

Motorist Market Research 2017-2019

Results from market research conducted in preparation for the competition scheme into awareness and understanding of Compulsory Third Party (CTP) insurance from 2017 to 2019.

Background and context

The CTP Regulator conducted market research annually from 2017 to 2019 to track motorist awareness of changes to the South Australian CTP Scheme as a result of reforms from 1 July 2016.

The period from 2017 to 2019 captures the lead up and transition to a competitive CTP Scheme where motorists choose their CTP Insurer.

Methodology

From 2017 to 2019 the surveys were conducted online in the second half of the year via a link placed on the ezyreg website, where motorists visit to renew their vehicle registration (www.sa.gov.au/topics/driving-and-transport/ezyreg).

The total survey responses ranged from approximately 600 in 2017 and 2018 to over 1,000 in 2019.

In 2019, the Regulator varied survey questions where necessary to reflect the introduction of competition. There were a total of nine questions. The timing of the 2019 survey was set for October to allow for approximately 50% of CTP policies to be renewed and insurer choice to be exercised by motorists.

Who responded?

From 2017 to 2019 the number of respondents from each insurance rating district was representative of the district distribution (approximately 70% of registered vehicles are in district 1 with approximately 30% in district 2).

Impact of change

In 2019, 83% of those who responded to the survey had chosen their CTP insurer for the first time. All respondents were asked how choosing a CTP Insurer had impacted them.

Almost half of motorists were not impacted by the change (49%). Of those who believed they were impacted, the most common reasons were:

- Having to choose an insurer (13%)
- Receiving cheaper CTP (8%)
- Being annoyed by the change (6%)

“It hasn’t really. I just ticked a box”

“Not much I just have to decide which one to use”

“Simply having to decide upon an insurance company”

“It made my car registration cheaper and affordable”

Understanding of CTP

The level of understanding of CTP Insurance gradually increased from 2017 to 2019. More than half of respondents (53%) had a good understanding of CTP Insurance in 2019 up from 47% in 2017.

In 2017 just a quarter (24%) of motorists said they knew the cost of CTP Insurance when asked with the option of a yes/no response. In 2018 and 2019 the question was altered to give people the option to select a range of understanding of the price of CTP either:

- a good idea (30% 2019, 31% 2018),
- a rough idea (43% 2018 & 2019), or
- no idea.

Results were consistent between 2018 and 2019 with three in ten having a good idea of CTP cost while just over four in ten had a rough idea. Of those who had a good idea, the majority (80%) believed the cost per annum was under \$300 or on average motorists believed the cost was \$219.

Awareness of changes

In 2019 more than two thirds of motorists (69%) were aware of changes to CTP insurance over the past 12 months, this is a significant increase from 2018 (19%) and 2017 (31%). Those who were aware of changes were asked what the changes were, the majority (86%) said choice.

“Customers now have the choice of CTP provider”

“Multiple choice of Insurers”

In 2018 there were no notable changes to CTP despite some awareness of a change. However, in 2017 the slightly higher awareness of a change (31%) could be attributed to motorists recalling the introduction of the four private insurers as a change to CTP in the past 12 months.

Source of awareness

For policies due from 1 July 2019 to 30 June 2020 the registration renewal notice included information about the change to CTP insurance. As a result, three quarters of motorists (74%) gained knowledge of CTP Insurance over the past 12 months via the registration renewal notice. Other highly recalled sources of knowledge in 2019 align to the Regulator’s education activities including awareness gained from:

- the leaflet included with car registration 25%,
- television 20%,
- radio 13%,
- online 8%,
- newspaper 7%, and
- outdoor (bus backs and sign / billboard) 4%.

The Regulator conducted educational activities via the leaflet, radio, online, press and outdoor. The increase in television recall in 2019 may be explained by the CTP Insurers use of television advertising.

Reasons for choosing a CTP Insurer

In 2019, respondents chose based on price (50%), claimant service rating (27%) and insurer brand (23%).

In 2017 and 2018 the question was asked in preparation for competition scheme launch to understand how the choice would be made. Price and claimant service rating were considered key drivers.

Survey participants who had experienced active choice (2019 survey only)

	No	Yes
Have you renewed a motor vehicle's registration since 1 July this year?	17%	83%

Number of respondents by CTP premium district each survey year

	2019		2018		2017	
District 1	1,125	77%	674	79%	591	81%
District 2	331	23%	174	20%	132	18%
Unknown	11	1%	9	1%	6	1%
Grand Total	1,467	100%	857	100%	729	100%

District 1 numbers include those who responded with a postcode that is split between district 1 and district 2.

What level of understanding do you have of Compulsory Third Party Insurance?

	2019	2018	2017
I have a good understanding	53.4%	50.6%	47.1%
I have a vague understanding	39.4%	44.3%	46.1%
I have no understanding	6.5%	3.5%	6.7%
No response	0.7%	1.5%	0.1%


































Do you know the cost of CTP insurance?

	2019	2018	2017
I have a good idea	30.1%	31.2%	
I have a rough idea	43.4%	43.3%	
I have no idea	22.8%	24.4%	
Yes			24.4%
No			74.3%
No response	3.7%	1.2%	1.2%

Are you aware of any changes to CTP insurance over the last 12 months?




































	2019	2018	2017
Yes	69.1%	19.4%	30.7%
No	30.1%	80.0%	59.5%
Unsure			9.7%
No response	0.8%	0.6%	

How do you recall gaining knowledge of CTP insurance over the past 12 months?

	2019	2018	2017
Registration renewal notice	 74.3%		
Leaflet with car registration renewal notice	 25.0%	 31.3%	 41.2%
Television	 20.4%	 6.1%	 11.9%
Radio	 13.4%	 7.8%	 9.6%
Online	 8.3%	 0.7%	 7.5%
I haven't recalled	 7.0%	 48.2%	 24.4%
Newspaper	 6.9%	 5.3%	 8.5%
Word of mouth	 6.3%	 4.4%	 11.5%
Social media	 5.8%	 2.9%	 6.4%
Other (please specify)	 3.3%	 6.7%	 3.2%
Sign / billboard	 2.0%	 0.1%	 0.4%
Bus back	 1.5%		
CTP Regulator website	 1.1%		

What helped you to choose your CTP Insurer?

Asked for all that apply in 2018 and 2019, and for the top 3 choices in 2017. Asked "What *would* help you" in 2017 and 2018 surveys.

	2019	2018	2017
Price	 49.9%	 86.9%	 77.6%
Claimant Service Rating	 27.2%	 35.6%	 49.8%
Insurer brand	 23.0%	 19.4%	 21.0%
Information included on registration renewal notice	 9.3%		
I have not chosen my CTP insurer yet	 8.0%		
Convenience i.e. renewing with existing insurer is easier than shopping around	 5.2%	 22.2%	 19.3%
Random selection	 5.0%		
Experience with the insurer	 4.4%		
Information accompanying registration renewal notice	 4.2%	 35.4%	 53.2%
Ease of process to change insurers	 3.2%	 32.9%	 28.1%
They are all priced the same	 2.9%		
Referrals from other customers	 2.1%	 17.0%	 16.2%
Advertising	 1.8%	 2.7%	 7.8%
Online premium calculator	 0.8%	 39.6%	 42.8%
Speaking directly to insurer	 0.3%	 13.9%	 24.3%

EZYREG 2019 SURVEY QUESTIONS

- 1. Do you own a motor vehicle that is registered within South Australia? ***
 - Yes
 - No

- 2. Have you renewed a motor vehicle's registration since 1 July this year? ***
 - Yes
 - No

- 3. What is your postcode? ***

- 4. What level of understanding do you have of Compulsory Third Party Insurance?**
 - I have no understanding
 - I have a vague understanding
 - I have a good understanding

- 5. Do you know the cost of CTP insurance?**
 - I have no idea
 - I have a rough idea
 - I have a good idea
 - If you have a good idea, how much? _____

- 6. Are you aware of any changes to CTP insurance over the last 12 months?**
 - Yes
 - No
 - If yes, what? _____

** Must be answered to participate in survey*

7. How do you recall gaining knowledge of CTP insurance over the past 12 months?

- Registration renewal notice
- Leaflet with car registration renewal notice
- Social media
- Radio
- Television
- Newspaper
- Online
- Sign / billboard
- Bus back
- CTP Regulator website
- Word of mouth
- Other: please specify _____
- I haven't recalled

8. In July, motor vehicle owners started choosing their own CTP Insurer. How has this impacted you?

- _____

9. What helped you to choose your CTP Insurer? (select all that apply)

- Price
- Claimant Service Rating
- Insurer brand
- Insurer incentives
- Referrals from other customers
- Convenience i.e. renewing with existing insurer is easier than shopping around
- Ease of process to change insurers
- Advertising
- Information included on registration renewal notice
- Information accompanying registration renewal notice
- Online premium calculator
- Speaking directly to insurer
- Other: please specify _____
- I have not chosen my CTP Insurer yet