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Most general insurance policy holders renew without approaching other companies

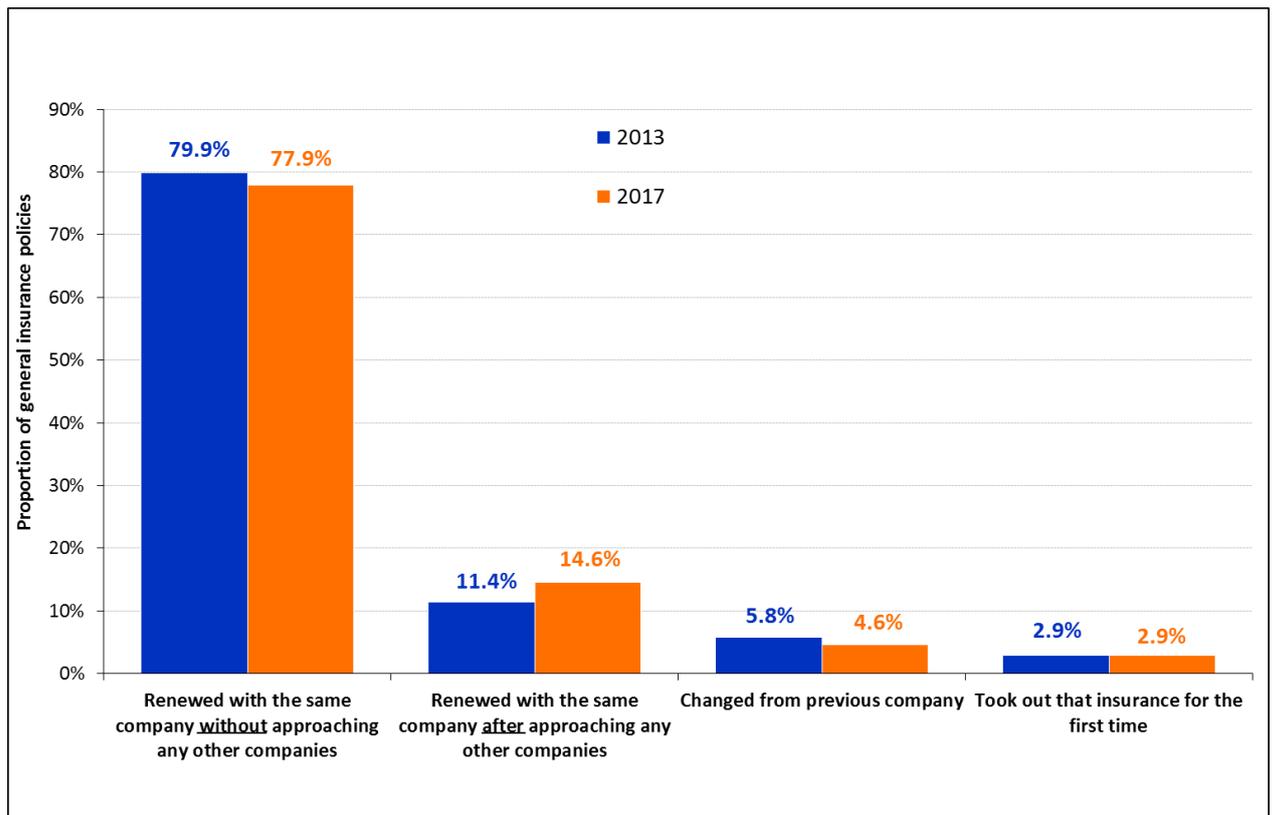
New research from Roy Morgan shows that more than three quarters (77.9%) of general insurance customers don't approach any other company when renewing their policy. An additional 14.6% approach another company but don't change.

These are the latest findings from Roy Morgan's "General Insurance Industry Currency Report".

More looking around but less switching

The proportion of general insurance policy holders renewing with the same company after approaching others has increased from 11.4% in 2013 to 14.6% currently.

Action with current general insurance policies in the last 12 months



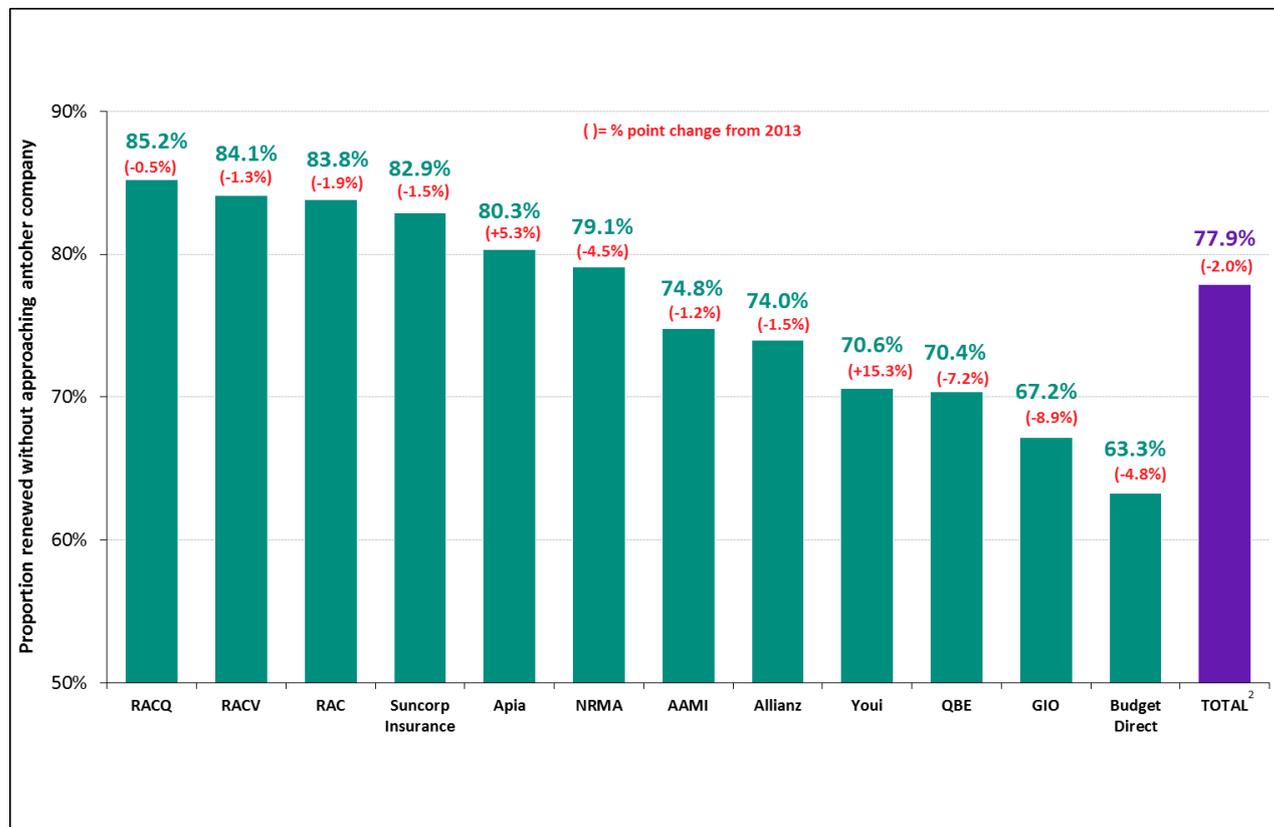
Source: Roy Morgan Single Source (Australia). 12 months to July 2013, n= 117,558 policies; 12 months to July 2017, n=126,554 policies. **Base:** Australians 14+ with general insurance.

The combined result of policy holders that don't look around when renewing their policy (77.9%) and those that do but don't move (14.6%), indicates that there has been an overall decrease over the last four years in the proportion who switch.

Major variations in insurance company loyalty

The most loyal customers, based on the proportion of policy holders that renew without approaching another company, are with RACQ (85.2%), the RACV (84.1%) and RAC (83.8%). The least loyal are Budget Direct (63.3%) and GIO (67.2%).

Renewed general insurance in last 12 months without approaching another company – 12 largest general insurers¹



1. Based on customer numbers. 2. Includes brands not shown. **Source:** Roy Morgan Single Source (Australia). 12 months to July 2013, n= 117,558 policies; 12 months to July 2017, n=126,554 policies. **Base:** Australians 14+ with general insurance.

Since 2013, the only companies showing improvement in the level of their customer not approaching others when renewing, where Youi (up 15.3% points) and Apia (up 5.3% points). All other companies among the 12 largest, showed some decline.

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

“Our research shows that general insurance policy holders primarily say that they change companies or at least shop around due to issues relating to better premiums. Although there has been an increase in the proportion shopping around, it is a positive outcome that this hasn’t led to a higher level of switching.”

“It is worth noting that satisfaction with general insurance is closely associated with higher levels of loyalty, as shown by the fact that the top performers for loyalty also have well above average satisfaction levels. Retaining customers is therefore likely to be impacted by more than price but also by the many other factors that drive improvements in satisfaction.”

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

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Related research findings

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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