

## *Consumer's Guide to Travel Insurance*

If you have ever taken a cruise or planned a trip through a travel agency, you may have seen offers for travel insurance. Travel insurance policies have specific limitations and exclusions. When you look at a travel insurance policy, pay special attention to the fine print of the policy.

Also, if you have life, health, homeowners or even credit card insurance, chances are you may end up paying more than necessary by purchasing travel insurance. Here are some points to consider:

- Does your medical insurance policy limit payment or coverage for accidents or illness that happen outside your coverage area or outside the United States? Evaluate your current health insurance coverage carefully before you travel. For example: Medicare and Medicaid typically do not pay medical expenses for services rendered outside of the United States. In addition, some health insurance plans or policies do not cover emergency medical evacuations (due to sudden illness) while traveling.
- Will your homeowners or renters insurance policy provide enough coverage for all of your travel belongings if they are lost or stolen while on vacation?
- What costs can you absorb yourself if something unforeseen happens?

One of the consequences of the current era of managed-care coverage is that your health insurance may not pay your medical bills, except for emergency care, when you travel outside your carrier's normal provider network. You should check with your insurer before traveling to make sure you understand the rules spelled out in your policy. In some cases, especially if you plan to be traveling for an extended period, you may want to obtain additional coverage for the travel period.

Foreign travel poses even more problems. However, travelers leaving the United States usually can find policies for the short term. You should be aware, however, that this coverage may sometimes be linked to your purchase of other kinds of coverage at the same time — for example, trip-cancellation insurance that includes medical coverage. Vacation insurance policies typically cover only short-term travel — two weeks, for example. Be sure to specify any long-term coverage needs if you think you may be staying outside the country for any length of time. Insurers may legally refuse to cover some pre-existing medical problems.

### *Common Types of Travel Insurance Coverages*

There are a number of different travel insurance options available to cover many types of occurrences or losses associated with traveling. Be sure to read the contract carefully and understand the benefits being offered. Some insurance benefits may be subject to a deductible and coinsurance. Unlike the normal health insurance, some of these policies may include a deductible that applies to each claim. Make sure you are buying the coverage you want.

Some common types of travel insurance coverages include:

- **Trip Cancellation / Interruption Insurance** — Reimburses you for any nonrefundable deposits you put down on a trip or cruise if you have to cancel your insured trip due to sickness, death in the family or any other misfortune listed in the policy. You must first seek reimbursement from the trip provider before the insurance company will consider the claim. Some policies may also reimburse you for the unused portion of a vacation if you or an immediate family member becomes seriously ill or injured while on a trip.
- **Emergency Medical Assistance** — Provides insurance for medical treatment if you become ill or have an injury while traveling. Some policies may pay for benefits that may not be covered by a standard health insurance plan.

- **Baggage Insurance** — Provides coverage if your belongings (luggage and personal possessions) are lost, stolen or damaged during a trip. You may also want to find out if the airline or trip operator offers any type of insurance for your belongings.
- **Accidental Death** — Provides coverage if you or a family member dies from a covered injury or accident while traveling.

### ***Other Considerations***

Many travel insurance policies contain coverage limitations that exclude or limit specific risks, perils or other effects. Listed are some things to keep in mind:

- Cruise and tour operators sometimes offer cancellation waivers — another form of trip cancellation coverage. A cancellation waiver is different from a trip cancellation insurance policy. Waivers are not insurance policies and although they may not be as expensive as insurance policies, they can have many restrictions. Waivers are not regulated by the Department of Insurance. If you purchase a waiver from a tour or cruise operator and the operator becomes insolvent, you may not be able to collect.
- Pay close attention to special limitations and the list of property not covered in a baggage insurance policy. If you are traveling with valuables that exceed the limits of your policy, you may need to purchase additional coverage for the excess value of those specific items. An endorsement to your homeowners or renters policy may be an option.
- Pay close attention to the perils that are included and excluded in your trip cancellation policy. Although some conditions (weather, illness, etc.) may be covered, other events (i.e. war, terrorism) may be excluded. Injuries caused by some activities considered high risk, such as scuba diving or bungee jumping, may also be excluded.
- Claims paid due to weather conditions are contingent upon mandatory evacuation orders.
- Pay close attention to how pre-existing conditions are defined in your travel policy. There may be specified time periods when pre-existing health conditions are not covered.

### ***Shopping for Travel Insurance***

You may want to speak to your travel agent to see if he or she will recommend an insurance company. An Internet search can lead you to Web sites that allow you to obtain insurance premium quotes from several companies. For more personal service, a local insurance agent may be able to provide information on coverage available.

### ***How to Reach Us***

You can reach the North Carolina Department of Insurance, Consumer Services Division at:

800-546-5664 Toll free inside North Carolina  
 919-807-6750 Outside of North Carolina  
 919-715-0319 TDD (Telephone Device for Deaf Caller)  
 919-733-0085 Fax

You can find additional information including our complaint form on the North Carolina Department of Insurance Web site at [www.ncdoi.com](http://www.ncdoi.com).

The address for the North Carolina Department of Insurance, Consumer Services Division is:

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