



Digit Insights

Travel Insurance in the age of Covid-19

June 2022

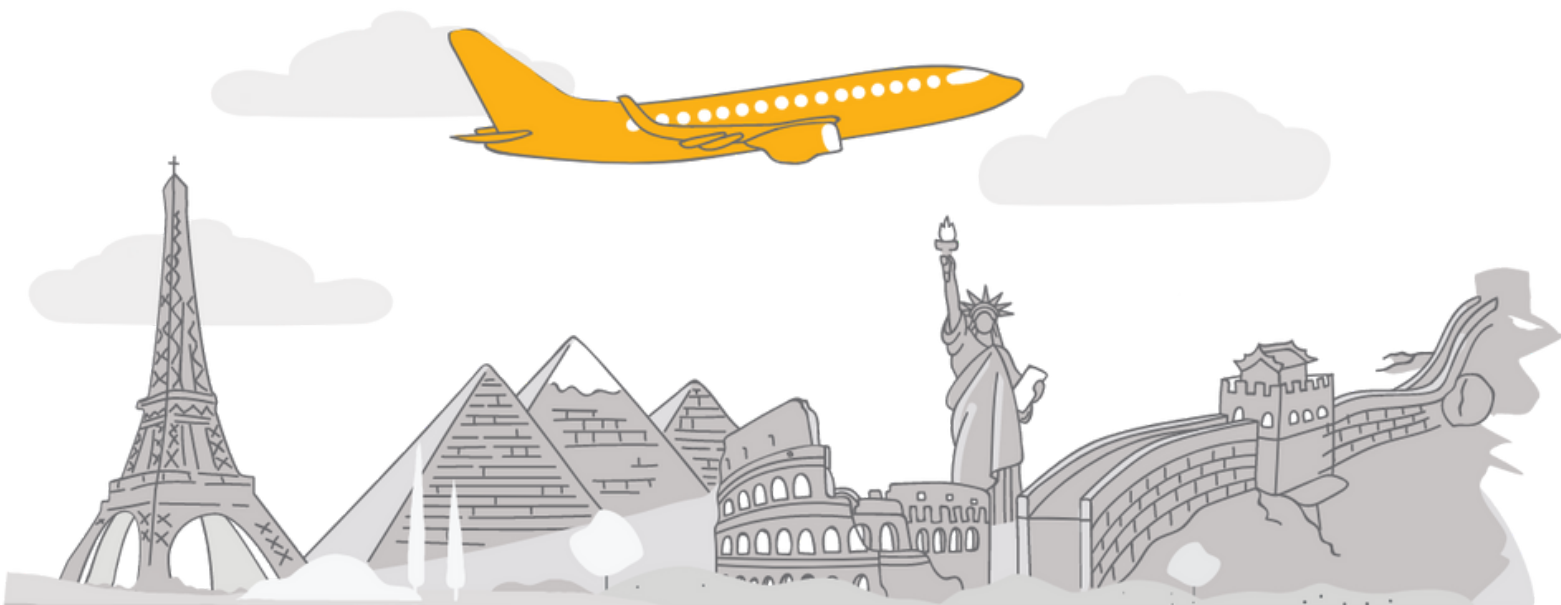
Travel Insurance

Mapping trends post Covid-19

The Covid-19 pandemic put a pause on all forms of leisure travel. Since the start of 2020 all the way until the end of 2021, the risk of contracting the virus was quite high, impacting tourism in most parts of the world. However, the pandemic-induced uncertainties also improved the awareness for travel insurance as more people realized that unforeseen hiccups could disrupt their itinerary.

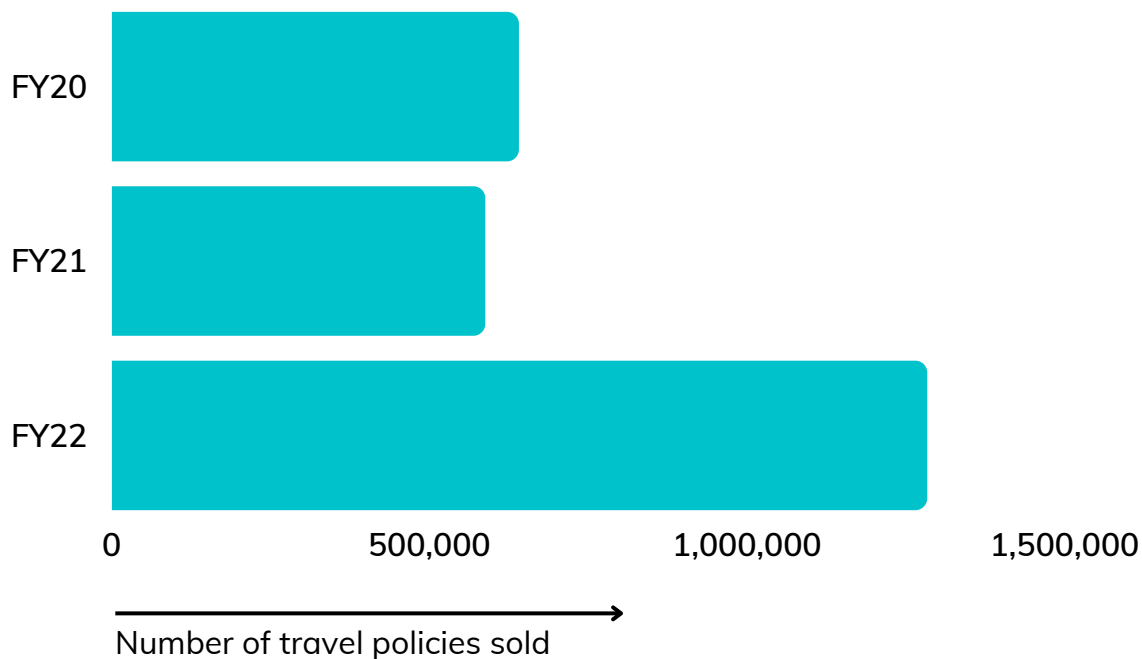
This edition of **Digit Insights** is based on Digit Insurance's internal data analyzed between FY19-20 and FY21-22. We also studied the data between January 2022 and April 2022 to trace any significant change in trends, given that more Indians are expected to travel this year.

In our effort to highlight these trends, we have incorporated some facts and insights that shall help you understand travel insurance better! We've also packed in some interesting trivia.



Demand for travel insurance doubles in FY22

Compared to pre-Covid levels (FY20)



In addition to increased awareness for travel insurance, FY22 saw lingering fear of another Covid-19 wave, which encouraged more travelers to buy an insurance policy. From 6.4 lakh policies in FY20, the company sold over 12.8 lakh travel policies in FY22, a jump of over 100%. The small drop in demand in FY21 can be attributed to the harsh second wave that proved to be more deadly compared to the first.

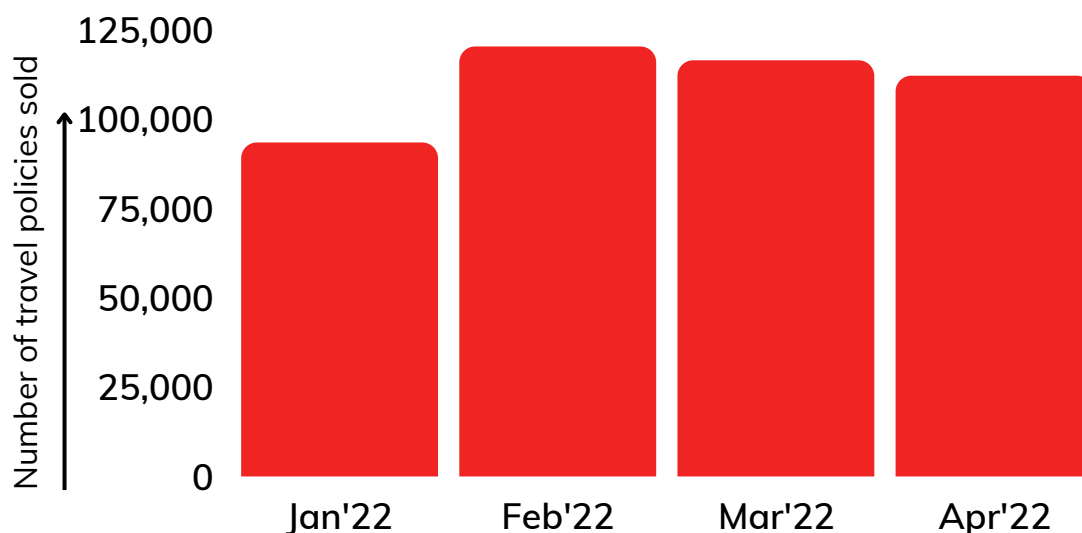
The hitchhiker's guide to travel insurance

Countries that have mandated travel insurance for inbound travellers

Cuba, US, UAE, Schengen countries (a group of 26 countries in central Europe), Ecuador which includes the Galapagos Islands, Antarctica, Qatar, Russia, and Turkey require all inbound travellers to carry a mandatory travel insurance cover.

February 2022 sees most demand for travel policies

Between January and April 2022



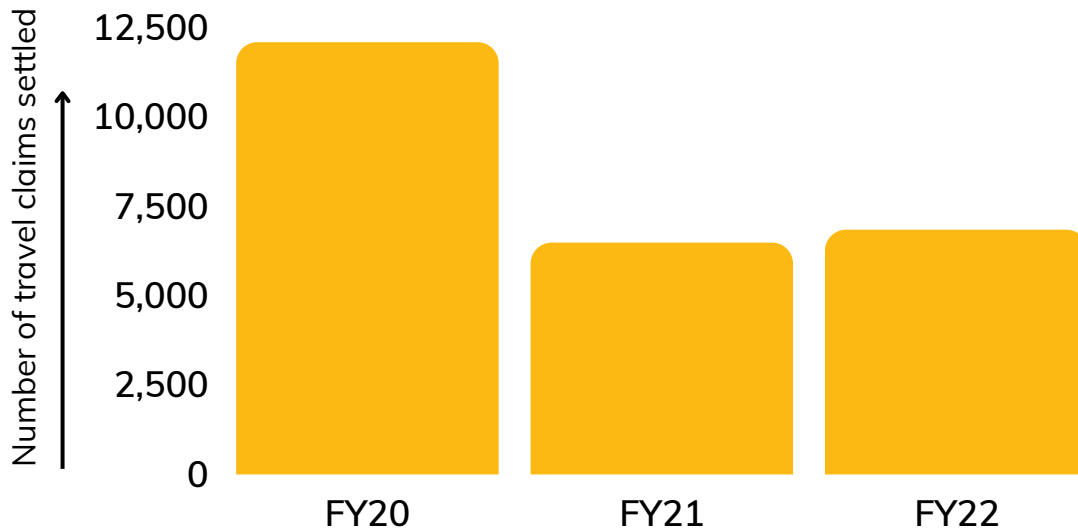
In the first 4 months of 2022, the company has already sold 75% of the total number of travel policies it sold throughout FY21. This could well be an indication of more Indians finally getting on to that flight, but with the necessary insurance cover.

*The hitchhiker's guide
to travel insurance* 

Top 5 things that are covered in a travel insurance policy

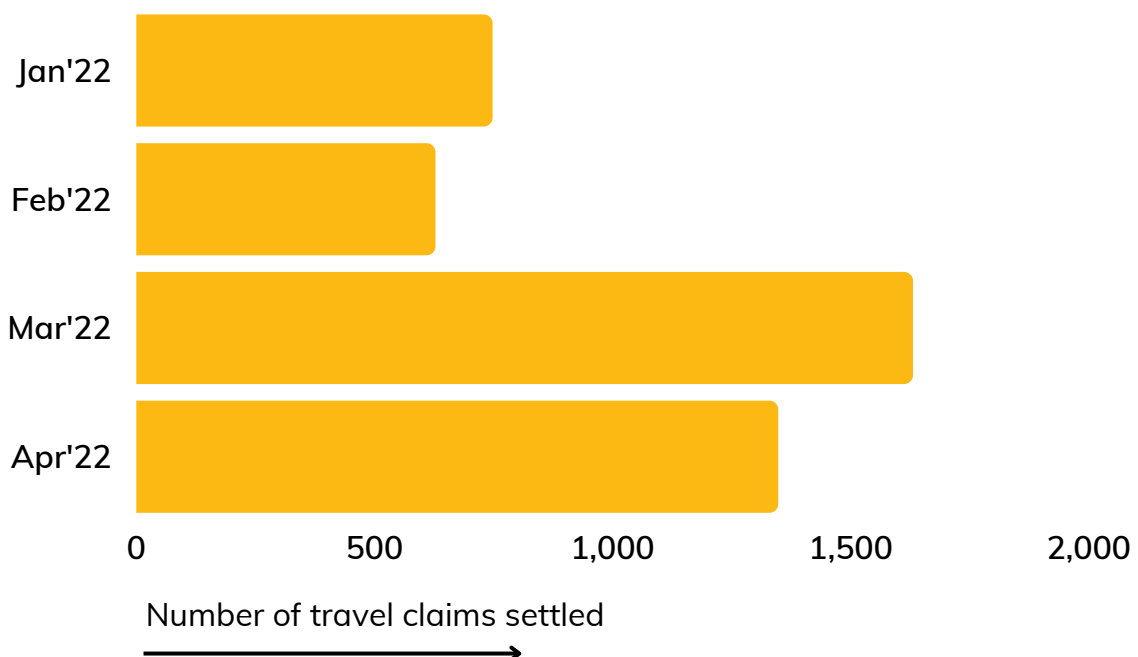
- Medical assistance
- Cancellation cost
- Loss of passport
- Baggage loss
- Flight delay

Most claims settled in FY20 as more Indians travelled pre-Covid



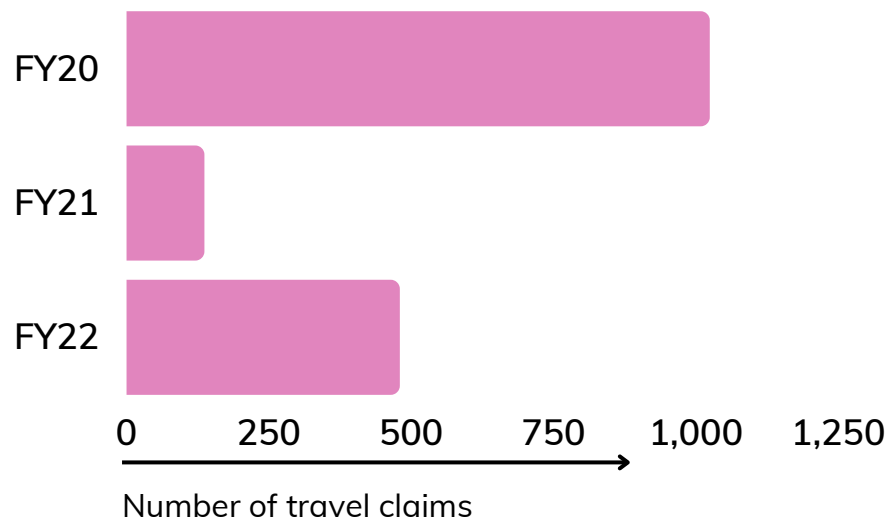
Most travel claims settled in March 2022, 120% higher than January

Between January and April 2022



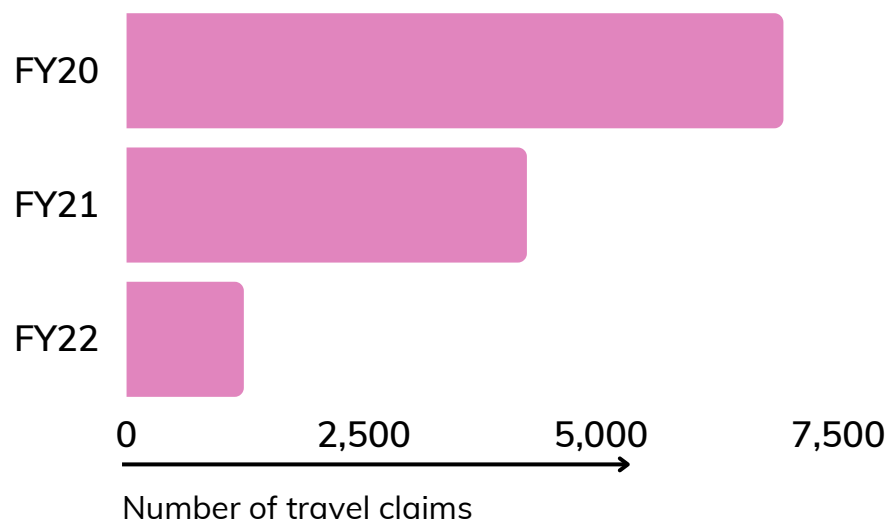
FY22 sees 3.5x more claims due to flight delay

Compared to FY21



Claims due to flight cancellation nearly 3.5x higher in FY21

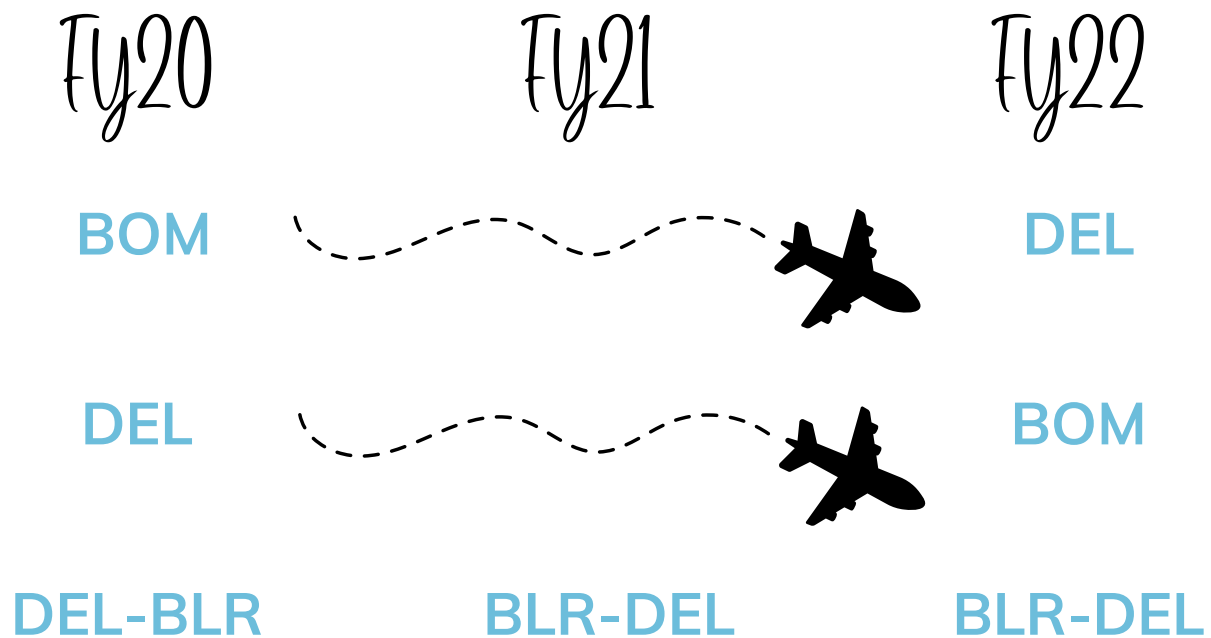
Compared to FY22



In FY22, Digit settled 256% more claims than FY21 due to flight delay. When it comes to flight cancellation*, the company settled 1,221 claims in FY22, a decrease of 71% over FY21.

**Includes cancellation initiated via service provider as well as flight cancelled by the operator.*

Top 3 routes with most number of travel policies bought



The hitchhiker's guide to travel insurance

Here's what your travel policy may not cover

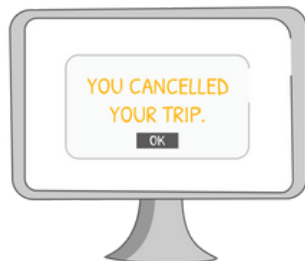
- Any delay, which was made public or known at least 6 hours prior to the scheduled departure of the airline.
- Any delay caused due to change in laws, regulations or orders issued by the respective regulating authority which was publicly announced.
- Strikes or labour disputes which existed, or for which advance warning had been given in public prior to the date on which the insured trip was scheduled.
- Delay due to the permanent withdrawal of services of any airline due to any reason which was publicly announced.
- Anything mentioned in the "General Exclusions" section.

Top 3 causes for travel claims

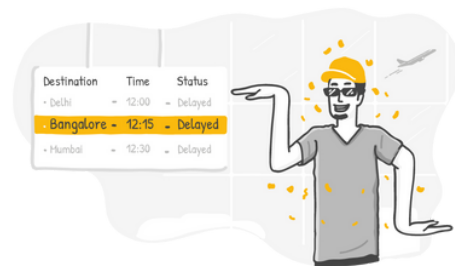
In the last 3 financial years



Fy20



Fy21



Fy22

All Risk Cancellation

All Risk Cancellation

Booking Amendment

Booking Amendment

Booking Amendment

All Risk Cancellation

Flight Delay

Flight Cancellation

Trip Cancellation

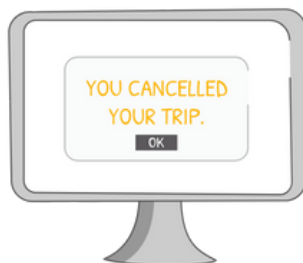
The hitchhiker's guide
to travel insurance 🌍

Difference between All Risk Cancellation and Trip Cancellation

Trip Cancellation allows cancellation due to 6 defined perils whereas under All Risk Cancellation, the policyholder can cancel their travel for any reason except the mentioned exclusions in the policy document.

Top 3 causes for travel claims

Between January and April 2022



January

Booking
Amendment

Trip
Cancellation

Flight Delay

February

Booking
Amendment

Trip
Cancellation

Flight Delay

March

Booking
Amendment

Trip
Cancellation

Flight
Cancellation

April

Booking
Amendment

Flight
Cancellation

Flight Delay

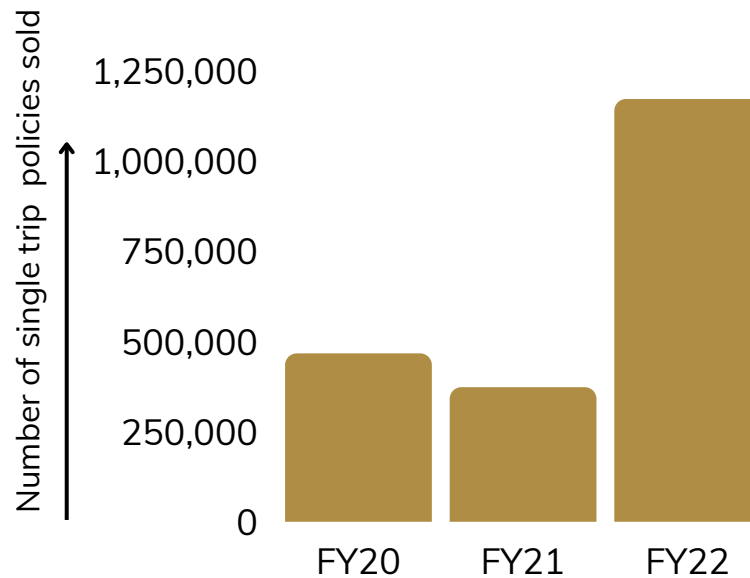
The hitchhiker's guide
to travel insurance 

**What is Emergency Medical Treatment
and Evacuation in a Travel Policy?**

Simply put, it's a cover for unexpected emergencies. For example, if you are on a holiday in Thailand and get diagnosed with Dengue leading to hospitalization for 3 days, you would be able to claim for any emergent and medically necessary treatment while on the trip.

Demand for single-trip policy zooms 215% in FY22

Compared to FY21



In FY22, Digit sold nearly 11.7 lakh single-trip travel policies, an increase of 215% over FY21. In the financial year ending March 31st 2021, number of single-trip travel policies sold by the company were lower compared to FY20. The drop can be attributed to the pandemic, which discouraged all forms of non-essential travel in addition to travel advisories and other restrictions.

The hitchhiker's guide to travel insurance

Difference between single trip and multi-trip travel insurance

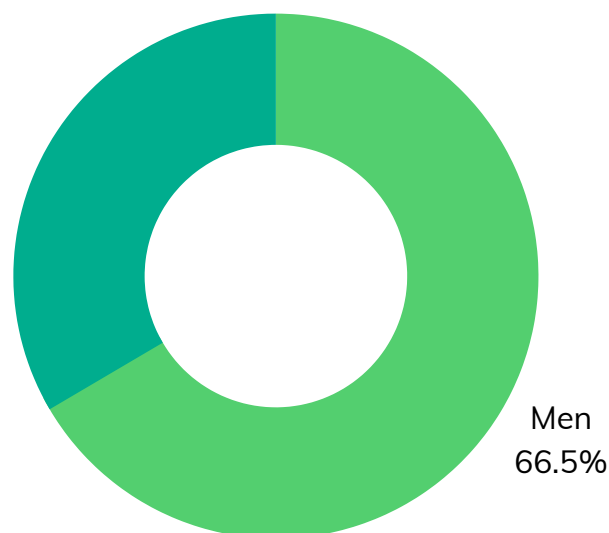
Single trip policies are designed for individuals who travel only once or twice a year. Multi trip policies, on the other hand, are for frequent travellers who travel more than twice or thrice a year. A multi trip policy is cost-effective and can be bought once instead of buying a policy each time you plan a trip.

Total claims received: Men Vs Women

Between April 2019 and March 2022



Women
33.5%



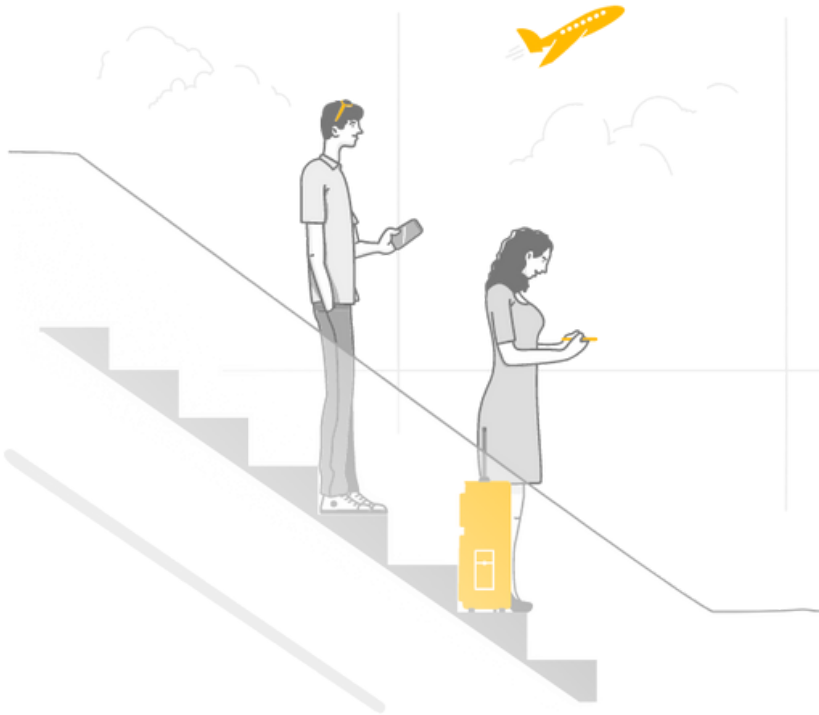
**The above analysis is an approximation based on available data.*

The hitchhiker's guide to travel insurance

What is total loss of checked-in baggage?

Let's say, your checked-in baggage from Delhi to London gets delayed on your arrival at the London airport. After 2 weeks of follow-up, airport officials confirm that your checked-in baggage was lost and could not be traced. You can claim a benefit for total loss of checked-in baggage on pro-rata basis. For instance, if you checked-in 3 baggage and 1 was lost, the insurer will pay you one-third of the sum insured as specified in the policy document.

Disclaimers



The study is based on Digit's internal data captured between 1st April 2019 and 31st March 2022. Internal travel insurance data was analyzed to arrive at the takeaways mentioned in this report.

All products under Digit's travel portfolio were considered for the purpose of this study.

The trends seen in the report may not be indicative of overall industry trends.

For any feedback or queries, you may reach out to:

Disha Sanghvi

M: +91 72592 83010

disha.sanghvi@godigit.com

Sabari Saran

M: +91 97116 77055

sabari.saran@godigit.com