



## **TRAVEL MEDICAL INSURANCE AND COVID-19**

**By Sonya Katrycz and Alex Reyes**

On March 13, 2020 Prime Minister Justin Trudeau issued a travel advisory, asking Canadians to “avoid all non-essential travel until further notice”. On March 16, 2020, Trudeau reached out to snow birds, expats, and any other Canadians that remained abroad, imploring them to “come home”. But with many Canadians either unable or unwilling to return, travel medical insurers will face inevitable and potentially expensive coverage issues.

### ***Travel Medical Insurance***

Travel medical insurance, also known as emergency medical insurance, is one of two primary types of travel insurance relied upon by Canadians leaving their home. Coverage limits can be significant, up to \$1,000,000.00 and beyond, insuring unforeseen medical expenses incurred as a result of injuries or illness sustained beyond the relevant provincial or territorial health care system. Doctors’ and hospital bills, diagnostic testing, and prescription medication, along with other, similar expenses, will generally engage travel medical coverage when incurred in the right circumstances.

### ***Subsisting vs. Trip-Specific Policies***

For shorter trips, Canadians tend to rely on the subsisting policies available to them through employee or student benefit plans, and credit cards. These policies typically restrict coverage to up to 25 days for insureds under 65, while those older than 65 may have access to just ten days of coverage or less. Because the coverage is not obtained with a particular trip in mind, insureds may be unfamiliar with applicable age and time limits, which can be problematic.

Trip-specific policies are typically purchased for longer trips that would not be covered by a subsisting policy, to supplement a subsisting policy, or where a subsisting policy is not available. Trip-specific travel medical insurance rates are age-specific, and tailored to the precise duration of the trip. Insureds are more likely to have a better idea of the terms of coverage.

### ***COVID-19 and Emergency Medical Coverage***

Most travel medical plans require that pre-existing medical conditions be stable for a specified period (often a minimum of 90 days, depending on age) before travel in order for coverage to become available for the duration of the trip. Accordingly, travel medical coverage is unlikely to be available to anyone who manifested symptoms of the coronavirus prior to departure. This standard restriction will be familiar to travel medical insurers and is unlikely to generate novel coverage concerns.

Subject to exclusions, in most cases, those who purchased travel medical insurance and began trips before Canada issued its travel advisory (including any applicable travel advisory for the insured’s particular travel destination) are likely to have travel medical coverage available should they incur Coronavirus-related medical expenses during travel and before the expiration date under the policy.

Difficulty with coverage is likely to arise, however, where Coronavirus is deemed a “known event”, either by Canada as the country of origin or by the destination country. The unifying aim of travel insurance is to provide coverage against unforeseeable, emergency risk. Travel medical insurance, overall, is not designed to respond to emergency medical expenses incurred by a known source of risk.



The challenge with coronavirus, as with any major communicable illness, is isolating the moment of transformation from unknown to known risk. As a reasonable proxy, insurers generally rely on government-issued travel advisory warnings to declare that a risk is known, and therefore uninsured and uninsurable. As a result, most emergency medical policies include exclusions for losses sustained in countries that have issued travel advisory warnings, thereby making a particular risk explicit, and known. Importantly, the exclusion will normally pertain only to damages that result from the particular risk that triggered the travel advisory.

In response to the travel advisory issued by Canada on March 13, 2020, many Canadian insurers announced that travel medical coverage for coronavirus-related treatment would not be available to travelers leaving Canada after the advisory was issued and, significantly, would cease to apply to travelers already overseas after the expiry of a certain period of time (ten days, fourteen days, etc.). This time limit imposed for travelers abroad was a practical decision. It allowed insureds time to find a way back to Canada while coverage continued.

The precise policy wording and the insurer's position regarding a reasonable notice period within which to return home will determine coverage. In most cases insureds who require medical treatment for coronavirus symptoms and have followed Canada's travel advisory and are within the insurer's coverage deadline will likely be entitled to coverage.

Where insureds are unable or unwilling to return within the insurer's deadline following Canada's travel advisory, the insured should purchase an extension of coverage, if available. In many cases, however, travel insurers that are permitting such extensions have indicated that medical expenses related to the coronavirus will not be covered. If an insured is unable to get such an extension that expressly covers the coronavirus, the insured faces the prospect of having no travel medical coverage for coronavirus-related medical treatment after the travel advisory. As governments around the world impose stricter travel restrictions over COVID-19, and as many commercial airlines reduce or suspend operations, in many cases Canadians abroad may be unable to return to home for an extended period of time despite good faith efforts to do so. It remains to be seen whether judicial discretion in favour of insureds will be exercised where insureds made sincere, but ineffective efforts to return to Canada before coverage expired.

*ZTGH's Coverage Practice Group will continue to closely monitor the legal and business implications associated with the COVID-19 pandemic and report on further developments. For more updates on this series, please click [here](#).*



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Alex's clients rely on his detail-oriented, creative and practical solutions to their legal problems. With a broad and varied insurance litigation practice, Alex has a breadth of knowledge in a number of practice areas. He defends a wide range of personal injury claims on behalf of insurers and self-insured clients, including motor vehicle liability, occupiers' liability, commercial general liability, and product liability matters. He also has significant experience defending professional negligence claims, including claims against lawyers, financial advisors, health practitioners, and insurance brokers. In addition, Alex has a special interest in representing insurers on coverage matters, life and critical disability claims, and fraudulent investigations. Alex has appeared as counsel before all levels of Court in Ontario, as well as FSCO and WSIAT. Alex was called to the bar in 2011.

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### **Sonya Katrycz**



Since her call to the bar of Ontario in 2013, Sonya has cultivated a deep breadth of litigation experience, and has defended insurers in hundreds of actions pertaining to bodily injury, accident benefits, professional liability, and product liability. Sonya is just as interested in helping her clients prevent litigation as she is in defending the claims that eventually arise. She is passionate about coverage work, particularly with respect to commercial general liability policies.

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