



# METHODOLOGY

## Travel Insurance

### Star Ratings & Awards

#### What are the Canstar *Travel Insurance Star Ratings*?

Canstar's *Travel Insurance Star Ratings* use a sophisticated and unique ratings methodology that compares both cost and features across travel insurance products. Canstar's *Travel Insurance Star Ratings* represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked.

Ratings range from five to one star. Five-star rated products have been assessed as offering outstanding value to consumers.

#### Eligibility Requirements

For institutions to be eligible for the Canstar *Travel Insurance Star Ratings*, the policy must be a comprehensive policy. This means it must meet certain basic feature requirements in order to be included in the ratings, in addition to the following:

- ✓ Overseas medical and hospital cover (international destinations only)
- ✓ Repatriation and evacuation services (international destinations only)
- ✓ Luggage and personal effects
- ✓ Cancellation fees and loss of deposit

#### Profile Description

Travel insurance policies included in the Canstar Travel Insurance Star Ratings are assessed across 60 consumer profiles based on five consumer types, ten destination regions, and cruise (which has its own cruise-specific destination countries). To maintain consistency across quotes, Canstar uses some general assumptions outlined below.

#### Consumer Type

To cater to the different needs of Australian travellers, Canstar compares travel insurance policies across the following 5 consumer profiles.

Consumer Type	Description
Single	This profile considers an individual travelling on their own
Couple	This profile considers a couple travelling together
Family	This profile considers a couple and two dependants travelling together
Mature	This profile considers a mature aged single travelling on their own
Senior	This profile considers a senior single travelling on their own

Canstar *Travel Insurance Star Ratings and Awards* do not consider mature or senior couples travelling together as observations through previous Star Rating and Award suggest that Couples premiums and coverage limits for mature and senior travellers are double that of single policy for a traveller of the same age in the majority of cases.

## Destinations

For each destination region considered, quotes are obtained for two destination countries/nations. The following table lists the destination regions considered within the *Canstar Travel Insurance Star Ratings* for policies taken out for travel purposes.

Region Considered	International	Domestic	Senior	Cruise
South-East Asia	✓	-	✓	-
North-East Asia	✓	-	✓	-
Southern and Central Asia	✓	-	✓	-
North-West Europe	✓	-	✓	-
Southern and Eastern Europe	✓	-	✓	-
Oceania	✓	-	✓	✓
Americas	✓	-	✓	-
North Africa and Middle East	✓	-	✓	-
Sub-Saharan Africa	✓	-	✓	-
Domestic	-	✓	✓	✓

## Star Ratings Methodology

Each eligible travel insurance product reviewed is awarded points for its comparative pricing and for the array of positive features attached to the product. Points are aggregated to achieve a price score and a feature score.

To arrive at the total score, Canstar applies a weight against the price score and the feature score. The weights reflect the relative importance of costs and features in determining the products offering outstanding value. This method can be summarised as:

$$\text{Total Score} = \text{Price Score} + \text{Feature Score}$$



The table below provides a breakdown of the weights allocated to the Price Score and Feature Score based on profile:

Consumer Type	Price	Features
Single	50%	50%
Couple		
Family		
Mature Single	40%	60%
Senior Single		

### Price Score

The Price Score considers the premium and associated excess quoted on a travel insurance policy based on the consumer profile (including age and number of persons covered), the destination travelling to and two different travel periods (10 & 21 days). The lowest average premium for each destination and travel period will receive the highest score and all other policies are indexed against it.

There may be other factors which a consumer may need to take into account when purchasing travel insurance that could influence premiums quoted by an insurer, including but not limited to the length of time before the travel date, pre-existing medical conditions a prospective traveller might have or additional cover options (e.g. specific sports cover).

### Feature Score

The feature score takes into account a number of features across three different categories, with individual features allocated points and each category, and subcategory, assigned a weighting. The product with the highest feature score is allocated the maximum score, with all remaining products indexed against it.

Feature Category	International	Senior International	Domestic	Senior Domestic	International Cruise	Domestic Cruise
Policy Conditions	35%	35%	15%	25%	20%	15%
Definitions	45%	50%	45%	50%	45%	45%
Policy Flexibility	20%	20%	20%	20%	20%	20%

Claim Processes	35%	30%	35%	30%	35%	35%
<b>Policy Inclusions</b>	<b>5%</b>	<b>5%</b>	<b>10%</b>	<b>5%</b>	<b>10%</b>	<b>10%</b>
Events and Activities Cover	100%	100%	100%	100%	100%	100%
<b>Policy Benefits</b>	<b>60%</b>	<b>60%</b>	<b>75%</b>	<b>70%</b>	<b>70%</b>	<b>75%</b>
Overseas Medical and Dental	40%	40%	-	-	35%	-
Luggage and Travel Documents	15%	10%	25%	15%	15%	20%
Cancellation Fees and Loss of Deposit	20%	25%	40%	50%	20%	20%
Emergency Travel Arrangements	15%	15%	10%	10%	5%	15%
Rental Vehicle Cover	5%	5%	20%	20%	5%	5%
Other Benefits	5%	5%	5%	5%	5%	5%
Cruise Specific Cover	-	-	-	-	15%	35%

## Definitions

The Definitions sub-category within the Policy Conditions sections is then further broken down into the following sub-sections:

	Single/Couple/Mature	Seniors	Family
<b>Dependent</b>	-	-	33.33%
<b>Pre-existing Medical Condition</b>	50%	65%	33.33%
<b>Specific Conditions</b>	50%	35%	33.33%

## Canstar Travel Insurance Award

Canstar names the insurer or insurers who offer outstanding value based on their star ratings performance across each profile considered. Travel insurance policies included in the *Canstar Travel Insurance Star Ratings* are assessed across 60 consumer profiles based on five consumer types, ten destination regions, and cruise (which has its own cruise-specific destination countries), allowing consumers to create a shortlist of products to match their needs and/or budget.

In order to be eligible for the overall awards, a product must meet the following requirements:

- ✓ 24-hour emergency helpline available
- ✓ Ability to extend cover while travelling (international only)
- ✓ \$5 million or more family overseas medical and hospital cover (international only)
- ✓ \$5 million or more family cover for repatriation and evacuation services (international only)
- ✓ Must cover claims arising from cruising holidays in domestic and international waters (cruise only)
- ✓ Must be available to travelers aged 65 and above (senior only)

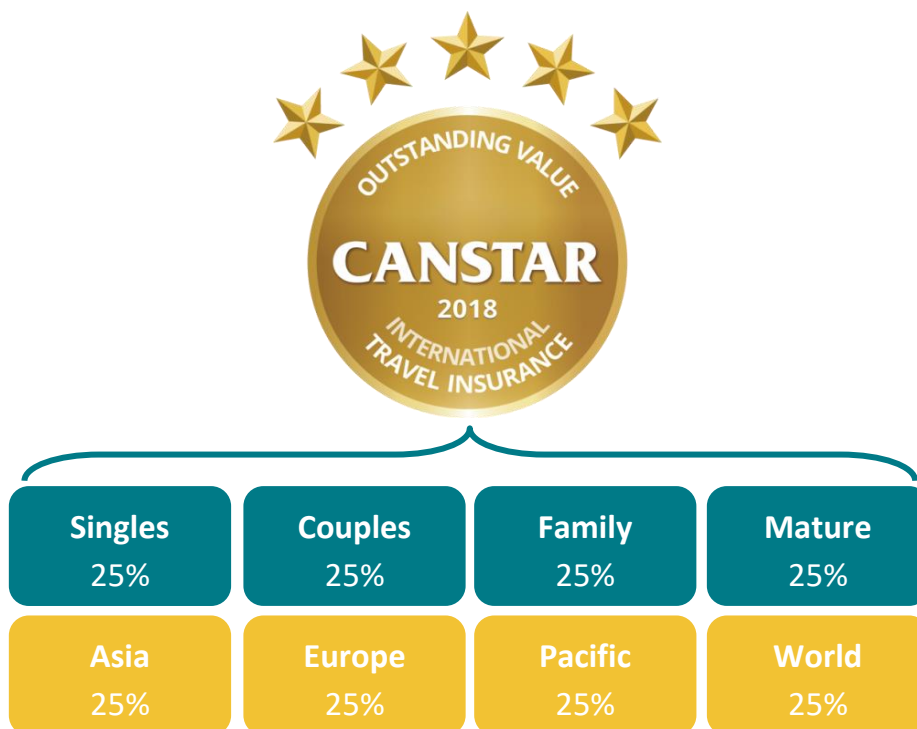
## Award Methodology

To calculate the award, an equal weighting is applied to each region considered within that travel category.

Travel Category	Regions Considered
Asia	South-East Asia North-East Asia Southern and Central Asia
Cruise	Australia South Pacific
Domestic	Australia
Europe	North-West Europe Southern and Eastern Europe
Pacific	Oceania
Worldwide	Americas North Africa and Middle East Sub-Saharan Africa

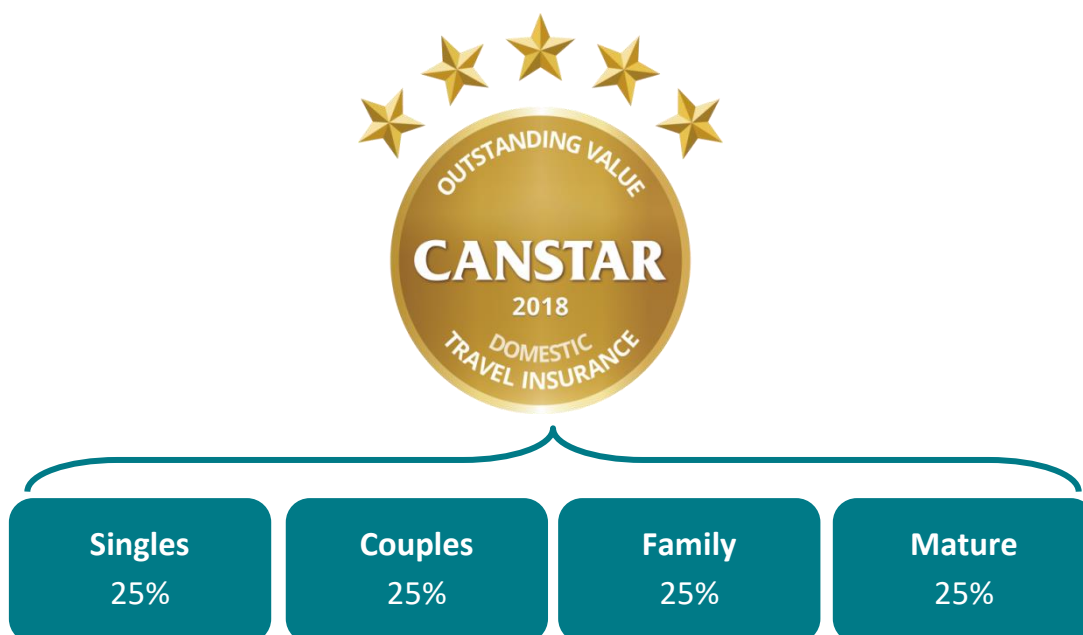
## International Award

For the International Award, Canstar considers the following destinations for the single, couple and family profiles.



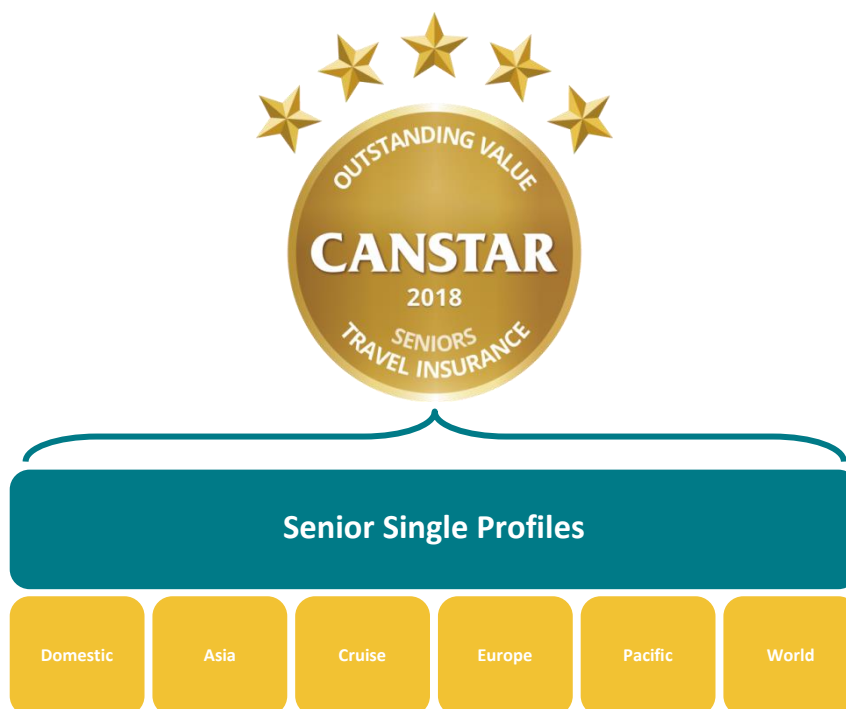
## Domestic Award

For the Domestic award, Canstar considers the performance of each policy across the Australian profiles.



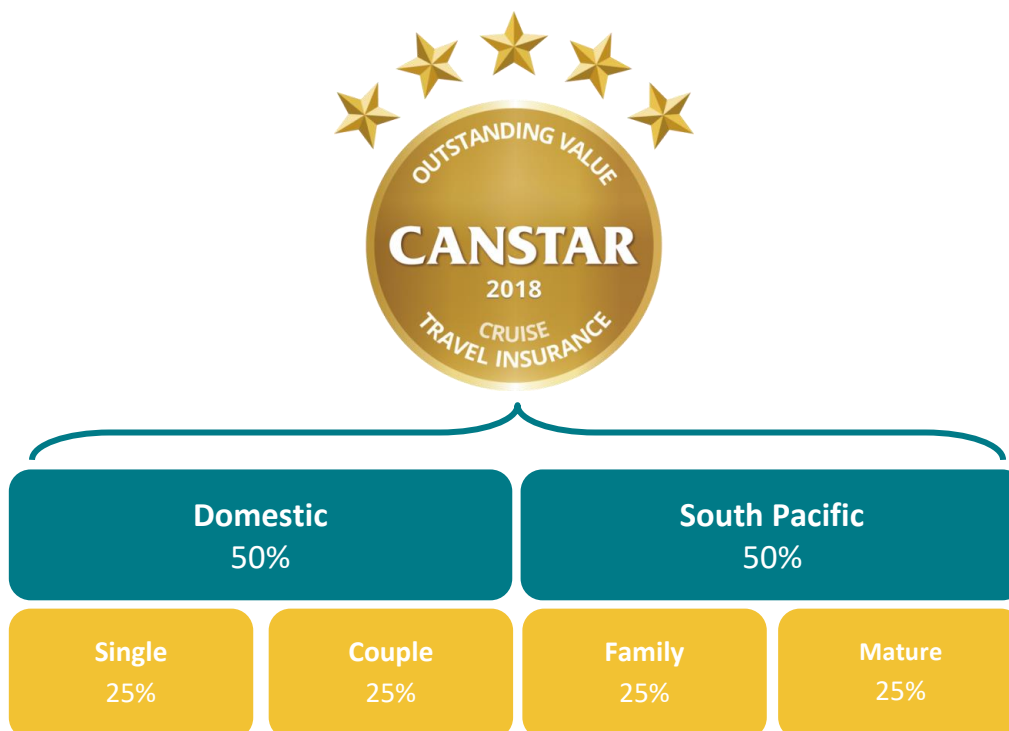
## Senior Award

The Senior award is in recognition of insurers who provide outstanding value in terms of price and features across all destinations for seniors, with each underlying subcategory attributed an equal weight.



## Cruise Award

For the Cruise Award, Canstar considers the performance of each policy across the Cruise profiles.



## Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## How often are products reviewed for awards or star ratings purposes?

All ratings are fully recalculated every twelve months based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazines, television, websites, etc).

## How are the stars awarded?

The total score received for each profile ranks the products. The stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the Canstar five-star rating.

## Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the Canstar website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



- Account based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Package banking
- Reward programs
- Travel insurance
- Agribusiness
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