

A background image of a tropical beach at sunset. In the foreground, there are two wooden lounge chairs with blue cushions and a large white beach umbrella. The sun is low on the horizon, creating a warm, golden glow over the ocean and palm trees in the distance.

Safe Travels

Going on a trip? Protect your investment with travel insurance.

Travel insurance reimburses a policyholder if they become sick or injured while away from home, as well as additional coverage protecting personal items such as luggage. Coverage often includes:

- Medical evacuation
- Trip cancellation
- Lost or damaged baggage
- Trip interruption

Yet while you do have coverage for these events, it is not blanket, all-inclusive coverage. In fact, it is as important to understand what your travel insurance policy does not cover as to know what it does cover.

WHAT IS NOT INCLUDED

Those exclusions vary from policy to policy, too. What one travel insurance carrier may offer, another may not. Terms will be different. For example, some companies may not offer COVID-19 protection should you contract the virus and need medical attention during your trip, while others may offer modest protection.

Another exclusion – personal property. While lost, damaged or stolen luggage is covered, there are dollar-amount limits on that coverage, typically around \$2,500.

Trip cancellation, which differs from trip interruption, covers a trip that never took place. A cancel-for-any-reason policy does cover your cancellation, but there are caveats. Should you need to cancel your trip, most policies still charge a cancel-for-any-reason penalty. That penalty can range between 20% and 25% of the overall cost of the trip. And in order to get reimbursed for the trip cancellation, you must file your claim within 48 hours prior to your trip.

Trip interruption also comes with limitations. If there's an interruption during your trip – perhaps an airline strike or the closure of a hotel – the policy reimburses you for the charges for those canceled parts of your trip.

Should that interruption happen because of a medical emergency, your travel insurance policy will cover medical needs, medical evacuation and, in some cases, the hospital of choice. However, most policies state that the hospital is the closest suitable location, which may not be your choice. Insurance carriers will cover the nearest suitable facility that can treat your specific injury.



If you are in a foreign country, that treatment will most likely be paid for upfront. In many places, surgeries or treatment will not occur unless payment is made. That is important to understand, particularly if you have a pre-existing condition.

Also, on some policies, sports-related activities are excluded events on the medical coverage portion, though there are companies that offer sport-specific policies that can cover those named activities.

One of the biggest differences between travel insurance and other insurance policies is in how you are serviced. Travel insurance is on a reimbursement basis, meaning the traveler pays the expenses, then the policy reimburses travelers for covered expenses. Often, this can be a long process – sometimes as long as 90 days before insureds see reimbursement payments.

WHAT IS INCLUDED

Still, travel insurance offers ample protection and makes sense for nearly any trip you are taking. Trip cancellation and trip interruption can protect against cancellation due to illness or injury prior to the trip and interruption during the trip due to illness or injury or other outside factors, such as flight cancellation or severe weather, such as a major earthquake or wildfire.

Unexpected things happen. Travel insurance is a way to protect your investment and a safeguard that provides you safety and medical care should an injury or illness occur. Each policy varies in what they cover and exclude, but most policies give ample coverage for unforeseen events.

NFP can advise travelers on the various policies and can review policy exclusions and coverage terms. Our travel experts can recommend products that fit your travel itinerary and help you put together a policy that helps ensure your journey and your well-being are protected.

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