

Up in the Air: Keeping Affluent Travelers Safe in An Unpredictable World

Safeguard your adventurous lifestyle with the right precautions and protection.

Navigating New Risks in International Travel

When it comes to international travel, high-net-worth individuals and their families can be at particular risk: They have the danger of kidnapping and extortion, threats to their physical safety and a hit to finances — a hit that can include anything from being pickpocketed, having their identities compromised and losing non-refundable expenses on high-priced, cancelled reservations.

And of course, COVID-19 has simply multiplied these challenges, not only presenting health risks to travelers but political instability unseen in many years.

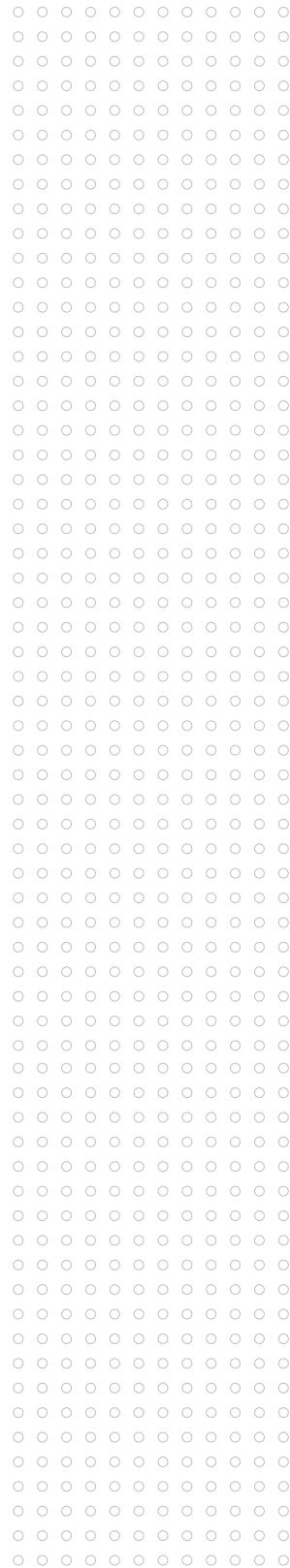
COVID-19 brought a new reality for high-net-worth travelers accustomed to jetting off abroad for luxurious or adventurous trips. It's not just they faced cancellations and quarantines, but the calculus for international travel has fundamentally changed. Even in countries where travel from North America is permitted, COVID-19 has increased the likelihood of being stranded in a country, robbery and assault, and political unrest.

That leaves travelers with more cancellations, new travel protocols, and the threat of lockdowns while abroad and being left stranded with little recourse. And with the pandemic hitting countries that lack proper facilities to treat COVID-19, infected travelers could be stuck without treatment — no matter how much care they can afford.

These are issues that money alone can't solve. Those wanting to travel abroad may wonder why they should bother.

But the difficult state of affairs hardly means the end of international travel for affluent individuals. Savvy travelers will take the proper risk reduction tactics and proper insurance coverages to mitigate risk and keep foreign travel viable.

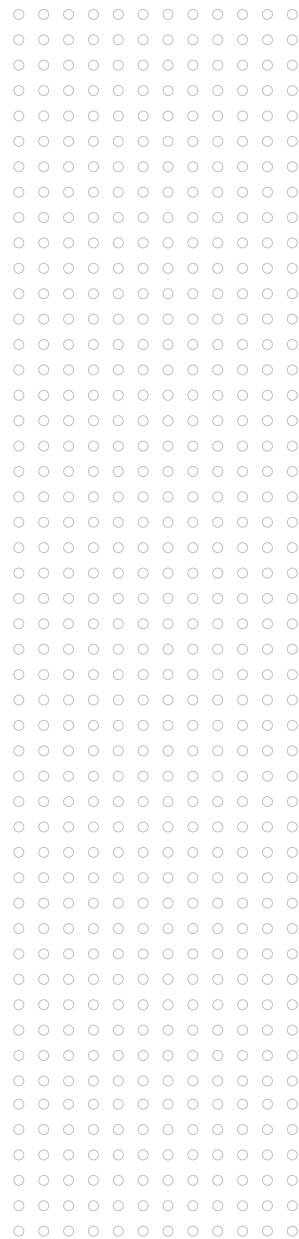
Managing and insuring travel risk involves more than planning for a single trip abroad — it's having one's lifestyle properly insured no matter the location. It's more than a vacation, second home or boat. In this e-book, we'll explore not only the issues facing high-net-worth travelers in a pandemic environment, but how it fits into a greater, holistic strategy of insuring a lifestyle that you've earned.



Major trends affecting travel overall

The new reality in travel points to understanding how to [insure a lifestyle](#). Consider the following ways international travel has changed:

- **COVID-19 creates mass uncertainty.** In August 2021, the European Union advised member nations to remove the U.S. from safe travel lists.¹ The EU guidance recommends that member countries limit visitors to vaccinated U.S. adults and children with a negative COVID-19 test only. Additionally, the U.S. requires a negative COVID-19 test to return home — a test that must be done within 24 hours of reentry. This rule, changed from 72 hours to 24 in response to the Omicron variant of the virus, has left some Americans stranded when catching the virus abroad.
- **Travelers are more risk adverse.** Travelers can no longer assume ease of entry to and exit from a foreign nation. This has tainted travel for many, and they are exercising extreme caution to prevent being stranded abroad.
- **An increase in destination vacations.** Many U.S. and Canadian travelers are opting for destination vacations, or all-inclusive resorts that emphasize their health and safety measures. These vacations provide additional peace of mind when it comes to health and safety. They also can reduce safety concerns related to food, spa, entertainment, lodging and more.

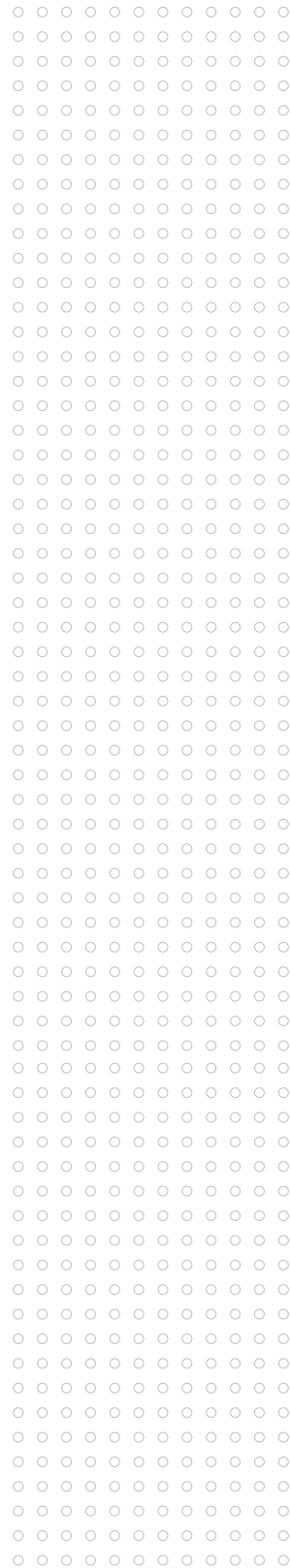


¹ Forbes, “[European Union removes United States from safe travel list: What does this mean for you?](#)” August 30, 2021.

How travel will change for high-net-worth individuals

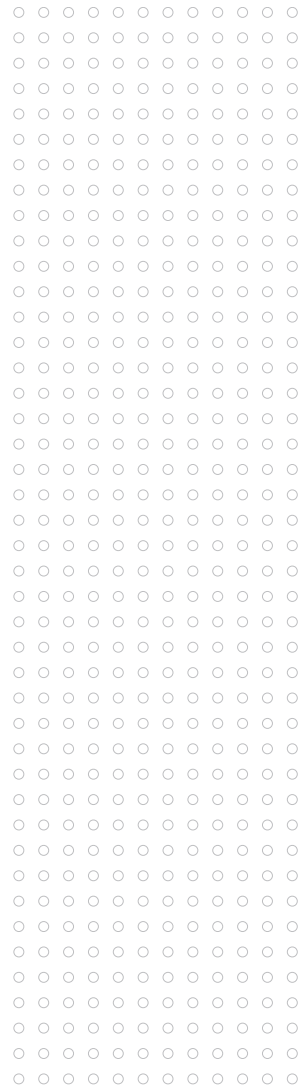
Travel risks for the affluent are greater than those faced by other travelers. Here are some of the major challenges high-net-worth travelers face:

- 1. EVOLVING TRAVEL SEASONS AND COVID-19 HOT SPOTS:** Travel restrictions will inevitably shape how and when people travel abroad. Travel “seasons” will evolve, creating short travel windows with limited airline seating and high prices. Similarly, “safe” destinations may suddenly become COVID-19 hot spots, with travel restrictions imposed and lifted with little warning.
- 2. FEWER OPTIONS:** Reliable transportation, availability of attractions, high-end dining and having good medical options are no longer a given when abroad. Airlines have responded to travel restrictions with fewer flights abroad at higher prices. The normal risks of travel, such as delayed or canceled flights, are more commonplace and the options after such a change are limited. As countries open and close their doors to tourists, costs are likely to increase — or be erratic — at the very least.
- 3. STAYING HEALTHY:** In addition to those traveling abroad who already have health concerns, there’s the pandemic. Even vaccinated individuals must take precaution when traveling abroad against COVID-19. So far, vaccines have proven effective against variants that have taken hold elsewhere, but that may not always be the case. And when abroad, health care options will be limited, even in countries with advanced health care systems. Travelers must be aware of their options if they [contract COVID-19 abroad](#).



4. PHYSICAL THREATS: Protecting one's physical safety is the most-important aspect of any trip abroad. In a pandemic world, however, travelers are seeing increased rates of crime in some nations due to the economic hardship of the pandemic. Threats include kidnapping and ransom (K&R) scenarios, robbery and sexual crime. In addition, technology and social media have may provide a window into the plans of high-profile travelers as they post and tag their locations.

5. FINANCIAL THREATS: This goes beyond getting mugged or losing credit cards or cash. It means ensuring that fully or fractionally owned properties and goods (such as autos) are kept safe when you're in the country or not. It also means having protection against expensive trips being cancelled for whatever reason. Identity theft, cybercrimes and scams (both online and in person) are also issues. The pandemic has increased the number of scams aimed at travelers as criminals take advantage of ever-changing local protocols and visitor confusion.



TRAVELERS BEWARE

Risk Management and Insurance Considerations



The proper insurance coverages comprise the cornerstone of risk management for high-net-worth travelers. Here are three policies to consider:

Travel Insurance 

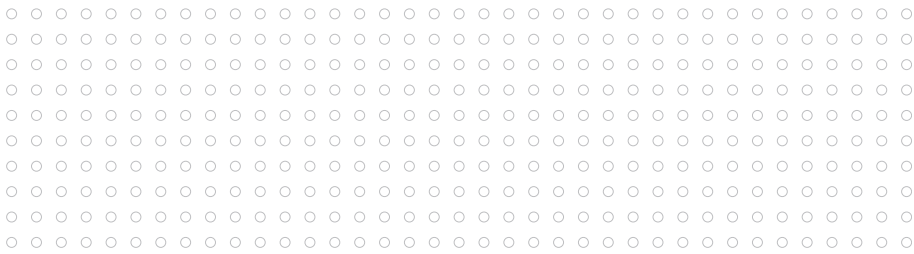
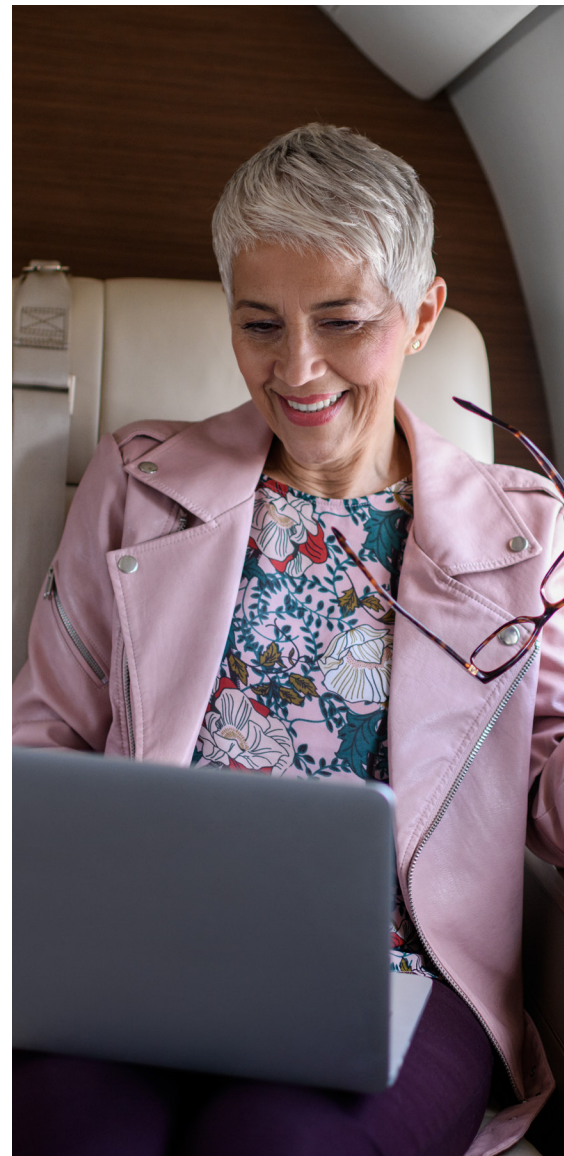
[Travel insurance](#) can be bought for general travel for a year or per-trip, which must be purchased within 10 to 30 days after booking the trip, depending on the carrier.

Travel coverage purchased through airlines typically covers cancellations for specific reasons (natural disasters, illnesses). “Cancel for any reason” or CFAR coverage, ensures reimbursement for all travel expenses regardless of why a trip was cancelled.

Pandemic and epidemic cancellations are typically included in travel insurance as well, subject to the individual policy. Some require cancellation 48 hours prior to departure for full coverage; others will reimburse half due to a pandemic-related cancellation.

This includes both if a traveler becomes sick with COVID-19 and is suddenly reluctant to travel, or if the country has closed its borders due to the pandemic.

With the COVID-19 virus mutating into different variants like Delta and Omicron, many countries require additional quarantine coverage, which covers a required quarantine period in their country.



Political and Medical Evacuation Coverage



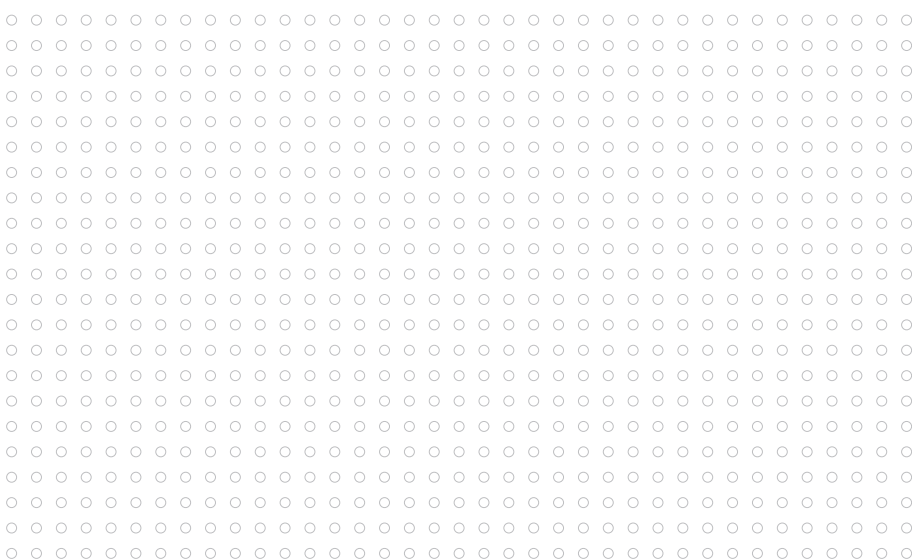
Evacuation coverage should be a part of every comprehensive travel insurance plan for high-net-worth travelers. Political evacuation coverage provides resources in the case of political unrest, armed conflict or personal threats. If this type of coverage seems applicable for politically unstable countries only, consider that it was used during France’s “yellow-vest” protests in 2019 and 2020.

Medical evacuation coverage provides transportation to the nearest medical facility that can help the traveler, whether that’s in country or requires transportation out of the country. When traveling internationally, purchasing \$1 million of medical evacuation coverage is appropriate. Medical coverage will be provided for those contracting COVID-19 as well.

Kidnap and Ransom (K&R) Coverage



[K&R coverage](#) provides access to hostage recovery services, protection programs and security detail. Some insurance companies also provide awareness training for high-risk individuals before they travel. Other carriers can track high-net-worth travelers’ movements to help ensure safety.



What happens when you travel unprepared?

A look behind the curtain

A highly visible corporate executive followed his company's travel safety protocols by booking private travel, hiring a protection detail and safeguarding his itinerary. But while he followed protocol, his daughter excitedly shared the family's behind-the-scenes travel photos on social media, documenting their plans and at-the-moment locations for any interested outsider.

Road rules

A high-net-worth traveler found himself in jail after a car accident in Venice, Italy. He had not purchased travel insurance, assuming that his domestic insurance would cover him. On top of being in jail, the traveler had to pay an enormous fine and had to spend the rest of his cash to leave the country.

No insurance, no compensation for theft

After high-value items were stolen from their hotel room safe in Mexico using the master code, a high-net-worth family was robbed of their on-person items while walking the street. The family lacked travel coverage and could not recover the cost of the lost items, cash and cost of travel.

Missing persons

In the case of travelers who did plan ahead, a family that lost contact with their children who were traveling in Costa Rica due to stolen cell phones were able to track them down via their insurance company, which leveraged local security contacts.

Coverage takes the sting out

After a poisonous snake bite on a remote hike in Nairobi, one family was able to video chat with an American doctor, describe the situation, and receive personalized instructions on how to manage until they could reach an adequate medical facility. The service was available because the family paid for medical coverage.

Stones you can't throw

When their daughter got a kidney stone and needed urgent medical care while traveling overseas, one high-profile family that didn't have travel insurance had to hire their own private jet to get their daughter back home. A travel insurance policy would have covered these costs.

BEFORE YOU GO

Before embarking on an international trip, take some basic precautions:

Map out important locations. This includes the nearest English-speaking medical emergency facility and the U.S. or Canadian consulate in the country. Have the contact information of the local U.S. embassy programmed into your phone.

Pack a black bag. Bring a preventative medication kit or a black bag with contents tailored for the destination. Bring an extra set of anything you might use regularly, including your prescription medications, and over-the-counter allergy and migraine medications as well as general pain reliever. Make sure that all medications are legal in your destination, as some prescription drugs legal in the U.S. and Canada are banned elsewhere.

Take along a satellite phone. If traveling to a remote area, satellite phones allow for communication even during power outages, in the most remote corners of the world.

Pay in advance, whenever possible. Limit the amount of money and risk by pre-paying when possible. Pay in advance before you travel for hotel stays, transportation and entertainment.

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