

Make Sure Your Travel Insurance Actually Insures Your Trip

If you've got so much as a missed flight connection, it won't take much to put your eagerly-anticipated vacation in jeopardy. The U.S. Transportation Department reported in July that U.S. airline delays worsened in May for a fifth straight month while the passenger-complaint rate surged 45 percent. Delays in May kept 2007's on-time arrival rate at the worst since 1995.

Weather delays, terrorism scares and general overcrowding in the skies have led to plenty of frightening and frustrating travel news. If you've ever been stuck on the airport tarmac for hours or had a flight cancelled on the way to a brief but desperately needed vacation, you've probably faced the irritating possibility of losing hundreds or thousands of dollars of your hard-earned vacation savings.

So you'll just click on the travel insurance button next to your online flight reservation and you'll be fine, right? In the majority of cases, you'd be wrong.

Most people perceive that the purchase of travel insurance will protect everything from lost luggage to unforeseen medical bills – that's rarely true anymore. So when shopping for travel insurance it's time to start understanding what you're really buying:

Start at least a month in advance: Most people make major trip reservations fairly far in advance to get the best fares, and you need to do the same for travel insurance. Book early and you'll get the best coverage and rates. Also, make sure you're not having any major medical or dental procedures before you go – insurers are picky about pre-existing health conditions, so read the fine print.

There's no such thing as full coverage – unless you're willing to pay for it: What's full coverage? That's a good question, and it sometimes depends on dozens of factors unique to your trip. Your carrier might not offer protection on your chosen airline or cruise line. You'll find that terrorism insurance is rare and complicated. And you have to examine medical insurance options closely to understand exactly what is covered. The rare soup-to-nuts coverage – covering trip cancellations, missed connections, lost luggage, flight accident, emergency medical and medical evacuation coverage – is typically priced in the hundreds of dollars and may only cover only up to 75 percent of the total cost of your trip. But in a pinch, it may be worth it.

Start online: If you really want an eye-opening experience in buying travel coverage, go to some of the leading Web sites that deal in single or multiple-insurer offerings. InsureMyTrip.com is a market leader and a good first stop in analyzing coverage – you start by punching in the necessary information on your trip (dates, age of travelers, medical coverage needed, etc.) and it spits back more than a dozen possibilities at all price levels. Clicking on any of the choices will give you a detailed view of what those policies will and won't cover.

Check with your credit card company: It's time your credit card company earned its money. Call customer service and find out what kind of travel protection they offer automatically or by fee and grill them on the coverage.

Call your HR department or health insurer: Your health benefits may not cross state or country lines. Before you take any trip, check to see if your employer's or your own personal health coverage will be effective there. An emergency room visit can cost at least several hundred dollars and a short hospital stay can cost thousands more, particularly in another country. You might be interested in travel health insurance if you find your own domestic insurer won't pay claims in certain parts of the country where you're going.

Ask about hurricane coverage: The 2007 Atlantic hurricane season began June 1 and runs through Nov. 30. Even if you don't live in a hurricane area, severe hurricanes can disrupt flights all across the nation, which may lead to a delay of your trip here or abroad. Ask whether your travel insurance has hurricane coverage and what it entails.

If you're stuck, never be afraid to ask for a break: If you're sidetracked for reasons beyond your control, (weather-related or otherwise), always ask if your airline, hotel or other components of your vacation might be willing to give you a credit or discount on your bill. It's rare, but some destinations might see it as a chance to build goodwill. Always ask nicely – don't ask as if they owe you, because they don't.