

The Telegraph

[EXTRACT]

Expatriate health insurance: it's a civil war, get me out of here

Peter Pallot on the advantages of health insurance policies which offer emergency exits.

Thousands of expats in North Africa and the Gulf who have been reading their insurance documents over the past few weeks will have found it a chastening experience.

Political unrest or civil war engulfing much of the Arab world exposed foreign nationals to emergencies they may have not thought possible. It may have led them to ask: if injured or taken ill during this time, would cover hold good? Often, the answer is no.

Many of the 800-plus Britons who could not get out of Libya last month (while other foreign nationals were swiftly extracted) probably had no valid insurance because the country was gripped by civil war.

War – whether civil or against another power – effectively nullifies holiday travel insurance. It is also an exclusion in some international private medical insurance plans, which are designed to give long-term cover for people resident abroad or extensive travellers.

But important differences exist between the two types of cover. They could prove crucial for expats, many of whom “get by” on much cheaper travel cover.

One of the better-rated holiday providers is [Direct Travel Insurance](#), but a glance at its 2011 policy exclusions reveals: “We will not cover you for any loss, injury, damage illness ... arising directly or indirectly from war, invasion acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, terrorism, revolution, insurrections, civil commotion...”

It's difficult to think of a better description than that of the situation in Libya during the expatriate exodus.

But an international medical insurance plan picked at random carries an important rider to a similar sentence. The [ALC Healthcare](#) plan states under exclusions: “Treatment directly or indirectly arising from or required as a consequence of war, invasions, acts of foreign enemy, hostilities (whether or not war is declared), civil war, rebellion, insurrection, attempts to overthrow the government ... unless the insured person sustains bodily injury while an innocent bystander.”

In other words, an expatriate injured when accidentally caught up in a riot with the travel cover cited in the first example, will have his claim rejected. The individual with international medical insurance in the second case retains cover.

As example, a severely injured British victim of the 2008 terrorist attack on the Taj Mahal Palace Hotel in Mumbai was refused help from his holiday travel insurer. The company was within its legal rights although it did eventually give some assistance.

Insurance brokers say international medical insurers tend to be generous in “hard luck” cases. This could be for the simple reason that good insurers stand to lose more than they gain. A hostile press would be guaranteed. And reputation is particularly important for medical insurers, because customers are usually relying on good service for many years ahead. They also research their purchase more carefully than someone departing on holiday to the Mediterranean.

A key consideration as to whether a claim is met even by the most comprehensive of cover is whether the policyholder was acting irresponsibly or violently when a claim arose. Participating peacefully in a demonstration would be one thing – chucking missiles at police something else.

The current upheaval in the Arab world points up the advantage of policies that include emergency evacuation cover in the event of the individual being in danger through violence or natural disaster. This entitles the policyholder to call on an assistance company to get them to safety.

The world’s biggest assistance company, [International SOS](#), operates a security arm on behalf of many insurers, such as [Bupa International](#). It helped extradite foreign nationals from Libya and Bahrain, setting up control centres. In Bahrain, the centre was in the capital Manama, run jointly with [Control Risks](#), risk management consultants.

Expats covered by [InterGlobal’s](#) top plans were pulled out of Bahrain by security company red24, which operates on its behalf. Paul Weigall, the insurer’s head of sales and marketing, said the current turmoil emphasised how important evacuation and repatriation could be either in natural disaster or civil unrest.

He said: “For anyone that finds themselves in a city full of protesters and security forces, evacuation cover gives the reassurance that a security specialist will get them out if the mood turns ugly.”

He added: “International private medical insurance provides reassurance that an expatriate will receive quality health care when it’s needed. International security assistance comes into play when the emergency is political unrest or a natural disaster. We think both are essential to give expatriates peace of mind.”

Assistance companies can prove more nimble-footed than governments. It could be said that it is not much of an achievement in the case of the initial British rescue efforts in Libya. When Israel began bombarding Lebanon in July 2006, International SOS extracted considerable numbers of expats two days before the destroyer Gloucester took Britons from Beirut. Assistance companies can move quicker. It’s their business.

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<http://www.telegraph.co.uk/health/expathealth/8403374/Expat-health-insurance-its-a-civil-war-get-me-out-of-here.html>