

## Travel Insurance—Information You Should Know Before You Hit the Road

*Whether it's a mini-break or an international tour, taking a trip requires planning and can cost a lot of money. Unexpected circumstances like injury, illness, flight delays or natural disasters could cut a trip short, leaving you with unforeseen costs. There are insurance options to help keep you financially protected.*

### Top Considerations

**Cost of travel insurance:** Travel insurance usually costs between 4-10% of a trip's price. For example, for a trip that costs \$5,000, travel insurance could range from \$200 to \$500 depending on the coverage.

**Types of travel insurance:** There are several types of categories of travel insurance including:

- **Trip cancellation.** Reimburses pre-paid travel expenses if you are prevented from taking your trip for a reason covered by your policy. It is typically included in every comprehensive policy. You will usually receive reimbursement if your trip is cancelled for: unexpected illness or injury of you or a traveling companion that deems you unfit to travel; hospitalization or death of non-traveling family member; weather or common carrier issues; unforeseen natural disaster at home or the destination; a legal obligation such as being called for jury duty or serving as a witness in court.
- **Travel medical and major medical.** Provides protection if you become ill or injured while traveling. Travel medical insurance provides short-term medical coverage.
- **Emergency medical evacuation.** Provides coverage for services such as air evacuation and medical transportation to the nearest adequate medical facility then home if warranted. This type of coverage is useful if you're traveling to a rural area without easy access to medical facilities. In the event a person passes away during travel, repatriation coverage will cover for the insurer to handle the necessary transportation.
- **Accidental death and dismemberment.** Provides coverage to beneficiaries if you die in an accident on the trip or pays a sum to you if you lose a hand, foot, limb or eyesight from an accident. Some plans only apply to an accident that occurs on an aircraft.
- **Baggage loss.** Reimburses for loss of baggage or personal items.
- **Cancel For Any Reason (CFAR) policies.** These policies are more expensive and typically only reimburse you a percentage of your travel costs. The reason for cancellation is not relevant. There is usually a time frame for when cancellations are allowed, and you must insure all of your pre-paid and non-refundable expenses. CFAR policies are usually added as an extra option in addition to trip cancellation coverage.

### Epidemics and Pandemics

**Travel insurance policies typically exclude epidemics and pandemics.** According to Allianz Global Assistance, a travel insurance provider, "Trip cancellations and trip interruptions due to known, foreseeable, or expected events, epidemics, or fear of travel are generally not covered."

**Coronavirus (COVID-19) is a known event, meaning there is a small likelihood that policies purchased now will cover changes in plans or cancellations for that reason.** There may be coverage if a specific country imposes travel restrictions. Some airlines and tour companies will allow cancellations outside

of an insurance policy. Additionally, travel policies with medical coverage may cover any illnesses or hospitalizations that occur during a trip, but you need to review your policy to see if your policy is one of them. **Review the language in your policy to find out what is and is not covered.**

## How To Protect Yourself

**Determine if travel insurance is right for you.** Ask yourself:

- What are the chances you'll be impacted by severe weather or another event?
- How willing are you to take risks?
- How much are you willing to pay for a back-up plan?
- Do you have questionable health or is a loved one ill?

If you cannot afford to cancel and rebook your trip or your health insurance doesn't cover you abroad, you should consider travel insurance. You typically don't need travel insurance for short trips close to home.

**Know the coverage limitations, exclusions, and fine print:** Each type of insurance has its coverage limitations and exclusions.

- **Travel cancellation:** Exclusions might include canceling your trip due to being detained by customs or having to cancel due to a work obligation. If your flight is delayed, you may or may not be covered. Some policies only cover trip cancellation claim if you lose more than 50% of your scheduled trip length due to a covered delay. You also must make a good faith effort to continue your travels using alternative means. A "Cancel for Any Reason" policy is an option for broader coverage but reimbursement is usually for less than the full cost of the trip.
- **Travel medical and major medical insurance.** Find out if your policy requires you to obtain prior approval before seeking medical care. Also check if any pre-existing medical conditions will exclude you from coverage.
- **Emergency medical evacuation/repatriation:** Coverage may not cover you if you're participating in an activity your insurer considers dangerous such as sky diving. There are specialty insurance products for some activities, such as SCUBA diving.

Be sure to ask about coverage limitations or exclusions before you commit to buying an insurance product.

**Don't wait until the last minute:** Travel insurance is intended to protect travelers against sudden and unforeseen events. Typically, if you buy travel insurance after a winter or tropical storm is named, your plan won't provide coverage for claims related to that event.

**Homeowners will cover your possessions during a trip:** Most homeowners insurance policies cover personal property lost or stolen during a trip. Check with your home insurer to see what they cover while you are traveling. If you have expensive items, you might want to purchase a to add to your current homeowners policy to cover those items.

## Top Three Things To Remember

- Read your policy to determine if travel insurance covers the types of events that you want to cover.
- Review the policy thoroughly. Ask about any coverage limitations or exclusions.
- Remember, your homeowners policy should protect your possessions while traveling. But if you have expensive items, consider purchasing additional coverage.

## Additional Information

Additional insurance information on all types of insurance coverage are available on the Department's website at [doi.nebraska.gov](http://doi.nebraska.gov). If you have insurance-related concerns, call the Department's toll-free consumer hotline at 1-877-564-7323 for assistance.