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# If airline cancels flight, it pays, not the insurer

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With winter holidays approaching, some Indian travellers will venture abroad. Many will be underprepared for medical and other travel-related risks. Trip disruptions, missed connections, and steep medical costs in developed countries can leave travellers exposed if they underestimate the coverage they need.

## Trip cancellation

This is a vital component of travel insurance. "If the booked flight is cancelled, delayed, shortened, or diverted, the travel policy covers the cost of alternative transport and accommodation," says Rakesh Kaul, chief distribution officer (retail business), Bajaj General Insurance.

"Overlooking this cover means travellers may have to pay international prices for flight cancellations," says Shilpa Arora, cofounder and chief operating officer, Insurance Samadhan.

Many travellers believe that if an airline cancels a flight, as it recently occurred with IndiGo, they will be entitled to a payout from their insurance policy. "For

cancellations by the airline, regulations entitle passengers to a refund from the airline," says Abhishek Kumar, Sebi-registered investment advisor and founder, SahajMoney.com.

Most policies reimburse travellers only when cancellation is due to reasons such as medical emergency, death of an immediate family member, or natural disasters. Exclusions include cancellations due to strikes, civil unrest, government travel bans, pre-existing medical conditions that worsen, and pregnancy-related issues.

Many policies require cancellation to occur at least 24 hours before departure to qualify for a claim. "Buy your insurance immediately after booking, not a few days before travel, because many benefits like 'cancel for any reason' are only available within 14 to 21 days of your initial payment for the trip," says Kumar.

## Medical cover

Travellers frequently misjudge how expensive medical care can be in the US, Canada, Japan or Europe. "Hospitalisation, surgery or ICU care can easily cost ₹20-50 lakh, and air ambulances or medi-

cal evacuation may add another ₹30 lakh. With an inadequate sum insured, travellers will have to bear these expenses out of pocket," says Meet Kapadia, head of travel insurance, Policybazaar.com.

Travellers headed to high-cost destinations should opt for a medical sum insured of \$250,000. "For relatively affordable destinations such as Dubai, Thailand, Sri Lanka and Vietnam, a \$150,000 cover is usually sufficient. However, senior citizens and travellers with pre-existing conditions should choose a \$250,000 cover regardless of destination," says Kapadia.

## Other critical covers

Travellers frequently overlook key add-ons. "Travellers with pre-existing conditions should opt for pre-existing disease (PED) cover to avoid high medical bills. Those engaging in adventure activities like scuba diving, skiing or high-altitude trekking need adventure sports cover. For trips to Europe or connecting flights, missed connection cover is vital," says Kapa-

## Trip cancellation cover: Key points

- Only non-refundable travel and hotel charges are reimbursed
- Add up the non-refundable costs of your tickets, hotel, and tours, ensure trip cancellation sum insured is equal to this amount
- Trip interruption cover reimburses you for the unused portion of your trip and expenses for returning home
- Check whether your policy gets automatically extended if your return is cancelled or delayed

dia. Emergency evacuation cover is also important. "Evacuations in the US or Europe can cost ₹10-30 lakh," says Arora.

## Exclusions, pre-existing conditions

Lack of awareness about exclusions often leads to rejected claims. "Unapproved treatment, travel to restricted regions, and losses caused by negligence are typically not covered. Claims for injuries arising from illegal activities, intoxication or wilful misconduct are also denied," says Kaul.

Omitting pre-existing medical conditions is a common pitfall. "Pre-existing conditions are usually excluded unless declared and approved," says Kaul.

## Claim-filing mistakes

Delayed intimation is a major issue. Insurers require immediate notification along with documents such as the itinerary, claim form, National Electronic Funds Transfer (NEFT) details and receipts. Kaul says that seeking unapproved treatment without contacting the insurer's helpline or obtaining a doctor's prescription can lead to denial.

Buying insurance at the last minute and skipping the policy wording are common mistakes. "Disclose medical history honestly. Keep digital and physical copies of the policy and emergency contacts. Contact the insurer before hospital admission so they can guide you to network hospitals or arrange evacuation," says Arora.

Travellers should retain all bills and documents and avoid unnecessary cash payments.

The writer is a New Delhi-based independent journalist