



# TOP EMERGING TRAVEL INSURANCE TRENDS AND WHAT THEY MEAN FOR TRAVELLERS

## Abstract

Modern travel insurance is rapidly evolving to meet the needs of today's flexible, tech-savvy travellers. It is no longer just a safety net; rather, it now plays an active role in ensuring smoother, safer journeys. From hyper-personalised policies and dynamic pricing models to AI-powered risk prevention and instant claims via intelligent automation, travel insurance innovation is transforming every aspect of coverage. Technologies like blockchain and agentic AI are bringing transparency, speed, and adaptability, while embedded insurance and mobile-first apps offer convenience at every step. As expectations shift, travel insurance coverage is becoming a vital, integrated part of modern travel, delivering value through personalisation, protection, and proactive support.

Travel has always been a gateway to new experiences, allowing people to explore new places and experience diverse cultures. However, recent disruptions – from last-minute cancellations to unpredictable global events, have made one thing clear – uncertainty is the new norm. The need for smarter protection while travelling has never been greater. As people explore new ways of working, living, and adventuring across borders,

their expectations of travel insurance have also shifted. It is no longer just a safety net; it is becoming an essential part of the journey – to adapt, respond, and support travellers in real time. As we head to the second half of 2025, the insurance industry must rise to meet these challenges through travel insurance innovation and technological integration to cater to modern travellers’ needs. As a result, experts estimate the global travel

insurance market will grow at a CAGR of 15.35%, from US\$49.650 billion in 2025 to US\$86.391 billion by 2030. This growth highlights both the increased demand and the potential cost of convenience. As providers adapt to modern needs, understanding how travel insurance innovation impacts decision-makers and consumers alike becomes essential.



### Changing customer expectations for travel insurance coverage

The purpose of a [travel insurance policy](#) is to offer protection against unforeseen losses and damages while travelling, primarily covering emergency medical bills while travelling. However, as traveller profiles diversify, so do expectations. Today’s consumers want flexible, custom policies that cover scenarios like trip cancellations, lost or damaged luggage,

aircraft delays, and other costs. This, paired with the need for immediate access, is pushing insurers to reimagine travel insurance coverage in ways that are more responsive and personal. Gone are the days of one-size-fits-all protection. Modern travellers expect a travel insurance policy that is easy to understand, quick to activate, and highly

adaptable to reflect their unique travel habits and concerns. At the heart of this shift is travel insurance customisation. This concept revolves around giving individuals the ability to tailor their insurance based on real-time inputs, preferences, and risk levels. It includes:

<b>Trip cancellations and interruptions,</b> with “cancel for any reason” policies gaining popularity	<b>Medical and mental health coverage</b> is becoming a non-negotiable aspect of many policies	<b>Adventure and sports protection,</b> catering to thrill-seekers	<b>Baggage and personal item protection</b> to reduce stress from loss or damage	<b>Flight delay and missed connection</b> coverage, for more reliable planning	<b>Annual versus single-trip plans,</b> offering value based on travel frequency
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Consumers also expect fast, hassle-free claims and pricing transparency. Together,

these factors are shaping a new era of travel insurance, leveraging the foundation

of real-time data, smart decision-making, and personal value.

## Technologies shaping the future of travel insurance

Traditional insurance models often fall short, with common issues like slow claims processing, inflexible options, and impersonal service. Emerging technologies are transforming these pain points into opportunities for smarter, more agile protection. Modern systems are addressing these limitations head-on and reshaping travel insurance innovation, using:

<b>Artificial Intelligence (AI)</b> analyses large volumes of travel and behavioural data to anticipate customer needs and suggest relevant coverage options	<b>Machine learning</b> enhances personalisation by learning from user preferences and adapting policies in real time	<b>Big data</b> improves risk assessment by drawing on diverse data sources to evaluate trip conditions, destinations, and traveller behaviour	<b>Blockchain technology</b> adds a layer of trust by ensuring secure, tamper-proof transactions and faster policy verification	<b>Agentic Process Automation (APA)</b> introduces intelligent automation to manage routine tasks, respond instantly to incidents, and reduce human error
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Together, these innovations are defining a new standard for the modern travel insurance policy – flexible, intelligent, and customer-first. As adoption grows, these technologies will continue to drive the next wave of seamless, intuitive travel insurance coverage.

## Emerging trends in travel insurance innovation

As technology advances, so does the travel insurance landscape. The rise of smart systems, integrated platforms, and tailored offerings is transforming how travellers interact with their coverage and how businesses serve them. Here are the most significant trends shaping travel insurance innovation in 2025 and beyond:



**Faster claims with intelligent automation**

One of the biggest frustrations for travellers has always been slow and complex claims processes. Insurers are now automating claims using AI, machine learning, and APA to validate documents, assess damages, and trigger payouts – often within minutes. This can reduce delays and improve transparency in travel insurance coverage.

**Smarter, more intuitive travel insurance apps**

The new generation of digital-native customers demands convenience. Modern mobile-first platforms go beyond simply storing policies, offering real-time policy updates, instant quotes, and guided claims – all within a few taps. They can also help manage coverage on the go, provide alerts during disruptions, and enable instant communication with support teams. As a result, these tools are becoming the new standard for travel insurance coverage.

**Secure, transparent policies with blockchain integration**

Blockchain brings an added layer of trust to travel insurance by recording every policy update and claim interaction on an immutable ledger. This transparency reduces fraud and builds confidence in travel insurance coverage while facilitating faster payouts.



### Personalised policies for niche traveller groups

From digital nomads to adventure seekers, a one-size-fits-all approach to travel insurance coverage is no longer enough. Insurers are offering hyper-personalised travel insurance policies that reflect specific needs and match the pace and lifestyle of modern travellers. This level of customisation is driving higher satisfaction and stronger brand loyalty.



### Wider protection through parametric coverage

Parametric insurance offers automatic payouts based on predefined events – like a 6-hour flight delay or flight cancellation due to extreme weather. This eliminates the lengthy claims process and ensures timely financial support, which is especially valuable for time-sensitive trips.



### Personalised pricing with dynamic models

Rather than charging flat fees, data-driven dynamic pricing models can adapt in real time to traveller profiles, trip details, and risk levels. This ensures more accurate premiums and helps users get the best value for their travel insurance coverage while also ensuring stronger alignment with customer needs.



### Embedded insurance in the booking journey

Travel platforms and travel tech providers are now partnering with insurers to offer seamless, embedded travel insurance coverage at checkout as a part of booking flows. This is fast, contextual, and often more cost-effective than standalone plans, improving conversion rates and enhancing customer confidence at the point of sale.



### AI-powered insights for proactive protection

AI and predictive data analytics tools are not just improving service; they are reshaping prevention. Smart systems can flag risks before they occur, offering advice or upgrades to travellers in real time. This shift from reactive to proactive insurance will shape travel insurance innovation in 2025 and beyond.

These trends reflect a broader shift towards empowerment, where travel insurance innovation enables smarter, safer, and more convenient experiences for travellers around the world.

## Agentic AI: The future of travel insurance innovation



Among all emerging trends and technologies, APA and agentic AI stand out for their transformative potential. Unlike traditional automation, agentic AI systems act with autonomy, making decisions based on real-time data without human intervention.

In the context of travel insurance, this means a shift from reactive to proactive solutions, as these systems do not just process claims but anticipate needs and intervene early to prevent disruptions. Here's how agentic AI is redefining travel insurance coverage:

<b>Hyper-personalisation:</b> Tailored policies based on an individual's travel history, preferences, and risk profile	<b>Real-time risk assessment:</b> Dynamic updates to coverage based on emerging conditions or behaviours	<b>IoT integration:</b> Wearables and smart devices feed live data into the system, informing decisions and improving accuracy	<b>Autonomous claims handling:</b> No paperwork, no delays – just instant resolution where eligible	<b>Predictive analytics:</b> Pre-emptive insights to avoid cancellations, rebook flights, or suggest safer alternatives	<b>Blockchain integration:</b> Enhanced trust and data integrity through tamper-proof digital records
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## End note

As the global travel landscape grows more complex, the need for smarter, more responsive protection becomes clearer. From digital customisation to AI-driven decision-making and risk assessment, the latest trends in travel insurance innovation are redefining what it means to travel smarter and for businesses to meet the demands of today's dynamic traveller. For today's decision-makers, this is more than a tech upgrade; it is a strategic shift towards customer-first, data-powered experiences that foster enhanced customer satisfaction and boost [loyalty management](#).

Travellers now expect coverage that is as dynamic and adaptable as their journeys. With smarter travel insurance policy design, improved travel insurance coverage options, and tailored support for diverse needs, insurers can deliver greater value, trust, and peace of mind. Businesses that embrace these innovations can ensure travel insurance becomes more than just a safeguard but a seamless part of every travel story to gain a competitive edge in an increasingly experience-driven market.

For more information, contact [infosysbpm@infosys.com](mailto:infosysbpm@infosys.com)



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