

Discover your edge

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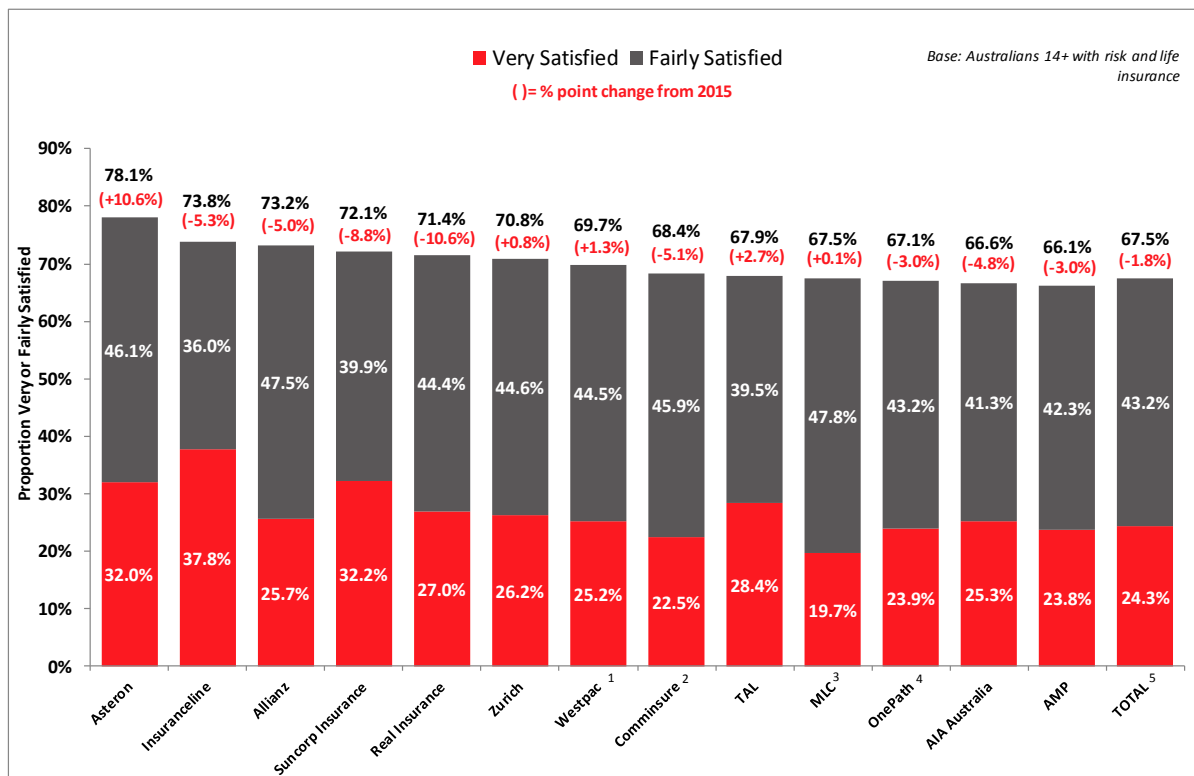
Satisfaction with risk and life insurance declines

In the year to October 2016, satisfaction among risk and life insurance policy holders was 67.5%, down from 69.3% over the same period in 2015 but up from 66.3% three years ago. Not all major risk and life insurance providers showed declines in satisfaction over the last year: five of the 13 largest funds actually improved. Most policy holders (96.8%) indicated that they would be at least 'fairly likely' to renew their insurance with their existing company, but only around one in three (35.3%) said that they would be 'extremely likely' to renew with the same company, indicating considerable uncertainty. These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers pa which includes detailed coverage of over 16,000 risk and life insurance policy holders.

Asteron the top performer among the largest risk and life insurers

Asteron Life, the long-established life insurance specialist, leads in customer satisfaction among the 13 largest risk and life insurers with 78.1%, up 10.6% points from a year ago. Second is Insuranceline on 73.8%, down 5.3% points over the last year, and third is Allianz with 73.2% (down 5.0% points). AMP has the lowest satisfaction with 66.1%, just behind AIA Australia (66.6%) and OnePath (67.1%).

Risk and Life Insurance Satisfaction: largest 13 insurance companies, 2015-2016



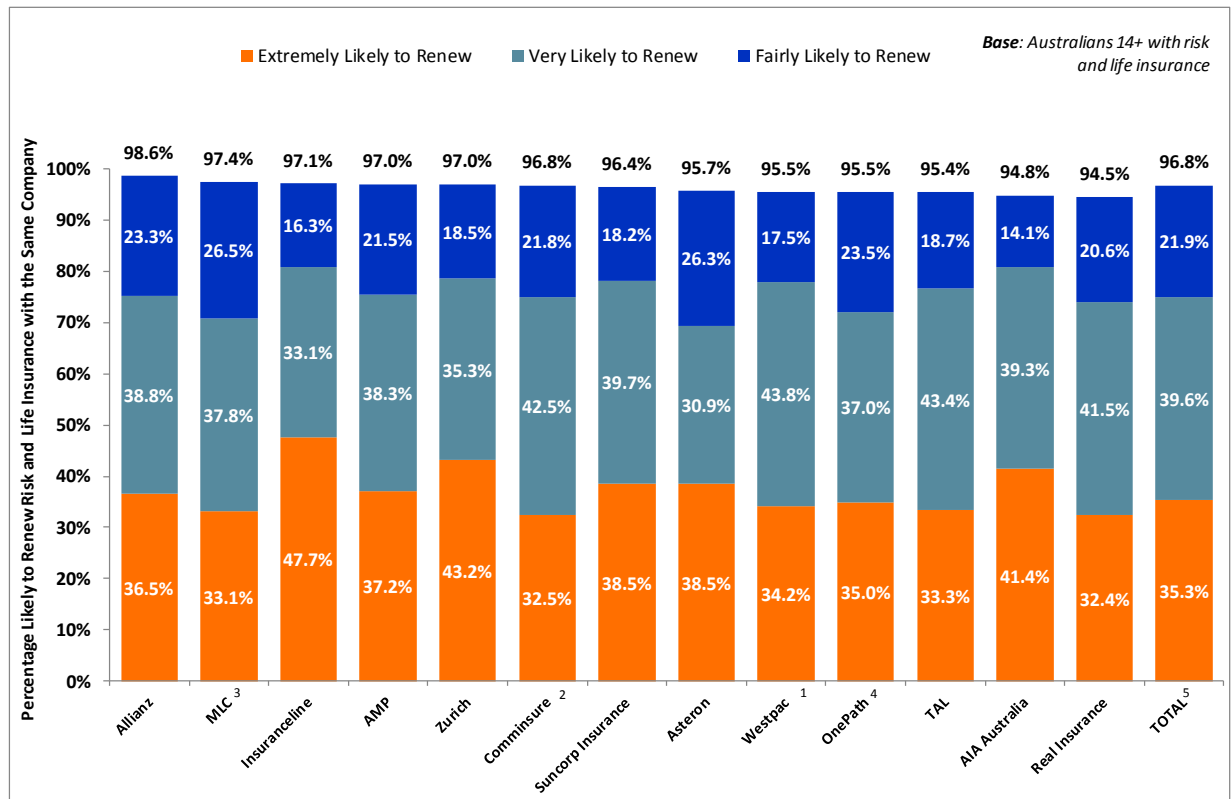
1. Includes BT; 2. Includes Colonial First State; 3. Includes NAB; 4. Includes ING and ANZ; 5. Includes brands not shown. **Source:** Roy Morgan Single Source (Australia). 12 months ended October 2015, n=50,126; 12 months ended October 2016, n=50,577. Includes 16,420 with risk and life insurance in 2015 and 16,712 in 2016.

Satisfaction among risk and life policy holders here is made up of those who are ‘very satisfied’ and those who are only ‘fairly satisfied’. The significance of the ‘very satisfied’ group is that a much higher proportion of them than any other segment (including those who are ‘fairly satisfied’) say they are ‘extremely likely’ to renew their policy with the same company. Overall, only 24.3% of policy holders are ‘very satisfied’ but this is much higher for Insuranceline (37.8%), Suncorp Insurance (32.2%) and Asteron (32.0%). MLC (19.7%) and Comminsure (22.5%) have the lowest proportion of ‘very satisfied’ customers.

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

A very high proportion (96.8%) of risk and life insurance policy holders are at least ‘fairly likely’ to renew with the same company, varying from a high of 98.6% for Allianz down to 94.5% for Real Insurance.

Likelihood of risk and life insurance renewal with same company: largest 13 companies



1. Includes BT; 2. Includes Colonial First State; 3. Includes NAB; 4. Includes ING and ANZ; 5. Includes brands not shown. **Source:** Roy Morgan Single Source (Australia). 12 months ended October 2016, n=50,577. Includes 16,712 with risk and life insurance.

Although most policy holders intend to renew with their current insurer, they are not all certain 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 (35.3%) of the market and are much more likely to indicate that they are ‘very satisfied’ with their insurance company.

Insuranceline has the highest proportion of customers (47.7%) saying they are ‘extremely likely’ to renew, ahead of Zurich (43.2%) and AIA Australia (41.4%). Real Insurance customers are far less certain regarding what they will do on renewal, with only 32.4% indicating that they

are 'extremely likely' to renew, followed by Comminsure (32.5%) and MLC (33.1%). Overall around one in five (21.9%) say that they are only 'fairly likely' to renew.

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

"Satisfaction with risk and life insurance has decreased over the past year and though it remains higher than it was a decade ago, it is still lower than the other major types of insurance that Roy Morgan measures, including motor vehicle, household and private health insurance. Roy Morgan data shows that price is the major reason why risk and life insurance customers look around or change companies, with other reasons including a friend or advisor's recommendation, poor customer service, changed job or change in family circumstances.

"Although a very high proportion of policy holders (96.8%) say they are likely to renew with the same company, only around a third (35.3%) indicate that they are 'extremely likely' to renew. In order to increase the likelihood of renewal, more attention needs to be given to boosting the proportion of 'very satisfied' policy holders, who currently account for only 24.3%.

"Risk and life insurance have suffered from some negative publicity lately, due to issues such as non-payment of benefits, inappropriate advice, complexity and understanding of policies linked to superannuation etc. Some providers have also indicated that losses are escalating and have sold their business or are looking to sell. All this bad press is likely to be having an adverse impact on consumer perception of this product and the providers.

"With over 50,000 interviews conducted annually for more than 20 years, Roy Morgan data has become the currency in retail financial services, including risk and life insurance where we interview holders of over 16,000 policies pa. The size and coverage of this survey enables an in-depth understanding of risk and life insurance behaviour and trends, providing unique and detailed insights for anyone involved in this market.

"As the industry currency in risk and life insurance satisfaction, Roy Morgan Research conducts monthly and annual Customer Satisfaction Awards which attract wide publicity".

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

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Related research findings

View our [extensive range of Insurance Reports and Profiles](#), including our [Risk and Life Insurance Customers Profile](#) and our [Customer Satisfaction - Risk and Life Insurance Report](#).

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