

# Analysis: Women-friendly travel policies: Fair for females



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## NEED TO KNOW

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Some travel policies don't cover cancellations due to pregnancy complications

About 40% of annual policies only cover the children who live with the parent buying the cover

Travel policies often have low limits for valuables, so jewellery needs to be covered under the household policy on an all-risks basis

**As conversations around the gender pay gap or harassment at work illustrate, an increasing number of women are demanding a fairer deal. But will this extend to their insurance?**

**Travel** insurance is one class of business where there is arguably scope to develop more relevant products to individuals or a target market like women. The problem is, many women are not aware of shortcomings or gaps with existing plans. Furthermore, most travel policies are bought on price and customers often don't check out the features properly, instead hoping all will be well and they won't need to claim.

Many insurers see little point in challenging the status quo. Launching new products is a costly business, particularly if there is a need for education in addition to marketing. If it is already in the mass market, would an insurer even want to suggest that its standard cover does not cater particularly well for half the population?

Then there are the current European Union rules that prevent insurers from charging different premiums based on gender, although who knows if these will apply in future in a post-Brexit world.

Image is important as well: motor insurer Sheilas' Wheels has found its market but some women might feel a pink, fluffy brand is not for them, or even view it as patronising.

One interesting example of female-friendly travel insurance is Australia's Travel With Jane, which promises "travel insurance that covers the [gender pay gap](#) by providing a 15.3% pay discount for women".

Whether a marketing gimmick or canny underwriting, the business has both fans and detractors. Co-founder Ben Webster admits some "men's rights activists" have complained about the discount. Even so, he insists insurance could still be bought by males at reduced prices, saying if "men choose to say they identify as a woman, they can get the discount as well".

Travel With Jane has been threatened with legal action from the US, but this has been batted away by showing the gender pay gap is irrefutable and this is what the discount is based on, he explains.

It is hard to see the largely conservative UK insurance sector taking the Travel With Jane route. But look behind the gender pay gap reference and the firm's website has practical advice, with a particular focus on safety and on tips for women travelling alone for example.

## Flying while pregnant

“The likelihood of going into labour is naturally higher after 37 weeks (around 32 weeks if you’re carrying twins), and some airlines will not let you fly towards the end of your pregnancy. Check with the airline for their policy on this.

“After week 28 of pregnancy, the airline may ask for a letter from your doctor or midwife confirming your due date, and that you aren’t at risk of complications.”

*Source: NHS*

In the UK, Sheilas’ Wheels is probably the best known female-friendly insurer. Part of the Esure group, it has a travel offering on its website. It appears to be fairly standard, although it states “kids go free”. Sheilas’ Wheels was approached for comment on the topic of female-friendly travel, but a representative said it did not wish to give a view as the product was not being promoted.

In contrast, Emerald Life is taking a more in-depth approach. Last year, it was invited by the Foreign and Commonwealth Office to take part in ongoing discussions on making sure that all kinds of people, including women, were clear on what their insurance needs were.

Co-founders Steve Wardlaw, who is chairman, and CEO Heidi McCormack set up Emerald Life for people it felt were not getting suitable coverage. The company focuses on the lesbian, gay, bisexual, and transgender community and women, with the tagline ‘Insuring Today’s Diversity’.

“This is a company run by a gay man and a woman and we are determined to fight discrimination,” Wardlaw says. “We were very pleased to be asked by the Foreign Office to help it communicate about insurance in a way that is inclusive.”

He agrees that safety is an issue that can particularly concern female and LGBT travellers, specifically if they are visiting countries with discriminatory laws and practices. “We don’t tell people where they should go but we hope they will read guidance and make sure they have quality travel insurance that suits their needs.”

He adds women may appreciate the inclusion of Consular Assist, which provides specialist help if an individual runs into difficulty abroad. “It is not there to absolve you if there has been wrongdoing, but it does mean global specialists with diplomatic experience are on hand to help and intervene early, as well as ensuring consular staff, who can have stretched resources, are listening and doing all they can.”

McCormack notes there is a clear need for more “thoughtful” travel insurance as far as women are concerned and better explanations about what the product is. “Travel insurance is quite complex, but it’s often bought with little thought, whether through price comparison sites or part of a credit card or bank account deal. It may not offer the protection a woman needs, or for any children she may be taking abroad. Too often it seems benefits have either been stripped out and the focus is on ‘traditional’ families that don’t reflect particular circumstances. We need better understanding of what makes a good travel insurance policy.”

Melissa Collett, professional standards director at the Chartered Insurance Institute, says women can have different requirements to men for a number of reasons, some of which are included in the [CII’s recent reports](#) on insuring women’s futures.

“Insurance is important because it helps increase women’s resilience and where travel insurance is concerned, there are a number of factors that can apply.” She explains adequate cancellation cover is often a must, since women are more likely than men to provide unpaid care, particularly to an elderly parent.

Figures show one-fifth of women at any given time are providing care to a sick, disabled or elderly person and nearly one-third of women in their late 50s are carers.

Correspondingly, looking after someone on a regular basis also tends to result in a lower level of income, making top-of-the-range

## EU gender-neutral pricing rules

The Council Directive 2004/113/EC of 13 December 2004 implemented the principle of equal treatment between men and women in the access to and supply of goods and services.

Its article 5 stated that sex could be used as an actuarial factor to calculate insurance premiums until 21 December 2007. It specified that member states would need to review these exemptions five years after that date.

On 1 March 2011 in the *Test-Achats* case, the Court of Justice of the EU gave insurers until 21 December 2012 to change their pricing policies in order to treat individual male and female customers equally in terms of insurance premiums and benefits.

Under those rules, which came into force on 21 December 2012, European insurers have to charge the same prices to women and men for the same insurance products without distinction on the grounds of sex.

products harder to afford. Around one in 10 females are in the ‘sandwich generation’, meaning they are caring for a parent and dependent children.

“A holiday is such an important break for many women and is often booked well in advance. But, as a former ombudsman, I’ve seen many cases where something has happened at the last minute, such as the parent being cared for having to go into hospital, and the holiday has to be cancelled, yet the policy does not provide the right cover.”

An ageing population – coupled with shrinking government spending on care – has resulted in a disproportionate burden on women.

Collett adds she wants to see insurers modernise their approaches. “We have many more blended families, living in different locations, but ‘family’ policies may only cover children who live with the parent buying cover. I have seen cases where there is an expectation someone is covered, but because the insurance is part of a credit card offering, it is only valid if they are travelling with the cardholder.”

The gender pay gap – and the fact that women are likely to have less income – is another factor. “It’s a real concern that while women in their 30s have around an average of £1000 in savings, this sum will reduce with each child. This means insurance can be even more important for them. They have little resilience should they be affected by a financial crisis, or something goes wrong if they are on holiday.”

## Detailed family types, UK, 2017

Family type	2017		
	With dependent children (thousands)	Without dependent children (thousands) <sup>2</sup>	Total (thousands)
<b>Married couple family<sup>1</sup></b>	4944	7890	12,834
Opposite sex married couple family	4938	7862	12,800
Same sex married couple family	6	28	34
<b>Civil partner couple family<sup>3</sup></b>	8	47	55
<b>Cohabiting couple family<sup>1</sup></b>	1251	2040	3291
Opposite sex cohabiting couple family	1246	1943	3190
Same sex cohabiting couple family	5	97	102

Same sex cohabiting couple family	4	97	101
<b>Lone parent family</b>	1781	1037	2817
<b>All families</b>	7983	11,014	18,997

Notes:

1 Married couple families include both opposite sex and same sex married couples. Cohabiting families include both opposite sex and same sex cohabiting couples.

2 Families without dependent children have only non-dependent children or no children in the household.

3 Civil partnerships were introduced in the UK in December 2005.

Marriages to same sex couples were introduced in England and Wales in March 2014.

Totals may not sum due to rounding. Some small numbers are likely to be less reliable.

## Pregnancy cover

One of the specificities of travel cover for women is pregnancy.

Brian Brown, head of insight for banking and general insurance at Defaqto, says customers need to consider cancellation and medical expenses due to pregnancy complications. In its assessment of travel cover, the analyst found that some 787 plans did cover cancellation due to pregnancy complications, but 171 did not.

While there have been occasional cases where women have gone into labour on planes or given birth prematurely abroad, resulting in large medical bills – particularly in the US – the rules around travel during pregnancy tend to be fairly straightforward. Typically, it will mean cover is available for up to 28 or 32 weeks, although in some cases women may need to provide a doctor's guidance if required by the insurer.

Meanwhile, Brown agrees the so-called 'modern family' where parents have separated and children may no longer be living permanently with either parent, for example, has created new challenges for insurers that are not always addressed.

"It's often a question of definition and women should always make sure they are aware of what the policy stipulates. Some policies define children as being those who live permanently with you. So in the circumstance of a mum whose children live with their dad, but she is taking them on holiday with her, she should check to make sure her insurer is covering her children before she travels," he explains.

Defaqto figures show variance: 574 plans covered all children, 372 plans gave cover for children living with a parent, while 30 provided no cover for stepchildren. "So

around 40% of annual travel policies don't cover children who are not normally resident with a parent buying family cover," Brown says.

## Practical issues

There are clearly a number of practical issues that potentially do apply more to women than men, but the emphasis should be on making sure customers choose the right cover, says Peter Hayman, managing director of PJ Hayman. More women are buying travel policies and, as such, they are becoming more influential. "I had a look at travel policies bought 10 years ago and the number was 43%, now it is 50%. The female market is important, but there remains little consideration in policy wordings, so if the need is for children to be covered, they should see what is included."

He says an issue women have asked him about is jewellery – typically women do tend to own more of this and could want to take it away with them. As travel insurance has low limits for valuables, he recommends to ensure jewellery is covered under the main household policy on an all-risks basis.

The travel insurance market would benefit from some new thinking. Overall there has not been much innovation.

"Developing products that are up-to-date and that meet individual consumer demands is vital in order to thrive in a competitive market," says Amy Walker, propositions development manager at Allianz Worldwide Partners UK. "We know that 89% of UK consumers buy travel insurance for peace of mind, and this is particularly true of the female solo traveler market.

"One product currently in development that will appeal to this market allows the individual to be able to request urgent medical assistance from the tap of an app. Their GPS location is picked up and the necessary medical services are sent out to assist them wherever they are. While this type of product would benefit both genders, it means solo females are never alone on their travels."

Such developments clearly show a more tailored approach and, with growing demand for more personalisation and advances in Big Data, it may be possible for insurers to adopt more products that suit women.

But there also needs to be better signposting about where to get advice. The Defaqto guidance on what is provided, for example, could certainly prove helpful, as could asking a broker for specifics. Equally, there should be more warnings about the dangers of cheap cover.

Fairness for women and empowerment are huge issues now and better travel insurance for women certainly has a place in all the discussions taking place – what needs to happen now is for insurers to pick up on this mood and to take action.

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