

WHY DO PREMIUMS GO UP IF YOU PURCHASE FURTHER IN ADVANCE?

Both the Foreign, Commonwealth & Development Office and independent sources (for example MoneySavingExpert) advise you to purchase your travel insurance as soon as you book, however, the further in advance you book, the higher your premium, why is this?

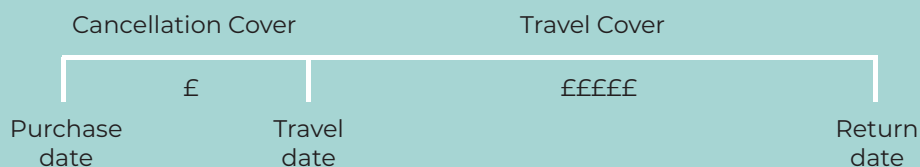
Travel Insurance policies provide cover for two main areas, cover if you need to cancel your trip before you travel and cover while you travel.

Buying your travel insurance policy in advance



The increased cost is due to the higher chance you'll need to cancel your trip if you are receiving cancellation cover for a longer time.

Buying your travel insurance policy last minute



Buying insurance last minute reduces your premium by shortening the length of time you will have cancellation cover.

On the following pages we've put together a few examples to showcase how this works, why it's important and how buying your policy last minute can end up costing you more.

We hope these examples below help highlight the importance of purchasing your policy as soon as you book your trip and why there is an additional premium based on how far in advance you book your trip.

Example 1

Mr and Mrs Blake, both aged 50 booked a trip to the USA & Canada on the 1st January 2025 including flights and accommodation. They planned to fly out on the 1st December 2025 for 17 days, had prepaid for their flights and had prepaid or left a deposit for some of their hotels and a hire car totalling £3,500. Unfortunately, Mr Blake had a heart attack on the 15th March 2025, while at one point it seemed like they might not be able to make their trip, in the end their doctor confirmed he was fit to travel.

Outcome 1:

Mr & Mrs Blake purchased a policy on the 1st January 2025 to cover their trip, they paid £222.50 for their policy, this premium was made up of £148.30 of travel cover (the price they would have paid if they had been travelling the next day) and £74.20 of additional cancellation cover (the price for the additional cancellation risk as they purchased 11 months before travel).

Mr & Mrs Blake were able to continue with their holiday as planned and paid no additional premium. The policy would automatically cover if Mr Blake needed emergency medical treatment while travelling due to his recent heart attack. If they had been unable to travel they would have been able to reclaim all their pre-paid or pre-committed costs (£3,500).

Outcome 2:

Mr & Mrs Blake purchased a policy on the 1st May 2025 to cover his trip, after declaring Mr Blake's recent heart attack we were able to provide cover for their trip at an increased cost of £620.10. As he was still awaiting follow up treatment we also excluded any cancellation costs directly related to his recent heart attack (including if the planned follow up treatment was moved to his travel dates and he could no longer travel).

Mr & Mrs Blake were able to continue their holiday as planned, but, ended up paying £397.60 more than if they had taken insurance when they booked their trip. While this more expensive policy would cover if Mr Blake needed emergency treatment while travelling, it would not have covered if they needed to cancel their trip due to this condition and they would have been unable to reclaim the £3,500 prepaid for flights and accommodation.

Outcome Overview

By purchasing on the day they booked their trip Mr & Mrs Blake paid £74.20 more initially, however overall they saved £397.60 compared to booking later.

Example 2

Mr Deardon, aged 65 booked a cruise on the 1st January 2025 for £4,000, the cruise was to the Caribbean on the 1st December 2025. Unfortunately Mr Deardon was diagnosed with cancer on the 1st July 2025 and was still receiving treatment at the time of his cruise, he was unable to travel and needed to cancel his trip, the cruise line would not offer a refund as it was a non refundable trip.

Outcome 1:

Mr Deardon purchased a policy on the 1st January 2025 to cover his trip, he paid £324.90 for his policy, this premium was made up of £264.70 of travel cover (the price he would have paid if he had been travelling the next day) and £60.20 of additional cancellation cover (the price for the additional cancellation risk as he purchased 11 months before travel).

Mr Deardon was able to make a successful claim for the £4,000 he had paid as he took insurance before he became ill.

Outcome 2:

Mr Deardon attempted to purchase a policy on the 20th July 2025 to cover his trip, we were unable to provide cover as he was undergoing treatment for cancer. Mr Deardon was therefore out of pocket for the £4,000 he had paid for his holiday.

Outcome Overview:

By purchasing on the day they booked their trip Mr Deardon paid £60.20 extra initially, this meant he had a valid claim for £4,000, if he'd booked later he would have had no cover.