

Consumer Research on General Insurance Product Disclosures

Research findings report

February 2017

Table of Contents

1. Introduction	3
2. Summary of Findings	5
3. Methodology	7
4. Finding 1: <i>There is no single pathway to purchase and the use of information in decision-making is highly varied</i>	11
5. Finding 2: <i>While most consumers report they have evaluated the details of their policy, most do not access the PDS</i>	18
6. Finding 3: <i>While most consumers are confident in their understanding, comprehension appears to be poor</i>	23
7. Finding 4: <i>Many consumers do not consider the specific risks for which they need to purchase cover as a criterion for decision-making</i>	27
8. Finding 5: <i>The accessibility of the PDS can be improved, although there are other opportunities for stronger consumer engagement</i>	31
9. Annex 1: <i>Qualitative research report</i>	
10. Annex 2: <i>Quantitative research report</i>	

1. Introduction

The Insurance Council of Australia (the **Insurance Council**) is pleased to publish this report, outlining the findings from research commissioned into consumer pre-purchase decision-making and the effectiveness of insurance product disclosures in helping consumers to purchase a general insurance product that meets their needs. Effectively engaging consumers on product information is essential not just to ensure that informed choice is exercised at the point of sale, but also to minimise any expectations gap at claim time.

In recent years, there has been a marked shift in the industry's thinking about what constitutes effective disclosure. It has been recognised that the provision of information, without a clear objective to aid decision-making, has not always effectively engaged consumers. This appears to be a challenge for consumer contracts of all kinds around the world. Delivering information at the right time, and in the right way, to improve decision-making is complex.

Taking on this challenge, the Insurance Council Board established an independent Effective Disclosure Taskforce (the **Taskforce**) in 2015 to assess the effectiveness of, and recommend initiatives to enhance, disclosure. The Taskforce consisted of experts from the industry, consumer movement, academia and the field of behavioural sciences. The report¹ handed down by the Taskforce made wide-ranging recommendations, which were endorsed in full by the Insurance Council Board.

In considering the effectiveness of the disclosure regime, the Taskforce found a notable absence of empirical research around how general insurance consumers actually use disclosure documents to inform their decision-making. To ensure that future reforms have positive impacts, the Taskforce concluded that a comprehensive research program was required to better understand how consumers actually use insurance disclosures and the impact of these disclosures on decision-making at the point of sale.

The Taskforce recommended that the Insurance Council should:

- establish a disclosure performance benchmark by commissioning and publishing research on current consumer knowledge and understanding of commonly purchased general insurance²;
- commission and publish research to determine pre-purchase consumer behaviours and how disclosure can be used to nudge appropriate decision-making³; and
- research consumer behaviours in relation to decision-making about the sum insured for home building insurance⁴.

¹ Effective Disclosure Taskforce (November 2015), Too Long; Didn't Read. Enhancing General Insurance Disclosure, report submitted to the Insurance Council Board,

<http://www.insurancecouncil.com.au/assets/Effective%20Disclosure%20Report.pdf>.

² Effective Disclosure Taskforce (November 2015), Recommendation 1.

³ Effective Disclosure Taskforce (November 2015), Recommendation 2.

⁴ Effective Disclosure Taskforce (November 2015), Recommendation 6.

The research that has been conducted⁵ is the first step in a wider industry work program to ensure that disclosure achieves the objective of helping consumers to purchase a policy that is appropriate to their needs.

The research confirms that the often subjective process of selecting “the right” policy is tackled by consumers in varied ways, and the industry needs to be nimble and innovative in engaging with a diverse range of consumers. The research also suggests that the industry needs to do more to ensure that consumers are not just focused on the price of a policy, but are cognisant of the importance of selecting the right type and level of cover. While these are ambitious goals, the industry has never been better placed than in the current digital era to design more targeted and engaging information and tools.

In recent years, there has been some pessimism within the community about the ability of mandated disclosure to assist consumers to purchase financial products that are appropriate to their needs. While the research confirms that the Product Disclosure Statement (PDS) is not a widely used pre-purchase information source, it also points to the number of other insurer-initiated information sources that are influential in aiding decision-making and the potential to maximise their use. Maintaining a predominant focus on the PDS will continue to result in missed opportunities to engage consumers through these other sources.

While the research sets out key insights around how consumers currently use (and do not use) disclosures, these learnings will need to be translated into practical tools for insurers to use in their day-to-day businesses. Given that information and how it is delivered will need to be considered in the light of specific product design and distribution features, initiatives to enhance disclosure will need to be taken individually by insurers.

Nevertheless, there are common principles around effective disclosure that can be collectively observed. The Insurance Council will now work with members, and consult with key stakeholders, to develop effective disclosure principles that are informed by the findings of the research. These principles will be considered for adoption by the forthcoming review of the General Insurance Code of Practice.

This foundational research is a key plank of the Taskforce’s strategic plan to ensure that disclosure is fit for purpose and fulfils a relevant and useful purpose in the coming years. Transformative change will only occur through a committed work program and collaboration between the industry, regulators, government and consumer stakeholders. The Insurance Council is publishing this research to facilitate a dialogue between the industry and this wider community.

This report outlines the research methodology (**section 3**) and findings from qualitative and quantitative research conducted (**sections 4 – 8**). Full reports on the detailed research findings are also presented at **Annex 1** (qualitative research) and **Annex 2** (quantitative research).

⁵ The Insurance Council commissioned two research firms, *The Lab* and *Nature*, in June 2015 to design and conduct qualitative and quantitative research. The researchers were selected following an open tender process.

2. Summary of Findings

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|---|--|
| <p>1. <i>There is no single pathway to purchase and the use of information in decision-making is highly varied</i></p> | <ul style="list-style-type: none"> • Pre-existing perceptions of insurance determine the identification of policy features that are important and the information that is sought prior to purchase. • Perceptions about insurance are not immovable and can be influenced. • Consumers currently use a range of information to inform their purchasing decision. • A one-size-fits all approach to disclosure is unlikely to meet the needs of all consumers. |
| <p>2. <i>While most consumers report they have evaluated the details of their policy, most do not access the PDS</i></p> | <ul style="list-style-type: none"> • The PDS is not being widely used as a pre-purchase document. • Consumers seek out information that provides guidance mostly on price, with a minority of consumers looking for information on policy limits and exclusions. • While most consumers consider that they have looked into the detail of their policy, this is not evidenced by actual behaviour observed and information sources accessed. • The disparity between perception and behaviour indicates that most consumers consider the price and level of cover as the only “detail” that is required to make an informed decision. • Prior claims experiences increases the likelihood of consumers accessing the PDS. |
| <p>3. <i>While most consumers are confident in their understanding, comprehension appears to be poor</i></p> | <ul style="list-style-type: none"> • Consumer comprehension of generic policy exclusions and limits is poor. • There is significant consumer misunderstanding about the type of home policies purchased. • Prior claims experience increases the likelihood of better comprehension. |
| <p>4. <i>Many consumers do not consider the specific risks for which they need to purchase cover as a criterion for decision-making</i></p> | <ul style="list-style-type: none"> • Uncertainty around what “right” looks like is a barrier to developing criteria around individual risks. • The criteria for policy selection are most commonly focused on price, rather than the risks that require coverage. • Those who are exposed to high cyclone risk are more likely to consider this in their purchase. |

5. *The accessibility of the PDS can be improved, although there are other opportunities for stronger consumer engagement*

- Understanding of risks is often not supported by information from a credible source (e.g. government or insurer).
- Consumers are not considering in detail the types of policies, key inclusions or product options that would be appropriate for their risks.
- The PDS is seen as too detailed and inaccessible, reducing the likelihood that it will be used as a pre-purchase document.
- Tools that will enable the PDS to be searched and made more digestible are likely to be beneficial.
- The renewal letter is the most commonly used and highly rated source of information, and presents opportunities to provide targeted information.
- There are opportunities to target information provided through online quotes, which are commonly used by new to market consumers and who have the lowest understanding of general insurance concepts.
- Increased trust in sum insured calculators is important to encourage more informed decision-making.

3. Methodology

3.1. Scope

Consistent with the thinking of the Taskforce, the approach taken in the research was to review experiences with disclosure in a holistic way, rather than focusing just on key mandated disclosure documents. This approach recognises that where consumers do use mandated disclosures, such use is not isolated from the influence of other information sources on decision-making. The research aimed to look at all of the sources of information used by consumers prior to purchasing a general insurance product, including:

- Mandated:
- Product Disclosure Statement (PDS)
 - Financial Services Guide (FSG)
 - Key Facts Sheet (KFS)
 - Certificates of insurance/policy schedules
 - Policy renewal communications
- Insurer-initiated:
- Insurer website information/resources
 - Insurer call centres
 - Call centres/branches operated by agents of insurers (e.g. face-to-face sales made by financial institutions as agents)
 - Quotes
 - Advertisements
- External sources:
- Broker/other intermediary
 - Comparison websites
 - Consumer choice website/magazine
 - Customer review websites
 - Advice from friends/family/colleagues
 - Media

While the research aimed to capture insights around how consumers use a wide range of information, there was a particular focus on the use of the PDS and KFS (for home building and contents).

The research explored consumer experiences for the most commonly purchased general insurance products, including motor, home building, home contents and travel policies. For the qualitative component of the research, insights were also captured for personal sickness and accident, and pet insurance.

While the widely scoped parameters for the research precluded detailed investigation, the Insurance Council considered that high level but broadly based insights were required into specific information sources and policy types.

3.2. Consumer pre-purchase behaviour: Qualitative research

The first component of research undertaken was an investigation of consumer pre-purchase behaviour; how consumers go about determining the need for insurance, accessing information (if at all), and making decisions around product selection and coverage. As a key objective of the research was to understand how consumers seek information about insurance in real life situations, an ethnographic method was used to observe actual, as opposed to self-reported, behaviour.

The researchers conducted 30 face-to-face ethnographies in Sydney, Melbourne, Brisbane and the regional areas of Maitland and Newcastle (selected for exposure to natural hazards). Participants, selected from a research panel, must have been in the process of purchasing one of the general insurance products, with a mix of participants who either:

- i) were experienced⁶ with insurance, with higher⁷ engagement with the details;
- ii) were experienced with insurance, with lower⁸ engagement with the details;
- iii) were first timers with the type of insurance being purchased;
- iv) may have more difficulty with the purchasing process due to having English as a second language, a lower education level or lower income level; or
- v) had previously made a claim.

The researchers visited participants' homes or workplaces to observe the participant at one stage of their purchasing decision. The participant was asked to undertake the activity that was their next step and observed. This observation was also supplemented by researcher-prompted discussion to capture feedback on the activity undertaken, insights into the participant's journey to date and general thoughts on insurance.

In addition, 120 digital longitudinal ethnographic case studies were also conducted to enable observation of the purchasing process from beginning to end. The selection criteria were similar to the face-to-face ethnographies, although participants were selected nationally and there was a minimum quota of 6 participants from the Blue Mountains region (selected for exposure to natural hazards). Over a 4 week period, participants were asked to post online diary entries on all aspects of their purchasing process and decision-making. Participants were also asked to upload screenshots, pictures and videos to help explain their experience.

3.3. Benchmarking the effectiveness of disclosure: Quantitative research

The second component of research undertaken was to benchmark the current performance of disclosure. This is important, not just to understand current performance, but to enable the effectiveness of future reforms to be measured.

⁶ The participant has purchased this type of insurance before and feel somewhat or very experienced and knowledgeable about the purchasing process.

⁷ The participant reported they intended to do a large amount of enquiry/research/comparison in making their purchase.

⁸ The participant reported they intended to put in as little effort as possible, or do a small/moderate amount of enquiry/research/comparison in making their purchase.

In order to measure the effectiveness of disclosure, the Insurance Council consulted with insurers, the Australian Securities and Investments Commission (ASIC) and consumer advocates to identify key objectives against which effectiveness should be assessed. Table 1 outlines the key objectives identified and possible areas for measurement.

Table 1

Disclosure objectives	Areas for measurement
Point of sale	
1. Inform about the product	<ul style="list-style-type: none"> - Disclosure is used as an information resource - Disclosure is accessible - Consumers understand key policy exclusions and limits - Consumers understand key policy inclusions and have general knowledge about the broad scenarios in which a claim can be made - Consumers understand differences in policies, e.g. comprehensive vs third party/accidental damage vs listed events
2. Assist consumers make informed decisions about their insurance needs	<ul style="list-style-type: none"> - Consumers can use the information to compare competing products - Consumers can use the information to make informed decisions about: <ul style="list-style-type: none"> o Level of coverage o Type of coverage (e.g. listed events vs accidental damage) o Specific inclusions and exclusions o The excess amount
Post sale	
3. Provide clarity on how claims can be made	<ul style="list-style-type: none"> - Consumers are aware of where to look for more information when they need to make a claim - Consumers are aware of preparations/conduct required to ensure eligibility to make a claim - Consumers are aware that complaints can be made

While the qualitative research already provided insights into many of these areas for measurement, quantitative research was conducted to validate the qualitative findings and better capture insights into consumer knowledge. A nationally representative survey of 2,430 consumers who had taken out a motor, home building, home contents or travel insurance policy was concluded. Participants were selected from a research panel, and must have

taken out or renewed a policy within the last 3 months, and were asked to complete a 20 minute online survey.

The survey covered a broad range of topics, including:

- pre-purchase psychology;
- pre-purchase behaviour;
- perceptions of information used;
- drivers of policy choice; and
- understanding of general insurance concepts.

Importantly, this component of the research was used to delve deeper into consumer comprehension. As with other research of this kind, measuring comprehension was a difficult exercise, especially given the problematic nature of attributing knowledge to a particular source (such as disclosure). The research focused on identifying key knowledge gaps as an indication of ineffective disclosure.

As a consumer's understanding of their policies is generally not tested in real life until a claim is made, the Insurance Council interviewed insurer frontline claims staff to obtain feedback on the most common sources of misunderstanding by product type. Anecdotal evidence suggests that it is generic policy exclusions, rather than exclusions that are policy-specific or less commonly known, that seem to be the cause of most misunderstanding at claim time. These generic exclusions, such as wear and tear, were used to develop product-specific scenarios to explore whether understanding can be applied to a particular set of defined circumstances.

The importance placed on knowledge about specific aspects of an insurance policy is also dependent on the relevance of that knowledge to a consumer's specific circumstances. Throughout the survey, questions on knowledge about specific policy areas (e.g. limits for open air contents) were only presented to participants where this was relevant (e.g. those who had thought about insuring items outside of the home building).

In measuring the effect of information on decision-making, a predominantly objective approach was taken to ascertain whether information was used at key decision-making points; for example the use of calculator tools or other information when determining the sum insured for home insurance policies. While some decisions are clearly poor (e.g. those that result in no coverage), determining whether a good decision has been made in most cases inevitably requires a complex assessment of an individual's preferences and circumstances.

4. Finding 1: There is no single pathway to purchase and the use of information in decision-making is highly varied

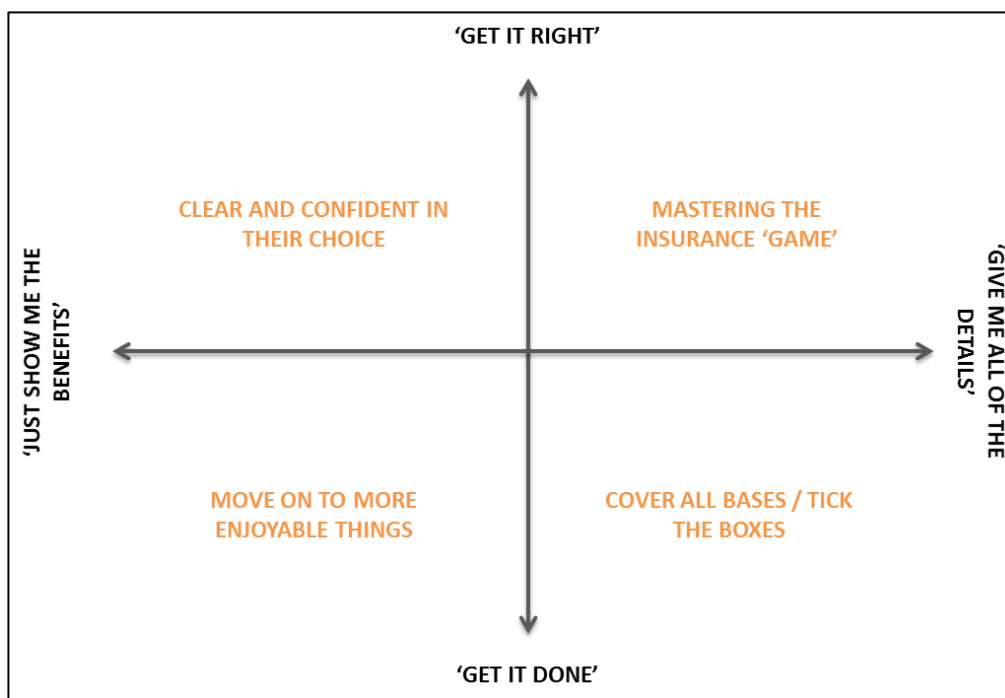
Key observations:

- Pre-existing perceptions of insurance determines the identification of policy features that are important and the information that is sought prior to purchase.
- Perceptions about insurance are not immovable and can be influenced.
- Consumers currently use a range of information to inform their purchasing decision.
- A one-size-fits all approach to disclosure is unlikely to meet the needs of all consumers.

The qualitative research showed that there is no single pathway to purchase; there are multiple contexts and triggers to insurance purchases, and these varied pathways have significant implications for the use of information. Importantly, attitudes to and perceptions of insurance are significant drivers of behaviour, including the amount of time invested in researching and obtaining information (if at all) and the types of information sought.

While individual purchasing experiences were highly varied, the researchers developed a framework for understanding pre-purchase behaviour (see **Diagram 1**).

Diagram 1

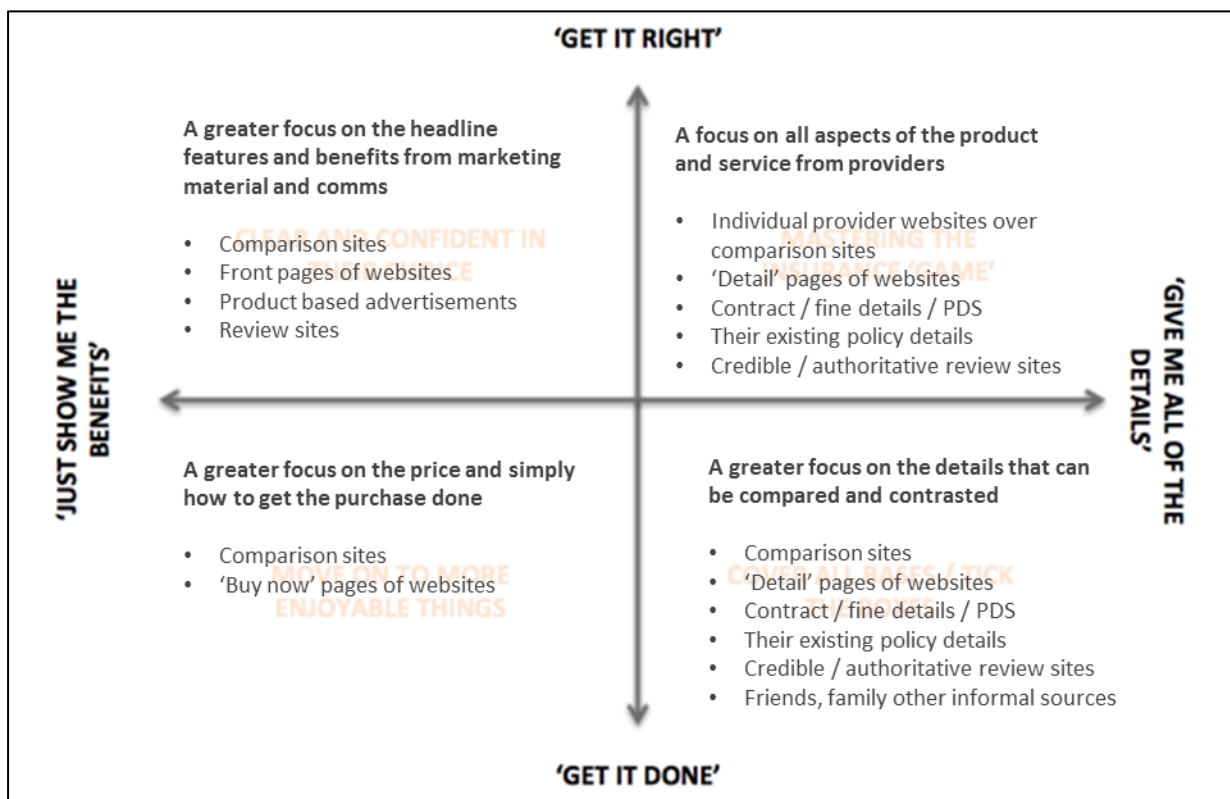


Consumers in the two quadrants to the left (“clear and confident in their choice” and “move on to more enjoyable things”) were less likely to focus on product details. For these

consumers, the price and (for some) key policy inclusions were important drivers of policy selection; and the information sought largely reflected this, such as advertising, comparison websites and the less detailed pages of insurer websites (see **Diagram 2**). The key difference between the two quadrants on the left is that “clear and confident in their choice” consumers were more positively driven to find a policy that was right for them, as opposed to “move on to better things” consumers whose preference for a quick purchase was largely driven by their perception of insurance as a grudge purchase.

Consumers in the two quadrants to the right (“mastering the insurance ‘game’” and “cover all bases/tick the boxes”) were more likely to look into the details of policies, including limits and exclusions. Particularly for “mastering the insurance ‘game’” consumers, the objective was to find the “best deal”, not just in relation to price but coverage. These consumers approached product information methodically and were more likely to develop a criteria to compare products. Information sources used include detailed pages of insurer websites, the PDS and any existing policies to benchmark comparison with competing products. The key difference between these two quadrants to the right is the level of confidence in all stages of the purchasing process, including in the final product selection.

Diagram 2



Profiles 1 – 4 are illustrative of participants from each of the quadrants, and their varied pathways to purchase. **Annex 1** provides the detailed findings from the ethnography conducted, including a fuller description of the quadrants and information sought at each stage of the purchasing process.

Profile 1: Clear and confident in their choice

ESTER, 41, FITZROY NTH, VIC

Who I am, my life and lifestyle:

I'm a mum with a couple of young kids, who has just moved to Melbourne from Perth in the last year, moving for my husband's work.

Life is good, and it's exciting with everything new, new schools, new friends, a new home and car, but there's plenty to get sorted out, which is my job, and to be honest I'm still working through it all over six months later.

Me and my insurance policy decision:

I am looking to get a number of things done at once, including multiple types of insurance (car, home and contents, landlord) so ease and speed are key. Overall I think that all the insurance companies are pretty much the same in terms of the details, so my focus is on level of cover and price.

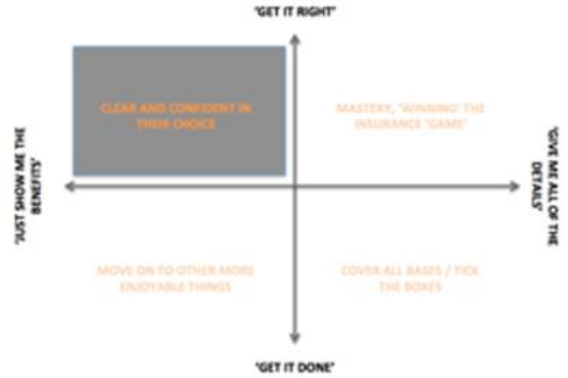
Price is particularly important right now, as with the move, there is no shortage of expenses seeing our money go out the door!

Once I've rung around one or two trusted names and got a sense of what I need, I'm then planning on taking this 'base' and getting other companies to quote on this. For me, I've got no preference or real loyalty so the lowest price wins!

The role of disclosure statements in my decision:

Disclosure information really played no role for me.

I assume that the finer details will sort themselves out, they are all pretty much the same anyway, I just want to know what I'm covered for and how much.



Profile 2: Mastering the insurance 'game'

DAVID, 47, CAMMERAY, NSW

Who I am, my life and lifestyle:

I'm a finance manager for an infrastructure firm and a husband and father of two teenage children.

I'm a details person and fairly financially literate so I try and take the time to make sense of the different options, the different details and what's best for me – to be honest I enjoy the



challenge and it makes a real difference to my hip pocket.

Me and my insurance policy decision:

I am currently looking for home and contents insurance, we've made some extensions to the house in the last year, so we assume that the value of the property has gone up.

Along with it we've decked out the new rooms so again the amount in our contents will need to go up as well.

I first started by reviewing my existing policy to ensure that I was across all of the details, and armed with this, went online to find the various options. By this stage I know what I'm looking for so get straight to the details, either online or over the phone if I can't find things easily.

The role of disclosure statements in my decision:

The disclosure information is really useful, particularly those that set out the details in more of a q&a or problem / solution type format so that you can easily find and answer your questions.

However in saying that this does mean that, often the details are presented differently from one company to the next, which makes it hard to compare.

Profile 3: Cover all bases, tick the boxes

LISA, 64, MAITLAND, NSW

Who I am, my life and lifestyle:

I am a grandmother to 4 lovely grandchildren and live in Maitland where I have always lived since I was a little girl.

I stay active in the community, with the local P&C, gardening club and Lion.

I enjoy keeping my home nice and neat and spend a lot of time in the garden.

Me and my insurance policy decision:

Recently (over the last few years) we've had a number of storms and floods come through which has impacted on the town. I had to make a claim back in 2015 for storm damage.

Although my claim was paid out, since then, the premiums have skyrocketed for all people in town which I just think is unfair, it feels like they are just trying to get their payouts back from us, so I've decided to look around for the best offer.



I've spoken to friends and family to see what they are on and their experiences, and then for those that come up as good, I've been asking them all the hard questions about coverage and their rates – and how much they've gone up or are likely to.

The role of disclosure statements in my decision:

I did look at the detail this time as I know, from experience what it needs to cover and what it hasn't covered for others.

I also try and find scenarios that are like mine so that I can compare it to my circumstances.

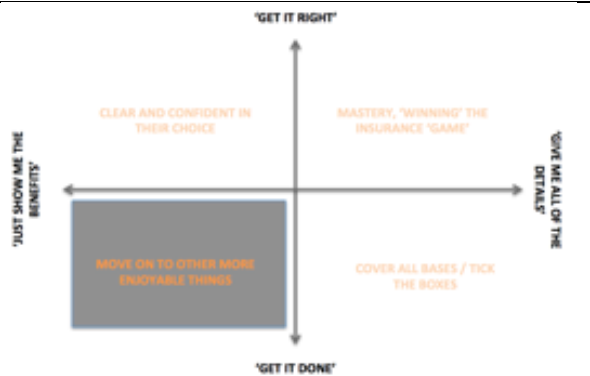
Profile 4: Move on to more enjoyable things

MITCH, 27, HAMILTON, QLD

Who I am, my life and lifestyle:

I am a 27-year-old mechanic and after-sales advisor for Bentley and Lamborghini.

I have recently bought an apartment and in my spare time I like hanging out with my friends and my girlfriend and I love getting outside and making the most of it.



Me and my insurance policy decision:

I have just finished sorting out my car insurance. When I was younger my car got stolen and the insurance process was very frustrating and time consuming and I felt that they would have taken advantage of me had I not had my dad helping me out.

I recently bought a new car and while I have always been with AAMI my dad told me that with my new property I could receive discounts through bundling my RACQ home insurance and car insurance. It was very easy I went straight to the RACQ website, did an estimate online and they sent through the letter I required for the finance. I just compared it to what I'd had in the past and nothing was better or worse.

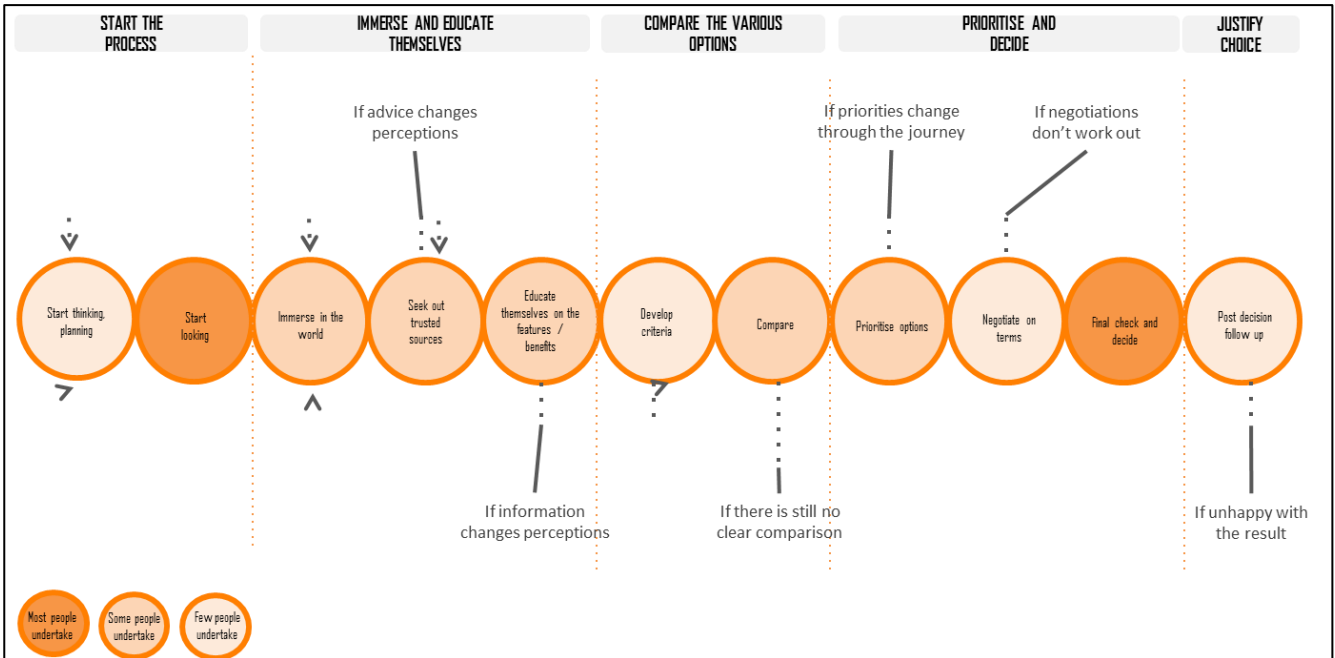
The role of disclosure statements in my decision:

I didn't look at the PDS as it doesn't tell me anything and is just the insurer covering themselves.

I know that it's there but I don't think I will learn anything from reading it.

The research confirmed that the steps taken in the purchasing process varies from consumer to consumer (see **Diagram 3**). The quantitative research suggested that, for most consumers, the process is relatively condensed, with research and comparison generally limited to price and key policy inclusions. Importantly, while the research suggests that pre-existing perceptions of insurance largely determine whether a consumer will actively seek out information, these perceptions are not immovable and can be influenced.

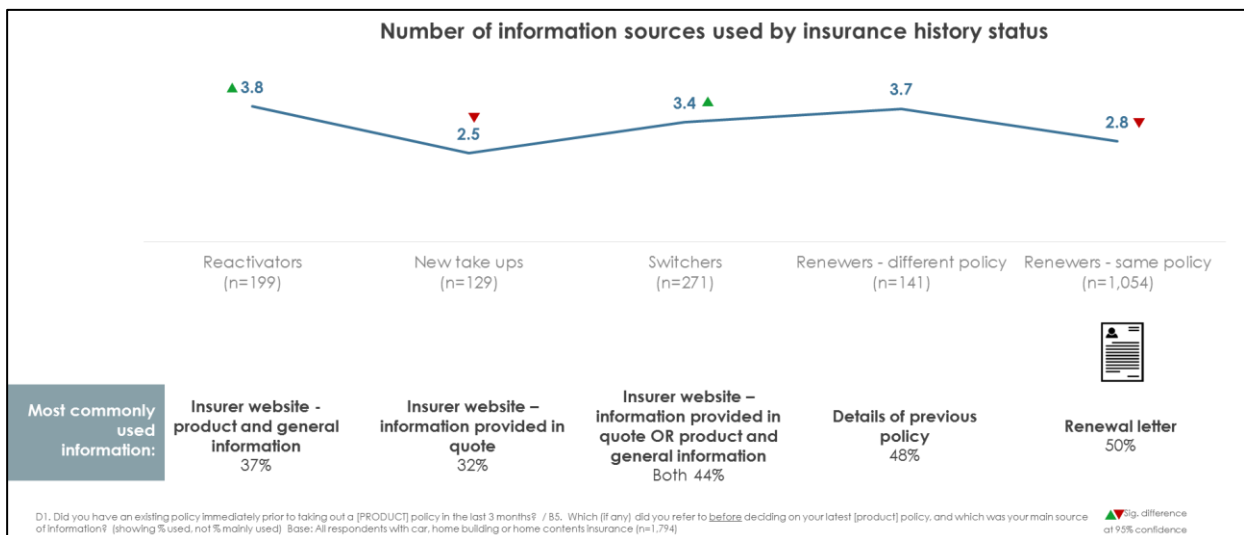
Diagram 3



This holistic overview of the purchasing process confirms that the PDS, if read, is not used in an isolated manner; other information, particularly from informal sources, play a key role in influencing perceptions and a consumer’s level of engagement in selecting a policy that is appropriate to their needs. For example, a participant in the qualitative research outlined the role of social media and online communities in refining his search for travel insurance:

“I have Googled cruise insurance, travel insurance, tried my banker who offers insurance and also compare travel insurance – I also looked on trip advisor for ideas on travel insurance. I have a Facebook group that is a cruise critic group and posted a message asking for recommendations on the best fly/cruise deals.”

Graph 1



The use of multiple sources of information by consumers to inform purchasing decisions was confirmed by the quantitative research (see **graph 1**). This suggests that a predominant focus on the PDS will continue to miss the opportunities to engage consumers through other sources.

Importantly, the varying pathways to purchase suggests that a one-size-fits-all approach to disclosure is unlikely to meet the needs of all consumers. Disclosure initiatives that are targeted at the different preferences and perceptions of consumers in each of the quadrants are more likely to make an impact.

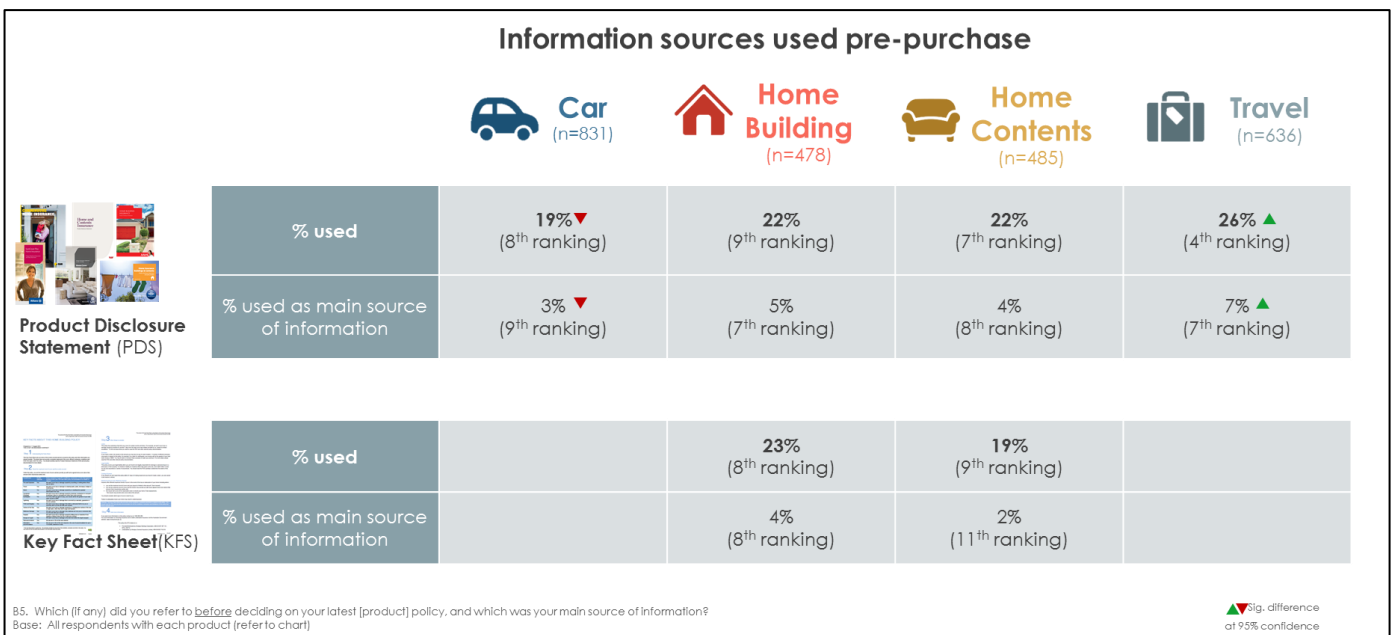
5. Finding 2: While most consumers report they have evaluated the details of their policy, most do not access the PDS

Key observations:

- The PDS is not being widely used as a pre-purchase document.
- Consumers seek out information that provides guidance mostly on price, with a minority of consumers looking for information on policy limits and exclusions.
- While most consumers consider that they have looked into the detail of their policy, this is not evidenced by actual behaviour observed and information sources accessed.
- The disparity between perception and behaviour indicates that most consumers consider the price and level of cover as the only “detail” that is required to make an informed decision.
- Prior claims experiences increases the likelihood of consumers accessing the PDS.

The qualitative research observed a range of pre-purchase behaviours, but most participants seemed to fall into the 2 quadrants on the left; that is, they did not consider the detail of policies in-depth prior to purchase. This was supported in the quantitative research, which found that around 2 in 10 report to have used the PDS, but far fewer actually use it as the main source of information (see **graph 2**). Consumers were more likely to use the PDS for travel insurance, than the other products surveyed. Usage of the KFS was similarly low.

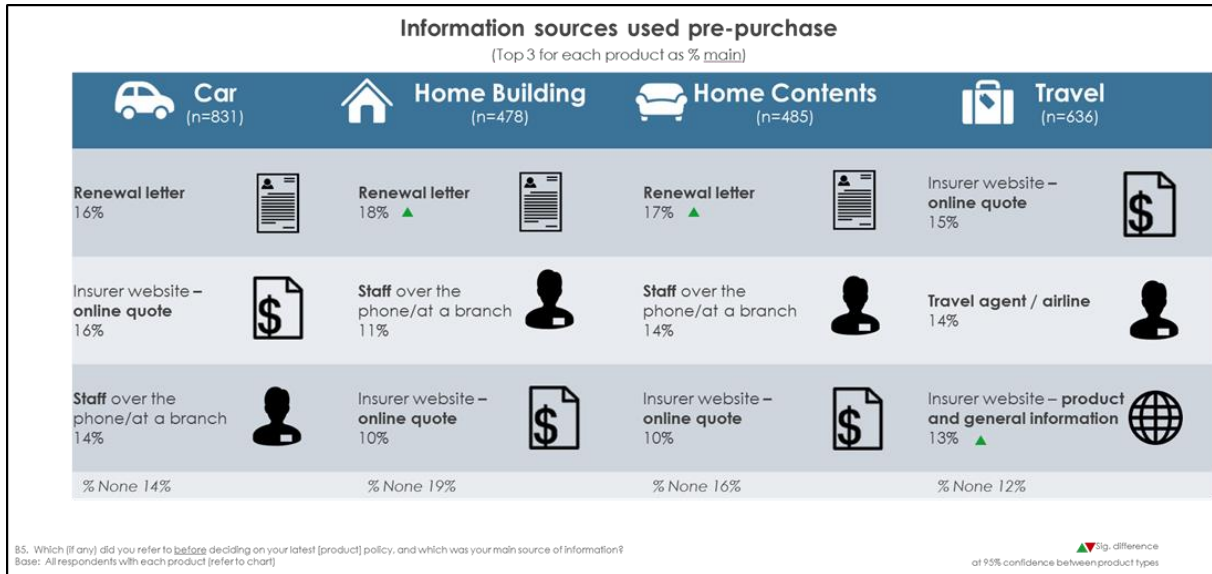
Graph 2



While awareness of the KFS (48%) was relatively low, 72% of respondents reported being aware of the PDS prior to purchasing their policy. This suggests that lack of awareness does not seem to be a barrier to use for the PDS. While the qualitative research showed that the

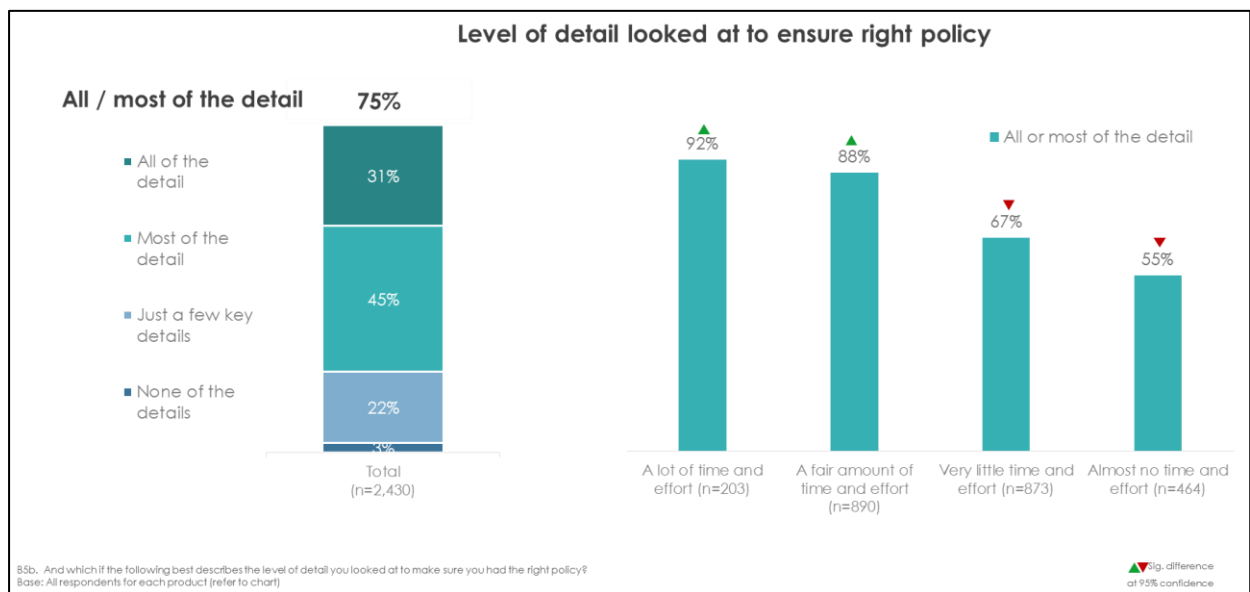
PDS was used by some consumers to check policy details post-purchase, it is clear that for most consumers, the PDS is not playing a significant role pre-purchase. Rather, consumers reported using the renewal letter, online quotes and call centres as key sources of information (see **graph 3**).

Graph 3



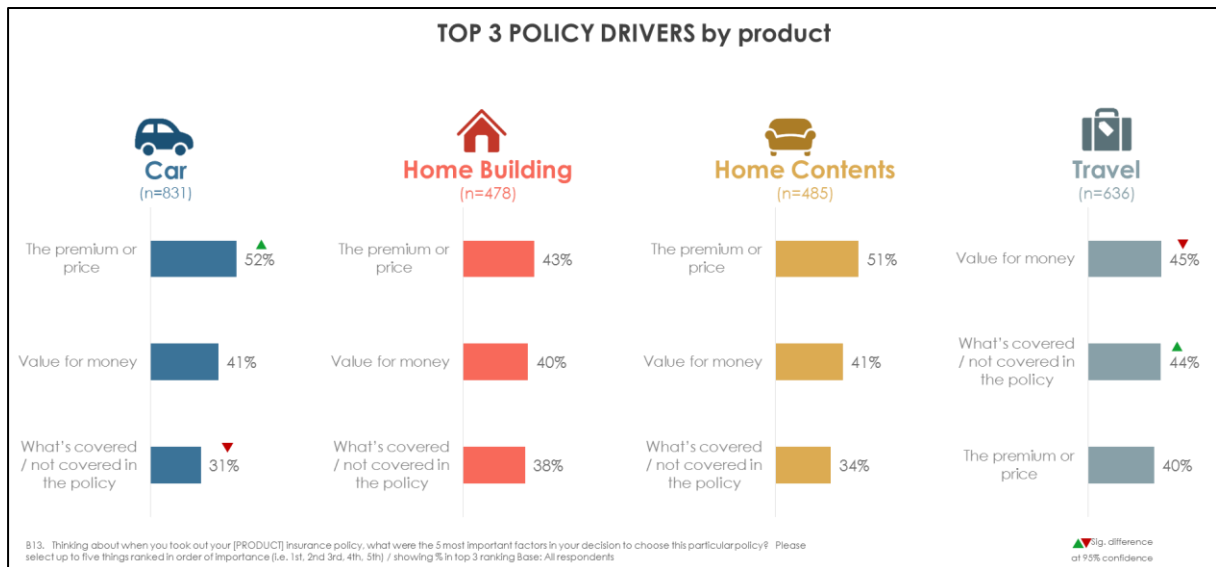
Nevertheless, most reported that they looked at all or most of the detail of their policy prior to purchase (see **graph 4**). Apart from call centre staff, it is unlikely that the other sources of information used would provide sufficient detail around policy inclusions, limits and exclusions (e.g. advice from family/friends, customer reviews, advertising, etc.). This suggests that there is a significant disparity between consumer perceptions and behaviour.

Graph 4



Although most respondents feel they have looked at all or most of the detail, around half (52%) report putting in almost no time/effort or very little time/effort. This suggests that many consumers consider there are very few important “details” requiring consideration. The quantitative research shows that for many consumers, the only detail considered was the price of the policy. The research found that price is the key driver of policy selection for most products (see **graph 5**), and pricing information was the top reason cited for using most of the information sources (see **graph 6**).

Graph 5



Graph 6

REASONS FOR USING INFORMATION SOURCES USED

	Renewal letter (n=338)	Comparison site(s) (n=140)	Insurance providers' own website(s) (n=508)	Insurance providers call centre (n=312)	Product Disclosure Statement (PDS) (n=118)	Previous policy (n=221)
Price	86%	83%	81%	82%	50%	69%
Excess to be paid if a claim is made	66%	50%	65%	60%	68%	56%
What's covered / included in policy	62%	56%	73%	65%	74%	66%
Payment options	49%	32%	39%	40%	29%	34%
Discounts for loyalty / new customers / multi-policies	46%	26%	37%	46%	32%	42%
The levels of cover available	46%	46%	58%	55%	58%	41%
What's not covered / excluded in policy	43%	41%	62%	49%	73%	53%
Provides coverage for my specific needs	40%	38%	41%	42%	62%	40%
Terms and conditions	31%	32%	43%	33%	63%	31%
Limitations in what I can claim	25%	34%	40%	26%	58%	34%
Additional rewards / benefits for 'membership'	24%	11%	23%	21%	22%	22%
Reputation for payout out on claims	21%	29%	24%	30%	22%	26%
Discounts for early / ontime epayment	20%	21%	19%	18%	15%	17%
If the policy offers choice of repairer	19%	24%	35%	28%	63%	32%
The extent to which coverage can be customised	17%	21%	26%	23%	29%	24%
Comparison to other brands' coverage	6%	47%	25%	21%	18%	11%
Other	2%	1%	1%	1%	1%	2%
Can't remember	1%	4%	2%	2%	1%	2%

88. What information were you looking to find [INSERT RELEVANT TEXT BELOW BASED ON RESPONSE AT B5]? Please select all that apply
 Base: Those who mainly used each information source, collapsed across insurance products / Base size too low for Key Fact Sheet to report / only 3 significant differences by product which we have not shown as there was no clear story related to these differences

□ indicates the number 1 reasons Green / red indicates Sig. above / below average at 95% confidence

While the finding that the PDS is not being widely used as a pre-purchase document is not unexpected, given other prior research, the disparity between perception and behaviour is insightful. The Taskforce had considered consumer disengagement to be a significant barrier to effective disclosure. Certainly, with 8 in 10 respondents in the market defaulting with their existing provider, the research would suggest that disengagement may be a barrier to informed choice. However, the research also indicates that there may be many consumers who believe they have made an informed choice on the basis that they have considered the price, and for some, the level of coverage.

This singular focus on price, and for some consumers, level of cover without due consideration of policy limits and exclusions has significant implications. In particular, it could lead to unintended underinsurance and an expectations gap come claim time.

A better understanding of the reasons for these perceptions would assist in developing pragmatic industry responses. The qualitative research observed that many consumers thought the only variation between products are price and level of cover. Interestingly, of the very few respondents (3%) who indicated they did not look into policy details as part of their decision, 29% cited trust that the policy will include/exclude things that are relevant/irrelevant to the consumer as the reason.

Research in behavioural economics also suggests that consumer decision-making is often based on biases or short cuts⁹. Feedback from participants in the qualitative research would suggest that the complexities in considering policy limits and exclusions against individual requirements, as well as comparing across products, may be fuelling price-driven behaviour.

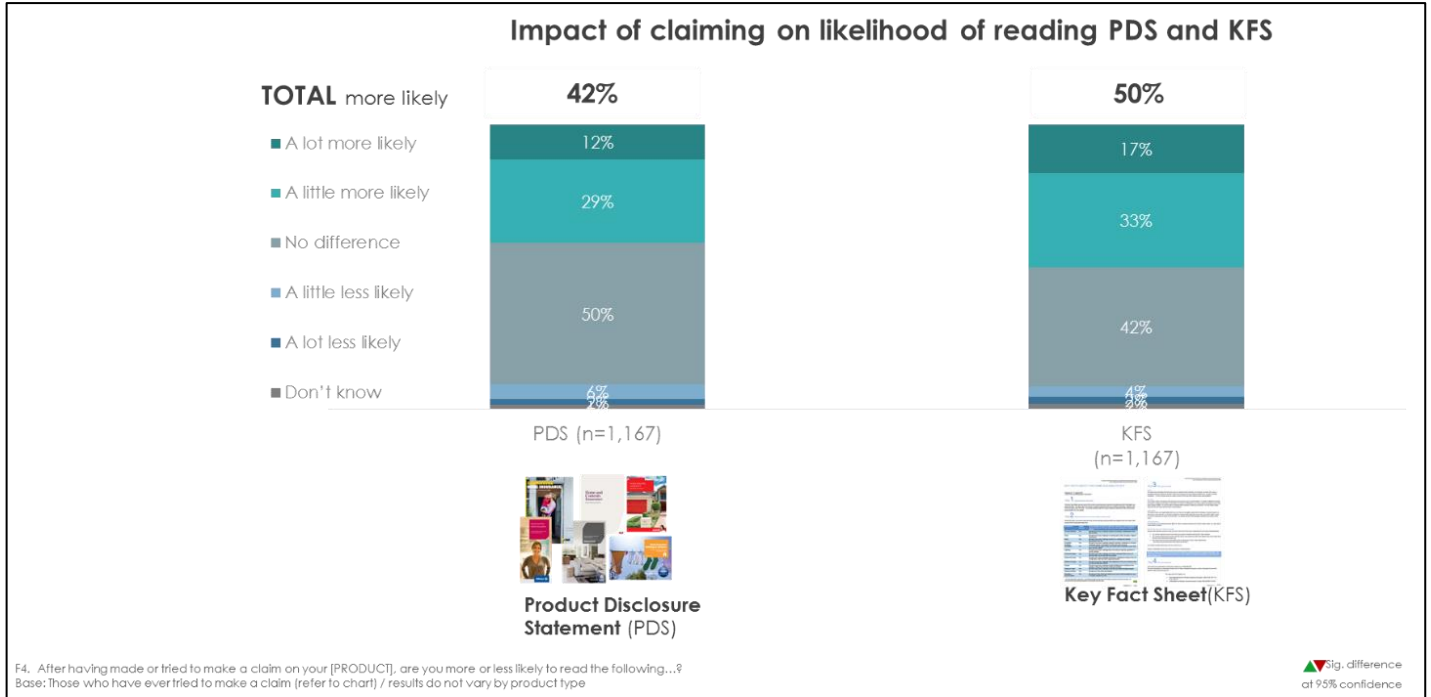
“I jumped onto Google today and ran a search for Home and Contents insurance. It returned 5 million, 350 thousand results! I’m thinking it won’t take long to troll through those...said no one ever.”

The Taskforce considered that a lack of previous claims experience may have a bearing on the motivation of a consumer to engage with policy details. As most consumers have not experienced a claim, there is a lack of context to frame disclosure and provide the motivation to be engaged.

Positively, the research showed that a prior claim increases the stated likelihood of reading the PDS and KFS by significant margins (see **graph 7**). This suggests that greater engagement with policy details may be prompted by the inclusion in disclosure of examples on possible claims scenarios.

⁹ Financial Conduct Authority (April 2013), *Applying Behavioural Economics at the Financial Conduct Authority*, Occasional Paper No. 1.

Graph 7



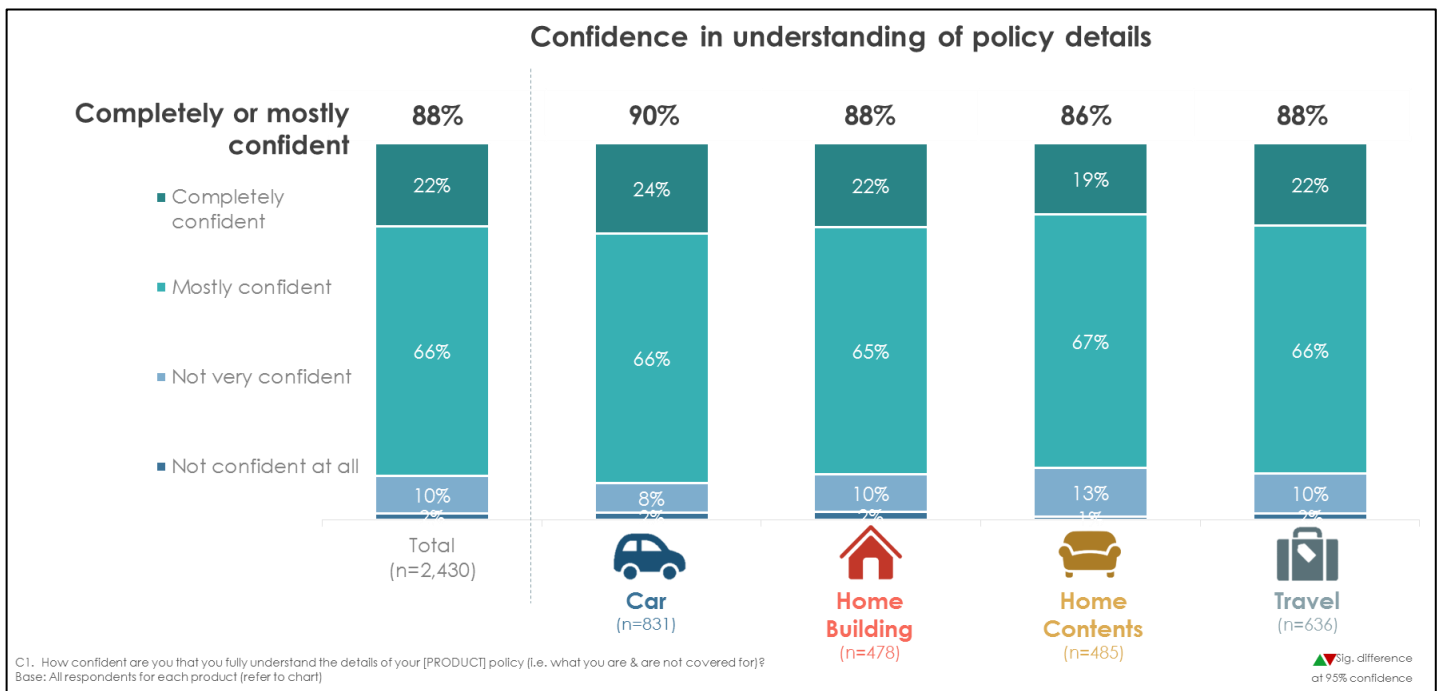
6. Finding 3: While most consumers are confident in their understanding, comprehension appears to be poor

Key observations:

- Consumer comprehension of generic policy exclusions and limits is poor.
- There is significant consumer misunderstanding about the type of home policies purchased.
- Prior claims experience increases the likelihood of better comprehension.





An overwhelming majority (93%) of respondents did not feel they have any gaps in understanding. When prompted, most respondents indicated that they were completely or mostly confident in understanding the details of their policy (see **graph 8**).

Graph 8



As well as seeking respondent feedback on confidence in and perceptions of understanding, the quantitative research also measured knowledge about generic policy exclusions and limits. The product-specific scenarios developed to test this knowledge are outlined in **Table 2**.

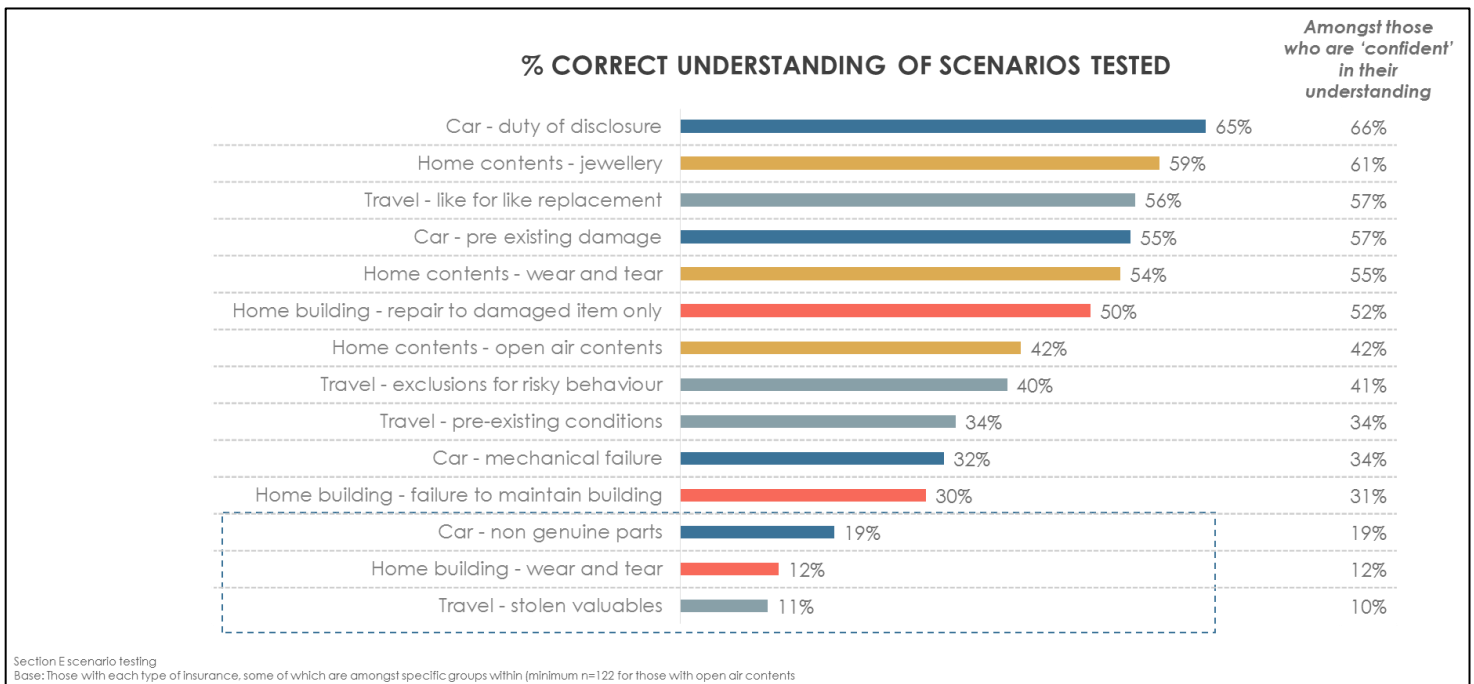
Table 2

 <p>Home Building (n=478)</p>	<p>WEAR AND TEAR</p> <p>Please imagine that the water pipes in the kitchen have not been replaced for 25 years and have gradually deteriorated over time. This has caused water leaking, which has damaged the surrounding floor area. Can you make a claim to repair the damage to the flooring area?</p>	<p>FAILURE TO MAINTAIN BUILDING</p> <p>Please imagine there is a hole in your bedroom window arising from wear and tear, which has not yet been repaired. A recent severe storm resulted in water entering into the bedroom through the hole in the window. Can you make a claim to repair the water damage?</p>	<p>REPAIR TO DAMAGED ITEM ONLY</p> <p>Please imagine that heavy wind has caused a tree branch to fall on your roof, damaging a section of roofing towards the back of the home. Can you make a claim to repair the entire roof or just the damaged section?</p>
 <p>Home Contents (n=485)</p>	<p>WEAR AND TEAR</p> <p>Please imagine that, due to everyday use, the carpet in your living room has started to wear and unravel at the edges. Can you make a claim to replace the carpet?</p>	<p>OPEN AIR CONTENTS</p> <p>Please consider of the most valuable content you have located outside of your home building (e.g. outdoor furniture, bicycle, BBQ, etc.). If this item was damaged by a storm, which of the following best describes the claim can you make?</p>	<p>JEWELLERY</p> <p>Thinking of the most valuable piece of jewellery / watch you have, if your home was broken into, and this piece of jewellery was stolen, which of the following best describes the claim you can make?</p>
 <p>Car (n=831)</p>	<p>MECHANICAL FAILURE</p> <p>Please imagine that your car is five years old and the manufacturer's warranty has just expired. Last week, the car would not start and you had it towed to the mechanic (without first informing the insurance company). The mechanic advised that the car would not start because of a mechanical failure. Can you make a claim to repair the mechanical failure?</p>	<p>PRE-EXISTING DAMAGE</p> <p>Please imagine that over the weekend there was a severe hail storm which caused hail damage to your car. Your car also has a pre-existing dent to the bonnet that was not caused by the hail storm. Which of the following best describes the claim you can make?</p>	
 <p>Travel (n=636)</p>	<p>DUTY OF DISCLOSURE</p> <p>Please imagine two years ago, your license was temporarily suspended due to the accumulation of demerit points on your licence. Your licence has since been returned and you purchase insurance for your car. You tell the insurer you do not have a past licence suspension when they ask you about it. If you were to make a claim, how do you think this will affect your claim?</p>	<p>NON GENUINE PARTS</p> <p>If you were to make a claim to repair damage to your car, which of the below best describes how the insurer will repair your car?</p>	
	<p>LIKE FOR LIKE REPLACEMENT</p> <p>Please imagine that you are holiday and you accidentally lost your camera while travelling by train. Your camera is 5 years old, which you originally purchased for \$2,000. The same make and model of the camera is currently available in the market for \$1,200. You have purchased travel insurance. Which of the following best describes the claim you can make?</p>	<p>EXCLUSIONS FOR RISKY BEHAVIOUR</p> <p>Please imagine that you are on an overseas holiday and decide to participate in a bullfighting event. When you are in the bullfighting ring, you are gored in the back by a bull and seriously injured. You have purchased travel insurance, which covers you for medical treatment while overseas. Will you be able to make claim for medical treatment while overseas?</p>	
	<p>STOLEN VALUABLES</p> <p>Please imagine that you are holiday and checking in to your hotel room. While in the hotel foyer, you leave your luggage unattended while you approach hotel reception. Your luggage is stolen while you are engaged with hotel staff. You have purchased travel insurance, which covers you for stolen valuables. Will you be able to make a claim?</p>	<p>PRE-EXISTING CONDITIONS</p> <p>Please imagine that you have recently seen a doctor about recurring migraines, and have done some tests. The test results are not yet available. As the condition remains undiagnosed, you do not tell the insurer you have a pre-existing condition when you purchase travel insurance for an overseas trip. While on your trip, you faint and are brought into an emergency hospital to receive treatment. Will you be able to make a claim for these hospital expenses?</p>	

The results show that there was generally a poor understanding of policy exclusions and limits, which is at odds with consumer confidence in their own understanding.

For 8 of the scenarios tested, less than 50% of respondents were able to answer correctly (see **graph 9**). In particular, there seems to be least comprehension around exclusions for unattended items in a public place (travel); exclusions for damage caused by wear and tear (home building); and insurer discretion for repairs using non-genuine parts (car). The low test results could be indicative of consumers not understanding the general concepts, or difficulty in applying understanding to a set of circumstances.

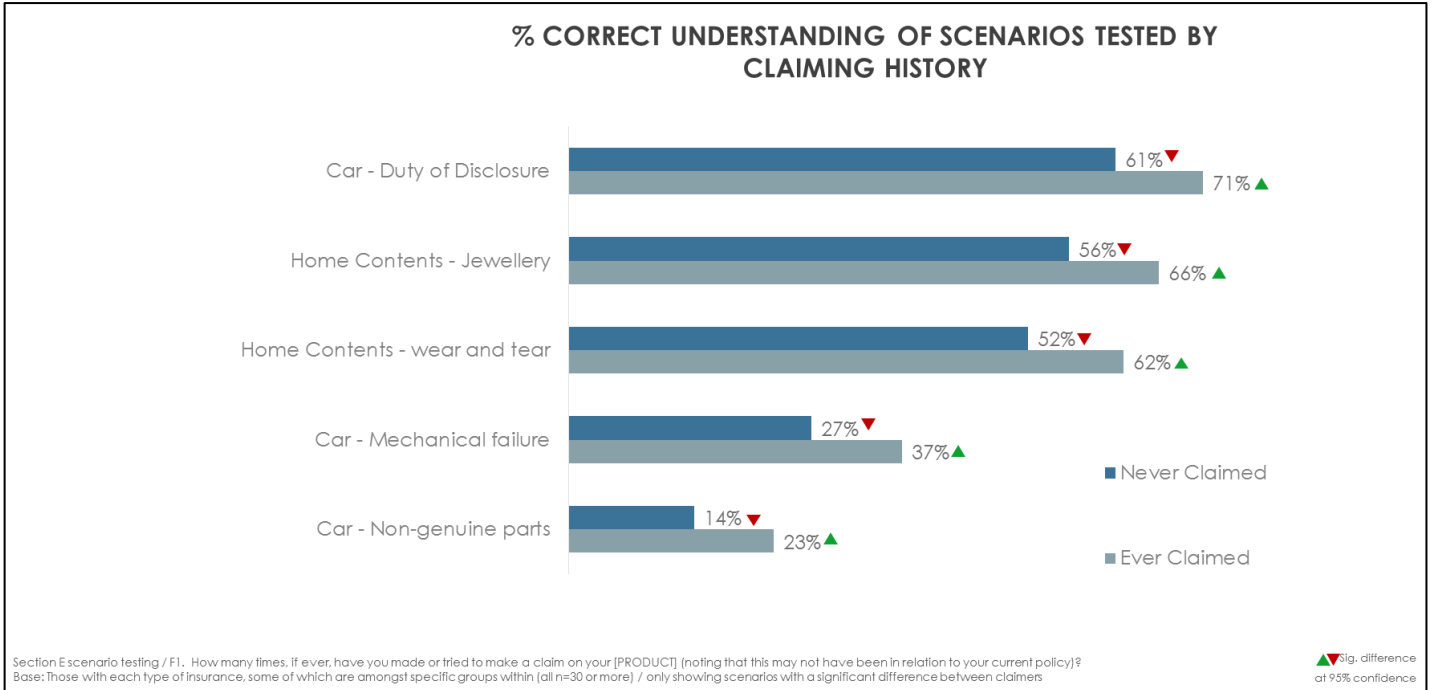
Graph 9



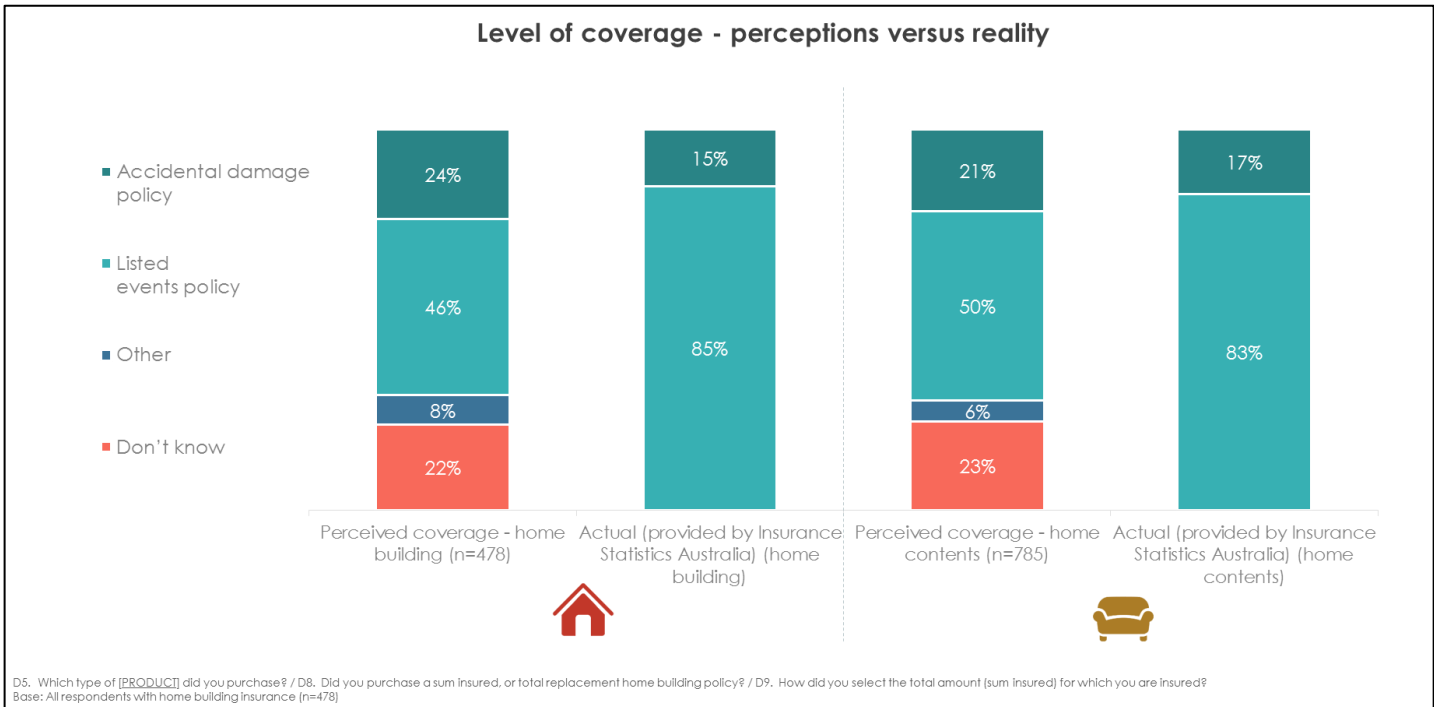
Those who had made a prior claim demonstrated better understanding of exclusions and limits (see **graph 10**). New to market and reactivators performed particularly poorly.

In addition, there seems to be a high level of confusion, for those who have purchased home building and contents policies, around the type of policy purchased (see **graph 11**). Almost a quarter of home building (22%) and home contents (23%) respondents did not know whether they had purchased a listed events or accidental damage policy. Compared to actual policies underwritten, consumers were more likely to believe they have accidental damage cover. For home building policies, consumers were also more likely to believe they have purchased a total replacement policy; the Insurance Council estimates that around 17% of policies written are total replacement, however 33% of respondents indicated they had purchased a total replacement policy.

Graph 10



Graph 11



Knowledge around the type of car policy purchased (comprehensive, third party fire and theft, third party only) appeared to be more comprehensive and aligned with data on actual policies written.

7. Finding 4: Many consumers do not consider the specific risks for which they need to purchase cover as a criterion for decision-making

Key observations:

- Uncertainty around what “right” looks like is a barrier to developing criteria around individual risks.
- The criteria for policy selection are most commonly focused on price, rather than the risks that require coverage.
- Those who are exposed to high cyclone risk are more likely to consider this risk in their purchase.
- Understanding of risks is often not supported by information from a credible source (e.g. government or insurer).
- Consumers are not considering in detail the types of policies, key inclusions or product options that would be appropriate for their risks.

The qualitative research observed that consumers generally start the purchasing process without consideration of the specific risks that need to be covered. The “develop criteria” stage of the process rarely occurs, and when it does, the criteria for assessment is generally focused on using the price and level of cover of existing policies as a baseline. Where specific risks were considered, this was generally reactive (e.g. triggered by moving house) rather than proactive.

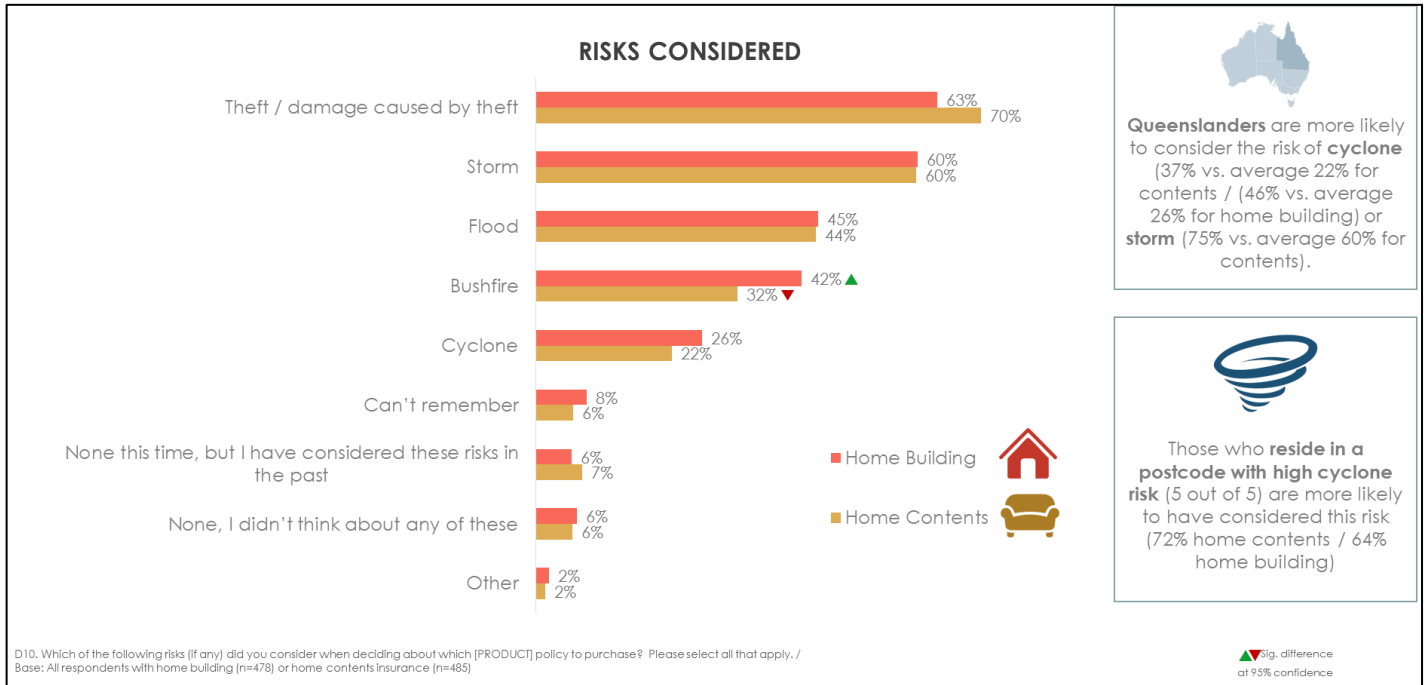
For many participants, there was some uncertainty as to what “right” looks like and a lack of knowledge of how or where to start. Some used online community groups to seek feedback on what has or has not worked for others and to facilitate real life “positioning” of their level/type of cover with others from a similar cohort (e.g. age, life stage, location).

The quantitative research delved deeper into product specific risks.

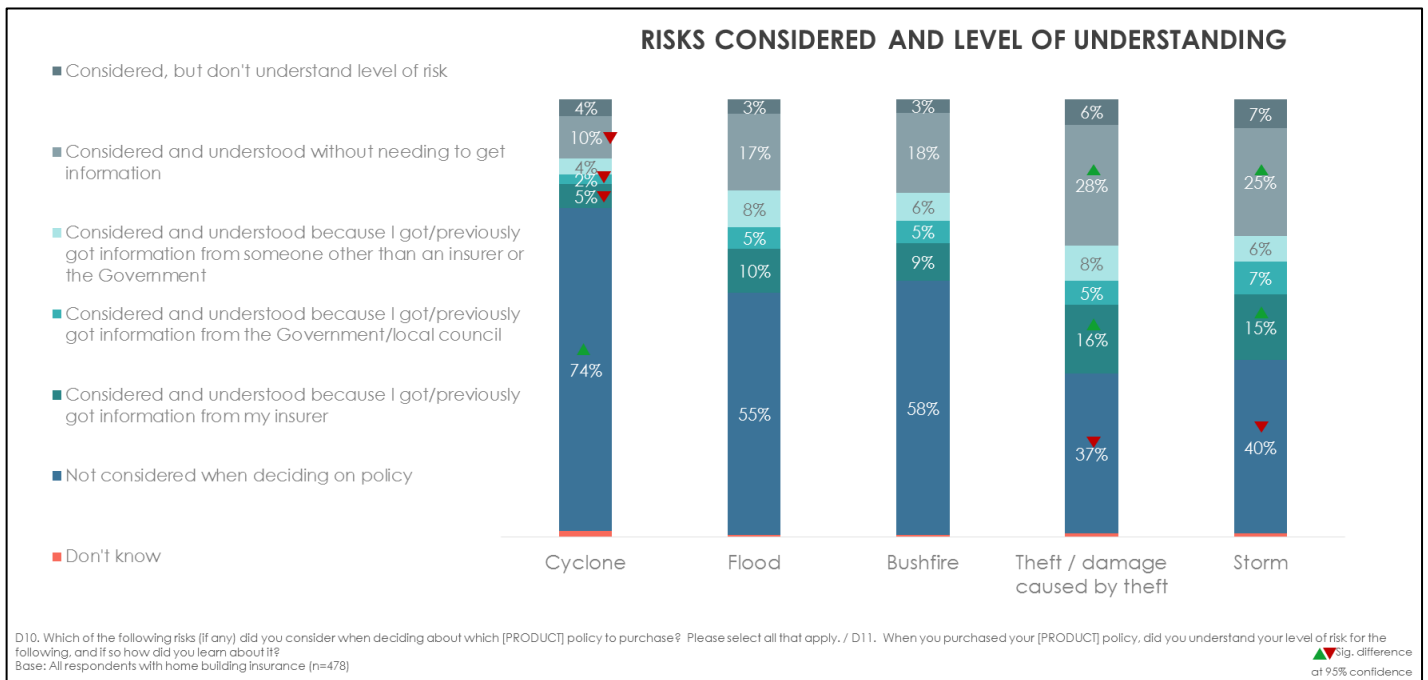
Respondents who had purchased home insurance policies were asked to indicate whether they had considered the risk of theft and exposure to natural hazards prior to purchase (see **graph 12**). Much more consideration was given to theft than natural hazard risks. The little consideration given to natural hazards such as cyclone and bushfire is not necessarily problematic, given the majority of consumers would have limited exposure to these perils. Positively, those who are residing in a postcode with high cyclone risk were more likely to have given this risk consideration.

For those who did consider these risks, most indicated that they understood their level of risk without needing to seek information (see **graph 13**). A high proportion report to understand the risk of theft and storm without seeking information. More than half of those who sought information did so from an insurer, indicating a potential for industry to contribute to understanding of these risks.

Graph 12



Graph 13

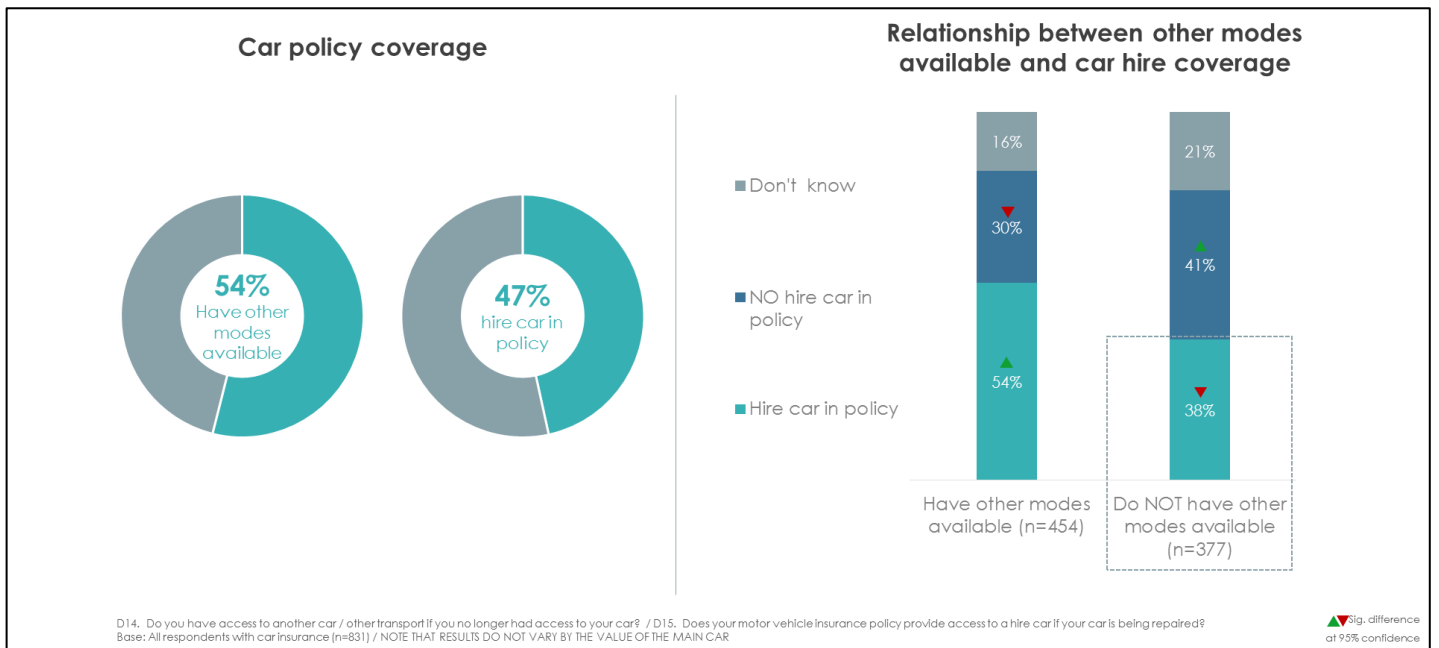


While the quantitative research provided some mixed results regarding the consideration of risk pre-purchase, the data suggests strongly that consumers are not considering in detail the types of policies, key inclusions or product options that would be appropriate for their risks. In particular, half of respondents indicated that they were not aware of the different

types¹⁰ (listed events vs accidental damage) of home building (55%) and contents (52%) policies prior to their purchase. While car insurance consumers seemed to be better informed, 37% of respondents were not aware of the different policy types¹¹.

For car insurance, just 4 in 10 of those with no other modes of transport indicated they purchased a policy that includes hire car cover (see **graph 14**).

Graph 14

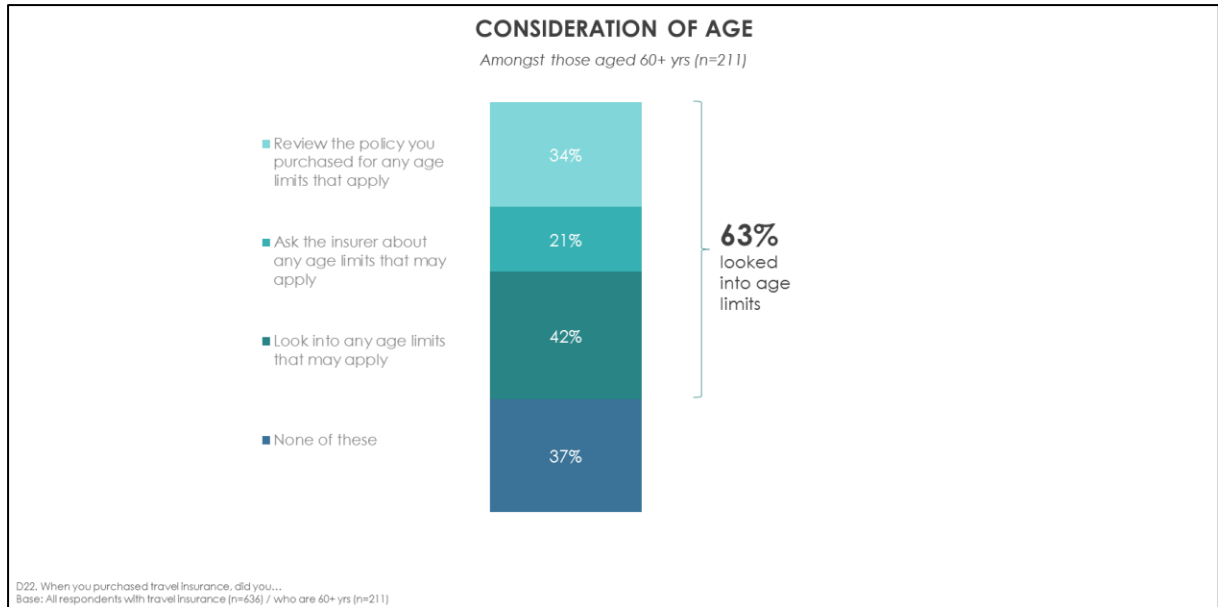


More positively, for travel insurance policies, almost two thirds of those aged above 60 years reported they looked into age limits in travel insurance policies (see **graph 15**). For travel insurance, most respondents undertaking an adventure sport or with a pre-existing medical condition indicated that they were covered or intentionally did not purchase cover. Very few respondents indicated that they were not aware they had to consider coverage.

¹⁰ Listed events vs accidental damage policies.

¹¹ Comprehensive, third party fire and theft, and third party only policies.

Graph 15



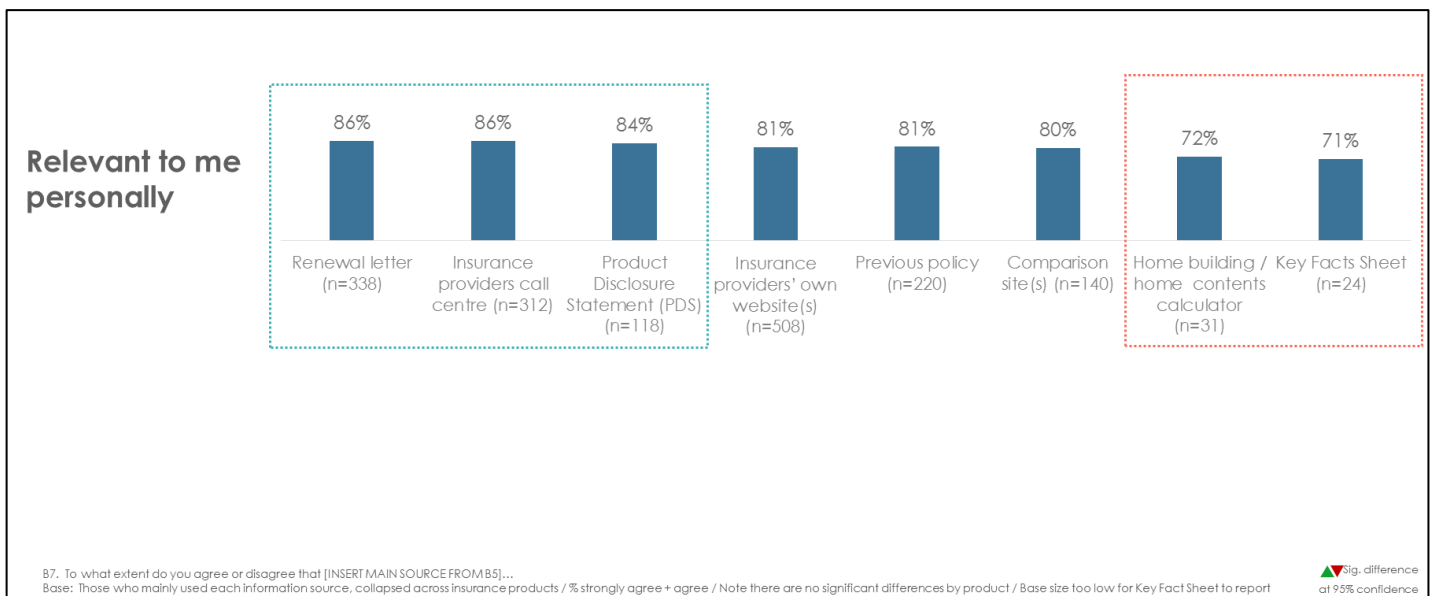
8. Finding 5: The accessibility of the PDS can be improved, although there are other opportunities for stronger consumer engagement

Key observations:

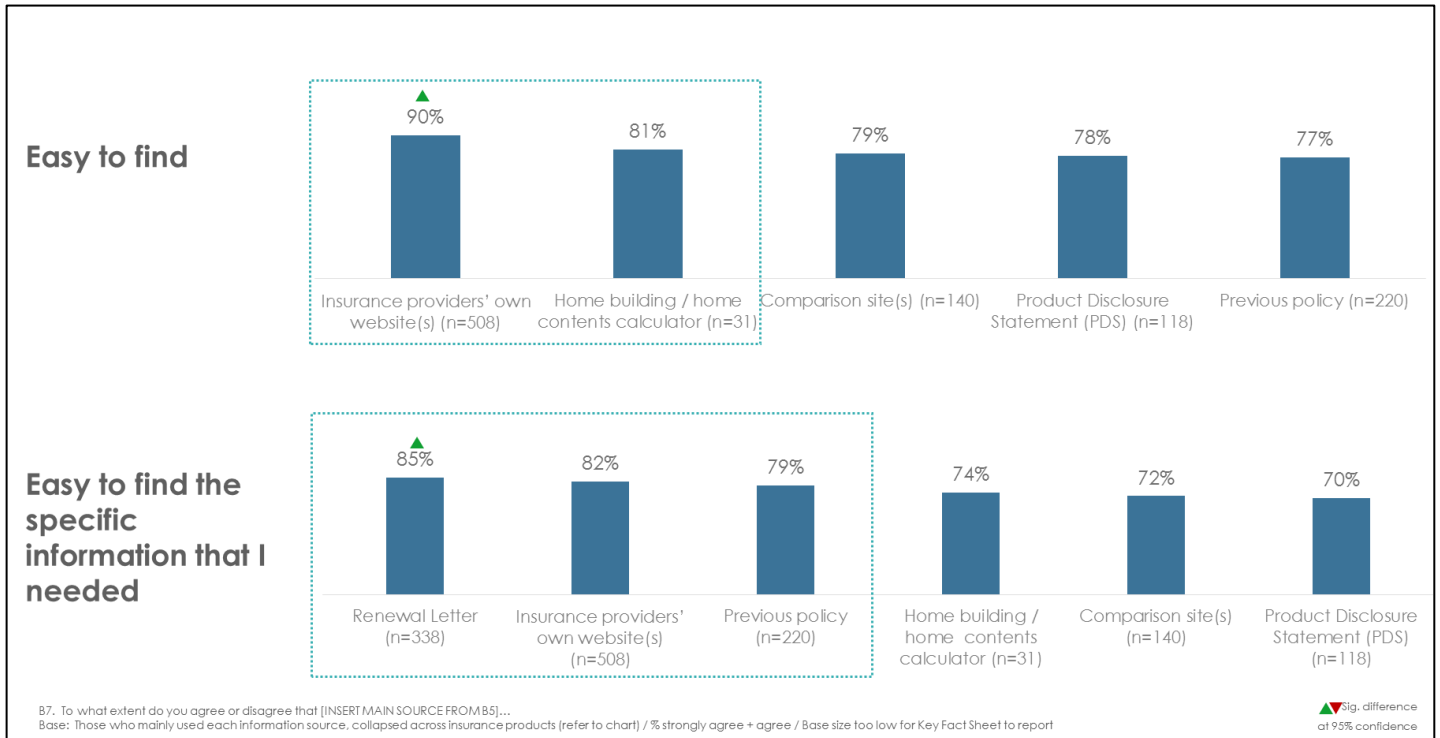
- The PDS is seen as too detailed and inaccessible, reducing the likelihood that it will be used as a pre-purchase document.
- Tools that will enable the PDS to be searched and made more digestible are likely to be beneficial.
- The renewal letter is the most commonly used and highly rated source of information, and presents opportunities to provide targeted information.
- There are opportunities to target information provided through online quotes, which are commonly used by new to market consumers and who have the lowest understanding of general insurance concepts.
- Increased trust in sum insured calculators is important to encourage more informed decision-making.

For those who did use the PDS as a main source of information pre-purchase, relevance of the information (see **graph 16**), ease of finding specific information (see **graph 17**) and being trustworthy (see **graph 18**) were the strongest drivers of confidence in this source. Generally, those who mainly used the PDS found the document to perform well in these respects.

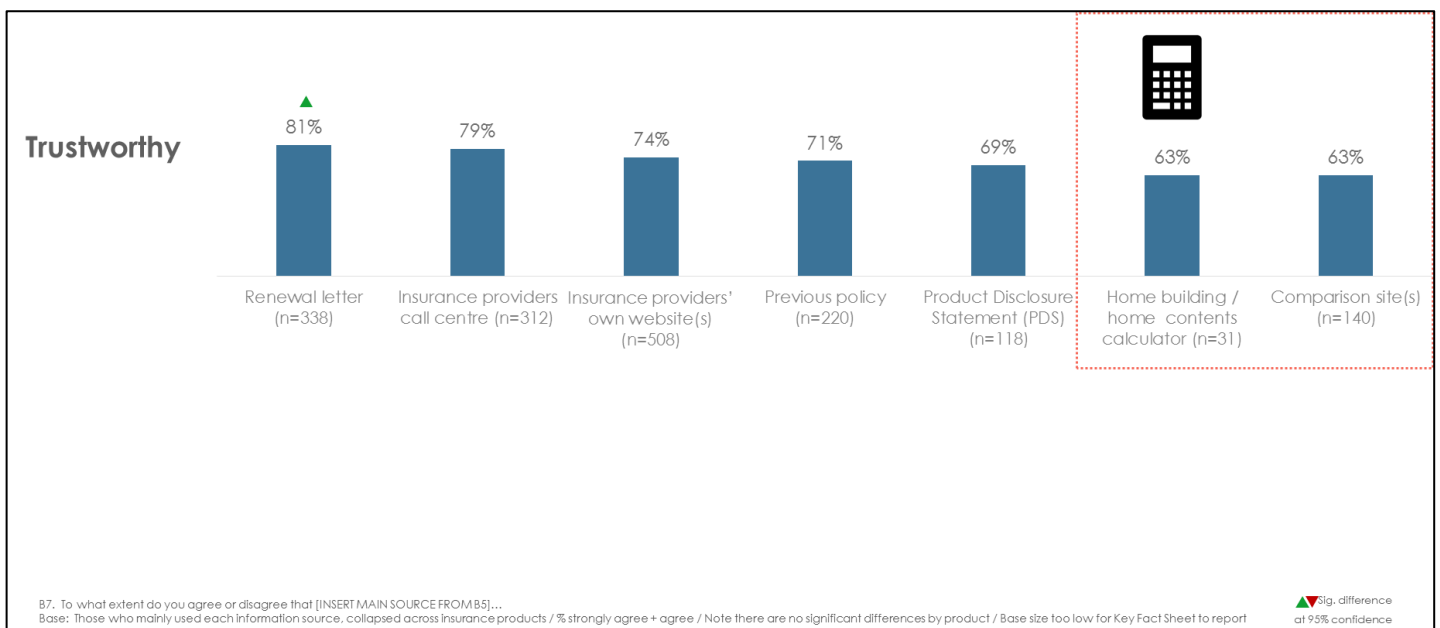
Graph 16



Graph 17

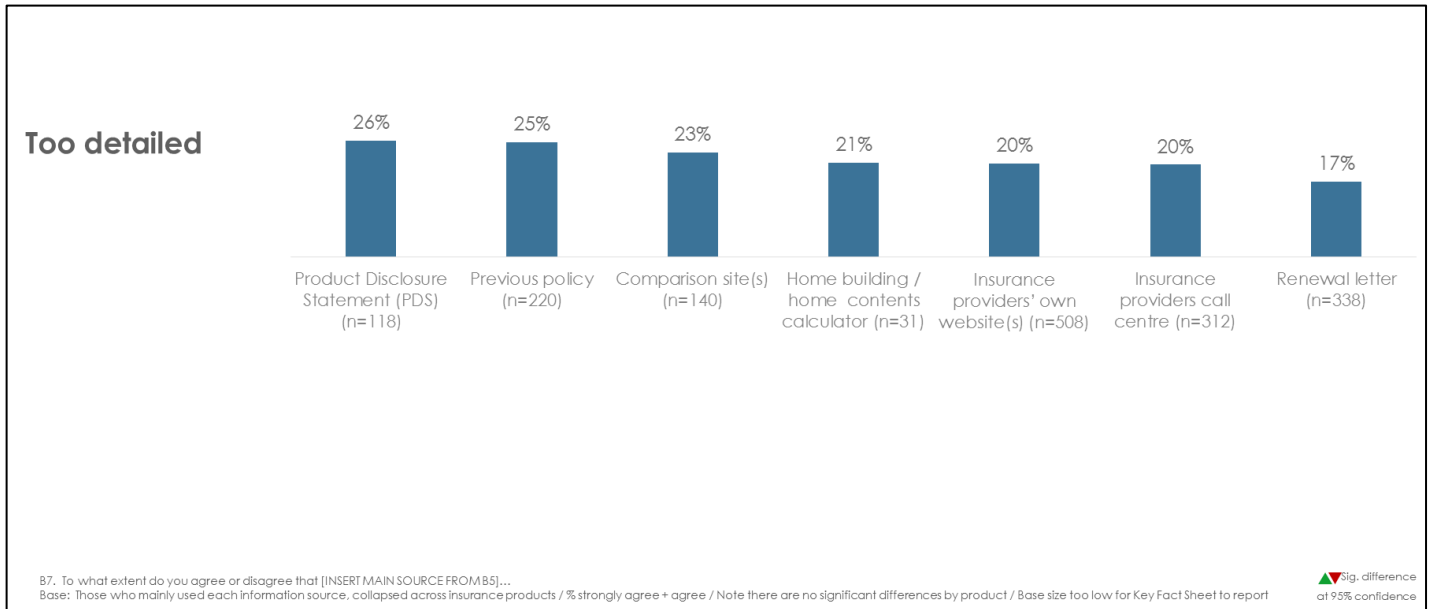


Graph 18

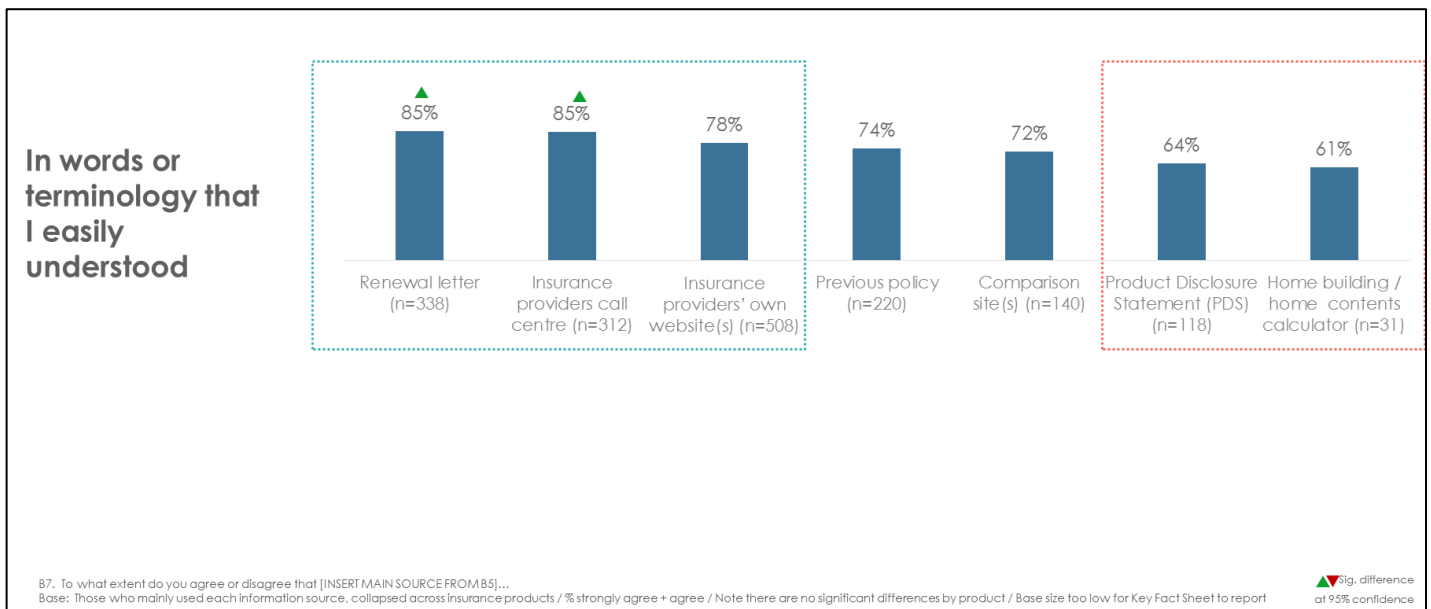


However, one quarter report that the PDS is too detailed (see **graph 19**) and it also rated poorly in terms of ease of understanding and accessibility of language (see **graph 20**).

Graph 19

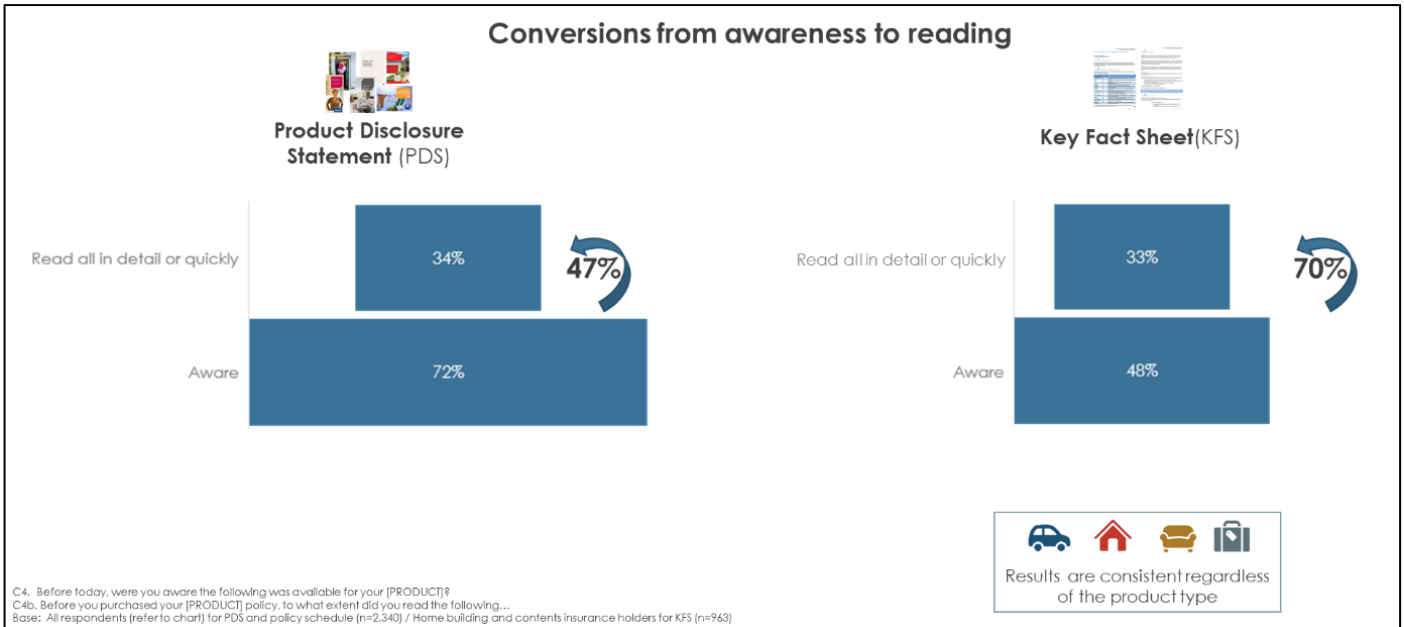


Graph 20



For the KFS, the strong conversion from awareness to reading suggests that the shorter format is more accessible as a pre-purchase document (see **graph 21**). However, the simplified nature of the document reduced the relevance of the information for many users (see **graph 16**). This suggests that, rather than short-form disclosure, interactive PDSs that would enable relevant information to be selected and condensed may be more useful in presenting information that will be read but also relevant.

Graph 21



The renewal letter was the most commonly relied on source of information pre-purchase for car and home insurance policies and was almost always the highest rated information source (see **graph 22**).

Graph 22

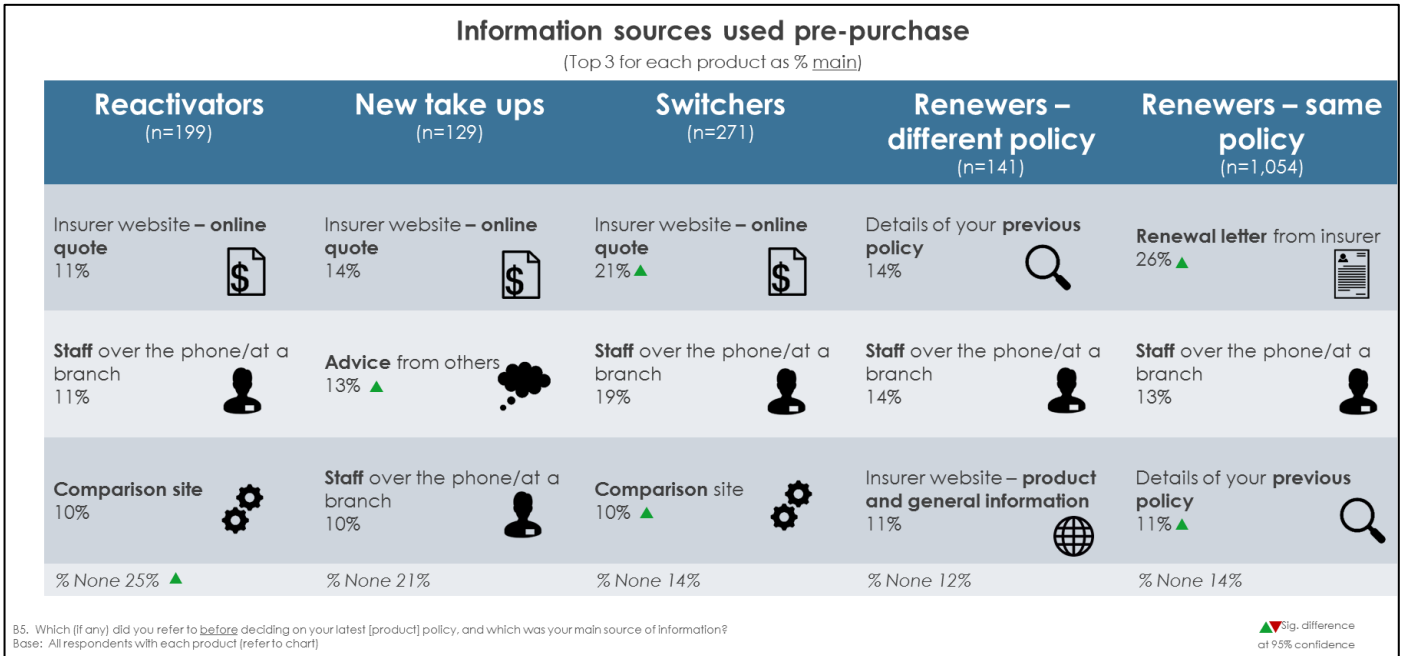
Ratings of the renewal letter compared to other sources

	Renewal Letter	Average across other sources of information	Lead vs. average across other sources of information	ranking vs. average of other sources of information (out of 7)
Easy to find the specific information that I needed	85%	80%	5%	1 st
Relevant to me personally	86%	83%	3%	2 nd
Trustworthy	81%	75%	7%	1 st
In words or terminology that I easily understood	85%	78%	7%	1 st
Too detailed	17%	21%	-4%	7 th

B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5 USING THE WORDING BELOW]...
 Base: All respondents mainly relied on each source of information: Renewal letter (n=338) / Insurer website (n=508) / Calculator (n=31) / Previous policy (n=220) / comparison site (n=312) / PDS (n=118). KFS too low for analysis (n=24)

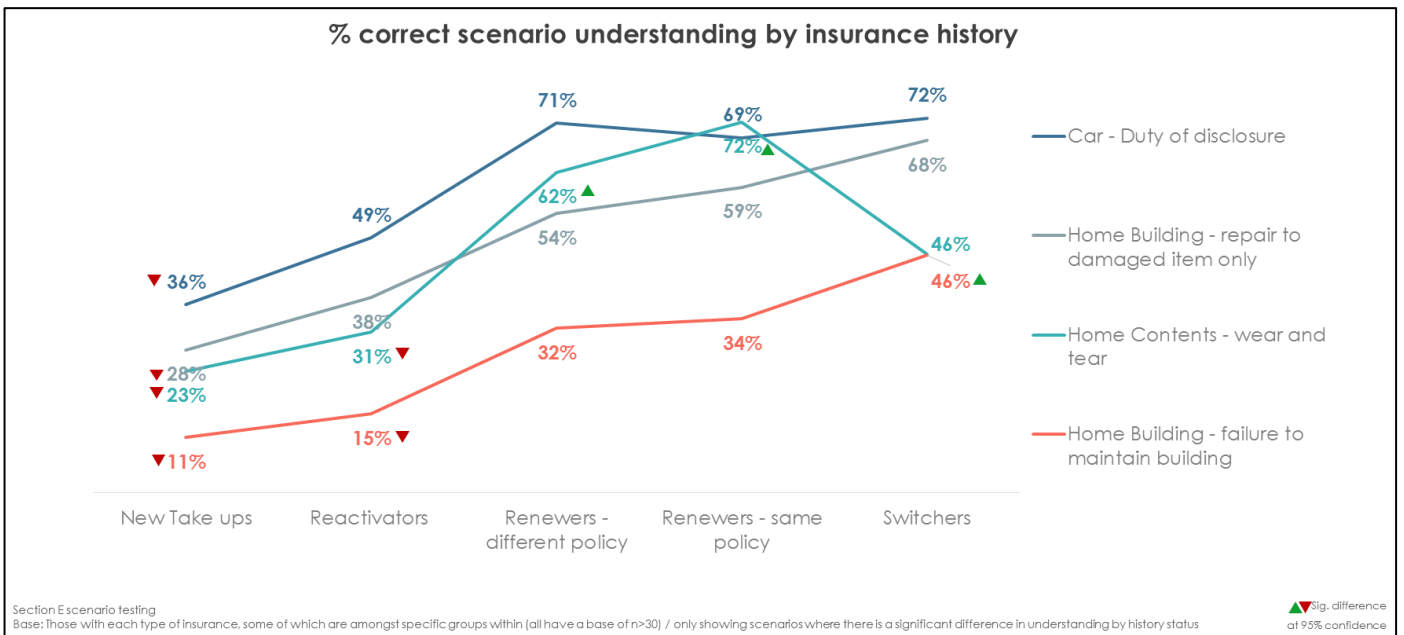
Given the renewal letter is already widely used, particularly by the large group of renewing consumers who default with their existing provider (see **graph 23**), this source provides an opportunity to provide targeted information.

Graph 23



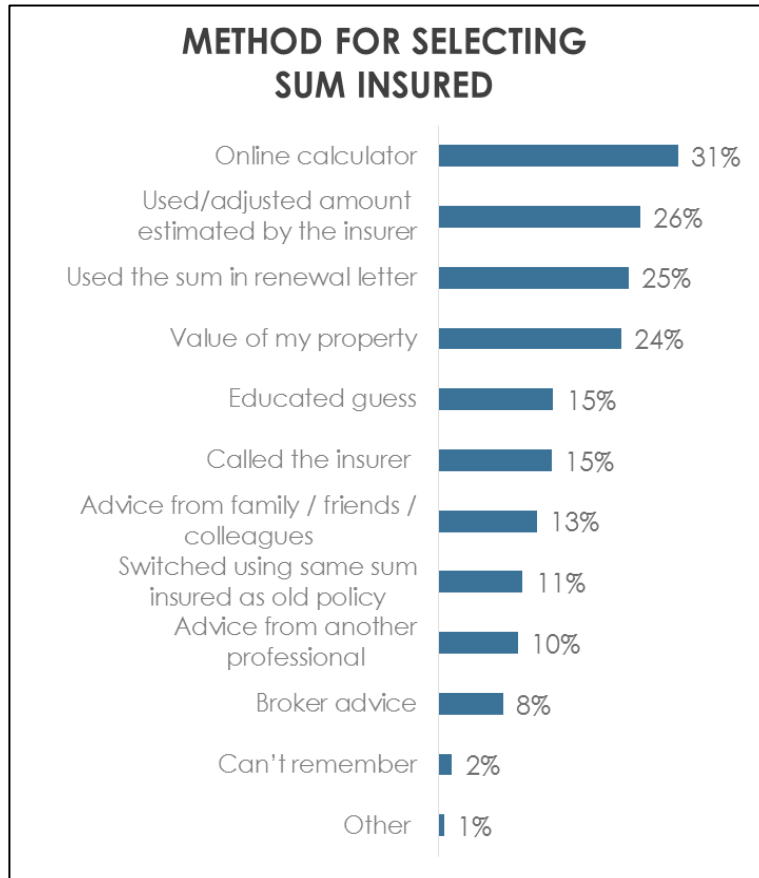
Those who are new to purchasing insurance commonly used the online quote as a source of information and have the weakest understanding of general insurance concepts (see graph 24). This suggests that there would be benefit in considering how information presented through this channel can help increase understanding.

Graph 24



While there appears to be some trust issues with sum insured calculators (see **graph 18**), many consumers appear to be using them when purchasing home building policies (see **graph 25**). It is highly likely that the research has significantly underestimated use of online calculators, given many insurers have built calculators into the application process and may be used unknowingly by consumers accessing a quote online¹².

Graph 25



However, a large number of consumers appear to still be relying on inaccurate measures (value of property, advice from family/friends/colleagues) or guessing the amount. Given the importance of an informed decision in selecting the sum insured, improving perceptions of trustworthiness may generate greater engagement with these tools.

¹² A desktop review conducted by the Insurance Council in November 2016 found that 11 of 36 home building insurance brands have incorporated the sum insured calculator into the online quotation process.

ICA – CONSUMER RESEARCH ON GENERAL INSURANCE DISCLOSURES

REPORT
23/1/2017



CONTENTS

1. A quick recap of the immersion and hypotheses development stage
2. The framework for making sense of people's approach to decision making and the role of the PDS
3. Deep dive into each of the steps and stages

A QUICK RECAP OF THE IMMERSION AND HYPOTHESES DEVELOPMENT STAGE

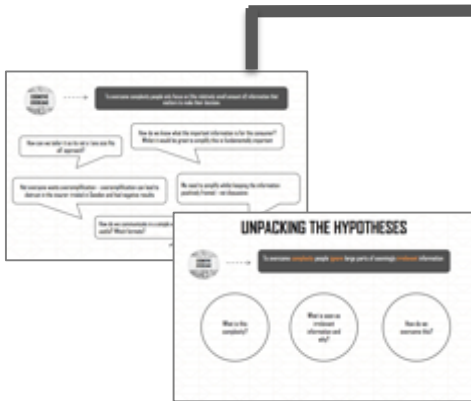
Review of 30+ documents



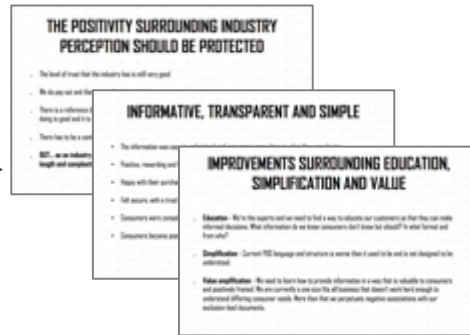
Development of key themes



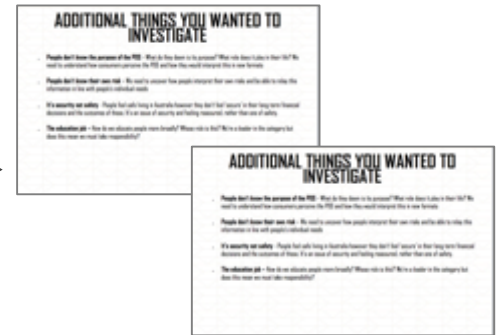
Bringing these themes to life



Obtaining feedback from the Team



Plus areas to 'deep dive' on...

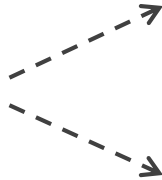


...And additional areas of investigation

THE RESULT: FOUR KEY HYPOTHESES TO TEST WITH CONSUMERS



To overcome complexity in the decision, many people ignore large parts of seemingly irrelevant information or information that they feel cannot be changed, such as the PDS.



People are more likely to connect to detailed, complex information such as the PDS when it is presented in a way that is human and accessible.

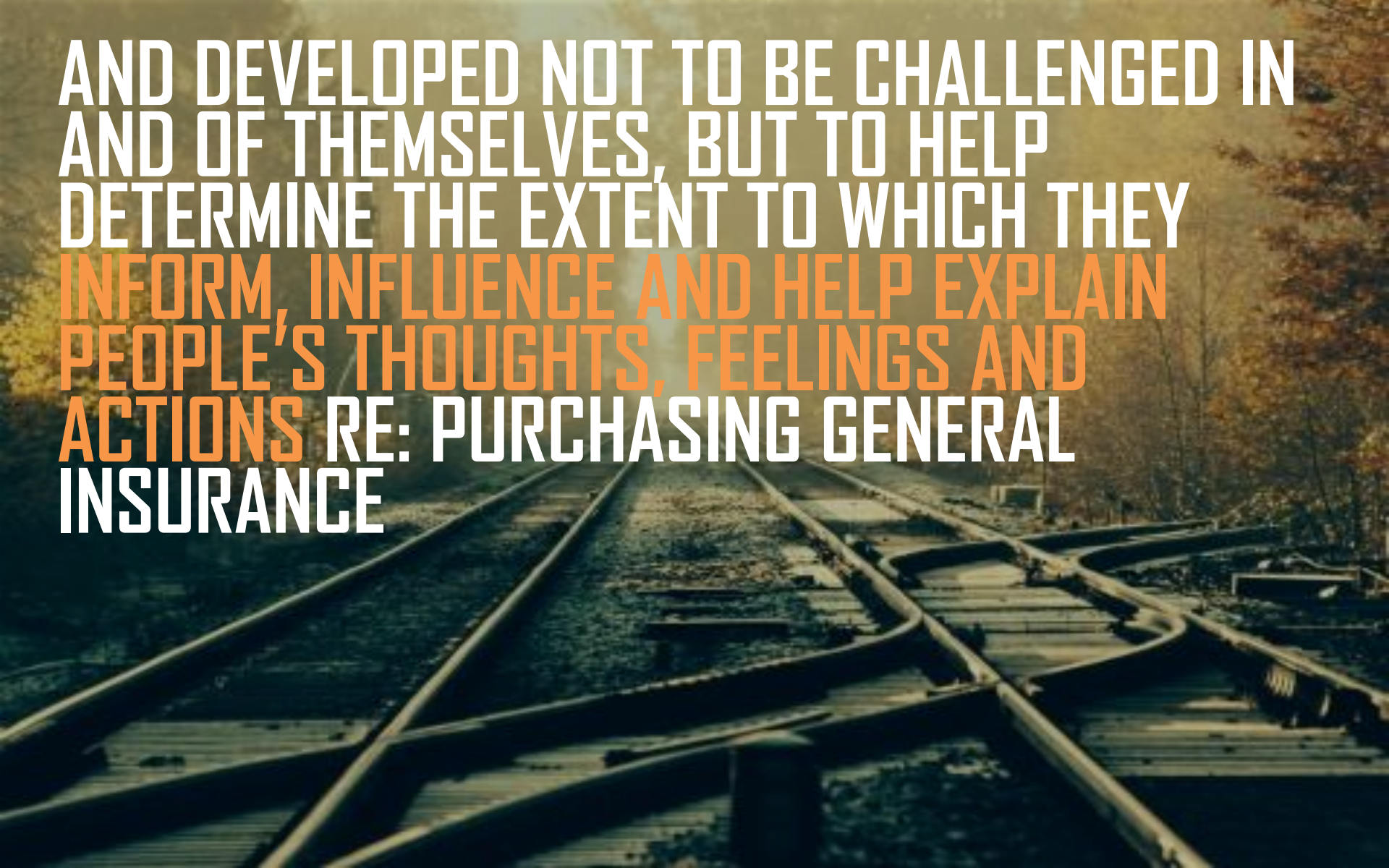
People are more likely to connect to information they can relate to in their world, in particular detailed, complex information such as the PDS.



There is an implicit sense of safety in Australia's government, institutions and organisations leads to a misattributed trust in the insurance system and reduced need to get across the details of the PDS.

THESE HYPOTHESES (AND THE OTHER KEY INFORMATION SOUGHT BY ICA AND IT'S MEMBERS) WAS CHALLENGED OR CONFIRMED WITH CONSUMERS IN THE CONTEXT OF WHAT PEOPLE ACTUALLY DO, NOT JUST WHAT THEY SAY...



A photograph of a railway track curving through a landscape with trees in autumn colors. The text is overlaid on the image.

AND DEVELOPED NOT TO BE CHALLENGED IN
AND OF THEMSELVES, BUT TO HELP
DETERMINE THE EXTENT TO WHICH THEY
INFORM, INFLUENCE AND HELP EXPLAIN
PEOPLE'S THOUGHTS, FEELINGS AND
ACTIONS RE: PURCHASING GENERAL
INSURANCE

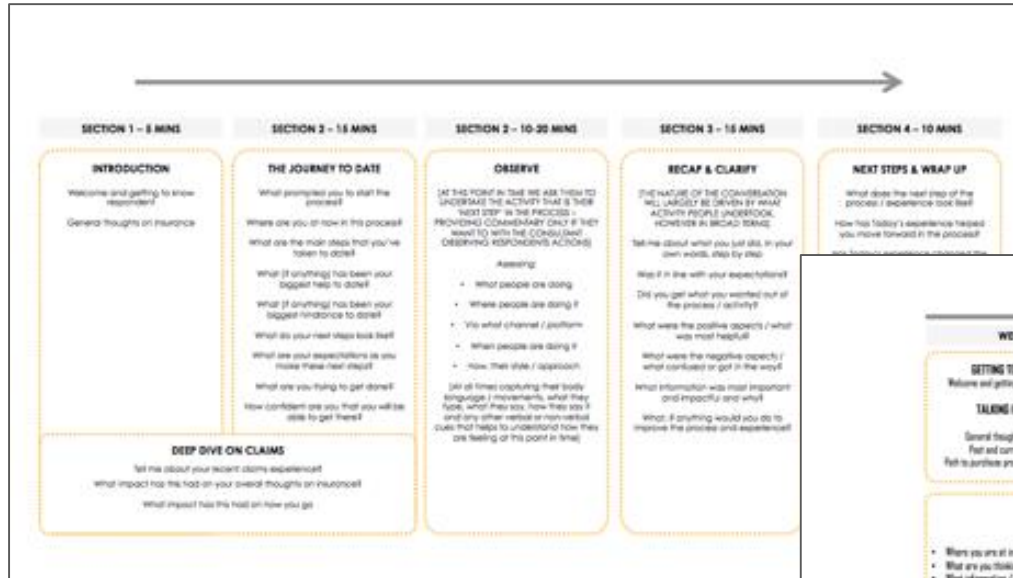
IN THIS CONTEXT, WHO DID WE 'SPEAK' TO...

	EXPERIENCED AND HIGHER ENGAGEMENT WITH THE DETAILS	EXPERIENCED AND LOWER ENGAGEMENT WITH THE DETAILS	FIRST TIMERS WITH THIS PARTICULAR TYPE OF INSURANCE*	VULNERABLE GROUPS SUCH AS: LOWER EDUCATION LEVEL AND SOCIOECONOMIC	HIGHER RISK CONSUMERS OR HAZARD PRONE AREAS
n=30 FACE TO FACE, POINT IN TIME ETHNOGRAPHY	6x customers - at some point in their decision	6x customers - at some point in their decision	6x customers - at some point in their decision	6x customers - at some point in their decision	6x customers - at some point in their decision
n=20 DIGITAL, LONGITUDINAL ETHNOGRAPHY	24x full experiences	24x full experiences	24x full experiences	24x full experiences	24x full experiences

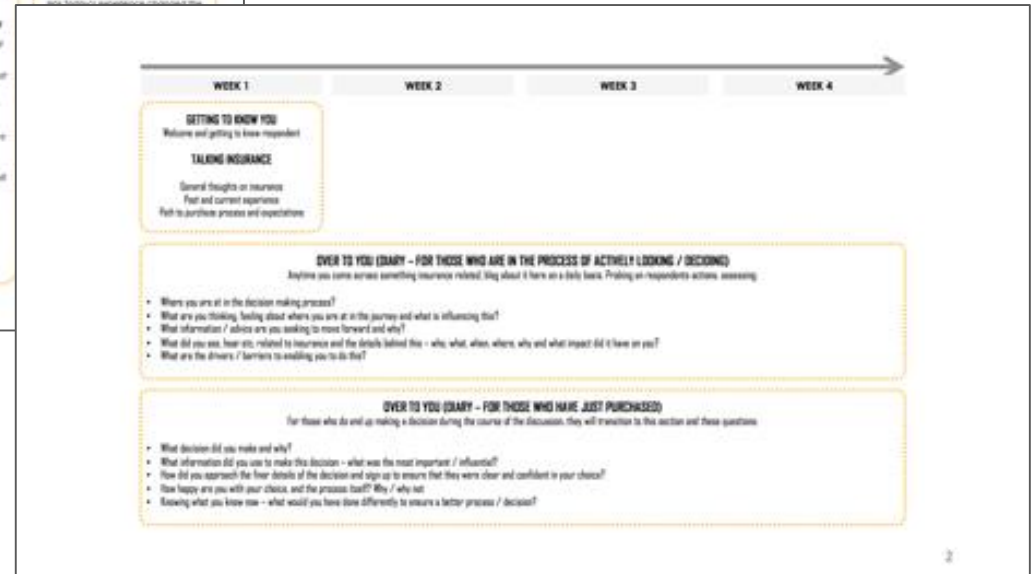
- Experienced / First Timers = whether they have been through the insurance decision making process for that type of insurance before or not
- Higher / Lower engagement = a qualitative assessment regarding the amount of time, effort and interest in the fine details
- Vulnerable / Higher Risk / Hazard Prone groups - identified in consultation with ICA
- Across a prioritised range of the following: Home Building, Motor Vehicle, Travel, Home Contents, Personal Sickness and Accident, and Pet Insurance products
- Broadly representative sample across demographic (age, gender, lifestyle) socioeconomic (education, income) and geographic (States, City vs. Regional)
- All to be the main or joint decision maker for insurance products, and to be currently in the process of making a decision re: insurance products
- A base level of creativity and ability to articulate, and for the digital component, online access and capability

...AND WHAT DID WE 'ASK' THEM

An overview of the in-depth immersions



An overview of the online ethnographies





SO WHAT DID
WE FIND...

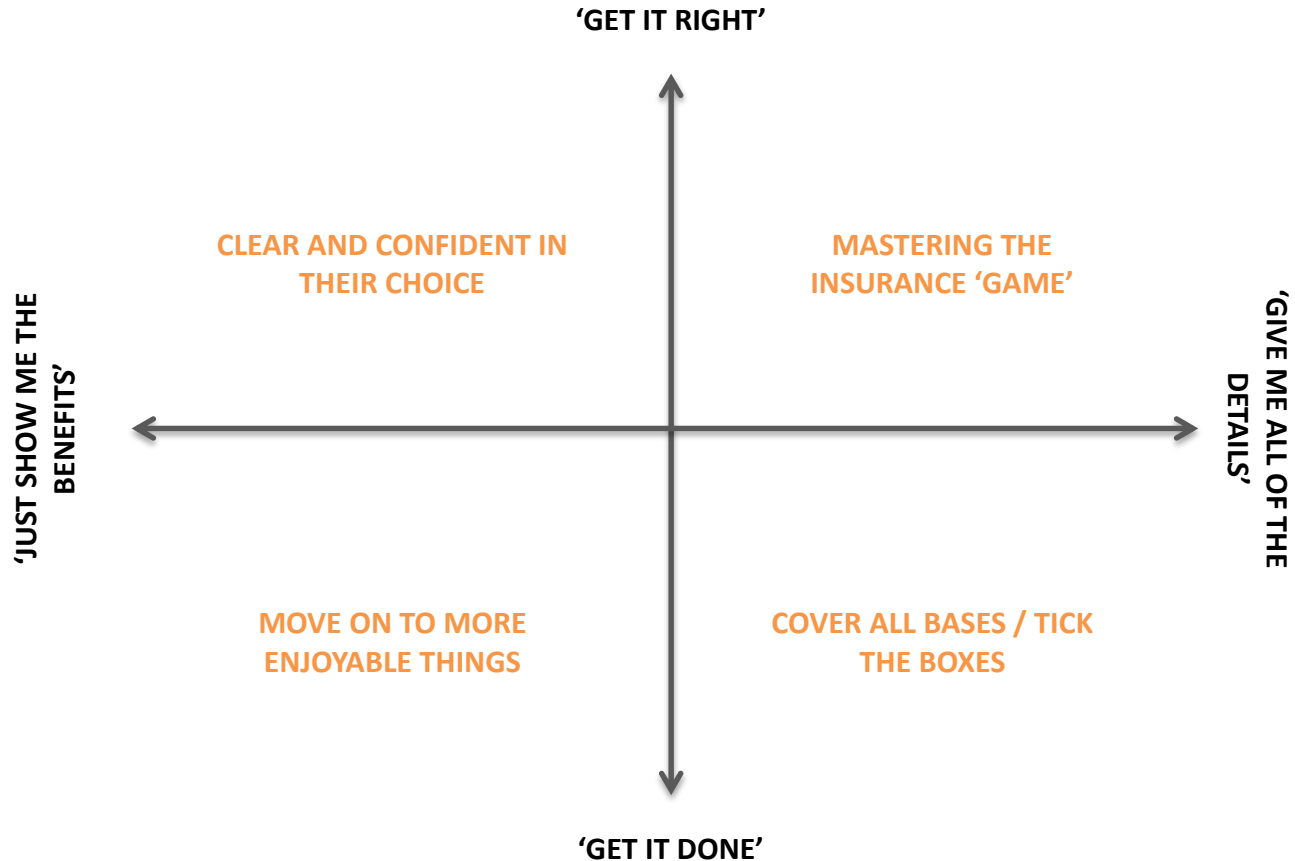
NOT SURPRISINGLY, THERE IS NO ONE STARTING POINT, APPROACH OR END GOAL...



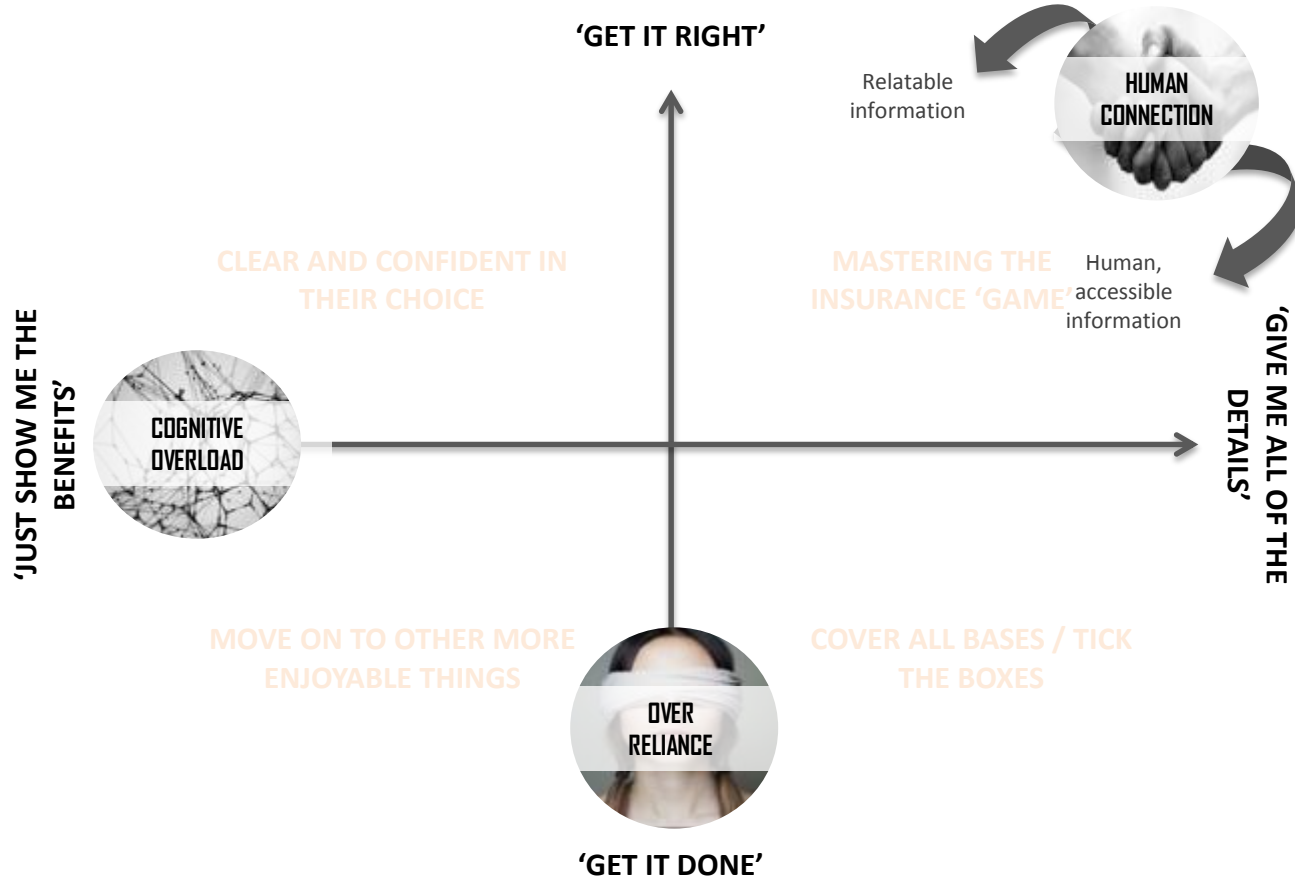
Multiple contexts and triggers
Varying awareness, attitudes and perceptions going in
Different capabilities and constraints
A range of reasons / benefits sought



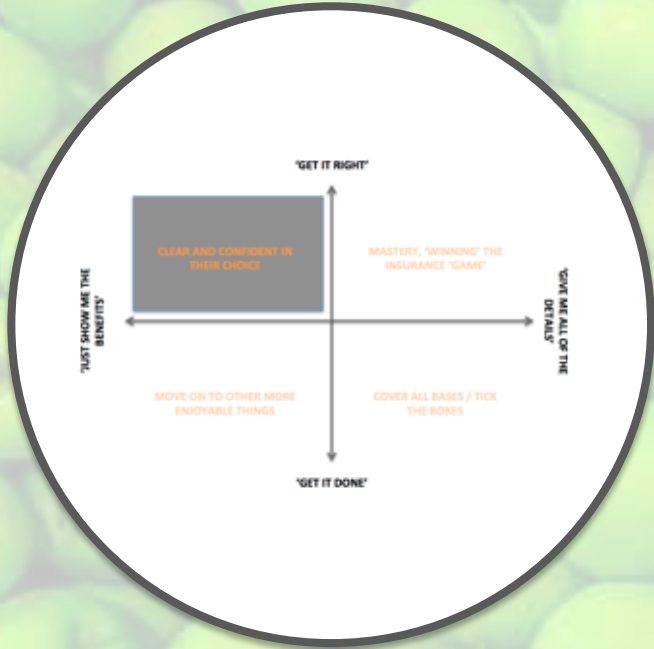
HOWEVER A COMMON FRAMEWORK TO DETERMINE AND MAKE SENSE OF THESE DIFFERENCES...



THAT ALSO HELPS TO ALIGN OUR HYPOTHESES TO VARIOUS CONSUMER 'HEARTLANDS'



CLEAR AND CONFIDENT IN THEIR CHOICE



Who they are

Typically

- Older
- Family
- Medium-High Disposable Income



What they think / feel

- Insurance products vary widely, largely around the level of coverage and price / value – the core is the same
- Although there are these differences they are often had to make sense of, compare and contrast
- Time spent on the decision is often on the key features and key differences
- Focused, positive, open minded



Insurance type

Typically

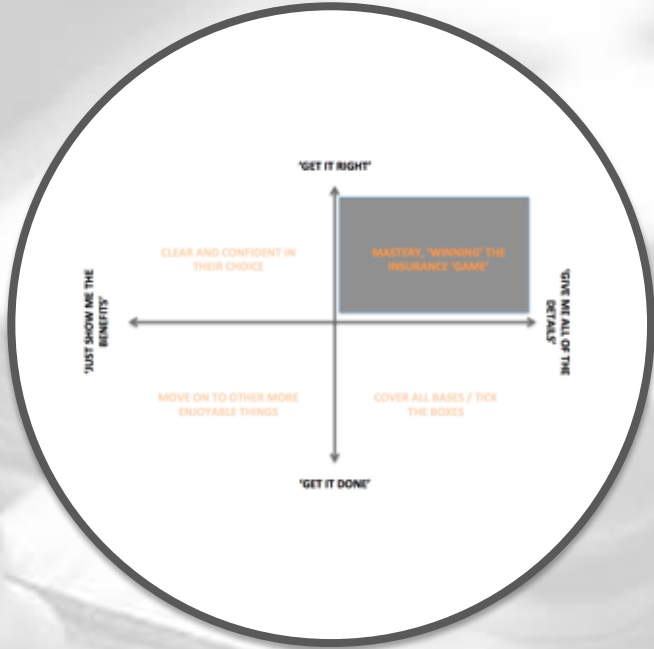
- Renewals
- Common / compulsory insurance types
- Where there are a large number of providers / choice
- Insurance that is either higher cost or addressing a higher perceived risk event

“

I want to be able to compare apples with apples, if I can do that then I can work it out

”

MASTERING THE INSURANCE 'GAME'



Who they are

Typically

- Older
- Family or Empty Nester
- Lower-Mid Disposable Income
- Professional or semi-Professional



What they think / feel

- Insurance is an important, but complex decision
- Although complex, it is not impossible to understand it, if you invest the time
- The time invested is often well worth as there are significant differences in policies and savings to be made
- Organised, motivated, driven, determined



Insurance type

- Renewals and first time
- Insurance that is complex or requires significant tailoring to context / needs
- Insurance that is either higher cost or addressing a higher perceived risk event

“

It's a big chunk of money, I want to make sure that I take the time to get it right

”

COVER ALL BASES, TICK THE BOXES



Who they are

Typically

- Female
- Younger or Older Family
- Medium-High Disposable Income



What they think / feel

- Insurance is confusing and complex, but I need to get it right or else there are real consequences
- Although I am not that confident in this area, I need to put in the effort to make sense of it all
- Understanding exactly what I need, and assessing against this is key
- Cautious, nervous, out of their depth



Insurance type

Typically

- Renewals and first time
- Insurance that is complex or requires significant tailoring to context / needs
- Where there are a large number of providers / choice
- Insurance that is either higher cost or addressing a higher perceived risk event
- Where there has been a previous claim and / or where they are aware that they live in hazard prone areas

“

I want to ensure that I don't leave myself exposed, I don't want to find out once it's too late

”

MOVE ON TO MORE ENJOYABLE THINGS



Typically

- Male
- SINKS / DINKS or Young Families
- Medium Disposable Income

Who they are



- Insurance is a necessary evil, it serves a purpose but I'd rather not have to worry about it
- It's confusing, complex and in the end they are all the same anyway
- Once I'm covered, I'm covered, job done
- Confused, disinterested, irritated

What they think / feel



Typically

- Renewals and first time
- Common / compulsory insurance types
- Insurance that is required for a specific, point in time activity or event
- Insurance that is either low cost or addressing a low perceived risk
- Where there has not been a previous claim

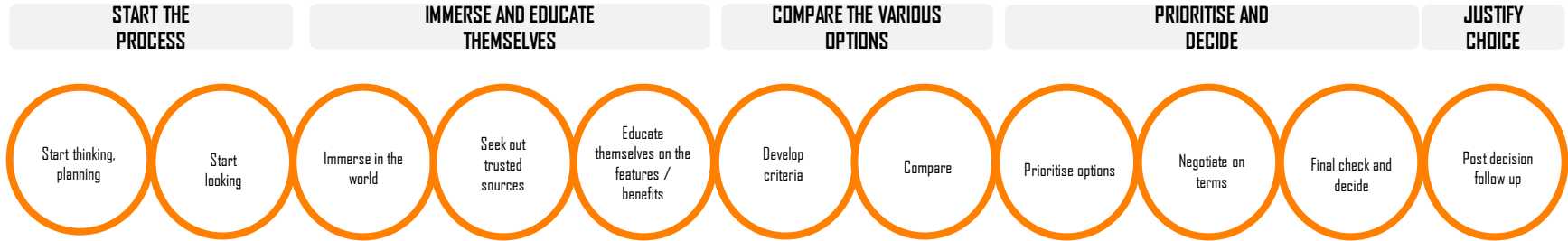
Insurance type

“

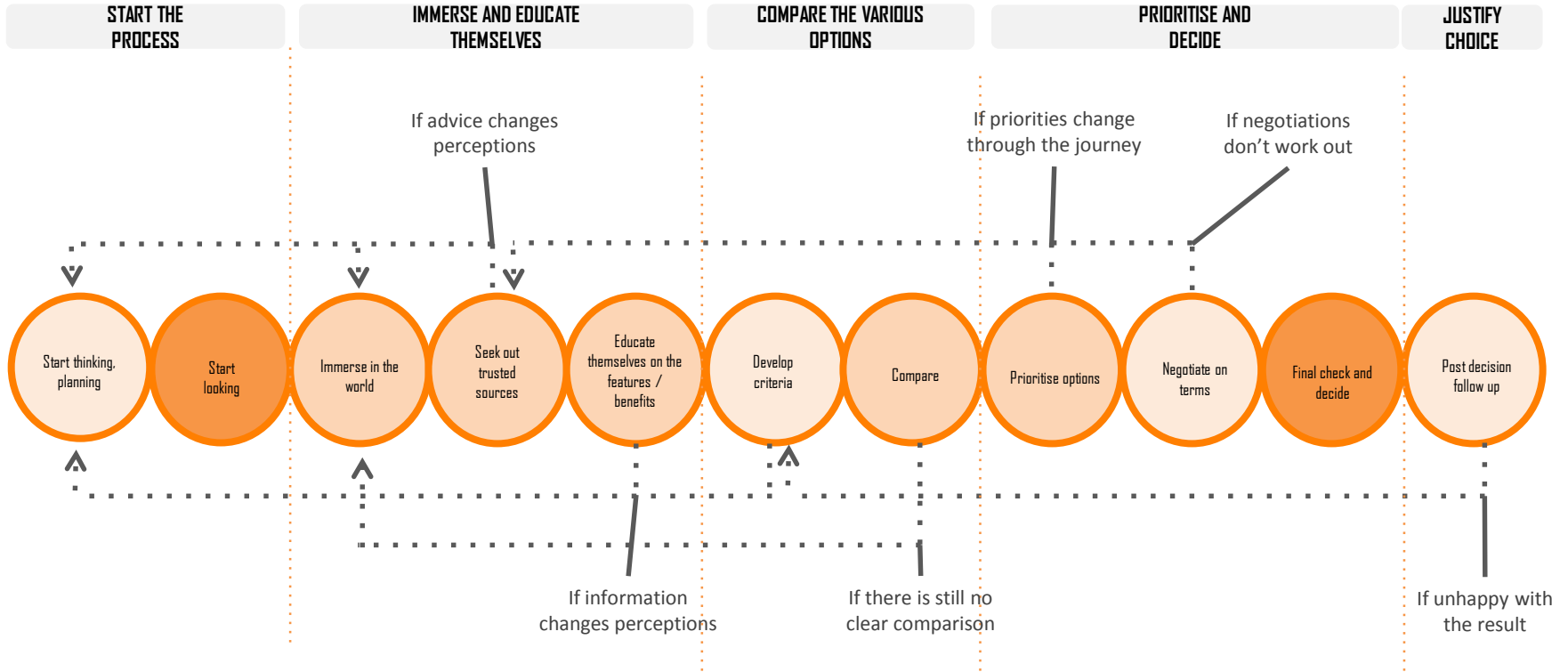
They are all pretty much the same, I try and find the cheapest option and just go with that

”

THE STEPS IN THEIR 'JOURNEY'...



...ALTHOUGH EACH STEP IS TAKEN TO VARYING DEGREES, AND ARE NOT ALWAYS SEQUENTIAL

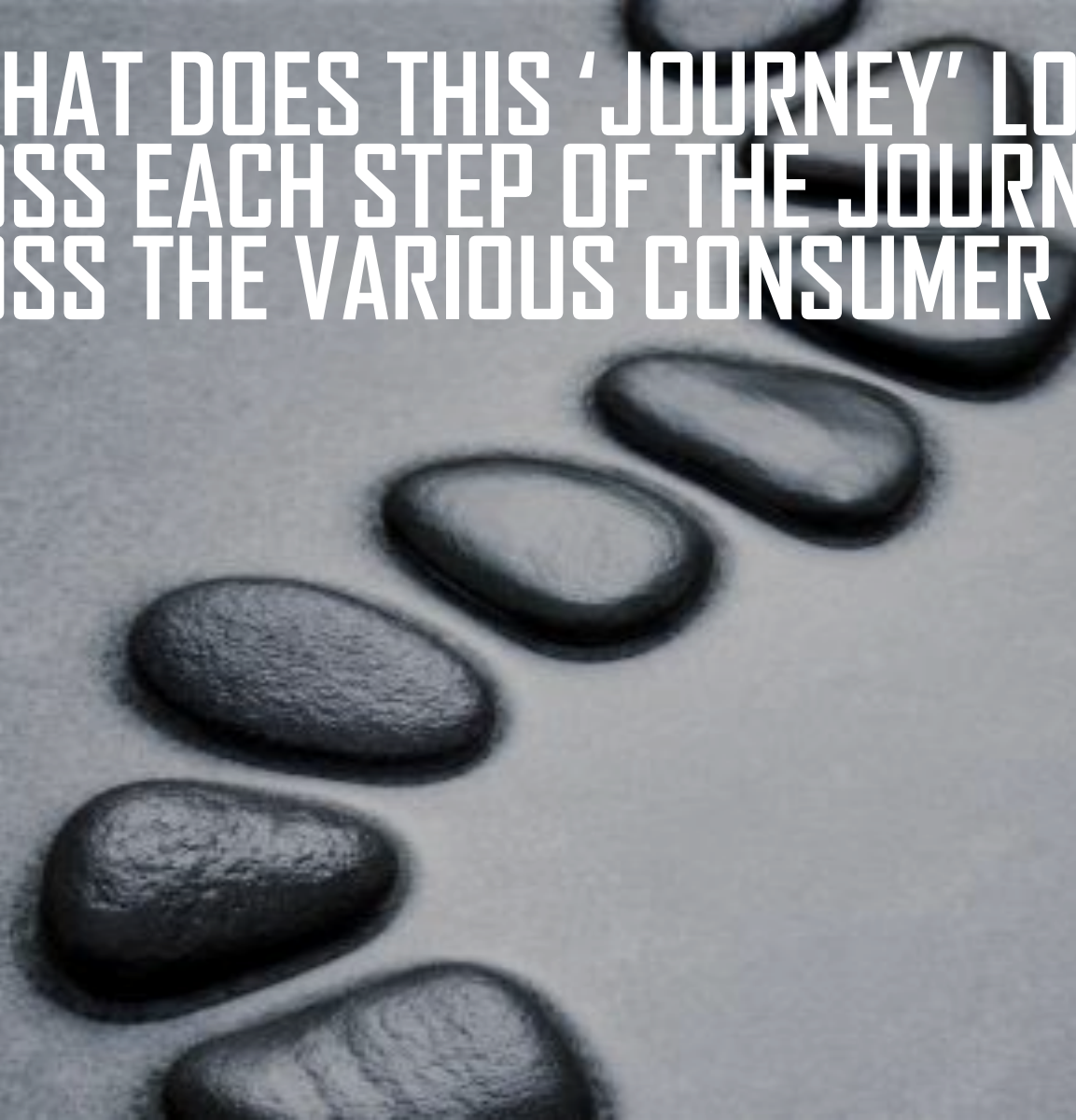


Most people undertake

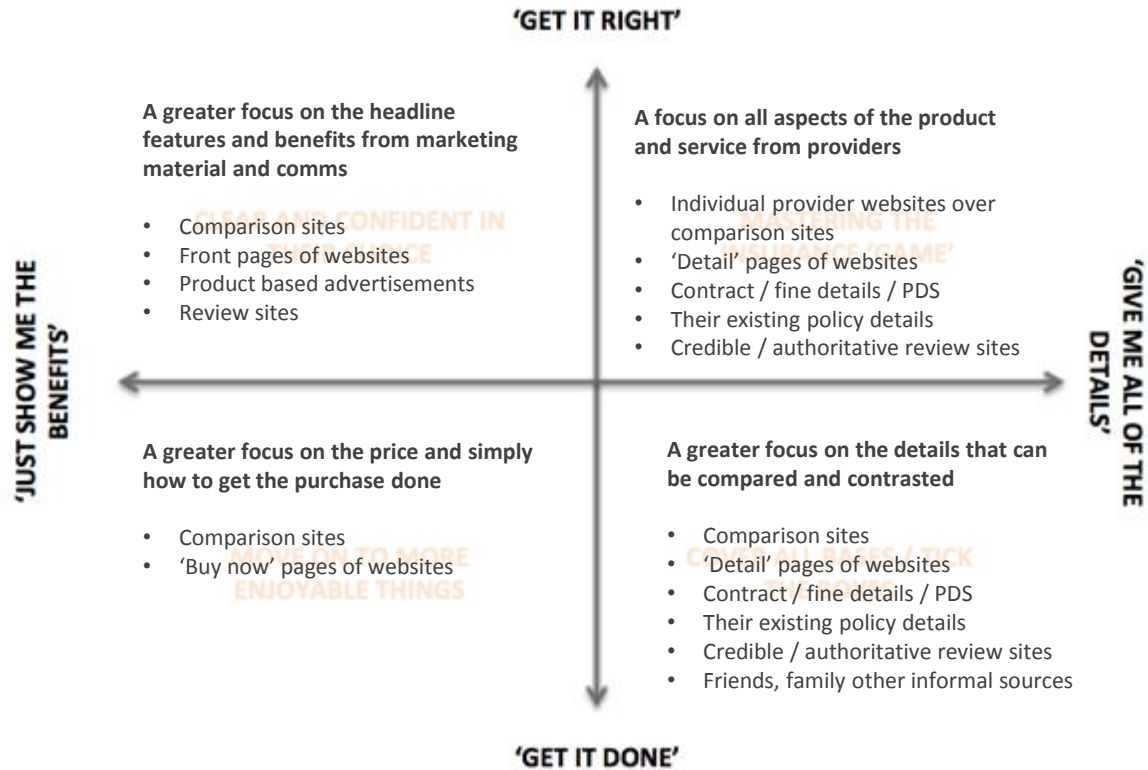
Some people undertake

Few people undertake

**SO WHAT DOES THIS 'JOURNEY' LOOK LIKE,
ACROSS EACH STEP OF THE JOURNEY AND
ACROSS THE VARIOUS CONSUMER GROUPS?**



THE INFORMATION USED, AND HOW IT IS USED AT EACH STEP VARIES WIDELY...



AS DOES THE PDS [OR WHATEVER THE CUSTOMER CHOOSE TO CALL IT!]



START THE PROCESS:

JUMPING IN, EASING IN, OR BEING THROWN IN TO THE PROCESS...



START THE PROCESS



WHAT THEY THINK AND FEEL



WHAT THEY DO, HOW THEY DO IT



THE MAIN INFORMATION SOURCES USED



CURRENT ROLE OF THE PDS / CONTRACT



DRIVERS & BARRIERS TO PROGRESSION



- Positive
- Optimistic
- Relaxed

- Prompted by a negative service or claims event
- Prompted by positive, proactive information from competitor providers

- Headline features and benefits from ads, website, and product collateral
- Feedback from family, friends, colleagues, reviews

- No role

- A desire to get the best deal
- Knowing what they are on Today as a baseline



- Motivated
- Driven
- Prepared

- Part of a regular review

- Details from their current policy (including PDS)
- Detail from providers, typically from their website at this stage of the journey

- Reflecting on the detail from previous decisions or likeminded insurance purchase experiences

- A desire to get the best deal
- A desire to 'master' the complex
- Uncertainty as to whether all the effort will result in a better deal than what they are on Today



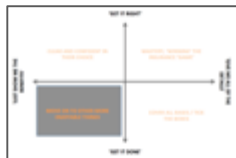
- Nervous
- Cautious

- Part of a regular review
- Prompted by a negative service or claims event

- Detail from providers, typically from their website at this stage of the journey
- Feedback from family, friends, colleagues, reviews

- Little role at this stage, although mindful of the need to get across the details.

- A desire to not get it wrong
- Uncertainty as to what 'right' looks like and how to get it
- A lot of time, effort ahead



- Disinterested
- Irritated (they have to do it)

- Prompted by an immediate need to act – a mandatory requirement, an upcoming purchase or event

- Headline features and benefits from ads, website

- No role

- An immediate need to get something done and move on
- A lack of interest and motivation to get started
- A lack of knowledge of how to start / where to start

START THE PROCESS

[From the consumer...]



“

I have been using the same car insurance for the last couple of years. Whilst I have been happy with the price I'd like to know if there are other suitable options out there

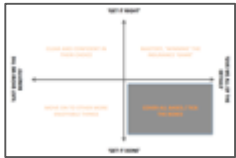
”



“

Having moved in recent months our insurance no longer covers everything we would like. Wanting to make sure we are absolutely adequately covered for any situation that may arise

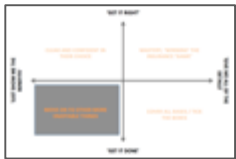
”



“

I was backing out of the garage and realised I will have to make changes to that policy too because the house I am moving into does not have a garage

”



“

My car insurance renewal came up last week and I was going to pay it without looking at other insurance companies

”

IMMERSE AND EDUCATE: TRYING TO UNDERSTAND WHAT GOOD, BETTER, BEST LOOKS LIKE



IMMERSE AND EDUCATE



WHAT THEY THINK AND FEEL



WHAT THEY DO, HOW THEY DO IT



THE MAIN INFORMATION SOURCES USED



CURRENT ROLE OF THE PDS / CONTRACT



DRIVERS & BARRIERS TO PROGRESSION



- Positive
- Focused (on the key issues)

- Focus on the key areas of importance, and obtain this information from a wide range of formal and informal sources

- Headline features and benefits from ads, website, and product collateral
- Feedback from family, friends, colleagues,
- Review and comparison sites

- Little role, more of a focus on the key features / benefits

- Only a small amount of things that matter to them, so they can focus their attention
- Knowing how these are expressed / presented by various providers



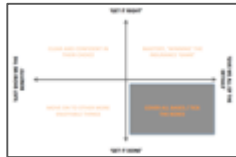
- Motivated
- Driven
- Confident

- Draw from previous experiences
- Use detailed information from providers and trusted, authoritative sources

- Detail from providers, typically from their website at this stage of the journey
- Finer detail from the PDS

- A key role
- Part of understanding the details of each offer

- The wealth of information available to use
- A lack of structure and order in how this information is made available by providers



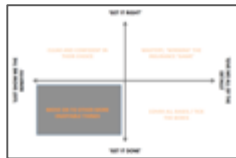
- Methodical
- Detailed
- Overwhelmed

- Draw from previous experiences,
- Use detailed information from providers and trusted, authoritative sources

- Detail from providers, typically from their website at this stage of the journey
- Finer detail from the PDS
- Review and comparison sites

- A key role
- Used to try and decipher one offer from another

- The wealth of information available to use
- Being overwhelmed by the detail and trying to make sense of it all



- Disinterested
- Demotivated
- Confused

- Use immediate, available, accessible resources
- Friends, family, w-o-m, advertisements, comparison sites and topline information

- Headline features and benefits from ads, website
- Review and comparison sites
- Call centre if it becomes too confusing, time consuming to make sense of it all

- No role

- Lack of perceived benefit in knowing anything beyond the basics required to purchase

IMMERSE AND EDUCATE

[From the consumer...]



“

I receive my insurance notice early enough that I have the time to shop around, ask questions, seek out various companies and really weigh up my options

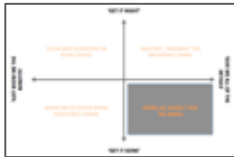
”



“

I have a look at as many options as possible...I need to know exactly what everything means

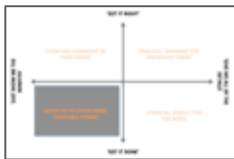
”



“

It was easy to use and very informative. Lots to read about but all part of the research

”

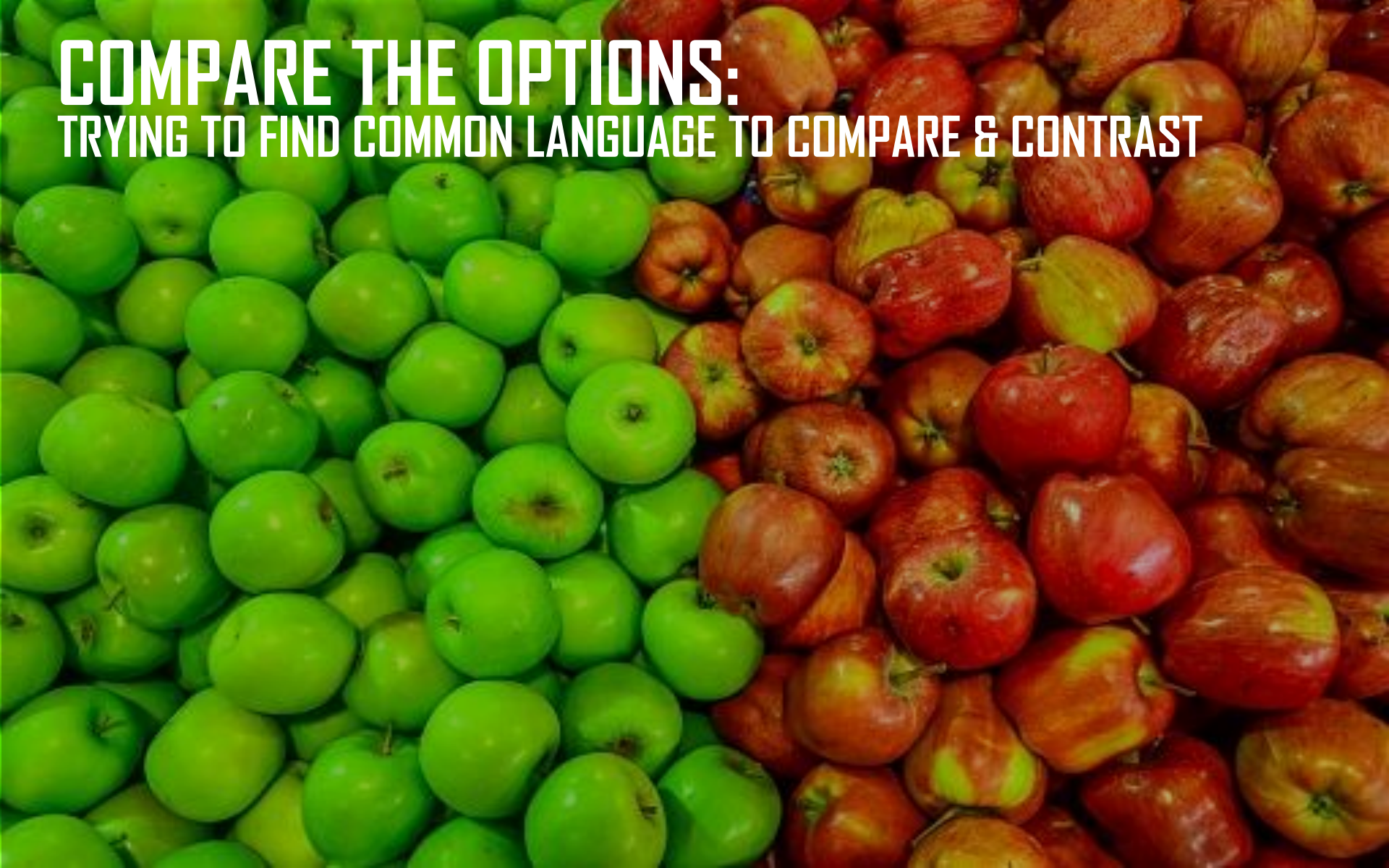


“

So apparently I can't get personal insurance whilst living in a share house...I think I might wait til next year to purchase insurance as I just have a little bit too much on at the moment

”

**COMPARE THE OPTIONS:
TRYING TO FIND COMMON LANGUAGE TO COMPARE & CONTRAST**



COMPARE THE OPTIONS



WHAT THEY THINK AND FEEL



WHAT THEY DO, HOW THEY DO IT



THE MAIN INFORMATION SOURCES USED



CURRENT ROLE OF THE PDS / CONTRACT



DRIVERS & BARRIERS TO PROGRESSION



- Positive
- Focused (on the key issues)

- Focus on the key areas of importance and understand the detail behind this

- Headline features and benefits from ads, website, and product collateral
- Review and comparison sites

- Little role, more of a focus on the key features / benefits

- Plenty of options
- The accessibility of info for the big things that matter
- The differing language, and fine details behind features



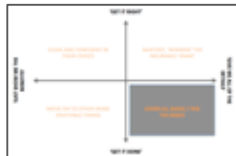
- Confident
- In control

- Understand the key points of difference between offers and focus on these areas

- Detail from providers, typically from their website at this stage of the journey
- Finer detail from the PDS
- Call centre to clarify details and determine 'best deals'

- A key role
- Part of understanding the true differences between the various offers

- The wealth of information available to use
- The time and effort required to make sense of it all and inefficiency of the process



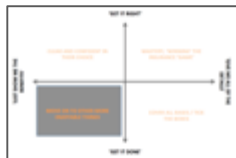
- Overwhelmed
- Confused
- Unsure
- Concerned

- Try to compare and contrast all aspects – even if they are hard to directly compare

- Detail from providers, typically from their website at this stage of the journey
- Finer detail from the PDS
- Review and comparison sites
- Call centre to clarify details.

- A key role
- Used to try and decipher one offer from another

- The wealth of information available to use
- Inability to easily compare one option to the next



- Disinterested
- Demotivated
- Confused

- Focus on the key areas of importance and the high level information relating to these

- Headline features and benefits from ads, website
- Review and comparison sites
- Call centre if it becomes too confusing, time consuming to make sense of it all

- No role

- Plenty of options
- All offering pretty much the same products / services
- Little understanding and interest in the detail

COMPARE THE OPTIONS

[From the consumer...]



“

I have read and compared countless policies...I'm feeling very confident that I have the knowledge to purchase this policy and have peace of mind that we will have adequate cover

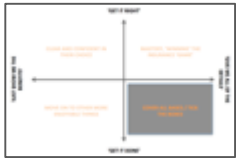
”



“

Some people would look at the length of the PDS and think that's ridiculous and don't read it but I'm kind of at the opposite end...I read them up and say 'on page 33 what do you mean by...'

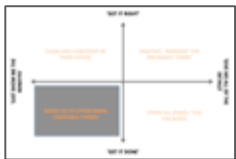
”



“

I'm just a visual person and I like to compare. If they don't have a table I'll make my table and tick and cross it myself

”



“

I usually have a quick browse through a few different car insurance websites, just for price matching. In the past, I've just ended up going with the same insurer

”

PRIORITISE AND DECIDE: TRYING TO MAKE THE RIGHT TRADEOFFS AND COMPROMISES



PRIORITISE AND DECIDE



WHAT THEY THINK AND FEEL



WHAT THEY DO, HOW THEY DO IT



THE MAIN INFORMATION SOURCES USED



CURRENT ROLE OF THE PDS / CONTRACT



DRIVERS & BARRIERS TO PROGRESSION



- Confident
- In Control (of what matters)

- Prioritise based on a detailed understanding of the aspects of most importance to them

- Website / comparison site to purchase
- Call centre to determine 'best deals', and negotiate PDS to check on the details

- For some a small role in checking the details and truly distinguishing apples from apples.
- For others, still no role

- Able to easily decide on the key features
- Although some lingering doubts about the details



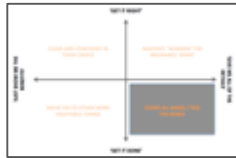
- Confident
- In Control (of all the details)

- Prioritise based on a detailed understanding of the best policy for their needs / context

- Call centre to clarify details determine 'best deals', and negotiate

- A key part of the prioritisation process
- Often the final source of information used to decide

- Able to make an informed choice, although plenty of work required to get there
- Lack of ability to negotiate on many of the terms, conditions



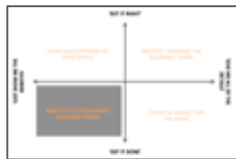
- Unsure
- Overwhelmed
- Nervous

- Prioritise based on an attempted understanding of all aspects of relevance to them

- Detail from providers, typically from their website at this stage of the journey
- Finer detail from the PDS
- Call centre to clarify details

- A key part of the prioritisation process
- Often the final source of information used to decide or open up search again

- Able to make an informed choice, although some lingering doubt as to whether they covered all the bases



- Confused
- Motivated (to make a choice)

- Prioritise based on key details and gut feel re: the brand and other intangibles

- Website / comparison site to purchase
- Call centre if it becomes too confusing, time consuming to finalise

- For some a small role in checking the details
- For others, still no role

- The decision often and ability to sign up is often not as easy / seamless as expected
- A requirement for more detail, review and sign off of 'unnecessary' details

PRIORITISE AND DECIDE

[From the consumer...]



“

The process is time consuming but necessary. I'm happy with my choice because I felt satisfied my needs adequately and for a price I felt was reasonable

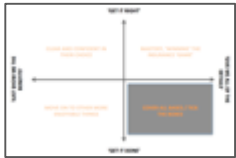
”



“

I have read and compared countless policies...I'm feeling very confident that I have the knowledge to purchase this policy and have peace of mind that we will have adequate cover

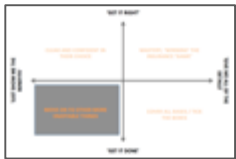
”



“

Given my budget, the broker came back with most of what I needed. Basically I had to sacrifice some of my foundation for the price I paid, but I know I got a good deal and was pretty happy with that

”



“

I decided to go with AAMI as I already hold a policy for my car with them and I found that there are too many companies out there and in the end was getting confused and had an information overload. I just wanted something quick and easy and found myself in a sea of companies

”

**JUSTIFY CHOICE:
SEEKING COMFORT AND SURETY THAT THEY'VE DONE THE RIGHT THING**



JUSTIFY CHOICE



WHAT THEY THINK AND FEEL



WHAT THEY DO, HOW THEY DO IT



THE MAIN INFORMATION SOURCES USED



CURRENT ROLE OF THE PDS / CONTRACT



DRIVERS & BARRIERS TO PROGRESSION



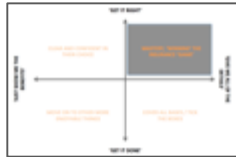
- Confident
- Focused (on the key benefits)

- Choice is justified by getting the best deal on the things that matter most
- Briefly check the headline features and benefits

- Product 'welcome pack' to confirm their choice
- PDS to check on the finer details

- For some a small role in checking the details
- For others, still no role

- They've got a good deal but there are always new deals out there
- A sense that not much can go wrong re: the details and if it does they'll be looked after



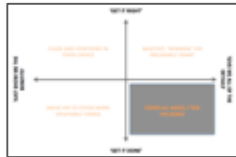
- Positive
- Relaxed
- Self-assured

- Choice is justified by having made a smart, savvy choice
- Check the contract details to ensure all is as requested

- PDS to check on the finer details

- The main justification for their choice, and often for going beyond the basic or the cheapest option out there

- Having done their 'due diligence' for the process
- An understanding that there are always new options / deals out there



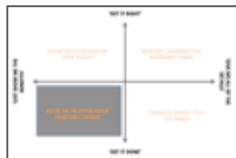
- Nervous
- Second-guessing decision

- Choice is justified by a complete and comprehensive decision being made
- Check the contract details to ensure this is the case

- PDS to check on the finer details

- The detail that they check back on to confirm their choice / coverage

- Having done their 'due diligence' for the process
- Still a lack of confidence that they are across everything



- Disinterested
- Unconcerned
- Happy (to move on)
- Confident (things are fine)
- Positive (focus on other things)

- Not much
- Choice is justified by having insurance and moving on

- Product 'welcome pack' to confirm their choice
- Bank statement to confirm purchase

- No role

- It's done and they can move onto other things
- A sense that not much can really go wrong anyway and if it does they'll be looked after

JUSTIFY CHOICE

[From the consumer...]



“

I know that I've put in the effort and made the right choice, or at least good enough that I don't have to worry about looking at it until I'm next in review mode

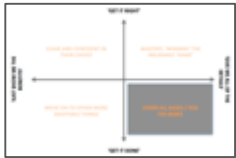
”



“

I've already gone through all of the detail before, but I make sure that I check the detail again when they send me the paperwork, so that there are no chances for crossed wires

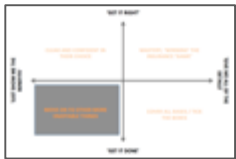
”



“

Speaking to someone just reiterating what I'm covered for. Even though it's all there. It reassures me there's nothing I've missed.

”



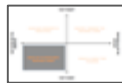
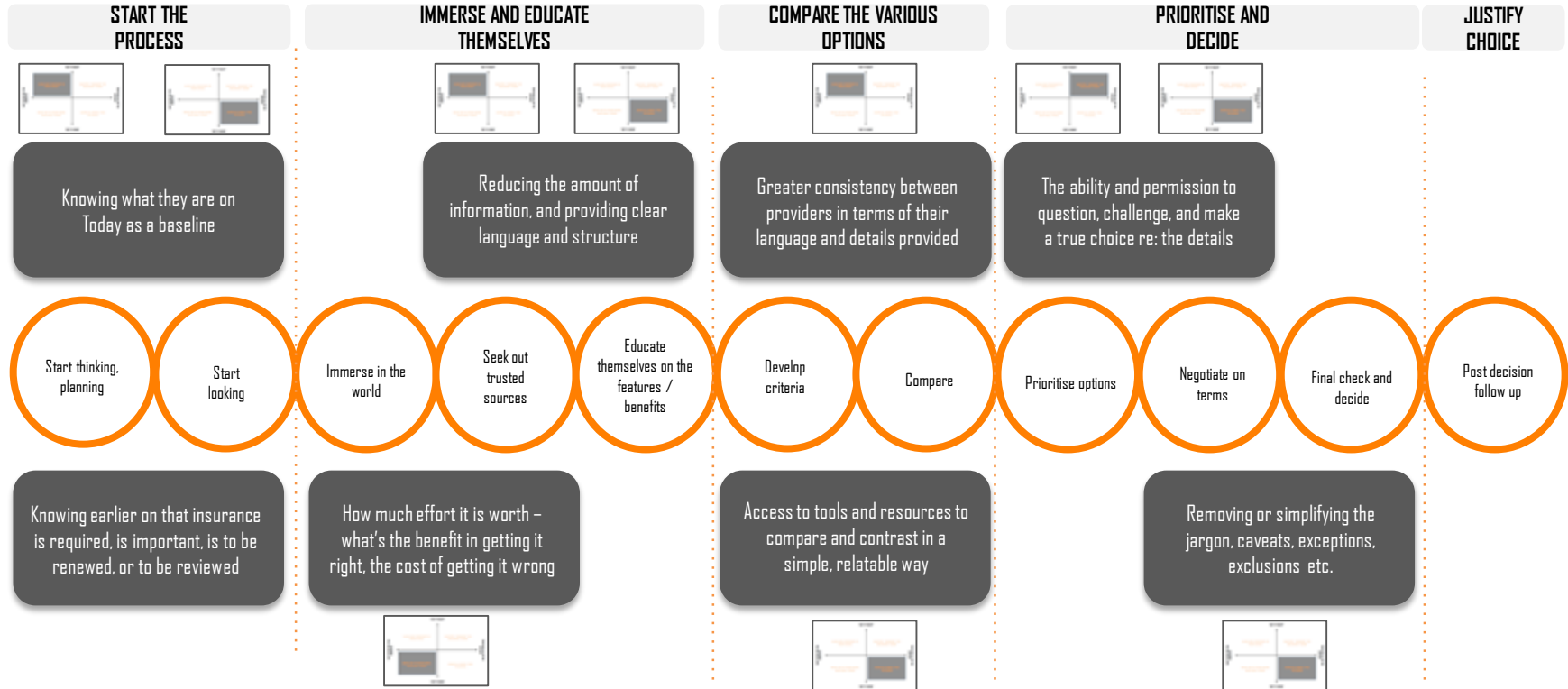
“

Very happy it only took about 7 minutes, was quick and easy and the policy was emailed to me – I field it, job done!

”

**BRINGING THIS ALL
TOGETHER, THE
COMMON THEMES OF
IMPORTANCE RE: THE
PDS AND ITS ROLE IN
THE DECISION MAKING
PROCESS**

THE KEY ISSUES TO ADDRESS AND OPPORTUNITIES TO LEVERAGE



Which groups this issue / opportunity resides



nature

RESEARCH · ANALYTICS · INSIGHT



THANK YOU!

ICA DISCLOSURES

Quantitative findings
Full reference report

OBJECTIVES OF THIS STAGE

1.

Benchmark the current performance of the disclosure regime

2.

Validate how disclosure is currently used and the role it plays in decision making

3.

Quantify pain points in relation to disclosure







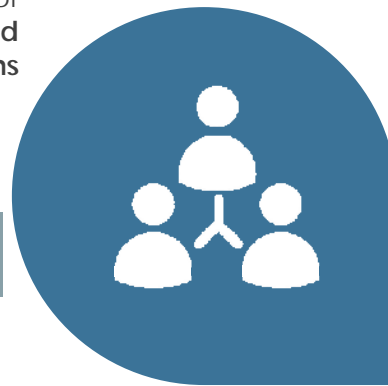
Ultimately the aim of this stage is to determine the benchmark and how we might best improve disclosure in order to drive improved accuracy of category understanding

QUANTITATIVE METHODOLOGY

WHO AND SAMPLE SIZE

Nationally representative sample of over 7000 Australians interviewed to reach a sample of n=2,430 who have **taken out / renewed / switched** one of the following products in the last 3 months

			
Car	Home Building	Home Contents	Travel
n=831	n=478	n=485	n=636



WEIGHTING

Respondents were allocated to a single product. Therefore, **results were weighted so those allocated to each product were demographically reflective of those who qualified for each product** (in terms of age, gender and location).

The **results were also weighted across products** so that the total has the correct balance between products.

Weights were calculated using results from the nationally representative element of the survey.



ONLINE

A 20 minute online survey

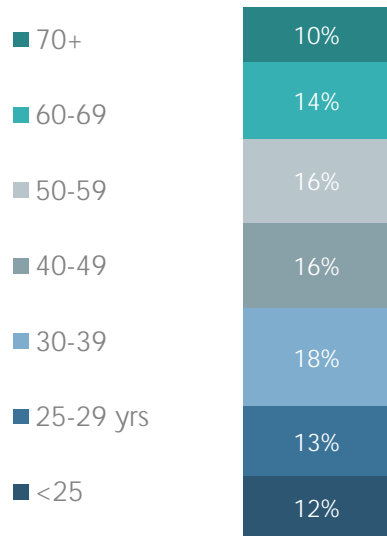


FIELDWORK

Survey was conducted between 2 - 15 December 2016

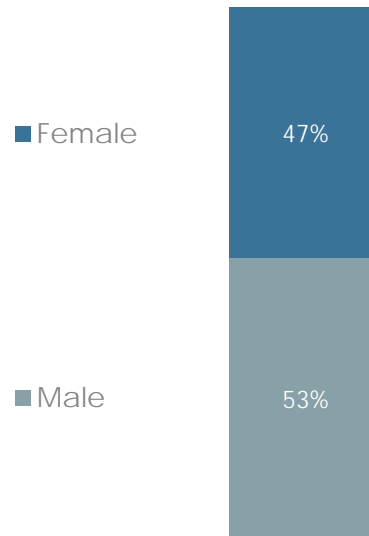
SAMPLE PROFILE

AGE



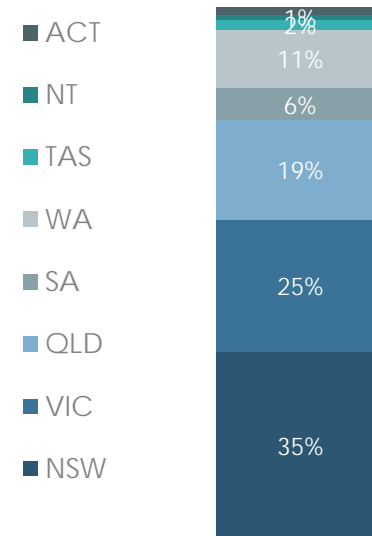
Travel insurance holders significantly more likely to be <25 yrs (17%).

GENDER



No differences by insurance product

LOCATION



Travel insurance holders significantly more likely live in a metro area (79% vs. average 72%)

CONTENTS

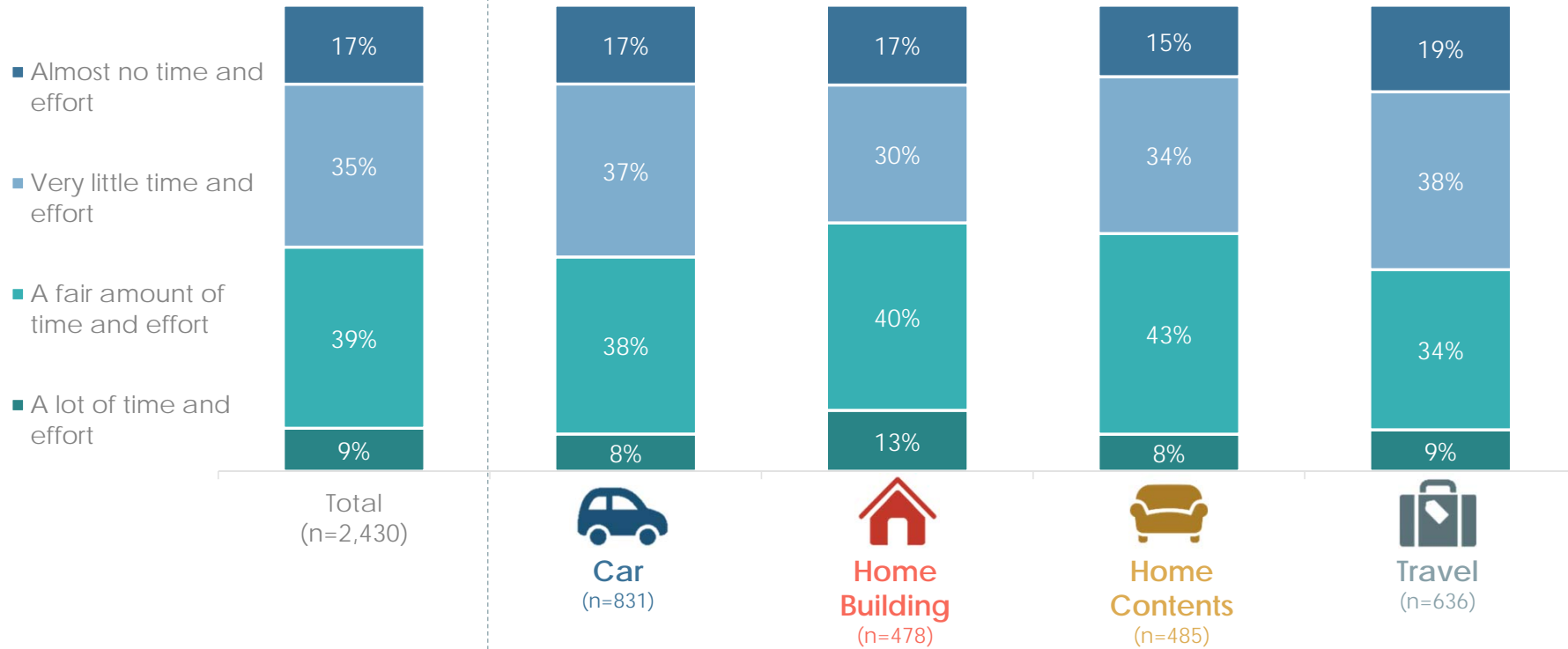
- 1 Pre-purchase psychology
- 2 Pre-purchase behaviour
- 3 Ratings of information used
- 4 Pain points
- 5 Brand / product usage and considerations
- 6 Drivers of policy choice
- 7 Insurance understanding
- 8 Insurance claiming

1.0
PRE-PURCHASE
PSYCHOLOGY

MOST CLAIM TO PUT IN EITHER A FAIR AMOUNT OR VERY LITTLE EFFORT TO ENSURE THE RIGHT POLICY IS PURCHASED

The amount of time and effort invested is the same regardless of the type of insurance

TIME AND EFFORT

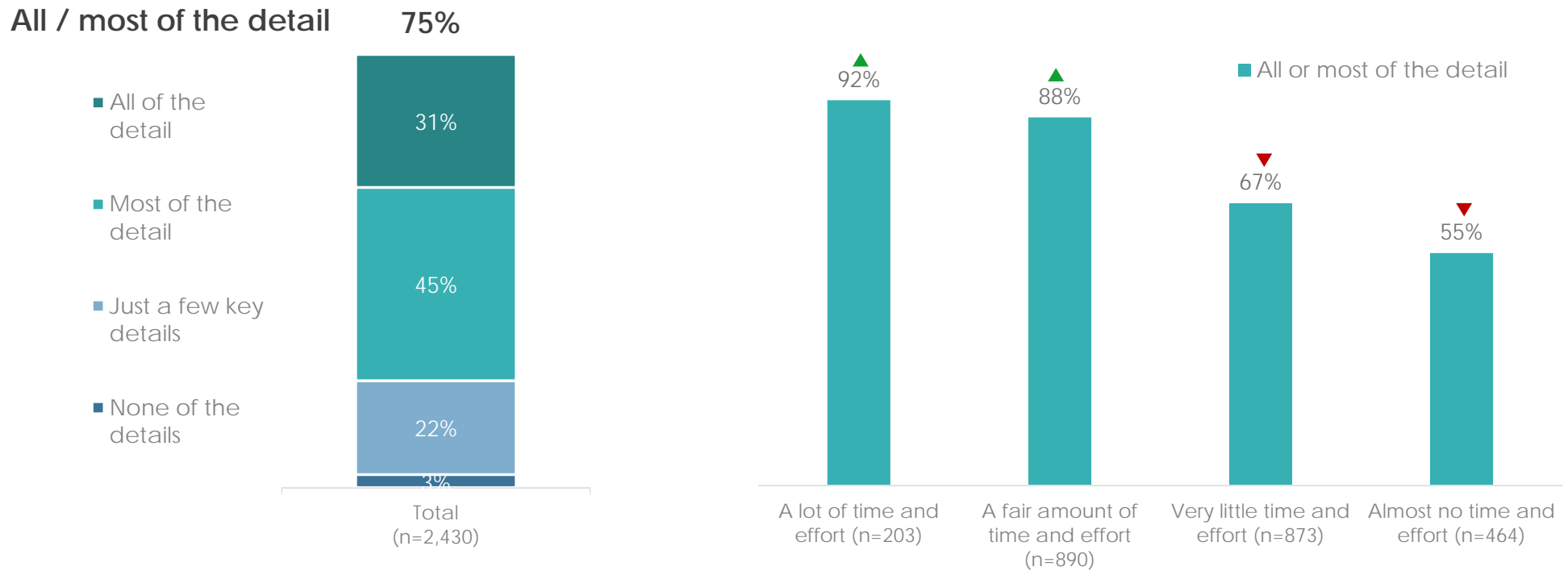


B1. Which of the following best describes how much time and effort you put in to make sure you had the right policy?
 Base: All respondents for each product (refer to chart)

▲▼ Sig. difference at 95% confidence

MOST CONSUMERS FEEL THEY LOOK AT ALL OR MOST OF THE DETAIL OF THEIR POLICY, EVEN THOSE WHO CLAIM TO HAVE PUT IN ALMOST NO EFFORT

Level of detail looked at to ensure right policy

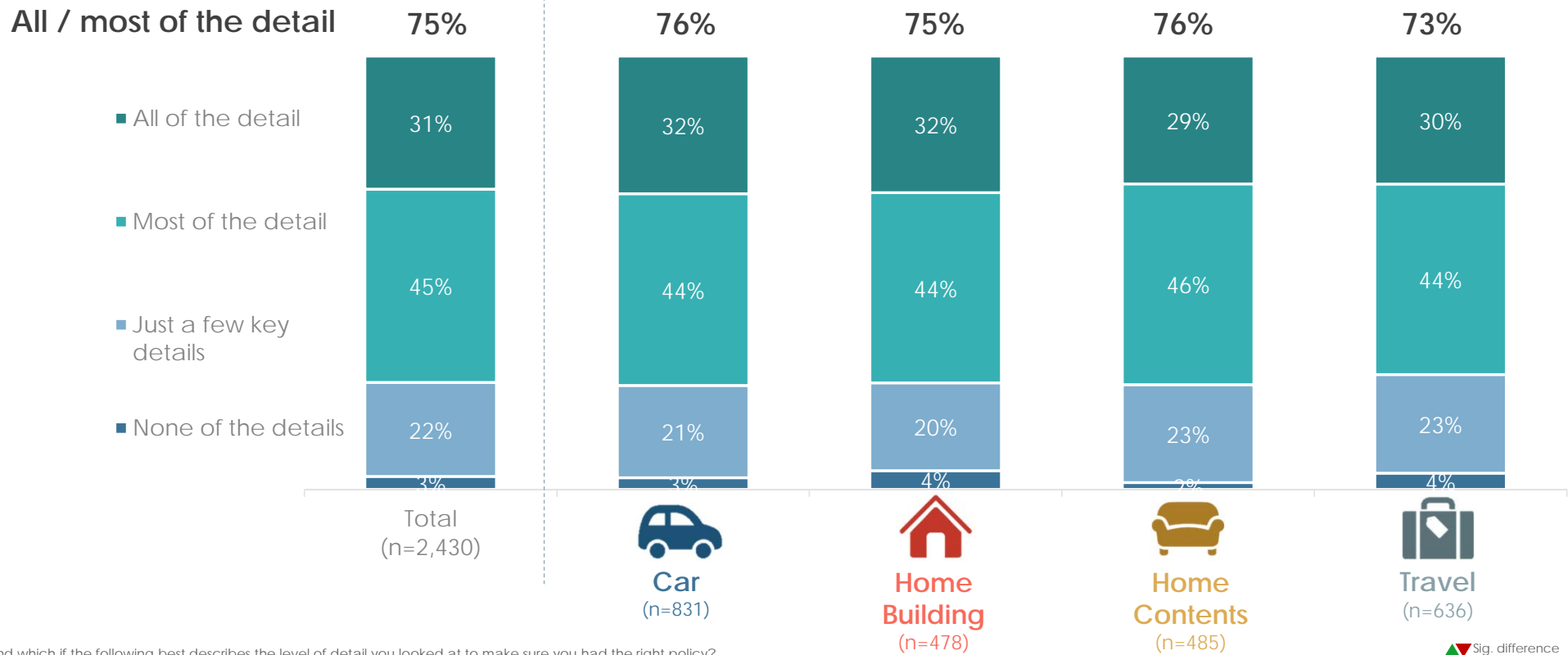


B5b. And which if the following best describes the level of detail you looked at to make sure you had the right policy?
Base: All respondents for each product (refer to chart)

▲ Sig. difference at 95% confidence

THE LEVEL OF DETAIL EVALUATED DOES NOT VARY BY PRODUCT

Level of detail looked at to ensure right policy

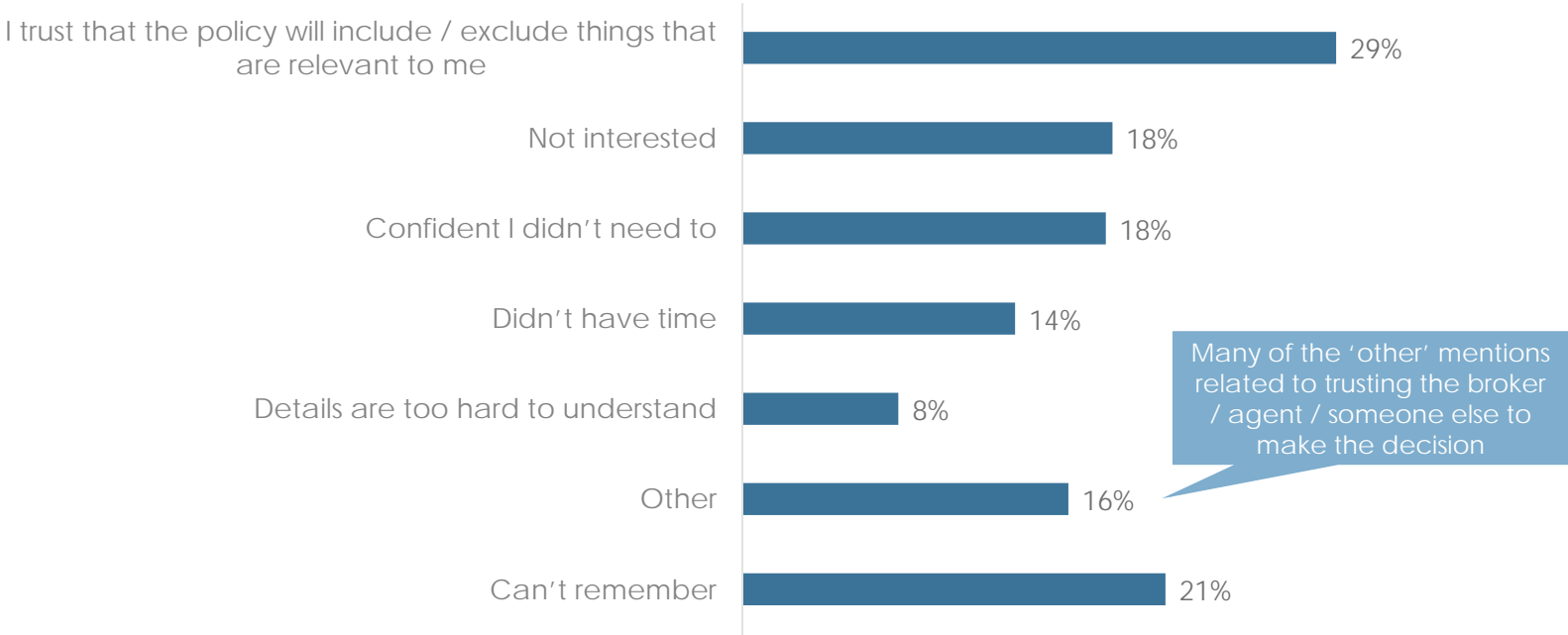


B5b. And which if the following best describes the level of detail you looked at to make sure you had the right policy?
 Base: All respondents for each product (refer to chart)

▲ Sig. difference at 95% confidence

A FEELING OF UNDERLYING TRUST IN THE POLICY IS THE KEY REASON FOR NOT LOOKING INTO POLICY DETAILS

Reasons for not looking into the product details as part of the decision



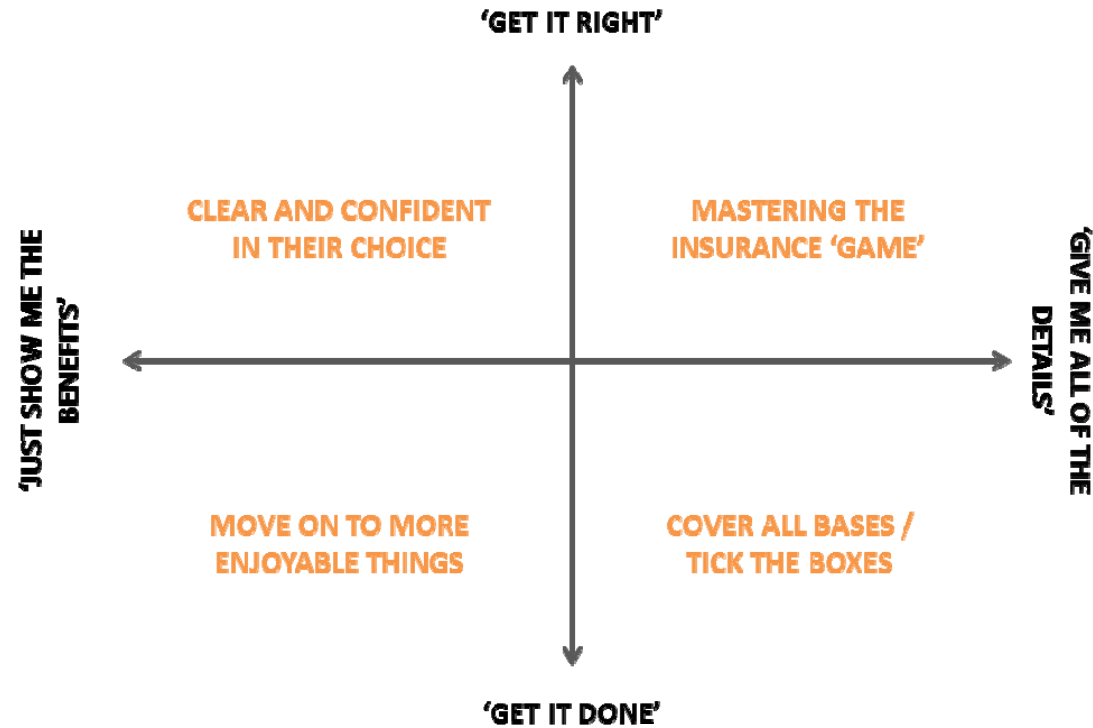
B5c. Why didn't you consider any of the details to make sure you had the right policy?

Base: All respondents who looked at none of the detail, collapsed across all products (n=73)

Other includes: 'transferred from old car to new car' / 'Strata manager decides' / 'I was advised by the broker that this was the best one to go with' / 'I trust the travel agent to get me the right one' / 'broker does that' / 'Insurance wasn't my primary purpose' / 'No option' / 'Dad chose it' / 'provided by my employer'

THE QUALITATIVE STAGE SUGGESTED A FRAMEWORK TO DEFINE CONSUMERS

Qualitative mindset framework



B1. Which of the following best describes how much time and effort you put in to make sure you had the right policy?

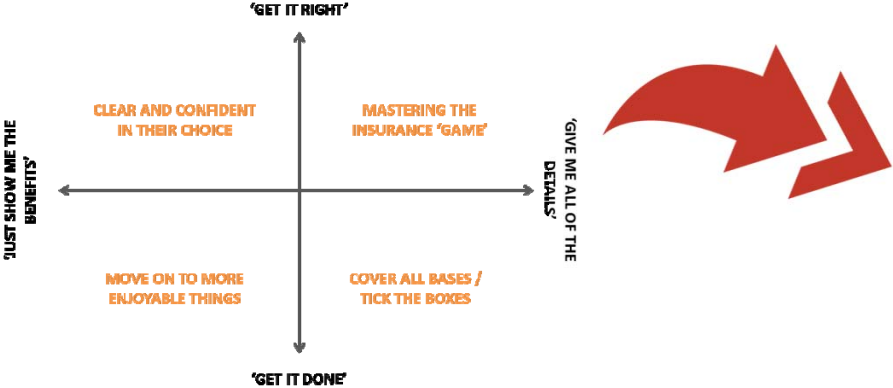
B5b. And which if the following best describes the level of detail you looked at to make sure you had the right policy?

11 Base: All respondents for each product (refer to chart)

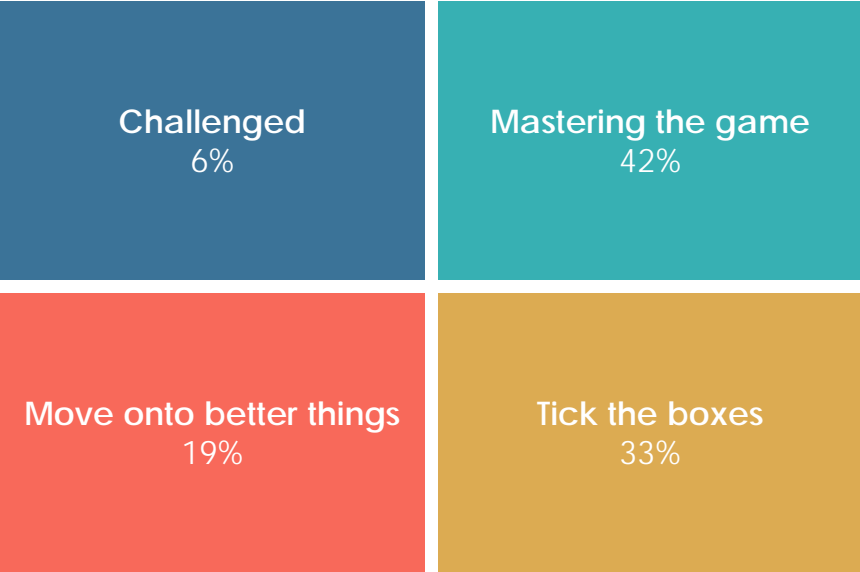
QUANTITATIVE SIZING OF THIS FRAMEWORK SHOWS MOST FALL INTO THE SOCIALLY ACCEPTABLE MINDSETS (ON THE RIGHT)

Three quarters of consumers fall into either the “Mastering the game” or “Tick the boxes” mindsets. It’s important to note this is based on consumers’ own perceptions of the effort and level of detail involved.

Qualitative mindset framework



Quantified sizing of mindset framework



B1. Which of the following best describes how much time and effort you put in to make sure you had the right policy?
 B5b. And which if the following best describes the level of detail you looked at to make sure you had the right policy?
 12 Base: All respondents for each product (refer to chart)

2.0 PRE-PURCHASE BEHAVIOUR

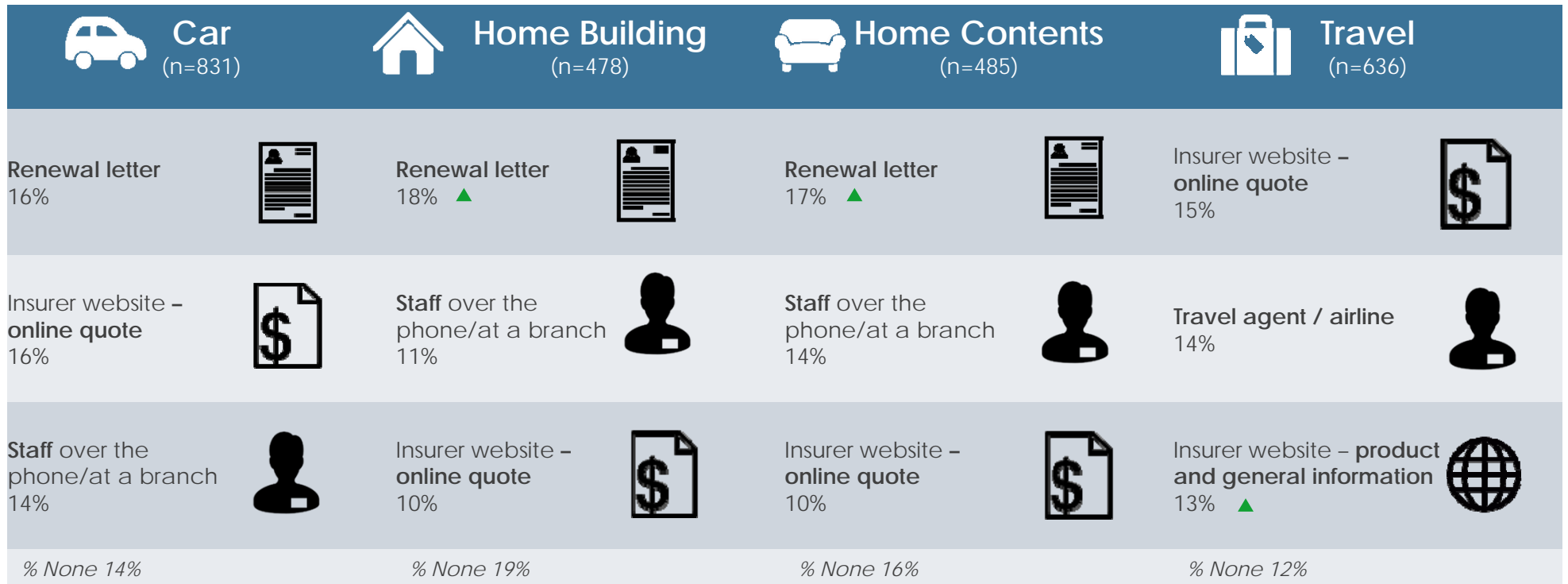
2.1 Information used

2.2 Brand comparisons

THE RENEWAL LETTER IS THE MOST COMMONLY RELIED ON SOURCE OF INFORMATION PRE-PURCHASE FOR CAR AND HOME POLICIES

Information sources used pre-purchase

(Top 3 for each product as % main)



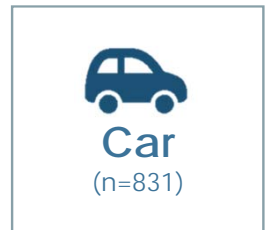
B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?

14 Base: All respondents with each product (refer to chart)

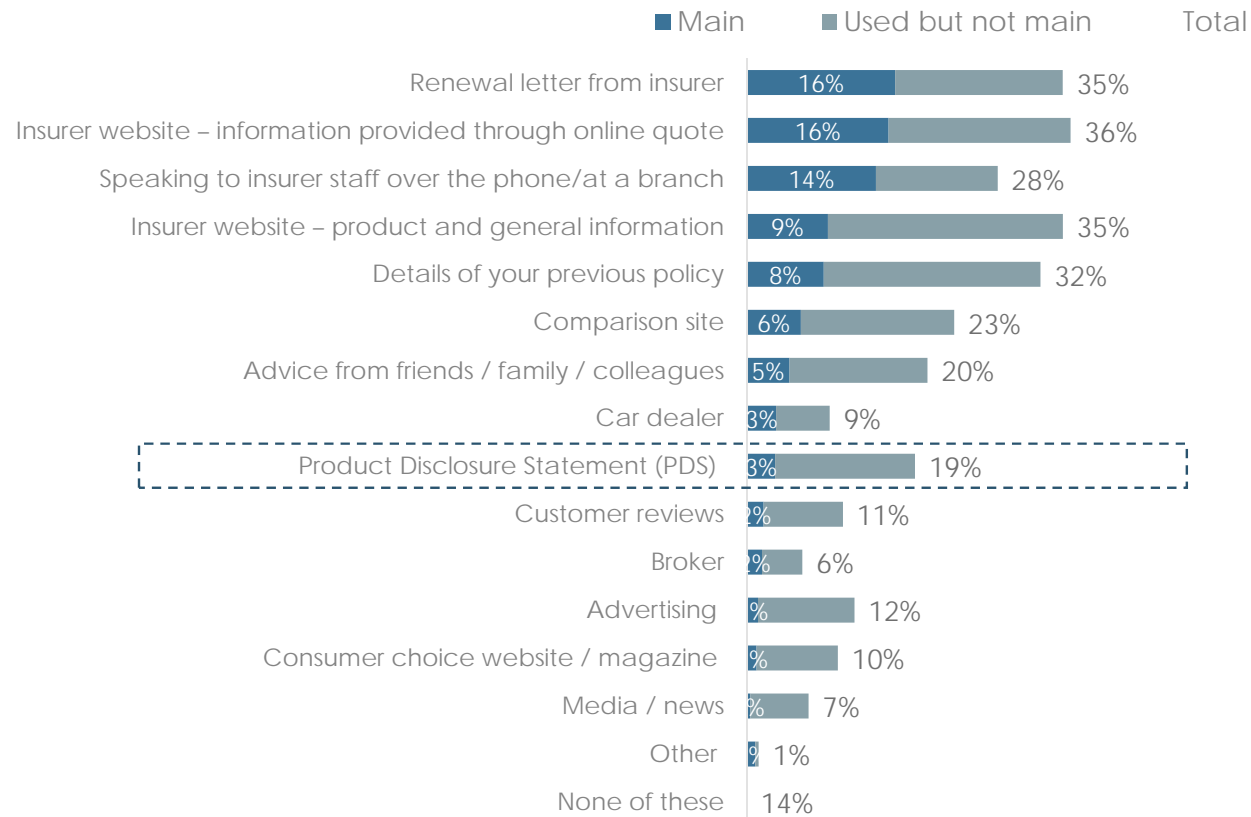
▲ Sig. difference at 95% confidence between product types

RENEWAL LETTER, ONLINE QUOTES AND STAFF ARE THE KEY SOURCES OF INFORMATION FOR CAR INSURANCE

Just two in ten use the PDS, with only 3% relying on it



Information sources used pre-purchase



B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?

15 Base: All respondents for car insurance (n=831)

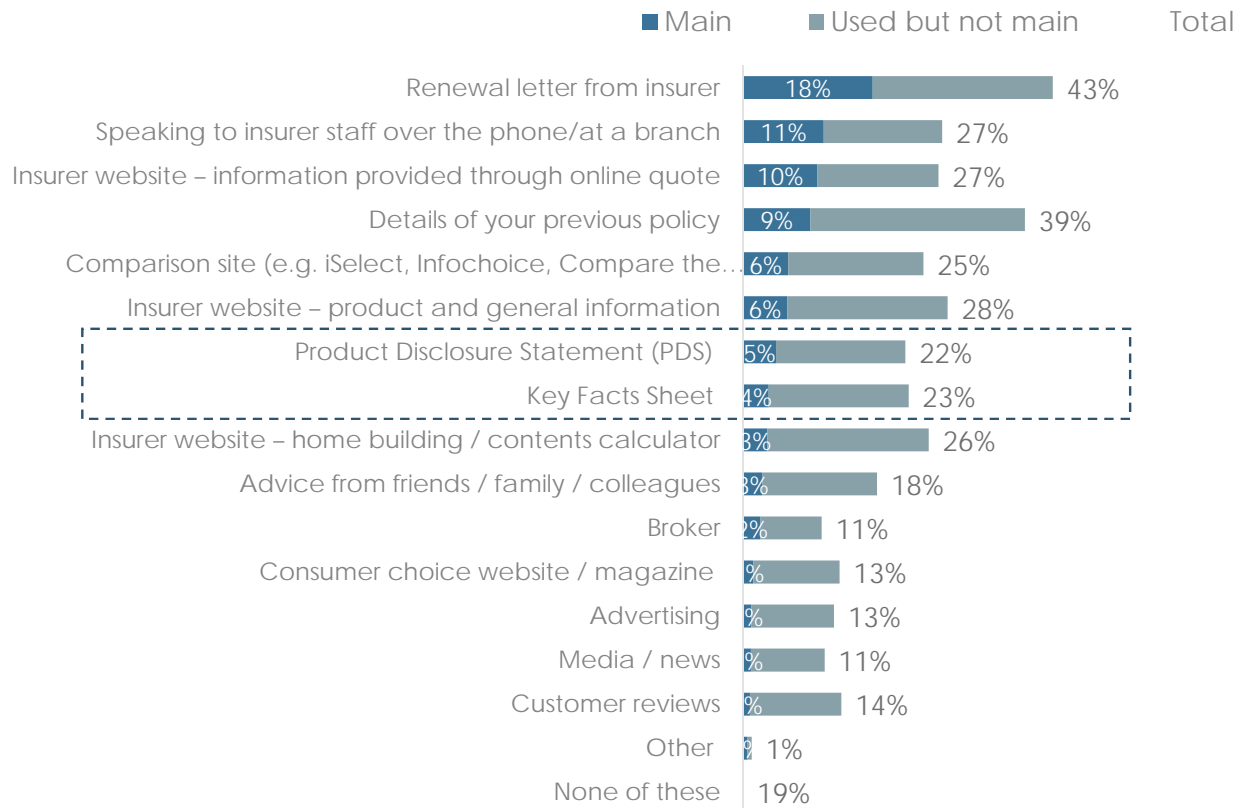
▲▼ Sig. difference at 95% confidence

nature

RENEWAL LETTER, STAFF AND ONLINE QUOTES ARE THE KEY SOURCES OF INFORMATION FOR HOME BUILDING INSURANCE

Although PDS and KFS are in the repertoire of information used, they are not commonly the main source

Information sources used pre-purchase



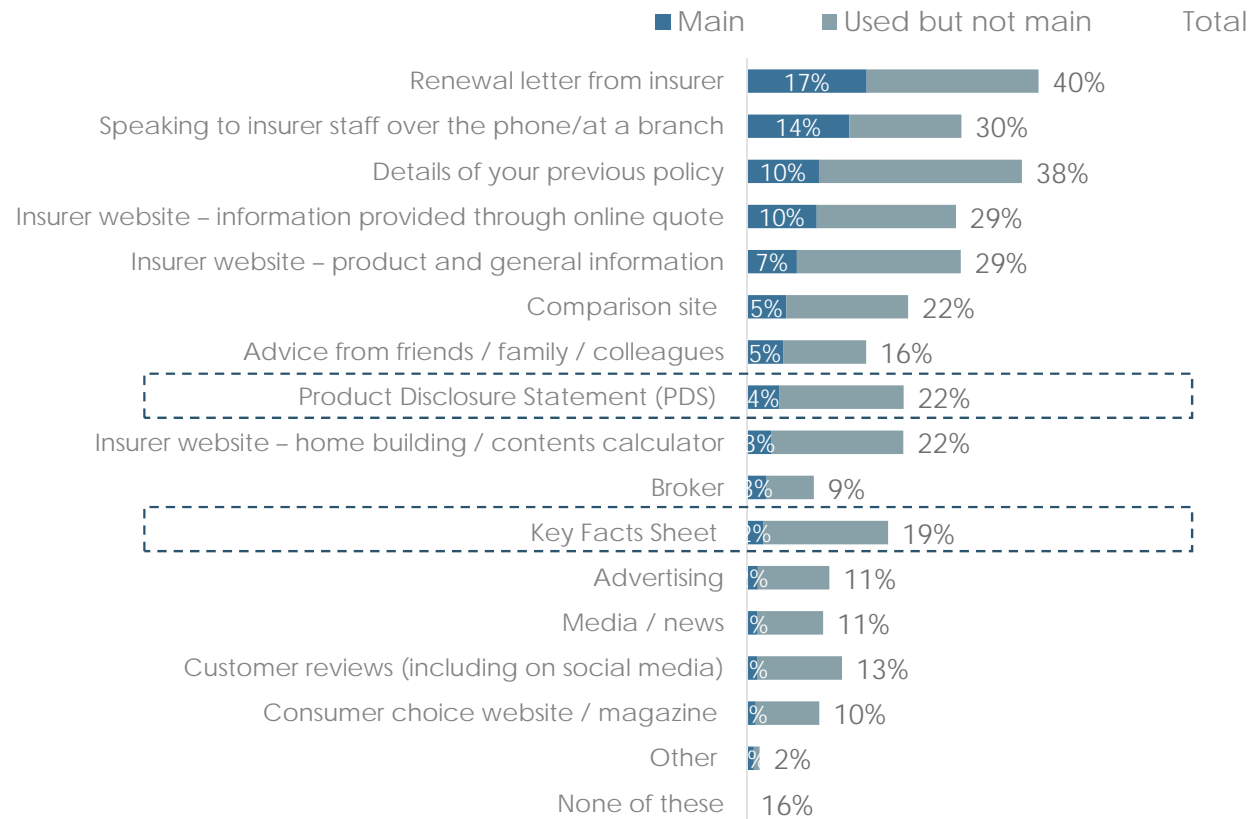
B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?
 16 Base: All respondents for home building (n=478)

RENEWAL LETTER, STAFF AND PREVIOUS POLICY DETAILS ARE THE KEY SOURCES OF INFORMATION FOR HOME CONTENTS INSURANCE

Although PDS and KFS are in the repertoire of information used, they are not commonly the main source



Information sources used pre-purchase

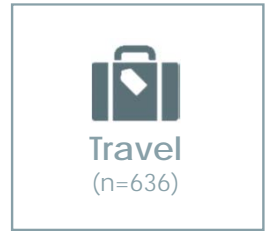


B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?
 17 Base: All respondents for home contents insurance (n=485)

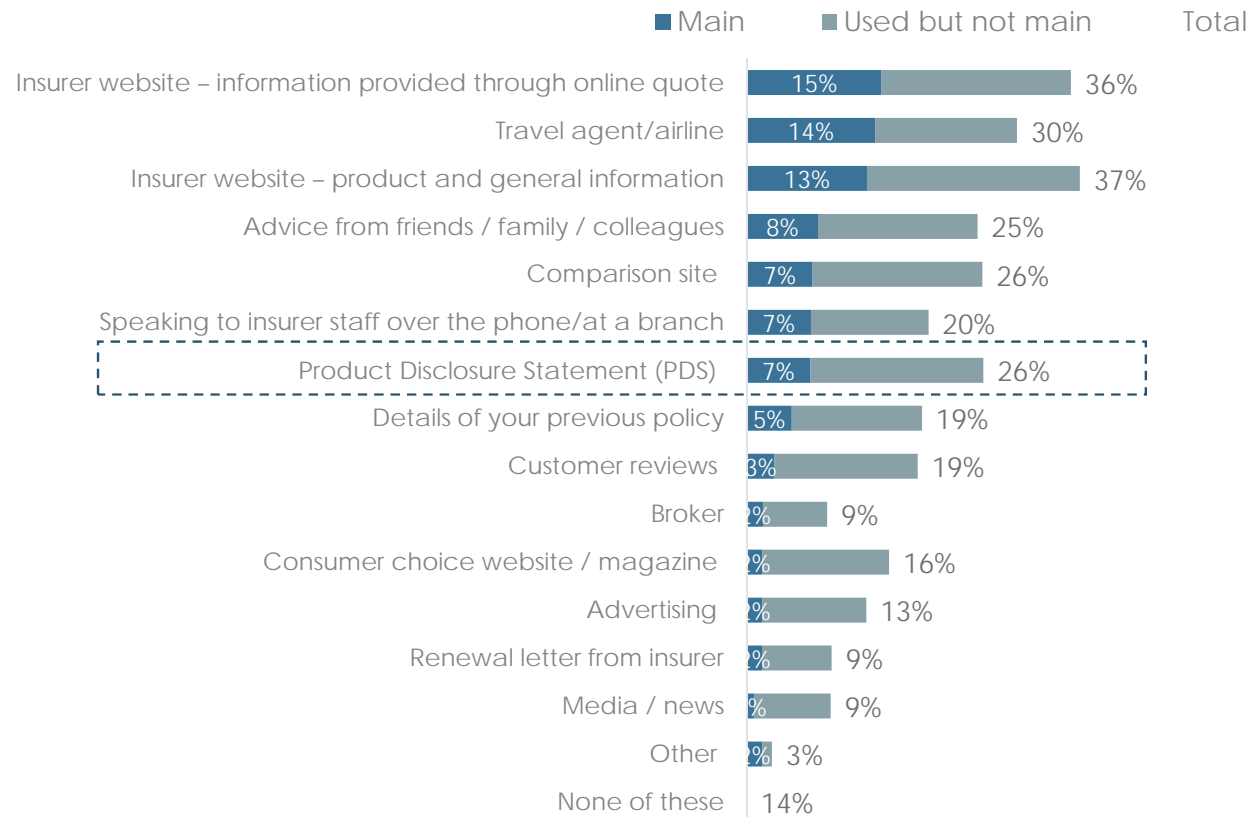
▲▼ Sig. difference at 95% confidence

ONLINE QUOTES AND AGENTS ARE THE KEY SOURCES OF INFORMATION FOR TRAVEL INSURANCE

Around one quarter report to use the PDS, with just under one in ten relying on it



Information sources used pre-purchase



B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?

18 Base: All respondents for travel insurance (n=636)

▲▼ Sig. difference at 95% confidence



FOCUSING ON ELEMENTS THAT PROVIDE THE DETAIL, JUST TWO IN TEN USE THE PDS OR KFS, AND VERY FEW RELY ON IT

Information sources used pre-purchase



Product Disclosure Statement (PDS)

	Car (n=831)	Home Building (n=478)	Home Contents (n=485)	Travel (n=636)
% used	19% ▼ (8 th ranking)	22% (9 th ranking)	22% (7 th ranking)	26% ▲ (4 th ranking)
% used as main source of information	3% ▼ (9 th ranking)	5% (7 th ranking)	4% (8 th ranking)	7% ▲ (7 th ranking)



Key Fact Sheet (KFS)

	Car (n=831)	Home Building (n=478)	Home Contents (n=485)	Travel (n=636)
% used		23% (8 th ranking)	19% (9 th ranking)	
% used as main source of information		4% (8 th ranking)	2% (11 th ranking)	

B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?

19 Base: All respondents with each product (refer to chart)

▲ Sig. difference at 95% confidence


















NEW TO MARKET CONSUMERS COMMONLY USE THE ONLINE QUOTE, SUGGESTING THIS IS A SOURCE TO PRIORITISE FOR THIS GROUP

Alternatively, it is worth considering if there is sufficient clear information that is targeted towards this group.

Information sources used pre-purchase

(Top 3 for each product as % main)

Reactivators (n=199)	New take ups (n=129)	Switchers (n=271)	Renewers – different policy (n=141)	Renewers – same policy (n=1,054)
Insurer website – online quote 11% 	Insurer website – online quote 14% 	Insurer website – online quote 21% ▲ 	Details of your previous policy 14% 	Renewal letter from insurer 26% ▲ 
Staff over the phone/at a branch 11% 	Advice from others 13% ▲ 	Staff over the phone/at a branch 19% 	Staff over the phone/at a branch 14% 	Staff over the phone/at a branch 13% 
Comparison site 10% 	Staff over the phone/at a branch 10% 	Comparison site 10% ▲ 	Insurer website – product and general information 11% 	Details of your previous policy 11% ▲ 
% None 25% ▲	% None 21%	% None 14%	% None 12%	% None 14%

B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?

20 Base: All respondents with each product (refer to chart)

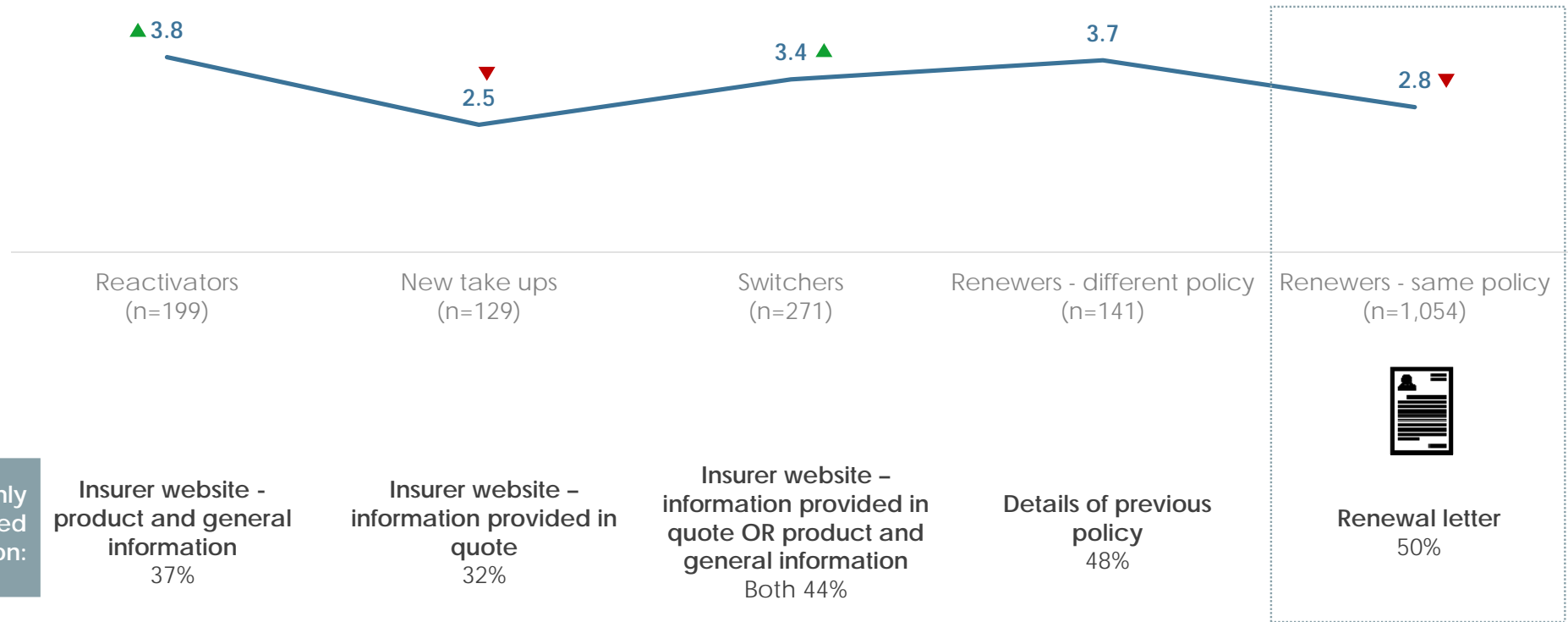
▲ Sig. difference at 95% confidence

nature

RENEWERS USE RELATIVELY FEW SOURCES OF INFORMATION, SUGGESTING THE NEED TO MAXIMISE THE SOURCES THEY DO USE

Given the renewal letter already has good cut through with the large group of renewers, this may be a good source to implement any tweaks aiming to improve understanding

Number of information sources used by insurance history status



D1. Did you have an existing policy immediately prior to taking out a [PRODUCT] policy in the last 3 months? / B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information? (showing % used, not % mainly used) Base: All respondents with car, home building or home contents insurance (n=1,794)

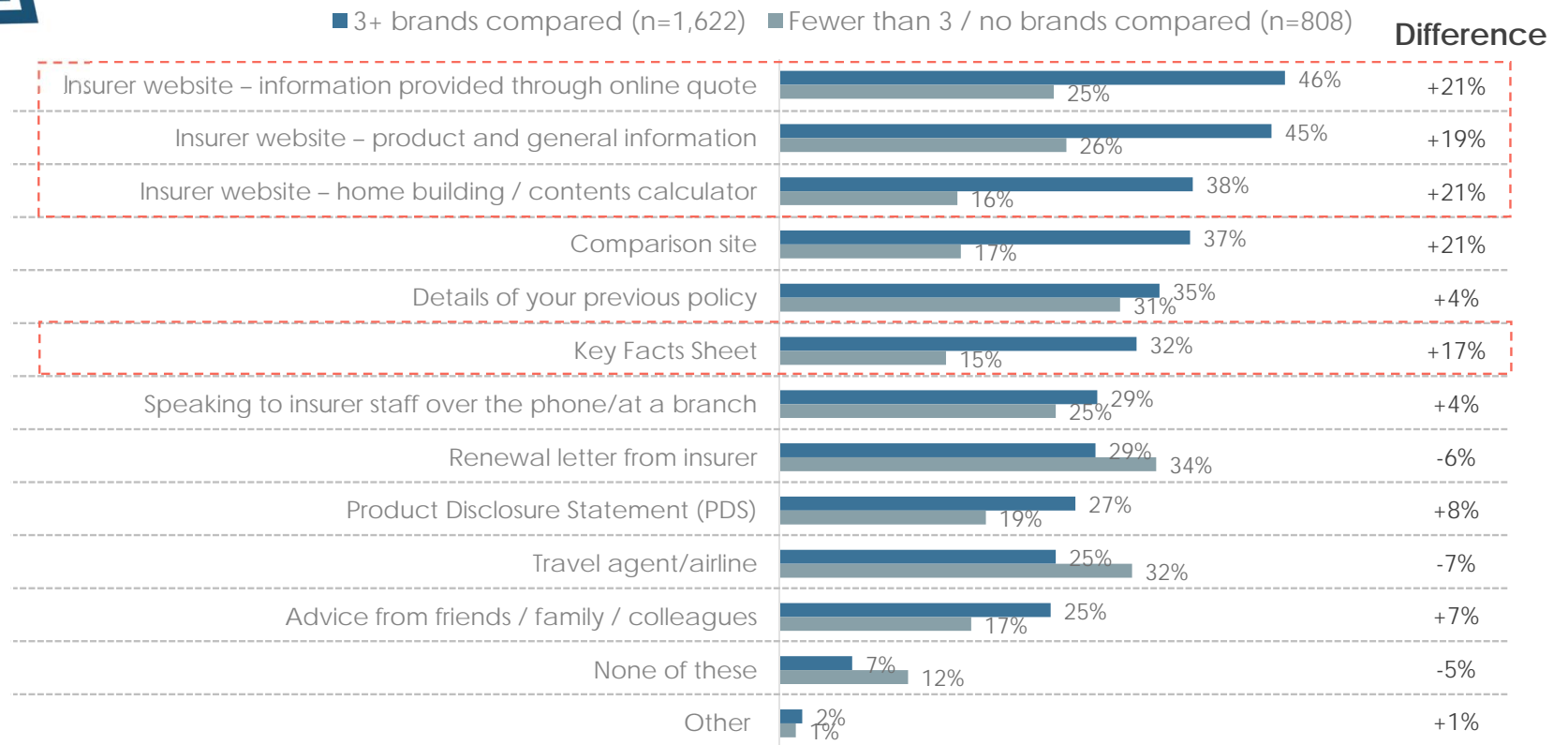
▲▼ Sig. difference at 95% confidence

THOSE WHO COMPARE BRANDS ARE MORE LIKELY TO USE THE KFS, SUGGESTING THIS FORMAT HAS THE ABILITY TO AID COMPARISONS

68%
compared
brands



Sources of information used by those who compared / did not compare brands



B5. Which (if any) did you refer to before deciding on your latest [product] policy, and which was your main source of information?

B10. How easy was it to understand the differences in what is covered by the different brands, other than price? / Only showing those with 20% or more mentions (plus other and none)

22 Base: All respondents (refer to chart)

THE RENEWAL LETTER IS MORE COMMONLY RELIED ON FOR THOSE WHO PUT LITTLE EFFORT INTO THE DECISION. THOSE NEW TO INSURANCE PLACE GREATER IMPORTANCE ON ADVICE FROM OTHERS.

RENEWAL LETTER (17%)



More likely to be the main source of information used by

- **60+ yrs** (26%)
- Those who put **almost no time and effort into the decision** (31%)
- Those who **just looked at a few key details** (26%)
- Those who are **renewing with the same provider** (26%)
- Those who have **ever made a claim** (20%)

PDS (4%)



Usage of the PDS as the main source of information is consistent across all subgroups with the exception of those who **looked into all the detail** (6%)

ADVICE FROM FRIENDS / FAMILY ETC. (4%)



More likely to be the main source of information used by

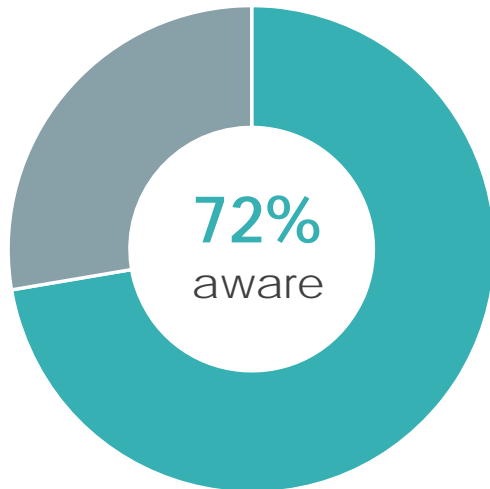
- **Under 25 yrs** (16%)
- Taking up this type of insurance for the **first time** (13%)

ALTHOUGH MOST ARE AWARE OF THE PDS AND POLICY SCHEDULE, AWARENESS OF THE KFS IS LOW

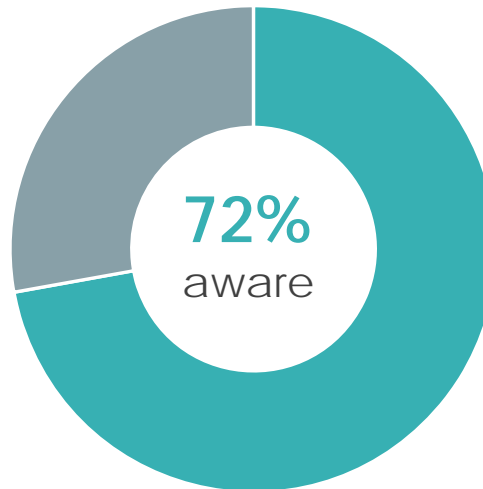
Awareness of specific sources of information



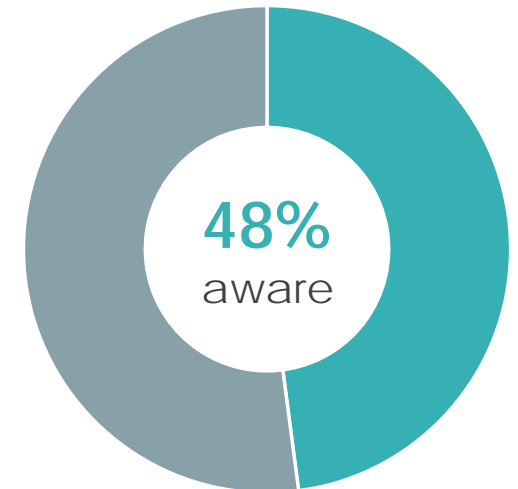
Product Disclosure Statement (PDS)



Policy Schedule/Certificate of Insurance



Key Fact Sheet(KFS)



C4. Before today, were you aware the following was available for your [PRODUCT]?

24 Base: All respondents (refer to chart) for PDS and policy schedule (n=2,340) / Home building and contents insurance holders for KFS (n=963)

AWARENESS OF THE PDS, KFS AND POLICY SCHEDULE DO NOT VARY BY TYPE OF INSURANCE

Awareness of specific sources of information



Product Disclosure Statement (PDS)

Key Fact Sheet (KFS)

Policy Schedule/Certificate of Insurance

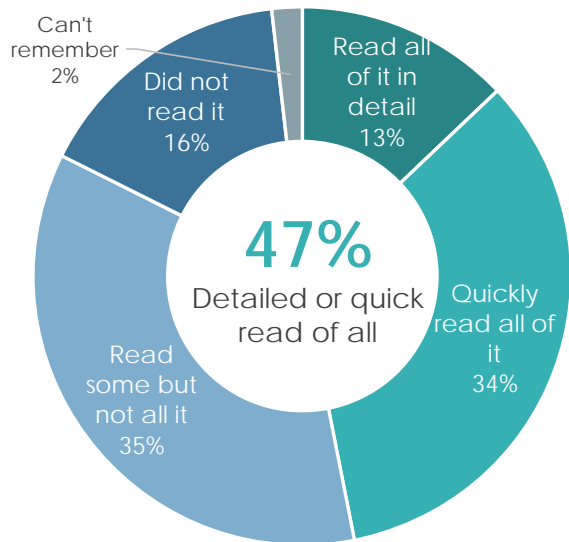
C4. Before today, were you aware the following was available for your [PRODUCT]?
 Base: All respondents (refer to chart)

▲ Sig. difference at 95% confidence

HOWEVER, OF THOSE AWARE OF THE KFS, THE MAJORITY READ IT (WHEN SPECIFICALLY PROMPTED)



Product Disclosure Statement (PDS)

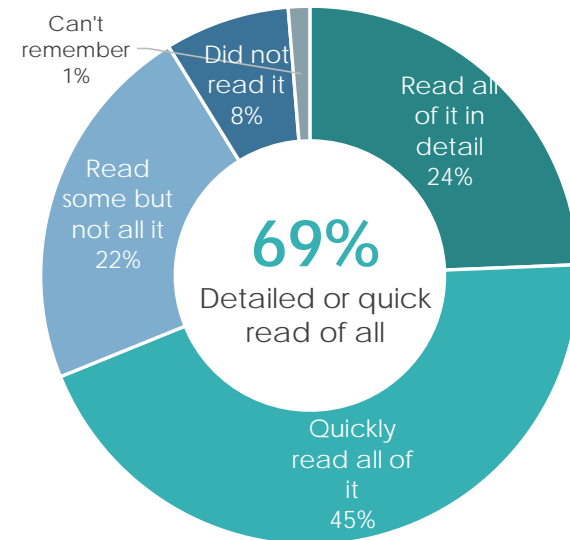


Depth of reading

Amongst those aware of each



Key Fact Sheet(KFS)



Results are consistent regardless of the product type

C4b. Before you purchased your [PRODUCT] policy, to what extent did you read the following...
 Base: All respondents aware of each product: PDS (n=1,804) / KFS (n=468)

FOR KFS, THE CONVERSION FROM AWARENESS TO READERSHIP IS HIGH, SUGGESTING THE SHORT FORMAT IS LIMITED BY AWARENESS

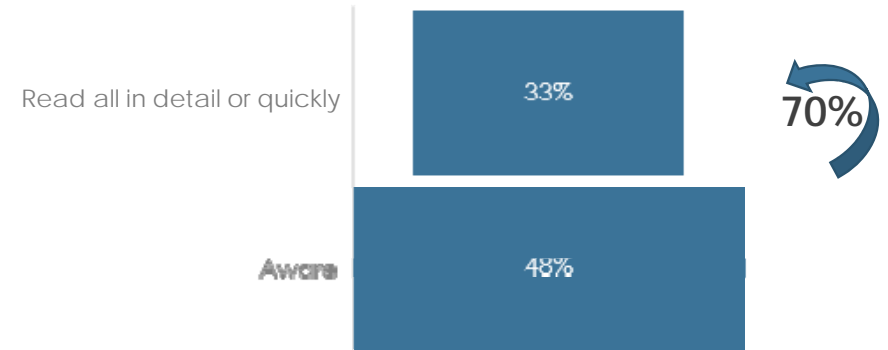
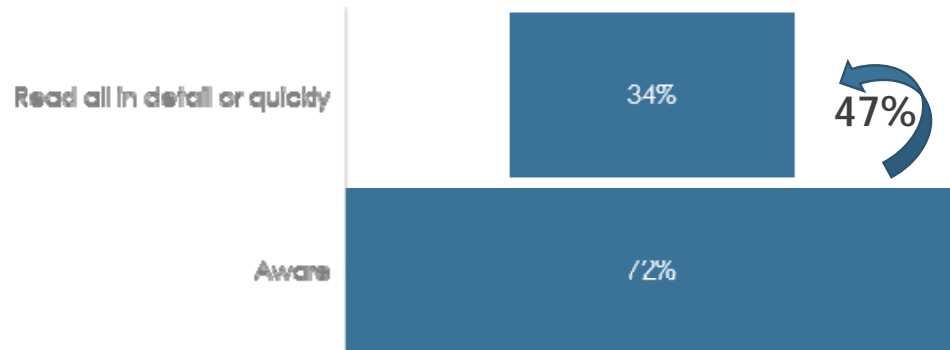
Conversions from awareness to reading



Product Disclosure Statement (PDS)



Key Fact Sheet(KFS)



Results are consistent regardless of the product type

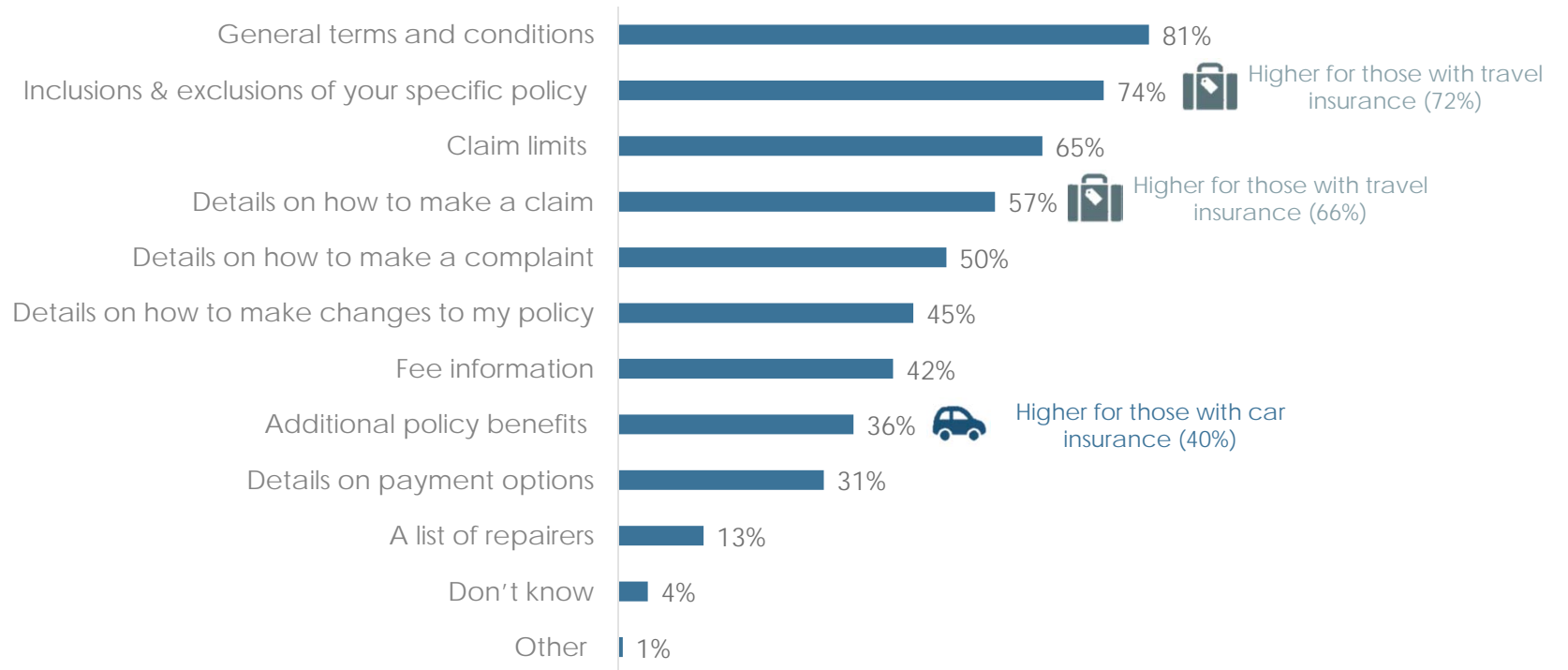
C4. Before today, were you aware the following was available for your [PRODUCT]?

C4b. Before you purchased your [PRODUCT] policy, to what extent did you read the following...

27 Base: All respondents (refer to chart) for PDS and policy schedule (n=2,340) / Home building and contents insurance holders for KFS (n=963)

CONSUMERS HAVE A GOOD UNDERSTANDING OF WHAT PDS IS (INDICATING THIS ISN'T A BARRIER TO USE)

Understanding of details covered in PDS

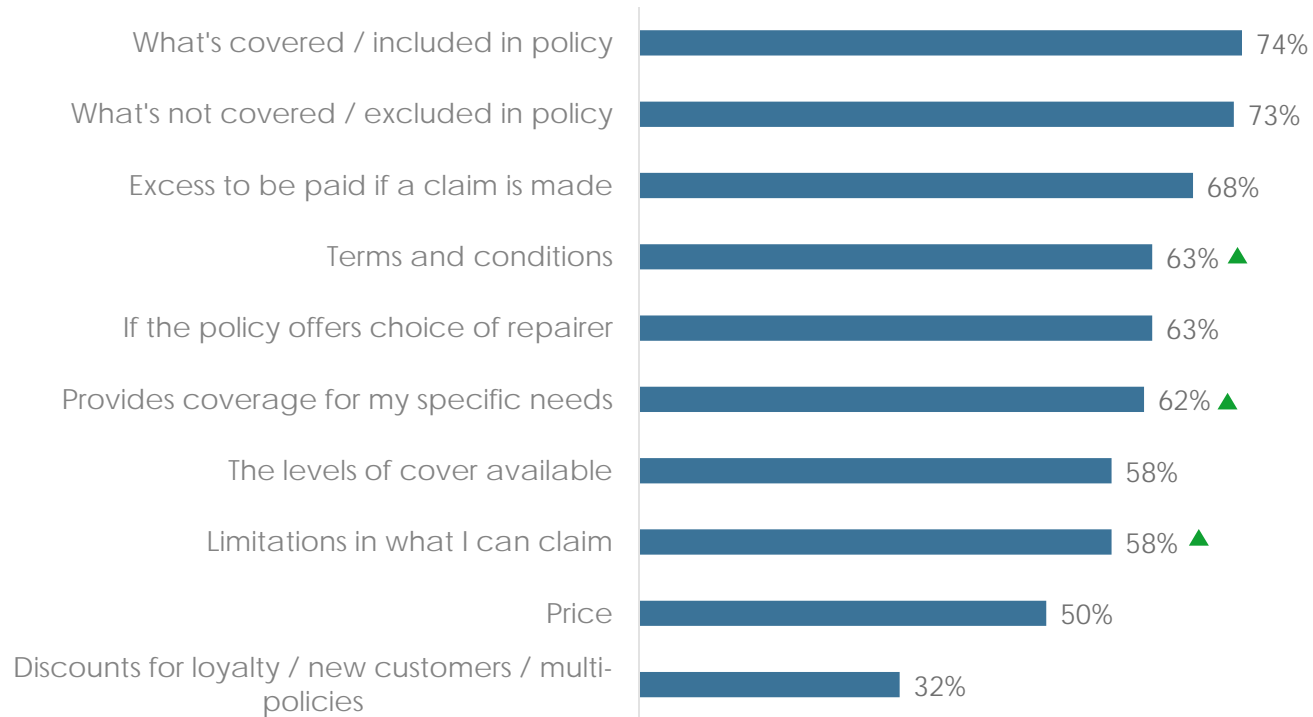


C5. What information / details do you think are covered in a Product Disclosure Statement (PDS)? Please select all that apply

28 Base: all respondents who are aware of or have used the PDS (refer to chart)

PDS IS KNOWN TO PROVIDE THE DETAIL ON COVERAGE / EXCLUSIONS

REASONS FOR USING THE PDS



B8. What information were you looking to find [INSERT RELEVANT TEXT BELOW BASED ON RESPONSE AT B5]? Please select all that apply
 Base: Those who mainly used each information source, collapsed across insurance products / Base size too low for Key Fact Sheet to report / only 3 significant differences by product which we have not shown as there was no clear story related to these differences

▲▼ Sig. difference at 95% confidence vs. other information sources used

MOST SOURCES ARE USED TO SEEK OUT PRICING INFORMATION, EXCEPT THE PDS WHICH HAS A GREATER FOCUS ON DETAILS ON COVERAGE

REASONS FOR USING INFORMATION SOURCES USED

	Renewal letter (n=338)	Comparison site(s) (n=140)	Insurance providers' own website(s) (n=508)	Insurance providers call centre (n=312)	Product Disclosure Statement (PDS) (n=118)	Previous policy (n=221)
Price	86%	83%	81%	82%	50%	69%
Excess to be paid if a claim is made	66%	50%	65%	60%	68%	56%
What's covered / included in policy	62%	56%	73%	65%	74%	66%
Payment options	49%	32%	39%	40%	29%	34%
Discounts for loyalty / new customers / multi-policies	46%	26%	37%	46%	32%	42%
The levels of cover available	46%	46%	58%	55%	58%	41%
What's not covered / excluded in policy	43%	41%	62%	49%	73%	53%
Provides coverage for my specific needs	40%	38%	41%	42%	62%	40%
Terms and conditions	31%	32%	43%	33%	63%	31%
Limitations in what I can claim	25%	34%	40%	26%	58%	34%
Additional rewards / benefits for 'membership'	24%	11%	23%	21%	22%	22%
Reputation for payout out on claims	21%	29%	24%	30%	22%	26%
Discounts for early / ontime payment	20%	21%	19%	18%	15%	17%
If the policy offers choice of repairer	19%	24%	35%	28%	63%	32%
The extent to which coverage can be customised	17%	21%	26%	23%	29%	24%
Comparison to other brands' coverage	6%	47%	25%	21%	18%	11%
Other	2%	1%	1%	1%	1%	2%
Can't remember	1%	4%	2%	2%	1%	2%

B8. What information were you looking to find [INSERT RELEVANT TEXT BELOW BASED ON RESPONSE AT B5]? Please select all that apply

Base: Those who mainly used each information source, collapsed across insurance products / Base size too low for Key Fact Sheet to report / only 3 significant differences by product which we have not shown as there was no clear story related to these differences

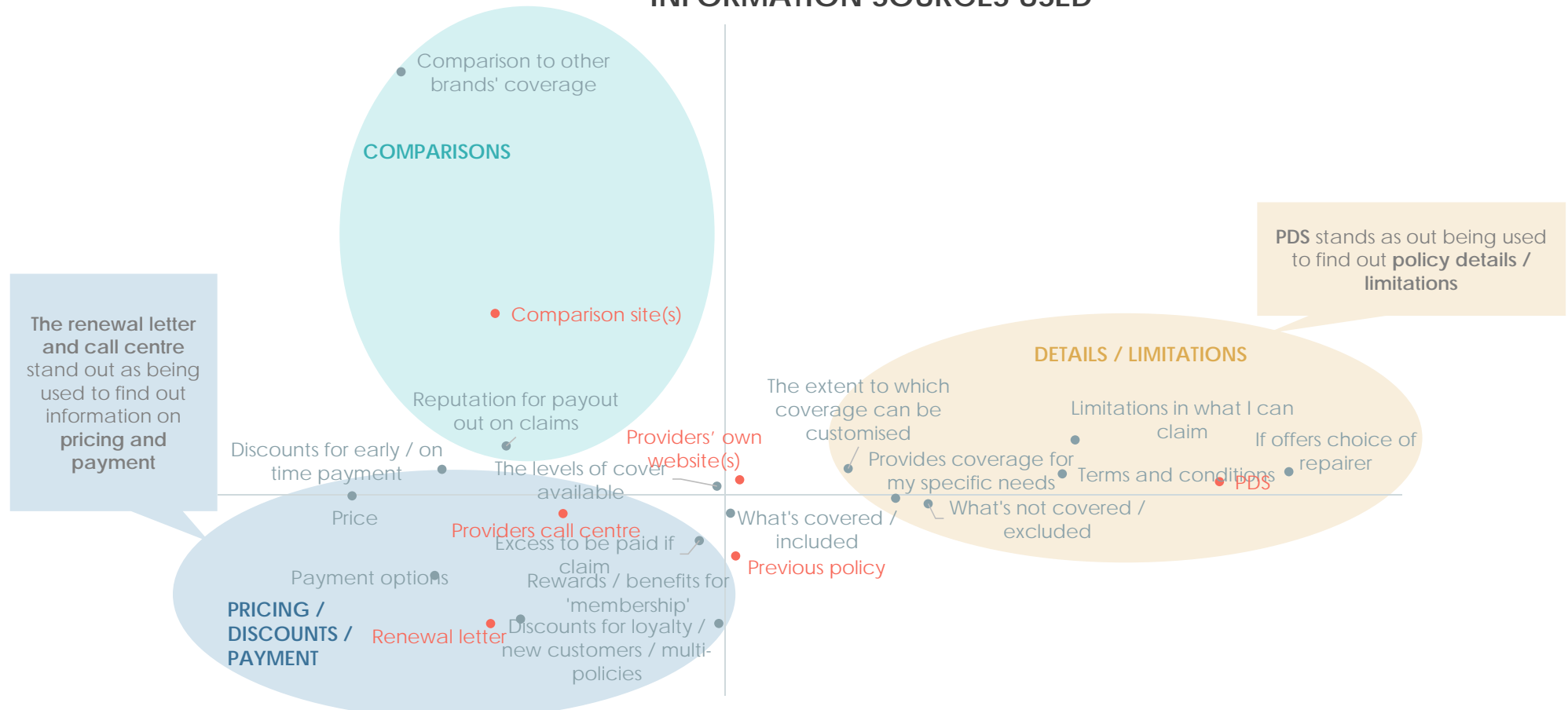
□ indicates the number 1 reasons

Green / red indicates Sig. above / below average at 95% confidence

nature

EACH SOURCE STANDS OUT FOR BEING USED FOR DIFFERENT INFORMATION...

PERCEPTUAL MAP OF REASONS FOR USING INFORMATION SOURCES USED



B8. What information were you looking to find [INSERT RELEVANT TEXT BELOW BASED ON RESPONSE AT B5]? Please select all that apply

31 Base: Those who mainly used each information source, collapsed across insurance products / Base size too low for Key Fact Sheet to report

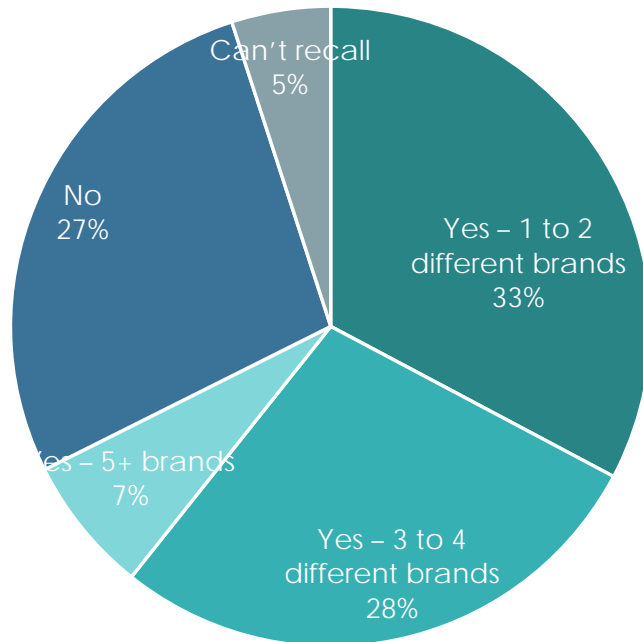
2.0 PRE-PURCHASE BEHAVIOUR

2.1 Information used

2.2 Brand comparisons

THE MAJORITY REPORT COMPARING BRANDS BEFORE MAKING A FINAL DECISION

Comparison of brands



Average number of brands compared



2.0



1.9



1.9



1.8

B9. Did you compare between brands before making your final decision about [PRODUCT]?

33 Base: All respondents (n=2,430)

▲ Sig. difference at 95% confidence

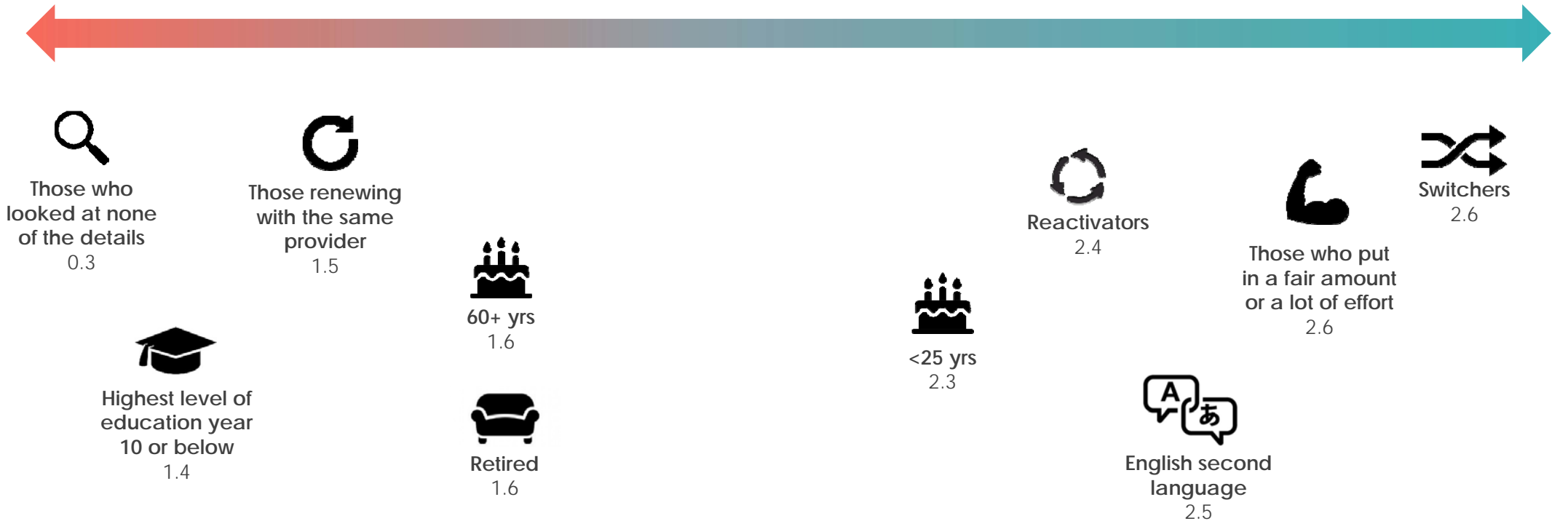
nature

IT'S THOSE WHO ARE YOUNGER OR SWITCHING / RE-ACTIVATING THAT ARE MOST LIKELY TO SHOP AROUND

Comparison of brands

Lower number of brands compared

Higher number of brands compared

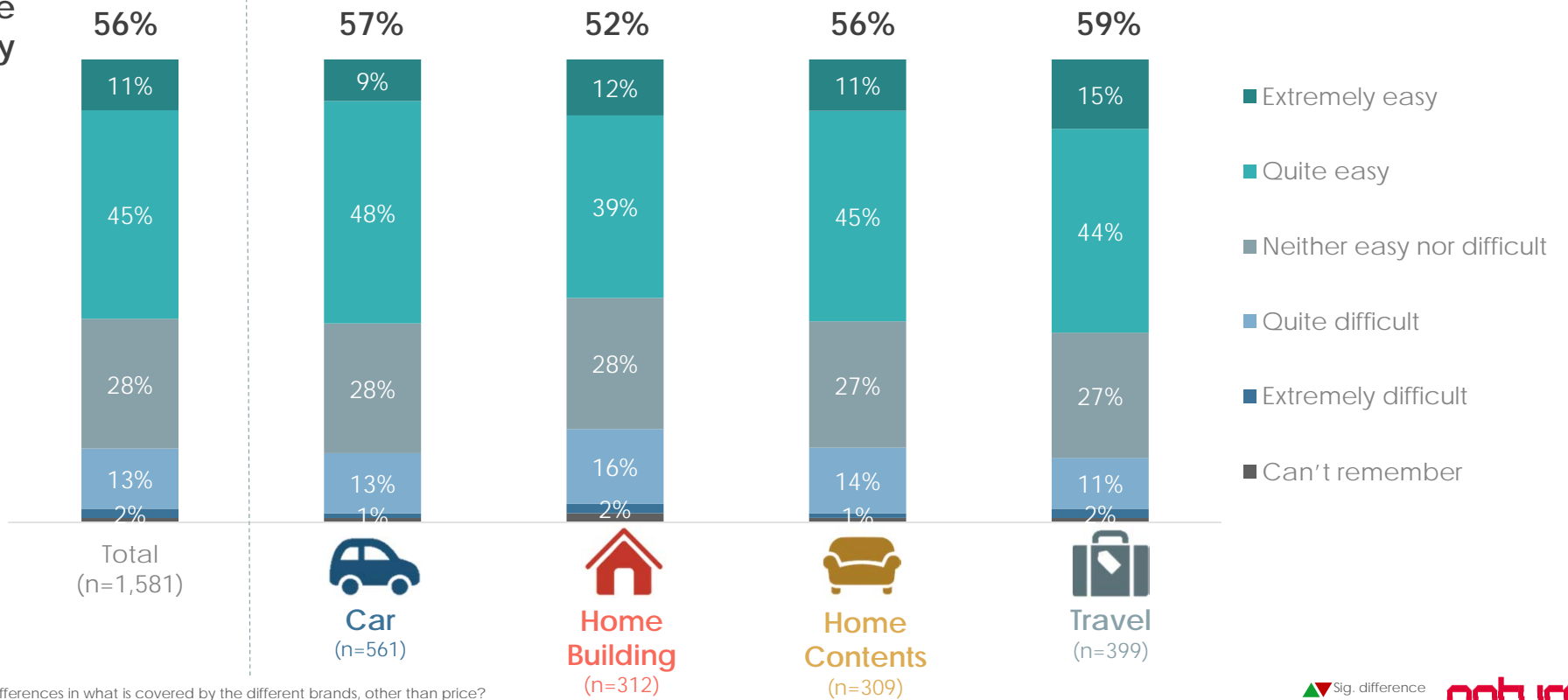


B9. Did you compare between brands before making your final decision about [PRODUCT]?
 34 Base: All respondents (n=2,430)

MOST FIND THE PROCESS OF COMPARING BRANDS EASY (OR ARE NEUTRAL)

Ease of understanding differences across brands (aside from price)
Amongst those who compared brands

Extremely / quite easy

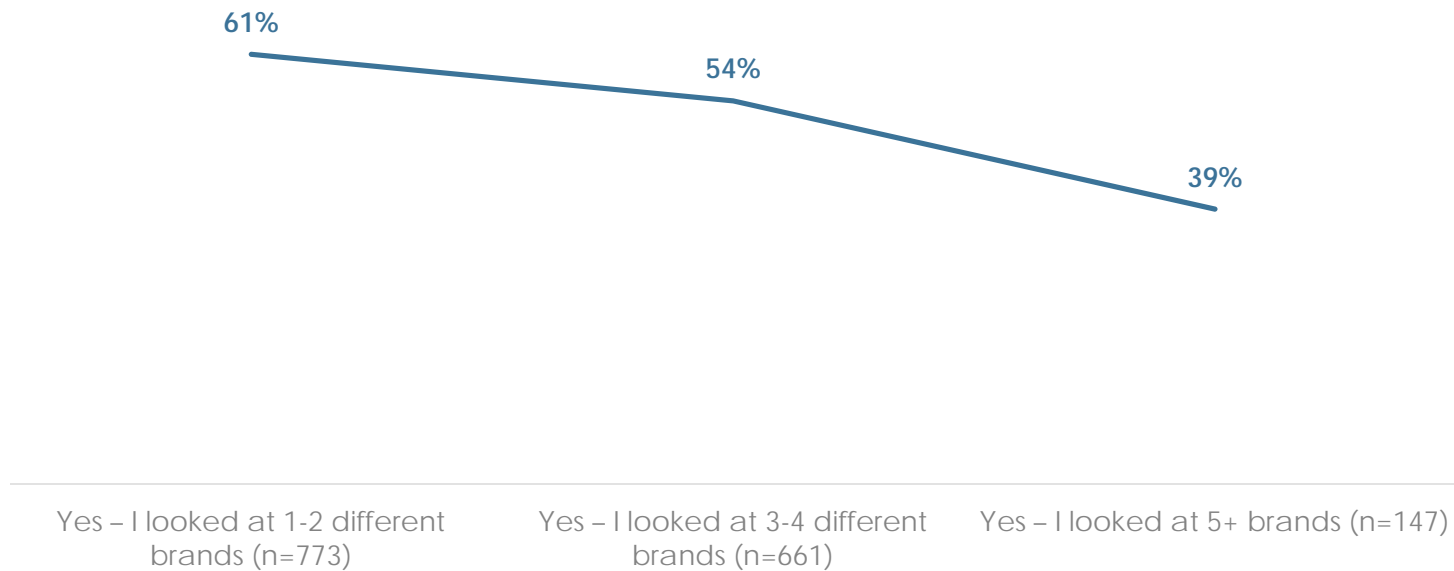


B10. How easy was it to understand the differences in what is covered by the different brands, other than price?
Base: All respondents who compared brands (refer to chart)

▲ Sig. difference at 95% confidence

HOWEVER, THE EASE OF COMPARING BRANDS DECLINES WITH THE NUMBER OF BRANDS COMPARED

Ease of understanding differences across brands (aside from price)
By the number of brands compared (% easy)



B10. How easy was it to understand the differences in what is covered by the different brands, other than price?
Base: All respondents who compared brands (refer to chart)

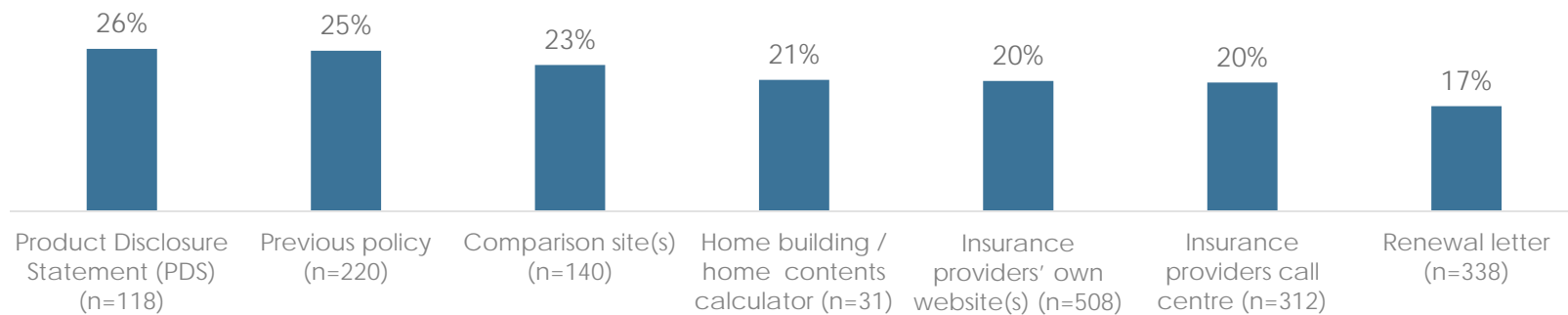
▲▼ Sig. difference
at 95% confidence

3.0 RATINGS OF INFORMATION USED

ONE QUARTER REPORT THAT THE PDS IS TOO DETAILED

However, it is positive to see there is no significant difference between products.

Too detailed



B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]...

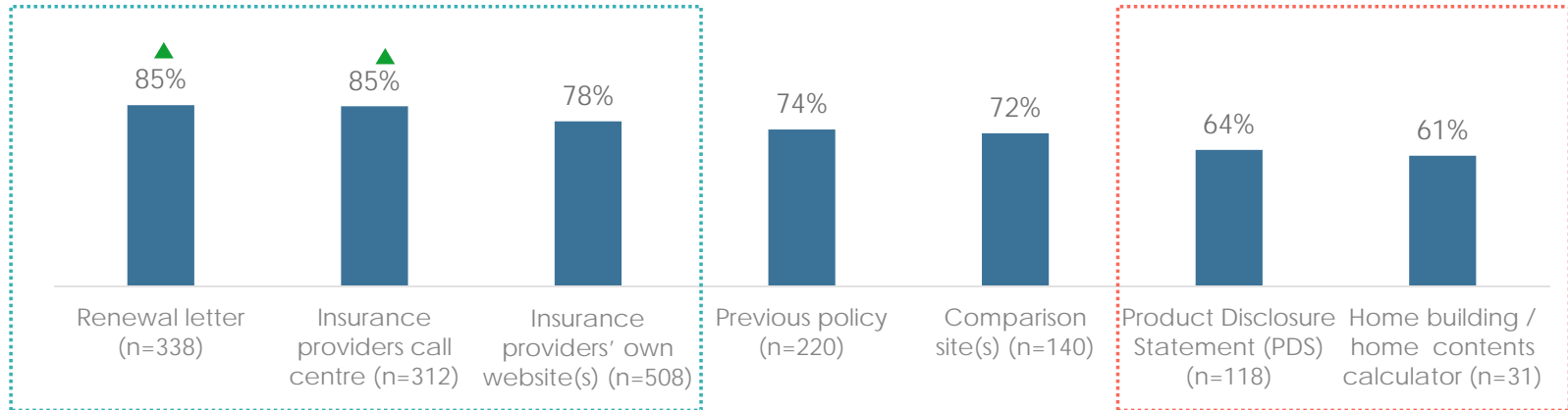
38 Base: Those who mainly used each information source, collapsed across insurance products / % strongly agree + agree / Note there are no significant differences by product / Base size too low for Key Fact Sheet to report

▲ Sig. difference at 95% confidence

nature

ALTHOUGH THE LEVEL OF JARGON ASSOCIATED WITH THE RENEWAL LETTER, CALL CENTRE AND WEBSITES IS LOW, THERE IS ROOM FOR PDS AND CALCULATORS TO IMPROVE IN THIS RESPECT.

In words or terminology that I easily understood



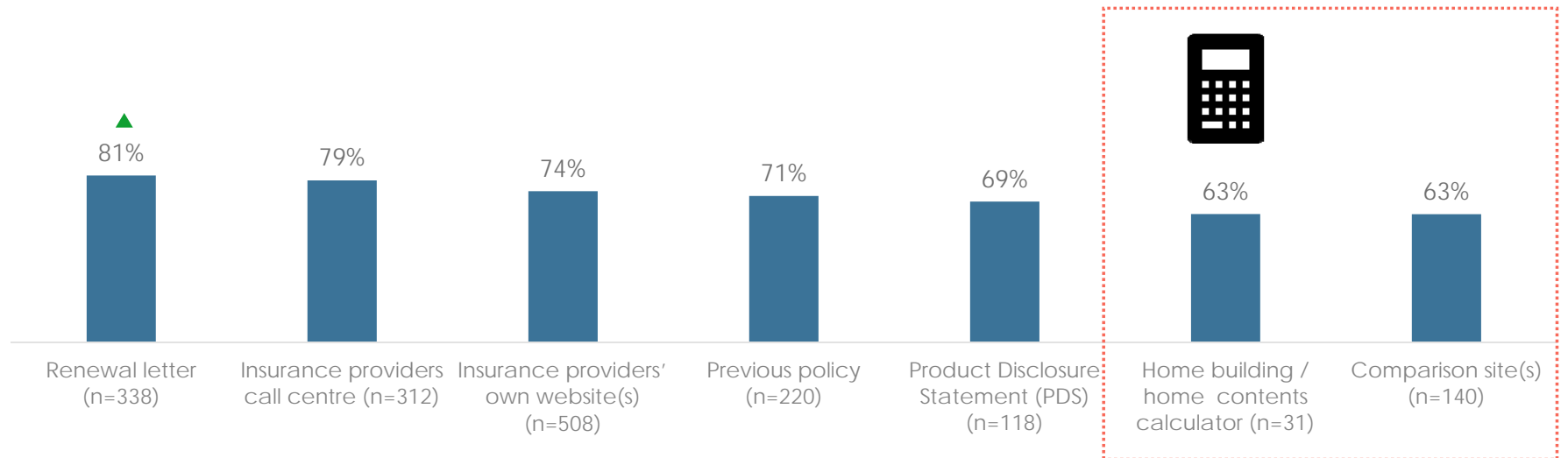
B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]...

39 Base: Those who mainly used each information source, collapsed across insurance products / % strongly agree + agree / Note there are no significant differences by product / Base size too low for Key Fact Sheet to report

▲▼ Sig. difference at 95% confidence

THERE ARE SIGNS OF TRUST ISSUES WITH ONLINE CALCULATORS AND COMPARISON SITES

Trustworthy



B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]...

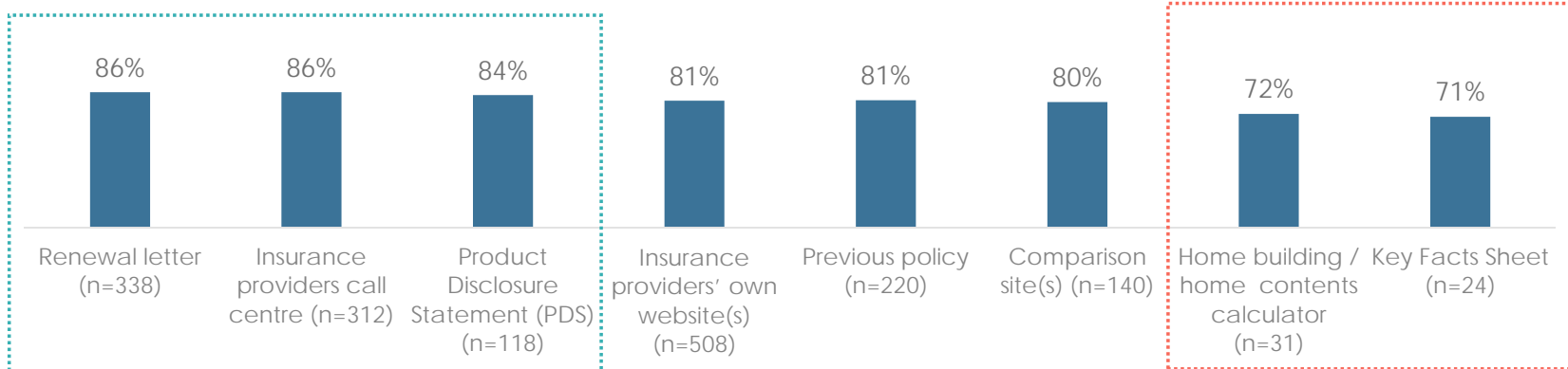
40 Base: Those who mainly used each information source, collapsed across insurance products / % strongly agree + agree / Note there are no significant differences by product / Base size too low for Key Fact Sheet to report

▲▼ Sig. difference at 95% confidence

nature

MOST SOURCES ARE SEEN TO BE RELEVANT. THE RISK WITH KFS IS THAT THEY HAVE TOO LITTLE INFORMATION, MAKING IT LESS RELEVANT.

Relevant to me personally



B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]...

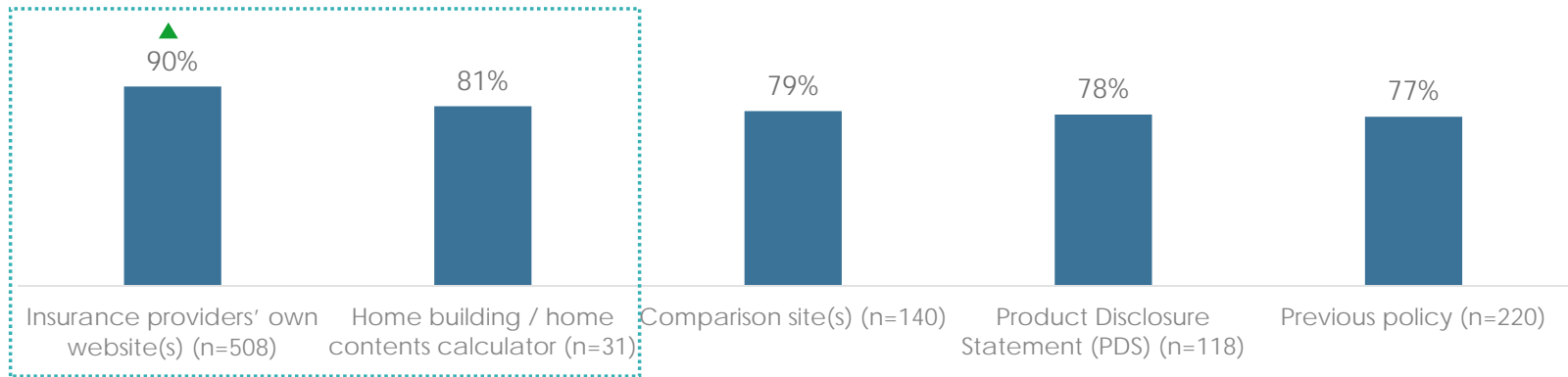
41 Base: Those who mainly used each information source, collapsed across insurance products / % strongly agree + agree / Note there are no significant differences by product / Base size too low for Key Fact Sheet to report

▲▼ Sig. difference at 95% confidence

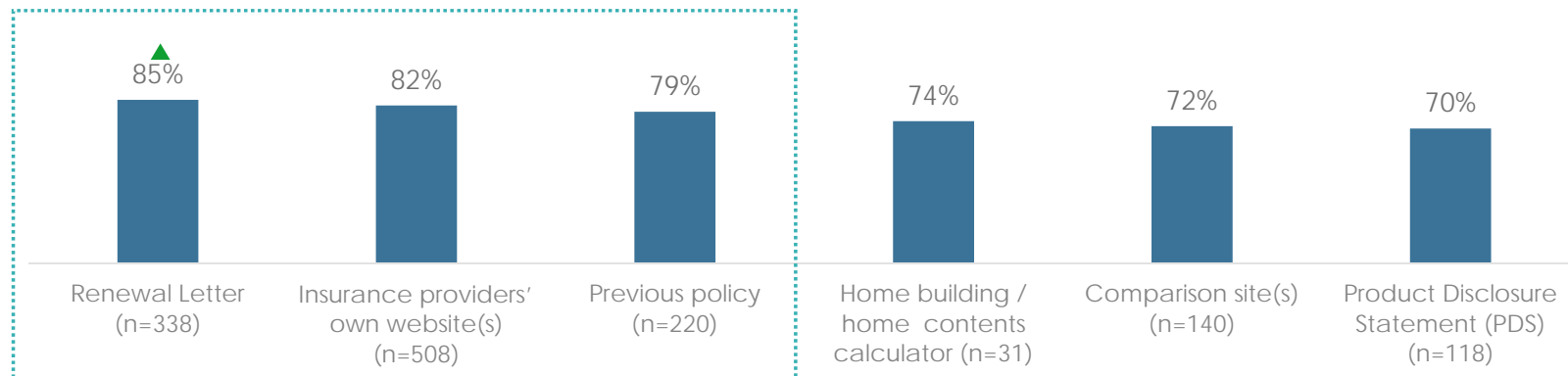
INFORMATION PROVIDED BY INSURERS (ESP. THE WEBSITE AND RENEWAL LETTER) IS EASY TO FIND AND TO FIND SPECIFIC INFORMATION WITHIN

Although PDS falls slightly behind in terms of ease of finding information in the document, the majority still agree it is easy.

Easy to find



Easy to find the specific information that I needed

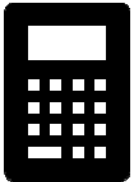


B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]...

42 Base: Those who mainly used each information source, collapsed across insurance products (refer to chart) / % strongly agree + agree / Base size too low for Key Fact Sheet to report

▲▼ Sig. difference at 95% confidence

BEING EASY TO FIND, WITH EASY TO UNDERSTAND LANGUAGE AND TRUSTWORTHY ARE KEY DRIVERS OF CONFIDENCE IN POLICY UNDERSTANDING FOR THOSE WHO USED THE ONLINE CALCULATOR



Calculator drivers of confidence in policy understanding Correlation

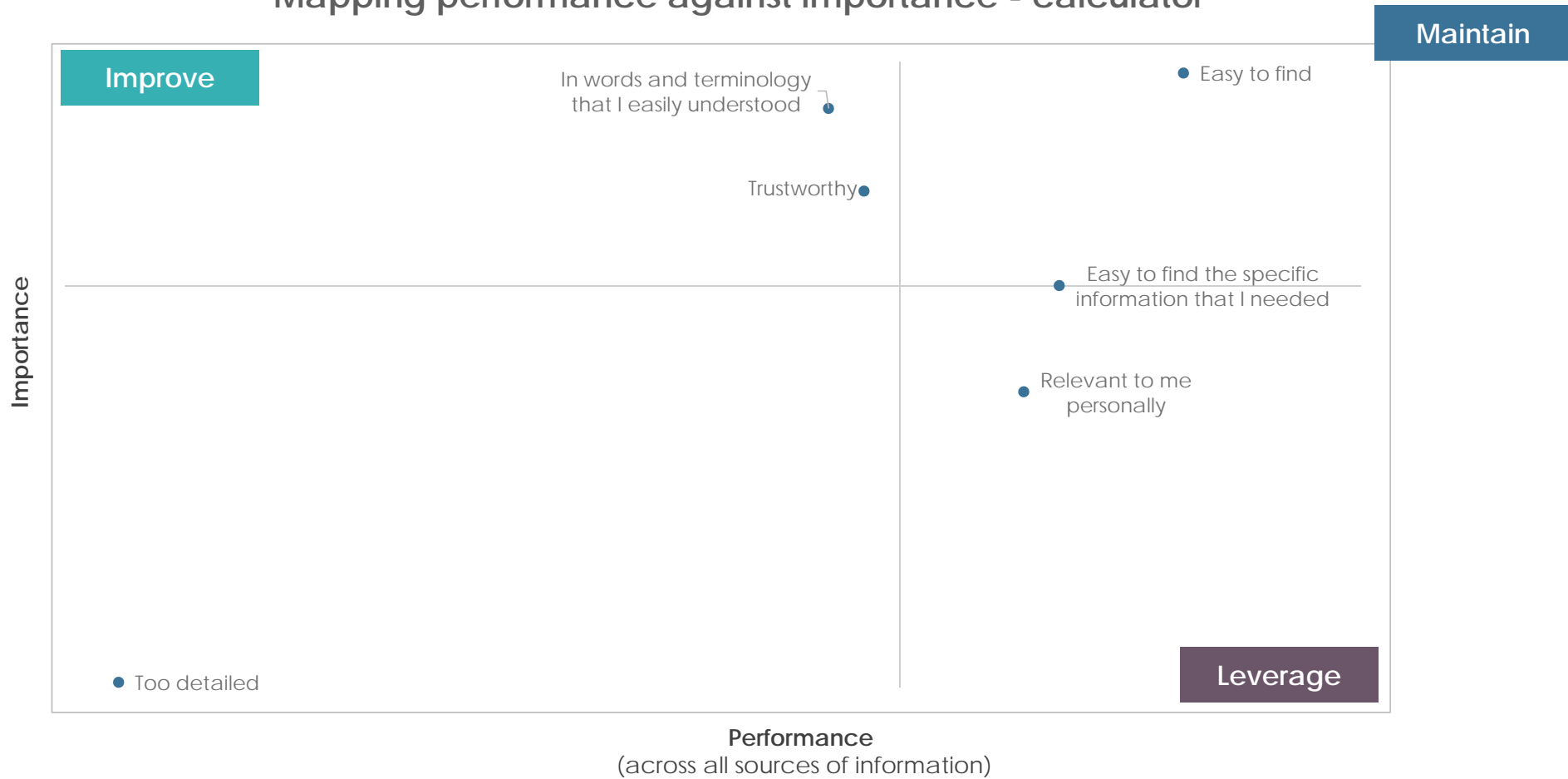
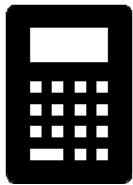


B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]... / C1 How confident are you that you fully understand the details of you [PRODUCT] policy?

43 Base: Those who mainly used the calculator (for home or contents only) (n=31) / showing correlation scores

FOR ONLINE CALCULATORS, THE BEST OPPORTUNITIES FOR IMPROVEMENT ARE THE TERMINOLOGY USED AND ENGENDERING TRUST

Mapping performance against importance - calculator



B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]... / C1 How confident are you that you fully understand the details of you [PRODUCT] policy?

44 Base: Those who mainly used the calculator (for home or contents only) (n=31) / showing correlation scores

FOR PDS, RELEVANCE, EASE OF FINDING SPECIFIC INFORMATION AND BEING TRUSTWORTHY ARE THE STRONGEST DRIVERS OF CONFIDENCE



PDS drivers of confidence in policy understanding Correlation

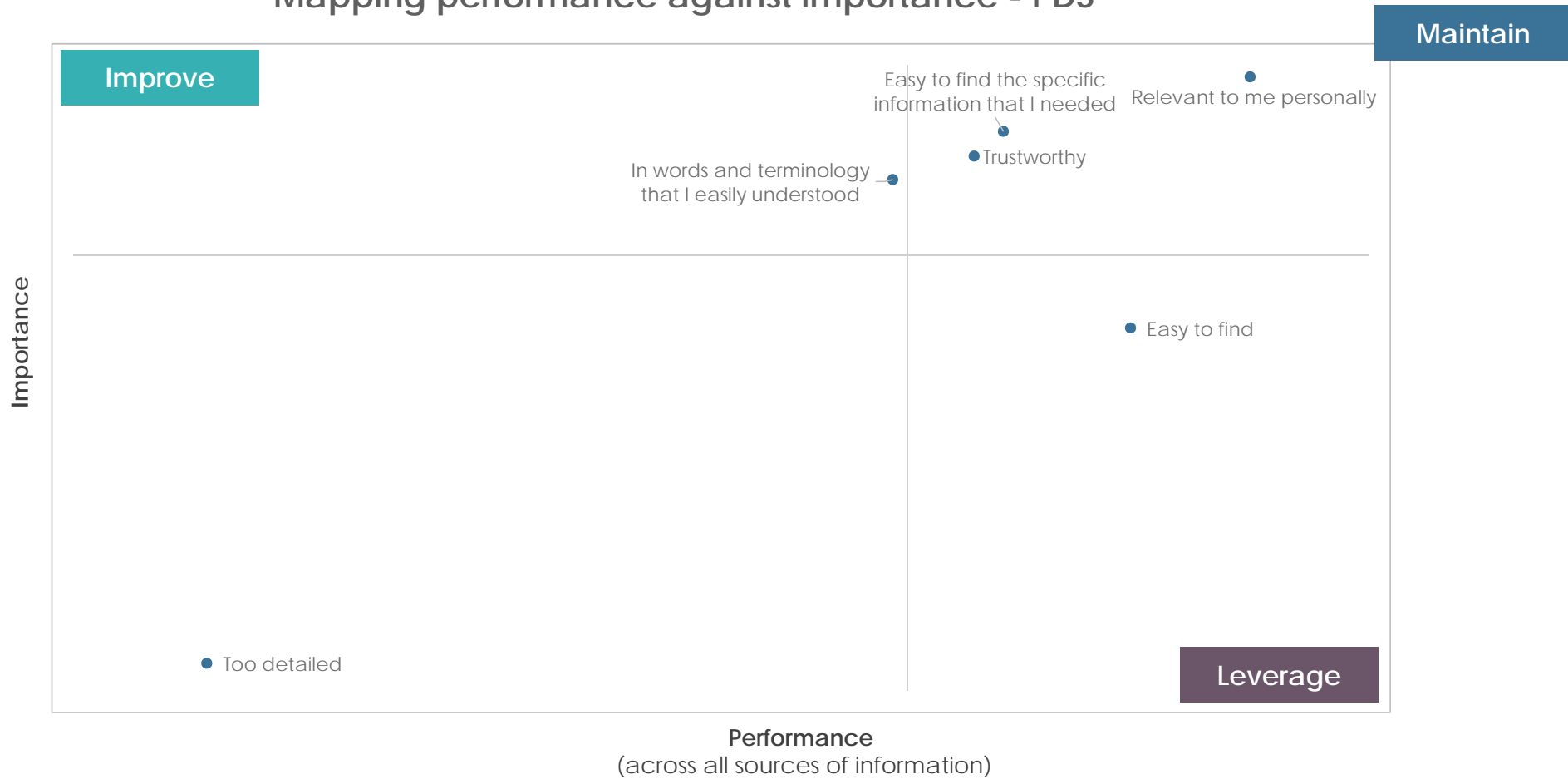


B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]... / C1 How confident are you that you fully understand the details of you [PRODUCT] policy?

45 Base: Those who mainly used PDS (n=118) or calculator (for home or contents only) (n=31) / showing correlation scores

MAPPING IMPORTANCE AGAINST PERFORMANCE FOR THE PDS, THE GREATEST OPPORTUNITY IS IMPROVING THE TERMINOLOGY USED

Mapping performance against importance - PDS








B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5]... / C1 How confident are you that you fully understand the details of you [PRODUCT] policy?

46 Base: Those who mainly used PDS (n=118) / importance based on correlation scores

THE RENEWAL LETTER IS ALMOST ALWAYS THE STRONGEST PERFORMING SOURCE, SUGGESTING A STRONG FOUNDATION



Ratings of the renewal letter compared to other sources

	Renewal Letter	Average across other sources of information	Lead vs. average across other sources of information	ranking vs. average of other sources of information (out of 7)
Easy to find the specific information that I needed	85%	80%	 5%	1st
Relevant to me personally	86%	83%	 3%	2nd
Trustworthy	81%	75%	 7%	1st
In words or terminology that I easily understood	85%	78%	 7%	1st
Too detailed	17%	21%	 -4%	7th

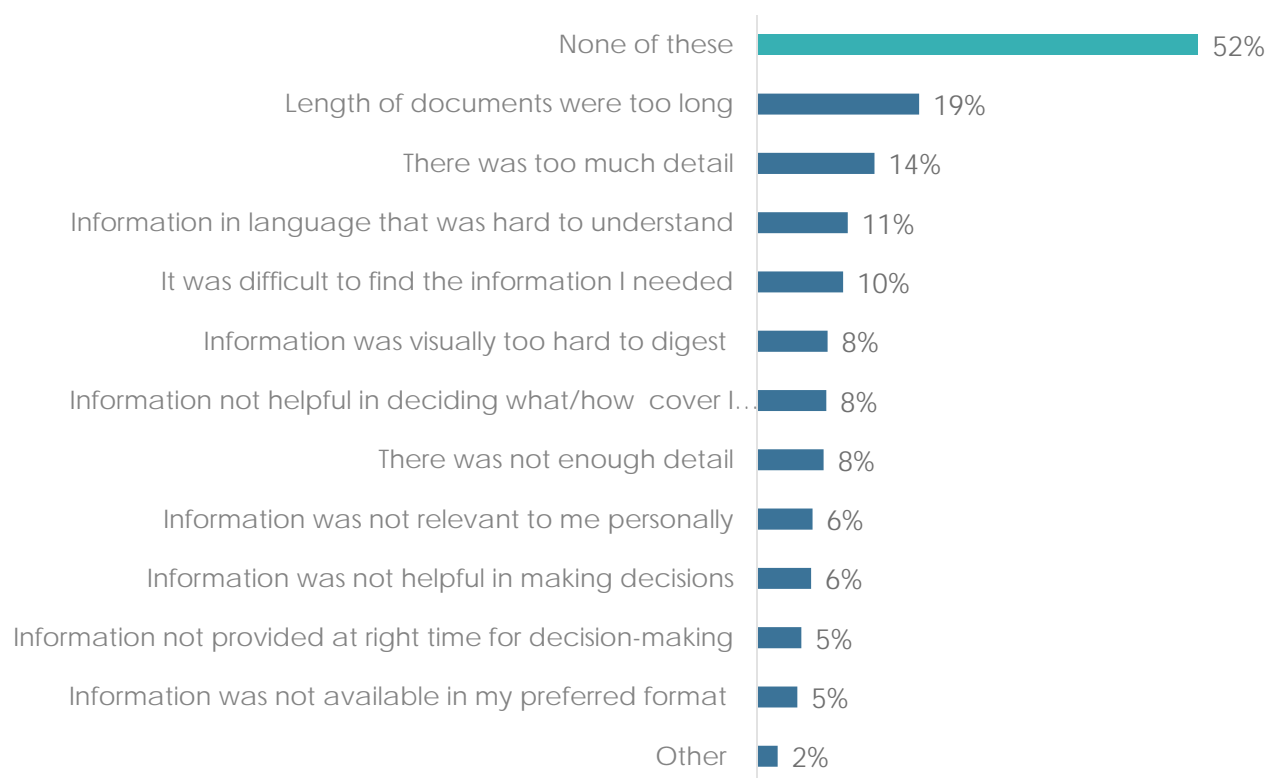
B7. To what extent do you agree or disagree that [INSERT MAIN SOURCE FROM B5 USING THE WORDING BELOW]...

47 Base: All respondents mainly relied on each source of information: Renewal letter (n=338) / Insurer website (n=508) / Calculator (n=31) / Previous policy (n=220) / comparison site (n=312) / PDS (n=118). KFS too low for analysis (n=24)

4.0 PAIN POINTS

LENGTH / LEVEL OF DETAIL ARE KEY PAIN POINTS WITH DISCLOSURE

Pain points with disclosure

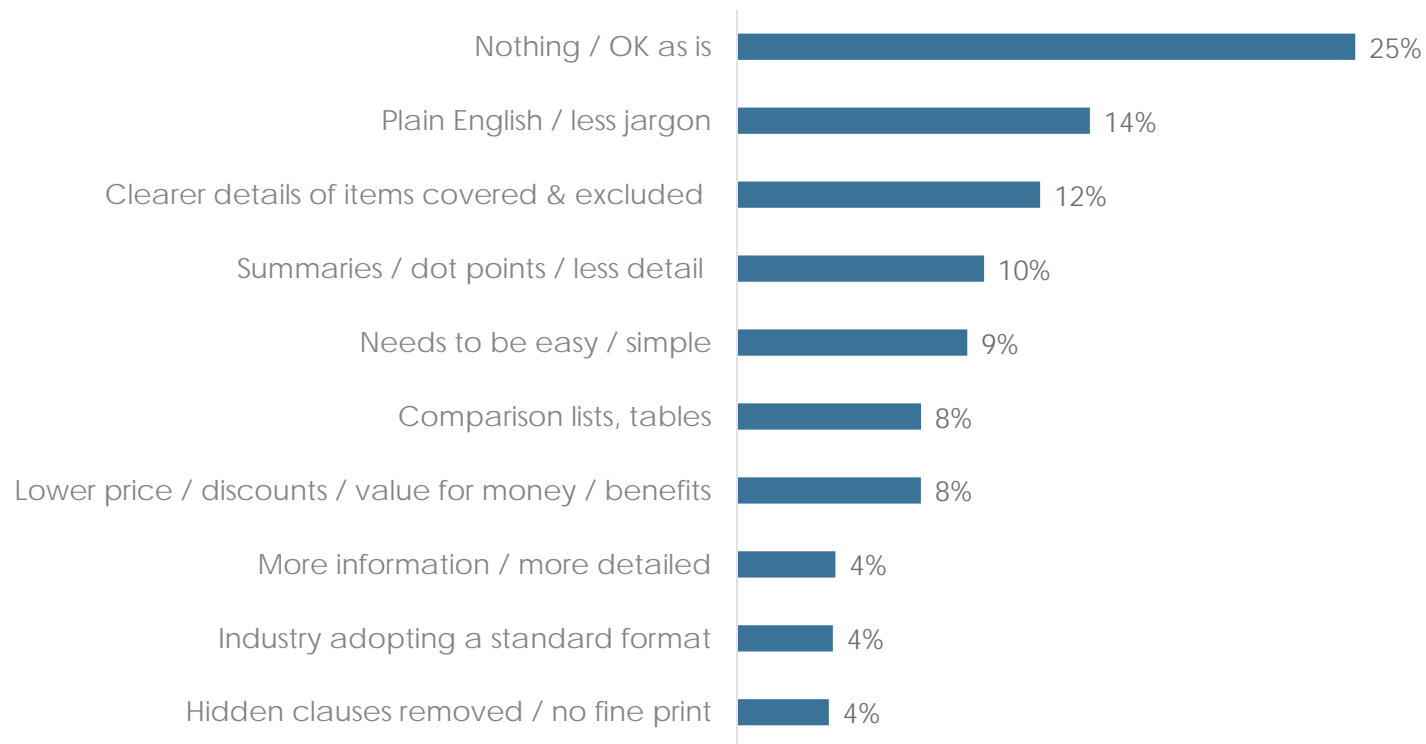


B11. Which of the following (if any) applied to you in relation to the product information that you used?

Base: Those who used at least one source of information (n=2,198)

SIMILARLY, MANY OF THE SUGGESTIONS FOR IMPROVEMENT RELATE TO GREATER SIMPLICITY, INCLUDING USING LESS JARGON

Suggestions to improve information about insurance
(Open text coded / top 10 mentions)

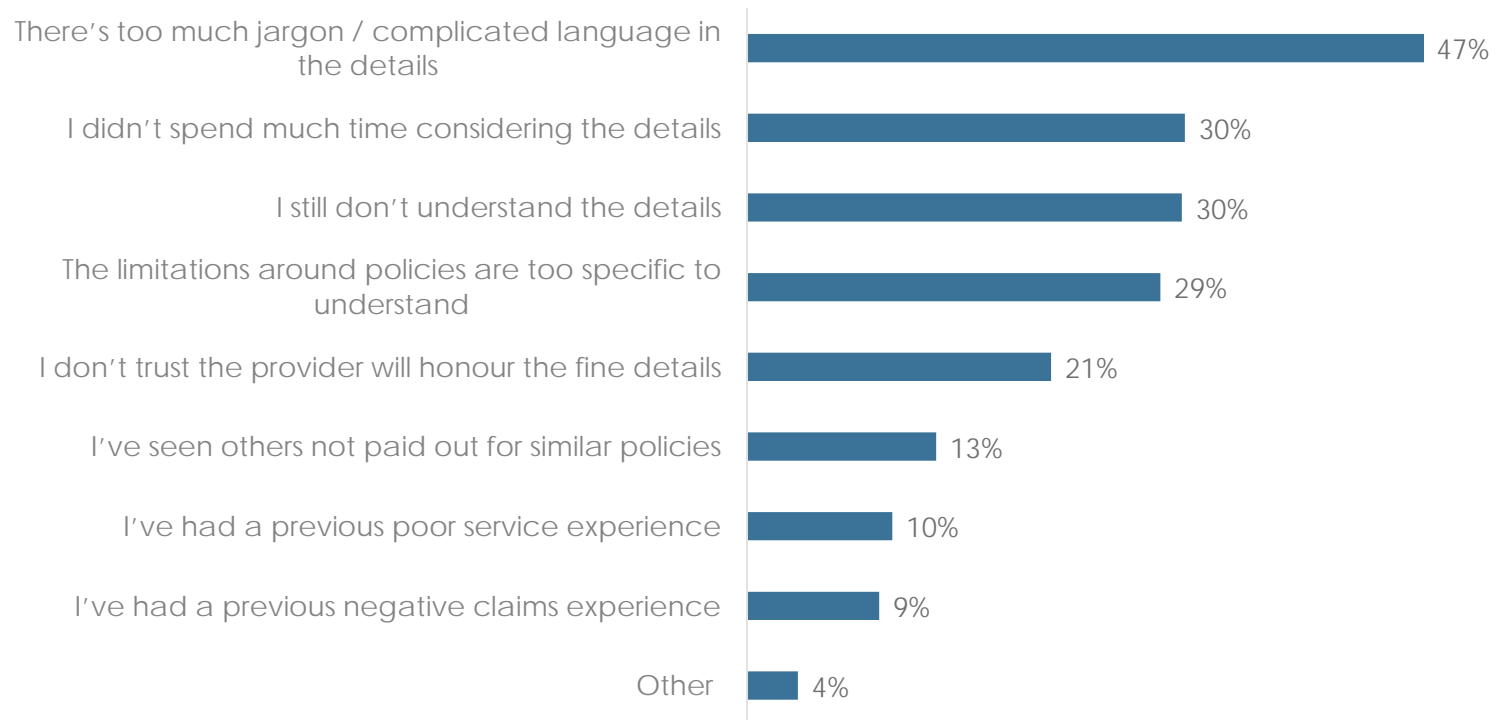


B14. How could information about insurance be improved to help you make your decision on which [PRODUCT] policy you need? Please type in as much detail as possible into the box below.

50 Base: All respondents (n=2,430) / Results do not vary by product

FOR THOSE WITH LOW CONFIDENCE IN UNDERSTANDING OF POLICY DETAILS, REDUCING JARGON IS A CRUCIAL STARTING POINT

Reasons for low confidence



C2. Why don't you feel confident about the details of your policy?
Base: All respondents not confident in details of policy (n=273)

HOWEVER, THE MAJORITY DON'T FEEL THEY HAVE ANY GAPS IN UNDERSTANDING

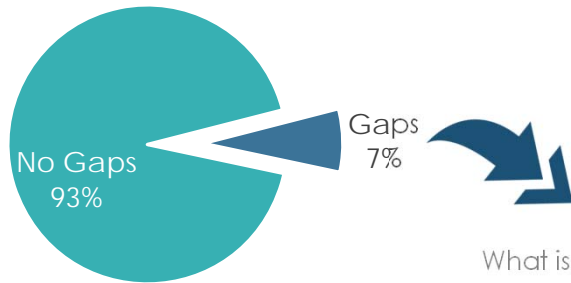
9
/10



DO NOT FEEL THEY HAVE ANY GAPS
IN UNDERSTANDING (93%)

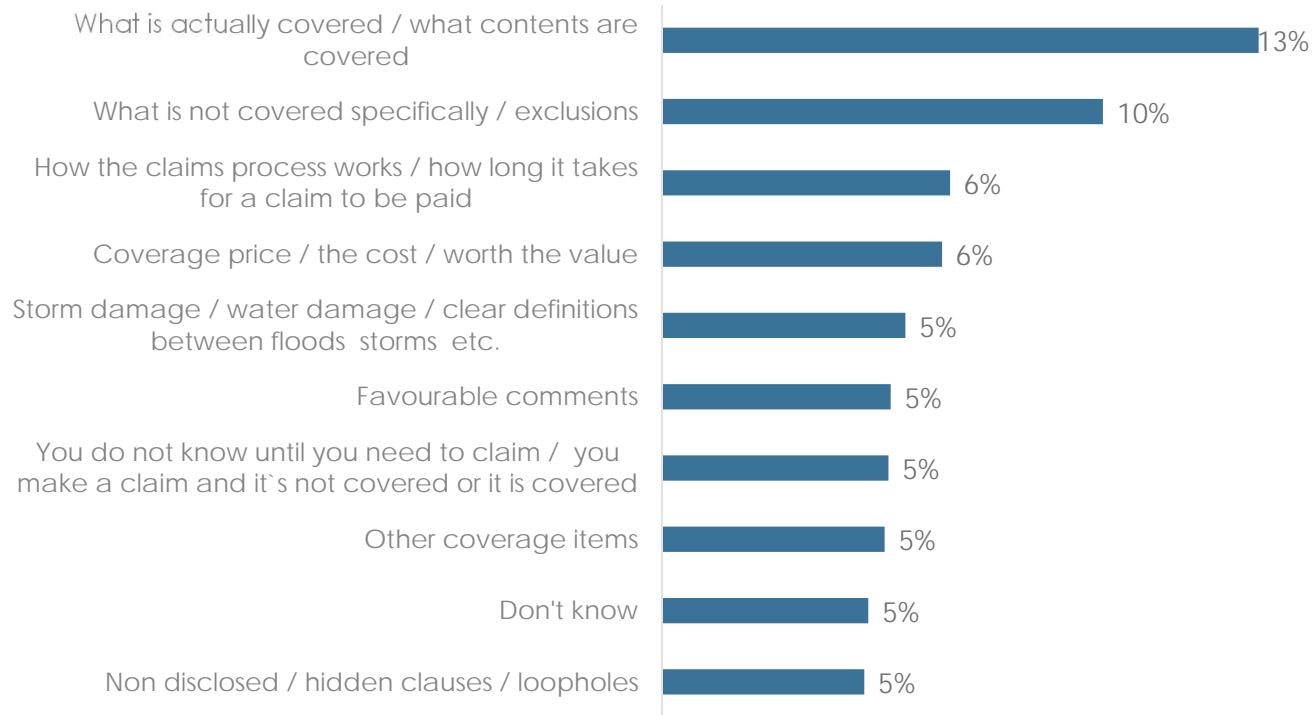
Results do not vary significantly by product

THE MAIN KNOWLEDGE GAP AS IDENTIFIED BY CONSUMERS IS COVERAGE



Gaps in knowledge

(open text coded amongst those who report wanting to know more n=180)



C3. Is there anything you'd like to know about your policy that you don't currently?

53 Base: All respondents who report wanting to know more n=180 / only showing those with 5% or more mentions

5.0 BRAND / PRODUCT USAGE AND CONSIDERATIONS

5.1 Brand usage

5.2 Policy usage and considerations

MOST PURCHASE DIRECTLY ONLINE. SECONDARY CHANNELS TEND TO INVOLVE A HUMAN ELEMENT (E.G. PHONE OR BRANCH).

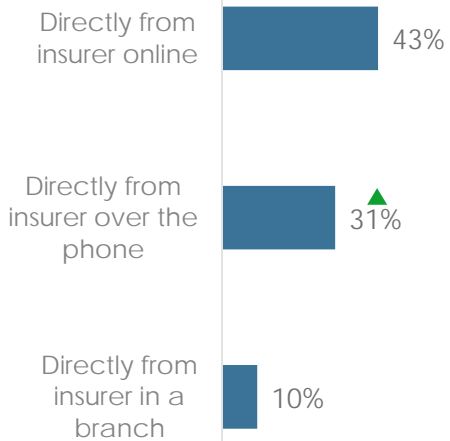
PURCHASE LOCATION

(top 3 per product)



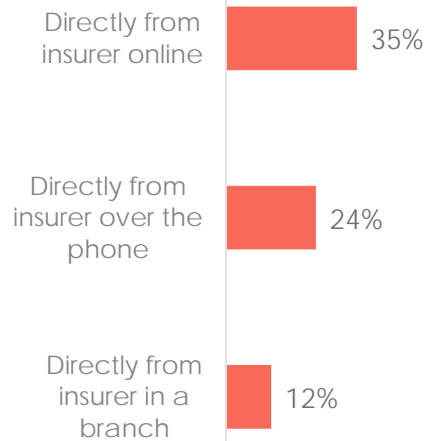
Car

(n=831)



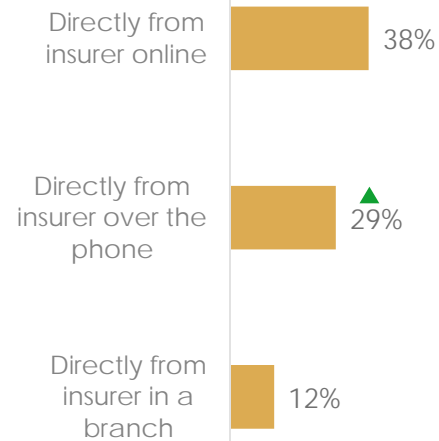
Home Building

(n=478)



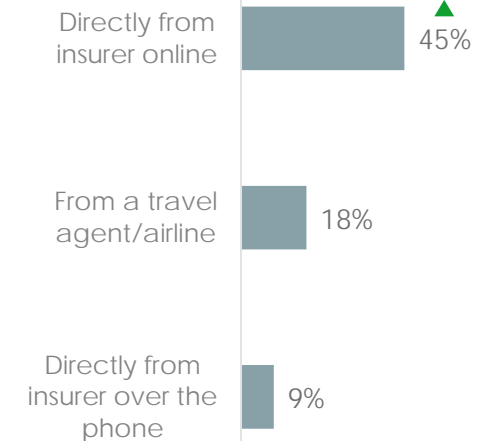
Home Contents

(n=485)



Travel

(n=636)



D3b. Who did you purchase your policy from?
 55 Base: All respondents for each product (refer to chart)

▲ Sig. difference at 95% confidence

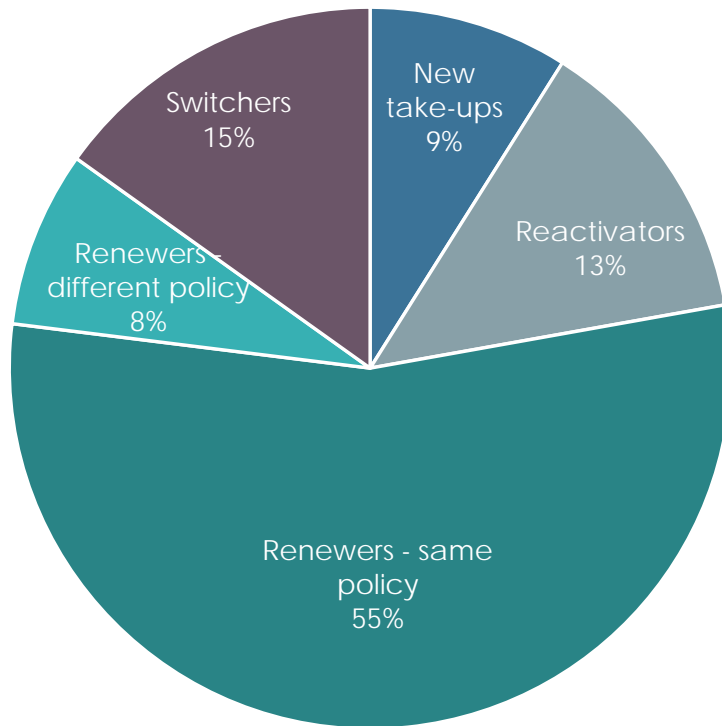
5.0 BRAND / PRODUCT USAGE AND CONSIDERATIONS

5.1 Brand usage

5.2 Policy usage and considerations

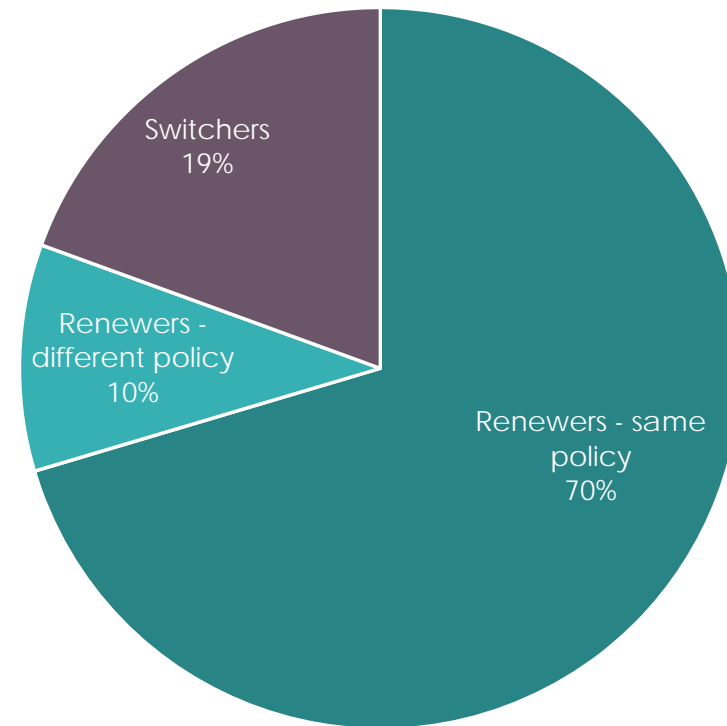
8 IN 10 CURRENTLY IN THE INSURANCE MARKET DEFAULT AND RENEW WITH THEIR EXISTING SUPPLIER

PREVIOUS INSURANCE BEHAVIOUR



PREVIOUS INSURANCE BEHAVIOUR

Amongst those currently in the insurance market (n=1,466)



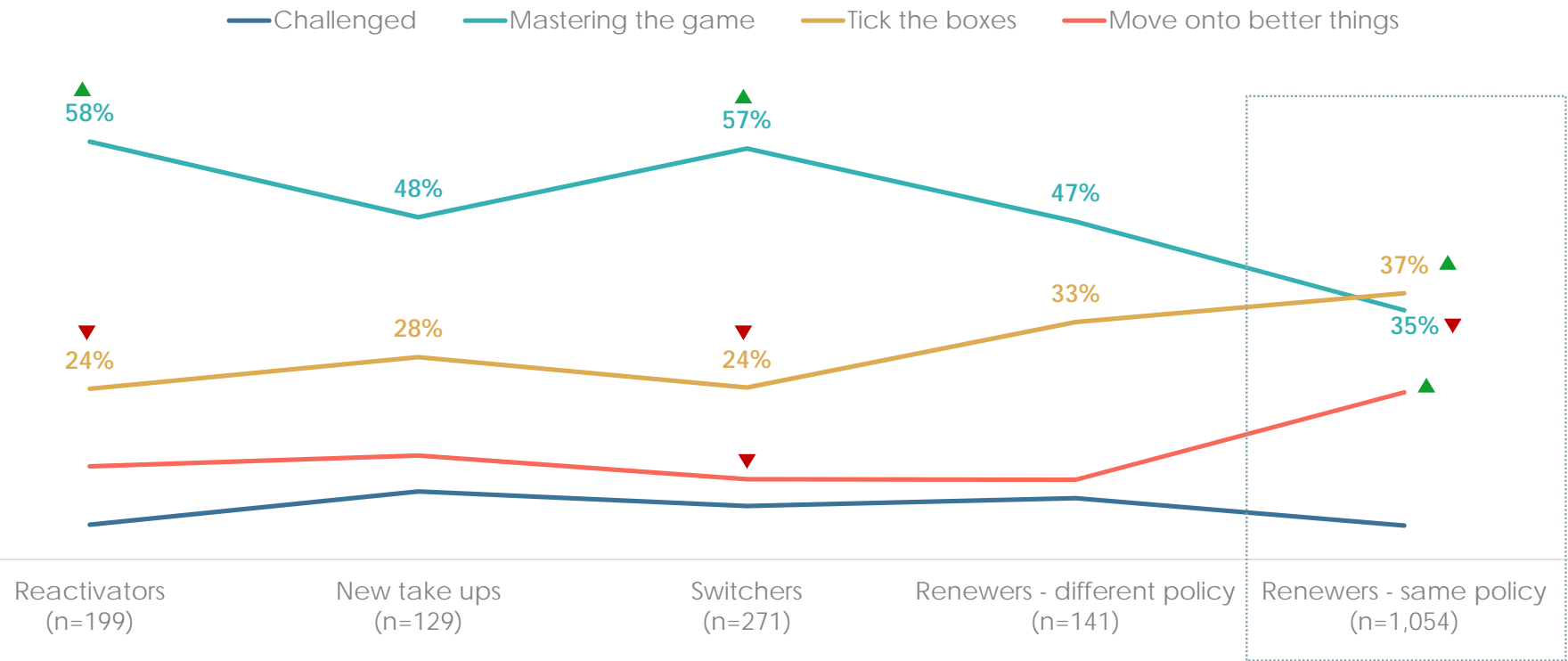
  
Results are consistent
regardless of the product type

D1. Did you have an existing policy immediately prior to taking out a [PRODUCT] policy in the last 3 months? / D2. Did you...?

57 Base: All respondents with car, home building or home contents insurance (n=1,794) / Reactivators = held no policy immediately prior to taking out recently but have had a policy in the past

RENEWERS ARE PARTICULARLY LIKELY TO BE SEEKING SIMPLICITY, BEING MORE LIKELY TO MOVE INTO THE 'TICK THE BOXES' MINDSET

PREVIOUS INSURANCE BEHAVIOUR BY MINDSET FRAMEWORK



D1. Did you have an existing policy immediately prior to taking out a [PRODUCT] policy in the last 3 months? / D2. Did you...?
 58 Base: All respondents with car, home building or home contents insurance (n=1,794)

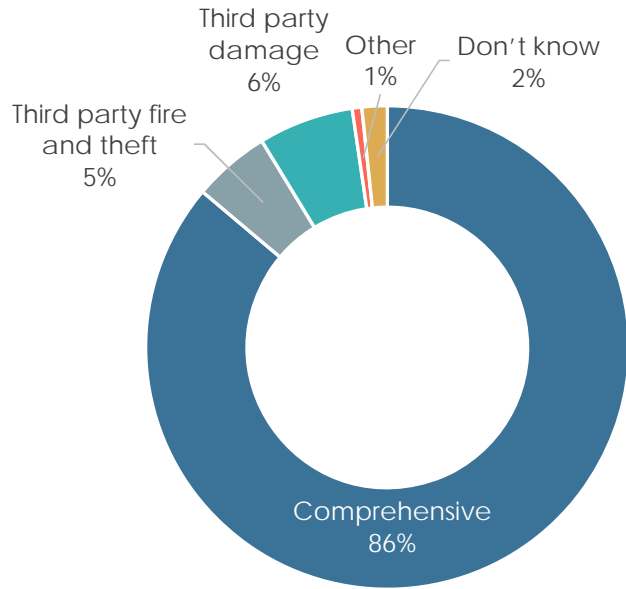
▲ Sig. difference at 95% confidence



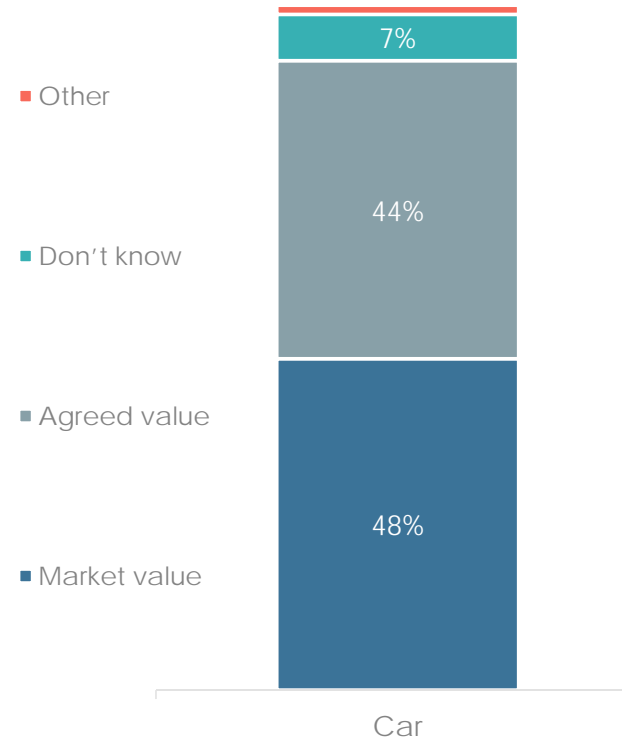
THE MAJORITY OF THOSE WITH CAR INSURANCE CLAIM TO HAVE COMPREHENSIVE COVERAGE



POLICY



CAR POLICY COVERAGE

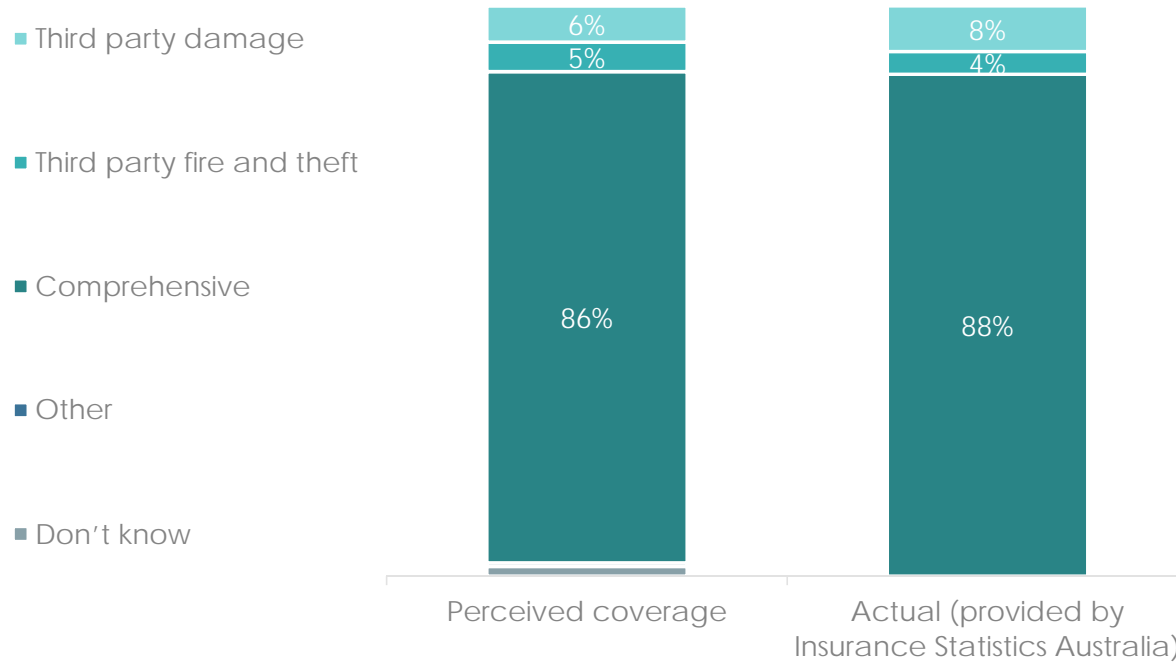


D5. Which type of [PRODUCT] did you purchase? / D13. Under your motor vehicle insurance policy, are you covered for... D14. Do you have access to another car / other transport if you no longer had access to your car
 59 Base: All respondents with car insurance (n=831) / NOTE THAT RESULTS DO NOT VARY BY THE VALUE OF THE MAIN CAR

PERCEPTIONS OF THE LEVEL OF CAR COVER ARE IN LINE WITH KNOWN MARKET PROPORTIONS



Level of coverage - perceptions versus reality



D5. Which type of [PRODUCT] did you purchase? / D13. Under your motor vehicle insurance policy, are you covered for... D14. Do you have access to another car / other transport if you no longer had access to your car? / D15. Does your motor vehicle insurance policy provide access to a hire car if your car is being repaired?

60 Base: All respondents with car insurance (n=831)

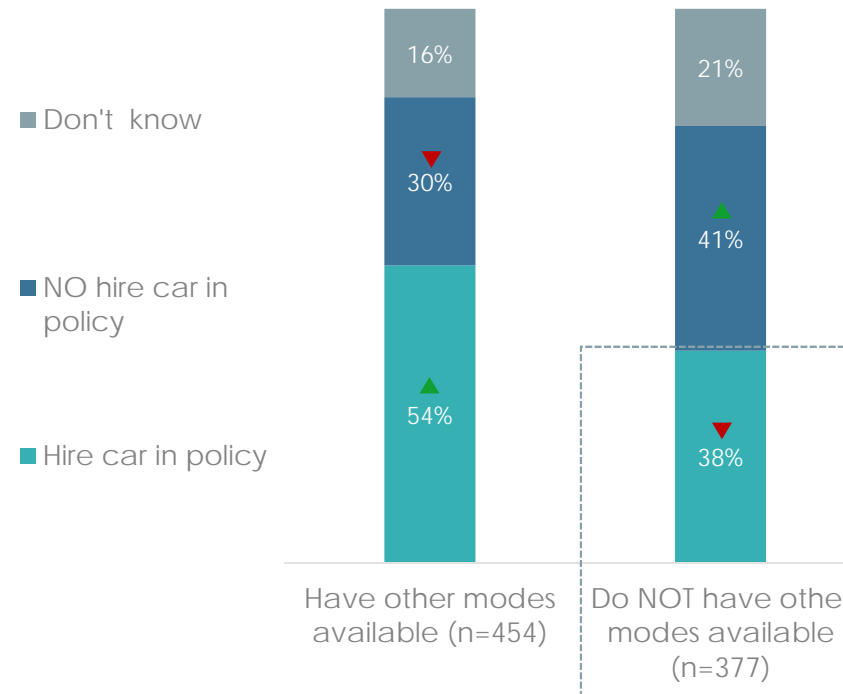
HOWEVER, JUST FOUR IN TEN OF THOSE WITH NO OTHER MODES OF TRANSPORT HAVE A POLICY THAT INCLUDES HIRE CAR COVER



Car policy coverage



Relationship between other modes available and car hire coverage



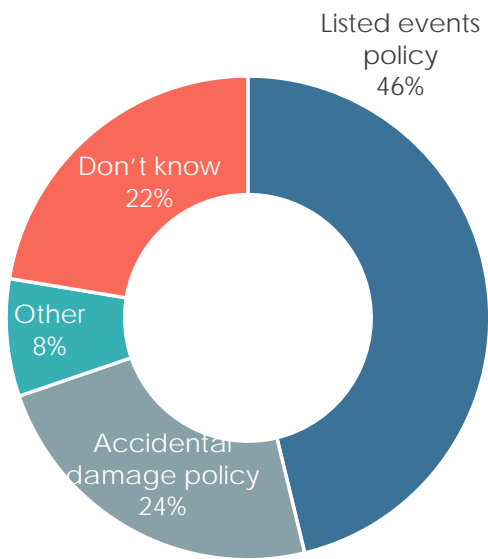
D14. Do you have access to another car / other transport if you no longer had access to your car? / D15. Does your motor vehicle insurance policy provide access to a hire car if your car is being repaired?
 61 Base: All respondents with car insurance (n=831) / NOTE THAT RESULTS DO NOT VARY BY THE VALUE OF THE MAIN CAR

▲▼ Sig. difference at 95% confidence

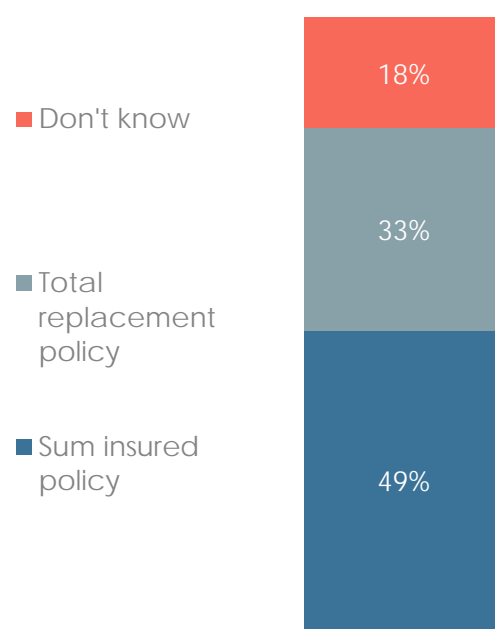
MOST BELIEVE THEIR HOME BUILDING INSURANCE IS A LISTED EVENTS POLICY, HOWEVER AT TWO IN TEN A HIGH PROPORTION DON'T KNOW



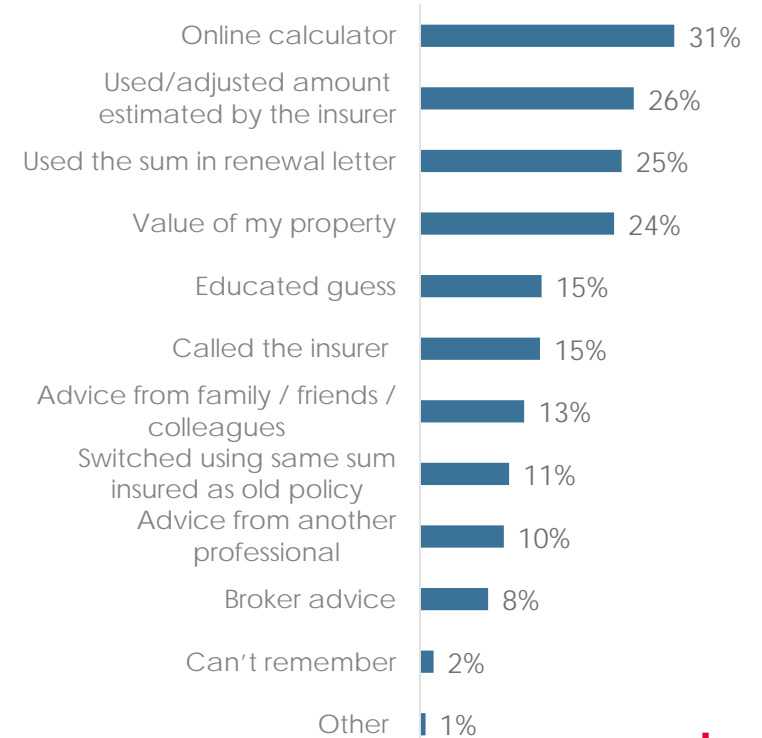
POLICY



POLICY COVERAGE



METHOD FOR SELECTING SUM INSURED



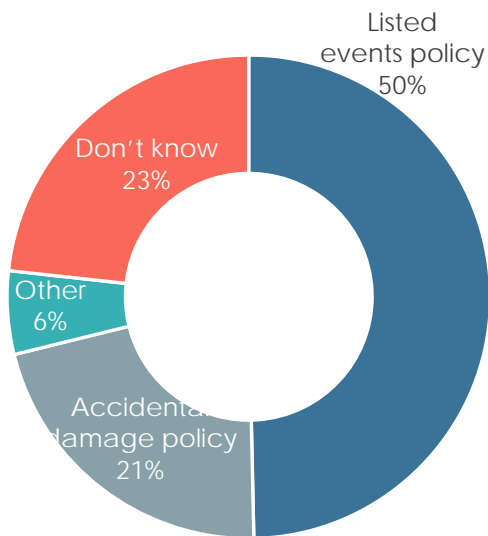
D5. Which type of [PRODUCT] did you purchase? / D8. Did you purchase a sum insured, or total replacement home building policy? / D9. How did you select the total amount (sum insured) for which you are insured?

62 Base: All respondents with home building insurance (n=478)

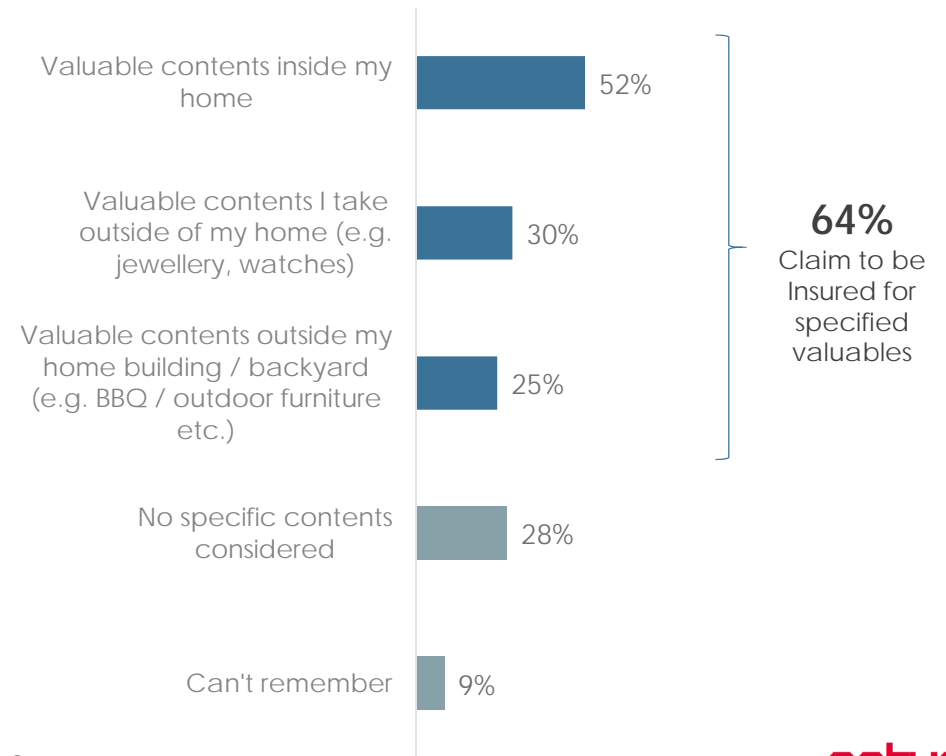
HALF OF HOME CONTENTS CONSUMERS REPORTEDLY HAVE A LISTED EVENTS POLICY, HOWEVER ALMOST A QUARTER DON'T KNOW



POLICY



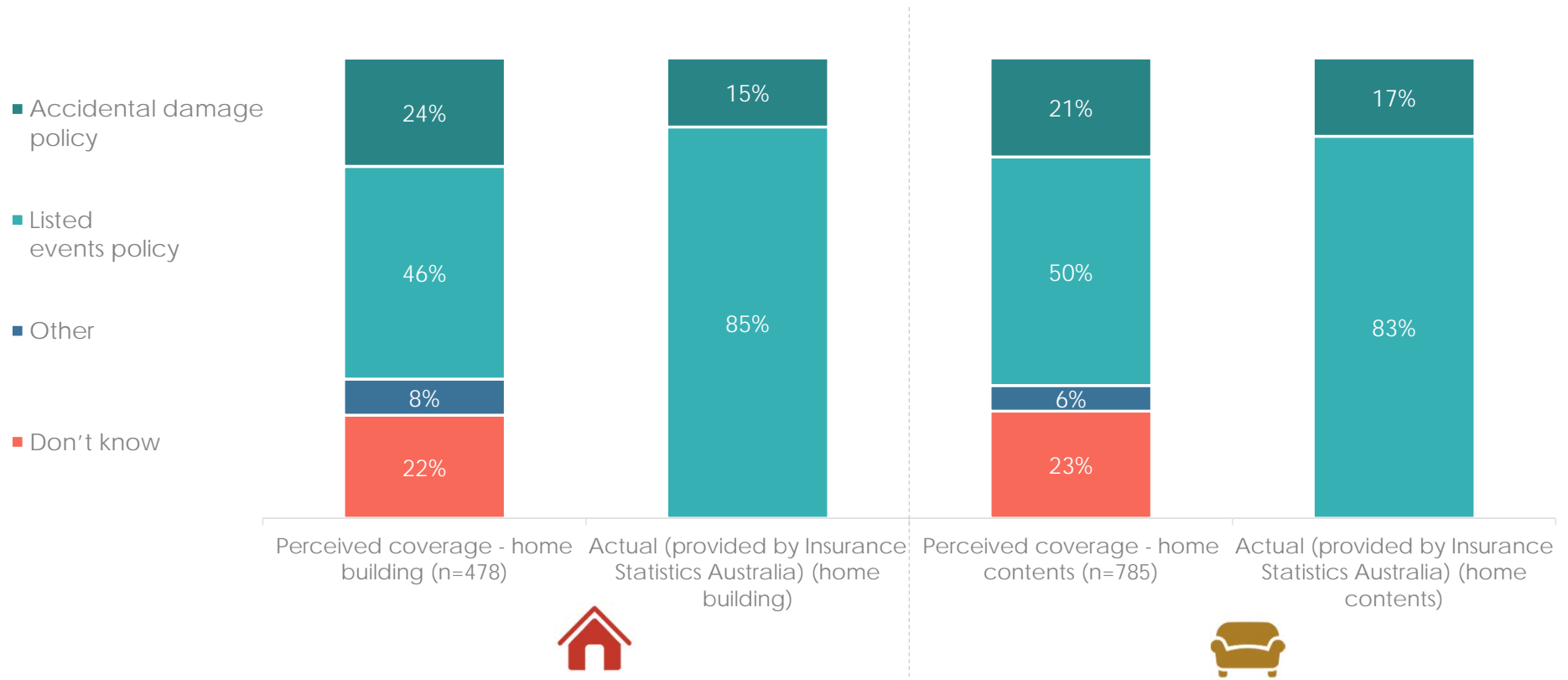
SPECIFIC CONTENTS INSURED



D5. Which type of [PRODUCT] did you purchase? / D12. Did you think about any specific items that you might need cover for, and if so which items?
63 Base: All respondents with home contents insurance (n=485)

COMPARED TO KNOWN MARKET LEVELS, CONSUMERS ARE MORE LIKELY TO BELIEVE THEY HAVE ACCIDENTAL DAMAGE COVER, OR ARE UNSURE

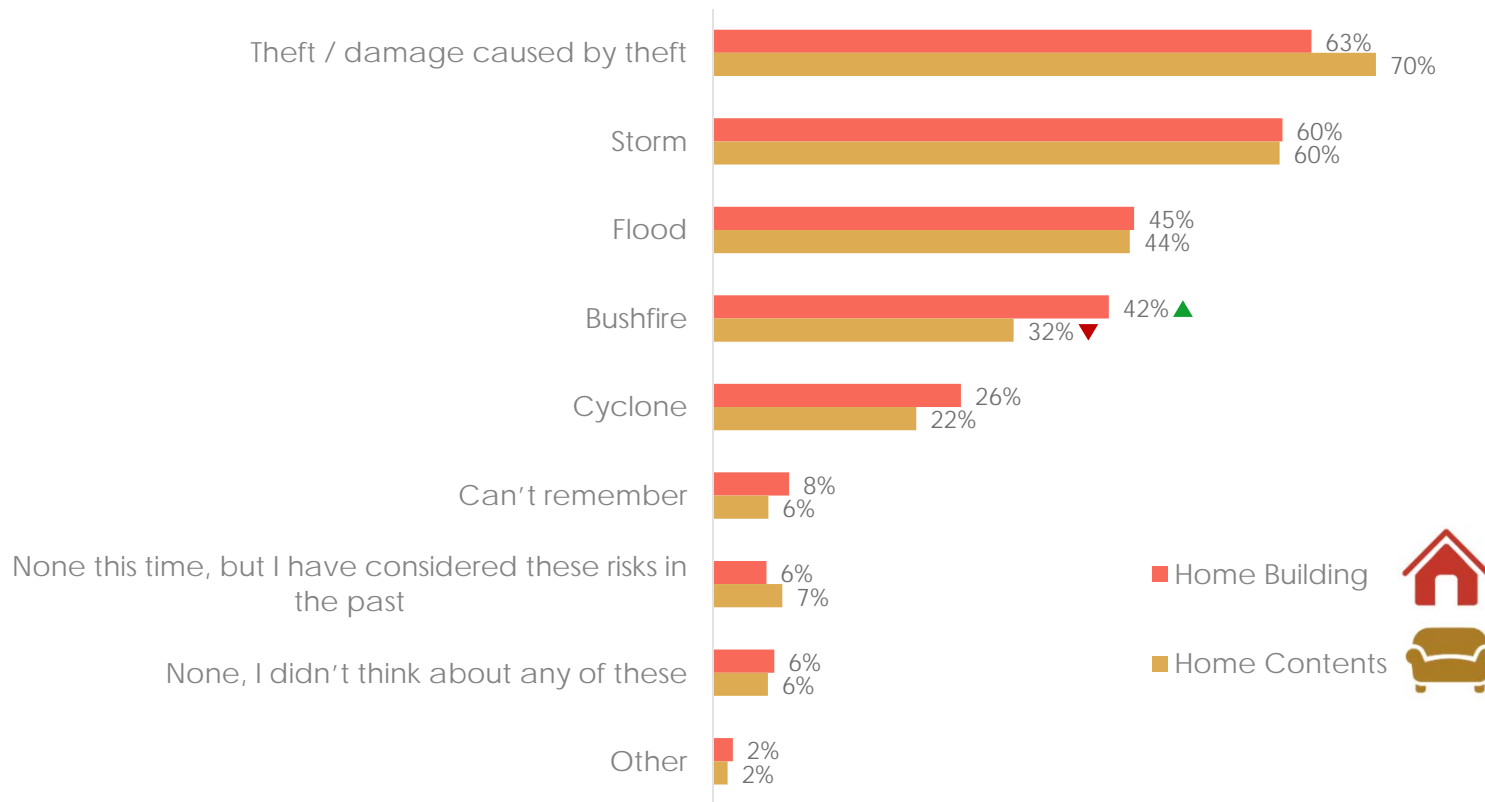
Type of coverage - perceptions versus reality



D5. Which type of [PRODUCT] did you purchase? / D8. Did you purchase a sum insured, or total replacement home building policy? / D9. How did you select the total amount (sum insured) for which you are insured?
 64 Base: All respondents with home building insurance (n=478)

ALTHOUGH THE MAJORITY CONSIDER THE RISK OF THEFT OR STORM, THERE REMAINS UP TO FOUR IN TEN WHO DO NOT

RISKS CONSIDERED



Queenslanders are more likely to consider the risk of **cyclone** (37% vs. average 22% for contents / (46% vs. average 26% for home building) or **storm** (75% vs. average 60% for contents).



Those who **reside in a postcode with high cyclone risk** (5 out of 5) are more likely to have considered this risk (72% home contents / 64% home building)

D10. Which of the following risks (if any) did you consider when deciding about which [PRODUCT] policy to purchase? Please select all that apply. /

65 Base: All respondents with home building (n=478) or home contents insurance (n=485)

▲▼ Sig. difference at 95% confidence

A HIGH PROPORTION REPORT TO UNDERSTAND THE RISK OF THEFT AND STORM TO HOME CONTENTS WITHOUT SEEKING FURTHER INFORMATION



Home Contents
(n=485)

RISKS CONSIDERED AND LEVEL OF UNDERSTANDING

■ Considered, but don't understand level of risk

■ Considered and understood without needing to get information

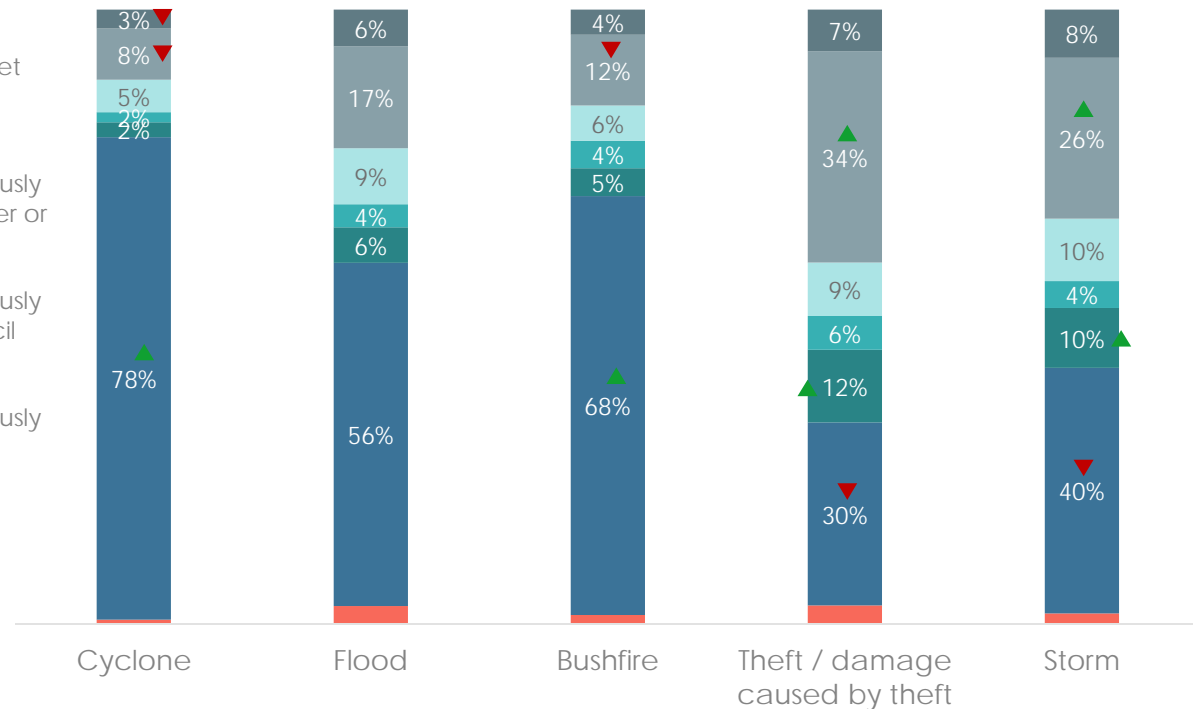
■ Considered and understood because I got/previously got information from someone other than an insurer or the Government

■ Considered and understood because I got/previously got information from the Government/local council

■ Considered and understood because I got/previously got information from my insurer

■ Not considered when deciding on policy

■ Don't know



Queenslanders are more likely to consider the risk of **cyclone** (37% vs. average 22%) or **storm** (75% vs. average 60%)

D10. Which of the following risks (if any) did you consider when deciding about which [PRODUCT] policy to purchase? Please select all that apply. / D11. When you purchased your [PRODUCT] policy, did you understand your level of risk for the following, and if so how did you learn about it?

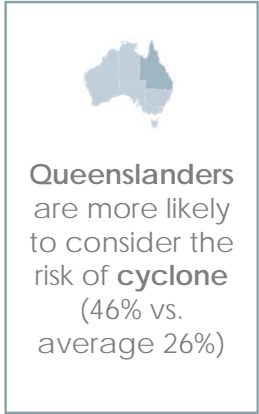
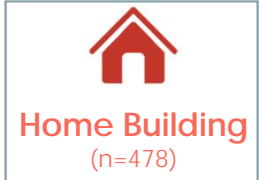
66 Base: All respondents with home contents insurance (n=485)

▲ Sig. difference at 95% confidence

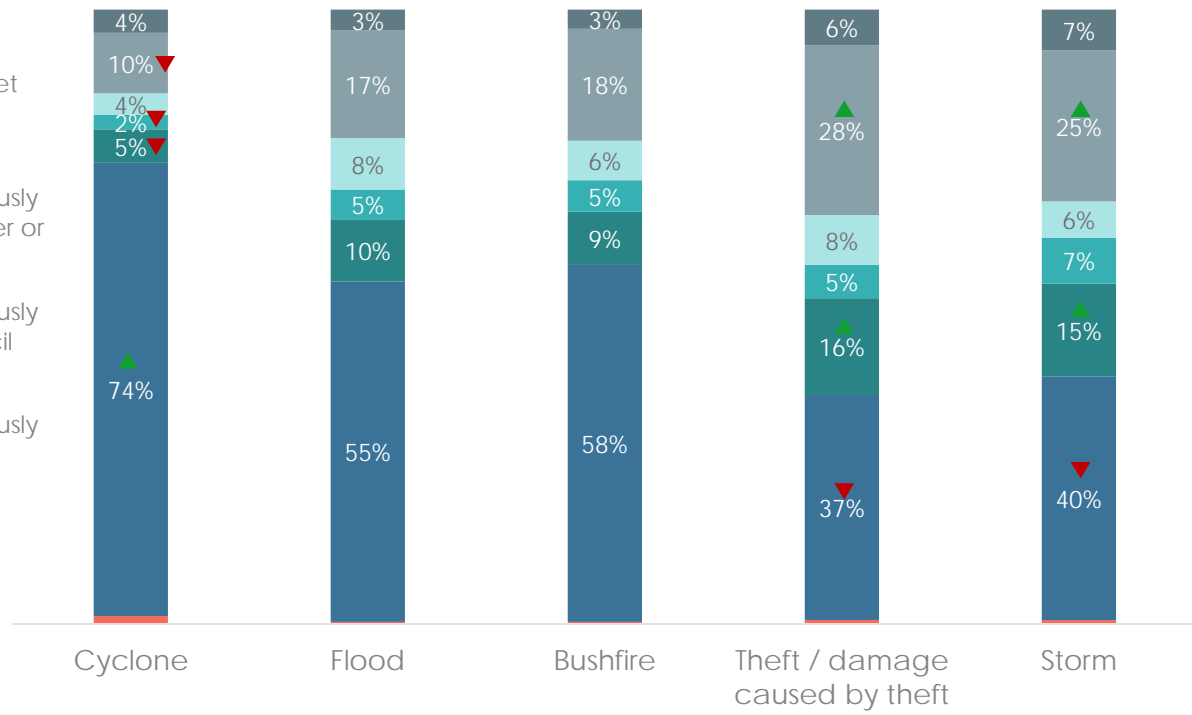


THE SAME IS TRUE OF HOME BUILDING INSURANCE

RISKS CONSIDERED AND LEVEL OF UNDERSTANDING



- Considered, but don't understand level of risk
- Considered and understood without needing to get information
- Considered and understood because I got/previously got information from someone other than an insurer or the Government
- Considered and understood because I got/previously got information from the Government/local council
- Considered and understood because I got/previously got information from my insurer
- Not considered when deciding on policy
- Don't know



D10. Which of the following risks (if any) did you consider when deciding about which [PRODUCT] policy to purchase? Please select all that apply. / D11. When you purchased your [PRODUCT] policy, did you understand your level of risk for the following, and if so how did you learn about it?

67 Base: All respondents with home building insurance (n=478)

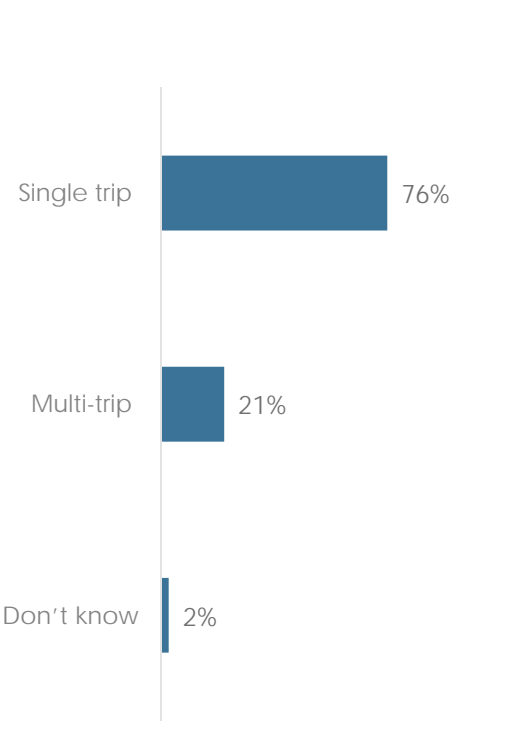
▲ Sig. difference at 95% confidence



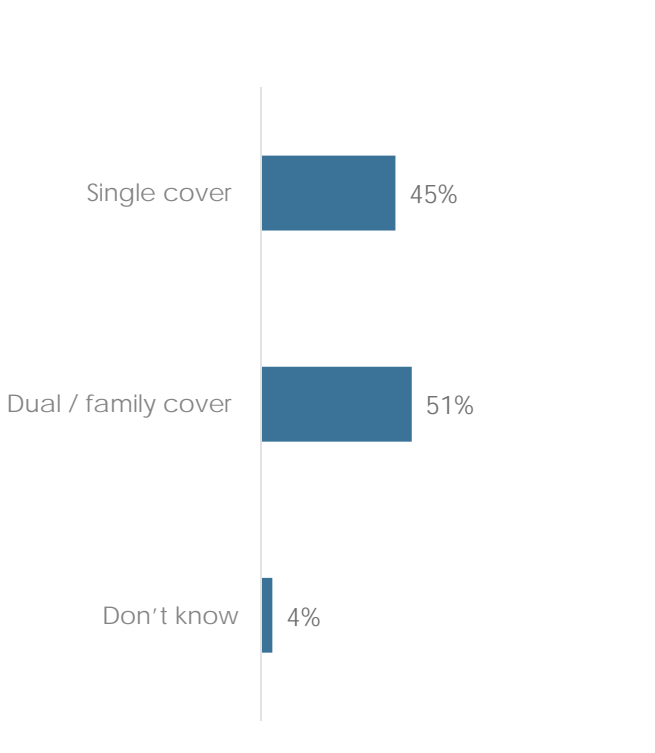
FEW REPORT TO BE UNAWARE OF THE TYPE OF TRAVEL INSURANCE, SUGGESTING UNDERSTANDING IS NOT A BIG ISSUE FOR TRAVEL INSURANCE



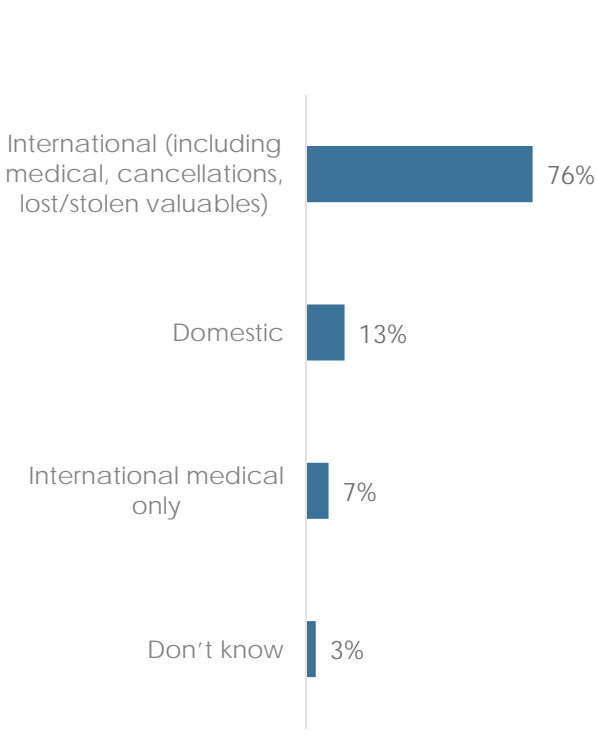
TRIPS



PEOPLE



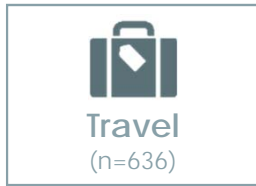
DESTINATION



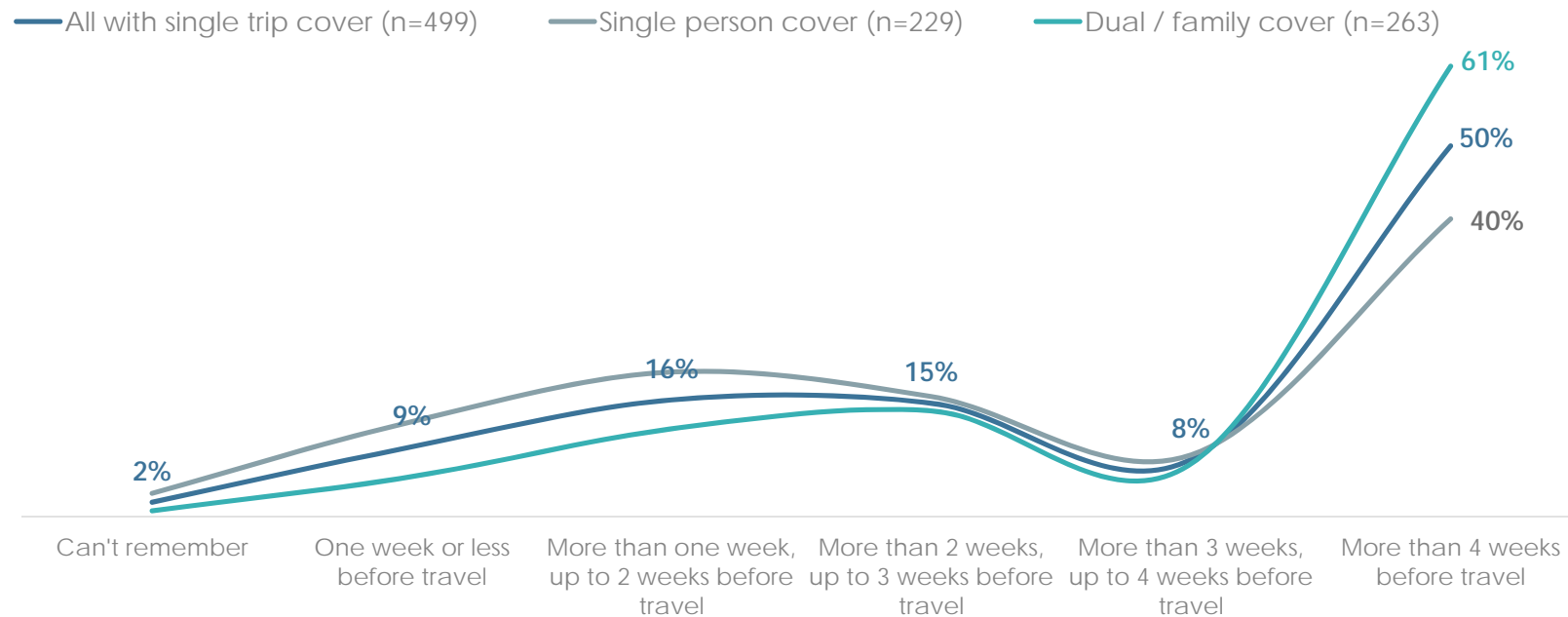
D20. What type of travel insurance policy did you most recently purchase? Please select the answer that best applies in each of the following groups...
68 Base: All respondents with travel insurance (n=636)

HALF OF THOSE WITH SINGLE TRIP TRAVEL INSURANCE REPORT TO PURCHASE MORE THAN ONE MONTH IN ADVANCE

This is particularly true of those with dual or family cover



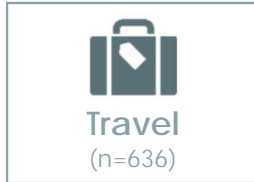
TIME IN ADVANCE PURCHASE TRAVEL INSURANCE



D21. Thinking of the last time you bought travel insurance (for a single trip), how far in advance of the trip did you purchase insurance?

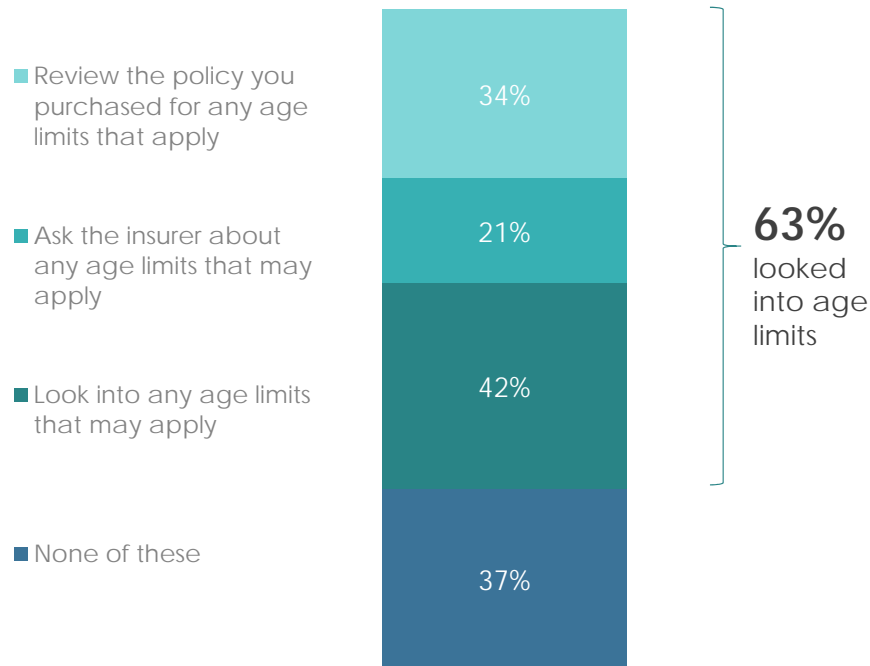
69 Base: All respondents with single trip travel insurance (n=499)

ALMOST TWO THIRDS OF THOSE AGED ABOVE 60 YEARS LOOK INTO AGE LIMITS, THEREFORE LEAVING ROOM FOR IMPROVEMENT



CONSIDERATION OF AGE

Amongst those aged 60+ yrs (n=211)



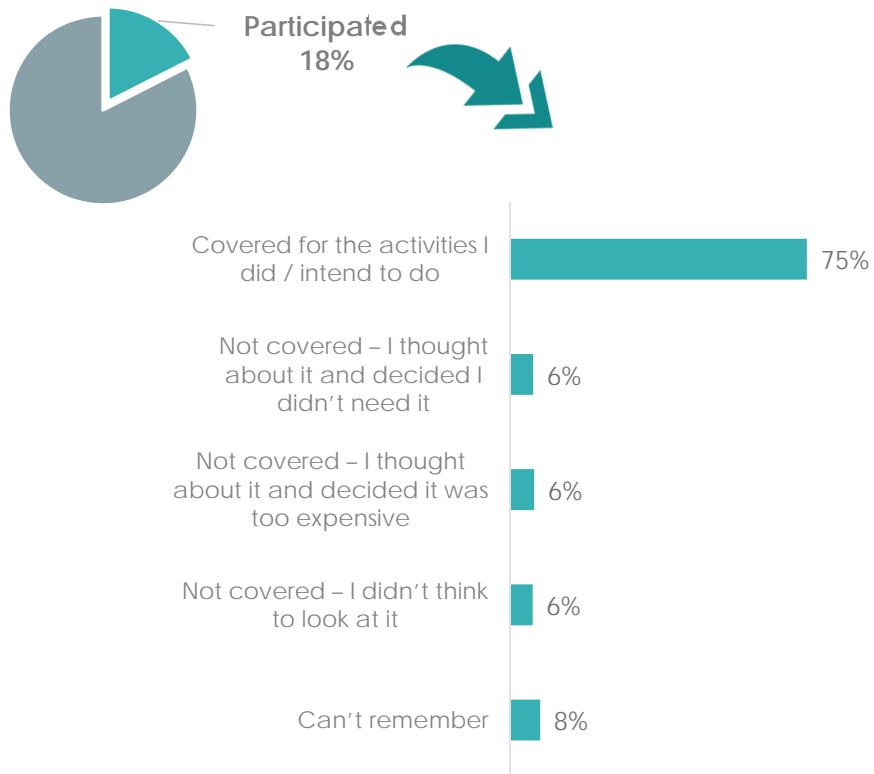
D22. When you purchased travel insurance, did you...

70 Base: All respondents with travel insurance (n=636) / who are 60+ yrs (n=211)

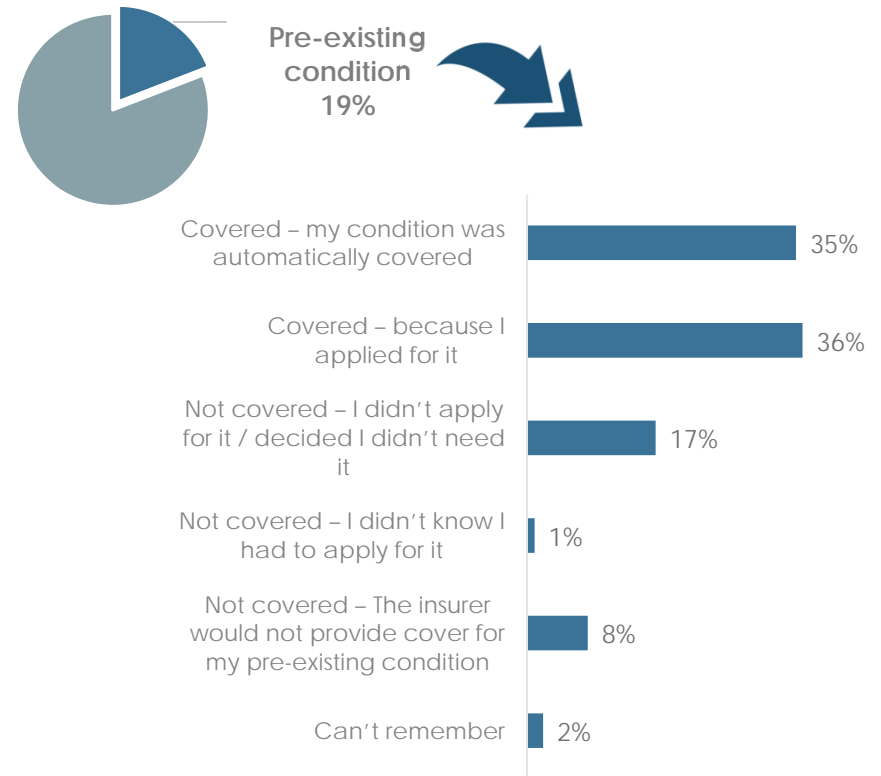
MOST BELIEVE THEY ARE COVERED FOR THE TYPES OF ACTIVITIES AND MEDICAL CONDITIONS REQUIRED



ADVENTURE SPORTS



PRE-EXISTING MEDICAL CONDITIONS

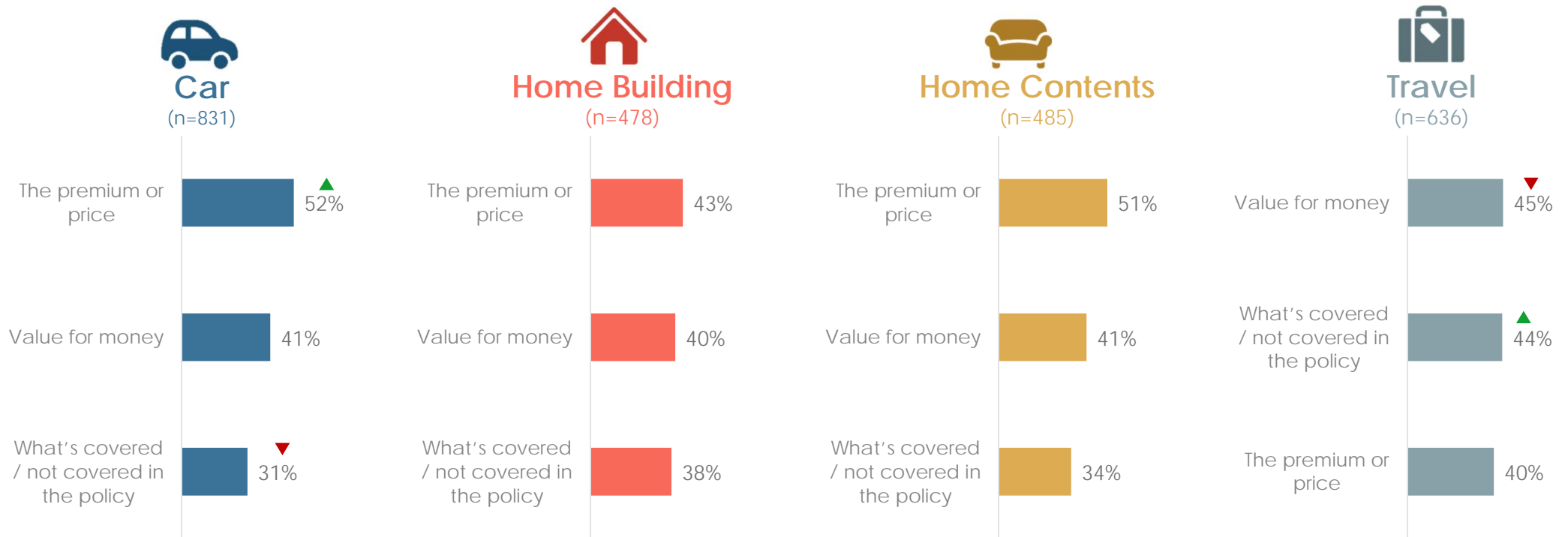


D23. For your trip, will you / did you partake in any adventure sports (e.g. snowboarding, skiing, surfing, rock climbing, kite surfing, hunting, bungee jumping, parachuting, riding motor bikes, scuba diving)? D24. Which of the following best describes your coverage for adventure sports? / D27. Do you have a pre-existing medical condition? / D28. Which of the following best describes your coverage for pre-existing medical conditions? Base: All respondents with travel insurance (n=636) / who are 60+ yrs (n=211) / level of adventure sport cover amongst those who participated in adventure sports (n=88) / coverage of pre-existing condition amongst those with a pre-existing condition (n=143)

6.0 DRIVERS OF POLICY CHOICE

WITH THE EXCEPTION OF TRAVEL INSURANCE, COVERAGE CONSISTENTLY FALLS BEHIND PRICE AND VALUE AS A DRIVER OF POLICY SELECTION

TOP 3 POLICY DRIVERS by product



B13. Thinking about when you took out your [PRODUCT] insurance policy, what were the 5 most important factors in your decision to choose this particular policy? Please select up to five things ranked in order of importance (i.e. 1st, 2nd 3rd, 4th, 5th) / showing % in top 3 ranking Base: All respondents

▲▼ Sig. difference at 95% confidence

WITH THE EXCEPTION OF TRAVEL INSURANCE, COVERAGE CONSISTENTLY FALLS BEHIND PRICE AND VALUE AS A DRIVER OF POLICY SELECTION

POLICY DRIVERS



	Car (n=831)	Home Building (n=478)	Home Contents (n=485)	Travel (n=636)
The premium or price	52%	43%	51%	40%
Value for money	41%	40%	41%	45%
What's covered / not covered in the policy	31%	38%	34%	44%
The excess fee you have to pay when making a claim	27%	20%	23%	25%
From a provider I know & trust	26%	24%	25%	21%
Good reputation of provider (e.g. known to pay out)	21%	25%	23%	18%
Good past experiences with this provider	20%	21%	19%	15%
Payment methods available	15%	10%	11%	7%
Discounts for on time payment / loyalty / new customers / multi-policies	10%	12%	13%	4%
Ease of understanding policy inclusions and exclusions	9%	17%	11%	17%
Gave me my choice of repairer	8%	-	-	-
Coverage could be customised to my circumstances	8%	12%	12%	12%
Terms and conditions	7%	12%	7%	13%
Additional rewards / benefits for 'membership'	6%	7%	8%	4%
Recommended by friends, family, or colleagues	6%	5%	6%	8%
Speed of signing up	6%	6%	7%	11%
Covered specialty / expensive items or activities	5%	7%	10%	12%
Other	1%	1%	1%	2%

B13. Thinking about when you took out your [PRODUCT] insurance policy, what were the 5 most important factors in your decision to choose this particular policy? Please select up to five things ranked in order of importance (i.e. 1st, 2nd 3rd, 4th, 5th) / showing % in top 3 ranking / Base: All respondents

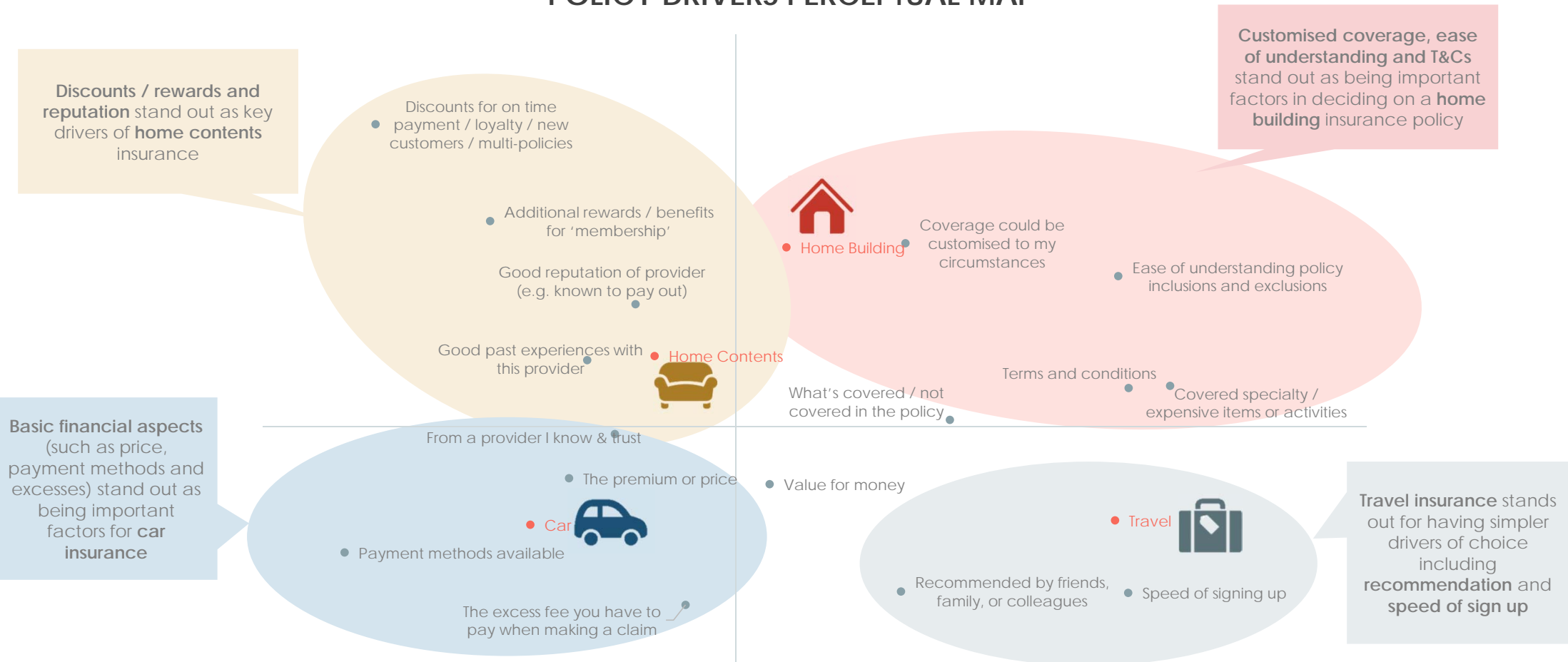
□ indicates the number 1 reasons

Green / red indicates Sig. above / below average at 95% confidence



THE PRODUCTS ARE DIFFERENTIATED IN TERMS OF POLICY DRIVERS THAT STAND OUT

POLICY DRIVERS PERCEPTUAL MAP

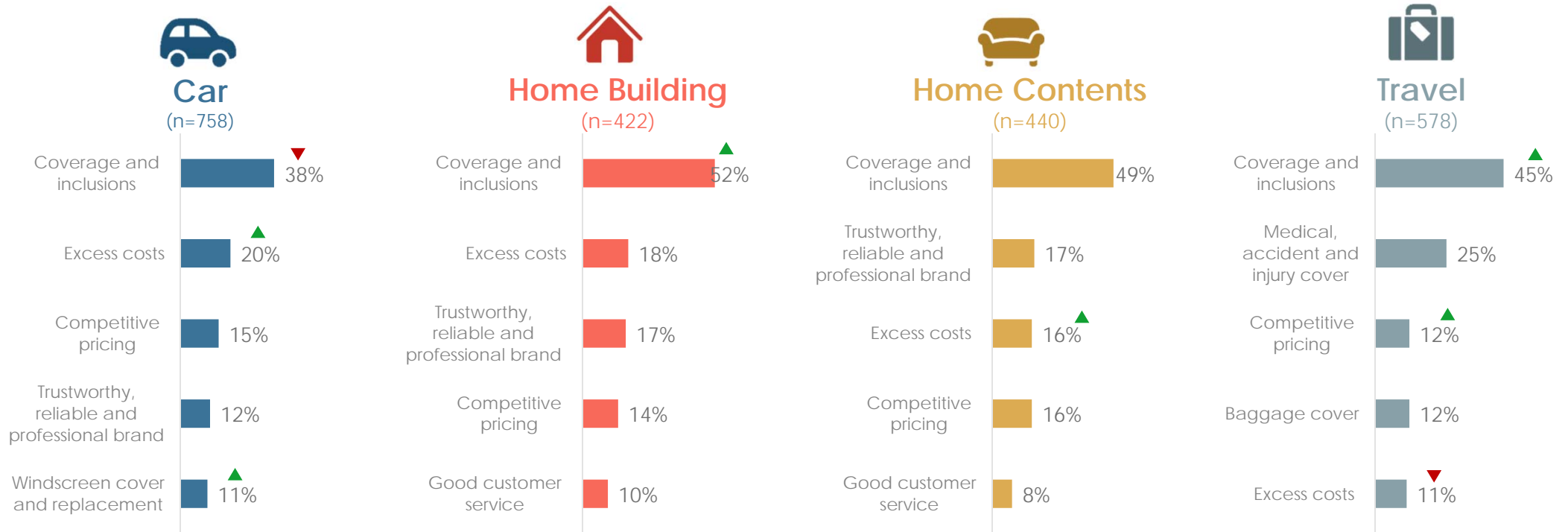


B13. Thinking about when you took out your [PRODUCT] insurance policy, what were the 5 most important factors in your decision to choose this particular policy? Please select up to five things ranked in order of importance (i.e. 1st, 2nd 3rd, 4th, 5th) / based on % in top 3 ranking / Base: All respondents

WHEN PROMPTED, CONSUMERS ARE ABLE TO IDENTIFY THE NEED TO SEEK OUT INFORMATION ABOUT COVERAGE AND EXCESSES (TO AN EXTENT)

PRODUCT FEATURES LOOKING FOR TO DECIDE – ASIDE FROM PRICE

(Open text coded / showing top 5 responses for each product)



B6. Other than price, what product features were you looking for to decide on your policy?
 76 Base: Those who sought any information to make decision (refer to chart)

▲ Sig. difference at 95% confidence

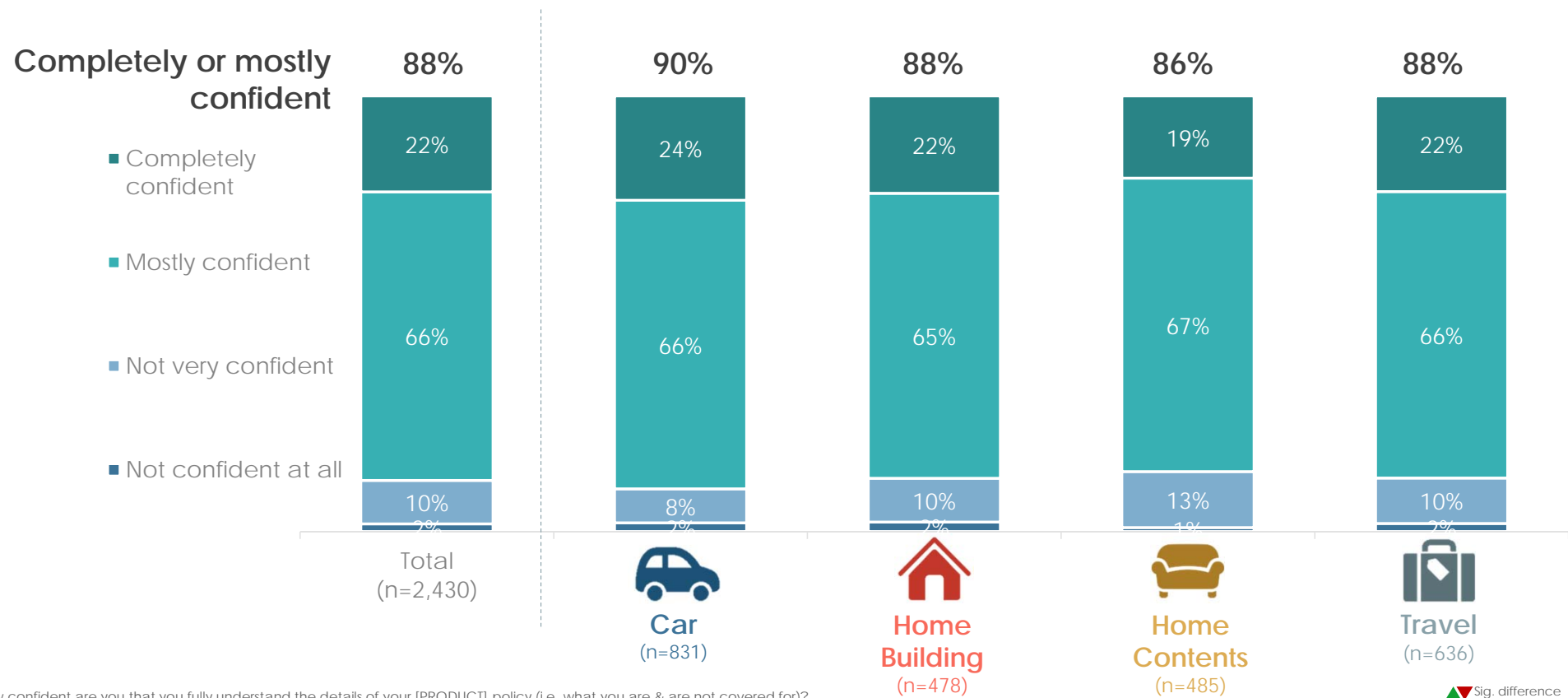
7.0 INSURANCE UNDERSTANDING

7.1 Confidence in understanding

7.2 Understanding of scenarios

IN LINE WITH MOST REPORTING TO EVALUATE IN DETAIL, THE MAJORITY ARE AT LEAST MOSTLY CONFIDENT IN THEIR POLICY UNDERSTANDING

Confidence in understanding of policy details

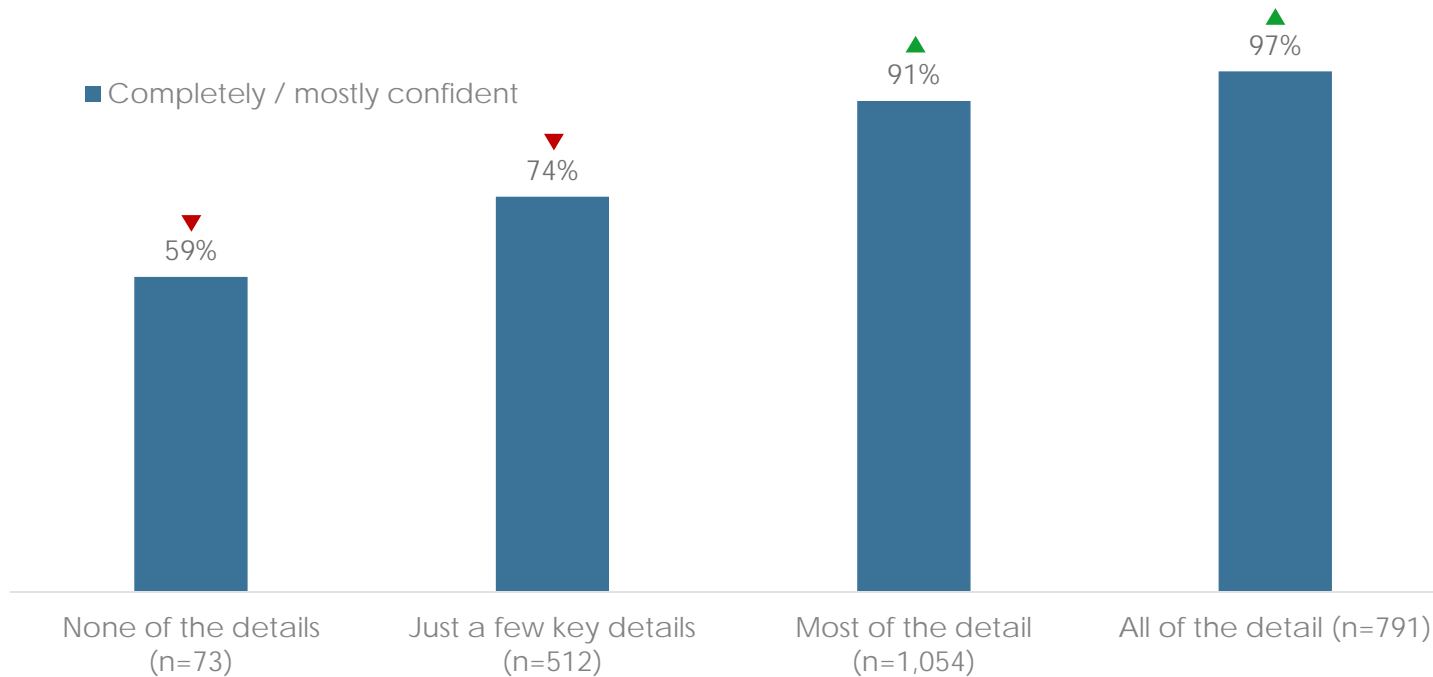


C1. How confident are you that you fully understand the details of your [PRODUCT] policy (i.e. what you are & are not covered for)?
 78 Base: All respondents for each product (refer to chart)

▲ Sig. difference at 95% confidence

THOSE WHO LOOK IN MORE DETAIL AT THE POLICY ARE MOST CONFIDENT IN THEIR POLICY UNDERSTANDING

Confidence in understanding of policy details



■ Completely / mostly confident

59%

74%

91%

97%

None of the details
(n=73)

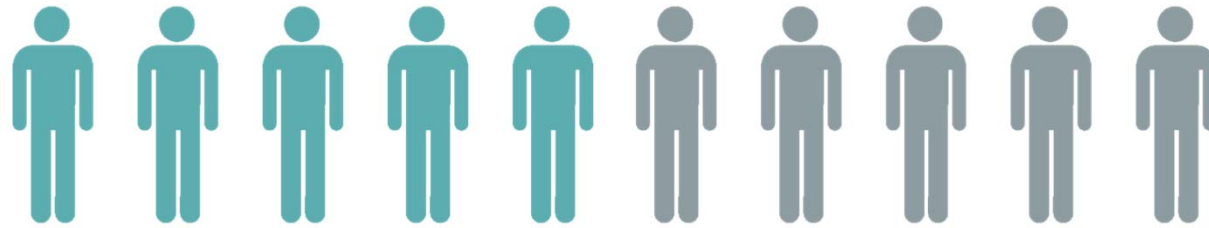
Just a few key details
(n=512)

Most of the detail
(n=1,054)

All of the detail (n=791)

DESPITE HIGH CONFIDENCE, FEW ARE AWARE OF DIFFERENT TYPES OF HOME / CONTENTS POLICIES

5
/10



**ARE AWARE OF THE DIFFERENT
TYPES OF HOME BUILDING OR
CONTENTS INSURANCE POLICIES**

55% with home building insurance / 52% with home contents insurance are not aware of the different policy types (listed events vs. accidental damage)

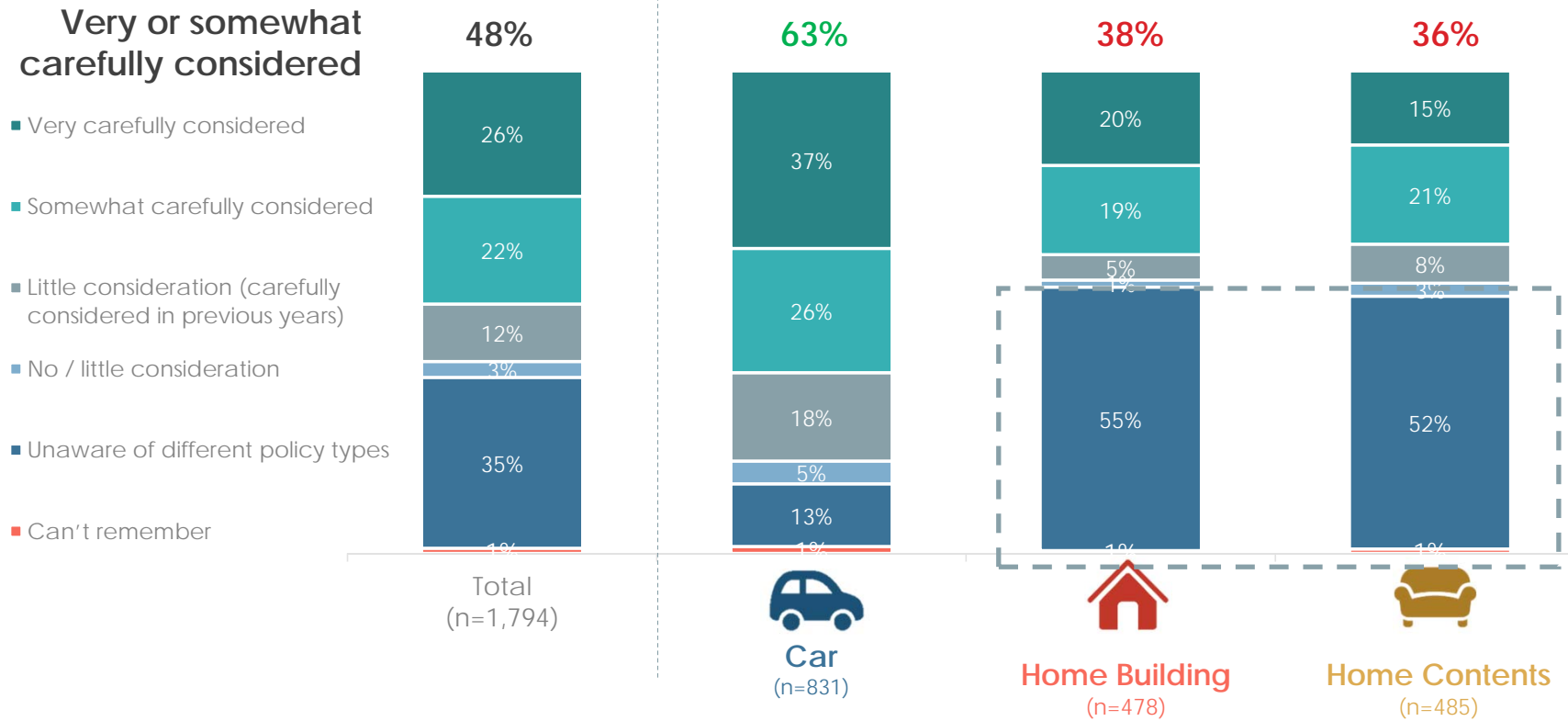
Just 45% of those who are 'mostly confident' in their understanding are aware of the different types of home building or contents policies



63% are aware of different car insurance policy types

THERE IS A CLEAR LACK OF AWARENESS OF THE DIFFERENT TYPES OF HOME BUILDING AND CONTENTS POLICIES, SUGGESTING POOR UNDERSTANDING

Awareness and consideration of different policy types



D6. When you purchased your [PRODUCT] policy, were you aware of these different policies? D7. Which of the following best describes the extent to which you considered these different policy types and which one was right for you [HOME: (e.g. listed events vs. accidental damage) / CAR: (e.g. comprehensive / third party fire and theft / third party damage)? Base: All respondents

7.0 INSURANCE UNDERSTANDING

7.1 Confidence in understanding

7.2 Understanding of scenarios

CONSUMERS WERE PROVIDED WITH A RANGE OF CLAIMING SCENARIOS IN ORDER TO EVALUATE THEIR UNDERSTANDING OF INSURANCE

An example below is shown for home building wear and tear. Full details on all of the other scenarios follow in this section of the report.

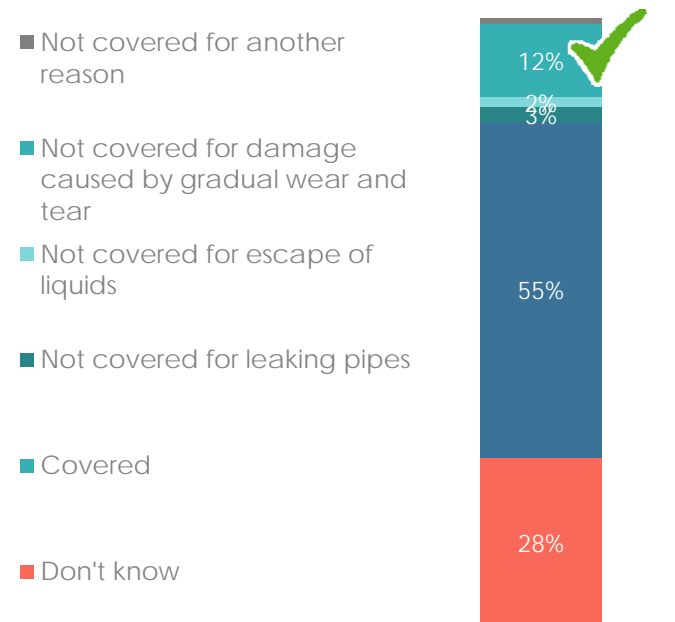


Home Building
(n=478)

Please imagine that the water pipes in the kitchen have not been replaced for 25 years and have gradually deteriorated over time. This has caused water leaking, which has damaged the surrounding floor area. Can you make a claim to repair the damage to the flooring area?

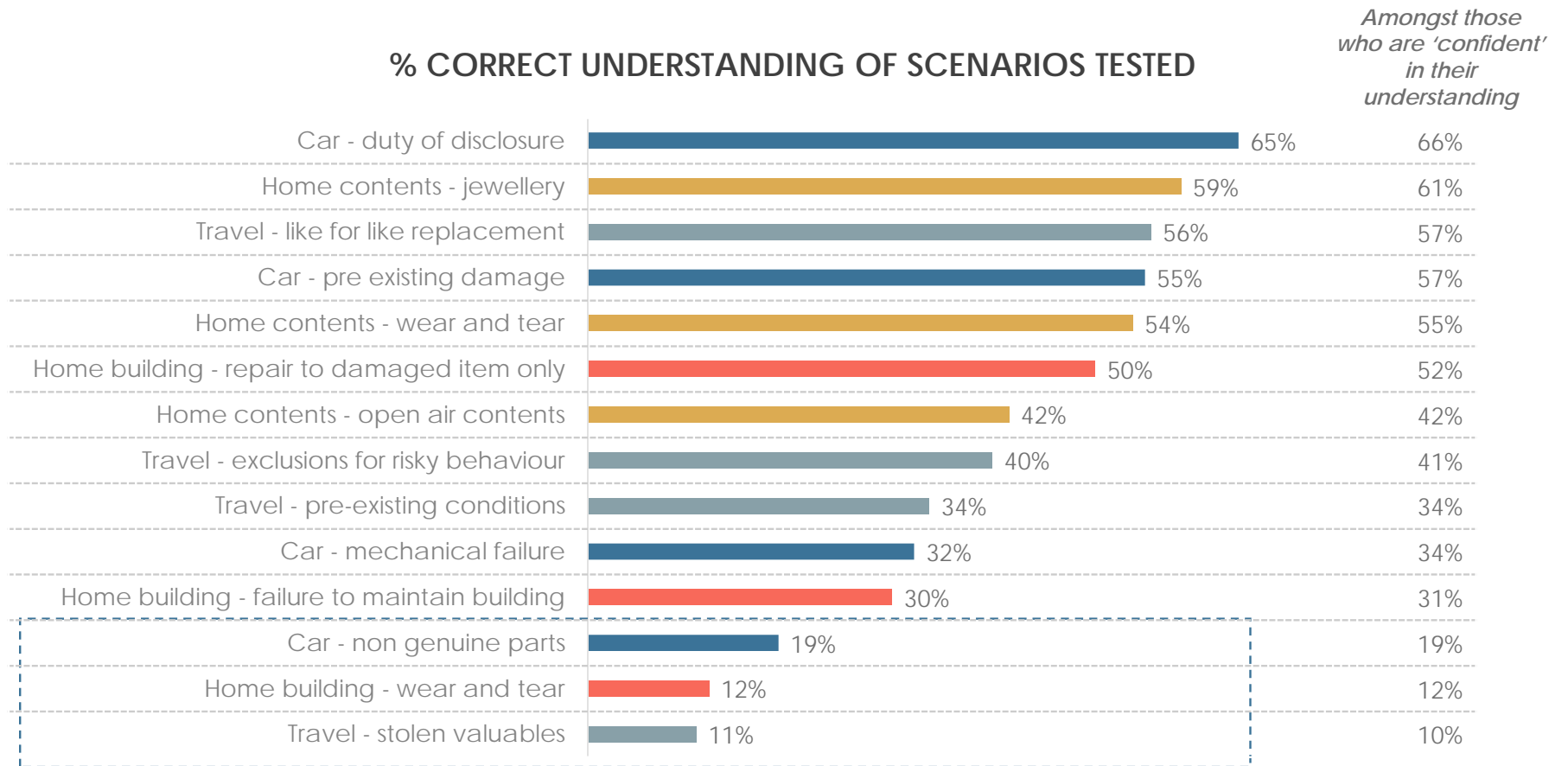
Respondents were provided with a yes / no / don't know scale. If 'no' was selected a new screen appeared to probe on why a claim couldn't be made.

Wear and tear



UNDERTSANDING OF CLAIMING SCENARIOS IS GENERALLY LOW, PARTICULARLY BUILDING WEAR & TEAR AND STOLEN VALUABLES DURING TRAVEL

This is where attention should be prioritised for education

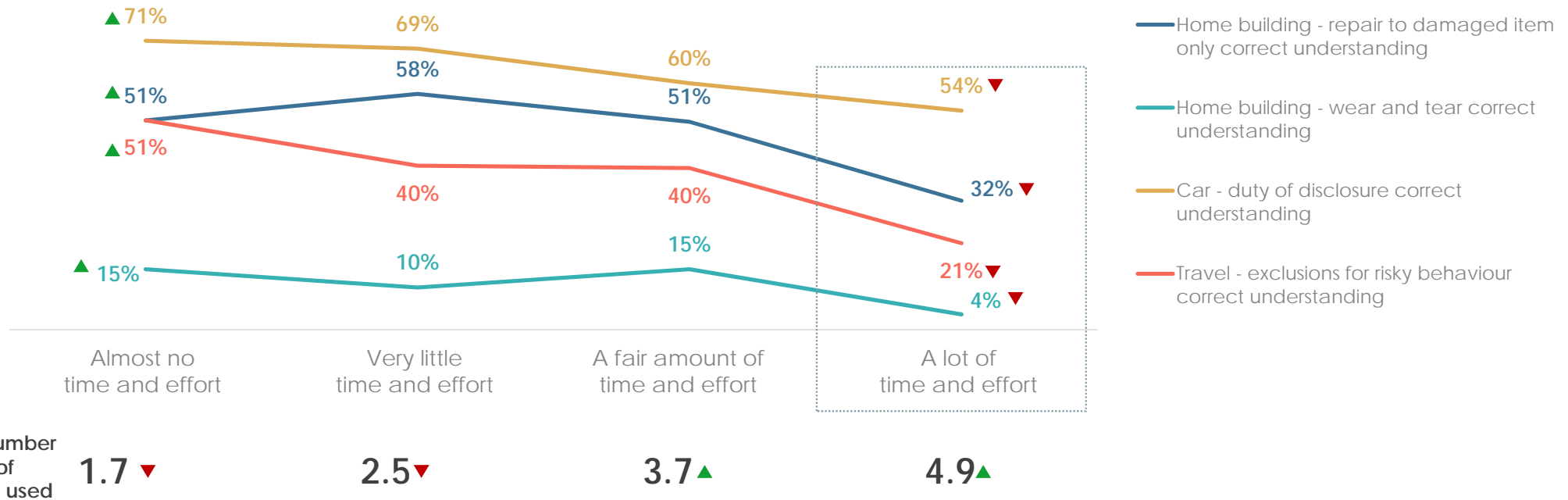


THOSE WHO PUT IN A LOT OF EFFORT USE A HIGH NUMBER OF SOURCES, HOWEVER DO NOT UNDERSTAND INSURANCE ANY BETTER

Those who put in a lot of time and effort use a lot of information sources and are less likely to correctly understand, suggesting the extra effort can cause more confusion. It therefore **may be worth consolidating information available**.

Correct policy understanding by time / effort put into decision

Only showing results for scenarios where there is a significant difference by effort



E14 travel exclusions for risky behaviour / E11 Car duty of disclosure / E1 Home building wear and tear / E4 Home building repair to damaged item only

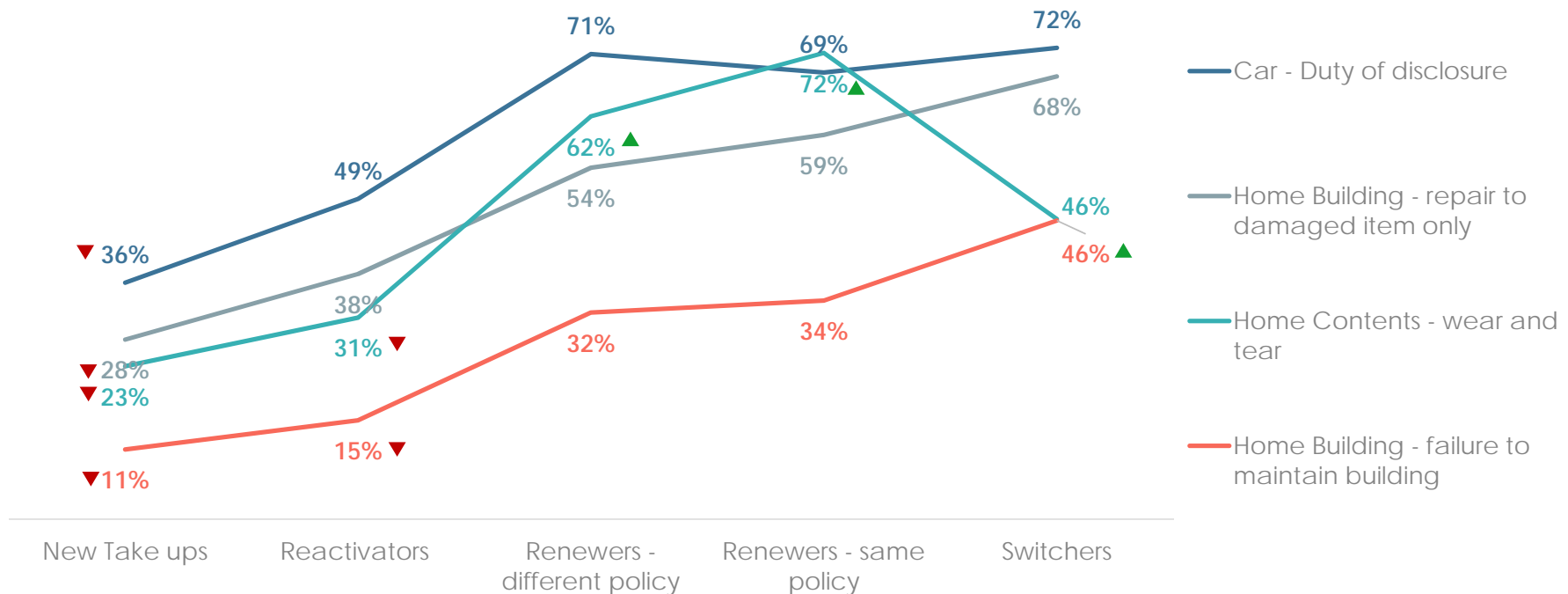
85 Base: Those shown each scenario and put in each level of effort: minimum / maximum n: a lot of effort n=54 to n=67 / A fair amount of effort (n=178 to n=295 / very little effort (n=150 to n=313) / Almost no effort (n= 91 to n=156)

▲▼Sig. difference at 95% confidence

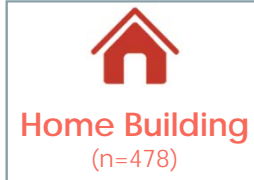
THOSE WHO ARE NEW TO MARKET OR REACTIVATING AFTER A BREAK HAVE THE WEAKEST UNDERSTANDING OF THE CLAIMING SCENARIOS

Although these groups are relatively small in size (compared to switchers), their particularly low understanding suggests they should be a target for improvement.

% correct scenario understanding by insurance history



RESPONDENTS WERE PROVIDED WITH THE FOLLOWING SCENARIOS TO TEST THEIR UNDERSTANDING OF HOME BUILDING INSURANCE...



WEAR AND TEAR

Please imagine that the water pipes in the kitchen have not been replaced for 25 years and have gradually deteriorated over time. This has caused water leaking, which has damaged the surrounding floor area. Can you make a claim to repair the damage to the flooring area?

FAILURE TO MAINTAIN BUILDING

Please imagine there is a hole in your bedroom window arising from wear and tear, which has not yet been repaired. A recent severe storm resulted in water entering into the bedroom through the hole in the window. Can you make a claim to repair the water damage?

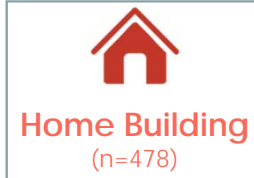
REPAIR TO DAMAGED ITEM ONLY

Please imagine that heavy wind has caused a tree branch to fall on your roof, damaging a section of roofing towards the back of the home. Can you make a claim to repair the entire roof or just the damaged section?

E1. Please imagine that the water pipes in the kitchen have not been replaced for 25 years and have gradually deteriorated over time. This has caused water leaking, which has damaged the surrounding floor area. Can you make a claim to repair the damage to the flooring area? / E2. Please imagine there is a hole in your bedroom window arising from wear and tear, which has not yet been repaired. A recent severe storm resulted in water entering into the bedroom through the hole in the window. Can you make a claim to repair the water damage? / E4. Please imagine that heavy wind has caused a tree branch to fall on your roof, damaging a section of roofing towards the back of the home. Can you make a claim to repair the entire roof or just the damaged section?

87 Base: All respondents with home building insurance (n=478)

UNDERSTANDING OF HOME BUILDING SCENARIOS TESTED IS GENERALLY LOW, PARTICULARLY FOR WEAR & TEAR AND FAILURE TO MAINTAIN



WEAR AND TEAR



12%

Correctly report "I wouldn't be covered for damage caused by gradual wear and tear"

60% select an incorrect answer
28% don't know

FAILURE TO MAINTAIN BUILDING



30%

Correctly report "I wouldn't be covered for damage caused by failure to maintain the building"

37% select an incorrect answer
33% don't know

REPAIR TO DAMAGED ITEM ONLY



50%

Correctly report "The damaged part of the roof only"

33% select an incorrect answer
17% don't know

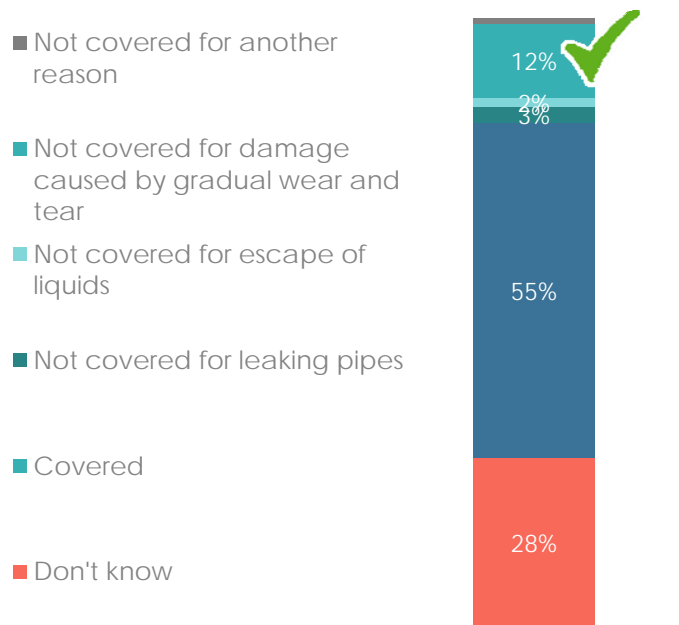
E1. Please imagine that the water pipes in the kitchen have not been replaced for 25 years and have gradually deteriorated over time. This has caused water leaking, which has damaged the surrounding floor area. Can you make a claim to repair the damage to the flooring area? / E2. Please imagine there is a hole in your bedroom window arising from wear and tear, which has not yet been repaired. A recent severe storm resulted in water entering into the bedroom through the hole in the window. Can you make a claim to repair the water damage? / E4. Please imagine that heavy wind has caused a tree branch to fall on your roof, damaging a section of roofing towards the back of the home. Can you make a claim to repair the entire roof or just the damaged section?

88 Base: All respondents with home building insurance (n=478)

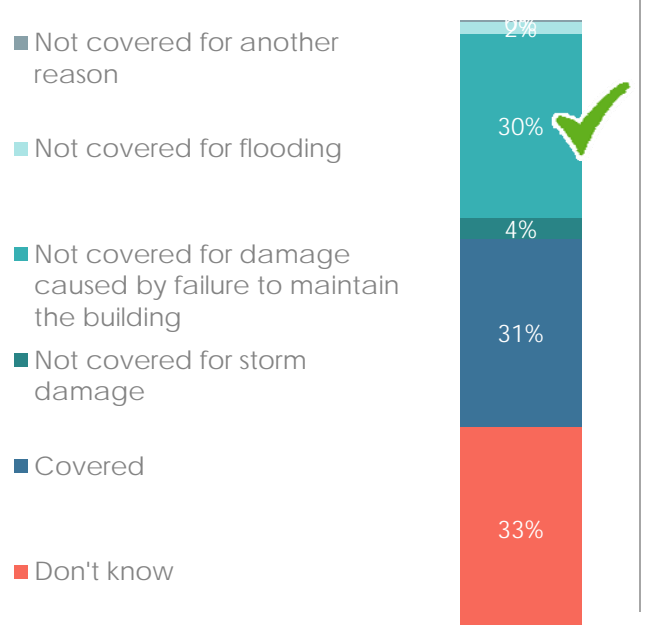
UNDERSTANDING OF HOME BUILDING SCENARIOS TESTED IS GENERALLY LOW, PARTICULARLY FOR WEAR & TEAR AND FAILURE TO MAINTAIN



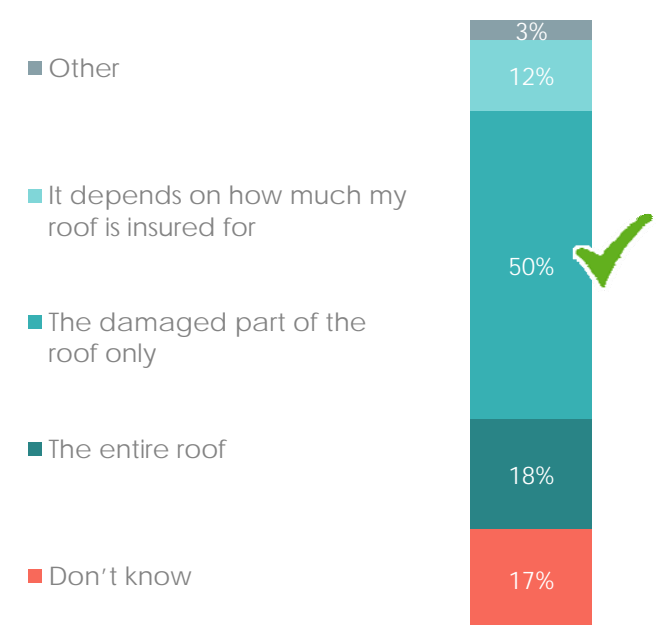
WEAR AND TEAR



FAILURE TO MAINTAIN BUILDING



REPAIR TO DAMAGED ITEM ONLY



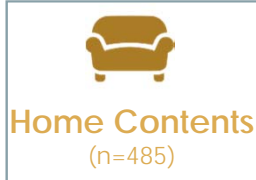
E1. Please imagine that the water pipes in the kitchen have not been replaced for 25 years and have gradually deteriorated over time. This has caused water leaking, which has damaged the surrounding floor area. Can you make a claim to repair the damage to the flooring area? / E2. Please imagine there is a hole in your bedroom window arising from wear and tear, which has not yet been repaired. A recent severe storm resulted in water entering into the bedroom through the hole in the window. Can you make a claim to repair the water damage? / E4. Please imagine that heavy wind has caused a tree branch to fall on your roof, damaging a section of roofing towards the back of the home. Can you make a claim to repair the entire roof or just the damaged section?

89 Base: All respondents with home building insurance (n=478)

▲▼ Sig. difference at 95% confidence



RESPONDENTS WERE PROVIDED WITH THE FOLLOWING SCENARIOS TO TEST THEIR UNDERSTANDING OF HOME CONTENTS INSURANCE...



WEAR AND TEAR

Please imagine that, due to everyday use, the carpet in your living room has started to wear and unravel at the edges. Can you make a claim to replace the carpet?

OPEN AIR CONTENTS

Please consider of the most valuable content you have located outside of your home building (e.g. outdoor furniture, bicycle, BBQ, etc.). If this item was damaged by a storm, which of the following best describes the claim can you make?

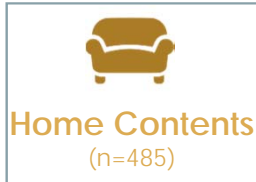
JEWELLERY

Thinking of the most valuable piece of jewellery / watch you have, if your home was broken into, and this piece of jewellery was stolen, which of the following best describes the claim you can make?

E5. Please imagine that, due to everyday use, the carpet in your living room has started to wear and unravel at the edges. Can you make a claim to replace the carpet? E6. Please consider of the most valuable content you have located outside of your home building (e.g. outdoor furniture, bicycle, BBQ, etc.). If this item was damaged by a storm, which of the following best describes the claim can you make? E7. Thinking of the most valuable piece of jewellery / watch you have, if your home was broken into, and this piece of jewellery was stolen, which of the following best describes the claim you can make?

90 Base: All respondents with home contents insurance (n=485).

ALTHOUGH UNDERSTANDING OF HOME CONTENTS SCENARIOS IS HIGHER THAN HOME BUILDING, THERE REMAINS ROOM TO IMPROVE



WEAR AND TEAR



54%

Correctly report "I wouldn't be covered for damage caused by gradual wear and tear"

23% select an incorrect answer
23% don't know

OPEN AIR CONTENTS

Asked of those who considered insuring items outside the home (n=122)



42%

Correctly report "I can claim the cost of replacing / repairing up to the limit for contents stored outside the home building"

50% select an incorrect answer
8% don't know

JEWELLERY



59%

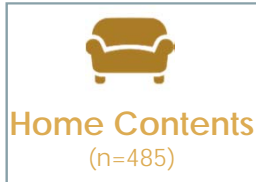
Correctly report "because I have listed the item as a "specified item", I can claim the amount I have listed the item for" OR "Because my policy has per item limits for jewellery, I can only claim the cost of replacing the item up to a limit"

19% select an incorrect answer
22% don't know

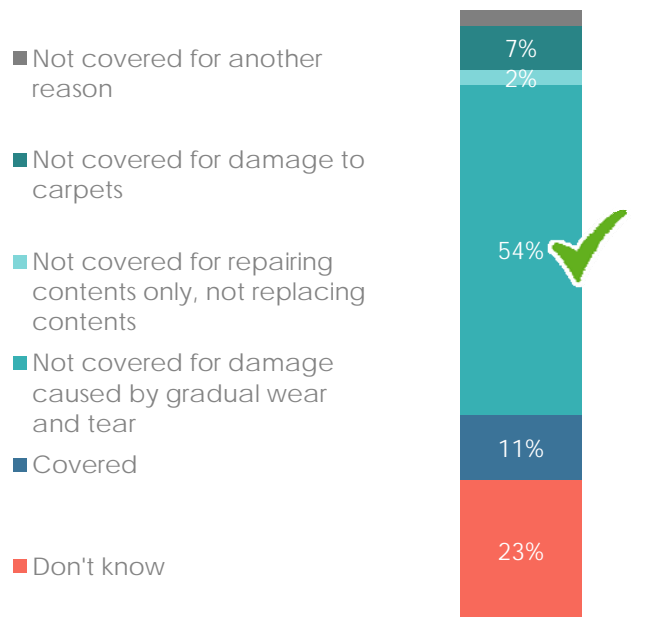
E5. Please imagine that, due to everyday use, the carpet in your living room has started to wear and unravel at the edges. Can you make a claim to replace the carpet? E6. Please consider of the most valuable content you have located outside of your home building (e.g. outdoor furniture, bicycle, BBQ, etc.). If this item was damaged by a storm, which of the following best describes the claim can you make? E7. Thinking of the most valuable piece of jewellery / watch you have, if your home was broken into, and this piece of jewellery was stolen, which of the following best describes the claim you can make?

91 Base: All respondents with home contents insurance (n=485).

ALTHOUGH UNDERSTANDING OF HOME CONTENTS SCENARIOS IS HIGHER THAN HOME BUILDING, THERE REMAINS ROOM TO IMPROVE

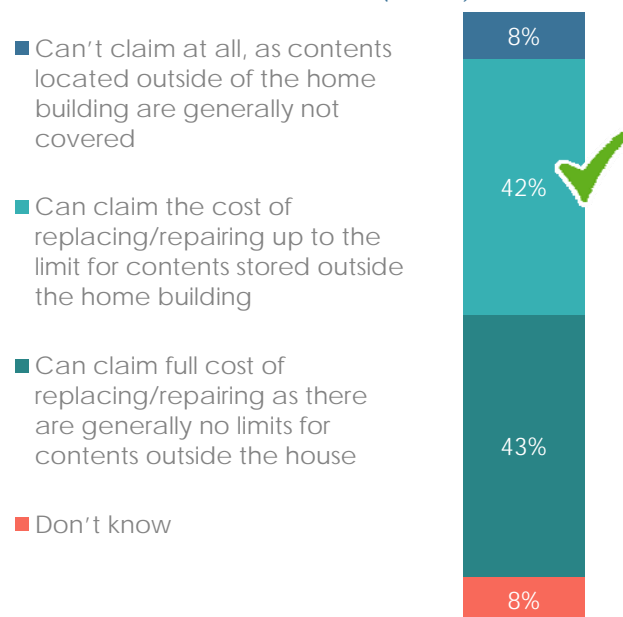


WEAR AND TEAR

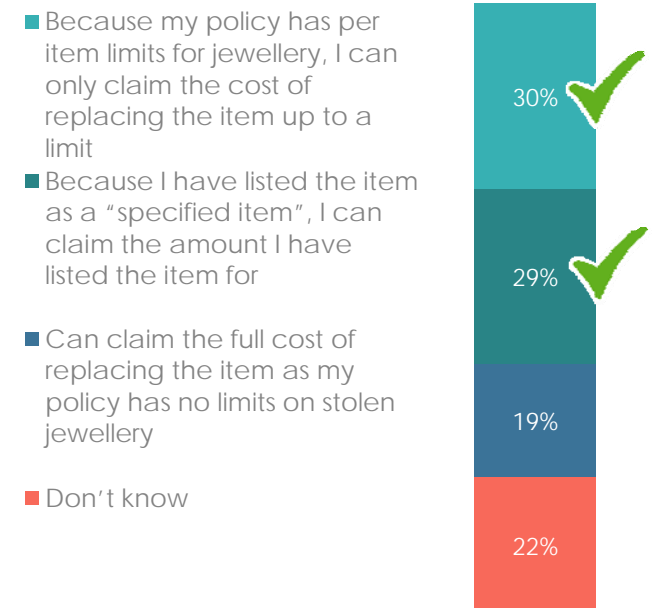


OPEN AIR CONTENTS

Asked of those who considered insuring items outside the home (n=122)



JEWELLERY



E5. Please imagine that, due to everyday use, the carpet in your living room has started to wear and unravel at the edges. Can you make a claim to replace the carpet? E6. Please consider of the most valuable content you have located outside of your home building (e.g. outdoor furniture, bicycle, BBQ, etc.). If this item was damaged by a storm, which of the following best describes the claim can you make? E7. Thinking of the most valuable piece of jewellery / watch you have, if your home was broken into, and this piece of jewellery was stolen, which of the following best describes the claim can you make?

92 Base: All respondents with home contents insurance (n=485).

▲ Sig. difference at 95% confidence



RESPONDENTS WERE PROVIDED WITH THE FOLLOWING SCENARIOS TO TEST THEIR UNDERSTANDING OF CAR INSURANCE...

MECHANICAL FAILURE

Please imagine that your car is five years old and the manufacturer's warranty has just expired. Last week, the car would not start and you had it towed to the mechanic (without first informing the insurance company). The mechanic advised that the car would not start because of a mechanical failure. Can you make a claim to repair the mechanical failure?

PRE-EXISTING DAMAGE

Please imagine that over the weekend there was a severe hail storm which caused hail damage to your car. Your car also has a pre-existing dent to the bonnet that was not caused by the hail storm. Which of the following best describes the claim you can make?



DUTY OF DISCLOSURE

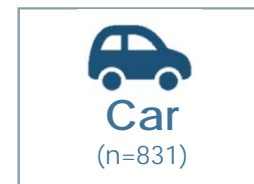
Please imagine two years ago, your license was temporarily suspended due to the accumulation of demerit points on your licence. Your licence has since been returned and you purchase insurance for your car. You tell the insurer you do not have a past licence suspension when they ask you about it. If you were to make a claim, how do you think this will affect your claim?

NON GENUINE PARTS

If you were to make a claim to repair damage to your car, which of the below best describes how the insurer will repair your car?

E9. Please imagine that your car is five years old and the manufacturer's warranty has just expired. Last week, the car would not start and you had it towed to the mechanic (without first informing the insurance company). The mechanic advised that the car would not start because of a mechanical failure. Can you make a claim to repair the mechanical failure? / E10. Please imagine that over the weekend there was a severe hail storm which caused hail damage to your car. Your car also has a pre-existing dent to the bonnet that was not caused by the hail storm. Which of the following best describes the claim you can make? E11. Please imagine two years ago, your license was temporarily suspended due to the accumulation of demerit points on your licence. Your licence has since been returned and you purchase insurance for your car. You tell the insurer you do not have a past licence suspension when they ask you about it. If you were to make a claim, how do you think this will affect your claim? E12. If you were to make a claim to repair damage to your car, which of the below best describes how the insurer will repair your car? Base: Mechanical failure, pre-existing damage only asked of those with comprehensive cover / duty of disclosure asked of all with car insurance / non-genuine parts asked of those with comprehensive or fire & theft cover

WHILE MOST CORRECTLY UNDERSTAND CONCEPTS AROUND DUTY OF DISCLOSURE AND PRE-EXISTING DAMAGE, UNDERSTANDING OF MECHANICAL FAILURE AND NON-GENUINE PARTS IS LOW



DUTY OF DISCLOSURE

Asked of all with car insurance (n=831)



Correctly report "my claim may be limited or denied as I did not provide information about my license history correctly"

15% select an incorrect answer
20% don't know

PRE-EXISTING DAMAGE

Asked of those with comprehensive cover (n=735)



Correctly report "I can make a claim to repair the hail damage only"

29% select an incorrect answer
16% don't know

MECHANICAL FAILURE

Asked of those with comprehensive cover (n=735)



Correctly report "my policy doesn't cover mechanical failure"

33% select an incorrect answer
35% don't know

NON GENUINE PARTS

Asked of those with comprehensive cover or fire & theft cover (n=771)



Correctly report "The insurer may use genuine manufacturer parts, although it is not guaranteed"

58% select an incorrect answer
23% don't know

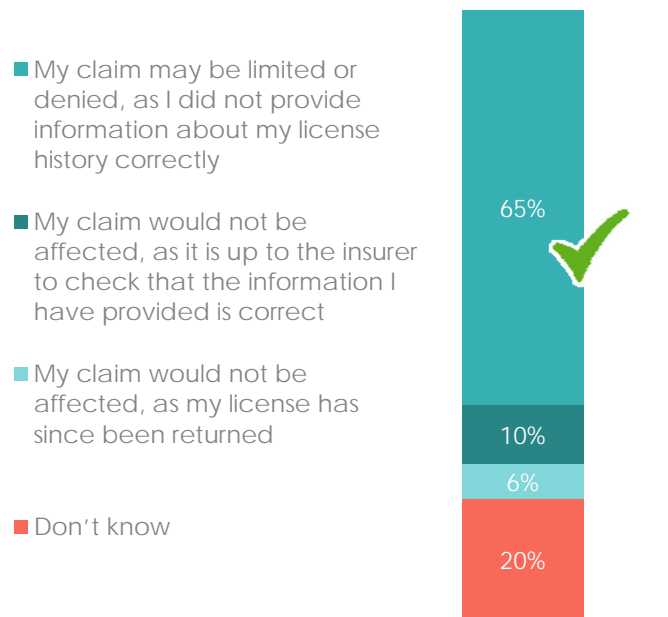
E9. Please imagine that your car is five years old and the manufacturer's warranty has just expired. Last week, the car would not start and you had it towed to the mechanic (without first informing the insurance company). The mechanic advised that the car would not start because of a mechanical failure. Can you make a claim to repair the mechanical failure? / E10. Please imagine that over the weekend there was a severe hail storm which caused hail damage to your car. Your car also has a pre-existing dent to the bonnet that was not caused by the hail storm. Which of the following best describes the claim you can make? E11. Please imagine two years ago, your license was temporarily suspended due to the accumulation of demerit points on your licence. Your licence has since been returned and you purchase insurance for your car. You tell the insurer you do not have a past licence suspension when they ask you about it. If you were to make a claim, how do you think this will affect your claim? E12. If you were to make a claim to repair damage to your car, which of the below best describes how the insurer will repair your car? Base: Mechanical failure, pre-existing damage only asked of those with comprehensive cover / duty of disclosure asked of all with car insurance / non-genuine parts asked of those with comprehensive or fire & theft cover. Base: refer to chart

MOST CORRECTLY UNDERSTAND CONCEPTS AROUND DUTY OF DISCLOSURE AND PRE-EXISTING DAMAGE FOR CAR INSURANCE



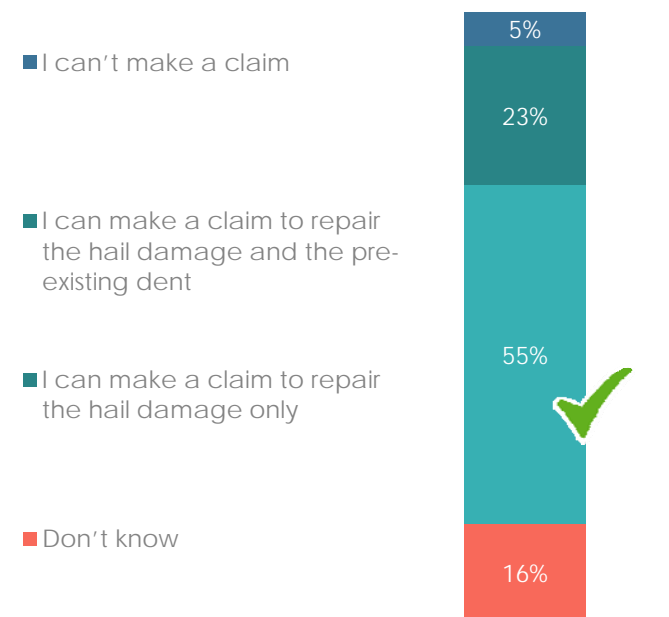
DUTY OF DISCLOSURE

Asked of all with car insurance (n=831)



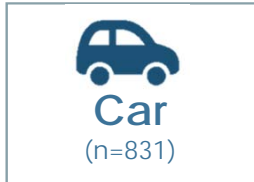
PRE-EXISTING DAMAGE

Asked of those with comprehensive cover (n=735)



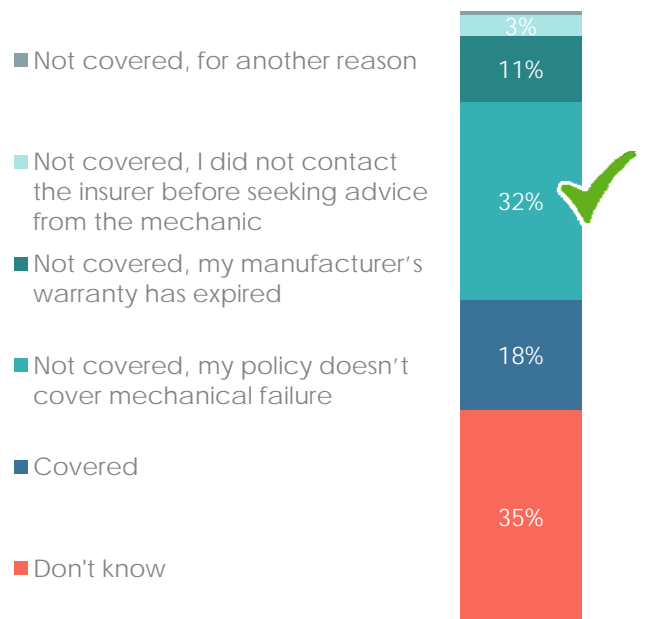
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HOWEVER, FEW CORRECTLY UNDERSTAND THE CONDITIONS AROUND MECHANICAL FAILURE AND NON-GENUINE PARTS



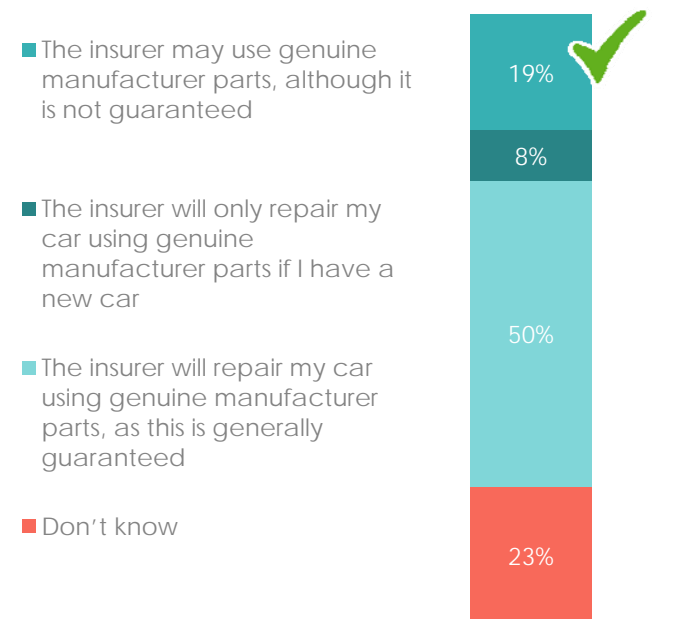
MECHANICAL FAILURE

Asked of those with comprehensive cover (n=735)



NON GENUINE PARTS

Asked of those with comprehensive cover or fire & theft cover (n=771)



E9. Please imagine that your car is five years old and the manufacturer's warranty has just expired. Last week, the car would not start and you had it towed to the mechanic (without first informing the insurance company). The mechanic advised that the car would not start because of a mechanical failure. Can you make a claim to repair the mechanical failure? / E12. If you were to make a claim to repair damage to your car, which of the below best describes how the insurer will repair your car? Base: Mechanical failure, pre-existing damage only asked of those with comprehensive cover / duty of disclosure asked of all with car insurance / non-genuine parts asked of those with comprehensive or fire & theft cover. Base: refer to chart

RESPONDENTS WERE PROVIDED WITH THE FOLLOWING SCENARIOS TO TEST THEIR UNDERSTANDING OF TRAVEL INSURANCE...

LIKE FOR LIKE REPLACEMENT

Please imagine that you are holiday and you accidentally lost your camera while travelling by train. Your camera is 5 years old, which you originally purchased for \$2,000. The same make and model of the camera is currently available in the market for \$1,200. You have purchased travel insurance. Which of the following best describes the claim you can make?

EXCLUSIONS FOR RISKY BEHAVIOUR

Please imagine that you are on an overseas holiday and decide to participate in a bullfighting event. When you are in the bullfighting ring, you are gored in the back by a bull and seriously injured. You have purchased travel insurance, which covers you for medical treatment while overseas. Will you be able to make claim for medical treatment while overseas?



Travel
(n=636)

STOLEN VALUABLES

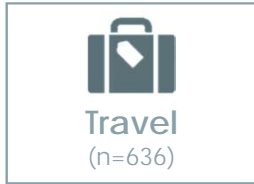
Please imagine that you are holiday and checking in to your hotel room. While in the hotel foyer, you leave your luggage unattended while you approach hotel reception. Your luggage is stolen while you are engaged with hotel staff. You have purchased travel insurance, which covers you for stolen valuables. Will you be able to make a claim?

PRE-EXISTING CONDITIONS

Please imagine that you have recently seen a doctor about recurring migraines, and have done some tests. The test results are not yet available. As the condition remains undiagnosed, you do not tell the insurer you have a pre-existing condition when you purchase travel insurance for an overseas trip. While on your trip, you faint and are brought into an emergency hospital to receive treatment. Will you be able to make a claim for these hospital expenses?

E13. Please imagine that you are holiday and you accidentally lost your camera while travelling by train. Your camera is 5 years old, which you originally purchased for \$2,000. The same make and model of the camera is currently available in the market for \$1,200. You have purchased travel insurance. Which of the following best describes the claim you can make? Base: Mechanical failure, pre-existing damage only asked of those with comprehensive cover / duty of disclosure asked of all with car insurance / non-genuine parts asked of those with comprehensive or fire & theft cover / E14. Please imagine that you are on an overseas holiday and decide to participate in a bullfighting event. When you are in the bullfighting ring, you are gored in the back by a bull and seriously injured. You have purchased travel insurance, which covers you for medical treatment while overseas. Will you be able to make claim for medical treatment while overseas? E15. Please imagine that you are holiday and checking in to your hotel room. While in the hotel foyer, you leave your luggage unattended while you approach hotel reception. Your luggage is stolen while you are engaged with hotel staff. You have purchased travel insurance, which covers you for stolen valuables. Will you be able to make a claim? E16. Please imagine that you have recently seen a doctor about recurring migraines, and have done some tests. The test results are not yet available. As the condition remains undiagnosed, you do not tell the insurer you have a pre-existing condition when you purchase travel insurance for an overseas trip. While on your trip, you faint and are brought into an emergency hospital to receive treatment. Will you be able to make a claim for these hospital expenses? / Base: Like for like and stolen valuables asked of those with international or domestic cover / exclusions for risk and pre-existing conditions only asked of those with international cover

UNDERSTANDING OF THE RULES AROUND STOLEN VALUABLES IS VERY LOW



LIKE FOR LIKE REPLACEMENT

Asked of those with full international or domestic cover (n=577)



Correctly report "I can make a claim to replace my camera with the same make or model worth \$1,200"

25% select an incorrect answer
19% don't know

EXCLUSIONS FOR RISKY BEHAVIOUR

Asked of those with any level of international cover (n=526)



Correctly report "I wouldn't be covered as there are exclusions for risky behaviour"

39% select an incorrect answer
21% don't know

Understanding **declines** for those **who did or intend to partake in adventure sports (19% correct)**

PRE-EXISTING CONDITIONS

Asked of those with any level of international cover (n=526)



Correctly report "No I wouldn't be covered"

37% select an incorrect answer
29% don't know

Understanding **remains low** for those **with a pre-existing medical condition (32% correct)**

STOLEN VALUABLES

Asked of those with full international or domestic cover (n=577)



Correctly report "I wouldn't be covered as I left the luggage unattended in a public place"

73% select an incorrect answer
16% don't know

E13. Please imagine that you are holiday and you accidentally lost your camera while travelling by train. Your camera is 5 years old, which you originally purchased for \$2,000. The same make and model of the camera is currently available in the market for \$1,200. You have purchased travel insurance. Which of the following best describes the claim you can make? Base: Mechanical failure, pre-existing damage only asked of those with comprehensive cover / duty of disclosure asked of all with car insurance / non-genuine parts asked of those with comprehensive or fire & theft cover / E14. Please imagine that you are on an overseas holiday and decide to participate in a bullfighting event. When you are in the bullfighting ring, you are gored in the back by a bull and seriously injured. You have purchased travel insurance, which covers you for medical treatment while overseas. Will you be able to make claim for medical treatment while overseas? E15. Please imagine that you are holiday and checking in to your hotel room. While in the hotel foyer, you leave your luggage unattended while you approach hotel reception. Your luggage is stolen while you are engaged with hotel staff. You have purchased travel insurance, which covers you for stolen valuables. Will you be able to make a claim? E16. Please imagine that you have recently seen a doctor about recurring migraines, and have done some tests. The test results are not yet available. As the condition remains undiagnosed, you do not tell the insurer you have a pre-existing condition when you purchase travel insurance for an overseas trip. While on your trip, you faint and are brought into an emergency hospital to receive treatment. Will you be able to make a claim for these hospital expenses? / Base: Like for like and stolen valuables asked of those with international or domestic cover / exclusions for risk and pre-existing conditions only asked of those with international cover

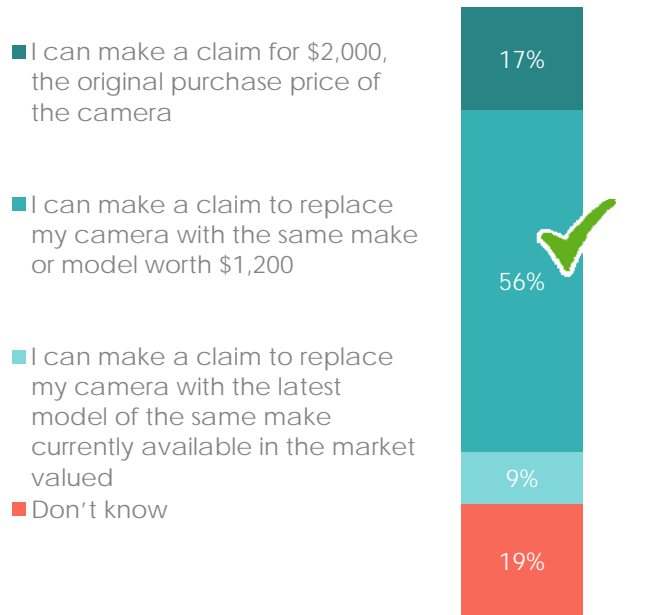
JUST FOUR IN TEN UNDERSTAND EXCLUSIONS FOR RISKY BEHAVIOUR

Interestingly, just two in ten of those who have or intend to participate in risky behaviours believe they would be covered in the scenario tested



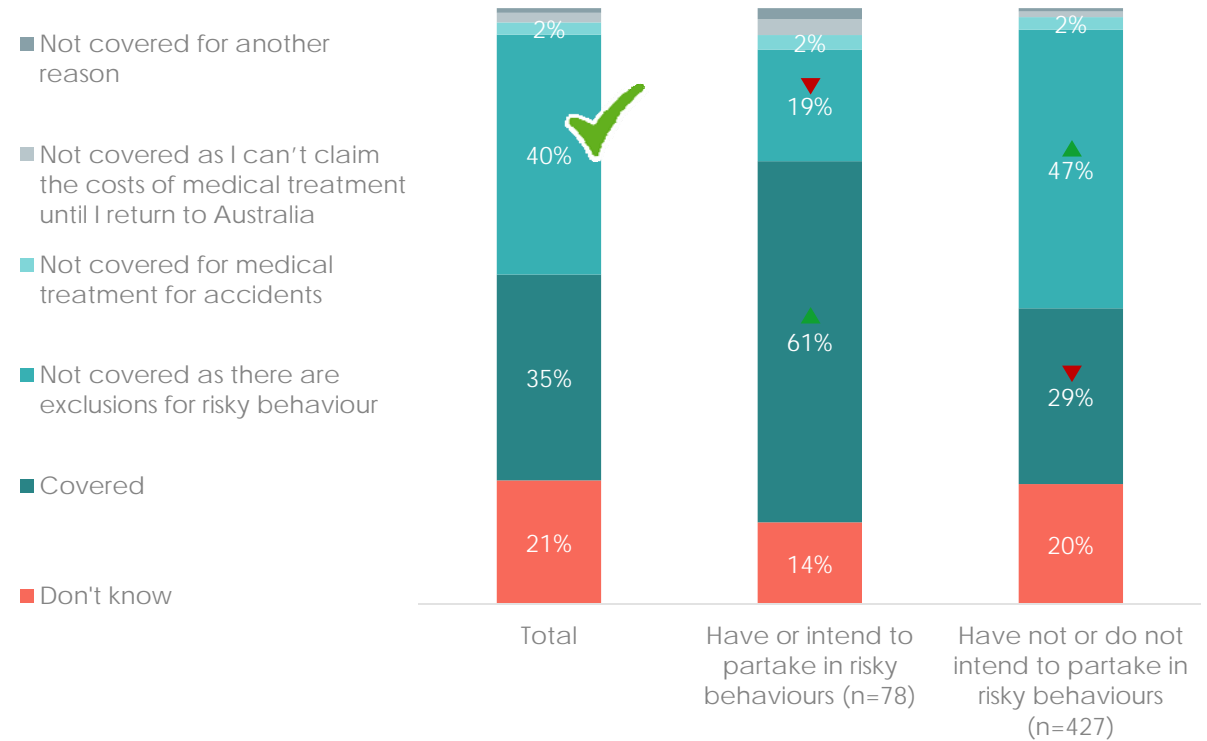
LIKE FOR LIKE REPLACEMENT

Asked of those with full international or domestic cover (n=577)



EXCLUSIONS FOR RISKY BEHAVIOUR

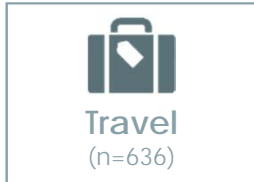
Asked of those with any level of international cover (n=526)



E13. Please imagine that you are holiday and you accidentally lost your camera while travelling by train. Your camera is 5 years old, which you originally purchased for \$2,000. The same make and model of the camera is currently available in the market for \$1,200. You have purchased travel insurance. Which of the following best describes the claim you can make? Base: Mechanical failure, pre-existing damage only asked of those with comprehensive cover / duty of disclosure asked of all with car insurance / non-genuine parts asked of those with comprehensive or fire & theft cover / E14. Please imagine that you are on an overseas holiday and decide to participate in a bullfighting event. When you are in the bullfighting ring, you are gored in the back by a bull and seriously injured. You have purchased travel insurance, which covers you for medical treatment while overseas. Will you be able to make claim for medical treatment while overseas? Base: refer to chart

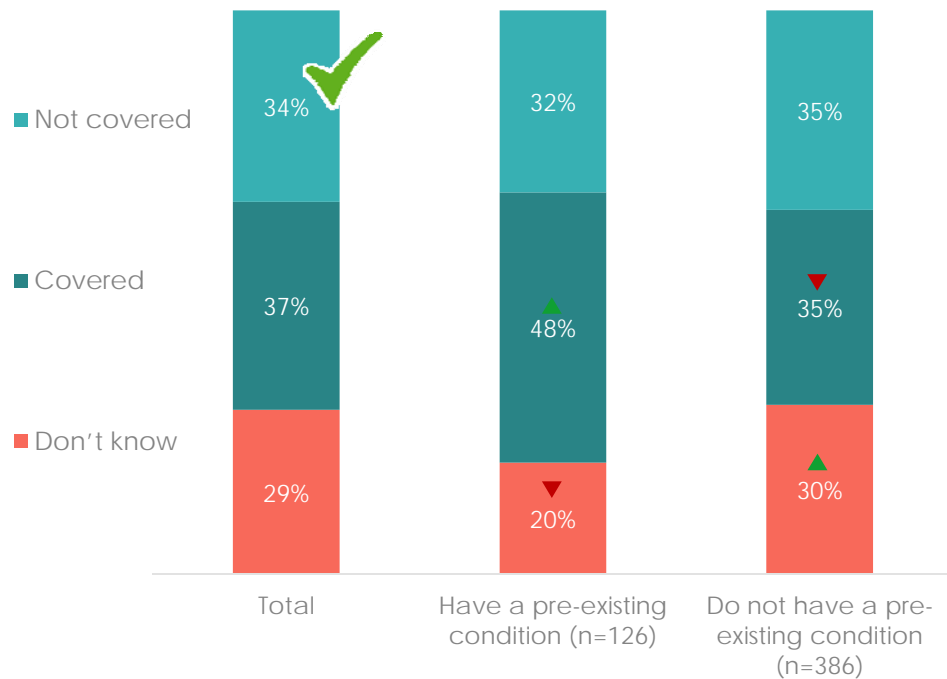
▲▼ Sig. difference at 95% confidence

UNDERSTANDING OF THE RULES AROUND STOLEN VALUABLES IS PARTICULARLY LOW



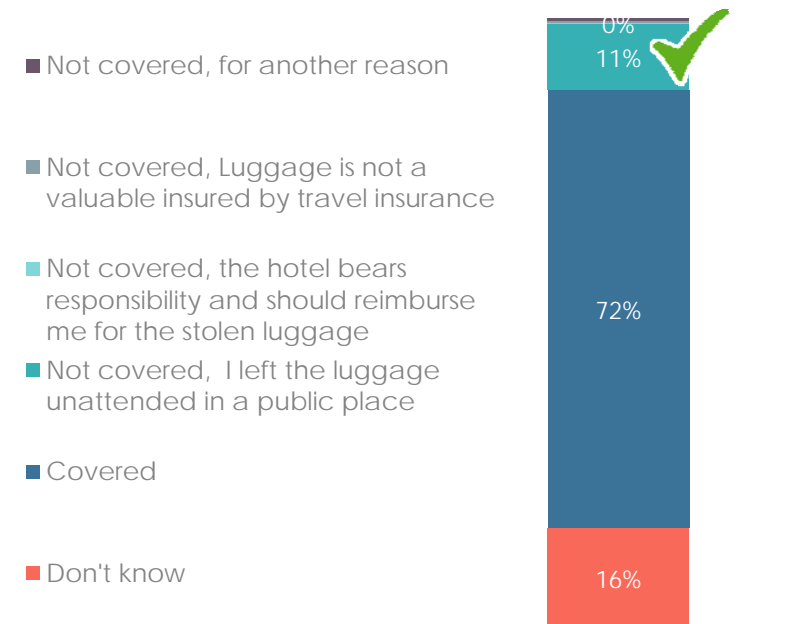
PRE-EXISTING CONDITIONS

Asked of those with any level of international cover (n=526)



STOLEN VALUABLES

Asked of those with full international or domestic cover (n=577)



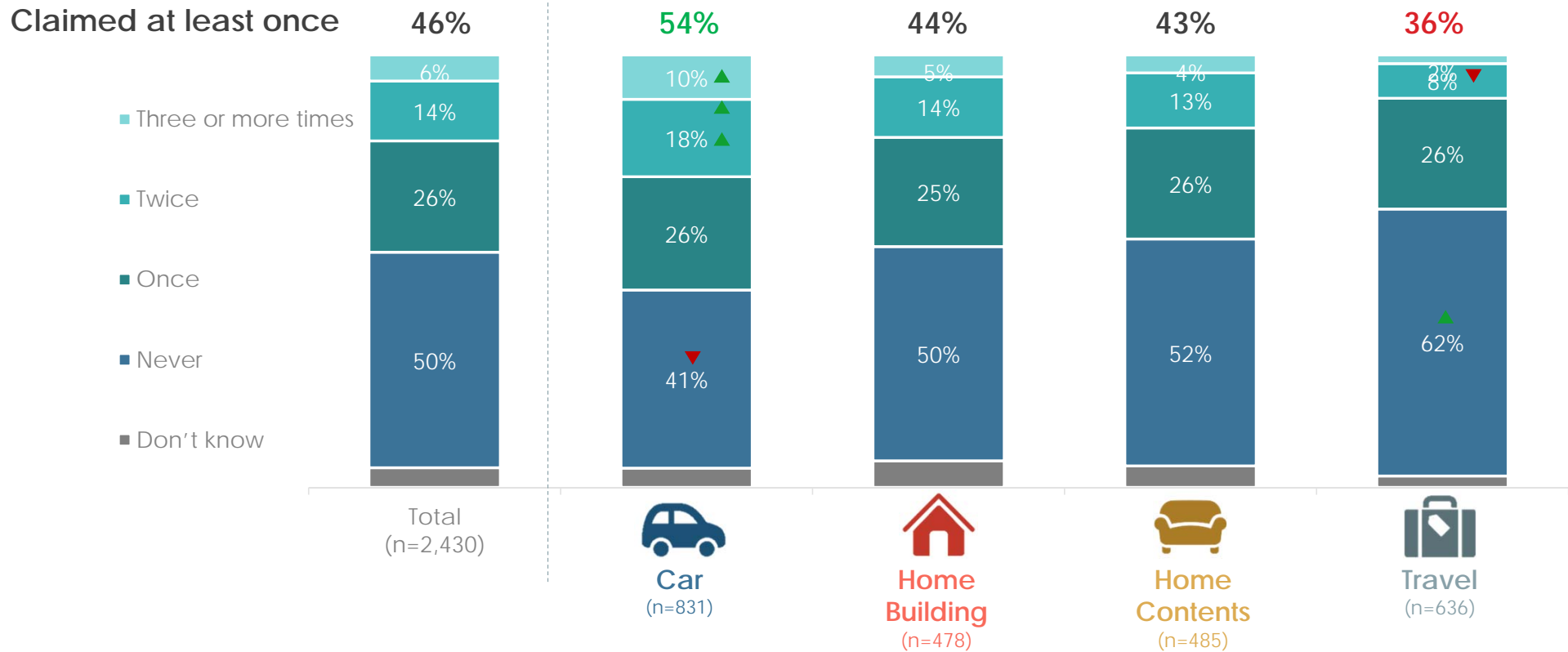
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▲▼ Sig. difference at 95% confidence

8.0 INSURANCE CLAIMING

AROUND ONE HALF REPORT TO HAVE EVER TRIED TO MAKE AN INSURANCE CLAIM. CLAIMING IS HIGHEST FOR CAR, AND LOWEST FOR TRAVEL INSURANCE.

Claiming history

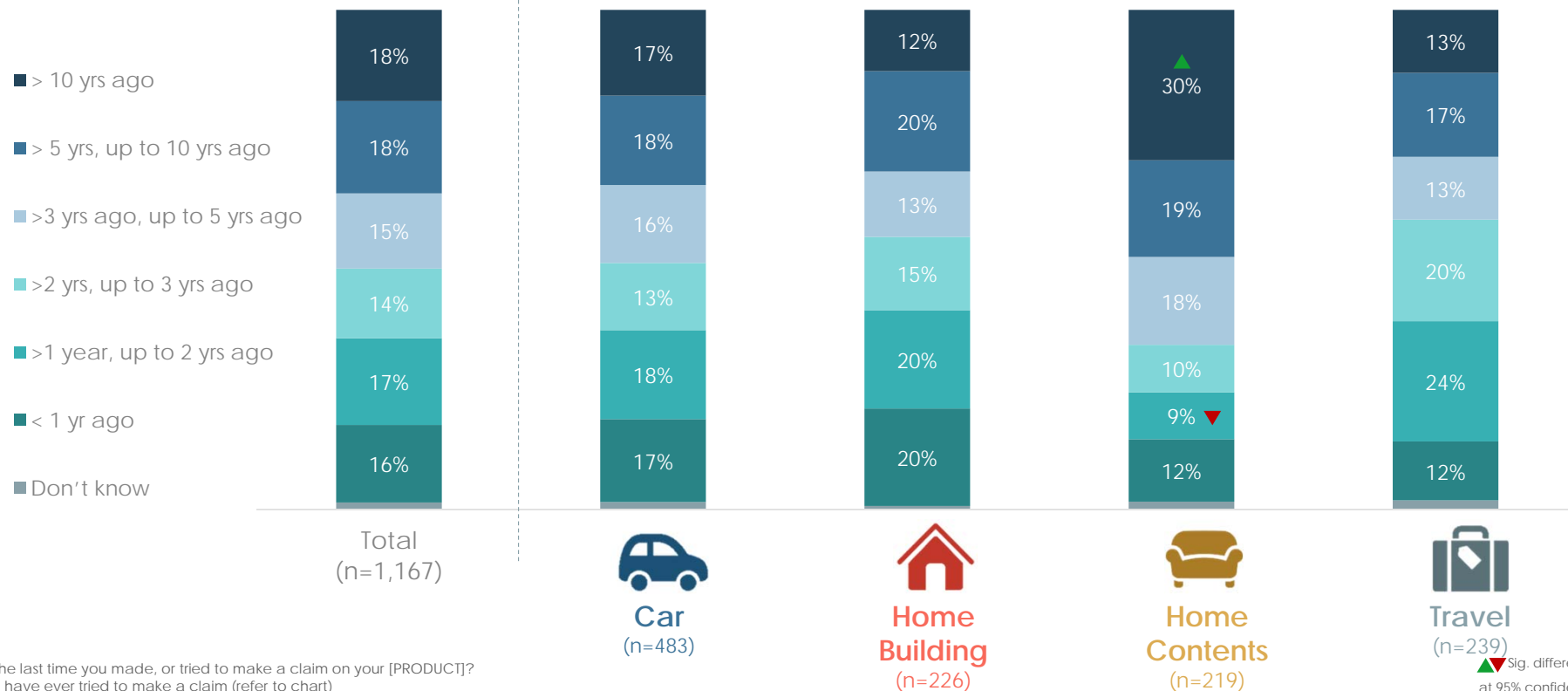


F1. How many times, if ever, have you made or tried to make a claim on your [PRODUCT] (noting that this may not have been in relation to your current policy)?
 102 Base: All respondents

▲▼ Sig. difference at 95% confidence

HOWEVER, FEW REPORT TO HAVE TRIED TO OR HAVE MADE A CLAIM IN THE LAST 12 MONTHS (FEWER THAN 2 IN 10)

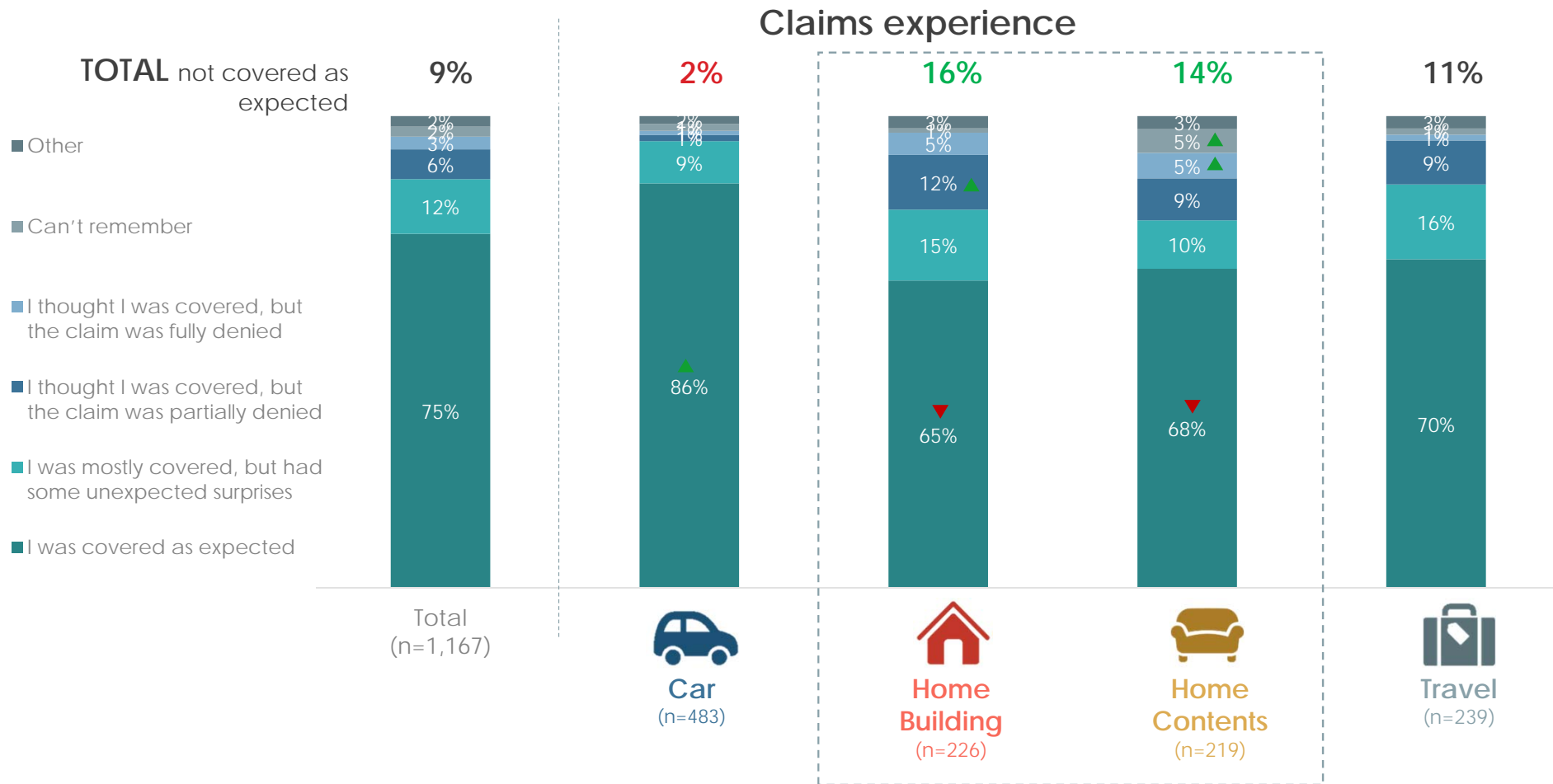
Last time made or tried to make a claim



F2. When was the last time you made, or tried to make a claim on your [PRODUCT]?
 103 Base: Those who have ever tried to make a claim (refer to chart)

▲▼ Sig. difference at 95% confidence

ALTHOUGH MOST CLAIMS WERE COVERED AS EXPECTED, CLAIMING ISSUES ARE HIGHEST FOR HOME INSURANCE

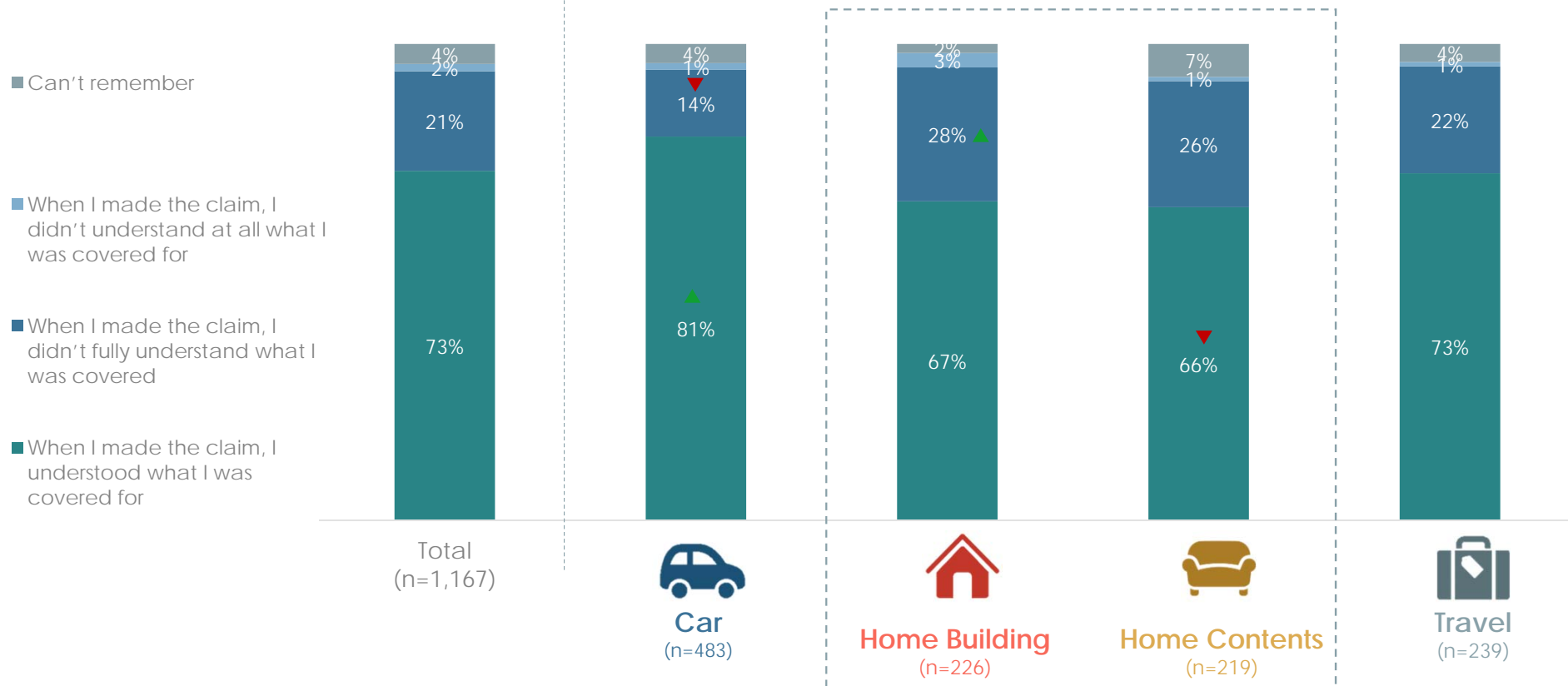


F2b. Which of the following best describes the outcome of the most recent claim you made or tried to make on your [PRODUCT]?
 104 Base: Those who have ever tried to make a claim (refer to chart)

▲▼ Sig. difference at 95% confidence

LIKEWISE THE PROPORTION REPORTING TO HAVE UNDERSTOOD WHAT THEY WERE COVERED FOR WHEN CLAIMING IS LOWEST FOR HOME CONSUMERS

Claims understanding

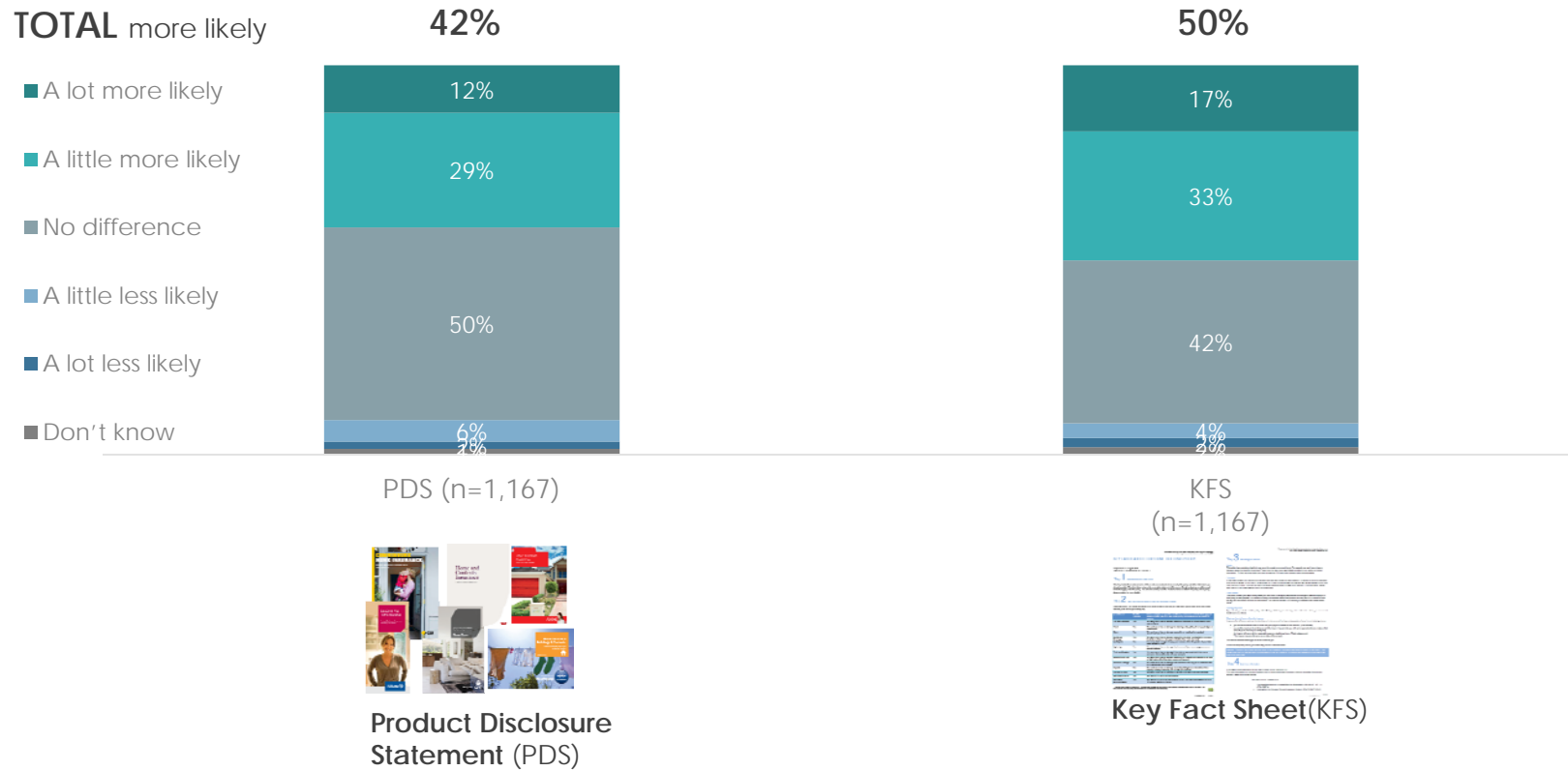


F2c. Thinking about the last time you made or tried to make a claim on your [PRODUCT], to what extent did you understand what you would or would not be covered for?
 105 Base: Those who have ever tried to make a claim (refer to chart)

▲ ▼ Sig. difference at 95% confidence

CLAIMERS ARE MORE LIKELY TO READ THE PDS AND KFS, SUGGESTING THERE IS VALUE IN HIGHLIGHTING CLAIMING SCENARIOS TO CONSUMERS

Impact of claiming on likelihood of reading PDS and KFS

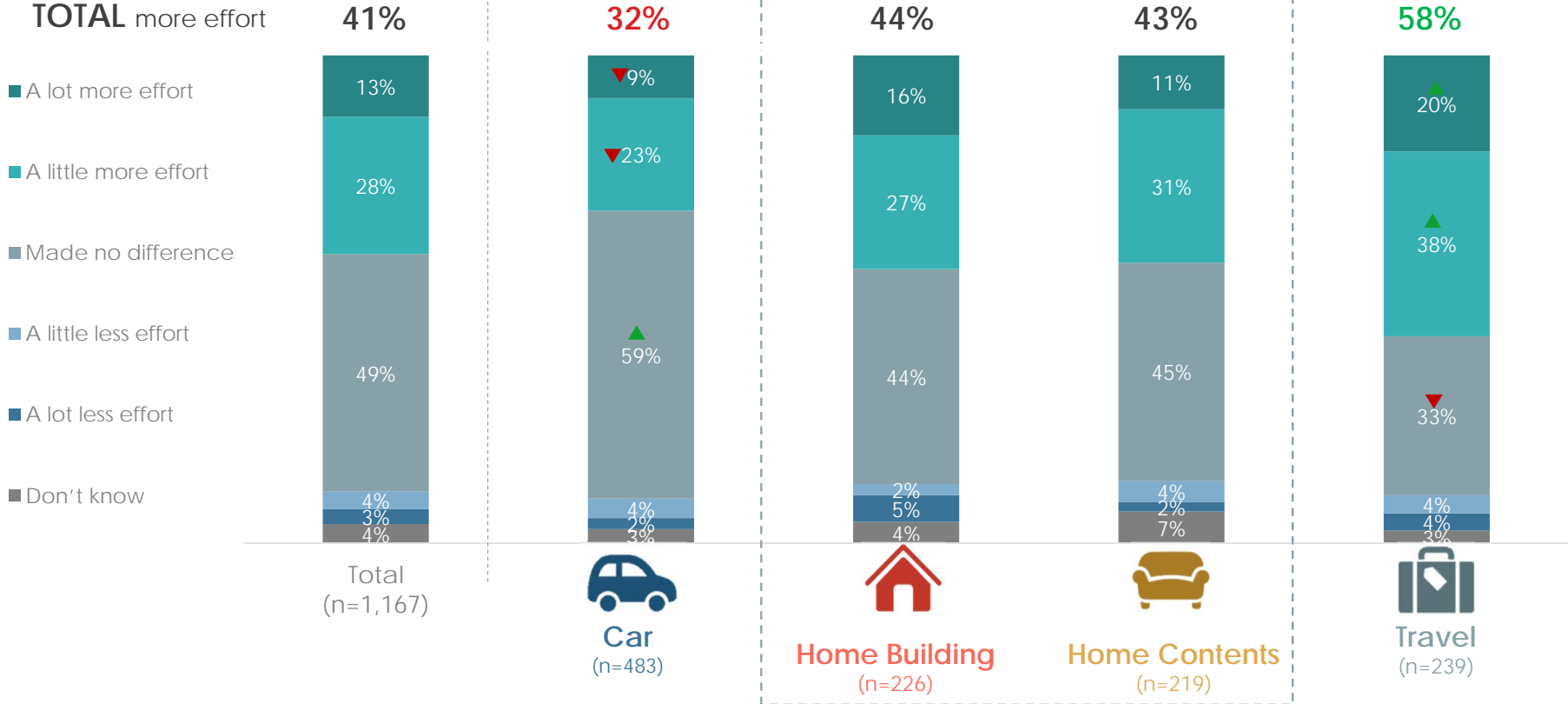


F4. After having made or tried to make a claim on your [PRODUCT], are you more or less likely to read the following...?
 106 Base: Those who have ever tried to make a claim (refer to chart) / results do not vary by product type

▲ Sig. difference at 95% confidence

CLAIMERS PUT MORE EFFORT INTO POLICY SELECTION, REINFORCING THE POTENTIAL VALUE IN HIGHLIGHTING COMMON CLAIMING SCENARIOS TO CONSUMERS

Impact of claiming on effort



F3. Which of the following best describes the impact (if any) that your previous claiming experience(s) has had on the amount of effort you put into making sure you are selecting the right level of cover for you?
 107 Base: Those who have ever tried to make a claim (refer to chart)

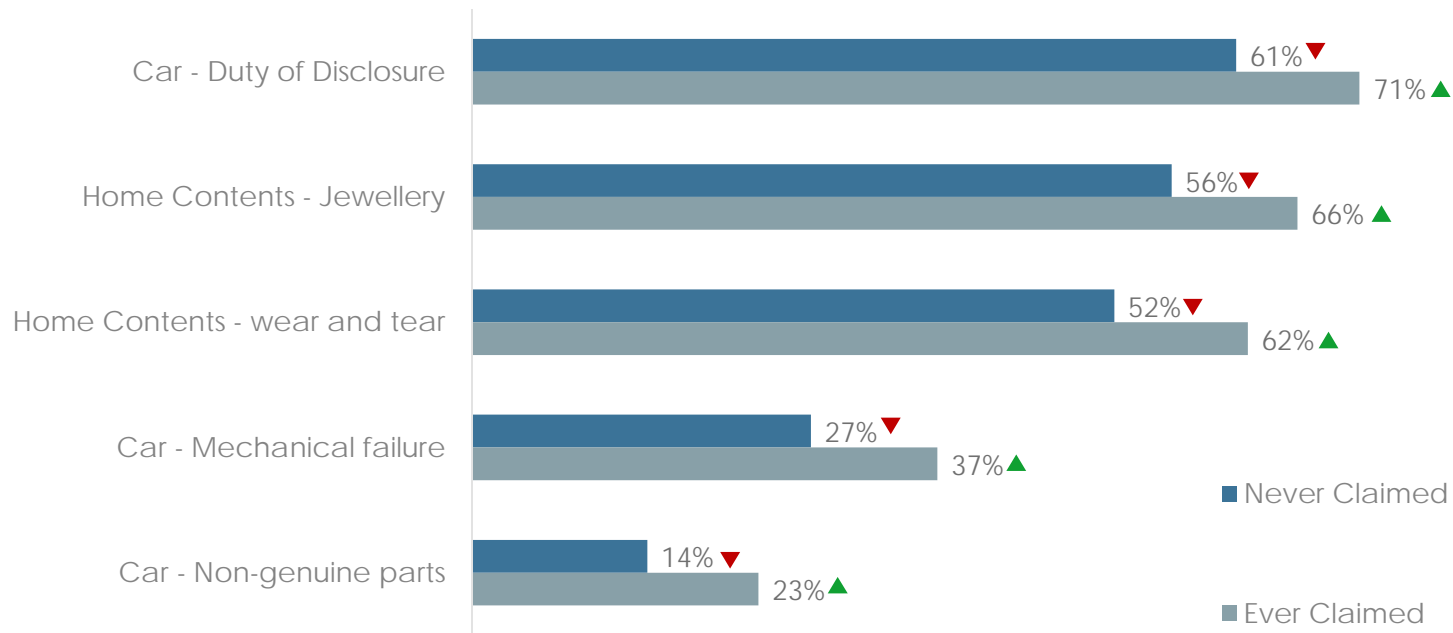
▲ Sig. difference at 95% confidence



THOSE WHO HAVE EVER MADE A CLAIM (ON ANYTHING) ARE MORE LIKELY TO HAVE CORRECT POLICY UNDERSTANDING

This reinforces the value of education through scenarios

% CORRECT UNDERSTANDING OF SCENARIOS TESTED BY CLAIMING HISTORY



Section E scenario testing / F1. How many times, if ever, have you made or tried to make a claim on your [PRODUCT] (noting that this may not have been in relation to your current policy)?
108 Base: Those with each type of insurance, some of which are amongst specific groups within (all n=30 or more) / only showing scenarios with a significant difference between claimers

▲ Sig. difference at 95% confidence

THANK YOU!

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