

Media Release

November 12, 2014



Understand
Insurance

Schoolies fun holds big risks for school leavers

As thousands of school leavers make their final plans for Schoolies – a rite of passage for Australian teenagers – Understand Insurance is urging parents and their children to think about having the right insurance cover.

Understand Insurance research reveals one in four young adults (24 per cent) believe it is acceptable to travel without insurance, compared with just 12 per cent of travellers over 30. And though figures from the Department of Foreign Affairs and Trade show Bali and Fiji are the most popular overseas destinations for schoolies, it is unlikely travel insurance is high on the list of priorities of school leavers.

But Understand Insurance spokesperson Campbell Fuller says the consequences of travelling without insurance could be financially devastating, and the Australian Government does not pick up the pieces if something goes wrong.

He says parents and teens should also be aware not all travel insurance policies cover risky activities, such as adventure sports and using motorcycles and mopeds.

"Travelling without insurance can expose travellers to financial losses of tens of thousands of dollars. And if you don't have the savings to cover this loss, it could burden you with a lifetime of debt," Mr Fuller says.

Key risks to young Australians travelling overseas include:

- Medical treatment and evacuations – this can cost hundreds of thousands of dollars
- Extreme sport or high-risk adventures such as surfing, rock-climbing, kite surfing, riding motorbikes and scuba diving – most insurers do not provide standard cover for these types of activities, with an additional premium common
- Injury or financial loss due to the influence of alcohol or drugs – this is usually excluded from travel policies.

"Most travellers don't realise that in a worst-case scenario, travel insurance can mean the difference between financial oblivion and financial recovery," Mr Fuller says.

"Understand Insurance's message to parents is: When your child leaves Australia they leave behind the support systems, emergency services and medical care we take for granted at home, so an injury or illness can have a devastating financial impact.

"If your child has an incident overseas, the bills stack up very quickly and could set you back hundreds of thousands of dollars for expenses such as emergency hospital costs, air evacuations, extended stays, cancellations and alternative accommodation."

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To deal with any problems before they occur, Understand Insurance recommends parents help their teenager arrange comprehensive travel insurance and consider the risks they plan to undertake.

"If your teenager is planning an extreme sport or high-risk adventure while they're away, make sure their policy covers adventure travel or specific outdoor activities. These may include surfing, rock climbing, kite surfing, riding motorbikes and scuba diving," Mr Fuller says.

"You should also check policies for any exclusions related to risky behaviour, such as an injury related to the influence of alcohol, the theft of unsupervised baggage or loss of cash."

Also, if they intend to hire cars, motorcycles, jet skis or any other motorised vehicle, Mr Fuller recommends that parents talk to their travel insurer to check if it is covered by their insurance policy and seek advice on any restrictions that may apply.

Mr Fuller says parents play a vital role in educating their teenagers about the importance of travel insurance.

"Essentially, we should all purchase a policy as soon as we have paid for our trip, whether it's overseas or domestic," Mr Fuller says.

"As with all insurance, it's essential to compare policies and choose one that meets your individual needs and not base your choice only on price. This means reading the Product Disclosure Statement, and contacting the insurer if you have questions before you buy your policy."

For more travel tips, download the Understand Insurance Holiday Checklist:

<http://understandinsurance.com.au/assets/Checklists/Holiday%20Checklist.pdf>

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ABOUT UNDERSTAND INSURANCE:

Understand Insurance is a financial literacy initiative of the Insurance Council of Australia. For more tips, visit Understand Insurance's website www.understandinsurance.com.au

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