



Guideline G5 TRAVEL INSURANCE

This Guideline has been approved by the Board of Directors of the Canadian Life and Health Insurance Association Inc. (CLHIA). Member Companies are expected to adopt this CLHIA Guideline having regard to the company's structure, products and business processes, including distribution channels. Member Companies are urged to incorporate this Guideline into the company's ongoing compliance program.

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1. INTRODUCTION

Travel insurance coverage can be purchased as individual coverages (medical, trip cancellation, lost baggage) or as a package together. Insurers offer a range of products that provide benefits to consumers travelling outside their home province/country. The typical travel insurance policy includes several different accident and sickness (A&S) and property and casualty (P&C) coverages and may include life insurance. This combination of coverages makes the product somewhat unique in insurance.

This Guideline has been updated to reflect changes that will be incorporated into CLHIA member individual travel insurance product offerings over a period of time to improve the consumer experience.

2. PURPOSE

This Guideline describes practices for providing consumers with information reasonably sufficient to make an informed decision about the travel insurance being made available. This Guideline helps ensure consistency in the information made available to consumers.

3. DEFINITION

In this Guideline,

"Travel Insurance" means individual insurance coverages specifically marketed to consumers which cover losses arising during the course of travel or from the cancellation of travel or travel arrangements. This may include coverage for emergency hospital/medical costs incurred while travelling, coverage for trip cancellation as well as other types of coverages.

4. SCOPE

This Guideline applies to the life insurance and A&S insurance coverages in a travel insurance policy. This Guideline does not apply to group policies offering extended health care with coverage for out-of-Canada health expenses.

CLHIA Guideline G3 *Group Life and Group Health Insurance* applies to group travel insurance policies.

CLHIA Guideline G17 *Coordination of Benefits for Out-of-Country/Out-of-Province/Territory Medical Expenses* applies to all travel insurance products (group, individual, association, credit card).

CLHIA Guideline G4 *Coordination of Benefits Group Health and Dental* determines the order of payment between group plans.

In the event of any conflict between the provisions of this Guideline and any applicable law, the law takes precedence over the Guideline to the extent of the conflict.

5. DISCLOSURE

- a) All promotion or solicitation of travel insurance in the form of advertisements, brochures and related promotional material, whether written, oral, or electronic, should comply with CLHIA Guideline G9 Direct Marketing.
- b) The insurer's name and address should be clearly indicated on all policies and certificates, including those sold through third-party channels. The full corporate name of the insurer should be shown in all advertising material provided to the public.
- c) The consumer should be advised of limitations and exclusions in the policy prior to purchase, regardless of the purchase channel. For example, the consumer should be advised of any pre-existing medical condition limitation or any limitation resulting from a requirement for the insured to call the assistance centre immediately upon incurring a loss.
- d) The consumer should have an opportunity to read the full policy prior to purchase, regardless of the purchase channel.
- e) The following wording should be prominently displayed, either highlighted or, as in the sample below, in a box, on the policy, certificate or any other document designed to provide detailed coverage information.



IMPORTANT NOTICE - READ CAREFULLY BEFORE YOU TRAVEL

You have purchased a travel insurance policy – what's next? We want you to understand (and it is in your best interests to know) what your policy includes, what it excludes, and what is limited (payable but with limits). Please take time to read through your policy before you travel. ***Bolded and/or italicized terms are defined in your policy.***

- Travel insurance covers claims arising from sudden and unexpected situations (i.e.: accidents and emergencies) and typically not follow-up or recurrent care.
- To qualify for this insurance, you must meet all of the eligibility requirements.
- This insurance contains limitations and [\[or\]](#) exclusions [e.g.: ***Medical Conditions*** that are not ***Stable***, pregnancy, child born on trip, excessive use of alcohol, high risk activities].
- This insurance may not cover claims related to ***Pre-Existing Medical Conditions***, whether disclosed or not at time of policy purchase.
- Contact [\[insert contact information\]](#) before seeking ***Treatment*** or your benefits may be limited [\[or denied\]](#).
- In the event of a claim your prior medical history may be reviewed.
- If you have been asked to complete a medical questionnaire and any of your answers are not accurate or complete, your policy will be voidable.

IT IS YOUR RESPONSIBILITY TO UNDERSTAND YOUR COVERAGE. IF YOU HAVE QUESTIONS, CALL X-XXX-XXX-XXXX, or visit [\[insert url\]](#).

6. COMMON LANGUAGE

In order to provide the consumer with a better understanding of travel insurance and to easily compare different products, the travel insurance industry has developed common, plain language definitions for a variety of terms.

Where a policy or product includes any of these terms, the wording used shall be the industry standard wording. This includes wording for the most common definitions, exclusions and limitations.

7. MEDICAL QUESTIONS AND QUESTIONNAIRES

The completion of a medical questionnaire may be required for some policies. When designing a medical questionnaire, insurers shall consult the 'Best Practices' document entitled 'Best Practices in the Development of Medical Questions and Medical Questionnaires for Travel Health Insurers' developed by CLHIA members.

8. COMMON POLICY LAYOUT

In order to allow consumers to compare policies easier, the travel industry has developed a common policy layout that specifies the order of information within a policy and groups similar items together. When designing policies, insurers shall consult the 'Best Practices' document entitled 'Best Practices - Travel Medical Insurance Policy Layout' developed by CLHIA members.

9. POLICY DELIVERY

Prior to purchase, the policy, certificate or other written document, which includes details of the benefits, limitations and exclusions, and other conditions of coverage, along with instructions related to the submission of a claim, should be available to the consumer, and must be delivered at the time of purchase.

Where this is not practical, for example, in the case of telephone purchase, the document(s) should be forwarded no later than the next business day following the sale.

10. TRAINING AND TRAINING MATERIALS

Instructional material on travel insurance, including procedures for sale and written protocols, should be prepared by the insurer for the use of travel agents, tour operators or other intermediaries. This material should provide details of the benefits and services along with information about any limitations and exclusions, the premiums and rescission rights.