

Is An Annual Travel Insurance Policy Worth It?

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I'm a consumer advocate. I write about customer service.

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Is an annual or multi-trip travel insurance policy right for you? Here's how to know. GETTY

Peter M. Zollman doesn't stop traveling. In the last few months, he's been to Berlin, Lisbon, New York, Las Vegas, and visited Utah's famous national parks. But lately, he's started to wonder if an annual travel insurance policy might be right for him. An annual (also called a multi-trip) policy covers all of your trips for an entire year.

"What's the coverage like?" asks Zollman, a marketing consultant based in Orlando. "And what are the pitfalls of annual insurance?"

Actually, annual travel insurance is made for travelers like Zollman. But he's right — there are some important limits.

"Annual plans are designed for travelers who are taking multiple trips a year and do not have set dates," explains Bailey Foster, vice president of trip insurance at [Travick International](#).

For example, Trawick's annual plans cover trips of up to 30 days. They also include situations such as trip cancellation and pandemics.

Annual travel insurance has always been something of a niche product, marketed to business travelers, digital nomads and other frequent travelers. But it is becoming more popular as more travelers want coverage all the time, and it has changed since the pandemic.

So let's go over some of the basics: What is annual travel insurance? What are some of the restrictions? How much does it cost and who should get it? Finally, and most importantly, how do you buy one of these specialty insurance policies?

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Peter M. Zollman on one of his recent trips to Capitol Reef National Park in Utah. PETER M. ZOLLMAN

What is annual (multi-trip) insurance?

Annual travel insurance covers your trips for a full year. Your coverage starts with the policy's effective date.

"Most annual plans focus only on medical and emergency evacuation coverage or emergency medical evacuation coverage," explains Meghan Walch, director of product for [InsureMyTrip](#), a travel insurance comparison site. "Some annual or multi-trip plans may include limited baggage loss coverage."

Here's a breakdown of a basic annual travel insurance policy:

- **Delays.** If you experience a delay for one of the covered reasons in your policy, your policy may provide benefits, covering the cost of hotels, meals and transportation.
- **Medical evacuation.** Your travel insurance company will transport you to the nearest medical facility for emergency treatment.
- **Medical expenses.** This benefit covers emergency medical expenses, including doctor's visits or hospitalizations.
- **Trip interruption.** If you have to end your trip early because of a covered reason like an illness, injury or death, an annual travel insurance plan will cover your documented travel expenses.

I have details on how to buy the best policy in my [free guide to travel insurance](#).



Your annual travel insurance policy may have some restrictions, particularly when it comes to ... [+] GETTY

What are the restrictions of an annual travel insurance plan?

Most annual plans have a duration limit for each trip. Normally, it will cover a trip of anywhere from 30 to 90 days, but sometimes less.

"Some plans require the insured to be covered by a domestic health insurance plan," notes Joe Cronin, president of [International Citizens Insurance](#).

Pay special attention to the policy wording, experts warn. For example, Walch says that coverages offered in comprehensive travel insurance plans, such as trip cancellation, trip interruption, and travel delay, may not be included in a typical annual travel insurance plan.

Annual insurance may also have other limits that you won't find with a regular policy, says Christina Tunnah, general manager of marketing and brands at [World Nomads](#).

"More adventurous travelers should note that some activities, like skydiving or bungee jumping, may be excluded from annual plans," she says.



Your travel advisor or insurance agent can help you understand the costs of an annual travel ... [+] GETTY

How much should you pay for an annual policy?

A multi-trip policy often costs considerably less than buying travel insurance for individual trips.

"How much you pay will depend on several factors, such as your age and the deductible you choose," explains Angela Borden, a product marketing specialist at [Seven Corners](#).

She says plans cost between \$250 and \$300 for one traveler, with reduced pricing for additional family members on the same plan. This makes it an economical option if you know you'll be taking multiple trips in a year, especially with your family, according to Borden.

"The cost is based on the level of trip cancellation coverage you choose," explains Tim Dodge, vice president of marketing at [Arch RoamRight](#).

Annual policies are priced according to the coverage limit. Your options are typically \$2,500, \$5,000, \$7,500 or \$10,000 per year in claims. The average cost of an annual policy that insures \$10,000 in trip costs is around \$450. Arch RoamRight, for example, has plans that starting at \$192 per year.



Corporate travelers can benefit from an annual travel insurance policy. GETTY

Who should consider an annual travel insurance plan?

Annual travel insurance isn't for everyone. The most full-featured policies are tailored to individual trips. But an annual policy can be useful for frequent travelers.

Here's who should consider a multi-trip plan:

If you travel several times a year

As the name implies, an annual travel insurance policy is ideal for someone who wants coverage for a longer period of time and multiple trips. "Anyone who travels more than three times a year should consider purchasing an annual travel insurance policy," says Daniel Durazo, director of external communications at [Allianz Partners USA](#). "It's a huge perk for frequent travelers to only have to purchase travel insurance once a year, which covers all trips taken that year, as opposed to insuring each trip separately."

If you're a corporate traveler

"These policies are ideal for business travelers, or people who travel frequently with little financial risk on trip expenses," explains Laura Heidt, insurance desk manager at [Brownell Travel](#). If all you care about is emergency medical coverage, an annual policy

is right for you. But if you're insuring multiple luxury leisure trips, or family trips, the coverage levels are probably too low.

If you're a young digital nomad

Annual travel insurance is best suited for those who take multiple small trips throughout the year. That can include active retirees or just avid globetrotters. Narendra Khatri, principal of [Insubuy](#), warns that some annual policies won't cover you if you're over 65. "Also, keep in mind that depending on the policy, each trip must be limited to a certain number of days," he adds. If you travel longer than that, consider a standalone policy.

An annual travel insurance policy has other benefits. For example, if you like to travel at the spur of the moment, a multi-trip policy might be ideal for you. There's no need to call a travel insurance company before you leave — you're already covered. And, of course, an annual policy is much less expensive than buying standalone policies for multiple trips per year, although your coverage is more limited.



Just as travel has changed since the pandemic, so also has annual travel insurance. GETTY

How has annual insurance changed since the pandemic?

Although the coverages in annual or multi-trip policies have remained fairly consistent throughout the pandemic, there have been some recent changes.

They cover pandemic expenses

"Some policies now cover COVID-19 related expenses, such as medical treatment and quarantine costs," says Allen Josh, CEO of [Holiday Operating](#). "Additionally, some policies have extended their cancellation and trip interruption coverage to cover events related to the pandemic."

Some of the numbers have shifted — and not in your favor

Eagle-eyed insurance watchers have noticed some changes in coverage limits, including maximum trip duration (some are as little as 15 days now) and reimbursement for accidents or medical emergencies. "The type of coverage may be limited," notes Linda Chavez, CEO of Seniors Life Insurance Finder. Bottom line: Read the annual travel insurance policy carefully before buying.

Some definitions have been clarified

Travel insurance observers say that while the framework of an annual policy has remained the same over the last few years, some of the definitions have been edited or clarified. "Since the pandemic, annual travel insurance policies have seen some notable changes," notes Hans Mast, a travel expert with [Golden Rule Travel](#). "It's essential to thoroughly review the policy's terms and conditions, as coverage may vary between providers."

In short, while the basic framework of annual travel insurance hasn't shifted much since before the pandemic, there are a lot of smaller changes under the hood.



Here's how the pros buy annual travel insurance. GETTY

How to buy an annual travel insurance policy

Several reputable travel insurance companies offer annual policies. They include [Allianz](#), [Arch RoamRight](#), [Go Ready \(formerly April\)](#), [International Medical Group](#), [Travel Guard](#), and [Trawick International](#).

So how do the pros do it? I asked Dorothea VanHerwaarden Dowling, a senior vice president at [Axis Insurance](#), how she insures her trips with an annual policy. Dowling says she's used her annual policy several times, both in the U.S. and Mexico. She says

it's particularly helpful for trips to a country with a pricey medical system (like, ahem, the United States).

"I keep a \$0 deductible and \$10 million in emergency hospital medical coverage," she explains. "Most travel medical policies will cover medical expenses for Covid, but will not cover your extended stay. You'll want to tack that on as a rider."

Dowling, who is 36, has an annual travel medical policy with worldwide coverage, and it costs her about \$250 a year.

I've also had an annual travel insurance policy in the past, and, like Dowling, I used it several times. I would have kept using it, except that my trips started taking longer than 30 days, so the policy no longer covered me. I had to switch to a conventional policy. Zollman, the frequent traveler, ended up with an annual policy from Allianz.

The bottom line: For most frequent travelers, an annual or multi-trip policy is a viable option that can save you lots of money. Just pay attention to the numbers — and make sure everything is covered before you leave.



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[Christopher Elliott](#) is the founder of [Elliott Advocacy](#), a 501(c)(3) nonprofit organization that empowers consumers to solve their problems and... **Read More**