North Carolina
DEPARTMENT OF INSURANCE

A CONSUMER'S GUIDE TO

TRAVEL INSURANCE

WHAT IS A TRAVEL INSURANCE?

Have you ever taken a cruise or planned a trip through a travel agency? If so, you may have seen offers for travel insurance, which covers unexpected expenses resulting from the cancellation or interruption of your scheduled trip. You might be able to buy travel insurance directly from your travel company (travel agent, tour operator, cruise line operator, property management company, etc.), or you can search the internet to obtain quotes directly from travel insurance companies.

Travel insurance policies have very specific limitations and exclusions. If you are thinking about buying travel insurance, pay special attention to the fine print.

There are a number of different travel insurance options available to cover many types of occurrences or losses associated with traveling. Read the coverage materials carefully, and ask questions as needed, so that you understand the benefits being offered.

COMMON TYPES OF TRAVEL INSURANCE POLICIES

Some common coverages under travel insurance policies 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. Unlike 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.

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.

IMPORTANT CONSIDERATIONS

Many travel insurance policies contain very specific provisions that will determine your coverage (or lack thereof) if your trip is delayed or cancelled. Here are some things to keep in mind:

READ CAREFULLY!

Read your policy or certificate carefully as soon as you receive it (ask for a copy if one is not provided).

FREE LOOK PERIOD?

Your policy or certificate might provide a short "free look" period during which you can cancel the coverage and obtain a refund of premium. Look carefully for this provision, and note any deadline involved.

WHAT'S COVERED VS. EXCLUDED?

Pay close attention to the perils that are covered by (and excluded from) your travel insurance coverage. Make sure the policy actually covers the trip cancellation/interruption risks that you need to protect yourself against.

INSURANCE OR WAIVER?

Cruise and tour operators sometimes offer cancellation waivers, which are not insurance and are not regulated by the Department of Insurance. If you purchase a waiver from a tour or cruise operator, and later have a complaint, the Department of Insurance might not be able to help.

WEATHER PROBLEMS

Claims paid due to weather conditions are contingent upon mandatory evacuation orders. Travel insurance may not provide coverage for a storm that has already been named at the time you purchased coverage.

BAGGAGE LIMITATIONS

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 another possible source of coverage while you are traveling; check with your homeowner's/renter's insurance agent or company.

PRE-EXISTING HEALTH CONDITIONS

Pay close attention to how pre-existing health conditions are defined in your travel policy.

CALL BEFORE DELAYING OR CANCELLING

Call your travel insurance company to find out what will be covered before you make the decision to cancel your trip. Document who you talk to.

DOCUMENT, DOCUMENT, DOCUMENT!

If you cannot take all or part of your trip, for any reason, document everything that will support your travel insurance claim. This could potentially include notes on relevant phone calls, names of people you spoke with, copies of relevant weather reports and/or news articles, printouts of relevant web pages (showing unavailability of alternate lodging or travel arrangements, for example), and so on.

ALREADY HAVE COVERAGE?

You might have some coverage for unexpected travel-related expenses if you have health or homeowner's insurance, or a credit card. Here are some points to consider:

HEALTH INSURANCE

How does your health insurance cover healthcare expenses for sickness or accidents that occur outside of your local area, or in another state or country? Does it cover emergency medical evacuations (due to sudden illness) while traveling? Travel insurance can be a valuable source of coverage for these types of situations, if your health insurance wouldn't provide coverage.

HOMEOWNER'S OR RENTER'S INSURANCE

Contact your insurance company or agent to find out if your homeowners or renters policy provides coverage for all of your travel belongings if they are lost or stolen while you are traveling. If not, then travel insurance might provide this type of protection.

CREDIT CARDS

Some credit cards offer various types of travel coverage, either for free or at an additional cost, if your planned trip is cancelled or interrupted. Check with your credit card provider.

IF YOU HAVE QUESTIONS, THE CONSUMER SERVICES DIVISION OF THE DEPARTMENT OF INSURANCE IS HERE TO HELP.

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You can find additional information as well as a downloadable copy of our **Request for Assistance** form on the NCDOI Web site.

NC Department of Insurance | Mike Causey, Commissioner | www.ncdoi.com