

# CONSUMER REPORTS: Do you need travel insurance?

**Maybe, if there are gaps in your auto, health, life, or homeowners policies. But buy wisely.**

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Whether you use a travel agent or book your vacation online, you can expect to face the pitch for travel insurance. Given all the perils that could sideline your trip—natural disasters, political upheavals, medical emergencies—does travel insurance make financial sense?

## Overlapping coverage

Almost \$2 billion in travel insurance is sold each year for several what ifs: You need to cancel a trip because of illness, the death of a relative, or bad weather; your belongings are lost or stolen; your traveling companion dies; or you need emergency medical care. Premiums depend on the age of the travelers, the type of coverage, and the trip's cost. For a standard policy you'll pay about 5 to 7 percent of the cost of the trip, according to the Insurance Information Institute. Tour operators, cruise-line reps, and travel agents sell two-thirds of the travel policies, and they collect commission on them.

But coverage may be unnecessary if you already have protection through homeowners, auto, life, or health insurance. Credit-card benefits and consumer-protection laws also may help. Bob Hunter, director of insurance at the Consumer Federation of America, says travel insurance is often not worth the price. "Don't buy insurance that covers small, manageable losses or only a slice of risk," he says.

For example, losing some of your belongings won't break you financially, so keep a close eye on your valuables and be ready to accept losing less-valuable stuff. Still losing sleep? Narrow in on what you're worried about, and see if your insurance or credit cards cover you. Then be flexible. "If you're worried about dying in a plane crash," Hunter says, "you should get term life insurance rather than flight insurance, because you might die in a car crash."

If you'll be traveling overseas, your health insurance might not provide coverage should you need to see a doctor or be evacuated to a hospital, the insurance institute says. Medicare generally doesn't cover health-care expenses outside the U.S., although some Medigap policies do. So you might want to consider a medical travel-insurance policy.

## How to buy

Instead of buying a policy through a travel agent or booking site, go to an online broker such as [InsureMyTrip.com](http://InsureMyTrip.com), which sells coverage from 21 carriers, including CSA Travel Protection, MedJet Assist, and Travelex. Before you buy, talk to a sales rep at the insurer, get a sample copy of the policy, ask if your specific concerns are covered, and make the agent point to the words in the fine print that prove coverage. For medical policies, be sure to ask about coverage for pre-existing conditions.

Don't buy travel insurance from a tour operator or cruise line because the coverage might be worthless if the company goes bankrupt, advises the American Society of Travel Agents. Hunter says it's not a good idea to buy it from a travel agent, because he or she might be hawking a policy that pays the highest sales commission rather than the best one for you.

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