

## Travel Insurance - UK - February 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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“The travel insurance industry is driven by intense price competition, as many consumers draw on price comparison websites in order to find the best deal. At the same time, travel insurers are facing increased cost pressures, making it difficult to keep premiums down and maintain comprehensive levels of cover.”

– **Sam Marks, Financial Services Analyst**

This report looks at the following areas:

Insurers can add value by educating consumers as to the benefits of finding balance between the amount of cover required and the price.

- Helping consumers to compare more than just price
- The weak Pound is pressurising insurers
- Accessing cover

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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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What we think

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Helping consumers to compare more than just price

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The facts  
The implications  
The weak Pound is pressurising insurers  
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## The Market – What You Need to Know

The market is declining  
Annual policies accounted for four fifths of the market in 2016  
Annual policies became more expensive than single policies in 2016  
Holiday and social visits increased but business visits shrank  
Visits to Europe made up 80% of UK travel  
Medical inflation continues to threaten margins

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- Profit margins are being squeezed
- The ABTA is cracking down on sickness scams
- Monarch Airlines collapses
- Saga hit by airline failure
- Turbulence for Ryanair

## Regulatory and Legislative Changes

- FCA calls for input
- FOS upheld 19% of complains in 2016/17

## Companies and Brands – What You Need to Know

- Travel insurance specialists had the highest usage
- Revolut introduces geolocation travel insurance
- Total above-the-line adspend fell by 13% in 2016/7
- Television and direct mail were the main channels of advertising

## Market Share

- Travel insurance specialists were the most popular
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- Zurich bought and sold
- Thompson becomes TUI
- TIF Group launches Travel Insurance Explained
- Avanti bought by Staysure
- Revolut introduces geolocation travel insurance
- TIF Group launched Postcard Travel Insurance
- Staysure introduces 'end supplier failure' bolt-on
- New insurance app aimed at Millennials
- TravelSmart update

## Advertising and Marketing Activity

- Total above-the-line adspend fell by 13% in 2017

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The Post Office is seen as the most trusted provider

MORE THAN, Debenhams and esure need to address customer experiences

Co-op Insurance leads in rewarding loyalty

Thomas Cook is seen as the most fun brand

## The Consumer – What You Need to Know

Over a fifth of consumers hold annual travel insurance as part of a current account package.

Packaged current accounts can provide limited cover

Single-trip policies were the most popular for recent holidays

PCWs were used by the majority of people who bought standalone policies

Cover for illness/injury was the most popular reason for cover

Willingness to share information is high across the board

Desire for simpler legal terminology

UK-based customer services are important

## Policy Ownership

Over a fifth of consumers hold annual travel insurance as part of a current account package

Figure 28: Ownership of annual travel insurance, by policy type and regional coverage, November 2017

53% of people do not have annual travel insurance

Older Millennials are more likely to have cover through their current accounts

## Insurance Arranged for Last Holiday Abroad

Single-trip policies were the most popular

Figure 29: Travel insurance arrangements for last holiday abroad, November 2017

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90% of annual policyholders travelled to Europe  
EHICs provide basic cover in Europe  
Younger Millennials more willing to travel without cover

## Use of Price Comparison Websites

PCWs were used by the majority of people who bought standalone policies  
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UK-based customer service is more important for those going on cruises

## Appendix – Data Sources, Abbreviations and Supporting Information

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## Appendix – Market Size and Forecast

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Forecast methodology

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