

# Travellers, you need this kind of insurance if you have elderly parents



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OCTOBER 3, 2017

Trip, interrupted.

Don't let this be the story of your next vacation. Protect your investment in travel with trip cancellation and interruption insurance. Yes, it can add 5 to 7 per cent in costs to your next trip. The payoff is that you're reimbursed for the cost of travel you miss out on for the kind of reasons we're likely to see a lot more of in the future.

One is extreme weather. Hurricanes Harvey, Irma and Maria recently caused extensive and catastrophic damage in the Caribbean and the U.S. Gulf Coast, including some popular vacation spots. Travellers had to bail midway through vacations, or they were never able to depart for their destination in the first place. Some experts say we should expect increasingly volatile weather as a result of climate change.

Another trend driving the market for trip cancellation and interruption insurance is our aging population. More of us are travelling to far off places with elderly parents back at home. A sudden parental health emergency could require cancellation of a trip at the last minute or the interruption of a vacation already underway.

Travel insurance is also relevant to snowbirds and other seniors who worry they might have a medical emergency before a vacation starts and not be able to go. This type of insurance may also offer coverage if a trip has to be cancelled before departure because a travelling companion becomes ill.

Trip cancellation and interruption insurance gets a lot less attention than travel medical coverage, and rightly so. The financial hazard of needing medical treatment abroad is far scarier than being out the cost of a tour or cruise you bailed on at the last minute. But travel insurance can save you a lot if you're taking a trip with significant non-refundable costs.

The benefits of travel insurance go beyond bad weather and sick parents. A policy may pay out if you, your spouse or your travel companion lose a permanent job or are called to jury duty, or if your travel destination is subject to a travel warning by the federal government.

Travel medical and cancellation/interruption insurance are similar in their limitations. Both kinds of coverage won't pay out for claims related to pre-existing medical conditions. "What insurers want to be careful of is that you didn't pick up the phone and call your broker and go, you know what, I better insure my trip because my mother isn't well," said Marty Firestone, president of Travel Secure Inc., a seller of travel medical coverage.

A parent's health must be stable for 90 days prior to the date a travel cancellation and interruption policy is bought, Mr. Firestone said. The same stability period applies if you make a claim for a cancelled trip because of your own illness. Insurers broadly define stability as meaning pre-existing medical conditions that haven't worsened or required new treatment or medications. Medical records will be consulted if you make a claim, so there's no point buying travel insurance if you have a parent who has a developing medical condition.

The amount of travel insurance coverage you need is the non-refundable cost of your trip that you have already paid. If a partial refund is possible, insure only the amount that wouldn't be repaid if you cancelled the trip or interrupted it.

Mr. Firestone cited the example of a client who spent \$3,000 on a flight she couldn't take because of back problems. The airline offered to refund \$2,400 of that amount, which means her travel insurance covered \$600. The correct amount of coverage for this flight would be \$600, not \$3,000.

Premiums for travel cancellation and interruption insurance typically come in around 5 to 7 per cent of the amount you want to cover, Mr. Firestone said. Travel insurance coverage may be included among the benefits offered by premium travel reward credit cards, but it's generally limited to between \$1,000 to \$2,500 per person. Also, the coverage only works if you charged your travel costs on that particular credit card.

In Mr. Firestone's experience, travel insurance appeals to two demographics. "Young families buy it because they worry about what happens if one of their children gets sick the night before a trip, and the older ones are buying it if they have elderly parents."

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