

The AllClear Consumer Travel Report

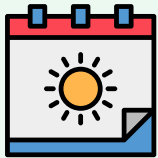
Consumer Views on Travel in 2020
The Year of Covid

January 2021

AllClearTM 
TRAVEL INSURANCE



This Report at a Glance



Summer 2020: Changing Travel Plans

Choices on location

44% want a country with a good Covid record

42% risk of a country returning to lockdown

Safer travel

36% want best possible insurance

£1,334.82 - Brits pay more to be safe abroad

25% experience shortcomings with insurance abroad

15% with medical conditions that have given up on holidays



Autumn: Moving Towards a Second National Lockdown

Need a holiday for 2021

51% - percentage of people wanting a short haul break doubles

30% - the appetite for long haul trips increased threefold

When will locations be safe again?

Australia / New Zealand – most likely to be safe to visit now.

Southern and northern Europe - will be safe within 12 months

Caribbean will be a viable option within 12 months.



Christmas 2020: Looking into 2021

Life after the vaccine

83% will resume leisure activities after the vaccine

55% first priority is to have a holiday

55s – older people driving demand for holidays in 2021

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An aerial photograph of a luxury overwater villa at sunset. The villa features a large rectangular swimming pool with a person standing on the steps. To the left of the pool is a wooden deck with two lounge chairs that have white cushions and orange and black pillows. Further out, there is a smaller wooden platform with a canopy. The sun is low on the horizon, creating a warm orange and pink glow across the sky and reflecting on the calm water. The villa is built on stilts over a clear, turquoise ocean.

Introduction

Rebuilding Trust in Travel Following a Global Crisis

The travel, tourism and hospitality industry has been decimated by the impact of the COVID-19 pandemic in 2020. In July, UK tour operators warned of a sharp drop in bookings to short-haul destinations for the rest of the summer as confidence in overseas travel collapsed after the quarantine decision on Spain and the Government's advice that "no travel is risk free."

The months that followed saw a number of travel brands go under with major UK airlines seeking government loans to stay afloat. The UK Government's decision to quarantine arrivals into the UK for two weeks was also seen as hugely problematic for British carriers, with hundreds of travel firms urging the Government to reconsider its position. Holiday-makers became confused by the advice on which countries were safe to visit and some criticised inconsistent quarantine policies to Portugal and Greece between the Welsh, Scottish, Northern Irish and English governments.

Globally, the economic impact of Covid on the travel sector has been profound. According to the Mobility Market Outlook on COVID-19, the global revenue for the travel and tourism industry will be an estimated 396.37 billion U.S. dollars in 2020 - a decrease of around 42% from the previous year. Furthermore, the global travel and tourism market is predicted to see a loss of 100.8 million jobs worldwide in 2020. Asia Pacific region will be hardest hit, losing approximately 63.4 million jobs, while Europe is forecast to experience an employment drop of 13 million.

As Britain went into a second national lockdown, economists warned of the exacerbated impact – the CEBR predicting it would cost the economy £1.8 Billion a day. In recent weeks, breakthrough news on developments with vaccines offers much needed hope and good news for 2021 - as attention can realistically turn to how economies and communities can rebuild and re-emerge from the global crisis.

During the second half of 2020, AllClear Travel Insurance has surveyed the British public to gain a detailed insight on how holidaymaker outlook and plans have been affected by their experience of the pandemic.

We surveyed more than 6,000 of our own customers and we commissioned three phases of nationally representative consumer research at key stages of the year:

- ✓ as the nation re-emerged from lockdown;
- ✓ as we went into the three tier zones;
- ✓ and then again as the second national lockdown started.

These studies chronicle the ebb and flow of consumer sentiment at key stages of a rollercoaster year. We assess how events impacted consumer travel plans, the timescale in which people planned to resume holiday plans, the factors that became more important in making holiday decisions and the new paradigm – the decline of cheap holidays, replaced by a growing focus on quality and safety. Whatever lies ahead with the effectiveness and rollout plans for a Covid vaccine, it is likely that safety considerations that were defined in 2020 will dominate the consumer agenda on overseas travel for some time to come.

In this new AllClear report, we share findings from our research studies conducted over the course of 2020. We also include in this report new data capturing the first consumer reactions to news of a potential vaccine.

After an unprecedented year, many have predicted that recovery for the travel industry will be both complicated and lengthy. Our research clearly indicates however that there will definitely be a recovery.

During a year when the very essence of freedom of movement has been off the table, the British public has not lost its strong emotional bond with travel and a hunger to explore the world. Plans may have changed, but holidays remain key to the vast majority of people.

The types of holidays people take, the places they visit and the priorities when planning a trip – all these may change, but as our research shows travel is firmly back on the consumer agenda for 2021.

With the consumer intent to travel resilient and undiminished, the simple task for the industry is to work together to help make travel safe again. A focus on quality, on safety and ensuring everyone has the right to travel – whatever their age, background or medical condition. The insight in this report lays the foundation for what is possible in 2021, and the recovery we must all support.

A view from an airplane window looking out over a landscape at sunset. The wing of the plane is visible in the foreground, and the sun is setting on the horizon, casting a warm glow over the scene. The landscape below is dark and hilly, with some small structures visible.

Chapter One

July 2020: A Nation Re-Emerges from Lockdown

2020 was no ordinary summer. As the country re-emerged from the first national lockdown in June, the summer months were a time for families to rebuild their lives. Children had been home schooling since March, parents had been working from home, many had been shielding loved ones. Some had been furloughed, others lost their jobs - and many had been unable to visit parents and elderly relatives for months.

Set against the seismic shift in domestic routines, the unprecedented limitations on travel and the enormous economic impact, consumer demand for holidays remained robust. Nationally, two thirds of adults (66%) said they were still considering a holiday in 2020. Despite the hardships and sacrifices of previous months – or maybe because of them – the allure of a holiday abroad was a top priority for many families in the early weeks of summer.

It was at this time that the phrase ‘the new normal’ was widely used to describe the post lockdown period. In truth, no one really knew what the months ahead had in store – living with uncertainty was in fact the only certainty. During this key period, AllClear commissioned research among a nationally representative sample of 2,000 adults to ask them about their travel plans for the months ahead, their priorities and their concerns.

This chapter explores the key results and what we can learn from this crucial moment in time about the perceived importance of holidays to the general public – and how their priorities responded to world events.

1. Freedom to Travel

Less than a month after the first lockdown was lifted, two thirds of Britons said they wanted to travel this year. While slightly lower for the over 55s (55%), two thirds of those with pre-existing medical conditions (65%) said they still wanted to get away, a clear indication that many people came out of lockdown wanting to travel if it could be done safely.

During these early summer weeks, there was a big swing to domestic breaks – not a surprise at the time given the country had just come out of months of isolation, many had not seen family members, and there remained a sense of caution.

Overall, 65% of those wanting a break in July 2020 said they were planning a staycation, with 24% a short haul break in Europe and 10% considering long-haul travel. The various advice bulletins on where was and wasn't safe - and quarantine rules - would have an impact on consumer choices during what proved to be a very challenging summer.

Nonetheless, AllClear's summer data underlined the principle that, for the UK consumer, having a holiday was a priority as they re-emerged from lockdown.

Whilst, for many people, the notion of a trip abroad acted as a counterpoint to months of frustration being locked up at home, for almost half the people surveyed (48%), overseas travel carried with it an importance that went beyond the luxury of having a relaxing break.

Nationally, 20% of respondents had family and friends overseas who they needed to visit after lockdown – and 7% had grandchildren to visit. Further, 15% had an anniversary or romantic break planned and 10% needed to travel for a milestone family event, such as a wedding, birth or birthday. In addition, some people owned property overseas (9%) and 8% had business overseas that they needed to service.

Collectively, these findings remind us that in the age of global travel, technology - and after years of freedom of movement within the EU - many modern families today live in different countries, where a short flight is seen as no different to making a trip within the UK by train or car.

2. The Longer-Term Forecast

While quarantine fears may have dampened overseas holiday plans for the peak summer season, AllClear's summer research suggested many were simply putting back plans to travel abroad. When asked in July when they might travel abroad, the picture that emerged was one of gradual confidence returning, plus the possibility that many might take their break during an off-peak period.

This research captured sentiment at a moment in time. While the Covid events that were to follow – the Zone system and the second national lockdown – no doubt caused holiday-makers to revise plans yet again, the important out-take from July was an underlying resilience among travelers to travel when they believed it would be safe to do so. The issue in July was one of timing, not a questioning of whether people would give up on the very notion of having holidays and trips abroad.

July 2020: People planning a holiday – when they plan to go

2020	National average	Over 55s
August	11%	3%
September	13%	11%
October	11%	9%
November	7%	9%
December	9%	6%

2021	National average	Over 55s
January	4%	3%
February	4%	3%
March	9%	9%
April	9%	9%
May	9%	14%
June	9%	11%
July	9%	9%
August	9%	6%
September	9%	14%

3. Safety First

For years, price has been king for many UK travellers – late deals for breaks, cheap quotes for insurance and the whole explosion of the low-cost carrier revolution was based on the premise of price. All this changed after the first national lockdown.

As people re-emerged from the shock of the home isolation era, safety became the dominant priority shaping people's overseas holiday plans for the months ahead. The AllClear research in July revealed that the COVID-19 safety record of a country, and the resort and proximity to good medical services abroad soared to become the crucial factors that were framing overseas travel decisions.

The top two priorities for those considering a trip abroad revolved around, firstly, picking a country that had a good record for COVID-19 safety (44%) and, secondly, assessing the likely risk of a country going back into lockdown (42%).

There were also concerns about safe travel, with social distancing on flights now more important (39%) and 29% of people also wanting the comfort that airports would be safe to pass through. Thinking about a stay abroad, the state of the health service in the host country (36%) was also a more important consideration.

July 2020: Factors that became more important to those considering an overseas holiday in the months ahead

Picking a destination based on its safety in terms of COVID-19	44%
The risk of the country going back into lockdown	42%
Social distancing on flights – not getting on a packed plane	39%
Having the best insurance cover that fully covers me for COVID-19	36%
The state of the health service in the country I'm visiting	36%
The prospect of having to go into quarantine when I'm back	30%
Comfort that airports would be safe	29%
Avoiding using public transport	27%
Good customer reviews online for the safety of the resort	26%
Paying more for quality insurance rather than getting the cheapest cover	21%
The country's track record for expertise in medical conditions that I have	20%
The ability to drive to my destination rather than use a plane	17%
The hotel/resorts proximity to a good hospital	14%

4. Quality Insurance

Given the seismic shift in focus towards well-being and safety issues on holiday, the research also noted a growing number of UK consumers were no longer looking for cheap insurance, but quality cover that fully protected them from COVID-19 risks.

- ✓ 36% of respondents said that having the best possible insurance that would fully cover them for COVID-19 risks was now a top priority.
- ✓ The over 55s were more likely to pick a destination based on its perceived COVID-19 safety record (56% Vs. 28% of those under 34).
- ✓ More than half (51%) of over 55s said they wanted the best insurance cover (as opposed to cheapest) that fully covered them for a wide range of COVID-19 risks.

5. Paying a Premium for Safe Travel

As a complete counterpoint to the hunger for bargain breaks in past years, from summer 2020 the focus switched to making travel safe again – and, within this, there was a clear flight to quality. From summer 2020, the agenda changed for the UK consumer; travel was important, doing so safely was a priority and people were prepared to pay more to achieve it.










Our July 2020 research suggested that UK adults were prepared to spend £1,334.82 more than they usually would on their holidays to ensure their trips abroad would be as safe as possible.

For those with underlying health conditions – those who had greater concern for their health abroad - this figure rose to £1,644.23.

The research suggested there were two drivers behind the consumer's safety agenda.

- ✓ First, people were more likely to pay more for quality with the assumption that Covid controls might be stronger. For example, people were prepared to pay an average of £308 more for a better hotel and an average of £213 to upgrade to a higher class of travel.
- ✓ The second consideration related to social distancing, with people looking for private excursions or being prepared to pay more for private taxis, to avoid the relative congestion of using public transport

July 2020: How much more people were prepared to spend on aspects of their holiday to guarantee their safety:

	Underlying Health Conditions		
	Average £	Those with £	Those without £
 Quality of resort/hotel/villa	308.15	284.95	318.43
 Grade of travel (first class etc.)	213.55	221.21	209.87
 Choice of airline	198.37	216.84	189.85
 Car rental	136.16	144.33	132.44
 Food/quality of restaurant	130.22	169.51	113.38
 Private excursions	124.45	321.79	324.51
 Travel insurance that covers pre-existing medical conditions	88.01	117.41	73.03
 Travel insurance that covers factors relating to covid-19	82.49	103.91	72.86
 Taxis rather than public transport	53.42	64.28	48.41
Total	1334.82	1644.23	1482.78

Almost two thirds of survey respondents (59%) said they would shop around for better quality travel insurance to cover them on their holidays. These findings coincided with AllClear launching a comprehensive COVID-19 policy, which became an industry standard in terms of its breadth and depth in what the UK traveller could come to expect from a robust Covid-era insurance policy.

6. Expert viewpoint



Despite the re-introduction of quarantine restrictions during the summer, many people still wanted to travel in the months ahead. Particularly among the over 50s, the reasons for travel were wide-ranging. Some wanted a holiday, some wanted to visit family, children and friends – and some had properties abroad. The crucial issue at the time was to help protect people to travel safely after months of enforced home isolation. Our July research showed that safety considerations rocketed in importance, which itself shows that the vast majority of people wanted to travel responsibly.

“Further, our July data highlighted the beginnings of a profound sea-change in people’s attitudes towards travel insurance, with quality taking price off the table. At AllClear, we are committed to supporting the consumer and the industry by tackling the issues that really matter today. We did this over the summer by putting together, what was at the time, the most comprehensive Covid-19 travel product in the market, drawing on 20 years market-leading experience.

“Our July survey starkly showed that, for those considering a trip abroad, safety dominated the questions being asked. At AllClear, we worked hard over the summer to come up with the answers - to help make travel safe again.”



Chris Rolland, CEO of AllClear Travel Insurance



Medical Expenses

Up to £15 million emergency cover for Covid-19



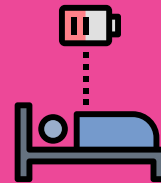
Full Repatriation

Cover on costs to bring you back to the UK



Emergency Flights

Costs for your return flight following an enforced stay due to Coronavirus



Recuperation Cover

Costs for a continued recuperation stay.



Up to 30 days free extended cover

Should your policy expire whilst you are ill with, quarantined or recuperating from COVID-19 on holiday.



Carer expenses

Up to £2,000 expenses for a friend or relative to travel from your home area to stay with you



Cancellation and trip curtailment cover for COVID-19

If a family member becomes ill with Coronavirus or has to quarantine as a result of medically diagnosed Coronavirus.

A narrow Venetian canal at sunset, with historic buildings on either side. The water reflects the colorful sky and the architecture. The title text is overlaid in the center.

Chapter Two

The Insurance Dilemma

In the same way that the pandemic drove a new consumer agenda on quality and a willingness to pay more for a safe holiday abroad, so travel insurance also faced a new paradigm. For years, price comparison sites put insurance in the same bracket as flights – with consumers encouraged to hunt around to compare prices and find the cheapest deal. A surprisingly high percentage (20-25%) of people even travelled without insurance cover.

This all changed with Covid, a global threat to life, to movement and to personal safety. As the last chapter demonstrated, by summer 2020 the consumer's travel agenda had moved to one based on the premise of safety – which places were safe to visit, what steps people could take to improve their safety abroad and how much more they would be prepared to safeguard it.

For travel insurance, Covid took price off the table, replaced by quality and safety as the new priorities. The UK holiday-maker was prepared to pay an average of £88 for better travel cover, rising to an average of £117 for those with pre-existing conditions. At this time, AllClear was one of a number of leading specialist travel insurance brands that assembled robust Covid travel policies, where the focus on customer service and product design moved to depth and quality of product - not the cheapest price point. Put simply, everyone was gravitating towards the new priority – how could travel be made safe again and how could quality products help to rebuild fragile consumer confidence.

1. Insurance Falling Short for Many Travellers

The need for this focus on quality was emphasised by our autumn research which starkly revealed the risks people had been living with during the first half of the year by travelling overseas with cheap cover that was no longer fit for purpose. In October 2020, our research asked consumers to look back on the year and their travel insurance experiences. Nationally, 20% of respondents said they had experienced travel insurance nightmares in the last year – rising to 27% of those that had gone on a package holiday.

Of these, 50% said they had had a holiday cancelled because of Covid-related factors, a common experience for many in the spring that had already booked trips before peak summer season.

Beyond this though, a significant number of people had run into difficulty abroad. One in four people (25%) reported that a family member had contracted Covid on holiday and their insurance had fallen short when they most needed medical assistance. A

further 20% said a family member had generally fallen ill and they simply were not covered.

2. Pre-Existing Conditions – an Unfair Red Flag

Also, of concern, our research found that 30% of people said a family member was refused cover when booking a holiday because of a pre-existing medical condition. Whilst research suggests 43% of older travellers (those over 60) acknowledge they live with pre-existing medical conditions, this is actually a mainstream issue that affects all travellers. For example, our research revealed that 28% of all travellers, spanning all age groups, identified as having a pre-existing condition. With health and safety being a top priority in the Covid-era, it seems unthinkable that such a large proportion of UK travellers report that insurers are unable to price risk and allow consumers to enjoy their basic right to travel safely.

3. The impact

For those people with pre-existing medical conditions, the impact of struggling to find good cover had a long tail, and for some it created a sense of defeatism and exposure to heightened risk – both of which are totally avoidable.

Our research revealed that almost one in four people with pre-existing conditions (23%) said they did shop around for suitable travel cover but they did so presuming that their condition wouldn't be covered. This is not conducive to getting a good deal and expecting quality which all travellers should. Beyond this, 9% of those surveyed said they wouldn't even shop around for travel insurance now, a presumption that some people with medical conditions will travel abroad fully exposed to a range of health and financial risks.

Also - and sadly - around one in seven people with pre-existing medical conditions (15%) said they would not go abroad on holiday because they now presumed they would not be covered if they fell ill overseas.

4. Confusion on Safety Advice

The rise of the new safety agenda for travellers was also fuelled by apparent confusion over official advice on which countries are safe to travel to under the Foreign, Commonwealth & Development Office (FCDO) safe to travel list.

A nationally representative sample of 2,050 adults were asked which countries, from a given list, were safe to travel to under the FCDO approved destination list. After finding that two thirds of respondents could not answer – saying they had no idea which countries were safe or not – only one in seven people were able to correctly identify countries that were deemed safe to visit.

5. Expert Viewpoint



From our summer and autumn research it is very clear to see that safety had become a top priority for those who wanted to travel abroad, when it was safe and possible to do so. It was also a year when many people still had annual multi-trip travel insurance policies in place they had taken out before Covid struck. This now seems like a different age, a time when insurance was often bought on price - not quality - and for some it meant policies fell short when the features and benefits of a policy were most needed.

The experiences of those with pre-existing medical conditions is a real concern. For anyone to be turned down for cover because of a medical condition is unacceptable, and the impact of this on people either not travelling or travelling without protective cover is of huge concern. All this particularly so given more than a quarter of all UK travellers have a medical condition of some shape or form.

At AllClear, our aim is simple; we want to support people as they travel to ensure they are safe. In recent years, we have worked closely with the FCA, MaPS and BIBA to move the travel agenda forward, protecting the universal human right to travel and helping companies and charities across the sector to work out how they can cover people for a wide range of medical conditions.

For more than 20 years, we have helped cover more than three million policyholders. We have set the industry gold standard for specialist travel insurance. The world has changed since Covid struck and everyone should expect insurers to cover medical conditions. For firms that can no longer do this, it is perhaps time to come and talk with AllClear."



Chris Rolland, CEO of AllClear Travel Insurance

An aerial photograph of a tropical coastline. The top half of the image shows the ocean with varying shades of blue and turquoise, indicating different depths and seabed compositions. White waves are breaking onto a narrow strip of white sand beach. Below the beach, a dense line of tropical vegetation, including many palm trees, stretches across the frame. In the lower-middle section, several buildings with reddish-brown tiled roofs are visible, partially obscured by the trees. The overall scene is vibrant and idyllic, representing a tropical holiday destination.

Chapter Three

**November 2020: Holiday-
makers Pin Hopes on 2021
Despite Second Lockdown**

As Britain returned into a second national lockdown, heads may have fallen in the travel sector as even more disruption was expected. On the eve of this lockdown, AllClear once again surveyed the British population and the results give reasons for the sector to be optimistic for 2021.

Nationally, 52% of adults said they were planning a holiday in the next 12 months: 17% had already booked a break for 2021 and 35% planned to do so in the months ahead – while 48% were not planning to book a trip for the foreseeable future. Among the more cautious over 55s, a healthy 45% of respondents had either booked an overseas holiday for 2021 or planned to do so.

Perhaps most promising, AllClear's latest study revealed a significant upturn for short and long-haul travel in 2021. Comparing the two periods of lockdown, the research suggests the first one was a greater shock for consumers and, whilst the second lockdown is seeing a higher count of Covid cases, consumers have adjusted - and their future travel plans have not been written off.

Compared to July, the latest data reported a slight fall in the percentage of people planning a UK break (down from 65% to 57%), whilst the number planning a short haul break had doubled and the appetite for long haul trips had increased threefold.

Travel plans for the year ahead:

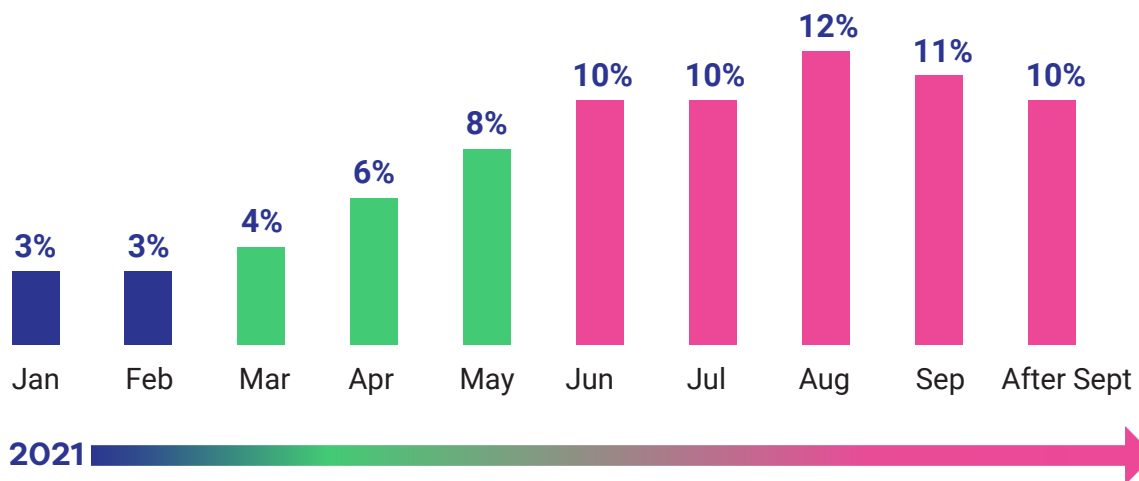
Comparing attitudes in November with July

	July 2020	November 2020
 UK Staycation	65%	57% ↓
 Short-haul holiday	24%	51% ↑
 Long-haul holiday	10%	30% ↑

1. Measured Confidence to Evolve

The timescale for travel is important because it gives a sense of what form a recovery in the travel sector might take – will it be quick and emphatic or will it be cautious and slow to evolve? The autumn data suggests the recovery will be measured, with small numbers of people planning a winter sun break for early in the new year, but more significant numbers targeting late Spring and Summer, with May and June key target months for the older traveller. This suggests the holiday resurgence will become evident in six-months' time, with people actively researching and planning their holidays in the next few months

People planning a holiday in 2021 – when they plan to go



2. DIY Versus Package Holidays – a Generational Divide

In terms of type of holiday, younger people were more likely to opt for a package break, whereas older travellers were relatively more inclined to opt for a DIY holiday. The heightened levels of concern last July over safe travel, a location's Covid record and availability of local medical services at resort have perhaps prompted the more safety-conscious older traveller to maintain a stronger sense of control when planning their holidays for 2021.

The research also suggested signs of a north-south divide here: people living in the north west and Scotland were most likely to favour package holidays for 2021 (45% each), whereas in London and the south east there was a strong preference for DIY holidays (52% & 47%).

Type of holiday for 2021 by age group

	UK average	Under 25	25-49	50-64	65+
Package / all -inclusive	39%	43%	43%	32%	38%
DIY holiday	43%	38%	41%	51%	39%
I don't book the holidays	18%	18%	16%	17%	23%

3. Expert viewpoint



This underlying interest in travelling next year, combined with early promise of a vaccine, gives grounds to believe the travel sector will recover strongly in 2021. Britain's move into a second national lockdown did not see travel plans retrench once again, as had been the case during the summer. Rather, UK adults have a gritty determination to travel next year but the timescale in which they will commit is measured."



Chris Rolland, CEO of AllClear Travel Insurance

With this in mind, our survey also explored consumer sentiments on the timescale for when they thought travel would be safe again – by location and type of holiday. This is the next topic we will now turn attention to.

Chapter Four

2021: The Timescale for When Travel Will Be Safe Again



This final section features results from two pieces of research conducted in November 2020. Before news of the vaccine, consumers had an upbeat worldview on when they thought certain locations would be safe to visit again. The second piece of research, conducted at the end of November, assesses how news of a Covid vaccine has accelerated already positive sentiments on a recovery for the travel sector in 2021.

1. Holiday Locations

Despite the UK slipping into a second national lockdown in the final months of 2020, UK consumers set out a timescale for when they would feel comfortable travelling abroad – and for Europe and Australasia the majority of people envisage safe travel within the year.

- ✓ Australia / New Zealand emerge as the holiday destinations people are most likely to think is safe to visit now.
- ✓ The majority of British people think southern and northern Europe will be safe within 12 months (56% for each).
- ✓ Almost one in two people think the Caribbean will be a viable option within 12 months.
- ✓ Confidence in the USA has perhaps been hit by reports on the administration's recent stance on Covid controls. The USA stands with South America and Southern Asia as places where people are most likely to think it will be more than a year before they are safe to visit.

See the table on the next page for an overview.

	Safe now	Within 6 months	6-12 months	Net Within 12 months	Longer than year	Never safe
Australia / NZ	11%	16%	29%	56%	30%	15%
North Europe/Scand	8%	16%	32%	56%	29%	15%
Southern Europe	8%	14%	33%	55%	30%	15%
Caribbean	8%	12%	28%	48%	34%	18%
East Europe / Russia	6%	11%	30%	47%	33%	21%
China, Japan, East Asia & pacific	6%	9%	22%	37%	35%	29%
Middle East	5%	9%	25%	39%	33%	28%
Africa	5%	9%	24%	38%	35%	27%
North America	5%	9%	28%	42%	38%	31%
South America	5%	7%	24%	36%	39%	25%
India & southern Asia	5%	7%	23%	35%	38%	26%

2. Type of Holiday

Our research also asked UK adults about the timescale in which they thought various types of holiday would be safe again. This line of enquiry looked at perceptions of viable holiday choices – and it could give some early clues on the types of holiday that could become more popular in 2021 simply because they are seen to be relatively safe.

Types of holiday seen to be safe in the short term















Walking holidays and sailing have overtaken golf and skiing. Villas and private houses have jumped ahead of hotel/pool holidays. These holiday choices correlate with the ability to maintain social distancing and to more freely enjoy open spaces. Whilst not usually automatic holiday choices for many, if Covid controls and social distancing protocols continue at a heightened level into 2021 this could shape changes in the holiday choices that people make.

Types of holiday seen to be safe in the medium term

Within 6-12 months, people think more mainstream types of holiday will again become safer bets. Around a third of people think that city breaks, romantic breaks and Air B&B breaks will be safe by next summer. There is also an upturn for general sports holidays and the ever-popular hotel poolside holidays. The upturn with these holiday categories within a 6-12-month timescale adds further grounds to predict that May-June 2021 will be the time when the travel industry sees a significant recovery from the pandemic.

Types of holiday where consumer confidence remains low

When it comes to a predicted timescale for safety, music events and cruises at the moment are bottom of the table – possibly the result of high-profile stories in the past on Covid outbreaks (cruises) and event cancellations (festivals). Both of these holiday categories involve mass gatherings of people in confined spaces. It is likely that consumer perceptions on safety will improve as lockdowns recede and progress is made with a vaccine.

	Safe now	Within 6 mths	6-12 months	Over 1 year	Never safe
 Villa / private house	17%	20%	30%	23%	11%
 Camp/caravan	17%	19%	29%	22%	13%
 2nd home/timeshare	15%	16%	27%	24%	16%
 Romantic break	13%	19%	31%	26%	12%
 Sailing	12%	18%	27%	25%	17%
 City break	11%	17%	33%	27%	12%
 Air BnB	11%	14%	28%	28%	19%
 Beach holiday	11%	5%	26%	45%	12%
 Sports	9%	17%	31%	27%	17%
 Hotel/pool	9%	15%	32%	31%	13%
 Winter Sports	9%	15%	31%	29%	16%
 Extreme sports	8%	14%	31%	29%	18%
 Festival/outdoor concerts	6%	10%	28%	36%	20%
 Cruise	5%	9%	23%	36%	27%

3. Vaccine as a Game Changer for 2021

During the challenging weeks of November, the mounting concerns over the economic and health impact of a second national lockdown were offset by news of significant breakthroughs with a Covid vaccine. The UK Government was confident that some of the most at-risk groups could be vaccinated before Christmas, and most of the over 50s before spring 2021.

Days after the Prime Minister announced the ending of the second national lockdown, AllClear Travel polled 2,000 adults, asking them how news of a vaccine would change their outlook for 2021. Specifically, the research asked consumers which social and leisure activities they would feel more comfortable doing in 2021 as a result of news of a vaccine.

Going on holiday topped the wish list of things people most wanted to do in the new vaccine era. Overall, 55% of survey respondents said a vaccine would make them feel comfortable going abroad on holiday again. Further, 42% of respondents said they would feel comfortable going to a hotel again – a shift back from the move towards villas and private accommodation that had been noted during the summer months.

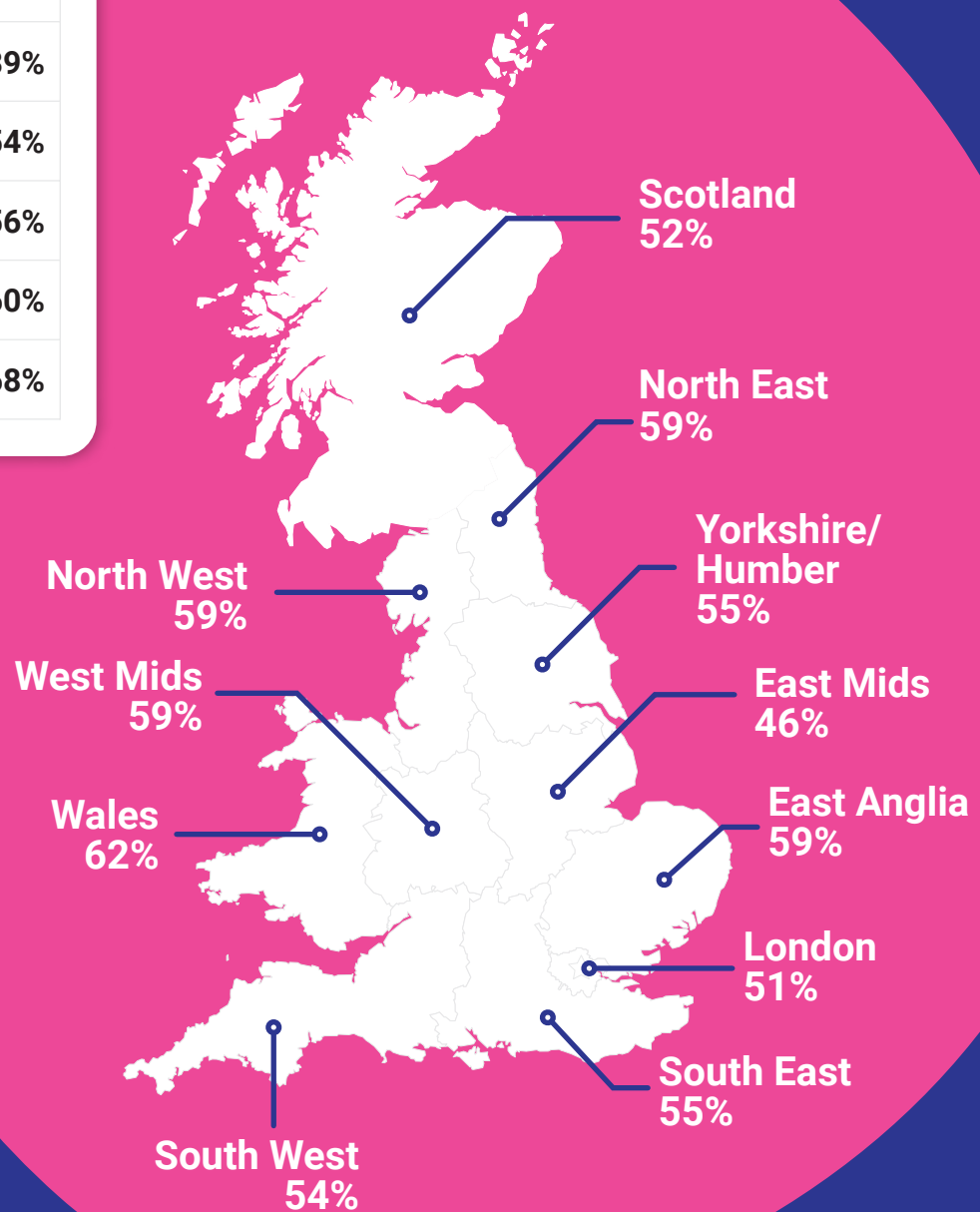
The resurgence of interest in planning holidays was strongest amongst older people, but was consistently popular across all UK regions – suggesting the revival for the travel sector would be a truly nationwide phenomenon.

Other activities people said they would resume for 2021 included: a return to cinemas (39%), going to concert halls (29%), attending live sport (24%), and getting tickets for music festivals (21%). Overall, 83% of adults said the vaccine would make them more comfortable re-engaging with one or more social and leisure activities in the New Year.

Percentage of people that would feel comfortable going on holiday in 2021 following news of a potential vaccine

Age groups

18-24	39%
25-34	39%
35-44	54%
45-54	56%
55-64	60%
Over 65	68%



4. Expert comment



These findings are fascinating on two counts. First, even before news of the vaccine, people had a strong sense that holidays would still be on the table for 2021. There were variations in the location and type of holiday that people regarded as safe, but the underlying faith in the ability to safely travel in 2021 is noteworthy.

"The second point of interest is the enormous impact news of a vaccine has had on holiday-makers. Whilst details of the rollout are still not clear, a vaccine has transformed fear to hope and will bring forward people's travel plans."



Chris Rolland, CEO of AllClear Travel Insurance

Conclusion

A Tale of Two New Years



The Christmas and New Year period is traditionally a time when many people start to think about their holiday plans for the year ahead. For some, it's the promise of sunshine, for others it's a way of coping with the end of the festive period by putting the next family event in the diary for the months ahead. Whatever the motive, no one last year could have imagined what 2020 had in store as they saw in the New Year.

Given the scale of tragedy in 2020 – the loss of life, the threat to health and employment, the separation from family members, the mental health impact – it is quite remarkable that consumer confidence in travel has remained as strong as it has. This is the value of this report: chronicling key moments in time during the Covid year of 2020, our research shows that whilst consumers had to rethink travel, their passion for having holidays and seeing the world remained intact.

This presents a solid foundation to build on in 2021 and, as our data also suggests, the rollout of the vaccine will accelerate and further catalyse consumer confidence that already exists. Before news of the vaccine, a Britain in lockdown predicted many holiday types and locations would be safe by June 2021. Since the news of the vaccine, this will be brought forward – and the overall number of people planning a holiday will increase.

Whilst this is positive news to finish the year and see in another New Year, our sense is 2020 will have a legacy for the UK holiday-maker. The shocks of 2020 changed the priorities for the UK traveller as, quite profoundly, quality and safety replaced cheap deals and price as the drivers behind key decisions. We think this will continue into 2021 and, in many respects, it needs to. It will take the world time to recover from the pandemic and making travel safe again involves a focus on safety, trust and quality at all levels.

This report charts the unique story of the last year. The two biggest threats this year were to life and our basic freedom of movement. We have learned this year never to take these two most precious things for granted. And we won't. 2021 will be the year for us all to celebrate the gift of life and the most universal of basic freedoms – the freedom of movement. Travel will emphatically bounce back in 2021 and AllClear will continue to lead the agenda on making sure it can be done safely – and for everyone regardless of their medical conditions or age.

Appendices

Research methodology

The research was conducted by MaruBlue at intervals during 2020 - in June, July, November and December 2020. Each research sample polled a representative audience of 2,000 UK adults.

The research was conducted online.

About AllClear

For more than 20 years, award-winning AllClear has helped cover more than 3m policyholders, with customers across UK, Ireland and Australia. AllClear is passionate about enabling people to obtain specialist travel insurance whatever their pre-existing medical conditions or age.

AllClear offers quality insurance with 5 Star Defaqto rated products and best-in-class service – and 97% of its 50,000 Trustpilot reviews rate it as ‘Great’ or ‘Excellent’. AllClear provides products, technology platforms or services for many national charities and household brands such as Aviva, Direct Line, Diabetes UK and Motability. AllClear is the endorsed provider of the British Insurance Brokers Association’s Medical Travel Scheme since 2011.

More information: www.allcleartravel.co.uk