

# Survey of Australians' Travel Insurance Behaviour

Insurance Council of Australia



Department of Foreign Affairs  
and Trade



Australian Government  
Department of Foreign Affairs and Trade

Prepared by Quantum Market Research  
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## Top 5 findings from the travel insurance research

1.

8 per cent of Australian adults travelled outside Australia without insurance in the past 12 months. Three in ten (31 per cent) have done so in the past three years. The likelihood of having travel insurance increases with age. Almost a third (30%) of travellers think it's okay to go to developed countries without insurance.

2.

50 per cent of insured travellers engaged in risky behaviour on their last overseas trip. Males are more likely to engage in risky behaviour than females (55% versus 46%). The most common insurable risky activities are water sports, playing sport, riding a motorcycle or moped, and adventure sports.

3.

Lack of knowledge of what travellers are covered for is widespread. 27 per cent were not covered or were not sure they were covered for medical expenses. At least 40 per cent were not covered or were not sure they were covered for flight cancellations, loss of passports or theft of valuables. Two-thirds (65%) were not covered or were not sure they were covered for natural disasters.

4.

A quarter (24%) of all travellers experienced a loss on their most recent overseas trip that would be covered by most travel insurance policies. 54 per cent of those policyholders made a claim, of which 82 per cent were fully or partly paid. Three quarters (72%) of uninsured travellers acknowledge that they are exposed to significant or devastating debt.

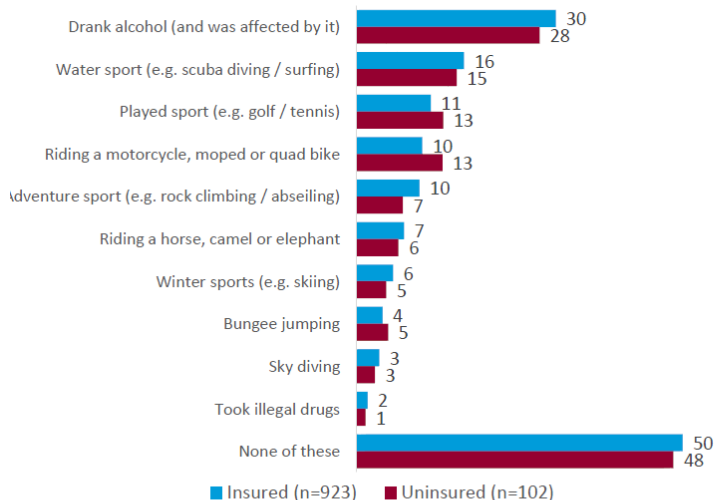
5.

Half (50%) of all travellers visit the Smartraveller website before booking their trip. Those with travel insurance were more likely to have visited the Smartraveller website (53%) compared to those without travel insurance (23%).

# Those who travel uninsured are just as likely to engage in risky behaviour as those who get insurance

## Activities undertaken on last overseas trip:

Base: All respondents (n=1025)



Q.13. Which of the following activities, if any, did you undertake the last time you were overseas?

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Insured

**50%**  
engaged in  
ANY risky  
behaviour

Uninsured

**52%**  
engaged in  
ANY risky  
behaviour

Under 30s significantly more likely to engage in risk-taking behaviour:

18-24

**73%**  
engaged in  
ANY risky  
behaviour

25-29

**75%**  
engaged in  
ANY risky  
behaviour

30+

**40%**  
engaged in  
ANY risky  
behaviour

Males are significantly more likely to engage in risk-taking behaviour (55%) compared to females (46%).

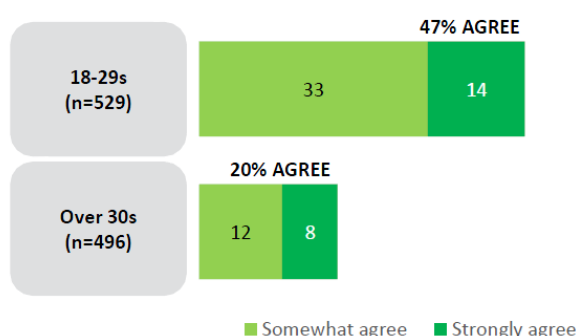
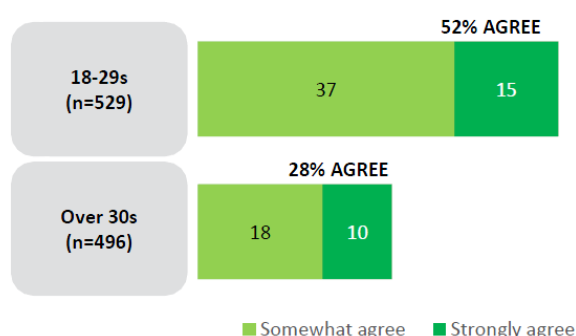
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# Around half of under 30s have misperceptions of how the government would help in a medical emergency overseas

## Attitudes towards travel insurance:

"If an Australian person has a medical emergency overseas, the Australian government would arrange and pay for them to get home"

"If an Australian person has a medical emergency overseas, the Australian government would pay their medical bills"



Overall: 35% of all travellers agree.

Those living in metro areas are significantly more likely to agree (38% total agree), compared to those in regional areas (27% total agree). Those aged 50+ are significantly less likely to agree (20%).

Overall: 28% of all travellers agree.

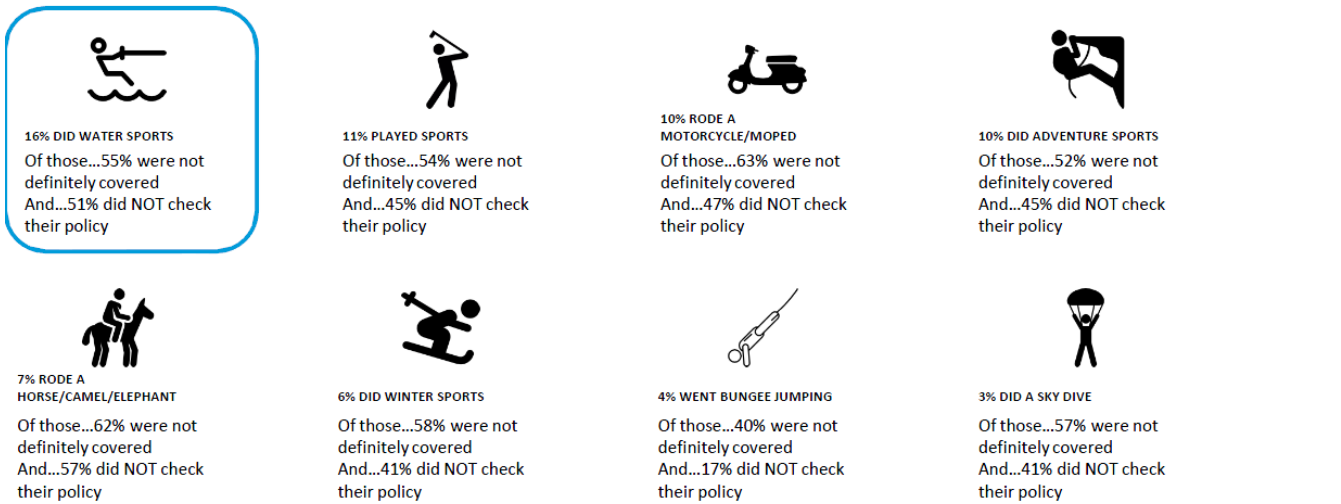
Those living in metro areas are significantly more likely to agree (30% total agree), compared to those in regional areas (23% total agree). Those aged 50+ are significantly less likely to agree (10%).

Q.41. The following statements cover a range of other different attitudes toward travel insurance. Please indicate to what extent you agree with each of them?

# Water sports are the most common insurable activities carried out without knowing if insurance covered it

## Insurable activities undertaken without being covered by insurance:

Base: Insured travellers (n=923)



Q.13. Which of the following activities, if any, did you undertake the last time you were overseas?  
Q.14. For each of the activities that you said you did the last time you were overseas, were they covered by your travel insurance policy?  
Q.15. Did you check your insurance policy to confirm whether you were covered by your travel insurance carrying out these activities?

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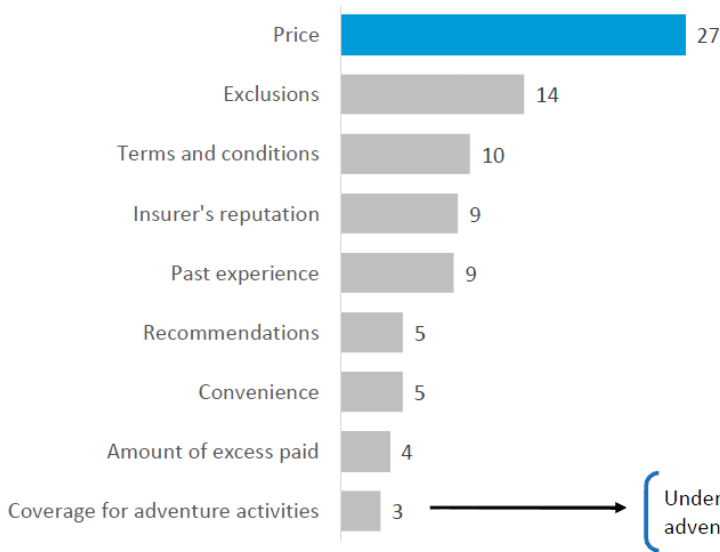
NOTE: Were not definitely covered = "I think I was covered" + "I was not covered" + "Don't know"

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# Price is consistently ranked by overseas travellers as the most important factor when arranging travel insurance

## MOST important aspects of travel insurance cover:

Base: Insured travellers (n=923)



Overseas travellers expose themselves to the risk of underinsurance by prioritising price over other factors when arranging cover. This issue is consistently prevalent between all age groups.

Under 30s are significantly more likely to have prioritised adventure activity coverage (6%).

Q.26. Which of the following did you look for when selecting travel insurance cover? And which of these was most important to you?

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# Travel insurance is typically arranged a few weeks after booking travel

## When travel insurance was booked :

Base: Insured travellers (n=923)

Travel booked on average

**110 days**

before departure



Average **22 day gap**  
between booking travel  
and booking insurance



Travel insurance booked on average

**88 days**

before departure

### Younger travellers delay slightly longer on average:

- **18-24s** arranged insurance an average of 25 days after booking travel.
- **25-29s** arranged insurance an average of 23 days after booking travel.
- **Over 30s** arranged insurance an average of 20 days after booking travel.

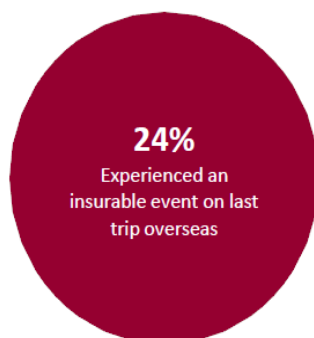
Delaying arranging travel insurance may increase the risk of travelling abroad without coverage due to forgetfulness.

Q.24. Approximately how many days prior to departure did you book your travel (e.g. flights)? NOTE: 'Don't know' responses not included  
Q.25. And how many days prior to departure did you arrange your travel insurance?

## A quarter (24%) experienced an insurable event on their most recent trip overseas

### Insurable events that occurred on trip overseas:

Base: All respondents (n=1025)



25% of those with insurance  
20% of those without insurance  
(not a statistically significant difference)

#### Top insurable events experienced

A flight or tour was cancelled (7%)
Flight delayed more than 12 hours (6%)
Received medical treatment (6%)
Lost / damaged / stolen luggage (6%)
Missed a connecting flight (5%)
Lost / damaged / stolen cash or personal items (4%)
Forced to cancel trip before departure (4%)

**168,658**

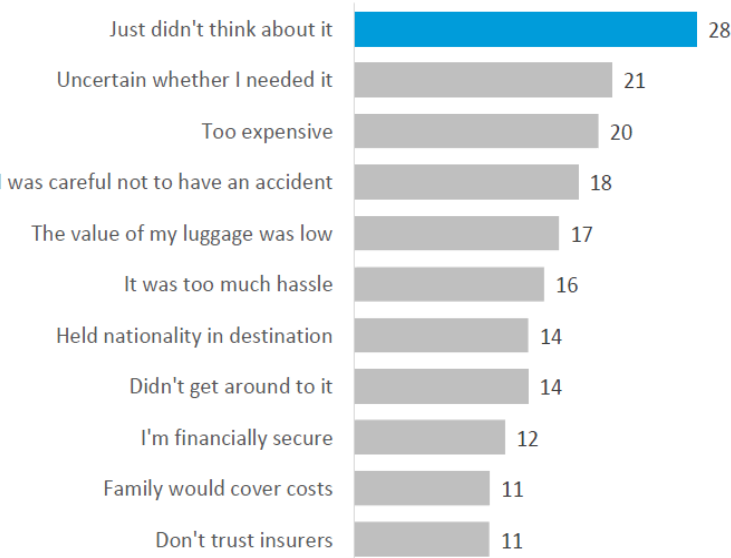
Australian adults without insurance experienced an insurable event whilst overseas in the past year.

Q.37. Did any of the following happen to you on the last trip you made overseas?

# The most common reason for forgoing travel insurance was ‘just not thinking about it’

## Reasons for not having travel insurance:

Base: Those without travel insurance on last trip OR a trip within last 3 years (n=316)



No significant differences by age group, gender or metro/regional location.

Results clearly reinforce the need for improved insurance literacy: One in five (21%) who went without were ‘uncertain’ whether they needed travel insurance. And 18% said they were “careful not to have an accident”.

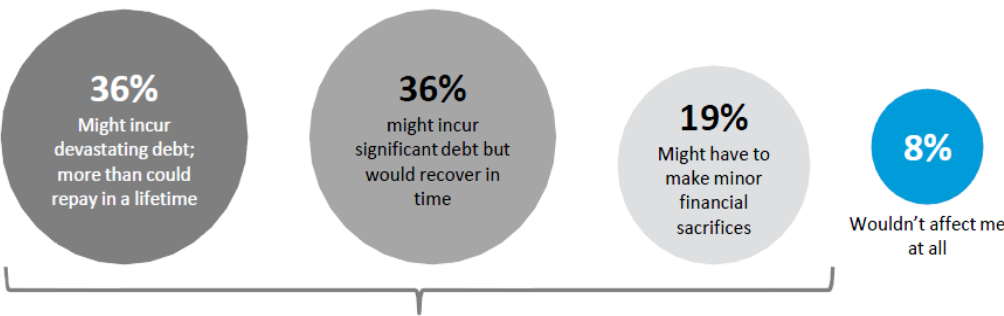
Q.32. You indicated that you did not hold travel insurance on your last trip outside Australia / a trip you made outside Australia within the last three years. We would like to understand why not?

## Three quarters (72%) of uninsured travellers acknowledge that they are exposed to significant or devastating debt

### Financial setback in the event of a crisis:

Base: Those without travel insurance on last trip OR a trip within last 3 years (n=316)

If we define exposure to potential financial loss as ‘any person who would have to make at least minor financial sacrifices in the event of a crisis’, then 92% of travellers perceive themselves to be exposed to risk.



No significant differences by age group, gender or metro/regional location.

92% of uninsured travellers are exposed to potential financial loss  
72% of uninsured travellers are exposed to significant or devastating debt

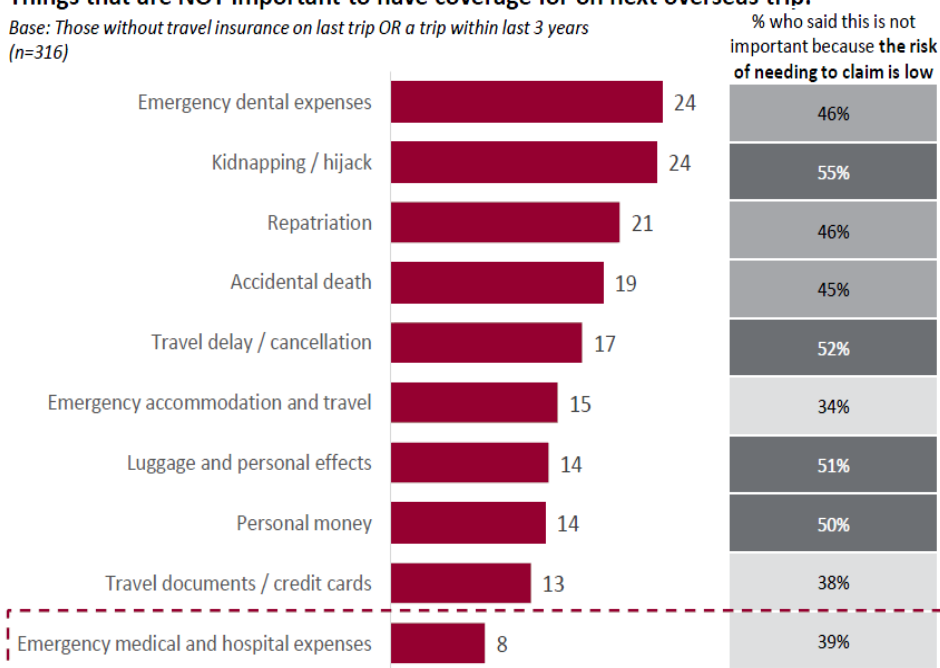
Q.36. As a consequence of not having travel insurance, which of the following describes the worst case scenario for how much of a financial setback you might incur in the event of a crisis?



# Events perceived to happen less frequently are not considered necessities for cover

## Things that are NOT important to have coverage for on next overseas trip:

Base: Those without travel insurance on last trip OR a trip within last 3 years (n=316)



Of those who went without, 8% said it isn't important to have emergency medical cover. Their most common reason being that 'the risk of needing to claim is low'.

Q.34. Thinking about the next time you travel overseas outside Australia, how important do you think it is for you to have travel insurance coverage for each of the following? Q.35. Why do you say that it is not important for you to have coverage for [item]?  
Note: No significant differences by age.

# Those who don't take out insurance are more likely to take risks whilst overseas

## Attitudes towards risk overseas:

Base: All respondents (n=1025)

"I am much more careful to avoid dangers overseas than when I am in Australia"

APPLIES TO ME COMPLETELY

Insured on last overseas trip (n=923)

36

Not insured on last overseas trip (n=102)

22

All travellers: 35%

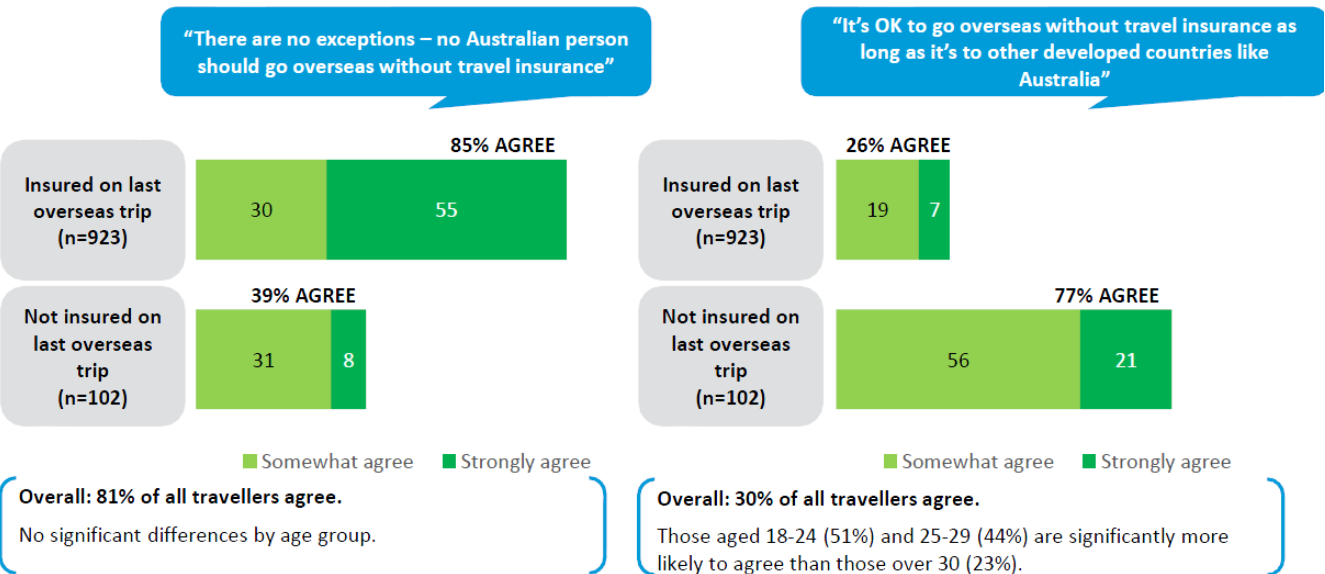
- No significant differences by age group, gender or metro/regional location.
- Those who visit the Smartraveller website before going overseas are significantly more likely to avoid dangers overseas (40%) compared to those who did not visit the Smartraveller website (30%).
- Those who visit the Smartraveller website were also more likely to agree that they feel more vulnerable in overseas countries (24% said this applies to them completely, compared to 15% of those who did not visit the Smartraveller website).

Q.19.a To what extent do each of the following statements describe you?

# Almost a third (30%) of travellers think it's okay to go to developed countries without insurance

## Attitudes towards travel insurance:

Base: All respondents (n=1025)

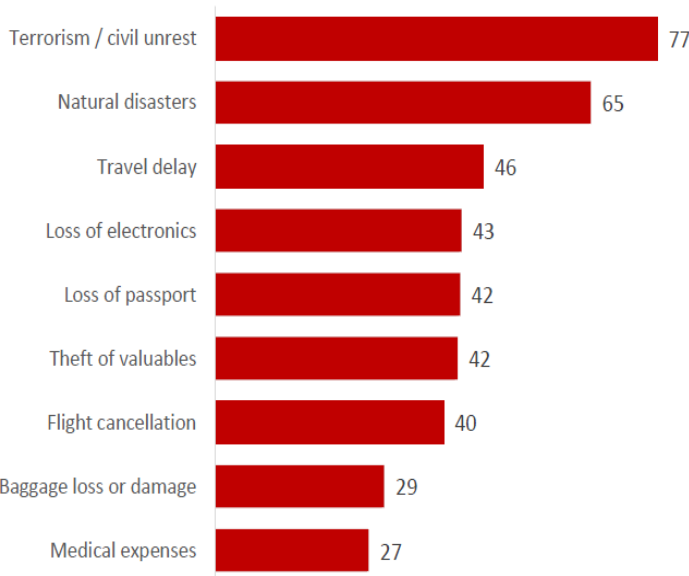


Q.41. The following statements cover a range of other different attitudes toward travel insurance. Please indicate to what extent you agree with each of them?

# More than a third (42%) weren't covered, or weren't sure if they were covered against theft

## Travellers were NOT covered or were not sure they were covered for:

Base: Insured travellers (n=923)



Q.16. Which of the following do you believe you were covered for by your travel insurance?  
Combined answer codes: I think I was covered + I was not covered + Don't know/not sure