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PERSONAL FINANCE

# World Tourism Day: From travel insurance to hotel refunds, what to know when plans change

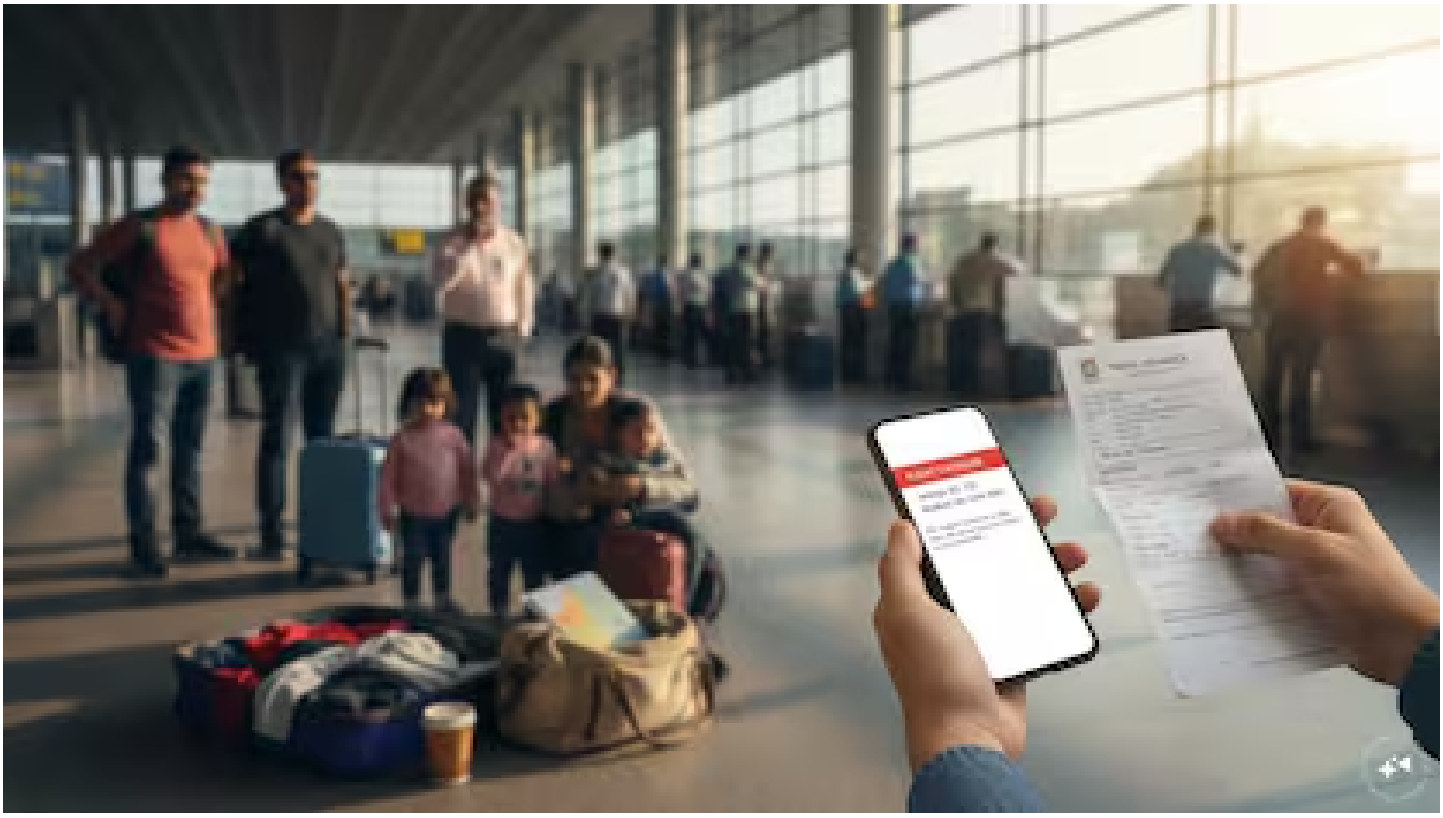
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September 26, 2026 | 18:17 IST



but policies have specific conditions.

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A holiday can change quickly when a flight is delayed, a medical emergency strikes, weather disrupts travel or an itinerary has to be changed at short notice. For travellers, the impact can extend beyond the flight ticket to hotel bookings, accommodation, medical treatment and other prepaid expenses.

That makes two things relevant when planning a trip: how flexible the booking is and what risks are covered by travel insurance.

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The two forms of protection work differently and are not interchangeable.

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Equity | Hybrid | Debt | Others

| Mutual Funds | AUM (₹ Cr.) | Returns (3Y) | Expense Ratio |
|---|---|---|---|
| Parag Parikh Flexi Cap Fund - Direct Plan | ₹1,45,070.50 | +12.30% | 0.69% |
| HDFC Flexi Cap Fund - Direct Plan | ₹1,08,546.98 | +15.55% | 0.77% |
| HDFC Mid Cap Fund - Direct Plan | ₹1,01,856.06 | +16.13% | 0.76% |

**Medical emergency remains a key reason to buy travel insurance**

Medical emergencies continue to be one of the primary reasons Indians opt for travel insurance, particularly when travelling overseas, where treatment can be expensive.

Gurmeet Singh, Vice President & Head – Health Underwriting, IFFCO-TOKIO General Insurance Company, a private general insurance company, said insurers also see claims related to covered baggage delays, lost baggage, trip cancellations and flight-related disruptions. The mix can vary depending on the destination and nature of travel.

Arti Mulik, Chief Technical Officer, Universal Sompo General Insurance, an insurance company, said medical emergencies remain the most common claims, but there has been an increase in travel-inconvenience covers.

"Travellers now are seeking comprehensive protection for their entire travel experience and not just medical emergencies abroad," Mulik said, pointing to geopolitical situations, inclement weather and operational challenges across global aviation networks.

Anuj Dubey, Business Head & Principal Officer, Zuari Insurance & Brokers, an IRDAI-licensed direct insurance broking company, said baggage loss and delays, medical emergencies, trip cancellations and flight delays remain common categories of travel insurance claims among Indian travellers.

He said medical claims can have a particularly significant financial impact because of the cost of treatment and hospitalisation overseas. At the same time, cancellations and delays have become increasingly relevant amid travel disruptions in recent years.

Dubey also noted that reliable year-on-year comparisons of specific travel insurance claim categories can be difficult because insurance data in India is generally reported under broader categories.

**Does travel insurance cover every cancellation?**

No. This is among the areas where travellers can have incorrect expectations.

Buying a policy with a cancellation benefit does not mean a traveller can cancel a trip for any reason and receive the entire amount back.

Cancellation benefits generally apply only when the reason for cancellation falls within the circumstances specified in the policy.

"Travellers sometimes assume that any cancellation, delay or disruption will automatically be covered. That is not the case. Every benefit has certain conditions and exclusions," Singh said.

Mulik said travellers should check the exact conditions under which cancellation is covered as well as the exclusions before buying a policy.

The same principle applies to trip interruption. A policy may cover certain events that force a traveller to cut short a trip, but the circumstances and financial limits are determined by the policy wording.

**What if your flight is delayed?**

A flight delay does not automatically mean an insurance payout.

According to Mulik, delay benefits may either provide a fixed amount based on the number of hours of delay or operate on an indemnity basis for eligible additional expenses such as food and other necessities, depending on the policy.

Singh said flight-delay benefits generally become applicable only after a specified waiting period or when defined conditions are met.

That means travellers should check how long the delay has to be, what expenses qualify and what documentation is required rather than assuming every delay will be compensated.

**What about a lost or delayed bag?**

Baggage is another area where travel insurance can provide protection. Insurers see claims related to covered baggage delays and lost baggage, but the benefit depends on the terms of the policy.

The distinction between baggage delay and baggage loss is important. The applicable waiting period, benefit and documentation can differ.

Travellers should also check limits applicable to individual items and exclusions before assuming the entire value of the contents of a suitcase will be reimbursed.

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**Pre-existing medical conditions need particular attention**

Pre-existing medical conditions are another area that can create problems at the claims stage if travellers have not understood the policy conditions.

“Pre-existing medical conditions also need to be understood clearly, as coverage may be restricted, excluded or subject to specific terms depending on the policy,” Singh said.

Mulik stressed that disclosure at the time of purchasing the policy remains important.

In other words, travellers should not assume that an existing medical condition will be treated in the same way as an illness or injury that first occurs during the trip.

**Hotel booking flexibility is a separate layer of protection**

Travel insurance is only one part of the financial protection around a holiday.

The accommodation booking itself can have its own cancellation and modification conditions. A hotel or villa offering a flexible rate may allow a traveller to change or cancel a reservation within a specified window, while a non-refundable booking may carry stricter conditions.

Ritwik Khare, Founder and CEO of ELIVAAS, a vacation rental and hospitality management startup, said travellers are looking for the ability to modify plans rather than simply cancel them when disruptions occur.

According to Khare, changes in flight schedules, delays or cancellations, changes in the number of travellers and personal or work commitments are among the common reasons for accommodation changes.

For villas and holiday homes, the issue can be particularly relevant because bookings are often made by families, groups of friends or corporate groups. A change affecting even a few members can result in a request to alter the entire booking.

Khare said the preference is towards modification wherever possible. He also pointed to situations involving flight-schedule disruptions, severe weather and medical emergencies as circumstances in which accommodation-change requests can rise.

**Hotels are also seeing focus on flexibility**

The emphasis on flexibility is not limited to holiday homes.

Nishtha Ghosh, Director of Sales and Marketing at The Westin Pune Koregaon Park, a hotel located in the Koregaon Park Annexe precinct of Pune, said guests are paying attention to cancellation windows and rate flexibility while making reservations.

She said shorter lead times continue to be visible, particularly for leisure and weekend travel, while guests are also looking at value-added inclusions and flexible rate options.

At premier home-grown Indian upscale and luxury hospitality brand Sayaji Hotel, Pune, Operations Manager Pradeep Shinde said guests are comparing the flexibility attached to different rate plans rather than looking only at the room price.

According to Shinde, common reasons for changes include flight disruptions, revised business travel schedules, personal commitments, itinerary changes and last-minute travel decisions.

When a booking is non-refundable or cancellation charges apply, guests may approach the hotel to explore options such as changing the stay dates or retaining the booking value for a future visit, where the applicable terms permit it.

**Flexible hotel booking and travel insurance are not the same**

This distinction is important for travellers.

If a hotel offers a flexible rate, the traveller may be able to cancel or modify the reservation within the property's stated terms.

Travel insurance, meanwhile, can provide financial protection against specified insured events. It does not automatically override a hotel's cancellation policy.

So, a traveller may have a flexible hotel booking and travel insurance, but the two cover different risks.

For example, if a traveller simply changes their mind about a holiday, a flexible hotel rate may allow cancellation within its permitted window, while a travel insurance cancellation benefit may not necessarily apply.

Conversely, if a covered medical emergency forces the traveller to cancel, the insurance policy could become relevant, subject to its terms and documentation.

**Tags**

Hotel Bookings | insurance | Travel insurance

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