



(Click icon above for Travel Insurance)

Travel Insurance – Don't Leave Home Without It.

What is Travel Insurance? There are many misconceptions.

Too often I hear people say -- "I don't need insurance, I'm definitely going". But usually causes them to miss their trip is something beyond their control or due to a family member that isn't even traveling. We in the industry do a disservice by commonly calling it "Cancellation Insurance" because often the insurance is of most value to the travellers while they are traveling, not before they leave.

I traveled for years and never bought travel insurance. Then I got into the travel industry and saw what can and does go wrong – now I never travel without it.

We have had clients:

- Cancel a trip at the last minute due to a personal illness, a sick child (can't fly with an ear ache), jury duty, a death in the family, diagnosis of an illness requiring surgery or chemotherapy, etc.
- Needing hospitalization after being involved in an auto accident while riding in a taxi (Beijing) or after falling off a horse, breaking an ankle requiring surgery (Costa Rica), etc.
- Stranded in the Caribbean for additional days because a blizzard closed O'Hare airport or having to make alternate arrangements to get home after a blizzard, heavy rain or hurricane closed an airport.
- Losing their trip because poor weather (blizzard, thunderstorm, hurricane, earthquake, etc.) prevented them from departing.
- Nearly missed their European cruise because a heavy summer rainstorm closed the airports on the East Coast where their flight was connecting. The flight from Chicago couldn't land and had to return. (Fortunately, they were leaving a day early and after much effort we were able to get them out the following day, but at considerable additional expense -- that the insurance paid)
- Fell and broke a hip. Received proper medical attention, but because the hip cast would not permit him to sit upright in an airline seat per FAA regulations, he was denied boarding a commercial airline. An air ambulance had to be chartered and flown into the Caribbean from Atlanta to bring him back to Chicago – at a cost of over \$5000.
- A lost passport near the end of the trip required the client to stay nearly a week longer in Europe until a replacement passport could be issued.
- A client arrived in Fiji only to be told when she checked into her hotel that her grandmother has passed away unexpectedly. She had to fly home the next day at considerable additional expense and lost her vacation.
- Various instances of lost or delayed baggage and missed flight connections, etc.

All these examples and more are insurable with the proper travel insurance.

What is “proper” travel insurance?

First it is important to know that no travel insurance covers everything. All types of travel insurance have exclusions, limitations, exceptions and different definitions as to who and what is being covered by the policy. Travel insurance basically falls into two categories - that offered by the Tour Operator and Cruise Line or that offered by an Independent insurer. The differences are in the “fine print”.

Insurance offered by the Tour Operator or Cruise Line is generally less expensive because it generally covers less and has more exclusions. Although some companies self-insure, most are purchasing watered-down versions of policies from one of the independent travel insurance companies that have more exclusions and have sections rewritten to favor the tour/cruise company. They certainly exclude financial default by the tour/cruise company. Regardless, in some circumstances the tour/cruise insurance may be adequate or the better choice – and some insurance is always better than none at all.

Questions you should ask when purchasing any travel insurance, but in particular when purchasing tour operator or cruise line insurance:

- 1) Does the insurance cover only up to day of departure or also the day of departure? Does coverage continue while on the trip?
- 2) Does the insurance cover the airline tickets that were purchased through the tour/cruise operator (not always)? (If you purchased airline tickets yourself or through your travel agent, those tickets are definitely not covered by the tour/cruise insurance).
- 3) If you cancel and are entitled to a refund, will it be a cash refund or will it be a voucher from the tour/cruise company for a future trip? (Cruise lines and tour companies that offer “Cancel for Any Reason” often provide a voucher).
- 4) Who is covered under the policy? Is it --
 - a. Only the insured travellers?
 - b. The travellers and their immediate family (parents, spouse, siblings, children)? Or
 - c. Your entire family sphere extending to grandparents, grandchildren, aunts, uncles, nieces, nephews, business partner, etc.?
- 5) If you are traveling with another person/couple/family or as a group, do you have the option to cancel if others* must cancel?
- 6) Is payment/reimbursement of Medical and Emergency Medical Transportation expenses primary (pays first) or secondary (reimburses what your personal health insurance does not cover)?
- 7) Are there deductibles?
- 8) What is the policy regarding pre-existing medical conditions (note: pre-existing medical conditions not only apply to the travellers, but also to everyone covered by the policy – see item 4 above).

- 9) If there is Travel Delay coverage, is the per diem adequate for where you are traveling?
- 10) What is the limit on Trip Cancellation and Trip Interruption coverage?

Proper travel insurance Cancellation and Interruption should apply to the entire “family sphere” of the travellers and include the following components:

- 1) **Trip Cancellation** to reimburse the non-refundable cost of the trip in the event that a covered emergency forces you to cancel. It should also give you the option to cancel your trip should your fellow travellers* be forced to cancel their trip or defray any additional expenses that you might incur due to their cancellation if you decide to proceed without them*.
- 2) **Trip Interruption** to reimburse you for additional expenses incurred and reimburse you for the unused portion of your trip should you be forced to return early due to a covered emergency. (e.g. the woman returning from Fiji after her grandmother passed away)
- 3) **Travel Delay** reimburses up to a daily amount for a certain number of days to cover lodging and living expenses if stranded because your flight can't leave your destination due to a covered emergency situation.
- 4) **Missed Connection** reimburses expenses incurred due to missing an airline connection due to weather or other covered situation.
- 5) **Baggage & Travel Document Loss** reimburses the costs of lost, stolen or damaged luggage and/or expenses in replacing travel documents (passport, tickets, etc.) including cost of transportation involved.
- 6) **Baggage Delay** reimburses the cost to purchase essential items – clothing, toiletries, medications, etc. – when baggage is delayed beyond a certain time period (usually 24 hours).
- 7) **Medical Expenses** – coverage can be either primary or secondary. Typically, everyone is under some type of “Managed Care” health insurance plan, thus, medical treatment outside of the “plan” and particularly outside of the USA has higher deductibles and more exclusions. Secondary Coverage plugs the gaps; Primary Coverage keeps medical expenses from being charged to your health plan.
- 8) **Emergency Medical Transportation** – should there be a serious accident while traveling it covers the cost of an ambulance or air medivac to the nearest hospital that can provide adequate treatment. If you happen to be in a remote location or third world country, this may include air ambulance transportation to the USA or other industrialized country that can provide adequate medical attention. It may also include air ambulance or special services on commercial airlines (i.e. nurse) for your return home after having been treated and released.
- 9) Have a provision for waiving the Pre-existing Medical Conditions Exclusion.
- 10) Cover financial default of the cruise line, airline and/or tour operator. However, some travel companies may be excluded from coverage due to their present financial condition. (Note: several well respected travel suppliers were unexpectedly forced into bankruptcy by unanticipated international events)

such as the Tiananmen Square protests and the September 11 terrorist attacks on the World Trade Center)

**Other travellers must also be covered by the same insurer for these to apply.*

Once you have put down a deposit and certainly after you have made final payment, you have some financial risk if you must cancel the trip. Each travel company has its own policies, but in general once you are within a week of departure (when most emergencies arise) the trip is 100% non-refundable plus you probably have an additional cancellation penalty with the travel agency.

We recommend purchasing a policy from an independent travel insurer and the one we recommend is Travel Guard. They are considered #1 in the industry. They have broad coverage definitions (“family sphere”, etc.). They offer a wide range of policies from very comprehensive to very basic in a variety of price ranges. Cost is based upon the amount being insured and age of the travellers.

Types of policies include:

- 1) **Cruise, Tour & Travel** (primary medical and emergency medical evacuation)
- 2) **ProtectAssist**
- 3) **Travel Guard Essential Expanded** (children under 16 free for each adult)
- 4) **Travel Guard Essential**
- 5) **Cruise Guard**
- 6) **Savvy Traveler**
- 7) **Pack ‘n Go**
- 8) **Air Ticket Protection**
- 9) **Flight Guard**
- 10) **Rental Car Collision Insurance**

Several Travel Guard policies provide a waiver of Pre-existing Medical Conditions, coverage for operator Financial Default and coverage for Terrorism as a bonus if the policy is purchased within 6-14 days of making the first deposit or of purchasing the first component of your trip.

Clicking on the link at the top or bottom of this section will connect you to our Travel Guard International website where you can use the comparison tool to shop different policies. You may book insurance through this link or we would be happy to do it for you. We recommend that you select the option to have the policy sent to you by mail (about 10 business days) because you will receive policy ‘stickers’ for your passport, baggage, camera, etc.

(Click icon below for Travel Insurance)

