

I3 INSURANCE FOR EXPEDITIONS

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WHO NEEDS INSURANCE?

Insurance cover is essential for all members of expeditions. There is a need to guard against unforeseen expenses arising from accidents, illness, natural disasters, loss or theft, which could prove to be a financial nightmare for the expedition. Insurance protects leaders and expedition members from claims made against them, and is a special requirement for school and youth groups, which are legally responsible for the members of their party and their actions.

THE BASIC TENETS

Expeditions, almost by definition, seem rarely to have sufficient funds for their true objectives, let alone the “luxury” of insurance. This can easily result in failure to insure adequately. Do not take short cuts by under-insuring. Always bear in mind that, if you cannot afford the premium, you are even less likely to be able to afford the potential loss.

Without doubt, the most important thing to remember when arranging insurance is that the law requires that the person applying for insurance cover disclose all material facts to the insurers whether or not they ask for it. Failure to comply with this fundamental tenet of insurance law can have the effect of completely invalidating the insurance contract. There is no easy guide to what is material, but a simple test is that, if you were the insurer, would you want to have this information to enable you to decide on a fair premium? For instance, if part of your expedition involves white water rafting or mountaineering it is important to declare it.

INSURANCE COVER FOR WAR AND TERRORISM

Following the World Trade Center tragedy, insurance cover has varied greatly from insurer to insurer. Depending on the attitude of the insurance company selected, one of three situations is likely to exist on the insurance policy:

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1. total exclusion for terrorism and war
2. full cover for terrorist acts but war excluded
3. full cover for terrorism and war risks; war cover only if one of the five major powers not involved.

Although the third option is the most beneficial there could be additional premium conditions and insurers normally include a 7-day cancellation clause in their wordings which they can invoke.

Definition of terrorism

Whilst there is no insurer consensus the most commonly used definition of terrorism is in the reinsurance (Acts of Terrorism) Act 1993: “Acts of persons acting on behalf or in connection with any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty’s government in the UK or any other government de jure or de facto.”

Insurer policy wordings should be checked very carefully.

LEGAL LIABILITY AND INSURANCE COVER

The litigation resulting from high-profile deaths on school visits abroad makes it vitally important that any leader/individual/teacher leading or running overseas expeditions has adequate public liability insurance which will also provide the indemnity for the costs of defending any legal action that may be taken against them.

The problem with liability cover and overseas expeditions is that outside the UK countries have their own laws, which vary greatly from country to country – an action against an individual or organisation may not necessarily be issued in the UK. It is for this reason that it is important that insurance policies purchased in the UK have worldwide jurisdiction and appropriate geographical cover. On this basis insurers will also defend legal liability claims outside the UK.

English law and liability insurance policies are based on negligence; a person cannot be blamed for genuine accidents where no fault attaches. If no one is at fault no one can be successfully sued for negligence. For a third party to be successful with a claim/legal action, the onus is on them to prove that you have been negligent. To minimise a potential legal liability claim, it is therefore essential to try to minimise any risks that are foreseeable – an unactioned foreseeable risk would allow a third party to pursue a negligence claim.

Full risk assessments are therefore essential. Advice on preparing a risk assessment is given in Chapter 10. In the context of your insurance, the risk assessment document can also be used to:

- “sell” your expedition to any underwriter showing that risk has been

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- minimised and therefore has the potential for a reduced insurance premium
- provide evidence to defend any third party legal action.

CATEGORIES OF INSURANCE COVER

Insurance policies for expeditions can be divided into various main categories of cover as follows.

Medical and additional expenses

This is a most important insurance cover. It usually covers medical and travel expenses for each member of the expedition following accidental bodily injury or illness. These expenses may vary from a doctor's visit through to major surgery and after-care. The UK has reciprocal national health arrangements with some countries and further details are given below.

This category of insurance should include the following either for an individual visit or on an annual basis:

- emergency assistance, search and rescue and repatriation including air ambulance or air transport costs
- emergency dental treatment
- travel and accommodation expenses for people who have to travel to or remain with or escort an incapacitated insured person
- local funeral expenses or transportation of the body to the UK.

Any medical conditions known to exist before the start of the expedition may not be covered, although this exclusion may not apply provided that the insured person has been without medical treatment or consultation during the previous 12 months. Expedition members who are in doubt about this exclusion should consult their insurance adviser before departure and/or obtain a medical certificate from their doctor stating that they are not travelling against medical advice. This may satisfy the insurance company's requirements.

Professional advice may be available to help with hospitalisation, repatriation or alterations in any travel plans. It is important that, if your travel policy has a 24-hour emergency telephone number for hospitalisation or repatriation, this number be used when an accident or illness occurs. Any action taken by the expedition in the field without consultation with the emergency rescue company/insurers may have to be justified to the company afterwards. A diary of events should therefore be kept.

Do not rely totally on the insurer's emergency assistance rescue company; because expeditions visit isolated and remote areas there are no guarantees that they will have sufficient local resources. Be sure to have a contingency evacuation plan agreed and

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arranged beforehand. Insurance companies are no substitute for a sound crisis management plan.

If foreign nationals are on the expedition they may need to be repatriated back to their own country instead of the UK. Insurer agreement needs to be obtained for this before the expedition commences. Some countries, particularly those with their own state insurance schemes, may forbid insurance of their nationals outside their own country. Before leaving the UK, the expedition leader should therefore check with their insurance adviser whether or not arranging insurance for foreign nationals from the UK is in contravention of any foreign insurance law.

Cover normally excludes claims relating to HIV-related illness. It is possible to obtain separate “dread disease” insurance for nurses, doctors and health workers where a benefit is payable should a person test HIV positive.

All travel insurance policies have geographical limits. Premiums are lower if cover is just restricted to Europe instead of worldwide; however, careful consideration needs to be given to the insurer’s definition of Europe.

No limit of less than £5 million per person should be accepted for journeys to the USA. Travellers are recommended to carry proof of medical expenses cover at all times in the USA to avoid authorities not providing treatment.

Medical treatment abroad

There are over 40 countries outside the EU with which the UK has reciprocal health-care agreements that entitle British visitors to emergency medical treatment. The Department of Health leaflet *Health Advice for Travellers* provides vital information on obtaining emergency medical treatment abroad, and contains details of how to use Form E111, the passport to free or reduced-cost emergency medical treatment in most European countries. This is an important and complex process and the leaflet is essential reading. The leaflet and an application form E111 are available at main post offices. Remember that you must get your E111 stamped and signed by the post office for it to be valid

Always take out adequate health insurance before you travel, even if you are travelling to an EU country covered by the E111. The E111 may not provide adequate cover for all medical expenses

Personal accident

This covers death or disablement after accidental bodily injury. An amount is paid in the event of loss of use of any eye or limb, permanent total disablement or death. Cover should include disappearance, and death or disablement by exposure. The amount paid will be additional to any other personal accident or life assurance that individual members of the expedition have arranged for themselves. Note that personal travel policies do not include weekly benefit amounts for temporary disablement or for disablements not specified, e.g. loss of finger or toe.

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Benefits should be payable for disability from *usual* occupation as opposed to *any* occupation. Note that cover should be accidental bodily injury; avoid insurance covers that restrict cover to violent visible or external means.

Make sure that cover is on a 24-hour basis and not just restricted to certain activities, and includes commuting to and from the expedition departure place.

As expedition members can change, make sure that cover is on an unnamed basis for all members as opposed to individuals.

The lower age limit should be carefully checked; the death benefit will be restricted to a nominal amount for minors below the age of 16 years. Some insurers will try to apply the nominal amount to members aged 16 and 17.

If your insurance policy is a group policy for all expedition members, the insurer may try to apply a limit of liability in respect of more than one individual being injured on an aircraft or other conveyance. Larger expeditions should check the policy wording to make sure that any aggregate conveyance limit is adequate.

Public/personal liability insurance

This is one of the most important elements of expedition insurance. All members must have adequate insurance against any legal liability in the event of an incident occurring, which would include liability to other members of the expedition.

The legal necessity for public or third-party liability varies greatly from country to country (care should be taken to comply with local laws). This type of cover should include liability for bodily injury or illness caused to anyone. Cover should also include damage to other people's property, other than property in the care, custody or control of the expedition.

Warning: do not admit liability in the event of an incident, because you may prejudice your insurance cover.

If you are sued for negligence, the cost of professional defence could be considerable, even if you are ultimately found not liable, especially as people are becoming more litigious and recent compensation awards from the courts have been rising. Even a limit of £2 million per person may not be adequate. Local authorities are now recommending that their service providers have no less than a £10 million limit. Ask the insurer for as high a limit as possible.

Leaders should ensure that the policy extends to include actions taken against the leader by a member of the expedition. Leaders of school expeditions and teachers should ensure that the school's liability policy extends to include the teachers'/leaders' liability in full (the cover arranged by the school should include what is known as professional indemnity and officials' indemnity) and in the country to be visited. If the school's insurance cannot be extended to provide this cover, some other form of liability insurance should be arranged. Check with

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your insurer that cover also extends to cover the expedition organisers.

Cover will exclude mechanically propelled vehicles – this includes waterborne craft and aircraft other than as passengers. Separate liability policies will be necessary for all waterborne craft and motor vehicles.

If hiring a car in the USA/Canada the indemnity limits will be low – separate top-up cover is normally necessary.

Company insurance

If the expedition is being arranged by a company or organisation that has received a fee for its services, additional areas of liability should be considered, e.g.

- breach of copyright if material is to be published
- internet liability – use of email and websites
- directors' and officers'/trustees' indemnity
- personal liability for wrongful acts in the course of duties, including libel and slander liability
- employers' liability and workers' compensation.

In particular, consideration should be given to the Package Travel Regulations 1992. These define a tour operator as prearranging a combination of two or more of the following: (1) transport, (2) accommodation and (3) "ancillary" services. These regulations could therefore potentially apply to schools, universities, coach operators, local authorities, or activity or sports centres. Special insurance cover may be required in the following areas:

- legal liability to third parties for financial losses
- security for passenger payments.

Replacement and rearrangement

You can insure additional travel and accommodation expenses for a replacement expedition member after the death or disablement of an insured person. In addition, this type of insurance would cover the cost of returning the originally insured person to complete the expedition following recovery.

Cancellation and curtailment

This category of insurance provides cover against cancellation for a number of reasons, e.g. compulsory quarantine, jury service, illness or death of the insured person or close relative, or hijack. Cover should also include curtailment, i.e. returning home before completion of the proposed venture or project. It is recommended that insurance cover be arranged as soon as travel expenses, such as air fares, are about to be paid, because this type of insurance provides for recovery of

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lost deposits in many situations. Cancellation through lack of funds does not constitute a claim. Political risks, such as when a visa is refused, are also likely to be uninsurable.

Very few insurers will be prepared to extend this section to include cover where a formal recommendation is made by the Foreign and Commonwealth Office to leave or not to travel to the country of expedition. This extension is highly recommended for expeditions.

Expedition equipment stores and money

These categories of insurance (which are available only from a very limited number of insurers) provide cover for equipment and stores accompanying the expedition, plus money. It is normal for insurers to ask for details of items above a certain value and these need to be listed. You may find that your sponsors or supporters or university will loan expensive equipment only subject to proof of insurance. This type of insurance is normally subject to certain exclusions, which may include:

- the first amount of each claim (£25 minimum)
- losses not reported to the appropriate authority as quickly as possible
- wear, tear, gradual deterioration, electrical or mechanical breakdown or derangement, atmospheric or climatic conditions
- loss or damage to equipment while in functional use
- breakage of brittle or fragile articles except in certain circumstances (check policy wording)
- loss or damage caused by delay, detention or confiscation by customs or other officials. If it appears to be theft (e.g. by a foreign government official) an explanation of the circumstances to the insurer may result in reimbursement. Expeditions should check on import duties that may be levied on imported goods, or restrictions on bringing certain goods into the country. The expedition may have to prove that it is re-exporting the goods at the end of the expedition.

Equipment and stores sent unaccompanied can be insured under a separate marine cover (see below).

Personal belongings and money of individual members

Expedition members' personal belongings, including spectacles, watches, photographic equipment and valuables, should in most cases already be insured by them on their own personal policies which will need to be extended for the period of the expedition. The cost of insuring personal belongings has risen dramatically of late and large excesses are applied, especially to photographic and video equipment. For these

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reasons, it is often cheaper to leave this cover to the individuals to arrange. Often overlooked is the single article limit imposed on the majority of policies. The amount varies, but is usually around £250 to £500. If you have a more valuable item, specify it to the insurers, because failure to do so may limit the amount payable in the event of a claim.

Some insurance policies will cover travel and accommodation expenses incurred in replacing a lost passport and many insurers now include the cost of emergency purchase of essential items should your luggage be misplaced for a specific period of time.

Unaccompanied expedition equipment and stores

Cover for this category of insurance is provided under a marine policy regardless of whether the goods are sent by sea or air. A full inventory should be made for both the outward and return trips, and a separate value shown against all items over £250. Difficulties can arise with the type of cover that is required for equipment on loan to an expedition. It is therefore essential that the cover is adequate, because certain “all risks” covers can have “awkward” exclusions. Cover should commence from the date of assembling for shipping to the date of return. Thought should also be given to whether a specific item of equipment is essential for the success of the expedition. If it is, consideration should be given to insuring for the expense of obtaining a replacement in some remote part of the world. If a shipping and forwarding agent is used, they may provide insurance as part of their service but you should check exactly what cover is provided, e.g. is there cover after arrival and while in storage awaiting collection? If you are relying on the carrier’s insurance ask for a written summary of the cover.

Kidnap and ransom cover

The threat of kidnap and ransom/extortion, not only of personnel, but also of property, is on a disturbing increase. Although Latin America and the Far East have always been high-risk areas there have recently been an increase in incidents in Europe. It is difficult to estimate exact numbers because only one in ten kidnaps is reported. The following are particularly high hazard risk areas: Colombia, Russia, Mexico, Peru, Brazil, Guatemala, Asia and the Pacific.

It is possible to extend expedition travel covers to insure against kidnap, extortion, wrongful detention and hijack; the insurance should include the following:

- ransom/extortion payment – limit of at least £1 million per person
- loss in transit of the payment
- related expenses, e.g. psychiatric care, personal financial loss
- 24-hour emergency response helpline with specialist crisis consultants
- death benefits.

Insurers will appoint specialist crisis management security consultants who are

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experienced in defusing the tensions of a kidnap situation and can successfully advise on the negotiating skills required. Usually a consultant can also be deployed to the country to give critical advice. The crisis management team appointed by insurers will work closely with your family and international authorities.

Insurance of vehicles

In Europe

During the past few years many European countries have abolished the inspection of insurance documents at frontier crossings and UK motor insurance policies have been extended to provide cover to any member of the EU, Czech Republic, Hungary, Iceland, Norway, Slovakia and Switzerland.

Motorists visiting Spain will encounter difficulties if they are involved in an accident because the authorities may detain the motorist, or the car, and release can be obtained only against a guarantee or bail deposit for a substantial sum. Insurers issue bail bonds and cover is normally detailed on the reverse of the UK motor certificate. If any part of the guarantee is kept by the Spanish authorities it will be necessary for you to repay such amount to the insurer.

The standard UK motor policy provides cover for sea journeys of up to 65 hours' duration. For longer sea journeys arrangements should be made to insure the vehicle under a marine policy.

Outside Europe

Third-party insurance is compulsory in most countries: exceptions include most Central and South American countries, but insurance is nevertheless recommended.

Why a Green Card is still necessary

The Green Card cover can extend comprehensive cover to certain additional countries. The countries party to this arrangement where Green Cards can be purchased from insurers, or cover can be purchased at the border, are Albania, Andorra, Bosnia, Bulgaria, Cyprus, Estonia, Iran, Israel, Latvia, Macedonia, Malta, Moldavia, Montenegro, Morocco, Poland, Romania, Serbia, Tunisia, Turkey and the Ukraine.

Before leaving the UK you should make enquiries as to what motor insurance is compulsory in each country to be visited and ensure that this minimum cover is arranged before departure or that it can be purchased at the point of entry. Comprehensive motor insurance, although recommended, can be very expensive and is not always available. In many countries the state has a monopoly on insurance and a certain level of motor insurance (usually third party) is compulsory and must be obtained before driving in that country.

Information about the Green Card requirements for a particular country may be obtained from the Motor Insurers' Bureau, Linford Wood House, 6-12 Capital Drive,

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Linford Wood, Milton Keynes MK14 6XT (tel: +44 1908 240000, fax: +44 1908 671681, website: www.mib.org.uk).

Both the Automobile Association and the Royal Automobile Club have insurance packages available to members that include vehicle breakdown and repatriation. Expeditions involving extensive road travel should investigate this source of insurance and will generally find that the AA and RAC are able to provide much useful information about driving conditions, etc., in various parts of the world.

Notes

- Driving licence: drivers should carry their UK driving licence with them. The AA or RAC can assist with advice on international driving documents.
- Vehicle registration document: carry the vehicle registration document with you. If you do not own the vehicle, a letter authorising you to use it should be carried.
- Rented vehicles: read the wording of the insurance cover when collecting the vehicle and check for exclusions. There may be some unsatisfactory restrictions that need to be clarified before driving off (e.g. excluding cover if the vehicle is used off the paved highway).

FURTHER POINTS TO CONSIDER WHEN ARRANGING INSURANCE

1. If you hold insurance in your own name (e.g. life, personal accident, all risks) you should notify the destination and details of your expedition activities to your insurers. If you do not, your policy could be invalidated.
2. When relying on an “umbrella” policy (e.g. a school or association policy), check that the cover is adequate. Insurance provided by schools’ policies will not usually cover children who left school at the end of the term before the expedition.
3. If you hire local labour, make enquiries about your responsibilities before the expedition starts. In many countries something equivalent to the UK employers’ liability insurance, normally known as workman’s compensation, may be needed. In most cases, this can be arranged locally, before engaging local labour, and exact requirements can usually be confirmed from the host country’s embassy. In addition many expeditions will work with local scientists and helpers who should be included in the expedition’s liability insurance, subject to local insurance laws.
4. Read the insurance policy details carefully and explain them to all members of the expedition.
5. Take some claim forms with the expedition to complete while the incident is still fresh in your mind. **It is absolutely essential that any claim be reported to the**

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insurer immediately because an insurance policy may time bar a claim if late notified.

6. Be careful to declare separately to the insurer any holiday taken after the expedition has finished. Separate cover may need to be arranged as a separate risk from the rest of the expedition.
7. Check that your policy will not expire if your expedition is delayed beyond the planned return date, as a result of circumstances beyond your control. It may be impossible to contact your insurer from the field.
8. Some insurers will try to exclude any cover arising from “war risks”. This should be strongly resisted because expeditions often work in politically sensitive areas. A more acceptable wording is an exclusion of war risks by major powers only. If in any doubt about the stability of the area to which you are travelling, check with the Foreign Office and declare the facts to the insurer in writing for agreement.

CONCLUSIONS

A great deal of time and effort goes into the planning of an expedition and insurance is a vital part of the background organisation. For peace of mind, please ensure that early consideration is given to your insurance needs so that there are no gaps in the insurance cover, and no last-minute panics.

Depending on the type of expedition, insurance can be very expensive. The greater the chance of a claim, the higher the premium. Hence it is strongly recommended that advice be sought on provisional premium levels before finalisation of any budget.

Cheap premiums usually mean inadequate cover with many exclusions – you get what you pay for.

When obtaining a quotation make sure that the price you are quoted is inclusive of insurance premium tax (IPT). The present IPT rates are as follows: personal travel insurance 17.5 per cent, travel insurances as part of employment 5 per cent.

WHERE TO GET INSURANCE***RGS–IBG Expedition Travel Insurance Scheme***

Aon Ltd, Richmond House, College Street, Southampton SO14 3PS. Tel: +44 23 8060 7500, fax: +44 23 80 63 1055, email: expeditions@ars.aon.co.uk, website: www.aon.com

Aon have drawn up an Expedition Travel Insurance Scheme for the RGS–IBG that is designed to meet the specialised needs of scientific and educational expeditions. A leaflet describing the scheme can be obtained from the RGS–IBG Expedition Advisory Centre or direct from Aon.

Other firms

Relatively few insurance consultants are qualified to arrange expedition insurance, but among those who have shown an interest in insuring expeditions are:

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Campbell Irvine Ltd, 48 Earls Court Road, London W8 6EJ. Tel: +44 20 7937 6981, fax: +44 20 7938 2250, email: ci@netcomuk.co.uk, website: www.campbellirvine.co.uk

In the first instance, please submit brief details of the expedition in writing.

Harrison Beaumont Insurance Services, 2 Des Roches Square, Witney, Oxfordshire OX28 4LG. Tel: +44 870 1217 590, Fax: +44 870 1217 592, email: info@hbinsurance.co.uk, website: www.hbinsurance.co.uk

If obtaining quotations from any other insurance intermediaries, make sure that the insurance broker is a member of the General Insurance Standards Council (www.gisc.co.uk) or (effective in 2004) the Financial Services Authority.

For sporting expeditions

Many clubs and associations have special insurance schemes arranged for their members. These range from mountaineering and hang-gliding to canoeing and caving, and are designed to provide insurance cover for specialist high-risk activities.

Beware: some of these schemes have restricted cover, whereas others may not last because of either experience of bad claims or lack of support.

For mountaineering expeditions

British Mountaineering Council, 177-179 Burton Road, Manchester M20 2BB. Tel: +44 870 010 4878, website: www.thebmc.co.uk

The BMC has an insurance scheme for hillwalkers, climbers and mountaineers, and welcomes new members requiring insurance.

For winter sports, trekking and rafting

Snowcard, Lower Boddington, Daventry, Northants NN11 6BR. Tel: +44 1327 262805, fax: +44 1327 263227, email: enquiries@snowcard.co.uk, website: www.snowcard.co.uk

For outdoor and adventure training instructors

The Institute for Outdoor Learning has developed a public liability insurance scheme specifically for outdoor instructors, offering comprehensive protection against the many risks involved in working as an instructor. Available to both voluntary and professional instructors who are members of the Institute.

For further information contact JLT Corporate Risks Limited, Roebuck House, Brunswick Road, Gloucester GL1 1LU. Tel: +44 1452 511400, fax: +44 1452 511401, email: rachel_richards@jltgroup.com, website: www.outdoor-learning.org

For general insurance

Endsleigh Insurance Services, 3 Kings Street, Watford WD1 8BT. Tel: +44 1923 218438, fax: +44 1923 218458, website: www.endsleigh.co.uk

Have local offices throughout the UK and offer a range of policies designed for the specific needs of the independent traveller.

Note that if an individual is dissatisfied with an insurer's service, the following option is open to him or her:

- Ask the Financial Ombudsman Service to review the case. Their offices are at South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: +44 845 080 1800, email: complaint.info@financial-ombudsman.org.uk, website: www.financial-ombudsman.org.uk

If you contact the above body in respect of complaints, this will not affect any legal right of action that you may have.