

## Make Sure Your Travel Insurance is a Real Safety Net

Weather delays, terrorism scares and general overcrowding in the skies have lead to plenty of frightening travel news on the airwaves. If you've ever been stuck on the airport tarmac for hours or had a flight cancelled on the way to a brief but desperately needed vacation, you've probably faced the irritating possibility of losing hundreds or thousands of dollars of your hard-earned vacation savings.

So you'll just insure the trip and there will be no problem, right? In the majority of cases, you'd be wrong.

Most people perceive that the purchase of travel insurance will protect everything from lost luggage to unforeseen medical bills – that's rarely true anymore. So when shopping for travel insurance it's time to start understanding what you're really buying. Some important things to check before you buy:

**Start at least a month in advance:** Most people make major trip reservations fairly far in advance to get the best fares, and you need to do the same for travel insurance. Book early and you'll get the best coverage and rates. You'll find that carriers are particularly picky about pre-existing conditions for medical or dental treatments, so read the fine print.

**There's no such thing as full coverage – unless you're willing to pay for it:** What's full coverage? That's a good question, and it sometimes depends on dozens of factors unique to your trip. Your carrier might not offer protection on your chosen airline or cruise line. You'll find that terrorism insurance is rare and complicated. And you have to examine medical insurance options closely to understand exactly what is covered. The rare soup-to-nuts coverage – covering trip cancellations, lost luggage, delays that leave you stranded, flight accident, emergency medical and medical evacuations – is typically priced in the hundreds of dollars and may only cover up to 75 percent of the total cost of your trip.

**Start online:** If you really want an eye-opening experience in buying travel coverage, go to some of the leading Web sites that deal in single or multiple-insurer offerings. InsureMyTrip.com is a market leader and a good first stop in analyzing coverage – you start by punching in the necessary information on your trip (dates, age of travelers, medical coverage needed, etc.) and it spits back more than a dozen possibilities at all price levels. Clicking on any of the choices will give you a detailed view of what those policies will and won't cover.

**Check with your credit card company:** It's time your credit card company earned its money. Call customer service and find out what kind of travel protection they offer automatically or by fee. You may end up saving money – or, if you travel often enough, you may want to go with a particular card company that provides better travel coverage. But even for cards that tout their travel benefits, it's critical you investigate exactly what their insurance covers relative to where you want to go. Take the time to make them explain the coverage to you.

**Call your HR department or health insurer:** Your health benefits may not cross state or country lines. Before you take any trip, check to see if your employer's or your own personal health coverage will be effective there. An emergency room visit can cost at least several hundred

dollars and a short hospital stay can cost thousands more. You might be interested in travel insurance if you find your own domestic insurer won't pay claims in certain parts of the country where you're going.

**Ask about hurricane coverage:** The 2007 Atlantic hurricane season begins June 1 and runs through Nov. 30. Even if you don't live in a hurricane area, severe hurricanes can disrupt flights all across the nation, which may lead to a delay of your trip here or abroad. Ask whether your travel insurance has hurricane coverage and what it entails.

**If you're stuck, never be afraid to ask for a break:** If you're sidetracked as the result of a major disaster (weather-related or otherwise), always ask if your airline, hotel or other components of your vacation might be willing to give you a credit or discount on your bill. It's rare, but some destinations might see it as a chance to build goodwill. Ask nicely -- the worst they can do is say no.

---

May 2007—

*This column is produced by the Financial Planning Association of Southern Wisconsin. We can be a continued resource for your personal finance coverage. If you use this column in whole or part, please credit the chapter or one of our CERTIFIED FINANCIAL PLANNER™ members.*

*CFP®, CERTIFIED FINANCIAL PLANNER™ and the federally registered CFP (with flame logo) are certification marks owned by Certified Financial Planner Board of Standards, Inc. These marks are awarded to individuals who successfully complete CFP Board's initial and ongoing certification requirements.*