

INSURANCE MATTERS

A Newsletter for Delawareans

June 2025

TRAVEL INSURANCE



Should You Get Travel Insurance?

Are you headed abroad for the summer? Planning a road trip before school starts again? You've put a lot of thought and planning into your vacation. And, you've spent a lot of money on flights, hotels, and more. Unexpected circumstances like injury, illness, flight delays or natural disasters could cut a trip short, leaving you with unforeseen costs. But there are insurance options that can protect your finances.

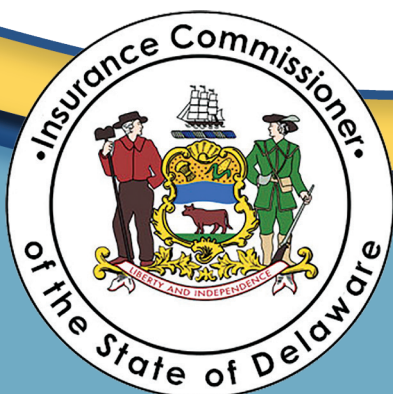
What Is Travel Insurance?

Travel insurance is a policy that protects you financially if something goes wrong before or during your trip. It typically covers a range of issues including trip cancellations, medical emergencies, lost luggage, and travel delays. Some plans even include coverage for things like emergency evacuation or natural disasters.

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Should I Get Travel Insurance?



How much does travel insurance cost? Travel insurance usually costs between 4-8% of a trip's price, according to the U.S. Travel Insurance Association. Several factors go into the cost like the policy holder's age, your destination, and the length of your trip.

When should I buy travel insurance? It is a good idea for policy holders to purchase coverage when they book their trip. Travel insurance is intended to protect travelers against sudden and unforeseen events. Typically, if you buy travel insurance after a winter or tropical storm is named, your plan won't provide coverage for claims related to that event.

Does travel insurance cover epidemics and pandemics? Travel insurance policies typically exclude epidemics and pandemics. According to Allianz Global Assistance, a travel insurance provider, "Trip cancellations and trip interruptions due to known, foreseeable, or expected events, epidemics, or fear of travel are generally not covered."

COVID-19 is a known event, meaning it is not likely that travel insurance policies will cover changes in plans or cancellations for that reason. Review your travel policy to find out which exclusions apply.

There may be coverage if a specific country imposes travel restrictions. Some airlines and tour companies will allow cancellations outside of an insurance policy. Additionally, travel policies with medical coverage may cover any illnesses or hospitalizations that occur during a trip, but you need to review your policy to see if your policy is one of them.

What do travel insurance policies cover? Each type of insurance has its coverage limitations and exclusions. Be sure ask your agent or company about these before you buy a policy.

What are the different types of travel insurance?

Trip cancellation. Reimburses pre-paid travel expenses if you are prevented from taking your trip for a reason covered by your policy. It is typically included in every comprehensive policy. You will usually receive reimbursement if your trip is canceled for: unexpected illness or injury of you or a traveling companion that deems you unfit to travel; hospitalization or death of non-traveling family member; weather or common carrier issues; unforeseen natural disaster at home or the destination; a legal obligation such as being called for jury duty or serving as a witness in court.

Travel medical and major medical. Provides protection if you become ill or injured while traveling. Travel medical insurance provides short-term medical coverage.

Emergency medical evacuation. Provides coverage for services such as air evacuation and medical transportation to the nearest adequate medical facility then home if warranted. This type of coverage is useful if you're traveling to a rural area without easy access to medical facilities. In the event a person passes away during travel, repatriation coverage will cover for the insurer to handle the necessary transportation.

Accidental death and dismemberment. Provides coverage to beneficiaries if you die in an accident on the trip or pays a sum to you if you lose a hand, foot, limb or eyesight from an accident. Some plans only apply to an accident that occurs on an aircraft.

Baggage loss. Reimburses for loss of baggage or personal items. Check with your credit card company to find out if it covers baggage loss.

Cancel For Any Reason (CFAR) policies. These policies are more expensive and typically only reimburse you a percentage of your travel costs. The reason for cancellation is not relevant. There is usually a time frame for when cancellations are allowed, and you must insure all of your pre-paid and non-refundable expenses. CFAR policies are usually added as an extra option in addition to trip cancellation coverage.

Four Signs to Spot a Medicare Insurance Scam

1. Scammers say they're from the government and need money or your personal information.

Government agencies don't call people out of the blue to ask them for money or personal information.

No one from the government will ask you to verify your Social Security, bank account, or credit card number, and they won't ask you to wire money or pay by gift card or cryptocurrency.

2. Scammers say you need to pay a fee for a new Medicare card or you'll lose your Medicare coverage. But you never need to pay for a new card.

And Medicare will never call out of the blue to say you'll lose coverage. Those are scams.

3. Scammers try to sell you a fake medical discount plan. Medical discount plans charge you a monthly fee for discounts on specific medical services or products from a list of participating providers. They're not a substitute for health insurance.

While some medical discount plans provide legitimate discounts, others take people's money and offer very little in return. So if you're considering one, check out every claim the plan makes, including whether your doctor participates in the plan. And be sure to get the details of the discount plan in writing before you sign up.

4. Scammers want your sensitive personal information in exchange for a price quote. The Affordable Care Act's (ACA's) official government site is HealthCare.gov. It lets you compare prices on health insurance plans, check your eligibility for healthcare subsidies, and begin enrollment.

But HealthCare.gov will only ask for your monthly income and your age to give you a price quote. Never enter personal financial information like your Social Security, bank account, or credit card number to get a quote for health insurance. You'll be setting yourself up for robocalls or much worse — identity theft.

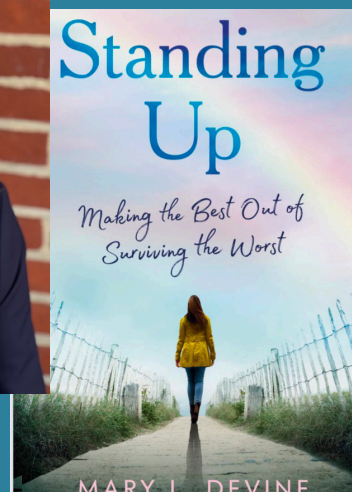
THE DOI CORNER

Standing Up a Novel Written by Mary Devine

The Delaware Department of Insurance is proud to recognize and congratulate our very own Market Conduct Investigator Mary Devine on the publication of her book, *"Standing Up."* A book for true-crime fans, a gripping memoir of a domestic violence survivor who becomes a police detective in the domestic violence unit and is forced to face her demons when her first major case mirrors her own violent assault.

Standing Up invites you on an exhilarating journey with a woman who refuses to be defined by her scars. A pulse-pounding chronicle of survival against all odds, this memoir takes readers along on a plunge into the chilling depths of abusive relationships.

We are incredibly proud of Mary for this remarkable achievement!



ASK THE COMMISSIONER

What is a Deductible?

A deductible is the amount of money you, the policyholder, are responsible for paying out of pocket before your insurance coverage begins to pay for a covered claim. For example, if you have an auto insurance policy with a \$500 deductible and you're in an accident that results in \$2,000 worth of damage, you would pay the first \$500, and your insurance company would cover the remaining \$1,500.

Deductibles can apply to many types of insurance—health, auto, homeowners, and more. Choosing a higher deductible typically means you'll pay a lower monthly premium, but it also means you'll need to cover more costs yourself if something happens. On the other hand, a lower deductible often comes with higher monthly premiums but less out-of-pocket expense when you file a claim.

Understanding your deductible is an important part of protecting yourself and your finances. If you have questions about your policy or what deductible is right for you, I encourage you to reach out to your insurance provider—or contact us at 302-674-7300. We are here to help.



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The consumer comes first.

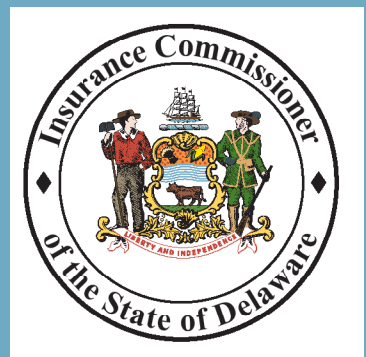
Our office is here to help if you have questions about or problems with your insurance coverage or insurance company.

Questions about insurance or complaints about an insurance company or insurance agent can be made to the Consumer Services Division by phone, by fax, by letter, by email or with an online complaint form.

Phone: 302-674-7300

Fax: 302-739-6278

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Our Mission

Protecting Delawareans through regulation and education while providing oversight of the insurance industry to best serve the public.