



## Cruising to success

**Alex Wright** examines the current assistance provision for cruise passengers and speaks to experts about pricing, medical provisions and the surge in bookings as the industry recovers from the pandemic

**C**ruising is one of the fastest growing areas of travel industry right now. Since the sector's return after the Covid-19 pandemic, many routes have reopened and new ones have been added, with cruise ships now almost back to full capacity.

Cruise.co.uk has reported that bookings are up 35 per cent on pre-pandemic levels, while a recent Cruise Lines International Association (CLIA) survey found that 91 per cent of respondents who have cruised before intend to do so again, and 72 per cent of those who have never cruised are open to the idea. The result is that demand for cruise coverage has surged over the last 12 months.

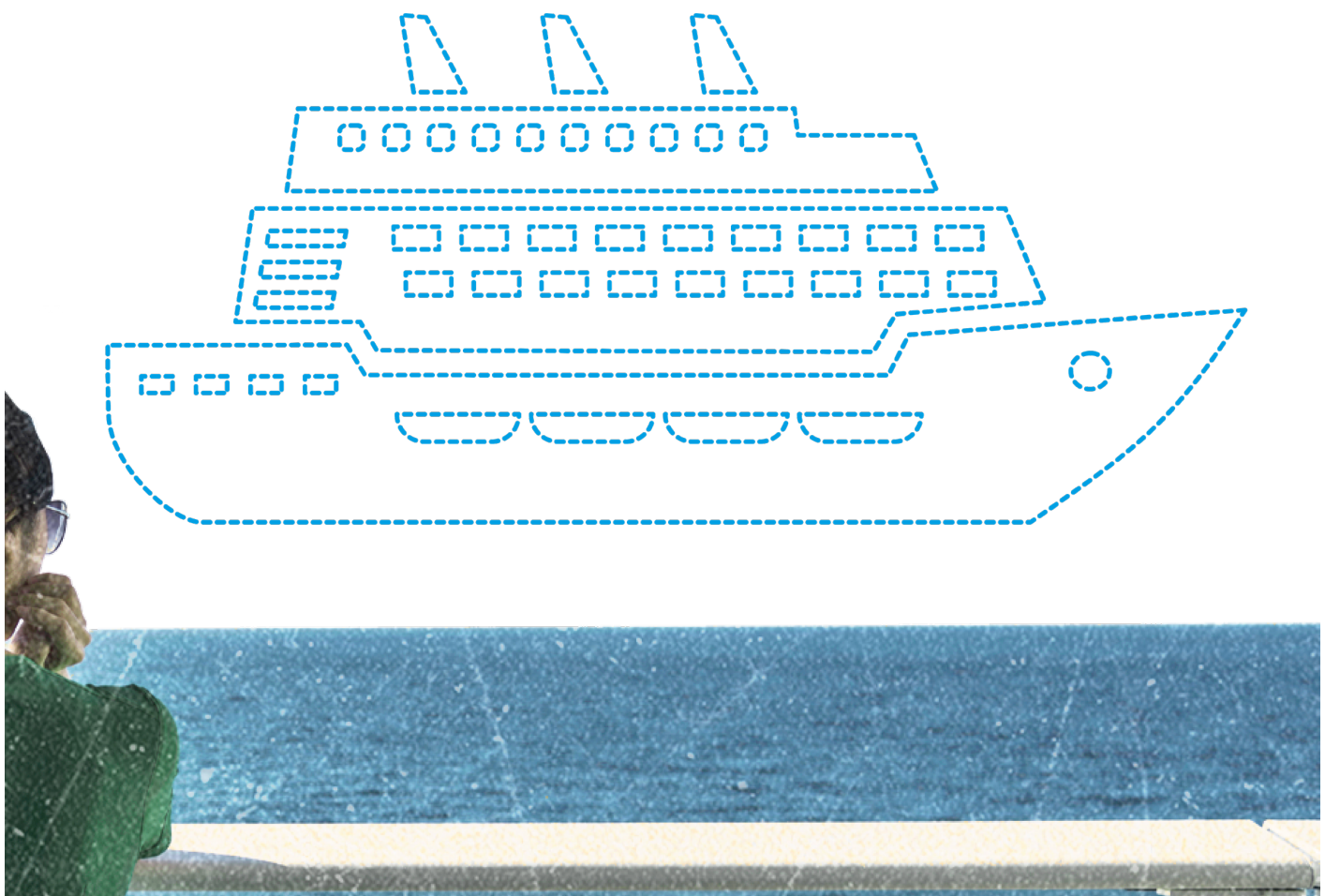
One of the biggest challenges for travel insurers is ensuring that coverage is fair to the policyholder but also reflects the risk. To achieve this, they must provide appropriate benefits at the right premium and coverage limits, while ensuring they remain competitive and have sufficient reserves to cover claims.

Garry Nelson, Head of Corporate Affairs at AllClear Travel Insurance, said that it concentrates on providing quality products at fair prices for the risks it's prepared to cover. He said that means it can quote for 99 per cent of scenarios, enabling customers to travel, even when they thought they couldn't get cover because of the complexity of their medical conditions and age.

"We constantly review both our products and our prices, taking on customer feedback using tools like Trustpilot," said Nelson. "Our platinum cruise cover has been awarded five-star ratings by both Defaqto and Times Money Mentor, demonstrating our intention to set the highest product benchmarks in the industry."

For Seven Corners, the focus is on providing unique benefits, such as cover for missed tours or cruise connections, said Product Strategist Angela Borden. Under the terms, policyholders are reimbursed for additional transportation costs to join their cruise, as well as meals,

# TRAVEL INSURANCE DOCUMENTS



local transport and lodging if they miss their cruise for a reason beyond their control, including aircraft delays and cancellations caused by inclement weather or mechanical issues with the plane, or having to be held in quarantine.

"We also provide the option to choose plans with higher medical and emergency evacuation limits for international trips," said Borden. "This is important to many cruisers because most cruises include international destinations."

### Additional benefits

Trawick International also provides comprehensive coverage that protects the customer in the event of pre-departure cancellation, as well as post-departure benefits such as trip interruption, travel delay, emergency medical and baggage delay or loss, said Vice President of Trip Cancellation Bailey Foster.

"These additional benefits protect customers from the risk of losing their pre-paid, non-refundable trip cost before they travel and provide protection for additional unexpected events that can occur while away from home," said Foster. "By working closely with the underwriters and claims teams, we can keep an eye on trends in the marketplace and with our own customers, and adjust our policies to ensure we are always keeping our customers' needs at the forefront of what we do while staying fair to us."

Another problem is abusive billing by policyholders. Recent press reports of such fraudulent practices have ranged from a customer bogusly saying luggage went missing by using forged receipts, to another claiming they weren't able to go on a trip even though they hadn't booked it in the first place.

Seven Corners has various checkpoints in place to clamp down on such practices. The company's claims advisors review the bills when >>

processing a claim to make sure that they match the diagnosis given by medical expert, while its clinical team looks at medical records and invoices to ensure the service being billed for is the same as that rendered. If it has any concerns about the claim's validity, it asks for additional medical information and speaks with the insured about the services that they have received.

Staysure Group uses a combination of local agents and specialist bill auditing companies to identify abusive billing, said Brand Director Rupert Chandler. It has formal agreements in place with many of the medical providers and uses experts to medically audit the bills, compare charges against fair and reasonable treatment costs, and negotiate directly with the customer if and when required, he added.

#### Cost versus risk

As the cost of cruising continues to rise, with InsureMyTrip estimating the price will increase by 40 per cent year-on-year in 2023, so insurers have to make sure that premiums continue to reflect the value of the trip and the risk involved.



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This can be calculated by considering several factors, including the total trip cost and duration, the destination(s) and the traveller's age, and it typically amounts to four to eight per cent of the cruise's total cost.

“The pricing of most of our travel insurance policies is based on the

overall cost of the trip,” said Chris Carnicelli, CEO of Generali Global Assistance. “So if you need to insure a more expensive cruise with higher limits for trip cancellation and trip interruption, your policy is going to cost a little more.”

Seven Corners uses a traveller's total pre-paid non-refundable trip expenses to determine the necessary coverage amount to protect their investment, said Borden. Provided they submit an accurate cost of their cruise and other travel arrangements, their insurance will be proportionate to the cruise's cost, she said.

“Trip cancellation benefits cover up to 100 per cent of their pre-paid, non-refundable expenses if they have to cancel their cruise for covered reasons,” said Borden. “Likewise, trip interruption benefits may cover up to 150 per cent.

“This additional percentage is designed to offset the higher cost if newer travel arrangements are more expensive than what was originally booked. For example, a last-minute flight to return home unexpectedly early may cost more than the return flight that was originally purchased.”

AllClear uses the latest artificial intelligence technology in its pricing to match claims and risks across multiple schemes and factors, said Nelson. This ensures that policyholders receive the most competitive premium for the risk the insurer takes on.

“Providers use the cruise cost as a guideline to determine the amount of insurance coverage that should be offered as this directly impacts cancellation cover requirements,” said Nelson. “Insurers also look at the further potential risks associated with a cruise, such as medical emergencies, air evacuation and other potential significant costs to determine the most appropriate level of coverage and risk.”

Daniel Durazo, Director of External Communications at Allianz Partners USA, said that it has increased its maximum coverage







**Medical provisions**

Every cruise line has its own medical provisions. But CLIA cruise line members have worked with the American College of Emergency Physicians to develop and implement their own mandatory guidelines on cruise ship medical facilities.

The guidance specifies that cruise ships must have at least one qualified medical professional available 24/7 for medical bay visits or cabin 'house calls'. Cruise ships must also have an examination room, an intensive care room and equipment for processing labs, monitoring vital signs and administering medication.

A Royal Caribbean Group spokesman said: "The health and safety of our guests, crew and communities we visit are our top priority. We have rigorous medical protocols in place to help guests and crew members while sailing. Our protocols include professional medical treatment by highly trained on-board medical teams and onboard medical facilities."

In the event of a passenger becoming ill when the cruise ship is located in a remote area that doesn't have the appropriate quality of care they need, they will have to be disembarked. Each cruise line and their assistance company partners also have their own procedure for doing this.

A Carnival Corporation spokesman said: "There are rare situations where more comprehensive facilities or treatment are required that exceed on-board capabilities. In those instances, when patients are referred to a shoreside medical facility, how they are transferred >>

levels to mirror the growing cost of cruising. Reflecting this, its highest limit plan – OneTrip Premier – provides trip cancellation coverage up to US\$200,000, trip interruption coverage up to \$300,000, emergency medical coverage up to \$75,000 and emergency medical transportation coverage up to \$1 million.

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depends on a number of factors, such as the weather, location and the shoreside assistance available.

"Generally in those situations, depending on distance to shore and assets available, a passenger could be transferred by helicopter or boat evacuation. If a given port is not nearby or does not have the medical facilities required but there is an airstrip nearby, medical personnel may look to schedule a medevac aircraft to transfer the passenger to the nearest location where the next level of care is available."

A Norwegian Cruise Line spokesperson said: "Each of our ships has a state-of-the-art on-board medical centre staffed with highly-qualified doctors and nurses, to provide care for both guests and crew while at sea. We follow guidelines for our medical facilities provided by CLIA in conjunction with the American College of Emergency Physicians.

"All ships have defibrillators, cardiac monitors, X-ray machines and lab equipment. Our onboard medical teams work closely with our shoreside team including our chief medical officer."

Elena Donina Glukhman, Business Development Manager at AP Companies, which works with cruise lines in the majority of cruise ports, advising which are the safest and most cost efficient, said that the cruise line will normally notify the company if a passenger has to be disembarked before the ship reaches port, providing details of the patient's symptoms and condition, plus the ship doctor's referral. This enables it to arrange any hospital admission in advance and to inform the port agent so that they can arrange all the necessary paperwork for their disembarkation, she said.

"In the event of a medical emergency, our special evacuation/repatriation protocols are activated as there is no time to lose and the



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patient needs to get to the medical facility as soon as possible," said Glukhman. "It is very important to have a professional and experienced medical company in place for serious medical matters, otherwise this already stressful and complicated situation may become even more difficult, and the outcome sometimes can be very sad."

Lynn Gordon, Chief Medical Officer at Charles Taylor Assistance, said that it always seeks to discuss with the shipboard medical team the most practical place to disembark to ensure the best outcome. Coordinating medical transfers and evacuations from cruise ships also requires close teamwork and cooperation with the other parties included in the process, such as port agents, ground ambulances and medical air providers, she added.

If a passenger has to be hospitalised, standard practice for assistance companies is to get daily updates on their status and keep the cruise line informed of them. Those updates may be more frequent for an unstable patient.

As the cruise season nears and bookings and demand for coverage increases, so insurers, cruise lines and their assistance companies must ensure that they maintain the highest levels of service. ■

