FOR IMMEDIATE RELEASE

New directive issued to tackle insurance scams in Nepal

*Issued on Sept 1 deadline*

**London, 2nd September, 2018:** As the result of a 90-day government investigation into fraud in Nepal that has caused at least one tourist death and defrauded millions of dollars from travel insurance companies - a new directive has been issued.

The Ministry of Culture, Tourism and Civil Aviation has appointed a Special Committee to oversee all helicopter rescues and medical treatment of tourists in Nepal. Helicopter companies, trekking organisations and hospitals will be required to submit their invoices within 10-days to the Tourist Search and Rescue Committee, who will share it with the Tourist Police and Department of Tourism.

Under pressure from travel insurers who set a September 1st deadline for the ministry to take action to stop the fraud - or risk insurers pulling out of Nepal - at the eleventh hour the ministry signed the directive in what is hoped is a positive step forward in tackling the fraud.

In the first eight-months of 2018, it is estimated that over 1,600 helicopter rescues happened in Nepal and based on investigations by medical assistance company [Traveller Assist](http://www.travellerassist.co), 35% of these rescues were fraudulent costing insurers in excess of $4 million.

“This investigation was triggered by Traveller Assist earlier this year as a result of our own investigation into why the 2017 spring climbing season was the most expensive on record for insurers. The sheer scale of fraud and corruption in Nepal is so widespread that even if a company isn’t involved in it, they are well aware that it happens.” Said Jonathan Bancroft, Managing Director of Traveller Assist

The scam involves trekking and helicopter companies, hostels and hotels, hospitals and in some cases, even the travellers themselves. Investigations have found that some travellers, after paying $500 for a five-day trek to Base Camp, were then paid $750 by the trekking company to say that they were sick once they arrived at Base Camp and a heli would be called so that they didn’t have to trek out. The heli company would pay the trekking company $2,000 in commission, which they make back from the hospital who pays them a commission to bring them foreign patients, who they then over-treat and over-bill the insurer for.

There have also been an abundance of cases where unsuspecting travellers had their food spiked with baking soda, a laxative, and in some cases, hotels, hostels and tour guides allegedly giving travellers tainted food to cause food poisoning. “These fraudsters have a complete disregard for human life.” Added Bancroft.

It has come to our attention that as a result of the ministry’s investigation into fifty-two companies, a further investigation was requested against the following companies. Manang Air, Dynasty Air, Heli Everest, Easy Heli Charter, FCI Heli Charter Service, Kailash Heli Charter, Mountain Heli Charter, Eagle Heli Charter, Mountain Rescue Service, Alpine Rescue Service, Nepal Rescue and Medical Assistance, Himalayan Social Journey, Grande International Hospital, Swacon International Hospital, Norvic International Hospital, Era Health Center, Ciwec Hospital and Vayodha Hospital. No charges have been made public.

“As a medical assistance company we have two mandates. The health and wellbeing of travellers, and the financial interests of insurers.” Said Danny Kaine, Head of Assistance. In Nepal, this is something that assistance providers have struggled to achieve in Nepal, evidently by this widespread fraud. “In twelve-months, Traveller Assist has prevented over 160 unnecessary helicopter rescues for our clients in Nepal, and we will continue to work with the ministry, police, trekking organisations, helicopter companies, and hospitals as we continue to assist travellers and insurers.” Added Kaine.

Based on an article published on September 1st in the [Katipur Daily](https://www.kantipurdaily.com/business/2018/08/31/153573222475259560.html), a local newspaper in Nepal, and tweeted out by [Rabindra Adhikari](https://twitter.com/RabindraADH/status/1035744750387830785), the Minister for Culture, Tourism and Civil Aviation - this new directive is effective immediately.

Comments that suggest no foreign assistance company will be allowed to operate in Nepal is completely unrealistic. Assistance companies assist helicopter companies and hospitals just as much as they assist their insurance clients. They assist both payor and provider. It’s how the system works.

Traveller Assist will continue to operate in Nepal providing assistance for travellers and insurers, and will continue to offer support to the ministry, police and tourism committee.

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