

Travel Insurance And Egypt: Travel Protection During Civil Unrest

By Fernando Padilla | February 4, 2011



Though political unrest in Egypt continues, many of the travelers who were stranded last week have been evacuated to safety.

But what lessons have we learned from this situation?

It's not the first time in recent memory that political unrest in seemingly stable destinations has left American travelers stranded or contemplating cutting short their vacation .

In 2008, protesters in Thailand left around 300,000 travelers stranded for days when protesters seized control of Bangkok's Suvarnabhumi International airport.

Last spring, labor strikes in France brought much of the country's transportation network to a standstill, including airports.

And only a few weeks later, protests in Athens over unpopular taxes disrupted travel to Greece, costing the country millions in lost tourism revenue.

Events like these are hard to predict, and considering that most people book vacations and cruises far in advance, a seemingly stable country could be in flux by your departure date.

For now, many travelers are relying on emergency chartered flights provided by the State Department, and several members of the U.S. Tour Operators Association have reported safe evacuation of customers.

But how else can travelers protect themselves in an unexpected emergency situation?

The short answer is: travel insurance. But choosing a plan isn't always straightforward, and if you don't read the fine print, you could still be out of luck in an emergency.

YOUR FIRST LINE OF DEFENSE

The most common form of travel insurance sold is trip delay or trip interruption coverage. This will reimburse a traveler for pre-paid expenses if there are major delays or unseen circumstances that prevent travel.

With this coverage, if the traveler chooses to voluntarily cancel his trip, then he or she will pay a cancellation penalty, but will still be able to recoup a portion of any pre-paid expenses.

However, many policies exclude "civil unrest" as grounds for cancellation. That's why it's crucial to read the fine print and ask questions. In order to be fully covered, a traveler would need to purchase a "cancel for any reason" plan which is typically very pricey.

In general, basic trip delay and interruption plans costs about 5 to 7 percent the total cost of the trip, but "cancel for any reason" can add up to as much as 30 to 40 percent of the total expenses.

For most travel, this kind of coverage is not always necessary, and trip delay or interruption is more than adequate. But if you are planning an expensive trip of a lifetime, like a honeymoon or wedding anniversary, investing in this kind of coverage minimizes your financial risk.

BEYOND BASIC COVERAGE

Even with the best insurance coverage, though you'll recover the cost of arranging alternative travel plans, you still face the problem of getting to the airport.

In the event of a medical emergency, insurance providers such as Travel Guard and CSA offer emergency evacuation as an add-on. There are also stand alone services from companies that specialize in medical and emergency evacuation such as MedEx, On Call, and Global Rescue.

In situations where local security forces and protesters make traveling from your hotel to the airport unsafe or even impossible, some of these companies can have a security-assist service added onto medical evacuation coverage for a nominal fee.

Think of it as having your own personal A-Team ready to come to come to you aid. For example, Global Rescue began getting clients out of Egypt two days prior to the official evacuation, using specialists with military training to locate and escort them to the airport. From there, they leveraged their standing agreements with charter plane companies to fly these clients out of the country.

This type of service is popular with corporations wanting to secure the safety of employees traveling and working internationally. An annual policy can be pricey, but you can purchase a short-term individual policy for a few hundred dollars.

Finally, if you find yourself stranded in a hostile environment without security evacuation coverage, you can still contact one of these companies to get you to a safe location -- just expect to pay out of pocket.