



CAR INSURANCE STAR RATINGS

Report No. 3

November 2008

IN THIS REPORT WE EXPLORE ...

- ★ Tough year for insurance
- ★ A necessary evil?
- ★ Drive less, pay less – new innovation
- ★ Taking the green route
- ★ Drop in car sales a sign of the financial times
- ★ Star Ratings help you shop around
- ★ Strong performers dominate



TOUGH YEAR FOR INSURANCE

Insurance companies have had claims coming out of their earholes lately. Huge hail storms in New South Wales and damaging storms and flood waters engulfing major areas in Queensland are just a few catastrophes Mother Nature has thrown our way. And, as if that's not enough, the dramatic falls in investment markets have swallowed up a sizeable chunk of income insurance companies relied on to prop up their balance sheets.

Insurance companies, however, soldier on, as do consumers getting their lives back on track after a disaster. The car insurance sector, in particular, has also had to contend with greater competition, driven largely by the entry last year of Comminsure and Real Insurance who immediately set out to aggressively win a slice of market share. This can only benefit consumers because as competition hots up, premiums become more attractive. Good drivers are a car insurer's dream and the battle for these drivers is a constant tussle between companies.

A NECESSARY EVIL?

Most people view comprehensive car insurance as a grudge purchase – they have to be insured but they resent paying for it. They buy it for one of two reasons:

1. It is a condition of their car loan.
2. They want the security of having the car replaced/repared in the “unlikely” event it is damaged or destroyed.

Those who are in the market for car insurance are also in the market for saving money. Apart from the obvious – driver's age and gender, locality of car, frequency of driving, vehicle specifications – there are limits to ways and dollar amounts you can save. However, CANNEX notes an expanding range of niche market insurers catering to defined driver segments. Insurers such as Just Car target young drivers and their modified machines. At the other end of the scale, APIA insures only drivers over 50. Shannons is the car enthusiast specialist and there's even a gender-specific company called 1st Women Insurance. New players in the market this time around are Youi and E Car Insurance which, as its name suggests, offers online cover and management. As the car insurance market evolves, so too does the possibility of saving money on premiums.



DRIVE LESS, PAY LESS

Taking the user-pays concept one step further is a car insurance innovation that rewards drivers who spend less time on the roads. Pay As You Drive (PAYD) tailors your car insurance premium according to the kilometres you drive each year. For instance, if the majority of your driving consists of going to and from the train station every day, you could save on your premium by using the PAYD system. The same applies to a second car that is rarely driven, mature age drivers who only drive to the bowls club or anyone else who drives less than the average.

Pay as You Drive is already in the U.K., France, Japan and the U.S.A. where GPS systems are used to track the car's kilometres, thus reducing fraud. In Australia, Real Insurance has introduced this concept but uses odometer readings instead of GPS tracking. You 'buy' kilometres in 5,000 lots, with the premium priced accordingly. If you are short of kilometers within the insured premium, you can top up another 5,000. Any unused kilometres will transfer to the following insurance period. If you exceed your kilometres, Real Insurance automatically converts your comprehensive policy to third party theft and fire.

TAKING THE GREEN ROUTE

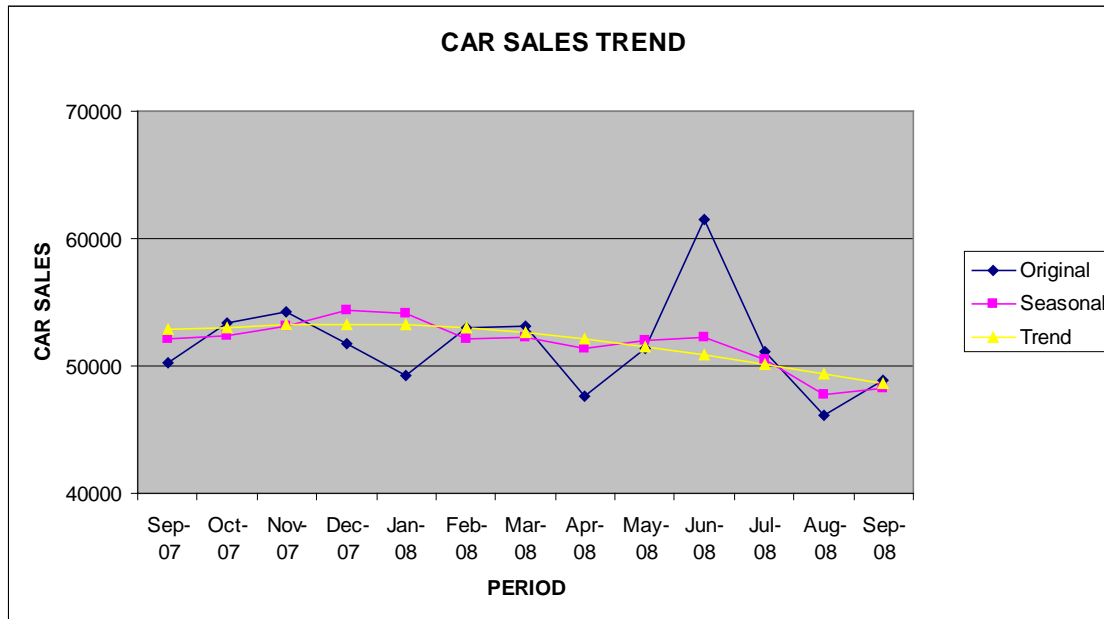
Environmentally-friendly incentives are springing up in a wide variety of places and car insurance is no exception. Insurers have started to recognise and reward people who drive less, use less fuel and are keen to offset the carbon their vehicle emits. Ibuyeco is the first car insurance company in Australia to introduce carbon offsetting as part of their insurance policy. With the help of Greening Australia, Ibuyeco will plant the equivalent amount of trees required to offset the CO₂ emitted by your car. This carbon-offset car insurance does not cost extra but gives the environmentally-aware driver a conscious choice. While Ibuyeco has concentrated on offsetting carbon emission, other insurers have gone down the route of encouraging the use of cars that emit less carbon. NRMA, SGIC, SGIO and Together.Com have opted for this strategy. These insurers offer 10% discount on premiums for fuel-efficient cars that use 5.5 litres of petrol or less over 100 kilometres.

DROP IN CAR SALES A SIGN OF THE FINANCIAL TIMES

It's not surprising that new car sales have become a casualty of the credit crunch. The flow-on effect is currently playing out with the scaling down or closures of car manufacturing plants overseas and here at home. Even though the retail price of new cars has fallen substantially in the last few years, the high cost of depreciation, as well as other factors such as fuel consumption and price is causing people to think twice about splurging on that new car.

According to the latest data released by Australian Bureau of Statistics, the sales figures for passenger vehicles across Australia are down 8.12% and the trend has been sliding all year.

Passenger vehicle sales details	Sep-07	Aug-08	Sep-08	Monthly Change	Yearly Change
Original	50197	46114	48865	5.97%	-2.65%
Seasonal	52179	47767	48191	0.89%	-7.64%
Trend	52866	49343	48572	-1.56%	-8.12%



Source: CANNEX - ABS November 2008

If people continue to hold off on buying new cars for a longer period than expected, what will be the impact on the car insurance industry? Obviously there will be less new policies written by the insurers but will that come at a cost to existing policy holders? As more and more people continue to drive older or second-hand cars, can we expect full comprehensive car insurance to wind back to compulsory third party with possibly third party theft as adequate cover in the minds of many? The general rule of thumb is that comprehensive insurance is worthwhile if your car is valued in excess of 10 times the amount of your comprehensive policy's annual premium. However, it will be interesting to monitor the effects an extended financial crisis may or may not have on car insurance.

STAR RATINGS HELP YOU SHOP AROUND

If there's one thing that's certain in the world of car insurance companies, it's change. Just because you got a great deal on your comprehensive car insurance last year, doesn't mean the same thing will happen again this time around. New names and new pricing structures often make a difference and the change is better in your pocket. The take-home message is that it always pays to shop around. Car insurance renewal time is a great prompt to check out what you are really paying for. The CANNEX *car insurance star ratings* will help you decide what features are important for you before you make a short list of products of interest.

STRONG PERFORMERS DOMINATE

After scrutinising car insurance products offered across six states and all eight driver profiles, three insurance companies stood out as offering the consumer superior value for money on a national basis. AAMI, Budget Direct and Comminsure proved once again that their commitment to what is increasingly becoming a highly competitive market is solid and unwavering. Budget Direct encompasses a group of brands including Budget Direct, Ozicare, Cashback and ibuyeco.

We congratulate AAMI, Budget Direct and Comminsure and applaud their continuing efforts on behalf of consumers.



AAMI

BUDGET DIRECT

COMMINSURE

STATE STARS

To make comparisons equitable, each state was weighted by population size but the dominant insurers soon became clear. Budget Direct cropped up regularly among the list of five star insurers in each state. In Western Australia, South Australia and Tasmania, they share centre stage with Allianz Australia for delivering the best value in those states. Budget Direct also paired with NRMA Insurance for New South Wales and Queensland. In Victoria, Budget Direct and AAMI took the honours.

State Awards

NSW	Budget Direct & NRMA Insurance
VIC	AAMI & Budget Direct
QLD	Budget Direct & NRMA Insurance
WA	Allianz Australia & Budget Direct
SA	Allianz Australia & Budget Direct
TAS	Allianz Australia & Budget Direct

PROFILE STARS

It was almost a clean sweep for Budget Direct who came out on top in seven out of eight driver profiles, the exception being young female drivers under 25 years. AAMI triumphed in this profile. CANNEX's population-based weightings across the eight driver profiles make sure our winners reach the most consumers possible. This made Budget Direct's results all the more outstanding.

Profile Awards

Drivers 30-59	Executive Car Drivers	Families	Mature Drivers	Female Drivers 25-29	Male Drivers 25-29	Young Female Drivers <25	Young Male Drivers <25
Budget Direct	Budget Direct	Budget Direct	Budget Direct	Budget Direct	Budget Direct	AAMI	Budget Direct

The CANNEX star ratings award 5 stars to the products achieving scores in the top 5% of each category. There are now 27 insurers compared in the star ratings. In many state and profile combinations, there are now more than 38 products. In these state and profile combinations, the top 5% now includes two products.

The methodology used to determine the star ratings results is included below.



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car insurance star ratings



Victoria

Drivers 30 - 59

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Budget Direct	Comprehensive	\$ 515.84	79.75	64.86	14.89	✓	12 m	Either	✗	✓
★★★★★										
cashback	Accelerator	\$ 555.19	75.49	60.26	15.23	✓	12 m	Either	✗	✓
Commonwealth Bank	Comprehensive Cover	\$ 623.63	73.65	53.65	20.00	✓	2 y	Either	✓	✗
GIO	Comprehensive Car	\$ 685.15	67.55	48.83	18.71	✓	2 y	Agreed	✗	✗
ibuyeco	Comprehensive Car	\$ 567.12	73.78	58.99	14.79	✓	12 m	Either	✗	✓
Ozicare	Comprehensive	\$ 536.07	77.30	62.41	14.89	✓	12 m	Either	✗	✓
Real Insurance	Motor Vehicle Insurance	\$ 604.37	69.79	55.36	14.43	✓	1 y	Either	✓	✗
Westpac	Motor Plus Insurance	\$ 678.89	66.80	49.28	17.52	✓	24 m	Either	✓	✗
★★★★										
AAMI	Comprehensive Car	\$ 675.94	62.11	49.50	12.62	✓	12 m	Either	✗	✗
Allianz Australia	SureCover Plus	\$ 645.25	65.60	51.85	13.75	✓	2 y	Either	✗	✗
ANZ	Comprehensive	\$ 830.15	57.03	40.30	16.72	✓	3 y	Either	✓	✗
AON	Comprehensive	\$ 928.24	54.74	36.04	18.70	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive	\$ 921.96	54.39	36.29	18.10	✓	3 y	Either	✓	✗
CGU	Comprehensive	\$ 921.96	54.39	36.29	18.10	✓	3 y	Either	✓	✗
ING Insurance	Comprehensive	\$ 847.49	57.37	39.48	17.89	✓	3 y	Either	✓	✗
nab	Comprehensive	\$ 773.18	60.17	43.27	16.89	✓	2 y	Either	✓	✗
QBE	Comprehensive	\$ 749.78	60.59	44.62	15.96	✓	24 m	Either	✗	✗
RACV	Comprehensive Car	\$ 842.43	55.40	39.71	15.68	✓	24 m	Either	✗	✓
St George Bank	Comprehensive	\$ 921.96	53.01	36.29	16.73	✓	3 y	Either	✓	✗



car insurance star ratings



Victoria

Executive Car Drivers >30

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Budget Direct	Comprehensive	\$ 843.26	84.65	62.32	22.34	✓	12 m	Either	✗	✓
★★★★★										
Allianz Australia	SureCover Plus	\$ 876.70	80.57	59.94	20.63	✓	2 y	Either	✗	✗
cashback	Accelerator	\$ 877.83	82.71	59.86	22.85	✓	12 m	Either	✗	✓
GIO	Comprehensive Car	\$ 1026.69	79.26	51.18	28.07	✓	2 y	Agreed	✗	✗
ibuyeco	Comprehensive Car	\$ 868.60	82.68	60.50	22.18	✓	12 m	Either	✗	✓
Ozicare	Comprehensive	\$ 867.83	82.89	60.55	22.34	✓	12 m	Either	✗	✓
Real Insurance	Motor Vehicle Insurance	\$ 968.95	75.89	54.24	21.65	✓	1 y	Either	✓	✗
★★★★										
AAMI	Comprehensive Car	\$ 1025.00	70.20	51.27	18.93	✓	12 m	Either	✗	✗
ANZ	Comprehensive	\$ 1241.31	67.42	42.34	25.09	✓	3 y	Either	✓	✗
AON	Comprehensive	\$ 1427.74	64.86	36.81	28.05	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive	\$ 1369.24	65.53	38.38	27.15	✓	3 y	Either	✓	✗
CGU	Comprehensive	\$ 1369.24	65.53	38.38	27.15	✓	3 y	Either	✓	✗
Commonwealth Bank	Comprehensive Cover	\$ 1195.10	73.97	43.97	30.00	✓	2 y	Either	✓	✗
ING Insurance	Comprehensive	\$ 1260.11	68.55	41.70	26.84	✓	3 y	Either	✓	✗
nab	Comprehensive	\$ 1134.46	71.66	46.32	25.34	✓	2 y	Either	✓	✗
RACV	Comprehensive Car	\$ 1268.16	64.96	41.44	23.52	✓	24 m	Either	✗	✓
St George Bank	Comprehensive	\$ 1369.24	63.47	38.38	25.09	✓	3 y	Either	✓	✗



car insurance star ratings



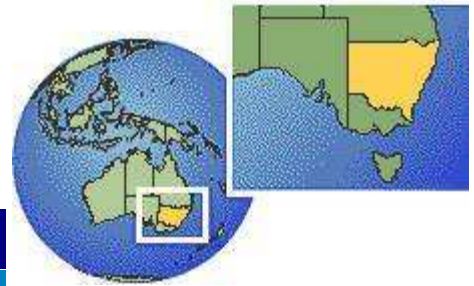
Victoria

Family with Young Drivers

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Budget Direct	Comprehensive	\$ 473.16	94.89	80.00	14.89	✓	12 m	Either	✗	✓
★★★★★										
AAMI	Comprehensive Car	\$ 620.22	73.65	61.03	12.62	✓	12 m	Either	✗	✗
cashback	Accelerator	\$ 605.31	77.77	62.54	15.23	✓	12 m	Either	✗	✓
GIO	Comprehensive Car	\$ 911.77	60.23	41.52	18.71	✓	2 y	Agreed	✗	✗
ibuyeco	Comprehensive Car	\$ 612.86	76.55	61.76	14.79	✓	12 m	Either	✗	✓
Ozicare	Comprehensive	\$ 581.03	80.04	65.15	14.89	✓	12 m	Either	✗	✓
Westpac	Motor Plus Insurance	\$ 729.68	69.40	51.88	17.52	✓	24 m	Either	✓	✗
★★★										
Allianz Australia	SureCover Plus	\$ 1139.64	46.97	33.21	13.75	✓	2 y	Either	✗	✗
ANZ	Comprehensive	\$ 1253.25	46.93	30.20	16.72	✓	3 y	Either	✓	✗
AON	Comprehensive	\$ 1284.27	48.17	29.47	18.70	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive	\$ 1395.77	45.22	27.12	18.10	✓	3 y	Either	✓	✗
CGU	Comprehensive	\$ 1395.77	45.22	27.12	18.10	✓	3 y	Either	✓	✗
Commonwealth Bank	Comprehensive Cover	\$ 1908.55	39.83	19.83	20.00	✓	2 y	Either	✓	✗
ING Insurance	Comprehensive	\$ 1284.58	47.36	29.47	17.89	✓	3 y	Either	✓	✗
nab	Comprehensive	\$ 1468.72	42.67	25.77	16.89	✓	2 y	Either	✓	✗
QBE	Comprehensive	\$ 882.17	58.87	42.91	15.96	✓	24 m	Either	✗	✗
RACV	Comprehensive Car	\$ 1370.34	43.31	27.62	15.68	✓	24 m	Either	✗	✓
Real Insurance	Motor Vehicle Insurance	\$ 1073.98	49.68	35.25	14.43	✓	1 y	Either	✓	✗
St George Bank	Comprehensive	\$ 1395.77	43.84	27.12	16.73	✓	3 y	Either	✓	✗



car insurance star ratings



Victoria

Low Kilometre Driver

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Real Insurance	Comprehensive PAYD Low k	\$ 526.26	95.42	80.00	15.42	✓	1 y	Agreed	✓	✗
★★★★★										
Budget Direct	Comprehensive	\$ 587.39	85.89	71.00	14.89	✓	12 m	Either	✗	✓
cashback	Accelerator	\$ 620.41	82.03	66.79	15.23	✓	12 m	Either	✗	✓
Commonwealth Bank	Comprehensive Cover	\$ 941.02	70.98	50.98	20.00	✓	2 y	Either	✓	✗
ibuyeco	Comprehensive Low Km	\$ 616.24	81.93	67.14	14.79	✓	12 m	Either	✗	✓
Ozicare	Comprehensive	\$ 603.27	83.66	68.77	14.89	✓	12 m	Either	✗	✓
Real Insurance	Comprehensive Low Km	\$ 718.97	73.82	59.38	14.43	✓	1 y	Either	✓	✗
★★★										
AAMI	Comprehensive Car	\$ 735.77	69.04	56.42	12.62	✓	12 m	Either	✗	✗
Allianz Australia	SureCover Plus	\$ 766.40	70.07	56.32	13.75	✓	2 y	Either	✗	✗
ANZ	Comprehensive Low Km	\$ 838.45	68.10	51.38	16.72	✓	3 y	Either	✓	✗
AON	Comprehensive Low Km	\$ 930.55	64.68	45.98	18.70	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive Low Km	\$ 934.09	64.21	46.11	18.10	✓	3 y	Either	✓	✗
CGU	Comprehensive Low Km	\$ 934.09	64.21	46.11	18.10	✓	3 y	Either	✓	✗
GIO	Comprehensive Car	\$ 804.51	70.36	51.64	18.71	✓	2 y	Agreed	✗	✗
ING Insurance	Comprehensive Low Km	\$ 858.68	68.07	50.17	17.89	✓	3 y	Either	✓	✗
nab	Comprehensive	\$ 982.94	60.69	43.80	16.89	✓	2 y	Either	✓	✗
QBE	Comprehensive	\$ 857.89	52.70	36.73	15.96	✓	24 m	Either	✗	✗
RACV	Comprehensive Car	\$ 981.60	59.12	43.44	15.68	✓	24 m	Either	✗	✓
St George Bank	Comprehensive Low Km	\$ 934.09	62.83	46.11	16.73	✓	3 y	Either	✓	✗
Westpac	Motor Plus Insurance	\$ 782.01	57.72	40.20	17.52	✓	24 m	Either	✓	✗



car insurance star ratings



Victoria

Mature Drivers >60

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Budget Direct	Comprehensive	\$ 530.39	80.08	65.19	14.89	✓	12 m	Either	✗	✓
Ozicare	Comprehensive	\$ 530.05	80.13	65.24	14.89	✓	12 m	Either	✗	✓
★★★★★										
Allianz Australia	SureCover Plus	\$ 531.15	78.85	65.10	13.75	✓	2 y	Either	✗	✗
cashback	Accelerator	\$ 543.69	78.83	63.60	15.23	✓	12 m	Either	✗	✓
Commonwealth Bank	Comprehensive Cover	\$ 628.37	75.03	55.03	20.00	✓	2 y	Either	✓	✗
GIO	Comprehensive Car	\$ 664.98	70.71	52.00	18.71	✓	2 y	Agreed	✗	✗
ibuyeco	Comprehensive Car	\$ 563.28	76.17	61.39	14.79	✓	12 m	Either	✗	✓
Real Insurance	Motor Vehicle Insurance	\$ 557.32	76.48	62.04	14.43	✓	1 y	Either	✓	✗
★★★★										
AAMI	Comprehensive Car	\$ 657.89	65.18	52.56	12.62	✓	12 m	Either	✗	✗
ANZ	Comprehensive	\$ 747.67	62.97	46.25	16.72	✓	3 y	Either	✓	✗
AON	Comprehensive	\$ 756.62	64.40	45.70	18.70	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive	\$ 834.01	59.56	41.46	18.10	✓	3 y	Either	✓	✗
CGU	Comprehensive	\$ 834.01	59.56	41.46	18.10	✓	3 y	Either	✓	✗
ING Insurance	Comprehensive	\$ 766.36	63.01	45.12	17.89	✓	3 y	Either	✓	✗
nab	Comprehensive	\$ 731.15	64.19	47.29	16.89	✓	2 y	Either	✓	✗
QBE	Comprehensive	\$ 735.17	63.00	47.03	15.96	✓	24 m	Either	✗	✗
RACV	Comprehensive Car	\$ 759.99	61.18	45.50	15.68	✓	24 m	Either	✗	✓
St George Bank	Comprehensive	\$ 834.01	58.19	41.46	16.73	✓	3 y	Either	✓	✗
Westpac	Motor Plus Insurance	\$ 771.25	62.36	44.83	17.52	✓	24 m	Either	✓	✗



car insurance star ratings



Victoria

Female Driver 25 - 29

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Ozicare	Comprehensive	\$ 552.32	81.11	66.22	14.89	✓	12 m	Either	✗	✓
★★★★★										
Allianz Australia	SureCover Plus	\$ 667.89	68.51	54.76	13.75	✓	2 y	Either	✗	✗
Budget Direct	Comprehensive	\$ 581.18	77.82	62.93	14.89	✓	12 m	Either	✗	✓
cashback	Accelerator	\$ 571.10	79.27	64.04	15.23	✓	12 m	Either	✗	✓
Commonwealth Bank	Comprehensive Cover	\$ 616.74	79.30	59.30	20.00	✓	2 y	Either	✓	✗
GIO	Comprehensive Car	\$ 727.91	68.96	50.25	18.71	✓	2 y	Agreed	✗	✗
ibuyeco	Comprehensive Car	\$ 578.93	77.96	63.18	14.79	✓	12 m	Either	✗	✓
Real Insurance	Motor Vehicle Insurance	\$ 669.70	69.05	54.61	14.43	✓	1 y	Either	✓	✗
★★★★										
AAMI	Comprehensive Car	\$ 726.22	62.98	50.36	12.62	✓	12 m	Either	✗	✗
ANZ	Comprehensive	\$ 843.46	60.09	43.36	16.72	✓	3 y	Either	✓	✗
AON	Comprehensive	\$ 941.12	57.56	38.86	18.70	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive	\$ 940.45	56.99	38.89	18.10	✓	3 y	Either	✓	✗
CGU	Comprehensive	\$ 940.45	56.99	38.89	18.10	✓	3 y	Either	✓	✗
ING Insurance	Comprehensive	\$ 864.55	60.20	42.31	17.89	✓	3 y	Either	✓	✗
nab	Comprehensive	\$ 850.56	59.89	43.00	16.89	✓	2 y	Either	✓	✗
QBE	Comprehensive	\$ 961.17	54.02	38.05	15.96	✓	24 m	Either	✗	✗
RACV	Comprehensive Car	\$ 783.38	62.37	46.69	15.68	✓	24 m	Either	✗	✓
St George Bank	Comprehensive	\$ 940.45	55.62	38.89	16.73	✓	3 y	Either	✓	✗
Westpac	Motor Plus Insurance	\$ 865.11	59.80	42.28	17.52	✓	24 m	Either	✓	✗



car insurance star ratings



Victoria

Male Driver 25 - 29

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Ozicare	Comprehensive	\$ 552.32	81.34	66.45	14.89	✓	12 m	Either	✗	✓
★★★★★										
AAMI	Comprehensive Car	\$ 709.33	64.36	51.74	12.62	✓	12 m	Either	✗	✗
Allianz Australia	SureCover Plus	\$ 737.77	63.50	49.75	13.75	✓	2 y	Either	✗	✗
Budget Direct	Comprehensive	\$ 580.53	78.12	63.23	14.89	✓	12 m	Either	✗	✓
cashback	Accelerator	\$ 569.35	79.70	64.47	15.23	✓	12 m	Either	✗	✓
Commonwealth Bank	Comprehensive Cover	\$ 673.73	74.48	54.48	20.00	✓	2 y	Either	✓	✗
GIO	Comprehensive Car	\$ 810.54	64.00	45.28	18.71	✓	2 y	Agreed	✗	✗
ibuyeco	Comprehensive Car	\$ 578.06	78.28	63.50	14.79	✓	12 m	Either	✗	✓
Real Insurance	Motor Vehicle Insurance	\$ 671.91	69.06	54.63	14.43	✓	1 y	Either	✓	✗
★★★★										
ANZ	Comprehensive	\$ 926.23	56.35	39.63	16.72	✓	3 y	Either	✓	✗
AON	Comprehensive	\$ 1003.96	55.26	36.56	18.70	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive	\$ 1032.41	53.65	35.55	18.10	✓	3 y	Either	✓	✗
CGU	Comprehensive	\$ 1032.41	53.65	35.55	18.10	✓	3 y	Either	✓	✗
ING Insurance	Comprehensive	\$ 949.39	56.56	38.66	17.89	✓	3 y	Either	✓	✗
nab	Comprehensive	\$ 939.55	55.96	39.07	16.89	✓	2 y	Either	✓	✗
QBE	Comprehensive	\$ 961.17	54.15	38.19	15.96	✓	24 m	Either	✗	✗
RACV	Comprehensive Car	\$ 865.32	58.10	42.42	15.68	✓	24 m	Either	✗	✓
St George Bank	Comprehensive	\$ 1032.41	52.28	35.55	16.73	✓	3 y	Either	✓	✗
Westpac	Motor Plus Insurance	\$ 865.11	59.95	42.43	17.52	✓	24 m	Either	✓	✗



car insurance star ratings



Victoria

Young Female Driver <25

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
ANZ	Comprehensive	\$ 796.46	97.03	84.65	12.38	✓	3 y	Either	✓	✗
★★★★★										
AAMI	Comprehensive Car	\$ 793.17	94.32	85.00	9.32	✓	12 m	Either	✗	✗
Bendigo Bank	Comprehensive	\$ 888.22	89.28	75.90	13.38	✓	3 y	Either	✓	✗
Budget Direct	Comprehensive	\$ 875.60	88.15	77.00	11.15	✓	12 m	Either	✗	✓
CGU	Comprehensive	\$ 888.22	89.28	75.90	13.38	✓	3 y	Either	✓	✗
ING Insurance	Comprehensive	\$ 816.37	95.74	82.58	13.16	✓	3 y	Either	✓	✗
RACV	Comprehensive Car	\$ 891.52	86.58	75.62	10.95	✓	24 m	Either	✗	✓
St George Bank	Comprehensive	\$ 888.22	88.21	75.90	12.30	✓	3 y	Either	✓	✗
★★★										
Allianz Australia	SureCover Plus	\$ 1657.84	50.93	40.67	10.27	✓	2 y	Either	✗	✗
AON	Comprehensive	\$ 940.07	85.16	71.72	13.44	✓	3 y	Either	✓	✗
cashback	Accelerator	\$ 949.34	82.41	71.02	11.39	✓	12 m	Either	✗	✓
Commonwealth Bank	Comprehensive Cover	\$ 1077.51	77.57	62.57	15.00	✓	2 y	Either	✓	✗
GIO	Comprehensive Car	\$ 1535.05	57.11	43.92	13.19	✓	2 y	Agreed	✗	✗
ibuyeco	Comprehensive Car	\$ 948.63	82.11	71.07	11.04	✓	12 m	Either	✗	✓
nab	Comprehensive	\$ 1014.34	79.19	66.47	12.72	✓	2 y	Either	✓	✗
Ozicare	Comprehensive	\$ 919.34	84.49	73.33	11.15	✓	12 m	Either	✗	✓
QBE	Comprehensive	\$ 1707.56	51.03	39.48	11.54	✓	24 m	Either	✗	✗
Real Insurance	Motor Vehicle Insurance	\$ 1674.58	51.57	40.26	11.31	✓	1 y	Either	✓	✗
Westpac	Motor Plus Insurance	\$ 1817.76	50.52	37.09	13.43	✓	24 m	Either	✓	✗



car insurance star ratings



Victoria

Young Male Driver <25

Company	Product	Average Premium	Total Score	Score Breakdown		Car Replaced if Written-Off		Agreed or Market Value	Monthly Pmts - no Extra cost	Roadside Assist
				Cost	Feature	Available	Age of Car			
★★★★★										
Budget Direct	Comprehensive	\$ 877.55	95.24	84.09	11.15	✓	12 m	Either	✗	✓
★★★★★										
AAMI	Comprehensive Car	\$ 1028.83	81.04	71.72	9.32	✓	12 m	Either	✗	✗
ANZ	Comprehensive	\$ 978.10	87.82	75.44	12.38	✓	3 y	Either	✓	✗
AON	Comprehensive	\$ 1034.06	84.80	71.36	13.44	✓	3 y	Either	✓	✗
Bendigo Bank	Comprehensive	\$ 1090.05	81.07	67.69	13.38	✓	3 y	Either	✓	✗
cashback	Accelerator	\$ 951.82	88.92	77.52	11.39	✓	12 m	Either	✗	✓
CGU	Comprehensive	\$ 1090.05	81.07	67.69	13.38	✓	3 y	Either	✓	✗
ibuyeco	Comprehensive Car	\$ 950.51	88.67	77.63	11.04	✓	12 m	Either	✗	✓
ING Insurance	Comprehensive	\$ 1002.56	86.76	73.60	13.16	✓	3 y	Either	✓	✗
Ozicare	Comprehensive	\$ 921.17	91.26	80.10	11.15	✓	12 m	Either	✗	✓
★★★★										
Allianz Australia	SureCover Plus	\$ 1795.20	51.37	41.10	10.27	✓	2 y	Either	✗	✗
Commonwealth Bank	Comprehensive Cover	\$ 1355.99	69.42	54.42	15.00	✓	2 y	Either	✓	✗
GIO	Comprehensive Car	\$ 1829.03	53.53	40.34	13.19	✓	2 y	Agreed	✗	✗
nab	Comprehensive	\$ 1098.38	79.90	67.18	12.72	✓	2 y	Either	✓	✗
QBE	Comprehensive	\$ 1707.56	54.76	43.21	11.54	✓	24 m	Either	✗	✗
RACV	Comprehensive Car	\$ 1066.44	80.14	69.19	10.95	✓	24 m	Either	✗	✓
Real Insurance	Motor Vehicle Insurance	\$ 2066.58	47.01	35.71	11.31	✓	1 y	Either	✓	✗
St George Bank	Comprehensive	\$ 1090.05	80.00	67.69	12.30	✓	3 y	Either	✓	✗
Westpac	Motor Plus Insurance	\$ 1817.76	54.02	40.59	13.43	✓	24 m	Either	✓	✗



What is the CANNEX car insurance star ratings?

CANNEX *car insurance star ratings* is a sophisticated rating methodology, unique to CANNEX, that compares both the Cost and Features across car insurance products. CANNEX star rated products represent a short list of quality products. This short list narrows the search for consumers to products that have been independently assessed and ranked. All star rated car insurance products rated from one to five achieved a grade suitable for consumers to consider with qualities ranging from “Superior” to “Satisfactory”. The CANNEX *car insurance star ratings* is a transparent analysis comparing all types of car insurance products.

How are the ‘stars’ calculated?

The **CANNEX *car insurance star ratings*** calculations are based on a comparison of Costs (including the average premium and the gap between the minimum and maximum premiums and any price difference between premiums purchased online and on the phone) and scoring of the key features of the car insurance policy (including No Claim Bonus, After Accident Care, Car Hire Information and Special Features).

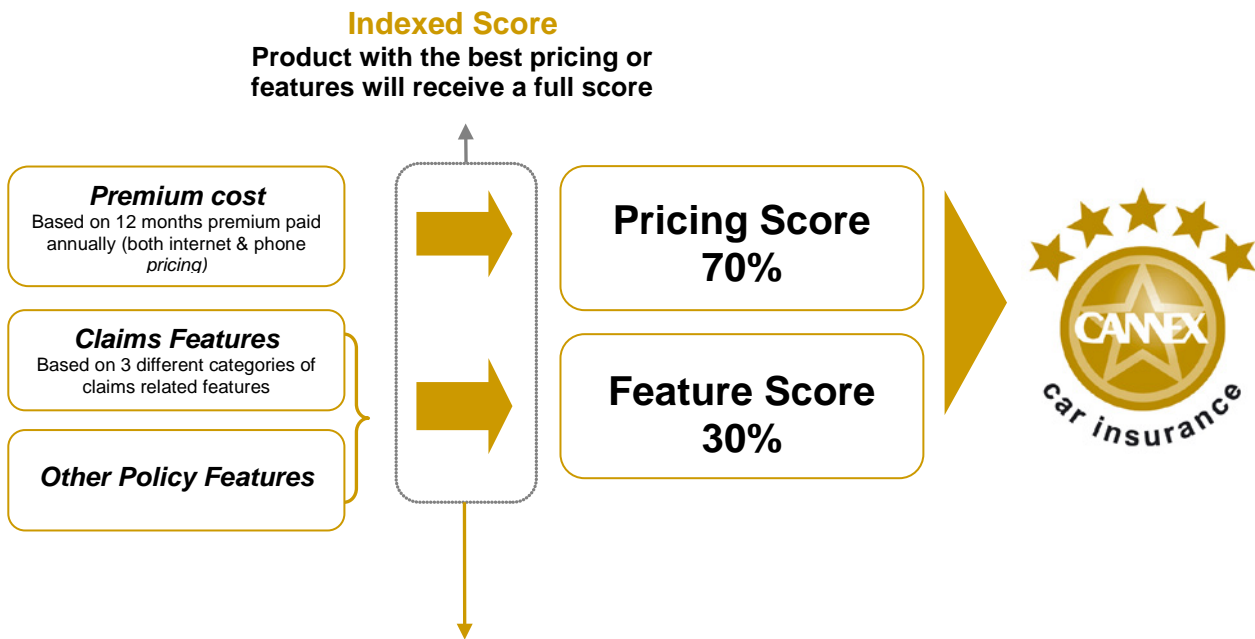
$$\text{COST SCORE (C)} + \text{FEATURES SCORE (F)} = \text{TOTAL SCORE (T)}$$

All car insurance policies that provided a quote for a particular profile are eligible to be included in the comparison. The eligible car insurance products are assessed against these measures with the relative competitiveness of each product recognised by the star rating awarded. The quotes used for the CANNEX *car insurance star ratings* are for new policies, as opposed to renewal prices which can differ.

Consumers who search at www.cannex.com.au will find indicative average (and minimum/maximum) premiums and ratings results for products matched to their profile. The results are reflected in consumer-friendly 5-star concept. The star ratings results are described as follows:

- ★★★★★ Superior Value
- ★★★★ Strong Value
- ★★★ Satisfactory Value

METHODOLOGY SUMMARY



	COST	FEATURE
YOUNG MALE DRIVER <25	85%	15%
YOUNG FEMALE DRIVER <25	85%	15%
MALE DRIVER 25 - 29	80%	20%
FEMALE DRIVER 25 - 29	80%	20%
DRIVERS 30 - 59	80%	20%
FAMILY WITH YOUNG DRIVERS	80%	20%
EXECUTIVE CAR DRIVERS	70%	30%
MATURE DRIVERS	80%	20%
LOW KILOMETRE DRIVERS	80%	20%

Driver Profiles

The *car insurance star ratings* methodology appreciates that car insurance policies are priced differently for different types of drivers in different locations. In order to accommodate these differences, CANNEX has identified nine unique driver profiles that reflect the majority of the spectrum of drivers (see below). Each profile has different expectations of their car insurance policy and so the star ratings methodology assigns different importance to fees and features for each profile.

As mentioned earlier, each profile is priced differently depending on the location so each profile is compared by state. Six different Australian states are included in this analysis (New South Wales, Queensland, South Australia, Tasmania, Victoria and Western Australia).

It is intended that users of the car insurance star ratings report will identify the profile and state combination that most closely matches their situation then use the star ratings results to short-list the car insurance policies best suited for their needs.

PROFILES
YOUNG MALE DRIVER <25
YOUNG FEMALE DRIVER <25
MALE DRIVER 25 - 29
FEMALE DRIVER 25 - 29
DRIVERS 30 - 59
FAMILY WITH YOUNG DRIVERS
EXECUTIVE CAR DRIVERS
MATURE DRIVERS
LOW KILOMETRE DRIVERS



CANNEX *star ratings methodology*

Weightings

The Costs and Features are weighted differently for each spending profile. This is done in recognition of the appropriate importance to the different product components to each profile.

CANNEX has adjusted its car insurance star ratings methodology slightly to account for the differences between what is important for each type of driver profile. The process considers each profile separately and assigns weights representative of that profile (see table below). For the Young Female Driver for example, the cost component of the policy (average premium) contributes 85% of the total score (as cost is most important to this driver profile) while features contribute the remaining 15%.

The Cost Score (CS) plus Features Score (FS) are indexed and combined to provide the Total Score. Together they form the basis of the CANNEX *car insurance star ratings*.

	COST	FEATURE
YOUNG MALE DRIVER <25	85%	15%
YOUNG FEMALE DRIVER <25	85%	15%
MALE DRIVER 25 - 29	80%	20%
FEMALE DRIVER 25 - 29	80%	20%
DRIVERS 30 - 59	80%	20%
FAMILY WITH YOUNG DRIVERS	80%	20%
EXECUTIVE CAR DRIVERS	70%	30%
MATURE DRIVERS	80%	20%
LOW KILOMETRE DRIVERS	80%	20%

Costs (C)

In order to generate the premium quotes needed for the star ratings analysis, CANNEX generated thousands of quotes for each profile (9 profiles, 6 postcodes per state, 3 cars per profile). These premiums are used to determine the COST (C) component of each product's overall score. Eighteen quotes generated across 6 post codes for 3 cars for each profile are condensed into an average premium.

Although research has shown that more and more people are using the internet to both quote for and purchase their insurance, CANNEX appreciates that most consumers are not yet doing this and as a result we have taken a weighted average of both the online and offline premiums to use in our comparison. At this stage we are using a 70% – 30% weighting in favour of offline purchasing, but this weighting will adapt to mirror the behaviour of the market place as it changes. It should also be noted that car insurance discounts offered by new and existing companies are constantly changing. CANNEX has priced its premiums according to the discounts that were available at the time of quoting. However, to ensure that the information contained in this report is as up to date as possible, we have revised our reporting of the discounts offered to reflect the current market place.

PURCHASE METHOD	WEIGHTING
BY PHONE OR IN BRANCH	70%
ONLINE	30%

The resultant weighted average premium for each insurer in each profile is then indexed to form the Cost Score.



CANNEX star ratings methodology

Features (F)

Each car insurance product is awarded points for useful features available with the policy. These features are split into two categories, the Claims Features and the Other Policy Features. The total features score for each category of information (eg After Accident Care) is ranked and weighted relative to its overall importance for each profile to calculate an overall Features Score (F). The features information used are collected from car insurance policy product disclosure statements and are confirmed by the insurers.

CLAIMS FEATURE CATEGORY	YOUNG DRIVERS (M/F) <25	OTHER DRIVERS (MALE DRIVER 25 – 29, FEMALE DRIVER 25 – 29, DRIVERS 30 – 59, FAMILY WITH YOUNG DRIVERS, EXECUTIVE CAR DRIVERS, MATURE DRIVERS & LOW KILOMETRE DRIVERS)
AFTER ACCIDENT CARE	30%	20%
CAR HIRE	20%	20%
SPECIAL FEATURES	20%	20%

If genuine parts are used, is there choice of repairer, any towing service, cab fares, emergency accommodation etc?

Details of Car Hire after Theft or Accident including cost and allowances.

Personal effects cover, legal liability, child seat cover, new car replacement for write off.

OTHER POLICY FEATURES CATEGORY	YOUNG DRIVERS (M/F) <25	OTHER DRIVERS (MALE DRIVER 25 – 29, FEMALE DRIVER 25 – 29, DRIVERS 30 – 59, FAMILY WITH YOUNG DRIVERS, EXECUTIVE CAR DRIVERS, MATURE DRIVERS & LOW KILOMETRE DRIVERS)
GENERAL POLICY CONDITIONS	20%	20%
NO CLAIM BONUS (NCB)	5%	10%
UNPROTECTED NCB STAYS INTACT	5%	10%

Pay by the month at no extra cost, whether 24 hour help line or roadside assist available.

Protection and retention of NCB.

Is NCB intact after theft, windscreen, storm/flood or collision with animal claim.

How are the awards judged?

The CANNEX National, State and driver profile awards are provided to insurers who have proven customer satisfaction in the area of claims, as well as meeting the stringent criteria of our star ratings process. Insurers are expected to have a reasonable history on claims to be eligible for these awards. Once the star ratings are calculated across individual profiles and states, they are weighted against respective state population. CANNEX’s population-based weightings across nine driver profiles ensure our winners reach the most consumers possible. After we added up strong performances by particular car insurance brands for each profile (weighted by state’s respective population size) within each state, it became clear which companies dominated this profile across the different states. There are two awards provided across each state. Once the state awards are determined, the driver profile awards are calculated using a variation of the state awards. The overall National winners are judged based on the combination of consumer reach and the addition of points scored by individual products of the company across all profiles and states. CANNEX recognises three awards in this National category.



CANNEX *star ratings* methodology

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