

Thursday, 10 April 2014

## Car insurers, take note: women are more likely to switch

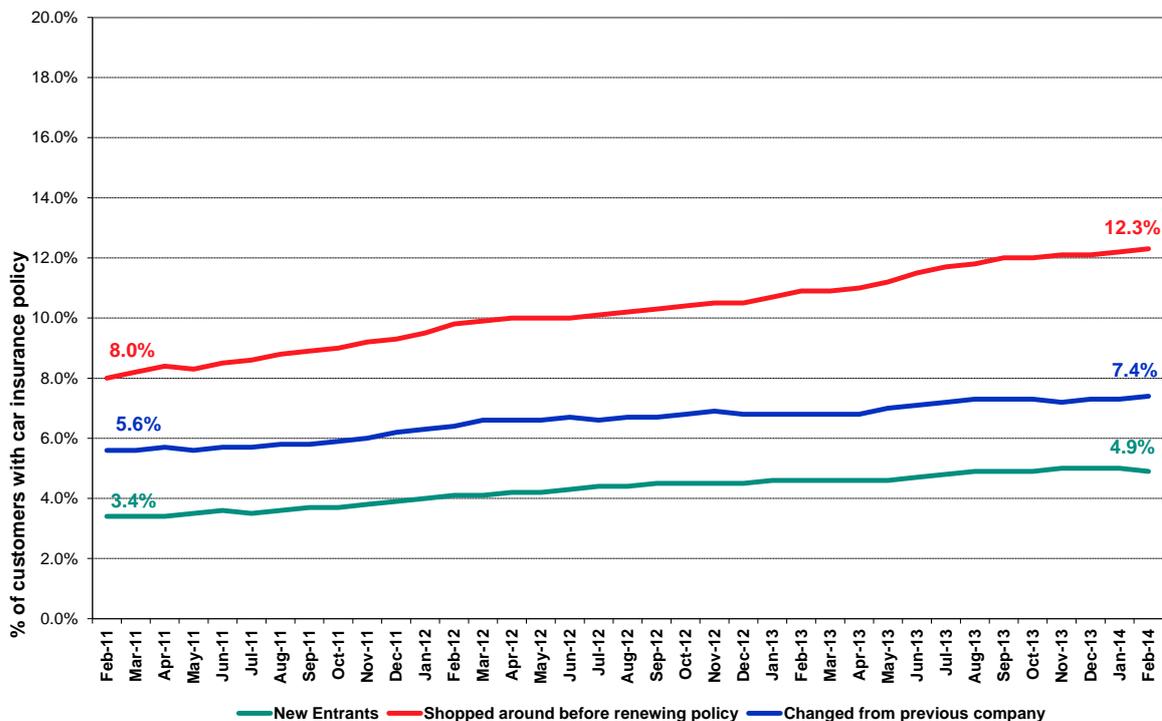
Australia's increasingly competitive vehicle insurance market has changed the way motorists insure their cars. Automatic renewal of policies each year is no longer a foregone conclusion, with the number of customers switching insurers or shopping around for a better deal steadily rising in the last few years. So who's most likely to switch insurers? Women aged between 25 and 49.

In the year to February 2014, some 1.7 million people (or 12.3% of car insurance customers) approached another company before renewing their policy with the same insurer — an increase of well over 50% on the nearly 1.1 million people (8.0%) who shopped around in the year to February 2011.

Although more than three quarters (78.2%) of car insurance customers still renew their policy automatically, this has declined from 84.7%, a downward trend that looks set to continue.

Meanwhile, the new entrants' market has grown from 3.4% in February 2011 to 4.9% now, in line with population growth and the increasing number of registered vehicles nationally. The proportion of switchers has grown by nearly a third over the same period (from 5.6% to 7.4%).

### Actions with vehicle insurance in the last 12 months



Source: Roy Morgan Single Source (Australia), 12 month moving average, Average Sample = 37,341

Base: Australians 14+ with a Vehicle Insurance policy

FOR IMMEDIATE RELEASE

These are the latest findings from the Roy Morgan Consumer Single Source Survey of over 50,000 interviews per annum.

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

*“No longer dominated by a few big names, the Australian car insurance market has become more competitive with the emergence of new, niche providers offering motorists more choice than ever. This has resulted in an increasing number of customers switching insurers or at least shopping around, while automatic renewal of policies gradually decreases.*

*“A closer look at customers who shop around before renewing with the same insurer reveals that they’re most likely to be over 35 and married, probably with kids, and likelier to live in NSW than any other state. Women comprise the majority of switchers, with those aged between 25 and 49 being particularly active in this respect. Perhaps not surprisingly, more than half of new entrants into the car insurance market are under 35 years old.*

*“A detailed understanding of which types of customers are most likely to shop around or switch insurers is invaluable for car insurance providers keen to tailor their marketing strategies so that they reach a more responsive, relevant audience.”*

**For comments or more information please contact:**

Norman Morris, Industry Communications Director

Telephone: +61 (3) 9224 5172

Mobile: +61 402 014 474

Email: [norman.morris@roymorgan.com](mailto:norman.morris@roymorgan.com)

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**About Roy Morgan Consumer Single Source**

Roy Morgan Single Source is based on over 50,000 interviews each year and has been designed and engineered to represent the ideal source model. It provides an integrated understanding of consumers; what they are like, what they consume, what they buy, what they think, what they want, what they watch, read and listen to. The overriding benefit of Roy Morgan Single Source is the strategic insights it offers in the ability to link many aspects. Not only can an organisation’s profitable customers be delineated by what they think, do, watch, but so can non customers. Hence brand positioning, product differentiation, merchandising, efficient media planning, market expansion and line extension opportunities can all be considered in the light of the correct understanding of the marketplace.

## 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 New Zealand, 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.

In Australia, Roy Morgan Research is considered to be the authoritative source of information on financial behaviour, readership, voting intentions and consumer confidence. Roy Morgan Research is a specialist in recontact customised surveys which provide invaluable and effective qualitative and quantitative information regarding customers and target markets.

## 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
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2