

# Baggage Insurance: A Spare Tyre on the Civil Aviation Consumers' Automobile

Have you ever thought of going to a beach for a sunshine while wearing your business suit?

Or worse enough, going to a vacation or business trip without your prescribed medication?

How about losing your passport or travel documents when you have travelled abroad?

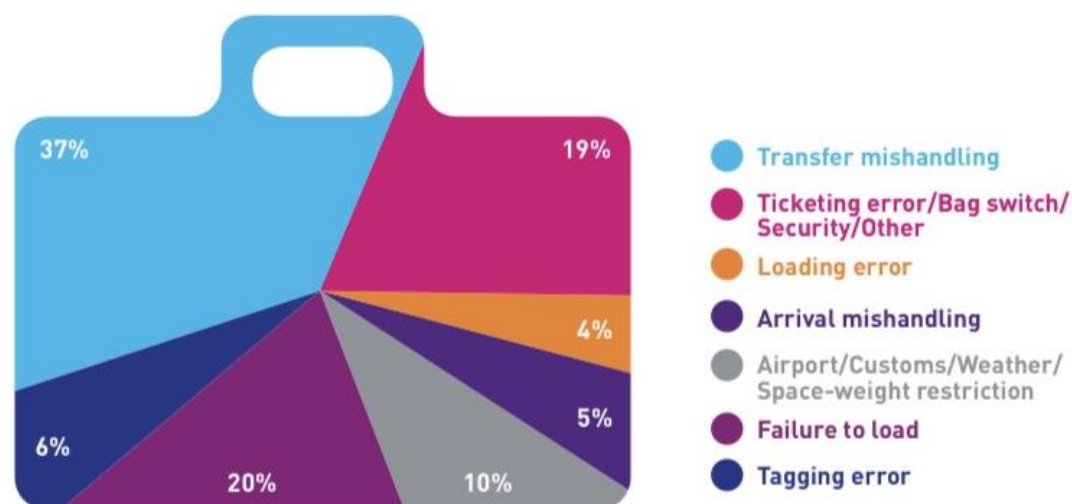
Arriving at your destination without your baggage becomes a real problem that is going to require immense assistance.

In Tanzania, the Immigration Services charges TZS 500,000 for getting new passport after losing your old one. That is how jumbled it can get.

Covid19 pandemic augmented touchless and self-service technologies in baggage handling and tracking solutions that will make sure passengers and their bags arrive together.

Despite the efforts, baggage still gets lost, delayed, misplaced, crushed, shredded, rifled through and destroyed.

## Reasons for Delayed Baggage



Source: SITA 2021 Baggage IT Insights

Mishandled baggage complaints came in despite the Covid19 pandemic which led to fewer passengers and flights thus getting baggage to the plane an easier task with less chance of commotions.

For the financial year 2020/21, 25% of complaints handled by the Tanzania Civil Aviation Authority Consumer Consultative Council (TCAA CCC) was about mishandled baggage.

### **Breakdown of Mishandled Baggage**



Source: SITA 2021 Baggage IT Insights

The Convention for the Unification of Certain Rules for International Carriage by Air (Montreal Convention), which on 28/05/2021 marked twenty two (22) years since its signing, provides for liability of the airlines and extent of compensation for damage where as in the case of destruction, loss, damage or delay of baggage.

Compensation to the passenger is limited to 1000 Special Drawing Rights (XDR), approximately to TZS 3,350,000/= (USD 1440).

XDR is an international reserve asset and the unit of account of the International Monetary Fund (IMF) to supplement its member countries' official reserves.

Tanzania has domesticated the Montreal Convention with the enactment of the Civil Aviation (Carriage by Air) Regulations, 2008 whereas Regulation 26(1) limits the liability of the carrier in case of destruction, loss, damage or delay to the equivalent of Tanzanian Shillings of USD 1200.

For some people who are travelling with expensive designers' costumes and clothing, the provided limited compensation might not be enough and for almost everyone proving the value of the lost luggage and getting an airline to pay up can be a challenge.

Further, items in your checked bag such as jewellery, expensive watches, and high-end technology, will likely be worth more than the per-item limits or even the specific item.

Thus, depending on airline, they may exclude fragile items, valuables, electronics, jewelry, cash, artwork and business-related documents.

In such cases, excess valuation following a special declaration of interest can be more convenient and of assistance.

When checking in baggage, a passenger may declare his or her interest and pay a supplementary sum if the case so requires. This declaration will entitle the passenger to more compensation than the limit.

However, it may only cover the passenger in the event of total loss, not merely damage to the contents and not to the luggage itself.

This is why you need travel insurance (specifically baggage insurance) despite being entitled to be compensated by the airline when you have lost your baggage.

This will be a secondary coverage to supplement any reimbursement that may be offered by the airline.

Baggage insurance is a form of travel insurance that protects the passenger financially if his checked or carry-on baggage is lost, damaged, or stolen.

The insurer promises to compensate or pay up to the policy's maximum amount to the owner whose baggage and personal belongings is lost, damaged, or stolen while traveling.

The policy reimburses replacement costs up to a predetermined level, and it may also reimburse the owner for expenses incurred due to delayed baggage delivery.

Thus, providing a solution to the worries of passengers who have to wait for weeks for airline firms to resolve their claims, especially since most airlines have strict liability limits.

The passenger will have to buy premium depending on the sum insured which will be fixed as per the current market value of the items carried.

He will have to make note of all the baggage content before travelling and incase the baggage get lost; he will be compensated only for the amount that has been mentioned while applying for insurance.

As for baggage delay the insurance will reimburse the policy holder for items purchased for personal comfort while waiting for the bags to arrive after they have been delayed for either 12 or 24 hours depending in the policy purchased.

Keeping receipts of anything you are buying while your bags are delayed is strongly recommended.

Spare tyre tend to take up space of your boot or even add weight to your vehicle. You may wish not to have them or even have them removed and still make it to your destination.

If everything goes as it is supposed to, surely you might not need the spare tyre.

But, if you are a frequent traveler or just a bad luck, that fateful day might come where you might need the spare tyre and it may unbearably come in handy as we typically use the spare tyre to travel home or to a repair shop safely so you can analyze the condition.

The same applies to baggage insurance. You and your bags can make it to your destination altogether without baggage insurance. But be advised to have a cushion when things go otherwise.

After going through this article, one should have fingertip information on passenger's rights, entitlements, limitations as far as handling of his baggage is concerned.

Lastly, understand reasons for having a supplementary mechanism despite being entitled for compensation by airlines.

*“Good Is Not Good Enough When Better Is Expected”*

– LOU LAMORIELLO, General Manager of New York Islanders of the National Hockey League (NHL),  
USA