



Skift + Allianz Worldwide Partners Present

UNDERSTANDING TRAVEL RISK PERCEPTIONS & REALITIES

Special
Report

International and domestic travelers face an ever-changing range of options and challenges when it comes to travel insurance for their journeys. Some of these concerns are rooted in reality; some of these are myths and should be dispelled. The travel industry is hungry for answers to help travelers, and the time for tight partnerships between travel brands and the travel insurance industry is now.

Presented by

Skift.

+



www.allianzworldwidepartners.com

If you have any questions about the report
please contact trends@skift.com.

CEO LETTER

Regardless of what type of company you're in, travel risks are an important part of how we decide to expand, diversify, and take time away from our businesses. With the number and variety of travel risks growing in our increasingly interconnected world, it is imperative that we work with partners who actively work to diminish those risks, while maintaining a customer experience that delights and serves travelers well.

While part of what we do is to educate the traveling public about the benefits of travel protection, at the end of the day it behooves us and the travel industry as a whole to help dispel myths about the impact of travel risks. In this regard, Skift has been the ideal partner for us – deriving insightful information from thought leaders in the travel industry to assess which travel risks impact consumer travel now and in the future, and how heavily these risks weigh in the minds of their customers when deciding whether to travel and how. This partnership is all about innovation in the traveler experience. The more we understand what emotional and psychological factors travelers face beyond the material aspects of their leisure or business trips, the better we can build experiences that are predictive and protective of their ability to travel globally.

I hope you find this Skift Trend Report instructive as you consider how best to protect your travelers' time, resources, and most of all – their experiences.

Travel confidently –



Mike Nelson
CEO, Global Travel and Americas
[Allianz Worldwide Partners](#)

ABOUT US

Allianz Worldwide Partners

Protecting the travel experience is no small responsibility. As a leading provider of travel insurance and assistance services to the travel industry's most successful companies, we are an integral part of keeping travelers traveling. In an increasingly uncertain world, it's important to ensure that travelers keep seeking out the experiences they love through travel. Protecting each and every traveler in our care enables them – and you – to feel the freedom and confidence that comes with limitless travel.

Allianz Worldwide Partners combines a host of in-house expertise and capabilities that results in a sophisticated, relevant experience for your customers. From custom product creation to innovative technology integration, and from access to our in-house marketing agency to world-class sales and account support, we open up our entire global company to serve and grow our travel partners' protection portfolio. All we do is in the service of protecting more travelers – so that more travelers come to you for their next journey, no matter how big or small.

Through over 25 years of industry-leading success and innovation, Allianz Worldwide Partners continues to push the limits of travel protection. In 2017, building on successive years of award-winning products,* the company launched advancements to transform the customer experience in claims filing, claims payments, product design, marketing expertise, its best-in-class mobile app, and more.

Learn more about everything we do to protect global travel for our partners and travelers at www.allianzworldwidepartners.com.

*Terms, conditions, and exclusions apply.

Insurance benefits underwritten by BCS Insurance Company or Jefferson Insurance Company, depending on your state of residence. Plan(s) may not be available in all jurisdictions. Allianz Global Assistance and Allianz Travel Insurance are brands of AGA Service Company. AGA Service Company is the licensed producer and administrator of [this plan] [these plans] and an affiliate of Jefferson Insurance Company. The insured shall not receive any special benefit or advantage due to the affiliation between AGA Service Company and Jefferson Insurance Company. Noninsurance benefits/products are provided and serviced by AGA Service Company. Consumer may be responsible for charges incurred from outside vendors for assistance or concierge services. Contact AGA Service Company at 800-284-8300 or 9950 Mayland Drive, Richmond, VA 23233 or customerservice@allianzassistance.com.





Expect more from your travel insurance partner

We set the gold standard by focusing on innovation in the customer journey and enhancing the travel protection experience—setting your business apart from the competition.

Exceed customer expectations with [TheAllianzAdvantage.com](https://www.theallianzadvantage.com).

Worldwide Partners

Allianz 

EXECUTIVE SUMMARY

International and domestic travelers face an ever-changing range of options and challenges when it comes to travel insurance for their journeys. Some of these concerns are rooted in reality; some of these are myths and should be dispelled.

Travel insurance purchases are on the rise among consumers, up nearly 20% in recent years according to US Travel Insurance Association research. This increase is occurring alongside technological innovation and the rise of the always-connected traveler – and it comes as the next generations of travelers – Millennials and Gen Z consumers, who bring some \$400 billion in spending power to the table – rise to new levels of importance.

For travel insurers, this shifting landscape is further complicated by the range of factors that define travel risk. Beyond obvious elements such as weather and socio/political unrest, potential trip disruptions include workforce interruptions, infrastructure challenges, inventory changes, and potentially cascading effects stemming from a single breakdown within even one segment of a trip – each of these elements can alter all the following phases of a journey or cause a trip cancellation.

Meanwhile, travel verticals are addressing travel insurance in increasingly nuanced ways. Travel insurance is now part of a network of opportunities for suppliers and travelers. In each case, these opportunities represent chances for travel suppliers and travel insurance providers to partner – building client satisfaction, providing protection across the traveler's journey, and prompting sales along the way.

Similarly, the case for partnership is strong when it comes to ways suppliers can reach travelers in all the places that they share and communicate about travel insurance. With the rise of social media and apps driving the change – from Facebook to Instagram, to artificial intelligence solutions that help solve traveler pain points in-trip – connections to the contemporary traveler are expanding and every one of them is a chance to create influential moments around travel insurance and coverage decisions.

Partnerships that clarify, streamline, and elevate the traveler's experience – even when events disrupt the travel journey – are the future of travel insurance. The range of risk and travel protection solutions is dynamic and increasingly rich. The travel industry is hungry for answers to help travelers and the time for tight partnerships between travel brands and the travel insurance industry is now.

TABLE OF CONTENTS

- 5 EXECUTIVE SUMMARY**
- 6 TABLE OF CONTENTS**
- 7 INTRODUCTION**
- 10 UNDERSTANDING TRAVEL RISK: VECTORS AND OPPORTUNITIES**
 - 10** Lens on verticals: expanding approaches to travel insurance
 - 14** How travelers get informed and communicate about travel insurance
 - 15** Traveler demographics and shifting trip expectations
 - 17** Suppliers + travel insurance: the power of partnerships
- 19 KEY STRATEGIES AND INSIGHTS**

ABOUT SKIFT

Skift is a business information company focused on travel intelligence and offers news, data, and services to professionals in travel and professional travelers to help them make smart decisions about travel.

Founded in 2012 by media entrepreneur Rafat Ali, Skift is based in New York City and backed by Lerer Ventures, Advancit Capital, and other marquee media-tech investors.

Visit skift.com for more.

INTRODUCTION

Travel insurance matters to every travel vertical. And it matters to consumers – it helps travelers continue to travel, even in the moments when something goes wrong, or in the future if they have to change their plans. Fact: the US Travel Insurance Association tells us that more and more consumers are buying coverage. Based on the Association's most recent numbers available in 2017, more than 33.4 million travelers added travel insurance to their plans in 2014, an 18% increase from the measurement period two years prior.¹

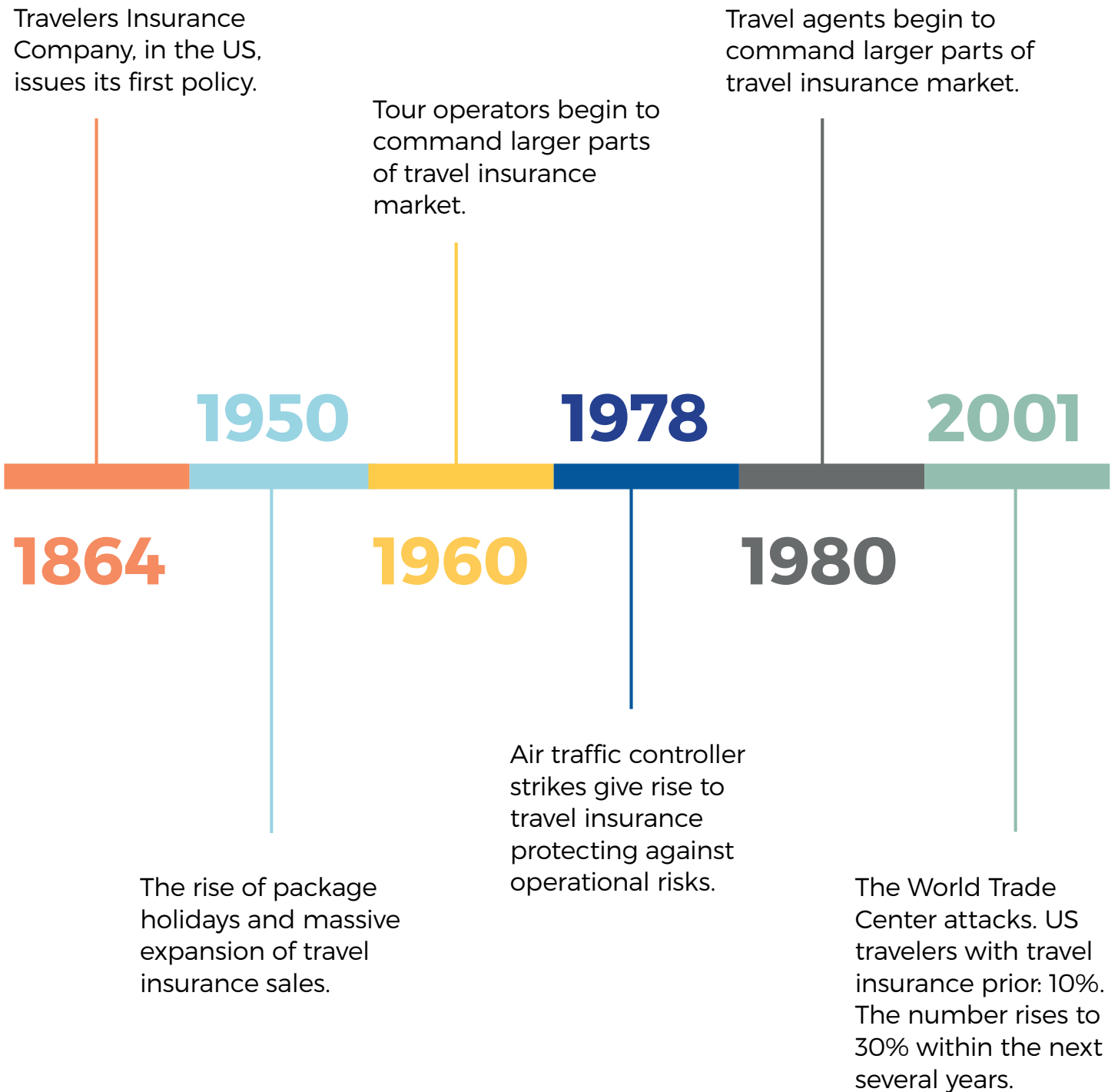
In the early days, travel insurance addressed a relatively focused range of risks. You bought your basic plan – if your train or steamboat trip suffered a breakdown or catastrophe, injury and life were covered.² These days, the contemporary travel industry is marked by greater complexity and nuance.

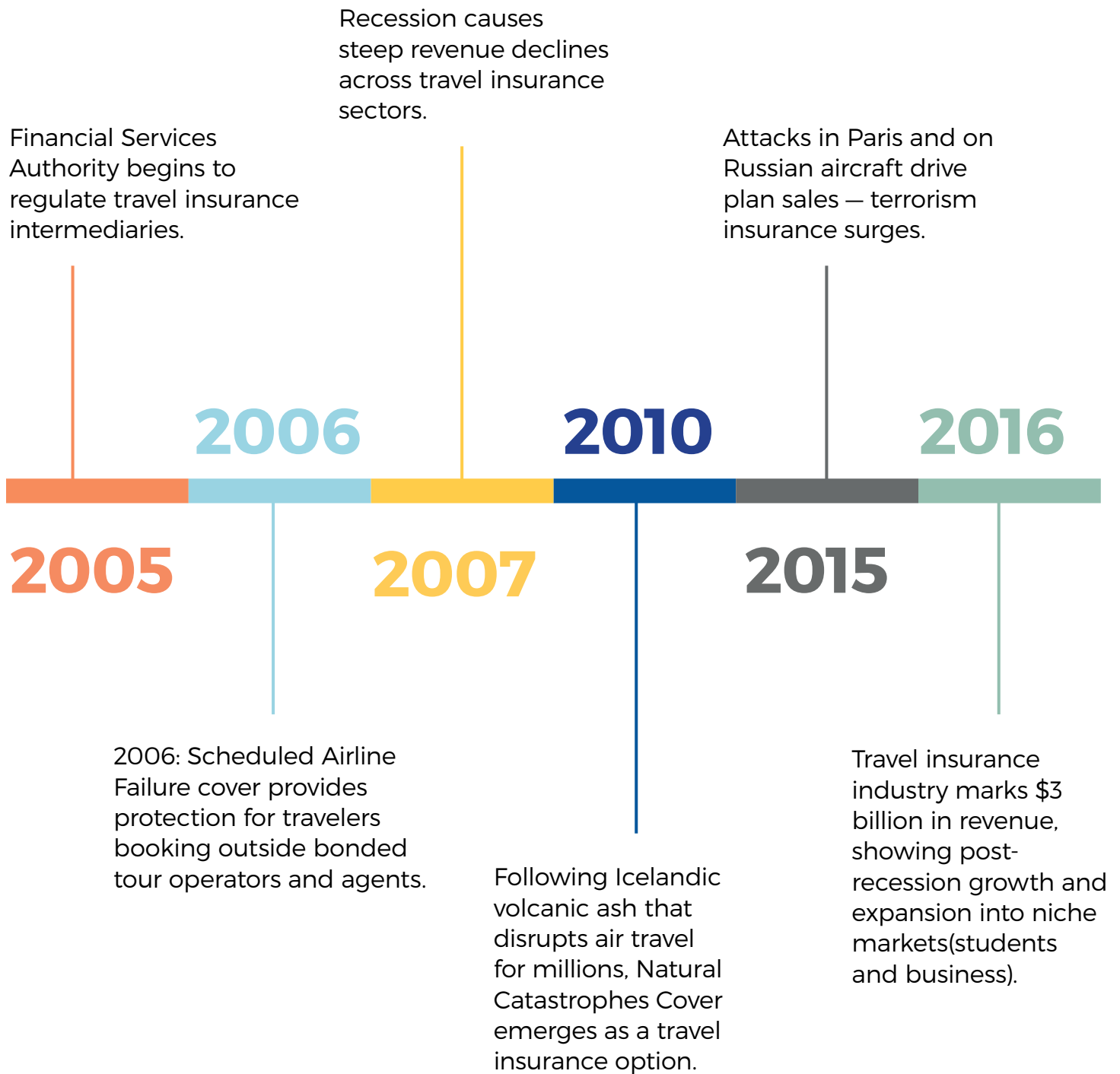
Human conflict, baggage transport issues, coverage for illnesses that knock the traveler off their intended trail, these are now part of what travel insurance addresses. The rise of business travelers and corporate travel risk management is another part of the contemporary landscape. Add in all the operational contingencies that come with a growing industry – from airlines to rail, from hotels to the agencies and online companies that fight for every booking – these factors are also in play.

Technology is changing the face of travel insurance as well. Up-and-coming-generations, including Millennial and Gen Z travelers – combined, they are expected to command spending power on the order of \$400 billion⁶ – are bringing their own influences and approaches to the travel insurance marketplace. Social media and always-connected consumers are now a major force in shaping the travel insurance landscape. Shifts in consumers' ability to download real-time intelligence is rewriting expectations within the travel insurance space. Meeting the contemporary traveler's protection needs is now largely about giving them solid information across the course of their trip, using data-driven strategies to find them where they plan and communicate about travel, and the contemporary traveler's needs include insurance options that not only cover traditional financial loss but also provide benefits and assistance that protect travelers throughout their journey.

With all this in mind, some of what we understand about travel insurance and travel risk is rooted in reality and some of it includes myths that can be dispelled. Making real distinctions between the truth and fiction of travel risk means examining the ways that answers can be supplied, and how the realities of travel risk can be best communicated to tech-smart consumers in increasingly connected times.

A Brief Timeline of Travel Insurance





UNDERSTANDING TRAVEL RISK: VECTORS AND OPPORTUNITIES

Major storms. Political unrest. Military conflict. These are the travel risks that keep us up at night. And, to be certain, they're obvious and longstanding examples of events that can drive a vacation or a business trip way off course. However, these aren't the only or the most frequently encountered factors at work in the travel insurance equation.

Beyond the blizzards and acts of war that can disrupt travel in dramatic ways, *operational risk* is an overarching category of circumstances that travel suppliers and travel insurers must face when it comes to protecting travelers. Vertical by vertical – the industry is working with a dizzying variety of things that can break down.

Lens On Verticals: Expanding Approaches To Travel Insurance

"We have to think about risk as being many different things," said Michael Quiello, head of business development, JetBlue, in a Skift interview. "Operational risk includes all the factors that are out of your control, such as weather, for example, that could lead to your trip being disrupted. It could encapsulate your flight being canceled, your vacation being canceled ... in fact, risk for a customer is *more often* limited to these things."

Travel brands can counter these factors and better protect consumers against operational risks by bringing deeper resources and education about risk to the customer's booking flow. The smart traveler will look for information about what protections they can acquire for events such as flight delays, luggage that doesn't

make it to expected destinations, booking and service breakdown at hotels, in-destination event cancellations, and the like. And so, as the following examples illustrate, it's critical for suppliers across verticals to consider the full context of modern traveler experiences.

- **AIRLINES:** Airport and flight-traffic control disruptions. Airport infrastructure. Simply getting a mechanic to a plane that can't leave the gate without a bit of attention. Airlines know that keeping travelers – and trips – well protected means good info, all the time. One measure of that responsiveness? The vertical is a leader in app-based communications. "Just knowing that you've got an app that's surveying ahead in your travel plans and saying if there's a threat," said Jay Richmond, head of Corporate Product and Innovation at Amadeus, in a Skift report – it makes a powerful difference in the time-crunch between, say, landing and boarding that connecting flight with a family in tow.⁷ Richmond emphasized the value to the traveler of knowing that "the threat has reached a point that I think you need to know there are alternatives, costs, and time impacts – and you need to make a decision." Making that decision is all important. Airlines partnering with technology and travel insurance providers tilts the odds in favor of the traveler getting to the next segment of their trips without additional disappointment.
- **HOTELS:** Another reality of travel insurance is that it must address cascading effects of events in one travel vertical as they affect service and supply in another. As changes in an airline's flight schedules occur, for example, including cancellations that leave travelers waiting for the

next day's flight, this often means extra nights at hotels. USA Today recently reported on the experience of Kristen Montag, of Minneapolis.⁸ Her trip to Manhattan was prolonged by the 2016 blizzard that struck New York. Luckily, Montag's travel insurance policy reimbursed her for the extra night. That's a partnership-driven and positive brand experience for the insurer, to be sure, but it's also a happy outcome for the hotel. By working in tandem with the travel insurance supplier, the hotel was no longer a pain point in the equation; it was instead a source of comfort for the stranded traveler. If the concept of risks being vertical-specific is one myth in need of dispelling, this example makes the case for how suppliers can work together in the real world to protect travelers across the travel ribbon.

■ **ONLINE TRAVEL AGENCIES:** The OTA landscape is subject to its own evolutionary forces, and one opportunity in the space is the development of e-platforms that can do more than just book the trip.⁹ Travel suppliers such as airlines and hotels can turn to these platforms to up-sell travel insurance during in-destination phases of the journey. It's the power of data and analytics that now allow suppliers to highlight situations relevant to travelers in particular locations. And this is a huge card to play when it comes to helping travelers take in-the-moment action based on circumstances that could change, disrupt, even end a long-planned vacation.

■ **TOUR OPERATORS & CRUISE LINES:** Here's a headache for any traveler: they book a vacation but then their itinerary is changed or delayed by weather, political events, or other scenarios that can impact flights and in-destination plans. Letting a third party carry the lion's share of responsibility is no small affair, but operators can encourage trust by wrapping every package in a travel insurance offering. Partnerships drive this opportunity. Tour Operators can work with travel insurance partners to shortlist all the safeties – outlining the documentation and itemized proof-points that travelers can take to an insurer should anything go wrong before and during their next journey.¹⁰

■ **EVENTS AND DESTINATIONS:** Destinations and attractions are driving travel spend. MMGY Global reports, for example, that 58% of vacation travel in 2016 included attractions, and 68% of polled households said they planned for those attractions before departing on a trip.¹¹ Partnership opportunities abound, as suppliers and intermediaries work together to ensure that trips including high-priced passes to a major sporting event or a key sightseeing location, activity, or experience are as protected as the flights, hotels, and rental bookings that lead up to them. The opportunity for travel insurance providers is to help transform relevant segments of the booking process – partnering with suppliers to look deeply into itineraries and offering specific solutions should a game get canceled or weather impact an activity.

■ **BUSINESS TRAVEL:** While nearly three-quarters of companies polled in a recent Global Business Travel Association study said that their companies have a risk-management plan in place, more than one-quarter of respondents said they traveled for business without a plan or were unsure about whether they were covered.¹² That's a lot of uncertainty in precisely the kind of travel that just can't afford disruption and delay. Organizations can do more to foreground travel-risk management when it comes to employees, according to experts. "I don't think that companies yet provide fully adequate travel-risk management but there is a growing focus on it," said Elizabeth Anderson, global travel risk assistant at Inmarsat, a telecommunications firm, in an interview with Business Travel IQ.¹³ "While larger companies are often better prepared due to the widespread recognition of risks and availability of resources, smaller and medium-sized companies are increasingly aware of the need to have a plan in place but often have [fewer] resources." Travel insurance partnerships in these cases are an opportunity that keeps business travelers in business.

■ **RENTAL CARS:** A central myth of travel-related car rentals is that a driver's owned-car insurance is sufficient. In fact, with the exception of a few states, as the International Risk Management Institute reports, travelers who rely on their existing policies must at least have comprehensive and collision coverage on their personal auto policy.¹⁵ Even then, IRMI reports, "claims requiring loss of use, diminished value, administrative charges, and variances in valuation disputes can be costly and are not covered by standard auto policies." The car rental space is yet another opportunity for the travel insurance industry to reach consumers with proactive information. It's a sector in which travel suppliers and travel insurance providers can partner – building client satisfaction and sales along the way.

■ **SHARING ECONOMY:** Americans are embracing the sharing economy – half of the polled travelers in one recent study said they intended to include sharing economy options in upcoming trips.¹⁶ Millennials are clearly leading in familiarity with sharing economy travel services and nearly half (48%) of all the polled travelers said they trust these services. But the travel insurance equation is still in play. The value of sharing may be apparent but traditional travel suppliers still command 40% of consumer preference when it comes to resolving problems when things go wrong. The call is clear: travel insurance leaders and sharing economy innovators can create powerful partnerships around earning travelers' confidence when it comes to travel risk within the sector.

All the above examples extend beyond the cabin of a plane, or a hotel room, or the destination itself: they're about partnership-based strategies that envelop the entire trip cycle – and that protect the traveler every step of the way. In each case, assumptions about how risk emerges – and

about how travel insurance works – often prove inadequate. Travel risk and travel insurance are almost always more complex and nuanced than they seem at first.

Travel protection and terrorism

Recent events in cities such as Paris raise concerns for travelers and understandably so. What follow are three key insights about travel insurance in an unpredictable world, helping to clarify what travelers often assume are givens and highlighting the reality of how insuring against these scenarios often works.

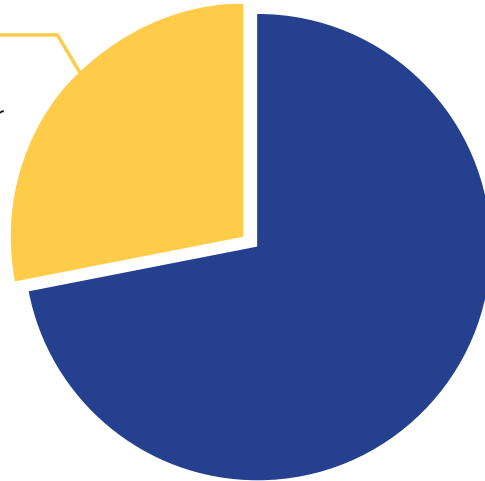
- Incidents of violence and terrorism may be covered by trip interruption or trip cancellation benefits if the traveler purchases the plan prior to the named event.
- Travel alerts and warnings are often not sufficient to trigger insurance reimbursements for coming trips.
- Should something actually occur, in-destination, emergency return and re-booking assistance is often available from the travel insurer, even in domestic instances.

Source: USA Today (2015)¹⁷

Corporate Travel Risk Management

28%

percentage of global travel buyers who say their company either doesn't have a risk management plan in place or they are unsure if there is one

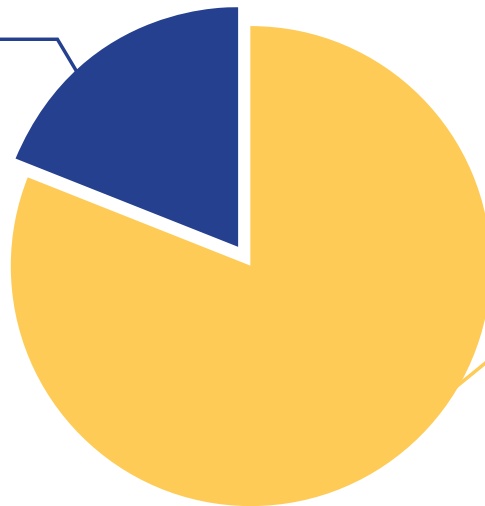


72%

percentage of global travel buyers who say their company has a risk-management plan in place

19%

who found their company's risk management plan ineffective after the Brussels attacks



81%

percentage of global travel buyers who found their company's risk management plan to be effective directly following the terror attacks in Brussels

How Travelers Get Informed – And Communicate – About Travel Insurance

Arming the traveler with up-to-date facts and resources via emails, websites, and other time-of-booking engagements creates positive brand experiences. Put simply, these engagements cast the entire travel ribbon as a supportive and cooperative process. And travel insurance is rich with allies. Consider the following resources, all of which can be conveyed to travelers as they book.

- Repositories of valuable information are offered by organizations such as the US Department of State – one such database is a comprehensive list of embassy and consulate locations, found at <https://www.usembassy.gov/>.
- The Bureau of Consular Affairs has also created a site to answer questions about health-related scenarios that travelers may face while abroad – <https://travel.state.gov/content/passports/en/go/health.html>. These include resources for older travelers (<https://travel.state.gov/content/passports/en/go/older-traveler.html>) and information about overseas coverage: <https://travel.state.gov/content/passports/en/go/health/insurance-providers.html>.

Another green field for partnership opportunities is the following: travel insurance and travel suppliers can join forces to act on the goals they set for travel-risk education. Case in point: consider all the complications that can arise around how health insurance works abroad. It's no small factor: one in three travelers remain unclear on whether their domestic health insurance covers them out-of-country (in many cases, regular domestic health insurance won't).¹⁸

Pre-existing medical conditions can also impact trip cancellation, interruption, and medical-expense coverage. Travelers must often be in the

clear, for example, when it comes to treatment and/or new medications (typically, 60–180 days to avoid exclusion from a trip insurance policy).¹⁹ Empowering travelers – and travel suppliers – includes providing clear and readily available information about which health circumstances can trigger changes in coverage, as well as what exclusion waivers apply.

With these approaches to giving and acquiring good information in mind, it's also important to remember that travel consumers talk to each other about their experiences. The consumer's voice has never been more powerful, reaching friends and colleagues – and travelers engaged in online research – in all the digital spaces we use every day.

Apps and Travel Insurance

Australia is an industry leading region when it comes to highly developed travel insurance apps – offerings from the land down under include features that allow travelers to access medical care, embassy resources, trip safety updates and the like. Full featured apps in other countries, most of them accessible to travelers who've purchased a policy, allow for additional searches and answers. Beyond referencing the policies themselves, and communicating with the supplier, the strongest of these apps also offer assistance such as medical dictionaries in multiple languages.

Source: Huffington Post (2017)²⁰

At Amtrak, for example, according to Allen Sebrell, the supplier's manager of e-commerce, in a Skift e-mail interview, Millennials are "leveraging social media to stay updated with the latest news," he said:

“**Millennials are sharing aspects of their trip journey – the good and bad – with their counterparts through crowd sourcing.**”

As such, Amtrak turns to social media. Among the different channels it uses to engage travelers, Amtrak leverages its Facebook page, its Twitter feed, Instagram updates, blogs, and even its Google+ accounts. Furthermore, the rail giant has implemented artificial-intelligence solutions. Ask Julie is the name of Amtrak's interface, developed in partnership with Next IT. The interface allows the organization to communicate with online passengers in real time and it frees up bandwidth for call-center associates to work on higher-tier booking, problem-solving, and travel insurance queries.

Julie answers about 10,000 customer queries per day, significantly more than any live agent can address," Sebrell said in a Next IT interview.²¹ "What's even more impressive is the quality of Julie's work. We've seen a 20% reduction in unnecessary escalation calls to our contact center agents ... we've also been able to develop a better content-management strategy. We use the data submitted through the IVA [intelligent virtual assistant] to understand customers' pain points."

Traveler Demographics and Shifting Trip Expectations

Addressing travel insurance pain points means meeting travelers where they talk. We see the Millennial influence on the ways brands communicate with consumers in the case of Amtrak, for example. But we should also turn to strategies that match the ways members of different demographics spend. At JetBlue, Michael Quiello said he sees less consumer focus on travel insurance among Millennials and Gen Z travelers – an observation historically backed by recent industry data.

The data shows the shift – and so, goodbye to the myth that Millennials and their younger counterparts are destined to turn their backs on the travel products and services their parents purchased. Travelers are expected to engage with travel insurance at increasing levels across age groups, and they can be reasonably expected to demand more of suppliers when they do.

The scenario, then, comes down to a concept: to succeed at satisfying consumers' travel insurance needs, the travel industry must evolve even further and it will require capacity and deep-bench resources to do so in multi-channel, multi-generation ways. Travel insurance has never been as complex as it is now – or as complex as it's about to become. Going forward, protecting the next generation of travelers will increasingly rely on partnerships.

Recent History: Millennials + Travel Insurance



13%

of Millennials opting to spend on travel insurance in 2016

Source: The Points Guy (2017)²²

It is a scenario that looks to be changing, however, and quickly. New research shows upticks in intended spend by Millennials between 2016 and 2017.

Future Spend: Millennials + Gen Z



33% +

of Millennial travelers intending to buy travel insurance, 2016-17



21%

percentage of Gen X travelers intending to buy travel insurance, 2016-17

Source: Allianz Worldwide Partners (2016)²³

Coupling the above data with recent MMGY Global findings – 47% of polled Millennials intend to take more vacations, 2017-18, and 19% intend to spend more on vacations²⁴ – it's clear that these younger generations' looming influence on the business of travel suppliers and travel insurance will be significant. Even Quiello agrees: "Millennials are tomorrow's families that are traveling – they're your older, higher-income customer base as you move forward generationally," he said.

Future Spend: Boomers



23%

percentage of Baby Boomer travelers intending to buy travel insurance, 2016-17

Source: Allianz Worldwide Partners (2016)²⁵

Suppliers + Travel Insurance: The Power of Partnerships

Travel insurance has evolved to cover more than trip cancellation. It is, in 2017 and beyond, a holistic protection of the traveler, addressing their physical needs and expectations as well as the mental and emotional benefits that coverage creates when it comes to peace of mind throughout the journey.

"I think what we've done, and I think you're starting to see other travel brands do this, too, is to own as much of the travel ribbon as you can," said Michael Quiello, at JetBlue. "Control the experience.

“
Identify partners that have a shared view of the customer in the same way that you do; they'll treat the customer the way we treat our customers.”

When things are good, we have partners to handle travel insurance. When things are not going so well, we've put processes in place to communicate effectively with the customer – here's what we'll do, here's what you can expect. The goal is to build strong partnerships throughout the entirety of the travel ribbon, essentially reducing potential friction points.”

The unwritten page is the travel insurance industry's opportunity. As we look to the next 10 and 20 years of travel risk and assurances, what will be the primary changes? What is going to evolve and what is going to be offered that isn't offered now? The power of partnerships – clarifying processes, streamlining approaches, and introducing technology that elevates the traveler's experience of the brand, even in situations that are less than ideal – this is the future we're talking about.



“We tend to evolve,” Quiello said. “As we evolve the model, the travel insurance products will evolve with it. Because things that you cover for air you’re probably also going need to cover for hotel and ground transportation. I think that’s the first thing. And the second thing is, there’s a lot of opportunity in the realm of trigger benefits.”

Trigger benefits encapsulate the kind of travel insurance we looked at in the hotel-vertical example, earlier in this paper. A flight is delayed three hours. You’re caught in a city and you’re hungry and you’re looking for the kind of break that will ease the sting of waiting around. Without having to do anything, travel suppliers and their travel insurance partners enact a series of responses – automatically depositing \$50 into your account so that you can get dinner during the disruption. It can be a game changer for the weary flier. It’s the essence of travel insurance at work.

Additional points of evolution are likely to include unique and flexible cancellation policies. As travelers, who are, after all, consumers who root their expectations in the online and offline shopping

experiences they now enjoy, the time has come to embrace the reality of anything, anywhere, anytime responses. Bottom line, return-for-any-reason policies – which retail has adopted widely in the online world – are destined to drive a mindset that demands flexible cancellation policies in travel. Travel insurance suppliers and travel brands owe it to their organizations to keep up with this kind of change.

Travel insurance is critically important to the consumer because travel is personal, it’s professional, and it’s part of an ongoing agreement between traveler and brand – control is granted, transportation is promised, and some risk is assumed. What becomes clear is that the range of risk and travel protection solutions with which suppliers must work to protect consumers is dynamic and increasingly complicated. This is precisely why partnerships between suppliers and travel insurance providers matter. They render the complications of travel risk simple, and they wrap the travel consumer in a web of solutions – technology, education, and predictive, personalized outcomes that keep trips on track, and that include options for immediate assistance when plans and itineraries suddenly change.



KEY STRATEGIES AND INSIGHTS

1**Look at travel risk expansively, don't limit it to *force majeure*.**

Longstanding risk vectors for travel suppliers and insurers are only part of the travel insurance story. It's just as important for the travel industry to create a protection infrastructure that covers the events that can delay, disrupt, interrupt, and cancel travelers' plans. Travel suppliers and their travel insurance partners must communicate, educate, and energize travelers when it comes to the realities of risk versus simplified and/or out-of-date understandings of the contemporary travel landscape.

2**Get social and communicate; make travel insurance part of your brand's media feed.**

Travelers talk to each other, now more than ever. Technology is fueling the evolution of consumer awareness and empowerment across industries. This is a massive and positive step for brands and their customers, but it is also a new frontier when it comes to supplier-to-consumer transparency. One tweet, post, photo upload, and message at a time, travel insurance leaders must tell stories that matter – stories that reinforce accurate understandings of travel risk and solutions.



- 3 Embrace demographics and acknowledge nuance.** No age group stays the same over time. The myth of Millennials spending in radically different ways from Gen X and the Boomers before them, for example, must be dispelled. In reality, data shows a Millennial shift toward the same travel-related products – including travel insurance – that other demographics have historically bought. Travel suppliers and insurers will succeed in capturing this upcoming spend by finding these consumers in the physical and digital environments where they make travel decisions. And suppliers can't leave behind older generations in the process: Boomers, for example, are still buying travel insurance.
- 4 Lean in to new technology and encourage policy-level innovation.** The future will not be static. Travel insurance will evolve as technology prompts new platforms and new experiences of travel consumption. Similarly, the inherent assumptions travel leaders bring to the policies and assurances their customers expect – and demand – will require revisiting throughout this process. Bottom line, the kind of cancellation allowances and parameters that once seemed permanent will likely shift to meet future travelers' expectations around how purchases, claims filing, and assistance work.
- 5 Build strong partnerships and deep-bench resources to solve for a complex marketplace.** The future of travel insurance is going to take strong partnerships. From technology partners to alliances that allow suppliers to tap into the resources that travel insurance vanguards can offer, the only winners in the race to the top will be the ones who make the climb together – achieving strategically and cooperatively what their competition fails to command.

ENDNOTES

1. Elliott, Christopher. "Travel insurance can save the day," USA Today (May 14, 2017).
Source: <https://www.usatoday.com/story/travel/advice/2017/05/14/travel-insurance/101590650/>
2. Tysdal, Damian. "History of Travel Insurance," Travel Insurance Review (October 4, 2009).
Source: <http://www.travelinsurancereview.net/2009/10/04/history-of-travel-insurance/>
3. "Travel insurance changes to match our travel habits," Explaining Travel Insurance (September 1, 2011). Source:
<http://www.explainingtravelinsurance.com/2011/09/history-travel-insurance-travel-habits/>
4. Cortez, Joe. "Three Travel Insurance Trends to Look For in 2016," Trip Savvy (August 23, 2016).
Source: <https://www.tripsavvy.com/travel-insurance-trends-3259928>
5. "Travel Insurance: Market Research Report," IBISWorld (October 2016).
Source: <https://www.ibisworld.com/industry-trends/specialized-market-research-reports/advisory-financial-services/specialist-insurance-lines/travel-insurance.html>
6. Bernard, Julie. "Introducing Mobile Prodigies: A Fresh Look At 2 Generations Driving App Adoption and Usage," MediaPost: Engage:Millennials (November 16, 2016).
Source: <https://www.mediapost.com/publications/article/289242/introducing-mobile-prodigies-a-fresh-look-at-2-ge.html>
7. O'Brien, James. "Understanding the Digital Habits of Business Travelers," Skift (2014).
Source: <https://research.skift.com/reports/understanding-the-digital-habits-of-business-travelers/>
8. Elliott (2017). Source: <https://www.usatoday.com/story/travel/advice/2017/05/14/travel-insurance/101590650/>
9. White, Sally. "Into a brave new world for OTAs and beyond," Eye for Travel (November 14, 2016).
Source: <http://www.eyefortravel.com/social-media-and-marketing/brave-new-world-otas-and-beyond>
10. "5 Reasons Your Trip Cancellation Insurance Won't Cover You," Allianz (2017).
Source: <https://www.allianztravelinsurance.com/travel/trip-cancellation/trip-cancellation-claim-denied.htm>
11. Blount, Anna. "2017-2018 Portrait of American Travelers Study Released," MMGY Global (June 18, 2017).
Source: <http://mmgyglobal.com/news/news-2017%E2%80%932018-portrait-of-american-travelers/>
12. McCormick, Mike. "GBTA POLL SHOWS VAST MAJORITY OF COMPANIES HAVE EFFECTIVE RISK MANAGEMENT PLANS," The Business of Travel (March 31, 2016).
Source: <http://blog.gbta.org/2016/03/31/gbta-poll-shows-vast-majority-of-companies-have-effective-risk-management-plans/>
13. "INMARSAT'S ELIZABETH ANDERSON ON TRAVEL RISK PLANS," Business Travel iQ (August 2, 2017).
Source: <http://www.businesstravel-iq.com/article/blog/business-travel-iq%27s-blog/2017/08/02/inmarsat-s-elizabeth-anderson-on-travel-risk-plans>
14. McCormick (2016).
Source: <http://blog.gbta.org/2016/03/31/gbta-poll-shows-vast-majority-of-companies-have-effective-risk-management-plans/>
15. O'Brien, Timothy P. "Car Rental Risks and Protection Options," IRMI (February 2014).
Source: <https://www.irmi.com/articles/expert-commentary/car-rental-risks-and-protection-options>

16. "Sharing Economy Index," Allianz (2017).
Source: <https://finnpartners.app.box.com/s/autqtsqktuf2jabu4nh6oi6f6veiqyxl>
17. Potter, Everett. "Five myths about travel insurance and terrorism," USA Today (November 25, 2015).
Source: <https://www.usatoday.com/story/travel/advice/2015/11/25/travel-insurance-terrorism/76314510/>
18. Loffredi, Julie. "Will Your Health Insurance Cover You Abroad?," Forbes (June 7, 2017).
Source: <https://www.forbes.com/sites/nextavenue/2017/06/07/will-your-health-insurance-cover-you-abroad/#96e20b3730f2>
19. "The Importance of the Look Back Period in Your Travel Insurance Policy," TravelInsurance.com (July 20, 2017).
Source: <https://www.travelinsurance.com/2017/07/importance-look-back-period-travel-insurance-policy/>
20. Elliott, Christopher. "These Travel Insurance Apps Could Save Your Summer Vacation," Huffington Post (August 14, 2017).
Source: http://www.huffingtonpost.com/entry/these-travel-insurance-apps-could-save-your-summer_us_5991b5b1e4b0ed1f464c0c9b
21. Snell, Jen. "Next IT in the Wild: Q&A with Allen Sebrell, Amtrak," Virtually Speaking by Next IT (March 24, 2017).
Source: <http://blog.nextit.com/next-it/next-it-in-the-wild-qa-with-allen-sebrell-amtrak/>
22. Cortez, Joe. "Travelers Spent Less on Travel, More on Travel Insurance in 2016," The Points Guy (January 6, 2016).
Source: <https://thepointsguy.com/2017/01/travelers-spend-on-insurance-2016/>
23. "Who Buys More Travel Insurance: Millennials or Boomers?," Allianz (2016).
Source: <https://www.allianzworldwidepartners.com/usa/articles/who-buys-more-travel-insurance-millennials-or-boomers>
24. Blount (2017).
Source: <http://mmgyglobal.com/news/news-2017%E2%80%932018-portrait-of-american-travelers/>
25. "Who Buys More Travel Insurance: Millennials or Boomers?," Allianz (2016).
Source: <https://www.allianzworldwidepartners.com/usa/articles/who-buys-more-travel-insurance-millennials-or-boomers>

GET IN TOUCH

Want to learn more about travel and event insurance solutions for when your customers need it most?

We make it easy to partner with us. Simply reach out to Tom Trotta, VP-Business Development USA, at partner@allianz.com to learn more.