

**For immediate release**

July 7, 2009

**TRADITIONAL DISTRIBUTION CHANNELS CONTINUE TO LEAD  
TRAVEL INSURANCE SALES, SURVEY SHOWS**

- Travel agencies, suppliers continue to lead in travel insurance sales as demand grows
- Trip cancellation-interruption represents 90% of coverage
- Strong growth in medical and medical evacuation policy markets

Traditional distribution channels -- primarily travel agencies and travel suppliers such as cruise lines and tour operators -- continue to be the leading distribution channels for travel insurance, according to the US Travel Insurance Association's new Travel Insurance Market Survey for 2006-2008.

Travel agents and suppliers were responsible for three quarters of the market in travel insurance sales, the survey showed.

Results also revealed that online agencies, airlines, brokers, direct to consumer sales channels and internet sites made significant gains in distribution market share. While accounting for 25% of the market, these avenues saw a growth of over 40%.

Overall, Americans spent nearly \$1.6 billion on travel insurance in 2008, a growth rate of more than 13% over the last two years, according to survey results. In 2008 nearly 120 million people sought coverage through various types of travel-related insurance and emergency services, a growth rate of more than 35%.

Trip cancellation/interruption benefits proved the most popular product, accounting for 90% of sales. The medical and medical evacuation policies segment, while still only covering a fraction of the total market at 5.5% of travel insurance sales, increased by 33% since 2006, the survey noted.

Americans Concerned about Protection

"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," said UStiA president Mike Ambrose.

"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," he said. "People may be spending slightly less for their coverage, but they still want to protect their vacation investment from any number of unforeseen circumstances."

Such coverage protects against unexpected cancellations or trip interruptions because of illness, accident, or even job loss; it typically pays for overnight accommodations and incidentals because of flight delays or cancellations caused by bad weather, and for arranging and reimbursing emergency medical treatment or medical transportation costs, including costly air evacuations.

“Only travel insurance provides a complete array of protection under one umbrella that would be impossible to get by other means,” Ambrose noted. “Just like packing a tooth brush, 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 on behalf of the 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 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](http://www.ustia.org)

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