to begin raising the funds to pay his £8,500 hospital bill. Generously, the Thai school that employs the sick man’s son reportedly stepped forward as guarantor for the cost of the flight and pre-flight treatment, which enabled the son to organise the platelet transfusion and flights home for himself and his father. The pair flew into Dublin where they were allegedly met by close family members who rushed McDonald straight to the Royal Victoria Hospital for emergency treatment. And the moral of the story is? The risk of not buying travel insurance cover for a pre-existing condition should always be balanced against the risk of having to pay hospital and/or repatriation bills should the condition cause problems when one is abroad. Of course, the international travel insurance community knows this all too well, but what are we doing to make signposting more prominent for those who are finding it difficult to find appropriate or affordable cover? Different countries have varying policies in this regard, so we’re always interested to hear your views.

Little US government help for cruise ship inconvenience

According to a new report, travel insurance is an essential purchase for American cruise ship passengers, as the US government can offer little help in the event of inconvenience. There is no legal obligation for cruise lines to respond to complaints, even those directed through the Federal Maritime Commission, as most operators fly foreign flags and are registered offshore, exempting them from US laws, regulations and even labour laws. There are currently no plans for Congress to improve legal conditions for cruise ship customers, or to introduce a ‘passenger bill of rights’ such as the one passed for airline passengers, and victims of accidents, negligence or inconvenience are only able to file claims in foreign territories. Customers would also have a hard time finding out about ships’ safety records and accident statistics, as the companies tend not to keep such databases. Those interested in finding out about such records would need to search on the Internet, and risk finding inaccurate data or none at all.

The usual avenue for American customers to explore would be the Office of Consumer Affairs and Dispute Resolution Services, which ‘cannot order a cruise line to reimburse passengers for cruise cancellations, or to pay claims for injuries or fatal accidents. However, to the extent they are able, commission staff will try to assist individual consumers who are having trouble obtaining financial settlements’. Canadian sociologist Ross Klein, who has made in-depth studies of the cruise line industry, recommends that customers purchase travel insurance, and that they purchase it specifically from an outside company, as cruise line insurance can offer comparatively limited coverage.

Pregnant holidaymakers warned

It has been reported that pregnant travellers often miss the small print in their travel insurance policies, which can lead to crippling costs in the event of illness or premature labour. The majority of airlines allow pregnant women to fly up to and including 36 weeks, unless they have been deemed high risk, but many insurers won’t insure beyond 26 weeks, information which could be hidden in the small print and thus easily missed. It can even be missed by call centre staff, which can lead to further confusion. A number of insurers also include a 28-week return limit in their coverage, limiting pregnant travellers’ options. “Rather than hiding it away in small print,” said Bob Atkinson of Travelsupermarket, “why don’t insurers highlight this up front?”

HCCMIS offers South American insight

International health insurance provider HCC Medical Insurance Services, LLC (HCCMIS) has released an infographic listing a number of travel accidents that visiting South America, and their potential costs. The infographic charting the possible risks for travellers was produced in partnership with global consultancy The Risk Advisory Group, which monitors global indicators of terrorist threats, assigning threat levels to different countries. These begin at negligible, progressing through low and medium to high and finally severe. The UK, France, Italy, Portugal, Spain and Germany have all been downgraded on the 2012 Map following widespread civil disobedience relating to spending cuts and austerity measures, while the effects of the Arab Spring continue to reverberate across the African continent and beyond, with protests and unrest in Africa, Asia and the Middle East. Meanwhile, despite the death of Osama bin Laden and al-Qaeda’s decline as a global entity, smaller regional groups remain a clear and present danger for businesses. Africa, for example, has shown a dramatic rise in terrorist activity with downgrades for six countries, including a double downgrade for Senegal from low to high risk. Neil Henderson, executive director of crisis management at HCC, advises businesses to ‘identify the threats they face and implement a comprehensive risk management programme to protect themselves’. He added: “As the insurance market for political violence is very mature and can cope with complex international risks, it should be considered as part of a business’ sound risk management programme.”
Correction to article appearing in ITIJ’s Air Ambulance Review, April 2012

In an article headed ‘Managing turbulence’, appearing on pages six and seven of the April 2012 edition of ITIJ’s Air Ambulance Review, it was incorrectly stated that the Air Alliance Group had ‘disappeared from the scene’. It is now clear that the statement was incorrect and that the Air Alliance Group and its subsidiary Air Alliance Med Flight Gmbh continue to both trade and operate, (ITIJ’s) editors and publishers, Voyageur Publishing and Events Limited, apologise for this error and for any confusion, inconvenience or difficulty this may have caused. Every effort is made to check the accuracy of information contained within all articles appearing in ITIJ, but, unfortunately, on this occasion the statement made was inaccurate, which is regretted.

Canadian cover essential

The Travel Health Insurance Association of Canada (THIA) has advised Canadians to ensure that any out-of-country visitors they may be expecting have adequate travel insurance, in case of medical emergencies. “Provincial health insurance does not cover non-resident visitors, even if they are family,” warned David Hartman, president of THIA, “and the costs of medical care in Canada are higher than people may anticipate.”

Indeed, according to the Canadian Institute of Health Information, Canadian healthcare is some of the most expensive in the world, and although Canadian residents tend not to be billed for hospital stays or doctors’ services, uninsured out-of-country visitors are usually expected to pay their bills in full. Brokers, banks, travel insurance companies and other similar organisations offer “Visitors to Canada’s insurance plans. Benefit levels vary according to the THIA, but all plans will offer a comprehensive range of options, including trip cancellation.”

IBISWorld releases industry report

US research firm IBISWorld has published a report into the US travel insurance industry, which includes information on the sector’s current performance, outlook, life cycle, products and markets, supply chain and much more. According to the report, over the last five years, revenue in the US travel cover industry has risen at an average annual growth rate of 1.6 per cent, now reaching a value of $2.7 billion.

Industry analyst Doug Kelly commented: “An ageing population, an increased globalisation of markets and rising consumer disposable income underpinned growth in the underlying travel market each year, with the exception of 2009.” The 2008-2009 drop in consumer spending and resulting global recession meant that travel, as an industry, suffered from fewer people taking holidays or people who were still travelling cutting back on their spending. However, 2010 and 2011 saw the travel industry return to growth, and during the recession, with all its associated turmoil, demand for travel insurance actually rose. Airline failures, natural and man-made disasters and political revolution have all contributed to a heightened awareness amongst the general public of the benefits travel cover can bring. The IBISWorld report states: “The travel insurance industry has a low level of market share concentration. In 2012, the top companies are AIG and American Express Company. Industry concentration has increased over the past five years because many consumers viewed travel insurance as an extra cost and, consequently, did not purchase this insurance. As consumer disposable income increases, and purchases of vacations and travel insurance increase, more companies will enter the industry, lowering market share concentration.”

Looking ahead to 2017, IBISWorld’s report estimated that revenue for the travel insurance industry in the US would increase in line with growth in consumer disposable income and the continuation of favourable demographic and globalisation trends. Kelly said: “In addition, the increased frequency and severity of natural disasters resulting from climate change are expected to increase the percentage of overall trips US residents choose to insure with travel insurance.”

Other factors noted by the organisation that it believes will increase sales of travel insurance include the growth in online and mobile distribution channels, as well as the continued expansion of niche travel markets such as the US study abroad and frequent business traveller markets.

Controversial travel insurance advertisement back on the air

A television advertisement that aired in Australia in 2011 is back on the air in a revised form, having been criticised by the public and come up against the Advertising Standards Bureau. The advert, which was for review and comparison website Compare Travel Insurance, initially included a scene where a half-naked obese man received a massage from a masseuse who looked somewhat displeased with her client. The Bureau judged that the scene was “offensive and demeaning to the overweight”, although it recognised that the tone of the advertisement as a whole was light-hearted and contained slapstick humour. The offending scene has been replaced now the advert is back on the air, but instead of a large man receiving a massage the traveller – protagonist in the advert – instead spills his yogurt on some bikini-clad rollerblading women.

The premise of the advert is that customers can cut the big risks of their holiday into smaller risks by taking out travel insurance… at the end of the advert, the obese man – large risk – is turned into a small risk – a dwarf.

Skiers reminded to get travel cover

The Ski Club of Great Britain and travel insurance provider Mondial Assistance UK are reminding skiers to secure decent travel cover before heading for the slopes. According to the Association of British Insurers (ABI), 31 per cent of travellers wrongly believe that a standard travel policy will cover them for sports-related injuries, while 62 per cent believe that a standard travel policy will cover them for skiing. According to the Association of British Skiers of Great Britain’s Emma Bebb, “it can also provide compensation for time missed on slopes due to illness, injury and, even worse, closure, as well as accidental damage to ski equipment.” She also noted that it was worth seeking out a policy that covers any pre-paid costs for equipment, ski school fees and lift passes, in case of trip cancellation.

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Newswire

Three British tourists have died in separate incidents at hotels in Magaluf, Spain. Adam Akinson was killed after falling from a stairwell at his hotel, and Benjamin Harper and Charlotte Fans was killed after falling from their balconies. The Foreign Office has warned tourists about the state of incidents.

At least 20 people have been killed in Nepal following flash floods caused by an avalanche in the Amdepurna region. Authorities believe that the death toll could rise above 60, as there are many people still reported as missing.

A French tourist is in critical condition after being pushed from the Jacqueline Express near Komsol, India. Frank Wilfred sustained serious head injuries when he was pushed from the train, and a man has been arrested in connection with the attack.

An Australian boy has died while on a snorkelling trip to Bali. Sixteen-year-old Jack Francis McCabe, who was on holiday with his family, is thought to have drowned after hitting his head on a low wall that was anchored near the spot where he was snorkelling.

Accident costs highest in the US

Figures from Santam’s Travel Insurance have shown that North America is the most expensive place for British skiers to have an accident. The average cost of claims related to winter sports accidents in the US and Canada in 2010 and 2011 was £2,863, while the average costs in Bulgaria for the same period were a mere £493. Austria had the second highest figures, with an average medical claim of £1,393.

British tourists’ deaths resolved

Police in Albufeira, Portugal, have announced the identification and apprehension of two Portuguese teenagers believed to be responsible for a series of savage assaults in the area, including one in which a British tourist died. Ian Haggath died on 25 May last year after 10 days in Faro Hospital, having sustained horrific injuries during a mugging. The two teenagers – one as young as 15 – were arrested on 14 May in connection with Haggath’s murder, as well as several other muggings and assaults in the Montechoro district, including that of Irish tourist David Hoban in April 2011. On the same day that the arrests were announced, the District Attorney’s General Office in Évora released a statement saying that it would be closing its 13-month investigation into the death of Scottish soldier Darren Lackie due to lack of evidence of criminal activity. Lackie was found dead under a restaurant canopy on 31 March 2011, and his death was attributed to head injuries. His father Graham is reportedly dissatisfied with the verdict.
Thai terrorism insurance set to be extended

A Thai government scheme that offers insurance to foreign tourists in the event of terrorist activity is set to be extended past its initial expiry date of 30 June. The scheme, introduced on 1 March 2011 in the wake of a number of bombings in Bangkok, covers international visitors for injury (such as hearing loss) or death linked to “security incidents”, and the extension – possibly to September – is apparently intended to rebuild confidence in a country still on alert for regional terrorist threats. “There are good reasons to keep the insurance scheme alive,” said Suwit Sitchaiw, permanent secretary at the Ministry of Tourism and Sports, citing the more than 400 security-related injuries in 2011 and the car bomb in Haad Yao’s Lee Garden Hotel, which claimed the life of a Malaysian tourist. The extension is expected to cost the ministry an additional £100 million.

Families warned about excess levels

According to findings by excess protection website Insure My Excess, many cheap travel insurance policies are landing unsuspecting families with huge bills for excesses. While the companies’ excess may seem reasonable, in the event of a claim – for one member of a four-person family, for example – they will often charge the excess amount for every member of the family, even if the claim is only for one item of luggage. For example, if the policy included an excess of £10 per person, the excess total for one bag would be £40, and the family would receive nothing from the company. Matt Tambridge, director of Insure My Excess, described the situation as “a time bomb waiting to explode”. “Families can be hit badly if they want to make a claim on their travel insurance,” he said, “because the excess is so often charged per person on the policy.”

One in 10 don’t read the small print

A travel survey has shown that one in 10 travellers don’t read the small print on their travel insurance policies, regardless of the risk they may be taking by ignoring it. The AllClear Travel Insurance survey of over 2,000 adults showed that of those that do read the small print, 40 per cent admitted to skimming it and 26 per cent admitted to skipping through to sections of particular interest. AllClear is advising all travellers to thoroughly check the small print, as they could otherwise miss crucial policy information that could have a huge effect on their insurance in the event of an unforeseen catastrophe. The company lists pre-existing medical conditions, excesses, maximum cover levels, flexibility, group travel, alcohol exclusions, hazardous activities, end supplier failure, countries deemed ‘unsafe’, by insurers and any necessary paperwork as the 10 most important details for customers to check before travel.

Australian tourist dies in Colombia

An Australian tourist has been found dead in the Las Vegas Hotel in Santa Marta, Colombia. Martin Trent Alexander, who was last seen alive on 11 May, was found by a hotel worker, along with traces of cocaine and disposable syringes. Local authorities are investigating the death in conjunction with the Australian Embassy in Chile, and officials are trying to contact the deceased’s family.

Father of crash victim declares New Zealand ‘unsafe’

The father of a British tourist who died when a skydiving plane crashed near Fox Glacier, New Zealand, has declared the country ‘unsafe’. Nine people died in the crash – the country’s worst air disaster in 17 years – including Briton Bradley Coker, and his father Chris has launched a campaign warning tourists and adventurers about the dangers of travelling to New Zealand. The campaign includes a YouTube video, a Facebook group and a letter to New Zealand’s Prime Minister John Key.

“Nothing you can do will bring back my son Bradley,” wrote Coker, describing the circumstances of his son’s death as a ‘shocking catalogue of behaviour that would be regarded as negligent in every other country in the world’. He went on to say that the accident was “the latest in many similar events in your country and simply demonstrates the lack of proper regulation and control and the need for urgent and fundamental reform”. He urged the prime minister to take action and tighten regulations relating to adventure sports, particularly those involving aircraft. Key received a similar letter in 2009 following the death of British tourist Emily Jordan, whose father also wrote to him. The prime minister expressed his condolences to the Coker family but rejected the claim that New Zealand is dangerous. “My fundamental view is that the industry is safe,” he said. “The vast bulk of operators have operated for a long period of time and the real changes we’ve made are about eliminating one or two rogues that tarnished the whole industry.” He said that he could understand Coker’s pain, both as a politician and as a parent, but that “we’re committed to doing a better job”. At least two of the crashed aircraft’s crew were found to have taken controlled drugs in the hours leading up to the accident, and a Transport Accident Investigation Commission report found that the Civil Aviation Authority had not done enough to monitor the company.

Travel back on the rise

The US travel industry is forecasting a period of steady growth over the summer of 2012 as disposable incomes begin to rise again. The recession of 2008 and 2009 saw a steep decline in revenue for the industry as individuals spent much less money on leisure activities such as holidays, but by 2010, as people started to travel again – and place more value on insurance as an essential investment.

Package operators’ insurance costs more

Insurance comparison site Gocompare has suggested that UK holidaymakers who purchase travel insurance through package holiday operators could be paying almost three times as much as customers who make use of comparison sites. Using the example of a ‘typical’ family of four attempting to purchase cover for a fortnight’s holiday in Europe, Gocompare found that a quote from Thomas Cook, for example, was £35 more expensive than the quote, found through its website, from Insureandgo – which was not only cheaper, but also offered some lower excesses and a higher level of baggage and medical cover. Gocompare also expressed concerns that customers often don’t check that the coverage that they buy is suitable for their trip, and that 10 per cent of travellers don’t purchase any travel insurance.
There is much talk of chaos in Greece this summer, in the wake of elections that failed to produce a working government. Are travel insurers, assistance companies, tour operators and their clients prepared for a full-blown crisis? Robin Gauldie reports.
So what is the best advice for clients travelling to Greece this summer and concerned that Greece may leave the euro, with all the chaos that implies? It may not happen – basically, it depends on which economist is speaking when you are listening. Most Greeks would like to retain the euro, but want an easing of the draconian austerity measures that they have been living with for a year or more. Meanwhile, the troika of the European Central Bank, the International Monetary Fund and the European Union (EU), along with Greece’s creditors in the banking sector, are also keen to keep Greece within the eurozone. Whether they can do so is anybody’s guess.

Professional prediction
Economist Dr. Thomas Kirchmaier of Manchester Business School went on record last summer – when the Greek drama was already unfolding – as saying the only way to de-leverage Greece was either to get it to pay very low interest or to write off some of its debt. “Failing that, you miraculously find a way of increasing Greek productivity so they become more productive. But none of that is happening, so all they are doing is buying time.” In fact, since then, Greece’s debt has been reduced. In March, banks agreed to write off €100 billion. But Kirchmaier stands by his earlier comments. “It is hard to believe that German politicians will allow a Greek default, given the fallout for its banks,” he says.

The prospect of a national default looms larger than at any time since the formation of the euro, according to Kirchmaier, who says his earlier analysis is still right: “I still believe that an exit would be the worst possible option for both Greece and the euro countries. It is possible that the state will run out of money and default a second time, but still stay in the euro.” A more likely option, Kirchmaier believes, is the possibility of a widespread bank run and the collapse of the Greek banking system: “The banks will then be nationalised, and should be re-capitalised by the state.” He points out that the state will find it difficult, and Greece could thus be forced out of the euro. Should one of its banks fail at the same time: “In both cases, bank run and exit from the euro, a temporary disruption to the payment system can be expected.”

Meanwhile, the leader of the private sector delegation in negotiations to write off a substantial tranche of Greece’s debt has urged the troika to give Greece more time to put its political house in order. Speaking at a meeting of the Institute of International and European Affairs in Dublin in May, Charles Dallara, head of the Institute of International Finance, said Greece’s departure from the euro was “far from inevitable.”

But serious disruption to everyday life is a real possibility, and it may create problems for visitors who are over-reliant on using credit and debit cards to settle hotel and restaurant bills, pay for car hire and withdraw cash from ATMs. All of these transactions are vulnerable to the kind of industrial action of which Greek workers are so fond. Strikes by bank, utility and telecoms workers and civil servants could interrupt online banking and make it difficult or impossible to pay by card or access cash by ATM. Action by airline and airport staff, ferry line workers and taxi drivers may disrupt travel arrangements, leaving homebound
Certainly it would not mean that, overnight, Greek new currency is difficult to predict, Tipton concedes. The impact of Greece leaving the euro and transition to a new currency has had a minimal effect on tourists. The demonstrations and strikes in Greece since last year have seen on TV have been sporadic and limited to the margins of such protests. "Fear gas can be used," Dudley der Parthog points out that most holidaymakers fly direct to resort islands. "Demonstrations that we have seen on TV have been sporadic and limited to parts of central Athens and the second largest city, Thessaloniki, neither of which are visited in significant numbers by UK holidaymakers," he says. Most German and other EU holidaymakers, as well as Russians (now tipped to become Greece’s third largest market) also bypass Athens in favour of island destinations where money talks louder than plastic. “Low denomination euros are all you need,” says Simon Calder, travel editor of The Independent newspaper, and no stranger to operating in situations that are more chaotic than anything that is likely to happen in Greece this summer.

While the banking system will probably freeze for a week, rendering electronic transfers impossible, the cash economy will carry on – and the ‘real’ euro will be in high demand, compared with the overprinted ‘Greek euro’ that may emerge. That may sound alarmist, but Greeks are said to be renewing their long-standing love affair with hard cash and spurning plastic. In the days following May’s inconclusive elections, more than €700 million was drained from bank accounts by people who feared losing their savings if banks collapsed.

A calculated risk
For travel insurers, then, there is a heightened concern that numbers of their clients this summer may be carrying large amounts of cash, making them tempting targets for pickpockets, bag snatchers and hotel thieves. As the FCO website warns: “Be aware that incidents of theft of wallets, handbags etc are common on the metro and crowded tourist places; leave valuables in safe custody at your hotel or apartment.” Most Greek hotels in three, four or five star category provide in-room safes; others offer safe deposit at reception, so guests can leave the bulk of their cash in safe custody, carrying only enough for each day’s needs. Sunvil’s Dudley der Parthog says credit cards are not in any case widely accepted outside major resorts and upscale restaurants and shops. "Our clients are told not to rely on cards before leaving the UK, so most take a substantial amount of euros with them from the UK," he says. In a pinch, tour operator clients may also be able to access cash through their local tour operator representative. “We have reps and local agents all over the country so we could easily take money on a card here [in the UK] and pay it out locally if necessary,” he says. Were the British FCO, the US State Department or other government departments to advise their nationals to leave Greece, the repatriation of package holidaymakers would be the responsibility of the tour operator that sold them their holiday. Were the FCO to warn against ‘all but essential’ travel to Greece – its typical stance on destinations undergoing political revolution – it would yet again put travel insurers well and truly in the consumer spotlight. The old

Assistance ... companies [have] deep experience in operating in situations that are more chaotic than anything that is likely to happen in Greece this summer
issue of whether or not a holiday is ‘essential’ could return to the fore, so travel insurers should be prepared to defend their stance should they choose not to pay out a cancellation claim following such a warning from the FCO.

The events of the ‘Arab Spring’ in Egypt and Tunisia last year, and the 2010 ash cloud scare, gave tour operators and insurers valuable experience in handling such large-scale crises. Tour operators showed a high degree of preparedness in evacuating their clients. That could prove valuable if things get worse in the Aegean this summer. During the ‘Arab Spring’ uprisings of 2011, clients who had booked holidays to Egypt or Tunisia were offered alternative destinations. Ironically, these included Greece.

Tour operators, including TUI and Thomas Cook, which between them dominate Greece’s two biggest source markets, are watching Greece closely, and say they have put unspecified contingency plans in place, with ‘tried and tested procedures for ensuring customers are looked after’, according to TUI. The company has hinted that it could redirect clients to other destinations if Greece descends further into chaos. Thomas Cook says only that it is ‘closely monitoring the evolving situation’.

Independent travellers might face different challenges and be more likely to call for assistance from their travel insurers. Again prompted by the ash cloud crisis, many insurers – including Aviva, Direct Travel and Columbus Direct – have expanded their portfolio of policies to offer add-on cover for cancelled flights and unforeseen alternative travel and accommodation expenses. Small print rules and if a strike had already been announced when cover was purchased, the consumer’s expectations of cover might well not fit in with the insurance provided in such an instance. That said, such policies should at least provide some cover in the event of the kind of ‘wildcat’, unannounced strikes and demonstrations that are characteristic of Greece.

Like most tour operators and travel insurers, assistance companies are taking a sanguine view of events in Greece. On one level, few think that Greece will jump (or be pushed) out of the euro. On another level, these are companies with deep experience in operating in situations that are more chaotic than anything that is likely to happen in Greece this summer.

Public hospitals and ambulances have been affected by strikes by public sector health workers this year, but such actions are less likely to impact on private hospitals and ambulances. Conceivably, industrial action by air traffic controllers or ground handling staff could close airports, but such action is nothing new in Greece (or in other Mediterranean destinations) and would be unlikely to disrupt medevac operations.

Meanwhile, some volcanologists say that the crater of Santorini – one of Greece’s three island volcanoes – is showing signs of activity after decades of quiescence. A real eruption to match Greece’s political eruption? Watch this space.

Should Greece default from the euro and potential chaos worsens in intensity, travel insurers should be prepared for the worst-case scenario – and get their houses in order in order to offer their customers, and the media, a cohesive and prompt response.

Independent travellers, though, would be more at risk of being inconvenienced or out of pocket.
New group products from Travel Insured International

US-based travel insurance provider Travel Insured International (Travel Insured) launched a new travel insurance option for group and student travel protection in April. The updated programme is intended to provide coverage for every aspect of the customer’s trip, from health and safety and travel costs of clients travelling in groups, and offers options for medical coverage and trip cancellation, as well as an available pre-existing waiver. Travel Insured’s group options are non-age-based, and include primary medical coverage to ensure that unexpected medical emergencies do not leave customers out of pocket. Bob Cook of Go Travel, one of the websites selling the policy, commented: “This plan allows us to provide items not covered by cruise line or tour operator insurance such as pre and post-holiday hotels, airfare, tours and registration fees for seminars.” He also praised the policy’s simplicity, saying that it includes a nice profit margin, not just a lossy 10 per cent of $59.00. Travel Insured also offers a Deluxe Plan, which includes the option to cancel travel for any reason. Online enrolment is available for any group policy.

SCTI launches new site

Australian travel insurer Southern Cross Travel Insurance (SCTI) has launched a new website, intended to make its services simpler and more efficient. All of the company’s policies are connected through its website, where customers can purchase policies, view frequently asked questions and find information tailored to their specific needs. If they are unable to find the information they require, visitors to the site can email the company directly, and SCTI aims to answer questions within two hours (during business hours). The company has also added the option for customers to log in using their policy details, re-send their personal documents to themselves and, if necessary, cancel their policy, and the website features up-to-the-minute information about possible disruptions to travel and an archive of articles for those who wish to do further research.

Multimedia contact centre opens

Afro Asian Assistance, the roadslide and travel assistance unit of Bahrain-based reinsurer Trust Re, has launched a new multimedia contact centre in Manama, with the aim of increasing efficiency and standards of service. The contact centre is powered by Altitude Software’s Altitude uCI solution, which provides a complete customer interaction management system including voice recording, an outbound dialer and campaign management options, which can be fully integrated with Afro Asian Assistance’s customisable web applications. “Our comprehensive assistance services have been developed for this market after studying the actual and projected needs of the sector,” said Omar Javier Bala Quiros, managing director at Afro Asian Assistance. “[And] thanks to the complete and modular structure of the Altitude uCI solution, it will be easy and cost-effective for us to add additional functionality as our contact centre needs evolve.”

Red 24 to provide KRE training

US-based commercial insurer CNA will retain crisis response and security specialist Red 24 to provide kidnap, ransom and extortion (KRE) training for its clients. CNA recently introduced new coverage for KRE scenarios, which are a growing risk area for those travelling and working overseas, and Red 24 will provide country briefings and reports prior to departures to possible high-risk areas, as well as an end-to-end crisis management service in the event that a CNA client falls victim to KRE. “Responding to KRE situations requires a unique and specific set of skills,” said Maldwyn Worsley-Tomks, chief executive of Red 24. “[We have] been involved in more than 300 KRE cases worldwide, and could not be better positioned to fill this business need and also help CNA clients learn how to reduce their risks of becoming victims of such crime.”

Travel Guard North America launches Great Outdoors plan

US-based travel insurance provider Travel Guard North America has launched its new Great Outdoors plan, aimed at ‘active and thrill-seeking travellers’. The package offers a comprehensive travel insurance solution for sportmen, hunters and hikers engaging in more adventurous pursuits like spelunking and mountain climbing, covering equipment, emergency medical expenses and evacuation, interruption and delay and trip cancellation. Customers purchasing the plan will also receive 24/7 access to Travel Guard’s travel assistance and emergency services, as well as additional sports-related concierge services including tee-time reservations, hunting guide referrals, driving directions and equipment pickup co-ordination. Carol Mueller, vice-president of Travel Guard North America, said: “A lot of time, effort and money go into planning active and adventure vacations. Travel Guard’s new Great Outdoors travel insurance plan provides a wide range of coverages and specific sports travel services to help put active travellers’ minds at ease.”

New specialist insurance on offer for older travellers

A new UK travel insurer is offering coverage to older travellers and those with pre-existing medical conditions. OK to Travel specialises in insurance plans for those who may have been declined by other providers, and includes no upper age limit on single-trip or annual multi-trip cover. The company intends to capitalise on the over-55 market, which accounted for almost 14 million overseas trips last year. Around 5.3 million of these were made by over-65s. Ian Sykes, development director at OK to Travel, said: “We are the first company to offer no upper age limit on annual multi-trip policies, which is great news for people over 65 who travel abroad two or three times a year and currently have great difficulty in getting multi-trip cover.” OK to Travel also intends to provide ‘competitive rates’ for those with pre-existing medical conditions, even if they are severe. Sykes explained: “Conditions covered range from mild depression through to bipolar disorder or schizoaffective and we can often offer cover to someone who has been diagnosed with a terminal illness and those who may, for example, be receiving chemotherapy treatment.” The company’s online quote process includes a medical screening facility, which includes provide a telephone helpline for those who prefer it.

MAPFRE Asistencia opens subsidiary

Middleas Asist, a new subsidiary of MAPFRE Asistencia, has begun operations in Malta. The company, a roadside and home assistance service provider, is the result of a joint venture between MAPFRE Asistencia and Middleas Insurance. Middleas Asist will support Middleas Insurance’s various activities while also extending its suite of products, incorporating extra options such as mechanical breakdown warranty. The company has invested in a number of low trucks that will quickly travel to customers experiencing difficulty, and has enlisted plumbers, electricians and other specialists at various locations to provide their services as part of their home assistance coverage. They will also be operating a 24/7 call centre. “The novelty of this project is that it will be extending the traditional boundaries of insurance,” said Christoph Berg, vice president of corporate services at Middleas Insurance. “It aims to extend clients’ experience of the Middleas Insurance product through the provision of additional customer service and high standard assistance. This is the fruit of the innovative synergies we had highlighted at the time of the MAPFRE bid earlier this year.”

Aman Insurance exhibits policies

Islamic insurance provider Dubai Islamic Insurance and Reinsurance Company (Aman) was among the companies participating in the annual Arabian Travel Market (ATM) travel and tourism exhibition in Dubai. The company, which is based in the United Arab Emirates (UAE), spotlighted its three new travel insurance options Musafir, Shengen and Haj & Umrah. Musafir travel insurance is designed for families and individuals journeying anywhere in the world, while Shengen is an insurance product valid in any country in the European Region and Haj & Umrah has been especially tailored for travellers making their annual pilgrimage to Mecca.

SALAMA introduces Takaful Travel Plan

SALAMA Islamic Arab Insurance is to launch SALAMA Travel Plan, a Takaful insurance product offering international cover for travellers. The plan will include provisions for travel inconvenience, lost or stolen documents, trip curtailment and medical emergencies. SALAMA said it is introducing the new plan based on market research that identifies a high level of demand for Takaful products catering to travel and tourism requirements. The firm sees Shariah-compliant travel insurance products as an untapped market opportunity, and has introduced an Internet-based solution for ease of access to the new travel plan and other Takaful products. Dr Saleh Malaikah, CEO and vice-chairman of SALAMA, commented: “We’re expanding our product portfolio in terms of the breadth of our offering as well as geographically in order to increase our footprint in the region and cater to the increasing sophistication of our customers and the ever-changing regulatory environment.”

Irish customers benefit

A new travel insurance comparison engine has been launched in Ireland. Compare Travel Insurance Ireland, the first major online engine of its kind in Ireland, offers a variety of single trip, multi-trip, sports and backpacker insurance quotes for students and other travellers to compare and purchase. “Travel insurance is probably one of the most complicated insurance products available,” said site director Paul Hudson, “so it is important to understand the key principles before selecting the policy that best suits you or [your] family’s requirements.” The backpacker insurance quote engine, for example, breaks down the policies offered by seven different providers, so users can compare medical expense benefits, cancellation allowance and other coverage options, as well as reviews of individual policies. Hudson added: “Knowing the ins and outs of the three different types of common travel insurance is an important consideration to think about before travelling abroad for any length of time.”
CFO roles should be expanded

Speakers at the sixth Asian Insurance Chief Financial Officers (CFO) Summit in Singapore have stressed the importance of the role of the CFO, and suggested that it should be expanded to keep pace with a changing, ever more complex market landscape. Organisations, according to several speakers, need CFOs to play a more active part in determining strategy, and to cement strong, trusting and supportive partnerships with their chief executive officers (CEOs).

David Fried, regional CEO of Allianz Asia Pacific, said that the role of CFO had changed dramatically, and that CFOs should try to move away from their more traditional administrative activities and focus on more critical issues, urging them to be ‘change-drivers’. “With their role constantly evolving,” he said, “CFOs need to wear many hats.”

Dr Huang Tien-Mu, director general of the Financial Supervisory Commission at the Insurance Bureau of Taiwan, agreed that while CFOs should be expected to construct sound financial operating structures for their companies, he would like to see them build more professional skills and focus not only on financial performance, but also on the creation of new value, by contributing to the risk management process, for example. “From the perspective of a regulator,” he continued, “I certainly look forward to strengthening communication and co-operation with insurance CFOs in the future.”

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Leon Walls, CEO of the Financial Services Commission of South Africa, said that in South Africa, the practice of mis-selling of insurance policies is “very widespread.”

The CFO role is key to guiding businesses through a changing and ever more complex market landscape, speakers said. “The ability of CFOs to understand the market and their business is fundamental,” said Wei. “With their role constantly evolving,” he said, “CFOs need to wear many hats.”

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Industry ombudsmen investigate mis-selling

The Indian government has announced that it may expand its Insurance Ombudsmen Scheme to cover the mis-selling of insurance policies. As it stands, areas that fall under ombudsman jurisdiction include partial or total repudiation of claims and disputes regarding premiums paid or payable. The Ombudsman office may also investigate delays in settlement and non-issue of relevant documents after receipt of premiums.

At present, customers who believe they may have been mis-sold a policy can approach the insurer to arrange remuneration. If, after 15 days, the case has not been resolved, the customer may seek redress through the Insurance Regulatory & Development Authority’s (IRDA) Integrated Grievance Management System.

The practice of mis-selling is thought to be common in the Indian insurance sector, partly because of the insurance sector’s process of remuneration, whereby agents will recommend expensive products in order to earn higher commissions, according to Asia Insurance Review. Insurance rules also state that should a policy lapse within the first two years before accruing value, the insurance company keeps the premium as profit.

The IRDA has made tackling mis-selling one of its main concerns, and has introduced processes that will determine whether a product proposed by an insurer is suitable for the customer in question. The review will enable BIBA to take a strategic view of what a modern trade body should look like, said a news release from Deloitte.

Addressing members at the recent BIBA 2012 event, Eric Gabraith, BIBA’s chief executive, stated that BIBA must continue to adapt and improve in order to be a leading UK trade association in the 21st Century. He said that although 95 per cent of members are satisfied with BIBA, his challenge is to move the 42 per cent of satisfied members to join those 54 per cent who are very or extremely satisfied.

Gabraith also warned that brokers face the threat of mandatory commission disclosure if a proposed revision of the Insurance Mediation Directive is accepted, saying: “We continue to make the case for the BIBA-led industry guidance on transparency, but [European] political interference in the remuneration system could be a byproduct of the over-zealous application of investment type rules into the general insurance sector.”

Steve White, BIBA’s head of training and compliance, added: “BIBA and BIPAR, the European intermediaries’ association, believe that commission disclosure upon request is the most appropriate solution for disclosure in the general insurance market and BIBA continues to lobby on this basis.”

Turning to UK regulation, Gabraith called on insurers to work with BIBA to develop a market agreement on unconditional risk transfer to address changes to client money rules and a growing focus from the regulator on premium handling. Gabraith also called on the Financial Services Authority to get its review of the ‘unfair’ Financial Services Compensation Scheme (FSCS) funding model underway, and announced that BIBA has appointed consultants and lawyers to help find a solution to the structuring of the FSCS.

The BIBA 2012 Conference and Exhibition was held in Manchester in May, and saw thousands of brokers gather together to discuss the industry’s challenges.

BIBA 2012 reports

Business advisory firm Deloitte LLP has been appointed to conduct a strategic review of the British Insurance Brokers’ Association (BIBA), following the association’s merger with the Institute of Insurance Brokers and a full membership survey.

The review will enable BIBA to take a strategic view of what a modern trade body should look like, said a news release from Deloitte.

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Aviva considers selling US division

Global insurer Aviva is considering selling its US-based life assurance division in a move that analysts predict could raise over $1 billion. Shortly before his resignation, chief executive Andrew Moss apparently told a group of investment managers that the company would soon start considering offers for the division, which it acquired in 2006.

Aviva has been described as ‘operationally challenged’ by UBS, and is facing mounting pressure to improve its performance following a number of missed targets last year, as well as a significantly decreased stock value compared with its sector peers. Aviva USA sells fixed indexed annuities, which provide guaranteed returns for customers and consequently remain a ‘very capital intensive business’, according to Toby Langley, an analyst at Barclays Research. “Despite moves to improve its discipline,” he said, “it’s still not particularly additive to group cash generation.”

Prudential chief executive tipped for ABI chairman

The Financial Times has reported that Prudential’s chief executive Tidjane Thiam is the leading candidate to take over as chairman of the Association of British Insurers (ABI). Although no official announcement has been reached, sources claim that Thiam is the favourite to replace Tim Breedon when the latter’s tenure ends in June.

Educated in France, Thiam began his career working at McKinsey as a management consultant, before going on to serve in his native Ivory Coast government. He has subsequently worked at Axa, and chaired a G20 panel concentrating on infrastructure investment. He is also part of the UK prime minister’s business advisory group. Thiam was a non-executive director of Arkema in France, and a member of the Overseas Development Institute in London.

Both Prudential and the ABI declined to comment on the report.

CL hosts Japanese delegation

Global loss adjustment firm Cunningham Lindsey’s Investigation Services division recently hosted a visit by representatives of the Japanese insurance industry at its National Investigation Centre in Manchester. The delegation – which came to discuss fraud detection and prevention, particularly with regard to motor insurance claims – consisted of representatives from Aioi Nissay Dowa Insurance Co, Mitsu Sumimoto Insurance Co, the Core Corporation, The General Insurance Association of Japan and The Joel Centre.

Insurance fraud has only recently started to be recognised as a major issue in Japan, and the delegation was eager to hear about the National Investigation Centre’s market-leading expertise in fraud detection. Cunningham Lindsey estimates that it saved clients in excess of £55 million in 2011. The Investigation Services team performed a demonstration of some of the equipment and processes that they used in detecting fraud, such as intelligence capture and analysis and forensic document examination.

2012 to be an uncertain year for marine insurance

Wills Global Marine, the maritime arm of global insurance broker Wills Group Holdings, has warned that 2012 will be an uncertain year for the marine insurance industry. According to the company’s Marine Mixers 2011 – its annual hull market in the open ocean – the insurance industry struggles to deal with the aftermath of the Cista Condor disaster. Some London underwriters, knowing that the London market will bear the brunt of the estimated US$500 million hull claim, are refusing to reduce premiums or grant flat renewals, although lesser-affected underwriters in Scandinavia and the Far East are proving more flexible.

These issues are compounded by the ever-present and amorphous threat of piracy, which continues to unsettle cargo underwriters, and the ongoing challenges posed by an unstable economic environment. Meanwhile, marine liability underwriters are seeking a general hardening of rates, with many topping for increases of five per cent going forward. After February protection and indemnity renewals were described as ‘disproportionately confrontational’ by the Marine Review.

TROIKA launched

TROIKA – UK’s first insurance sector consortium – has been launched to provide independent model validation assurance for Solvency II

Three specialist insurance sector consultants have joined forces to help reinsurance companies prepare for Solvency II. The alliance, known as TROIKA, comprises Barnett Waddingham, a UK independent actuarial and insurance consultant, Experimentis, the process improvement and assurance firm, and Synergy Compliance Solutions (SCS) EMEA, the compliance technology experts.

Solvency II sets out two methods for the calculation of the Solvency Capital Requirement (SCR): (1) the European Standard Formula and (2) a firm-created internal model. Without FSA approval of its internal model, a firm would have to adopt the European Standard Formula for calculating its SCR, which potentially will require significant levels of additional capital, and as such a large number of UK firms are expected to develop their own internal model.

FSA executives have recently raised questions over the level of independency and thoroughness of internal model validation. A recent survey conducted by Barnett Waddingham revealed that 80 per cent of respondents are or will be validating their model internally and 73 per cent of respondents have found the validation process challenging. TROIKA will review reinsurance companies’ internal model validation process and provide company management teams with independent assurance that their model will meet with Solvency II requirements. There are three distinct strands involved in comprehensively assessing model validation – actuarial expertise, process assessment and assurance, and data and technology assessment. TROIKA claims to be the only provider in the UK that brings together market leaders from each distinct field, providing comprehensive assurance across the full spectrum of validation.

China’s four largest life insurers have reported mixed premium performances for the first quarter of 2011. China Life reported a decline of 7.5 per cent from the same quarter last year, while New China Life rose by 14.6 per cent.

The UAE’s National Health Insurance Company, Daman, has launched a new online claims database, through which customers will be able to view their claim history. It is intended to provide greater transparency and improve members’ awareness.

PVI Holdings is poised to enter Vietnam’s life insurance sector. The company already provides reinsurance and non-life services for the country, and plans to begin life insurance operations by the end of the year.

MAPFRE Global Risks, MAPFRE’s risk underwriting subsidiary, will insure the aviation risks of Beinas, Xueling, Air Nacron and Beinas Express over the next three years; MAPFRE America’s subsidiaries will also cover LAN Chile’s Latin American operations for the first time.

Global insurer Aviva is considering selling its US-based life assurance division in a move that analysts predict could raise over £1 billion. Shortly before his resignation, chief executive Andrew Moss apparently told a group of investment managers that the company would soon start considering offers for the division, which it acquired in 2006.

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2012 to be an uncertain year for marine insurance

Wills Global Marine, the maritime arm of global insurance broker Wills Group Holdings, has warned that 2012 will be an uncertain year for the marine insurance industry. According to the company’s Marine Mixers 2011 – its annual hull market in the open ocean – the insurance industry struggles to deal with the aftermath of the Cista Condor disaster. Some London underwriters, knowing that the London market will bear the brunt of the estimated US$500 million hull claim, are refusing to reduce premiums or grant flat renewals, although lesser-affected underwriters in Scandinavia and the Far East are proving more flexible.

These issues are compounded by the ever-present and amorphous threat of piracy, which continues to unsettle cargo underwriters, and the ongoing challenges posed by an unstable economic environment. Meanwhile, marine liability underwriters are seeking a general hardening of rates, with many topping for increases of five per cent going forward. After February protection and indemnity renewals were described as ‘disproportionately confrontational’ by the Marine Review.
NEWSWIRE

Dubai-based wealth manager Globaleye has opened a new division in the United Arab Emirates specifically for general insurance and employee benefits. The company has over 250 employees and 7,000 private and corporate clients worldwide.

Independent Lloyd’s of London insurance broker Asim Rizvi has put together a NZ$200 million fund for construction work in earthquake-stricken Christchurch. Cover will be provided by a group of insurance syndicates.

General insurers in Malaysia accumulated gross premiums of US$4.6 billion in 2011. The rise – an increase of 7.85 per cent from 2010 – is partially attributed to an expanding population with more disposable income.

HSBC Middle East has signed a 10-year contract with Zurich to make Zurich the exclusive partner of HSBC Middle East for wealth insurance product distribution in Middle East and North African (MENA) markets.

Insurer and reinsurer Medgulf maintained its position as Lebanese market leader with a total of US$177.2 million in life and non-life premiums in 2011. This is despite a small decline of one per cent from the previous year.

Specialist insurance IT consultancy Nachtdorf has noted a growing trend for insurers using acquisitions to bulk up their Asian operations. AXA of France and QBE Australia, for example, have agreed to buy HSBC’s general insurance businesses in Asia and Latin America.

High earners in Australia have been advised that it would be financially prudent for them to maintain private health insurance policies rather than cancelling them when rebate means-testing begins in July. The advice comes from consumer group Choice, which weighed up the extra tax incurred from opting out against the cost of the premium.

Japanese conglomerate Marubeni Corp plans to purchase a 22-per-cent stake in ACR Capital Holdings, the fifth-ranked reinsurer in Asia. The private placement of shares will cost an estimated US$250 million.

A lack of pension products has been blamed for the 9.2-per-cent decline in new business premiums reported by the Indian life insurance industry for the financial year ending 31 March. A change in rules for unit-linked insurance policies was also cited as a factor.

Credit ratings agency Moody’s is considering a possible downgrade of Life Insurance Corp of India (LIC) due to high levels of exposure to sovereign debt and little revenue from outside of India. Moody’s has placed the company on watch.

Vietnam’s insurance market is set for continuous expansion this year. Credit ratings agency AM Best expects total premiums to reach VND46 trillion, an increase of 24 per cent from 2011.

Has the smart phone generation passed insurers by?

Modemising the industry’s claims management systems remains high on the agenda but many insurers have not even started to invest in this area. Ernst & Young reports on a survey undertaken by the company to see how insurers are keeping up with the latest developments in technology.

Ernst & Young’s survey of claims and IT professionals across Europe shows that although efficient claims management remains a key driver for customer satisfaction, less than one-fifth of insurers are investing in technologies to improve their customer interaction. Growth by acquisition has created significant legacy issues for insurers; problems with data management and integration with third-party suppliers remain considerable barriers to getting customer interaction on claims right.

Increased customer satisfaction was rated as one of the top three drivers for investing in claims management technology by the insurers surveyed. Forty per cent of the respondents across Europe and 65 per cent of UK respondents from the industry rated the need for speed and efficiency as one of the main factors driving change in claims management. However, despite their awareness of the need to adapt, only a quarter of respondents selected customer claims management as an area they are currently prioritising.

Imran Ahmed, EMEA claims advisory leader at Ernst & Young, commented: “Insurers have failed to plan for 21st Century consumers who want to manage their claims online and track progress of their claims using their phones. As an industry that is facing increasing competition from non-financial-services providers, who have already put strong multi-channel customer-service systems in place, it is important that insurers seek to understand why they have not been able to align the changes to their claims-management processes with the expectations of the smart phone generation. While insurers are undoubtedly faced with budget constraints, continuing to fail to address their outdated systems will cost them much more in the long term.”

Improved online or mobile interactions with customers are not the only elements that need to be improved if customers are to be able to track their claims online.

“There are many elements that insurers will need to address simultaneously to improve their claims management process, but these all have overarching business benefits as well as the improvement of customer service,” said Imran. For customers to be able to track their claims online there will need to be a high level of sophistication in connectivity with third-party suppliers, which demands vastly improved internal systems. The business benefits of these improved systems are beginning to be recognised – one quarter of respondents think that inefficiencies in dealing with external suppliers contribute to rising settlement costs and so improving interactions with third-party suppliers would both improve customer service and reduce costs. The survey also showed that insurers are moving away from creating their own bespoke claims management systems and are now buying off-the-shelf packages to tailor.

Improved data management was ranked as the overall factor that would most increase the efficiency and profitability of an claims-processing functions. In fact those firms that have recently invested in claims management solutions rank the need for improved data management more highly than those who have not yet started to work in this area.

“Their are significant legacy issues in the insurance industry, which need to be cleared up,” concluded Imran. “Many insurance companies have focused on growth instead of quality of business in the last few years. As organic growth is difficult to achieve in saturated markets, acquisitions of companies, portfolios and distribution vehicles was the only viable option. As a result, data quality and data management have become critical issues for claims management, which has a direct effect on the efficiency of claims management that customers experience. As insurers start to address the inconsistencies in their internal operations and systems, they should also take the opportunity to develop solutions that meet the expectations of the 21st Century consumer.”

Exposure to catastrophes continues

According to a new report by Fitch Ratings, some reinsurers are more exposed to further major catastrophe losses during 2012.

While the overall level of capitalisation for Fitch’s monitored universe of reinsurers grew by 2.4 per cent at year-end 2011, 15 of the 24 reinsurers reported lower shareholders’ equity, having been financially weakened by a near record level of insured catastrophe losses that occurred in 2011. The rating outlook for the global reinsurance sector remains stable, due to the industry’s capital strength and projected underwriting and operating trends, which Fitch expects to support reinsurers’ current ratings over the next 12 to 24 months. Despite the observed reduction in some reinsurers’ capitalisation, the sector has generally been resilient to 2011 catastrophe losses.

The agency has revised its trigger for a negative sector rating outlook, lowering the value of the size of single-loss events to in excess of US$50 billion from US$15 billion, resulting in a material loss of capital that the sector was then unable to replenish. One or two years of material underwriting losses or a severe deterioration in financial markets, preventing reinsurers from replenishing balance sheets in case of catastrophe losses, would also result in a negative outlook.

Postively, Fitch anticipates a marked rise in reinsurers’ 2012 earnings, driven by a lower catastrophe burden and improving pricing conditions. “Net written premium (NWP) growth expected in 2012 reflects pricing movements and increased purchase of certain reinsurance protection by cedents, due to recent catastrophe model revisions and in the wake of 2011 catastrophe losses,” said Brian Schneider, senior director in Fitch’s insurance team. “Growth will be marginally offset by a reduced level of reinstatement protection reflecting an additional reduction in catastrophe activity during 2012.”

“Fitch continues to view the direction of pricing over the next 12 to 18 months as the key determinant of earnings performance through the rating period,” said Martyn Street, director in Fitch’s insurance team. “While pricing fundamentals are generally better, the high single-digit rate increases anticipated by many insurers across their portfolios did not materialise. As organic growth is difficult to achieve in saturated markets, acquisitions of companies, portfolios and distribution vehicles was the only viable option. As a result, data quality and data management have become critical issues for claims management, which has a direct effect on the efficiency of claims management that customers experience. As insurers start to address the inconsistencies in their internal operations and systems, they should also take the opportunity to develop solutions that meet the expectations of the 21st Century consumer.”

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Focus on imported malaria cases

The Health Protection Agency (HPA) has published figures on cases of malaria reported in the UK during 2011, which were compiled by the HPA Malaria Reference Laboratory. There were 1,677 cases of malaria reported in 2011 compared with 1,761 cases in 2010 and 1,495 cases in 2009. Sixty-nine per cent of the cases were caused by the most serious type of malaria, Plasmodium falciparum; the proportion of falciparum malaria has been sustained over many years. Twenty-five per cent of cases were caused by P. vivax, an increase compared to recent years and mostly due to an increased number of cases acquired in Pakistan. Eight deaths from malaria were reported, six from falciparum malaria acquired in Africa and two from vivax malaria acquired in India.

Where the region of travel was specified, 56 per cent (911/1,448) of cases originated from West Africa. Among travellers who were normally resident in the UK, 80 per cent (610/765) were travelling for the purpose of visiting friends and relatives. Both of these findings are similar to previous years. Lastly, 84 per cent (811/1,448) of cases originated from West Africa.

On World Malaria Day in April, International SOS launched an integrated malaria programme that addresses each aspect of malaria prevention, control, diagnosis and treatment. This initiative will assist businesses in understanding the risk of malaria, putting in place appropriate plans and programmes to prevent malaria and fulfill full duty of care requirements to protect their employees. In the last 12 months, International SOS has conducted 45 international evacuations for travellers or expatriates with life-threatening malaria and has facilitated the treatment of many more. Each year, around 30,000 travellers contract the disease, posing a significant health risk to both employees and organisations.

Dr Doug Quarry, medical director at International SOS, explained: “Malaria is entirely preventable and it worries me that employers still contract the disease. In West Africa, some mining operations have reported to over 25 per cent of the workforce contracting malaria in a given month. Through a targeted, integrated malaria control programme, businesses can protect employees, the community and their reputations against the risk of malaria.”

The evidence-based solution from International SOS provides a full suite of services helping businesses to prevent their employees from contracting the disease as well as effectively and appropriately manage the diagnosis and treatment of those who do become infected.

It is crucial that companies fulfill their duty of care requirements by identifying areas where employees may be at risk and by implementing tailored malaria control programmes. International SOS works with clients to help assess malaria risk and create tailor-made vector control and medical management programmes to reduce malaria transmission in specific at-risk areas. International SOS’ programmes allow businesses to reduce the impact of malaria on employee health, workforce productivity, business continuity, company reputation, and healthcare costs.

Dr Quarry continued: “Malaria control programmes from International SOS are some of the most advanced available, leveraging our vast network of multidisciplinary professionals and the resources of our global infrastructure. Teams of medical and public health specialists – several of whom are leading international experts in their field – have wide consulting, commercial and academic experience to help tailor programmes for diverse areas around the world. Through our programmes, our clients have been able to demonstrate a significant reduction in cases and associated costs due to malaria.”

Cases of Lassa fever in Nigeria increase

There has been a marked increase in cases of Lassa fever in Nigeria, according to the Nigerian Federal Ministry of Health. Since the beginning of the year, cases have been reported in 19 of the country’s 36 states, and as of 13 April there were 818 suspected cases – although only 131 had been confirmed by laboratory tests – including 84 fatalities. There have also been seven reported deaths among health workers.

Lassa fever is a virus spread by rats. It can be transferred through direct contact with rat faeces or urine or indirectly through food or materials that have been contaminated by rat faeces or urine, or from person to person through exposure to infected blood, tissue or bodily fluids. Symptoms include chest, back and abdominal pain, fever, sore throat, diarrhoea, vomiting and breathing difficulties. Pregnant women are particularly vulnerable, and can suffer miscarriage or even death. Lassa fever occurs primarily in West Africa, where estimates put the number of infections per year between 100,000 and 300,000. Around 5,000 of these cases will result in death. These are only approximate numbers, however, as not all cases are reported. Travellers are advised to avoid contact with rats, to store food in rat-proof containers, to keep living areas clean and to trap and dispose of any rats that may be in the area.

Scientists make malaria breakthrough

Experts from the University of Edinburgh, Scotland, working in partnership with scientists from the Gambia, Kenya, Cameroon and Mali, have made a major breakthrough in the battle against malaria. The research, published in the leading scientific journal, has identified protein molecules that occur in different forms of malaria, including some of its more severe offshoots. The molecule binds red blood cells into clumps called rosettes, which can block the flow of blood and cause brain damage.

The research has also uncovered strains of antibodies that can target these proteins and help to combat the disease.

Attempts to curb measles deaths falter

Measles continues to pose a significant global health risk, despite efforts to counter its spread. International travel has been named as a major factor in the continuing spread of the disease, and British travellers who have not had the measles, mumps and rubella (MMR) vaccine are being strongly advised to contact their doctor, or to attend a pre-travel health consultation.

In 2011, a total of 35,748 cases of the disease were recorded in the World Health Organization (WHO) European region, and an analysis published in the Lancet has shown that global efforts to cut the number of measles-related fatalities have fallen short of WHO targets. According to the analysis, the WHO had hoped that deaths would fall by 90 per cent between 2000 and 2010, but the real figure is closer to 74 per cent. The Measles and Rubella Initiative, a group of international institutions that includes the WHO, said that the decline in deaths was looking strong in 2007, but that measures ‘tapered’ in 2008 and 2009, leading to outbreaks in Asia, Africa and Europe. The majority of recent cases have been in the UK, and this outbreak is expected to continue throughout the year. Football fans planning to travel to Eastern Europe for the UEFA European Football Championship in June are being strongly advised to contact their doctor, or to attend a pre-travel health consultation. The research has also uncovered strains of antibodies that can target these proteins and help to combat the disease.
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AXA PPP changes

Private medical insurer AXA PPP International has recently made a few changes to its policies, including the announcement that it now accepts new medical history disregarded (MHD) policies for businesses with five or more employees. Previously, a company had to employ at least 10 people in order to qualify for the MHD benefit.

In a separate development, the company announced that it is offering special switch terms for individuals who have health plans underwritten by other insurers who choose to switch to AXA’s International Health or Channel Islands Plans. The special terms state that new members can continue with the underwriting terms they had with their previous insurance company as long as they sign a declaration to confirm they have not had treatment in a hospital or consulted a specialist about anything in the past 12 months, do not have any treatments pending and have not had cancer in the last five years.

Meanwhile, AXA PPP International has also recently released an updated version of its iPhone app, which now enables members to contact customer services and even start a health insurance claim. With improvements made to the design, new rebranding, which includes a new logo and other design elements that the company says reflects its ‘many countries’ are not repaying the money spent on their citizens.

Since the conservative Partido Popular (PP) took over the national government in the general elections held at the end of 2011, market analysts say the trend towards private-public partnership in the health sector is set to keep growing. The system is already well established in two autonomous regions run by the PP: Valencia and Madrid.

Now, one of the country’s leading holiday destinations, the Balearic Islands, is among those looking at handing over the management of facilities. Cost-cutting measures in the islands’ health sector have already begun with reductions in overtime hours worked by doctors, and cuts in management staff.

New site for Cigna

US-based medical insurance provider Cigna has redesigned its Cigna Global Health Options website, which sells and services insurance to expats and other globally mobile individuals. The revamped site features the company’s recent global rebranding, which includes a new logo and other design elements that the company says reflects its customer and corporate missions. Direct from the home page and throughout the decision-making and ultimately purchase process, customers can now access quick pricing information and easily view ‘at-a-glance’ product details.

Phil Austin, head of Cigna Global Health Options, said: “The refreshed site has a contemporary new look and feel, which we believe will appeal to a global audience. This transformation is about continuing to evolve and strengthen every element of our proposition, opening up and extending dialogue with our customers and responding to what they’re looking for, and how we can facilitate their healthcare needs.”

Hospital developments in Spain

With the national government of Spain approving a €7-billion cut in health spending in April, the country’s 17 autonomous regions are increasingly looking at privatising all or part of their own individual health systems to help meet the shortfall. David Ling reports

Nowhere is this privatisation more noticeable than in the country’s beach holiday areas, in some of which tourists can easily outnumber the local population at peak holiday times. With Spain now at the front of the ‘firing line’ of countries seeking support from the Eurozone, the new conservative national government has warned it is particularly looking at closer controls on what it calls ‘health tourism’ and overspending on drugs and medicines.

Outlining the new measures, Health Minister Ana Mato said that treatment to around 700,000 foreigners currently amounted to a cost of some €917 million a year.

One of the first moves will be a change in the law to prevent members of the families of foreign residents in Spain coming to the country ‘exclusively to receive health treatment’. There would also be revisions to some international agreements as ‘many countries’ are not repaying the money spent on their citizens.

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Now, one of the country’s leading holiday destinations, the Balearic Islands, is among those looking at handing over the management of hospitals. It is expected to start with a trial run at a small hospital in the regional capital, Palma, before the system is extended to take in other facilities. Cost-cutting measures in the islands’ health sector have already begun with reductions in overtime hours worked by doctors, and cuts in management staff.

DHA goes online

Policyholders of health insurance in the Emirate of Dubai are now able to access an electronic web portal for submitting their health insurance claims to the Dubai Health Authority (DHA). While only in its initial stages at the moment, the DHA database covers claims made under the Dubai government’s health insurance programme, Enaya, but it will likely soon be extended to cover policyholders who are enrolled with other insurance providers. According to reports, it is the aim of the DHA to have every claim made in Dubai captured and backed up electronically in order to keep levels of fraud and abuse as low as possible.

The move to online claims is a departure from current practices, whereby claims on health insurance policies are filed manually, with local healthcare providers and clinics sending paper claim forms to medical insurers.

DHA director general Qadi Saeed Al-Muwaishahi, said: “[The new system] has several advantages; it gives us an edge to run a successful health insurance system, it ensures minimum fraud and abuse by providers and also gives us the ability to plan clinical capability for Dubai based on actual customer behaviours and patterns.”

Dr. Haidar Al Bouf, director of health funding for the DHA, said that the shift to online claims was part of a wider industry trend of overhauling the healthcare system that could provide vital to the future development of the private sector too. He added: “The system will minimise abuse, provide instant data that will be used by the DHA for several strategic long-term healthcare planning initiatives ... and we will provide assistance to all healthcare facilities that need any guidance to use the system.”

The electronic claims system, it is hoped, will act as a precursor to the introduction of Dubai’s national health insurance scheme, whereby every employee in the emirate has to hold health insurance through their employer. The scheme is being introduced with emphasis on expatriate workers, many of whom work in the UAE without cover.

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Top 10 claims revealed

Jelf Employee Benefits in the UK has revealed which of its international healthcare claims have the highest values, based on the claims experience of its top clients. Included in the top 10 conditions that are most claimed for by value are: complications of pregnancy and childbirth; diseases of the circulatory system; diseases of the digestive system; diseases of the respiratory system; diseases of the musculoskeletal system and tissues; and diseases of the nervous system. More data from the company shows the average surgery costs when an uninsured person goes for treatment in different places of the world, with highlights showing that a kidney transplant in the US could cost as much as £101,351.

In other news, there has been a marked increase in on-the-spot fines in Holland for individuals that don’t have the right international private medical insurance in place. Jelf Employee Benefits warns, “Anyone living or working in Holland must have local private health cover from a provider that is fully recognised by the Dutch health authorities; if the cover is unlicensed or unregulated, the individual is liable for a fine. Individuals can be fined twice a year, at £350 a time, if their health cover does not meet the right criteria.”

Jelf Employee Benefits, said of the issue: “Expats at £350 a time, if their health cover does not meet the right criteria.

Expat life cover examined

A recent customer survey from UK-based medical insurer William Russell has revealed that the majority of expatriates are taking the risk of not having any life or income protection insurance in place. Whilst it is generally accepted that taking out suitable international private medical cover represents a prudent investment for expatriates, it would seem that, on the whole, purchasing protection products is not considered as important.

The William Russell survey was completed by over 650 expatriate policyholders from all parts of the world. When health insurance customers were asked whether they had any life or income protection insurance in place – with any insurer – 61.4 per cent saying they were unsure. So only 32.9 per cent of respondents indicated that they didn’t, with a further 5.7 per cent saying they were unsure. Only 60 per cent of respondents indicating that they have an account. LinkedIn followed behind with 47.3 per cent. Surprisingly, Google+ emerged as predictably, Facebook proved to be the most popular social networking service, with just under two in three customers would encourage the development of a William Russell mobile application. The survey also provided an interesting insight into the social networking habits of expatriates. Perhaps surprisingly, Facebook proved to be the most popular social networking service, with just under two in three customers would encourage the development of a William Russell mobile application.

Of the findings, James Cooper, sales director at William Russell, said: “Although we are pleased to see that a high number of expatriates are making provision against the risk of needing expensive medical treatment while they’re abroad, it is worrying to see how many expatriates are not making financial provision in the event of their untimely death, or an illness or accident that would prevent them from working. International life insurance protection is available to expatriates and can prove invaluable to families struggling to cope with bereavement. Also, with advances in medicine meaning that more people are living for longer with a serious illness or injury, the need for income protection insurance is now just as significant as the need for life insurance cover.”

Other noteworthy findings of the customer survey include the fact that, despite the popularity of online technology, one in four policyholders still prefer to access and view their insurance documents in hard copy format. Additionally, the ever-growing popularity of smartphones was reflected in the fact that almost two in three customers would encourage the development of a William Russell mobile application. The survey also provided an interesting insight into the social networking habits of expatriates. Perhaps predictably, Facebook proved to be the most popular social networking service, with just under two in three customers would encourage the development of a William Russell mobile application.

Clements network expansion

Clements Worldwide, a global provider of international insurance solutions, is continuing to expand medical provider access and introducing best-in-class services to its GlobalCare health programme. Effective immediately, all existing and new GlobalCare customers will benefit from new international health programme enhancements with no incremental premium.

Among the new benefits recently added to GlobalCare, the programme is now part of the Aetna AGB PPO Network, which offers direct access to one of the largest health provider networks in the world. This major new addition means that GlobalCare customers are now free to choose from more than 700,000 healthcare providers in the US alone. Additionally, the company now features streamlined payment administration, which enables contracted providers to bill patients directly. As a result, Clements’ clients can enjoy the benefit of reduced initial expenses.

“With international mobility on the rise, the need for affordable principal or complementary health coverage has become a critical issue,” commented David Brumbach, director of personal insurance at Clements Worldwide.

Expat life cover examined

...this ad is for the other 20%
On 1 and 2 May, delegates from around the globe gathered at London Oxford Airport for the Waypoint AirMed & Rescue 2012 conference, exhibition and airshow. The educational agenda was presented by industry experts from across Europe, North America and Australia, with a range of hands-on workshops taking place both in a classroom setting and also utilising the aircraft in the display area. Delegates had the opportunity to examine an international mix of HEMS and SAR helicopters, alongside a range of fixed-wing air ambulance aircraft. Highlights included a SAR demonstration performed by the Belgian Air Force, and the Waypoint AirMed & Rescue Challenge, a medical simulation competition that took place over giving a high event.

 requirements for neonatal and paediatric transportation

The transport of paediatric and neonatal patients should be clinically led, began Dr Bennett. Factors that influence the choice of aircraft include access to the patient, safe storage of equipment, the capacity to carry family members, and cost. Loading can be facilitated by use of a cargo door. Transport for these patients should be well planned to minimise transit times, with ground ambulances being co-ordinated to complete transfers to and from the aircraft without delay. The medical team should have an intimate knowledge of this patient group, and must be able to prevent or mitigate untoward events, as by the time vital signs change it's often too late. 

One point that still needs to be improved, said Dr Berry, is patient harnessing. Some services would also benefit from developing their loading systems to move the heavy incubator sledgs into their aircraft without requiring the use of a crane. Illustrating the challenges of these missions, Ihman presented a case report of a premature baby flown by European Air Ambulance (EAA) in December 2011. A mother and her child, weighing just 600g, were transferred to a neonatal intensive care unit in Italy. The baby received high frequency ventilation and inhalat nitric oxide for six weeks, followed by five weeks of synchronized intermittent positive pressure ventilation (SIPPV). Inotropic support was maintained for six weeks, and a patent ductus arteriosus was surgically closed after the failure of pharmacological treatment. The patient also suffered bilateral cerebral bleeding, pneumonia, sepsis and a fungal infection. On 15 December, the EAA team found the baby was being ventilated via a nasal tube with 55-per-cent oxygen as SIPPV had obstructive rules over both lungs, subcostal and sternal retractions, no heart murmur, a soft and extended abdomen, large fontanella, and weighed 1.190 g. The team had to consider whether intermittent mandatory ventilation would fulfil the patient's requirements during transport, whether the degree of pulmonary hypertension would worsen, whether pain and stress could be controlled, and whether all tubes were secure and could accommodate the child's movement during transport. During the flight onboard a Learjet 45, the baby exhibited stable blood gas and vital signs readings. The flight was followed by a detailed handover to the receiving team.

Spinal care in the air – a challenge to be met

There is never a perfect time to move a spinal injury patient, said Jarratt, and the benefits must always be weighed against the risks by considering, for example, what resources are available where the patient is now and at the intended destination, and how far they will have to be moved. If the patient is in a centre providing a good level of care, he advises that they should not be moved (on medical grounds, at least) until after six months or more. Cervical spinal injuries are associated with a high risk of respiratory failure due to a lack of innervated muscles or exhaustion of remaining innervated muscles. There is also an inbuilt tendency to clear secretions. Respiratory crisis is typical within three to seven days – both a high risk and difficult to predict. Vital capacity and respiratory rates are generally better predictors than arterial blood gases during transport, not least as these patients tend to be young, fit and able to maintain good gas levels right up to the point of failure. Jarratt advised that there is no need to wait for patients to be extubated before transport, and also to consider non-invasive ventilation. All these patients suffer from some degree of paralytic ileus (intestinal obstruction), with symptoms including abdominal distension, diaphram splitting, and reduced or absent bowel sounds. Jarratt suggested the use of nasogastral feeding during transfer as patients can fall in and out of paralytic ileus. Patients are also at risk of heat loss due to passive vasodilatation of the vascular system. They are unable to control their body temperature, having no vasodilatation/constriction or shiver responses, putting them at equal risk of hyperthermia or hypothermia. Jarratt went on to give his views on how best to immobilise patients with spinal injuries. Collars are, he suggested, overrated, but are useful during transfer – beware pressure sores, however, which represent a huge risk for these patients due to poor peripheral vascular resistance. Spinal boards are not his preferred option, as trials have shown they do not control lateral movement well and can induce pressure sores. Standard ambulance trolleys, though, do give good lateral support. Vacuum mattresses are good for thoracic/lumbar injuries, but are less beneficial for cervical injuries as the width of the patient's shoulders tend to prevent the mattress from fitting tightly around the head and neck.

Workshop: Oxygen delivery in flight

Dr Terry Martin led a lively, interactive workshop on the use of oxygen during aeromedical transportations, which covered topics such as how much oxygen to give and when, how altitude affects oxygen delivery, and next-generation ventilators. Traditionally, oxygen cylinders were fairly heavy, but new, lightweight cylinders can be easily lifted with one finger, and they are more highly pressurised, giving a greater oxygen output. Furthermore, these new cylinders are made of Kevlar (aramid), so despite being lightweight, they’re much stronger than the traditional steel cylinders. They are also easy portable, so are often used by flight crew. Other advantages of the new BOC cylinders is that the contents gauge is permanently live, it has a well-guarded valve, and no Bodok seal; it’s only disadvantage, said Dr Martin, is its price tag. Still on the subject of oxygen cylinders, it was noted that larger bottles are used on commercial airlines to supply the ring main system and drop-down masks. Additionally, some cylinders provide pulsed oxygen delivery – through nasal cannulae and now also in mask form – giving a high-flow pulse of oxygen during early inspiration only, thus avoidning phases of respiration when oxygen is not utilised. One piece of in-flight medical equipment that is leading the way in oxygen delivery, however, is the next generation of ventilators; and Dr Martin invited William Cargill of Hamilton Medical to demonstrate the new T1 system, which aims to provide hospital bedside ICU ventilation capabilities in mobile form. Dr Martin ended with some ‘essential cylinder knowledge’; the amount of gas in a cylinder is proportional to its pressure; gas contents are only estimated by the pressure gauge; cylinders for each gas have a distinctive colour (a white shoulder for oxygen), but these vary between countries, despite attempts to standardise colour codes, so the cylinder label should always be checked.
The challenge:
The 2012 Waypoint AirMed & Rescue Crew Challenge saw teams in three categories compete to become this year’s winners. The crews were divided into SAR, HEMS and fixed-wing categories, and the competition was fierce. The highly experienced two-strong teams worked on a METI patient simulator, all the while receiving updates on their ‘patient’s’ condition and being marked on their responses by the judges. Each team was given a slightly different scenario – from a high-impact car collision with a tree, to a fall whilst climbing Mount Kilimanjaro – and in each case the team was given the baseline physiology of the patient before beginning to work on the simulator. The commentators gave real-time feedback on the condition of the patient, informing the crew when their attempts at certain procedures had failed and pushing each team to the limit of their capabilities. It was exciting to watch, and the crews seemed to enjoy themselves as much as those watching.

The winners in each category were: SAR – Belgian Air Force; Fixed-wing – CEGA Air Ambulance; HEMS (and the overall winner) – Hampshire & Isle of White Air Ambulance, who received a prize cheque for £1,000.
The agenda will include the following topics:

**Day 1**
- Explanation of the Chinese healthcare system
- Local service delivery and pricing for the international market – using TPAs to reconcile costs and pricing in Asia

**Day 2**
- Migrant workers: insurance and security for Asian expats in third world countries – what are the risks and medical infrastructure available?
- Growth and infrastructure of the emergency assistance industry in the Asia Pacific
- Market comparison – sales and distribution of travel insurance and the growth of bancassurance
- New mobile and digital developments
- Country focus - Korea

**Day 3**
- Growth of fraudulent private medical insurance and travel insurance claims in Asia
- Corporate social responsibility in Asia
- Travel risk management and duty of care – a case study in responding to corporate disasters
- Air ambulances in China and obstacles to licensing and operations
- Air ambulance focus: Touring Club Switzerland

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Zambia visitor numbers increase

An estimated 906,417 tourists visited Zambia in 2011, compared to the 815,000 who visited in 2010, according to figures from the Zambia Tourism Board (ZTB). ZTB aims through a high-budget, K9.8-billion marketing plan, to attain one million arrivals by the end of this year. K3.7 billion of the budget will be concentrated on the promotion of domestic tourism, while K4.9 billion will be spent on international marketing.

Last year, ZTB rebranded itself using the slogan ‘Let’s Explore’, hoping to encourage more visitors to the country, and is confident that this rebranding effort contributed to the rise in visitor numbers. Its objectives for 2012 are to increase the average duration of tourists’ stay from three to seven days, and for the tourism sector’s contribution to overall gross domestic product to reach 10 per cent from its current standing of seven per cent.

Summer holiday spending to top £36 billion

New research has shown that 23.6 billion Britons are expected to head to overseas destinations for their summer holiday this year. The figures, from British Airways American Express Credit Cards, estimates that UK holidaymakers will spend over £36 billion on trips to warmer territories, with an average per-person spend of £923. “Last year saw many people exercising frugality in the face of difficult economic conditions,” said Julie Hay, head of the company, “but it is promising to see that this trend is continuing, with many people considering overseas travel.”

Australian tourist numbers slump

Australia’s Bureau of Statistics has recorded a slump in foreign tourism, with foreign visitors’ spending at its lowest in over four years. The figures are largely attributed to the high Australian dollar, which seems to be both keeping tourists away and causing Australians to holiday elsewhere. Foreign visitors to the country now spend around $100 million less on tourism services than they did in 2011, while Australians are estimated to have spent $2.82 billion on overseas tourism services in February 2012 alone – the highest total on record.

Felicia Mariani, managing director of the Australian Tourist Export Council, also cited long-haul flight tax as a significant challenge, as Britain has recently raised this tax and Europe is expected to follow suit. “It’s an expensive destination,” said Mariani, “and now there is a tax being applied to long-haul travel departing from the UK. We have to be concerned that other European countries may well pick that up.” She also expressed concerns about rising hotel costs due to the generally higher wages enjoyed by Australians. There is cause for cautious optimism, however, as visitor numbers from China have surged, and locations such as Cairns and Melbourne have reported decent growth in Asian and domestic leisure bookings.

Rise in visitors to Cambodia

Cambodia has reported a 28-per-cent increase in international visitor numbers in the first quarter of 2012, compared with the same period in 2011. Official statistics show the country welcomed 995,000 foreign visitors during the three-month period, compared with 778,467 in the first quarter of last year. Eighteen per cent of the figure was accounted for by Vietnamese travellers, a number that Ministry of Tourism director Tith Chantha attributed to the two nations’ close proximity. “In recent times, we see the Vietnamese at the top of the market because this nation is close to us and they can access Cambodia [easily].” In the future, we hope that Chinese tourists will hold the record.” Cambodia recently signed a US$5.5-billion per year bilateral trade agreement with China, and Cambodian tourism officials are hoping the deal will spur an increase in Chinese tourist numbers to one million by 2020.

Surge in Kiwi holidays

Travel specialist Flight Centre New Zealand has reported a surge in overseas holiday bookings by New Zealanders. Mexico is currently the highest-rated destination for Kiwis, with a year-on-year increase of 10 per cent, while the US (second-highest) has shown an increase of 15 per cent since 2011. Africa has also become a very popular destination, with a year-on-year increase of 18 per cent.

“Kiwis have always been keen travellers,” said Mike Friend, executive general manager of Flight Centre New Zealand, “but we are seeing a trend in travelling further afield as people are taking advantage of the strength of the Kiwi dollar and using the opportunity to explore new holiday destinations.”

Tourism to bring $44 billion to Gulf

According to figures from the World Travel & Tourism Council, the combined contribution of travel and tourism to the gross domestic product of Gulf Cooperation Council (GCC) countries is expected to rise to US$44 billion this year, an increase of 27 per cent from 2009. With oil prices remaining consistently high, the United Arab Emirates, Saudi Arabia and Qatar are enjoying a period of prolonged financial stability, enabling them to invest billions of dollars in hotels and transport programmes to boost tourism. Saudi Arabia, for example, is spending more than $500 million on airport expansion, including plans to build a brand-new airport in Jeddah. Businesses are also eyeing the GCC countries as a potentially lucrative proposition. “The economic conditions in the GCC are excellent and hotel revenues are continuing to grow steadily,” said Amine Moukarzel, president of Golden Tulip Hotels, Suites & Resorts MENA, “so we see the region as a key hotel investment destination.”

At the recent W TTC Global Summit in Tokyo, David Scowcroft, president and chief executive of the organisation, summarised the importance of the travel and tourism industry to the world, saying: “We are responsible for 255 million jobs, six trillion dollars, which is nine per cent of global GDP – this makes us bigger than mining and bigger than manufacturing.”

UK travel consumers technology savvy

Figures from Deloitte LLP (Deloitte), the UK member firm of Deloitte Touche Tohmatsu Limited, show that 86 per cent of overseas and 91 per cent of domestic travel transactions by UK consumers are now ‘digitally influenced’ in one way or another. These influences include online sales or multichannel transactions whereby consumers use various touch points – such as stores, social media outlets, online services and tablet or smartphone apps – to communicate with travel agents, airlines or hotels.

“The digital age has made a dramatic mark on travel purchases,” said Graham Pickett, head of travel, hospitality and leisure at Deloitte, speaking at the Association of British Travel Agents (ABTA) Travel Matters Conference in London. “Consumers have embraced digital media and are increasingly confident about interacting and making purchases online. Furthermore, the current economic uncertainty is accelerating the rate at which consumers are adopting digital behaviours as they reallocate their spending and turn to digital solutions to seek out savings and value.” Deloitte’s figures showed a 60-per-cent year-on-year increase in last-minute hotel bookings in 2011.”

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This sporting life ... and death

Sport can keep you fit, but when it’s the cause of injury or worse, the cover an athlete has – or hasn’t – in the kit bag is crucial. David Kernek asks whether professional sports associations take enough responsibility to make sure their members have adequate travel medical cover when training and competing abroad.

It could be said of sport – and probably has been by brokers and underwriters – that it’s not the taking part that counts, but the staying in one piece … or the staying alive. Be it skiing or snowboarding, American football or skis in Switzerland, it’s an activity that in many cases demands peak fitness, yet brings with it unavoidable risks of life-changing injuries.

Evaluation of risk
That sport – especially contests involving contact or speed – entails rather more risk than playing chess, reading a novel or watching rubbish on television comes as no surprise to risk assessors, who grade all sports into the hazard groups that determine policy premiums. Their assessments are based on both common sense (men or women trying to knock each other out with big-leather gloves and people climbing sheer rock faces are clearly taking chances of one kind or another with their health) and the hard statistics of injuries and medical care costs. As the London Hand and Wrist Unit – anyone for ‘Tennis Elbow or Skier’s Thumb’? – warns: “Whether you play for fun or are a professional sportsperson … accidents happen!”

What is surprising is that athletes and players who study their disciplines and adhere to fitness regimes with such care should be so cavalier about their insurance cover. Perhaps it’s the downside of the fundamental optimism needed for competitive sport – the “it ain’t never going to happen to me” mentality.

While many of the millions of sports-related injuries recorded around the world (the estimate for the US alone is put at two to three million each year for adults and children) are minor and only briefly inconvenient, there is always the risk that some will be either physically – and financially – ruinous or fatal. And in both circumstances, having the right cover can be either physically – and financially – ruinous or fatal.

As an Olympic competitor, she had medical cover worth $5 million, provided by the Canadian Freestyle Ski Association, but that was only for association-sanctioned competitions, not the privately sponsored event of the kind for which Burke was training.

Mark McGovern was a rising Gaelic football star who sustained a severe brain injury during a match in San Francisco in June last year. After major surgery and months of physio, speech and occupational therapy in an acute rehabilitation unit in California, he is on the road to a full recovery. But the costs of that treatment and rehabilitation – estimated to be considerably in excess of $1 million – are being met by Gaelic football fans in Ireland and around the world because the only cover he was carrying was a standard travel insurance policy that excluded contact sports.

After the injury, the Gaelic Athletic Association (GAA) said that in future it would have to take responsibility for covering members playing abroad, but at the time of writing it has not confirmed that action has been taken to provide appropriate insurance. The GAA – which also oversees hurling, handball and rounders – has had a self-funded injury payments scheme since 1929. Its purpose, however, is to merely supplement players’ personal accident policies, not to provide full compensation for injuries. “When members voluntarily take part in club activities,” says the GAA, “they accept the risks that such participation may bring … ultimately, the responsibility to ensure adequate cover is in place lies with the individual member, commensurate with his/her needs.”

Many put their trust in prayer when a heart attack brought down Bolton’s African footballer Fabrice Muamba during a match against Tottenham in London in March. Others turned their attention to the megahit health and insurance provisions made for sportsmen in countries such as the Democratic Republic of Congo and neighbouring Uganda. Only two clubs in Uganda’s top soccer league – and two Rugby Union clubs – have medical insurance arrangements with local hospitals. “As players, we are at the mercy of God, but we are also calling on clubs to put up money for a qualified doctor,” said the chairman of the Ugandan Footballers’ Association, Daniel Wakazimbi. Meanwhile, Uganda’s veteran cricketer Samuel Wakazimbi – now an official of the country’s National Council of Sports – revealed that in 30 years of playing in Uganda and internationally, he had never had a medical check-up.

It has been difficult in past years ... for some sports associations to purchase the correct cover

Professional cover
Britain’s best-in-class athletes have no need to worry about medical and travel insurance when they are selected for home country – England, Scotland, Wales and Northern Ireland – and UK teams. Sportswomen and women who are members of clubs or sports organisations affiliated to UK Athletics – Britain’s governing body for athletics – get automatic comprehensive travel cover (from Carkins) when they are training and competing at international events in Britain and overseas, plus public liability cover (from ACE Europe) up to £50 million. The travel package includes:

- Unlimited medical costs
- Kidnap, ransom and extortion – £250,000
- Personal security specialist costs – £10,000
- Cancellation/tourismal/re-arrangement/ replacement – £250,000
- Baggage, including sports kit – £10,000
- Loss of passports, visas, driving licences and travel tickets – £2,000
- Electronic and other business equipment – £3,500
- Cash – £5,000
- Payment card mis-use – £5,000
- Travel delays after four hours – £2,000 maximum per journey
- GlobeCover Assistance
- Personal liability at any one event – £5,000,000
- UK Sport – the quango whose role, in its own corporate argon, is to ‘underpin and unlock the nation’s Olympic and Paralympic performance potential’ – looks after more than 1,200 elite competitors in all 26 Olympic sports, not just track and field athletics, and has a partnership to provide medical expertise with Bupa.

Foreign athletes competing at events organised by the International Association of Athletics Federations (IAAF) get travel cover provided by default by the IAAF unless national bodies, such as the UK’s, indicate that it is not needed because they have their own. “The IAAF must be aware that a lot of sports associations and countries overseas don’t provide insurance cover, so they do it for them,” says John Temperton at UK Athletics.

At Sportscover, a UK-based award-winning specialist in sports and leisure insurance, syndicate underwriter and company director Murray Anderson confirms that participants representing their country at an international event are likely to be covered by a policy arranged by their sport’s national governing body.

“But,” he adds, “it’s unlikely that those policies would extend to a local county or club sending someone, for example, to Europe to participate in a competition that is not an internationally sanctioned event.”

All of which leaves local clubs, county and regional

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sports associations – and individual athletes – to make their own insurance arrangements. It has been difficult in past years, says Anderson, for some sports associations to purchase the correct cover. Some general insurers will specifically exclude claims arising from sports injuries. “Sports participation brings its own risks; it goes without saying that an athlete is more likely to get injured than your general traveller. It is not so much an issue in the UK as far as events in Europe are concerned: it’s not too hard to get an athlete back from Europe. But the cost of getting someone back from Australia after an injury is of course substantially greater. European Health Insurance Cards also limit the costs but, again, it’s a bit more difficult on the other side of the world!”

He says group policies sold to associations and governing bodies will have details supplied and clarified by loss adjusters, but brokers. “Individuals who are being left to their own devices and buying their own cover, then ‘Key Fact’ documents have to be very clear in detailing the cover. If an association or governing body arranges a basic cover, why not have the ability for individuals to purchase when and if travelling at other times for the purpose of their chosen sport? Having the ability to up-sell to current members is a tool that should be considered, but ultimately, if an individual decides to do their own thing, then the onus is on them.”

Brokers firm Marsh Limited has a full-time sports and events insurance unit with clients in all sports sectors including international federations, national governing bodies and professional sports teams. It arranged £20 million of liability insurance against third-party claims for British Eventing, and personal accident cover for members when they’re riding in non-UK teams and at events not sponsored by the sport’s governing body.

in California … draft legislation that would implement a Student-Athlete Bill of Rights is winning support in the state senate

“Sports teams,” says Marsh’s Nick Faux, “tend to mitigate against key-man risk through insurance. A career-ending injury for a Premier League footballer will mean his club not only loses a top player, an unquestionable loss, but also to write-down the traded value of the player, which could run into the tens of millions.”

Many smaller clubs arrange insurance only for their most valued players, as team policies can be expensive. “Football clubs look to cover their key players such as the strikers, the people they rely on week-in, week-out for their results.”

Faux says teams and associations might have limited budgets, or be unaware of the importance of having cover. Some associations advise teams that they must carry travel/medical coverage, and then leave it up to individual teams to arrange. “We ensure the coverage we offer is sufficient for the client’s needs, with the level of cover depending on key factors including travel patterns. Medical costs around the world can be vastly different, and some policies do not automatically cover emergency evacuations in the event of political unrest as recently seen in the Middle East and North Africa. Player values and earnings are other factors: a team of Premiership football players would be of higher value than a semi-pro rugby team, and would require a certain level of cover for emergency treatment and repatriation. Do insurers provide clear and sufficient information to sports associations regarding the cover they are offering?” “Yes,” says Phil Faux; “it is a Financial Services Authority requirement that a summary of cover is provided to the client at quotation stage. Once a policy has been finalised, it is an association’s or team’s duty to advise its members about the coverage in place. An association can stipulate that teams and individuals must carry a certain level of travel/medical cover, and that they must be able to demonstrate this before taking part in a competition. The team or individual might opt to purchase a basic level of cover to satisfy the stipulation or indeed decide to purchase a policy with greatly enhanced benefits to ensure they are suitably covered.”

Student cover

Universities are hotbeds not only of beer-swilling and study but also of organised sport. British Universities & Colleges Sport (BUCS) is the national governing body for higher education sport, says more than 100,000 students – and 4,000 teams – compete in 50 sports in a BUCS programme that starts with university championships in October and ends in July with athletics, shooting and cricket events. BUCS, however, does not arrange insurance cover for competitors. That is down to universities and colleges, all 260 of which arrange their own policies for sports students.

No Oxford undergraduate capable of understanding simple English should be in any doubt where they stand as far as sports insurance is concerned. The university’s sports federation tells members: “The federation has a basic personal injury policy for our members. Please treat this as a back-up. As the benefits are not a significant amount, we recommend you take out your own policy or check if you are on your family’s policy.”

And for students still unsure: “We urge all members to take out their own personal injury policy … Please ask questions of yourself when thinking about taking part in your sport … If you were to lose the use of a limb, how would that affect your career prospects? If you are studying medicine and you lost the use of a hand, that could be detrimental to your studies and eventual career path. For a small premium you can take out your own personal injury and accident insurance that will cover you should the worst happen.”

The federation’s ‘basic’ cover is a UK-only Endishe Life Platinum policy, with benefits including: £25,000 for accidental death; up to £50,000 for permanent disabling injury; up to £40 per day for hospital confinement up to 140 days; dental treatment to a maximum of £600; and examination/re-tie expenses of up to £200.

It’s made clear to students that claims are refused if the university’s sports guidelines were not adhered to, that some sports classed as extreme are excluded and that there are restrictions on some activities – yachting is not covered more than a specified distance offshore. These are the claim examples students are given: American football – £1,540 – spinal fracture following a tackle; American football – £2,530 – retinal tear causing permanent disability; Canoeing – £10,000 – death by drowning when trapped by branches; Skydiving – £104,260 – permanent disability after parachute became tangled; Cheerleading – £3,922 – back injury; Hockey – £674 – hit in the face with a hockey stick.

Campus sports clubs planning overseas trips are told they can either arrange their own travel cover or purchase it through the university at a cost per head of £15, provided a risk assessment form is given in advance to the university’s sports health and safety officer and its insurance department.

In the US, football and basketball matches pull in billions of dollars in ticket sales, television rights and sponsorship for universities, but adequate insurance cover for the student athletes who bring in the fans and the money is by no means guaranteed. The National Collegiate Athletic Association (NCAA) oversees 89 championships in 23 sports, and more than 400,000 student athletes in 1,000 schools and universities take part in its programmes. Since 2005, universities have been mandated by the NCAA to certify that athletes have insurance for sports-related injuries before competing – with policies being provided by colleges, parents or a player’s personal policy – and that it must cover up to the $90,000 excess of the NCAA’s catastrophic injury insurance plan. Students who are covered by their parents’ medical plans often find that the policies exclude sports injuries and place limits on out-of-state treatment. Critics point out that the NCAA does not stipulate clear standards of cover, which means some university sports departments ensure that players and their families are not left high and dry when injury strikes, while others let their athletes pick up ruinous medical bills and lose their scholarships.

The National College Players Association (NCPA) – a lobby group founded by UCLA (University of California, Los Angeles) footballer Rameg Huma – has been leading the campaign for full coverage for student athletes, and it’s made progress in California, where draft legislation that would implement a Student-Athlete Bill of Rights is winning support in the state senate. If passed, it will require California universities that earn significant media rights revenues to provide injured student athletes the necessary medical, financial and educational support to complete their degree.

“I am a big fan of collegiate athletics,” says the bill’s author, Senator Alex Padilla, “but I am also very concerned that the vast amount of money in collegiate sports has distracted everyone from the primary purpose of our colleges. With billions of dollars in television revenue gained on the backs of student-athletes, it is shameful that so few student-athletes actually graduate and that many are further burdened with medical bills due to injury.” He went on to say: “The universities impacted by this Bill benefit from their share of a $3 billion media contract. With such large sums, nothing prevents these colleges meeting the standards established in this bill. Neither personal injury nor poverty should dim the dreams of a student-athlete pursuing a degree, particularly when their performance has enriched their college.”

The NCPA has been backed by Professor David Dranove, a leading expert on health industry management at Northwestern University, Illinois. Calling for guaranteed medical coverage for college athletes, he says: “It’s part of the cost of having an athletic programme. It makes no more sense to tell the athletes, ‘You go buy your own health insurance’ than it does to say, ‘You go buy your own plane tickets and uniforms’.”

In California … draft legislation that would implement a Student-Athlete Bill of Rights is winning support in the state senate
ITIC Oxford was held on 3 May in The Randolph Hotel, with over 100 delegates that represented all the varied strands of the travel insurance and assistance industry. The agenda reflected the topics that matter most to the UK’s travel insurers, with a focus on claims, technology and regulation. Simon Calder, the keynote speaker, gave a very engaging presentation that covered consumer expectations of travel insurance, and asked some pertinent questions of the industry with regards to coverage exclusions and limitations.

ITIJ and the ITIC organisers would like to thank our sponsors for their support of the event.
Consumer expectations and the future of the travel sector

Simon began by talking about customers’ expectations – they want complete cover, and they want it for free. He suggested that ATOL reform is an opportunity the insurance industry should seize, as if there were a policy that cost £2.50 (the same price as ATOL protection) consumers would welcome it. The industry, though, has work to do explaining the complexities of risk to consumers. Simon also pointed out that AVG and other US insurers still won’t cover Cuba, and that the insurance industry needs to be more transparent about those sorts of issues. Furthermore, consumers need education about the vagaries of travel insurance, and they also need clarity on situations such as Egypt – which geographic area is it in? It is essential that people are aware of where they are covered and there is confusion as some insurers state that European coverage includes Egypt.

Simon believes that travel insurance rules when it comes to driving abroad are complex – for example, the small print states that theft from the car isn’t always covered between 8pm and 8am, and but this is not effectively communicated to the customer, and therefore their expectations are not being met. Addressing the problem of pre-existing medical conditions, Simon said the industry must explain the restrictions properly or change the wording. The problem of alcohol and tourists was also mentioned – sensible levels of drink need to be defined, as ‘under the influence’ in policy wording can mean many different things. Simon went on to list things that he would like to see covered and for which he would pay more, including cover for schedule changes, airport changes, parts of car on a cruise and delays on arrival that can mean missed connections.

The travel industry is suffering from terrible economic conditions, so insurers should expect airlines to be squeezed due to competition, resulting in airline failures. Other challenges for the industry include complex red tape at airports, which could be helped by technology. Simon also thinks that more people will start to drive or take the train, or ferry to their destination, partly because of airline travel becoming uncomfortable and also because of the price of oil. More Britons are driving to France as it is close and easy to get to, and this presents a serious risk – much higher than flying. Other potential issues include the possibility of a Greek default, as electronic payments would probably freeze and holidaymakers would be stuck, making it vital that people take cash with them. Insurers should prepare for a large number of travellers who will need help and advice. This summer, Simon added, the European football championship will see people going out and getting drunk in the Ukraine, which can bring difficulties, so the industry should be prepared for an influx of calls from tourists who have fallen foul of local laws. The Olympics, meanwhile, could bring fewer travellers than normal to the UK as they have been told that London transport will be dreadful. The Games will also have an impact on insurers – a no-fly zone over London means delays and congestion in the air. The travel insurance industry in general must also be prepared for unexpected events like volcanoes, heavy snow and strikes – strikes in particular will be more common.

Simon Calder, Senior travel editor, The Independent

Travel trends

Miles began by giving some insights into what the major trends were in 2011, which saw 56 million trips abroad from the UK, a rise of eight per cent on 2010. Sixty-three per cent of the population went abroad, but there was a shift in destination from North America and rest of the world to Europe. The impact of the Arab Spring was also important – as Egypt and Tunisia suffered, Europe grew.

Looking forward, the travel trade has predicted that the US, Dominican Republic, Sri Lanka and Colombia will all be hot destinations in 2012, as well as Cape Verde, Jordan, Turkey, Poland, the Ukraine (European Championship football), and Tunisia. TUI’s traditional favourites include Spain, Mexico, Turkey, and up and coming Croatia and Cape Verde. Miles suggested that insuring travelers by country could better analyse risk, but added that cruising is difficult to prepare for in terms of emergencies as you don’t know at which port someone might get hit or injured. In the future, larger aircraft like the Boeing 787 have the potential to bring long-haul travel to more people as it makes long haul more economically viable and will increase the number of destinations that will be available from the UK, such as Thailand or South America. It makes one-week long-haul travel more feasible, and assistance infrastructure needs to be prepared for 20,000 more Britons in Thailand, urged Miles.

When it comes to the duration mix, the last 10 years have seen a huge change, thanks to independent travel and self-packaging of holidays. Ten or 11-night holidays are more popular, although customers are spending the same as they would on a 14-night holiday, and frequency of travel is good – 10 per cent of over-53s took four or more holidays abroad last year. Early and late bookings continue to be a feature of the wider travel market and TUI expects booking patterns similar to 2011. Miles then asked: “Could insurance be priced differently if a person travels within a couple of days of booking – there is a significantly less risk of cancellation for an insurer?” The all-inclusive sector is a growing market for TUI, and Miles asked if insurance could be priced differently as they present a different risk to the insurer – they don’t rent cars, activities are supervised and the environment is more controlled. But he recognised that all-inclusive costs make it more difficult to assess value of loss.

Miles Briggs, Financial services, TUI UK

proud conference sponsors:
Burning issues with claims

This session was presided over by Fiona McDonald of Opera Underwriting and Gary Edmondson of AVID Insurance Services Ltd, who were able, through their expertise and experience, to respond to the concerns raised by claims personnel from an underwriter’s point of view. The CEGA Group presentations were provided by video link, enabling the moderators to address the issues that were being highlighted by the claims staff immediately, making for a lively and interactive conference session.

Carol Sanderson, Lifestyle claims and technical and innovation leader, AXA Insurance

As an industry, said Carol, everyone works together to try and improve processes, policy wordings and definitions, and fraud efforts. When it comes to seeking a contribution from other companies, though, we become distrustful of each other’s ability to properly assess a claim. There is a lack of resources in this industry, and too much time is often spent on the wrong issue. For instance, Carol believes that too much time is spent on baggage claims, and that the Personal Effects Insurance Contribution document needs updating. It was designed to make life easier but if it isn’t doing that, then it needs to go back to the Association of British Insurers (ABI) for more work. AXA likes to fast track certain claims, but the recovery process the industry has created prevents them from doing this and from helping genuine customers faster because they have to present documents and receipts. Carol suggested that effective working agreements can help save time spent on contribution requests. Recoveries, she added, are an issue – while there are now agreements with other companies, communication is slow and there is always a backlog. When considering the cycle time of contributions made and received, it seems that as an industry, people go back and forth challenging others companies’ decision to pay a claim. Another debated point is whether the contributor insurer accepts in good faith a claims handling decision from the primary insurer. Carol said: “We need to trust the experts in our sector that have the knowledge and expertise.” In her opinion, time is better spent encouraging change to current processes and working to implement new agreements for the industry, rather than fighting for a few pounds for personal effects claims.

Steve Marshall, Ops mng claims & medical risk assessment, CEGA Group

Steve’s main issue with claims is confusion about the travel delay section of the policy. Most people believe that the cover goes from door to door, but this is not the case. Problems can be caused when internal flights are delayed or cancelled and people don’t know what they can and can’t claim for – for example, they will try and claim for a hotel when the cover only provides for food. People booking independently can cause problems as it can be harder to claim compensation back from providers, so travel insurance comes into play. More flights are being cancelled in today’s world, which is usually covered, but policies are sometimes being limited downwards and the public will often opt for a cheap policy that doesn’t cover cancellations.

Gary Edmondson’s (GE) answer: Lots of policies do provide cover for delays, and this is because customers expect it and their demands have to be met. The travel delay benefits are not huge, and are affordable to travel insurers. Insurers, he added, have to be flexible and recognise when a market is changing and adapt to it.

Fiona McDonald’s (FM) answer: Variations in policies about travel delays reflect the price. She has witnessed a habit among some low-cost airlines of cancelling return flights to the UK at the last moment, leaving passengers stranded, so she has underwritten cover for cancellation, but it does come at a higher price.

Bryony Powell, Claims & med. risk assessment team mng, CEGA Group

Bryony’s main problem with claims is the issue of personal possessions – customers aren’t aware of the terms and conditions and limits of the policy. The average limit for valuables is about £400, which is low in comparison to what people take with them on holiday, such as laptops and iPhones. Depreciation for wear and tear means the customer may not be able to replace the item they have lost, and furthermore as most customers assume the policy is on a ‘new for old’ basis, many are surprised when they find this is not the case.

GE: It’s a recurring problem to get people to read the policy. The industry has become more transparent about the policy limits in recent years, but at the same time people now have higher expectations of the insurance. It is vital, he said, that expectations are better managed at the point of sale. There is also an issue of fraud when it comes to personal possessions. The limit value is tricky – you can underwrite an add-on to the policy specifically for gadgets, but people have to pay the additional premium.
A common problem Adam has seen is a lack of understanding when declaring pre-existing medical conditions. CEGA found that the three key errors are declaration of a condition, customers being told by doctors that they are fit to fly, and third-party medical conditions affecting travel. There is a serious lack of knowledge, awareness and understanding and customers don’t realise the importance of reading the medical part of the policy. If a doctor advises a customer they are fit to travel then that’s great, but neither the doctor nor the patient know that the customer still needs to go through a medical risk assessment.

FM: An important part of a medical risk assessment is that the questions being asked by insurers need to be very clear and have yes or no answers, which is not happening at the moment – the point of sale process has to be clearer for consumers. The doctor issue is one that bothers the whole industry – doctors don’t realise how much stress travel can cause, especially if a trip goes wrong, so the industry needs to get this message to doctors. Fiona doesn’t think that third-party conditions are overly complex – in policies that she underwrites, there is blanket exclusion of certain medical conditions that would affect travel. It is unreasonable, added Fiona, to expect a policyholder to know intimate details of another person’s health and medical condition.

Wendy surveyed her claims and technical staff on issues that affect claims the most. The first area of concern was policy wordings, which 85 per cent of staff felt were too formal, and 76 per cent felt too long – it’s too much to expect customers to read it all – while 71 per cent of staff felt the limits and excesses can be confusing, and that the limits are too low.

The next area of concern was the actual claims process. Seventy-nine per cent felt the claims process was too involved and 63 per cent felt that it was too complex, and that asking for every receipt for every item is a little unfair, as no-one keeps all their receipts. Fifty-eight per cent felt that claims forms can be too lengthy for certain claims – for example, if a travel delay claim comes in for £30, is it really necessary to fill out a three-page form?

A major area of worry is medical screening – 84 per cent of staff think that it’s not comprehensive enough, with the same questions being asked of different age groups, so risk is not properly assessed. Fifty-eight per cent felt that screening does not complement the claim – there are situations where the customer has declared a condition and a claim is made, but the reality of the situation is a lot more complex than originally thought because the right questions were not asked at point of sale. Thirty-four per cent of staff think that screening is confusing for customers as it can be unclear how much information they should disclose.

A final note of concern is the lack of communication between the complaint and underwriting departments. Eighty-eight per cent felt communication is essential to the claims process – if the complaints department communicates with underwriters, complaints can be better controlled. Wendy said that 58 per cent of staff think that communication is a two-way street – claims departments see issues before they become complaints, and can highlight particular problems to underwriters.

Wendy believes that as an industry, travel insurers need to maintain a constant review of policy wordings, make regular reviews of claims processes, make sure that medical screening helps the claims process, and ensure that communication between complaints and underwriting departments is maintained.

FM: Regarding concerns over policy wording, sometimes making language less formal makes it longer, which makes the situation worse for consumers trying to plough through a detailed policy. One possible avenue forward would be for insurers to cut out the ‘silly’ benefits to try and keep policies short. Communication, she agreed, is absolutely vital and needs to be better. She added that an underwriter not listening to their claims handler is ‘nuts’.

GE: Gary was in wholehearted agreement that there needs to be a degree of common sense in the industry – some insurers keep departments separate, but for no good reason that he could see. Claims handlers, in his opinion, could be given more power to use common sense to make more decisions before a situation escalates.

Julie underwrote, there is blanket exclusion of certain medical conditions that would affect travel. It is unreasonable, added Fiona, to expect a policyholder to know intimate details of another person’s health and medical condition.

FM: An important part of a medical risk assessment is that the questions being asked by insurers need to be very clear and have yes or no answers, which is not happening at the moment – the point of sale process has to be clearer for consumers. The doctor issue is one that bothers the whole industry – doctors don’t realise how much stress travel can cause, especially if a trip goes wrong, so the industry needs to get this message to doctors. Fiona doesn’t think that third-party conditions are overly complex – in policies that she underwrites, there is blanket exclusion of certain medical conditions that would affect travel. It is unreasonable, added Fiona, to expect a policyholder to know intimate details of another person’s health and medical condition.

Wendy surveyed her claims and technical staff on issues that affect claims the most. The first area of concern was policy wordings, which 85 per cent of staff felt were too formal, and 76 per cent felt too long – it’s too much to expect customers to read it all – while 71 per cent of staff felt the limits and excesses can be confusing, and that the limits are too low.

The next area of concern was the actual claims process. Seventy-nine per cent felt the claims process was too involved and 63 per cent felt that it was too complex, and that asking for every receipt for every item is a little unfair, as no-one keeps all their receipts. Fifty-eight per cent felt that claims forms can be too lengthy for certain claims – for example, if a travel delay claim comes in for £30, is it really necessary to fill out a three-page form?

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Technology and the moderisation of the travel insurance industry

Yesterday, today and tomorrow – a marketing update for the travel insurance industry

Steve Manton, Founder, Manton and Associates

Steve explained that there is little consumer trust left in insurance companies, mostly due to the perception that ‘they find any reason not to pay’. Consumers also find insurance far too complicated, and they often feel caught out by small print, which creates the impression that insurers aren’t there when people really need them.

In the past, claims inspectors used to deal with something vital in a very difficult and companies are actually more likely to fail than succeed, as it can be difficult to tie in what a company really wants to customer experience, not by what the insurer wants.

Whatsoever the nature of the challenge, said Lance, there will be a technological solution. Applying said technology to whatever the customer wants is vital – they are in charge. There are millions of global travelers, and we know – from using technology – where they are going. For example, most UK tourists go to Spain. The more normal holidaymakers are the ones who will utilise technology, not the adventure tourists who can’t get mobile reception in the Andes.

So technology can’t reach everyone, but it can still offer a competitive edge. Cost, though, is always a consideration, and travel insurance works on small margins. Internet traffic is increasing significantly for the travel industry, and with younger customers, the opportunities are easier through advertising on Facebook etc. One reason that people might not go online to buy travel cover, however, is that they already have it – for example as part of a bank account.

Lance pointed out that whatever (or whoever) makes it easiest for the customer wins – the Ryanair package is very attractive to consumers because it is simple, as is bank account-provided travel insurance. Such simplicity will then gain customer loyalty; people become devoted to their service provider through loyalty schemes, which gives insurance companies an opportunity to question people to see what worked for them.

Lance then offered several examples of technology and computer program that can speed up front and back office techniques, including Graphiteak and Magenta. It is vital that companies do not forget the personal effect, though – staff are vital and people and technology need to work together. It is important that companies have a good governance model and assign responsibility to certain departments. People matter more than technology, but technology can enable people to do their jobs more effectively. Finally, Lance said that technology needs to be driven by the customer experience, not by what the insurer wants.

How can innovations in technology support advancement within travel insurance?

Lance Grant, Senior vice-president, operations and IT, ACE European Group

James Lubbock, Account director, Fresh Networks

James began by addressing the risks associated with social media – there is a danger you could get caught out if you do it too early! Companies can be recognised for their efforts to do something new, but for most travel insurance firms, it can be dangerous to be the early bird. For example, making something vital is very difficult and companies are actually more likely to fail than succeed, as it can be difficult to tie in what a company really wants to say with a viral message. James’s advice would be to stop, wait, plan, learn from others and then get involved. If the industry feels the need to embrace social media then rather than jumping in quickly, it would pay to wait and learn before getting involved.

You need a strategy. Why is social media important? One reason is that many consumers won’t experience travel insurance first hand, so they go online for opinion and advice on product differentiators, brand and trust. Social media has the tools to answer this need as it is about sharing content, and review sites and advice are a huge part of that – consumers trust reviews they read online. Regarding the use of social media to make a difference, James said companies could build awareness of their product among customers and others through app development and competitions, while potential customers can be targeted directly through sites such as LinkedIn. The customer information is out there, you just have to leverage it for your business needs. At the claim stage, social media can stimulate reviews that can be generated into a company’s website. At the post-purchase stage, social media can help to identify and activate company advocates – there are programs that help to identify potential influencers. As an example of an insurance company showing innovation, he used the case of German company Friendsurance, which is using a social model for insurance coverage.

How the insurance industry can use social media in a new innovative way

Manjit Rana, Founder and director, Ingenin Limited

Utilising mobile phone technology

Smartphone penetration in the UK currently stands at over 50 per cent, and by the end of 2013 it is thought that it will reach 70 per cent, with close to 100 per cent penetration by 2015. It’s a mass market platform – more people now access the Internet through their phone than by computer, and users check their phones for 30 seconds about 35 times a day. To customers, smartphones offer everything they want in one product, and the growth of smartphones is affecting other industries. For Kodak and Tomtom this has been negative, but good digital camera manufacturers are seeing positive results. In the future, smartphones will help your customers find, purchase, control and manage products and services, including travel insurance.

Everywhere will be on the phone – it will be a virtual wallet and travel ticket. Manjit went on to say that while Amazon and eBay are hugely successful mobile sites, it is important that companies don’t rush – a bad app can do more damage than no app at all, and customers won’t trust you if you fail once and try again. Manjit cited the failed car accident apps from insurers as an example.

Some of the challenges faced by the insurance industry, such as commoditisation, fraud, expense control and customer complaints, can be helped by apps and smartphones. Smartphones can become an insurer’s eyes and ears at the point of customer need and claim. Manjit then gave delegates examples of solutions that are currently being built, or are used already: free travel organiser app WorldMate, for example, is already in. One concept still in development is Travel Wallet, which similar to WorldMate but with a travel insurance angle, and contains a traveler’s itinerary, travel documents and emergency support. Today’s consumer is about look and feel, so an app has to look slick as well as perform the job. Manjit also showed a ‘claims doctor’ app – the client takes a photo of an injury, for example an insect bite, and sends it back to the insurer for authorisation, clininc direction and direct payment, all the while offering Google Translate to ensure smoother communication between patient and doctor.
Medical screening and the impact of the Consumer Insurance Disclosure and Representations Act

Judith Crawford, Policy adviser, regulation and distribution, financial conduct regulation directorate, Association of British Insurers (ABI)

Judith gave delegates background information on the Act, which is one year from implementation. The last major change in insurance regulation, she said, came over 100 years ago with the Marine Insurance Act of 1906. Since then there have been attempts at change, including the Financial Ombudsman Service, Law Commission Review and ABI Code of Conduct, all of which have contributed to the development of the Act. Moving on to why it is needed, Judith explained the reasoning – customers were seeing claims rejected and the resulting press coverage was harmful to the industry, so the ABI Code of Conduct was introduced and since then claims rejections due to non-disclosure have fallen dramatically.

The Act changes the consumer’s duty to disclose information, and is replaced by a duty on the part of the consumer to take reasonable care not to make a misrepresentation. Consumers no longer have a duty to disclose anything that they have not been asked. For claims, this means that the handler must first check that the consumer has fulfilled their duty at the point of sale, and whether the insurer has been ‘induced’ into making the contract. If there was ‘deliberate or reckless misrepresentation’, a company can void the policy and keep the premium. If the non-declaration is deemed ‘careless misrepresentation’, a proportional remedy is made based on what the insurer would have done had the consumer complied with their duty. The proportional remedy is split into three options: if the risk would not have been taken on, the insurer can void the claim and return the premium; if other conditions would have applied, the insurer can apply those to the claim; and if a higher premium would have been charged, the insurer can reduce the claim by a proportionate amount. Other changes include a ban on ‘basis of the contract’ clauses and group insurance – other policyholders in the group are no longer affected by one person’s misrepresentation.

Judith urged insurers to look at point of sale questions, adding that distribution partners need to understand the importance of the questions too, and at renewal, consumers need to know it is a new contract and circumstance changes need to be disclosed. At the claims stage, training is necessary for handlers to allow them more freedom to investigate whether a misrepresentation was reckless or not. Challenges going forward include how the Act will interface with other regulations, how tribunals such as the courts or the Financial Ombudsman Service (FOS) will interpret the new Act, and a consistent understanding across the industry.

Paul Beven, Owner, Healix Group of Companies

The impact of the Act on medical screening will be significant as it will change pre-contract behaviour, as well as affecting mid-term adjustments and renewals. A lot of the Act, said Paul, is what the industry already does as best practice, so it could be that the biggest impact is felt on the claims side, rather than the pre-contract side. He then went on to discuss the classifications and outcomes of misrepresentations, addressing the issue of to whom the insurer has to prove that the customer’s misrepresentation was ‘reckless or deliberate’.

At the moment it is the FOS, but it could equally be the court. Paul believes that ‘careless misrepresentation’ from consumers will cause the most problems for the industry, as the proportional remedy is complex and removes some of the insurer’s flexibility. One issue he highlighted was: “Does the claim have to be related to the medical condition that was not declared? This complicates the proportionality issue even more.”

Paul then moved on to address online versus offline screening. When online, the onus is entirely on the consumer, so it is vital that there are clear, concise, unambiguous questions. Offline screening is more reliant on interpretation from the call handler, so there is pressure on call duration and conversion targets, although it does offer an opportunity to identify hesitancy via telephone behaviour.

Healix’s risk rating best practice guidelines stipulate that a copy of the completed medical screening record with all questions and answers is sent to the customer for review. On renewals, Paul recommended that insurers view the customer as pre-contract, so a brand new medical screening process should be undertaken.

Krish Shastri, Managing director, InsureCancer

Krish began by offering the context and background of the Act, in terms of both regulatory change and legislative change. The Financial Services Authority (FSA), he said, is to become newly intensive and engage in intrusive enforcement of rules, while the Financial Conduct Authority (FCA) is the newly introduced regulator, meaning that insurers will be dual regulated. The FCA is not an economic regulator, but it will be ‘interested’ in prices, and it will also be true to its obligations on the Equality Act. This is a problem for InsureCancer as the company is technically in contravention of the Equality Act, but in reality it differentiates rather than discriminates. The Equality Act offers a very wide definition of ‘disability’ – cancer is included, and it states that insurers cannot rely on stereotypes or generalisations.

The Consumer Insurance Act deals with pre-contract disclosures, however, once the contract has been made, the duty on the customer to disclose ends. This affects the sales process because the insurer has to ask all the necessary questions before the sale, and in doing so it must be sensitive to the customer’s conduct or state of mind. Krish was particularly concerned about this aspect of the Act, as a customer could say they were not in a good state of mind when they forgot to disclose their condition, and there are other conflicts too, exemplified by the different definitions of ‘terminal’. Furthermore, Krish warned, there are language issues – if the caller does not have a good level of English, the onus is on the insurer to come up with a contingency plan, but what are they supposed to do? Insurers can no longer rely on post-contract documentation to sanitise a transaction.

The effect of the Act on the claims process is that the ‘if in doubt, decline’ approach is no longer effective. When the Act is enacted, the handler must decide on the category of misrepresentations, and they must decide it in the knowledge and context of the sales process and the customer’s state of mind at that time.

“InsureCancer prices individually for each customer, so the proportionality issue becomes even more complex, as there is no price list connected to complex medical conditions to check how much the company would have covered. The complaints process is changing later this year, and if there are three options to choose from at the claims stage, then the customer will know that and will be more annoyed if they can insist that their non-disclosure wasn’t reckless. Krish believes more complaints will come when an insurer stands their ground. The Act, he concluded, is a game changer. It presents the need for speedy process re-engineering from sales to claims departments; it will have an adverse impact on costs through documentation and retraining, and it will also have an adverse effect on claims and loss ratios.”
ITIC Oxford concluded with a three-course gourmet dinner, accompanied by the comedy stylings of some of the UK’s top comedians. Stephen Grant did a fantastic job hosting the event, while Geoff Norcott got the audience chuckling, and rounding off the evening was Addy Van Der Borgh.

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THE GUARDIAN
Switzerland receives around eight million foreign tourists every year. Many of these pass through without incident, enjoying the country’s majestic landscape and snowy peaks, but for those that find themselves in need of medical treatment, what does the country have to offer, and what can assistance companies expect when dealing with local hospitals and clinics? Tatum Anderson finds out.

Think Alpine peaks and chocolate box chalets, 250 ski resorts, raclette and Heidi. With such unmistakable national icons, it’s not surprising that so many tourists visit Switzerland each year. And tourists have been flocking here for their health for a good few centuries. Switzerland has long attracted the great and the good of European society; in fact, Robert Louis Stevenson was reported to have finished Treasure Island whilst taking the air at a sanatorium in the Swiss mountains.

Actually, a number of Swiss resorts, such as St Moritz and Davos, were medical destinations well before they became the luxury ski resorts they are better known for today. Now, medical tourists to the country spend as much as CHF1 billion (CHF1 = €0.83 or US$1.06) per year, according to some estimates.

Switzerland may be popular with tourists, but it is also attractive to expatriates. Almost 1.8 million have made Switzerland their permanent residence to date. In a country with 7.7 million inhabitants, that’s a fair proportion of the population. Many work in the country’s international finance industry, for instance, or for the United Nations; but Switzerland is particularly attractive to such foreigners, in part, because of the high standard of living. It is one of the richest countries in the world, with a GDP of $638 billion last year, according to The Economist, and it is something of a tax haven. Unsurprisingly then, it had the highest concentration of high-net-worth individuals – one in 30 – of any country in the world in 2009.

With so much wealth sloshing around, it is not surprising that the US State Department believes that Switzerland has one of the best health systems.
population as the average across the Organisation of Economic Cooperation and Development (OECD), a rich country's group, and more doctors. In addition, it has a higher number of hospitals per head of population than most rich countries in the world (more than 41 hospitals per million persons compared to an OECD average of 30 hospitals per million).

Indeed, there are 314 hospitals in Switzerland – of which around 60 are major hospitals and 185 specialist centres. Interestingly, some of the best hospitals are public ones. There are five University hospitals, for instance, in Switzerland's largest cities – Geneva, Bern, Lucerne, Zürich and Basel – that all have a good reputation. The University Hospital in Basel has over 50 clinics, polyclinics and institutes. University Hospital Zurich boasts 6,200 staff and sees around 200,000 patients a year. Other recommended public hospitals are within the cantons, Switzerland's 26 autonomous federal regions, although the spread of so-called cantonal hospitals is uneven, so some of the smaller cantons may only have one or two public hospitals to choose from.

In addition, there are a number of private specialist hospital groups such as Swiss Leading Hospitals and Hirslanden Private Hospital Group. The latter comprises 14 hospitals in 18 cantons, of which eight have emergency departments. Several of the country's private hospitals have specialisms too: Klinik Im Park in Zurich, for example, specialises in cardiology; and Klinik Gut, based in St Moritz and offering 24-hour emergency care and a trauma centre, specialises in orthopedics.

**Access to care**

With the three official languages of Switzerland being French, German and Italian, hospitals are generally able to deal with foreign visitors and multiple languages. That includes English and Arabic in many places. As the majority of visitors to the country are from Germany, the UK, the US, France and Italy, this means that the communication channels between patients and hospital staff are made easier from the outset. Assistance companies generally report that over-treatment and over-charging are not prevalent issues in Switzerland, and that hospitals and clinics are fairly easy to deal with. Says Philippe Geyer, business development manager Switzerland for Allianz Worldwide Care: "[In private clinics], billing and administration is perfectly compatible with international insurance companies ... [However, in public hospitals], their procedures are usually not very 'foreign friendly', in particular billing and treatment guarantees." He points out, though, that some public hospitals, in cantons such as Neuchâtel – which is at the heart of the micro-technology and high-tech industries, and where, since 2008, over 30 per cent of the population have been resident foreign nationals – have no problems in dealing with foreign-based insurance companies.

So, when a visitor does fall ill or sustain an injury, where are they taken? It's unusual for many assistance companies to place a patient into a private hospital unless explicitly requested. Private healthcare is bypassed largely because the quality of public health is good enough, according to Wolfgang Seeger, operations manager for medical assistance at Medicall, which provides assistance for several insurers. He says: "To be honest, there is no medical reason for focus in private hospitals for international patients."

But even in the public sector, good quality doesn't come cheap. In Switzerland, there is no free health service. Indeed, the country's health system is one of the most expensive in the world. "[In Switzerland], costs in public hospitals are much lower than in private clinics, but still expensive compared to other European countries such as France and the UK," explains Geyer. Along with Norway, Switzerland spends more on health per citizen than any other country apart from the US – around $5,000 per capita in 2009. And tourists must pay their share. Those with a European Health Insurance Card (EHIC) are covered for emergency treatment in the public ward of a public hospital (no semi-private or private wards are covered). However, there is an excess, or deductible, to pay for every 30-day period – CHF92 for adults and CHF33 for children. This sum is not refundable in Switzerland, although different countries will make their own arrangements to reimburse travellers when they return home.
In additional to these costs, tourism covered by the EHIC are expected to stump up half the cost of ambulances, both land and air. There is a maximum, however: CHF500 per year is allowed for land ambulances and CHF5,000 for air ambulances, according to the UK’s Department of Health. Neither is refundable in Switzerland. Importantly, there are no upfront costs for emergency transportation. Emergency ambulance services are organised by each canton, which tends to operate autonomously. That means some may use public as well as private companies. Emergency services can be reached by the telephone number 144.

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Hungover? Take a bus

Nights out in Las Vegas are not traditionally associated with wilfully-disciplined self-control or feeling hunky dory come the morning – you’re statistically more likely to wake up with an empty wallet and a horrendous headache than a pile of roulette winnings and an attractive stranger. But doctor and anaesthesiologist Jason Burke has come up with a novel solution for those feeling the after-effects of excessive partying – the Hangover Heaven bus.

For a fee, this fully staffed bus will treat your hangover with an IV providing a solution of saline and vitamins B and C. The controversial but popular bus aims to reach a customer’s hotel room within an hour, and treatment takes 45 minutes to one hour. Dressing gowns, fried breakfasts and rubbish television programmes are not included.

US man arrested for nude protest

A US man fed up of being ‘harassed’ by security at Portland International Airport stripped naked in protest. John E Brennan, who had previously set off an explosives wand, took off his clothes to show security that he was most definitely not carrying any sort of bomb, and refused to put them back on. Two screening lanes had to be closed and some passengers shielded their and their children’s eyes in embarrassment, although some laughed and reached for their cameras. Brennan was subsequently arrested and charged with indecent exposure and disorderly conduct. This is not the first time that he has critiqued airport security, nor is it the first time that he has used nudity as a form of protest – last May he tweeted that staff at San Jose airport had violated his privacy, and he has participated in Portland’s World Naked Bike Ride three times.

Give it beak!

An ex-Royal Marine and a bricklayer wake up after a night of vodka-fuelled excess, to find a fairy penguin waddling around in their apartment. It may sound like the pitch for a low-budget remake of The Hangover, but it’s actually the story of tourists Rhys Owen Jones and Keri Mules, who drunkenly kidnapped the penguin from SeaWorld in Queensland, while travelling on a working holiday visa. The pair – who had consumed 1.5 litres of vodka while at a beach party – broke into SeaWorld, swam with dolphins and set off a fire extinguisher in a shark enclosure before sneaking the penguin, named Dirk, from his aquarium.

When they woke up the next morning, somewhat the worse for wear, they fed the penguin and put him in the shower, before eventually deciding to release him into a canal. However, they were spotted and reported, and have been fined A$1,000 (£637). Dirk was unharmed and happy to be reunited with his girlfriend, Peaches, and magistrate Brian Kucks suggested that the pair hold off on the vodka next time they go out partying.

Pickpocket-proof products to protect your passport

Many tourists have had their holidays ruined by unscrupulous pickpockets relieving them of their wallets and passports. But short of remaining vigilant, leaving your valuables at the hotel or keeping scorpions in your pockets (which can be very dangerous), what can be done? Well, a few companies have started to design and manufacture pickpocket-proof clothing, so tourists can stay one step ahead. Women can purchase travel bands that are worn around the hips or against the back, while men are provided with secure shorts and long trousers. Other available products include underwear and longjohns with hidden pockets. Scorpions are not included.
New IFB appointments

The UK-based Insurance Fraud Bureau (IFB) has announced a number of new appointments to help bolster its fight against motor insurance fraud. Nick Conneely joins the IFB as operations co-ordinator, and will work with customers, law enforcement agencies and stakeholders to identify and disrupt organised fraudsters. Alisdair McLaughlin has also been promoted to the role of operations co-ordinator: Karla Freel and Nick Timms join as intelligence researchers, and Russell Phillips has been appointed intelligence database analyst. Luke Brennand has also joined the company on a six-month secondment from the Metropolitan Police Central. “As part of the IFB’s three year strategy,” said IFB director Phil Bird, “the industry has also tasked us with developing new analytics and data-sharing products to help tackle fraud at point of application. Our new recruits will play a pivotal role in the development of these new services.”

ACE announces new appointments

Global insurer ACE Group has announced new leadership appointments for its operations in Canada. Andrew Hollenberg, regional senior vice president of Accident & Health Life for ACE Europe, has been appointed country president of ACE Canada, where he will oversee property and casualty, health insurance, life and accident operations. Hollenberg, who joined ACE in 2000, will relocate to Toronto from London to fulfil his new role.

Jubilee names new head of life

Specialist Lloyds of London insurer Jubilee has announced the appointment of David O’Sullivan as head of life, as part of plans to expand its specialty life business. O’Sullivan moves to the company from Swiss Re, where he has served for 24 years, most recently as head of global life and health underwriting. His appointment follows a six-month strategic review of Jubilee, and will be a key element in the evolution of its specialty life proposition across individual, group and affinity markets.

Swiss Re’s Latin American team expands

Global reinsurer Swiss Re has appointed Marga Black as the new head of reinsurance for Latin America South and president of Swiss Re Brasil Resseguros. Black, who will be based in Brazil for her new role—which takes effect in July—was previously head of Brazil reinsurance at Willis, and will oversee all of Swiss Re’s reinsurance operations in South American markets such as Chile, Colombia and Brazil. The company also recently appointed Alejandro Padilla as head of reinsurance at Latin America North and president of Swiss Brokers Mexico.

Save Assistance hires network director

French independent assistance company Save Assistance has promoted Anne-Flore Carpin to the new role of international network director. Carpin joined Save Assistance in early 2007 as a specialised medical co-ordinator, and was appointed in 2009 as medical network auditor to maintain the service level provided by the company. In her new role, Carpin will take on a wider remit for the company, leading European network development and reporting directly to Franck Molinier, director of business development.

Franck Molinier said of the appointment: “Anne-Flore has a long experience within [our company]; working in several operational departments she has fully acquired the philosophy of the company. Anne has proven her excellent skills when auditing our network in place. I am sure she will succeed to fulfill her new challenge, which is to develop a powerful network across Europe … to reach the objective of the board: developing the same quality and efficient services outside French borders.”

HCCMIS chooses VP of operations

International and travel health insurance provider HCC Medical Insurance Services, LLC (HCCMIS), based in the US, has announced the appointment of a new vice-president of operations, Sue Kauth, formerly of CoreSource and latterly Resolutions Advisory Group, LLC—her own company—replaces Tracy Hastings in the role. “This is a different niche of medical claims to me,” said Kauth, “since I come from the self-funded world. It’s exciting to be learning a new side of the business and a new aspect of healthcare.” Her responsibilities will cover claims, client relations, compliance and IT departments.

New executive director for Claimspro

Claimspro International, the international and London arm of Canadian risk management firm SCM Insurance Services (SCM), has announced the promotion of Tim Cramer-Todd from technical director to executive director. Cramer-Todd, who has been with the business for over a decade, brings “knowledge and understanding of the business, combined with technical and market skills,” according to Alisdair Jacob, head of operations at the company. The appointment is part of a larger strategy of expansion for SCM in the international and London markets.

ACE bolsters South African team

ACE European Group has announced two new appointments to bolster its South African leadership team. John Nienaber, who has previously worked for Staller Hutchinson and broker Glenrand MIB, will become country president, and interim CEO Gary Jack will become COO and head of accident and health. Both appointments were effective from 1 June.

Neuron announces resignation and appointment

Dubai-based insurance administrator Neuron LLC has announced the resignation of chief executive officer John Larkin, who is leaving to pursue other interests. The company is also pleased to announce the appointment of Mohamed Mahfoudh Ahmed as its new general manager. Mohamed comes to Neuron from Amlaki, a company he founded 11 years ago.

New chief HR officer for XL

Dublin, Ireland-based underwriter and risk manager XL Group plc has appointed Eileen Whelley as its executive vice president and chief human resources officer, succeeding Elizabeth L. Reeves, who will shortly retire. Whelley has served as executive vice president of human resources at The Hartford Financial Services Group for the last six years, and previously worked with General Electric in a variety of positions. She will report directly to XL CEO Michael S. McGavick.
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