

Travel Insurance When Is It Worth Getting

Tuesday, September 12th, 2023.

Travel insurance can be a valuable investment to safeguard the money you've spent on your vacation. Yet, it's understandable to be hesitant about adding another expense to your travel budget, especially after covering airfare, accommodation, meals, and activities. However, if you can't afford to lose the non-refundable funds you've invested, travel insurance can be a wise choice.



When Should You Consider Travel Insurance?

Purchasing travel insurance is often recommended in the following scenarios:

1. When your non-refundable trip expenses exceed what you can comfortably afford to lose.
2. If you're traveling internationally.
3. When your destination is a remote area with limited access to healthcare facilities.
4. When you're heading to a region prone to hurricanes or natural disasters.
5. If your trip involves multiple connecting flights or visiting multiple destinations.
6. When you desire partial reimbursement you need to cancel your trip or return home prematurely for any reason.

In 2022, the average cost of travel insurance per policy was \$266, with an average claim payment of \$2,157, according to data from Squaremouth, a travel insurance comparison provider. Considering the potential loss of your trip costs, travel insurance is a relatively small expense, particularly when dealing with travel uncertainties and unexpected situations.

What Does Travel Insurance Cover?

The best travel insurance policies bundle various types of coverage related to trip cancellation, medical emergencies, baggage issues, and more.

- **Trip Cancellation Insurance:** This coverage reimburses your prepaid, non-refundable trip costs in situations such as tour operator bankruptcy, your illness, or a family member's death before your trip.
- **"Cancel For Any Reason" Travel Insurance:** An add-on to broaden cancellation coverage, this option allows you to cancel your trip for any reason and receive partial reimbursement (typically 75% of trip costs) as long as you cancel at least 48 hours before departure.
- **Travel Medical Insurance for Emergencies:** When traveling internationally or to areas where your domestic health insurance may not cover you, this coverage pays for medical expenses, including doctor visits, hospitalization, ambulance services, and medication.
- **Medical Evacuation Insurance:** This covers the cost of being transported to the nearest suitable medical facility for treatment in case of injury or illness during your trip, which can range from \$20,000 to \$200,000.
- **Travel Delay Insurance:** Reimburses expenses for accommodations, meals, and other necessary items during delays caused by factors listed in your policy, like bad weather or mechanical issues.
- **Trip Interruption Insurance:** Compensates you for unused, non-refundable trip expenses if you must cut your trip short due to reasons outlined in the policy, such as a family emergency or unforeseen events.
- **"Interruption for Any Reason" Travel Insurance:** Similar to "Cancel For Any Reason," this option allows you to return home earlier than planned for any reason and receive up to 75% of the insured trip costs.
- **Travel Insurance for Missed Connections:** Reimburses expenses if you miss a departure due to reasons covered by the policy, such as flight delays caused by mechanical failures or weather.
- **Baggage Insurance:** Partially reimburses you for lost, stolen, or damaged luggage, as well as the cost of essential items in case of baggage delays.
- **Travel Insurance for Specific Situations:** Some policies may provide coverage for specific scenarios, so review the fine print for details.

Where Can You Purchase Travel Insurance?

You can buy travel insurance from travel insurance company websites, travel insurance comparison platforms, or travel insurance agents. Some tour operators also offer travel insurance, but purchasing your policy allows for customization to your specific needs.

Buying travel insurance online is convenient; you can receive instant quotes by providing information such as your age, destination, trip cost, and travel dates.



How Much Does Travel Insurance Cost?

Typically, travel insurance costs about 5% to 6% of your trip cost. For example, the average cost for a \$5,000 trip is approximately \$228, with rates ranging from \$154 for basic coverage to \$437 for comprehensive coverage. Factors influencing the cost include your age, the level of coverage you select, and your trip's overall cost.

<https://atlinj.com/>

When Is Travel Insurance Not Necessary?

Travel insurance may not be essential in the following situations:

1. **Business Travel:** If your company covers your domestic business trip or provides travel medical insurance, you may not need an additional policy. For international business trips, check if your employer offers adequate coverage.
2. **Inexpensive Domestic Trips:** If you can comfortably absorb the loss of your trip expenses, you might skip travel insurance for low-cost domestic trips.
3. **Inexpensive Tour Components:** Evaluate the cost of individual tours and activities in your itinerary. If some are low-cost and easily replaceable, it might not be cost-effective to insure them.
4. **Trips Paid with Miles or Points:** Travel insurance typically can't cover trips booked with miles or points. Check if your credit card, homeowners' insurance, or airline offers relevant coverage.
5. **Existing Coverage:** Review existing coverage from credit cards, homeowners' policies, or airline add-ons. You may already have travel insurance benefits that suit your needs.

Bottom Line

While the cost of travel insurance may seem like an additional burden, it offers valuable protection against unforeseen events that could disrupt or jeopardize your trip. Carefully assess your specific circumstances and trip details to determine whether travel insurance is worth the investment for your peace of mind.



For more information about insurance or safety, make sure to follow our [Blog](#)

<https://atlinj.com/>
