

For Immediate Release
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AMERICANS SPENDING MORE ON TRAVEL INSURANCE, SURVEY SHOWS

- Nearly 120 million people insured against travel-related loss
- Trip cancellation-interruption represents 90% of coverage
- Medical and medical evacuation policies strong growth markets

Americans spent nearly \$1.6 billion on travel insurance in 2008, reflecting a steady growth in sales of some 13% over the last two years, according to the US Travel Insurance Association's new Travel Insurance Market Survey for 2006-2008.

The survey revealed that, in 2008, nearly 120 million people were covered by various types of travel-related insurance and emergency services, reflecting a growth of over 35%. Policies with trip cancellation/interruption benefits proved the most popular, accounting for 90% of total sales, while medical and medical evacuation policies showed huge growth.

“Even with the travel industry experiencing downturns similar to the general economy, the figures indicate that Americans remain strongly interested in the protection and coverage offered by travel insurance,” notes UStiA president Mike Ambrose.

Traditional distribution channels – travel agencies and travel suppliers such as cruise lines and tour operators– continued to lead as sales sources, responsible for three-quarters of the market. However, the most impressive inroads were posted by other channels of sales: online agencies, airlines, brokers, internet sites, and direct to consumer sales. While accounting for 25% of the market, these avenues saw a growth of over 40%.

Travel Medical and Medical Evacuation Post Strong Growth

Travel Medical and Medical evacuation-only policies proved to be another tremendous growth area. While still only covering a fraction of the total market, at 5.5% of travel insurance sales, this segment has increased by one-third since 2006.

Travel insurance holds its own despite weak economy

“The figures tell us that, even in the face of last year's challenging economic climate, Americans increasingly recognize the importance and value of purchasing travel insurance,” said Mike Ambrose, UStiA President. “People may be spending slightly less for their coverage, but they still want to protect their vacation investment from any number of unforeseen circumstances. These can include needing to cancel or interrupt a

trip because of illness, accident, or even job loss; paying for overnight accommodations and incidentals because of flight delays or cancellations caused by bad weather; or arranging for and reimbursing emergency medical treatment or evacuation overseas.

Only travel insurance provides a complete array of protection under one umbrella that would be impossible to get by other means,” he said. “Just like buying a plane ticket, purchasing travel insurance for protection and peace of mind should become second-nature when you make your travel plans.”

Background

The 2006 -2008 Travel Insurance Market Survey was conducted for UStiA by Avalon Actuarial Consulting, an independent Actuarial and Benefit Consulting Firm. The survey was designed to gather and disseminate market information to UStiA association members and the general public. It follows the Travel Insurance Benchmark Survey of 2004, and a follow-up survey that was conducted in 2006.

About UStiA

UStiA membership is estimated to represent more than 90% of the travel insurance market in the U.S. The association promotes fairness, integrity and a commitment to excellence in the travel insurance industry. Its mission is to educate the public on the value of travel insurance while maintaining high industry standards. The UStiA is a non-profit association of insurance carriers and allied businesses involved in the development, administration and marketing of travel insurance and assistance. For more information on UStiA and travel insurance, please visit www.UStiA.org

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