

Kiwi drivers get a 'D' in Car Insurance 101, AA Insurance

Test yourself – how do you rate?

Auckland, 17 November 2014 – How much do you know about your car insurance? Chances are not as much as you think. According to a recent survey by AA Insurance, the average score of 1,000 Kiwi drivers who were quizzed about car insurance was only 40% – or a 'D' grade.

Many respondents struggled to identify factors that influenced their premiums and some had difficulty determining what is covered by third party insurance.

No one who took the survey received a perfect score, and only 7% got a 'B'. The majority of respondents managed a 'C' (51%) or a 'D' (36%), with the rest landing an 'F' because they failed to score.

To help improve basic insurance literacy AA Insurance has posted the survey questions online, raising the bar by adding a few trickier ones:

- A restricted driver breaches the conditions of their license by driving after 10pm. They are almost home when they are rear-ended by another vehicle. Are they likely to be covered for the damage by their insurance?
- A dog escapes its yard for the fifth time, runs out onto the road causing you to swerve and hit a parked vehicle. The owner has contents insurance and you have comprehensive (full) car insurance. In this scenario whose insurance typically covers the damage?

You can check out the survey and see the answers at www.aainsurance.co.nz

One of the most surprising findings from the survey is that only 10% of respondents fully understand what factors influence their premium. The numbers were better for understanding what comprehensive and third party insurance covers, with three quarters of respondents getting these answers right. Oddly, it was the drivers who had comprehensive cover (76%) who knew more about third party insurance than those who actually had a third party, fire and theft policy (54%).

“Our survey showed that while some Kiwi drivers have a fairly good understanding of car insurance and how their policy works, there is room for improvement,” said Amelia Macandrew, Customer Relations Manager at AA Insurance. “For example, this survey shows us the vast majority of Kiwis don’t realise how

much their home address affects their car insurance premium. And correspondingly, a small number of people still believe the colour of their car is used to determine their premium.

“The survey also showed us what we as an insurer need to work on to help our customers understand their policies,” said Amelia. “It’s important that our customers understand what they are buying before they take out a policy, or make a claim. As most New Zealanders own a car, it’s really important that they understand how best to protect it.

“We recommend customers check their policy if they are unsure about what they are covered for, or ask their insurer, to avoid any surprises come claim time,” she said. “Having said that, we understand that customers don’t always know what they don’t know, so we’ve taken on board the findings of this survey, as well as the questions we’re most often asked, and come up with some plain-English insurance tips online to help drivers understand how their policies work.”

Curious to see how you’d rate? Go to aainsurance.co.nz to take the full survey, including bonus questions, and see how your score compares. The survey only takes a few minutes. Check out the tips at the end of the survey to learn more.

NB: The 2014 AA Insurance Drivers Index surveyed 1,000 Kiwis, 18+ years who drive at least once a week. This release relates to the four multiple choice insurance questions that were included in this survey.

ENDS

About AA Insurance

AA Insurance Limited launched in 1994 and is a joint venture between the New Zealand Automobile Association and Vero New Zealand, which is part of the Suncorp Group. We employ around 580 staff to look after more than 325,000 customers and 600,000 car, home and contents policies.

AA Insurance has been consistently recognised by Reader’s Digest Most Trusted Brands (since 2011), NZ Direct Insurer Award (since 2012), Kenexa Best Workplaces Survey (since 2008), and Canstar Blue Most Satisfied Customers (since 2011).

We proudly support youth charity Blue Light, and the Holden Cup and NRL Telstra Premiership referees in New Zealand.

 **AA Insurance**

AA Insurance has an A+ (Strong) Insurer Financial Strength Rating given by Standard and Poor's (Australia) Pty Ltd. For further information visit www.aainsurance.co.nz.

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