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West Asia crisis

How war impacts travel insurance claims

War and war-like situations are standard exclusions in insurance policies—insurers do not reimburse trip cancellations, interruptions, conflict-linked injuries and evacuations.

by Preeti Kulkarni

Thousands of Indians in the United Arab Emirates were left stranded after the massive offensive by the United States and Israel on Iran, which triggered retaliatory strikes across West Asia, disrupting air travel across, and beyond, the region.

While several travellers have returned to India via special flights, many, including India Inc.'s CXOs, have had to stay put.

Stranded travellers have now begun reaching out to extend their international travel insurance policies, according to Policybazaar.com. Meet Kapadia, the insurtech company's Business Head—Travel Insurance, says, "Travellers affected by international conflicts are actively seeking to extend their travel insurance coverage as they factor in the possibility of having to prolong their stay overseas due to the current scenario."

While a travel insurance policy can cover medical exigencies not linked to war, losses directly attributable to war are usually not covered.

A common exclusion

War and war-like situations are standard exclusions under general insurance policies, including travel insurance and health policies with global coverage. "The purpose is to keep coverage focused on the everyday risks that travellers are most likely to face," says Rakesh Kaul, Chief Distribution Officer, Retail Business at Bajaj General Insurance.

This includes illness, accidents, airline strikes, technical issues, weather disruptions, and natural calamities. "The exclusion only comes into play when a disruption is directly caused by large-scale hostilities like war, invasion or rebellion events that are beyond the normal scope of travel contingencies," he adds.

Moreover, the impact is not limited to the regions directly affected by war. Your trips to Europe, too, could be affected because it's not just airports that are shut, but entire airspaces, restricting flights even if they're flying over war-affected regions.

"The exclusion applies consistently worldwide, which gives travellers clarity on how their policy works," notes Kaul.

In such cases, if the airspace were to be closed due to ongoing hostili-



ties, your trip interruption or cancellation claims will not be paid. Your first port of call will be your airline. Many Indian and overseas carriers have already announced complimentary rescheduling, refunds and waiver of cancellations this month in light of the extraordinary circumstances.

"For example, in Europe, if your trip is cancelled due to strikes, technical issues, weather conditions or natural calamities, those scenarios are covered under the policy. Only when disruptions are directly linked to military activity or conflict, such as airspace closures due to hostilities, would the exclusion apply," explains Kaul.

After attacks on Dubai and Abu Dhabi, the UAE's General Civil Aviation Authority has reportedly stepped in to handle the accommodation, meal and rebooking requirements of over 20,000 stranded travellers.

However, in case of cancellations not linked to the war, that is, if your Europe trip were to be curtailed due to strikes, technical issues, weather conditions or natural calamities, your claims are likely to be paid.

No cover for evacuation

Several students in Iran and workers in other parts of West Asia have been appealing to the Indian government for evacuation. The government, on its part, has been issuing regular advisories to students and others stranded in war-torn zones. A limited number of non-scheduled flights is operating from the UAE, and if you have to incur any expenses, your travel insurance policy will not reimburse the expenses.

This is also applicable to overseas student travel insurance policies where emergency medical evacuation is covered. "When evacuation is required due to illness or accidents, the cover ensures that students can be transported to the nearest suitable medical facility or even repatriated if necessary," says Kaul. However, this coverage will not be triggered in the event of war, civil unrest or political disturbances.

Know what will be covered

To be sure, your travel cover remains in place even in strife-affected regions. "For instance, this means that if a student in regions such as Iran or Israel experiences a medical emergency, the policy will step in to provide support and cover evacuation costs," according to Kaul.

Travel insurance policies do not reimburse expenses for planned medical treatment abroad, but emergency treatment—even for pre-existing diseases—is covered, depending on the insurer and product.

"This ensures that the coverage remains in force for routine illnesses even though the exposure to conflict risks is limited," explains Kapadia.

Schengen-bound? Check policy

According to Policybazaar.com, travellers going to Europe for the upcoming summer vacations tend to purchase travel insurance policies 30-40 days ahead.

This is because having a travel cover in place is mandatory for obtaining Schengen visa. If you are reconsidering your Europe

War and travel insurance: Know what's not payable

Why claims may be rejected during armed conflicts

- War and war-like situations are standard exclusions in travel policies.
- If a loss is directly linked to war, insurers usually do not pay claims.
- Clear government advisory against travel.



Understand the exclusions

Travel disruption

- Airline rerouting or cancellations
- Airlines will offer refund, as per the DGCA rules.

Trip cancellations

- Flights cancelled due to closed airspaces.

Trip interruption

- Forced extension of stay or change in plans.

Evacuation from war zones

- Government or private evacuation costs are not covered.

Conflict-related injuries

- Injuries caused directly by military action or violence.

Claims that could be paid

- Routine, non-war-linked travel risks.
- Medical emergencies due to illnesses.
- Accidents unrelated to conflict.

When claims could be paid

Trip disruptions not caused by war

- Airline strikes.
- Technical issues with aircraft.
- Weather disruptions.
- Natural disasters.

plans due to disruption fears, know that regular travel insurance products will not cover your flight or hotel cancellation expenses.

In the end, the insurance industry is adapting to the evolving situation. Kapadia says, "Companies are looking to accommodate conflict-linked travel disruptions by rejigging cancellation and rescheduling policies. Some are considering selectively waiving off policy cancellation charges or allowing rescheduling free of charge."

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