



# Travel Medical Insurance Study Wave 2 Report



March, 2018

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# 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 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<sup>th</sup> – 28<sup>th</sup>, 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

# Definitions



**Buyers** – Consumers who have purchased travel medical insurance in the past year.



**Non-Buyer** – Consumers who have not purchased travel medical insurance in the past year, whether or not they have workplace or credit card coverage.



**Holders** – Consumers who have not purchased travel medical insurance in the past year but have travel medical insurance through their workplace or credit card.



**Claimants** – Consumers who have made a claim on travel medical insurance in the past two years.



**Non-Claimants** – Consumers who have purchased travel medical insurance but who have not made a claim in the past two years.



# Executive Summary

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# Key Findings

- 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 and 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 testing in 2015) is a primary complaint.

# Confidence and Trust in Industry

- Most respondents have confidence in the travel medical insurance industry in general on various measures. There are higher scores among buyers than non-buyers and still higher scores among claimants compared to non-claimants; confidence is also higher among the older cohort (65+).
  - 82% (80% in 2015) are confident they would receive the needed assistance - 90% for buyers – 93% for claimants.
  - 80% (77% in 2015) are confident in the quality of service – 87% (85% in 2015) for buyers – 91% (88% in 2015) for claimants
  - 78% (77% in 2015) are confident they would be reimbursed for eligible expenses – 86% for buyers – 88% for claimants (unchanged from 2015).
  - 74% are confident they would be provided the amount of financial coverage necessary to take care of any medical emergency they may suffer during travel – 84% for buyers and 87% for claimants. (New question – no 2015 tracking)
- There is also a good degree of trust toward many insurance providers, particularly:
  - Associations - 80% saying they trust somewhat or fully (81% in 2015),
  - Traditional insurers - 78% (unchanged from 2015),
  - Employer-provided insurance – 77% (80% in 2015),
  - Financial institutions (banks, credit unions, caisses populaires) - 72% (74% in 2015), and
  - Insurance Brokers – 69% (unchanged from 2015)
- In contrast, there is comparatively less trust in organizations whose core business is not financial services...
  - Travel agencies – 65% (63% in 2015),
  - Airlines – 56% (54% in 2015), and
  - Travel companies – 55% (52% in 2015).

# General Knowledge and Behaviours

- Similar to 2015 findings, approximately half of consumers have travel medical insurance through their work (47%, compared to 50% in 2015) and/or credit cards (48%, compared to 43% in 2015).
  - Three in ten (31%) have both, while 16% only have it through work, and 17% through their credit card, leaving roughly another third without travel medical insurance on an ongoing basis.
- Similar to 2015 findings, consumers, particularly those who actually purchased a policy, tend to understand what is and what isn't covered, and know coverage amount of this insurance
  - Nine in ten (88%) of those with workplace travel insurance say they have reasonable (60%) or extensive (28%) knowledge of their coverage, and eight in ten (81%) of those with credit card insurance say the same (59% and 22%, respectively).
  - Similarly, 85% have either a rough idea (45%) or know their coverage amounts exactly (31%) for workplace insurance, while 72% say the same of their credit card policies (45% and 27%, respective).
- Only two-fifths will read a travel insurance policy in detail prior to travelling (39%), with one-third (33%) skimming it and one-quarter (28%) reading even less. These behaviours have not changed from 2015.
  - While those who have purchased this insurance in the past year are more likely to read it in detail, it is still less than half who will do so (46%).

## General Knowledge and Behaviours (Cont'd)

- Most do not have a problem with the way their policy is laid out and believe it is at least somewhat easy to understand what is covered and what is excluded (78%).
  - That said, only 24% say this is very easy; 54% say it is somewhat easy to understand.
  - Even among those who have purchased insurance and therefore are likely read it more carefully (and recall doing so more recently), only 29% rate this as very easy.
- Most (82%) would know who to contact if they had a concern about their travel medical coverage.
  - This is particularly true of those who have recently bought a policy (89%).
- The main factors influencing consumers' purchase decisions are:
  - features and benefits – 87% (86% in 2015),
  - overall amount of coverage – 85% (not asked in 2015)
  - ability to speak to someone – 83% (81% in 2015),
  - Price (81%, up significantly since 76% in 2015),
  - coverage for pre-existing conditions – 71% (up significantly from 66%), and
  - ease of purchase – 77% (up significantly from 70%).

# Purchase Behaviours

- The top-three insurance purchase providers sources are:
  - Insurance companies - 25% (up from 20% in 2015),
  - Associations – 15% (13%), and
  - Banks/ credit unions/caisses populaires - 13% (unchanged).
- Purchases continue to be well-spread across various channels, with phone, in-person, and online each representing approximately one third of purchases, as was the case in 2015.
- Buyers also continue to gravitate toward a single-trip medical insurance - 45%, (compared to 44% in 2015) followed by multi-trip medical - 26% (unchanged).
  - Comprehensive packages are purchased much less frequently (single trip – 17% and multi-trip - 12%).
- When asked their preference, a strong majority (74%) would rather purchase a comprehensive travel insurance package, rather than buy coverages individually.
  - Among those 21% preferring the latter, when told buying pieces individually would cost up to 20% more, two-thirds (66%) changed their answer to a package policy.
- At the time of purchasing their travel medical insurance policy, buyers are confident they know the policy terms, with 90% saying their knowledge is at least reasonable, 20% saying it is extensive (unchanged from 2015).
- Buyers also feel they have at least some knowledge of the limitations and exclusions of their policy at the time of purchase (89%), with 42% saying they knew them exactly.
- While they are likely to know who to contact in the event of a medical emergency (83%), this is down slightly from 2015 (87%).

## Purchase Behaviours (Cont'd)

- Three-fifths (60%) say they filled out a medical form when purchasing their policy (unchanged since 2015).
  - The form was easy to complete for four in ten and moderately easy for just over half (53%); these findings were also virtually unchanged since 2015.
  - Satisfaction with the purchase experience is once again very high - 94% (up from 87% in 2015).
  - Satisfaction levels are virtually identical by channel – phone, online & mobile, in-person.
- Satisfaction is high across the range of measured factors that influence the overall purchase experience with no areas for concern:
  - *Highest*: Ease of transaction and availability of comprehensive information – 92% (from 90% in 2015 when it also ranked highest).
  - *Lowest*: Value for money – 84%, unchanged since 2015.

# Claim Experience

- Six in ten (61%) individuals who experienced a travel medical emergency contacted their insurer during the emergency. Among them, just over half (53%) initiated a claim at that time.
- Overall satisfaction with the claim experience, from initial contact to final outcome, remains high, at 91% satisfied (92% in 2015).
  - Virtually all - 98% - of processed claims were paid: 75% fully, 23% partially (2% denied).
  - Those paid in full were more likely to be satisfied (97%; 70% very) than those paid partially (78%; 26% very).
- All aspects of the emergency call received high satisfaction scores – ranging from 81% to 94%.
  - Moreover, 81% (down from 88% in 2015) found the actual medical emergency experience in line with what was explained to them during the initial contact.
  - As well, 85% (up from 82% in 2015) report that the support they received during the travel medical emergency met (57%) or exceeded (28%) their expectations.
- Satisfaction with the various aspects of the claim submission process is strong with scores ranging from 85% to 92% satisfied, and there are no areas of concern.
  - Scores for these measures were higher than in 2015 for a number of measures.
  - As with other measures, the strength of satisfaction is affected by the claim outcome, with claimants paid in full giving higher ratings than those paid partially.

## Claim Experience (Cont'd)

- Fully 85% (compared to 87% in 2015) found the actual claim submission experience to be in line with what was explained to them during the initial contact.
- As well, 89% of claimants thought the claim submission experience was positive and either met (75%) or exceeded (14%) their expectations.
  - Fully reimbursed: 97% met (81%) or exceeded (16%) expectations.
  - Partially reimbursed: 79% met (70%) or exceeded (9%) expectations.
- Eight in ten (79%, up from 72% in 2015) reported that the claim payment was in line with expectations, while another 14% said it exceeded them (down from 23% in 2015 – this proportion is down for both claimant groups).
  - Fully reimbursed: 99% met (84%) or exceeded (16%) expectations.
  - Partially reimbursed: 73% met (64%) or exceeded (9%) expectations.
- Even though a vast majority declare satisfaction with the claim experience, approximately three in ten (31%, down from 38% in 2015) made a complaint about the claim experience.
  - This was mostly done directly to the insurance representative they were dealing with for the claim, and most often was in regard to the time it took for the claim to be processed.
  - Three quarters (73%, down from 89% in 2015) were satisfied with how the claim was handled – 47% very satisfied (unchanged). This includes 93% among those with fully paid claims and 50% among those partially reimbursed.