



# Travel Medical Insurance Study Wave 2 Report



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# Background and Methodology

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# Study Background and Objectives

- In 2015, a survey was conducted by Pollara on behalf of CAFII, as part of an industry review of Travel Medical Insurance requested by the Canadian Council of Insurance regulators, triggered by concerns raised in the media. In 2018, CAFII decided to repeat this quantitative research to determine if consumer perceptions and experience changed over the past three years.
- The specific objectives of this study are to quantitatively test:
  - The general public's perceptions of the travel medical insurance sector and the level of confidence in travel medical insurance
  - Experiences and satisfaction levels with the travel medical insurance purchase process among recent buyers (past 12 months)
  - Experiences and satisfaction with the travel medical claims submission process and outcomes among recent claimants (past 24 months)
- CAFII again engaged Pollara, an independent market research firm, to conduct a Canada-wide study that would provide answers to the aforementioned topics.
- Results of this study are compared to the 2015 benchmark study wherever possible.

# Methodology

- Survey conducted nationally between February 16<sup>th</sup> and March 5<sup>th</sup> using an online methodology
  - First wave conducted August 17 - 28, 2015
- Stratified sample in 2018 was increased to 1,200 adult Canadians from 1,000 in 2015 to allow for more in-depth analysis of purchasers and claimants:
  - General population - Non-buyers of insurance, or purchased more than 12 months ago: n=400 (n=400 in 2015)
  - Purchased travel medical insurance over the past 12 months: n=800 (n=600 in 2015)
  - Subsample #1: made a claim over the past 24 months: n=400 (2015 - made a claim over past 12 months n=300)
- Three-part survey, completed by the following respondent groups:
  - Section 1: Perceptions of the travel medical insurance - completed by all respondents (n=1,200; 2015 n=1000)
  - Section 2: Travel medical insurance purchase experience and satisfaction - completed by buyers (n=800; 2015 n=600)
  - Section 3: Experience and satisfaction with travel emergency experience, claims submission and outcomes- completed by claimants (n=400; 2015 n=300)
- Because of very low incidence levels of buyers and claimants, quota were set to ensure that a sufficient number of completes was obtained for these sub-segments.



# Key Observations

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# Key Observations

- Over the past 12 months, 30% of Canadians purchased travel medical insurance (31% in 2015); 64% have access to coverage through work or a credit card (63% in 2015).
- Buyers of private coverage are 2 to 3 times more likely to claim extensive knowledge of their work/credit card coverage suggesting that the higher the level of knowledge, the greater the likelihood of buying private coverage.
- While many do not read policies in detail, they do read some and feel they are laid out in an easy to understand way. Claimants and purchasers feel more strongly positive than those less involved in the process.
- The main observation regarding satisfaction is that positive attitudes toward industry and specific experiences with travel medical insurance far outweigh negative ones.
- While the intensity of the positive impressions varies across respondent groups, there are no obvious areas of concern within any segment.
- The more involved the consumer is with the industry (through purchase or making a claim) the more positively they feel. That said, positive attitudes among non-buyers prevails 3 to 1 over negative ones.
- High satisfaction levels are virtually identical by channel – phone, online including mobile and in-person. While all demographics feel satisfied, it is more intense among older consumers.
- Higher regard toward travel medical insurance in general and purchase experience in particular correspond with having a claim event.
- Most importantly, 98% of processed claims were paid: 75% fully, 23% partially, 2% denied (2015: 75% fully, 24% partially, 1% denied)

# Comparison to 2015

- Usage of travel medical insurance, purchased or through credit cards/work coverage, remains consistent this year.
- Overall positive attitudes toward travel medical insurance remain unchanged since 2015, with involvement (making a purchase or a claim) continuing to have a positive impact on impressions.
- Consumers have become even more discriminant with their travel insurance purchase; wanting even more from their policies, such as a better price, ease of purchase, coverage for pre-existing conditions, than they did in 2015.
- While satisfaction remains high all on factors, there has been an increase in satisfaction with access to live representatives and their explanation of policies
- The incidence of reading policies and the confidence in knowledge of coverage has seen little change since the first wave of study.
- Satisfaction with the purchase and claims process remains high.
- However, consumers are less likely to know who to call in case of an emergency, and are less likely to feel the process of making this call lived up to expectations.
- While claimants continue to make complaints at the same rate as they did in 2015, they are even more likely to complain about the time it took to process. Policy-wording is less likely to be blamed, but unclear expectations (not tested in 2015) is a primary complaint.



# Summary of Key Findings





# Key Findings

- As in 2015, confidence in the travel medical insurance industry is high, with consumers continuing to expect they would receive a high quality service that would provide the assistance they need and the expected reimbursement to cover the cost of the emergency. The more involved the consumer has been in this process (through making a purchase or a claim) the more confident they are.
- Providers in the insurance or financial industry and associations generate the highest trust, more so than those working in the travel field (consistent with 2015 findings). Consumers are most likely to make purchases from insurance companies (up since 2015), associations or banks, and continue to do so via telephone, online or in-person, in almost equal proportions.
- Consumers are looking for a number of factors when it comes to the policies they buy. More than four-fifths are influenced by features and benefits, amount of coverage, ability to speak to someone, and price, with price being more important now than it was in 2015.
  - While ease of purchase and coverage for pre-existing conditions are slightly less important than other factors, they are more important now than in 2015.
- Consumers are likely to buy single trip insurance, and will buy it as a package, particularly if it means a cost savings.
- While consumers do not always read their policy thoroughly, they feel the policies are laid out in a way that is at least somewhat easy to read and they have an at least reasonable understanding of the coverage terms and limitations, amount of coverage and who to contact in an emergency. Results are similar to that of 2015.

# Key Findings

- Purchasers continue to be satisfied with the purchase experience, with at least eight-in-ten being satisfied with each tested factor: the highest being ease of purchase (92%) and the lowest being value for money (84%). Satisfaction with ease of access to a live insurance rep and policy details explained well by live rep has increased, while other factors remain consistent from 2015 findings.
- Those who made an emergency call were satisfied with the experience and said it met or exceed expectations. That said, the number who felt it was in line with expectations, while still high, did drop compared to 2015.
- Almost all claims continue to be paid by travel medical insurance. Satisfaction with this process overall as well as specific aspects of it, is high, not surprisingly even more so by those receiving full payments. However, three-quarters of those receiving partial payments were also satisfied overall. Satisfaction on all factors rose slightly from 2015. However, there was a drop in those who said their payment exceeded their expectations.
- Despite high satisfaction, one-third continue to make a complaint during the claims process, mostly through the insurance representative or manager and mostly about the length of time it took to process the claim. While the level of satisfaction with the result of this complaint is lower than last wave (73%), when looking specifically at those who had made a claim in the past year, the satisfaction with the result of the complaint is similar to 2015 findings.



# Lesli Martin

## Vice President

[leslimartin@pollara.com](mailto:leslimartin@pollara.com)  
416.921.0090 Ext. 2207

**pollara**  
strategic insights  
[www.pollara.com](http://www.pollara.com)