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Travel Insurance Mystery Shopping – Research Results

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1.0 RESEARCH OBJECTIVES

This report provides the results of the telephone mystery shopping exercise conducted with Flight Centre, Harvey World Travel and 1cover.

The broad aim of the telephone shopping exercise was to substantiate 1covers claim that they provide cheaper travel insurance when compared with other major competitors, these being Flight Centre and Harvey World Travel.

The shopping exercise consisted of five travel insurance products that were shopped with the three travel insurance providers.

1.1 Methodology

Telephone mystery shopping calls were conducted between Monday 15th August 2005 and Tuesday 16th August 2005. The main telephone number for each travel insurance agency was called to obtain a quote.

Each shopper was provided a travel insurance product and was instructed to keep their scenario consistent across the three agencies to avoid different quotes being provided across the three agencies.

The following table displays the five travel insurance products that were shopped

No.	Travel Insurance Product
1	12 days Pacific including Indonesia for a family consisting of 2 adults and 2 children
2	24 days Europe for a single adult
3	24 Days worldwide for a single adult
4	8 days Australia only for a family consisting of 2 adults and 2 children
5	Annual multi-trip policy (unlimited trips abroad of up to 90 days per trip) for a single adult

2.0 RESEARCH FINDINGS

For all scenarios, 1cover provided a lower quote when compared to Flight Centre and Harvey World Travel. These results are displayed below.

2.1 Scenario 1 - 12 days Pacific including Indonesia for a Family Consisting of 2 Adults and 2 Children

Agent	Price Quoted	% 1 cover cheaper than competitors
Harvey World Travel	\$175.00	39%
Flight Centre	\$180.00	41%
1cover	\$106.40	-

2.2 Scenario 2 - 24 days Europe for a Single Adult

Agent	Price Quoted	% 1 cover cheaper than competitors
Harvey World Travel	Did not offer insurance for exactly 24 days. Offered insurance for 23 days at \$189.00 or 4 weeks cover for \$235.00	38% (23 days) 50% (4 weeks)
Flight Centre	\$179.00	35%
1cover	\$116.20	-

2.3 Scenario 3 - 24 Days Worldwide for a Single Adult

Agent	Price Quoted	% 1 cover cheaper than competitors
Harvey World Travel	\$219.00	40%
Flight Centre	\$212.00	38%
1cover	\$131.60	-

2.4 Scenario 4 - 8 days Australia only for a Family Consisting of 2 Adults and 2 Children

Agent	Price Quoted	% 1 cover cheaper than competitors
Harvey World Travel	\$124.00	39%
Flight Centre	\$102.00	26%
1cover	\$75.60	-

2.5 Scenario 5 - Annual Multi-Trip Policy (Unlimited Trips Abroad of up to 90 days per trip) for a Single Adult

Agent	Price Quoted	% 1 cover cheaper than competitors
Harvey World Travel	Could not provide an exact quote over the phone however, indicated that it would be around \$500.00	40%
Flight Centre	\$459.00	35%
1cover	\$297.36	-

2.6 Conclusions

In all cases 1cover provided the cheapest quote for travel insurance for the five different products. In the majority of cases Harvey World Travel provided the most expensive quote, and Flight Centre fell between the two competitors.