

Travel bookings take off as vaccination rates soar

Since the vaccine rollout began in December of last year, the UK has, at the time of writing, vaccinated over 45.6 million adults. Over 30 million people, or 69% of over 18's, have now had their second dose*, and 160,000 second doses are being administered every day.

While infection rates have increased in recent months, hospitalisation rates have remained low as the link between infection rates and serious illness becomes weaker and weaker through vaccination. Public gatherings are starting to return, which, coupled with the government's recent announcement that restrictions will be lifted on 19 July, signals life returning to what it was. Now, after 18 months of cancelled holidays and UK staycations, many are dreaming once again of jetting off to warmer shores or cruising the open seas.

In its latest announcement on the 8th July 2021, the government outlined its proposal to bring international travel back for Brits in time for the summer holidays. The highlight of the proposal means that those travelling to amber list countries will no longer be required to quarantine on return to the UK. Holidaymakers currently need to check the entry requirements of individual countries as they may have differing quarantine rules. Instead, holidaymakers will only need to take a pre departure PCR test and a further test within two days of returning from an amber list country. Just as importantly, the government confirmed that from the 19th July it will no longer advise against non-essential travel to amber list countries, though travellers should continue to check the Foreign, Commonwealth and Development Office (FCDO) travel advice before booking travel.

Changes to travel from the 19th July 2021

Travel to and from an amber or green list country**

- Fully vaccinated adults (with 14 days having passed since their second vaccine) returning to England will no longer need to quarantine
- Amber arrivals will also be required to prove their full vaccination status to carriers before departing, either via the NHS app or via an NHS COVID Pass letter which can be obtained by calling 119 for travelling overseas (which could take five days to arrive by post)
- Pre-departure testing will be required
- Testing on return must be carried out within 2 days of returning
- The recommendation for people to not travel to amber countries will also be removed from 19th July but people should continue to check FCDO travel advice before booking travel

Holiday hopefuls have received the news well, and travel operators are already reporting a surge in holiday bookings.*** It is against this backdrop that we also expect to see a surge of interest in travel insurance policies.

While 18 months of pent up demand for foreign travel can finally be let loose, the travel insurance market of today looks very different to when the pandemic began. March 2020 saw almost half of UK travel insurance providers suspend the sale of new policies**** while making changes to their policies to protect themselves against the risk of Covid-19 and future pandemics. When insurers re-entered the travel insurance market a few months later, most had introduced policy exclusions for

cancellations resulting from a pandemic, and many had restricted or removed any cover for travel disruption.

While insurers moved to limit their exposure to pandemic-related risk on new policies, there were claims on existing policies, and the Association of British Insurers predicted that travel insurance claims due to Covid-19 would eventually reach £275 million in 2020.***** While claims costs reached unprecedented levels, premium income collapsed as the travel insurance market shrunk by almost 50%. SAGA initially announced 300 job cuts in July 2020,***** before eventually confirming 1,400 job losses as the loss of income from their cruise operations also took its toll.*****

Some private medical insurance providers who also offered travel insurance chose to review their position, and in February 2021 Bupa announced it would end the sale and renewal of standalone travel insurance policies with effect from May 2021. Vitality has also confirmed they will cease to offer standalone travel insurance with effect from August 2021.

Independent to the Covid-19 situation, AXA Health has reviewed their position on providing standalone personal travel insurance and, as a result, will no longer be able to offer such products to our members. The good news is that AXA Health has agreed to renew existing policies for our members up until 30 April 2022 and to continue offering new policies until 31 October 2021. Members who have a private medical insurance (PMI) policy with AXA Health will continue to be able to include an element of travel insurance within their PMI policy.

While customers who purchase a new policy or renew an existing policy in 2021 will not be able to renew that policy after April 2022, this still represents an excellent opportunity to purchase or renew a policy that applies no premium loading or policy exclusions for pre-existing medical conditions, and so provides cover for pre-existing conditions provided the policyholder has not travelled against medical advice or FCDO advice. Policies provide cover for 12 months, so members who are not travelling this summer but who plan to travel in the winter or next year may well wish to purchase a policy, and take advantage of the generous underwriting terms, before AXA Health withdraw the policies from sale in the autumn.

As the impact of the vaccine roll-out changes the nature of the pandemic , and restrictions on foreign travel are lifted, this may be the time to look again at our AXA Health travel plan while it remains available to our members. If you want to find out more please contact our dedicated team at Towergate Health & Protection on 0800 389 7724 (Mon to Fri, 9am to 5pm).

*

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19/latestinsights>

**<https://www.gov.uk/government/news/quarantine-free-travel-to-resume-on-19-july-for-fully-vaccinated-passengers-returning-from-amber-list-countries>

*** <https://www.bbc.co.uk/news/business-57770236>

**** <https://www.breakingtravelnews.com/news/article/uk-travel-insurance-market-contracts-in-wake-of-coronavirus/>

***** <https://www.lifeinsuranceinternational.com/comment/travel-insurance-market-post-covid-19/>

*****<https://www.lifeinsuranceinternational.com/news/saga-to-axe-300-jobs-due-to-covid-19-pandemic/>

*****<https://www.reuters.com/article/saga-results/update-3-saga-cuts-1400-jobs-former-owner-to-back-150-mln-stg-capital-raise-idINL4N2G71MU>

<https://coronavirus.data.gov.uk/details/vaccinations>

Towergate Health & Protection, a trading name of Health and Protection Solutions Limited, is an independent intermediary, authorised and regulated by the Financial Conduct Authority (FCA). This can be checked on the FCA's website or by calling them on 0800 111 6768 (freephone). Not all products and services offered are regulated by the FCA.

Registered in England and Wales No: 4907859. Registered office: West Park House, 23 Cumberland Place, Southampton, SO15 2BB.