

Travel Medical Insurance Study Wave 2 Report





March, 2018



Background and Methodology



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 insurance claims submission process and outcomes among recent claimants (past 24 months)
- An online survey was conducted between February 16th and March 5th, 2018, with 1,200 Canadians aged 18 and and over:
 - General population Non-buyers of insurance, or purchased more than 12 months ago: n=400
 - Purchased travel medical insurance over the past 12 months: n=800
 - Made a claim over the past 24 months: n=400 (with 255 being able to recall and speak about this claim)
- Results of this study are compared to the 2015 benchmark study wherever possible.

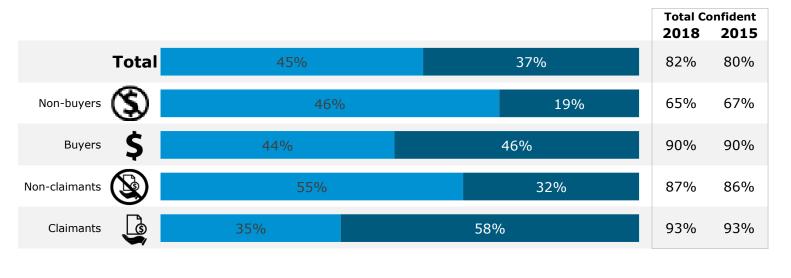


Attitudes Toward Travel Medical Insurance



Eight in ten are confident that the travel medical insurance industry will provide the needed assistance in a medical emergency.

Confidence in travel medical insurance – Provide the assistance you need

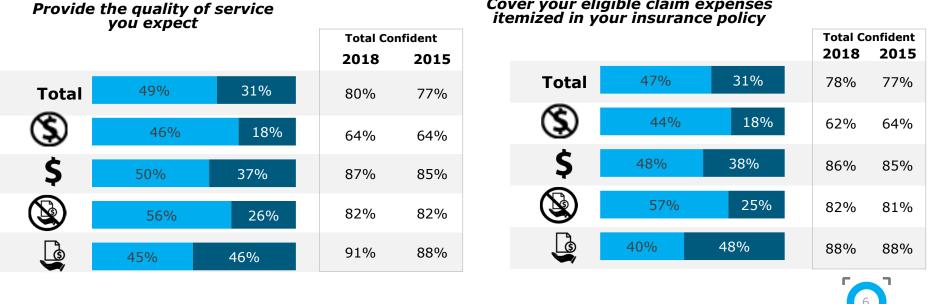


Somewhat confident Very confident



There is also confidence in policy coverage and quality of service

Confidence in travel medical insurance -

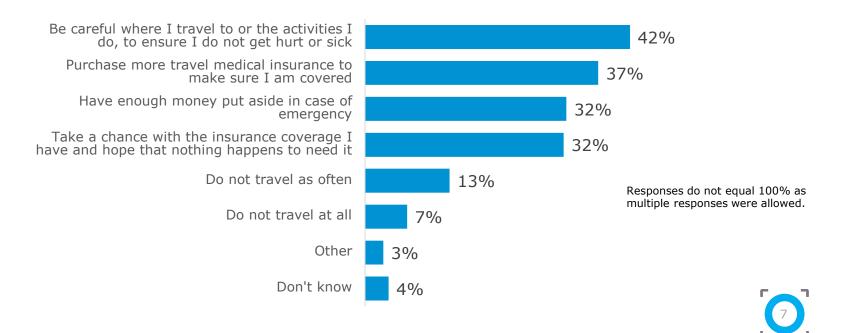


Cover your eligible claim expenses itemized in your insurance policy

Somewhat confident Very confident

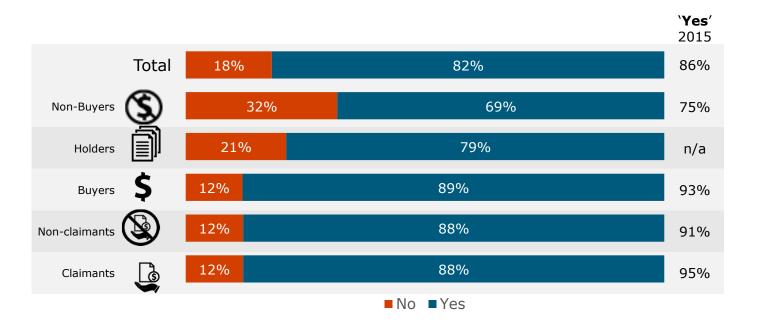
Those who doubt their travel insurance will cover them proficiently, mostly try to stay safe while traveling, and/or buy more insurance to be covered.

Ensuring Financial Coverage When Traveling Among Those Not Confident Travel Medical Insurance with Provide Needed Assistance



Respondents are quite confident they would know to call for information about their policy

Knowledge of who to call/contact to get needed information about policy





There is a good degree of trust toward many insurance providers, particularly associations, traditional insurers, and financial institutions.

Level of trust in various travel medical insurance providers to come through in an emergency					
Associations (e.g. CAA, AMA)	9% 2 <mark>% 9%</mark>	53%	27%	80%	81%
Insurance companies	6% <mark>3% 13%</mark>	52%	26%	78%	78%
Employer-provided insurance	12% 2 <mark>% 8%</mark>	47%	30%	77%	80%
Banks, Credit Unions, Caisses Populaires	8% <mark>3% 16%</mark>	52%	20%	72%	74%
Insurance brokers	10% 3% 18%	53%	16%	69%	69%
Credit card companies	7% 5% 22%	50%	16%	66%	64%
Travel agencies	9% 4% 21%	50%	15%	65%	63%
Airlines (e.g., Sunwing, Air Canada)	10% 8% 2	27% 44%	12%	56%	54%
Travel companies (e.g., itravel2000)	12% 6% 2	27% 44%	11%	55%	52%
Don't know	Distrust completely	Distrust somewhat Trust son	newhat Trust fully		Г





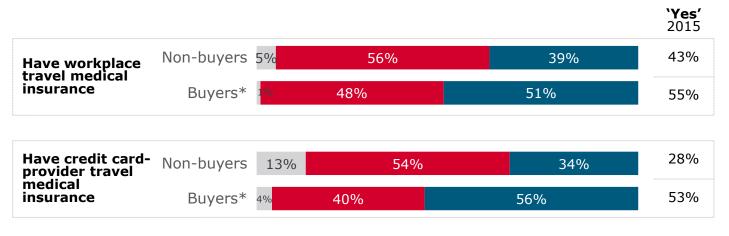
Workplace or Credit Card Travel Medical Insurance Coverage



64% have access to work and/or credit card provided travel medical insurance.

•Access to both workplace and credit card travel medical insurance: 31% (2015 30%)

•Access to neither workplace or credit card travel medical insurance: 32% (2015 38%)



Access to travel medical insurance (workplace/credit cards)

■Don't know ■No ■Yes



A majority of those who are covered by workplace or credit card insurance claim to have at least a reasonable level of understanding of what is and isn't covered by those policy terms.

Extensive/Reasonable 2018 2015 Total 2% 10% 88% 86% 60% 28% Have workplace travel medical Non-buyers 3% 21% 76% 62% 14% 76% insurance Buyers 1%6% 92% 59% 33% 91% Total 3% 17% 59% 22% 81% 80% Have credit cardprovider travel Non-buyers 4% 30% 5% 65% 69% 60% medical insurance Buyers 2% 13% 27% 58% 85% 83%

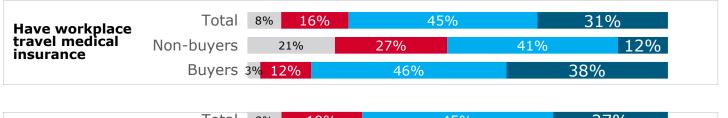
Understanding of Policy Terms

■ None ■ Slight ■ Reasonable ■ Extensive



Most respondents have at least some idea of the maximum coverage of their work or credit card travel insurance policies.

Knowledge of Coverage Value

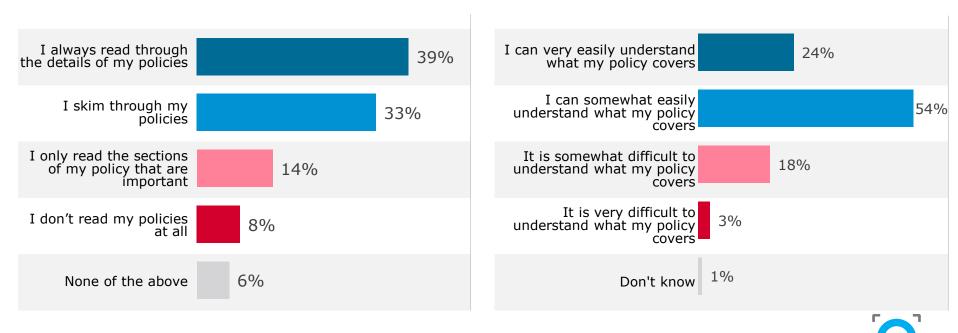


	lotal	8% 19%	/o 45	5%	27%
Have credit card- provider travel medical insurance	Non-buyers	19%	30%	41%	6 9%
medical insurance	Buyers	5% 16%	46%		33%
	I hav	ve no idea	■ Nc	ot sure	
	∎I hav	ve a rough i	dea ∎Ik	now exactly	how much



Most policy-holders tend to at least skim their policy before traveling and can at least somewhat easily understand their coverage. Diligence and clarity increases among purchasers and claimants.

Review of travel insurance policies



Policy Lay Out Easily Show Coverage



Travel Medical Insurance Purchase Experience



Purchase decisions remain most heavily influenced by product offering, with the overall amount of coverage a close second; the ability to speak with someone and price are also very important factors.

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						2018	2015
Benefits and features of the coverage	10%	0% 47%		2	10%	87%	86%
Overall amount of coverage	13%		45%	4	40%	85%	n/a
Ability to speak to someone to answer your questions	13%	45%			38%	83%	81%
Price	17%		44%		37%	81%	76%
Ease of overall purchase process	19%		53%		24%	77%	70%
Coverage for pre-existing conditions	19%		42%		29%	71%	66%
Who the insurer is	28%		41%		23%	64%	56%
Ability to submit your claim online	32%		36%	Ю	19%	55%	51%
Ability to buy online	35%			30%	13%	43%	37%

Factors influencing insurance research and purchase Total Important

A consideration Very important Most important



Half of travel medical insurance purchasers say they always read through all policy details before committing to their purchase.

Behaviour when Reviewing Policies

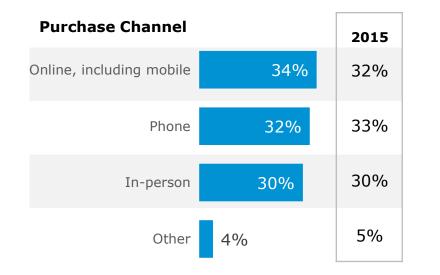
Satisfaction with Purchase

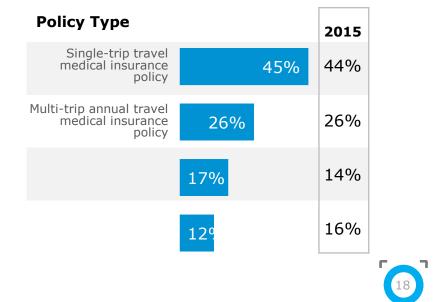
			Very Satisfied	Somewhat Satisfied	Dissatisfied
I always read through the details of my travel medical insurance policies before making the purchase		50%	64%	37%	36%
I skim through my travel medical insurance policies before making the purchase		35%	26%	44%	25%
I only read the sections of my travel medical insurance policy that are important to me	12%		8%	14%	33%
I don't read my travel medical insurance policies at all before making the purchase	2%		1%	4%	3%
None of the above	2%		2%	1%	3%



Purchases were evenly divided among phone, online and in person channels. In terms of products, single-trip medical insurance was once again most popular.

Purchased Travel Medical insurance in Past Year 2018:30% 2015:31%





Insurance companies were most popular for those purchasing travel medical insurance in the past two waves, followed by associations and financial institutions.

2015 Insurance company 20% 25% Association (e.g. CAA, AMA) 13% 15% Bank, Credit Union, or Caisse Populaire 13% 13% Employer insurance as a top-up to the 10% 10% existing coverage 12% Travel agent 9% 10% Insurance broker 8% Credit card company as a top-up to the existing coverage 8% 7% Travel company (e.g., itravel2000) 5% 6% 5% Airline (e.g., Sunwing, Air Canada) 4% 4% Other 4%

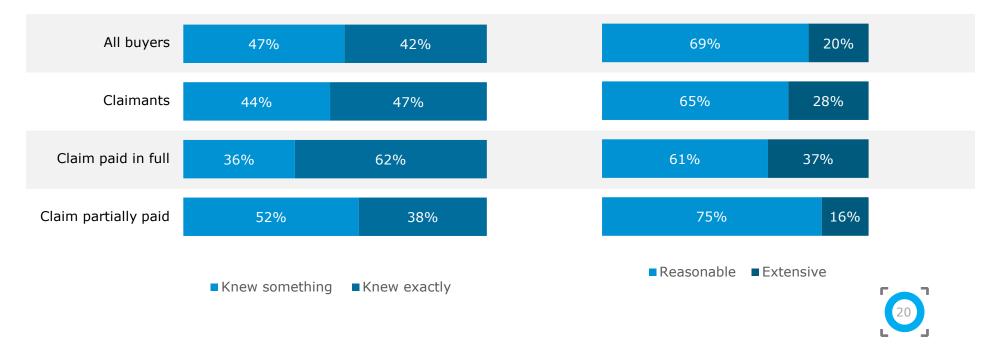
Purchase Source



Buyers were quite aware of the limitations and exclusions of their policies, and what was and was not covered

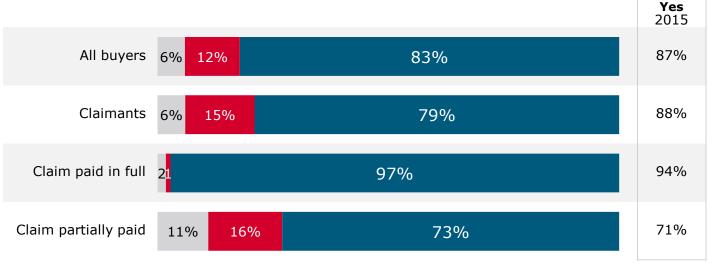
Understanding of Limitations and Exclusions

Understanding of policy terms (what was/wasn't covered)



At the time of purchase, a vast majority claimed awareness of who to contact/what to do in the event of a medical emergency.

Knowledge of who to contact/what to do in the event of medical emergency



■ Don't recall ■ No ■ Yes



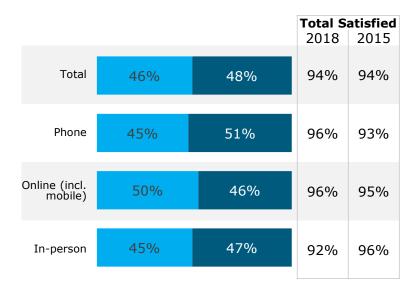


Satisfaction with Purchase Experience



The level of satisfaction with the purchase experience and the range of elements that influence purchase remains high.

Satisfaction with the purchase experience



Satisfaction with specific purchase elements

	elemei	Total Satisfied 2018 2015		
Ease of transaction/purchase	41%	51%	92%	90%
Ease of access to a live insurance rep	44%	45%	89%	83%
Quality of responses to your questions	49%	40%	89%	87%
Availability of comprehensive information	53%	36%	88%	90%
Responsiveness of the insurance rep	44%	44%	88%	85%
Policy details explained well by the insurance representative	53%	35%	88%	83%
Policy details written in a clear and easy to understand language	53%	35%	88%	87%
Value for money	50%	34%	84%	84%

Somewhat satisfied Very satisfied





Travel Medical Emergency Experience



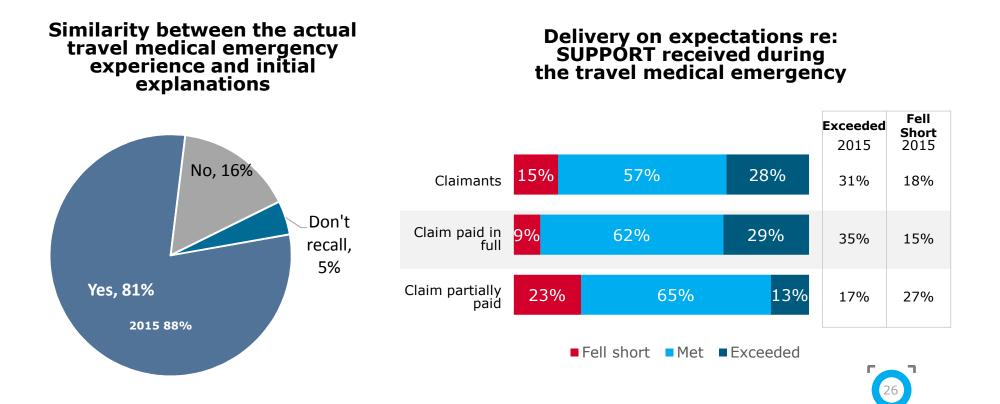
Claimants continue to be generally satisfied with all elements of their experience, particularly with the ease of contact

Satisfaction with specific elements of the emergency call experience

			Total Satisfied 2018 2015
Ease of contacting travel insurer for medical assistance	31%	63%	94% 88%
Empathy and understanding the insurer's representative	41%	48%	89% 86%
Explanation about the steps involved in a claims process	40%	48%	88% 87%
Clarity and completeness of responses to your questions	40%	47%	87% 86%
Explanation given about what would be covered by your policy	35%	51%	87% 84%
Knowledge of the representatives you spoke with	35%	51%	86% 85%
Explanation given as to how long it would take to get you the help you needed	43%	42%	86% 86%
The quality of help or assistance you received following the call	30%	51%	81% 84%
	Somewhat satisfied	■ Very satisfied	r



Support received during medical emergency was similar to initial expectations and met or exceeded expectations.

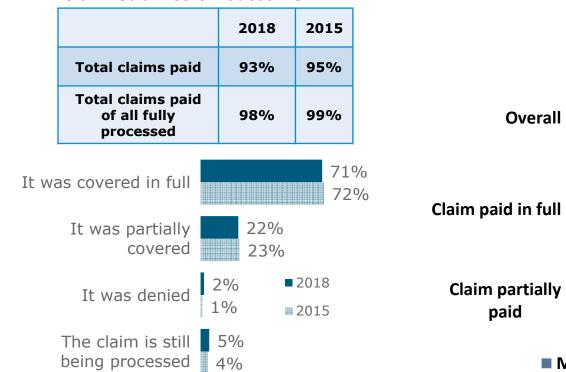




Claim Experience And Satisfaction

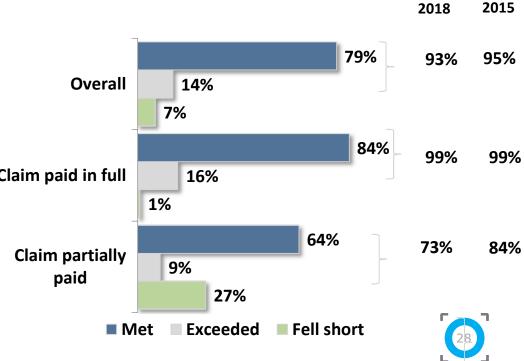


Virtually all claims were paid, with a vast majority of them paid in full. Most reported that the claim payment was in line with expectations.



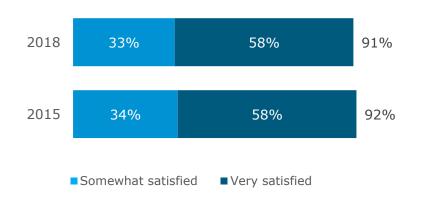
Claim submission outcome

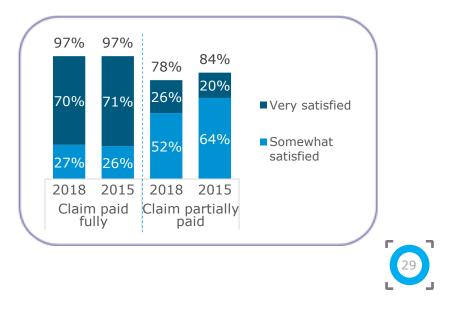




Overall satisfaction with the entire claim experience, from the initial contact to the final outcome, remains very high.

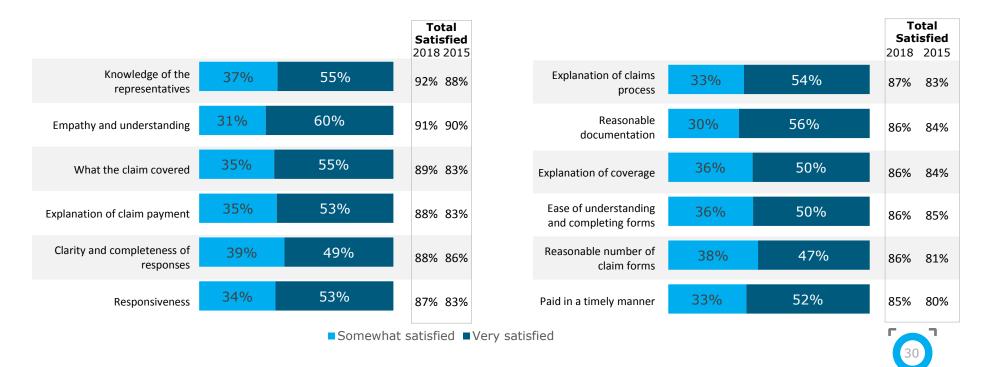
Satisfaction with the entire medical emergency claim experience (from the initial contact to the final outcome)





Satisfaction with the various aspects of the claim submission remains high, and higher than in 2015 for a number of measures.

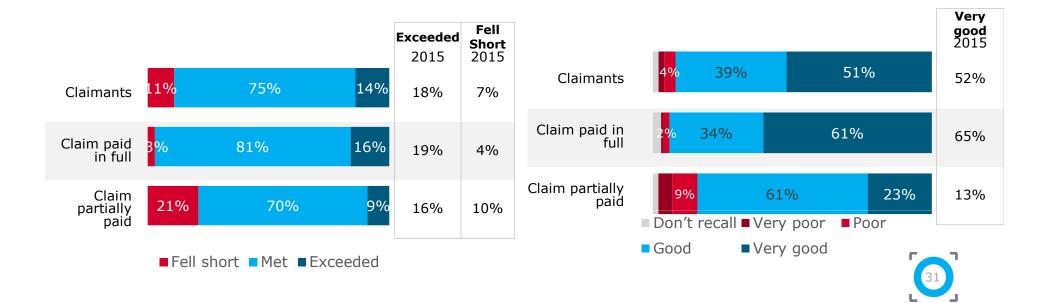
Satisfaction with specific elements of the claim submission process



A vast majority of claimants felt that the claim submission experience met or exceeded their expectations and the explanation about their payment was clear

Delivery on expectations re: Claim SUBMISSION Experience

CLARITY OF EXPLANATION about the claim payment





Complaints



Three in ten claimants made a complaint at some point during or after the claim process, mostly to their insurance rep directly.

Made a complaint about the claim

Made a complaint to the insurer 55% representative I was dealing with Spoke to a supervisor or manager at the 37% insurance company 2% Lodged an official complaint to a regulator 25% Lodged an official complaint to the 60% 69% 17% insurance company Ombudsman Yes 31% No Posted my complaint about the insurance 38% 11% Don't recall company on social media 2015 Complained to my travel agent Responses do not 8% equal 100% as Complained to family or friends 4% multiple responses were allowed. 2018 Other 2% Prefer not to say 3% *Caution: Low base size

Complaint Method*

The two most common complaints were in relation to the claim processing timeliness, and lack of clarity about requirements.

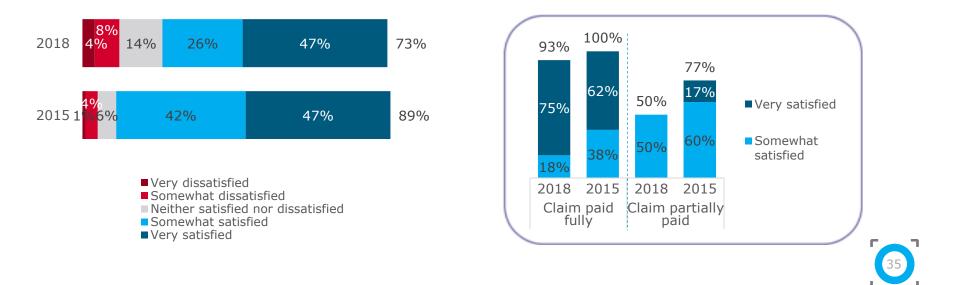
Reasons for Complaint*

	2015
The length of time it took to process the claim 41%	25%
Lack of clarity about what was required 24%	n/a
Lack of updates during the process 12%	n/a
Difficult to contact/unresponsive insurer rep 10%	6%
Excessive documentation required 4%	15%
Conflicting information from different claims reps 3%	12%
Dissatisfied with the settlement outcome 2%	8%
Policy wording unclear/ambiguous 🚺 1%	19%
Lack of professionalism and courtesy of reps 1%	14%
Other 1%	1%



While most claimants were happy with how their complaint was handled, this has decreased since 2015

Satisfaction with how the claim complaint was handled*







Attitudes Toward Medical Insurance

- The confidence seen in the travel medical insurance industry in 2015 has continued this year. Additionally, the more dealings Canadians have with this industry the more trust they have; with buyers being more trustful than non-buyers and claimants more trustful than non-claimants.
- Canadians also have a good degree of trust toward many travel medical insurance providers, particularly Employers, Financial institutions, Associations or those in the primary business of insurance. In contrast, there is comparatively less trust in organizations whose core business is focused on travel. There is also less trust in credit card companies than other financial services.

Satisfaction with Purchase Experience

- Satisfaction with the purchase experience across all channels remains very high, similar to 2015 levels.
- Satisfaction is high across the range of measured factors that influence the overall purchase experience with no areas for concern.



Travel Medical Emergency Experience

- All aspects of the emergency call receive high satisfaction scores again this year.
- While agreement that the experience is in line with what was explained during the initial contact dropped slightly this year, more than four-fifths continue to say the experience met or exceeded their expectations, similar to 2015 findings.

Travel Medical Claim Submission

• As in the 2015 study, satisfaction with various aspects of the claim submission process *is strong and is in line with what they expected*, with most saying the experience was positive, regardless of their level of reimbursement.



Overall Claim Results

- *Almost all (93%)* of those who submitted a claim say they did receive payment. Of those whose claim process has been completed, *98% received payment*. Only 2% say they did not receive any payment for their claim. This is on par to 2015 findings
- Overall satisfaction with the claim experience remains very high. Most claimants say the outcome meets or exceeds their expectations. While one-quarter of those who received only part of claim payment said this did not meet their expectation (up from 16% in 2015), still the vast majority were expecting the outcome the received.

Complaints regarding Claim Submission

- Even though a vast majority declare satisfaction, three-in-10 made a complaint about the claims process, down slightly from last year. Most complaints were to the insurance representative or their supervisor and revolved around the timeline or clarity of requirements.
- While the majority remain satisfied with how their grievances were handed, this has declined since the first wave of study. Specifically, while almost half remain very satisfied with this issue, the number who are somewhat satisfied declined from 42% to 26%, leaving this year's total satisfaction score at 73%.



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