

Memorandum



Date: May 14, 2010
From: **etfs** Management
Subject: Update: European Air Travel Following Volcanic Ash Incident

On April 14, 2010, a volcanic eruption took place on the Eyjafjallajokull glacier in Iceland. The large cloud of ash resulted in total or partial closure of airspace in several countries, as well as major flight disruptions across Europe. We continue to monitor the situation for any changes.

Insureds should first contact their airline, tour operator or credit card company to re-book travel arrangements, when possible, or to seek reimbursement.

We currently consider the events as an insured risk for flight delay/cancellation applicable to most non-medical travel insurance policies purchased prior to April 14, 2010 and administered by **etfs** and Global Excel. Policies or travel arrangements purchased on or after April 14, 2010 will not include coverage for reasons pertaining to the Iceland volcanic eruption as the policy must be purchased without prior knowledge of a reason to claim. As we are now aware that the volcano is active, this can no longer be considered as unexpected. Travellers should always check their policy for specific benefits and provisions as these may vary from product to product, and they can contact us at any time for assistance or more information.

In addition, if insured travellers are delayed at their destination due to this situation, most policies contain provisions to extend medical coverage automatically at no additional cost. This automatic extension will apply for insurance purchased both before and after April 14th. Note that once the number of days provided by the automatic coverage extension has expired, trip interruption benefits will continue until the client has been able to return home after the flight delay only for travellers who purchased their insurance prior to April 14, 2010. Insureds should review the extension provisions in their insurance policy for complete terms and conditions related to automatic extensions and termination of coverage.

Insureds can call Global Excel's toll-free assistance numbers (found on their assistance cards and policy documents) to obtain more information. The general telephone number to reach Global Excel is 1-800-715-8833. Insureds who have not yet departed for scheduled trips can call for information regarding trip cancellation. However, insureds should first contact their tour operator or airline company to seek reimbursement.

etfs and Global Excel are actively monitoring this situation for any changes. Travellers are advised to confirm their travel arrangements with their airline, tour group, or travel agent before heading to the airport. We also advise travellers to check the Department of Foreign Affairs and International Trade Canada's website at www.travel.gc.ca regularly for updates.

Should you have any questions, please contact **etfs** Client Services.