

**Speech at the launch of joint Understand Insurance and  
Smartraveller research into risky travel destinations**

**Delivered on November 18, 2019, by Rob Whelan, CEO,  
Insurance Council of Australia  
at the Cruise Bar, Circular Quay**

- It's a beautiful day here in Sydney and it's great to welcome so many representatives from the travel industry, travel insurers and diplomats from many of our closest friends
- I'd like to thank our Minister, Senator Payne, for making time in her busy schedule to launch this year's Consular State of Play. It's always fascinating to hear about the invaluable work Australia's consular staff perform around the world on behalf of us all
- Much of their work takes place in countries that are quite different to ours – and of course that is one of the wonderful things about travel
- We can experience different cultures and geographies, visit famous landmarks, take part in festivals and reach parts of the world that may have been regarded as virtually inaccessible only a generation ago. In fact, I have just returned from a place that was barely on the map when I started my career
- Travel seems to be in the DNA of Australians, but so too does an assumption that “She'll be right”, even in more risky destinations
- That attitude is part of what we've been exploring in this year's joint survey conducted by the Insurance Council's Understand Insurance initiative in partnership with the Department of Foreign Affairs
- For the past four years we have worked with DFAT's Smartraveller team to gather insights into the international travel behaviour of Australians

- We use research to help increase awareness and educate travellers about the financial and health implications they may face if something unexpected goes wrong overseas
- Last year we focused on the travel behaviour of Australians undertaking risky activities in South-East Asia
- You may recall our joint survey revealed some disturbing behaviours, particularly among young Australians
- This year our joint survey focused more on Australians travelling to risky destinations
- We looked at the awareness they have of the Smartraveller risk advice level and how high-risk global events such as disease, civil war, political unrest, natural disasters and terrorist activity may impact their travel plans and their travel insurance.
- The research was conducted by Quantum Research and surveyed almost 1100 recent Australian travellers. It's no surprise an overwhelming 94 per cent aspire to travel more in the future
- What's interesting is their attitude to destinations that do not carry a Level 1 advisory, and in particular destinations that carry Level 3 or 4 advisories
- 87 per cent of travellers are attracted to destinations that are adventurous or off the beaten track, including those that carry a level 2 advice or higher
- One in three travellers would still travel if a **Reconsider your need to travel** advice affected their intended destination
- Of those who would likely still travel, 25 per cent said 'the appeal of the destination justified the risk'
- Three-quarters of those who travelled without insurance did so because they 'expected to be safe'. In particular, those travelling to

countries where they held nationality widely believed it exempted them from needing insurance

- Of great concern is the fact 10 per cent of travellers chose not to buy travel insurance – in particular young men
- And that one in four travellers wrongly believes the Australian Government will pay for medical treatment or emergency travel home if something goes wrong
- Most importantly, fewer than a third of travellers were both aware of the Smartraveller advice levels AND knew that their travel insurance may not provide cover in relation to some situations in countries with level 3 and 4 advice levels
- Each survey we do with the Department of Foreign Affairs reinforces our joint goal to reduce the number of Australians who fail to protect themselves with travel insurance, or don't buy the right cover for their individual circumstances and are left calling on the resources of their family, friends and platforms such as Go Fund Me when things go wrong
- And while Smartraveller does an extraordinary job – and we congratulate the team for the new website and fresh approach to assisting Australian travellers – we know the work to educate travellers requires a combined focus from industry and government
- Though we are always concerned about the hundreds of thousands of Australians who depart each year without the protection of travel insurance, we are also exploring the unintended consequences of regulatory change that could affect the safety and security of our citizens
- We will be contributing to the legislative impact discussions to explore the effect that a deferred sales model could have on the uptake and availability of travel insurance
- And though the industry in principle supports the introduction of Unfair Contract Terms reforms, it is concerned the current proposed model will lead to greater uncertainty and higher costs.

The result may be more expensive insurance and less coverage.  
And that's something we should all seek to avoid

- Please don't hesitate to speak to my team here if you'd like more information about travel insurance the our Understand Insurance initiative
- Thank you.