



For Immediate Release
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TRADITIONAL DISTRIBUTION CHANNELS CONTINUE TO LEAD TRAVEL INSURANCE SALES, SURVEY SHOWS

- Two-thirds of travel insurance sales come from traditional travel agencies and suppliers
- Trip cancellation-interruption coverage represents over 94% of total travel insurance sales
- 27 million Americans are covered by per trip and annual travel insurance plans purchased from a UStiA member

Travel insurance sales continue to grow steadily, with traditional distribution channels -- primarily travel agencies and travel suppliers such as cruise lines and tour operators -- leading the way.

According to The Travel Insurance Market Survey 2008-2010, conducted by the [US Travel Insurance Association](#), traditional travel agencies and suppliers were responsible for **two-thirds of total travel insurance premiums sold in the U.S.** The 2010 figure represents growth of 3.4% over 2008 and 13% over 2009.

Traditional channels still represent the lion's share of travel insurance sales; however, newer, online channels now account for 34% of premiums. These online channels-- including agencies, airlines and internet aggregators, direct to consumer sales, sales from brokers and others -- accounted for 34% of market share in 2010, an increase of 38% over 2008 and nearly 25% over 2009.

Survey reports steady sales growth

Other survey results revealed that Americans spent nearly \$1.8 billion on all types of travel insurance and assistance services in 2010, up from \$1.6 billion in 2008, and \$1.3 billion in 2006. The 2010 figure reflects a steady growth in sales of nearly 14% from 2008, and more than 15% from 2009.

The survey also reported that, in 2010, over 124 million insureds in the US were covered by travel insurance and emergency services provided by UStiA members, reflecting a growth of 29% from 2008 and nearly 20% from 2009. Included in this number are annual, per-trip, and travel medical policies as well as credit card and other membership based programs.

How the Market Shapes Up

According to survey results, approximately 27 million insureds were covered by a per trip or annual plan from UStiA member companies, representing an increase of 34% from

2008 and nearly 20% over 2009. The vast majority (80%) of these plans were package policies that included trip cancellation/interruption.

In fact, policies that incorporated trip cancellation/interruption benefits continued to be the most popular overall, accounting for over 94% of total travel insurance premiums. Another growing category, travel medical and medical evacuation, comprised over 6% of total travel insurance sales, up slightly over 2008.

Growing Awareness of Travel Insurance Benefits

According to UStiA, there is a growing awareness of the benefits offered by travel insurance. Events such as the 2010 ash cloud from the Eyjafjallajokull Volcano in Iceland, the 2011 Japan tsunami, earthquakes and floods in New Zealand and Australia, combined with higher-than-average snowfalls in many parts of the world underscore the importance of protecting a hard-earned vacation investment.

The association also points out that, in an uncertain economy people want to be sure their vacation dollars and their health will be protected in case of emergency and unforeseen circumstances. These circumstances can include needing to cancel or interrupt a trip because of illness, accident, or even job loss; having to pay 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. Last, but not least, selling travel insurance helps protect travel agents and suppliers from possible litigation. And, it is commissionable, the association advises.

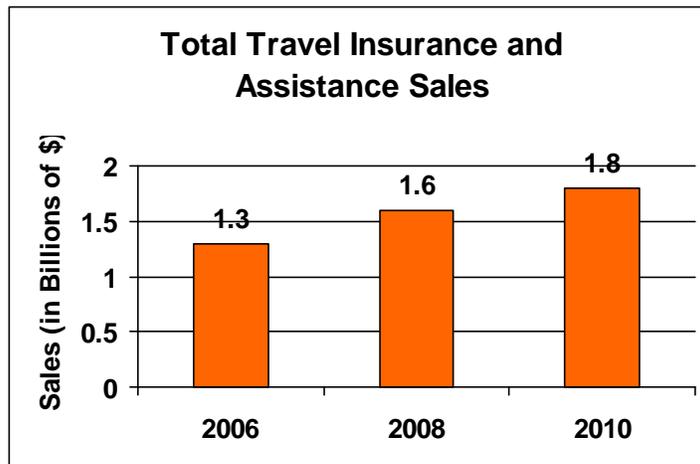
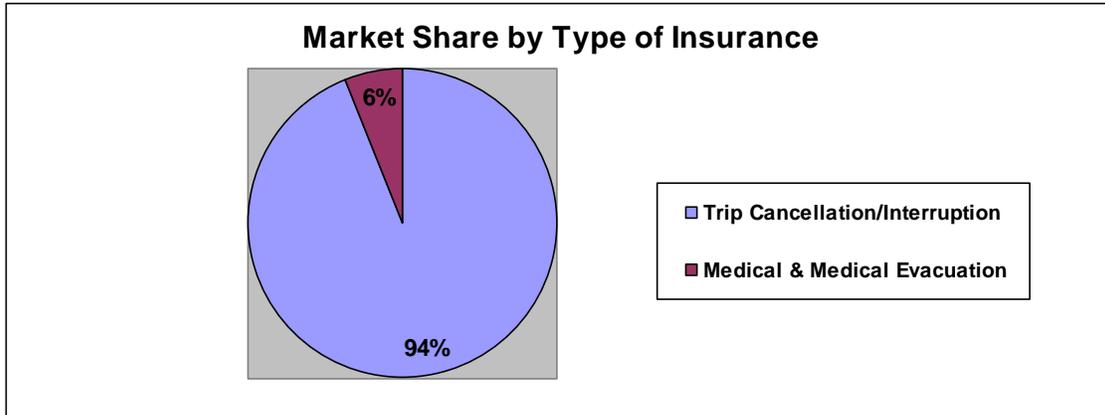
Background

The 2010 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 bi-annual follow-up surveys conducted in 2006 and 2008.

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, visit www.UStiA.org

UStiA also sponsors [TRIP](http://www.trip.ustia.org) (Travel Responsibly, Informed, and Protected), a consumer advocacy web site with helpful information including timely tips on travel, health, safety, and security. For more information, visit www.trip.ustia.org.



Editor Note: Variances from the last survey are possible due to corrections made to prior years' reporting by survey participants.

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