

Unlock the Secrets of Medical Travel Insurance Pricing with Predictive Analytics

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Medical Travel Insurance – Do you have all the pricing factors in mind? When covering a group for Medical Travel Insurance outside of Canada, traditional pricing variables include age, gender and working status (actively at work or retired). Did you know that employees’ **salary** and their **residential area** are also significant predictors of their likelihood of filing a claim? Learn more about it here.

Salary as a factor: Individuals with higher salaries are more likely to embark on family vacations abroad and may have work responsibilities that necessitate frequent business travel, thereby increasing their exposure and the probability of experiencing a travel insurance claim. Optimum’s Predictive Model (**PEARL Travel**) concluded that an employee with a salary of \$150,000 has 3 times the incidence of someone earning \$70,000, everything else being equal.

Residential area as a factor: The location of an employee’s residence holds substantial predictive power concerning their likelihood of making a travel insurance claim. The province of residence influences travel habits in terms of frequency and destination choices. For instance, Canadians on the East Coast may travel more frequently to Florida, while residents of the Prairies and British Columbia may prefer trips to California, where costs can vary considerably. Additionally, the **PEARL Travel** model has revealed that residing in an urban area and being closer to an airport also impact the propensity to travel.

If you’re interested in assessing how your Travel Insurance portfolio compares to the Canadian average and understanding all the different pricing factors affecting the incidence and severity of claims in this line of business, **please contact your Optimum business development representative for a review of your business with our experts.**

