



Spending for Travel Protection Coverage Reaches Over \$4 Billion

American travelers' interest in travel protection recovered from an unprecedented drop in total consumer spending from 2019 to 2020. Americans spent nearly \$4.27 billion on all types of travel protection, giving the industry a significant recovery as conveyed in the recently released 2020–2022 Travel Protection Market Study conducted for the US Travel Insurance Association. Online distribution channels continue to take up the largest market share, accounting for over half of Total Consumer Spend and over 80% of the number of people insured in 2022. Online and direct-to-consumer distribution channels have been quicker to recover from the pandemic, while Traditional Travel Agencies and Cruise and Tour Operators have lagged behind the recovery curve.

Coverage and protection include annual products and per-trip travel protection, with benefits ranging from trip cancellation and interruption, lost luggage, emergency medical, medical evacuation, and various other benefits and programs from USTiA member companies.

"Results from the travel market study indicate a great awareness of travel insurance. Although customers are price-sensitive, they still place high value in coverage and service levels," says S'Neta Benefield, USTiA's executive director.

77 Million People Covered

Collectively, around 77 million people were protected by more than 49.3 million plans provided by USTiA members in 2022. Consumers purchased these plans through distribution channels such as travel suppliers, travel agents, travel insurance providers, internet aggregators, and insurance producers. The number of people covered increased by more than 17% from 2019 and 10.7% from 2021. While the number of plans sold recovered to the pre-pandemic level in 2022, the number of persons insured reached the pre-pandemic level in 2021.

Trip Cancellation/Interruption Remains the Most Popular Choice

The value of trip cancellation/interruption packages has seen a significant increase in 2022, with benefits accounting for approximately 89% of the travel protection products purchased. Results from the next couple of years will tell if the changes in Average Trip Value are indicative of a new trend or are a one-time event led by 'revenge travel' following the pandemic.

Background

The 2020–2022 Travel Protection Market Study was conducted for USTiA by Willis Towers Watson, an independent actuarial and benefits consulting firm. The study was designed to gather market information and disseminate it to USTiA members and the public. It follows the Travel Insurance Benchmark Survey of 2004 and biannual follow-up surveys conducted thereafter. Full results of the study are provided to USTiA members who participate in it.

ABOUT USTIA

USTiA is a nonprofit association of insurance carriers and allied businesses involved in the development, administration, and marketing of travel insurance and assistance services. USTiA promotes fairness, integrity, and a commitment to excellence in the travel insurance industry, with a mission to educate the public on travel insurance while maintaining high industry standards. For more information on USTiA and travel insurance, visit www.ustia.org.

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