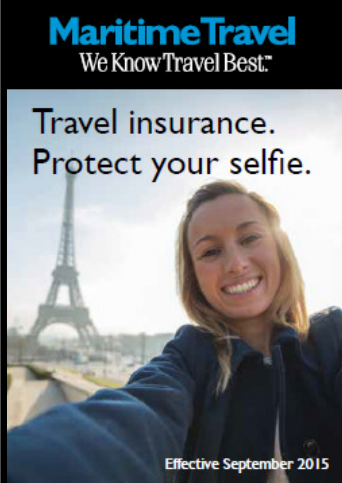


Maritime Travel

We Know Travel Best.™

Trip Cancellation, Trip Interruption and Misconnection/Travel Delay Module 2



Maritime Travel
We Know Travel Best.™

Travel insurance.
Protect your selfie.

Effective September 2015

You have purchased the following insurance coverage. Please see inside for details:

<input type="checkbox"/> Elite Plan	<input type="checkbox"/> Visitors To Canada
<input type="checkbox"/> Elite Non-Medical Plan	<input type="checkbox"/> Trip Cancellation Plus
<input type="checkbox"/> Recommended Plan	<input type="checkbox"/> Trip Cancellation Only
<input type="checkbox"/> Annual Recommended Plan	<input type="checkbox"/> Rental Vehicle Physical Damage
<input type="checkbox"/> Canada Plan	<input type="checkbox"/> Top-Up to Annual 2014 Plan
<input type="checkbox"/> Medical Plus Plan	


Insured Name: _____
Policy Number: _____

Plans underwritten by The Manufacturers Life Insurance Company and First North American Insurance Company, a wholly owned subsidiary of Manulife.



In a recent report, 52% of claims paid to Maritime Travel clients were for Trip Cancellation and Trip Interruption. I guess that is a good stat to share with those folks that state emphatically that they are going on their trip no matter what! And the top two reasons for the claims were illness of insured and illness of a family member.

A further 23% of claims were paid for Travel Delay. No surprise considering the snowy weather conditions experienced in St. John's and Halifax each year and foggy conditions out west.



So it is apparent that this is an important section of the policy to become familiar with so let's get at it!!

By the end of this Module, you will have learned the following:

- To define Trip Cancellation/Trip Interruption, when it becomes effective, what is covered and how much
- To define Misconnection & Travel Delay
- To provide examples of Trip Cancellation, Travel Delay and Trip Interruption through the use of travel scenarios
- Have a better understanding of where things are in the policy for quicker reference
- And successfully pass a quiz that will help you assess your understanding of this module.

Trip Cancellation is effective prior to the client's departure date... an event that occurs prior to the trip actually beginning. Please note clients will pay upfront and submit the claim for reimbursement.

Trip Interruption is effective the minute the client closes their front door and is on the way to the airport... an event that occurs after leaving home and the client has begun their trip.

Missed Connection and Travel Delay will cover the client in two cases. There are often schedule changes **prior** to departure that will affect connecting flights, along with schedule changes **after** departure. There are benefits that apply to each of these scenarios.


There is also a section that outlines other causes of travel delays like road closures, weather, cancelled flights **on or after** your day of departure and we'll explore the benefits provided to catch up and overnight if required.

Please note clients will pay these expenses out of pocket first and submit a claim for reimbursement.

Trip Cancellation

What is Covered?

Turn to page 16 in the Main policy and review the 32 different covered events that allow a client to file a claim for Trip Cancellation. They are grouped by category for easier understanding.



What do we pay with Trip Cancellation?

- We pay for the prepaid, unused portion of the trip that is non-refundable
- Hotel cancellation penalties
- The change fee charged for rebooking the travel arrangements as originally booked
- Next occupancy charge if companion cannot travel
- Catch up cost to continue your trip versus cancelling

Interesting Areas of Trip Cancellation Coverage and deciphering the fine print on how it applies to clients...

Medical Condition



#3 Sporting event – A medical condition which in the written opinion of the attending physician, prevents you or your travelling companion from participating in a sporting event when the purpose of your trip was to participate in a sporting event. This could include a knee issue that would prevent you from golfing on a golf vacation or an Achilles tendon flare-up for a client traveling to Boston for the Marathon.



QUARANTINE

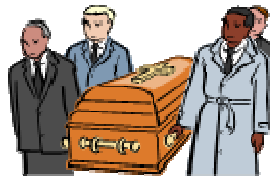
#5 Quarantine -You, Your spouse, your travel companion or travel companions spouse is quarantined. Think about past instances such as SARS and the swine flu. If you contracted a communicable disease and you could no longer travel, we would cover it.



#6 –The medical treatment that was the purpose of your trip outside of your territory or province and had been arranged by your government health insurance plan or private health insurance that has been cancelled or rescheduled, provided that the cancellation or reschedule is beyond your control or control of the medical facility providing treatment. This is only valid if the client has purchased a **Canada Plan**.

All coverage's in the Health section require a physician statement.

Death



#7 -You or your travel companion dies

#8 -A member of your immediate family or your key-person, a member of your travel companion's immediate family or his key-person dies. What is a key person you might ask? Please refer to the definitions at the back of the policy starting on Page 55

#9 -You or your travelling companion's friend dies. Please note that in the Exclusion section, we state that if you were scheduled to travel to visit a person who has a medical condition and they pass away, there is no coverage.
Page 23, II, #2.

Accommodations or Transportation



#14 – You, your spouse, travel companion or travel companions spouse are unable to operate your/their principle residence because of an event that is independent of any intentional or neglect act on your/their behalf.

#16- You or travel companions principle residence or place of business is burglarized within 7 days of departure.

#17- Fire, Vandalism, Burglary or natural disaster renders your destination accommodations uninhabitable. (This is ideal for the client going to her timeshare in Florida and there is flooding or travelling to Costa Rica and there is a fire at the vacation home.)

#18- Cancellation of a prepaid coach tour included in your trip (for any reason other except supplier default) prior to your originally scheduled departure date, we will reimburse you up to \$1000 for the non- refundable prepaid airfare.

#19-Cancellation of a flight by an airline that is providing a portion of your trip, we will reimburse you up to \$1000 for the non-refundable prepaid airfare of a domestic flight that you had booked to connect with the cancelled flight.

Employment and Education Obligations



#21- You, your spouse, travel companion or travel companions spouse are called to essential emergency service as a reservist, firefighter, emergency medical personnel, police force or armed forces during your trip.

#22 – You, your spouse, travel companion or travel companions spouse involuntarily lose a permanent job due to layoff or dismissal without just cause, when actively employed with the same employer for at least 6 months prior to purchasing the insurance.(excluding contract and self-employment).

#23- You, your spouse, travel companion or travel companions spouse are transferred by their employer and must move from their principle residence to another location.

#24- Cancellation of you or your travel companions business meeting, conference or convention that is the main intent of your trip and was schedule prior to obtaining insurance, provided the cancellation is for a reason beyond your control or control of your employer. This event must be between companies unrelated ownership and must be a registered delegate.

#25/26- You or your travel companion are required to attend a college or university exam and the date of your exam now falls during your trip or is rescheduled to fall during your trip.

Government and Legal



28 – Your or your travel companions Visa is not issued for a reason beyond your/their control.

29 – You or your travel companion’s passport is not issued within the time confirmed in writing by Passport Canada.

31 – The Government of Canada issues a warning after you purchase your insurance advising “**Avoid non-essential travel OR Avoid all travel.**”

The following advisories are not covered: **Exercise normal security precautions OR Exercise high degree of caution.**

Keep in mind with this policy that at the time the advisory is announced, the clients can cancel their trip and file a claim. If they wait and penalties go up and they then decide to cancel, we will only pay what was refundable at the time of the announcement.

Exclusions – What is not covered under Trip Cancellation and Interruption?

So you have become familiar with some of the scenarios where Trip Cancellation would apply and, as with other coverage’s in the policy, there is a section on what we exclude. The majority of denied claims originate from pre-existing conditions that were not considered stable and meet our definition of change in medication. Please make sure you review with your clients this section on pages 22 and 23. You also need to review what ***change in medication*** and ***stable*** means. See definitions on page 55 and 58.

For a sum insured ***less than \$20,000***, coverage is not provided for claims if **client or traveling companion** has a pre-existing condition that was not stable for the 3 months prior to the purchase of the policy. You’ll see words in ***italics*** so make sure you refer to the definition section of the policy so you know exactly what they mean.

Also coverage is not provided if any claims arise from a

- a) heart condition involving the taking of nitroglycerine more than once a week for the relief of angina
- b) lung condition treated with home oxygen or the taking of oral steroids (prednisone)

If the sum insured or value of trip is valued **\$20,000 or more** per person, the stability period of 3 months expands to include **any person** who was the cause of the claim, not just the traveling companion or client.

But there is a Special Benefit...Cancel for Any Reason (CFAR)

As we can't cover every life circumstance that results in a cancelled trip as premiums would be far too expensive, we do have a unique benefit. If your client decides not to travel, for any reason and they have purchased their policy within the first 48 hours of their booking and they cancel their trip 16 days or more prior to departure, we will pay up to 50% of the covered amount for the prepaid portion of their trip that is non-refundable and non-transferable to another date. We will even use this benefit on claims that are not deemed payable!

So if John and Mary planned a vacation to Jamaica but subsequently break up, they would not find "break-up" under the listed covered events for Trip Cancellation. But if they bought a policy within 48 hours of their trip deposit and cancelled their Jamaica trip 16 days prior to departure, they could at least get back 50% of their non-refundable pre-payment.

The '**Cancel For Any Reason**' benefit is outlined on page 15.

Our policy states that you as the agent must book within 48 hours for the client to have the Cancel for any Reason benefit. We have modified this to **2 business days** which would mean if you booked your client on Friday you would have until the end of Tuesday to add the insurance. We know how busy you can get!

There is also a caveat in CFAR on page 15 that states "before any cancellation penalties became applicable". This means that the 48 hours to book insurance does not apply on refundable deposits. If a client had a refundable deposit on a cruise and when full payment was due, they would have to buy their insurance that same day. There is no grace period.

Some operational things to keep in mind.....

- We no longer have late authorizations. You can sell a plan right up to departure but keep in mind; the Cancel for Any Reason would not apply unless booked within 2 business days of the trip.
- We have removed the restriction in the policy that part of the trip has to be in Canada. You can sell insurance at anytime and anywhere but keep in mind the

prior knowledge exclusion. So if someone declined insurance when they bought their trip but heard of a massive storm coming and decided to buy a policy the day before, we would likely deny their trip cancellation claim due to prior knowledge. We would allow trip interruption and missed connection.

- The client or agent must **cancel** with the airline or tour operator or other travel supplier within **the next business day** once the event that causes the cancellation occurs. Only the sums that are non-refundable on the date the reason for cancellation occurs will be considered for the purposes of the claim. Any delays in cancelling the trip from either the agent or the client will limit the benefit to the non-refundable amount that would have been payable on the date the cause for claim occurred. Page 24.

Trip Interruption

As we said before, this protection is available on the day you start your trip. There are 32 covered events that fall into this category, the same as Trip Cancellation. There are slightly different benefits paid than in Trip Cancellation

- We pay for the prepaid, unused portion of the trip that is non-refundable
- The cost of a one way fare or change fee to the next destination or home
- Hotel, accommodation, taxis and calls
- Penalties on an early returned car rental
- Round trip flight for a return home due to a funeral or bedside visit

Misconnection and Travel Delay Insurance



This coverage applies prior, on, or after your departure date. It is intended to help the client with extra expenses incurred to catch up with their trip.

Turn to page 18 in the policy to review Misconnection & Travel Delay

If the **flight schedule changed before** the client was to leave on their trip and it departed **earlier or later** and they would end up missing their connecting flight, we would provide:

- Up to \$1000 for the one way ticket or change fee of the original ticket

- \$350 for accommodation, meals, taxis, phone calls and text messages for a maximum of 2 days.

Example: a client is travelling from Halifax to London. Their London flight changes two weeks prior to their trip starting. The Halifax connector is now of no use. This coverage would pay for the change fee to get a connector flight that could accommodate them. And if they had to overnight, they would have up to \$350 a day.

If the **flight schedule changed after** the client's departure and they would end up missing their connecting flight, we would provide:

- Up to \$1000 total to cover a one way ticket or change fee, unused prepaid accommodation and pet care expenses to \$100.
- \$150 for accommodation, meals, taxis, phone calls and text messages with different maximums depending on the plan purchased

Example: a client is flying from Moncton to Toronto to connect with a tour package with Air Transat to Cuba. The Moncton flight is delayed 8 hours due to weather. The clients arrive in Toronto but miss their flight to Cuba. They would have up to \$1000 total to get another flight to Cuba and claim unused land at the resort. They would have an additional \$150 a day for a hotel/meals/calls and cabs if they had to overnight in Toronto.

Or if they were coming back from Frankfurt and a volcano spewed ash and their flight home to Calgary was delayed more than 6 hours (try 6 days!) they would have \$150 a day up to \$1500 for the Elite and Non -Medical Elite Plan (\$600 under Recommended, Canada Plan, Medical Plan Plus and Trip Cancellation Plus).

Besides schedule changes, there are other circumstances that dictate when Travel Delay would take effect. These are found at the bottom of page 19 starting with #3.

These include:

- You miss your next connecting common carrier because the airline you had booked an earlier connecting flight cancels.
- Your earlier connecting carriers' ticket has become unusable because the airline with whom you had booked a connecting flight has cancelled.
- You and your travel companion are delayed at least 6 hours in arriving at your trip destination or returning home due to delay, cancellation or schedule change
- You miss a connection because of the delay of your own private passenger vehicle when the delay is caused by traffic accident, mechanical failure, emergency road closure, weather conditions, earthquakes or volcanic eruptions.
- You miss a connection or must interrupt your trip because of a delay in clearing customs and security controls due to mistaken identity.

Please note that if a client books any component of their own travel arrangements we will look for the following connecting times to qualify under misconnection and delay:

- **2 hours** between domestic airline connectors;
- **3 hours** between international or Canada/USA connections;
- **6 hours** between mixed connections such as an airline connecting to a land tour or cruise.

Exclusions – What is not covered under Misconnection and Travel Delay Insurance

We will not pay for Misconnection if there was:

- an announced strike or labor disruption
- supplier default or bankruptcy
- grounding of an aircraft due to security alerts or failure to satisfy government safety alerts
- We have written in the policy “announced” strike. If there was an unannounced or also termed “wildcat” strike we would provide missed connection benefits.

Delayed Return

Covered events for Delayed Return always are due to medical situations: (pg 20)

- Your client has a medical emergency.
- Your client or travelling companion has a medical emergency or dies
- A member of their immediate family has a medical emergency or dies at destination
- Your host is admitted to hospital or dies
- Your friend dies

Clients would be reimbursed for:

- Additional one way ticket or change fee on the original ticket most cost effective way
- \$350 for accommodation, meals, taxis, phone calls and text messages for up to \$3500 for Elite and Non-Medical Elite, and \$150 per day up to \$3500 for Recommended, Canada Plan, Medical Plan Plus and Trip Cancellation Plus.

Example: Delayed Return would apply in the case where a resident of Newfoundland doesn't want to return to the oil patch in Alberta as they get sick, their mom gets sick or the cousin they were staying with is admitted to the hospital.

What Else does Trip Cancellation, Trip Interruption and Delayed Return Insurance cover?

Please refer to Pages 21-22

#1 – In the event your travel companions plane is delayed by weather, earthquakes or volcanic eruptions for at least 30% of your trip, and your travel companion decides not to travel, we will cover the cost of the next occupancy charge.

#2- In the event of a death due to a covered medical condition there is coverage for body preparation and \$5000 for burial or cremation at destination

#3 – If you purchased the Elite, Elite Non-Medical, Recommended, Annual Recommended or Canada plan and you must interrupt your trip we will reimburse you up to \$250 of unused, non-refundable excursions that were not included in your original arrangements and you booked onboard the ship.

#4- If you purchased the Elite Plan, or Elite Non-Medical, and the flight you are booked on was over booked; we will pay up to \$1000 for the unused land missed if trip length is a minimum of 7 days.

#5 If the primary reason for the trip is to go to wedding, funeral, sporting event, theatre or musical and your flight is delayed, we will reimburse you for alternate transportation to get there on time! (This is even better than having to wait 6 hours as part of missed Travel Delay. Get me to the Church on Time, or see the Raptors or Kinky Boots!)

#6-If a cruise included in your clients trip is cancelled for mechanical failure, grounding, quarantine of the cruise ship, or repositioning of the cruise ship due to weather conditions, earthquakes or volcanic eruptions, the client will have up to \$2000 for their non-refundable prepaid airfare that in not part of their cruise package. If your client has already left home but prior to departing on their cruise, we will reimburse up to \$2000 for the added expense resulting from a change fee or one way fare to return home.

If you sell your client an **Elite or Elite Non Medical Plan**, than we will also cover the cancellation of **a tour or cruise** for any reason other than default. This is an excellent benefit if they have bought their non-refundable air separate from a tour and that tour is cancelled because there are not enough people. Always sell a form of the ELITE Plan when selling a tour that is not guaranteed for \$2000 air fare coverage.

#7- If a passport is lost or stolen, reasonable travel and accommodation expenses are covered as well as up to \$1000 for airfare to return home.

#8- If the primary reason for the trip is to attend a ticketed performance and it is cancelled **before** you leave home, we will pay 50% of the unused portion that is non-refundable and if it occurs **after** you leave home and you elect \$1000 for airfare to return home.

Default Protection

With the demise of many airlines and tour operators, many clients are asking if they will be covered if their tour operator goes under. Yes! And since this a travel insurance policy there are conditions. We will pay a maximum of \$1,000,000 to all clients for a supplier that goes belly up. We will also only pay out \$5 million in one year for all travel suppliers that file for bankruptcy. And keep in mind that where there is a provincial compensation fund we provide secondary coverage. The maximum amount per claim would be \$10,000.

US Airlines are not covered unless they are part of a package.

Any insured impacted by a bankruptcy should be instructed as follows:

- If the air was purchased by credit card, they need to contact their credit card company to dispute the charge. This needs to be done before filing a claim with Manulife.
- If the air was booked through a Travel Agent located in Ontario, BC, or Quebec, they need to be directed to the appropriate compensation fund to file a claim. These provincial compensation funds provide primary coverage, so they must file a claim with them first. (Contact information is outlined in the Bankruptcy cover letter.)

- If they require assistance in making new flight arrangements to catch-up with their trip or to return from their trip, they should be directed to ACM or their Travel Agent.

If clients are in destination when this happens, they can receive up to \$200 a day for 3 days for unplanned hotel and meal expenses; as well, their airfare home and unused land. **See page 25 for further details.**

So hopefully you have a better idea of this section of the policy and are ready to test your knowledge. Good luck!

Maritime Travel STEP Exam Module #2 - Trip Cancellation
<http://www.quia.com/quiz/2296607.html>

