Consumer Research on General Insurance Product Disclosures

Research findings report

February 2017
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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 report 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 insurance;
- commission and publish research to determine pre-purchase consumer behaviours and how disclosure can be used to nudge appropriate decision-making; and
- research consumer behaviours in relation to decision-making about the sum insured for home building insurance.

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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 conducted\textsuperscript{5} 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).

\textsuperscript{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

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

- 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.

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

- 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.
- 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.

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

- 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.

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

- 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/braches 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 experienced\(^6\) with insurance, with higher\(^7\) engagement with the details;
- ii) were experienced with insurance, with lower\(^8\) 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.

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\(^6\) 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

<table>
<thead>
<tr>
<th>Disclosure objectives</th>
<th>Areas for measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Point of sale</strong></td>
<td></td>
</tr>
<tr>
<td>1. Inform about the product</td>
<td>- Disclosure is used as an information resource</td>
</tr>
<tr>
<td></td>
<td>- Disclosure is accessible</td>
</tr>
<tr>
<td></td>
<td>- Consumers understand key policy exclusions and limits</td>
</tr>
<tr>
<td></td>
<td>- Consumers understand key policy inclusions and have general knowledge about the broad</td>
</tr>
<tr>
<td></td>
<td>scenarios in which a claim can be made</td>
</tr>
<tr>
<td></td>
<td>- Consumers understand differences in policies, e.g. comprehensive vs third party</td>
</tr>
<tr>
<td></td>
<td>vs accidental damage vs listed events</td>
</tr>
<tr>
<td>2. Assist consumers make informed decisions about their</td>
<td>- Consumers can use the information to compare competing products</td>
</tr>
<tr>
<td>insurance needs</td>
<td>- Consumers can use the information to make informed decisions about:</td>
</tr>
<tr>
<td></td>
<td>- Level of coverage</td>
</tr>
<tr>
<td></td>
<td>- Type of coverage (e.g. listed events vs accidental damage)</td>
</tr>
<tr>
<td></td>
<td>- Specific inclusions and exclusions</td>
</tr>
<tr>
<td></td>
<td>- The excess amount</td>
</tr>
<tr>
<td><strong>Post sale</strong></td>
<td></td>
</tr>
<tr>
<td>3. Provide clarity on how claims can be made</td>
<td>- Consumers are aware of where to look for more information when they need to make a</td>
</tr>
<tr>
<td></td>
<td>claim</td>
</tr>
<tr>
<td></td>
<td>- Consumers are aware of preparations/conduct</td>
</tr>
<tr>
<td></td>
<td>required to ensure eligibility to make a claim</td>
</tr>
<tr>
<td></td>
<td>- Consumers are aware that complaints can be made</td>
</tr>
</tbody>
</table>

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.

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**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 Bentleigh 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.

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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.
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

<table>
<thead>
<tr>
<th>Number of information sources used by insurance history status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reactivators (n=199)</td>
</tr>
<tr>
<td>New take ups (n=129)</td>
</tr>
<tr>
<td>Switchers (n=271)</td>
</tr>
<tr>
<td>Renewers - different policy (n=141)</td>
</tr>
<tr>
<td>Renewers - same policy (n=1,054)</td>
</tr>
</tbody>
</table>

Most commonly used information:

- Insurer website – product and general information: 37%
- Insurer website – information provided in quote: 32%
- Insurer website – information provided in quote OR product and general information: 44%
- Details of previous policy: 48%
- Renewal letter: 50%
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**

**TOP 3 POLICY DRIVERS by product**

### Car (n=4631)
- The premium or price: 52%
- Value for money: 41%
- What’s covered / not covered in the policy: 31%

### Home Building (n=476)
- The premium or price: 43%
- Value for money: 40%
- What’s covered / not covered in the policy: 38%

### Home Contents (n=463)
- The premium or price: 51%
- Value for money: 41%
- What’s covered / not covered in the policy: 34%

### Travel (n=636)
- Value for money: 45%
- What’s covered / not covered in the policy: 44%
- The premium or price: 40%

**Graph 6**

**REASONS FOR USING INFORMATION SOURCES USED**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Renewal letter (n=338)</th>
<th>Comparison sites (n=1,408)</th>
<th>Insurance providers’ own website(s) (n=508)</th>
<th>Insurance providers call centre (n=312)</th>
<th>Product Disclosure Statement (PDS) (n=118)</th>
<th>Previous policy (n=221)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>86%</td>
<td>83%</td>
<td>81%</td>
<td>82%</td>
<td>50%</td>
<td>69%</td>
</tr>
<tr>
<td>Excess to be paid if a claim is made</td>
<td>66%</td>
<td>50%</td>
<td>65%</td>
<td>60%</td>
<td>68%</td>
<td>56%</td>
</tr>
<tr>
<td>What’s covered / included in policy</td>
<td>62%</td>
<td>56%</td>
<td>73%</td>
<td>65%</td>
<td>74%</td>
<td>66%</td>
</tr>
<tr>
<td>Payment options</td>
<td>49%</td>
<td>32%</td>
<td>39%</td>
<td>40%</td>
<td>22%</td>
<td>34%</td>
</tr>
<tr>
<td>Discounts for loyalty / new customers / multi-policies</td>
<td>46%</td>
<td>26%</td>
<td>37%</td>
<td>46%</td>
<td>32%</td>
<td>42%</td>
</tr>
<tr>
<td>The levels of cover available</td>
<td>46%</td>
<td>46%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>41%</td>
</tr>
<tr>
<td>What’s not covered / excluded in policy</td>
<td>43%</td>
<td>41%</td>
<td>42%</td>
<td>49%</td>
<td>73%</td>
<td>53%</td>
</tr>
<tr>
<td>Provides coverage for my specific needs</td>
<td>40%</td>
<td>38%</td>
<td>41%</td>
<td>42%</td>
<td>62%</td>
<td>40%</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>31%</td>
<td>32%</td>
<td>49%</td>
<td>33%</td>
<td>63%</td>
<td>31%</td>
</tr>
<tr>
<td>Limitations in what I can claim</td>
<td>33%</td>
<td>34%</td>
<td>40%</td>
<td>26%</td>
<td>58%</td>
<td>34%</td>
</tr>
<tr>
<td>Additional rewards / benefits for ‘membership’</td>
<td>24%</td>
<td>11%</td>
<td>23%</td>
<td>21%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Reputation for payout on claims</td>
<td>21%</td>
<td>29%</td>
<td>24%</td>
<td>30%</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Discounts for early / on-time payment</td>
<td>20%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>If the policy offers choice of repair</td>
<td>19%</td>
<td>24%</td>
<td>39%</td>
<td>20%</td>
<td>63%</td>
<td>32%</td>
</tr>
<tr>
<td>The extent to which coverage can be customised</td>
<td>17%</td>
<td>21%</td>
<td>26%</td>
<td>23%</td>
<td>29%</td>
<td>24%</td>
</tr>
<tr>
<td>Comparison to other brands’ coverage</td>
<td>6%</td>
<td>47%</td>
<td>29%</td>
<td>21%</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Can’t remember</td>
<td>1%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Please select all that apply*  
*Base: Those who mainly used each information source, collapsed across insurance products*  
*In bold: too low or Key Fact Sheet to report / only 3 significant differences by product (i.e. we have not shown as there was no clear story related to these differences)*  
*Indicates the number / reasons*  
*Green / red indicate 5g, above / below coverage of 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.

---

Graph 7

Impact of claiming on likelihood of reading PDS and KFS

TOTAL more likely
- A lot more likely: 12%
- A little more likely: 29%
- No difference: 50%
- A little less likely: 2%
- A lot less likely: 2%
- Don’t know: 4%

PDS (n=1,167)

KFS (n=1,167)

Product Disclosure Statement (PDS)

Key Fact Sheet (KFS)

Note: Those who have never tried to make a claim were excluded. Results do not vary by product type.
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>
<thead>
<tr>
<th>Table 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WEAR AND TEAR</strong></td>
</tr>
<tr>
<td><strong>Home Building (item 478)</strong></td>
</tr>
<tr>
<td><strong>Home Contents (item 465)</strong></td>
</tr>
<tr>
<td><strong>MECHANICAL FAILURE</strong></td>
</tr>
<tr>
<td>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?</td>
</tr>
<tr>
<td><strong>DUTY OF DISCLOSURE</strong></td>
</tr>
<tr>
<td>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?</td>
</tr>
<tr>
<td><strong>LIKE FOR LIKE REPLACEMENT</strong></td>
</tr>
<tr>
<td>Please imagine that you are on 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?</td>
</tr>
<tr>
<td><strong>STOLEN VALUABLES</strong></td>
</tr>
</tbody>
</table>
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.
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.
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
types\(^\text{10}\) (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 types\(^\text{11}\).

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.
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 showing relevance to personal use of different sources of information]

Note: Those who mainly used each information source, collapsed across insurance products. *Strongly agree* / agree / Note there are no significant differences by product / Those who too low for Key Facts Sheet to report at 95% confidence
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).
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

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.
Those who are new to purchasing insurance commonly use 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

% correct scenario understanding by insurance history

- Car - Duty of disclosure
- Home Building - repair to damaged item only
- Home Contents - wear and tear
- Home Building - failure to maintain building

[Graph showing percentage of correct scenario understanding by insurance history for different groups: New Take ups, Reactivators, Switchers, Renewers - different policy, Renewers - same policy, Switchers]
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 online.\(^\text{12}\)

**Graph 25**

![Method for Selecting Sum Insured](chart)

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.
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

1. **Cognitive Overload**
   - 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.

2. **Human Connection**
   - 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.

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

4. **Misattributed Trust**
   - 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...
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...

<table>
<thead>
<tr>
<th>Experienced &amp; Higher Engagement</th>
<th>Experienced &amp; Lower Engagement</th>
<th>First Timers with this particular type of insurance</th>
<th>Vulnerable Groups ( SUCH AS ELDERLY, LOWER EDUCATIONAL LEVEL)</th>
<th>Higher Risk Consumers ( Hazard Prone areas)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6 customers - at some point in their decision</strong></td>
<td><strong>6 customers - at some point in their decision</strong></td>
<td><strong>6 customers - at some point in their decision</strong></td>
<td><strong>6 customers - at some point in their decision</strong></td>
<td><strong>6 customers - at some point in their decision</strong></td>
</tr>
<tr>
<td><strong>24 x full experiences</strong></td>
<td><strong>24 x full experiences</strong></td>
<td><strong>24 x full experiences</strong></td>
<td><strong>24 x full experiences</strong></td>
<td><strong>24 x full experiences</strong></td>
</tr>
</tbody>
</table>

- 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...

- ‘GET IT RIGHT’
- ‘GET IT DONE’
- ‘JUST SHOW ME THE BENEFITS’
- ‘GIVE ME ALL OF THE DETAILS’

- CLEAR AND CONFIDENT IN THEIR CHOICE
- MASTERING THE INSURANCE ‘GAME’
- MOVE ON TO MORE ENJOYABLE THINGS
- COVER ALL BASES / TICK THE BOXES
That also helps to align our hypotheses to various consumer ‘heartlands’

- ‘Get it right’
  - Get it right
  - 'Get it done'
  - Mastering the insurance ‘game’
  - Cover all bases / tick the boxes

- ‘Just show me the benefits’
  - Clear and confident in their choice
  - Over reliance

- ‘Give me all of the details’
  - Human connection
  - Human, accessible information
  - Move on to other more enjoyable things

Cognitive overload

Relatable information"
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”
MASTERSING 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”
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

- 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’...

START THE PROCESS
- Start thinking, planning

IMMERSE AND EDUCATE THEMSELVES
- Start looking
- Immerse in the world
- Seek out trusted sources
- Educate themselves on the features / benefits

COMPARE THE VARIOUS OPTIONS
- Develop criteria
- Compare

PRIORITISE AND DECIDE
- Prioritise options
- Negotiate on terms
- Final check and decide

JUSTIFY CHOICE
- Post decision follow up
Although each step is taken to varying degrees, and are not always sequential.
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...

A greater focus on the headline features and benefits from marketing material and comms
• Comparison sites
• Front pages of websites
• Product based advertisements
• Review sites

A greater focus on the price and simply how to get the purchase done
• Comparison sites
• ‘Buy now’ pages of websites

A focus on all aspects of the product and service from providers
• Individual provider websites over comparison sites
• ‘Detail’ pages of websites
• Contract / fine details / PDS
• Their existing policy details
• Credible / authoritative review sites

A greater focus on the details that can be compared and contrasted
• Comparison sites
• ‘Detail’ pages of websites
• Contract / fine details / PDS
• Their existing policy details
• Credible / authoritative review sites
• Friends, family other informal sources
AS DOES THE PDS
[OR WHATEVER THE CUSTOMER CHOOSE TO CALL IT!]

- Reinforcing the key features and benefits that have been bought into
- Looked at by some to understand the ‘finer’ details behind claims

- Going beyond the marketing, claims and spin and getting to the fine details and facts
- Looked at by all, a key part of comparison and prioritisation

- Part of the paperwork provided when purchasing a policy
- Rarely if ever looked at unless looking to make a claim at a later date

- Where all the caveats, exceptions and exclusions are ‘hidden’
- Looked at by all, a key part of prioritising and confirming choice
START THE PROCESS:
JUMPING IN, EASING IN, OR BEING THROWN IN TO THE PROCESS...
## START THE PROCESS

### WHAT THEY THINK AND FEEL
- Positive
- Optimistic
- Relaxed
- Motivated
- Driven
- Prepared
- Nervous
- Cautious
- Disinterested
- Irritated (they have to do it)

### WHAT THEY DO, HOW THEY DO IT
- Prompted by a negative service or claims event
- Prompted by positive, proactive information from competitor providers
- Part of a regular review
- Prompted by a negative service or claims event
- Part of a regular review
- Prompted by an immediate need to act – a mandatory requirement, an upcoming purchase or event

### THE MAIN INFORMATION SOURCES USED
- Headline features and benefits from ads, website, and product collateral
- Details from their current policy (including PDS)
- Detail from providers, typically from their website at this stage of the journey
- Detail from providers, typically from their website at this stage of the journey
- Feedback from family, friends, colleagues, reviews

### CURRENT ROLE OF THE PDS / CONTRACT
- No role
- Reflecting on the detail from previous decisions or likeminded insurance purchase experiences
- Little role at this stage, although mindful of the need to get across the details.
- No role

### DRIVERS & BARRIERS TO PROGRESSION
- A desire to get the best deal
- Knowing what they are on Today as a baseline
- 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
- 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
- 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

### THE MAIN INFORMATION SOURCES USED
- Headline features and benefits from ads, website
- Feedback from family, friends, colleagues, reviews
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- Uncertainty as to whether all the effort will result in a better deal than what they are on Today
- 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
- 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

### THE MAIN INFORMATION SOURCES USED
- Headline features and benefits from ads, website
- Feedback from family, friends, colleagues, reviews
- Details from their current policy (including PDS)
- Detail from providers, typically from their website at this stage of the journey
- Detail from providers, typically from their website at this stage of the journey
- Feedback from family, friends, colleagues, reviews

### CURRENT ROLE OF THE PDS / CONTRACT
- No role
- Reflecting on the detail from previous decisions or likeminded insurance purchase experiences
- Little role at this stage, although mindful of the need to get across the details.
- No role

### DRIVERS & BARRIERS TO PROGRESSION
- A desire to get the best deal
- Knowing what they are on Today as a baseline
- 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
- 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
- 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
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
- Positive
- Focused (on the key issues)
- Motivated
- Driven
- Confident
- Methodical
- Detailed
- Overwhelmed
- Disinterested
- Demotivated
- Confused

WHAT THEY DO, HOW THEY DO IT
- Focus on the key areas of importance, and obtain this information from a wide range of formal and informal sources
- Draw from previous experiences
- Use immediate, available, accessible resources

THE MAIN INFORMATION SOURCES USED
- Headline features and benefits from ads, website, and product collateral
- Detail from providers, typically from their website at this stage of the journey
- Headline features and benefits from ads, website

CURRENT ROLE OF THE PDS / CONTRACT
- Little role, more of a focus on the key features / benefits
- A key role
- A key role
- No role

DRIVERS & BARRIERS TO PROGRESSION
- Only a small amount of things that matter to them, so they can focus their attention
- The wealth of information available to use
- Lack of perceived benefit in knowing anything beyond the basics required to purchase
- A lack of structure and order in how this information is made available by providers
- A lack of structure and order in how this information is made available by providers
- Being overwhelmed by the detail and trying to make sense of it all

WHAT THEY THINK AND FEEL
- Positive
- Focused (on the key issues)
- Motivated
- Driven
- Confident
- Methodical
- Detailed
- Overwhelmed
- Disinterested
- Demotivated
- Confused

WHAT THEY DO, HOW THEY DO IT
- Focus on the key areas of importance, and obtain this information from a wide range of formal and informal sources
- Draw from previous experiences
- Use immediate, available, accessible resources

THE MAIN INFORMATION SOURCES USED
- Headline features and benefits from ads, website, and product collateral
- Detail from providers, typically from their website at this stage of the journey
- Headline features and benefits from ads, website

CURRENT ROLE OF THE PDS / CONTRACT
- Little role, more of a focus on the key features / benefits
- A key role
- A key role
- No role

DRIVERS & BARRIERS TO PROGRESSION
- Only a small amount of things that matter to them, so they can focus their attention
- The wealth of information available to use
- Lack of perceived benefit in knowing anything beyond the basics required to purchase
- A lack of structure and order in how this information is made available by providers
- A lack of structure and order in how this information is made available by providers
- Being overwhelmed by the detail and trying to make sense of it all
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
- **Positive**
- **Focused (on the key issues)**
- **Confident**
- **In control**
- **Overwhelmed**
- **Confused**
- **Unsure**
- **Concerned**
- **Disinterested**
- **Demotivated**
- **Confused**

### What They Do, How They Do It
- Focus on the key areas of importance and understand the detail behind this
- Understand the key points of difference between offers and focus on these areas
- Try to compare and contrast all aspects – even if they are hard to directly compare
- Focus on the key areas of importance and the high level information relating to these

### The Main Information Sources Used
- Headline features and benefits from ads, website, and product collateral
- Detail from providers, typically from their website at this stage of the journey
- Call centre to clarify details and determine ‘best deals’
- Headline features and benefits from ads, website
- Review and comparison sites
- Detail from providers, typically from their website at this stage of the journey
- Call centre to clarify details

### Current Role of the PDS / Contract
- Little role, more of a focus on the key features / benefits
- A key role
- A key role
- A key role
- No role

### Drivers & Barriers to Progression
- Plenty of options
- The accessibility of info for the big things that matter
- The differing language, and fine details behind features
- The wealth of information available to use
- The time and effort required to make sense of it all and inefficiency of the process
- The wealth of information available to use
- Inability to easily compare one option to the next
- Plenty of options
- All offering pretty much the same products / services
- Little understanding and interest in the detail
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

<table>
<thead>
<tr>
<th>Confident</th>
<th>Confident (of what matters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confident</td>
<td>Confident (of all the details)</td>
</tr>
<tr>
<td>Unsure</td>
<td>Confused</td>
</tr>
<tr>
<td>Overwhelmed</td>
<td>Confused (to make a choice)</td>
</tr>
</tbody>
</table>
“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

- Confident
- Focused (on the key benefits)
- Positive
- Relaxed
- Self-assured
- Nervous
- Second guessing decision
- Disinterested
- Unconcerned
- Happy (to move on)
- Confident (things are fine)
- Positive (focus on other things)

WHAT THEY DO, HOW THEY DO IT

- Choice is justified by getting the best deal on the things that matter most
- Briefly check the headline features and benefits
- Choice is justified by having made a smart, savvy choice
- Check the contract details to ensure all is as requested
- Choice is justified by a complete and comprehensive decision being made
- Check the contract details to ensure this is the case
- Not much
- Choice is justified by having insurance and moving on

THE MAIN INFORMATION SOURCES USED

- Product ‘welcome pack’ to confirm their choice
- POS to check on the finer details
- POS to check on the finer details
- POS to check on the finer details
- Product ‘welcome pack’ to confirm their choice
- Bank statement to confirm purchase
- No role

CURRENT ROLE OF THE PDS / CONTRACT

- For some a small role in checking the details
- For others, still no role
- The main justification for their choice, and often for going beyond the basic or the cheapest option out there
- Choice is justified by having made a smart, savvy choice
- Check the contract details to ensure all is as requested
- Choice is justified by having insurance and moving on

DRIVERS & BARRIERS TO PROGRESSION

- 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
- Having done their ‘due diligence’ for the process
- An understanding that there are always new options / deals out there
- Having done their ‘due diligence’ for the process
- Still a lack of confidence that they are across everything
- 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
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

START THE PROCESS

Knowing what they are on Today as a baseline

Start thinking, planning

Immerse in the world

Seek out trusted sources

Educate themselves on the features / benefits

Reducing the amount of information, and providing clear language and structure

COMPARISON THE VARIOUS OPTIONS

Greater consistency between providers in terms of their language and details provided

Develop criteria

Compare

PRIORITISE AND DECIDE

The ability and permission to question, challenge, and make a true choice re: the details

Prioritise options

Negotiate on terms

Final check and decide

JUSTIFY CHOICE

Post decision follow up

Access to tools and resources to compare and contrast in a simple, relatable way

Removing or simplifying the jargon, caveats, exceptions, exclusions etc.

Accessing what they are on Today as a baseline

Knowing earlier on that insurance is required, is important, is to be renewed, or to be reviewed

How much effort it is worth – what’s the benefit in getting it right, the cost of getting it wrong

Access to tools and resources to compare and contrast in a simple, relatable way

Removing or simplifying the jargon, caveats, exceptions, exclusions etc.

Which groups this issue / opportunity resides

Which groups this issue / opportunity resides

Which groups this issue / opportunity resides

Which groups this issue / opportunity resides
OF NOTE, THESE DIMENSIONS BROADLY CORRESPOND TO THE DRAFT KPI’S DEVELOPED

-Disclosure is used as an information resource
-Disclosure is accessible
-Consumers understand key policy exclusions and limits
-Consumers understand key policy inclusions and about the scenarios in which a claim can be made
-Consumers understand key differences in policies
-Consumers can use the information to determine whether to purchase an insurance policy
-Consumers can use the information to compare competing products
-Consumers’ decisions result in adequate coverage of key assets and risks
-Consumers’ purchase decisions result in coverage for potential large losses
-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

THE KEY ISSUES TO ADDRESS AND OPPORTUNITIES TO LEVERAGE

Indicative only, based on qualitative assessment
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.
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: n=831
- Home Building: n=478
- Home Contents: n=485
- Travel: 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.

FIELDWORK
Survey was conducted between 2 - 15 December 2016.
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**

- Almost no time and effort
- Very little time and effort
- A fair amount of time and effort
- A lot of time and effort

<table>
<thead>
<tr>
<th></th>
<th>Total (n=2,430)</th>
<th>Car (n=831)</th>
<th>Home Building (n=478)</th>
<th>Home Contents (n=485)</th>
<th>Travel (n=636)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost no time</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Very little</td>
<td>35%</td>
<td>37%</td>
<td>30%</td>
<td>34%</td>
<td>38%</td>
</tr>
<tr>
<td>A fair amount</td>
<td>39%</td>
<td>38%</td>
<td>40%</td>
<td>43%</td>
<td>34%</td>
</tr>
<tr>
<td>A lot of time</td>
<td>9%</td>
<td>8%</td>
<td>13%</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>
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

All / most of the detail: 75%

- All of the detail: 31%
- Most of the detail: 45%
- Just a few key details: 22%
- None of the details: 3%

Total (n=2,430)

A lot of time and effort (n=203)
- All or most of the detail: 92%
- All or most of the detail: 88%

A fair amount of time and effort (n=890)
- All or most of the detail: 67%

Very little time and effort (n=873)
- All or most of the detail: 55%

Almost no time and effort (n=464)
THE LEVEL OF DETAIL EVALUATED DOES NOT VARY BY PRODUCT

**Level of detail looked at to ensure right policy**

<table>
<thead>
<tr>
<th>All / most of the detail</th>
<th>75%</th>
<th>76%</th>
<th>75%</th>
<th>76%</th>
<th>73%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of the detail</td>
<td>31%</td>
<td>32%</td>
<td>32%</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>Most of the detail</td>
<td>45%</td>
<td>44%</td>
<td>44%</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td>Just a few key details</td>
<td>22%</td>
<td>21%</td>
<td>20%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>None of the details</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(n=2,430)</td>
<td>(n=831)</td>
<td>(n=478)</td>
<td>(n=636)</td>
<td>(n=485)</td>
</tr>
</tbody>
</table>

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

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

- All / most of the detail
- Just a few key details
- None of the details

sig. difference at 95% confidence
A FEELING OF UNDERLYING TRUST IN THE POLICY IS THE KEY REASON FOR NOT LOOKING INTO POLICY DETAILS

<table>
<thead>
<tr>
<th>Reason for not looking into the product details as part of the decision</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I trust that the policy will include / exclude things that are relevant to me</td>
<td>29%</td>
</tr>
<tr>
<td>Not interested</td>
<td>18%</td>
</tr>
<tr>
<td>Confident I didn’t need to</td>
<td>18%</td>
</tr>
<tr>
<td>Didn’t have time</td>
<td>14%</td>
</tr>
<tr>
<td>Details are too hard to understand</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
</tr>
<tr>
<td>Can’t remember</td>
<td>21%</td>
</tr>
</tbody>
</table>

Many of the ‘other’ mentions related to trusting the broker / agent / someone else to make the decision.

**5c.** 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

- ‘GET IT RIGHT’
  - CLEAR AND CONFIDENT IN THEIR CHOICE
  - MASTERING THE INSURANCE ‘GAME’

- ‘GET IT DONE’
  - MOVE ON TO MORE ENJOYABLE THINGS
  - COVER ALL BASES / TICK THE BOXES

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

15b. 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)
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.

---

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?

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)*

<table>
<thead>
<tr>
<th></th>
<th>Car (n=831)</th>
<th>Home Building (n=478)</th>
<th>Home Contents (n=485)</th>
<th>Travel (n=636)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewal letter</td>
<td>16%</td>
<td>Renewal letter</td>
<td>18% ▲</td>
<td>Renewal letter</td>
</tr>
<tr>
<td>Insurer website – online quote</td>
<td>16%</td>
<td>Staff over the phone/at a branch</td>
<td>11%</td>
<td>Staff over the phone/at a branch</td>
</tr>
<tr>
<td>Staff over the phone/at a branch</td>
<td>14%</td>
<td>Insurer website – online quote</td>
<td>10%</td>
<td>Insurer website – online quote</td>
</tr>
<tr>
<td>%None</td>
<td>14%</td>
<td>%None</td>
<td>19%</td>
<td>%None</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Information sources used pre-purchase</th>
<th>Main</th>
<th>Used but not main</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewal letter from insurer</td>
<td>16%</td>
<td></td>
<td>35%</td>
</tr>
<tr>
<td>Insurer website – information provided through online quote</td>
<td>16%</td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>Speaking to insurer staff over the phone/at a branch</td>
<td>14%</td>
<td></td>
<td>28%</td>
</tr>
<tr>
<td>Insurer website – product and general information</td>
<td>9%</td>
<td></td>
<td>35%</td>
</tr>
<tr>
<td>Details of your previous policy</td>
<td>8%</td>
<td></td>
<td>32%</td>
</tr>
<tr>
<td>Comparison site</td>
<td>6%</td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td>Advice from friends/family/colleagues</td>
<td>5%</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>Car dealer</td>
<td>5%</td>
<td>9%</td>
<td>19%</td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS)</td>
<td>5%</td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>Customer reviews</td>
<td></td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Broker</td>
<td></td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Consumer choice website/magazine</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Media/news</td>
<td></td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>None of these</td>
<td></td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Information sources used pre-purchase</th>
<th>Main</th>
<th>Used but not main</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewal letter from insurer</td>
<td>18%</td>
<td></td>
<td>43%</td>
</tr>
<tr>
<td>Speaking to insurer staff over the phone/at a branch</td>
<td>11%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Insurer website – information provided through online quote</td>
<td>10%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Details of your previous policy</td>
<td>9%</td>
<td></td>
<td>39%</td>
</tr>
<tr>
<td>Comparison site (e.g. iSelect, Infochoice, Compare the…)</td>
<td>6%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Insurer website – product and general information</td>
<td>6%</td>
<td></td>
<td>28%</td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS)</td>
<td>5%</td>
<td></td>
<td>22%</td>
</tr>
<tr>
<td>Key Facts Sheet</td>
<td>4%</td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td>Insurer website – home building / contents calculator</td>
<td>3%</td>
<td></td>
<td>26%</td>
</tr>
<tr>
<td>Advice from friends / family / colleagues</td>
<td>3%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Broker</td>
<td>2%</td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Consumer choice website / magazine</td>
<td>2%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>Advertising</td>
<td>2%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>Media / news</td>
<td>2%</td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Customer reviews</td>
<td>2%</td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td></td>
<td>1%</td>
</tr>
<tr>
<td>None of these</td>
<td>1%</td>
<td></td>
<td>19%</td>
</tr>
</tbody>
</table>

Base: All respondents for home building (n=478)
Although PDS and KFS are in the repertoire of information used, they are not commonly the main source

**Information sources used pre-purchase**

<table>
<thead>
<tr>
<th>Source</th>
<th>Main</th>
<th>Used but not main</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewal letter from insurer</td>
<td>17%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Speaking to insurer staff over the phone/at a branch</td>
<td>14%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Details of your previous policy</td>
<td>10%</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Insurer website – information provided through online quote</td>
<td>10%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Insurer website – product and general information</td>
<td>7%</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Comparison site</td>
<td>5%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Advice from friends / family / colleagues</td>
<td>5%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS)</td>
<td>4%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Insurer website – home building / contents calculator</td>
<td>3%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Broker</td>
<td>3%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Key Facts Sheet</td>
<td>3%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Media / news</td>
<td>%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Customer reviews (including on social media)</td>
<td>%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Consumer choice website / magazine</td>
<td>%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of these</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.
FOCUSING ON ELEMENTS THAT PROVIDE THE DETAIL, JUST TWO IN TEN USE THE PDS OR KFS, AND VERY FEW RELY ON IT

<table>
<thead>
<tr>
<th>Product</th>
<th>Car (n=831)</th>
<th>Home Building (n=478)</th>
<th>Home Contents (n=485)</th>
<th>Travel (n=636)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% used</td>
<td>19%▼ (8th ranking)</td>
<td>22% (9th ranking)</td>
<td>22% (7th ranking)</td>
<td>26% ▲ (4th ranking)</td>
</tr>
<tr>
<td>% used as main source of information</td>
<td>3% ▼ (9th ranking)</td>
<td>5% (7th ranking)</td>
<td>4% (8th ranking)</td>
<td>7% ▲ (7th ranking)</td>
</tr>
</tbody>
</table>

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

Base: All respondents with each product (refer to chart)
NEW TO MARKET CONSUMERS COMMONLY USE THE ONLINE QUOTE, SUGGESTING THIS IS A SOURCE TO PRIORITIZE 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)

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

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

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

<table>
<thead>
<tr>
<th>Insurance History Status</th>
<th>Number of Sources Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reactivators (n=199)</td>
<td>3.8</td>
</tr>
<tr>
<td>New take ups (n=129)</td>
<td>2.5</td>
</tr>
<tr>
<td>Switchers (n=271)</td>
<td>3.4</td>
</tr>
<tr>
<td>Renewers - different policy (n=141)</td>
<td>3.7</td>
</tr>
<tr>
<td>Renewers - same policy (n=1,054)</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**Most commonly used information:**

- **Insurer website - product and general information**: 37%
- **Insurer website - information provided in quote**: 32%
- **Insurer website - information provided in quote OR product and general information**: 44%
- **Details of previous policy**: 48%
- **Renewal letter**: 50%

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

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

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>3+ brands compared (n=1,622)</th>
<th>Fewer than 3 / no brands compared (n=808)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurer website – information provided through online quote</td>
<td>25%</td>
<td>46%</td>
<td>+21%</td>
</tr>
<tr>
<td>Insurer website – product and general information</td>
<td>26%</td>
<td>45%</td>
<td>+19%</td>
</tr>
<tr>
<td>Insurer website – home building / contents calculator</td>
<td>16%</td>
<td>38%</td>
<td>+21%</td>
</tr>
<tr>
<td>Comparison site</td>
<td>17%</td>
<td>37%</td>
<td>+21%</td>
</tr>
<tr>
<td>Details of your previous policy</td>
<td>29%</td>
<td>31%</td>
<td>+4%</td>
</tr>
<tr>
<td>Key Facts Sheet</td>
<td>15%</td>
<td>32%</td>
<td>+17%</td>
</tr>
<tr>
<td>Speaking to insurer staff over the phone/at a branch</td>
<td>15%</td>
<td>29%</td>
<td>+4%</td>
</tr>
<tr>
<td>Renewal letter from insurer</td>
<td>22%</td>
<td>29%</td>
<td>+7%</td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS)</td>
<td>19%</td>
<td>27%</td>
<td>+8%</td>
</tr>
<tr>
<td>Travel agent/airline</td>
<td>25%</td>
<td>32%</td>
<td>-7%</td>
</tr>
<tr>
<td>Advice from friends / family / colleagues</td>
<td>21%</td>
<td>25%</td>
<td>+7%</td>
</tr>
<tr>
<td>None of these</td>
<td>7%</td>
<td>25%</td>
<td>-5%</td>
</tr>
<tr>
<td>None of these</td>
<td>2%</td>
<td>12%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

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

810. 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)

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%)

---

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

Base: all respondents collapsing across car, building and contents insurance / % used as main source of information
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)**: 72% aware
- **Policy Schedule/Certificate of Insurance**: 72% aware
- **Key Fact Sheet (KFS)**: 48% aware
AWARENESS OF THE PDS, KFS AND POLICY SCHEDULE DO NOT VARY BY TYPE OF INSURANCE

### Awareness of specific sources of information

<table>
<thead>
<tr>
<th>Source</th>
<th>Car (n=831)</th>
<th>Home Building (n=478)</th>
<th>Home Contents (n=485)</th>
<th>Travel (n=636)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Disclosure Statement (PDS)</td>
<td>75%</td>
<td>70%</td>
<td>70%</td>
<td>73%</td>
</tr>
<tr>
<td>Key Fact Sheet (KFS)</td>
<td>na</td>
<td>49%</td>
<td>47%</td>
<td>na</td>
</tr>
<tr>
<td>Policy Schedule/Certificate of Insurance</td>
<td>73%</td>
<td>71%</td>
<td>70%</td>
<td>73%</td>
</tr>
</tbody>
</table>

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)

Depth of reading
Amongst those aware of each

- **Product Disclosure Statement (PDS)**
  - Read all of it in detail: 13%
  - Quickly read all of it: 34%
  - Read some but not all of it: 35%
  - Did not read it: 16%
  - Can't remember: 2%
  - **47%** Detailed or quick read of all

- **Key Fact Sheet (KFS)**
  - Read all of it in detail: 24%
  - Quickly read all of it: 45%
  - Read some but not all of it: 22%
  - Did not read it: 8%
  - Can't remember: 1%
  - **69%** Detailed or quick read of all

Results are consistent regardless of the product type.

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)

Aware

Read all in detail or quickly

34%

47%

Key Fact Sheet (KFS)

Aware

Read all in detail or quickly

33%

70%

Results are consistent regardless of the product type.

C.4. Before today, were you aware the following was available for your [PRODUCT]?

C.4b. Before you purchased your [PRODUCT] policy, to what extent did you read the following...

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

- General terms and conditions: 81%
- Inclusions & exclusions of your specific policy: 74%
- Claim limits: 65%
- Details on how to make a claim: 57%
- Details on how to make a complaint: 50%
- Details on how to make changes to my policy: 45%
- Fee information: 42%
- Additional policy benefits: 36%
- Details on payment options: 31%
- A list of repairers: 13%
- Don’t know: 4%
- Other: 1%

Higher for those with travel insurance (72%)
Higher for those with travel insurance (66%)
Higher for those with car insurance (40%)

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

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>What's covered / included in policy</td>
<td>74%</td>
</tr>
<tr>
<td>What's not covered / excluded in policy</td>
<td>73%</td>
</tr>
<tr>
<td>Excess to be paid if a claim is made</td>
<td>68%</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>63%</td>
</tr>
<tr>
<td>If the policy offers choice of repairer</td>
<td>63%</td>
</tr>
<tr>
<td>Provides coverage for my specific needs</td>
<td>62%</td>
</tr>
<tr>
<td>The levels of cover available</td>
<td>58%</td>
</tr>
<tr>
<td>Limitations in what I can claim</td>
<td>58%</td>
</tr>
<tr>
<td>Price</td>
<td>50%</td>
</tr>
<tr>
<td>Discounts for loyalty / new customers / multi-policies</td>
<td>32%</td>
</tr>
</tbody>
</table>

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.
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

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

**Note:** What information were you looking to find? 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.
EACH SOURCE STANDS OUT FOR BEING USED FOR DIFFERENT INFORMATION...

PERCEPTUAL MAP OF REASONS FOR USING INFORMATION SOURCES USED

- Comparison site(s)
- Reputation for payout out on claims
- Providers' own website(s)
- The extent to which coverage can be customised
- What's covered / included
- What's not covered / excluded
- Providers call centre
- Excess to be paid if claim
- Rewards / benefits for 'membership'
- Discounts for loyalty / new customers / multi-policies
- Previous policy
- Providers' own website(s)
- The levels of cover available
- The extent to which coverage can be customised
- Limits in what I can claim
- Terms and conditions
- If offers choice of repairer
- PDS

**Perceptions of Reasons for Using Information Sources**

- **COMPARISONS**
  - Comparison to other brands' coverage
- **Pricing / Discounts / Payment**
  - Price
  - Payment options
  - Renewal letter
  - Discounts for early / on time payment
- **Details / Limitations**
  - Provides coverage for my specific needs
  - If offers choice of repairer
  - PDS

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

Base: All respondents (n=2,430)

<table>
<thead>
<tr>
<th>Comparison of brands</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes – 1 to 2 different brands</td>
<td>33%</td>
</tr>
<tr>
<td>Yes – 3 to 4 different brands</td>
<td>28%</td>
</tr>
<tr>
<td>Yes – 5+ brands</td>
<td>7%</td>
</tr>
<tr>
<td>Can’t recall</td>
<td>5%</td>
</tr>
<tr>
<td>No</td>
<td>27%</td>
</tr>
</tbody>
</table>

Average number of brands compared:

- 2.0
- 1.9
- 1.9
- 1.8

Sig. difference at 95% confidence
IT’S THOSE WHO ARE YOUNGER OR SWITCHING / RE-ACTIVATING THAT ARE MOST LIKELY TO SHOP AROUND

<table>
<thead>
<tr>
<th>Comparison of brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower number of brands compared</td>
</tr>
<tr>
<td>Those who looked at none of the details</td>
</tr>
<tr>
<td>0.3</td>
</tr>
<tr>
<td>Those renewing with the same provider</td>
</tr>
<tr>
<td>1.5</td>
</tr>
<tr>
<td>Highest level of education year 10 or below</td>
</tr>
<tr>
<td>1.4</td>
</tr>
<tr>
<td>60+ yrs</td>
</tr>
<tr>
<td>1.6</td>
</tr>
<tr>
<td>Retired</td>
</tr>
<tr>
<td>1.6</td>
</tr>
<tr>
<td>Higher number of brands compared</td>
</tr>
<tr>
<td>Switchers</td>
</tr>
<tr>
<td>2.6</td>
</tr>
<tr>
<td>Reactivators</td>
</tr>
<tr>
<td>2.4</td>
</tr>
<tr>
<td>Those who put in a fair amount or a lot of effort</td>
</tr>
<tr>
<td>2.6</td>
</tr>
<tr>
<td>English second language</td>
</tr>
<tr>
<td>2.5</td>
</tr>
</tbody>
</table>

Base: All respondents (n=2,430)

Q9. Did you compare between brands before making your final decision about [PRODUCT]?
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Extremely easy</th>
<th>Quite easy</th>
<th>Neither easy nor difficult</th>
<th>Quite difficult</th>
<th>Extremely difficult</th>
<th>Can’t remember</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (n=1,581)</td>
<td>56%</td>
<td>45%</td>
<td>28%</td>
<td>13%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Car (n=561)</td>
<td>57%</td>
<td>48%</td>
<td>28%</td>
<td>13%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Home Building (n=312)</td>
<td>52%</td>
<td>39%</td>
<td>28%</td>
<td>16%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Home Contents (n=309)</td>
<td>56%</td>
<td>45%</td>
<td>27%</td>
<td>14%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Travel (n=399)</td>
<td>59%</td>
<td>44%</td>
<td>27%</td>
<td>11%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Base:** All respondents who compared brands (refer to chart)

**Q10.** How easy was it to understand the differences in what is covered by the different brands, other than price?
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)

<table>
<thead>
<tr>
<th>Number of Brands Compared</th>
<th>% Easy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>61%</td>
</tr>
<tr>
<td>3-4</td>
<td>54%</td>
</tr>
<tr>
<td>5+</td>
<td>39%</td>
</tr>
</tbody>
</table>

Yes – I looked at 1-2 different brands (n=773)
Yes – I looked at 3-4 different brands (n=661)
Yes – I looked at 5+ brands (n=147)

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)
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.
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.

<table>
<thead>
<tr>
<th>Source</th>
<th>%strongly agree + agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewal letter (n=338)</td>
<td>85%</td>
</tr>
<tr>
<td>Insurance providers call centre (n=312)</td>
<td>85%</td>
</tr>
<tr>
<td>Insurance providers' own website(s) (n=508)</td>
<td>78%</td>
</tr>
<tr>
<td>Previous policy (n=220)</td>
<td>74%</td>
</tr>
<tr>
<td>Comparison site(s) (n=140)</td>
<td>72%</td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS) (n=118)</td>
<td>64%</td>
</tr>
<tr>
<td>Home building / home contents calculator (n=31)</td>
<td>61%</td>
</tr>
</tbody>
</table>
THERE ARE SIGNS OF TRUST ISSUES WITH ONLINE CALCULATORS AND COMPARISON SITES

Trustworthy

- Renewal letter (n=338): 81%
- Insurance providers call centre (n=312): 79%
- Insurance providers' own website(s) (n=508): 74%
- Previous policy (n=220): 71%
- Product Disclosure Statement (PDS) (n=118): 69%
- Home building / home contents calculator (n=31): 63%
- Comparison site(s) (n=140): 63%

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

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

<table>
<thead>
<tr>
<th>Source</th>
<th>Relevant to me personally</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewal letter (n=338)</td>
<td>86%</td>
</tr>
<tr>
<td>Insurance providers call centre (n=312)</td>
<td>86%</td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS) (n=118)</td>
<td>84%</td>
</tr>
<tr>
<td>Insurance providers’ own website(s) (n=508)</td>
<td>81%</td>
</tr>
<tr>
<td>Previous policy (n=220)</td>
<td>81%</td>
</tr>
<tr>
<td>Comparison site(s) (n=140)</td>
<td>80%</td>
</tr>
<tr>
<td>Home building / home contents calculator (n=31)</td>
<td>72%</td>
</tr>
<tr>
<td>Key Facts Sheet (n=24)</td>
<td>71%</td>
</tr>
</tbody>
</table>

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

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
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

<table>
<thead>
<tr>
<th>Information Source</th>
<th>% Easy to find</th>
<th>% Easy to find the specific information that I needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance providers’ own website(s) (n=508)</td>
<td>90%</td>
<td>85%</td>
</tr>
<tr>
<td>Home building / home contents calculator (n=31)</td>
<td>81%</td>
<td>82%</td>
</tr>
<tr>
<td>Comparison site(s) (n=140)</td>
<td>79%</td>
<td>79%</td>
</tr>
<tr>
<td>Product Disclosure Statement (PDS) (n=118)</td>
<td>78%</td>
<td>74%</td>
</tr>
<tr>
<td>Previous policy (n=220)</td>
<td>77%</td>
<td>72%</td>
</tr>
</tbody>
</table>

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

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

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

- Easy to find: 0.5
- In words and terminology that I easily understood: 0.5
- Trustworthy: 0.4
- Easy to find the specific information that I needed: 0.3
- Relevant to me personally: 0.3
- Too detailed: 0.0

C1. How confident are you that you fully understand the details of your [PRODUCT] policy?
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

- Improve
  - In words and terminology that I easily understood
  - Trustworthy
  - Easy to find
  - Easy to find the specific information that I needed
  - Relevant to me personally

- Maintain
  - Too detailed

Performance (across all sources of information)

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

<table>
<thead>
<tr>
<th>Factor</th>
<th>Correlation Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant to me personally</td>
<td>0.5</td>
</tr>
<tr>
<td>Easy to find the specific information that I needed</td>
<td>0.5</td>
</tr>
<tr>
<td>Trustworthy</td>
<td>0.5</td>
</tr>
<tr>
<td>In words and terminology that I easily understood</td>
<td>0.4</td>
</tr>
<tr>
<td>Easy to find</td>
<td>0.4</td>
</tr>
<tr>
<td>Too detailed</td>
<td>0.2</td>
</tr>
</tbody>
</table>

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 your [PRODUCT] policy?

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

| Importance | Performance
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Too detailed</td>
<td>Easy to find the specific information that I needed</td>
</tr>
<tr>
<td>Easy to find</td>
<td>Relevant to me personally</td>
</tr>
<tr>
<td>Trustworthy</td>
<td>In words and terminology that I easily understood</td>
</tr>
</tbody>
</table>

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

| 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 |
4.0
PAIN POINTS
LENGTH / LEVEL OF DETAIL ARE KEY PAIN POINTS WITH DISCLOSURE

**Pain points with disclosure**

- None of these: 52%
- Length of documents were too long: 19%
- There was too much detail: 14%
- Information in language that was hard to understand: 11%
- It was difficult to find the information I needed: 10%
- Information was visually too hard to digest: 8%
- Information not helpful in deciding what/how cover I...: 8%
- There was not enough detail: 8%
- Information was not relevant to me personally: 6%
- Information was not helpful in making decisions: 6%
- Information not provided at right time for decision-making: 5%
- Information was not available in my preferred format: 5%
- Other: 2%
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)

- Nothing / OK as is: 25%
- Plain English / less jargon: 14%
- Clearer details of items covered & excluded: 12%
- Summaries / dot points / less detail: 10%
- Needs to be easy / simple: 9%
- Comparison lists, tables: 8%
- Lower price / discounts / value for money / benefits: 8%
- More information / more detailed: 4%
- Industry adopting a standard format: 4%
- Hidden clauses removed / no fine print: 4%

B34. 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.

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**

- There’s too much jargon / complicated language in the details: 47%
- I didn’t spend much time considering the details: 30%
- I still don’t understand the details: 30%
- The limitations around policies are too specific to understand: 29%
- I don’t trust the provider will honour the fine details: 21%
- I’ve seen others not paid out for similar policies: 13%
- I’ve had a previous poor service experience: 10%
- I’ve had a previous negative claims experience: 9%
- Other: 4%

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.

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)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is actually covered / what contents are covered</td>
<td>13%</td>
</tr>
<tr>
<td>What is not covered specifically / exclusions</td>
<td>10%</td>
</tr>
<tr>
<td>How the claims process works / how long it takes for a claim to be paid</td>
<td>6%</td>
</tr>
<tr>
<td>Coverage price / the cost / worth the value</td>
<td>6%</td>
</tr>
<tr>
<td>Storm damage / water damage / clear definitions between floods / storms etc.</td>
<td>5%</td>
</tr>
<tr>
<td>Favourable comments</td>
<td>5%</td>
</tr>
<tr>
<td>You do not know until you need to claim / you make a claim and it’s not covered or it is covered</td>
<td>5%</td>
</tr>
<tr>
<td>Other coverage items</td>
<td>5%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5%</td>
</tr>
<tr>
<td>Non disclosed / hidden clauses / loopholes</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

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).
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

RESULTS ARE CONSISTENT REGARDLESS OF THE PRODUCT TYPE
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

Challenged | Mastering the game | Tick the boxes | Move onto better things

Reactivators (n=199):
- Challenged: 24%
- Mastering the game: 58%
- Tick the boxes: 57%
- Move onto better things: 48%

New take ups (n=129):
- Challenged: 28%
- Mastering the game: 48%
- Tick the boxes: 24%
- Move onto better things: 33%

Switchers (n=271):
- Challenged: 24%
- Mastering the game: 57%
- Tick the boxes: 24%
- Move onto better things: 47%

Renewers - different policy (n=141):
- Challenged: 33%
- Mastering the game: 33%
- Tick the boxes: 33%
- Move onto better things: 37%

Renewers - same policy (n=1,054):
- Challenged: 35%
- Mastering the game: 35%
- Tick the boxes: 35%
- Move onto better things: 35%

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

Base: All respondents with car, home building or home contents insurance (n=1,794)
THE MAJORITY OF THOSE WITH CAR INSURANCE CLAIM TO HAVE COMPREHENSIVE COVERAGE

- Comprehensive: 86%
- Third party damage: 6%
- Third party fire and theft: 5%
- Other: 1%
- Don't know: 2%
- Other: 7%
- Don't know: 44%
- Agreed value: 48%
- Market value: 7%

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

- Third party damage
  - Perceived coverage: 6%
  - Actual: 5%
- Third party fire and theft
  - Perceived coverage: 8%
  - Actual: 4%
- Comprehensive
  - Perceived coverage: 86%
  - Actual: 88%
- Other
  - Perceived coverage: 6%
- Don’t know

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**

- **54%** have other modes available
- **47%** hire car in policy

**Relationship between other modes available and car hire coverage**

- Have other modes available (n=454):
  - Don't know: 16%
  - No hire car in policy: 30%
  - Hire car in policy: 54%

- Do NOT have other modes available (n=377):
  - Don't know: 21%
  - No hire car in policy: 41%
  - Hire car in policy: 38%

Base: All respondents with car insurance (n=831) / NOTE: RESULTS DO NOT VARY BY THE VALUE OF THE MAIN CAR
Most believe their home building insurance is a listed events policy, however at two in ten a high proportion don’t know.
HALF OF HOME CONTENTS CONSUMERS REPORTEDLY HAVE A LISTED EVENTS POLICY, HOWEVER ALMOST A QUARTER DON’T KNOW

**POLICY**

- Listed events policy: 50%
- Accidental damage policy: 21%
- Other: 6%
- Don’t know: 23%

**SPECIFIC CONTENTS INSURED**

- Valuable contents inside my home: 52%
- Valuable contents I take outside of my home (e.g. jewellery, watches): 30%
- Valuable contents outside my home building / backyard (e.g. BBQ / outdoor furniture etc.): 25%
- No specific contents considered: 28%
- Can’t remember: 9%

64% Claim to be Insured for specified valuables

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?

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**

<table>
<thead>
<tr>
<th></th>
<th>Perceived coverage - home building (n=478)</th>
<th>Actual (provided by Insurance Statistics Australia) (home building)</th>
<th>Perceived coverage - home contents (n=785)</th>
<th>Actual (provided by Insurance Statistics Australia) (home contents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidental damage policy</td>
<td>24%</td>
<td>15%</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>Listed events policy</td>
<td>46%</td>
<td>85%</td>
<td>50%</td>
<td>83%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
<td>6%</td>
<td>6%</td>
<td>83%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>22%</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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?

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.

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).

<table>
<thead>
<tr>
<th>Risks Considered</th>
<th>Home Building</th>
<th>Home Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theft / damage caused by theft</td>
<td>63%</td>
<td>70%</td>
</tr>
<tr>
<td>Storm</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Flood</td>
<td>45%</td>
<td>44%</td>
</tr>
<tr>
<td>Bushfire</td>
<td>32%</td>
<td>42%▲</td>
</tr>
<tr>
<td>Cyclone</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Can’t remember</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>None this time, but I have considered these risks in the past</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>None, I didn’t think about any of these</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

D10. Which of the following risks (if any) did you consider when deciding about which [PRODUCT] policy to purchase? Please select all that apply. / Base: All respondents with home building (n=478) or home contents insurance (n=485)
A high proportion report to understand the risk of theft and storm to home contents without seeking further information.

<table>
<thead>
<tr>
<th>Risks Considered and Level of Understanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyclone</td>
</tr>
<tr>
<td>Considered, but don't understand level of risk</td>
</tr>
<tr>
<td>Considered and understood without needing to get information</td>
</tr>
<tr>
<td>Considered and understood because I got/prehiously got information from someone other than an insurer or the Government</td>
</tr>
<tr>
<td>Considered and understood because I got/previously got information from the Government/local council</td>
</tr>
<tr>
<td>Considered and understood because I got/previously got information from my insurer</td>
</tr>
<tr>
<td>Not considered when deciding on policy</td>
</tr>
<tr>
<td>Don't know</td>
</tr>
</tbody>
</table>

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

**Base:** All respondents with home contents insurance (n=485)
### THE SAME IS TRUE OF HOME BUILDING INSURANCE

**RISKS CONSIDERED AND LEVEL OF UNDERSTANDING**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Cyclone</th>
<th>Flood</th>
<th>Bushfire</th>
<th>Theft / damage caused by theft</th>
<th>Storm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considered, but don't understand level of risk</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Considered and understood without needing to get information</td>
<td>10%</td>
<td>17%</td>
<td>18%</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>Considered and understood because I got/previously got information from someone other than an insurer or the Government</td>
<td>2%</td>
<td>5%</td>
<td>5%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Considered and understood because I got/previously got information from the Government/local council</td>
<td>5%</td>
<td>10%</td>
<td>9%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Considered and understood because I got/previously got information from my insurer</td>
<td>74%</td>
<td>55%</td>
<td>58%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>Not considered when deciding on policy</td>
<td>3%</td>
<td>17%</td>
<td>18%</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Don't know</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Queenslanders are more likely to consider the risk of **cyclone** (46% vs. average 26%).

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

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

**TRIPS**
- Single trip: 76%
- Multi-trip: 21%
- Don’t know: 2%

**PEOPLE**
- Single cover: 45%
- Dual / family cover: 51%
- Don’t know: 4%

**DESTINATION**
- International (including medical, cancellations, lost/stolen valuables): 76%
- Domestic: 13%
- International medical only: 7%
- Don’t know: 3%

---

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…

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

- All with single trip cover (n=499)
- Single person cover (n=229)
- Dual / family cover (n=263)

Can't remember 9% 16% 8%
One week or less before travel 2% More than one week, up to 2 weeks before travel
More than 2 weeks, up to 3 weeks before travel
More than 3 weeks, up to 4 weeks before travel
More than 4 weeks before travel

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?

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)

- Review the policy you purchased for any age limits that apply: 34%
- Ask the insurer about any age limits that may apply: 21%
- Look into any age limits that may apply: 42%
- None of these: 37%

63% looked into age limits.
MOST BELIEVE THEY ARE COVERED FOR THE TYPES OF ACTIVITIES AND MEDICAL CONDITIONS REQUIRED

### ADVENTURE SPORTS

<table>
<thead>
<tr>
<th>Participated</th>
<th>18%</th>
</tr>
</thead>
</table>

- **Covered for the activities I did / intend to do**: 75%
- **Not covered – I thought about it and decided I didn’t need it**: 6%
- **Not covered – I thought about it and decided it was too expensive**: 6%
- **Not covered – I didn’t think to look at it**: 6%
- **Can’t remember**: 8%

### PRE-EXISTING MEDICAL CONDITIONS

<table>
<thead>
<tr>
<th>Pre-existing condition</th>
<th>19%</th>
</tr>
</thead>
</table>

- **Covered – my condition was automatically covered**: 35%
- **Covered – because I applied for it**: 36%
- **Not covered – I didn’t apply for it / decided I didn’t need it**: 17%
- **Not covered – I didn’t know I had to apply for it**: 1%
- **Not covered – The insurer would not provide cover for my pre-existing condition**: 8%
- **Can’t remember**: 2%
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**

<table>
<thead>
<tr>
<th>Product</th>
<th>1st Factor</th>
<th>2nd Factor</th>
<th>3rd Factor</th>
<th>4th Factor</th>
<th>5th Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car (n=831)</td>
<td>The premium or price (52%)</td>
<td>Value for money (41%)</td>
<td>What's covered / not covered in the policy (31%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Building (n=478)</td>
<td>The premium or price (43%)</td>
<td>Value for money (40%)</td>
<td>What's covered / not covered in the policy (38%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Contents (n=485)</td>
<td>The premium or price (51%)</td>
<td>Value for money (41%)</td>
<td>What's covered / not covered in the policy (34%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel (n=636)</td>
<td>Value for money (45%)</td>
<td>What's covered / not covered in the policy (44%)</td>
<td>The premium or price (40%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WITH THE EXCEPTION OF TRAVEL INSURANCE, COVERAGE CONSISTENTLY FALLS BEHIND PRICE AND VALUE AS A DRIVER OF POLICY SELECTION

### POLICY DRIVERS

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

**Policy Drivers Perceptual Map**

- **Discounts / rewards and reputation** stand out as key drivers of **home contents insurance**
  - Discounts for on-time payment / loyalty / new customers / multi-policies
  - Additional rewards / benefits for ‘membership’
  - Good reputation of provider (e.g., known to pay out)
  - Good past experiences with this provider

- **Basic financial aspects** (such as price, payment methods, and excesses) stand out as being important factors for **car insurance**
  - The premium or price
  - Payment methods available
  - The excess fee you have to pay when making a claim

- **From a provider I know & trust**
  - Home Building
  - Home Contents
  - Car

- **Recommended by friends, family, or colleagues**
  - Travel insurance stands out for having simpler drivers of choice including recommendation and speed of sign up

- **Ease of understanding policy inclusions and exclusions**
  - Terms and conditions
  - Covered specialty / expensive items or activities

- **Coverage could be customised to my circumstances**
  - What’s covered / not covered in the policy
  - Coverage could be customised to my circumstances

**Customised coverage, ease of understanding and T&Cs stand out as being important factors in deciding on a home building insurance policy**

**Travel insurance** stands out for having simpler drivers of choice including recommendation and speed of sign up.
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)

<table>
<thead>
<tr>
<th>Car (n=758)</th>
<th>Home Building (n=422)</th>
<th>Home Contents (n=440)</th>
<th>Travel (n=578)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage and inclusions</strong></td>
<td><strong>Excess costs</strong></td>
<td><strong>Excess costs</strong></td>
<td><strong>Coverage and inclusions</strong></td>
</tr>
<tr>
<td>38%</td>
<td>52%</td>
<td>49%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Excess costs</strong></td>
<td><strong>Coverage and inclusions</strong></td>
<td><strong>Medical, accident and injury cover</strong></td>
<td><strong>Good customer service</strong></td>
</tr>
<tr>
<td>20%</td>
<td>18%</td>
<td>25%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Competitive pricing</strong></td>
<td><strong>Excess costs</strong></td>
<td><strong>Medical, accident and injury cover</strong></td>
<td><strong>Baggage cover</strong></td>
</tr>
<tr>
<td>15%</td>
<td>17%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Trustworthy, reliable and professional brand</strong></td>
<td><strong>Medical, accident and injury cover</strong></td>
<td><strong>Competitive pricing</strong></td>
<td><strong>Excess costs</strong></td>
</tr>
<tr>
<td>12%</td>
<td>16%</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Windscreen cover and replacement</strong></td>
<td><strong>Competitive pricing</strong></td>
<td><strong>Good customer service</strong></td>
<td><strong>Excess costs</strong></td>
</tr>
<tr>
<td>11%</td>
<td>14%</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

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

**Completely or mostly confident**
- Completely confident: 88%
- Mostly confident: 90%
- Not very confident: 88%
- Not confident at all: 86%

**Total** (n=2,430)

**Car** (n=831)
- Completely confident: 22%
- Mostly confident: 66%
- Not very confident: 66%
- Not confident at all: 22%

**Home Building** (n=478)
- Completely confident: 24%
- Mostly confident: 66%
- Not very confident: 65%
- Not confident at all: 10%

**Home Contents** (n=485)
- Completely confident: 22%
- Mostly confident: 67%
- Not very confident: 67%
- Not confident at all: 13%

**Travel** (n=636)
- Completely confident: 19%
- Mostly confident: 66%
- Not very confident: 66%
- Not confident at all: 10%

C.1. How confident are you that you fully understand the details of your [PRODUCT] policy (i.e. what you are & are not covered for)?
Base: All respondents for each product (refer to chart)
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
  - None of the details (n=73): 59%
  - Just a few key details (n=512): 74%
  - Most of the detail (n=1,054): 91%
  - All of the detail (n=791): 97%

Sig. difference at 95% confidence
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**

**Very or somewhat carefully considered**
- Total (n=1,794): 48%
  - Very carefully considered: 26%
  - Somewhat carefully considered: 22%
  - Little consideration (carefully considered in previous years): 12%
  - No / little consideration: 3%
  - Unaware of different policy types: 35%
  - Can't remember: 1%

**Home Building** (n=478): 38%
- Very or somewhat carefully considered: 20%
  - Little consideration (carefully considered in previous years): 5%
  - No / little consideration: 55%
  - Unaware of different policy types: 18%
  - Can't remember: 1%

**Home Contents** (n=485): 36%
- Very or somewhat carefully considered: 15%
  - Little consideration (carefully considered in previous years): 19%
  - No / little consideration: 52%
  - Unaware of different policy types: 8%
  - Can't remember: 3%

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.

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.
Understanding of claiming scenarios is generally low, particularly building wear & tear and stolen valuables during travel.

This is where attention should be prioritised for education.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>% Correct Understanding of Scenarios Tested</th>
<th>Amongst those who are 'confident' in their understanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car - duty of disclosure</td>
<td>65%</td>
<td>66%</td>
</tr>
<tr>
<td>Home contents - jewellery</td>
<td>59%</td>
<td>61%</td>
</tr>
<tr>
<td>Travel - like for like replacement</td>
<td>56%</td>
<td>57%</td>
</tr>
<tr>
<td>Car - pre existing damage</td>
<td>55%</td>
<td>57%</td>
</tr>
<tr>
<td>Home contents - wear and tear</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>Home building - repair to damaged item only</td>
<td>50%</td>
<td>52%</td>
</tr>
<tr>
<td>Home contents - open air contents</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>Travel - exclusions for risky behaviour</td>
<td>40%</td>
<td>41%</td>
</tr>
<tr>
<td>Travel - pre-existing conditions</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>Car - mechanical failure</td>
<td>32%</td>
<td>34%</td>
</tr>
<tr>
<td>Home building - failure to maintain building</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Car - non genuine parts</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Home building - wear and tear</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Travel - stolen valuables</td>
<td>11%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Section E scenario testing

Base: Those with each type of insurance, some of which are amongst specific groups within (minimum n=122 for those with open air contents)
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

<table>
<thead>
<tr>
<th></th>
<th>Almost no time and effort</th>
<th>Very little time and effort</th>
<th>A fair amount of time and effort</th>
<th>A lot of time and effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home building - repair to damaged item only correct understanding</td>
<td>15%</td>
<td>40%</td>
<td>40%</td>
<td>32%</td>
</tr>
<tr>
<td>Home building - wear and tear correct understanding</td>
<td>51%</td>
<td>51%</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>Car - duty of disclosure correct understanding</td>
<td>51%</td>
<td>60%</td>
<td>69%</td>
<td>71%</td>
</tr>
<tr>
<td>Travel - exclusions for risky behaviour correct understanding</td>
<td>15%</td>
<td>10%</td>
<td>15%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Average number of sources of information used**

<table>
<thead>
<tr>
<th></th>
<th>Average number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost no time and effort</td>
<td>1.7 ▼</td>
</tr>
<tr>
<td>Very little time and effort</td>
<td>2.5 ▼</td>
</tr>
<tr>
<td>A fair amount of time and effort</td>
<td>3.7 ▲</td>
</tr>
<tr>
<td>A lot of time and effort</td>
<td>4.9 ▲</td>
</tr>
</tbody>
</table>
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

- New Take ups
- Reactivators
- Renewers - different policy
- Renewers - same policy
- Switchers

- Car - Duty of disclosure
- Home Building - repair to damaged item only
- Home Contents - wear and tear
- Home Building - failure to maintain building

Section E scenario testing
Base: Those with each type of insurance, some of which are amongst specific groups within (all have a base of n>30) / only showing scenarios where there is a significant difference in understanding by history status.
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?
UNDERSTANDING OF HOME BUILDING SCENARIOS TESTED IS GENERALLY LOW, PARTICULARLY FOR WEAR & TEAR AND FAILURE TO MAINTAIN

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?

**WEAR AND TEAR**

- Correctly report “I wouldn’t be covered for damage caused by gradual wear and tear”
  - 12% select the correct answer
  - 60% select an incorrect answer
  - 28% don’t know

**FAILURE TO MAINTAIN BUILDING**

- Correctly report “I wouldn’t be covered for damage caused by failure to maintain the building”
  - 30% select the correct answer
  - 37% select an incorrect answer
  - 33% don’t know

**REPAIR TO DAMAGED ITEM ONLY**

- Correctly report “The damaged part of the roof only”
  - 50% select the correct answer
  - 33% select an incorrect answer
  - 17% don’t know

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 BUILDING

**WEAR AND TEAR**
- Not covered for another reason: 12%
- Not covered for damage caused by gradual wear and tear: 55%
- Not covered for escape of liquids: 3%
- Not covered for leaking pipes: 2%
- Covered: 28%
- Don't know: 3%

**FAILURE TO MAINTAIN BUILDING**
- Not covered for another reason: 2%
- Not covered for flooding: 30%
- Not covered for damage caused by failure to maintain the building: 4%
- Not covered for storm damage: 31%
- Covered: 33%
- Don't know: 12%

**REPAIR TO DAMAGED ITEM ONLY**
- Other: 3%
- It depends on how much my roof is insured for: 50%
- The damaged part of the roof only: 18%
- The entire roof: 17%
- Don't know: 9%

---

**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?

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

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

Correctly report “I wouldn’t be covered for damage caused by gradual wear and tear”

- 54% understand
- 23% select an incorrect answer
- 23% don’t know

### Open Air Contents

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

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

- 42% understand
- 50% select an incorrect answer
- 8% don’t know

### Jewellery

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”

- 59% understand
- 19% select an incorrect answer
- 22% don’t know
ALTHOUGH UNDERSTANDING OF HOME CONTENTS SCENARIOS IS HIGHER THAN HOME BUILDING, THERE REMAINS ROOM TO IMPROVE.

**Wear and Tear**
- Not covered for another reason: 7%
- Not covered for damage to carpets: 54%
- Not covered for repairing contents only, not replacing contents: 11%
- Not covered for damage caused by gradual wear and tear: 23%
- Covered: 2%
- Don't know: 8%

**Open Air Contents**
- Can't claim at all, as contents located outside of the home building are generally not covered: 7%
- Can claim the cost of replacing/repairing up to the limit for contents stored outside the home building: 42%
- Can claim full cost of replacing/repairing as there are generally no limits for contents outside the house: 43%
- Don't know: 8%

**Jewellery**
- Because my policy has per item limits for jewellery, I can only claim the cost of replacing the item up to a limit: 30%
- Because I have listed the item as a “specified item”, I can claim the amount I have listed the item for: 29%
- Can claim the full cost of replacing the item as my policy has no limits on stolen jewellery: 19%
- Don't know: 22%

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 you can 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?

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

**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?

**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?

**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?
### DUTY OF DISCLOSURE
As asked of all with car insurance (n=831)

<table>
<thead>
<tr>
<th>Correctly report “my claim may be limited or denied as I did not provide information about my license history correctly”</th>
<th>65%</th>
</tr>
</thead>
<tbody>
<tr>
<td>15% select an incorrect answer</td>
<td>33%</td>
</tr>
<tr>
<td>20% don’t know</td>
<td>35%</td>
</tr>
</tbody>
</table>

### PRE-EXISTING DAMAGE
As asked of those with comprehensive cover (n=735)

<table>
<thead>
<tr>
<th>Correctly report “I can make a claim to repair the hail damage only”</th>
<th>55%</th>
</tr>
</thead>
<tbody>
<tr>
<td>29% select an incorrect answer</td>
<td>16%</td>
</tr>
<tr>
<td>20% don’t know</td>
<td>6%</td>
</tr>
</tbody>
</table>

### MECHANICAL FAILURE
As asked of those with comprehensive cover (n=735)

<table>
<thead>
<tr>
<th>Correctly report “my policy doesn’t cover mechanical failure”</th>
<th>32%</th>
</tr>
</thead>
<tbody>
<tr>
<td>33% select an incorrect answer</td>
<td>32%</td>
</tr>
<tr>
<td>35% don’t know</td>
<td>20%</td>
</tr>
</tbody>
</table>

### NON GENUINE PARTS
As asked of those with comprehensive cover or fire & theft cover (n=771)

<table>
<thead>
<tr>
<th>Correctly report “The insurer may use genuine manufacturer parts, although it is not guaranteed”</th>
<th>19%</th>
</tr>
</thead>
<tbody>
<tr>
<td>58% select an incorrect answer</td>
<td>23%</td>
</tr>
<tr>
<td>20% don’t know</td>
<td>15%</td>
</tr>
</tbody>
</table>

---

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
Aske of all with car insurance (n=831)

- My claim may be limited or denied, as I did not provide information about my license history correctly: 65%
- My claim would not be affected, as it is up to the insurer to check that the information I have provided is correct: 10%
- My claim would not be affected, as my license has since been returned: 6%
- Don’t know: 20%

PRE-EXISTING DAMAGE
Aske of those with comprehensive cover (n=735)

- I can’t make a claim: 5%
- I can make a claim to repair the hail damage and the pre-existing dent: 23%
- I can make a claim to repair the hail damage only: 55%
- Don’t know: 16%
However, few correctly understand the conditions around mechanical failure and non-genuine parts.

**MECHANICAL FAILURE**  
*Asked of those with comprehensive cover (n=735)*

- Not covered, for another reason: 3%
- Not covered, I did not contact the insurer before seeking advice from the mechanic: 11%
- Not covered, my manufacturer’s warranty has expired: 32%
- Not covered, my policy doesn’t cover mechanical failure: 18%
- Covered: 35%
- Don’t know: 23%

**NON GENUINE PARTS**  
*Asked of those with comprehensive cover or fire & theft cover (n=771)*

- The insurer may use genuine manufacturer parts, although it is not guaranteed: 19%
- The insurer will only repair my car using genuine manufacturer parts if I have a new car: 8%
- The insurer will repair my car using genuine manufacturer parts, as this is generally guaranteed: 50%
- Don’t know: 23%
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?

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?

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 a claim for medical treatment while overseas?

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 on 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 gored 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?

- Like for like and stolen valuables 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)

E15. Please imagine that you are on holiday when you faint and are brought into an emergency hospital to receive treatment. Will you be able to make a claim for these hospital expenses?

- 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”
    - 56%
  - 25% select an incorrect answer
  - 19% don’t know

**PRE-EXISTING CONDITIONS**

- Asked of those with any level of international cover (n=526)
  - Correctly report “No I wouldn’t be covered”
    - 34%
  - 37% select an incorrect answer
  - 29% don’t know

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

**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”
    - 40%
  - 39% select an incorrect answer
  - 21% don’t know

Understanding declines for those who did or intend to partake in adventure sports (19% 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”
    - 11%
  - 73% select an incorrect answer
  - 16% don’t know

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

- I can make a claim for $2,000, the original purchase price of the camera: 17%
- I can make a claim to replace my camera with the same make or model worth $1,200: 56%
- I can make a claim to replace my camera with the latest model of the same make currently available in the market valued: 9%
- Don’t know: 19%

**EXCLUSIONS FOR RISKY BEHAVIOUR**

- Not covered for another reason: 2%
- Not covered as I can’t claim the costs of medical treatment until I return to Australia: 40%
- Not covered for medical treatment for accidents: 35%
- Not covered as there are exclusions for risky behaviour: 61%
- Covered: 21%
- Don’t know: 14%

---

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

**Travel**

(n=636)
UNDERSTANDING OF THE RULES AROUND STOLEN VALUABLES IS PARTICULARLY LOW

### PRE-EXISTING CONDITIONS

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

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Have a pre-existing condition (n=126)</th>
<th>Do not have a pre-existing condition (n=386)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not covered</td>
<td>34%</td>
<td>32%</td>
<td>35%</td>
</tr>
<tr>
<td>Covered</td>
<td>37%</td>
<td>48%</td>
<td>35%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>29%</td>
<td>20%</td>
<td>30%</td>
</tr>
</tbody>
</table>

### STOLEN VALUABLES

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

- Not covered, for another reason
- Not covered, Luggage is not a valuable insured by travel insurance
- Not covered, the hotel bears responsibility and should reimburse me for the stolen luggage
- Not covered, I left the luggage unattended in a public place
- Covered
- Don’t know

---

E13. Please imagine that you are holiday and you accidently 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.

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*Sig. difference at 99% 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

<table>
<thead>
<tr>
<th>Claimed at least once</th>
<th>46%</th>
<th>54%</th>
<th>44%</th>
<th>43%</th>
<th>36%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three or more times</td>
<td>6%</td>
<td>10%</td>
<td>5%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Twice</td>
<td>14%</td>
<td>18%</td>
<td>14%</td>
<td>13%</td>
<td>26%</td>
</tr>
<tr>
<td>Once</td>
<td>26%</td>
<td>26%</td>
<td>25%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Never</td>
<td>50%</td>
<td>41%</td>
<td>50%</td>
<td>52%</td>
<td>62%</td>
</tr>
<tr>
<td>Don't know</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total (n=2,430)

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

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)?

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)

<table>
<thead>
<tr>
<th>Last time made or tried to make a claim</th>
<th>Total (n=1,167)</th>
<th>Car (n=483)</th>
<th>Home Building (n=226)</th>
<th>Home Contents (n=219)</th>
<th>Travel (n=239)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;10 yrs ago</td>
<td>18%</td>
<td>17%</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>&gt;5 yrs, up to 10 yrs ago</td>
<td>18%</td>
<td>18%</td>
<td>20%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>&gt;3 yrs ago, up to 5 yrs ago</td>
<td>15%</td>
<td>16%</td>
<td>13%</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>&gt;2 yrs, up to 3 yrs ago</td>
<td>14%</td>
<td>13%</td>
<td>15%</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>&gt;1 year, up to 2 yrs ago</td>
<td>17%</td>
<td>18%</td>
<td>20%</td>
<td>10%</td>
<td>24%</td>
</tr>
<tr>
<td>&lt;1 yr ago</td>
<td>16%</td>
<td>17%</td>
<td>20%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Don’t know</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F2. When was the last time you made, or tried to make a claim on your [PRODUCT]? (n=1,167)

Base: Those who have ever tried to make a claim (refer to chart)
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)
LIKEWISE THE PROPORTION REPORTING TO HAVE UNDERSTOOD WHAT THEY WERE COVERED FOR WHEN CLAIMING IS LOWEST FOR HOME CONSUMERS

### Claims understanding

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th><em>n</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>73%</td>
<td>1,167</td>
</tr>
<tr>
<td>Car</td>
<td>81%</td>
<td>483</td>
</tr>
<tr>
<td>Home Building</td>
<td>67%</td>
<td>226</td>
</tr>
<tr>
<td>Home Contents</td>
<td>66%</td>
<td>219</td>
</tr>
<tr>
<td>Travel</td>
<td>73%</td>
<td>239</td>
</tr>
</tbody>
</table>

- **Can't remember**
  - Total: 21%
  - Car: 14%
  - Home Building: 5%
  - Home Contents: 7%
  - Travel: 4%

- **When I made the claim, I didn't understand at all what I was covered for**
  - Total: 2%
  - Car: 3%
  - Home Building: 1%
  - Home Contents: 1%
  - Travel: 2%

- **When I made the claim, I didn't fully understand what I was covered for**
  - Total: 73%
  - Car: 81%
  - Home Building: 28%
  - Home Contents: 26%
  - Travel: 22%

- **When I made the claim, I understood what I was covered for**
  - Total: 4%

*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

**TOTAL more likely**

- A lot more likely: 12%
- A little more likely: 29%
- No difference: 50%
- A little less likely: 50%
- A lot less likely: 42%
- Don’t know: 33%

**PDS (n=1,167)**

- 42%

**KFS (n=1,167)**

- 50%

**Sig. difference at 95% confidence**

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

<table>
<thead>
<tr>
<th>Impact of claiming on effort</th>
<th>Car (n=483)</th>
<th>Home Building (n=226)</th>
<th>Home Contents (n=219)</th>
<th>Travel (n=239)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL more effort</td>
<td>41%</td>
<td>32%</td>
<td>44%</td>
<td>58%</td>
</tr>
<tr>
<td>A lot more effort</td>
<td>13%</td>
<td>2%</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>A little more effort</td>
<td>28%</td>
<td>23%</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>Made no difference</td>
<td>49%</td>
<td>59%</td>
<td>44%</td>
<td>33%</td>
</tr>
<tr>
<td>A little less effort</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>A lot less effort</td>
<td>4%</td>
<td>5%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4%</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

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?

Base: Those who have ever tried to make a claim (refer to chart)
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

- Car - Duty of Disclosure: 61% (Never Claimed) vs. 71% (Ever Claimed)
- Home Contents - Jewellery: 56% (Never Claimed) vs. 66% (Ever Claimed)
- Home Contents - Wear and Tear: 52% (Never Claimed) vs. 62% (Ever Claimed)
- Car - Mechanical Failure: 27% (Never Claimed) vs. 37% (Ever Claimed)
- Car - Non-Genuine Parts: 14% (Never Claimed) vs. 23% (Ever Claimed)

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 at 95% confidence.
THANK YOU!

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