

## D (Track 3)

With the long list of rising costs for that well-deserved holiday abroad this summer, it is easy to understand that many people are tempted to save on travel insurance. According to market research, one in seven UK tourists heads overseas with no travel insurance cover at all.

However, if something does go wrong, the cost of not being insured can be enormous. In the Mediterranean, just two days in hospital will cost around £ 1,600 on average, according to the Foreign & Commonwealth Office. If you need intensive care for those two days in hospital, the bill will be £ 5,000. And in countries further away, the costs of not being covered can be even higher than that. In the US, for example, you will have to pay between £ 20,000 and £ 30,000 to have a broken leg treated.

Travel insurance is essential, it's as simple as that. The only way to save money on it is to shop around for the best deal. The cost will depend on: your health or age; how many people need to be put on the policy; your destination; and how long you want to be covered.

According to market research, the average cost of insurance for a single trip for one person travelling in Europe is about £ 16 for seven days and £ 20 for 17 days. A family of four should expect to pay about £ 37 for a week and £ 50 for 17 days.

If you are travelling further away, these costs may double, especially in the US. American healthcare costs can be very high. But if you plan to travel a lot over the course of a year, an annual policy will usually be much cheaper than buying separate cover for each visit. Multi-trip insurance for travel in Europe costs about £ 50 for a single person, £ 78 for a couple, and £ 89 for a family. Add between £ 20 and £ 30 to these figures for worldwide annual cover, including trips to the US.

When shopping around for the best deal and looking at the premiums levied by different policies, make sure that you are comparing like with like regarding what you are covered for. And the small print could hold the key to even further savings. All travel insurance policies cover medical issues, baggage, personal liability (damage done by you) and cancellation. Individuals should have around £ 5m of medical cover, and personal liability should cover you against damage of up to £ 2m. These are the standard amounts covered in most policies, and it's not a good idea to cut down on this.

But there are aspects of travel insurance that a lot of people don't really need. If you are only travelling with hand luggage, why pay for thousands of pounds of cover for the contents of huge suitcases. It's also a good idea to check your household contents insurance under the "away from home" section to see if expensive items in your hand luggage are covered by that policy. Many travel policies only provide cover of individual items in your baggage up to between £ 100 and £ 150.

If you are going abroad to stay with friends, for example, and your only costs for the trip are £ 500 worth of flights, you don't need to pay for cancellation cover worth £ 5,000. However, considering the financial situation of some airlines, make sure that your policy covers you if the flight operator goes bankrupt just before your trip or while you are away.

And finally, if you are prepared to increase your personal excess – that's the amount you pay from your own pocket if anything goes wrong, before the insurance company takes over the expenses – that may also help you to lower your premium. An excess of around £ 50 to £ 75 per person on a policy is usually plenty.