

Five myths about travel insurance

Everett Potter, Special for USA TODAY 7 a.m. EST February 2, 2015



(Photo: Seth Wenig, AP)

Many travelers think that travel insurance is as essential to their trip as a passport and sunscreen. Others see it as a needless expense. You can make up your own mind after reading these five myths about travel insurance.

1. I don't need travel insurance, I have health and homeowners insurance as well as credit cards that offer protection.

You may think you're locked and loaded, but you're not, says Lisa Leavitt of ActiveTravels.com, a Newton, Mass.-based Virtuoso travel agency. Travel insurance in its basic form usually provides trip cancellation, trip interruption, lost luggage, travel assistance, accidental death and limited medical evacuation benefits.

Health insurance policies, on the other hand, differ greatly and "your health insurance likely has lower benefits and deductibles when you use a doctor out-of-network," says Leavitt. "Travel insurance will pay for a doctor anywhere around the globe if you fall ill or get injured while on vacation."

Besides, it's not all about you.

"One thing people don't realize is that travel insurance will cover a canceled or interrupted trip due to the death, illness or injury of an immediate family member at home before or during your trip," Leavitt adds.

Travelers who have homeowners or renters insurance will find that such policies offer some protection but Leavitt says that "it can only go so far. If you land at your Caribbean resort and your suitcase is still flying to some unknown locale, some travel insurance companies will help you track down your luggage if you call their hotline."

Let's assume you've also just flown in from a Minneapolis winter.

"You'll need a bathing suit and some decent clothes to wear around the resort until your suitcase is found and returned to you," Leavitt says. Travel insurance can reimburse you for purchasing clothing in the event this happens, as long as you keep those receipts for your purchases, something a homeowner's insurance policy won't do.

Finally, while many travelers believe that their credit cards will cover emergencies when they're on the road, it's not that easy. Leavitt notes that for any card to cover you, "you have to pay for your travel expenses with that same credit card to be entitled to any coverage. But chances are that your credit card won't protect you

in case of travel delays, trip cancellations or emergency medical coverage overseas. Even if they do, it's likely very limited coverage. Call your credit company to find out just what they will cover."

2. If my flight is delayed, I don't need insurance, the airline will cover me.

That's true only if you're flying with a European carrier in Europe, and even then, so called "extraordinary circumstances" may let the airline off the hook. In the United States, if a flight is delayed for reasons beyond the airline's control, reasons that can include weather, air traffic delays and mechanical issues, the airline is not obligated to do anything more than get you to your destination on its next available flight. It's not legally obligated to provide any compensation to passengers when a delay occurs.

The travel delay coverage provided by many travel insurance policies pays enough for meals and a hotel room for the night, should one be needed. There are a minimum numbers of hours before a passenger can utilize this coverage, typically a six hour delay. There is also a per day limit on the coverage, which might be anywhere from \$100 to \$250. Deluxe policies often have no cap and will simply cover expenses as required.

"Travel insurance will cover you as long as you keep your receipts and make that claim," says Leavitt.

3. I like to go scuba diving and no insurance policy will cover me.

You may not be looking at the right companies, says Jon Haraty of [Jon's Dive & Travel Services](#), a Tripology agency in Massachusetts. "There are trip insurance companies like Travel Guard that provide a rider which I have used for many clients who are going scuba diving on their vacations," Haraty says. "That's especially true for Great White shark cage diving in South Africa and Australia."

The type of coverage adventurous travelers should seek out is a rider to traditional travel insurance that offers "extreme sports coverage," says Haraty. "It can even cover bungee jumping from bridges over the Zambezi River in Zambia. It's inexpensive for the peace of mind it gives you."

4. If I get sick or injured while traveling and need medical attention, a travel insurance policy will cover my expenses and get me home.

Don't bet on it. Travel insurance typically provides the insured with a medical transfer to the "closest most appropriate medical facility as determined by the insurance company." This means that if you fall ill while sightseeing in Rome, the travel insurance policy will only provide transfer to a hospital in Rome, the closest facility. It will not get you back to your hospital of choice or home hospital.

"Many times, we believe the 'medical evacuation' portion of a travel insurance product will get us back home," says Roy Berger, president and CEO of [MedjetAssist](#). "That could be a very costly mistake."

That's a bit of an understatement. A traveler needing a medical evacuation flight from London to the United States on a dedicated air-ambulance with two pilots and a minimum of a critical care nurse and paramedic would pay \$70,000 out of pocket. From Africa, the cost is about \$120,000, while Asia would run \$140,000. That's just for the private one-way medical flight back to your home hospital. So this is where air medical transport membership programs like MedjetAssist come in.

"As a Medjet member, if you are hospitalized more than 150 miles from home, Medjet will arrange to transport you back to your hospital of choice in your home country," Berger says. "You, as the member, get to make the decision as to where you want to receive the remainder of your care."

The cost of short-term, eight-day membership with MedJetAssist is \$99, while a yearly membership is \$270 per person.

5. Travel insurance policies are all alike.

Travel insurance policies come in all shapes and sizes, offer varying amounts of coverage, and can be off the shelf or tailor-made.

"We book a lot of family travel," says Leavitt. "Travelex Select offers a plan where the kids' coverage is free with a paying adult. That's a significant savings and makes making the decision to buy a plan or not a no-brainer."

At a minimum, many U.S. travel insurance plans "offer comprehensive coverage for your entire trip and can help provide reimbursement for pre-paid, non-refundable trip costs if your trip is canceled due to a covered reason," says Phil Hsia, President, AIG Travel, Americas, the parent company of [TravelGuard](#). Hsia adds that some plans offer " 'cancel for any reason' coverage."

Coverage for trip cancellation/interruption, travel delays, medical expenses and lost luggage is pretty standard and most travel insurance plans also offer 24/7 travel assistance services that can help travelers with re-booking hotels and flights. The real differences are in the amount of coverage offered. One of the best ways to compare and contrast coverage is to visit [SquareMouth](#), which offers the plans of 22 providers and has 20,000 plus reviews from travelers.

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