

# Should you buy travel insurance?



## How to protect your vacation—and yourself—from unplanned disaster

### When do I need travel insurance?

A vacation travel break can be revitalizing and can open you up to new experiences. It can also be expensive and just because you're off from work doesn't mean the universe cooperates.

A whole variety of unforeseen circumstances can squash travel plans with little notice which often means leaving you on the hook for financial and other losses.

Fortunately, the right insurance can help protect against these losses. Before you book your trip, check if the credit card you plan to use offers any travel insurance or assistance that might be useful to you then consider the coverages below.

### What kind of travel insurance do I need?

There are four major types of travel insurance and, generally, you can purchase packages that offer these with a combination of other travel coverage options.

Choose your travel insurance based on what makes sense for your trip and your own finances. If you've been saving for that \$15,000 tour of Italy as your vacation of a lifetime, you may not want to take a chance that a family illness will cost you your deposit.

- **Trip cancellation insurance** – Reimburses you when certain circumstances prevent you from taking your trip such as: if your cruise line or tour operator goes out of business or if you have to cancel the trip due to sickness, a death in the family or another calamity listed in the policy. In addition, if you or an immediate family member becomes seriously ill or is injured during the trip most policies would reimburse you for the unused portion of the vacation.

Don't confuse trip cancellation *insurance* with the cancellation *waiver* that many cruise and tour operators offer. Compared to insurance, waivers might seem relatively inexpensive and they do provide coverage if you have to cancel the trip.

However, they include many restrictions, they generally must be purchased at the time the trip is booked, and they will usually not cover you immediately before departure (the time period during which most people cancel) or after the trip has begun.

Most importantly, because waivers are not insurance they are not regulated by state insurance departments. If your tour or cruise operator gets into financial difficulty you may not be able to collect on the waiver.

- **Baggage insurance or personal effects coverage** – Provides coverage if your personal belongings are lost, stolen or damaged during the trip.

Before purchasing this type of coverage, find out how much insurance the airline or trip operator provides for your belongings. Also check your [homeowners](#) or [renters policy](#), which will usually provide coverage for off premises theft such as stolen luggage.

If you are traveling with expensive electronic equipment, jewelry or sporting gear, it might be more cost effective to [purchase a floater or endorsement](#) to your homeowners or renters policy that covers these items. This would provide full coverage against loss of the item, anywhere in the world as well as at home.

Some insurers also offer baggage delay insurance which would cover items you need to purchase to hold you over in case your luggage is significantly delayed.

- **Emergency medical assistance** – Covers expenses related to medical crises which can be very costly. Emergency medical assistance covers situations like: being airlifted off a mountain after a skiing or hiking accident; a prolonged period stay in a foreign hospital; or needing to be flown home due to a serious illness or injury.

Before purchasing this type of coverage, check with your own

health insurance carrier to find out what type of coverage you have when traveling at home or abroad and what the limitations are.

Depending on where you're traveling, consider getting insurance enough to cover a flight home or to a country with first rate medical care.

- **Accidental death** – provides coverage in event you or a family member dies during a trip. Depending on your [life insurance plan](#) or other financial provisions for your loved ones, this may be duplicate insurance.

### Are there other types of travel insurance I should consider?

There are many other types of travel insurance—you can even get coverage for lost travel loyalty plan points. Depending on your destination and circumstances, you may want to consider the available coverages for:

- Missed connection
- Travel delay
- Emergency evacuation
- 24-hour traveler assistance
- Collision/damage coverage for rented cars

