



Claims Department  
P.O. Box 47  
Stevens Point, WI 54481-0047  
Fax: 715.295.1113 or 715.345.1141  
www.travelguard.com

AIG Claims Inc. is a wholly owned subsidiary of AIG and provides claims  
Administration for Travel Guard® travel insurance products

August 15, 2017



RE: Claim #: [REDACTED]  
Policy #: [REDACTED]  
Trip Dates: 07/29/2017 – 08/05/2017  
Insurer: National Union Fire Insurance Company of Pittsburgh, PA. ("NUFIC")  
[REDACTED]

Please be advised we have completed our review of your trip cancellation and/or interruption claim. In considering your request for coverage, we have reviewed the insurance policy referenced above.

No other policies were considered.

We have also reviewed your claim submission, including the documents you provided.

From our review, we find that your trip was cancelled and/or you were unable to continue your trip because there was a power outage in the area where your destination was located. The power outage apparently was caused by construction work being performed in the region. Unfortunately, the terms of your policy do not recognize this incident as a covered risk. Therefore, our initial review, as discussed below, is that benefits are not available under your policy. However, we recognize that this power outage was an unusual event, with real and substantial consequences to you. We also appreciate that you may have a different view as to the availability of coverage under the insurance policy. Accordingly, to avoid a dispute, and in the spirit of compromise with our valued customers, NUFIC has elected to make a one-time good faith decision to process your claim, with the extension of benefits in your favor, in the amount set forth below.

The basis for our coverage determination is set forth below.

#### The Insurance Policy

Please refer to section two (2) which provides the Trip Cancellation and Interruption Benefits. The section, which sets forth what is covered, states:

##### **Section II - Benefits**

**TRIP CANCELLATION AND INTERRUPTION** The Company will reimburse the Insured a benefit, up to the Maximum Limit shown in the Schedule or Declarations Page, if an Insured cancels his/her Trip or is unable to continue on his/her Trip due to any of the following Unforeseen events:

(a) Sickness, Injury or death of an Insured, Family Member, Traveling Companion, Service Animal or Business Partner;

- 1) Sickness or Injury of an Insured, Traveling Companion, Family Member traveling with the Insured, or Service Animal must be so disabling as to reasonably cause a Trip to be canceled or interrupted or which results in medically imposed restrictions as certified by a Physician at the time of Loss preventing your continued participation in the Trip;
- 2) Sickness or Injury of a Family Member not traveling with the Insured must be so disabling as to reasonably cause a Trip to be canceled or interrupted and must be certified by a Physician;
- 3) Sickness or Injury of the Business Partner must be so disabling as to reasonably cause the Insured to cancel or interrupt the Trip to assume daily management of the business. Such disability must be certified by a Physician;



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- (b) Inclement Weather causing delay or cancellation of travel;
- (c) Strike causing complete cessation of travel services at the point of departure or Destination;
- (d) the Insured's Primary Residence being made Uninhabitable or inaccessible by Natural Disaster that is due to natural causes, vandalism or burglary;
- (e) the Insured's Destination being made Uninhabitable or inaccessible by flood, tornado, earthquake, volcanic eruption, fire, wildfire or blizzard that is due to natural causes, vandalism or burglary;
- (f) the Insured or Traveling Companion is hijacked, quarantined, subpoenaed or required to serve on a jury;
- (g) the Insured or Traveling Companion is called to active military service or military leave is revoked or reassigned;
- (h) a Terrorist Incident in a City listed on the Insured's itinerary within 30 days of the Insured's scheduled arrival;
- (i) the Insured or Traveling Companion has Complications of Pregnancy, Normal Pregnancy or Childbirth. Complications of Pregnancy, Normal Pregnancy or Childbirth must occur after the Insured's effective date of coverage and can be verified by medical records;
- (j) the Insured or Traveling Companion is involuntarily terminated or laid off through no fault of his or her own more than 14 days after an Insured's effective date of coverage, provided that he or she has been an active employee with the same employer for at least 1 year. Termination must occur following the effective date of coverage. This provision is not applicable to temporary employment, seasonal employment, independent contractors or self-employed persons;
- (k) the Insured and/or Traveling Companion is directly involved in or delayed due to a traffic accident, substantiated by a police report, while en route to the Insured's Destination;
- (l) the Insured has an employer-initiated transfer within the same organization of 250 or more miles which requires the Insured's Primary Residence to be relocated. Notification of the transfer must occur after the effective date of coverage;
- (m) the Insured or Traveling Companion is a student at a primary or secondary school and is required to complete an extended school year that falls on or beyond the Departure Date;
- (n) a named hurricane causing cancellation or interruption of travel to the Insured's Destination that is Inaccessible or Uninhabitable. Claims are not payable if a hurricane is foreseeable prior to the Insured's effective date. A hurricane is foreseeable on the date it becomes a named storm. The Company will only pay the benefits for Losses occurring within 30 days after the named hurricane makes the Insured's Destination Uninhabitable or Inaccessible;
- (o) a theft of passports or visas specifically required for the Insured's Trip substantiated by a police report;
- (p) mechanical/equipment failure of a Common Carrier that occurs on a scheduled Trip and causes complete cessation of the Insured's travel.

As you can see, the policy does not provide coverage for a power outage caused by the performance of construction work in the region. None of the named perils in your policy have occurred.

Further, under Section II(e) of the policy, there is only coverage if the destination becomes uninhabitable or inaccessible by flood, tornado, earthquake, volcanic eruption, fire, wildfire or blizzard that is due to natural causes, vandalism or burglary. None of these perils occurred. Under Section II(n), there is coverage if a named hurricane causes cancellation or interruption of travel to your destination that is inaccessible or uninhabitable. This also did not occur.

Notwithstanding the above, NUFIC has elected to make a one-time good faith decision to process your claim, with the extension of benefits in your favor in the following amount.

Your claim, as submitted is for [REDACTED]

Under the policy, if there were coverage, only certain benefits are payable. We regret that we cannot pay your claim in full, because certain claim items are not recoverable. In particular, the insurance premium and damage waiver cost. Accordingly, after subtracting those items, we are pleased to advise you we will pay the total amount of [REDACTED] on your claim.



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In order to process the claim and issue payment to you, we ask that you review and sign the enclosed Assignment of Rights and Release form and return it to us. This form is being issued to you pursuant to section five (5) of the policy, entitled Payment of Claims, and section six (6) of the policy, which contains a provision called Company's Recovery Rights. Under these provisions, in the event we pay you for a loss, we will take over your rights and remedies relating to that loss, up to the amount of payment we issue to you for the loss. This will preserve our rights of recovery against any other contracts, insurance policies, and those parties who may be responsible.<sup>1</sup> The form also contains a provision requiring you to return some or all of the insurance proceeds paid to you, if you later receive compensation for the same loss from another source, such as reimbursement from your landlord for the rental property or from their insurer. The form also contains a provision by which, in exchange for our payment, you fully release NUFIC from any and all claims or causes of action relating to your claim, the loss, and the policy NUFIC issued to you.

Once the Assignment of Rights and Release form is executed and returned, we will issue payment to you thereafter.

Should you have any questions please do not hesitate to contact me directly. I will be happy to answer any questions that you may have.

Sincerely,

Lois Glodowski  
Claims Director  
Tel 715-342-7399  
Lois.Glodowski@aig.com

/ak

This correspondence is sent by AIG Claims, Inc. as authorized administrator for National Union Fire Insurance Company of Pittsburgh, PA.

<sup>1</sup> If you have additional losses not covered under the policy, you will retain the right to make claims for these against the responsible party. This assignment only extends to the amount we actually pay to you so that we may recover these amounts from the responsible party.