

Quantum
Market
Research

ICA & DFAT

Travel Insurance Survey 2023

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Headline findings

A person in silhouette stands in a doorway, looking out at a sunset over a landscape. They are holding a suitcase. The scene is framed by the wooden doorposts. The sky is filled with colorful clouds in shades of blue, orange, and yellow. The foreground is a gravel path leading away from the doorway.

Headline findings – At-risk travel in 2022/23

1.

Two in three (67%) considered any health and safety risk before travelling.

More than one in ten (12%) did not consider **any** risks before their last overseas trip.

Those who did consider a risk were mostly preoccupied with potential transport disruptions (59%).

Fewer than half considered diseases / illness (45%) or injuries (43%).

Concerningly, a third (34%) of those who travelled without insurance had also not considered any risks.

2.

One in six (16%) were not covered by any form of travel insurance on their last overseas trip.

Younger travellers (25% of those aged under 30), those from lower income households (22% of those in households earning less than \$100k), and those from culturally and linguistically diverse backgrounds (25% of those born overseas) were identified as groups which over-index on likelihood to travel without insurance.

Reflecting the need for community awareness raising: The most common reason given for travelling without insurance was “travelling somewhere I knew I’d be safe” (selected by 29% of those who travelled without insurance). A quarter (27%) identified “I wasn’t sure if it was needed”. And a quarter (25%) “I just didn’t think of it”.

3.

The majority of travellers were overconfident, assuming perfect knowledge of their travel insurance coverage without properly reading the product disclosure statement (PDS).

The majority of insured travellers agreed they were clear on what their insurance covered (82%) and understood the details of their PDS (76%). However, just one in five (19%) clearly agreed they’d spent time reading every detail of their PDS before travelling.

Reinforcing the potential return on investment from community awareness raising, the vast majority (97%) of travellers intend to make one or more positive behaviour changes (e.g. reviewing exclusions more carefully) when informed about common insurance policy exclusions.

Headline findings – Smartraveller

1.

Smartraveller was the most common source used by travellers to look for information on risks or advice on how to stay safe while overseas (44% used it).

Awareness was high, with almost nine in ten (86%) having heard of the Smartraveller website before. Two thirds (67%) identified that they had visited the Smartraveller website prior to their most recent overseas trip.

The website is highly effective:

Almost all who visited the website felt it made them more aware of (94%), and equipped to manage (92%), risks when travelling.

It is striking that half (56%) have decided not to visit a destination after visiting the Smartraveller website. This highlights Smartraveller's influence as line of defence preventing Australians from unknowingly travelling to high risk destinations.

2.

One in five (19%) travellers subscribed to Smartraveller's travel advice updates. They almost universally (99%) agreed that subscribing ensured they had the most current information about the country they were visiting.

Those who did not subscribe tended to identify they: "Felt confident I could stay up-to-date without subscribing (29%), "Didn't feel I needed to - the country I visited was safe" (23%) and / or "Didn't know about this feature" (22%).

3.

Visitation to the Smartraveller website is correlated with travelling with insurance in place: The vast majority who visited the Smartraveller website (91%) chose to travel with insurance, compared to just 71% of those who did not visit the website prior to their most recent overseas trip.

Additionally, those who had visited the Smartraveller website before travelling were found to be significantly more aware of common travel insurance policy exclusions, thus ensuring they were properly informed about their coverage.

Headline findings – Future travel insurance intentions

1.

Two in five (41%) would consider travelling overseas without travel insurance in future.

Younger travellers (aged under 30) were at highest risk: More than half (53%) identified they would consider travelling overseas without insurance in future.

Income was also a factor: Those with a household income of less than \$100k were significantly more likely to consider travelling without insurance (46%) than those with an income of \$100k+ (38%).

2.

There is a risk that the rising cost of living will prompt more Australians to travel uninsured or underinsured.

Of recent travellers who went without insurance, one in seven (15%) gave “couldn’t afford it” as their reason.

In response to the rising cost of living, a third (34%) agree they will consider travelling without insurance to save money.

Half (45%) agree they will “cut back on travel insurance, to save money”. This proportion is significantly higher among those identified as already most at-risk of travelling whilst uninsured / underinsured, including younger travellers (62% of those aged under 30), those from lower income households (50% of those in households earning less than \$100k), and those from culturally and linguistically diverse backgrounds (50% of those born overseas).

3.

In parallel, the rising cost of living may also incite travellers to become more at-risk whilst they are overseas.

Overall, the majority (86%) will find ways to keep costs down (e.g. by booking cheaper travel options). This may increase their exposure to risk if those options are less safe, do not have good cancellation policies, etc.

Younger travellers (aged under 30) were significantly more likely to report they would choose cheaper destinations to visit as a result of increasing travel costs (85%, vs. 77% aged 30+). This may put them at greater risk if the destinations they choose are less safe.

About the research



Background and objectives

Insurance Council of Australia (ICA) and the Department of Foreign Affairs and Trade (DFAT) have the joint responsibility to raise public awareness of and preparedness for the risks that exist when travelling overseas. Of particular interest to this work is the importance of holding adequate travel insurance.

Among other uses, this survey will be leveraged to support continuity of media coverage.

The focus of the research is on those who had travelled internationally in the last 12 months.

Specific objectives of this research include:

1. Unpack attitudes toward international travel in 2023, as well as travel intentions in the face of rising travel costs and cost of living.
2. Measure travellers' knowledge of travel insurance and what it covers / does not cover.
3. Measure engagement with Smartraveller, including whether it provides the information needed, and identify any gaps.

Quantitative methodology



Online survey with respondents sourced from an ISO-accredited panel



Fieldwork took place from 7th – 14th August 2023



10 minute survey



Data representative of Australians who have travelled overseas in the past 12 months

Total sample size, n=1,057

- A nationally representative mix of adults by age, gender and location, according to ABS statistics was approached. To qualify for the survey, respondents needed to meet the following criteria:
 - Australian residents
 - Aged 18+
 - All have travelled outside Australia in the past 12 months
- The final sample is allowed to fall out naturally according to the actual population of 'Overseas Travellers'.
- The maximum margin of error (at the 95% confidence interval) on the total sample size is +/- 3.01%.
- Where significance testing has been shown, results are significant at the 95% significance level.
- The project was carried out in line with the Market Research International Standard, AS ISO 20252.

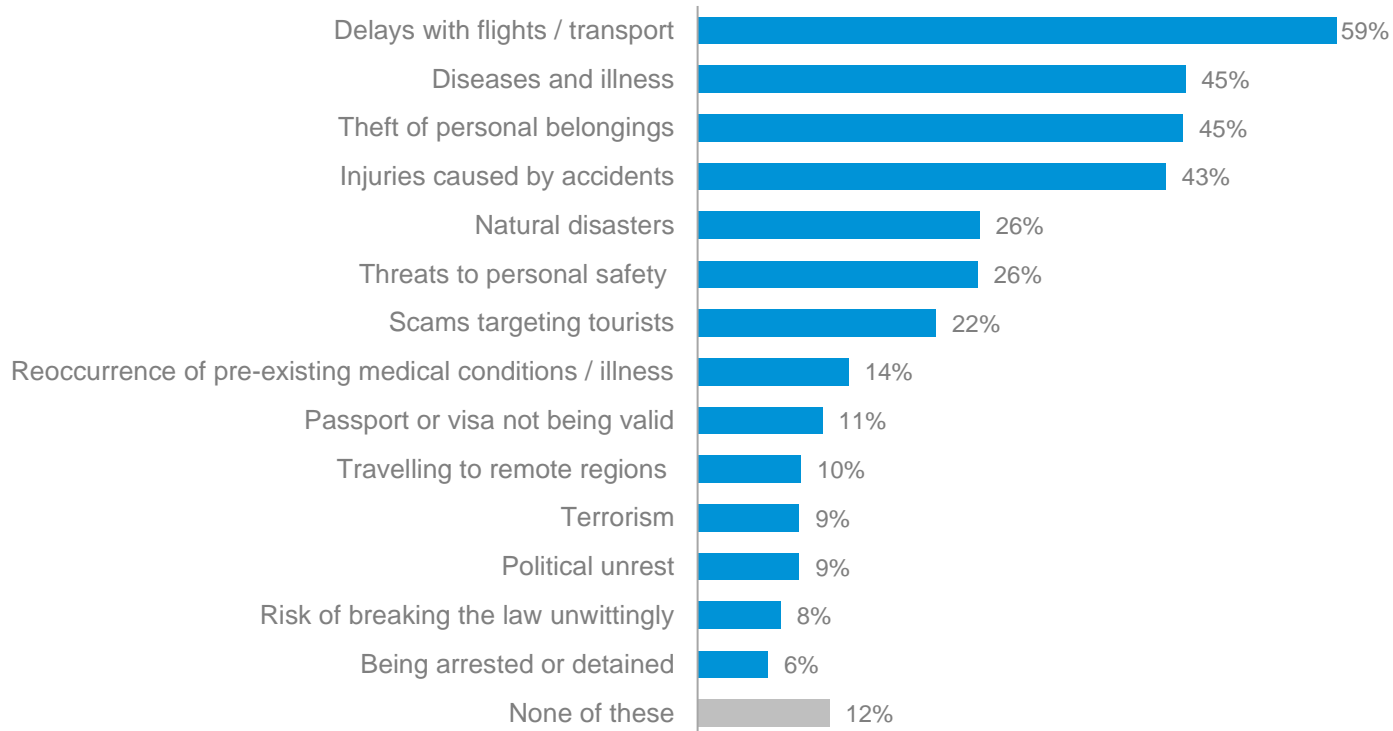
Detailed findings

Travel planning

Transport disruptions were the risks most commonly considered before travelling, followed by illness and theft

Risks considered pre-travel

Base: All respondents (n=1,057)



More than one in ten (12%) reported not considering any risk. Likelihood of not considering any risk was significantly higher among those returning to their home country (20%, vs. 10% of others).

Those who did consider a risk were most likely to focus on matters of logistics and transport disruption.

Women were significantly more likely to have considered delays with flights / transport (63%, vs. 55% men), diseases / illness (50%, vs. 39% men), and natural disasters (30%, vs. 22% men).

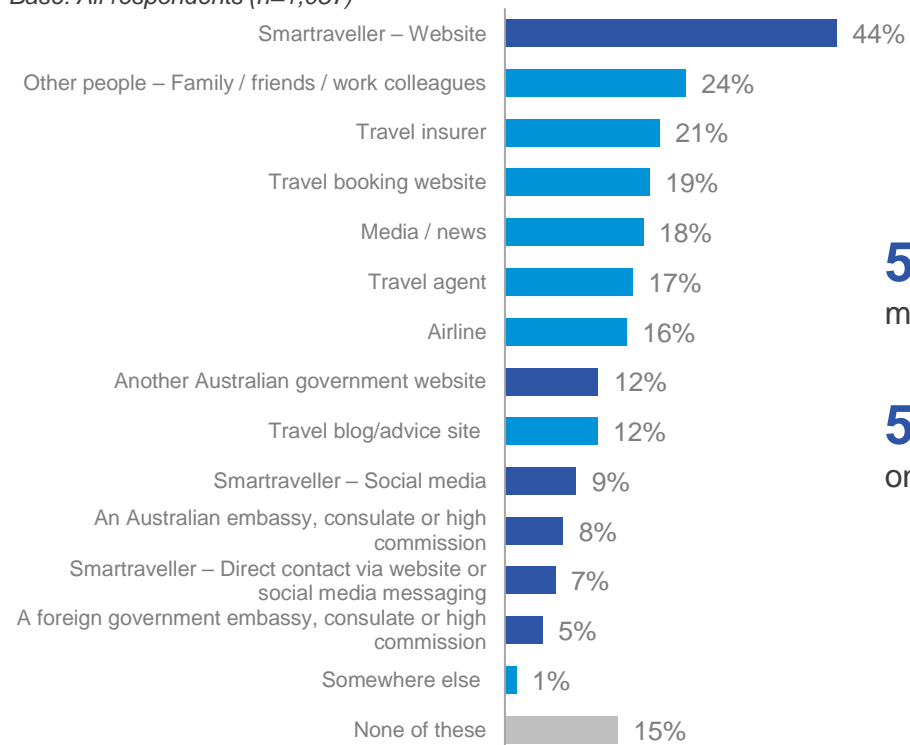
Younger travellers (those aged under 30) were less likely to have thought about a number of these risks. In particular, the risk of diseases and illness (35%, vs. 48% of those aged 30+). This puts them at greater risk of being unknowingly underinsured.

Q.10. Which of the following risks did you think about before travelling to [COUNTRY SELECTED AT Q.5]?

More than half (57%) sought travel advice from Government sources – most commonly from the Smartraveller website (44%)

Sources used to get advice on overseas travel

Base: All respondents (n=1,057)



57% sought information one or more official Government sources

50% sought information from one or more Smartraveller sources

Those who did not think about any risks prior to travelling were significantly more likely to have also not sought any information on risks or advice (37% did not, vs. 12% of those who had considered any risk).

Propensity to seek information from official government sources was significantly higher among those:

- Aged 30+ (61%, vs. 46% aged under 30)
- With an income of \$100k or more (61%, vs. 54% less than \$100k)
- Visiting a place that was not their home country (60%, vs. 47% returning to their home country)

It's evident that raising awareness of risks is conducive to prompting more people to look for information and advice on those risks.

Smartraveller is the most common source of information (44% used it); one in five (21%) identified travel insurers as a source of information on staying safe overseas.

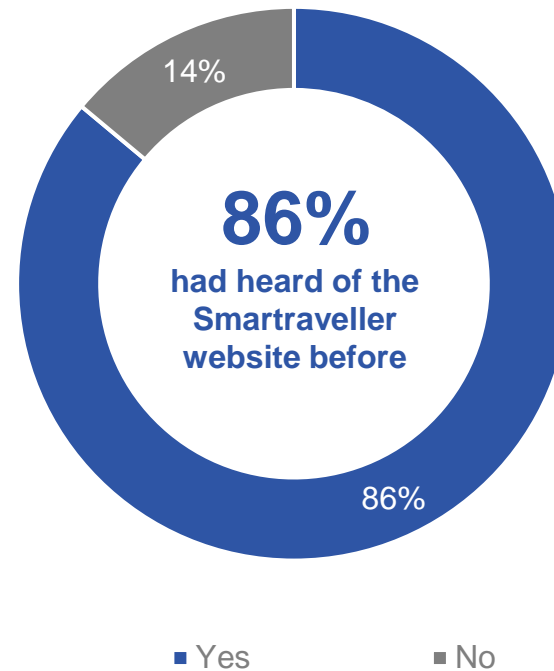
Q.11. Where, if anywhere, did you look for information on risks or advice on how to stay safe while overseas?

Awareness and use of the Smartraveller website

Awareness was high, with almost nine in ten (86%) having heard of the Smartraveller website before

Awareness of the Smartraveller website (Smartraveller.gov.au)

Base: All respondents (n=1,057)



Awareness of the Smartraveller website was significantly higher among travellers aged 30+ (90%, vs. 74% aged under 30) and those born in Australia (90%, vs. 67% born overseas).

Those who held travel insurance on their last trip were significantly more likely to be aware (90%, vs. 67% without), as were those who travelled to a country that was not their home country (89%, vs. 76% returning to home country).

There is a job-to-be-done to increase awareness of Smartraveller among younger Australians as well as those who are from culturally and linguistically diverse backgrounds.

Q.11. Where, if anywhere, did you look for information on risks or advice on how to stay safe while overseas?

Q.12. Before you travelled, did you visit the Smartraveller website (smartraveller.gov.au) to read the latest government travel advice and warnings?

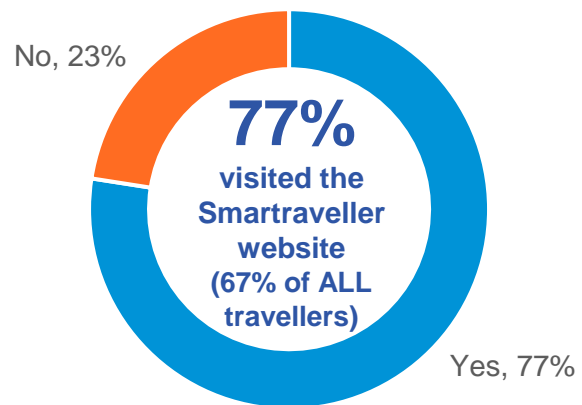
Q.13. Have you heard of the Smartraveller website (smartraveller.gov.au) before today?

Three quarters (77%) of those aware of Smartraveller visited the website... and of those, 28% subscribed for travel advice updates

Awareness and use of the Smartraveller updates

Base: Those aware of the Smartraveller website (n=916)

Visited Smartraveller website before last overseas trip



66% of those who did not visit the Smartraveller website when planning their last trip had visited previously
92% of all who were aware of Smartraveller had ever visited

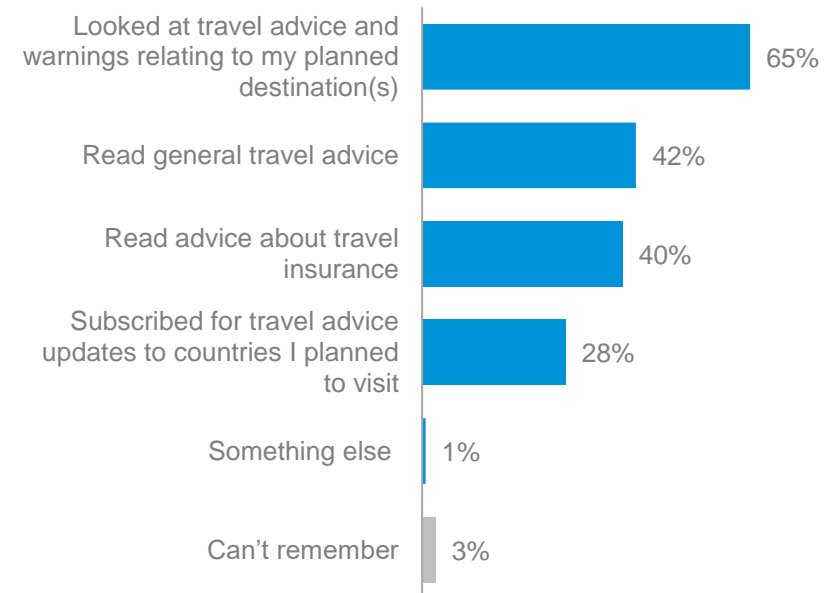
Q.12. Before you travelled, did you visit the Smartraveller website (smartraveller.gov.au) to read the latest government travel advice and warnings?

Q.18. Have you ever previously visited the Smartraveller website?

Base: Those aware of Smartraveller that did not visit the website (n=204)

Base: Those who visited the Smartraveller website before their last trip (n=712)

Use of Smartraveller website



Q.15. Which of the following did you do through the Smartraveller website

Majority of those who did not visit the website felt it was simply not needed – perceiving their destination as ‘familiar’ and ‘safe’

Reasons for not visiting the Smartraveller website before travelling

Base: Those aware of Smartraveller that did not visit the Smartraveller website before their last trip (n=204)

23%
did not visit the Smartraveller website



68% didn't feel like they needed to visit the website

Younger travellers (aged under 30) were significantly more likely to report not visiting the Smartraveller website because they *had been to the website before and didn't find it useful* (8%, vs. 1% aged 30+).

Inevitably, those who visited their home country on their last trip were significantly more likely to have not visited the website because they *didn't feel like I needed to – I was familiar with the country I was visiting* (68%, vs. 38% others).

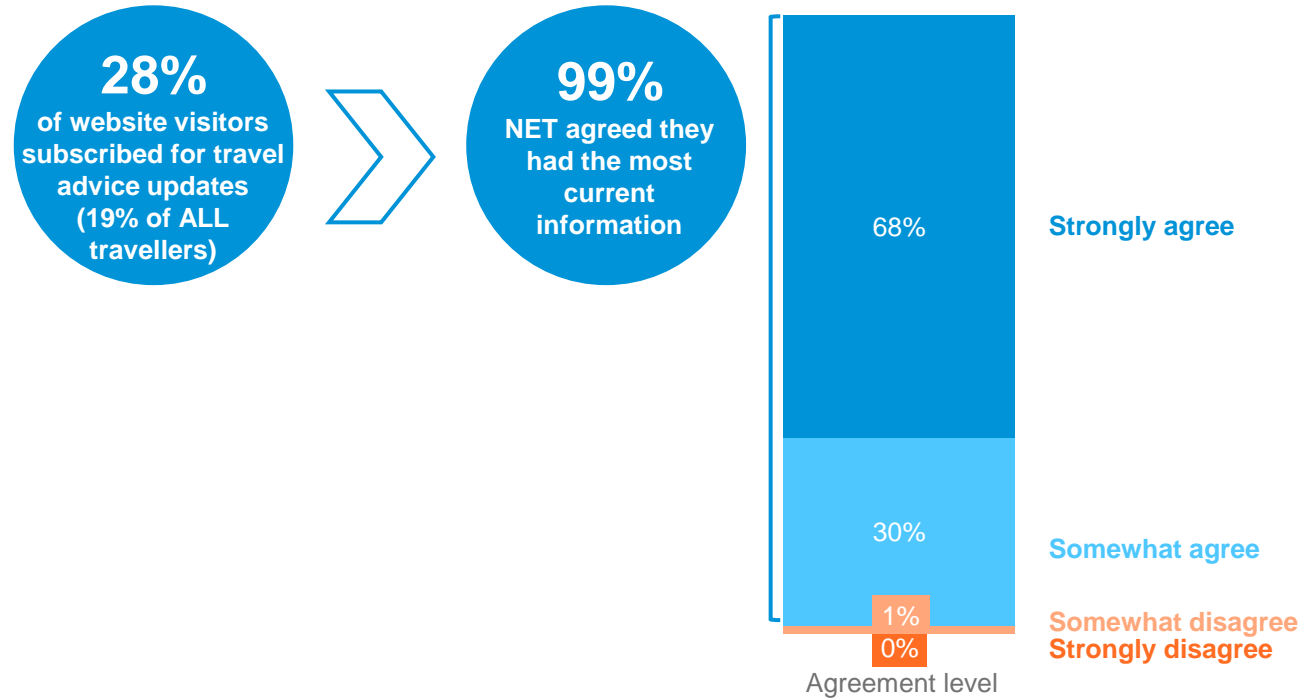
There is an opportunity to persuade travellers of the relevance of Smartraveller, even if they're familiar with their intended destination.

Q.14. Why didn't you visit the Smartraveller website before your most recent trip to [COUNTRY SELECTED AT Q.5]?

Almost all (99%) who subscribed to Smartraveller's travel advice updates agreed doing so ensured they had the most current information

Agreement level – “Subscribing for travel advice updates ensured I had the most current information about the country I was visiting in case something changed / went wrong”

Base: Those subscribed to Smartraveller updates through the website (n=201)



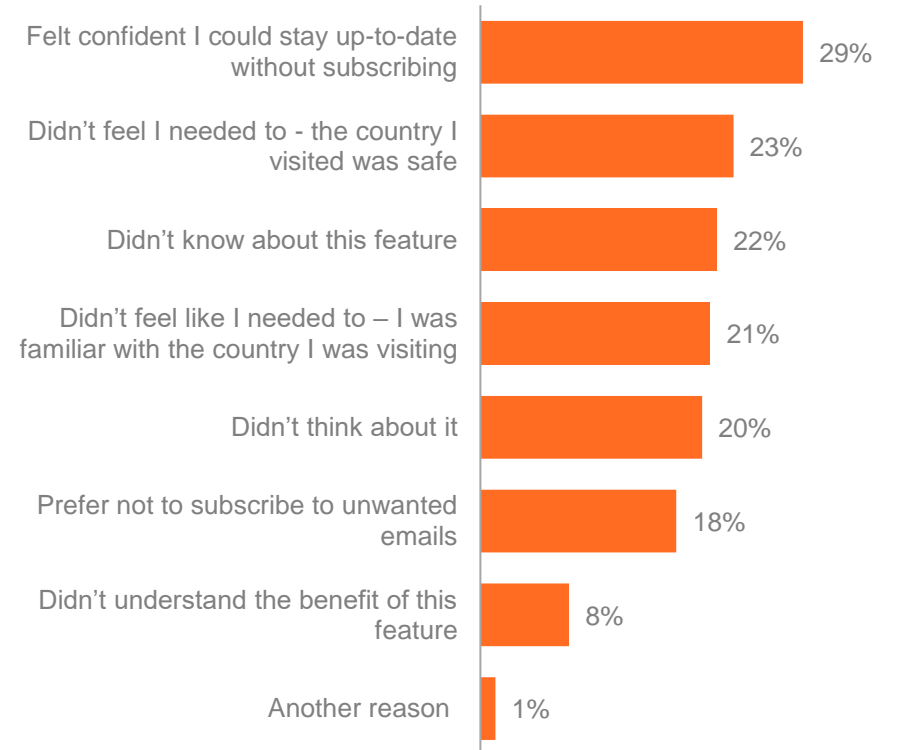
Q. 16. To what extent do you agree with the following statement about subscribing for travel advice updates?

One in five (22%)
of those not
subscribed
simply did not
know about the
feature

Reasons for not subscribing to travel advice updates

Base: Those who did not subscribe to travel updates via the Smartraveller website (n=511)

72%
did not subscribe
for travel advice
updates
(81% of ALL
travellers)

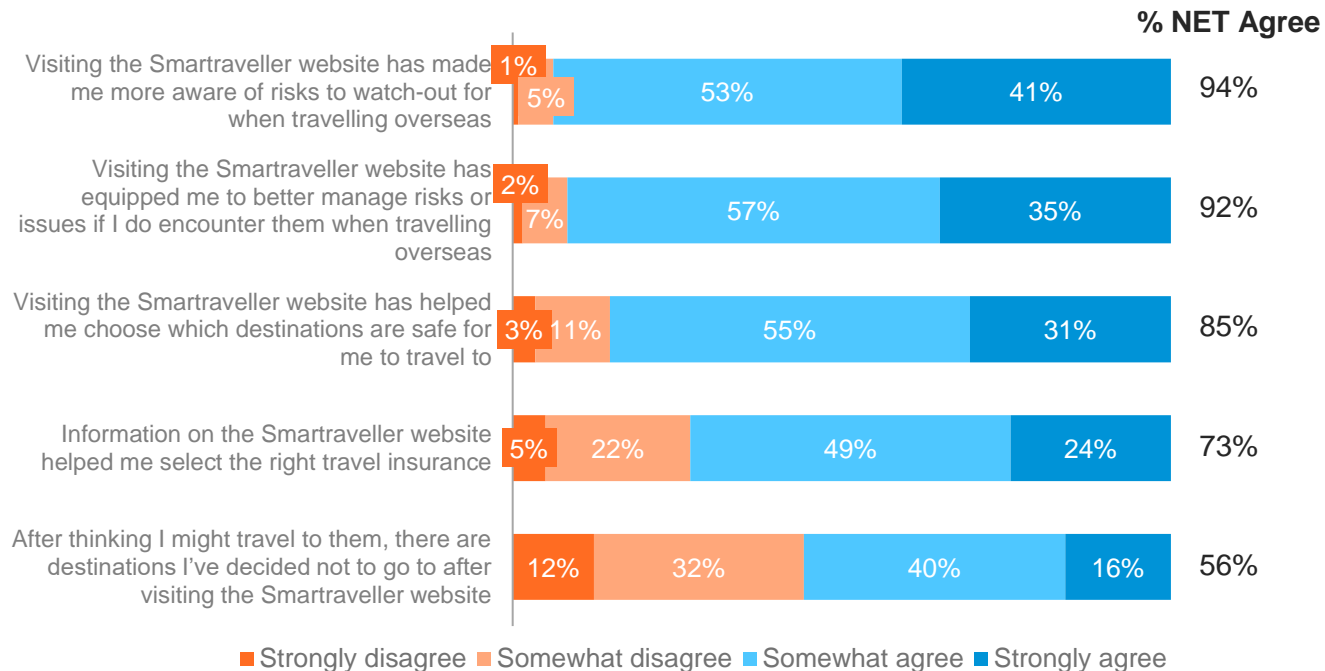


Q.17. Why didn't you subscribe for travel advice updates via the Smartraveller website before your most recent trip to...?

Almost all who visited the website felt it made them more aware of (94%), and equipped to manage (92%), risks when travelling

Agreement with statements about visiting the Smartraveller website

Base: Those who visited the Smartraveller website before their last trip or had visited it previously (n=847)



Those born in Australia were significantly more likely to agree that visiting the website caused them to decide not to go to certain destinations (58%, vs. 49% overseas born).

Those who returned to their home country on their last trip were significantly more likely to agree that information on the website helped them select the right travel insurance (82%, vs. 71% of others).

It is striking that half (56%) have decided not to visit a destination after visiting the Smartraveller website. This highlights Smartraveller's influence as line of defence preventing Australians from unknowingly travelling to high risk destinations.

Q. 19. To what extent do you agree with the following statements about visiting the Smartraveller website?

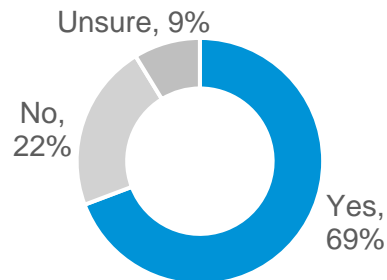
Awareness and attitudes toward Advice Levels

More than two thirds (69%) of Australian travellers had heard of the Government's travel advisories before

Awareness of Australian government travel advisories

Base: All respondents (n=1,057)

Heard of Australian government travel advisories



Smartraveller has travel advisories for 178 destinations worldwide that reflect the level of risk. There are four levels of travel advice:

- Level 1 – Exercise normal safety precautions
- Level 2 – Exercise a high degree of caution
- Level 3 – Reconsider your need to travel
- Level 4 – Do not travel

Those who had heard of the Smartraveller website before were significantly more likely to also be aware of the Australian government travel advisories (75%) than those who had not (33%).

Sub-groups more likely to be aware of government travel, are the same as those more likely to be aware of the Smartraveller website, i.e. those:

- Aged 30+ (72%, vs. 60% aged under 30 years)
- Born in Australia (71%, vs. 65% overseas born)
- Who held travel insurance on their last trip (74%, vs. 46% without)
- Who travelled to a country that was not their home country (71%, vs. 63% returning to home country)

Q.20. Had you heard of these Australian government travel advisories before today?

One in ten (10%) Australians would definitely still travel to a country that had travel advisories in place

“To what extent would you travel to a country if this advice level was in place?”

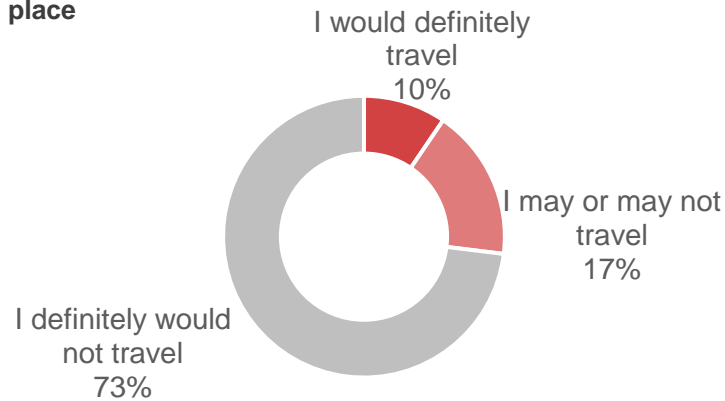
Base: All respondents (n=1,057)

“The Government (via. Smartraveller) may advise you not to travel to certain destinations.

This would be expressed as a ‘Level 3 – Reconsider your need to travel’ or ‘Level 4 – Do not travel’ advice level”

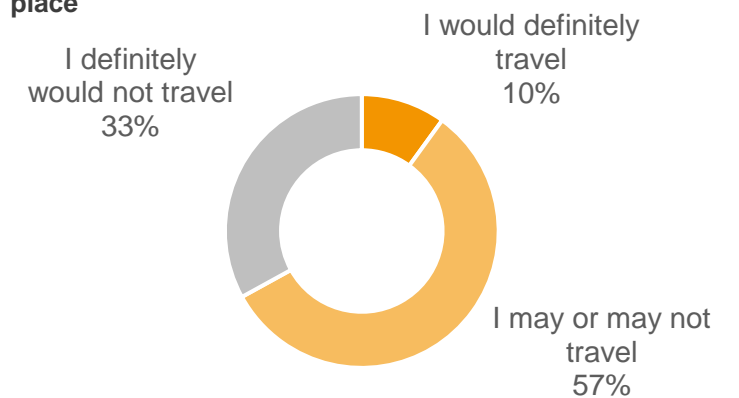
Level 4 Do not travel

27% might travel, even with a Level 4 travel advisory in place



Level 3 Reconsider your need to travel

67% might travel, even with a Level 3 travel advisory in place



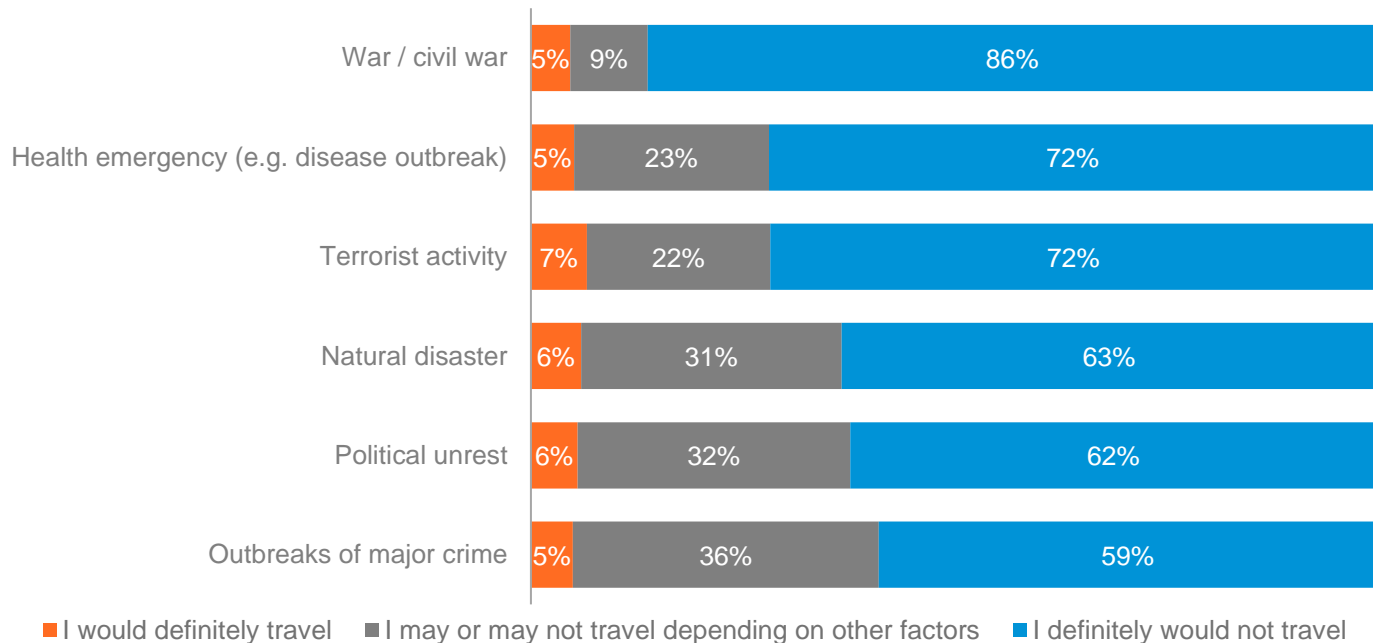
The classifications alone are not reliably sufficient to deter potential travellers. Clear information is required either to deter them, or to equip them if they do decide to travel.

Q.21. To what extent would you travel to a country if a ‘Level 3 – Reconsider your need to travel’ advice level was in place? / To what extent would you travel to a country if a ‘Level 4 – Do not travel’ advice level was in place?

Outbreaks of major crime were seen as least concerning, while war / civil war would discourage most Australians from travel

Intention to travel in each scenario – among those who may still travel with an advisory in place

Base: All respondents (n=1,057)



Those who self-identified that they *would definitely / may or may not still travel* with travel advisories in place were much more likely to then go on to say they *definitely would not travel* when given specific examples of situations that might warrant a travel advisory.

However, there was still a sizeable proportion who would definitely travel in each circumstance – and these were more likely to be younger travellers. Younger travellers (aged under 30) were significantly more likely to report that they would definitely travel in all scenarios (9%-13%) than those aged 30+ (3%-4%).

Whilst some risks (e.g. ‘war’) are implicitly a deterrent, there are other more ambiguous risks (e.g. ‘political unrest’) where Smartraveller plays a more nuanced role in ensuring travellers are suitably well informed.

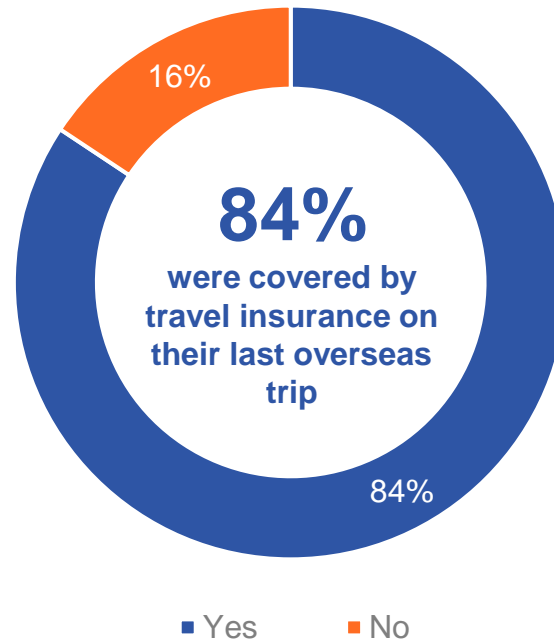
Q.22. Imagine you were planning a trip overseas and became aware of the following as part of a ‘Level 3 – Reconsider your need to travel’ advice for your intended destination. How might you be influenced in each scenario?

Travel insurance coverage

One in six (16%) were not covered by travel insurance on their most recent overseas trip

Travel insurance coverage on last overseas trip

Base: All respondents (n=1,057)



Those **not covered** by travel insurance tended to be:

- Aged under 30 (75% were insured, vs. 88% aged 30+).
- Born overseas (75% were insured, vs. 88% born outside Australia)
- Had a household income under \$100k (78% were insured vs. 90% earning more than \$100k)
- Had **not** visited the Smartraveller website before travelling (71% were insured, vs. 91% who did visit the website)
- Were travelling to their home country (64% were insured, vs. 89% visiting somewhere else)

Those **not covered** by travel insurance were also significantly more likely to have not thought about *any* risks before travelling (34%, vs. 8% of those with).

There is correlation between visitation of the Smartraveller website and the decision to travel with insurance in place. Young Australians, those from lower income households, and those from culturally and linguistically diverse backgrounds are all higher-risk groups for travelling without insurance.

Q.8. On your last overseas trip to [COUNTRY SELECTED AT Q.5], were you covered by travel insurance?

Not considering it, or considering it but not being sure it was needed, were common reasons for travelling without insurance

Reasons for not being covered by travel insurance

Base: Those not covered by travel insurance on their last overseas trip (n=156)

16%
were not covered
by travel
insurance



Besides general awareness raising to remind travellers to seriously consider insurance, there is also the need to 'myth bust'. For example, 1 in 25 (4%) travellers went without insurance on the basis they didn't need it because their trip was short.

There are early warning signs that the rising cost of living may impact some travellers' decision to travel without insurance. One in seven (15%) of those who travelled without insurance gave 'couldn't afford it' as their reason for travelling without.

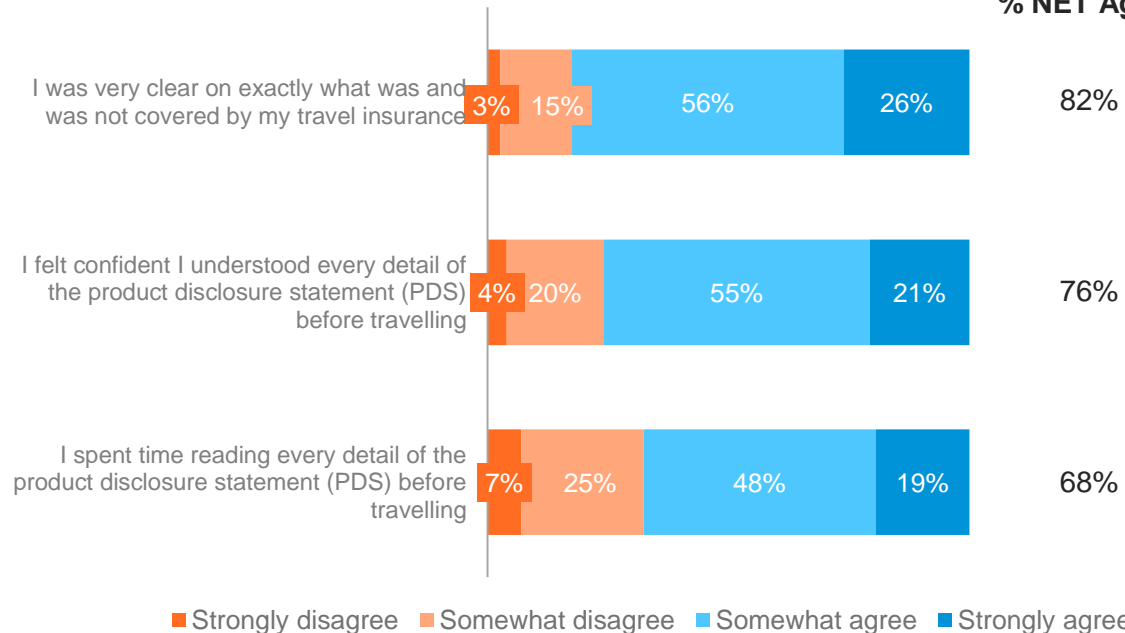
Q.9. You indicated that you did not hold travel insurance on your last trip outside Australia. Which of the following are reasons why you did not hold travel insurance?

Only one in five (19%) strongly agreed they ‘spent time reading every detail of the PDS before travelling’

Agreement with statements understanding of travel insurance coverage

Base: Those who held travel insurance on their last overseas trip (n=901)

% NET Agree



Travellers who visited the Smartraveller website before travelling were significantly more likely to agree with all statements than those who did not.

Younger travellers (aged under 30) were significantly less likely to report spending time reading every detail of the PDS (61%) than those under 30+ (70%).

Travellers’ perception of their own understanding of their travel insurance coverage was high, with four in five (82%) agreeing they were very clear on exactly what was and was not covered. However, only one in five (19%) strongly agreed they ‘spent time reading every detail of the PDS before travelling’. This disconnect may result in travellers being overconfident in their knowledge, and therefore unknowingly underinsured.

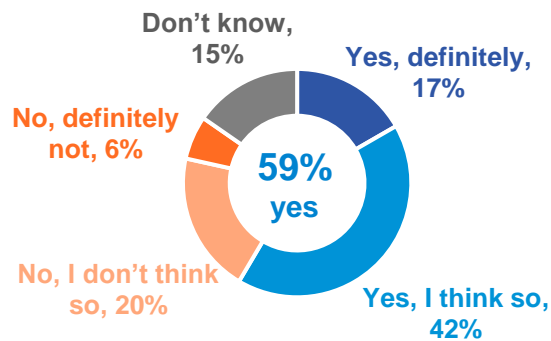
Q.23. To what extent do you agree with the following statements about the travel insurance you held when you last travelled overseas?

The majority (92%) weren't confident they knew whether they were covered for one or more common exclusions

Perceived coverage of travel insurance on last trip overseas

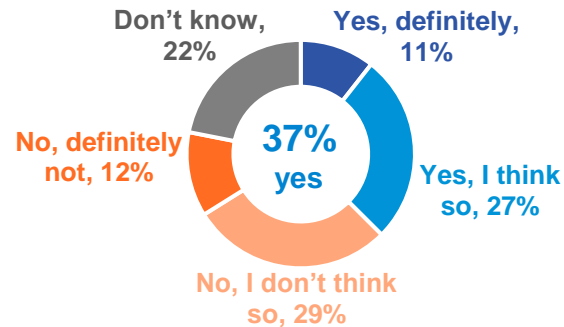
Base: Those who held travel insurance on their last overseas trip (n=901)

Losses incurred due to natural disasters



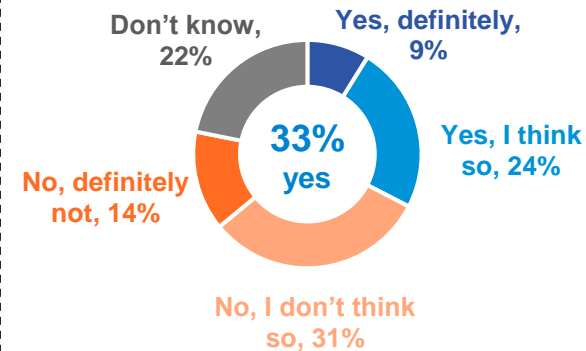
77% not definite about their coverage

Losses incurred due to terrorism



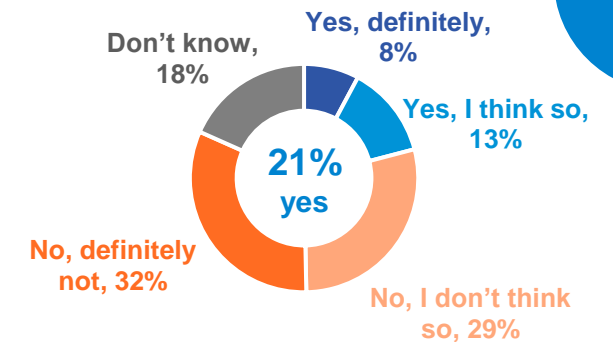
77% not definite about their coverage

Travel to an area with a 'Level 3 - Reconsider your need to travel' advisory



77% not definite about their coverage

Travel to an area with a 'Level 4 - Do not travel' advisory



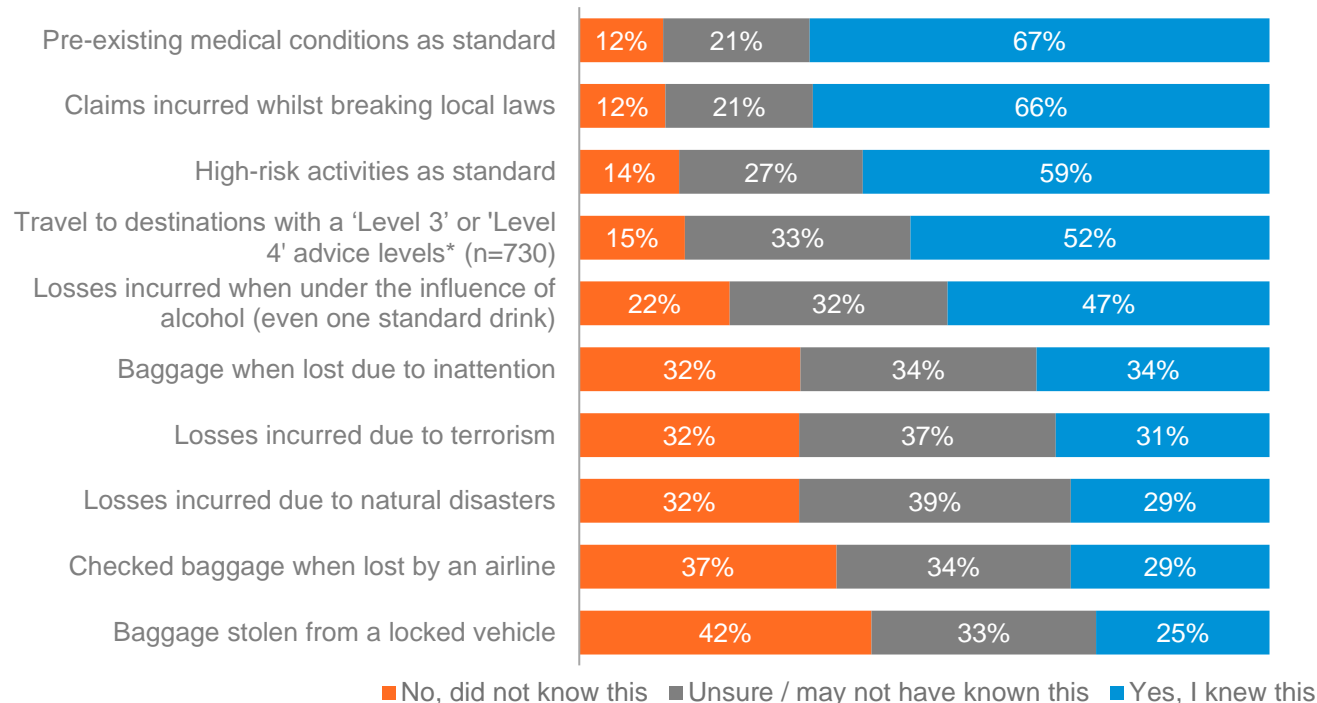
60% not definite about their coverage

Q.24. When you travelled to [COUNTRY SELECTED AT Q.5], did your travel insurance cover you for... ?

Beyond 'common sense' exclusions, knowledge of common travel insurance policy exclusions was limited

Knowledge of common exclusions from travel insurance

Base: All respondents (n=1,057)



Those who had visited the Smartraveller website before travelling were significantly more likely to have known about all exclusions (except for *checked baggage when lost by an airline*, where the difference was not significant).

The vast majority (94%) of travellers weren't aware of one or more common travel insurance exclusions. As such, they were at risk of travelling whilst unknowingly underinsured.

Q.28. The following are all common exclusions from travel insurance. Before today, were you aware of the following?

In most cases, travel insurance policies do not cover...

*Among those aware of advisories

More than half (55%) intended to look more carefully at their travel insurance after learning about common exclusions

Intended actions after learning of common travel insurance policy exclusions

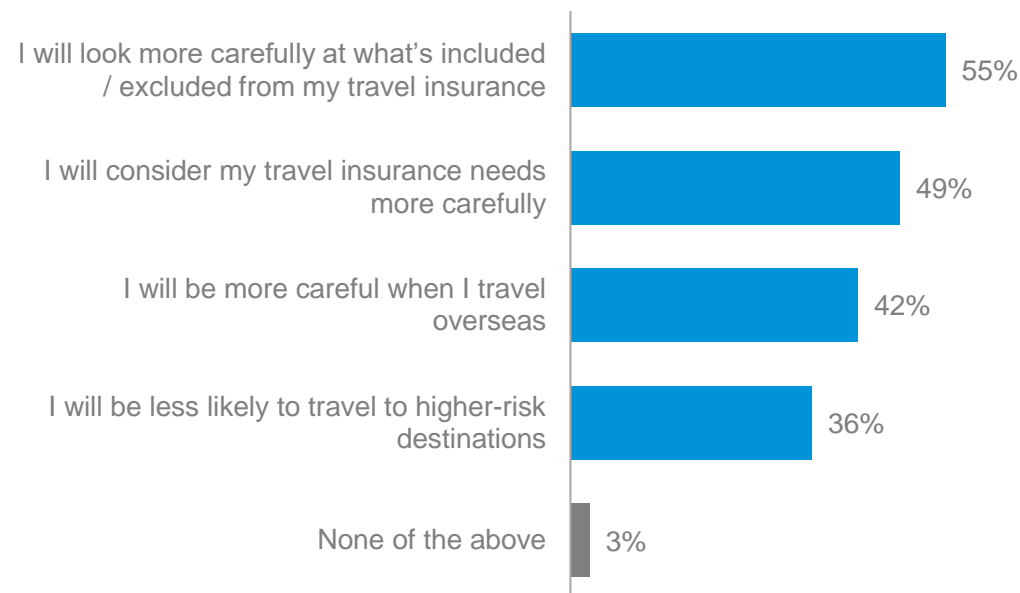
Base: All respondents (n=1,057)

In summary, in most cases travel insurance policies do not cover...

- Travel to destinations with a 'Level 3 – Reconsider your need to travel' or 'Level 4 – Do not travel' advice levels
- Losses incurred when under the influence of alcohol (even one standard drink)
- Checked baggage when lost by an airline
- Baggage when lost due to inattention (e.g. if stolen when the owner turns their back for a moment)
- Baggage stolen from a locked vehicle
- High-risk activities as standard (e.g. riding a motorcycle or extreme sports)
- Pre-existing medical conditions as standard
- Claims incurred whilst breaking local laws (e.g. riding without a helmet, or taking illegal drugs)
- Losses incurred due to terrorism
- Losses incurred due to natural disasters



Knowing this, which of the following might you do differently in future?



Interestingly, those who'd previously agreed they were *very clear on exactly what was and was not covered by their travel insurance* were marginally **more** likely to intend to undertake all actions in future. This highlights their realisation that they were overconfident in their own self-assessment of their knowledge.

Reinforcing the potential return on investment from community awareness raising, the vast majority (97%) of travellers intend to make one or more positive behaviour changes when informed about common insurance policy exclusions.

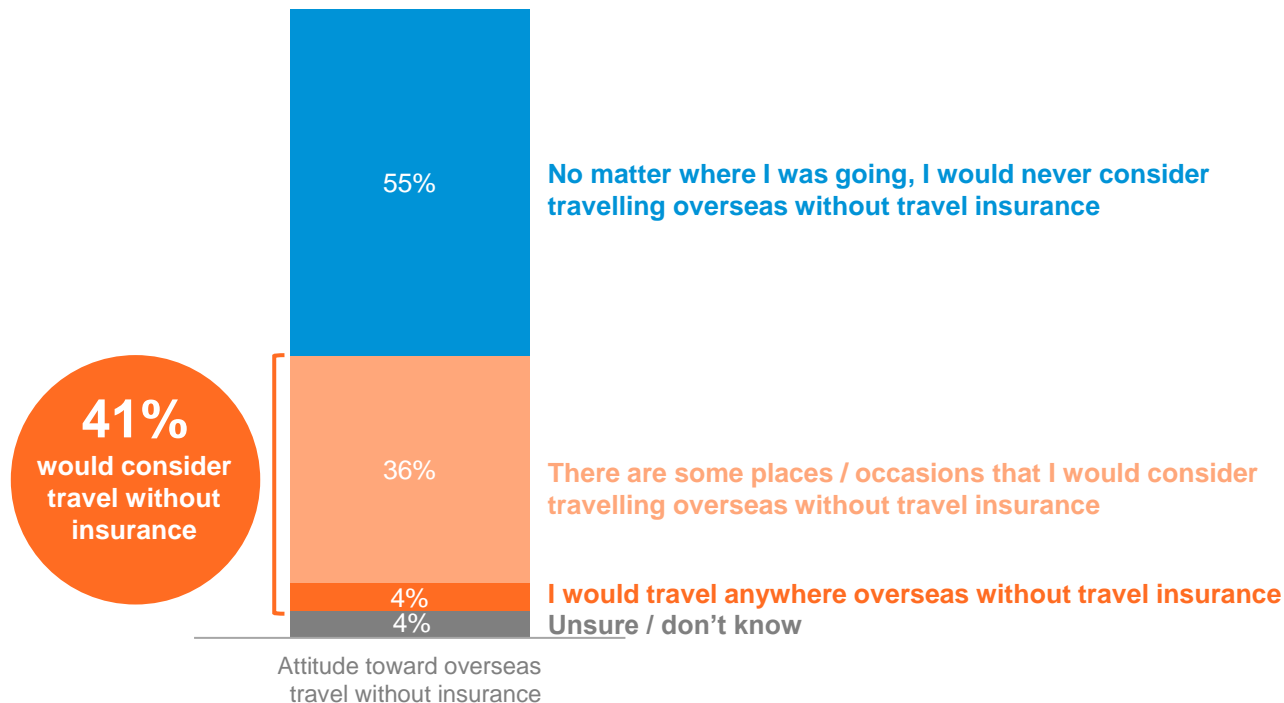
Q.29. In summary, in most cases travel insurance policies do not cover... Knowing this, which of the following might you do differently in future?

Future travel intentions

More than a third (41%) self-identify that they would consider travelling without insurance in future

Attitudes towards travelling overseas without travel insurance in future

Base: All respondents (n=1,057)



Q.25. Which of the following best describes your attitudes toward travelling overseas without travel insurance in future?

Younger travellers (aged under 30) were significantly more likely to be open to travelling overseas without insurance. More than half would consider travelling without insurance (53%, vs. 30% aged 30+) and almost one in ten would travel *anywhere* without insurance (8%, vs. 3% aged 30+).

Income was also a factor: Those with a household income of less than \$100k were significantly more likely to consider travelling without insurance (46%) than those with an income of \$100k+ (38%).

Consideration of travel without insurance was also significantly higher among those who were born outside Australia (41%, vs. 34% Australian-born), and those who did not visit the Smartraveller website (42%, vs. 33% who did).

Although only a minority (16%) travelled without insurance on their most recent overseas trip, the proportion who would consider doing so in future was far higher (41%).

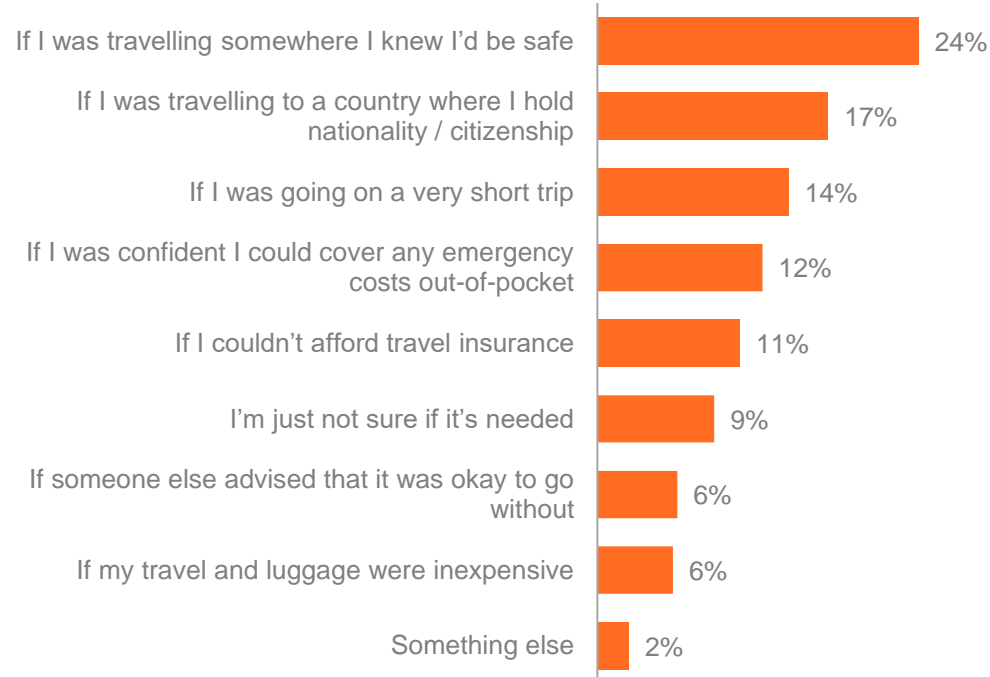
There is a need to continuously reinforce preparedness, particularly among those identified as being most at-risk of considering travelling without insurance (i.e. those aged under 30, those from lower income households, and those who are from culturally and linguistically diverse backgrounds).

The most common reason for considering travel without insurance was travelling somewhere perceived to be safe (24%)

Reasons for considering overseas travel without travel insurance

Base: Those who would consider travelling without travel insurance in future (n=418)

41%
would / would
consider travel
without
insurance



Australian-born travellers were significantly more likely to consider travelling without insurance if they could not afford it (13%, vs. 5% born overseas), but also significantly more likely to believe they would be able to cover any emergency expenses out-of-pocket (15%, vs. 7% born overseas). Those with an income of \$100k or more were also significantly more likely to consider forgoing insurance due to believing they could cover emergency expenses out-of-pocket (15%, vs. 8% less than \$100k).

There is an identified risk that perceiving destinations to be safe is a potential driver of consideration to travel uninsured.

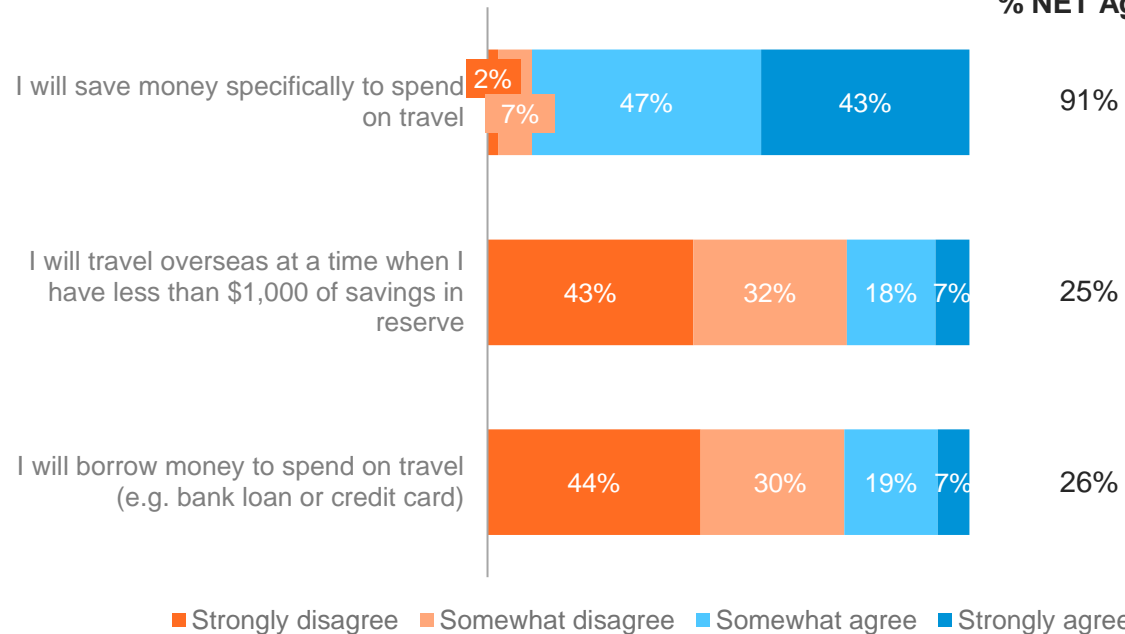
Q.27. Which of the following are reasons you might consider travelling overseas without travel insurance?

Travellers will be more reliant on insurance due to the rising cost of living

Attitudes towards increasing cost of travel – savings

Base: All respondents (n=1,057)

% NET Agree



Those with an income of less than \$100k were significantly more likely to agree that they would travel overseas with less than \$1,000 of savings (30%) than those with an income of \$100k or more (23%).

Those with an income of less than \$100k were also significantly more likely to report that they would borrow money (32%, vs. 23% \$100k+), as were younger travellers aged under 30 (33%, vs. 24% aged 30+).

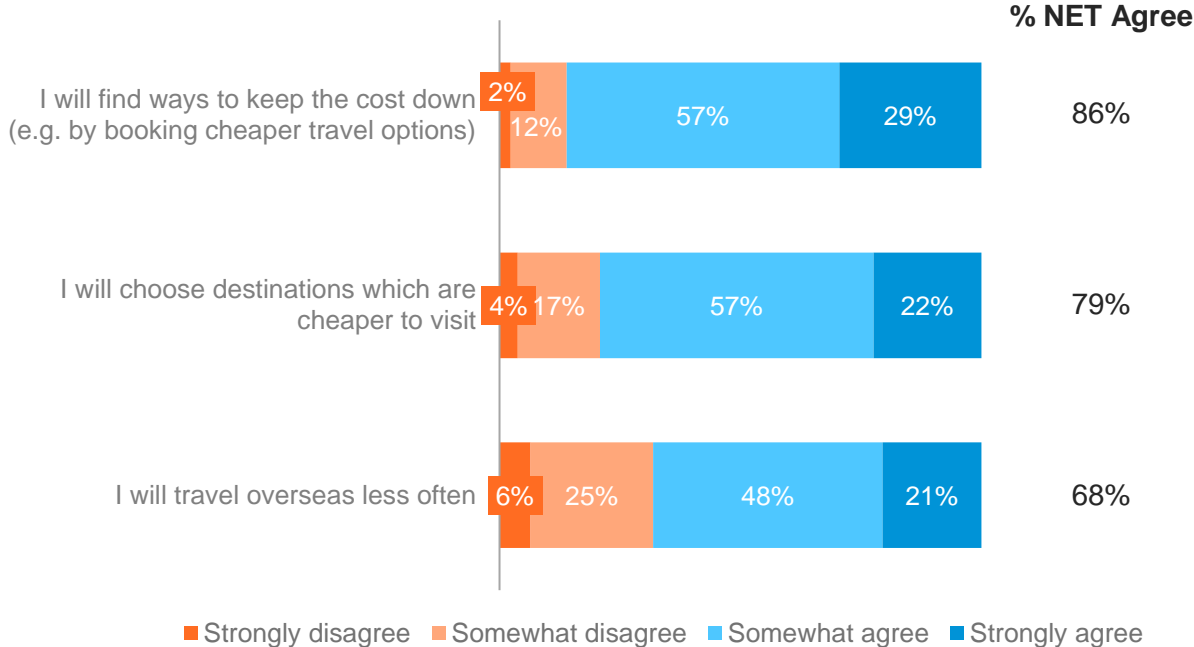
Overall, 37% say they will travel with minimal savings, and / or borrow money to travel in future. Not being financially resilient, these travellers will be reliant on having suitable travel insurance coverage in the event of them incurring a loss.

Q.26. The cost of travelling overseas is increasing. In future, it's expected that the costs of flights, accommodation and other expenses will be higher. To what extent do you agree with the following statements?
Due to the increasing cost of travel...

The majority of travellers (86%) intend to find ways to reduce their travel costs (e.g. by booking cheaper travel options)

Attitudes towards increasing cost of travel – travel choices

Base: All respondents (n=1,057)



Overall, the majority (86%) will find ways to keep costs down (e.g. by booking cheaper travel options). This may increase their exposure to risk if those options are less safe, do not have good cancellation policies, etc.

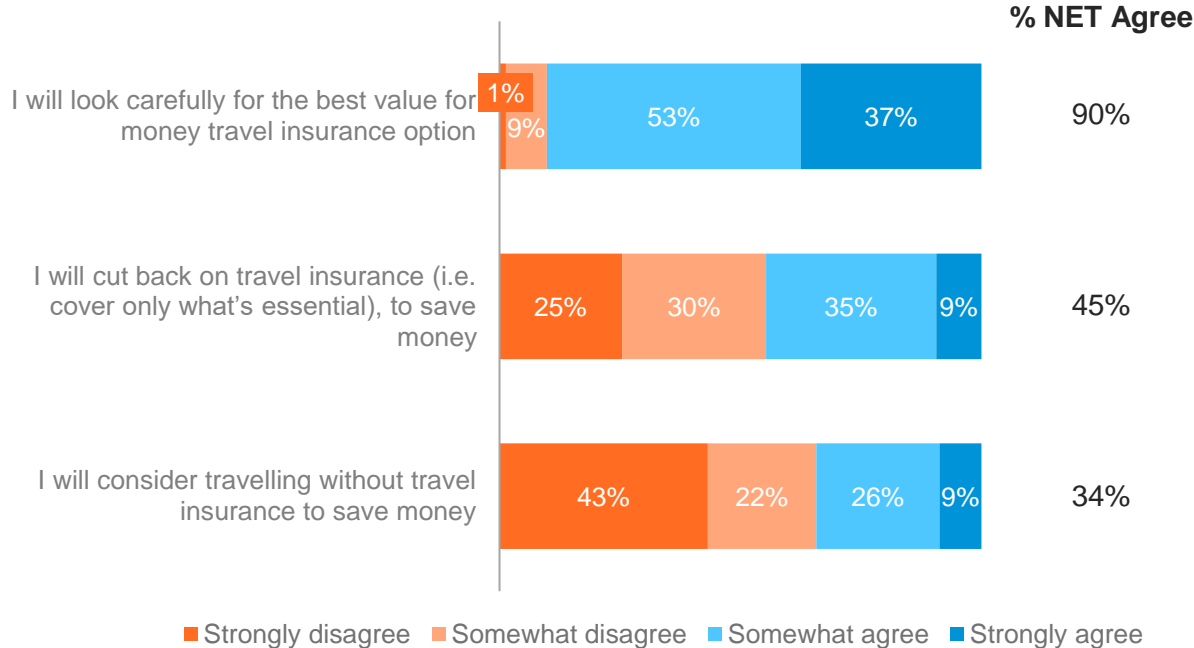
Younger travellers (aged under 30) were significantly more likely to report they would choose cheaper destinations to visit as a result of increasing travel costs (85%, vs. 77% aged 30+). This may put them at greater risk if the destinations they choose are less safe.

Q.26. The cost of travelling overseas is increasing. In future, it's expected that the costs of flights, accommodation and other expenses will be higher. To what extent do you agree with the following statements? Due to the increasing cost of travel...

Almost half (45%) agreed they will cut back on travel insurance to manage the increasing cost of travel

Attitudes towards increasing cost of travel – travel insurance

Base: All respondents (n=1,057)



Planning to cut back on travel insurance was significantly higher among:

- Men (48%, vs. 41% women)
- Those aged under 30 (62%, vs. 38% aged 30+)
- Those with a household income of less than \$100k (50%, vs. 41% \$100k+)
- Those who were born outside Australia (50%, vs. 42% Australian-born)

In response to the rising cost of living, a third (34%) agree they will consider travelling without insurance to save money. This proportion is significantly higher among those identified as most at-risk of travelling without insurance, including younger travellers, those from lower income households, and those from culturally and linguistically diverse backgrounds.

Q.26. The cost of travelling overseas is increasing. In future, it's expected that the costs of flights, accommodation and other expenses will be higher. To what extent do you agree with the following statements? Due to the increasing cost of travel...

Appendix: Additional data

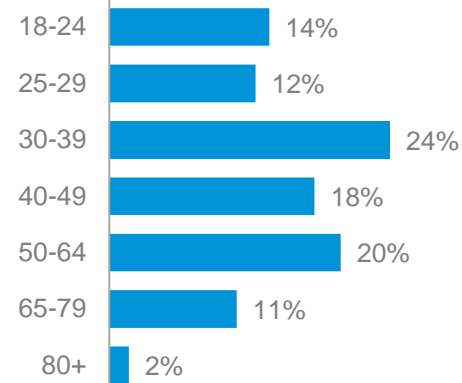


'Overseas travellers' sample profile

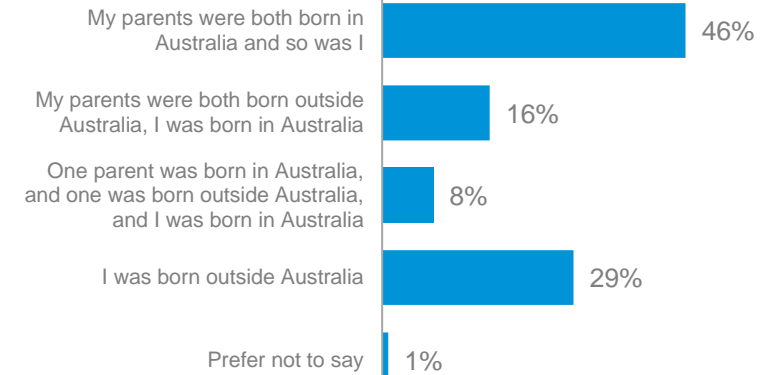
Gender



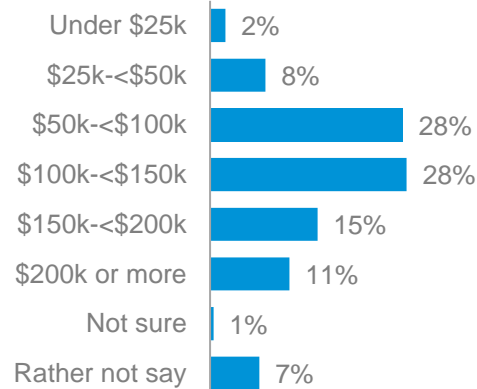
Age



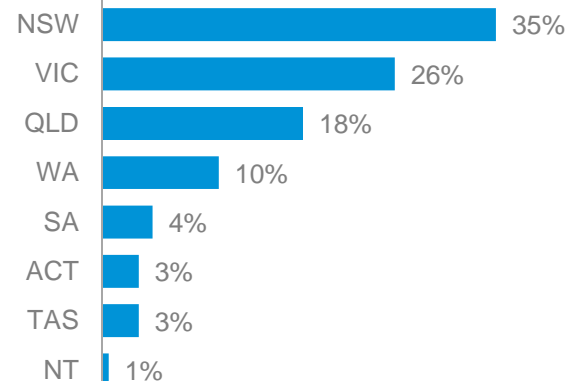
Relationship with Australia



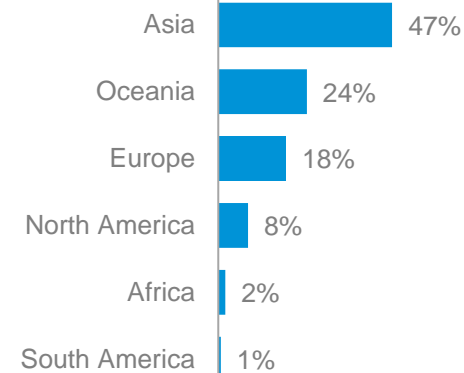
Household income



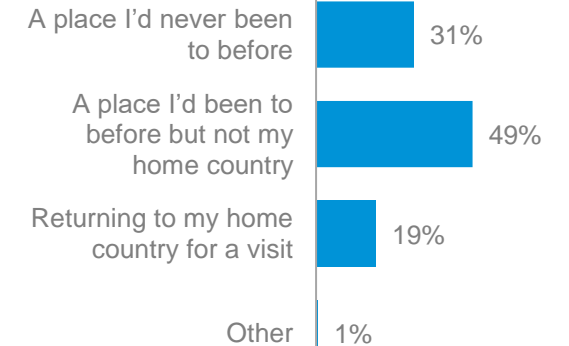
State



Destination



Relationship with destination



Differences between 2023 and 2022

Caution:

- Following the lifting of Covid restrictions, the 2022 survey sampled Australians planning to travel overseas within the next 12 months.
- This year, the survey returned to the standard practice of surveying Australians who had actually travelled overseas in the past 12 months.
- These are not comparable samples. **The findings below should be used internally only and treated as indicative.**

In 2023, the majority (86%) had heard of the Smartraveller website.

This was comparable with those in 2022 who had committed to travel which was less than a month away (86% of which had heard of Smartraveller).

In 2023, one in ten (10%) would *definitely* still travel to a destination with an advisory in place – on par with results seen in the 2022 survey (11% would *definitely* travel with a Level 3 advisory in place; 10% would *definitely* travel with a Level 4).

In 2023, the proportion who *may or may not* travel with a Level 4 advisory in place has remained on par with 2022 (18%), while the proportion who *may or may not* travel with a Level 3 advisory in place has grown marginally (57%, up from 53%).

In 2023, more than two thirds (69%) of Australian travellers had heard of the Government's travel advisories before.

This was comparable with those in 2022 (65% had heard of them).

Appendix: Questionnaire



| | |
|---|--|
| Project consultants: | Tom, Vanessa |
| Total number of interviews to be completed: | n=1,000 |
| Definition of target audience: | Australians aged 18+ who have travelled overseas in the last 12 months. Anticipate 30% IR. |
| Panel Provider (panel sample only): | PureProfile |
| Emails distributed by (non-panel sample only): | n/a |
| Fieldwork to close by: | tbk |
| Data to be merged with a previous datafile? | No |
| Questionnaire has been reviewed by Director of Advanced Methods | Yes |
| Does this job require a representative screener sample? (Typically required for segmentation and market sizing) | Yes – important – sample must reflect the actual population who have travelled overseas in the last 12 months. |
| Any quotas on the sample? if yes, specify below | n/a |

Introduction

Thank you for taking part in this survey!
 This survey is about travel. We are looking for a range of opinions. The survey should take no more than 10 minutes to complete.
 Please be reassured that this survey is anonymous, and we will never use your individual responses on their own. Quantum is an independent market research company and complies with the Australian Privacy Act 1988 and The Research Society's Code of Professional Behaviour. Our privacy policy can be found [here](#).

Screening and background

ASK ALL

Q.1. Where do you live? SR

| | |
|-----------------|----|
| Sydney | 1 |
| Other NSW | 2 |
| Melbourne | 3 |
| Other VIC | 4 |
| Brisbane | 5 |
| Other QLD | 6 |
| Perth | 7 |
| Other WA | 8 |
| Adelaide | 9 |
| Other SA | 10 |
| Hobart | 11 |
| Other TAS | 12 |
| ACT | 13 |
| NT | 14 |
| Other | 98 |

TERMINATE

ASK ALL

Q.2. What gender do you identify with? SR

| | |
|--|---|
| Male | 1 |
| Female | 2 |
| Non-binary | 3 |
| Another gender (option to specify) | 4 |

ASK ALL

Q.3. Which of the following age groups do you fall into? SR

| | | |
|----------------|---|-----------|
| Under 18 | 1 | TERMINATE |
| 18-24 | 2 | |
| 25-29 | 3 | |
| 30-39 | 4 | |
| 40-49 | 5 | |
| 50-64 | 6 | |
| 65-79 | 7 | |
| 80+ | 8 | |

ASK ALL

Q.4. Have you travelled outside Australia in the past 12 months? SR

| | | |
|-----------|---|-----------|
| Yes | 1 | |
| No | 2 | TERMINATE |

ASK ALL

Q.5. Which overseas country did you most recently visit? If you visited multiple countries, please choose the country where you spent the most time. SR

DROP DOWN MENU

ASK ALL

Q.6. Which of the following best describes your relationship with <INSERT COUNTRY>? SR

| | |
|--|---|
| A place I'd never been to before | 1 |
| A place I'd been to before but not my home country | 2 |
| Returning to my home country for a visit | 3 |
| Other | 4 |

ASK ALL

Q.7. Which of the following best describes the purpose of your most recent travel to <INSERT COUNTRY>? SR

| | |
|------------------------------------|---|
| Holiday / recreation | 1 |
| Visiting friends / relatives | 2 |
| A business trip | 3 |
| Studying abroad | 4 |
| Working holiday | 5 |
| Long-term volunteering | 6 |
| Other | 7 |

ASK ALL

Q.8. On your last overseas trip to <INSERT COUNTRY>, were you covered by travel insurance? SR

| | |
|-----------|---|
| Yes | 1 |
| No | 2 |

Consideration of risk at travel planning stage

ASK THOSE WHO DID NOT HOLD INSURANCE (CODE 2 AT Q.8)

Q.9. You indicated that you did not hold travel insurance on your last trip outside Australia. Which of the following are reasons why you did not hold travel insurance? MR, RANDOMISE

| | |
|--|----|
| I was confident I could cover any emergency costs out-of-pocket | 1 |
| I wasn't sure if it was needed | 2 |
| Someone else advised that it was okay to go without | 3 |
| I just didn't think of it / it didn't cross my mind | 4 |
| I couldn't afford travel insurance | 5 |
| I didn't think it was good value for money | 6 |
| I was travelling somewhere I knew I'd be safe | 7 |
| I was going on a very short trip | 8 |
| My travel and luggage were inexpensive | 9 |
| I was travelling to a country where I hold nationality / citizenship | 10 |
| Something else (specify) | 98 |

ASK ALL

Q.10. Which of the following risks did you think about before travelling to <INSERT COUNTRY>? MR, RANDOMISE.

| | |
|--|----|
| Political unrest..... | 1 |
| Natural disasters (floods, cyclones, volcanoes, etc.)..... | 2 |
| Theft of personal belongings..... | 3 |
| Threats to personal safety (e.g. assault)..... | 4 |
| Scams targeting tourists..... | 5 |
| Terrorism..... | 6 |
| Diseases and illness..... | 7 |
| Passport or visa not being valid..... | 8 |
| Travelling to remote regions (e.g. outside established tourist areas)..... | 9 |
| Risk of breaking the law unwittingly..... | 10 |
| The reoccurrence of pre-existing medical conditions/illness..... | 11 |
| Being arrested or detained..... | 12 |
| Delays with flights/ transport..... | 13 |
| Injuries caused by accidents..... | 14 |
| None of these..... | 99 |

ASK ALL

Q.11. Where, if anywhere, did you look for information on risks or advice on how to stay safe while overseas? MR, RANDOMISE. KEEP CODES 1-5 TOGETHER.

| | |
|---|----|
| Smartraveller – Website..... | 1 |
| Smartraveller – Social media..... | 2 |
| Smartraveller – Direct contact via website or social media messaging..... | 3 |
| An Australian embassy, consulate or high commission..... | 4 |
| A foreign government embassy, consulate or high commission..... | 5 |
| Another Australian government website..... | 6 |
| Other people – Family / friends / work colleagues..... | 7 |
| Media / news..... | 8 |
| Travel insurer..... | 9 |
| Travel booking website (TripAdvisor, Expedia or similar)..... | 10 |
| Travel blog/advice site (Lonely Planet or similar)..... | 11 |
| Airline..... | 12 |
| Travel agent..... | 13 |
| Somewhere else (specify)..... | 98 |
| None of these..... | 99 |

Smartraveller

ASK THOSE WHO DID NOT INDICATE THEY'D VISITED THE SMARTRAVELLER WEBSITE (NOT CODE 1 AT Q.11), OTHERWISE AUTO-CODE AS CODE 1

Q.12. Before you travelled, did you visit the Smartraveller website (smartraveller.gov.au) to read the latest government travel advice and warnings? SR

| | |
|----------|---|
| Yes..... | 1 |
| No..... | 2 |

ASK THOSE WHO DID NOT VISIT SMARTRAVELLER (CODE 2 AT Q.12)

Q.13. Have you heard of the Smartraveller website (smartraveller.gov.au) before today? SR

| | |
|---|---|
| Yes..... | 1 |
| No, had not heard of this website before today..... | 2 |

ASK THOSE WHO DID NOT VISIT SMARTRAVELLER (CODE 2 AT Q.12), BUT WHO HAD HEARD OF IT (CODE 1 AT Q.13)

Q.14. Why didn't you visit the Smartraveller website before your most recent trip to <INSERT COUNTRY>? MR, RANDOMISE

| | |
|--|----|
| Didn't think about it..... | 1 |
| Had been to the website before and didn't need to do so again..... | 2 |
| Had been to the website before and couldn't find the information I wanted..... | 3 |
| Had been to the website before and didn't find it useful..... | 4 |
| Someone else checked it for me..... | 5 |
| Didn't think there was any new information..... | 6 |
| Didn't feel like I needed to – the country I visited was safe..... | 7 |
| Didn't feel like I needed to – I was familiar with the country I was visiting..... | 8 |
| Another reason (specify)..... | 98 |
| Don't know/can't remember..... | 99 |

ASK THOSE WHO DID VISIT SMARTRAVELLER (CODE 1 AT Q.12, INCLUDING THOSE WHO WERE AUTO-CODED FROM Q.11)

Q.15. Which of the following did you do through the Smartraveller website? MR, RANDOMISE

| | |
|---|----|
| Subscribed for travel advice updates to countries I planned to visit..... | 1 |
| Looked at travel advice and warnings relating to my planned destination(s)..... | 2 |
| Read general travel advice (which did not relate to any destination in particular)..... | 3 |
| Read advice about travel insurance..... | 4 |
| Something else (specify)..... | 5 |
| Can't remember..... | 99 |

ASK THOSE WHO SUBSCRIBED FOR TRAVEL ADVICE UPDATES (CODE 1 AT Q.15)

Q.16. To what extent do you agree with the following statement about subscribing for travel advice updates? SR

Subscribing for travel advice updates ensured I had the most current information about the country I was visiting in case something changed / went wrong.

| | |
|------------------------|---|
| Strongly agree..... | 1 |
| Somewhat agree..... | 2 |
| Somewhat disagree..... | 3 |
| Strongly disagree..... | 4 |

ASK THOSE WHO DID NOT SUBSCRIBE FOR TRAVEL ADVICE UPDATES (CODE 2,3,4,5,99 AT Q.15)

Q.17. Why didn't you subscribe for travel advice updates via the Smartraveller website before your most recent trip to <INSERT COUNTRY>? MR, RANDOMISE

| | |
|--|----|
| Didn't know about this feature..... | 1 |
| Didn't understand the benefit of this feature..... | 2 |
| Didn't think about it..... | 3 |
| Felt confident I could stay up-to-date without subscribing..... | 4 |
| Prefer not to subscribe to unwanted emails..... | 5 |
| Didn't feel I needed to – the country I visited was safe..... | 6 |
| Didn't feel like I needed to – I was familiar with the country I was visiting..... | 7 |
| Another reason (specify)..... | 98 |

ASK THOSE WHO DID NOT VISIT SMARTRAVELLER (CODE 2 AT Q.12), BUT WHO HAD HEARD OF IT (CODE 1 AT Q.13)

Q.18. Have you ever previously visited the Smartraveller website? SR

| | |
|-------------|---|
| Yes..... | 1 |
| No..... | 2 |
| Unsure..... | 3 |

ASK THOSE WHO DID VISIT SMARTTRAVELLER WEBSITE (CODE 1 AT Q.12) OR (CODE 1 AT Q.11)

ASK THOSE WHO PREVIOUSLY VISITED IT (CODE 1 AT Q.18)

Q.19. To what extent do you agree with the following statements about visiting the Smartraveller website? **SR PER ROW**

| | RANDOMISE | Strongly agree | Somewhat agree | Somewhat disagree | Strongly disagree |
|---|---|----------------|----------------|-------------------|-------------------|
| A | Visiting the Smartraveller website has helped me choose which destinations are safe for me to travel to | 1 | 2 | 3 | 4 |
| B | After thinking I might travel to them, there are destinations I've decided not to go to after visiting the Smartraveller website | 1 | 2 | 3 | 4 |
| C | Visiting the Smartraveller website has made me more aware of risks to watch-out for when travelling overseas | 1 | 2 | 3 | 4 |
| D | Visiting the Smartraveller website has equipped me to better manage risks or issues if I do encounter them when travelling overseas | 1 | 2 | 3 | 4 |
| E | Information on the Smartraveller website helped me select the right travel insurance | 1 | 2 | 3 | 4 |

ASK ALL

Q.20. Smartraveller has travel advisories for 178 destinations worldwide that reflect the level of risk. There are four levels of travel advice:

- Level 1 – Exercise normal safety precautions
- Level 2 – Exercise a high degree of caution
- Level 3 – Reconsider your need to travel
- Level 4 – Do not travel

Had you heard of these Australian government travel advisories before today? **SR**

- Yes1
- No2
- Unsure3

ASK ALL

Q.21. The Government (through Smartraveller) may advise you not to travel to certain destinations. This would be expressed as a 'Level 3 – Reconsider your need to travel' or 'Level 4 – Do not travel' advice level.

a) To what extent would you travel to a country if a 'Level 3 – Reconsider your need to travel' advice level was in place? **SR**

- I would definitely travel1
- I may or may not travel depending on other factors2
- I definitely would not travel3

b) To what extent would you travel to a country if a 'Level 4 – Do not travel' advice level was in place? **SR**

- I would definitely travel1
- I may or may not travel depending on other factors2
- I definitely would not travel3

ASK THOSE WHO MAY STILL TRAVEL (CODES 1 OR 2 AT Q.21 A OR B)

Q.22. Imagine you were planning a trip overseas and became aware of the following as part of a 'Level 3 – Reconsider your need to travel' advice for your intended destination. How might you be influenced in each scenario? **SR PER ROW.**

| | DO NOT RANDOMISE | I would definitely travel | I may or may not travel depending on other factors | I definitely would not travel |
|---|--|---------------------------|--|-------------------------------|
| A | Terrorist activity | 1 | 2 | 3 |
| B | Natural disaster | 1 | 2 | 3 |
| C | Political unrest | 1 | 2 | 3 |
| D | War / civil war | 1 | 2 | 3 |
| E | Health emergency (e.g. disease outbreak) | 1 | 2 | 3 |
| F | Outbreaks of major crime | 1 | 2 | 3 |

Travel Insurance

ASK THOSE WHO HELD INSURANCE (CODE 1 AT Q.8)

Q.23. The following questions ask you to think about your travel insurance product disclosure statement (PDS). This is the document which contains all the details about your insurance cover.

To what extent do you agree with the following statements about the travel insurance you held when you last travelled overseas?

| | RANDOMISE | Strongly agree | Somewhat agree | Somewhat disagree | Strongly disagree |
|---|--|----------------|----------------|-------------------|-------------------|
| A | I spent time reading every detail of the product disclosure statement (PDS) before travelling | 1 | 2 | 3 | 4 |
| B | I felt confident I understood every detail of the product disclosure statement (PDS) before travelling | 1 | 2 | 3 | 4 |
| C | I was very clear on exactly what was and was not covered by my travel insurance | 1 | 2 | 3 | 4 |

ASK THOSE WHO HELD INSURANCE (CODE 1 AT Q.8)

Q.24. When you travelled to <INSERT COUNTRY>, did your travel insurance cover you for... **SR PER ROW**

| | DO NOT RANDOMISE | Yes, definitely | Yes, I think so | No, I don't think so | No, definitely not | Don't know |
|---|--|-----------------|-----------------|----------------------|--------------------|------------|
| A | Travel to an area with a 'Level 3 - Reconsider your need to travel' advisory | 1 | 2 | 3 | 4 | 5 |
| B | Travel to an area with a 'Level 4 – Do not travel' advisory | 1 | 2 | 3 | 4 | 5 |
| C | Losses incurred due to terrorism | 1 | 2 | 3 | 4 | 5 |
| D | Losses incurred due to natural disasters | 1 | 2 | 3 | 4 | 5 |

ASK ALL

Q.25. Which of the following best describes your attitudes toward travelling overseas without travel insurance in future? **SR**

- No matter where I was going, I would never consider travelling overseas without travel insurance 1
- There are some places / occasions that I would consider travelling overseas without travel insurance 2
- I would travel anywhere overseas without travel insurance 3
- Unsure / don't know 4

ASK ALL

Q.26. The cost of travelling overseas is increasing. In future, it's expected that the costs of flights, accommodation and other expenses will be higher. To what extent do you agree with the following statements?

Due to the increasing cost of travel...

| | RANDOMISE WITHIN CELLS, KEEP CELLS IN ORDER | Strongly agree | Somewhat agree | Somewhat disagree | Strongly disagree |
|---|---|----------------|----------------|-------------------|-------------------|
| A | I will save money specifically to spend on travel | 1 | 2 | 3 | 4 |
| B | I will borrow money to spend on travel (e.g. bank loan or credit card) | 1 | 2 | 3 | 4 |
| C | I will travel overseas at a time when I have less than \$1,000 of savings in reserve | 1 | 2 | 3 | 4 |
| D | I will travel overseas less often | 1 | 2 | 3 | 4 |
| E | I will choose destinations which are cheaper to visit | 1 | 2 | 3 | 4 |
| F | I will find ways to keep the cost down (e.g. by booking cheaper travel options) | 1 | 2 | 3 | 4 |
| G | I will look carefully for the best value for money travel insurance option | 1 | 2 | 3 | 4 |
| H | I will cut back on travel insurance (i.e. cover only what's essential), to save money | 1 | 2 | 3 | 4 |
| I | I will consider travelling without travel insurance to save money | 1 | 2 | 3 | 4 |

ASK THOSE WHO MAY TRAVEL WITHOUT INSURANCE (CODE 2 OR 3 AT Q.25)

Q.27. Which of the following are reasons you might consider travelling overseas **without** travel insurance? **sr, RANDOMISE.**

- I'm just not sure if it's needed1
- If I was confident I could cover any emergency costs out-of-pocket2
- If someone else advised that it was okay to go without3
- If I couldn't afford travel insurance4
- If I was travelling somewhere I knew I'd be safe5
- If I was going on a very short trip7
- If my travel and luggage were inexpensive8
- If I was travelling to a country where I hold nationality / citizenship9
- Something else (specify)98

ASK ALL

Q.28. The following are all common exclusions from travel insurance. Before today, were you aware of the following? **sr PER ROW**

In most cases, travel insurance policies do not cover...

| | DO NOT RANDOMISE | Yes, I knew this | Unsure / may not have known this | No, did not know this |
|---|---|------------------|----------------------------------|-----------------------|
| A | SHOW THOSE AWARE OF ADVISORIES (CODE 1 AT Q.20), AUTO-CODE OTHERS CODE 3: Travel to destinations with a 'Level 3 – Reconsider your need to travel' or 'Level 4 – Do not travel' advice levels | 1 | 2 | 3 |
| B | Losses incurred when under the influence of alcohol (even one standard drink) | 1 | 2 | 3 |
| C | Checked baggage when lost by an airline | 1 | 2 | 3 |
| D | Baggage when lost due to inattention (e.g. if stolen when the owner turns their back for a moment) | 1 | 2 | 3 |
| E | Baggage stolen from a locked vehicle | 1 | 2 | 3 |
| F | High-risk activities as standard (e.g. riding a motorcycle or extreme sports) | 1 | 2 | 3 |
| G | Pre-existing medical conditions as standard | 1 | 2 | 3 |
| H | Claims incurred whilst breaking local laws (e.g. riding without a helmet, or taking illegal drugs) | 1 | 2 | 3 |
| I | Losses incurred due to terrorism | 1 | 2 | 3 |
| J | Losses incurred due to natural disasters | 1 | 2 | 3 |

ASK ALL

- Q.29. In summary, in most cases travel insurance policies do not cover...
- o Travel to destinations with a 'Level 3 – Reconsider your need to travel' or 'Level 4 – Do not travel' advice levels
 - o Losses incurred when under the influence of alcohol (even one standard drink)
 - o Checked baggage when lost by an airline
 - o Baggage when lost due to inattention (e.g. if stolen when the owner turns their back for a moment)
 - o Baggage stolen from a locked vehicle
 - o High-risk activities as standard (e.g. riding a motorcycle or extreme sports)
 - o Pre-existing medical conditions as standard
 - o Claims incurred whilst breaking local laws (e.g. riding without a helmet, or taking illegal drugs)
 - o Losses incurred due to terrorism
 - o Losses incurred due to natural disasters

Knowing this, which of the following might you do differently in future? **MM**

- I will be more careful when I travel overseas 1
I will be less likely to travel to higher-risk destinations 2
I will consider my travel insurance needs more carefully 3
I will look more carefully at what's included / excluded from my travel insurance 4
None of the above 99

Demographics

And finally, just a few more questions about you, so that we can understand how different people have answered these questions. All your answers will be kept confidential and will only be used for research purposes.

ASK ALL

Q.30. Which of the following best describes your relationship with Australia?

SINGLE RESPONSE

- My parents were both born in Australia and so was I 1
My parents were both born outside Australia, I was born in Australia 2
One parent was born in Australia, and one was born outside Australia, and I was born in Australia 3
I was born outside Australia 4
Prefer not to say 99

ASK ALL

Q.31. What is your current annual household income, before tax?

SINGLE RESPONSE

- Less than \$25,000 1
\$25,000-\$49,999 2
\$50,000-\$74,999 3
\$75,000-\$99,999 4
\$100,000-\$124,999 5
\$125,000-\$149,999 6
\$150,000-\$174,999 7
\$175,000-\$199,999 8
\$200,000 or more 9
Not sure 10
Rather not say 11

Online thanks

End with thanks (all):

Thank you for assisting us today. Your response to this questionnaire will be kept strictly confidential and will be used only for research purposes. If you have any queries or concerns, please contact us on surveys@qmr.com.au



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