Does Travelling to a Foreign Country mean Taking a Risk?

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Given the present-day situation, characterized by severe political and social tension, not to mention the imminent acts of terrorism that prompt the threat of war and civil conflict, one of the principal fears felt by the insurance sector is a heightened sense of vulnerability to risks of a political nature.

The terrorist attacks of September 11th, 2001 were one of the most disastrous, heinous acts of modern history. From that moment on, we have witnessed a profound change in the affairs of international insurance, where insurance companies must review and reform underwriting criteria and the contract conditions for such specific events.

The principal characteristic of these socio-political incidents is an increase in the number of people insured, which can generate a cumulative effect of considerable consequences.

Now more than ever, the chance of a catastrophic events caused by the action of man, means for an insurer, a higher threshold of risk, and presents problematic issues in evaluating risk, as well as in establishing premiums. When we consider the effects, not only from an insurance perspective, we must keep in mind the economic, political and social impacts that these events cause.

In other words, what would be the fitting premium tax to apply that covers the damages caused by such events?

The costs of handling an emergency in a country with an unstable political situation could be higher than usual and present a difficult situation; for example, health and pharmaceutical aid could be limited or non-existent.

For these reasons, contrary to how things functioned in the past, insurance companies exclude from most insurance contracts the risks that are connected to war and terrorism, except for rare cases, like with a coverage cap and a high added premium.

It is therefore always advised to read the policy conditions carefully to be familiar with the insurance risks , to review how risks are covered and the steps to follow in order to take advantage of assistance and compensation.

The decision to go to an area considered high risk is a responsibility that falls back to the insured individual,who is ultimately the main responsible of his own safety. Therefore, it is best to know how such a situation would impact your insurance coverage, and what precautionary measures to adopt before going to a high risk country.

The governments of some countries provide detailed, up-to-date information on the socio-political situation of all countries in the world, with specific alerts on possible safety issues, with the aim to protect the interests of those who are currently in a foreign country or intend to travel to one.

That said, the insurance options offered by DAN insurers, aligned to the current market tendencies, exclude any loss, damage, or cost of any kind caused directly, indirectly, or in connection to any act of war (including civil), insurrection, rebellion or revolution.

However, coverage is provided for accidents caused by acts of terrorism during diving. Such coverage is limited to the cost of emergency medical care and repatriation, or in the case of death or disability.

Regardless of the damages, any cost, whether direct or indirect, resulting from travel to a country deemed high risk by the authorities, is not covered by insurance. DAN insurers will assess, from time to time and if the situation allows, whether to maintain valid insurance coverage even in the presence of specific alerts on security issues and for certain areas.

In cases where insurance coverage is not made available, but emergency services are necessary, DAN will seek to provide assistance to its Members, as long as it is not made impossible by serious impairments or absence of essential aid services in the area.

The DAN team will do everything they can to assist you in any situation, not only because it is a moral and ethical duty, but because, above all, that is the mission of the DAN Europe Foundation.