



## What are the Canstar *Car Insurance Star Ratings*?

Canstar *Car Insurance Star Ratings* use a sophisticated and unique ratings methodology that compares both cost and features across comprehensive car insurance products.

Canstar's star ratings represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked. The results are reflected in a consumer-friendly five-star concept with five stars representing outstanding value to the consumer. Ratings range from five to one star. Five-star rated products have been assessed as offering outstanding value to consumers.

## What types of products are evaluated for Canstar's *Car Insurance Star Ratings*?

To be eligible for evaluation in Canstar's *Car Insurance Star Ratings*, a policy must meet the following criteria:

- It is a comprehensive car insurance policy
- For comparison purposes, a quote is available:
  - Directly from the provider, online or via phone
  - For all postcodes considered within each profile

## How are the Canstar *Car Insurance Star Ratings* calculated?

Car insurance policies included in the Canstar *Car Insurance Star Ratings* are assessed across a total of 36 profiles, across six consumer types within six states, as follows:

Profile	State
Under 25 year old Female	New South Wales
Under 25 year old Male	Victoria
25-29 year old Driver	Queensland
30-49 year old Driver	South Australia
50+ year old Driver	Western Australia
Family with Young Driver	Tasmania

Products are awarded a star rating in each profile based on a relative comparison across their fees and product features.

## Star Ratings Methodology

Each eligible car insurance policy reviewed for the Canstar *Car Insurance Star Ratings* is awarded points for its comparative pricing and the array of positive features attached to the policy. Points are aggregated to achieve a price score and a feature score.

To arrive at the total score, Canstar applies a weight against the price score and the feature score. The weights reflect the relative importance of price and features in determining which policies offer outstanding value to consumers. This method can be summarised as:

$$\text{Total Score} = \text{Price Score} + \text{Feature Score}$$



The table below provides a breakdown of the weights allocated to the price score and feature score for each consumer type:

Consumer Type	Price	Features
Under 25 year old Male/Female	80%	20%
25-29 year old Driver	75%	25%
30-49 year old Driver	70%	30%
50+ year old Driver	70%	30%
Family with Young Driver	70%	30%

## Price Score

The price score takes into consideration the annual insurance premium and the policy excess. The quotes used for the Canstar *Car Insurance Star Ratings* are for new policies as opposed to renewal prices, which can differ. Products are compared to each other, with the lowest cost product awarded the highest price score. All other products are awarded a score based on their relative cost against the lowest cost policy.

### Quoting Assumptions

Some key assumptions made when obtaining quotes relate to the driver's age and address, and the type of the car being insured. For quoting purposes, six addresses are selected within each state.

### Car Make/Model

While we recognise that the type, make, model and age of all cars available in the market cannot be represented, for comparison purposes we select two different car models and makes to represent each profile, one car being new and the other being 5 years old.

The types of vehicles used in the rating are shown below:

Consumer Type	New Car Description	5 Year Old Car Description
Under 25 Year Old Male/Female	4 cylinder hatchback	4 cylinder medium sedan
25-29 Year Old Driver	4 cylinder medium sedan	4 cylinder medium sedan
30-49 Year Old Driver	4 cylinder SUV	4 cylinder medium sedan
50+ Year Old Driver	4 cylinder medium sedan	4 cylinder medium sedan
Family With Young Driver	6 cylinder large sedan	4 cylinder medium sedan

## Excesses

Excess options offered by providers vary. For comparison purposes, the excess amount used for quotes (i.e. the "target excess") is \$700. When the target excess amount is not offered as an option for a product, the closest excess amount is instead selected. When there is more than once excess amount of equal distance from the target excess, the lower excess amount is selected.

State	Excess
New South Wales	\$700
Victoria	\$700
Queensland	\$700
South Australia	\$700
Western Australia	\$700
Tasmania	\$700

## Annual Premium and Excess

As the target excess cannot always be met, this has an influence on the annual premiums. To combat the inequality created through a lower annual premium derived from a higher excess, and conversely a higher annual premium with a lower excess, Canstar applies 20% of the excess to the annual premium, where 20% represents the frequency of annual claims per 100 car insurance policies.

## Feature Score

The feature score takes into account a number of features across four different categories as well as considering components within the customer claims satisfaction survey. Individual features are allocated points and each category, and subcategory, are assigned a weighting. The product with the highest feature score is allocated the maximum score, with all remaining products indexed against it.

The feature categories and subcategories, with assigned weights for each profile considered, are as follows:

Category/Subcategory	Weight
<b>Policy Benefits &amp; Options</b>	<b>35%</b>
After Accident Care	35%
Repairs	30%
Other Cover	10%
Rental Car	10%
Windscreen Cover	10%
Roadside Assistance	5%
<b>Standard Company Terms</b>	<b>20%</b>
Exclusions	60%
Company Terms	40%
<b>Customer Claims Satisfaction</b>	<b>20%</b>
Claims Components	90%
<i>Communication</i>	16.67%
<i>Ease</i>	16.67%
<i>Process</i>	16.67%
<i>Quality</i>	16.67%
<i>Speed</i>	16.67%
<i>Timeliness</i>	16.67%
Customer Retention	10%
<b>Application/Claims Process &amp; Support</b>	<b>15%</b>
Claims Process	40%
Application Process	30%
Support	30%
<b>Policy Terms</b>	<b>10%</b>
Excess Options	50%
Premiums	50%

## How are the Awards for Car Insurance Calculated?

The Outstanding Value Car Insurance Awards recognise insurers at both a state and national level. Canstar awards one insurer in each state and two insurers nationally, who demonstrate a consistent offering across all profiles and locations based on the following methodologies.

### State Awards

To be eligible for a state award a provider must meet the following criteria:

- The policy must be available directly to consumers, not limited solely to those of a particular age group.
- The institution must underwrite its own insurance, or be a wholly owned subsidiary of a general insurer.
- For comparison purposes, a quote must be available:
  - Directly from the provider, online, or via phone
  - For all postcodes considered within each profile
  - For all profiles within the state being considered.

For each state, a State Award for Outstanding Value Car Insurance is provided to insurers who offer outstanding value across the star rating profiles. State award winners are not necessarily the best value in every profile, as the award aims to recognise a consistently strong offering across the entire market.

The table below provides the weights applied to each consumer profile when determining the award winner for each state.



### National Awards

To be eligible for a national award a provider must meet the following criteria:

- The policy must be available directly to consumers, not limited solely to those of a particular age group.
- The institution must underwrite its own insurance, or be a wholly owned subsidiary of a general insurer.
- The insurance provider must have a national presence.
- For comparison purposes, a quote must be available:
  - Directly from the provider, online, or via phone
  - For all postcodes considered within each profile
  - For all profiles within the state being considered.

The National Award is awarded based on the cumulative score across all profiles and all states. The same weight is placed on each profile as with the state awards, with each state then receiving a weight based on population representation according to annual Australian Bureau of Statistics (ABS) data, as follows:



## Outstanding Claims Service Award

An Award for Outstanding Claims Service recognises insurers for a combination of product features specifically related to claims and customer claims satisfaction, considering claim components and retention post claim.

To be eligible for consideration towards an Outstanding Claims Service Award, a provider must meet the following criteria:

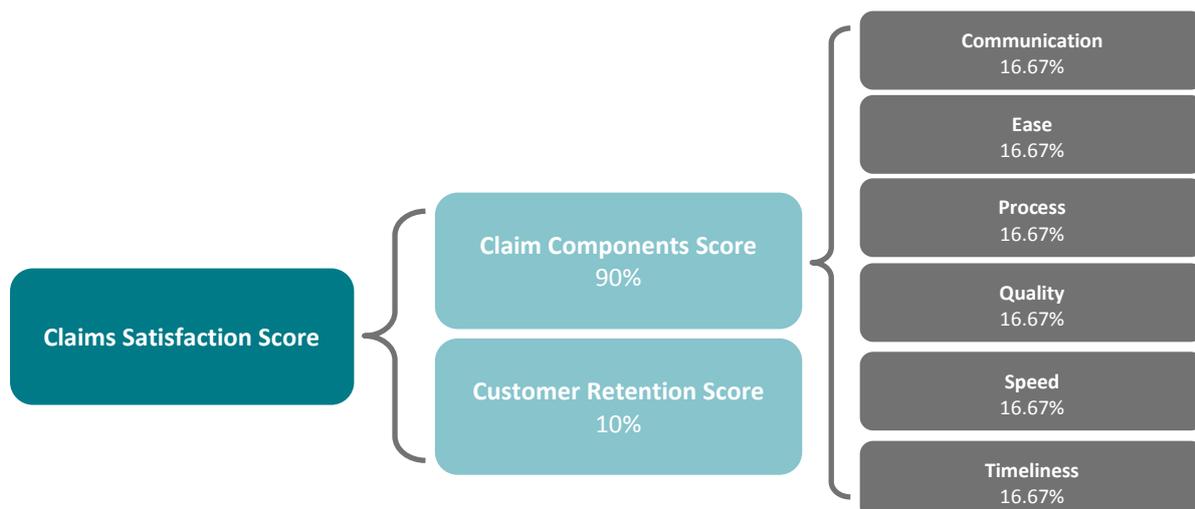
- A policy must be available to all consumer profiles and all states considered.

An Outstanding Claims Service Award is provided to an insurer based on the cumulative score across their claims satisfaction score and claims feature score, summarised below with respective weights:



### Claims Satisfaction Score

A national survey is conducted by Qualtrics to measure the satisfaction level of consumers with their recent car insurance claims experience. The claims satisfaction score takes into account survey responses regarding claim components and customer retention, as shown below:



A claim components score is calculated for an insurer based on responses from survey respondents regarding their level of satisfaction with company-specific claim components; communication, ease, process, quality, speed and timeliness. Each component is assigned an equal weighting. The product with the highest score is allocated the maximum score, with all remaining products indexed against it.

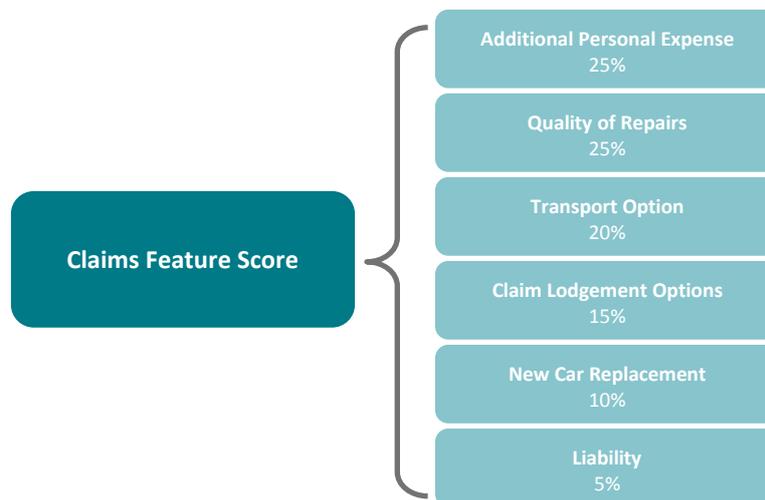
An insurer's customer retention score is calculated based on whether survey respondents remained with the insurer following their claim. The product with the highest score in this area is allocated the maximum customer retention score, with all remaining products indexed against it.

For companies that do not receive at least 30 responses:

- if the insurer belongs to an insurance network, they are given the average claims satisfaction score across the insurance network
- if they do not belong to an insurance network, they are given an adjusted average of the claims satisfaction score across all providers (subtracting the standard error from the mean).

## Claims Feature Score

The Claims Feature score is the cumulative score across features related specifically to when a claim is made following an accident, such as emergency repairs and accommodation, genuine parts, car hire, liability cover, replacement car, etc. Points are allocated to the features based on their importance (factoring in what is important to consumers) at the time of claim. Products are indexed relative to the top scorer; with the best performing product assigned the maximum claims feature score.



## How often are products reviewed for star ratings and award purposes?

Ratings and awards are recalculated annually based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazine, television, websites, etc.).

## Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking, wealth and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories.

Please access the Canstar website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



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