

# Travel Insurance - UK - 2022

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## This report looks at the following areas:

- The current impact of COVID-19 on the travel insurance market, as we enter into the post-pandemic era
- Future travel insurance intentions
- Future policy preferences
- Purchase preferences of consumers
- Important factors when buying travel insurance
- Attitudes towards travel insurers and policies

Price remains the integral factor for travel insurance customers, with 65% of consumers seeking the cheapest cover when searching for travel insurance. However, the COVID-19 pandemic has led to customers taking greater interest in the level of cover offered by policies, and thus, are likely to pay greater attention to this when purchasing travel insurance in the future.

Travel insurance is set to benefit from the wider recovery in international tourism from the effects of COVID-19. While the rising cost of living means many household budgets will be squeezed in the coming months, consumers continue to prioritise holidays following two years of pandemic-induced disruption. It is likely, though, that consumers will prioritise one main summer holiday, rather than going on multiple short breaks, and so single-trip policies are set to drive the recovery of the travel insurance market.

Young people remain less likely to plan to buy travel insurance than older travellers. Insurers need to focus on explicitly showing younger consumers the value of travel insurance policies. With younger consumers driving long-haul travel recovery, there is a particular opportunity for specialist insurers to promote long-term backpacking policies for younger travellers with pent-up wanderlust for major trips abroad.

In the immediate post-pandemic era of travel, domestic travel insurance could evolve into a new opportunity for insurers. Despite being traditionally



“The relaxation of international travel restrictions in Q1 2022 is expected to kick-start the recovery of the travel market over the next 12 months and beyond. This will naturally benefit travel insurers, who have suffered from reduced opportunities to sell policies during the pandemic.”

- Jennie Bryans, Financial Services Analyst, May 2022

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disfavoured, there is a growing appetite amongst consumers for UK-based policies to cover COVID-19 cancellations – particularly amongst older generations who remain more hesitant to return to international travel.

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