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Travel Insurance: Visit your policy, know when it kicks in

Salem, Oregon – As the summer vacation season gets under way, you may be pondering travel insurance for the big trip you have planned. If so, make sure you understand what travel insurance covers.

“Many consumers planning vacations will receive offers of travel ‘protection’ or insurance,” said Cory Streisinger, director of the Oregon Department of Consumer and Business Services. “However, policies vary and may not cover everything you expect, so it’s important to know what you are buying.”

A comprehensive travel policy may cover the nonrefundable parts of your trip if you are forced to cancel, delay, or interrupt the trip for a reason specified in the policy. These policies may cover stolen or lost baggage and medical expenses for an unexpected illness or injury that occurs during the trip. Additionally, some insurers offer a 24-hour hotline that may help you find a hotel room, track your baggage and rebook a flight if you are stranded. If stranded, a policy may cover lodging, food, and incidental expenses up to a set amount.

Policies are worded differently so it is important to understand when your policy kicks in. For example, policies could cover you if you have to cancel a trip because you suddenly become ill or a family member dies or you encounter severe, unforeseen weather. However, you may not be covered if you have pre-existing medical conditions or if you decide not to take a trip because a conference was cancelled. Also, if your trip includes risky activities such as scuba diving or parasailing, these activities might affect coverage.

Another important point is that insurers do not sell coverage for a “known event.” For example, if your trip to Europe was canceled because of the April 14 volcano eruption in Iceland, you cannot buy a policy today that would cover it; you must have purchased the policy before the event. Known events also include hurricanes once they have a name.

Some companies may let you pay extra to have a “cancel for any reason” policy.

Although volcanoes have been in the news recently, the most typical reason for trip cancellation or interruption is illness. About one in six people who buy travel insurance file a claim, according to the U.S. Travel Insurance Association.

Insurers that sell travel insurance in Oregon must be licensed by the department’s Insurance Division. Verifying that a company is licensed is a key way to tell fraudulent coverage from real insurance coverage.

“Consumers should always be wary of unsolicited offers for travel insurance, or any other type of insurance,” Streisinger said. “You can call our Insurance Division to ensure a company is legitimate.”

To reach the Insurance Division, call 503-947-7984 or toll-free at 1-888-877-4894 or go to <http://insurance.oregon.gov>.

More tips for purchasing travel insurance are available at: http://insurance.oregon.gov/consumer/consumer-tips/4845-16_travel-insurance.pdf

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