

THE TRAVEL EXPERIENCE

CONVENIENCE, CLARITY AND SERVICE ALL TRUMP PRICE WHEN
PRE-SNOWBIRDS PURCHASE TRAVEL INSURANCE



When a consumer is in the market to purchase travel insurance, they are looking for three key things: clarity regarding the coverage details, an easy purchasing experience and the promise of a hassle-free claims experience.

These insights were uncovered at a consumer focus group discussion in Toronto. Hosted by *Canadian Insurance Top Broker* magazine and sponsored by RSA, the focus group included consumers varying in age from 41 to 54. They represent pre-snowbird travellers who are likely to become snowbirds in their retirement years.

Brokers can deliver on two of the desires expressed by the group of consumers (clarity of coverage and easy purchasing experience). However, the opportunity to capitalize on these insights lies in increasing broker awareness for this age group and their travel insurance needs and understanding what is important to them.

The information from this discussion reveals how pre-snowbird consumers think about, shop for and use their travel insurance. Brokers can use these insights to tap into this pool of potential customers who are looking for a trusted source to make buying travel insurance easier.



them. As Buck R., 42, says, “I had a client show me a hospital bill from the U.S. and it was over \$100,000 just to stay in the hospital.”

The group felt most gripped by this worry when travelling to less developed countries. “I had a friend who had a heart attack in Florida. He was airlifted back home within a few days, so I know it works. If I were in that situation, but I was in a third-world country, I would like to get out of there and back to proper care in my country as soon as I possibly could,” says Al H., 52, about one main reason he always buys travel insurance when visiting exotic places.

PATH TO PURCHASE

How do these individuals actually buy their travel insurance? The participants at the focus group take the path of least resistance and, for instance, purchase online when buying their flight, call their bank or rely on existing coverage they have through credit cards. They pay little regard to the price or shopping around for the right policy.

The major reasons for this are convenience and buying from a provider with whom they have an existing relationship. Even though many participants want to ensure they don't end up in a tough spot in a foreign country, like the friends or colleagues in the stories they've heard, they do not spend a lot of time on or think very much about their travel insurance purchase.

What's behind this seemingly inconsistent behaviour? There appears to be a strong desire to have a fast transaction, coupled with a lack of interest in knowing exactly what the insurance policy covers. Part of this stems from a lack of understanding of travel insurance and how to purchase it. As one participant said, “I'm not going to waste time fooling around with getting quotes from insurers and getting a headache trying to figure out which one is better.”

Surprisingly, price does not appear to be the primary factor when these customers shop for coverage. As one participant, Al, says when buying coverage for his family, “As long as the price factor didn't seem unreasonable for what I think I'm getting covered, I am not focused on it. If it was \$1,000, I'd be looking around. But, I think it was about \$350, or something, for the four of us. And that was fine.”

CRAVING CLARITY

Even though consumers know they want travel insurance (and buy it), there is frustration around it not being transparent or easy to understand. But, at the same time, they invest very little time in learning exactly what the travel insurance they're purchasing actually covers.

For those participants who do ask questions when buying, they are looking for assurance that, should a health crisis or other claim happen, it will be handled favourably. For example, Astrid S. 41, who has made a travel health claim in the past, says she now makes sure her travel insurance provides for direct payment of medical bills and other claimed expenses, rather than it being her responsibility to pay up front and wait for reimbursement. Scott, an avid martial artist, always gets additional insurance when he's travelling for competitions, since getting hurt is a real possibility. When there is a specific need, customers know what questions to ask and what details to look for. Otherwise, they assume the coverage is enough and expect it to be reliable, should they run into trouble.

This may be why many of the focus group participants are unclear about whether or not they should get additional travel coverage when leaving their province of residence. Most do not know what coverage they have with their health card in other provinces and just assume they will have a hassle-free experience if a problem occurs.

WHAT'S A SNOWBIRD?



Snowbirds are commonly described as travellers aged **55 AND OVER**,

travelling outside the country for **31 CONSECUTIVE NIGHTS** or more. As the Canadian population continues to age, the snowbird segment is growing and they are travelling in increasing numbers. This also means the current pre-snowbirds represent an important market for travel insurance.



everything I bought, or thought I bought, now that I've been in a situation. I find there's always that grey area of what is and isn't covered," she says.

Participants feel the explanation around their policies, especially what is and is not covered, is needed. Spending time reading fine print in a policy can feel like a nuisance to some, especially those who aren't used to making significant claims. But for others who faced life-threatening problems while travelling, a lack of information or understanding can be traumatic.

This past February, Buck was travelling with his family in Stowe, Vermont, when his father-in-law had a seizure. "It turns out he had brain cancer. We were going to use a medical ambulance to get him back to Canada, but everyone was terrified that, because he had cancer before, it wouldn't be covered," he recalls. The family wasn't clear on what their insurance would cover in that situation and that caused intense stress for them. "Instead, we drove in our van as quickly as we could from Stowe back to Montreal—all because we weren't sure whether he was going to be covered."



Stories like these serve as a reminder for brokers that they have an opportunity to educate and inform customers, so they can have smooth travel and claims experiences if problems arise. Better understanding of what events were covered under the policy may have meant that stressful experience was a little easier to manage for Buck and his family.

ADDRESSING CLIENT NEEDS

It is clear that consumers are looking for a trusted source and a simple purchasing experience when buying travel insurance. How can brokers reach out to them and make them understand they are the trusted source to go to for purchasing travel insurance? By understanding how and why consumers purchase their travel insurance.

The group unanimously agreed the reason they stayed with, or switched, a travel insurance provider was most often directly related to the level of service they received. For example, when Cheryl was in Florida for an annual family vacation and experienced serious back pain, she simply called the insurance provider's hotline and was guided to a specific hospital. Once there, she learned she had to have treatment for kidney stones and everything was taken care of thanks to



The participants expressed that they only look into the detail of their policy at the time of a claim. "You want clear, concise answers about whether or not you're going to be 100% covered, if you're in a situation," says Cheryl M.C., 54. She's not alone. Leanne B., 44, shares a similar sentiment. "I want to validate that

SUCCESS TIPS

- **Take the time to clarify the process and products to make it easy.** Customers want policy information and advice but they don't know where to go to get it. A broker who explains a policy in detail eases the path to purchase for a client. They also may be the one to turn a traumatic health scare into a less stressful experience because the client will understand what their insurance covers and what it does not.
- **Understand your customers.** A detailed picture of clients can also help brokers sell products to better fit clients' needs. Learn more about your clients and their travel habits to discover what products will be an ideal fit for them. Perhaps, one client has a pre-existing medical condition and needs a certain type of coverage, while another client might prefer to be evacuated out of any medical situation. Knowing more about each client also helps you offer other products they might not know about. For example, the majority of the focus group participants did not realize they could purchase an annual travel insurance policy.





her insurance. "It was so simple and the service was so great that we didn't change our insurance until the coverage was no longer available through [that provider]," she says.

Astrid had the opposite experience while in Cuba. On the day she and her husband were scheduled to return to Canada, he became very ill. In addition to navigating language barriers and poor healthcare facilities and service, Astrid was faced with rescheduling flights, booking accommodation and coordinating cabs to and from the hospital. "I had to pay for everything up front and, when we finally got back home, there was a lot of back and forth with the [insurance] company about receipts. The hospitalization was covered, but it turned out the ambulance was not,"

she says, adding the company did little to help solve her logistical challenges while in Cuba. She's never used that insurance provider again.

THE OPPORTUNITY FOR BROKERS

Brokers are uniquely positioned to meet the variety of consumers' travel insurance needs when they are looking to make a purchase. They have strong relationships with clients and are trusted sources of professional information about insurance. Customers rely on them for service, to help identify their needs and to understand the products they buy - everything they are looking for when purchasing travel insurance.

Brokers can provide that high-quality customer service that will retain existing clients and encourage referrals. As one participant of the focus group says, "It comes back to service. Price isn't going to make me shop around. The minute you don't give me good service, I'm looking elsewhere." Great customer service, as described by the group, includes making policies easier to understand, providing empathy in a claims situation and, most importantly, knowing the answers to questions, especially when a claim is being made. "If you're in an emergency situation, you don't want to be sitting there going back and forth via email," says Buck. And Cheryl adds, "I want somebody who knows what they're talking about and can give me solid answers, because I cannot assume a hundred things. The reason I'm calling is not for you to assume it, but I want an answer. So I want someone who's really going to make me feel at ease," she says.

Building trust, nurturing relationships and being a reliable source of correct information and expertise is the foundation on which brokers build the success of their businesses. As these are also the needs of people looking for travel insurance, it's a natural fit for brokers. The only roadblock is creating awareness of what brokers can provide, which may be solved by reaching out to consumers and clients and letting them know you can help make their travel insurance purchases easy, fast and, most importantly, clearly understood, in a way that other purchase sources cannot. If a broker can wow a client by anticipating and meeting their needs, they can secure that relationship for life.



NEVER LET THEM MISS A CHANCE TO BE SPONTANEOUS

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