

# PRESS RELEASE

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## Allianz Partners deciphers the travel recovery and presents the next trends in travel insurance

- *New purchase habits reflect the need for a seamless digital experience*
- *The need for travel protection will accelerate travel insurance growth*
- *New expectations show preference for flexible and comprehensive trip protection*

What awaits the travel industry as the world reopens? Allianz Partners, a world leader in insurance and assistance services, has looked at customers' behavior, changes in expectations, and the impact on travel insurance during a Travel Recovery Deep-Dive webinar attended by travel players.

### 2021 – A year of opportunities

Although COVID-19 has been the most wide-reaching travel crisis in history, the global economy is already back above pre-crisis output, as some markets have started to see **gradual domestic travel recovery**, showing positive signals.

The new emerging travel customer is increasingly **cost conscious** and a digital native, **used to using digital technologies**.<sup>1</sup> The new traveller is looking for **flexibility as well as a seamless experience** based on transparency & trust. Technology is also boosting travel confidence with over 4 in 5 travelers<sup>2</sup> saying technology would increase their confidence to travel in the next 12 months.

At the same time, **domestic/rural trips** have catapulted to a whole new level, a trend that should remain solid as the world exits a four-year downturn in 2025. Millennials are leading this trend across the globe with 45% of Millennials taking two staycations in 2021, compared with 43% of GenZ and 31% of GenX<sup>3</sup>. According to Allianz Partner's Customer Lab research, **Millennials show a growing interest in travel insurance since the pandemic**, with young Millennials who usually do not take out trip protection showing a 15% increase in intention to purchase an international trip policy.

Another emerging trend reveals **the search for privacy**; experiences that offer privacy along with personalized services and high cleanliness standards are becoming the new luxury.

### From opportunities to reality: key takeaways about travel insurance

The crisis has raised awareness and understanding of travel insurance. Amid the pandemic, the

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<sup>1</sup> KPMG: consumers and the new reality

<sup>2</sup> Amadeus: Rethink Travel Global Survey

<sup>3</sup> Foresight Factory Research

global travel insurance market, estimated at US\$21.5 billion in 2020, is projected to reach \$33.7 billion by 2027, growing at an annual rate of 6.7% between 2020 and 2027<sup>4</sup>.

According to Allianz Partners' data, the recovery of leisure travel bookings from its business partners is currently driving higher insurance purchases compared to 2019. Globally **the travel insurance market is outperforming the whole travel industry**, both in North American and Europe.

As additional destinations open up to tourism, **more countries are expected to require travel insurance for entry**, which should influence the travel insurance conversion rate. Allianz Partners foresees conversion rates remaining elevated throughout 2021 and probably the most part of 2022, as the pandemic continues to be top of mind for people around the world.

"We are closely monitoring the travel recovery and making sure that our offers meet travellers' needs for safety and convenience. As uncertainty still remains, our protection solutions can offer peace of mind and reassurance as travelers start on their summer holidays," comments **Magali Khazal, Director of International Travel at Allianz Partners**.

### **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, automotive 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 four commercial brands: Allianz Assistance, Allianz Automotive, Allianz Travel and Allianz Care. Present in 75 countries, our 21,500 employees speak 70 languages, handle over 71 million cases each year, and are motivated to go the extra mile to help and protect our customers around the world.

For more information, please visit: [www.allianz-partners.com](http://www.allianz-partners.com)

### **Press contact:**

Wellcom agency

+33(0)1 46 34 60 60

[allianzpartners@wellcom.fr](mailto:allianzpartners@wellcom.fr)

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<sup>4</sup> Research & Markets, "Travel Insurance - Global Market Trajectory & Analytics" report, April 2021