

# Experiential Travel

Preparation and Proper Precautions  
are Paramount for Accomplished  
Individuals Seeking Memorable  
Travel Adventure



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These days, the type of travel and experiences accomplished individuals are choosing has led to a marked shift in this high-value subset within the travel industry. Travel-based companies that cater to the affluent are evolving to satisfy their increasingly unique – and often risky – desires. These travelers now seek experiences that complement their lifestyles in enriching and memorable ways. No longer is wealth about the accrual of assets; it's about adding meaning to life.

International travel in particular is on the rise. Between January and August 2017, destinations worldwide welcomed 901 million international tourist arrivals (overnight visitors), 56 million more than in the same period of 2016, corresponding to a seven percent increase. Projections are that 2017 will be the eighth consecutive year of continued solid growth for international tourism.<sup>1</sup>

Experiential travel is at the forefront of this surge among accomplished individuals as they seek trips they can curate to their evolved taste. The extravagant, cookie cutter vacations of the past no longer hold the same appeal, and instead they want to burst out of their luxury bubble to draw satisfaction from experiences rather than from purchases. Trips that allow them - and perhaps their families as well - to become culturally aware include adventures, such as: trekking through mountains in Nepal, exploring the Galapagos islands, hiking the Inca trail to Machu Picchu in Peru, and taking a customized safari in Africa. In these sites and many others, some choose to add another meaningful layer by engaging with the local community for a richer experience.

## Plan, Prepare, Insure

Interwoven into the pursuit for lasting memories through once-in-a-lifetime experiences is the potential for exposures. Thoughtful planning is essential to ensure that details fall into place and preventative measures are equally important for when they do not. Planning, preparing and insuring for experiential travel is critical to ensure a fulfilling experience.

“Today’s clients are aware of the role insurance coverage plays *when* a claim occurs, but our job is also to impart how critical preventative action is,” said Robb Lanham, Chief Sales Officer for HUB International Personal Insurance. “It’s important to ask the essential questions despite how unpleasant they might be, such as what kind of arrangements do you need ahead of time if you travel to an island and an earthquake occurs? You must prepare ahead of time so that you’re not stuck for days or weeks on end because you didn’t purchase insurance to cover an evacuation.”

**“The extravagant, cookie cutter vacations of the past no longer hold the same appeal...”**

**“...draw satisfaction from experiences rather than from purchases”**

**“Meaningful travel with inspiring experiences adds a layer of complexity to the planning process making preventative measures essential”**

<sup>1</sup> “International tourism on track for a record year,” [media.unwto.org](http://media.unwto.org), last modified November 6, 2017, [www.unwto.org//media.unwto.org/press-release/2017-11-06/international-tourism-track-record-year](http://www.unwto.org//media.unwto.org/press-release/2017-11-06/international-tourism-track-record-year).

## Plan by Doing Your Research.

Once you've chosen a destination and adventure, at least four to six weeks before your trip, schedule an appointment with your physician who can advise you on required and recommended vaccinations in that country, including verifying whether you are up to date on routine vaccinations. A physician will also indicate in your medical records any pre-existing medical conditions you might have and that they're well-managed with medications. That way, you'll be covered through your travel insurance if you require medical care on your trip.

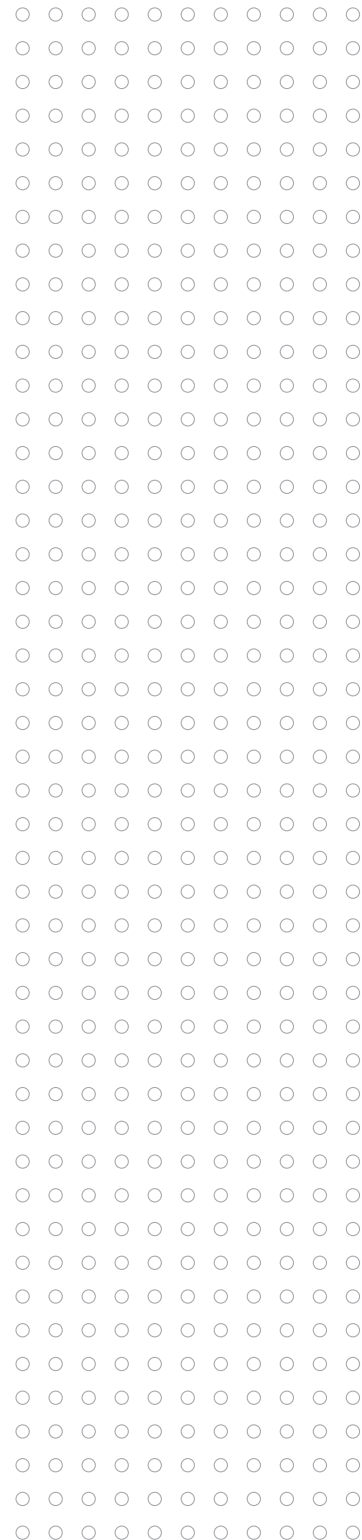
If you're considering an adventure in a remote area of the world that you aren't physically prepared for, don't let the allure of excitement overshadow the importance of practicality. While trekking through Icelandic glaciers is indisputably a marvelous experience, your medical history and current condition – or those of any family members accompanying you – may (or may not) impede this kind of travel. A physician can make recommendations customized for your circumstances.

Baby boomers comprise a large portion of accomplished individuals embarking on meaningful experiential travel, which Christie Alderman, Vice President, Product Development at Chubb Personal Risk Services, attributes in part to a large number of recent retirees, who are in good health and value highly individualized travel experiences.

“As we age, we naturally think about health issues that can come up while traveling, but people also need to consider the nature of their travel,” said Alderman. “Previously older travelers were touring art museums in Italy, and now they're more likely to run a triathlon, go backcountry skiing, or hike Peru's Machu Picchu. And they might be in great health, but because they're traveling to countries that are less developed or doing more than usual physically, there are inherent risks.”

## Prepare for Your Destination's Unique Environment

Evaluating your preparedness for the terrain extends beyond your own physical condition; you must also understand the area's health risks to help ensure your trip isn't spoiled by an injury or illness. The Centers for Disease Control and Prevention (CDC) underscores the importance of the “Three P's of Safe and Healthy Travel: Be proactive, prepared, and protected.” While receiving the required and recommended vaccinations are among the most crucial of steps, it's important to understand beforehand the unique environmental factors that distinguish the area from others and to prepare for any risks. Small steps like being sensible about food and water consumption, wearing appropriate gear, using insect repellent, and knowing which animals to avoid touching can go a long way to keep you safe and healthy while preserving a positive travel experience.



## Reduce Your Chance of Exposures by Obtaining Adequate Insurance Protection

Because the stakes are higher in remote areas with adventurous excursions, appropriate insurance protection is crucial. For the most part, travelers understand the risks and want to feel as safe and secure as possible. Purchasing the right travel insurance for your specific trip can make all the difference. Depending on where you're going and what you're planning to do, be prepared to address with your insurance broker these insurance-related protections.

"People are becoming more aware of the need for travel insurance, especially if they don't have the coverage on their medical plan, homeowners, or Medicare programs," said Scott Adamski, Senior Vice President of sales for AIG Travel. "It was estimated that 18 years ago only eight percent of travelers bought travel insurance, and now 30-40 percent are buying travel insurance plans when they travel domestically or internationally."

There are many variables that determine the type of coverage you need, and for the most part, they depend on the trip and experience you're planning. Your broker can guide you in selecting from the following types of protection:

### WORLDWIDE LIABILITY

If you're leaving the country it's especially important to verify with your broker that your liability coverage is worldwide. The last thing you want is for your dream trip to turn into a nightmare because you aren't covered the second you leave. The reality is you could hit a snag and without protection even a minor issue can become significant. It's also essential to be aware of any exclusions in your liability coverage, such as operating an aircraft or chartering a boat over a certain size.

### MEDICAL COVERAGE

Before purchasing a special medical insurance policy, contact your health insurance provider to review any international benefits you might have. Medicare does not cover you overseas, so you'll likely need more coverage. Even if your health insurance covers you internationally, a higher medical limit might be wise depending on the length of your trip and the type of activities you plan to participate in. Many tourism activities are not included. If skiing, for instance, isn't covered by your policy, you won't be covered if you try to make a claim for an injury sustained while skiing.

The U.S. Department of State maintains a page on its website that lists up-to-date, country-specific information so you can be aware of key medical details, as well as other pertinent information relative to that country. If you're considering visiting a dangerous city, be vigilant about checking USDOS page for alerts in the months and weeks leading up to your trip.

## MEDICAL EVACUATION COVERAGE

Although no traveler wants to imagine a dire situation that requires medical evacuation, there's a higher risk of sicknesses and accidents in remote areas of the world, especially where serious diseases are widespread. Coverage reimburses travelers for the remarkably high evacuation costs and coordinates with partners on the ground to transport them to the nearest and most suitable medical facility.

"The number one area we get claims for is medical evacuation," Alderman said. "If someone becomes ill in another country while traveling, this service helps them to connect with the right medical provider for that specific issue. It's become really helpful for people in backwoods areas or when you don't speak the language. We had someone, for example, hiking in Peru who tumbled down the trail, injured his spine, and had to be airlifted. If you don't have the insurance coverage (for an evacuation) you pay out-of-pocket."

## SECURITY ASSISTANCE

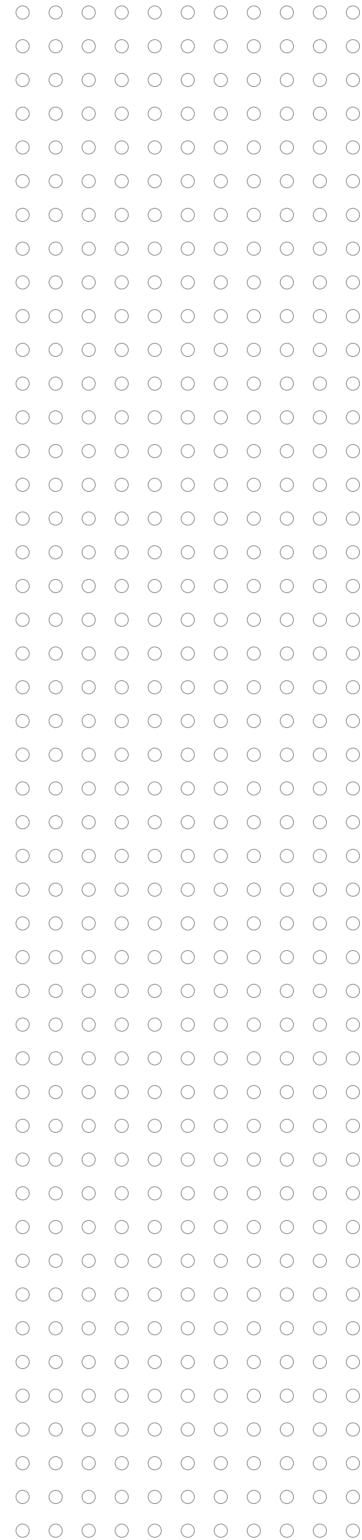
The advantages of a security assistance service offered by certain insurance companies, such as AIG and Chubb, is twofold: travelers have peace of mind that their bases are covered and, if something goes awry, they benefit from a network of experts that coordinate a solution. By offering a security response that's available at all times while you're on a trip, including services like security evacuation assistance, safety advisories, and access to urgent travel alerts from a mobile app, you can feel more confident about a safe travel experience.

"AIG Travel has its own dedicated doctors and security teams who work with our clients to develop assistance programs," Adamski said. "If you're going to India, for example, you can input that information and our security assistance program will provide you safety and health concerns about the particular region you're visiting. In addition, while they're on the trip and possibly get into a challenging situation, we have doctors and nurses they can contact 24 hours a day. If you have issues with language translation, we have staff on hand who can speak over 40 different languages."

## KIDNAP AND RANSOM COVERAGE

In the event of an "express kidnapping" in another country, if a supposed taxi driver forces you to retrieve money from an ATM, a policy's kidnap and ransom (K&R) coverage recovers your losses.

"There are certain countries where we tell clients they should consider purchasing K&R coverage," Alderman said. "People are less familiar with express kidnappings than with the Hollywood kidnap scenario, but one way you can prepare for them is to set up a shadow bank account so that if it happens you're not drained of a lot of money. We also recommend setting up car services in advance so that you're not using public transportation, but it's important to know which companies are trustworthy to do business with. That's where our security consultation providers can really help."



## SAFARI COVERAGE

These days many accomplished individuals are drawn to customized safaris with itineraries fit to their needs and wishes. A common “bucket list” experience, a safari in an African country combines both excitement and inspiration. It also entails an element of danger: some of the wildlife can be dangerous; various diseases are rampant and you’re susceptible to getting sick if you don’t practice appropriate hygiene. Complicating matters further, the remote location makes transport to medical facilities challenging. Safari insurance adds a necessary layer of protection for events like these, including standard trip cancellation and interruption coverage.

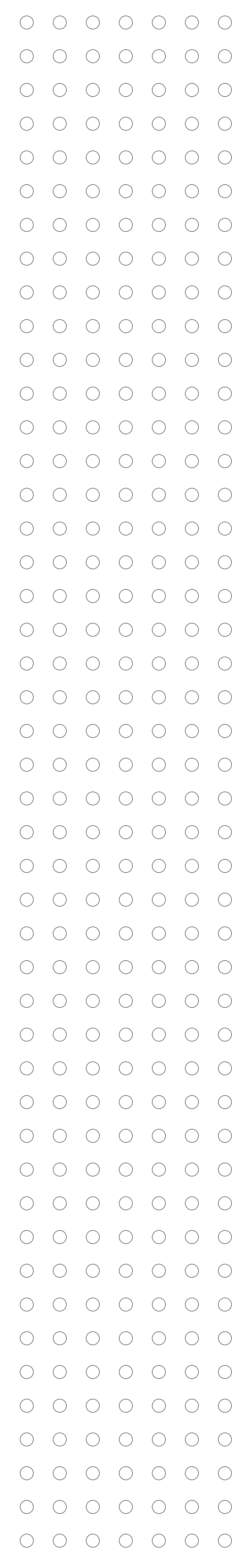
Africa in particular has become a hot spot for eco-minded travelers in search of high-end, sustainable lodges during their safari trip. According to Dominique Callimanopulos, Founder and President of the socially responsible travel company, Elevate Destinations, many African lodges are way ahead of the curve in successfully serving the environmentally conscious. Socially responsible safari travel appeals to upscale travelers who are altruistic and interested in getting under the skin of a culture and engaging with the communities and destinations they’re visiting. Environmental awareness and commitment to wildlife preservation draw many accomplished individuals to Africa who care about ways to reduce their footprint and seek a fun experience that also serves a greater good.

For families seeking a transformative travel experience, Callimanopulos often recommends a Service and Safari trip, which offers an ideal platform for children to engage and volunteer with local communities and participate in meaningful activities alongside children from the other side of the world.

“One of the things I hear from families is ‘we loved the safari, but we really miss the community,’” Callimanopulos said. “A Service and Safari trip gets young travelers outside their bubble and into a different culture with their African peers. A trip like this gives them perspective on their own lives and kindles old-fashioned skills that are in short supply. The exchange African and American youth experience is transformative: Africans bring joy and resourcefulness and Americans bring education and material resources.”

Crucial to any intensive trip, of course, is the importance of careful planning to reduce exposures. If an enriching Service and Safari trip is next on your family’s itinerary, don’t dismiss the value of thorough research and insurance protection.





Additional evidence of accomplished travelers prioritizing the quality of an experience over a flashy purchase is the prevalence of peer-to-peer marketplaces and the growing “sharing economy”. Widely known companies like Airbnb and Uber have flourished by cutting out the middle man and connecting people directly with each other. And other expressions of this trend are popping up such as Worth Avenue Yachts where experts help you create and personalize private luxury yacht charters both inside and outside of the U.S. for an exciting yachting getaway for you, your family and friends.

DriveShare by Hagerty is another company that’s emerged in the “sharing economy” trend. Appealing to automotive enthusiasts, it allows people to get behind the wheels of classic cars by renting them from their owners. Some might choose to purchase a similar car afterward and diversify their collection, while others simply want to recall fond memories by renting a specific car reminiscent of a first date or a favorite television show. Often, they enhance a vacation by surprising a spouse with a special car.

“When people vacation now, they want something to make their trips stand out. They don’t want anything cookie cutter,” said Peter Zawadzki, Director of DriveShare at Hagerty. “And there are definitely quirks that come with some classic cars. The AC might not be blowing ice cold, so you just have to have the mindset that it’s all part of the experience.”

Like many successful peer-to-peer companies, DriveShare takes proper precautions to ensure the rentals are covered to protect both the owner and the renter, such as providing insurance built into the entire rental price to protect the particularly unique assets of the cars.

## Conclusion

As the popularity of international travel continues to grow and evolve for accomplished individuals, so too will the trend of purchasing memorable and thrilling experiences. Already, the marketplace for this industry is brimming with options; there’s no question it’s an exciting time to travel. But while you can certainly experience a special trip nearly anywhere in the world, don’t be hasty in your preparation. Protect yourself with the right information and insurance to avoid large and small exposures.

# SOURCES

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- **[International Tourism on track for a record year](#)**

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“International tourism on track for a record year,” media.unwto.org, last modified November 6, 2017, <http://bit.ly/2AnjZjt>
- **[2017 Virtuoso® Luxe Report Shows Travelers Seeking Exotic Adventures in Fast-Changing Destinations](#)**

Travelers today crave active experiences that are customized to their interests and abilities, and are venturing all over the globe to find them. South Africa retains its spot as the world’s top adventure travel destination, followed by the Galapagos Islands, Costa Rica and New Zealand. Peru and Iceland (new to the top 5 this year) tied for fifth place, and Iceland in particular is seeing remarkable growth as an adventure destination.

<http://bit.ly/2DuS5Xj>
- **[The hidden private experiences of the travel elite](#)**

In 2016, the global luxury market was worth €860 billion. Of that, experiential luxury accounted for €542 billion and continues to grow at a faster rate than personal luxury, according to the latest research from [The Boston Consulting Group](#).

<http://bbc.in/2epZ5qe>  
<http://bit.ly/2tXzQw8>
- “Only 8% 18 years ago buying travel insurance and now 30-40% are buying travel insurance” (according to AIG’s Scott Adamski)
- **[The Super-Rich Are Spending US\\$4 Billion Per Year on Adventure Travel](#)**

Today, about 20% of private jet travelers take at least one experiential trip every year or so spending an average of US\$100,000. Based on a universe of some 200,000 Ultra-High-Net-Worth families (net worth = US\$30 million or more) this translates to as much as US\$4 billion per year spent cage diving with Great White sharks or whitewater rafting in Colorado. The Adventure Travel Trade Association pegs the total market at about US\$90 billion with an average spent of about US\$3,000 per person and an audience of 30 million consumers, meaning that even though the very rich account for less than a half of one percent of total travelers, they generate nearly 5% of the revenue.

<http://bit.ly/2rmE9K3>
- **[Why you need kidnap and ransom insurance](#)**

In today’s global economy, it’s a very real threat: the possibility of kidnap, extortion or illegal detention. Each year, there are about 15,000 such incidents, and they generate about half a billion dollars in ransoms paid to criminals and their causes.

<http://bit.ly/2riI36G>
- **[Travelers’ Health](#)**

Evacuation by air ambulance can cost more than \$100,000 and must be paid in advance by people who do not have insurance. You can buy medical evacuation insurance to be sure you will have access to emergency care.

<http://bit.ly/2lVl4eP>



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