

When in Doubt, Insure



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IT'S only June, and already what a year it's been for travelers: volcanic ash clouds shutting down dozens of European airports; unrest in [Thailand](#), Jamaica and [Greece](#); an [oil spill](#) undermining the plans of vacationers bound for the Gulf of Mexico coast. The summer — with its risk of [hurricanes](#) and the threat of airline strikes — promises little respite.

No wonder so many people are looking into travel insurance. “We’ve seen a nearly 50 percent increase in calls since the Icelandic volcano eruption in April,” said Bob Chambers, director of operations for the San Diego-based [CSA Travel Protection](#). “The calls are coming from prospective customers inquiring about plan coverage for things such as the volcano, oil spill and other events, as well as current customers seeking reassurance they will be covered.”

Other companies are reporting similar interest. Daniel Durazo, director of communications for [Access America](#), in Richmond, Va., estimates that his company has received a 30 percent increase in inquiries since April.

But navigating the complexities of travel insurance can be onerous, especially since it's unclear exactly what kind of insurance is needed for what eventuality. Different policies offer coverage of accidental

death; emergency medical care and evacuation; canceled, interrupted or delayed trips; and lost, damaged, stolen or delayed luggage.

To decide which policy is right, first identify your concerns. Are you looking for trip cancellation insurance in case you get sick or need to return home early or can't go at all? Or are you looking to protect yourself against a trip being interrupted or delayed — which was the situation during the recent volcano?

Next step: price it out. Costs can vary from about 3 to 16 percent or more of the total trip price, depending on the traveler's age, and the cost and length of the trip. According to John W. Cook, president of QuoteWright.com, a Web site that compares travel policies, the price for a comprehensive policy for a 55-year-old from New York going to Europe on a \$3,000 trip would vary from \$102 to \$486.

"It's not unusual for plan costs to vary over 300 percent, so make sure you shop around for the best coverage," Mr. Cook said. Sites such as QuoteWright or InsureMyTrip.com compare policies according to various criteria, including price and coverage details.

It's important to understand the limitations of various policies. In situations where potential problem scenarios aren't covered, or you're concerned about loopholes, consider purchasing a "cancel for any reason" option, which "allows a traveler to cancel a trip for any reason whatsoever, no questions asked," said Samuel H. Rabin, senior vice president of the Tzell New Jersey Travel Group, who noted that such policies come at a price. "The premium is an additional 50 percent of the base premium of the normal comprehensive plan, and it only pays out 75 percent of your losses, not 100 percent."

Here's a primer on how travel insurance works in various scenarios:

Volcanic ash clouds Experts say the Icelandic volcano could erupt intermittently for quite a while and that ash clouds could form at any time. So far, such clouds have generally been considered a "weather situation" by insurance companies, and expenses related to the disruption — including hotels and transportation — have been covered under trip cancellation, trip interruption, missed connection and travel delay policies. However, if an ash cloud is currently hovering over a particular region you are flying into or out of, or is imminently expected, new policies probably won't cover it until the condition clears. Thus, make sure to purchase insurance while ash is not an issue.

Airline strikes In general, strikes by workers on airlines or trains are "named perils" and, if specified in the policy, are covered, though the insurance should be purchased before a strike is announced. For example, the recent strike by Spirit Airlines pilots, or a strike by British Airways' cabin crews would be covered by trip cancellation, trip interruption or travel delay policies, as long as the strike is reasonably unforeseeable at the time you buy your policy.

"If you cancel your trip due to a strike, the insurance would have covered expenses associated with the cancellation," Mr. Rabin said in an e-mail message. "If you were stuck and couldn't get home due to the strike, your expenses would have been covered (up to the cap, of course, which varies by policy)."

Civil or political unrest Travel disruptions due to political or civil unrest, or by State Department travel warnings, are generally not covered by insurance. Most policies won't reimburse you for expenses related to riots, protests or police activity. However, if the disruption is a result of a terrorist incident and the city is on your itinerary during the event, the policy will most likely cover it.

Oil Spills Oil spills are not typically "named perils" and are usually not covered. Insurance is a highly regulated industry, and new perils such as oil spills the size of the one in the Gulf of Mexico are typically not included in existing policies. "If you want potential coverage for trips impacted by an oil spill, purchase a plan with a 'cancel for any reason' option," Mr. Cook said. "That will provide a safety net for reasons not covered under basic plans."

Hurricanes Hurricanes are covered as weather events or natural disasters, and insurance must be bought before the storm is named. Also, your destination would have to be made uninhabitable or your flight unable to leave for a minimum of 24 hours in order for the policy to pay out. "The biggest thing about coverage for a hurricane is that it's got to be unforeseeable at the time of purchase and you cannot cancel your trip out of worry or fear," Mr. Cook said.

Medical emergency Medical expense and medical evacuation insurance covers urgent medical assistance when something unforeseen happens while you're abroad, or when you need to be evacuated. Both are usually part of a comprehensive travel insurance policy and are included in the price.

"Consider what would happen if you're riding a camel in Egypt and get thrown off it," said David Rowell, publisher of [The Travel Insider](#) Web site and newsletter, who recommends travel medical insurance. "If you have medical evacuation insurance, you can have a helicopter fly out to get you. It takes nine seats to put a stretcher in a plane. That's a huge cost that people never think about when it comes to medical evacuation."

Also consider Tour operators and cruise lines often sell insurance, but it is not always advantageous to travelers who adjust a packaged trip. For example, if you're taking a cruise but buying the airfare on your own, or adding a few days before or after the cruise, it probably makes sense to buy insurance separately, so that the whole trip (and not just the cruise or tour portion) is covered. Also, most tour operator and cruise line plans exclude their own bankruptcy.

You should also make sure you understand your existing insurance policies (medical, for instance) and what it covers when you're traveling. For example, [Blue Cross Blue Shield of Massachusetts](#) covers medical emergencies for its members when they're traveling abroad. [Medicare](#) and Medigap plans provide little or no coverage outside the United States, so purchasing travel medical insurance can be an important consideration.

Finally, know whether the policy provides primary or secondary coverage. Primary coverage tends to be more expensive, but the company pays claims first. If you've purchased secondary coverage, you'll have to first tap your homeowners', personal medical or other insurance that might apply.

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