

Insurance Times: Travel insurance newly popular following Sept. 11 terror attacks
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IMPERIAL, Penn. — Denny Lytle has flown a lot of miles (kilometers) for his job and with his family, but he never thought about travel insurance — until after the Sept. 11 terrorist attacks.

“With all the uncertainty ... if something happens, that's a major investment for me and my family,” said Lytle, who decided to insure his family's upcoming vacation to Walt Disney World in case something cancels their flight.

Insurance companies say Lytle isn't alone.

Before the attacks, only about 8 percent to 10 percent of travelers purchased insurance, said Dan McGinnity, spokesman for Travel Guard International of Stevens Point, Wisconsin, the country's largest travel insurer. Now, he estimates 33 percent to 50 percent are buying insurance.

Generally, travel insurance covers canceled or delayed trips, lost or stolen luggage, medical care and emergency medical evacuations. It can also include flight accident insurance — life insurance in case of a crash. It typically costs 5 percent to 7 percent of a trip's total cost.

Lytle paid about \$200 to safeguard his family's \$4,000 Disney World trip.

“I just want to make sure I was covered,” said Lytle, an industrial product manager from South Park. “Honestly, I've never even thought of this stuff before. It's different to travel now.”

Travel Guard's sales since the terrorist attacks are up only slightly over the same period last year. But McGinnity said any increase is significant because fewer people are traveling.

Joe Clauson, spokesman for insurance company Mutual of Omaha, said the rise in insurance business comes as no surprise. “Generally, you'd see an increase in travel insurance purchases after a flight disaster or catastrophe,” he said, adding that sales tend to drop after a couple of months.

American Express, which offers insurance to travelers who use their credit card to buy tickets, has also noticed an increase in calls about what coverage is available, company spokeswoman Desiree Fish said.

Claudia Fullerton, chief marketing officer for CSA Travel Protection of San Diego, California, said phone inquiries about insurance have increased 500 percent since Sept. 11.

She and McGinnity both estimated their companies will pay millions in delay and cancellation claims for their customers because of the attacks and the subsequent disruption of air travel.

“It'll be the costliest single occurrence since we've been in business,” said McGinnity. Travel Guard was established in 1982.

Travel Guard and CSA haven't raised premiums on their services since the attacks, Fullerton and McGinnity said. But Travel Guard has made another change, altering its terrorism policies to include domestic incidents as well as those that take place overseas, McGinnity said.

“People are very risk-conscious since the attacks,” said Carolyn Gorman, vice president of the Insurance Information Institute's Washington office.

Even after Sept. 11, however, travel and accident insurance still is not for everyone.

Susan and Paul Wagenhofer walked past a desk selling travel insurance at Pittsburgh International Airport. The former Pennsylvanians, who now live in Bangkok, Thailand, have never bought travel insurance.

“It's kind of silly,” Paul Wagenhofer said. “There's no safer time to fly.”