

Travel Metrics:

Consumer Approaches to Travel Insurance and Assistance in Selected Global Markets

Series Prospectus

November 2017

Prospectus contents

	Page
What is the research?	3
What is the research? (continued)	4
Which titles are available?	5
What is the rationale?	6
What methodology has been used?	7
What is the report structure?	8
What are the key features of the research?	9
How can the research be used?	10
Who can use the research?	11
What are some of the key findings?	12 - 15
What is the cost and format?	16
How can the research be purchased?	17

What is the research?

Finaccord's *Travel Metrics* series of reports offers detailed and unique insights into the behaviour of consumers in ten countries – Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US – in the context of travel insurance and assistance. This is based on a survey of over 12,000 consumers across these countries carried out in the second and third quarters of 2017.

The research quantifies the proportion of consumers in each country who undertake insurable travel and the proportion that acquire travel insurance, segmented not only by age and annual household income but also by type of trip (e.g. leisure or business, independent or organised, foreign or domestic etc.). It also investigates and quantifies the following important metrics:

- the general types of policy that consumers acquire (i.e. annual policies, single-trip policies or packaged policies such as those bundled with a travel ticket or payment card);
- the specific types of policy that consumers acquire (differentiating between standard cover and non-standard products such as policies designed especially for business travellers, gap-year or student travellers, travellers with pre-existing medical conditions etc.);

continued on following slide

What is the research? (continued)

- consumer perceptions with regards to the risks covered and assistance services provided by their policy;
- the distribution channels and interfaces that consumers use to take out travel insurance and, for those buying online, the type of device used (i.e. a laptop or desktop computer, a tablet or a mobile phone);
- and any prompts that cause consumers to take out travel cover (e.g. prompts embedded in online booking systems, e-mail adverts, web chat etc.).

Finally, the research analyses claims frequency for travel insurance in each country, including data for the types of claim submitted and for acceptance rates, and ranks major providers of insurance and assistance in each country according to the frequency with which they are identified by consumers as the provider of their policy.

Furthermore, many of the results from the latest research are compared with those of Finaccord's previous study from 2014 (for Australia, Canada, France, Germany, Italy, Spain, the UK and the US), thereby showing significant trends over time.

Which titles are available?

The *Travel Metrics* series is composed of 11 separate publications:

- an overview study, providing comparative analyses of the metrics gathered across all ten countries, as well as the detailed results for each individual country;
- ten country-specific titles, each providing the detailed results of Finaccord's investigation into consumer approaches to travel insurance and assistance in a single country.

The titles of these reports are as follows:

Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Selected Global Markets

Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Australia
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Brazil
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Canada
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in China
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in France
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Germany
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Italy
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Spain
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in the UK
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in the USA

What is the rationale?

Finaccord has updated and expanded its *Travel Metrics* series of reports in order to fill the gap for detailed and reliable data regarding consumer behaviour in the market for travel insurance and assistance in major markets. There is little published information providing insights into consumer approaches to travel insurance on an international basis, in spite of the fact that an increasing proportion of consumers are travelling more frequently, and often to more far-flung destinations.

Another equally important motivation for publishing this series is that travel insurance, like many other forms of non-life insurance, continues to experience significant changes to the way in which it is sold, both as a consequence of the evolving travel preferences of consumers and also because of the increasing availability of travel cover through a wide range of distribution channels, especially those with an online presence.

Distribution channels considered in this respect for stand-alone policies include airlines, banks or similar institutions, direct sales by insurance companies (or their tied agents), insurance aggregators / comparison sites, insurance brokers and other channels (e.g. the Post Office in the UK, automotive associations in several markets), as well as the travel trade itself. As such, the titles in the *Travel Metrics* series are designed to allow participants in the travel insurance and assistance sector to benchmark their performance or potential in this arena.

What methodology has been used?

The research for this study, which covers over 12,000 consumers across ten countries, was carried out in the second and third quarters of 2017 using the online consumer research panel of mo'web research (www.mowebresearch.com). 1,000 or more respondents were surveyed in each of Australia, Canada, France, Germany, Italy, Spain and the UK, over 1,500 in Brazil, and around 2,000 in each of China and the US. In all cases, quotas were set in order to ensure representative survey samples by gender, age, annual household income and geographical location of respondents. The specific composition of each country sample can be obtained from Finaccord if required.

What is the report structure (for the overview report)?

0. *Executive Summary*: providing a concise evaluation of the report's key findings.

1. *Introduction*: describing the rationale for the research.

2. *Consumer Overview*: this chapter provides a comparative analysis of the ten countries, illustrating the proportion of respondents who had undertaken significant travel during the preceding two years and the proportion of travellers who were covered by travel insurance the last time that they undertook a significant journey, both segmented by age group and annual household income. It also compares the main types of travel insurance policy held by respondents, including the breakdown between stand-alone annual and single-trip cover plus policies packaged either with holidays / travel tickets or with bank accounts / payment cards, and between standard policies and non-standard ones (e.g. policies designed specifically for business travellers, customers with pre-existing medical conditions etc.). This chapter also illustrates the apparent market concentration, in terms of travel insurance and assistance providers, across these ten countries. Furthermore, it compares both the distribution channels used to acquire travel policies (e.g. direct purchase from an insurer, airlines, travel agents / tour operators etc.) and the distribution interfaces (namely face-to-face, online, inbound phone, outbound phone and post), and benchmarks the importance of different prompts used to persuade travellers to take out stand-alone travel cover. Finally, it presents data concerning the frequency and outcome of travel insurance claims, including the principal reasons for claiming, and how claims frequency varies by age and annual household income of claimant and type of policy held.

3. *Australia*: this individual country chapter provides further analysis and discussion of the elements outlined above, along with some additional analyses (for example, the specific identities of the various insurance providers identified by respondents).

4 - 12: *Brazil, Canada, China, France, Germany, Italy, Spain, the UK, the US* (all contents as for *Australia*).

13: *Appendix*: offering an outline of the methodology used, plus a full transcript of the online questionnaire.

What are the key features of the research?

Key features of the reports in this series include:

- unique analyses showing the proportion of travellers that are covered by travel insurance in each country, and how these percentages vary with age and annual household income of respondent;
- accurate data describing the percentage of travellers purchasing annual or single-trip policies on a stand-alone basis, and those who are covered automatically by policies packaged either with bank accounts or payment cards, or by policies included in the price of holiday tickets;
- robust statistics illustrating how a wide range of distribution channels such as airlines, automotive clubs, banks, insurance aggregators / comparison sites, retailers, travel agents / tour operators and direct sales by insurers (or their tied agents) compete head to head in this arena;
- reliable rankings of the travel insurance and assistance underwriters identified by consumers as being behind the travel policies that covered them when they last undertook a significant journey;
- valuable insights into the frequency and outcome of travel insurance claims, segmented by country, by age and annual household income of respondent, and by type of policy held.

How can the research be used?

You may be able to use the reports in this series in one or more of the following ways:

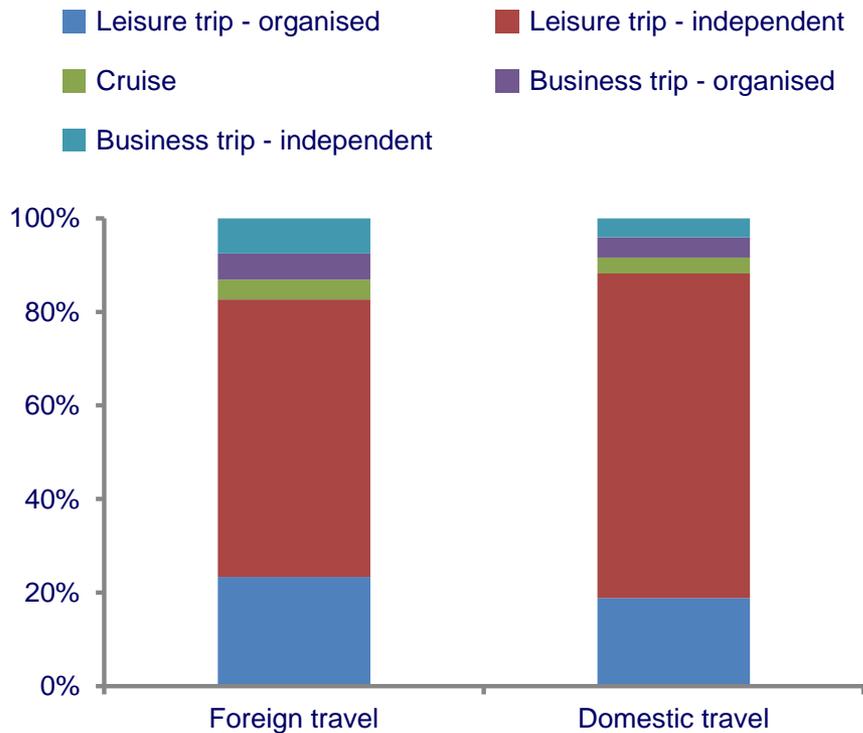
- to understand the extent to which travellers in Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US acquire travel insurance, the types of policy that they are most likely to buy and how take-up rates vary by type of travel (e.g. foreign and domestic trips);
- to identify the most important demographic segments for travel insurance in each country;
- to evaluate the extent to which travel insurance sales have migrated online and the degree to which consumers take out cover marketed to specific audiences (e.g. backpackers, expatriates, older / 70+ customers, student / gap-year travellers etc.) as opposed to standard policies;
- to assess the apparent consumer awareness and utilisation of major providers of travel insurance in each country including competitors that are active across multiple territories such as AIG (including TravelGuard), Chubb, Columbus Direct, Cover-More / Zurich, Europ Assistance and WorldNomads, plus Allianz, AXA, MAPFRE and / or their assistance subsidiaries;
- to understand claims experience for travel insurance in each country, how this varies by type of policy and customer, and what this might mean for the profitability of your activities in this sector.

Who can use the research?

1. *Insurance and assistance providers*: firms with an interest in travel insurance in one or more of these countries will be able to arrive at a detailed understanding of the dynamics of this complex market, which can then be used for strategic planning and for negotiating new distribution partnerships;
2. *Automotive clubs, banks, insurance aggregators / comparison sites, payment card issuers, retailers and other alternative distributors*: the results of the research suggest that some of these distribution channels are growing their share of travel insurance sales. Does this represent a viable option for your company?
3. *Airlines and travel agencies / tour operators*: while the distribution share of travel agencies and tour operators is tending to decline, airlines have been benefitting from the increase in online sales of travel insurance;
4. *Management consultancies*: are you helping an insurance or assistance firm or distributor of travel insurance to improve its performance in this sector in Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK or the US? If so, this research will provide you with unique insights into consumer behaviour in these markets.

What are some of the key findings?

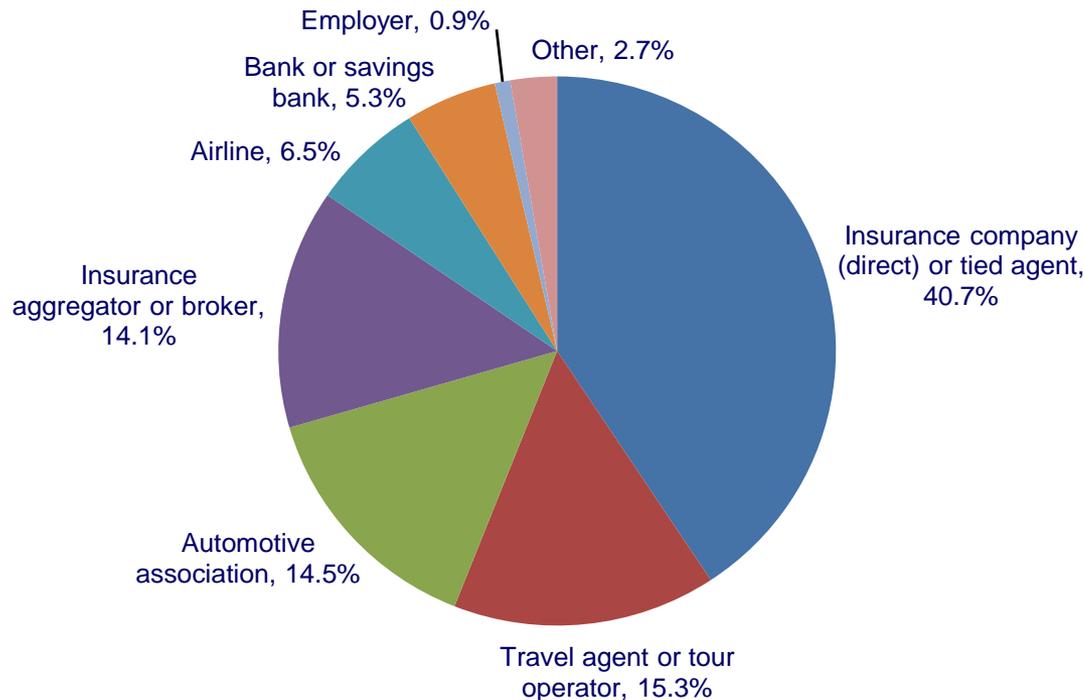
1. For Spanish consumers, independently-organised trips are dominant for both foreign travel and journeys within Spain itself that last for at least one week



Source: Finaccord Travel Metrics Survey

What are some of the key findings? (cont.)

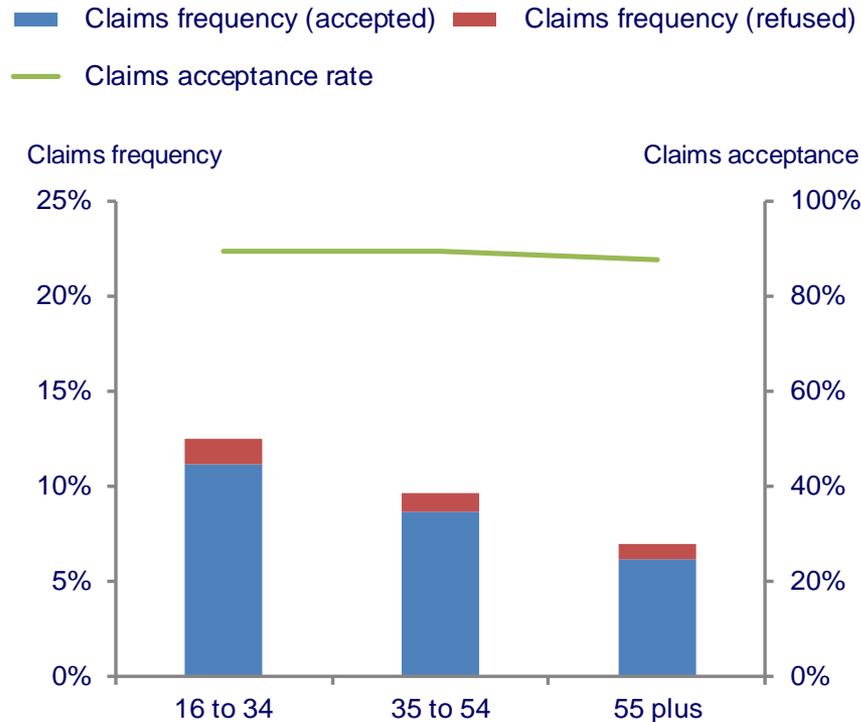
2. In Germany, direct and tied agency sales constitute the major distribution channel for stand-alone travel cover although automotive associations, insurance intermediaries and the travel trade are also significant



Source: Finaccord Travel Metrics Survey

What are some of the key findings? (cont.)

3. Across all ten countries combined, insured travellers aged from 16 to 34 are almost twice as likely to file a claim as those aged 55 or more



Source: Finaccord Travel Metrics Survey

What are some of the key findings? (cont.)

Key findings from executive summaries in this series include:

- Chinese respondents are the most frequent travellers, with 85.8% of respondents reporting that they had undertaken significant travel during the previous 24 months, but at 57.3%, those in Germany are the most likely to travel abroad;
- at 48.3% of all insured travellers, those in Brazil are most likely to acquire non-standard policies targeted at specific customer groups which is mainly a consequence of the popularity in that country of policies designed specifically for business and / or domestic travel;
- the level of risk coverage differs substantially between countries, with comprehensive policies being most common in Australia and the UK and least common in Brazil and China;
- airlines are active as distributors of stand-alone travel policies in all ten countries and their distribution share is highest in Italy and the US;
- at 20.3% as an average across all ten countries the most commonly cited reason for submitting a claim is the need to call for medical or other assistance required by travellers (as opposed to relatives at home).

What is the cost and format?

All of the reports in the *Travel Metrics* series are available as standard PDF documents and Excel data annexes. Costs for the various titles in the series and for selected other international consumer research studies released in 2017 are as follows:

REPORT	COST *
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Selected Global Markets	USD 8,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Australia	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Brazil	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Canada	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in China	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in France	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Germany	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Italy	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Spain	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in the UK	USD 1,395
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in the USA	USD 1,395

** VAT at the prevailing rate will be added to the basic price for Singapore-based buyers except for where the request is for hard copy only. Costs quoted are for a single office, single country licence only. For corporate user licence options, please see the next slide for further details. Invoices can be paid in EUR or GBP, at the prevailing exchange rate, if preferred.*

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

Alternatively, you can place an order by sending your request to order@finaccord.com, clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.