



Travel Medical Insurance Study Wave 2 Report



June, 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 claim 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 16th and March 5th using an online methodology
 - First wave conducted August 17 - 28, 2015
- Stratified sample among 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 (with 255 being able to recall and speak about this claim) 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



EXECUTIVE SUMMARY



Key Takeaways

Consumers' depth of knowledge of their existing travel medical insurance coverage (i.e., through work and/or credit card) strongly correlates with the purchase of private policies

- Suggesting that existing policies are not sufficiently meeting consumers' needs. This highlights the importance of education, transparency and accessibility to private travel medical insurance

Confidence in the travel medical insurance industry is far higher among 'purchasers' and 'claimants' vs. the general population

- Implying that consumers' direct experiences with the industry has met or exceeded their expectations

Purchasers of travel medical insurance feel knowledgeable about the terms and conditions pertaining to the policies they buy

- Illustrating that the industry is doing a good job educating its consumers

The vast majority of claims are being paid and consumers are highly satisfied with the claims submission experience overall

- Providing further evidence that the industry is being open and transparent with consumers at the time of purchase and is also facilitating a client-friendly claim experience

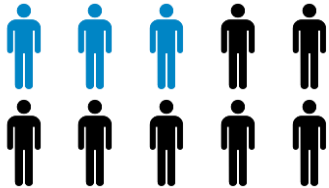
Approximately 1 in 3 Canadians buy travel medical insurance each year

- About one in ten Canadians who purchases travel medical insurance ends up making a travel medical insurance claim and very few experience a problem with a claim

% of Canadians Who Purchased Travel Medical Insurance (Past 12 Months)

30%

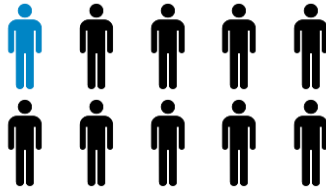
(-1% vs. 2015)



% of Canadians who Purchased Travel Medical Insurance who made a Claim

9%

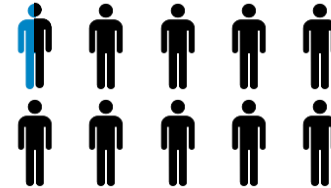
(+2% vs. 2015)



% of Canadians who Purchased Travel Medical Insurance who Made a Complaint about a Claim

3%

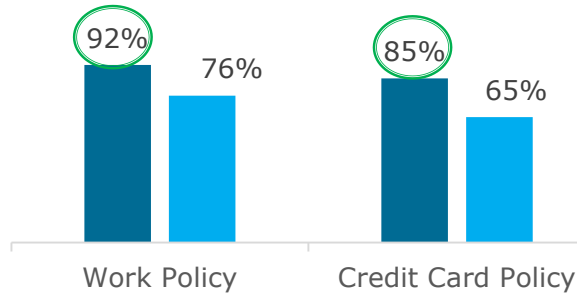
(+1% vs. 2015)



The greater one's depth of knowledge of existing policies the greater the likelihood to purchase private insurance

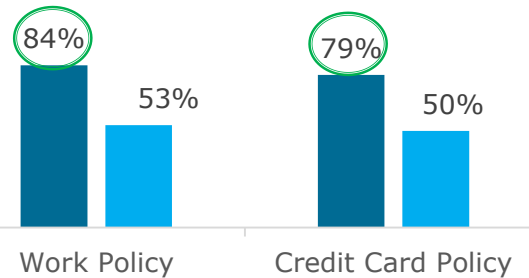
Understanding of Policy Terms

% Extensive/Reasonable



Knowledge of Coverage Value

% Know Exactly/Have a Reasonable Idea of How Much

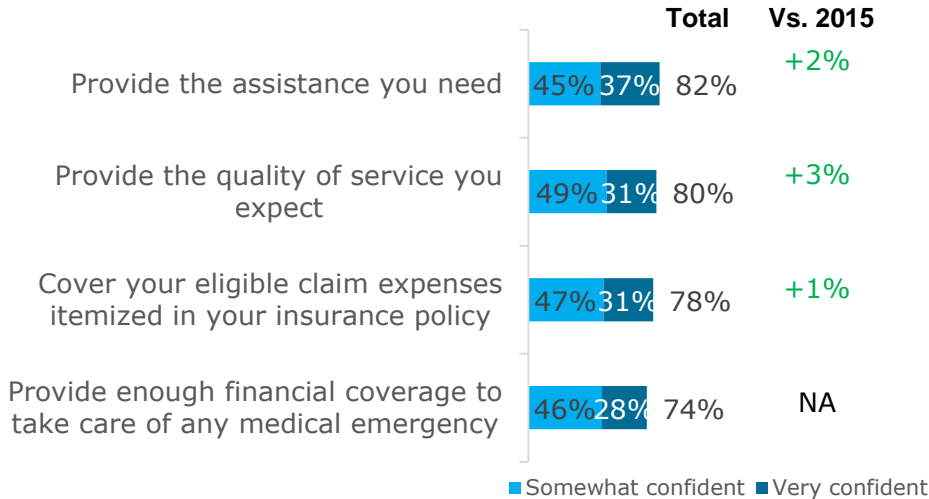


■ Purchasers ■ Non-Purchasers

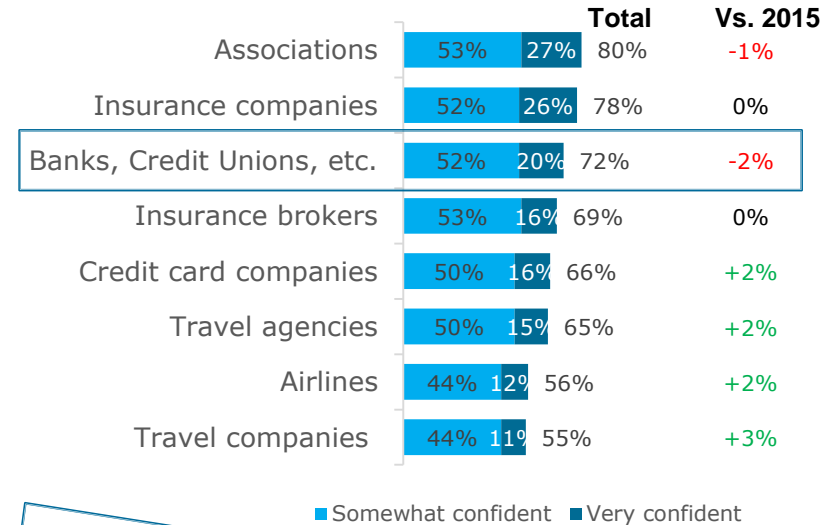
The Canadian market's confidence in the travel medical insurance industry remains high

- Confidence is highest in Associations and Insurance companies, followed by banks

Confidence in Travel Medical Insurance



Trust in Travel Medical Insurance Providers to Come Through in an Emergency

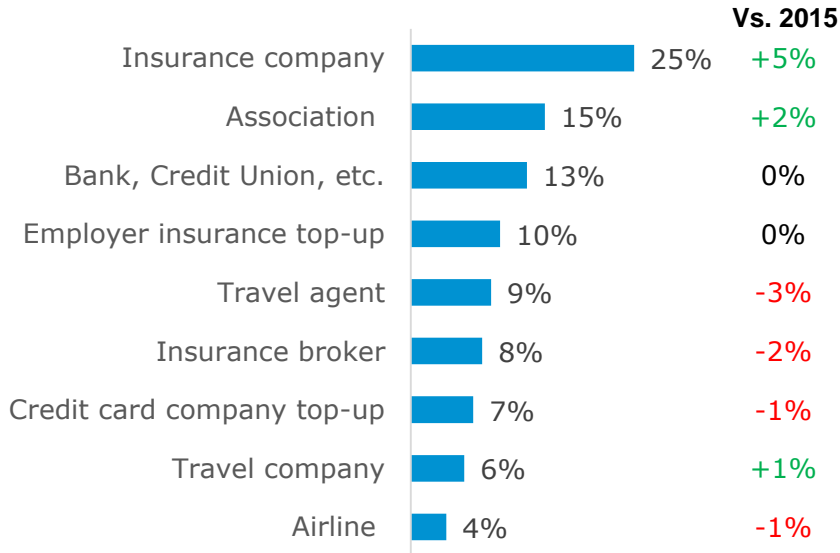


Confidence much higher among 'Purchasers' and 'Claimants'

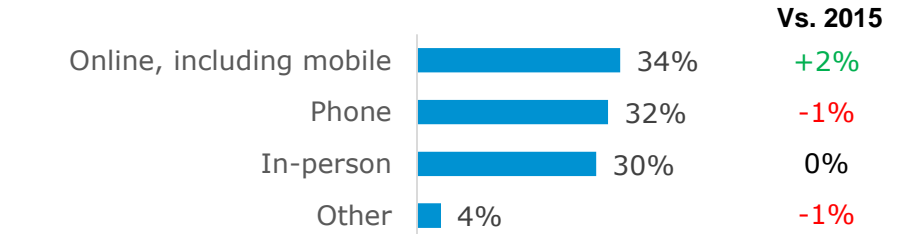
Consistent with 2015, Canadians continue to purchase a range of travel insurance policy types from a variety of sources and channels

- Purchases from the most trusted sources (i.e., Insurance Companies & Associations) is trending up

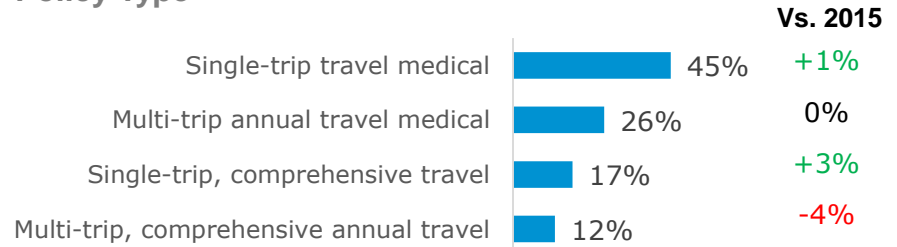
Purchase Source



Purchase Channel



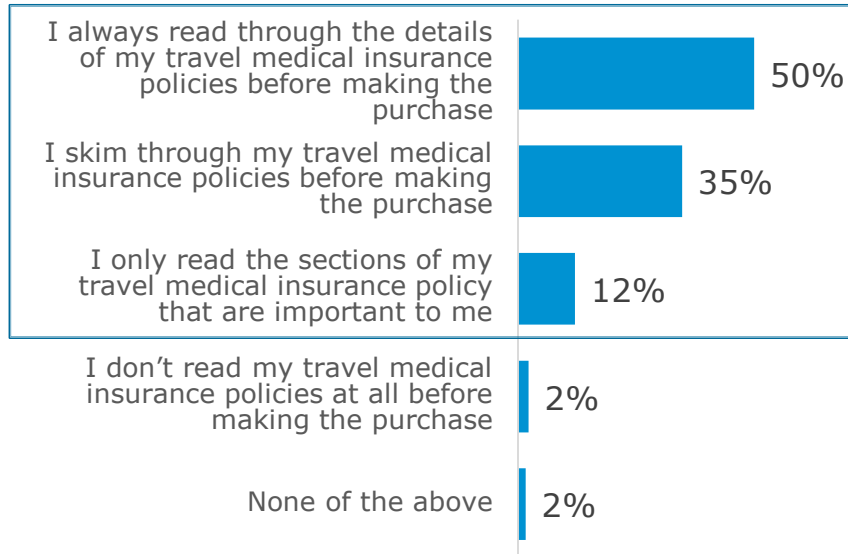
Policy Type



The vast majority of travel insurance purchasers read at least some portion of the policy details before purchasing

- As a result these consumers say they feel knowledgeable about policy terms and conditions

Behaviour When Reviewing Policies



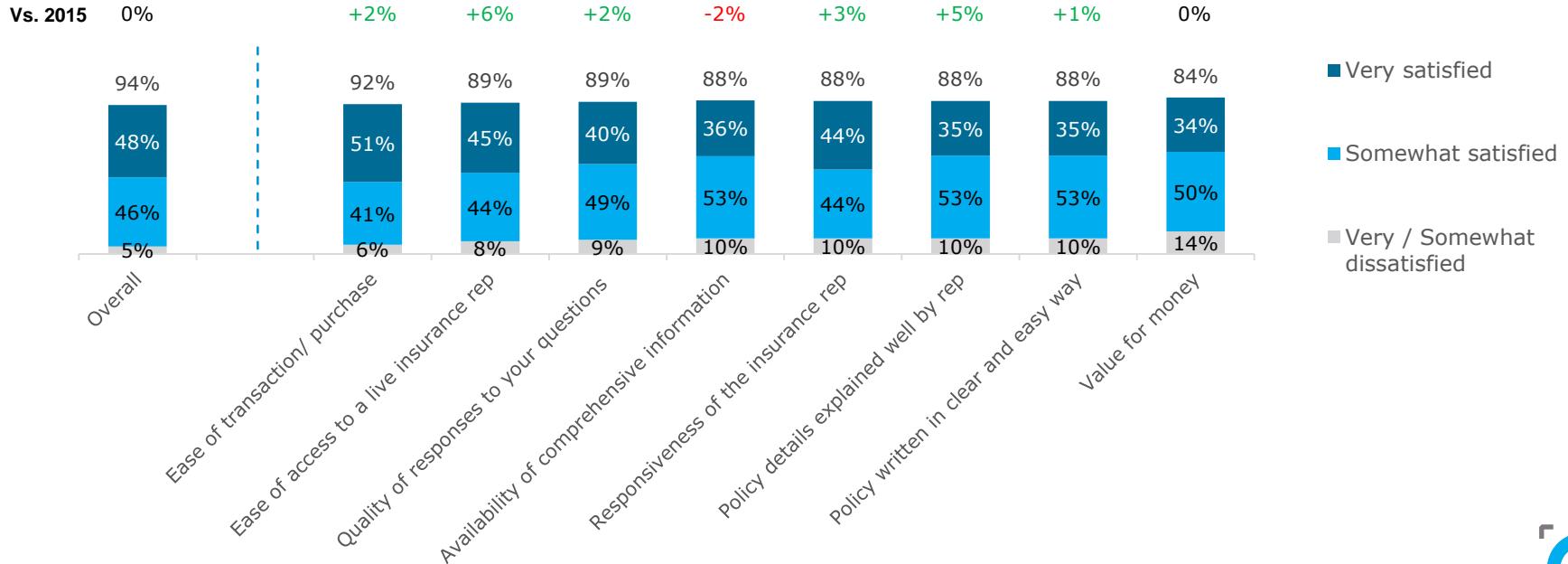
42% say they know **exactly** the limitations and exclusions

89% say they have **at least a reasonable** knowledge of policy terms

83% say they **know who to contact** in the event of a medical emergency

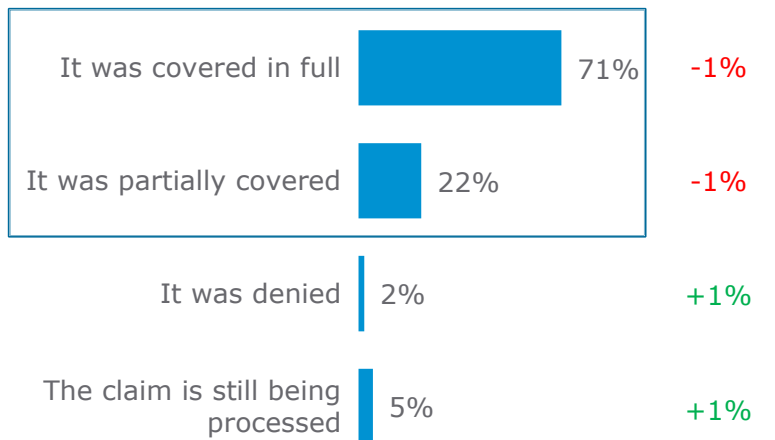
Satisfaction with the travel insurance purchase experience remains very high

Satisfaction with the purchase experience



For the most part travel insurance claims are covered in full, leading to continued high levels of satisfaction with the claim submission experience

Claim submission outcome



Claim Submission Report Card

% Satisfied
(vs. 2015)

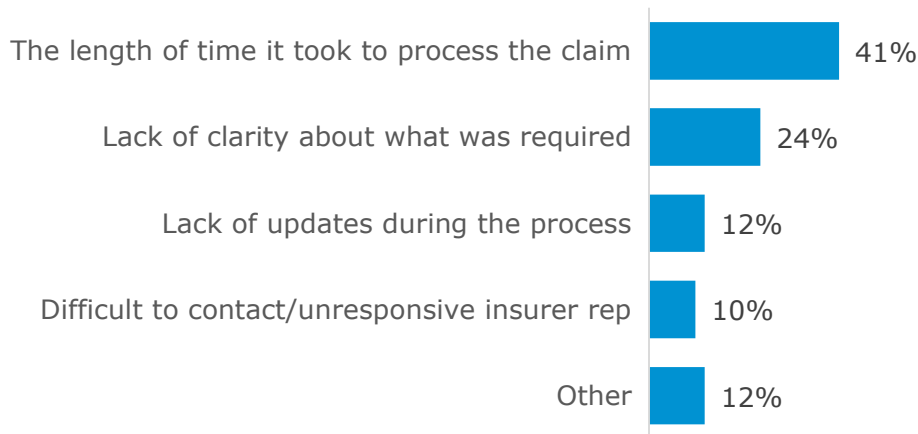
✓ 91% (-1%)	Overall Satisfaction with Entire Claim Experience
✓ 92% (+4%)	Knowledge of the representatives
✓ 91% (+1%)	Empathy and understanding of the insurer's representative
✓ 89% (+6%)	Services/products the claim covered
✓ 88% (+5%)	Explanation of how the claim payment was determined
✓ 88% (+2%)	Clarity and completeness of responses to your questions
✓ 87% (+4%)	Responsiveness of the claims department
✓ 87% (+4%)	Explanation about the steps involved in a claims process
✓ 86% (+2%)	Required documentation was reasonable
✓ 86% (+2%)	Explanation given about what would be covered by your policy
✓ 86% (+1%)	Ease of understanding and completing the claim forms
✓ 86% (+5%)	Number of claim forms that you had to submit was reasonable
✓ 85% (+5%)	Claim was paid in a timely manner

Complaints regarding the claim process most often relate to the length of processing time

- However, most of those with a complaint were satisfied with how it was handled by the provider

Approximately 1 in 3 claimants made a complaint about their claim at some point during the process

Reason for Complaint*



83% very / somewhat satisfied with how their complaint was handled among those who completed the claim process



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