

A guide to travel insurance in 2022

You should consider travel insurance for every trip, but not every trip needs to be insured

By **Christopher Elliott**

Jan. 5, 2022 at 12:00 p.m. EST

Do you have the right travel insurance for 2022? Like many travelers, David Simkin hopes he does. But he's not sure.

Simkin is planning a cruise from San Diego to Vancouver, B.C., this summer and an 11-day tour of eastern Canada's historic cities, including Montreal and Toronto, in the fall. He also has a trip to Asheville, N.C.; Gatlinburg, Tenn.; and Savannah, Ga., on his schedule.

Simkin, a retired postal worker who lives in Casselberry, Fla., bought coverage for the cruise and tour, but not for the road trip. Although he thinks he might not need to insure the domestic vacation, he has heard about annual policies that could insure all of his planned trips for about \$500 a year, less than it would cost to insure all three separately.

"That seems too good to be true," he says.

Yep, travel insurance is as confusing as ever. You've probably heard more than a few horror stories about travelers getting stuck with useless insurance policies. Nearly two years into the pandemic — with more uncertainty ahead — it's more important than ever to understand your travel insurance needs. Things can change at a moment's notice, and it's important to make sure you're fully insured before you leave.

"The pandemic has increased interest in safety and security," says Lisa Cheng, communications manager for World Nomads, a travel insurance and safety company. "More people are choosing to travel with protection in the event of catching covid-19 or getting unexpectedly quarantined."

It's a worldwide phenomenon. PK Rao, chief executive of INF Plans, which provides insurance for visitors to North America, says he's bracing for a deluge in insurance sales for visitors to the United States. "With the travel bans being lifted here in the U.S. and abroad, we expect a surge in demand for travel, as well as for travel insurance products."

First, let's answer the big question: Yes, you probably need travel insurance. Some trips aren't as risky as others, that's true. For example, suppose you're taking a road trip like Simkin and you stay with friends instead of at a hotel. In that case, there are fewer prepaid, nonrefundable expenses a travel insurance policy would cover. But you should still consider it, says Stan Sandberg, co-founder of TravelInsurance.com, a site that allows you to compare and buy travel insurance plans.

"Travel insurance is designed to protect travel when there are real costs at stake — either the investment in a trip or the unexpected medical expenses incurred on a trip," he says.

As you look at your 2022 trips, consider these questions: Do you need an individual policy or an annual travel insurance? What changes in travel insurance do you need to know about? And how do you decide which policy is right for you?

Simkin's wariness about annual policies is understandable. And he's right: They seem almost too good to be true.

Questions about annual policies surged during the pandemic, according to Sherry Sutton, a spokeswoman at Travel Insured International. "Travelers are interested in protecting multiple trips throughout the year as they make up for lost time," she told me.

But there's a reason that annual policies are cheap. Virtually all annual travel insurance plans come with a trip length limit (usually three months). Also, annual policies are typically light on cancellation coverage.

Annual policies can make a lot of sense if, for example, you're planning multiple shorter trips in 2022. Allianz Travel Insurance, which regularly surveys its customers on travel trends, predicts that 2021's trend toward "micro-cations" — shorter domestic trips — will continue in 2022. For micro-cationers, an annual policy is "more convenient," according to Allianz spokesman Daniel Durazo.

Not surprisingly, some insurance companies have tightened their policy language to include or exclude pandemics, specifically the coronavirus. But the changes have been slow because of how travel insurance is regulated in the United States: Every state sets its own rules. "That slows down the process of rolling out new plans," says Dan Skilken, president of TripInsurance.com, a travel insurance comparison site.

So what are the policy limitations? Travel insurance plans typically limit coverage to 10 days after your originally scheduled return date, Skilken says. If you test positive and are quarantined abroad for longer than that, you may find that a plan's coverage will terminate before you can come home.

Similarly, travelers should make sure their coverage starts before their trip does. "With covid and other illnesses, it will be important in 2022 to purchase insurance that covers you for the *entirety* of your trip," warns Narendra Khatri, principal at [Insubuy](#), a travel insurance company. "If you get sick or have a mishap during a trip halfway around the world on Wednesday, but your coverage doesn't begin until you land on Thursday, you could be stuck with a large medical bill, since it would have occurred before the policy effective date."

Also check travel insurance requirements at your destination, because some countries require it. For example, Oman requires medical insurance for one month of covid-19 treatment, and Chile mandates \$30,000 worth of medical coverage that includes covid-19. "Bring your policy document and underline the coverage amount when you enter the country," says Phyllis Stoller, president of the Women's Travel Group, a tour operator.

And always, *always* read the fine print. One of the worst mistakes you can make is assuming anything. "An example is assuming that the policy wording has the same definitions from policy to policy for all companies," says Steve Dasseos, chief executive of TripInsuranceStore.com, a travel insurance comparison website. Dasseos says it's important to read the definitions, because one insurance company's terms will not have the same meaning as another's. You could end up with a denied claim if you're not careful.

Bottom line: You probably need travel insurance if you're going somewhere in 2022. If you're taking lots of shorter trips, you may benefit from an annual policy. Or you can insure each trip individually, which would cost more but would also offer more extensive coverage.

Before you buy, read the fine print in the policy. Yes, it's boring — but you need to know what's covered and what isn't.

"Insurance language can be confusing, and Internet blogs are often misleading," warns Rajeev Shrivastava, chief executive of VisitorsCoverage, a global travel insurance marketplace. If you don't understand the policy — don't worry, that's pretty common — he recommends working with a qualified and licensed travel insurance consultant. And if an

expert can't figure it out, maybe you're looking at the wrong policy.

Simkin, the retired postal worker from Florida, ended up with separate insurance policies for his cruise and tour, but he decided that he didn't need to buy an annual policy.

"All of our hotels say they take covid seriously and clean all guest areas," he says.

He figures he'll let it ride on the road trip, as far as travel insurance goes. And that's a perfectly valid decision. You should consider travel insurance for every trip, but not every trip needs to be insured.

By Christopher Elliott

Elliott is a consumer advocate, journalist and co-founder of the advocacy group Travelers United. E-mail him at chris@elliott.org.