

Driving uninsured continues to be risky business, AA Insurance

More uninsured Kiwis face debt as the number of crash claims increase

Auckland, 4 August 2014 – A 25% increase in crashes caused by uninsured drivers means their debt has grown by millions, according to AA Insurance data.

In the last 12 months to the end of May, AA Insurance handled over \$7.74 million of claims involving over 3,000 uninsured drivers considered to be at fault in accidents with our customers. This is almost \$2m more than the same period last year, and involved around 700 more uninsured drivers.

“Uninsured drivers can amass big debts if involved in a crash, and this can have life changing consequences,” says Suzanne Wolton, Head of Customer Relations, AA Insurance. “It’s disturbing to see this increase.”

While 97% of respondents to AA Insurance’s 2014 Driver Survey agreed it’s important for all drivers on New Zealand roads to have some form of car insurance, AA Insurance has identified a number of reasons why people may not take out insurance.

These are mainly related to cost, the driver’s belief that the vehicle isn’t worth insuring, or the driver has difficulty getting cover.

“Anecdotally, many people also consider themselves to be good drivers so feel confident they are not at risk,” added Suzanne. “Yet no matter how careful you are on the road, you can’t control how other drivers behave. So, the question is, if you can’t afford insurance can you afford to have an accident?”

One AA Insurance customer’s car was damaged beyond repair when an uninsured driver rear-ended them before they continued on to hit another car and then a road barrier. The uninsured driver now faces the prospect of footing a bill to the tune of \$41,000, which doesn’t even include the cost to their own car.

If he hadn’t had third party insurance, another customer would be paying off considerable debt after losing control of his vehicle driving down a hill. The customer crossed the centre line, which meant an oncoming, fully loaded truck had to swerve around him. The truck drove off the side of the hill and rolled down a steep incline. Thankfully the driver was unhurt; however the incident caused more than \$80,000 worth of damage to the truck and its contents. Without insurance our customer would have been left to pay for the damage themselves.

“The simple fact is that if you don’t have insurance, but damage someone else’s property and it’s your fault, then you’re liable to pay for it out of your own pocket, cent by cent,” said Suzanne. “We still have drivers on our books who been paying off their debt since the 1990s. Imagine what they could have purchased with that money.”

“Insurance protects more than just your property; it also protects *you* from potential debt and financial disaster,” continued Suzanne. “As part of your insurance you get legal liability cover, which means if you’re at fault in an accident then your insurer will cover you – up to \$20m for car insurance if you’re insured with us.

“Even if your car isn’t worth much, it’s important to consider some form of insurance, because it’s the damage you could cause to another person’s property that could cost you dearly,” said Suzanne.

What to do in the event of an accident:

- Check that everybody involved in the collision is okay and call the emergency services if necessary
- Don’t try to settle the claim yourself – leave it to your insurer
- Keep a pen and paper in the car for writing down details
- Take a picture of the scene with a camera or your phone
- Make sure you get the other driver’s correct registration number, name and contact number or address details
- Contact your insurer and provide as much information as you can

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 320,000 customers and around 580,000 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 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.

For more information please contact:

Arwen Vant, Botica Butler Raudon Partners, (09) 303 3862, 021 403 503 or email arwenv@botica.co.nz

Amanda Fifield, AA Insurance Limited, (09) 927 2085 or email Amanda_Fifield@aainsurance.co.nz