

To Buy or Not to Buy

Is summer camp insurance a good idea and, if it is, where can you buy it?

By CATHY ASHBY

It's no secret that summer camps can be expensive. By the time you add travel costs to the already high cost of specialty sleepaway camps, the total sticker price is enough to send parents into shock. To be sure, these parents want to provide their children with opportunities for enrichment and adventure during the summer months. But when the cost of summer camp creeps close to, say, the cost of a honeymoon in Hawaii, many parents begin to wonder if it's risky to invest so much. What if there's a hurricane? What if Susie comes down with the measles? What if there's a death in the family?

It is exactly this kind of troubling scenario that has kept the insurance industry in the black for years. Our fears — many of them perfectly reasonable — that things will go horribly wrong have long motivated us to insure our health, our homes and our cars. Now, there's a growing trend to insure other aspects of our lives, from our pets to our vacations. Not surprisingly, insurance companies are beginning to expand their travel offerings to include policies that cover children attending summer camp.

According to insurance industry insiders, you can't really go wrong by purchasing a travel insurance policy. These professionals are biased, yes, but they're also right. Typically, travel insurance policies are inexpensive and, if something does go awry, consumers almost always recoup their initial investment in the policy itself, if not the entire purchase price of the vacation or travel plan.

Still, since the odds are in favor that the vacation will be uneventful and the summer camp will go off without a hitch, when does the price of the trip tip the scale in favor of purchasing a policy?

According to Mark Ceslowitz, the president of TravMark and a pioneer in the summer camp insurance industry, the average cost of a summer camp insurance policy falls between 4 percent and 6 percent of the total program price — not too bad for coverage that might end up saving families hundreds of dollars. At that reasonable rate, he says, parents should consider insuring day camps and sleepaway camps and everything in between.

TravMark entered the summer camp market six years ago when it began underwriting policies for the participants of specific teen travel and adventure programs. More than 10,000 insured campers later, the company is offering policies to the general public.

Ceslowitz says there aren't very many companies in the U.S. currently offering tailored insurance policies for summer camps. Some agents may sell modified travel insurance policies, he says, but parents would be wise to look for policies whose language specifically mentions "summer camp." Many of the exclusions and conditions that apply to traditional travel insurance aren't appropriate for young people, Ceslowitz explains. It's important to read the fine print and look for policies that are designed with children in mind.

According to Vikki Corliss, who works with insuremytrip.com, it's only a matter of time before more policies are available. "As consumers become more aware of camp insurance and the events it can protect against, the demand for such coverage is also rising. The logical assumption is that supply will be developed to meet the demand."

The top three reasons parents cancel their children's plans to attend summer camp are: medical and health issues, parental job loss and relocation of the family home. No matter what insurance company parents decide to purchase a policy from, they should carefully research the coverage and the exclusions surrounding these situations and others before making a decision.

For example, Ceslowitz says, traditional policies exclude coverage for "mental, nervous and psychological" cancellations or interruptions. That's important because it means camper homesickness can't be covered. Under TravMark's policies, homesickness is covered provided the child's parents can submit a note from a physician or psychiatrist. Likewise, cancellations due to sports injuries — frequently excluded from traditional insurance policies — are covered under TravMark's policies.

"When considering whether or not to purchase camp insurance," says Corliss, "the question a parent first needs to ask him or herself is: Can I afford to lose my tuition investment? Unfortunately, sometimes our kids become ill or are injured during their camp session and have to come early. Camp Insurance can protect your investment in the event your child's camp session is interrupted or canceled."

Before you even begin thinking about camp insurance, it's very important to know the cancellation policies of the camps your children will be attending. Some programs offer generous refunds if cancellations are received in a timely manner, and they are flexible when emergencies arise. Others severely penalize families for withdrawing camper registrations, no matter what the reason. Luckily, it's easier than ever to find out what a camp's policies are.

"Now that camps are accepting credit cards," explains Ceslowitz, "they have to have cancellation policies in writing." That policy, he says, will have an impact on the insurance you ultimately do or don't purchase. — CP