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# Insight

Wealth Management Commentary

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## Wishing You Safe Travels



*“Travel and change of place impart new vigor to the mind.”*

– Seneca, Roman philosopher, statesman and dramatist, ca. 4 B.C.–A.D. 65

**Summer vacationing is here! In addition to wishing you and your family fun and safe travels, we’d like to present some financial planning ideas to consider as you plan your vacation.**

### Medical insurance coverage

Planning for medical care is an important part of preparation for an overseas trip. Trying to obtain medical care in a foreign country, where you do not have relationships with doctors, do not speak the local language, and don’t have access to your medical records, can create many challenges and risks. Medications that are common in the US may not be available or may be known by different names abroad. Moreover, your US health insurance and Medicare coverage does not apply in many parts of the world. In some countries, it’s not uncommon for healthcare providers to withhold care until they receive cash payment. For these reasons, medical travel insurance is often a good idea.

Medical travel insurance can include services such as emergency medical and dental coverage, travel accident coverage, emergency medical transportation, and concierge services (e.g., finding a translator to assist you with communicating with a local physician). If you are traveling overseas we can refer you to a medical insurance company.



#### PACKING A MEDICINE KIT

- Pack your prescription medicines in your carry-on luggage.
- Pack copies of all prescriptions, including generic names for medications.
- Pack a note on letterhead stationery from the prescribing physician for controlled substances and injectable medications.
- Leave a copy of your prescriptions at home with a friend or relative.
- Check with the US embassy or consulate to make sure that your medicines are allowed into the country you are visiting, as some countries do not allow certain medications.

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### Renting a car

Many US insurers do not extend automobile liability or property damage coverage for rentals outside the US and Canada. Moreover, even if your carrier provides overseas coverage, in some countries (Mexico, for example) it's common to detain anyone without local insurance until payment is received...this could be a very unpleasant detour from your travel plans! We suggest checking with your auto insurance carrier about whether your policy covers you overseas; they should also be able to advise you on the local laws and whether local insurance is necessary.

You can avoid these issues by selecting the "full coverage" option with the car rental agency. We suggest using a large, international rental firm like Hertz, Budget, Avis and EuropeCar instead of a smaller, local firm which might carry less robust coverage.

Note that many countries do not recognize U.S. driver's licenses, but most accept an International Driving Permit (IDP). You can apply for this permit at AAA or National Auto Club.

### Buying art and jewelry

Many homeowner's insurance policies cover transit of valuable items worldwide, meaning it's often not necessary to purchase special transit coverage if you buy jewelry, wine, art or rugs overseas. Your insurance carrier can tell you whether your homeowner's policy provides this coverage.

### ATMs and credit cards

The integration of the global financial system has made currency transactions overseas considerably easier (ATMs and credit cards have largely put an end to travelers checks and large paper currency exchanges), but you'll still want to take a few steps before you go.

Banks are increasingly vigilant about fraud, so tell your bank and credit card companies about your travel itinerary to avoid a disruptive fraud alert being placed on your card. You generally get the best exchange rate by using your credit card for purchases and, as in the US, most merchants overseas accept credit cards; however, if you expect to need a lot of cash then check with your bank about the daily cash withdrawal limit (often \$500) and ask them to increase it if necessary. ATMs in some countries, particularly in Western Europe, require cards with an embedded chip instead of the magnetic strip on most U.S.-issued ATM cards, and your bank may be able to issue you a special card.

Many credit cards charge a fee of 1%-3% on all international transactions, which can add a significant expense to your trip. If you're travelling for an extended period or you expect to make large purchases overseas, then it's worth thinking about getting a credit card that doesn't charge international transaction fees.



### STAYING CONNECTED

- If you need to use your mobile phone overseas, your service provider can confirm whether your phone will work on overseas networks. You'll also want to investigate your service provider's international calling and data plans, which are considerably less expensive than paying roaming fees.
- If you expect to use a laptop to frequently access the internet, consider purchasing a local cellular modem and internet access cards.
- The advent of smartphones and tablet computers has given travelers more (and less expensive) options for making calls, sending email and accessing the internet. If you're traveling primarily in urban locations with easy access to a Wi-Fi signal, you can connect to the internet to download email and make calls (through Skype) for free. Just be sure to turn off your phone's cellular signal to avoid inadvertently connecting to local cellular networks and paying roaming charges. And, of course, be careful about where you connect... try to use secure access points (your hotel might have a secure connection) instead of unsecure access points at internet cafes and other public places.
- Most countries use a different electrical standard than in the US, so you'll want to buy a converter for your power adaptor to keep your phone and computer charged.

### Personal security

Whether you're embarking on an overseas summer vacation or taking a business trip to a foreign country, it is becoming increasingly important to plan for your personal security, and to prepare yourself for the unexpected. This is particularly true for affluent individuals, who are especially at risk. Chances are that your trip will be safe and incident-free,

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but there are several precautions to take before leaving and while you are away.

As a general practice, you should focus on protecting your personal information, and being careful with your passport and wallet while abroad. Security experts suggest these basic security strategies:

- *Keep your passport in a secure pocket and use it only when necessary. As an added precaution, keep a photocopy of your passport in the hotel, scan and email a copy to yourself, and leave a copy with a friend at home.*
- *Familiarize yourself with local practices that might require you to temporarily give up control of your passport. For example, in Italy it's common for hotels to keep travelers' passports for a couple hours at check in so that they can register the traveler with the local police as required by law. Knowing which practices are legitimate will reduce the risk of passport theft.*
- *Remove all personal information from your luggage tags, as this advertises who you are and where you are from. Instead, use a small, discreet tag with your employer's name and business address, which you can reclaim with your business card and photo ID if lost.*
- *Leave expensive jewelry at home and keep your cash and valuables in the hotel safe.*
- *Do not discuss your travel plans with hotel staff members or reveal your personal information to casual acquaintances.*

While most crime overseas is petty theft, the risk of more extreme crimes, such as kidnapping, has never been higher. Currently, the top kidnapping locations include common tourist destinations like Mexico, Brazil, and India, as well as less traveled locations like Venezuela, Columbia, Pakistan, Afghanistan, Nigeria, Somalia, and the Philippines. Governments typically underreport kidnappings in order to keep tourism thriving, and some experts estimate that, worldwide, there are as many as 15,000 kidnappings of foreign tourists each year. Wealthy travelers, who are often easy to spot, are especially at risk.

If you're off to a particularly risky country, insurance companies offer a variety of resources to help reduce the risk of kidnapping and other personal crimes. Kidnapping, ransom and extortion insurance provides for ransom payment and the services of a negotiator. Of course, prevention is always the best solution, and so hiring a personal security firm to handle your travel to a risky country (e.g., suggesting secure hotels, providing chauffeur and bodyguard services) is worth considering.



### RESOURCES

- **U.S. Department of State.** Travel warnings and alerts, country specific information, and tips on handling emergencies and crises when abroad (e.g., lost or stolen passport, sending money, injury or arrest). You can sign up for the free "Smart Traveler Enrollment Program" to receive the latest travel updates and information. [www.travel.state.gov](http://www.travel.state.gov)
- **Centers for Disease Control and Prevention.** Health information for travel to over 200 international destinations. Information on diseases and vaccinations. Tips for packing a medical travel kit and for staying healthy while abroad. [www.cdc.gov](http://www.cdc.gov)

Wherever your travels take you, we hope you have a wonderful time and return with many fun stories and lifelong memories. Don't forget to take lots of pictures to share with us!

Bon voyage!

Michael Lewis, CFP®  
Associate – Wealth Management