

# Credit card travel insurance

## Common myths busted

With travel insurance now available from a variety of different providers, it's more important than ever that customers purchase adequate cover through a trusted provider.

We examine some of the most common misconceptions below of credit card travel insurance below.

**Myth: "It's cheaper and easier to go with the complimentary travel insurance on my credit card."**

## Activation

Many travellers are caught out when they don't realise they're required to "activate" their cover. The criteria required for activation varies from provider to provider, but in most cases a certain amount of their trip must be pre-paid on their credit card.

## Paying extra in credit card surcharges

Savvy travellers may choose to pay for their trip using alternative payment methods (debit card, BPAY) to avoid credit card surcharges. But to activate complimentary travel insurance, these methods no longer remain an option.

For example, let's say a customer pays for a \$10,000 overseas holiday on credit card to activate their cover. However, the payment incurs a 2% credit card payment fee. That's an extra \$200 paid in surcharges, to activate a complimentary policy which may or may not provide adequate cover.

## Excess payments

It is important to check what excess payment is required when claiming, as a high excess with no buyout option can significantly increase the overall cost of travel insurance.

**Myth: "Travel cover is premium quality because it is attached to a premium credit card."**

Without reading the full Product Disclosure Statement, travellers should never assume they will be fully covered. Every travel insurance offering varies in terms of cover, limitations and exclusions.

## Flexibility

Travel insurance is not a case of "one size fits all". Standalone cover often allows travellers to choose the level of cover they require, from basic through to a comprehensive level, instead of standardised cover across the board. Travellers participating in a sport or activity should also check whether this is covered - some policies exclude things like skiing or snowboarding.

**Myth: "My credit card offers me travel insurance – so I'm already covered."**

Like with any travel insurance product, travellers should always check for restrictions

around age and existing medical conditions that might exclude them from cover. Having a credit card that offers complimentary travel insurance does not necessarily mean automatic cover – and there's nothing worse than discovering this when it's time to claim and it's too late.

**Myth: "It's all about price in the end."**

Travel insurance extends far beyond simple cover. When travellers are overseas and need help, being able to reach an expert here in Australia, 24 hours a day, can make a world of difference. Navigating language barriers, liaising with on-the-ground services and coordinating emergency transport, while keeping travellers and their families informed, is no easy task.

Chances are, travel insurance specialists are better equipped to help travellers get home safely. Once they're back home, travel agents are equipped to help customers prepare and lodge claims for travel insurance purchased through their agency.

**Myth: "I'm travelling with the secondary card holder on my card, so we're both covered."**

Travellers should never assume that their complimentary travel insurance automatically extends to secondary or additional card holders. In some cases, credit card travel insurance will only cover the primary cardholder. In other cases, the complimentary insurance may be extended to additional cardholders provided they meet requirements for cover - but may be limited to fewer benefits.