

Travel Insurance Primer for Cruise Travelers

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The last thing most of us think about when we plan a cruise is the list of elements that can go wrong before and during our vacation. While it's important to research the [best beaches](#), lunch spots and shops to visit during your days in port, it's equally important to spend a few minutes thinking about protecting the investment you've made.

The good news is that in recent years cruise lines have really stepped up to the plate to make good on cruises that have gone wrong due to a ship's mechanical problems. When you hear that, you might be tempted to forgo [travel insurance](#) because, hey, the cruise line's got you covered. However, there are a host of other issues that can scuttle a vacation: extreme weather, personal illness, the illness or death of a family member, cancellation of plans by a travel companion, airline delays, lost baggage or a travel agency going out of business -- none of which would be the responsibility of the cruise company. In these instances, travel insurance provides the greatest protection.

Sometimes, purchasing insurance is a no-brainer because you want to cover easy-to-foresee issues. For example, your elderly mom has been getting sick more often these days, and it's possible the illness will flare up and you'll need to cancel your trip in order to stay home and care for her. Or perhaps you're traveling to an exotic destination for a once-in-a-lifetime splurge. You certainly can't afford to lose all the money you paid months (even a year) in advance, should something prevent you from taking the trip. Sometimes, though, trouble pops up in ways you'd least expect. It's good to be covered just in case -- especially when insurance fees are usually just a small percentage of your vacation expenditure.

The ins and outs of purchasing travel insurance can be confusing at times. Here's everything you need to know to find the best policy for your next vacation.

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What Does Travel Insurance Cover?

One misconception about travel insurance is that it's only necessary for travelers in ill health, those who pack valuable items in their suitcases or those who plan wildly expensive trips. It's important to recognize that travel insurance policies can bail us out of a multitude of quagmires. For example:

Trip interruption.

You're two days into a 10-night [Mediterranean cruise](#), and you're sitting by the pool when the captain comes over the public address system to share some unfortunate news with passengers. The ship has developed a serious mechanical problem, which will necessitate the cancelling of the entire voyage; you'll need to disembark at the next port of call. While the cruise line will generally assist passengers in such predicaments, a travel insurance policy will give you ultimate coverage and reimburse you for any unexpected out-of-pocket expenses (like a hotel stay while you wait for an available flight back home) that the cruise line won't cover. Additionally, your insurer's hotline may actually be able to get you home faster than the ship's guest services department, which is busy trying to rebook 2,000-plus passengers.

Trip cancellation.

You're unexpectedly stricken with appendicitis a week before your cruise embarks. If you don't have trip insurance and cancel your cruise now, you'll be hit with an excessive cancellation penalty and may even lose out on the value of the trip altogether.

Trip delay/missed connection.

You're on the way to the airport when your taxi breaks down, and you end up missing your flight. Or you're on the first leg of flights to the cruise port, and a mechanical delay means you'll miss your connecting flight -- and your ship. Travel insurance covers these sorts of trip delays and missed connections.

Baggage delay/loss.

You make it to the Port of Miami on time, but the airline misdirected your luggage to Cleveland. Your formal attire -- and all your other clothes and accessories -- will literally miss the boat. Some policies include coverage to make sure your bag gets to the next

port of call. Likewise, if the airline permanently misplaces your bag, trip insurance will help cover the loss.

Medical expenses.

It can happen so fast. One minute you're focusing your camera lens on the Parthenon and jockeying into the best position for the shot; the next minute you've stepped on a rock, slipped, fallen and broken your ankle. You require immediate medical treatment. The appropriate coverage will get you patched up right away without exorbitant out-of-pocket expenses. (Note: In many countries, you must pay a doctor or hospital up front, but a travel insurance policy will reimburse you for those expenses in a timely manner.)

Financial default by a travel provider.

No one wants to think about this but in times of global financial upheaval, we all need to be cognizant of the financial health of our travel suppliers. Some insurance policies cover financial default of airlines, hotels, cruise lines and tour operators. (Note: Many policies offered directly through cruise lines do not include financial default coverage. Check each policy carefully before purchasing.)

Emergency evacuation/repatriation.

If you watch the news, you've probably seen video clips of helicopter evacuations from cruise ships in the middle of nowhere. This may be necessary in cases of health threats -- such as heart attacks or strokes -- in which you require immediate care that goes beyond what's available in your ship's sick bay. If the next port of call is too far away, a medevac may be the only option to save your life or the life of a loved one. Trip insurance may also cover the repatriation of remains if a death occurs during an insured vacation.

Involuntary job loss.

You and your best friend have been planning to cruise together for more than a year. Two months before embarkation, your friend loses his job and can no longer afford to go on vacation. Without insurance, you may be left holding the bag to either pay an additional single supplement to continue with your plans, or to cancel and get hit with the full force of the cruise line's cancellation policy. (Note: Not all policies offer job loss coverage, and not all policies cover both you and your travel companions; check the terms of your policy, and ask the insurer if it's available as part of a package or add-on service.)

War or terrorism.

Acts of violence from war, terrorist activity or strikes are generally included in insurance policies. However, like so many other aspects of insurance, there are caveats. It's always advisable to carefully check your policy's description of coverage to determine how these events are covered. For example, sometimes a policy will cover a traveler if an act of terrorism occurs in his/her hometown or trip destination within a certain number of days of embarkation -- as few as seven or as far out as 30 days.

Does Everyone in the Group Need Insurance?

Yes ... and no. It's not strictly necessary for everyone in your group to purchase a policy, but you'll receive more comprehensive protection if you do. The first thing to know is that your insurance policy only protects you; if you want the rest of your family or travel companions to have the same protection, then they must be added to your policy (or take out their own). The one exception is that some policies cover children under 17, traveling with an insured guardian, at no additional charge. Check the policy's fine print.

However, one of the most appealing aspects of travel insurance is the fact that traveling companions and family members (spouses, domestic partners, children, grandparents, grandchildren, daughters- or sons-in-law, nieces and nephews, etc.) count when it comes to covered reasons for canceling your cruise. If your travel companion falls ill and can't make the cruise, or your aging mother is rushed to the hospital, your policy should reimburse you for canceling your trip.

Let's take this example: Sue and Jim are traveling together. Sue buys an insurance policy, but Jim does not. A week before the cruise, Jim gets appendicitis and must cancel his trip. Since he doesn't have trip insurance, he forfeits all of the money he's paid to the cruise line and airline. Since Sue has insurance, she can cancel her trip and make a claim on this "event" (her traveling companion getting sick and canceling). She can do this since her policy includes traveling companions in its cancellation coverage.

But it gets trickier. Say it's Jim's father, not Jim, who gets sick, forcing Jim to cancel his cruise. In this case, Sue is also out of luck, despite her insurance policy. That's because her policy protects her if something happens to her travel companion and he's forced to cancel -- but not if he cancels because something happened to a member of his family. However, if they both had travel insurance, Jim could be reimbursed for canceling his cruise because his father's illness is covered, and Sue would also be reimbursed because her travel companion canceled for a covered reason.

What's *Not* Covered?

Insurance policies of all types are tricky, and it's not always clear what's covered and what isn't. When you're researching policies, carefully read the description of coverage, and call the insurer to resolve any questions you may have. Here are a few things that aren't usually covered by travel insurance:

Weather.

Don't bother filing a claim because it rained each day of your Caribbean cruise. Inclement weather is not covered. (Of course, if a [hurricane](#) impacts your trip, then trip delay, trip cancellation or trip interruption coverage will be available to you.)

Itinerary changes.

Travel insurance covers your trip but not changes to the itinerary. The skipping or swapping of a port won't warrant a claim.

Frequent flyer award tickets.

Airline tickets purchased with frequent-flyer miles aren't covered. However, insurers will reimburse the redeposit fee if you cancel the award before embarking on the first leg of the flights, or cover the change fee if you must reschedule your return ticket due to a covered event.

A La Carte Policy Additions

In addition to comprehensive packages, insurers also offer a cadre of a la carte additions. They may include:

Cancel for any reason.

As the phrase suggests, you can cancel your trip for any reason (perhaps you changed your mind and are no longer interested in the cruise itinerary) and are still covered -- a luxury normal insurance policies won't allow. Read the description of coverage to find out what percentage of your trip deposits are reimbursed under this type of "cancel for any reason" terminology. (Sometimes a policy includes 100 percent reimbursement, and sometimes it's as little as 50 percent.) These policies are very expensive and may only make sense in certain circumstances -- say, a very costly itinerary or world cruise.

Airline accident coverage.

This supplemental, add-on insurance provides extra coverage in the case of an aircraft accident. The insured can select coverage in a variety of dollar amounts; half a million dollars in coverage can cost less than \$50 per traveler.

Car-rental collision coverage.

If your plans include the rental of a vehicle, car-rental collision coverage can be useful. This type of coverage can cost \$10 or less per day.

Upgraded medical coverage.

Some companies offer an add-on that upgrades the amount of medical coverage and/or lowers your deductible.

Emergency evacuation.

While evacuation/repatriation is generally included in top-of-the-line policies, you may also purchase more comprehensive, standalone evacuation policies from companies like MedJetAssist. The company will send a plane and medical personnel to you no matter where you are and no matter what your health crisis is. You get to choose where you'll be evacuated to ... no questions asked. A standalone emergency evacuation policy is a good choice if you don't plan on getting other insurance but still want coverage for a medical emergency.



Types of Travel Insurance

Now that specific insured events have been outlined, let's move on to the two flavors of insurance policies: primary and secondary. Primary insurance kicks in the moment something goes wrong -- before or during your trip. Secondary insurance means that you must attempt to collect on any private insurance policies before the trip insurance coverage activates. Insurers offer both types of travel insurance policies, so you need to read the terms to determine if you're purchasing primary or secondary coverage. Hint: Primary coverage is usually more expensive, but it generally combines better coverage with the ease that immediate claim service brings. Also, in a package policy, some coverage like trip cancellation and travel delay might be primary, while others like lost baggage and medical coverage can be secondary.

For example, if you have secondary insurance, and someone steals your camera from your bag in St. Mark's Square, you'll need to try to collect on your homeowner's or renter's policy first. Or if you break a leg while hiking on a shore excursion, you'll need to see what your private medical insurance will cover before your secondary trip insurance policy will talk with you about out-of-pocket reimbursement. Be sure to review your primary medical coverage before leaving the country. Will you be out-of-pocket for any medical expenses overseas? (Note: The Social Security Medicare program will not cover hospital or medical expenses that you incur outside of the United States.)

Secondary insurance isn't right for everyone, and is especially problematic if the insured can't easily cover out-of-pocket expenses while waiting for insurance reimbursement. That's because you'll need to first place a claim with your primary insurance and wait to see if you're covered. Then, once you get word from your primary plan, you may still need to file a claim with the insurer of the secondary policy. The wait for reimbursement can be a hardship for many travelers.

Cruise Line or Third-Party Insurance?

When purchasing trip insurance, you've got tons of options. Just about every cruise line on the planet offers its own travel protection program. (Cruise line insurance usually offers secondary coverage, and it's usually more limited than similarly priced coverage you can buy on your own. For example, cruise line coverage generally doesn't cover its own financial default.) You can also select a policy from one of many third-party travel insurance companies.

Ask your travel agent for guidance when it comes to trip insurance. He or she will have knowledge of a variety of insurance company policies and can help match the best policy to your needs.

No matter which policy you select, you want to be sure that it is underwritten by a reputable and licensed insurer; companies are regulated by state insurance departments. The U.S. Travel Insurance Association is a good place to start to research licensed insurers in your state. It's also easy to search your local Better Business Bureau for feedback on particular insurance providers.

Once you've vetted the providers on your short list, your best bet is to comparison shop. You can do this by searching a travel-insurance aggregator site like [InsureMyTrip.com](#). ([See below for a list of trip-insurance companies and insurance comparison sites.](#))

When to Buy Insurance

You can purchase insurance plans up to 24 hours before your trip departure date, but we don't recommend waiting that long. If you do wait, you may not be eligible for many important benefits, such as the waiver of the pre-existing conditions clause. If you want to be covered for pre-existing medical conditions, you should buy insurance at the time you make your final cruise payment. (Each insurer dictates its own coverage window, but the deadline is usually 10 to 15 days after making that final payment -- or after booking your airfares, if you do that first.) If you aren't eligible for this waiver, your insurer will look back into your medical history (each policy differs as to the exact time period, but it often ranges from 60 to 180 days) and will not cover any condition for which you've suffered during that time. (We're talking everything from eczema and asthma to heart angina and strokes.)

When it comes to buying travel insurance, don't worry if you've paid for your cruise but haven't yet purchased your airline tickets. You can estimate the airfare cost when buying your travel insurance and then give your provider your exact travel itinerary once those tickets are booked. Likewise, if you're arranging your plane tickets first, buy your travel insurance within two weeks of that purchase, and estimate the cruise fare. You just need to be sure to pay for travel insurance within the booking window of whichever travel purchase comes first.

Remember, too, that you can't purchase travel insurance and expect it to cover events that are already in motion. For example, you book a Caribbean cruise that departs

during hurricane season but procrastinate on purchasing travel insurance. Once your local weatherman announces that a hurricane is howling along the path of your cruise itinerary, it's too late for you to buy travel insurance and be covered for any travel cancellations or delays caused by the storm. You'd only be covered if you had purchased the insurance prior to the formation of the hurricane.

Have more questions about what you need before cruising? Check out our [What to Expect](#) series.

Travel Insurance Resources

Trip Insurance Companies

- Allianz Global Assistance: www.allianztravelinsurance.com; (866) 884-3556
- CSA Travel Protection: www.csatravelprotection.com; (877) 243-4135
- HTH Travel Insurance: www.hthtravelinsurance.com; (888) 243-2358
- Travelex Insurance Services: www.travelexinsurance.com; (800) 228-9792
- AIG Travel Guard: www.travelguard.com; (800) 826-4919
- TravelSafe Insurance: www.travelsafe.com; (888) 885-7233

Travel Insurance Comparison Sites

- Insure My Trip: www.insuremytrip.com; (800) 487-4722
- QuoteWright: www.quotewright.com; (800) 821-4940
- SquareMonth: www.squaremonth.com; (800) 240-0369

Medical Evacuation Services

- AeroCare Medical Transport System; aerocare.com; (800) 823-1911
- AASI Air Ambulance Specialists; www.airaasi.com; (800) 424-7060
- MedJet Assist: medjetassist.com; (800) 527-7478