

PRESS RELEASE

New Finaccord study reveals dramatic changes in consumer attitudes to travel insurance since COVID-19

- *Both travel and travel insurance markets have seen drastic changes since Finaccord's last survey on this topic in 2017*
- *More than half of travel insurance and assistance claims made in the past two years were related to the pandemic*
- *Consumers are willing to pay more in future for pandemic cover*

London, 15 December 2022 –

Consumer travel insurance markets have been heavily impacted by the COVID-19 pandemic, with particular disruption to international travel by older travellers. Both take-up rates and the types of policy bought have changed, and consumers are now more aware of the risk posed by pandemics.

Finaccord has released a dedicated consumer study across ten key markets, revealing in detail how the travel insurance landscape has changed across different geographies and demographic groups.

Key findings include:

- **As expected, there has been huge disruption to underlying travel markets:** international travel was most impacted, especially among older travellers. The proportion of older travellers (55 plus) taking a trip abroad over a two-year period fell from 44% to 22% between Finaccord's previous survey carried out in 2017 compared to its survey in 2022; this was much larger than a drop of 46% to 38% in the 18 to 34 age band over the same periods. Domestic travel also suffered, though the decline was less drastic than for international travel.
- **As a result, the type of policy that travellers purchase has changed:** domestic-only policies accounted for a quarter of policies acquired in the 2022 survey, up from 9% in 2017. In contrast, standard policies fell from 73% to 44%, while all other non-standard policies (e.g. for backpackers, older travellers or people with pre-existing medical conditions) were marginally more popular among insured travellers.
- **Claims are up generally, though claims acceptance rates have remained stable:** claims rates increased to 14% in 2022 from 10% in 2017 as an average for these ten countries, with countries like Canada and the UK seeing claims frequency double. Despite this, claims acceptance rates remained remarkably consistent in most countries. COVID-19 was a factor in 56% of claims reported by respondents.
- **Most consumers are willing to pay more for travel insurance in future:** with the exceptions of France and the US, a majority of respondents in all of the countries surveyed by Finaccord are willing to pay more for travel insurance in the future if it includes pandemic cover.

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Notes to editors:

Finaccord is a market research, publishing and consulting company specialising in financial services that is part of Aon Global Operations SE Singapore Branch, a part of Aon plc (NYSE: AON). It provides its clients with insight into and information about major issues in financial services around the world, with a particular focus on marketing and distribution topics such as affinity marketing, bancassurance and strategic alliances, as well as commercial lines insurance.

Finaccord's series of reports investigates consumers' attitudes and behaviour in relation to travel insurance and assistance in ten major countries around the world (Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US). It uses the results of Finaccord's survey of over 13,000 respondents to provide insight on the key global travel insurance markets, using nationally-representative samples.

To produce these reports, at least 1,000 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. Respondents were asked about travel they had taken in the previous 12, 24 or 36 months. For consistency with previous reports and to capture the impact of the pandemic, only answers from respondents that had travelled in the previous 24 months were included in the survey analysis.

Analysis is provided in five main fields: underlying travel trends, travel insurance uptake, characteristics of travel insurance policies, consumer attitudes to travel insurance in the context of the pandemic, and claims trends.