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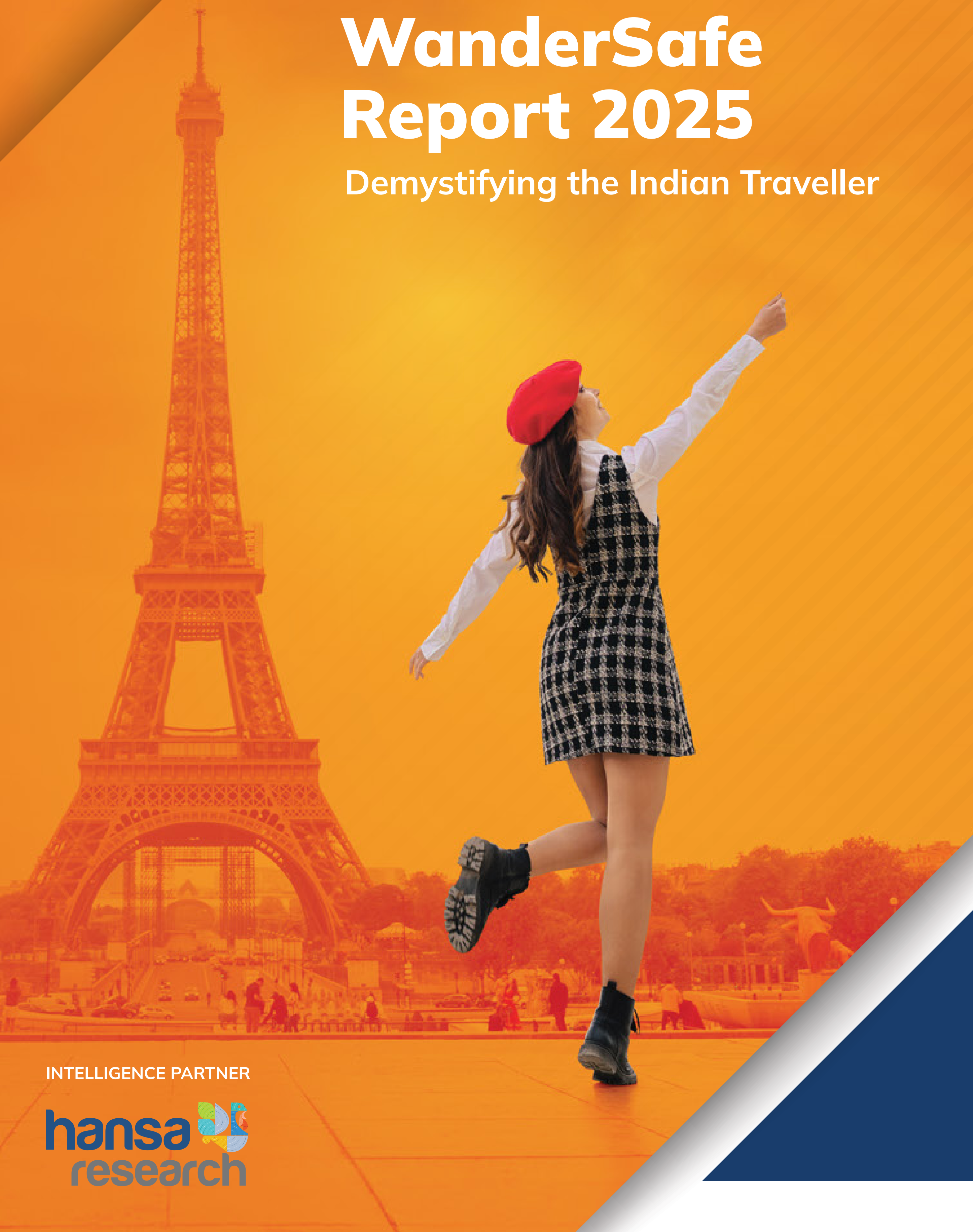
CELEBRATING A LEGACY OF TRUST

ICICI Lombard

WanderSafe Report 2025

Demystifying the Indian Traveller



INTELLIGENCE PARTNER

hansa research

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FOREWORD

Charting a Smarter Path for India's Global Travellers

The world is moving and India is moving with it. Today India is one of the fastest growing outbound travel markets globally and Indian outbound travellers are not just part of a growing statistic but a reflection of a country that is increasingly global, mobile and aspirational. Whether it's students heading overseas to pursue world-class education (with 7.6 lakh doing so in 2024 alone), entrepreneurs exploring global markets, families taking long-pending holidays or professionals engaging in international events and MICE (Meetings, Incentives, Conferences and Exhibitions) - travel today is no longer a luxury. It is an expectation. A necessity.A norm.

But this global movement also brings with it new and complex risks. And therein lies the relevance and urgency of travel protection. At the heart of this transformation is ICICI Lombard's commitment to leading through insight, innovation and digital-first thinking. We believe travel protection should go beyond transactional coverage. It should offer real-time support, intelligent risk mitigation and empathetic assistance backed by both technology and trust.

The Evolving Landscape of Risk and Responsibility

The modern travel environment is more connected than ever before but also more volatile. While the travel industry has made incredible strides in connectivity and access, the risks faced by travellers have become more nuanced and unpredictable.

Global air travel continues to surge with international passenger traffic growing by over 13% in 2024 and aircraft occupancy reaching record highs (IATA). However, that growth came alongside a sharp rise in disruptions: GPS jamming and spoofing incidents particularly over conflict zones raising real concerns about navigational accuracy and airspace safety. Closer to home, climatic disruptions have intensified. Flooding, heatwaves and air quality emergencies have affected transportation networks, especially in Southeast Asia and Europe. Add to this the heightened geopolitical uncertainty across regions, more stringent immigration controls and medical vulnerabilities while travelling abroad - and it becomes clear: today's traveller must prepare not just for the journey, but for what may unexpectedly interrupt it. Moreover, travel today goes far beyond aviation. What travellers demand and what the industry must deliver is holistic, contextual and interoperable protection across all modes of travel.

Behavioural Shifts: The Cautious, Connected Traveller

Once seen as a backup for worst-case scenarios, travel protection has become a non-negotiable part of the journey. The old mindset of "nothing will happen to me" no longer holds - today's travellers are more cautious, connected and expect protection that is as seamless and real-time as the booking experience itself. From Gen Z to frequent flyers, people want clarity on what's covered, support that responds instantly and the confidence that help will be there when it's needed most - whether it's a sudden illness abroad, a missed connection or a family emergency. It's no longer just about insurance - it's about intelligent, empathetic assurance.

A Moment of Opportunity and Responsibility

This whitepaper serves a timely and essential purpose. It is not simply a summary of consumer trends or a review of market metrics. It is an invitation to rethink travel protection as a strategic lever - not only for insurers, but for the broader travel ecosystem: airlines, aggregators, government agencies, fintech partners and digital platforms.

It unpacks key insights around:

- Evolving travel behaviours and risk appetite.
- Attitudes toward protection especially what consumers value vs. what they actually receive.
- The market landscape, including penetration gaps and opportunity areas.
- And the path forward: a vision for real-time, personalised and multi-modal protection rooted in consumer needs and technological capability.

Looking Ahead: Protecting Aspirations, Not Just Itineraries

India's outbound movement is only going to grow. The United Nations World Tourism Organisation (UNWTO) expects India to be among the top five global travel contributors by 2030. With this evolution comes an imperative: to ensure that every Indian traveller regardless of destination or purpose feels safe, supported and seen.

The future of travel protection lies in collaborative innovation, responsible regulation and a unified commitment across stakeholders to embed resilience into travel not just through technology, but through design, foresight and empathy.

We envision a world where protection is as intuitive as booking a flight, as personalised as your itinerary and as invisible as it is reliable. This whitepaper is one small but significant step in that direction.

Let's move forward not just as insurers or travel professionals but as enablers of trust in a fast-moving world.

Mr. Anand Singhi
Chief Retail &
Government Business,
ICICI Lombard

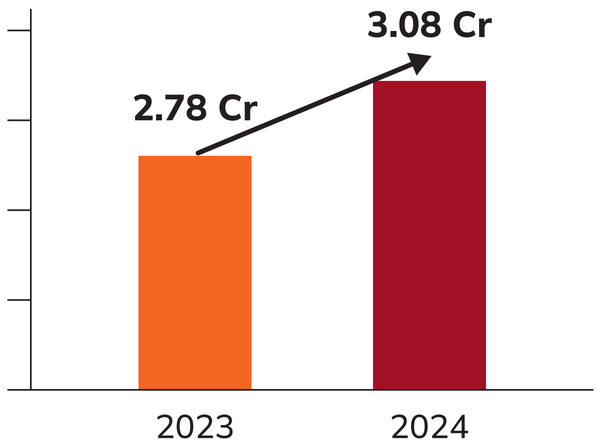
PASSPORT READY

Indian Travellers Go Global

India's travellers are fast transforming the country's travel landscape. A growing number of travellers are becoming globetrotters, and this trend is reflected in the unprecedented increase in outbound travel in 2024. The Ministry of Tourism reported a surge in Indian outbound travel, with 3.08 crore Indians travelling abroad in 2024, up from 2.78 crore in 2023, and surpassing the 2019 figure of 2.69 crore. Indian citizens travelled to more than 65 international destinations in 2024, reflecting the growing aspirations and global mobility of Indian tourists. Bernstein's report projects that India will become the fifth-largest outbound travel market by 2027, rising from 10th place in 2019. Supporting this, a Hansa Research Group survey revealed that 100% of recent Indian international travellers intend to travel abroad again in the near future, with Millennials driving India's outbound travel growth. These findings paint a compelling picture of strong and sustained travel demand.

Improved connectivity, rising disposable incomes, digital adoption, social media influence, and shifting attitudes towards travel are redefining the Indian traveller. Travel is increasingly being linked to status, self-expression, and social validation, reflecting lifestyle shifts and aspirational consumption. India's per capita income has grown at 8.7% CAGR since 2015, fuelling higher discretionary spending, one of the key enablers of the experience economy.

Indians travelling abroad



Source: Ministry of Tourism

Drivers of Outbound Travel Growth

- Economic Growth and Rising Disposable Income
- Digital Ecosystem (OTAs etc)
- Travel and Experiential Aspirations
- Financing & Affordability
- Demographic Shifts
- Alternative Accommodation Infrastructure
- Flight Connectivity
- Social Media Influence and Tourism Campaigns
- Visa Relaxations

A 2025 report by Finn Partners-GSIQ revealed that 74% of Indian travellers chose travel over buying luxury designer items. According to Paisabazaar's latest consumer insights report, personal loans are rapidly becoming a preferred way to fund vacations. The study reveals that 27% of personal loan borrowers in the first half of 2025 used loans specifically for travel, an increase from 21% in 2023. The surge in holiday loans is largely driven by non-metro India, with 71% of borrowers from Tier-2 and Tier-3 cities.

In fact, despite India ranking a moderate 85th globally in the 2025 Henley Passport Index, factors such as behavioural evolution, improved visa facilitation, digital documentation, and sustained economic growth continue to drive strong outbound travel momentum among Indians. Travellers are proactively securing insurance to cover potential losses from visa rejections, whether for Schengen or student visas, favouring destinations with simplified entry norms. They are prioritising preparedness over restriction, and this is shaping India's global travel story.

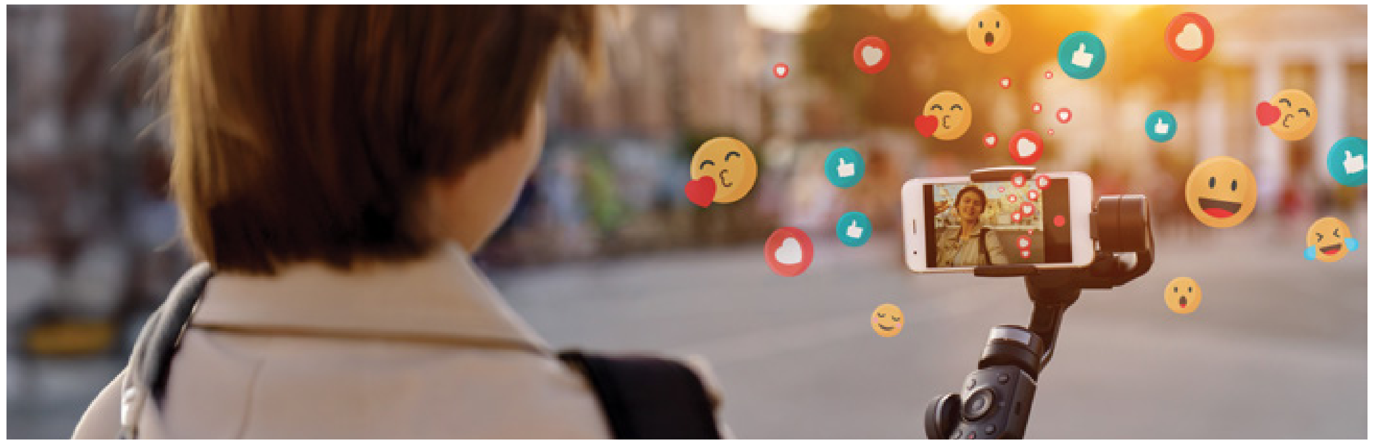
India's travel boom is also being powered by flexible payment innovations, with consumers embracing EMIs, personal loans, and BNPL (Buy Now, Pay Later) schemes to fund vacations and staycations. These have become vital enablers of travel affordability. In fact, platforms like Cleartrip and MakeMyTrip offer flexible payment options, including no-cost EMIs and partial payments integrated directly at checkout. The rise of digital aggregators and alternative accommodations such as Airbnb and homestays has further reshaped travel planning by offering travellers greater choice, personalization, and convenience across transport, hotels, and even insurance — through dynamic comparison tools, real-time availability, and flexible payment options.

Targeted media campaigns by other countries and relaxed visa issuance policies, such as visa-free and visa-on-arrival options for Indian passport holders, are also increasing the attractiveness of international destinations among Indians. This travel boom trend is no longer confined to metro areas. Non-metropolitan travellers are increasingly exploring overseas destinations, particularly short-haul destinations, aided by the growth of direct and competitively priced low-cost carriers.

'Amid robust economic momentum— with global real GDP projected to expand at ~3.1% CAGR between 2024 and 2028, and India advancing at a remarkable ~6.5%—outbound travel is emerging as one of the most powerful expressions of rising prosperity and aspiration. The global travel and tourism industry is on course to reach US$ 3.4 trillion by 2029, contributing US$ 15.9 trillion to global GDP, while international airline passengers are expected to grow from 4.8 billion in 2024 to 5.6 billion by 2029. For India and other fast-growing economies, this momentum is translating into record levels of outbound travel, driven by higher disposable incomes, improved living standards, and a growing appetite for cultural discovery, leisure, and wellness.

Technology is acting as an accelerator — AI-driven personalization, virtual previews, and contactless solutions are making travel safer, easier, and more immersive. At the same time, lifestyle shifts such as workcations, eco-tourism, and wellness tourism are reshaping global travel patterns. Simplified visa processes, including outsourced solutions, are another major enabler, with the visa outsourcing market itself expected to nearly double from US$ 1.7 billion in 2024 to US$ 3.2 billion by 2029.'

Shikhar Aggarwal
Joint Managing Director,
BLS International Services Ltd

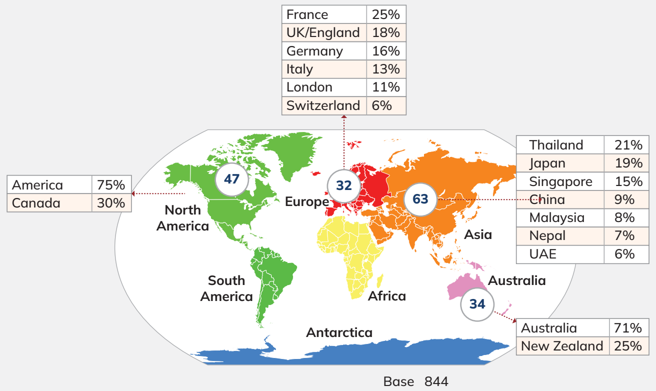


Where India Wants to Go: Emerging Global Hotspots

The Asian Continent Dominates Indian Travel

Hansa Research Group found that 63% of Indian outbound travellers surveyed chose Asia as their preferred destination, thanks to simpler visa processes and strong airline connectivity. Thailand, Japan, and Singapore led the list of top Asian destinations. North America ranked second, with the USA as the most visited country, while France and the UK dominated in Europe. The survey also showed that Gen Z and Gen Y were more likely to visit continents like Australia and Europe/UK than Gen X.

Recent Travel Destination

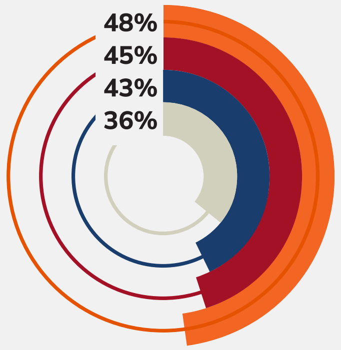


Source: Hansa Research

Indian Travellers Eye New Horizons: Asia Still Leads, but Australia Gains Momentum

Asia remains a top choice, with 48% of Indian travellers planning their next trip to the continent. However, many are now preparing to explore beyond Asia. Australia is emerging as a hot favourite for Gen Y (48%), outpacing Gen X (38%).

Where Are Indians Heading Next?



Asian Countries
USA/Canada
Australia/New Zealand
Europe including UK/England

Source: Hansa Research

Airline promotions, targetted tourism campaigns, cricket ties, and Bollywood glamour are fuelling this surge. At the same time, social media is emerging as a powerful travel inspiration engine, with 60% of Indian travellers saying platforms like Instagram, along with OTT content and movies, directly shape their travel choices. This shift reflects a deeper trend of aspirational travel preferences, as uncovered by the 2025 Report, released by Thomas Cook (India) Limited and SOTC Travel.

Who We Travel With: Companions Shaping the Travel Experience

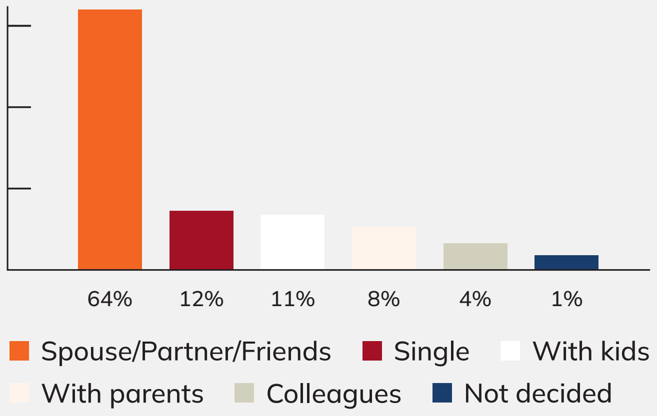
Gen Z Travellers are Re-writing the Rulebook: Companion Trends

Spouses, partners, and friends remain the top choice for most Indian travellers (64%), while solo travel remains a niche segment. Solo trips and trips with colleagues are more prevalent among younger Gen Z travellers, reflecting a growing trend of combining work and leisure. A family-first culture dominates non-metros, where travelling with parents is twice as common as compared to metros.

Gen Z travellers 3x more likely to travel solo compared to Millennials (Gen Y)

Gen Z travellers 4x more likely to travel with colleagues, blending work and leisure

Preferred Travel Companions



Source: Hansa Research

How Long is Long Enough? The Holiday Timeline

Most Trips Last 1–2 Weeks

Nearly two-thirds of Indian travellers (64%) mentioned 'up to a two-week period' as the ideal duration for an international holiday. However, preferences regarding trip length were observed to vary by destination and travel companions, with trips to North America typically lasting longer. Families with kids leaned towards trips lasting more than two weeks (50%). Solo travellers are more flexible, with some also preferring shorter escapes.

Average duration of a trip

Weeks	Single	Spouse/ Partner/ Friends	With kids	With parents
Up to 1 week	21%	16%	14%	22%
1 to 2 weeks	46%	51%	36%	46%
2 to 3 weeks	16%	22%	26%	14%
More than 3 weeks	17%	11%	24%	18%

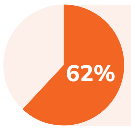
Source: Hansa Research

Experiences that Define the Journey

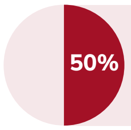
The Thrill Factor: Adventure and Active Holidays on the Rise

The survey findings also suggest that Indian travellers are moving toward experience-driven vacations. Preferences for travel experiences varied across generations. Adventure sports (54%) topped the list, indicating a strong appetite for thrills, particularly among Gen Z. Close behind were multi-country trips (52%), reflecting a desire for diversity within a single journey. Cruises attracted 40%, suggesting niche but steady interest.

Gen Z leads the charge for excitement:

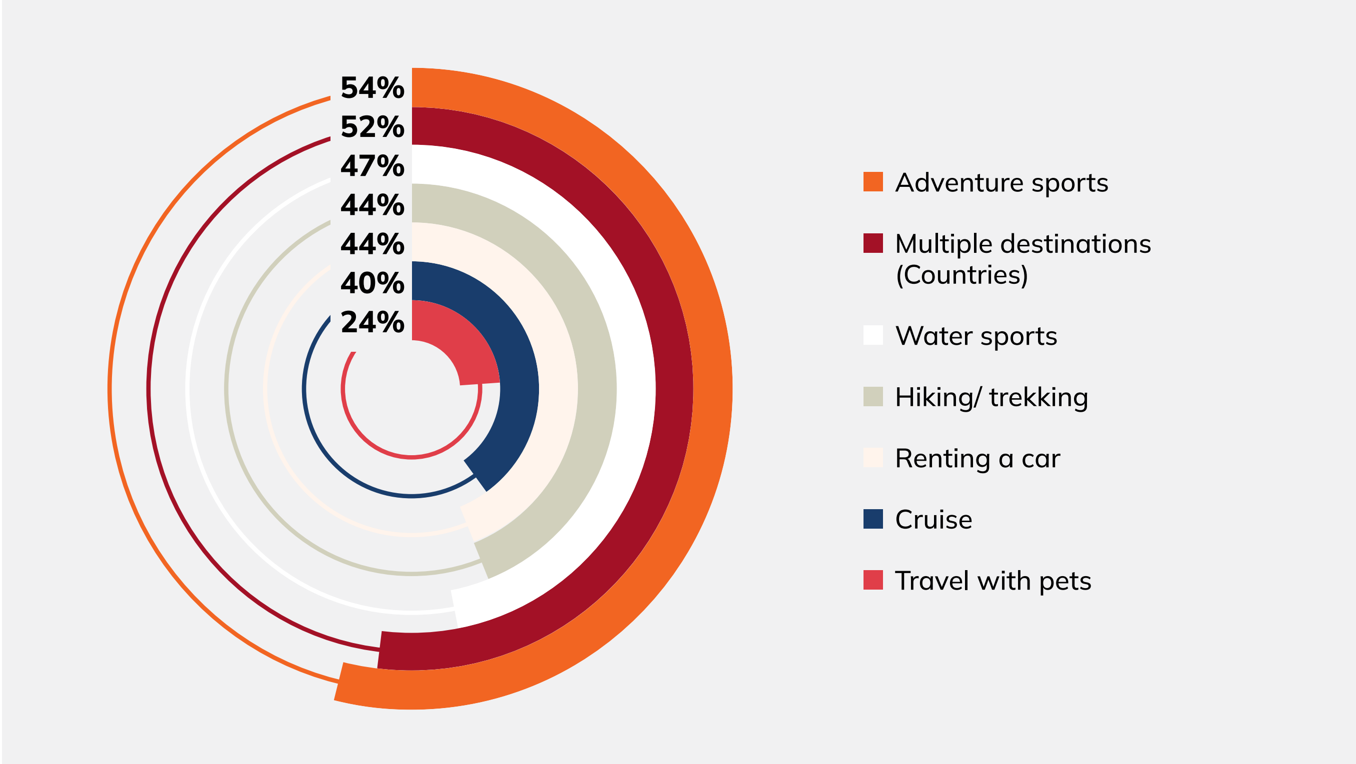


62% plan to indulge in adventure sports on their next trip



50% are likely to rent a car, emphasizing interest in flexibility and exploration

Activities/Experiences preferred



Source: Hansa Research

'India's travel landscape is dramatically transforming, driven by evolving aspirations, an appetite for new experiences, and rising disposable incomes. Our study reveals that today's Indian traveller is more connected, digitally empowered, confident, and adventurous than ever before. Their travel needs are diverse yet intentional, with families prioritizing comprehensive coverage for financial and medical security, while Millennials (Gen Y) and Gen Z embrace multi-country itineraries and high-adrenaline adventure travel. However, the true potential of travel insurance adoption is held back by barriers such as low awareness, complex policy structures, and perceived affordability concerns. What emerges clearly is the strong alignment between travellers' perceived and ideal benefits, reflecting the growing trust in the category, while also underscoring opportunities for innovation in personalization, sustainability, and digital-first solutions. As India readies to become one of the world's largest outbound travel markets, travel protection is set to evolve from being a discretionary add-on to an essential enabler of worry-free journeys.'

Praveen Nijhara
CEO,
Hansa Research

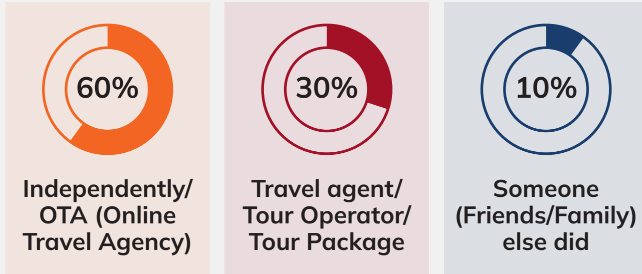
Click, Call, Concierge or Self? How Indians Book Their Holidays

Independent Planning Dominates Travel Booking in India

Indians are using a mix of digital platforms, traditional agents, and hybrid approaches to book their international holidays. While independent planning is increasing, nearly 30% still opted for travel agencies or booked a complete tour package. Online Travel Agencies (OTAs) are also emerging as a popular alternative to traditional travel agents, gaining traction for convenience, price comparison, and bundled deals (flights + hotels + activities). AI, digital tools, and travel apps are revolutionizing travel planning and personalization in India. In fact, Kaspersky's 2025 survey highlights strong AI adoption, reporting 98% satisfaction levels among those who used it for travel planning.

Interestingly, Gen X travellers are 2.6x more likely to rely on others—often their children—to plan and book their holidays, reflecting generational differences in travel planning habits.

Planning and Booking Travel Support



Source: Hansa Research

The Hidden Hurdles: Challenges in Crafting the Perfect Trip

Visa Woes, Insurance Issues, and the Hidden Costs of Convenience

While the allure of international travel is strong, travellers often encounter multiple challenges during the planning process. Hansa Research's survey found that 41% of the respondents encountered some hurdle while booking their holiday. Recently, visa complexities have emerged as a key issue. In 2024 alone, Indian travellers lost around ₹136 crore due to 1.65 lakh Schengen visa rejections, highlighting delays and financial setbacks. Travel insurance emerged as another issue, particularly for people who planned their own vacations. Thirty-nine percent of respondents who reported problems in the survey mentioned insurance-related challenges, making this a significant obstacle.

Top Challenges in crafting a Trip

- Logistics/ Transport between cities
- Applying for Visas
- Finalizing & Booking of Accommodation
- Logistics/ Transport from Airport
- Booking of Airline tickets
- Travel Insurance

EVOLVING TRAVEL RISKS

Consumer Attitude and Behaviour

Rising Travel Risks

Travel is a beautiful way to experience the world. And as Pierre Bernardo once said, 'To travel is to evolve.' However, travel is often accompanied by uncertainties that can disrupt plans and affect financial security. These risks include flight cancellations, medical emergencies, baggage loss, and more recently, geopolitical tensions and natural disasters. As India's outbound travel market grows, travel insurance becomes a key point of discussion, and with it, understanding consumer attitudes towards adopting risk-mitigation strategies.

Over the past five years, travellers have faced several disruptions that have reshaped their risk awareness, including the COVID-19 pandemic, which was responsible for driving demand for flexible bookings and comprehensive insurance coverage. ***A survey by ICICI Lombard revealed a significant increase in insurance seeking behaviour post-pandemic, where 64% of travellers consciously searched for travel insurance before their international trip vs. 54% of travellers in the pre-pandemic years.*** While operational problems, such as airline strikes and aircraft delays, have always led to uncertainties, conflicts like the Russia-Ukraine war and the Israel-Hamas crisis, and climate-related disasters such as European wildfires and Caribbean hurricanes have also heightened awareness around safety and seasonal risk considerations. Just this year, the Air India crash in Ahmedabad triggered fresh flight-related anxiety, leading to cancellations. Additionally, phishing and fraudulent links are being highlighted as new travel hazards in World Travel Protection's 2025 study.

Together, these events are reshaping travel planning behaviour and elevating travel insurance from a discretionary purchase to an essential component of trip planning. This trend is particularly visible among the younger generations, who exhibit higher digital adoption, research-oriented planning, and a willingness to invest in comprehensive travel solutions.

Nearly nine out of ten (88%) international travellers who participated in the Hansa Research survey were aware of the existence of travel insurance. However, many travellers continue to perceive travel insurance as an unnecessary cost rather than a value-driven necessity, especially for short or domestic trips, and this is often influenced by a lack of product understanding, limited personalization, and misconceptions about coverage benefits.

Top 5 Global Events Driving Travel Risk Awareness

- COVID-19 Pandemic
- Climate Disasters (Wildfires, Hurricanes)
- Russia-Ukraine Conflict
- Ahmedabad Air India Crash
- Israel-Hamas Conflict

Top Travel Risks as Perceived by Consumers

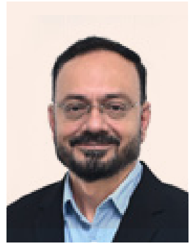
- Health/Medical Emergencies
- Financial Threats
- Geopolitical Instability
- Flying Anxiety
- Natural Calamities

'The global travel landscape has become increasingly dynamic, influenced by geopolitical developments, regional disruptions and evolving traveller expectations. We believe that travel insurance is no longer a 'nice-to-have' but a vital component of the travel experience. Importantly, customers are also recognising this shift, with a growing number actively seeking coverage that goes beyond the basics.

In line with this evolving need, we launched TravSure — a pioneering initiative from Thomas Cook India, designed to address today's travel realities. TravSure offers a comprehensive suite of benefits including free rescheduling and refunds in emergencies for unutilized services, applicable across our international and domestic group holidays; additional trip protection covering flight rescheduling due to war-like disruptions, hotel stays during transit or emergencies; and coverage for international and domestic group travel, supported by a dedicated 24x7 helpline for real-time assistance.

We also encourage all our customers to ensure they have Travel Insurance (even if not mandated by the destination country) and our Group travel itineraries include Insurance cover as standard practice. As travel continues to grow in scale and complexity, we believe protection will play an increasingly central role in shaping the industry — driving trust, resilience and confidence for travellers across the globe.'

Mr. Mahesh Iyer
Managing Director and CEO,
Thomas Cook (India) Limited



Attitudes toward Protection

In addition to traditional sources of travel insurance, such as advertising, travel agents, tour operators, and financial institutions selling travel products, we also see the emergence of peer reviews, online communities, and aggregator platforms playing a decisive role in shaping insurance awareness and choices. People increasingly rely on real-time experiences shared on social media and other digital platforms to evaluate not only destinations but also insurers and policy features. Aggregator platforms simplify this process by building awareness, enabling price comparisons, coverage evaluation, and providing claim satisfaction insights, making insurance more accessible and understandable. This growing influence highlights the shift toward shared experiences, which significantly impact purchase intent and brand trust.

At the same time, immigration policies make travel insurance a compliance requirement for millions of students and travellers worldwide. Schengen visas mandate a minimum coverage for medical emergencies. Countries such as Australia, the UK, and Germany have mandatory student insurance requirements in their visa processes, making travel insurance not only a safeguard but also an embedded component of global mobility frameworks. Today, Indian insurers such as ICICI Lombard offer tailored products like the Globetrotter Overseas Individual Student Travel Insurance policy, which has flexible plans tailored to student needs.

With India's outbound travel poised to grow further, innovations across the customer journey, including improved product flexibility and personalization, will better align offerings with traveller expectations, creating significant opportunity for both consumer protection and market growth.

The Changing Dynamics behind Insurance Uptake

- Rising Uncertainty and Risk Awareness
- Increasing Perceived Benefits
- Compliance for Visa Approvals
- Travel Experience and Itineraries (Destination, Trip Duration, Activities)
- Generational Shift in Mindset towards Safety and Planning
- Convenience through Digital & Embedded Solutions
- Affordability & Flexible Pricing
- Influence of Peer Reviews, Online Communities, and Aggregator Platform

Travel Experience, Awareness, and Destinations Shape Insurance Purchase Intent

Frequent Trips and Familiar Risks Fuel Stronger Insurance Intent

In a survey conducted by Hansa Research, both awareness of and inclination to purchase travel insurance were higher among frequent travellers, highlighting a growing shift toward risk-aware travel planning. Awareness of benefits also plays a critical role in shaping purchase intent. Respondents with some or detailed awareness of travel insurance benefits were 1.1x more likely to consider buying it compared to those with little or no awareness. This finding highlights the pivotal role of awareness in driving travel insurance uptake.

The survey further revealed that destination is also a key factor influencing purchase decisions related to travel insurance.

50%

1 in 2 (50%) international travellers cited destination as a deciding factor

The New Face of Indian Travellers

Young, Bold, and Covered

Travel habits and demographics are changing, leading to a significant shift in the travel insurance landscape. In 2025, more than half of summer travellers were millennials, according to a Policybazaar report. The report also highlighted an increase in travellers booking insurance. In 2024, only 24% of travellers booked insurance early; in 2025, that figure rose to 76%. An increasing number of Indian women are choosing to travel solo, planning their overseas journeys independently and treating insurance with the same seriousness as their itineraries. Many are opting for broader plans that include trip cancellations and emergency medical coverage, demonstrating a practical approach to safety and security in travel. According to the Policybazaar report, there was a 19% increase.

Perceived Benefits to Purchasing Travel Insurance for International traveller

Travellers' Expectations Match Reality. Trust is Strong, But Room for Innovation Remains.

There is a strong alignment between travellers' perception of what travel insurance offers and their expectations. This suggests that insurers are effectively addressing customer needs. Most respondents associate travel insurance with accidental death claims, emergency hospitalization coverage, flight cancellation protection, baggage loss, personal accident, and adventure sports cover – all of which are considered top priorities for an ideal policy.

This alignment underscores trust in existing products while presenting opportunities for insurers to differentiate through innovative add-ons and personalized experiences. Generational differences also emerge; for example, Gen X place higher value on the inclusion of specific benefits such as pre-existing disease cover. Travel experience also shapes expectations, with frequent travellers highlighting the need for credit card coverage and extended-duration insurance.

Travel Insurance Benefits: Perceived vs Ideal

Top 5 Perceived Travel Insurance benefits

Benefit	%
Accidental Death and Disablement	49%
Hospitalization expenses for illness and injury	45%
Flight cancellation	42%
Baggage loss	40%
Personal Accident - Adventure Sports Cover	39%

Source: Hansa Research

Top 5 Ideal Travel Insurance benefits

Benefit	%
Accidental Death and Disablement	45%
Hospitalisation expenses for illness and injury	43%
Personal Accident - Adventure Sports Cover	39%
Flight cancellation	39%
Baggage loss	37%

Source: Hansa Research

Barriers to Purchasing Travel Insurance for International traveller

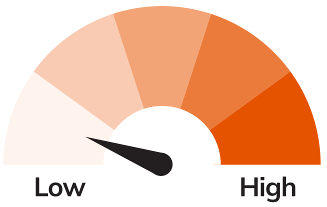
Lack of Awareness, Cost and Low Perceived Value Still Hold Travellers Back

One of the most significant barriers to purchasing travel insurance is the lack of awareness and a perceived low risk of adverse events during travel.

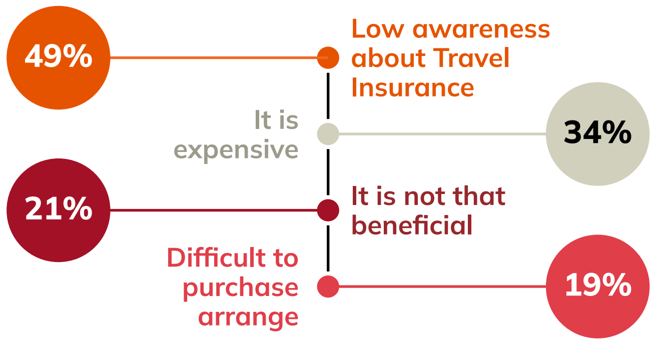
Affordability concerns and perceived additional costs were among the key factors mentioned by travellers, particularly Gen Z, who were about 3x more likely than Millennials (Gen Y) to view travel insurance as expensive. Non-metro travellers were 1.9x more likely than metro travellers to cite cost as a barrier, highlighting disparities in perception across segments.

Complex policy terms, limited personalization, and the belief that insurance is unnecessary for short trips or when staying with relatives are other barriers. These insights highlight the need for strategies such as awareness campaigns targeting first-time travellers and non-metro markets, development of simplified and affordable products, and more personalized solutions.

Nearly half (49%) of the surveyed travellers with low intent to purchase cited low awareness as the primary factor.



Barriers to Purchase

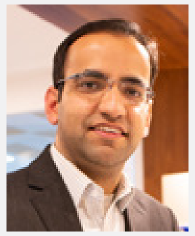


Source: Hansa Research

'One of the biggest reasons travellers don't buy insurance is the lack of understanding of its utility. Often, many believe their health plan or card coverage is enough, others see it as a 'visa requirement' rather than a safety net. That said, with outbound travel from India projected to grow at double digits annually, especially among students, families, and leisure travellers, the penetration of travel insurance will inevitably rise. To accelerate this, the industry must focus on transparency in pricing, easier product design and claims processes that work seamlessly overseas. Trip related and baggage related claims can be more instant in nature so that the insured can find more value in it.

In fact, there are now features available that transfer instant funds as soon as a delay is announced. With this level of customisation, future innovation will have more personalised offerings with modular add-ons so that every kind of traveller can find adequate value in their coverage. The next phase of growth will come from the industry aligning more closely with how people actually travel.'

Amit Chhabra
Chief Business Officer,
General Insurance,
Policybazaar.com

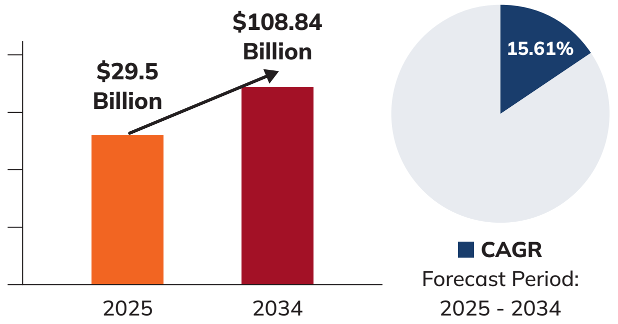


MAPPING THE MARKET

Travel Insurance in India

The global annual travel insurance market size is estimated to reach USD 29.5 billion in 2025 and is expected to further expand to 108.84 billion by 2034.

Global Annual Travel Insurance Market Size

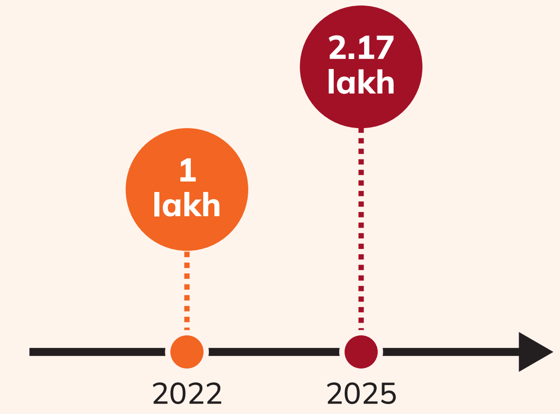


Source: Global Source Insights

India's Soaring Travel Insurance Growth: Market Size and Segments

In parallel, the India travel insurance market is emerging as one of the fastest-growing in the Asia-Pacific region. Valued at USD 1.73 billion in 2025, it is expected to reach USD 4.17 billion by 2031 at a CAGR of 15.87%. A surge in international travel, embedding of insurance into digital travel ecosystems, and evolving risk awareness are driving the growth momentum for this market.

In FY2022, ICICI Lombard issued just over 1 lakh travel policies, reflecting the sharp slowdown in outbound travel. By FY2025, ICICI Lombard issued nearly 2.17 lakh policies - a 115% growth in just three years.



Source : NL 35 Public Disclosure - About Us - ICICI Lombard Website

Market Segmentation

By Coverage:
Single-trip, Annual Multi-trip, Group, Others

By Distribution:
Direct sales, Online travel agents, Airports & hotels, Brokers, Aggregators

By End-User:
FITs, Students, Senior Citizens, Business Travellers, Families

What Travellers Are Buying?

The market's heartbeat remains the popularity of short-term, single-trip plans resonating with young professionals, budget travellers, and first-time flyers. Today international events and MICE (Meetings, Incentives, Conferences, and Exhibitions) continue to be a strong driver of outbound travel, and this segment is increasing the demand for comprehensive insurance solutions that address business-specific needs such as flight delays, lost baggage with critical documents, medical emergencies, and even replacement of professional equipment. In fact, organizations are also seeing travel insurance not just as a compliance requirement but also as an essential risk-mitigation tool safeguarding employees and business continuity. Additionally, annual, group, and specialized policies are quickly gaining traction as the customer base diversifies. At the same time, travellers are now opting for higher coverage amounts. According to Policybazaar.com, 62% of international travellers now purchase coverage of USD 250,000 or more, compared to the earlier norm of USD 100,000. The trend indicates increased emphasis on robust financial protection.

Key Growth Drivers

- Rising Awareness of Travel Insurance
- Evolving Travel Behaviour: Increased frequency and diversified purposes
- Rising Disposable Income
- Mandatory Coverage Regulations for Visa Issuance
- Digital Adoption in Purchase, Managing and Servicing of policy
- Consumer Protection Initiatives and IRDAI-driven Awareness Campaigns
- Risk Perception Shift: Medical, Geopolitical, and Climate-related risks pushing adoption

'At SOTC Travel, our deep understanding of the Indian traveller's evolving aspirations, shows that today's journeys are less about ticking off destinations on a list and more about relaxation, rejuvenation and creating lasting memories. Indian travellers are increasingly seeking seamless experiences that help them unwind from daily stresses. However, unforeseen travel disruptions—whether medical emergencies, delays, or missed connections can disrupt this much-needed peace of mind and affect the entire trip.

This is why travel insurance has become essential for every Indian traveller. It offers reassurance and peace of mind beyond regulatory requirements, safeguarding journeys so travellers can fully enjoy their experiences without worry. With our 75-year legacy, SOTC leads the industry by encouraging travellers to travel with insurance be it group tours or personalized trips, ensuring our customers' safety and confidence as they explore the world. In line with this, we introduced TravSure — a pioneering initiative that redefines travel protection. TravSure offers a comprehensive suite of benefits including free rescheduling and refunds in emergencies, additional coverage for flight disruptions due to war-like situations, hotel stays during transit or emergencies, and round-the-clock support. It's designed to meet the realities of modern travel and ensure our customers feel secure, wherever they go.

Looking ahead, we see huge potential for insurers to innovate products that are more flexible, affordable and tailored to the diverse needs of Indian travellers. Together, resilience, trust, and innovation will redefine travel protection for India's growing outbound market.'

Vishal Suri
Managing Director & CEO,
SOTC Travel Limited

How India Uses Travel Insurance: Top Claims Made by Customers

In recent years, the expectations of Indian travellers have shifted noticeably. There is a stronger demand for quicker reimbursements and the convenience of cashless claim settlements abroad. In terms of the type of claims being made, essential comprehensive coverage has become popular for international destinations. Medical emergencies, delayed baggage, and trip rescheduling were among the other top claims.

Top Claims made by Customers

- Medical Expenses/ Outpatient Treatment for Illness Injury
- Trip Cancellations, Delays, Rescheduling & Missed Connections
- Loss or Delay of Baggage & Personal Belongings
- Passport & Travel Document Loss

Brand Landscape in India

The Indian travel insurance market is characterized by a mix of well-established general insurers, international joint ventures, and emerging digital-first players. Brand visibility and consumer awareness play a pivotal role in policy adoption, as trust remains a critical factor influencing purchase decisions. The leading brands in India include Tata AIG General Insurance Co. Ltd., ICICI Lombard General Insurance Co. Ltd., Bajaj Allianz General Insurance Co. Ltd., Reliance General Insurance Co. Ltd., Care Health Insurance Ltd., HDFC Ergo General Insurance Co. Ltd., and SBI General Insurance Co.Ltd., ACKO and Digit have also been steadily expanding their footprint over the past two years.

Despite Stellar Growth, Several Headwinds Persist

While India's travel insurance market is experiencing remarkable expansion, several structural challenges continue to constrain its full potential. Claim settlement delays and claim rejections remain major concerns for travellers. Lengthy turnaround times erode trust and discourage repeat purchases, particularly among first-time users who already approach insurance with caution. Claim rejections—often due to technicalities such as non-covered events, deductible thresholds, or misinterpretation of terms—fuel negative perceptions. Confusion around policy wording remains a common source of disputes.

Low awareness is another hurdle. A large share of Indian travellers—especially in Tier-2 and Tier-3 cities—remains unaware of the benefits and scope of travel insurance. Often, policies are purchased only to meet visa requirements rather than as a considered safeguard, limiting uptake and reducing long-term engagement. Adding to this are complicated processes. Complex jargon, unclear inclusions and exclusions, and a lack of transparency during purchase and claims processes create friction for consumers who increasingly expect digital simplicity.

Together, these headwinds highlight the urgent need for simplified product design, stronger consumer education, faster settlement mechanisms, and digital-first transparency to build trust and unlock the next wave of market growth.

Hurdles in Growth

- Limited Awareness
- Claim Settlement delays
- Complicated processes
- Claim Rejections

A notable digital shift is underway, with young users increasingly opting for app-based claim filing. However, confusion over claim terms continues to result in frequent rejections, signaling an opportunity for improved consumer education.

Top Claim Rejection Reasons

- Not covered as per policy T&C
- Policy Exclusions
- Within Deductible
- Inbound delays
- Standard Exclusions
- Contingency not met

FUTURE READY

Innovation in Travel Insurance

Globally and in India, the way travel insurance products are being designed, distributed, and serviced is rapidly transforming.

From Paper to Pixels: The Digital-First Revolution

Digital transformation, customizable products, and shifting customer expectations have transformed travel insurance from static, paper-heavy policies into smart, embedded, and real-time coverage. Digital-first strategies have led to the rise of digital claims through self-serve portals, the deployment of AI-driven claims tools, and OCR document processing, thereby compressing claim cycles and improving transparency. WhatsApp and AI chatbots assist with pre-trip queries, policy issuance, and the reporting of the first notice of loss. Add-ons such as 24/7 telemedicine, e-pharmacy fulfillment, and real-time safety alerts, including air quality, unrest, and weather updates, are increasingly being integrated into traveller applications. *Insurers such as ICICI Lombard have introduced the IL Travel Insurance app, which combines policy purchase, management, and claims on a single platform—making registration, customer support, and claims processes seamless.*

Personalized, Embedded, and as Dynamic as the Journey Itself

No longer a 'one-size-fits-all' product, travel insurance is now being tailored to itineraries, demographics, and travel experiences. Beyond standard single-trip and multi-trip covers, insurers now offer the following options:

- Schengen travel insurance
- Cruise-specific benefits, such as coverage for confinement on a cruise ship or missed ports of call
- Riders for adventure sports and other high-adrenaline activities
- Coverage for pre-existing diseases, particularly for older travellers and families
- Student travel insurance

Additional changes include the adoption of broader epidemic and pandemic clauses, with most insurers gradually shifting from COVID exclusions to endemic-ready flexibility. Today, trip cancellation and interruption covers are considered baseline expectations in a travel insurance policy. In recent times, insurers have also included optional covers for pre-existing disease conditions and adventure sports to meet evolving consumer expectations. Many insurers now provide virtual consultations and remote medical support as part of their coverage. Embedded protection at checkout on airlines, OTAs, and fintech platforms tailors coverage to the itineraries in real time (destination risk, trip length, and activities), improving relevance and uptake.

Instant Peace of Mind: Parametric Protection

Additional developments include parametric insurance, which pays compensation automatically after a 'trigger' event such as a flight delay or weather disruption, without requiring the filing of a claim. The technology is also reducing the time required to process claims from weeks to minutes.

ICICI Lombard's International Travel Insurance plan demonstrates this with its 'Flight Delay Auto Assist,' which provides travellers with a fixed payout instantly in case of flight delays, eliminating the hassle of pursuing reimbursements. The plan also offers protection for ski enthusiasts through coverage for piste closures.

Homes & Villas by Marriott Bonvoy has partnered with WeatherPromise to offer guests a parametric weather insurance option when booking for villa rentals. This "rain protection" allows guests to purchase coverage that will automatically compensate them if rainfall exceeds preset limits during their vacation, with no claims required.

Travel Green, Stay Covered: Sustainability at the Core

Sustainability is increasingly becoming a central theme in travel insurance innovation, both globally and in India. It involves rewarding greener choices, building resilience against climate risks, and reducing the operational footprint. According to Booking.com's 2025 Travel & Sustainability Report, 87% of Indian tourists plan to travel more sustainably in the next 12 months, reflecting increasing awareness of eco-conscious tourism among Indian travellers. Notably, while 61% believe sustainable choices may be more expensive, many remain willing to pay more when such options are clearly labelled.

Survey Highlights

- 52% — 52 percent intend to use greener modes of transportation
- 50% — 50 percent want to conserve energy during travel
- 49% — 49 percent plan to prioritise accommodations with sustainability certifications

Source: Booking.com

Carbon-neutral travel insurance products are also being piloted, with part of the premium directed into offset projects such as, reforestation and renewable energy. This makes insurance protection not only reactive but also contributive to broader sustainability goals. Digital-first claims, paperless onboarding, and e-documentation not only enhance customer experience but also reduce the carbon footprint of insurance operations. Some insurers also incentivize cashless claims over reimbursement, thereby reducing administrative paperwork and logistical complexity.

Beyond the Skies

While air travel dominates India's outbound market, travel insurance products in India have diversified to cover other modes of travel. Indian Railways and IRCTC have made travel protection more accessible through low-cost rail insurance. Private bus operators and online aggregators such as RedBus and AbhiBus now offer optional insurance add-ons.

Key Innovations and Trends in Travel Insurance

- Digital-First & Embedded protection
- Parametric / Instant-Payout
- Rise of Sustainability initiatives
- Emphasis on Cybersecurity
- Telemedicine & Health Integration
- Flexible, On-Demand Coverage
- Premium Response to Disruptions
- Hybrid Travel Coverage

The Road Ahead: Anticipating Tomorrow's Risks

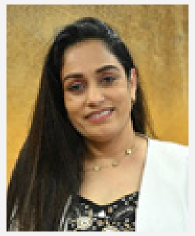
Given the dynamic nature of travel behaviour and the changing scope and complexity of traveller needs, more innovations are expected in the travel insurance landscape. With more individuals blending business and leisure travel and giving rise to trends such as 'bleisure,' 'remote work culture,' and 'digital nomadism,' travel insurance demands are being reshaped. This hybrid travel style requires insurers to adapt by developing flexible, comprehensive policies that cover both professional and leisure components, including add-ons for adventure sports and extended trip durations. Additionally, insurers are now looking to introduce context-aware covers (e.g., air-quality or heatwave riders), multimodal disruption bundles (air + rail + hotel), and truly cashless international care, which are expected to become the norm. These innovations collectively reflect a shift toward digital convenience, personalization, real-time solutions, and proactive risk anticipation in global travel insurance.

'Outbound travel has seen a remarkable growth in recent years, driven not only by leisure tourism but also by education, business, medical travel and family visits, each carrying unique risks and vulnerabilities. This surge is driving parallel growth in the travel insurance sector and reflects a fundamental shift in consumer attitudes. As Indians travel more than ever before, travel insurance has evolved from a discretionary purchase to a critical enabler of safe and secure journeys. Traditionally, travel insurance was viewed as a compliance requirement, primarily linked to visa formalities. Today, awareness has broadened, and travellers now see insurance as an integral to the travel experience. Travellers are now far more aware of its real value in covering medical emergencies, flight disruptions, baggage losses, and evolving risks like geopolitical events or pandemics. This evolution marks a deeper change in consumer behaviour, where financial security and peace of mind are seen as essential to the travel experience.

For the industry, this shift represents a significant growth opportunity. At ICICI Lombard, we introduced TripSecure+, an AI-powered solution to address real traveller needs. From visa fee refunds on rejection, and car rental deposit protection to adventure sports cover, and emergency support for pre-existing conditions in life-threatening situations, our offerings serve as both emotional and financial safeguards.

Looking ahead, travel insurance will become a mainstream component of travel planning, supported by rising awareness, regulatory focus, and digital ecosystem integration. As outbound travel scales new heights, the travel insurance sector is poised for sustained growth, helping Indian travellers go farther with greater security and peace of mind.'

Priya Deshmukh
Head - Health Products,
Operations & Services,
ICICI Lombard



About the Report

This report presents an in-depth analysis of the evolving travel insurance landscape in India, contextualized within global trends shaping the sector. It brings together market data, consumer insights, and industry innovations to highlight ways in which Indian travellers are reimagining protection in response to new risks and opportunities. This report draws on findings from a survey of Indian travellers, complemented by secondary research and industry sources. The insights reflect the views, experiences, and maturity levels of the respondents, which may have influenced the findings. Survey responses were collated, aggregated, and, where necessary, averaged to derive the analysis presented. These responses have not been independently verified. By decoding emerging traveller needs and aligning them with global best practices, this report equips industry stakeholders with the foresight to design more relevant, inclusive, and resilient travel insurance solutions for the future. The report also aims to serve as a knowledge resource for insurers, distributors, policymakers, and stakeholders, offering actionable insights into consumer behaviour, market opportunities, and innovations that are reshaping travel insurance in India.

Disclaimer

This report has been prepared exclusively for informational purposes. It is based on primary and secondary research, publicly available information, and industry sources that are believed to be reliable. While every effort has been made to ensure accuracy, the report does not claim to provide exhaustive or fully verified data on the travel insurance market. Market size, forecasts, and brand share references are based on estimates from research agencies and may vary depending on the methodology used. Readers are advised to exercise discretion and corroborate figures with primary data or regulatory filings (e.g., IRDAI reports) before making business, financial, or strategic decisions. Hansa Research assumes no responsibility or liability for any errors, omissions, or inaccuracies in the information provided. Recipients of this material should rely on their own judgment and conclusions from relevant sources before making any investments. Use of this report is at the discretion of the reader, and Hansa Research Group does not assume responsibility for such use in any form. This report may not be used as the basis for any claim, demand, or cause of action, and Hansa Research shall not be responsible for any loss incurred based upon its use. The investments discussed or referenced in this report may not be suitable for all investors. Opinions expressed reflect the current perspective as of the date appearing on the material only.

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