

Travel Insurance - UK - February 2015

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“If consumers are not asking for specialised policies or extra benefits, why not cut through the competing marketing messages by becoming the most convenient insurer? Convenience is a highly prized commodity in modern society and harnessing this could be a successful way of boosting policy sales.”

Rich Shepherd, Financial Services Research Analyst

This report looks at the following areas:

- The problem with price
- If one size fits all, how can insurers stand out?
- What will be the marketplace of tomorrow?

Travel insurance is seen as an essential product by many and buying a policy is an almost universal part of arranging a holiday. However, the market is hugely dependent on consumers' holiday habits. The financial pressures on households in the aftermath of the economic crash changed people's holiday habits. Some turned to 'staycations' as a cheaper alternative while others couldn't afford to go away at all. The results have meant that travel insurers are struggling for growth.

In the last year, though, there have been signs of recovery. The market is expected to have remained largely flat in 2014, having fallen every year since 2009. Consumers have returned to taking overseas holidays and are starting to feel some of the benefits of the recovery in their wallets as a result of low inflation. The next stage of recovery for insurers is to find a way to increase premiums without damaging consumer demand in order to return the market to growth.

This report looks at the travel insurance market as a whole, considering both single-trip and annual multi-trip policies sold directly by insurers and as add-ons to other products such as packaged bank accounts. The report examines major issues in the market and how the current market environment can be seen in relation to wider social trends identified by Mintel. The report looks at innovation in travel insurance as well as examining the size of the market, including a five-year forecast, and discusses the biggest players in the market.

Mintel's brand research examines consumers' attitudes towards different travel insurance providers. Finally Mintel's exclusive consumer research examines how people bought their last travel insurance policy and what type of policy they chose. Claims experiences are investigated, as well as the main factors affecting consumers' choice of policy and their attitudes towards travel insurance in general.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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