

Insurance Tips – Traveling to the USA

By: Christopher A. Case

I grew up in Niagara-on-the-Lake, Ontario and I still enjoy heading “over the river” to take advantage of the shopping and entertainment opportunities the US has to offer. It appears I am not alone, as cross border travel is on the rise.

As an Insurance Broker, it is my job to try to manage and mitigate risk. And believe it or not, short trips to the US can present interesting and potentially expensive risks.

Risk # 1: You plan an afternoon shopping adventure to Buffalo and have to make an unexpected visit to an Emergency Room, Hospital or Clinic. You always purchase Vacation Travel Health Insurance when you go on holiday to Florida, but you don't need that for an afternoon trip to Buffalo... or do you?

Yes, you do. As soon as you cross into the US, you are in another country and subject to a very different health care system. It is vital to have a comprehensive Travel Health Insurance Program in place to allow you to get the Medical Assistance you need without having to pay for it out of your pocket (or Credit Card).

Travel Health Coverage is offered as part of many Group Benefits Program, so be sure to check the details of your Group Plan, if you have one. Alternatively, you can consider purchasing an Annual Travel Health Insurance Program which is cost effective and provides excellent coverage regardless of where you go or how long you are out of the Country. You can purchase an Annual Family Travel Health Plan for significantly less than a cup of coffee a day.

Risk # 2: You get into a Car Accident in the US and someone is hurt. Your \$1 Million Liability Coverage should be adequate to cover any liability you have... right?

In fact, it may not, and there are two major points to consider. First, your Auto Policy and Coverage are in Canadian Dollars, but the costs for any Claims arising from an accident in the US will be in US Dollars. This means that the Exchange Rate can have a significant impact on how much Coverage you actually have when converted to the applicable currency.

Second, the US tends to be a more litigious country than Canada. That is, US claimants tend to file for significantly higher rewards. Consequently, after paying legal costs and the actual settlement, it may very well be that \$1 Million CDN will prove to be inadequate.

My personal recommendation is to increase the Liability Coverage on your Auto Policy to a minimum of \$2 Million. The cost increase is minimal but the benefit can be significant in the event of a claim in the US or at home. Many clients are also considering Umbrella Liability Coverage which is used to enhance Coverage to much higher limits at very low rates.

So, before your next trip to the US, take a few minutes to review your current insurance coverage and if you have any concerns, contact a Registered Insurance Broker for advice and information on finding the best Insurance Solution to satisfy your requirements.

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