

Insuring Your Vacation? Make Sure You're Actually Covered

High energy costs, a tough economy, you name it; there's still plenty of travel delays and headaches in the skies and on the ground. Those delays can potentially cost a lot of money, which is why it's a good idea to carry travel insurance on expensive trips to cover missed connections that can delay your arrival for a day or more. The same goes for lost baggage or sudden medical expenses in different regions of the U.S. or other parts of the world.

But take a moment before you rush out to buy a Cadillac policy for your two-week trip to Hawaii. Travel insurance, like any coverage, should be tailored to your specific needs. You'll see it sold as a one-size-fits-all product, but that's not how you should buy it. Here are some pointers:

Call your HR department or health insurer: Yes, you might be out hundreds or perhaps thousands if you can't get to your destination, but that's not the biggest potential money risk on any trip. What if your health benefits won't cross state lines, much less international borders? As you're planning your trip, check to see if your personal health coverage for you and family members will be effective at your destination. If the answer is no, see whether your credit card company offers health care coverage there and if so, what it costs and what it entails. The next step is purchasing specific travel health insurance that will be accepted at your destination, which may be sold in a package with other coverage we'll mention momentarily. Also, it might make sense to make an action plan for a health emergency. Call the concierge at your destination to get information on the best nearby hospitals and clinics so you can check if your coverage applies, and see what ground or air transport options exist to get you to the best hospital. Transport can be costly if you're in a remote location.

Start at least a month in advance: Most people make major trip reservations fairly far in advance to get the best fares and hotel rates, and you'll need to do the same for travel insurance. You'll find that carriers are particularly picky about pre-existing conditions for medical or dental treatments, 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, lost luggage, delays that leave you stranded, flight accident, emergency medical and medical evacuations – is typically priced in the hundreds of dollars and may only cover only up to 75 percent of the total cost of your trip.

Make sure your insurance covers missed connections: Cancellation insurance doesn't cover everything. Investigate whether a missed connection – and the resulting meals, overnight hotel bills and taxi or train transportation you'll need if you're stuck overnight in a strange city – is covered.

Start online: Go to some of the leading websites 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.

Ask about hurricane coverage: The 2008 Atlantic hurricane season began June 1 and will run through the end of November. Even if you don't live in a hurricane area, hurricanes can disrupt the flow of air travel all over the country. Ask whether your travel insurance has hurricane coverage – or other weather-related coverage -- and what you'll need to file a claim.

Fight ATM fees – before you leave: It's not guaranteed, but your bank might agree to waive any fees you incur at overseas ATMs if you ask in advance. Call them and check.

Watch that cell phone: Increasingly, domestic cellular phones are working in more areas of the world. That's the good news. The bad news is whether you'll be charged extra fees for using your phone in those areas. Check before you leave.

Marooned? Ask for a break: If you're sidetracked as the result of a major disaster (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 so you'll be a repeat customer. The worst thing they can do is say no.