



Seniors need travel insurance

When your newly retired clients chat about their plans for an upcoming dream vacation abroad, are you prepared to raise the topic of travel insurance?

Younger clients might dismiss the added expense as unnecessary, but older clients should seriously consider such protection. Why? Travel insurance protects against more than lost luggage and weather-related travel delays. It includes coverage for medical care in a foreign country and, if necessary, medical evacuation.

KEY POINTS

- Medicare stops at the U.S. border.
- Travel insurance includes coverage for medical care.
- It's best to purchase travel insurance as soon as you book a trip.

That's critical because Medicare, the primary insurance for Americans age 65 and older, stops at the U.S. border, and even the most generous supplemental Medigap policy provides limited coverage overseas.

Michael Kirsh, a financial planner specializing in retirement, has personal experience with travel-related medical costs. When his elderly father-in-law took a trip to Hong Kong eight years ago, he became seriously ill and was hospitalized for over a month.

Far from home and without

MARY BETH FRANKLIN



ONRETIREMENT

medical insurance, Mr. Kirsh's father-in-law had to pay for his care on a weekly basis with a credit card. The final tally was more than \$100,000.

It is a lesson that Mr. Kirsh has taken to heart and incorporated into his financial planning practice. So has his wife, Marcia Kirsh, who runs a luxury travel agency. She uses the story of her father's healthcare nightmare as a cautionary tale when discussing international travel plans with older clients.

"People don't realize that they are not covered when they travel abroad," said Ms. Kirsh, travel advisor with Travel Experts.

"I ask every one of them if they want to purchase insurance," she said. "Some of them buy it. Others say they are willing to take their chances."

MEDIGAP, PLAN F

For people 65 and older, it's a sure bet that Medicare does not cover medical expenses outside the U.S. Even the most generous Medigap policy, Plan F, provides limited coverage abroad.

A married couple who are both 65 or older could buy a travel insurance policy for a two-week, \$10,000 trip to Europe for less than

\$800, according to TravelInsurance.com.

For example, a policy from Travel Insured International last year included \$1 million of medical evacuation coverage per person and \$100,000 of medical coverage per person with no deductible. It also included trip cancellation coverage for 100% of the insured cost of the trip, trip interruption protection for up to 150% of the trip cost and \$1,000 per person lost luggage protection.

That same couple could buy a medical-only travel insurance policy with \$1 million of medical evacuation coverage per person and \$1 million of medical coverage per person for less than \$400. Or, for as little as \$145, the couple could buy \$100,000 of medical evacuation coverage per person and \$50,000 of medical coverage per person. That could be a good, low-cost option for someone who's enrolled in a Medicare Advantage plan that offers no medical coverage abroad or who has original Medicare and a Medigap supplemental policy that does not offer any medical coverage outside of the U.S.

Travel insurance is a time-sensitive purchase. It's best to purchase as soon as you book a trip.

(Questions about new Social Security rules? Find the answers in my ebook at InvestmentNews.com/MBFebook.)

Mary Beth Franklin, a certified financial planner, is a contributing editor for InvestmentNews. mbfranklin@investmentnews.com Twitter: @mbfretirepro