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# Is Free Travel Insurance Enough For Your Next Trip? Here's How To Know



**Christopher Elliott** Senior Contributor  

Travel

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Is free travel insurance enough for your next trip? It might be. Here's how to find out. GETTY

Free travel insurance is without question the top [travel insurance](#) trend of 2021. Airlines, destinations and hotels are offering "insurance included" vacations in the hopes of attracting more post-pandemic visitors.

But is free travel insurance enough — or do you need to buy another policy?

Short answer: It might not fully protect you.

"Coverage offered by the destination, resort or airline may be limited in scope to the coverage amount," says Narendra Khatri, CEO of [Insubuy](#), a travel insurance company. "The services offered and the coverage area may not meet the traveler's needs during the entire trip."

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But before we get to the longer answer, a disclaimer: While travel companies advertise these policies as free, they are not. They're included in the price of a flight, resort stay or vacation package. If they were truly free, someone would be handing out insurance policies on the street corner — no purchase required. Wouldn't that be nice?

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## Here's what you need to know about free travel insurance

- There are several flavors of free travel coverage, including credit cards that protect parts of your trip and new "inclusive" policies sold during the pandemic.
- Some free travel insurance is enough for your next vacation, but most of it has significant limits. It may not cover your entire trip.
- Among the limits of free coverage are dollar caps on coverage and restrictions on the types of claims you can file.

- The only way to determine if a policy covers your travel needs is to read the policy carefully and consult with a travel pro.
- In the final analysis, there's no such thing as free — especially when it comes to travel insurance.

## What kind of free travel insurance is out there?

When most people talk about free travel insurance, [coverage from their credit card](#) comes to mind. That type of insurance has significant limits and shouldn't be mistaken for full-fledged travel insurance. But the free travel insurance of 2021 has nothing to do with a credit card; instead, it's a standalone insurance policy that comes bundled with your vacation.

For example, WestJet and WestJet Vacations have added [no-charge COVID-19 travel insurance](#). It's a real travel insurance policy, underwritten by TuGo and administered by Manulife. It provides emergency medical and hospital cost reimbursement if you're diagnosed with COVID-19 while traveling abroad, to a maximum limit of \$200,000 per insured person. The policy also covers emergency medical and hospital costs for domestic travelers diagnosed with COVID-19, to the maximum limit of \$200,000 per insured person. There's also a quarantine accommodation cost if you test positive for COVID-19 on your trip: up to \$150 per insured person, to a maximum of 14 days. (All figures are in Canadian dollars.)

[Virgin Atlantic's "free" coverage](#) through Allianz offers up to £500,000 (\$680,340) for necessary and emergency medical expenses incurred due to coronavirus affecting you or your travel companions. It also covers repatriation due to the virus, if it's medically necessary. Plus, there's coverage for denied boarding and quarantine, as well as expenses for medical treatment.

Viva Wyndham Resorts, a collection of all-inclusive vacation resorts in Mexico, the Dominican Republic and the Bahamas, is also including new

[Hotel Assist Insurance](#) on new bookings. It covers medical expenses, telemedicine services, prescriptions, COVID-19 testing and assistance, and extension of stay or relocation if it's medically necessary.

## What are some of the limitations of free travel insurance?

From a distance, these products look appealing, and may tempt you to skip a regular travel insurance policy. They address a key worry of a pandemic traveler: a cancellation because of an illness or outbreak. But a closer examination shows that they may not cover everything and could leave you without needed appropriate insurance. (Here's [my guide on how to buy the best travel insurance policy](#).)

"Often, these products are limited in coverage scope and actual benefits," says Bailey Foster, vice president of trip cancellation response at [Trawick International](#), a travel insurance company.

The most common type of coverage for these "free" policies is emergency medical expenses for COVID-related illnesses, says Daniel Durazo, a spokesman for [Allianz Partners](#). "These plans may not include coverage for unexpected cancellations, interruptions and delays," he adds.

PK Rao, president of [INF Visitor Care](#), has studied the free insurance offers. He says many of them cover medical evacuation and repatriation of the traveler but don't offer coverage for comprehensive medical treatment.

"These plans are primarily focused on only covering diagnostic treatment of COVID-19, but not the complications," he adds.

## When is free travel insurance enough for you?

If you're worried about COVID-19, these offers may be perfect for you. They address the pain points of the pandemic traveler by covering quarantines, sickness, and certain cancellations.

Often, inclusive insurance will provide a voucher that can be used in the future if you have to cancel your trip, according to Laura Heidt, the insurance desk manager at [Brownell Travel](#). So if you don't mind getting a voucher that you can use later, free insurance is a good bet.

"Third-party carriers offer higher benefits for medical, trip delay, delay or lost baggage and trip interruption coverage," when compared to the inclusive policies, she says.

There's one more difference between the free inclusive insurance and that offered by a third party, and it's an important one, she says. The inclusive insurance may not cover you for a financial default of the supplier. So if your airline or tour operator goes belly-up, so does your free insurance policy.

But for some travelers, free insurance isn't enough. Shelley Ewing, president of [Tier One Travel](#) in Calgary, says non-COVID-19 related emergency medical coverage, trip cancellation and interruption, baggage loss and delays, and flight and travel accident coverage is generally not included in a free travel insurance policy.

"I highly recommend that travelers purchase regular travel insurance every time they travel, even during the times of the pandemic," she says. "It will provide you with peace of mind to know that you will be covered."

## **How can you decide whether to buy a product with free travel insurance?**

Should you consider booking a vacation with a free travel insurance policy? Be careful, warns Rajeev Shrivastava, CEO of [VisitorsCoverage](#).

"An inclusive policy is one-size-fits-all insurance and may not be comprehensive enough to meet every traveler's unique needs," he says. "It's a good idea to carefully review the benefit parameters and buy additional travel insurance coverage separately when warranted."

But when is it warranted?

**When you're concerned about more than COVID-19.** Most free insurance policies address health concerns, such as sudden COVID infection or an outbreak at your destination. But they are limited. "Some of the plans offered by resorts may include medical coverage only," says Jeremy Murchland, president of [Seven Corners](#). "Adding extra travel insurance will ensure coverage for trip cancellation and interruption as well as any injuries or illnesses that may occur on the trip."

**When you need "cancel for any reason" coverage.** A more comprehensive type of coverage that allows you to cancel your trip for any reason is seldom free. "Because they are also very expensive, most packaged vacations exclude them in order to keep the price point low," says Tiffany MiChelle, an agent with [Travawire](#), a travel agency. "It's rare to see them on online booking sites; they are most often offered by travel consultants." If you want travel insurance that lets you cancel your trip for any reason and get a 50 to 70 percent refund, you'll have to pay extra for it.

**When you need more options and individual service.** Each trip is different, and each traveler is different. "Travel insurance companies roll out new plans periodically to offer consumers more options," explains Sherry Sutton, the vice president of marketing at [Travel Insured International](#). "Travel insurance companies have dedicated customer service agents ready to answer questions about their products."

## Is there really such a thing as free travel insurance?

Bottom line: Free travel insurance can be enough. But you have to be careful.

"It can offer some good protection, but the coverage between different free insurance policies can vary greatly," says Damian Tysdal, host of the [Safe](#)

[Travels Podcast](#). "Reading the details is absolutely vital for travelers who depend on this complimentary coverage."

And no matter what they tell you, the insurance is not free. You're paying for it as part of your trip. Is it enough? Maybe.

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**Christopher Elliott**

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