

Unpacking business travel insurance



Reading 50 pages of policy documents might not be your idea of fun – but if you're a business travel manager, business travel insurance is a non-negotiable. It's a fundamental part of business travel management that not only keeps your people safe while they're on the road or in the air but also keeps your business safe.

When it comes to managing business travel, you know you need business travel insurance. What you might not fully understand is what type of cover your business needs – and what a good travel insurance policy looks like.

Before we get into the nitty-gritty, there's one key aspect of any travel insurance you need to understand. Most business travel insurance will only cover what is termed an unforeseen circumstance. This means something happening that is totally out of your control, and was not known or pre-existing before the insurance period started.

In this guide, we'll take an in-depth look at four different sections of travel insurance:

- Travel delays and cancellations
- Delayed luggage allowance
- Amendment or cancellation costs

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So when you next take out an insurance policy, you'll know what to look for.

Travel delays and cancellations

If there's ever a time when having business travel insurance is needed, it's for travel delays and cancellations. Like taking your children to the supermarket, delays and cancellations are unpredictable – and can wreak havoc on travellers' itineraries if they're not prepared with the right cover.

What is travel delay cover?

If your pre-booked transport is temporarily delayed during your journey for at least six hours due to an unforeseeable circumstance outside your control, Cover-More will reimburse you up to \$200 for reasonable additional accommodation (room rate only) expenses. They will also reimburse up to these limits again for each full 24-hour period that the delay continues beyond the initial 6-hour delay. That's up to a maximum limit of \$2,000.



You must provide Cover-More with written confirmation from the transport provider of the cause and period of the delay and the amount of compensation offered by them. Don't forget to keep all receipts – these must be submitted when lodging a claim.

Do all business travel insurance policies include travel delay cover?

These days, travel delay insurance is a standard feature of business travel insurance. This type of insurance covers all forms of public transport – flights, trains, buses, coaches and ferries. However, there are a few things to look out for when choosing a travel insurance policy.

There are several different scenarios where travel delay cover may be applicable, and your policy will stipulate the number of hours your travel needs to have been delayed by – usually around six hours – before you benefit from insurance cover. You may find there are maximum limits to how much cover you can claim. There are also some scenarios where your insurance provider might not be responsible for covering your costs, but your travel provider is.

What type of travel delays are covered?

Here are some of the instances where business travel insurance *will* cover costs for travel delays:

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- A missed transport connection: this may be a ground-transport delay that leads to a missed flight, or a delayed flight that means missing a planned itinerary, like a business meeting or conference.

If the delay is due to unforeseen circumstances – like a motor vehicle crash or a train stuck on the tracks, and you've allowed enough time between transport connections, i.e. you're on route to the airport well before your check-in time, travel insurance will cover the costs of getting you to where you need to be as soon as possible. This includes the use of alternative public transport if that allows you to arrive at your destination on time.

- Travel disruption due to weather, riot, strike or civil commotion, or loss of passport.

What kind of travel delay isn't covered?

Travel insurance *won't* cover costs when your travel provider is at fault. For example, if you miss your connecting flight because of a delay taking off or if a flight is cancelled because of say, bird strike or the airline not having enough crew. If your next flight is with the same airline, it's their responsibility to rebook you, and cover the costs. If the next flight is on the following day, the airline may book you with another airline, or offer you accommodation and food vouchers.



If your connecting flight is with a different airline, things can get a little tricky. Airlines are not obligated to rebook your missed connection in this instance. If the two airlines are part of the same alliance, you may be in luck, but if not, it's more likely your travel insurance will cover the costs of a new connecting flight.

Replacement travel and upgrades

If it is the responsibility of your travel provider to cover and organise your replacement travel in the event of a delay or cancellation, you should be offered the same fare or class of ticket, including any upgrades you may have paid for. But this is not always the case. The travel provider's main concern will be getting you to your destination as soon as possible.

If you're able to make a claim with your business travel insurance provider, they will cover the cost of your pre-booked travel (if a cancellation) or the same fare or class ticket as was pre-booked (if due to travel disruption). This means if your business travellers were originally booked in business class and their flight is delayed, insurance should cover the cost of a new business-class airfare.

What is travel cancellation insurance?

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This type of cover comes into play when your business travellers need to cancel their travel plans, or are unable to complete pre-booked travel. It covers the loss of travel and accommodation expenses paid in advance, or reasonable and unbudgeted additional expenses to get business travellers home if they're still overseas.

Do all business travel insurance policies include cancelled flight insurance?

Like travel delay insurance, cancellation insurance is a normal part of business travel insurance. Where policies differ, it all depends on what premium your business invests in.

Does this travel insurance cover you before you go?

With any business travel insurance, your cover starts from the date you purchase the policy. That's why it's so important that you get good business travel insurance as soon as, or in conjunction with, purchasing your tickets. That way, if anything happens before you leave that is unforeseen and not pre-existing, you can make an insurance claim to recover cancellation costs of your pre-paid travel arrangements.

Covered (and non-covered) reasons for a trip cancellation

Travel cancellation insurance is different from travel delay insurance. If your travel is cancelled because of an unforeseen circumstance – like a natural disaster – your policy will cover what you originally paid for the journey less any refunds you get.

Likewise, if your travel plans are cancelled and your transport provider is at fault, they're responsible for making sure your booking is amended, and you are issued a replacement ticket.

Where it gets more complex is when travel is cancelled because of sickness or death – either of the business traveller or a close family member.

If a condition first presents itself before you travel and after you purchase the cover, or while you're travelling, usually a business travel insurance policy will cover the non-refundable and unused portion of travel or accommodation – and/or any reasonably incurred additional expenses.

Does travel insurance cover pre-existing health conditions?

If you have an existing medical condition, and for example, take medication to keep that condition in check, it doesn't mean you can't purchase travel insurance.

You should tell your insurer about it. That way they can complete an online health assessment and, if the insurer approves, offer you cover.

Pre-existing health conditions can be an illness, disease, physical defect, medical or dental condition (even if symptoms are under investigation and the medical conditional has not yet been diagnosed) that you have before the period your business travel insurance covers.

Some travel insurance policies automatically include certain existing medical conditions – Cover-More provide automatic cover for 36 existing medical conditions, for example. Existing medical conditions that are not automatically covered can be considered and a medical assessment completed.

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If you choose to declare some conditions and not others, or choose not to declare any conditions, you run the risk of a claim being denied.

Amendment or cancellation costs explained

Unexpected things happen – amendment or cancellation costs are the expenses that your business travel insurance policy will cover or reimburse you for, if you need to make changes to your travel plans before or during your trip.

Exactly which costs are covered under your insurance will be listed in your policy document. Here are a few things you should make sure are covered: the cost of new travel (flights, bus and train tickets), the loss of non-refundable deposits on accommodation, and new accommodation if required.

Delayed luggage allowance

What is delayed luggage allowance?

This covers the cost of essential clothing and toiletries purchased overseas if your luggage is delayed, misdirected or temporarily mislaid by your transport provider. Most business travel insurance policies will have a maximum limit based on the level of cover you purchase. For example, with Cover-More, the Business Travel Insurance policy provides up to \$1,000. If purchasing a Corporate policy, this benefit can range between \$3,000-\$5,000 depending on the Corporate plan you've bought.

Claiming under this section of your business travel insurance will also depend on how long your luggage has been delayed, minus anything that's been reimbursed by your travel provider. Insurance providers will only pay for purchases made before your luggage is returned to you while you are still overseas.



What can you claim under this section of your business travel insurance?

Policies may differ slightly, so here's what to consider:

- The amount of time your luggage needs to be delayed before you can make a claim. With Cover-More, that period is 24 consecutive hours.

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- When travelling for business, many would deem electronic items like laptops and mobile phones essential, but often these items aren't covered under delayed luggage insurance. It's best to carry these items on your person or in your carry-on when travelling, so there's no risk of them being delayed.

What happens if your luggage is lost or damaged?

If your luggage is lost, or returns from your transport provider damaged, you'll need to claim under the luggage section of your business travel insurance (that relates to loss, theft or damaged luggage) instead of the delayed luggage allowance.

Be aware that the amount you're entitled to for the loss, theft or damage of your luggage will come with a limit. Items over a certain value may need to be specified if you want them covered, and your insurance provider will deduct any amount you've already been reimbursed for delayed luggage insurance (you can't have both), along with your excess and reasonable depreciation may also be applied.

Alternative staff insurance

What is alternative staff insurance?

Also referred to as replacement staff insurance, alternative staff insurance covers the expenses if your business needs to send a replacement employee overseas. This is in cases where the first employee couldn't complete the original assignment due to a disabling illness, injury or unexpected death during the period of insurance.



Do all business travel insurance policies include alternative staff cover?

It is common for business travel insurance to include replacement staff cover, but again, like all parts of your insurance policy, the devil is in the detail.

When might replacement staff cover be needed?

Cover-More's alternative staff cover in its Business Travel Insurance policy will cover alternative employee expenses that come as a direct result of your business traveller unexpectedly suffering an injury or sickness, or passing away while travelling. This also includes all costs associated with resuming the assignment, such as sending an alternative staff member as a replacement.

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Like all sections of insurance policies, there are conditions attached, e.g. the alternative staff member will receive the same class of ticket used by your original staff member at the start of the journey.

What *isn't* covered under alternative staff insurance is any pre-existing medical condition that wasn't pre-approved by the insurer, or a staff member who is travelling against the advice of a medical practitioner. Also not covered are any expenses paid, budgeted for or incurred before the original business traveller leaving as part of the original travel budget allocation for that trip.

If a business traveller falls sick just before booked and planned travel, or has a personal emergency while on an important trip and needs to come home, these scenarios will fall under the amendment and cancellation sections of your business travel insurance policy. Depending on whether your insurance provider deems those situations to be unforeseen circumstances or pre-existing medical conditions, they will determine the outcome of any claims submitted.

Ask about a corporate policy

A few insurance companies offer a corporate policy, which can come with fantastic extra benefits. Cover-More's, in particular, is highly regarded and comes with an associated Corporate Travel app that's a finalist in the "Innovation of the Year" category of the upcoming New Zealand Insurance Awards. Here's how it works.

Your company chooses a corporate plan to suit their business travel requirements (Silver, Gold or Platinum plan), signs up for a set period and pays based on how many travellers, how many trips and how many destinations you're expecting.

The app helps reduce admin by recording travel, as well as calculating premiums based on destination and actual days travelled – making wash-ups at the end of the year so much easier. No need to keep manual travel logs anymore – the app takes care of this. Simply use the app to toggle on and off when travelling.

Each traveller receives an invite email with instructions on how to download the app. Travellers can pre-load all their trips, or can simply activate their insurance at the airport before they depart.

While travelling, the traveller can 'tap-to-call' on the app to contact Cover-More's Emergency Assistance team and the app's geo-fencing lets the traveller access safety and travel alerts. Claims can also be submitted through the app.

Travellers need to turn on location services on their smartphones when they download the app to:

- enable real-time travel safety alerts
- access contact details for our 24/7 emergency assistance team
- record travel days

You'll also get domestic insurance coverage, providing travel is within a minimum distance of 100km from your home or place of business, and any pre-existing conditions will be covered, no questions asked.

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Understand your business needs – then choose a partner

At times, business and corporate travel insurance can be overwhelming – but we promise there's light at the end of the tunnel. Insurance is a necessary part of business travel management, one that ensures the safety of your staff, and can save your business a lot of money in additional and unexpected expenses. The most important thing is understanding what your business needs are, and then finding a good business travel insurance provider you can work with to create a flexible policy that gives you everything you require.

If you need help or can't find the cover you're looking for, get in touch with [travel management company Corporate Traveller \(https://www.corporatetraveller.co.nz/\)](#), who will work with you and its business travel insurance provider [Cover-More \(https://www.covermore.co.nz/\)](#) to find the perfect solution for you.

Cover is subject to conditions, exclusions, limits and sub-limits of the policy. Read the Policy Wording available from your travel consultant to ensure you understand the conditions, exclusions, limits and sub-limits that apply and check that the insurance meets your specific needs and financial situation before deciding to buy. Any advice provided is general advice only. Insurance administered by Cover-More (NZ) Ltd, underwritten and issued by Zurich Australian Insurance Limited (ZAIL incorporated in Australia), ABN 13 000 296 640, trading as Zurich New Zealand. Consider the Policy Brochure and wording therein before deciding to buy this product. For further information see Zurich New Zealand's financial strength rating. Information correct at time of preparation and subject to change.

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