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FOR IMMEDIATE RELEASE
September 5, 2018

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Travelers, Insurance Professionals, Regulators Will Find New Academy Monograph a Useful Explainer on Travel Insurance

WASHINGTON—New analysis from the American Academy of Actuaries, “[Travel Insurance: An Actuarial Perspective](#),” draws on actuarial expertise to provide a clear explanation of what coverage travel insurance may or may not provide, how travel insurance differs from other types of insurance, and the public policy considerations involved in regulating this unique line of insurance.

“Travel insurance has a number of unique aspects compared to personal automobile or homeowners insurance,” said Rade Musulin, the Academy’s vice president of casualty issues. “For instance, it’s entirely discretionary because there is no law or lender that is compelling consumers to purchase; coverage is offered on a ‘take-all-comers’ basis without a formal application or approval process; and policies are of various lengths and nonrenewable.”

Developed by the Academy’s Travel Insurance Work Group, the new public policy monograph reviews:

- What travel insurance is and the coverage that a policy may or may not include.
- Non-insurance travel protection benefits that may or may not be included with a purchase of travel insurance, such as travel assistance services and cancellation fee waivers.
- How travel insurance is sold and serviced by insurers, travel providers, aggregators, agents, etc.
- The attributes of travel insurance that commonly distinguish it from many other lines of insurance, such as its intermittent use and that it is typically nonrenewable and not individually underwritten.

(MORE)

- Special data and financial reporting considerations that travel insurance may raise for actuaries who analyze and/or prepare rate filings for travel insurance.

Download the monograph at www.actuary.org/travel-insurance.

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The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.