C.2. Purchase of non life insurance

4.115. When planning to travel or even after starting on their trips, some travellers purchase travel insurance for protection against all types of loss and damage during their journey. Such insurance often covers, inter alia, the loss of luggage, passports or credit cards, missed connections between different means of transport, accidents and illness.

4.116. In National Accounts (see 2008 SNA, paras. 6.177 and 6.184-6.191), only a fraction of the premium paid for a nonlife insurance policy represents the purchase of a service, i.e., the output of the insurance industry. The remaining fraction, called the net premium, represents the value of the insurance itself, i.e., the adjusted claims incurred. Only by consulting the records of the nonlife insurance companies concerned in the National Accounts of the country where the policy was issued, is it possible to determine the value of the purchase of nonlife insurance services, that is, the only part that should be included in tourism expenditure (and tourism consumption). This adjustment (which again should be expressed as a percentage) is worthwhile only if the amounts involved are significant.