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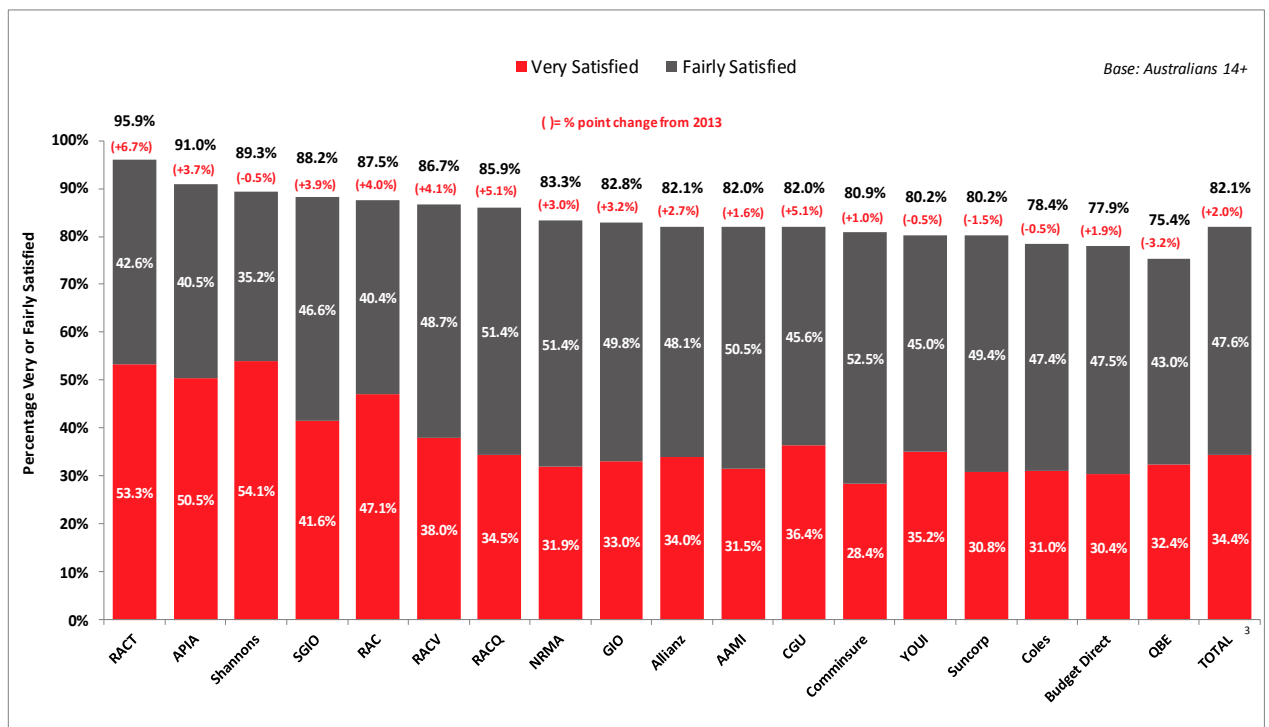
Satisfaction with motor vehicle insurers on the rise

In the year to September 2016, satisfaction among motor vehicle insurance policy holders was 82.1%, up from 80.1% over the same period in 2013, and well ahead of a decade ago (74.1% in 2006). Most of the largest insurers improved their satisfaction scores, with 96.8% of policy holders being at least fairly likely to renew their insurance with their existing company. These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers pa which includes detailed coverage of over 40,000 motor vehicle insurance policies.

RACT the satisfaction leader among the largest motor insurers

The following chart shows RACT leading in customer satisfaction among the 18 largest motor vehicle insurers with 95.9% (up 6.7% points since 2013), followed by APIA on 91.0% (up 3.7% points) and Shannons with 89.3% (down 0.5% points). The biggest improvers since 2013 were RACT, CGU (up 5.1% points to 82.0%) and RACQ (up 5.1% points to 85.9%).

Motor Vehicle Insurance¹ Satisfaction – Largest 18 Insurance Companies² 2013-2016



1. Excludes Compulsory Third Party (CTP) 2. Size based on number of motor vehicle policies (excluding CTP) 3. Total market includes brands not shown. **Source:** Roy Morgan Single Source (Australia). 12 months ended September 2013, n=49,846.; 12 months ended September 2016, n=50,634. Includes 41,240 motor vehicle insurance policies in 2013 and 43,279 in 2016.

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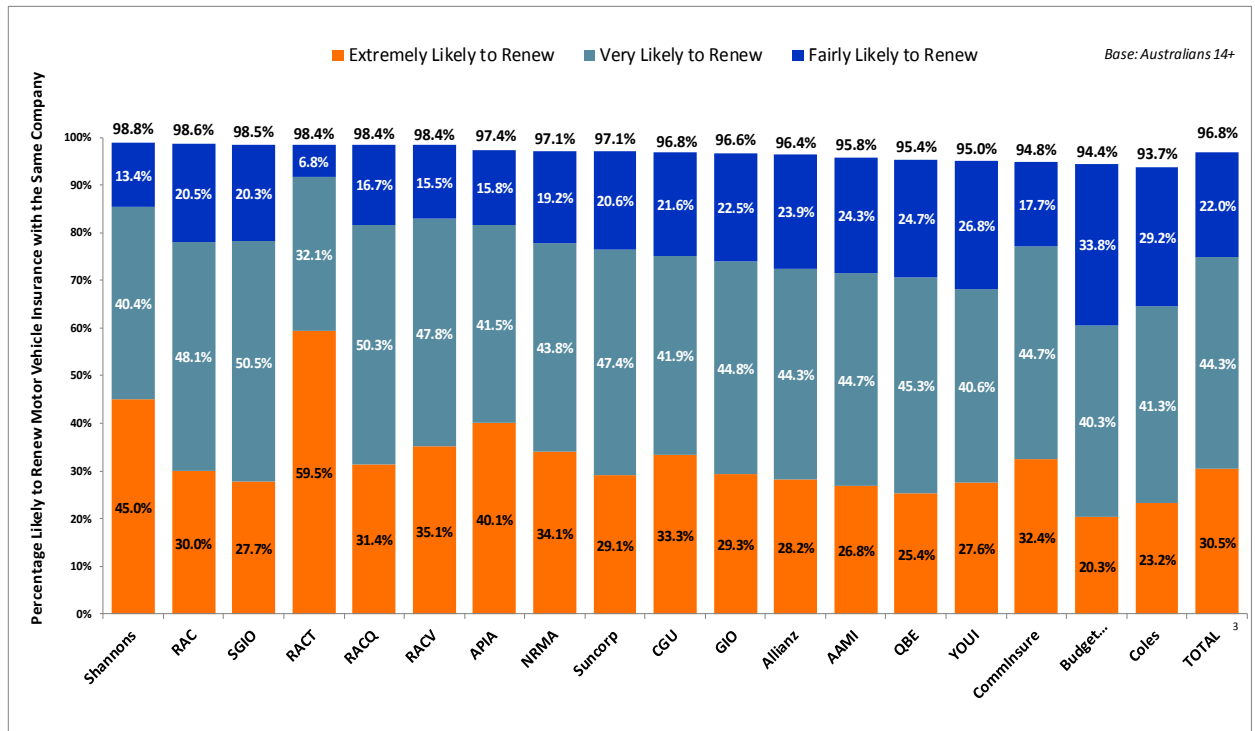
Among the 18 largest insurers, only five showed declines in satisfaction over the last three years. They were QBE (down 3.2% points), Suncorp (down 1.5% points), YOUI (down 0.5% points), Coles (down 0.5% points) and Shannons (down 0.5% points).

Satisfaction among motor vehicle policy holders in this chart is made up of those who are ‘very satisfied’ and those who are ‘fairly satisfied’. The reason for showing the ‘very satisfied’ as a group is that a higher proportion of them say they are ‘extremely likely’ to renew their insurance with their current insurer than are those who are only ‘fairly satisfied’. Overall, just over a third (34.4%) of policy holders are ‘very satisfied’ with their insurance company but Shannons (54.1% ‘very satisfied’) and RACT (53.3%) rate well above average. The lowest proportions of very satisfied policy holders are with Comminsure (28.4%) and Budget Direct (30.4%).

Most policy holders are at least ‘fairly likely’ to renew with same company

A very high proportion (96.8%) of motor insurance policy holders are at least ‘fairly likely’ to renew with the same company, varying from a high of 98.8% for Shannons, down to 93.7% for Coles.

Motor Vehicle Insurance¹ Likelihood of Renewal with Same Company: Largest 18 Insurance Companies²



1. Excludes Compulsory Third Party (CTP) 2. Size based on number of motor vehicle policies (excluding CTP) 3. Total market includes brands not shown **Source:** Roy Morgan Single Source (Australia). 12 months ended September 2016, n=50,634. Includes 43,279 motor vehicle insurance policies.

Although most policy holders intend to renew with their current insurer, they are not all certain that they will do so when the time comes. Not surprisingly, the most positive group are those who say they are ‘extremely likely to renew’. These people make up around a third

(30.5%) of the market and are much more likely to indicate that they are 'very satisfied' with their insurance company.

RACT clearly has the highest proportion of customers saying they are 'extremely likely' to renew, with 59.5%, followed by Shannons (45.0%) and APIA (40.1%). Budget Direct customers are far less certain regarding what they will do on renewal with only 20.3% indicating that they are 'extremely likely' to renew and a third (33.8%) saying they are only 'fairly likely' to renew.

Norman Morris, Industry Communications Director, Roy Morgan Research says:

"It is a positive sign that the satisfaction levels of motor-vehicle insurance policy holders with their insurers have improved over the last decade, but around a quarter of them are still shopping around at renewal time (although obviously this varies by insurer). Roy Morgan data shows that price is the major reason for looking around but other reasons such as bad claims experience, poor service and changing vehicle all play a part.

"To be successful, it is crucial for insurance companies to retain existing customers. But although a very high proportion of policy holders say they are likely to renew with the same company (96.8%), less than one in three (30.5%) indicate that they are 'extremely likely' to renew. In order to increase the likelihood that customers will renew, more attention needs to be given to improving the proportion of 'very satisfied' policy holders. Although overall satisfaction with these insurance companies is high at 82.1%, only 34.4% of policy holders are 'very satisfied'. Increasing this will raise the proportion of policy holders who are likely to renew without shopping around.

"With over 50,000 interviews conducted annually for more than 20 years, Roy Morgan data has become the currency in retail financial services, including motor vehicle insurance where we interview holders of over 40,000 policies pa. The size of this survey enables an in-depth understanding of insurance behaviour and trends, providing unique and detailed insights for anyone involved in this market.

"As the industry currency in general insurance satisfaction, Roy Morgan Research conducts monthly and annual general insurance satisfaction awards which attract wide publicity".

For comments or more information about Roy Morgan Research's insurance data, please contact:

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2