

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS INSURANCE SECTOR

#### Cover-More

**CVM01QON:**

**CHAIR:** Let's say I were to purchase a flight overseas or something like that. Have you got any analysis which would tell me the difference between taking out insurance at the time I purchase the ticket versus considering it at a later stage, say three days later?

**Mr Stein:** Analysis in what regard, sorry?

**CHAIR:** The likelihood of me taking out that insurance. If I was to go and buy a ticket through the travel agent and I was offered travel insurance, the chances of me being insured when I take the flight might be—I don't know—60 per cent. But if I did not purchase it at the time, the likelihood of me being covered when I got on said flight might only be 20 per cent. Do you have numbers equivalent to that?

**Mr Stein:** I don't have any statistics of that at hand. I am happy to take that on notice.

**CHAIR:** That would be good.

**Answer:**

Annual research reports commissioned by the Department of Foreign Affairs and Trade and the Insurance Council of Australia note that approximately 10% of Australians travel overseas without travel insurance. They also note the most common reason for not purchasing travel insurance is “I just didn't think about it”.

The June 2019 report also noted that 51% of travellers purchased travel insurance at the same time as paying for travel and that a further 16% had an annual policy.

Cover-More's experience is similar. Our monthly customer satisfaction surveys reflect 52% of our customers purchased their travel insurance at the same time as booking their travel and 16% of customers purchased their travel insurance almost immediately after booking their travel.