



METHODOLOGY

Travel Insurance Star Ratings

What are the CANSTAR *Travel Insurance star ratings*?

CANSTAR *Travel Insurance star ratings* involve a sophisticated rating methodology, unique to CANSTAR, that compares travel insurance products offered to Australian's. CANSTAR's star ratings provide a transparent analysis of a shortlist of travel insurance products, enabling consumers to narrow their search to products that have been reviewed, assessed and ranked.

The results are reflected in a consumer-friendly five-star concept, with five stars signifying outstanding value offered by the product.

What types of products are evaluated in the CANSTAR *Travel Insurance Star Ratings*?

For institutions to be eligible for the international 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. The requirements are:

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

CANSTAR rates a number of international and domestic travel insurance policies covering the following profile types and destinations:

Where?

International Destinations

Domestic



Asia
China
Bali
Thailand
Japan



Europe
UK
France



Pacific
New Zealand
Fiji



Worldwide
Brazil
South Africa
USA



Cruise
Fiji



Australia



Cruise
Australia

Who?



Single



Couple



Couple/Family



Single/Senior



Couple/Senior

How are the CANSTAR Travel Insurance Star Ratings calculated?

Each travel insurance product reviewed for the CANSTAR Travel Insurance Star Ratings is awarded points for its comparative pricing and for the array of positive features attached to the product. Points are aggregated to achieve a Pricing score and a Features score.

To arrive at the total score, CANSTAR applies a weight against the Pricing and Features scores. This weight will vary from profile to profile and will reflect the relative importance of either costs or features in determining the best product. This method can be summarised as:



Pricing score

The pricing score for each profile is based on guidelines outlined below. Quotes within the profile types and destinations were used to determine the minimum average premium in each profile. This was then indexed against each policy premium and weighted by its 50% weighting to determine final pricing score.

Profile types

Quotes were based on the five profile types; Single, Couple, Family, Senior Single and Senior Couple. These travellers were based on:

Travel period

The travel periods used to find the average premium to all international and domestic destinations are as follows:

Scenario	Period of travel
1	10 days
2	21 days

Excesses

To ensure fair comparison between providers, premiums were quoted at the standard excess amount of \$100. For policies that did not have the option of \$100 standard excess, premiums were adjusted based on industry-based actuarial data.

Features Score

Features are split into different sub-categories that are allocated appropriate weights. Based on the points received, each individual policy receives a total features score. The total score is then weighed against the weights provided in the table below for their respective profile feature score. The feature score is then indexed and weighted by its 50% weighting to provide the final features score.

Category	International	Domestic
Policy Conditions	20%	15%
Definitions	33.3%	33.3%
Policy Flexibility	33.3%	33.3%
Claim processes	33.4%	33.4%
Policy Inclusions	10%	10%
Inclusions	70%	70%
Scenarios	30%	30%
Policy Benefits	70%	75%
Overseas Medical and Dental	40%	-
Luggage and Travel Documents	15%	25%
Cancellation Fees and Loss of Deposit	20%	40%
Emergency Travel Arrangements	14%	7%
Rental Vehicle Cover	5%	20%
Accidental Death, Disability and Loss of Income	1%	2%
Legal Liability	1%	2%
Domestic Services	1%	1%
Cruises	3%	3%
Total	100%	100%

The Definitions subcategory within the policy conditions section is then further broken down into the following sub-sections:

Sub-Category	Single/Couple/Senior Single/Senior Couple	Family
Definitions	33.3%	33.3%
Dependant	0%	33.3%
Pre-existing Medical Condition	50%	33.3%
Specific Conditions	50%	33.4%

Definitions of feature categories

Policy Conditions	
Sub-category	Definition
Definitions	Definition on covers, e.g. definition of dependents, pre-existing medical condition, etc.
Policy Flexibility	Nil excess, adjustable excess, extend travel period, extra cover for paying extra
Claim Process	Claim online, claim over the phone, 24hr helpline, helpline accept reverse charge calls
Policy Inclusions	
Sub-category	Definition
Inclusions	Land Based recreational vehicles, water based recreational vehicles, non-professional sporting trip, extreme activities etc.
Scenarios	A number of situations that insurers may/may not cover
Policy Benefits	
Sub-category	Definition
Overseas Medical & Dental	Level of covers on medical and dental related issue
Luggage and Travel Documents	Level of covers on personal belonging
Cancellation Fees & Loss of Deposit	Level of covers on administrative related fees
Emergency Travel Arrangements	Level of covers on unexpected changes during period of travel
Rental Vehicle Cover	Level of covers on rental vehicle excess
Accidental Death, Disability & Loss of Income	Level of covers on death, disability and loss of income
Legal Liability	Level of covers on legal liability

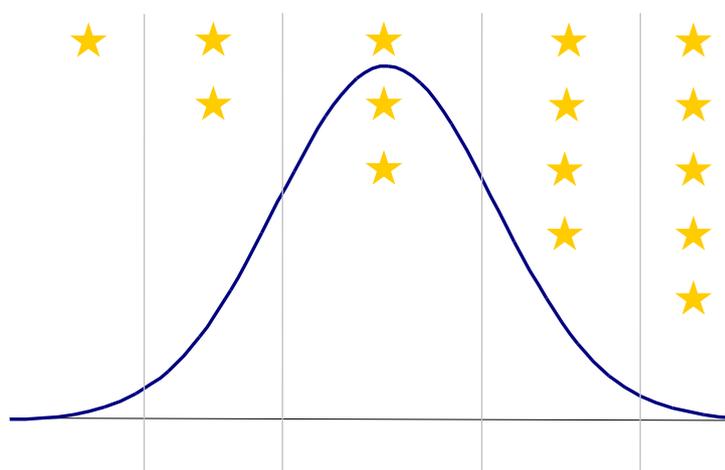
Scenarios

Each policy is then scrutinized under eight scenarios that relate to common claims made by Australian's as shown below. How the claim is handled and to what extent coverage is offered give different point allocations in each scenario.

Scenario Analysis
Medical situation
Would flights, accommodation and medical costs be covered if an individual becomes seriously ill overseas after being cleared for travel by a doctor?
Theft situation
Would an electronic item (placed out of view) that is stolen from a locked car in a public car park be covered?
Family Illness situation
If an individual's sibling becomes unexpectedly ill from a managed pre-existing condition, would the costs of cancellation and additional airline fees be covered?
Ski Theft Situation
If skis are placed outside on a holding rack at a public kiosk along with other patron's skis and are then stolen, would the cost to replace the skis be covered?
Alcohol and Injury
If an individual is injured through no fault of their own while intoxicated, requiring them to stay overnight in hospital, will the medical costs be covered?
Government High Risk Warning
If a high risk warning is issued for a destination prior to travel when there were no signs of trouble at the time of booking, will cancellation/ rescheduling fees be covered?
Government Extreme Risk Warning
If an extreme risk warning is issued for a destination prior to travel when there were no signs of trouble at the time of booking, will cancellation/ rescheduling fees be covered?
Tour Cancellation
If a tour is cancelled for unforeseen circumstances meaning the individual no longer wants to travel will the flight cancellation fee be covered?

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.



What is the CANSTAR Travel Insurance Award?

In conjunction with the travel star ratings, CANSTAR recognises insurers who provide outstanding value to consumers in four award categories:



These are awarded to insurance providers who offer the strongest combinations of products across the travel insurance star ratings profiles, as well as excelling in a range of travel destinations and features. The awards aims to give recognition to those who offer quality products with desirable features to travellers in a particular category.

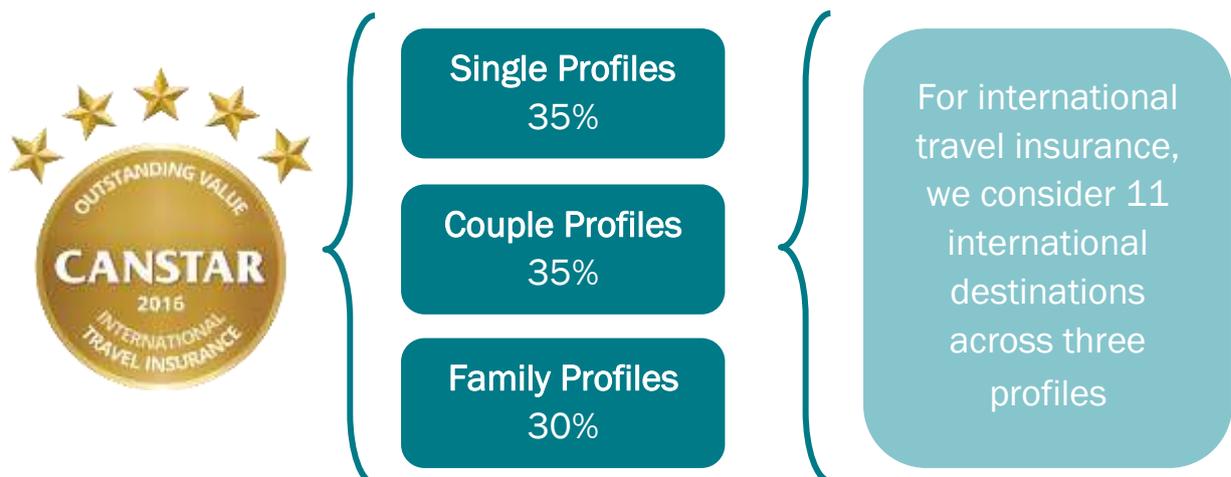
For insurers to be eligible for the overall awards, they must meet certain minimum requirements. They are as follows:

- 24 hour emergency helpline available
- Ability to extend cover while travelling (international only)
- \$5 million + family overseas medical and hospital cover (international only)
- \$5 million + family cover for repatriation and evacuation services (international only)
- Must cover claims arising from cruising holidays in both international and domestic waters (cruise only)
- Must be available to travellers aged 75 and above (senior only)

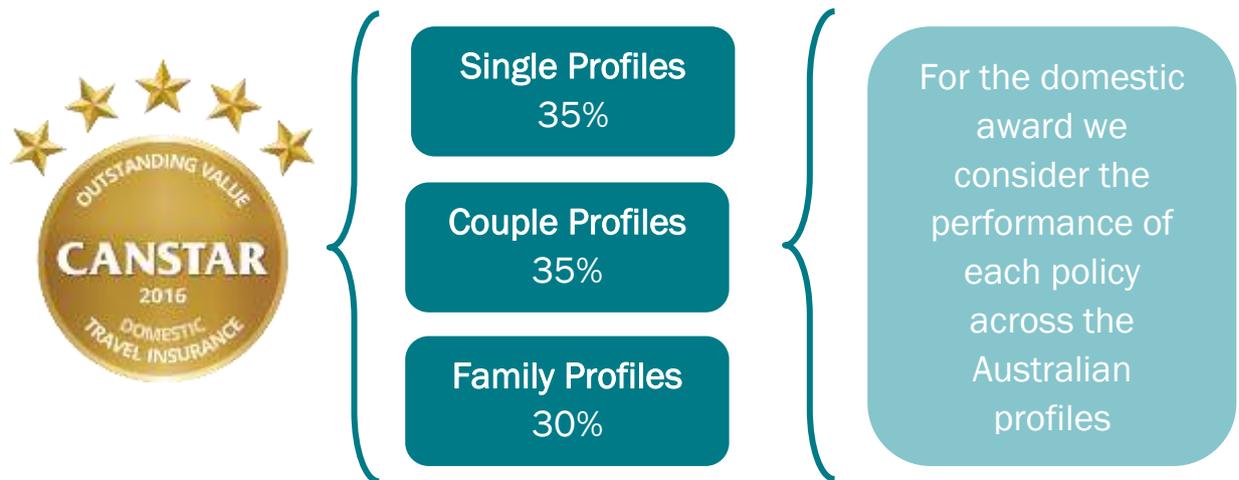
How are the CANSTAR Travel Insurance Awards calculated?

The maximum total score of each country profile is taken from each insurer and is indexed against the maximum possible top score in each applicable profile. This produces an indexed score which is then weighted against the profile type weights provided in the methodology tree below. Each of the profile type scores is then summed to determine the final award winner in all four categories. to determine the final award winner in all four categories.

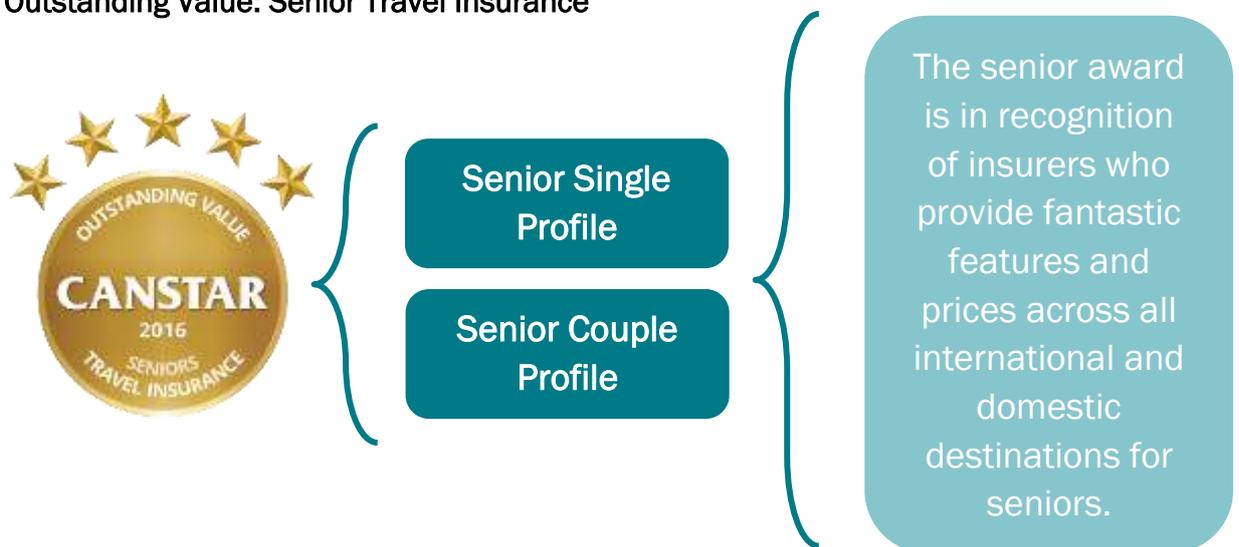
Outstanding Value: International Travel Insurance



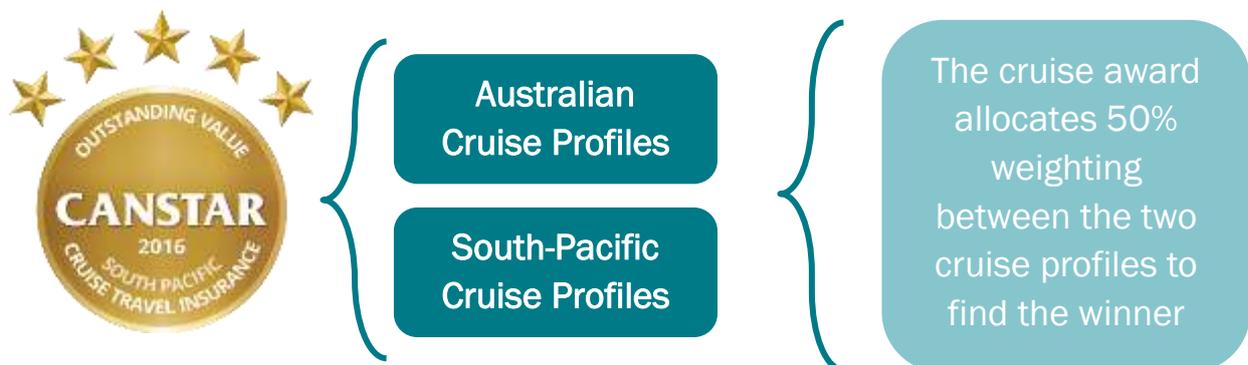
Outstanding Value: Domestic Travel Insurance



Outstanding Value: Senior Travel Insurance



Outstanding Value: South Pacific Cruise Travel Insurance



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 award purposes?

This award is recalculated every 12 months, based on the latest submissions from each institution. CANSTAR also monitors changes on an ongoing basis.

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 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
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
- Superannuation
- Travel money cards
- Business banking
- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
- Pet insurance
- Term deposits
- Youth banking

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