

## Travel Insurance: To Buy or Not to Buy

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It's summertime again!! This is the time of year that many people chose to vacation. If you are one of the many taking a break this summer, you may want to look into purchasing travel insurance. Why??? It's fair to say that we live in a pretty uncertain world. Many unpredictable issues can arise prior to or during your trip. Prior commencing your trip you could become ill, you could become sick or injured while in another country, there could be a natural disaster which forces you to be evacuated, you could lose your luggage, your airline could go bankrupt, travel credentials such as your passport could be lost or stolen. These are just some of the many unexpected issues which travel insurance may cover.

Mary Billard, a journalist, wrote a January 4<sup>th</sup>, 2009 article in the New York Times detailing her experience during a recent trip to Indonesia, on which her husband fractured his ankle requiring surgery. The article is a recount her attempt to get her husband back to the United States, as they did not wish for him to have surgery in an ill equipped rural Indonesian hospital. The couple never purchased travel insurance. As American Express Platinum Card members, they felt that the medical evacuation benefit offered by American Express would extend to their circumstance. They were told that because his injury was not life threatening, medical evacuation would not be covered. After \$900 worth of phone calls they were able to arrange a ticket home at an astronomical \$9,177.90. Their early departure caused them to lose hundreds of dollars worth of hotel deposits for the following week. Had the couple acquired a comprehensive travel insurance plan, most to all of this unexpected expense would have been covered at a fraction of what it cost to get them back home.

What types of Insurance coverage are out there? Well there is a type of coverage for almost everything. Some include the following:

- Flight Insurance
- Trip Cancellation and Interruption Insurance
- Healthcare Insurance- This is critical if you are traveling internationally as most American insurance policies will not cover the insured abroad.
- Medical Evacuation Insurance
- Baggage Insurance
- Non Refundable Insurance for non refundable airline tickets
- Golf Travel Insurance

Coverage amongst travel insurance policies can run the gamut. When shopping for a policy it is really about what you are willing to pay for, and what type of coverage is needed. How do you know what the right coverage is for you? Well on their website the

US Travel Insurance Association suggests doing the following to make your personal needs determination:

- 1) Looking at what type of Travel Insurance you need based on the trip you are taking.
- 2) Finding out whether or not you will lose deposits on accommodations should you have to cancel your plans last minute.
- 3) Will your travel insurance policy cover you for preexisting medical conditions?
- 4) Will you be participating in any sporting activities while traveling? Is so, does your policy cover injuries related to those activities.
- 5) Will you need excess coverage for your baggage if it is lost? When considering this question it is important to note that current regulation only requires the airline to pay you \$9.07 per pound, up to 44 pounds per bag. That only equates to \$399.08 per bag. Are the contents in your bags worth more than that? If the answer is yes, you will want to include baggage coverage.
- 6) Does the baggage coverage insurance kick in immediately or is there a waiting period before the policy will cover your loss. Read the policy fine print!!
- 7) Are civil strikes and acts of terror covered? This is especially important if you plan on traveling to an area where these circumstances are more likely to occur.
- 8) What if your hotel, tour group, airline goes out of business? Make sure you first check with each to determine if you will be reimbursed as a result of such an event. If not you might want to look into trip cancelation/interruption insurance.  
(USTiA, 2010)

There are a number of websites available that allow you to compare multiple types of policies from many reputable travel insurance providers. The following are some resources available for policy comparison.

[www.insuremytrip.com](http://www.insuremytrip.com)

[www.tripinsurancestore.com](http://www.tripinsurancestore.com)

Below is a list of well known travel insurance providers:

Access America 1-800-729-6021

Travel Guard International 1-800-826-4919

Travelex Insurance Services 1-800-228-9792

HTH Worldwide 1-800-243-2358

Travel Insured International 1-800-243-3174

Global Travel Insurance 1-800-232-9415

Travelsafe 1-888-885-7233

Medjet Assistance (great for medical evacuation) 1-800-963-3538

Air Ambulance Card: <http://www.airambulancecard.com/>

For more information on Travel insurance you can visit the US Travel Insurance Association's (USTIA) website at <http://www.ustia.org/>

In a world that can be uncertain to say the least it becomes important to plan for the unexpected while traveling. If you don't, it could wind up costing you a pretty penny. There are many types of travel insurance coverage out there. When choosing a policy, always consider what will be appropriate for your particular situation. Then do a comparison of policies and pick the one that best fits your needs. Then you can enjoy your trip knowing that you are covered!!! Have a great and safe summer!!!

Sources:

Billard, Mary (2009), Stuck in paradise needing medical help, *The New York Times* January 4, 2009, Retrieved on June 4, 2010 from <http://travel.nytimes.com/2009/01/04/travel/04prac.html?fta=y>

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