

AMERICANS NOW WARY OF TRAVEL INSURANCE



Terrorist attacks and natural disasters such as tsunamis and hurricanes have absolutely no benefit to anybody: not true. Before 9/11, a mere 10% of American citizens took any interest in travel insurance. However, the insurance companies have certainly benefited from such horrendous events as the same nation spent \$1.3 billion on travel insurance last year, 20% more than in 2004, meaning that 67 million people have been going on holiday with some type of cover. One third has been taking the per-trip policy, which suits insurance companies as it is more profitable than some long-term deals.

The reasons for this craze in travel insurance are multifold. Firstly, due to the terrorist attacks and their continual threat, airport security has been increased all over the United States. This means that flights are being more frequently delayed and luggage has been going missing on a more frequent basis. People have taken notice of their mistakes and have been taking the safer option of taking insurance. Similarly, natural disasters over the past few years have disrupted travel plans for many and such rare events are generally only possible to compensate by having suitable insurance. Thirdly, many have discovered, sometimes at a great cost, that their medical insurance in their own country is not sufficient when travelling abroad. Last but not least is the fact that the general attitude towards travel insurance is improving both in Europe and the United States. Whereas it used to be more common to take the risk of not having any cover, nowadays people consider \$500 to be a worthwhile gamble when paying \$5000 for a trip anyway. Indeed, why not relax in the comfort of knowing that everything is covered for a small portion of the total holiday price? For instance, skiers can relax in the knowledge that they would not have to pay \$11 000 for a helicopter rescue in Europe and \$19 000 for the same service in North American countries.

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