

5 signs you have the wrong travel insurance

If it's cheap, it's probably too good to be true



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Don't look now, but you may have the wrong travel insurance. On second thought, better look now.

Karina Meiri wishes she had. She had booked a trip to Russia last year for a language course. But when Russia invaded Ukraine, she cut her trip short and filed a claim to recover her expenses.

"My insurance company denied the claim, because my policy excluded war and hostilities between nations," says Meiri, a college professor from Tenants Harbor, Maine.

In other words, she had the wrong travel insurance.

"You have to read the fine print," says Dan Richards, CEO of [Global Rescue](#), a provider of medical, security and evacuation services. He says policies can exclude a range of activities, including mountaineering, skydiving, scuba diving, paragliding and backcountry skiing.

The pandemic and volatile geopolitical situations have stoked interest in travel insurance coverage. But the choices can be overwhelming. For example, [Berkshire Hathaway Travel Protection](#) has eight plans, such as WaveCare cruise insurance and policies that cover road trips and luxury travel.

Reality check: Unless you have a specific concern or a crystal ball, it can be difficult to know whether you have the right plan. "By design, travel insurance helps to protect you from certain unexpected events," says Chris Carnicelli, CEO of [Generali Global Assistance](#). So you wouldn't know you have the wrong policy until something happens that isn't covered, such as a military invasion.

Still, is it possible to know whether you have the wrong travel insurance policy? Yes, and here are a few signs.

If your travel insurance policy isn't 'cancel for any reason'

Travelers often mistakenly believe that travel insurance covers everything. It doesn't. A "cancel for any reason" insurance policy, which is typically more expensive, will allow you to cancel your vacation and receive a partial refund. But most insurance only covers specific, named events, such as a trip disruption or loss of luggage.

If your credit card travel insurance is limited

"Assuming your credit card insurance is as robust as a stand-alone policy is a common mistake travelers make," says Damian Tysdal, founder of [CoverTrip](#).

Credit cards can offer basic coverage, including for trip interruption, evacuations and lost luggage, but the coverage can be limited. Tysdal says some cards, such as the Chase Sapphire Reserve, may offer more coverage, but most do not have enough.

Helen Prochilo, a travel adviser from Long Beach, N.Y., recalls one of her clients wanting to rely on her credit card to cover a \$14,000 Danube River cruise. Prochilo asked the traveler to read the fine print, which revealed that it would only cover \$3,500 in losses if she had to cancel. Her client ended up buying a stand-alone policy.

"Two weeks before they were to depart, her husband developed pneumonia, and they had to cancel," she says. "She would have lost over \$10,000 if she relied on the credit card insurance."

If the travel insurance was a real bargain

"The cheapest is not always the best way to go," says Laura Heidt, the insurance desk manager at [Brownell Travel](#).

Policies can be expensive. A conventional policy that covers named perils, such as a flight delay or hospitalization, will cost 7 to 9 percent of your prepaid, nonrefundable expenses. A cancel-for-any-reason policy, which allows you to cancel your trip and receive a refund of 50 to 75 percent, will set you back 10 to 12 percent.

Here's an insider tip: The more complicated your trip, the more insurance you'll probably need. "If your vacation requires you to take multiple modes of transportation to get to your final destination, it would be wise to consider purchasing a policy that includes a cancel-for-any-reason benefit," says Beth Godlin, president of [Aon Affinity Travel Practice](#).

If you're only concerned about policy maximums

Too often, travelers fixate on the policy maximums — the amount insurance will pay for a covered event — but ignore what isn't covered. Travelers sometimes don't pay attention to exclusions, such as adventure sports. Sometimes they don't pay attention to the effective dates, assuming they're covered on days when they're not. I once had a reader who booked an extension for a cruise and filed a claim, but his policy had already expired.

“Don't look at the policy maximum and nothing else,” advises Narendra Khatri, principal at [Insubuy](#), an online travel insurance marketplace. “Take your time, review the benefits and see what's actually covered in different situations.”

After that, you can weigh those amounts against what you can afford to pay out of pocket. A travel adviser can help you review your policy and ensure you're fully covered. If you buy directly through a travel insurance company, you'll get information about your options but less personalized advice.

If the cost of your trip just went up

Say you added a tour or a rental to your trip after buying insurance. You now may have the wrong policy.

“The most common way people end up underinsured is when they purchase an insurance plan with a declared trip cost, and then they spend more on additional travel arrangements for their trip,” says Dan Skilken, president of [TripInsurance.com](#).

Fortunately, there's a fix. Many travel insurance companies will let you adjust your trip cost after you buy a policy. Skilken recommends contacting your travel insurance company and asking how to update your trip cost. This doesn't apply to policies purchased directly through a cruise line or tour company, which are generally not changeable.

Above all else, know what's in your policy

“Always be sure to read your travel insurance policy,” says Tim Dodge, vice president of marketing at [Arch RoamRight](#). “And ask questions.”

Skimming a travel insurance policy may be the biggest mistake travelers make when they buy travel insurance.

“Yes, the documents are long and not exactly exciting reading, but grab a cup of coffee and dig in,” says Christina Tunnah, general manager of Americas marketing and brands at [World Nomads](#). “It's worth taking the time to read and understand your policy, so you'll know what to expect when the unforeseen happens.”

Having second thoughts? You can get a refund on your travel insurance.

It's too easy to end up with the wrong travel insurance policy. I mean, who has time to read the *entire* policy? Who remembers to check with their insurance company if they added another component to their vacation?

I'm with you. I just rented a car from Audi on Demand in Houston and assumed my travel insurance policy would cover me. It didn't. I wouldn't have known that — unless I was writing this column. Fortunately, my Visa Signature card *did* cover the Audi, so there is that.

If you discover you have the wrong travel insurance policy, there is a way out. Many policies offer a “free look” period between 10 and 15 days after you buy them. You can usually cancel the policy and receive a full refund if you're within your trial period.