

Media release

Need for flexibility drives travel insurance buying intentions to more than double pre-COVID levels

Allianz Partners' States of Mind Travel Report reveals changing mindsets of consumers facing an increasingly complex travel experience.

Paris, 5th December 2022 – Travellers' demand for more flexibility is defining post-pandemic travel as customers seek to manage a wider range of potential issues. This is one of the key trends highlighted in the *States of Mind Travel Report*¹ published by Allianz Partners, a world leader in insurance and assistance services, which assesses the current state and the future of the travel and tourism industry.

Drawing on insights from leading industry experts, Joe Mason, Chief Marketing Officer for Travel at Allianz Partners, and Luís Araújo, President of the European Travel Commission, as well as on Allianz Partners' own customer trends data, the report highlights the increase in stress factors facing travellers today.

As well as navigating ongoing health-related concerns, travellers now face geopolitical turbulence, high inflation and wider economic uncertainties. This is leading to a new attitude to travel, where in-built flexibility and protection against the "what-ifs" are even more important.

Allianz Partners' data reveals that demand has seen customer intentions to purchase travel insurance across five major European markets (Belgium, France, Germany, Italy, UK) increase substantially from 21% in 2019 to 55% in 2022 for international travel, and from 12% to 26% for domestic travel. In line with rising demand, Allianz Partners recorded its highest ever level of claims for post-departure benefits in 2022.

The research also highlights the following trends:

- "Work-from-anywhere" goes mainstream: growth in remote and hybrid working means more travellers of all ages are combining business and leisure, leading to the rise in "Bleisure" travel. The report also highlights the adaptations required by the travel industry to meet these demands – such as the need for updated regulation, resolutions to tax residency issues and the need for further investment in popular destinations.

¹ The States of Mind Travel report draws on Allianz Partner's proprietary Customer Lab research, the Allianz Partners Summer Vacation Confidence Index, in-house consumer behavioural insights, and data from across the wider travel ecosystem. The report also features input and analysis from two leading travel industry experts: Joe Mason, Chief Marketing Officer for Travel at Allianz Partners, and Luís Araújo, President, European Travel Commission. Information about Allianz Partners' Customer Lab Research is found at the end of the press release.

- With hybrid working models likely here to stay into the future, more travellers expect to work from abroad or from another residence. Allianz Partners' Customer Lab research has found that 28% of travellers aged 18 to 25 expect to work from abroad more frequently or from a secondary or family residence in the future.
- Flexibility is key: 58% of younger families now plan to make flexible travel reservations to deal with unforeseen circumstances. 2022 has been marked by increased travel by larger family groups across multiple generations, driving significant change in the industry. Hotels and resorts therefore need to cater for a wider spectrum of guests and become much more adaptable to a diverse customer base.
- 41% of consumers are conscious of the environmental impact of travel, however sustainability remains a relatively minor factor in travel decision-making processes.

Joe Mason, Chief Marketing Officer for Travel at Allianz Partners, commented: *“The desire to travel again has been evident in busy departure lounges and packed resorts in 2022. But the effects of the pandemic on travellers’ needs and expectations are here to stay.*

The insurance industry is now providing services to a more demanding and better-informed consumer, who has a heightened awareness of both what good service looks like and what can go wrong. Therefore there is a lot more pressure on the travel industry to deliver. Flexible, seamless solutions to cover all the what-ifs are now central to the offer.”

Luís Araújo, President, European Travel Commission, added: *“The travel industry has shown incredible resilience in the last three years. While the hospitality and travel sectors have started to build flexibility and adaptability into their operating models, this now needs to be replicated in other parts of the travel ecosystem.*

Attractions, museums and events are just some areas that need to begin thinking about offering more optionality to travellers looking to limit the risk of disappointment or financial loss if they face disruption. If different parts of the industry can work together to make the entire travel experience a positive one, the better prepared it will be for the future.”

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About Allianz Partners

Allianz Partners is a world leader in B2B2C insurance and assistance, offering global solutions that span international health and life, travel insurance, mobility and assistance. Customer driven, our innovative experts are redefining insurance services by delivering future-ready, high-tech high-touch products and solutions that go beyond traditional insurance. Our products are embedded seamlessly into our partners’ businesses or sold directly to customers, and are available through several commercial brands including Allianz Assistance, Allianz Travel and Allianz Care. Present in over 75 countries, our 19,800 employees speak 70 languages, handle over 64 million cases each year, and are motivated to go the extra mile to offer peace of mind to our customers around the world.

For more information, please visit: www.allianz-partners.com

About Allianz Partners' Customer Lab data

Allianz Partners' Customer Lab is a proprietary quantitative database of consumer insights. The 2022 data was collected in Spring 2022 and involved surveying more than 25,000 consumers across ten major travel markets: Australia, Belgium, Brazil, Canada, China, France, Germany, Italy, UK, and USA. Data is analysed at a country and age group level, as well as at the total sample level.

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