



# NOT YOUR TRADITIONAL SNOWBIRDS

Canadian snowbirds are travelling  
internationally

# Introduction

Snowbird travel is becoming more common. With a higher percentage of the population retiring, there are now more snowbirds than ever before. However, their travel preferences, including how and where they travel, are changing. Snowbirds no longer only travel to the southern United States. Today, they are travelling all over the world.

The following explores the latest trends in snowbird travel, the emergence of international snowbird travel destinations, why snowbirds are choosing to travel abroad and the impact of these changes on the travel industry. We also look at how this new trend impacts travel insurance and travel insurance options for snowbirds, and offer tips for finding the right travel insurance coverage for snowbird trips.



# SNOWBIRDS ARE FLYING SOUTH IN INCREASINGLY LARGE NUMBERS



An increasing number of Canadian snowbirds are taking a break from the cold winter weather. In fact, snowbird trips have grown at a compound average annual rate of 9% since 2000.<sup>1</sup>

Booking a trip down south and getting some sun is the perfect way to break the monotony of winter; it's also a reason why an increasing number of snowbirds are choosing to fly south for winter. Recent data suggests that more Canadian snowbirds will head south for winter in the coming years, but they may not be going where you might think.

In the past, snowbirds typically travelled to popular winter destinations in the southern United States, such as Florida, Texas or Arizona. Today, snowbirds are more willing to explore other locations to call home for the winter, such as Mexico, the Caribbean, South America and other warm-climate countries around the world.

## SNOWBIRD TRAVEL TRENDS AND STATISTICS

Canadians made more than 6 million leisure trips during the first half of the 2014–15 winter travel season, an increase of 2.8% compared to the same period in the 2013–14 season.<sup>2</sup> Close to 2.5 million of these trips were to countries other than the United States, which is a 10.5% increase from the previous year,<sup>3</sup> signalling that Canadians are more willing to explore and travel farther away from home during the winter months. This trend is also consistent among Canadian snowbirds.

More Canadians have been travelling south for the winter in recent years. As Canada's population continues to age and more residents become classified as snowbirds, it is estimated that snowbirds will have an increasingly larger impact on the travel and travel insurance markets.

Based on the data provided by the Conference Board of Canada in their annual report, the snowbird travel market continues to grow. Their findings show that:<sup>4</sup>

- Canada's snowbird travel segment made 4.9% more snowbird trips in 2013
- Canada's aging population is expected to result in a growing market for snowbird trips over the next 10 years
- Snowbird trips are forecasted to reach 1.416 million in 2015
- Snowbird trips of 31 to 59 nights were the most popular, accounting for 56% of all snowbird trips
- Snowbird trips of 31 to 59 nights have grown at a compound average annual rate of 8.8% since 2000

### INTERNATIONAL SNOWBIRD TRIPS ARE ON THE RISE

Canadian snowbirds are exploring new countries to spend their winters in. Trips by snowbirds to non-US destinations have grown at a faster rate than trips to the US.

"Overseas Snowbird trips have grown at a faster rate than Snowbird trips to the United States. The United States was responsible for 70 per cent of Snowbird trips in 2000 but only 67 per cent in 2013," finds the Conference Board of Canada.<sup>5</sup>

Comparing snowbird trips to the US between 2000 and 2013:<sup>6</sup>

- Overseas trips experienced a compound annual growth rate of 10.4% between 2000 and 2013, whereas US visits experienced an 8.9% increase during the same period.
- The number of Canadian snowbird trips overseas increased from 128,400 in 2000 to 433,360 in 2013, more than triple the number of travellers.
- The percentage of Canadian snowbird trips to the US dropped from 70.3% of all snowbird trips in 2000 to 67.4% in 2013. The percentage of international trips increased from 29.7% to 32.6% during this time.
- Snowbird trips to non-US countries have grown by 224% since 1998. Snowbird trips to the US have grown by 175% during this time.

It's estimated that snowbird trips to non-US countries will reach approximately 700,000 snowbirds annually by 2050.<sup>7</sup> However, the number of snowbirds choosing to go to the US is expected to rebound as the snowbird population ages. It's estimated that the number of snowbird trips to the US will reach 1.6 million annually by 2050.<sup>8</sup>

### WHY SNOWBIRDS ARE TRAVELLING ABROAD

There are a number of reasons why snowbirds are choosing international destinations instead of the likes of Florida and Arizona:

#### 1. Changing trends among younger snowbirds

Younger snowbirds have an impact on travel choice for two key reasons. First, they are more likely to seek more active trips and adventures. International destinations open the door for more activity options.

The decline in US trips can be attributed to the "growth in younger snowbirds taking shorter, more 'active' trips (normally fewer than 60 nights). Only 38 per cent of snowbird trips to the U.S. in 2009 were made by Canadians between the ages of 55 and 64," says the Canadian Snowbird Association.<sup>9</sup>

Younger snowbirds are also less likely to own property, so they are not tied down to a specific destination. "Younger Canadian Snowbirds are less likely to own property in a warm weather destination and have a stronger preference for owning a timeshare property or to rent villas and houses," says the Conference Board of Canada.<sup>10</sup>

## 2. More countries are targeting Canadian snowbirds

Fewer snowbirds travelling to the US means more travellers are going to other countries. "This decline is the result of more aggressive targeting of Canadian snowbirds to destinations such as Mexico, Portugal and Spain," says the Canadian Snowbird Association.<sup>11</sup> The Conference Board of Canada<sup>12</sup> adds that "the growth in the non-US Snowbird market share is the result of more countries targeting Canada's Snowbird travel market and a growth in the number of younger Snowbirds."

## 3. Affordability

Many Canadians are on limited travel budgets and want to stretch their travel dollars. Many countries in South America and the Caribbean offer a lower cost of living, allowing Canadians to plan longer trips and get more value for their money or purchase property at a lower cost.

When comparing the cost of living in countries that are frequented by Canadian snowbirds, the United States ranks the highest on the Consumer Price Plus Rent Index. The index is an estimate of the cost of consumer goods (groceries, restaurants, transportation and utilities) and rent in the country, using New York City costs as a baseline. For example, Canada has a rating of 57.99, meaning it is 42.01% less expensive than New York City.<sup>13</sup>

Here is how popular snowbird destinations rank:<sup>14</sup>

1. United States: 56.81
2. Panama: 43.46
3. Argentina: 43.24
4. Costa Rica: 40.88
5. Jamaica: 39.73
6. Dominican Republic: 34.64
7. Honduras: 32.08
8. Ecuador: 30.15
9. Nicaragua: 28.33
10. Mexico: 26.82

With countries in South America and the Caribbean proving to be more affordable options, it's becoming more enticing for Canadian snowbirds to consider destinations outside the United States, especially Mexico.

In terms of real estate, when comparing the cost of a one-bedroom apartment in the city centre of these countries, the average cost of monthly rent (USD) is:<sup>15</sup>

1. United States: \$981.22
2. Panama: \$940.38
3. Costa Rica: \$472.76
4. Argentina: \$444.02
5. Jamaica: \$424.74
6. Ecuador: \$377.08
7. Dominican Republic: \$321.79
8. Mexico: \$291.85
9. Nicaragua: \$250.00
10. Honduras: \$246.46

Again, the United States is the most expensive in terms of rent, more than double the cost compared to other countries.

#### 4. Exploration

Many snowbirds simply want to experience something new and different, especially if they do not own a winter home in the US. Rather than going to the same location each year, snowbirds are more willing to explore and visit new locations to see the world, experience new cultures and try new things.

#### 5. Ease of travel

With developing countries ever-increasing their tourism industry, it is becoming increasingly easy for snowbirds to travel to various countries around the world and find the travel experience they are looking for.

### WHERE THEY ARE TRAVELLING

Canadian snowbirds are travelling all over the world:<sup>16,17,18</sup>

- Costa Rica
- Thailand
- Panama
- Mexico
- Cuba
- Nicaragua
- Portugal
- Spain
- Argentina
- Colombia
- Ecuador
- New Zealand

### IMPACT ON THE TRAVEL INSURANCE INDUSTRY

The trend of snowbirds travelling to international destinations will have a short-term impact on the travel insurance industry. The Conference Board of Canada expects travel insurance companies to experience:<sup>19</sup>

- Higher demand for snowbird travel insurance policies for trips between 31 and 60 nights than for other trip night categories
- More written policies and risk nights for snowbirds travelling to non-US destinations
- More claims from countries other than the US
- Higher sales in trip cancellation insurance

### AGE AND SNOWBIRD TRAVEL LOCATIONS

Although the current trend of snowbirds taking trips to international countries around the world is growing, it is anticipated to change as more snowbirds enter the 65+ age category. Growth in the number of visits to more traditional US snowbird travel destinations is expected as Canadian snowbirds age.

Data from the Conference Board of Canada<sup>20</sup> indicates that “Snowbirds that are 65 years of age and over are 2.5 times as likely to travel to the US as they are to take a Snowbird trip to another country.” Because the number of Canadians 65+ years of age is expected to grow by approximately 3.5% annually through 2020, travel insurance companies can expect a great share of snowbird trips to the US through 2031.<sup>21</sup> Based on this data, there is a possibility that many snowbirds will favour the US as a winter getaway in the coming years.

### TRAVEL TIPS FOR SNOWBIRDS

There are many things to account for when preparing for a multi-week or multi-month vacation. Here are 11 travel tips to help snowbirds prepare for their trip:

1. Make sure you are in good health and your doctor confirms you are okay to travel.
2. Make sure your medical records are up to date and that you have a sufficient amount of any medications you may be taking.
3. Research the location you will be travelling to, so that you know what to expect.
4. Find out how long you are permitted to be outside the province to ensure your provincial health insurance plan remains valid.
5. Prepare your travel documents.
6. Consider creating a travel budget, and arrange for someone to look after your finances while you are away.
7. Arrange for someone to care of your home while you are away.
8. Make a list of travel necessities and pack them first. Place any valuables and important documents in your carry-on bag.
9. After you finish packing, double-check your suitcases to make sure you have packed what you need.
10. Secure your home: make sure all windows and doors are locked, and set the alarm.
11. Plan to check out the new area after you arrive. Talk to locals, and make note of the closest medical and emergency facilities.



## TRAVEL INSURANCE AND CANADIAN SNOWBIRDS

Travel insurance is an important form of protection for any trip outside your province, especially if you are older or have pre-existing medical conditions, or if you travel for extended periods of time.

Snowbirds have different considerations when they are deciding whether to buy travel insurance. A survey by the Travel Health Insurance Association of Canada found that a fair number of Canadians still choose to travel without travel insurance coverage. Their national survey of Canadian travellers revealed that only 47% make travel insurance a priority, and the same percentage (47%) always purchase travel insurance before leaving for a trip. The majority of those surveyed (56%) are 55 or older.<sup>22</sup>

This risk of travelling without adequate travel insurance is compounded for snowbirds, which is why travel insurance for this group of Canadian travellers is an essential part of planning a trip.

Snowbirds are out of the country for much longer than the average Canadian on vacation. While most vacations are about one week in length, the majority of snowbird trips are for an extended period of time, commonly lasting between 30 and 60 days or longer, and the longer you are outside the country, the more risk you are exposed to.

Travellers spending a winter at an international destination have very different travel insurance needs than those taking the average holiday. Therefore, it's important to understand the core elements of your travel insurance policy and ensure your travel insurance meets your unique health, travel and trip needs.

### CANADIAN SNOWBIRDS ARE PURCHASING TRAVEL INSURANCE COVERAGE

The majority of Canadian snowbirds are getting the message and understanding the importance of getting travel insurance before they head south for the winter. A travel insurance survey conducted by the Conference Board of Canada in March 2013 found that 82% of Canadians 55 years of age had some form of travel health insurance for their previous trip.<sup>23</sup>

Of those 82% of snowbirds who purchased travel insurance for their previous trip:<sup>24</sup>

- 37% purchased an individual trip plan
- 24% purchased a multi-trip or annual plan
- 26% had coverage through their employer or a group plan
- 10% had coverage through their credit card

This data suggests that there are still many Canadians who are not taking full advantage of snowbird travel insurance. If those who purchase individual travel insurance plans are frequent travellers, they could experience even further savings by investing in a multi-trip or annual plan. Canadians who settled for travel insurance coverage through their employer or credit card have an opportunity to explore their travel insurance options and get travel insurance coverage that's more comprehensive.

### TRAVEL INSURANCE OPTIONS FOR CANADIAN SNOWBIRDS

Travel insurance for seniors and older travellers has unique considerations compared to more traditional travel insurance coverage. In general, travel insurance options for Canadian snowbirds include:

- 1. Annual travel insurance:** Rather than getting travel insurance for 180 days, an annual travel insurance plan provides you with the flexibility to travel all year long.
- 2. Multi-trip travel insurance:** Many snowbirds also travel during the summer and at other times of the year. If you travel frequently, consider getting a multiple-trip travel insurance policy to save money and get the same level of coverage when you travel.
- 3. Travel insurance with pre-existing conditions:** Many snowbirds have medical conditions, so it's important for these travellers to look for travel insurance with pre-existing conditions. Many insurance plans for snowbirds cover some pre-existing conditions, giving you peace of mind to travel worry-free. Check with your travel insurance company to see if you qualify.

## TRAVEL INSURANCE COVERAGE TIPS FOR SNOWBIRDS

A travel insurance policy can take away stress when travelling. “Travelling without appropriate coverage can cause a lot of stress given that the cost of a broken limb in the United States can be up to \$25,000,” says the Travel Health Insurance Association of Canada president, Alex Bittner.<sup>25</sup> An injury such as a broken limb could cost even more in other countries. Bittner adds that “travel health insurance should be more important than a bathing suit on vacation. Many people will already have some coverage through employers or credit cards and it’s important to understand existing coverage and ensure you have the necessary supplemental coverage.”

Never make assumptions about your travel insurance coverage. Educate yourself and talk to your travel insurance provider about your policy if there is anything you are uncertain about.

Here are six travel insurance tips for senior Canadians travelling this winter:

- 1. Know your health:** Health is an essential consideration for travellers who are buying or thinking about buying travel insurance for retirees. Consult your doctor if you have any questions or health concerns before travelling to a new country or for an extended period of time. Make sure you answer all questions accurately and truthfully, as this could make the difference between having your claim paid or denied.
- 2. Know your trip:** How long will you be travelling? Will you be travelling multiple times during the year? What activities are you planning? Trip planning will help you determine your travel insurance needs. If you plan on travelling for 180 days or less, then get travel insurance for 180 days; if you are travelling multiple times during the year, get multi-trip travel insurance to save on your premiums.
- 3. Get travel insurance with tailored options:** Every traveller has unique travel and medical needs. Invest in a snowbird travel insurance policy that allows you to adjust your coverage to meet your needs. If you have a medical condition, explore options to get travel insurance coverage for pre-existing conditions.
- 4. Get travel insurance with 24/7 assistance:** You never know when something will interfere with your trip, so having 24/7 travel assistance is essential. Having assistance available at any time and on any day will give you the peace of mind in knowing you can get help whenever you need it, wherever you are located.
- 5. Read your policy before departing:** Purchasing a snowbird travel insurance policy before you travel is important; however, make sure you understand the terms and conditions of your policy. Be aware of what is included, and more importantly, what is not included as part of your travel insurance policy, so there is no confusion. The more you know about your travel insurance policy, the better.
- 6. Have travel insurance information accessible:** Keep travel assistance contact information with you at all times. Add the phone numbers to your mobile phone, keep the email with your policy in your inbox, and print a copy of your policy for quick reference.

# Conclusion

The way Canadian snowbirds travel continues to evolve. Younger snowbirds are choosing to explore and experience the world rather than opting for the more traditional snowbird destinations of Florida, Arizona or Texas, changing the dynamic of snowbird trips. This trend is expected to continue for the next decade.

Regardless of where snowbirds travel during the winter, travel insurance is a vital consideration and a key factor in having a worry-free vacation. Now more than ever, Canadian snowbirds have access to flexible travel insurance options for their winter vacations, allowing them to have the peace of mind in knowing they are covered and have the travel insurance they need.





<sup>1</sup> The Conference Board of Canada. *The Canadian Snowbird Travel Market 2014*. An Annual Report. Page 1.

<sup>2</sup> The Conference Board of Canada. *Outbound Canada*. March 2015. A monthly report on Canadian outbound travel. Page 4.

<sup>3</sup> Ibid. Page 4.

<sup>4</sup> The Conference Board of Canada. *The Canadian Snowbird Travel Market 2014*. An Annual Report. Pages 1, 5.

<sup>5</sup> Ibid. Page 4.

<sup>6</sup> Ibid. Pages 4, 9.

<sup>7</sup> Ibid. Page 11.

<sup>8</sup> Ibid. Page 11.

<sup>9</sup> Canadian Snowbird Association. *Snowbird Trips to Non-U.S. Destinations Growing*. Summer 2010. CSANews Issue 75. Published on July 20, 2010. <http://www.snowbirds.org/csa-articles/post/1979/Snowbird-Trips-to-Non-U.S.-Destinations-Growing> (accessed May 26, 2015).

<sup>10</sup> The Conference Board of Canada. *The Canadian Snowbird Travel Market 2014*. Page 9.

<sup>11</sup> Canadian Snowbird Association.

<sup>12</sup> The Conference Board of Canada. *The Canadian Snowbird Travel Market 2014*. Page 9.

<sup>13</sup> Numbeo. Cost of Living Index for Country 2015. [http://www.numbeo.com/cost-of-living/rankings\\_by\\_country.jsp](http://www.numbeo.com/cost-of-living/rankings_by_country.jsp) (accessed June 2, 2015).

<sup>14</sup> Ibid.

<sup>15</sup> NationMaster.com. Cost of Living – Real Estate Prices.

<http://www.nationmaster.com/country-info/stats/Cost-of-living/Real-estate-prices/Rent-per-month/1-bedroom-apartment/City-centre> (accessed June 2, 2015).

<sup>16</sup> The Great Canadian Bucket List. Top 10 Destinations for Snowbirds. Published on December 12, 2013.

<http://www.canadianbucketlist.com/top-10-destinations-snowbirds/> (accessed May 26, 2015).

<sup>17</sup> Canadian Snowbird Association.

<sup>18</sup> Kathleen Peddicord. The 6 Best Places to Be a Snowbird. Yahoo Finance Canada. Published on November 14, 2011.

<https://ca.finance.yahoo.com/news/The-6-Best-Places-to-Be-a-usnews-3202527912.html> (accessed July 9, 2015).

<sup>19</sup> The Conference Board of Canada. *The Canadian Snowbird Travel Market 2014*. Page 10.

<sup>20</sup> Ibid. Page 10.

<sup>21</sup> Ibid. Page 10.

<sup>22</sup> The Travel Health Insurance Association of Canada. 2014 THIA Smart Travellers' Survey. Published on September 22, 2014.

[http://www.thiaonline.com/cgi/page.cgi/\\_article.html/Latest\\_News/2014\\_THIA\\_Smart\\_Travellers\\_Survey](http://www.thiaonline.com/cgi/page.cgi/_article.html/Latest_News/2014_THIA_Smart_Travellers_Survey) (accessed May 26, 2015).

<sup>23</sup> The Conference Board of Canada. *The Canadian Snowbird Travel Market 2014*. Page 6.

<sup>24</sup> Ibid. Page 6.

<sup>25</sup> The Travel Health Insurance Association of Canada.

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