



Berkshire Hathaway  
Specialty Insurance

## Transforming Travel Insurance

### Innovation in Service, Technology Easing Travelers' Journey

By: Dean Sivley, President, Berkshire Hathaway Travel Protection | May 2016

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*Travel is riskier today, for both business and leisure travelers. In this Risk Perspectives article, Dean Sivley, president of Berkshire Hathaway Travel Protection, discusses how innovative technology and service in travel insurance are helping to transform the travel experience.*



**DEAN SIVLEY**  
President, BHTP

#### **Q. What are some of the biggest risks that travelers are facing today?**

**A.** Encountering the unexpected is always a risk in travel. While nobody wants to think about terrorist attacks or medical emergencies, those things can happen. More travelers today are worried about terrorist activity like the recent attacks in Paris and Brussels, or medical incidents such as contracting and bringing home the Zika virus. The risks that can plague leisure travelers are also true for business travelers. It doesn't necessarily have to be drastic to present a big risk. Regardless of the reason you're away from home or venturing abroad, your plans could be significantly disrupted if you become sick or have an injury. Travel assistance, which typically comes with travel insurance, can be a big help. But, until now, nobody has been servicing those other, common risks, for traveler – the inconveniences, such as delays, cancellations and getting stuck on the tarmac. I've been in the travel business for a long time, and those inconveniences are just getting worse.

#### **Q. What are some of the main misconceptions that people have about travel insurance?**

**A.** The biggest misconceptions many people have about travel insurance are that they don't need it or they can't afford it. Our research shows 77% of travelers go without insurance for trips. It's unfortunate that only 23% see the risks clearly enough to buy it. Most people tend to tell themselves, "I'm in good shape, I'm lucky, or I don't need it." When something goes wrong, travelers could face a huge out-of-pocket expense or need help translating what a doctor in a foreign country is saying. Whether it's a vacation of a lifetime or a business trip to close a major deal, travel insurance can provide cost-effective peace of mind, personal assistance in navigating difficult situations, and mitigate the financial and emotional costs of an unfortunate event.

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#### **Q. How is Berkshire Hathaway Travel Protection responding to business travel needs?**

**A.** Later this year, we intend to launch a formal business travel accident product, which will provide traditional benefits, including worldwide assistance and medical evacuation. We're excited about enhancing the business travel accident solution by incorporating some of the unique benefits of our current AirCare offering. AirCare assists individual travelers with many of the inconveniences they experience, through fixed benefit clauses for flight delays and cancellations that automatically put money into the traveler's account. They don't even have to file a claim because we have real-time trip monitoring. AirCare also provides proactive travel assistance for travelers and they can use a mobile device to send a photo when documentation is necessary. Unless a customer elects a paper check – and only a small percentage do – their claims are paid electronically, which means they can get paid while they're traveling. They can access those funds in their personal accounts and continue on their trip. Today, no traditional business travel accident policy is compensating travelers for those types of inconveniences. We're looking forward to bringing the innovations available in AirCare to business travelers.

**Q. How is BHTP using technology to better understand and solve travel risks?**

**A.** The IoT, the Internet of Things, has made it possible to monitor travelers' journeys as never before. We can know if a traveler is stuck on the tarmac, misses a connection, or is facing a flight delay. In addition to collecting and analyzing lots of data on what's occurring in travel today, our technology enables us to rebook a traveler and to automatically approve claims payments in real time. When it comes to travel risk, technology gives us clearer insights that empower us to keep innovating and provide personalized service.

**Q. BHTP has an innovative, technology-based approach to paying claims quickly. Where did this idea originate, and is it influencing how claims are paid throughout the insurance industry?**

**A.** It really originated with our desire to make a difference in the travel insurance process. For a lot of people, insurance and claims tend to be negative experiences. Why does it have to be that way? We conducted focus groups on why people didn't buy travel insurance, and from a customer experience standpoint, we asked, "What if we did it this way? What if you didn't have to fill in forms to file claims?" We designed a process with the customer in mind from the very beginning. We also were cognizant of trends in the financial services industry where people were using payment technology in interesting ways, so we became one of the first insurers to work with PayPal. We really wanted to change the industry dynamics on how customers view claims, and we think it's already having an impact. Our "Pic and click" is a way for travelers to send us a photo rather than file a paper claim form to get paid. When a claim requires documentation, we can still process quickly and disburse payment using our electronic payment options. Imagine being delayed for two hours in an airport, getting money transferred into your account without having to file anything and being able to use those funds to buy something for a family member while you're waiting for your next flight. That can turn a frustrating experience into something positive and make you think about insurance in a completely new way.

For more information, visit [www.bhtp.com](http://www.bhtp.com).

**Note:** Featured in *Business Insurance* magazine.

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