

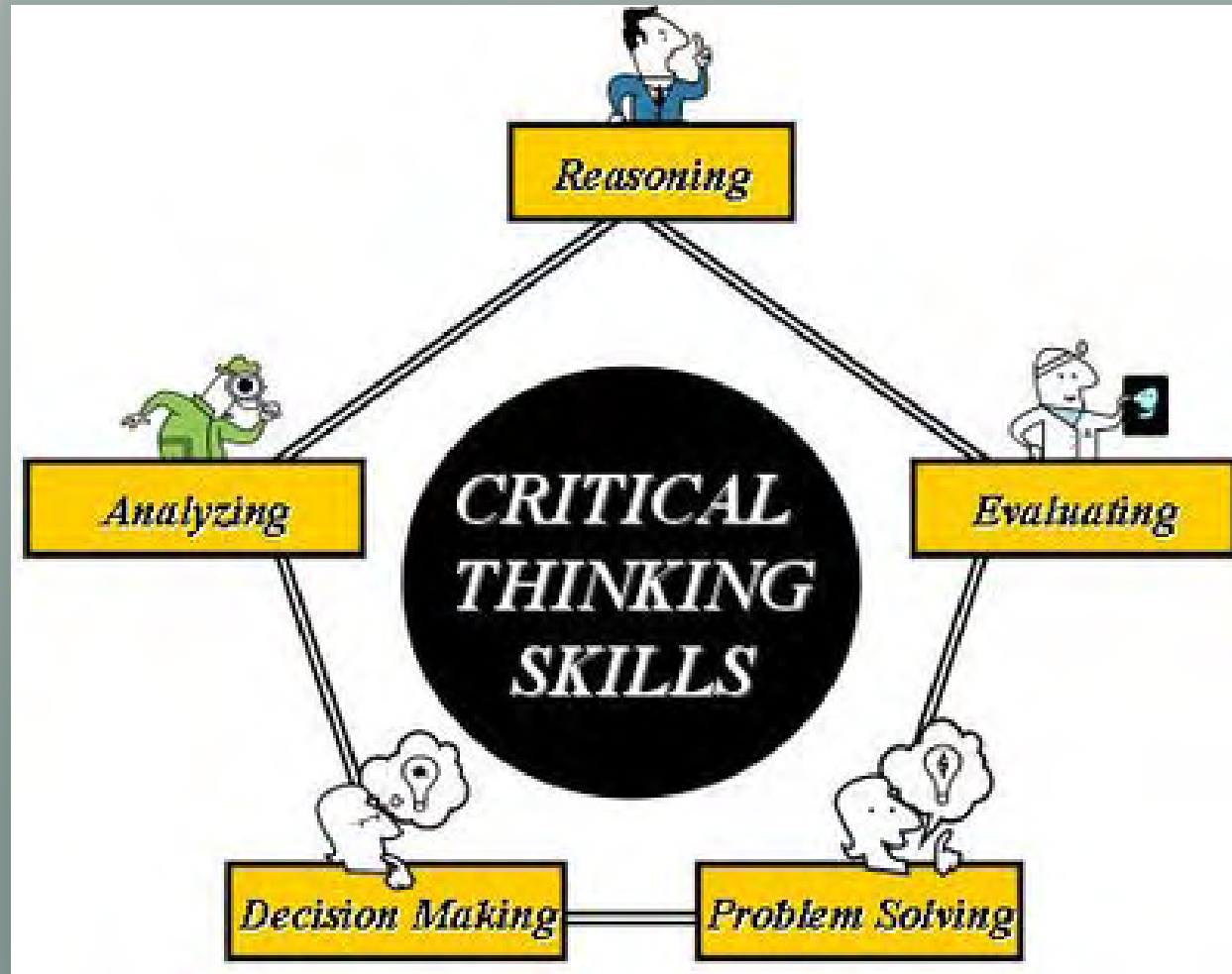
Foreign Travel

What's the Risk?

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CIU Education Seminar, January 14, 2019

Foreign Risks – Take Home Messages

- Overall risk profile is important
 - ✓ Holistic view of medical, occupation, avocations, financials & purpose of insurance
 - ✓ Assess red flags or risks that combine to become red flags
- There are no short cuts – use your *guidelines* but know that many cases require 'individual consideration'
- Right-size your efforts, but know when to do your research
- Don't overreact & understand that change is inevitable
- Document your file with quick and relevant information
 - ✓ Identify positive and negative risk factors



Why talk about Foreign Risks?

- Foreign Travel continues to be one of the hot topics in the world of underwriting
 - ✓ Increasing diversity in Canada's population
 - ✓ Globalization (business & personal)
 - ✓ Political risks & country risk profiles
- Underwriting challenges
 - ✓ Travel risks can change rapidly, but guidelines may not
 - ✓ Obtaining objective data can be difficult
 - ✓ Develop a long-term risk mindset

Knowledge is Key!

- Know your geography
- Understand travel warnings
- Don't overreact to world events – understand the risks
- Look closely at each case where adverse action is recommended



Underwriting Guidelines

- Considerations when changing or developing underwriting guidelines:
 - ✓ Understand the criteria that defines foreign travel risk
 - ✓ Look at travel reports and warnings
 - ✓ Review industry trends
 - ✓ Understand your company's claims experience
 - ✓ Review and confirm your underwriting philosophy and company's risk tolerance
 - ✓ Know that some travel risk should be part of the background premium, so significant risks only require a rating

Mortality considerations

- Living conditions
- Reduced access to medical care
- War, civil unrest or terrorism
- Violent crime, corruption and fraud
- Aviation safety – not all countries comply with the International Civil Aviation Organization (ICAO) safety standard
- Traffic safety and road conditions
- Activities



These considerations can occur anywhere, the underwriter needs to be particularly alert on foreign travel and residence risks

Mortality considerations

- Understand the case you're underwriting
 - ✓ Client
 - ✓ Details of coverage
 - ✓ Purpose and timing of travel
 - ✓ Look for favorable and unfavorable features
- Residence and travel section of Life Guide contains internet links to over 20 external internet sites to assist in researching travel information

Underwriting Risk Factors

Favourable factors	Unfavourable factors
Living in Canada for minimum 3 years	Living in Canada less than 3 years
Family in Canada	No family in Canada
Well established (MD, driver's license) in Canada with stable employment history	No MD or driver's license in Canada, unstable employment history
Purpose: Vacation or family visit	Purpose: Other - particular attention to business travel.
Infrequent visits	Frequent visits: More than once every 2 years
Length of travel: up to 8 weeks	Length of travel: 8 weeks or more
Past travel and/or travel not imminent (within one month)	Imminent travel (within one month)
Permanent plan	Term plan
Existing in-force insurance	No in-force insurance
Medically standard	Medically substandard
No aviation or avocation risks	Aviation or avocation risks (even if not rated)
No ratable occupation	Ratable or declined occupation
Not flying on regional airlines and/or using public transit	Flying on regional airlines and/or using public transit (location dependent)

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Travel Warnings

Exercise normal security precautions

- ✓ No significant safety and security concerns.

Exercise a high degree of caution

- ✓ Identifiable safety and security concerns or the safety and security situation could change with little notice. Exercise a high degree of caution at all times.

Avoid non-essential travel

- ✓ Specific safety and security concerns that could put you at risk. You should reconsider your need to travel to the country, territory or region.
- ✓ It is up to you to decide what “non -essential travel” means, based on family or business requirements, knowledge of or familiarity with a country, territory or region, and other factors.

Avoid all travel

- ✓ There is an extreme risk to your personal safety and security. You should not travel to this country, territory or region. If you are already in the country, territory or region, you should consider leaving if it is safe to do so.



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Travel Warnings

Travel Advice and Advisories

The Travel Advice and Advisories are the Government of Canada's official source of destination-specific travel information. They give you important advice to help you to make informed decisions and to travel safely while you are abroad.

No matter where you plan to travel, make sure you check the Travel Advice and Advisories page for your destination twice: once when you are planning your trip, and again shortly before you leave. Safety and security conditions may change between the date you book your travel and your departure date.







See [Travel Advice and Advisories – FAQ](#) for more information.

Choose your destination below to see regularly updated information on:

- local safety and security conditions and areas to avoid
- entry and exit requirements
- local laws and culture
- possible health hazards and health restrictions
- natural hazards and climate
- where to find help while you are travelling abroad

Select a destination

Filter destinations

Destination  	Advisory  	Last updated  
Suriname	Exercise a high degree of caution	2019-01-09 10:21:18
Saint-Pierre-et-Miquelon	Exercise normal security precautions	2019-01-09 09:53:59
Nigeria	Avoid non-essential travel (with regional advisories)	2019-01-08 11:08:49
Democratic Republic of Congo (Kinshasa)	Avoid non-essential travel (with regional advisories)	2019-01-08 10:49:05



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Travel Warnings - Egypt

Global Affairs Canada advises against [non-essential travel](#) to Egypt due to the unpredictable security situation.

If you decide to travel to Egypt despite this advisory, plan your trip with a reputable Egyptian travel company or agency, as they are well informed of the security situation and can better plan accordingly.

The Sinai Peninsula (except Sharm el-Sheikh) - Avoid all travel

[Avoid all travel](#) to the Sinai Peninsula, due to terrorist activity and ongoing military operations by the Egyptian Armed Forces

The Western desert and Libyan border area - Avoid all travel

Global Affairs Canada advises against [all travel](#) to within 50 kilometres of the border with Libya, the Siwa Oasis, the Western Desert....due to smuggling, terrorist activities, the presence of armed groups and ongoing military operations.

Travel Warnings - Iran

Exercise a high degree of caution in Iran due to crime, demonstrations, the regional threat of terrorism and the risk of arbitrary detention.

Sistan-Baluchistan and the border with Afghanistan - Avoid all travel

Avoid all travel to to the province of Sistan-Baluchistan, which borders Pakistan, and to within 20 km of the border with Afghanistan, due to ethnic conflicts and the risk of kidnapping and terrorist attacks.

Border with Iraq - Avoid all travel

Avoid all travel to the area within 10 km of the border with Iraq, due to ongoing conflict in that country and cross-border ethnic conflicts.

Travel Warnings– South Sudan & Somalia

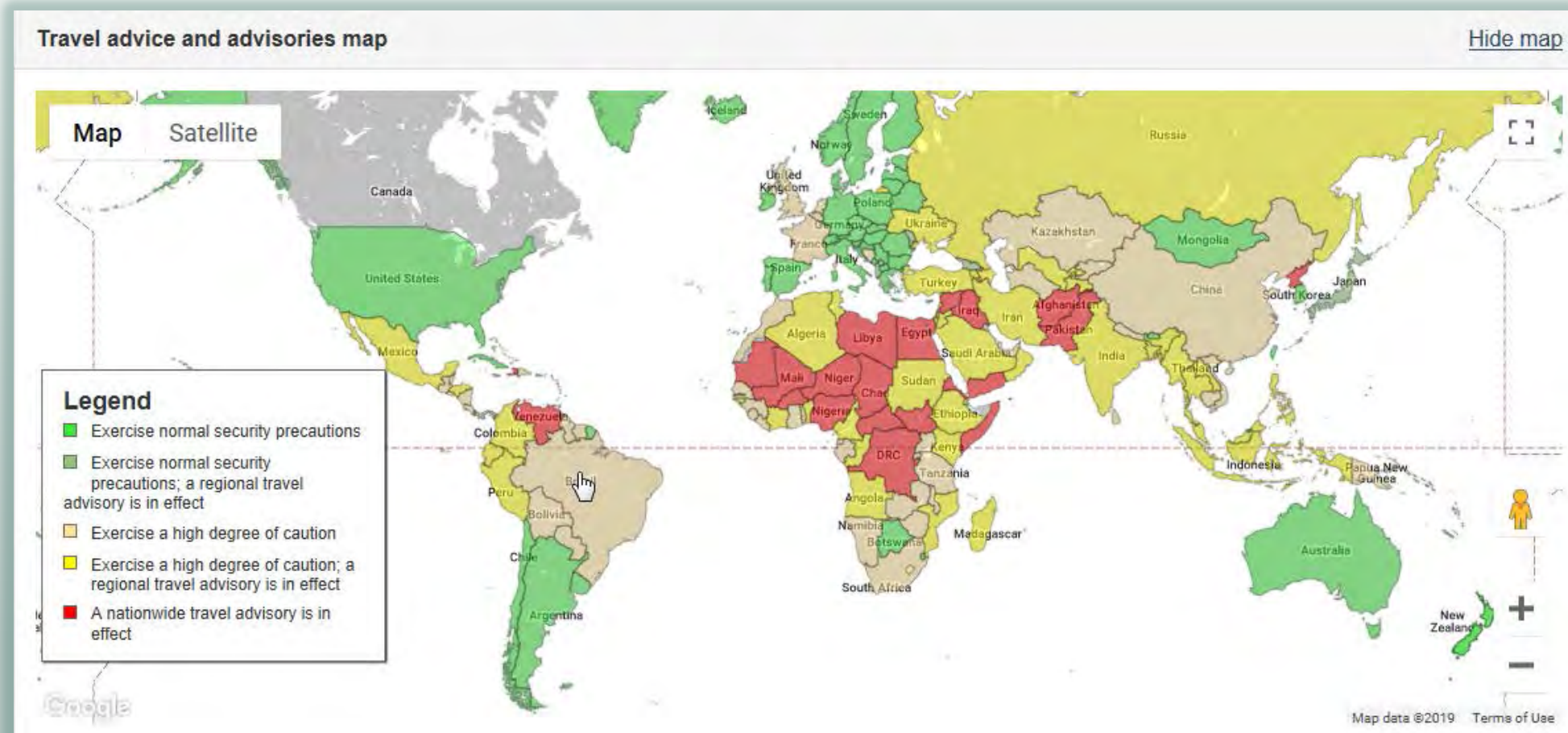
Avoid all travel to South Sudan, due to armed conflicts, inter -ethnic violence and high levels of violent crime.

If you choose to remain in the country despite this advisory, restrict your movements and keep abreast of the latest developments.

Global Affairs Canada advises against all travel to Somalia. If you are currently in Somalia despite this advisory, you should leave immediately.

The security situation in Somalia is extremely volatile and the threat of domestic terrorism is high, particularly in south -central Somalia and in the capital, Mogadishu.

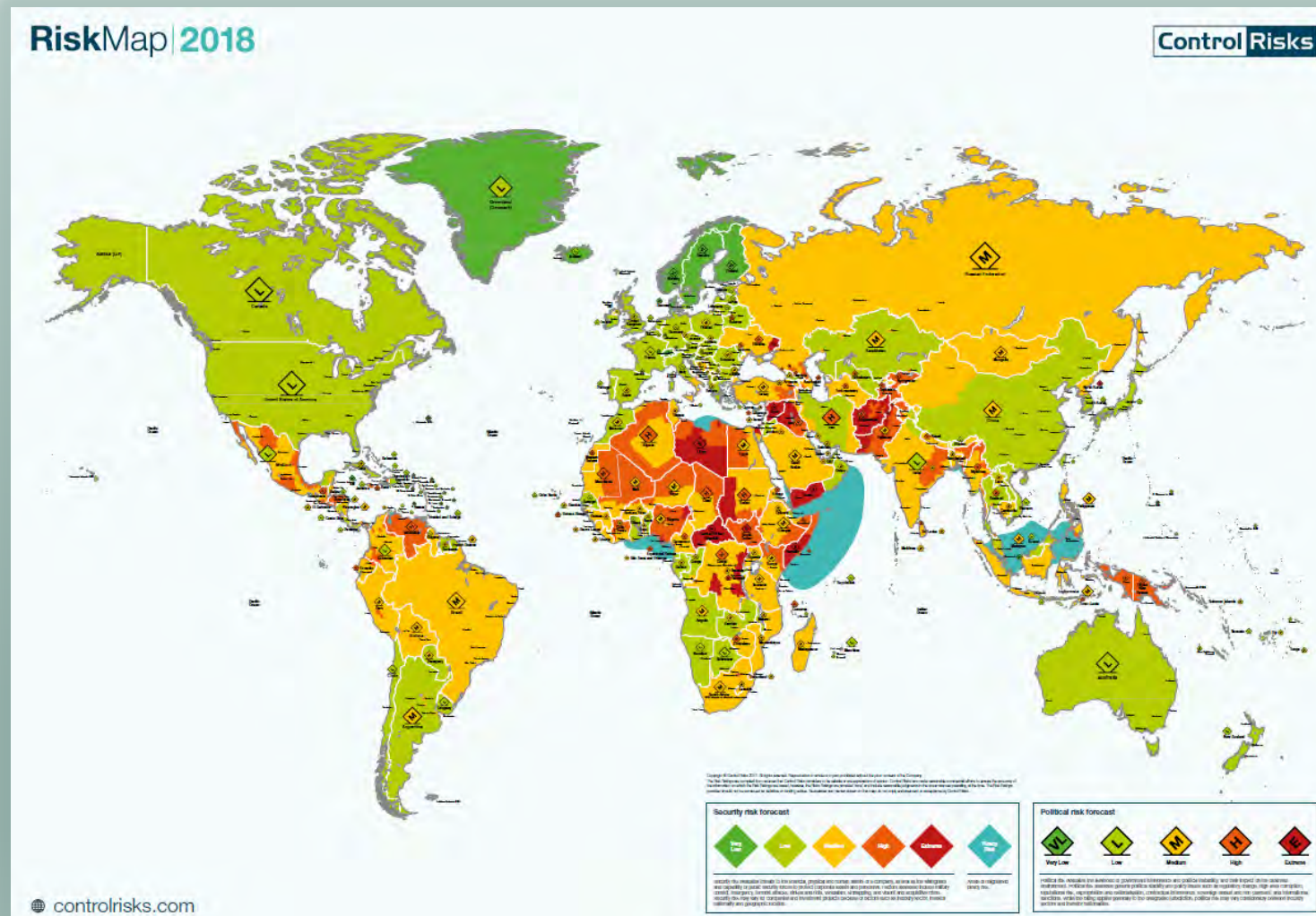
Travel Warnings - Overview



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TravelRisks – Overview



Travel Risks – Overview



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A low-angle, upward-looking shot of a modern skyscraper with a complex, faceted glass facade. The building's surface is composed of numerous triangular and quadrilateral glass panels, creating a crystalline effect. The sky is a vibrant blue, filled with soft, white cumulus clouds. On the right side, the dark green leaves of a tree are visible, partially framing the scene. The overall composition emphasizes the height and architectural detail of the building.

Case Studies

Case Study #1

- Female, age 40, \$500,000 personal term coverage
- Occupation – Legal clerk
- Medical – hypertension controlled on Rx
- Travel– March 2019 to visit family in the Philippines x 2 weeks, traveled to the Philippines x 3 weeks in 2018
- Life Guide: Standard
 - ✓ Mindanao & Sulu Archipelago: IC

PHILIPPINES - Exercise a high degree of caution

[Exercise a high degree of caution](#) in the Philippines due to the threat of terrorism and the high level of crime.



Mindanao Region and vicinity - Avoid all travel

[Avoid all travel](#) to the Mindanao Region (excluding urban areas of Davao City, see advisory below) due to the serious threat of terrorist attacks and kidnapping. The Government of Canada's ability to provide consular assistance in this region is limited.

[Safety and security situation](#)



Sulu Archipelago and the southern Sulu Sea - Avoid all travel

[Avoid all travel](#) to the Sulu Archipelago and through the southern Sulu Sea, including the waters off southern Palawan Island, due to the threat of piracy and kidnappings in this area.

[Safety and security situation](#)



Case Study #2

- Female, age 51, \$150,000 UL
- Canadian citizen/resident
- Occupation – RN
- Travel to Nigeria x 3 weeks between May-Oct 2019 for pleasure, travelled to Nigeria x 4 weeks in summer 2017
- Additional info: She's from Nigeria and has been in Canada for 30 years
- Life Guide: Decline



Nigeria - AVOID NON-ESSENTIAL TRAVEL

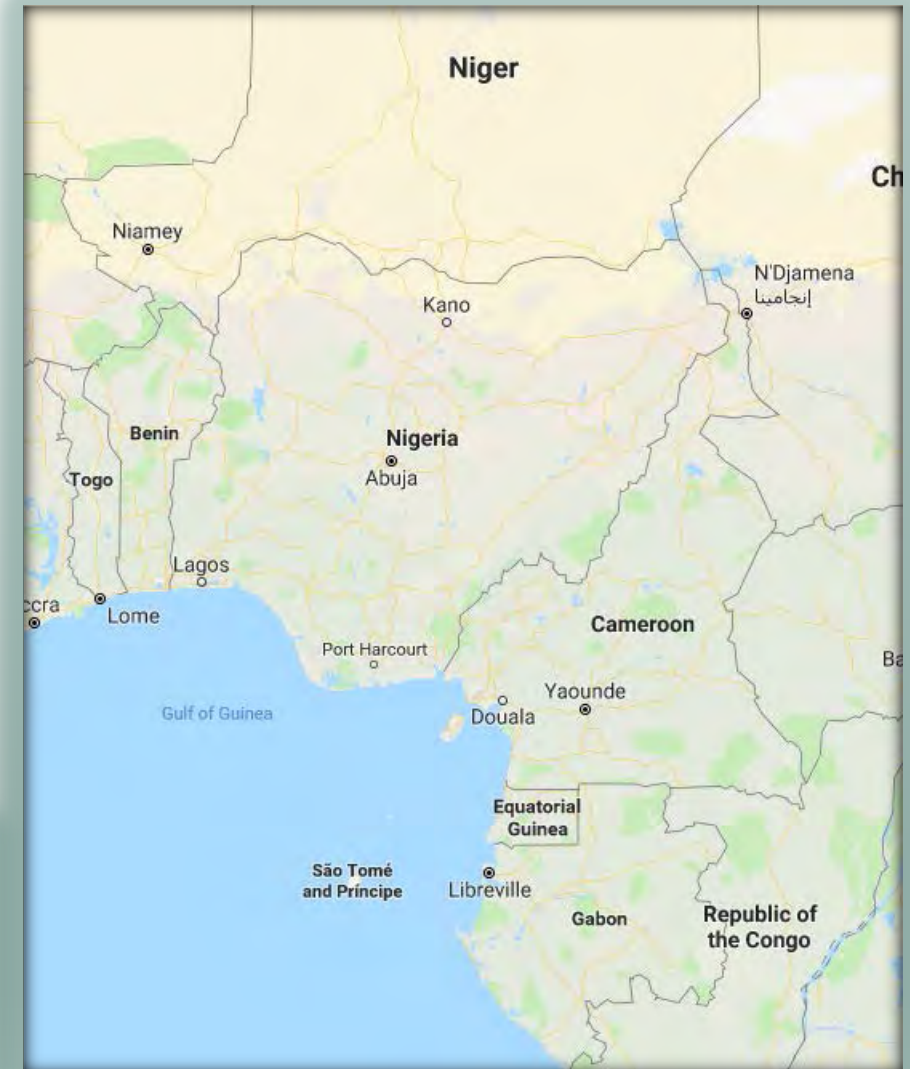
Avoid non-essential travel to Nigeria, with a few exceptions (see below). The security situation throughout the country is unpredictable, and there is a significant risk of terrorism, crime, inter-communal clashes, armed attacks and kidnappings.



Regional risk level - Avoid all travel

Avoid all travel to the following regions:

- the northern and Middle Belt states of Adamawa, Bauchi, Borno, Gombe, Kaduna, Kano, Plateau and Yobe, due to the high risk of terrorism, inter-communal violence and kidnapping
- the Niger Delta states of Abia, Akwa Ibom, Anambra, Bayelsa, Delta, Imo and Rivers (with the exception of Rivers' capital city, Port Harcourt, where we advise against non-essential travel), due to the unstable security situation and the heightened risk of kidnapping



Case Study #3

- Male, age 51, \$11,000,000 term (business insurance)
- Occupation – Business owner – Solar Energy Solutions
- Travel 4-6 weeks a year to South Africa, Tanzania, Zimbabwe, Mozambique
- Guidelines:
 - ✓ South Africa – Standard
 - ✓ Tanzania - Standard
 - ✓ Mozambique – Standard with regional IC
 - ✓ Zimbabwe – Decline

Zimbabwe - Exercise a high degree of caution

Exercise a high degree of caution in Zimbabwe due to crime.



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