



Drivers

- **Distractions whilst driving** - drivers reported being distracted by various events whilst being in control of a vehicle, with "Other drivers" and "Passengers..." most likely to affect them (54% and 53% respectively).
- **Acceptability of speeding** - 41% of all respondents felt it was acceptable to speed on a motorway, decreasing to 16% for country roads.
 - **Acceptable circumstances** - 20% of respondents felt that it was never acceptable to exceed the speed limit on a public road; 29% felt it was acceptable in an emergency, whilst 17% felt it was acceptable on clear roads or with little traffic.
 - **Where drivers speed** - drivers were most likely to exceed the speed limit on a motorway (72%), whilst 5% were most likely to exceed it on a country lane. A further 20% said that they never drive over the speed limit.
 - **When drivers speed** – 47% of drivers felt that the time of day would not have any impact on their likelihood of speeding, whereas 23% were most likely to speed in the morning. A further 18% were most likely to speed at night.
- **Acceptability of drink driving** – 64% of all respondents (63% of drivers) felt that it is never acceptable to consume alcohol before driving; a further 21% felt that it was acceptable if they'd only had 1 or 2 drinks.
 - **Past drink driving** – despite this 50% of drivers report having driven on a public road after consuming alcohol; 12% felt that they were actually over the legal limit.

Whiplash

- **Support for whiplash claim controls** – respondents were supportive of all proposals presented, particularly limiting compensation unless injuries are of a minimum specified severity and duration (71% supported); a further 64% supported the removal of compensation for short term injuries.
 - **Capping compensation** – 66% supported limiting compensation for whiplash injuries as a way of reducing car insurance premiums.

EHIC

- **Awareness of EHIC** – 54% of respondents correctly identified the purpose of the European Health Insurance Card; 10% had never heard of it. Under half of those aware of the EHIC (44%) correctly identified its validity duration of 5 years, whilst 24% were unsure.
 - **Usage of EHIC** – 69% of respondents aware of the EHIC reported carrying an EHIC when travelling in Europe, whilst a further 26% reported that they do not currently have an EHIC.

Fraud

- **Perceptions of insurance fraud** – 42% of respondents felt that insurance fraud was an easy way to make a quick buck; separately 27% felt that the penalty for committing insurance fraud was negligible.

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Introduction

The ABI Quarterly Consumer Survey looks at consumer behaviour, mainly in relation to life and general insurance products, as well as attitudes towards savings and financial resilience. This quarter considers a variety of topics including driving behaviour, attitudes to telematics, knowledge of various initiatives / regulatory changes, and others (see contents above).

Details on the sample composition can be found in Appendix A1. All reported proportions in figures are rounded to the nearest percent, and therefore do not always sum to exactly 100%.

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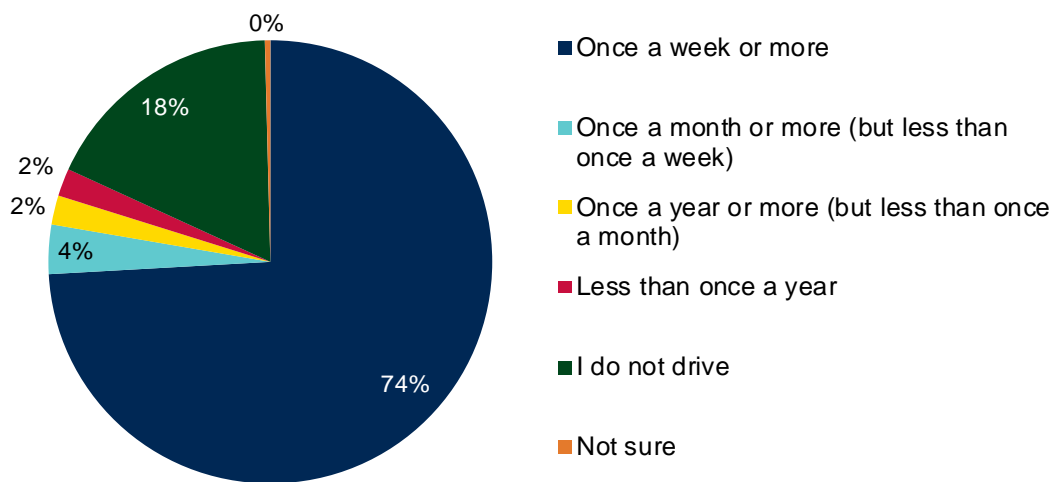
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1. Driver behaviour

Drivers can often act in ways that put themselves, passengers and other road users in danger. This can include behaviours such as speeding on country lanes and motorways, being distracted by the car radio, or by consuming alcohol/drugs before driving. This quarter we have included several questions to gauge the attitudes of the population at large towards these behaviours. We also look more specifically at drivers themselves, and ask whether any of these cases describe their past behaviour.

Respondents were first asked how often they drive on public roads, if at all. The majority responded that they did, with 74% driving once a week or more; 18% reported that they do not drive (see Figure 1).

Figure 1 "How often, if at all, do you drive on public roads?"



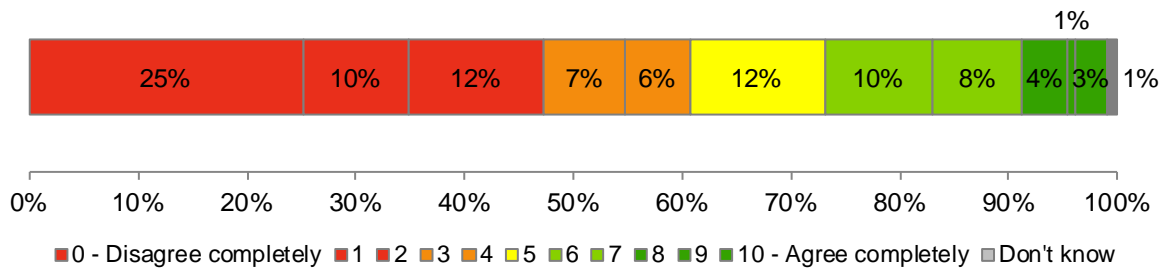
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents)

A larger proportion of male respondents drive (87%, compared to 78% of females), whilst the age group with fewest drivers was 18-24 year olds, with 70% reporting that they drive. London had the lowest regional proportion of drivers (74%, compared to 80%-88% in other regions).

All respondents were then presented with the statement "When driving on a public road it is acceptable to exceed the speed limit" and asked how far they agreed with it. The majority of respondents disagreed with the statement, with 61% choosing 4 or below out of 10 (0 = completely disagree); a surprisingly large proportion agreed however, with 26% choosing 6 or above out of 10; 1% of respondents were unsure (see Figure 2).

Figure 2 “How far do you agree or disagree with this statement? ‘When driving on a public road it is acceptable to exceed the speed limit’”



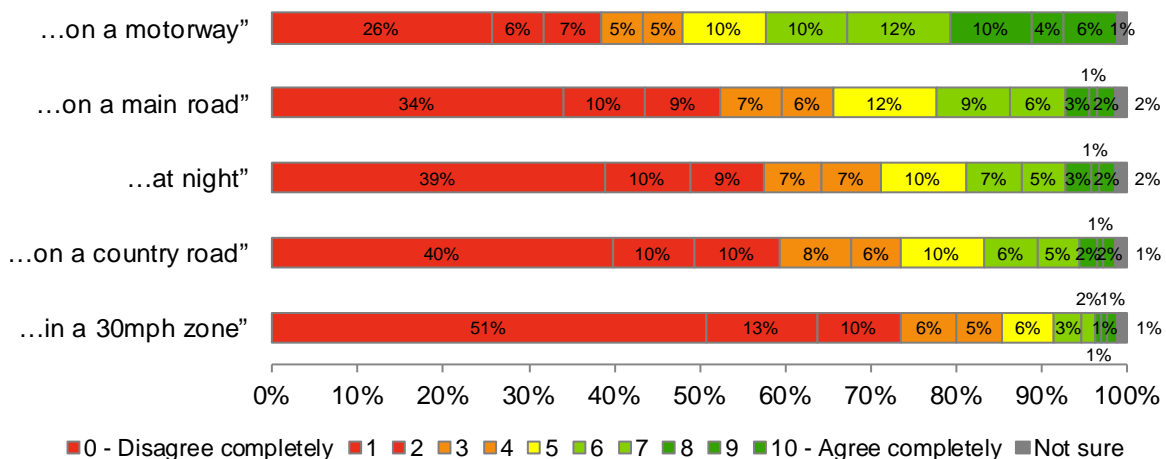
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents)

Male respondents were more likely to agree with this statement (32% chose 6 or above out of 10, compared to 20% for females); 33% of respondents under the age of 45 agreed with the statements, whilst 20% of those aged 45 and over chose 6 or above. Drivers were significantly more likely than non-drivers to agree with the statement, with 28% selecting 6 out of 10 or above (compared to 14% for non-drivers).

When asked whether it was acceptable to speed on any of a variety of road types, the choice with the highest level of agreement was “It is acceptable to exceed the speed limit when driving on a motorway”, with 41% of respondents selecting 6 or above out of 10 (see Figure 3). The location least acceptable to exceed the speed limit in was “...in a 30mph zone”, with only 7% agreeing that it was acceptable.

Figure 3 “How far do you agree or disagree with these statements? ‘It is acceptable to exceed the speed limit when driving...’”



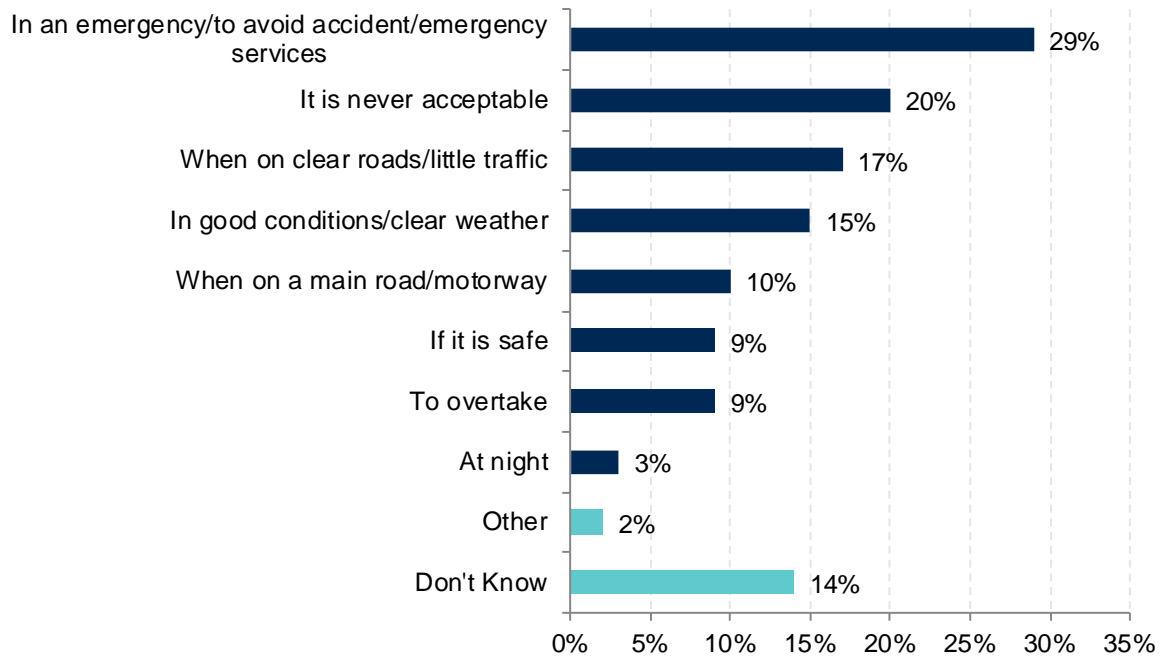
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents)

Drivers were significantly more likely to find these options acceptable than non-drivers, with same overall order of options as the sample as a whole (e.g. 45% of drivers felt exceeding the speed limit on a motorway was acceptable, compare to 24% of non-drivers). Similar to the previous question male respondents were more likely to agree with these options than females; younger respondents were more likely to agree with the options, with the highest levels of agreement amongst those aged 25-29.

Respondents were then asked which circumstances they felt it was acceptable to exceed the speed limit. This question took the form of an open response, and as such Figure 5 reports the proportion of similar responses in each category. The most frequently mentioned factor was being involved in an emergency situation or some sort (e.g. to preserve life, or if the speeding vehicle is in the emergency services) with 29% of respondents mentioning it; 20% felt it was never acceptable.

Figure 4 “Under what circumstances, if any, do you think it is acceptable to exceed the speed limit on a public road?” [Open responses]



Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents); this figure represents coded responses to frequently mentioned examples

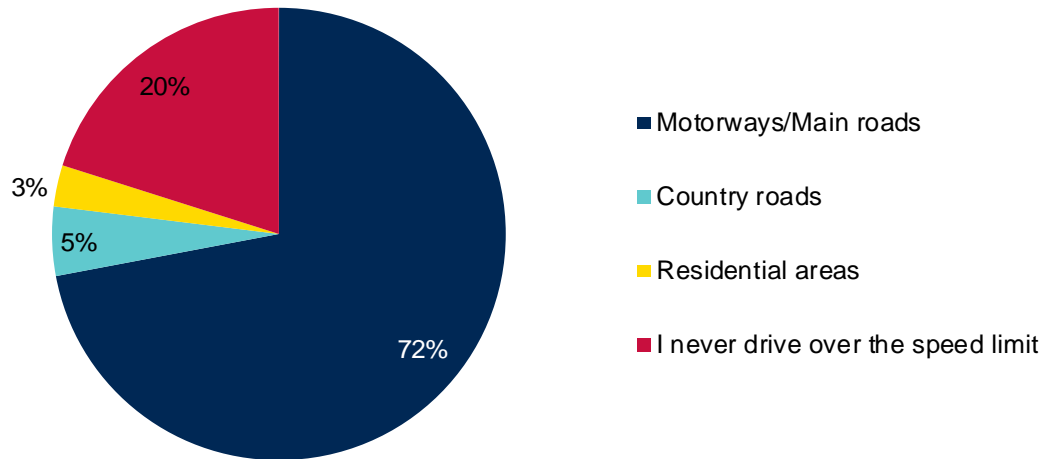
Given the open response nature of the question there were many interesting answers; a lot of individuals took the opinion that speed limits are advisory, and not strict:

“When it is quiet and road is clear ahead and no speed cameras” – Female, aged 45-54

“If it is clear, fairly straight and the speed limit is so ridiculously low that you know it's only there to meet “targets” – Male, aged 18-24

Drivers were then asked where they personally would be most likely to exceed the speed limit. The majority of drivers chose “Motorways/main roads” (72%), whilst 20% of respondents said that they never exceed the speed limit (see Figure 5).

Figure 5 “Where are you personally most likely to exceed the speed limit when driving? Please tick ONE only”



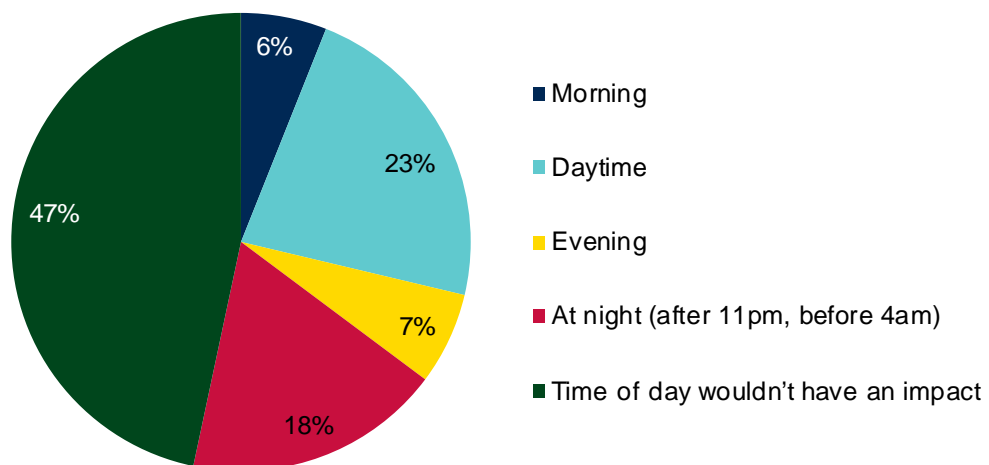
Source ABI Quarterly Consumer Survey 2012Q4

Notes Drivers (2,056 respondents)

Male respondents were more likely to speed on a motorway (76% chose this, compared to 68% of females), whereas females were more likely to say that they never drive over the speed limit (24%, compared to 16% of males).

The time of day was not generally felt to impact when a respondent would be most likely to speed; 47% of respondents said that time of day wouldn't have an impact (see Figure 6)

Figure 6 “What time of the day are you personally most likely to exceed the speed limit when driving? Please tick ONE only”

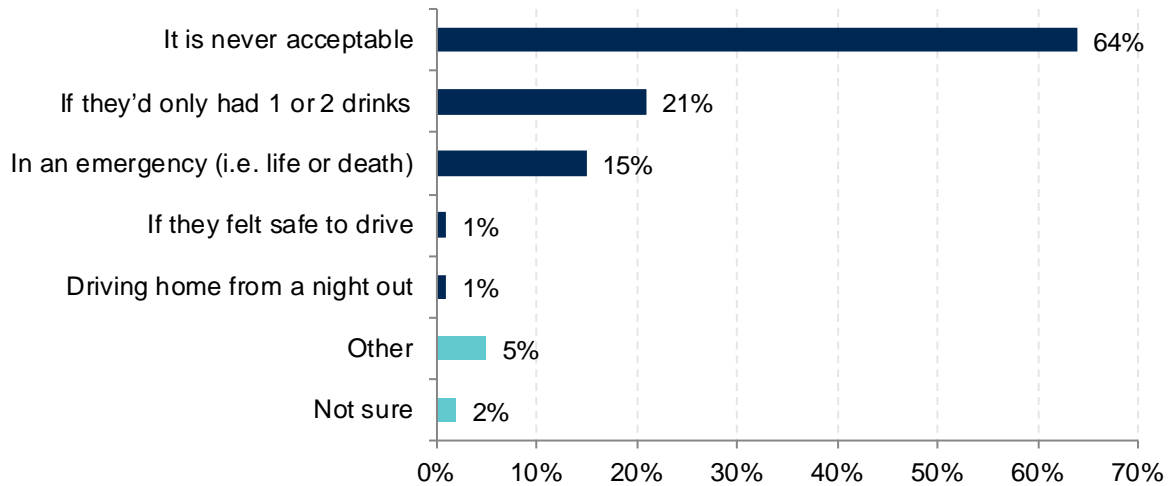


Source ABI Quarterly Consumer Survey 2012Q4

Notes Drivers excluding those choosing Figure 6 “I never drive over the speed limit” (1,643 respondents)

Moving on from the subject of speeding, respondents were then asked about their attitudes towards the acceptability of alcohol consumption before driving. The majority of respondents felt that driving having recently consumed alcohol was never acceptable (64%, see Figure 7), with a further 21% feeling it would be acceptable if “they’d only had 1 or 2 drinks”. Only 15% of respondents felt it would be acceptable in an emergency.

Figure 7 “If someone had recently consumed alcohol, under what circumstances would driving on a public road be acceptable? Please tick any that apply”



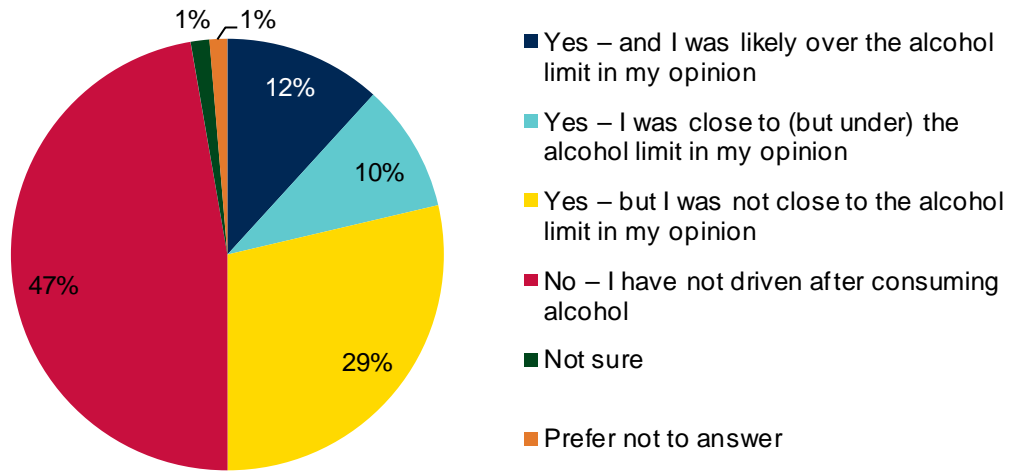
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents)

Female respondents were significantly more likely to choose “It is never acceptable” (71%, compared to 57% of males), and were less likely to choose “If they’d only had 1 or 2 drinks” (17%, compared to 25% amongst male respondents). Younger age groups were less likely to choose “It is never acceptable”, rising from 52% of 18-24 year olds to 71% for those aged 55 and over. Responses did not vary greatly between drivers and non-drivers; however those that do not drive are more likely to say “It is never acceptable” (68%, compared to 63% amongst drivers).

Despite a large proportion of respondents saying it is never acceptable to drive after consuming alcohol, 50% of respondents admit to having driven after consuming alcohol; 12% felt that they were likely over the legal limit (see Figure 8).

**Figure 8 “Have you ever driven on a public road after consuming alcohol?
 Please note that individual responses are confidential, and results will
 only be shown at an aggregate level; please tick ONE only”**



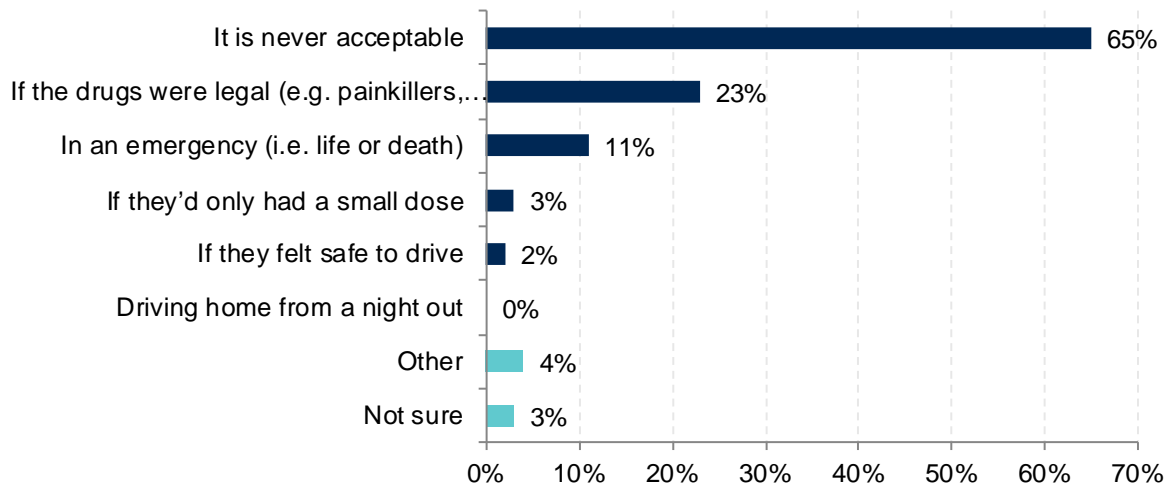
Source ABI Quarterly Consumer Survey 2012Q4

Notes Drivers (2,056 respondents)

Male respondents were significantly more likely to have consumed alcohol before driving (63%, compared to 36% amongst female drivers); 19% of male drivers said that they had likely been over the legal limit. The proportion responding “No – I have not...” was significantly higher for female drivers, with 62% selecting it (compared to 33% of males). Responses did not vary consistently between age groups, however those with the largest proportion choosing “Yes...” were 30-34 year olds (55%) and 50-54 year olds (56%). Surprisingly, 34% of respondents that had chosen “It is never acceptable” in Figure 7 admitted to driving after consuming alcohol; 9% thought that they were over the legal limit.

In a similar format to Figure 7 respondents were then asked how acceptable they felt it was to take drugs before driving on a public road. Once again the majority felt that it was unacceptable (65%, see Figure 9), whilst 23% thought it would be acceptable if the drugs were legal.

Figure 9 “If someone had recently taken drugs, under what circumstances would driving on a public road be acceptable? Please tick any that apply”



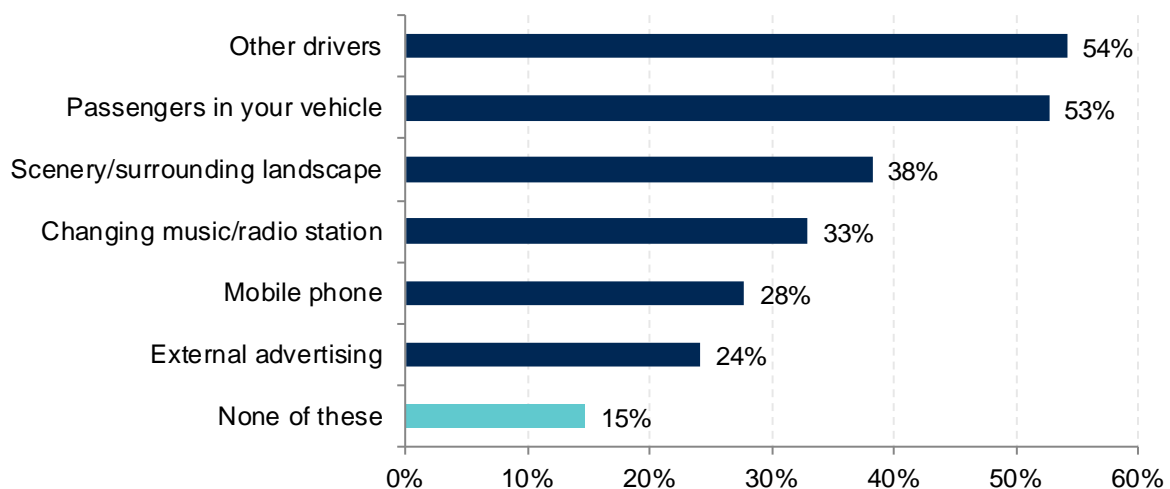
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents)

Males respondents were less likely to say “It is never acceptable” (59%, compared to 71% of females) similar to Figure 7; responses did not vary consistently between age groups however, with those aged 25-29 being most likely to choose “It is never acceptable” (70%).

Another significant danger to road users is when drivers become distracted by their surroundings. Drivers were presented with a variety of options and asked whether any had distracted them whilst driving; the most frequently selected choice was “Other drivers” with 54% of respondents, followed by “Passengers in your vehicle” with 53% of respondents (see Figure 10).

Figure 10 “Have you ever been distracted when driving by any of the following? Please tick any that apply”



Source ABI Quarterly Consumer Survey 2012Q4

Notes Drivers (2,056 respondents)

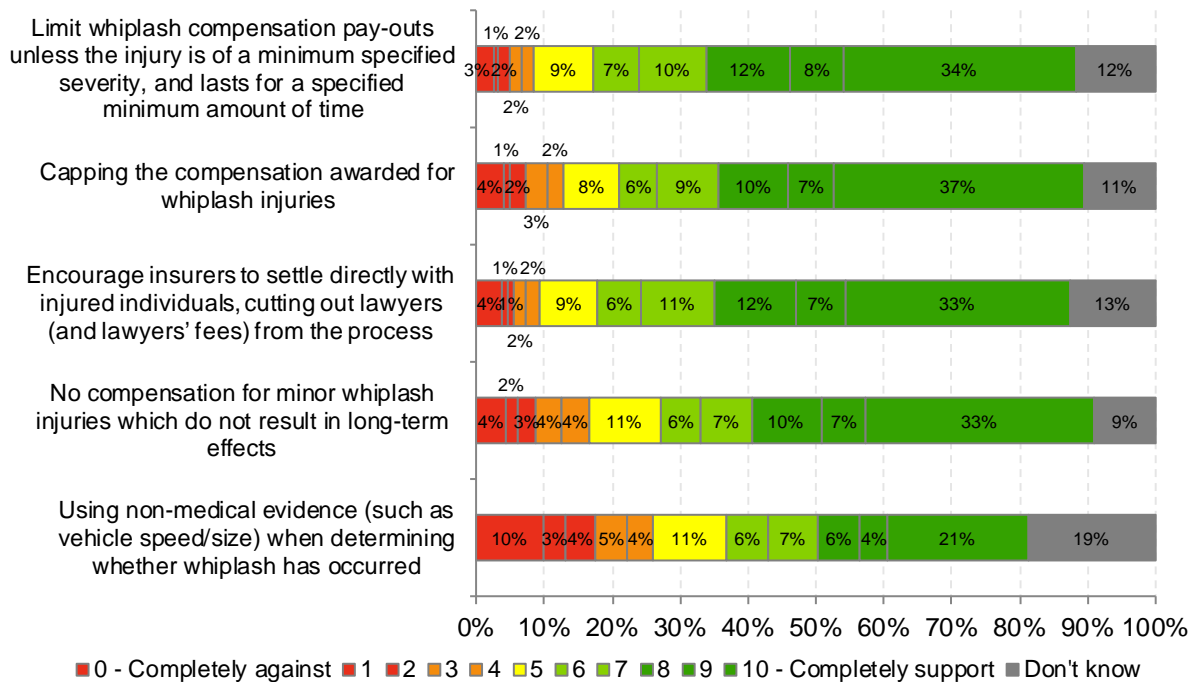
Male drivers were generally more likely to have been distracted, with all options receiving a higher proportion of responses than females; the top distraction for female drivers was "Passengers in your vehicle" (51%) followed by "Other drivers" (49%). "Passengers in your vehicle" tended to be the largest distraction amongst middle age groups (i.e. 30-44), whilst in higher age groups "Other drivers" tended to be the biggest distraction. The other options tended to be most distracting to those under 30 years old.

2. Whiplash

The UK is currently in the midst of a whiplash epidemic, fuelled in part by the activities of claims management companies encouraging individuals to make claims (regardless of whether they were injured or even involved in an accident). The cost of paying for these resulting whiplash claims is having a significant impact on the cost of car insurance premiums for motorists.

To gauge respondent attitudes to the situation we presented each with several options to help control the amount paid out in compensation for whiplash, and asked how far they would support each. The most popular option is to limit pay-outs unless the claim conforms to predetermined criteria, with 71% of respondents ranking their support at 6 out of 10 or above (see Figure 11).

Figure 11 “Whiplash personal injury pay-outs account for £90 of the average motor insurance premium, and the UK is currently in the midst of a ‘whiplash epidemic’. How strongly would you support each of the following to help control this?”

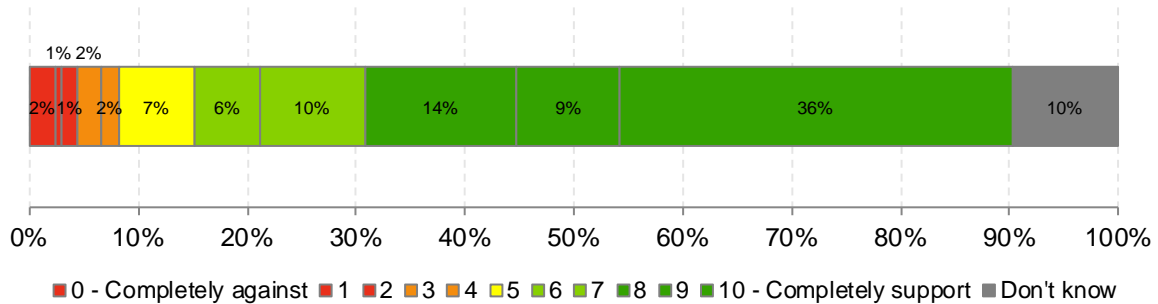


Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents); categories ranked based on results *excluding* “not sure” responses.

Respondents were then presented with a more generic version of the first option in Figure 11 and once again asked how far they would support it. The majority of respondents said that they would, with 75% rating their support at 6 out of 10 or above; only 8% were against this proposal (see Figure 12).

Figure 12 Car insurance premiums have been increasing in recent years in order to provide compensation to those making claims for whiplash. How strongly would you support limiting compensation to those with whiplash as a way to help reduce car insurance premiums, on a scale from 0 to 10?



Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2,500 respondents)

Drivers were significantly more likely to support this proposal, with 79% of respondents rating their support at 6 out of 10 or above (compared to 59% of non-drivers ranking their support at 6 out of 10 or above). There was no major difference in support between male and female respondents, however lower socio-economic groups were more likely to support the proposal (77% for ABC1, compared to 72% for C2DE).

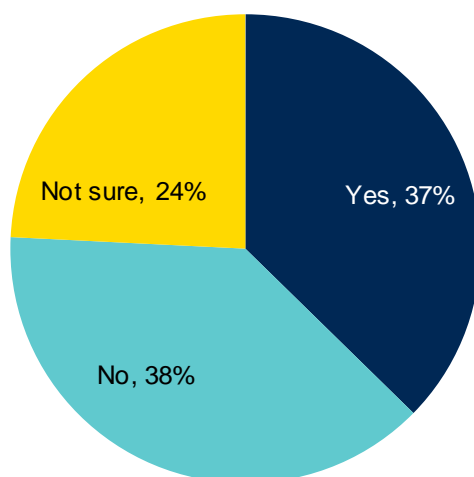
3. Telematics

Telematics devices, also known as 'black boxes', have the potential to allow far more accurate underwriting of the risk individual motorists pose. They achieve this by using a variety of sensors to detect rapid acceleration/braking manoeuvres, violent cornering and persistent speeding, and subsequently transmitting this information back to the individuals' insurer. This suite of sensors also allows for the detection of crashes, and can immediately report incidents to insurers and the emergency services.

This technology does not necessarily imply that the cost of motor insurance would systematically decrease with greater adoption rates. It would, however, likely result in safer drivers paying less than their more dangerous peers. It would also serve as a considerable incentive to drive more carefully, with a far more clearly defined link between an individual's costs and their driving performance.

Respondents were first presented with a brief description of how telematics devices work and the types of data they are able to collect; after which they were then asked whether they would consider taking out an insurance policy that uses one of these devices. Approximately equal proportions were in favour of using a black box as were opposed, with 37% responding that they would consider a policy using this technology (see Figure 13).

Figure 13 "Would you ever consider taking out a motor insurance policy that used one of these 'black box' devices in your vehicle? Please tick ONE only"



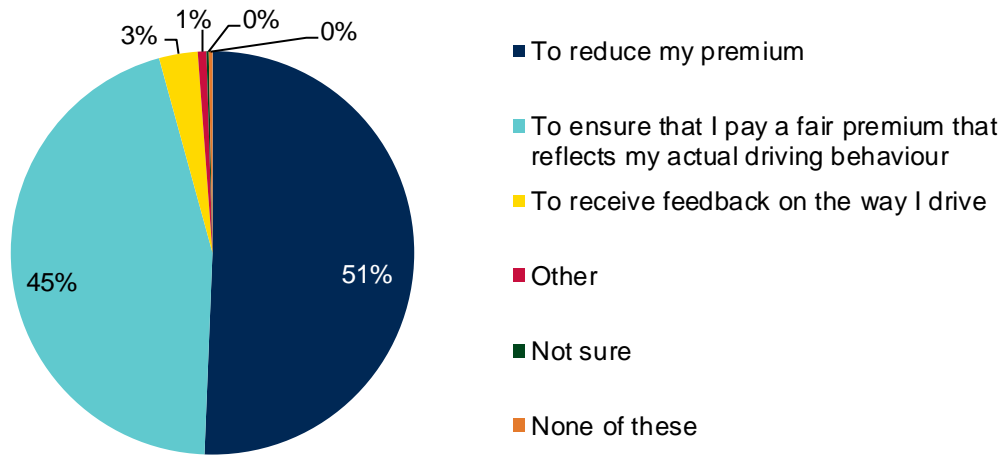
Source ABI Quarterly Consumer Survey 2012Q4

Notes All drivers (2056 respondents); question preceded with "Some insurers are introducing motor insurance policies that link the way you drive to the premium you pay, by using a 'black box' device fitted in your car or a smartphone application to collect data on how, when and where you drive. This data is then transmitted to the insurance company. These policies could save drivers money if they are driving well, but could cost more if they regularly show signs of poorer driving, such as braking heavily, cornering too sharply, speeding or repeated rapid acceleration. The devices can also be used to send information to your insurance company about any collisions you might have."

Male respondents were more likely to select "No" (43%, compared to 34% with female respondents) however the proportion selecting "Yes" was virtually identical.

Those respondents that chose "Yes" in Figure 13 were then asked which (from a small selection) would be the main reason they would consider a telematics policy. The most popular choice was "To reduce my premium" with 51% of respondents (see Figure 14).

Figure 14 Which of the following, if any, is the main reason you would consider taking out a motor insurance policy that uses one of these 'black box' devices in your vehicle?



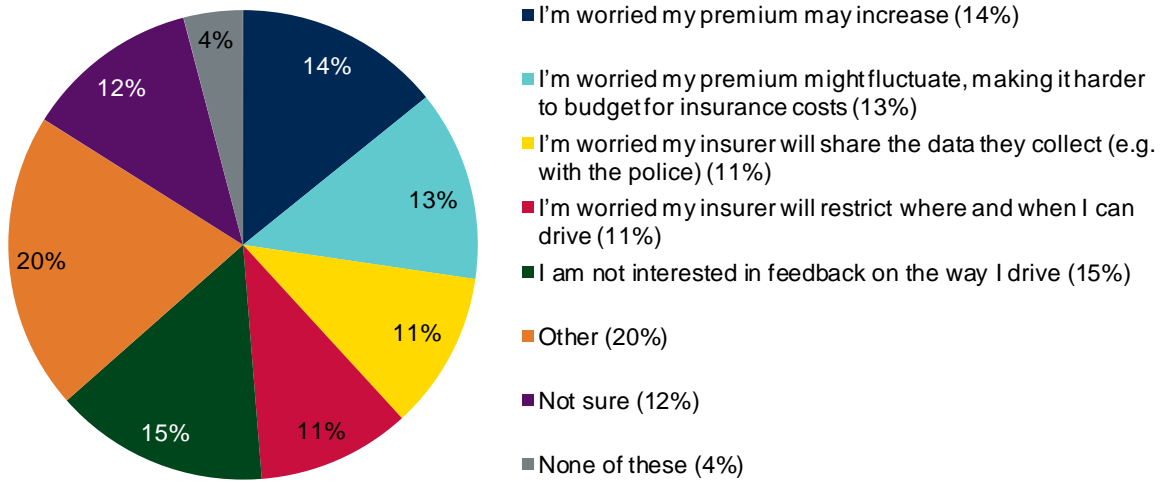
Source ABI Quarterly Consumer Survey 2012Q4

Notes All responding 'Yes' in Figure 13 (768 respondents)

It is important to note that a telematics-based insurance policy will not automatically reduce an individual's premium; they may find their premium actually increases if they drive unsafely, at night, or have a high mileage. A more realistic outcome to expect would be the second most popular option, "To ensure that I pay a fair premium that reflects my actual driving behaviour", chosen by 45% of respondents.

The "No" group of respondents from Figure 13 were instead asked what was the main reason for *not* considering a telematics policy. The most popular choice (with the exception of "Other") was "I'm worried my insurance premium may increase" with 14% of respondents, followed by "I'm worried my insurance premium might fluctuate, making it harder to budget for insurance costs" with 13% of respondents (see Figure 15).

Figure 15 “Which of the following, if any, is the main reason you would not consider taking out a motor insurance policy that uses one of these ‘black box’ devices in your vehicle?”

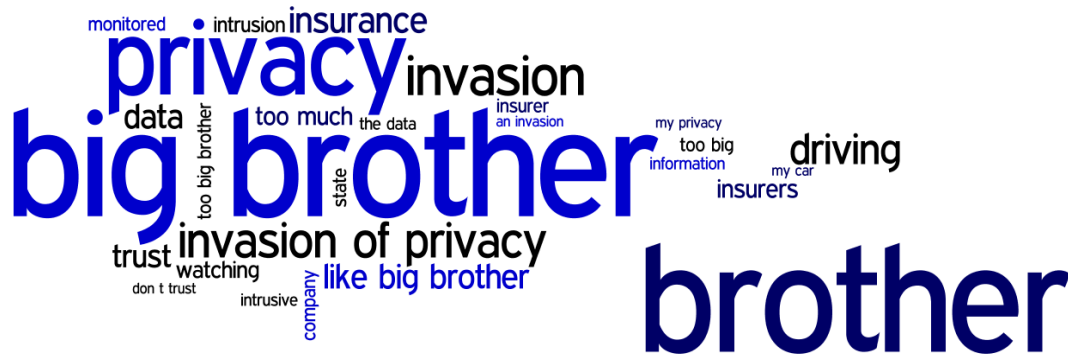


Source ABI Quarterly Consumer Survey 2012Q4

Notes All responding 'No' in Figure 13 (1288 respondents)

Respondents selecting “Other” typically mentioned concerns around the privacy of data and the concept of “big brother” (see Figure 16).

Figure 16 Common responses to “Other” in Figure 15



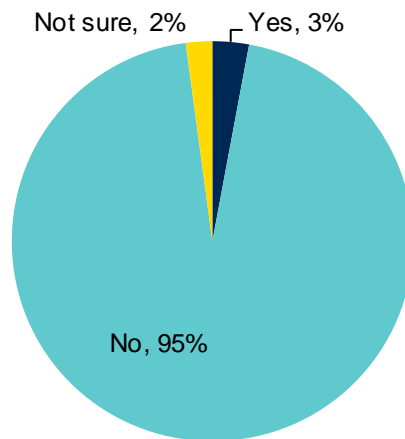
Source ABI Quarterly Consumer Survey 2012Q4

Notes All responding 'No' in Figure 13 (1288 respondents)

4. Insurance Industry Access to Driver Data (IIADD)

In an effort to help counter underwriting fraud the motor insurance industry is in the process of implementing a link to the DVLA driver licence database, with the aim that information on licence endorsements and convictions is supplied automatically during the quote process. This will help combat non-disclosure of material facts relating to the individuals conviction history, unintentional or otherwise. Respondents would simply be asked to supply their driving licence number when completing the proposal form. Only 3% of respondents currently claim to have heard about this initiative (see Figure 17).

Figure 17 "From 2014, you will be asked to provide your Driving Licence Number (as stated on your photo card/paper driving licence) whenever you buy motor insurance. Before today, were you aware of this?"



Source ABI Quarterly Consumer Survey 2012Q4

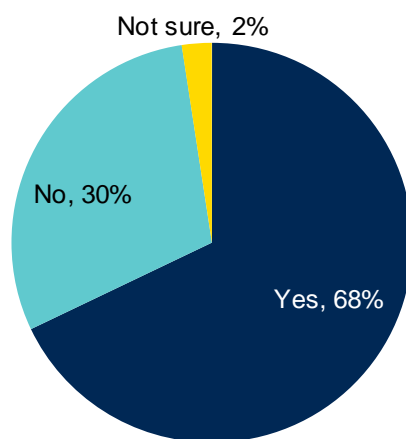
Notes Full sample (2500 respondents)

5. Gender Neutral Insurance Pricing

On the 21st of December 2012 a European Court of Justice ruling came into force that stipulated that insurance contracts may not use an individual's gender as factor to set the price or benefits of the individual's insurance cover. The products most heavily affected by this are motor insurance and pension annuities, both of which applied a heavy weighting to gender (young male drivers tend to cause more claims, and in the case of annuities men tend to have a shorter life expectancy).

Respondents were first asked whether they had heard about the gender ruling; 68% responded "Yes", with 30% selecting "No" (see Figure 18).

Figure 18 "In the near future, insurance companies will not be allowed to take your gender into account when calculating the price of a policy (e.g. for motor insurance or buying annuities). Before today, were you aware of this?"



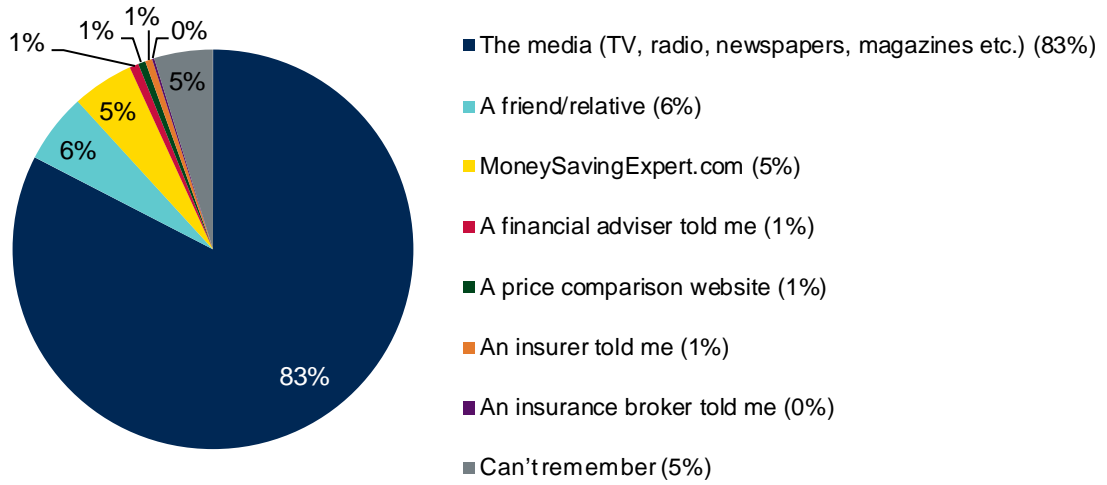
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2500 respondents)

Male respondents were slightly more likely to have heard about the changes to gender-neutral insurance (70% chose "Yes", compared to 66% for females), and regular drivers were significantly more likely to have heard about the changes than non-drivers (73% of regular drivers selected "Yes", compared to 50% of non-drivers).

Those respondents that were aware of the changes were then asked where they had first heard about this. By far the most popular option was "The media..." chosen by 83% of respondents (see Figure 19); this is to be expected given that fieldwork took place immediately prior to the implementation date of the ruling for gender-neutral insurance.

Figure 19 “You said that you were aware that insurance companies will no longer be able to take gender into account when calculating policies. Where did you first hear about this from?”



Source ABI Quarterly Consumer Survey 2012Q4

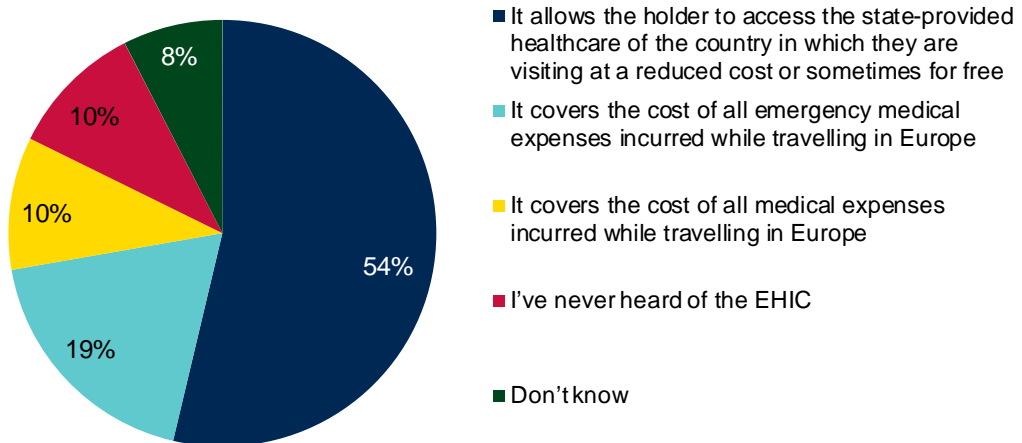
Notes All responding “Yes”, Figure 18 (1697 respondents)

6. European Health Insurance Card

The European Health Insurance Card (or EHIC) is the result of an agreement between European countries which entitles the bearer to the same level of state provided healthcare that the country provides to its citizens. It does not cover other expenses such as repatriation and air ambulances, and as such does not act as a replacement to an appropriate travel insurance policy. In some cases the EHIC will cover the excess for medical treatment covered under a standard travel insurance policy.

Respondents were initially asked to identify the correct purpose of the EHIC. Over half correctly identified it, with 54% choosing "It allows the holder to access the state-provided healthcare..." (see Figure 20).

Figure 20 "Which of these statements do you think most accurately describes the purpose of a European Health Insurance Card (EHIC)? Please tick ONE only"



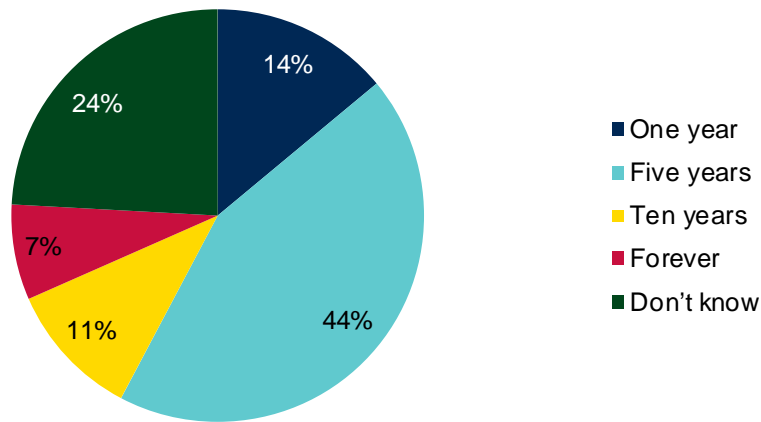
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2500 respondents)

Respondents that currently hold some form of travel insurance (either an annual or single trip policy) were significantly more likely to choose the correct answer, with 70% choosing "It allows the holder to access...".

Respondents that were aware of the EHIC were then asked how long they thought it was valid for, with just under half (44%) correctly choosing five years (see Figure 21). A significant proportion (42%) were either unaware of the validity period, or chose a period longer than 5 years; these individuals could be at risk of not renewing their EHIC at the appropriate point in time.

Figure 21 “How long do you think a European Health Insurance Card (EHIC) is valid for? Please tick ONE only.”

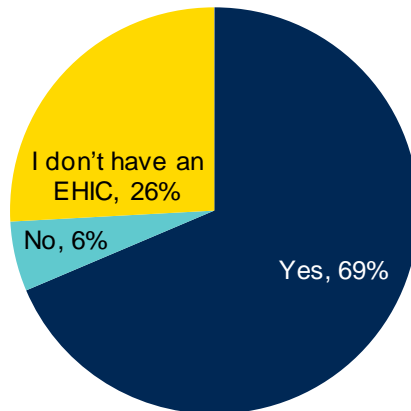


Source ABI Quarterly Consumer Survey 2012Q4

Notes All aware of the EHIC (2246 respondents)

Those respondents that were aware of the EHIC were also asked whether they carried an EHIC with them when travelling in Europe. The majority of respondents (69%) said that they did, however a large proportion either did not have an EHIC (26%) or did not carry it with them when they travelled in Europe (see Figure 22).

Figure 22 “Do you carry an EHIC when you travel in Europe? Please tick ONE only”

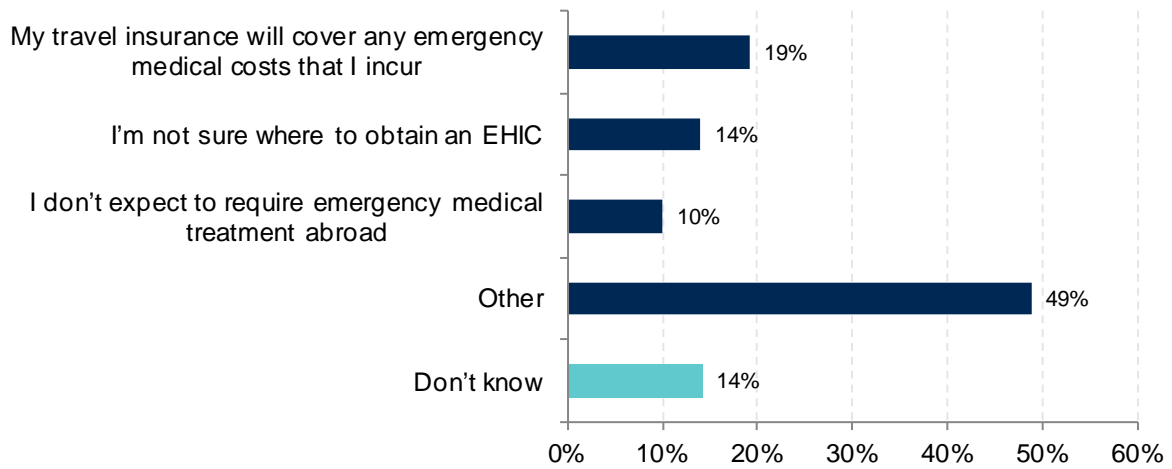


Source ABI Quarterly Consumer Survey 2012Q4

Notes All aware of the EHIC (2246 respondents)

Those that do not carry an EHIC or do not have one were most likely to assume that their travel insurer would cover any medical costs that they might incur (19%), whilst 14% were unsure of where to obtain an EHIC (see Figure 23).

Figure 23 “Why not? Please tick any that apply”



Source ABI Quarterly Consumer Survey 2012Q4

Notes All who do not own/carry an EHIC (706 respondents)

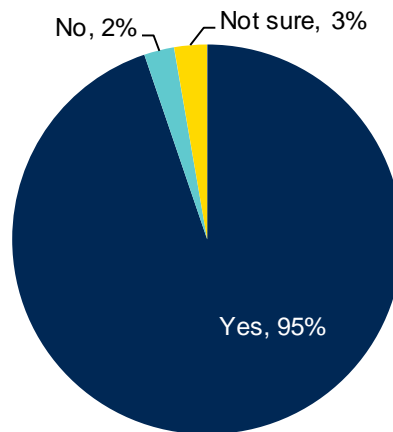
The vast majority of 'Other' responses centred on respondents not travelling abroad, however in some cases respondents said that they have an EHIC, but that it had expired.

7. Insurance Fraud

Fraud is a significant and on-going problem for insurers; in 2011 insurers detected approximately £983 million in fraudulent claims, and it is estimated that a further £2 billion of undetected fraud takes place each year. This quarter we presented respondents with several questions to gauge their general attitude towards fraud, and also test their knowledge and perceptions of the Insurance Fraud Enforcement Division (an insurer-funded specialist anti-fraud unit introduced in January 2012). This section also includes questions that consider awareness and perceived effectiveness of the new Insurance Fraud Register.

When asked whether they felt that making an exaggerated, false or inflated insurance claim would be classified as fraud, the vast majority of respondents responded 'Yes' (95%); just 2% felt that these would not be classed as fraud (see Figure 24).

Figure 24 "Do you think that making an exaggerated, false or inflated insurance claim would be classed as fraud? Please tick ONE only"

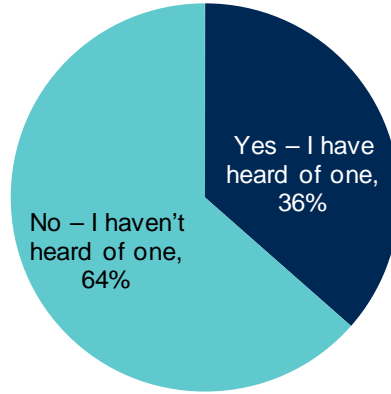


Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2500 respondents)

The Insurance Fraud Enforcement Department is a dedicated unit at the City of London Police, established at the start of 2012 and funded by the insurance industry with a specific mandate to investigate cases of insurance fraud. When asked whether they had heard of a dedicated police unit to tackle insurance fraud, 36% said that they had (see Figure 25).

Figure 25 “Are you aware of a dedicated police unit established to tackle insurance fraud in the UK? Please tick ONE only.”

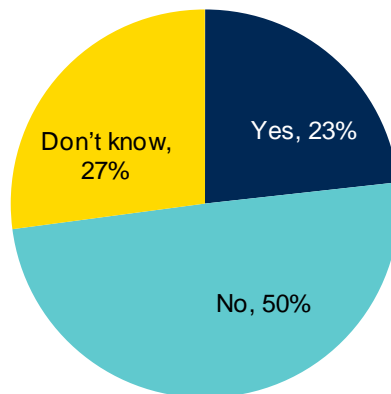


Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2500 respondents)

When asked whether they felt that a dedicated police unit tackling insurance fraud would act as a deterrent to making fraudulent insurance claims, the most popular option was 'No', with 50% of respondents (see Figure 26). Just 23% of respondents felt that it *would* act as a deterrent, with the remaining 27% uncertain.

Figure 26 “Do you believe that a dedicated police unit tackling insurance fraud is acting as a deterrent to people who make fraudulent insurance claims? Please tick ONE only”

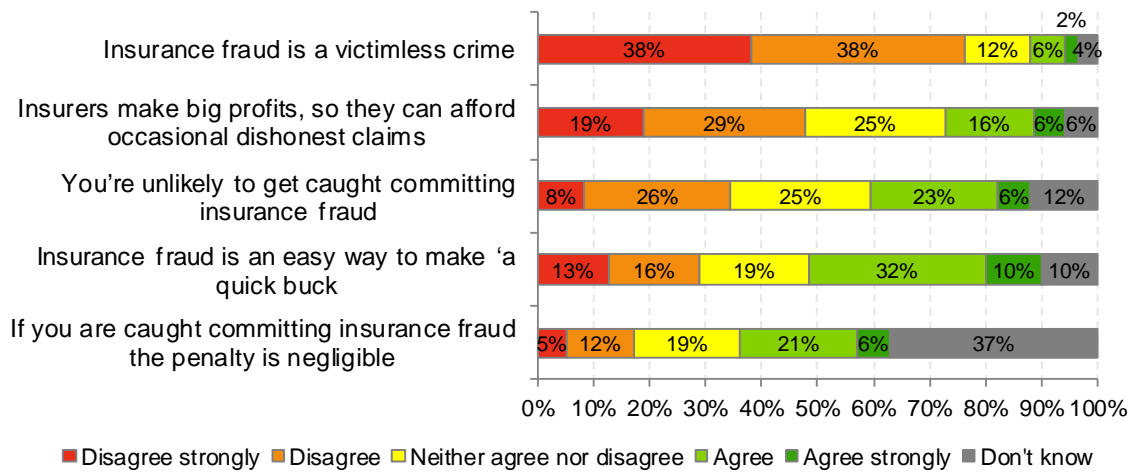


Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2500 respondents)

In order to gauge general attitudes towards fraud respondents were presented with several statements relating to insurance fraud and asked how far they agree with them. The least favoured option was “Insurance fraud is a victimless crime”, with 76% of respondents selecting either “Disagree” or “Disagree strongly” (see Figure 27). Similar proportions of respondents agreed both that “You’re unlikely to get caught committing insurance fraud” and “...the penalty is negligible” (29% and 27% respectively); just 5% of respondents strongly disagreed that the “...penalty is negligible”.

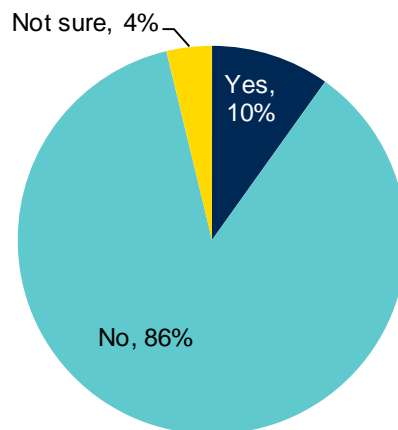
Figure 27 “How far do you agree or disagree with the following statements?”



Source ABI Quarterly Consumer Survey 2012Q4
Notes Full sample (2500 respondents)

To establish a baseline measure for awareness of the new Insurance Fraud Register (IFR) respondents were presented with a brief description and asked whether they had previously heard of it. The majority of respondents had not (86%, see Figure 28) whereas a further 10% of respondents claimed that they *had* heard of it; a proportion of these may however be confusing the IFR with other insurance industry / fraud databases (e.g. the Motor Insurers Database, the National Fraud Database etc.)

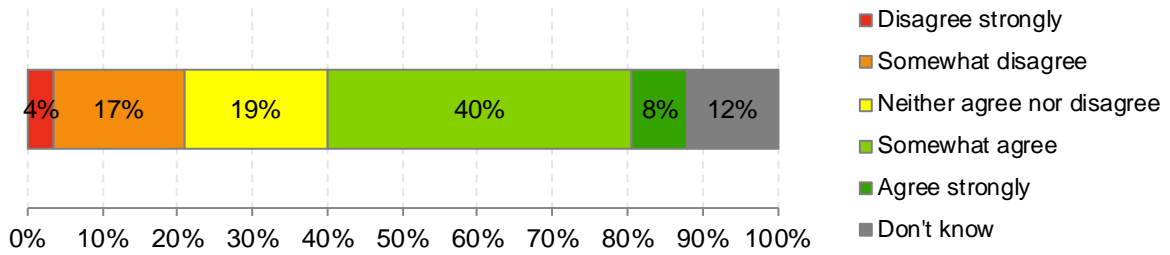
Figure 28 “The insurance industry has recently launched a new database called the Insurance Fraud Register, which enables insurers to share information about known fraudsters. Before today, were you aware of the Register? Please tick ONE only”



Source ABI Quarterly Consumer Survey 2012Q4
Notes Full sample (2500 respondents)

When asked whether they felt that the IFR would act as a deterrent to potential fraudsters just under half (48%) of respondents agreed that it would; 21% of respondents disagreed (see Figure 29).

Figure 29 “How far do you agree or disagree with the following statement? ‘The Insurance Fraud Register will act as a deterrent to people who make fraudulent insurance claims’”



Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2500 respondents)

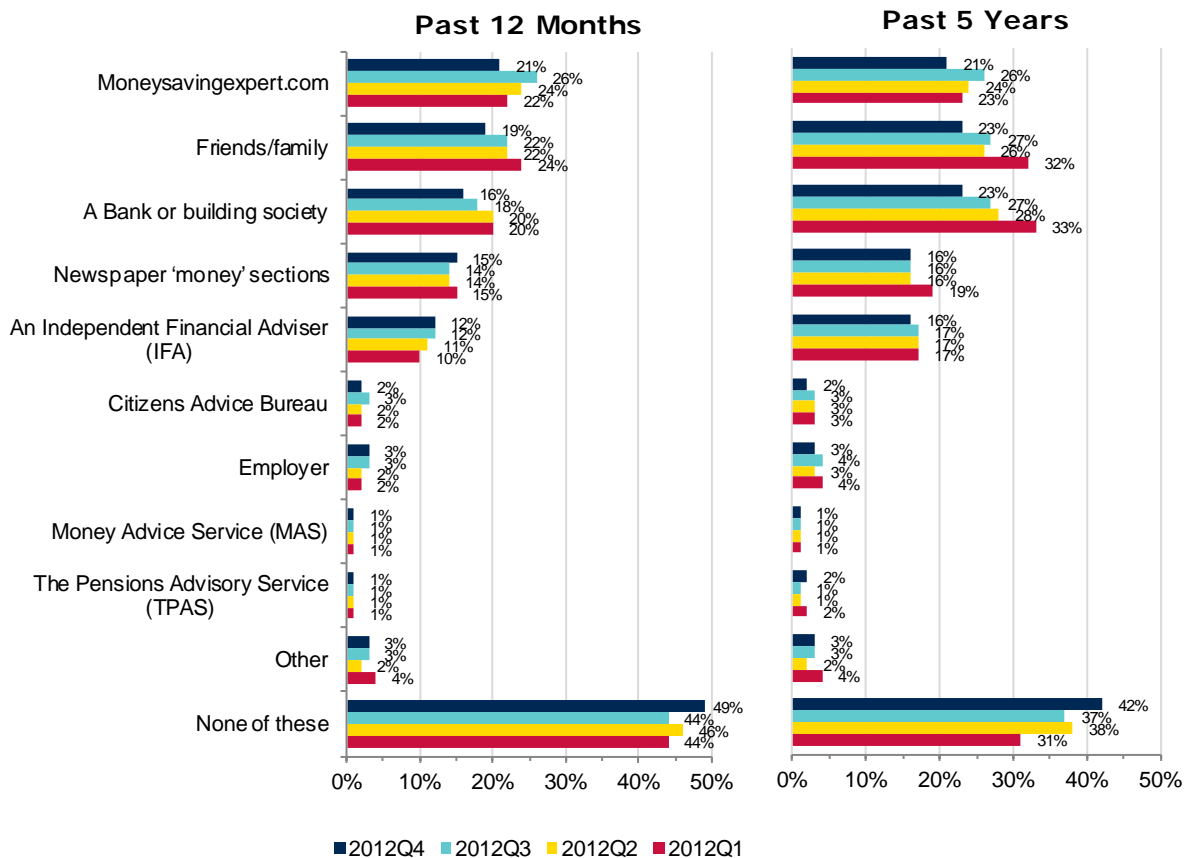
The majority of respondents who felt that IFED would act as a deterrent also felt that the IFR would itself act as a deterrent (72% agreed); 46% of those that were unsure of the effectiveness of IFED agreed that the IFR would deter fraudsters.

8. Attitudes to Financial Advice

In the lead-up to implementation of the Retail Distribution Review at the end of 2012 this survey tracked a series of questions looking at the sources of advice used by respondents, and whether or not they are aware of the forthcoming changes to adviser remuneration and minimum qualifications. When the RDR came into effect it brought about a number of significant changes to the way that advice on retail investment products can be provided. Two key changes centre on remuneration and education; the RDR enacts a complete ban on commission for investment related financial advice, and sets a minimum education level for advisers at QCF (Qualifications and Credit Framework) Level 4 – roughly equivalent to completing the first year of a degree.

Respondents were first asked whether they had used any of a selection of sources of financial advice in the last 12 months / 5 years, and could tick any that were applicable. The most popular choice in the last 12 months was “MoneySavingExpert.com” with 21% of respondents, whereas in the last 5 years the most popular choice is “Friends/family” with 23% of respondents (see Figure 30). In the last 12 months 51% of respondents had used at least one of these sources of financial advice, rising to 58% in the last 5 years.

Figure 30 “Which of the following, if any, have you used for financial advice on investments/savings in the past year? Please tick all that apply”



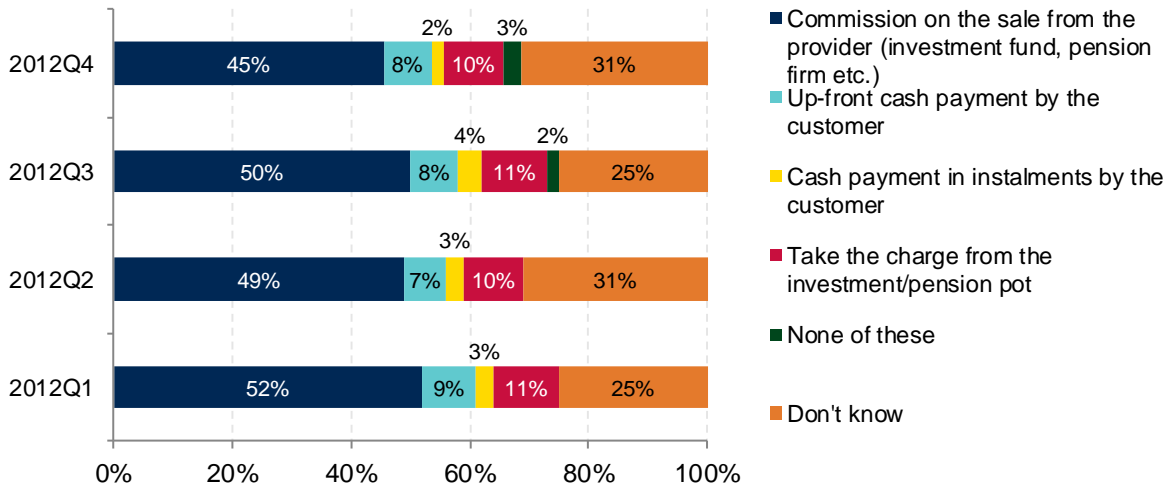
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2012Q1=3243, 2012Q2=2652, 2012Q3 = 3742, 2012Q4 = 2500)

Rankings of choices have remained broadly consistent of the past 12 months, with slightly more variance over the larger 5 year time horizon. Between-wave variations between answer proportions are generally speaking not large enough to be significant.

When asked how they thought financial advice was paid for the most popular choice amongst respondents was "Commission..." with 45% of respondents. This proportion has been declining, albeit slowly, over the past four waves, but has remained the dominant choice for respondents along with "Don't know" (see Figure 31).

Figure 31 "How do you think professional financial advice on investments/savings is paid for? Please choose ONE only"

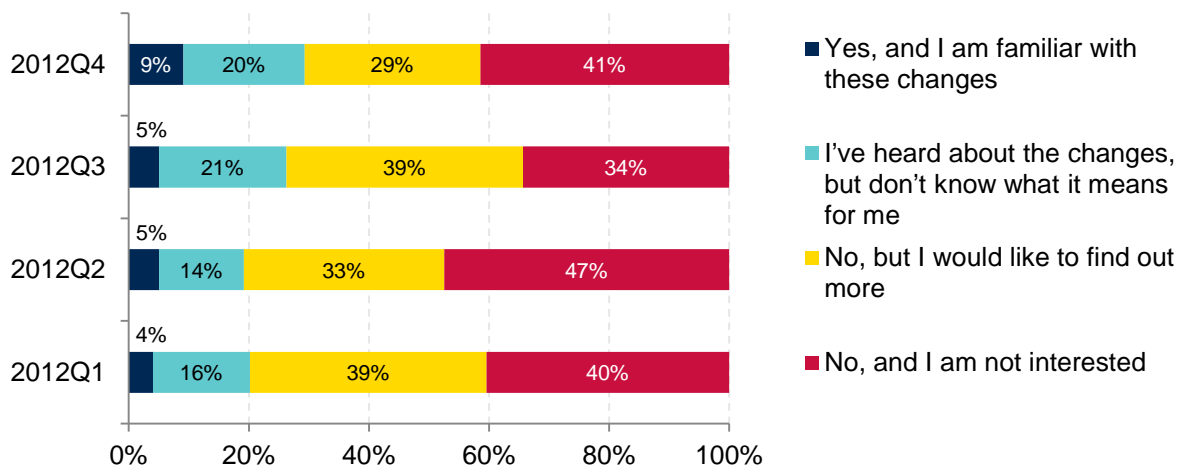


Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2012Q1=3243, 2012Q2=2652, 2012Q3 = 3742, 2012Q4 = 2500)

Respondents were then asked whether they had heard about the upcoming changes to be introduced by RDR; the majority of respondents had not (70%, see Figure 32), whilst a further 20% had heard about the changes but were unsure what impact it would have on them. Just 9% reported being familiar with the changes, though this represents a 5% increase from 2012Q1.

Figure 32 "Have you heard that the rules are changing on the way that financial advisers are trained and how they can be paid? Please tick ONE only"

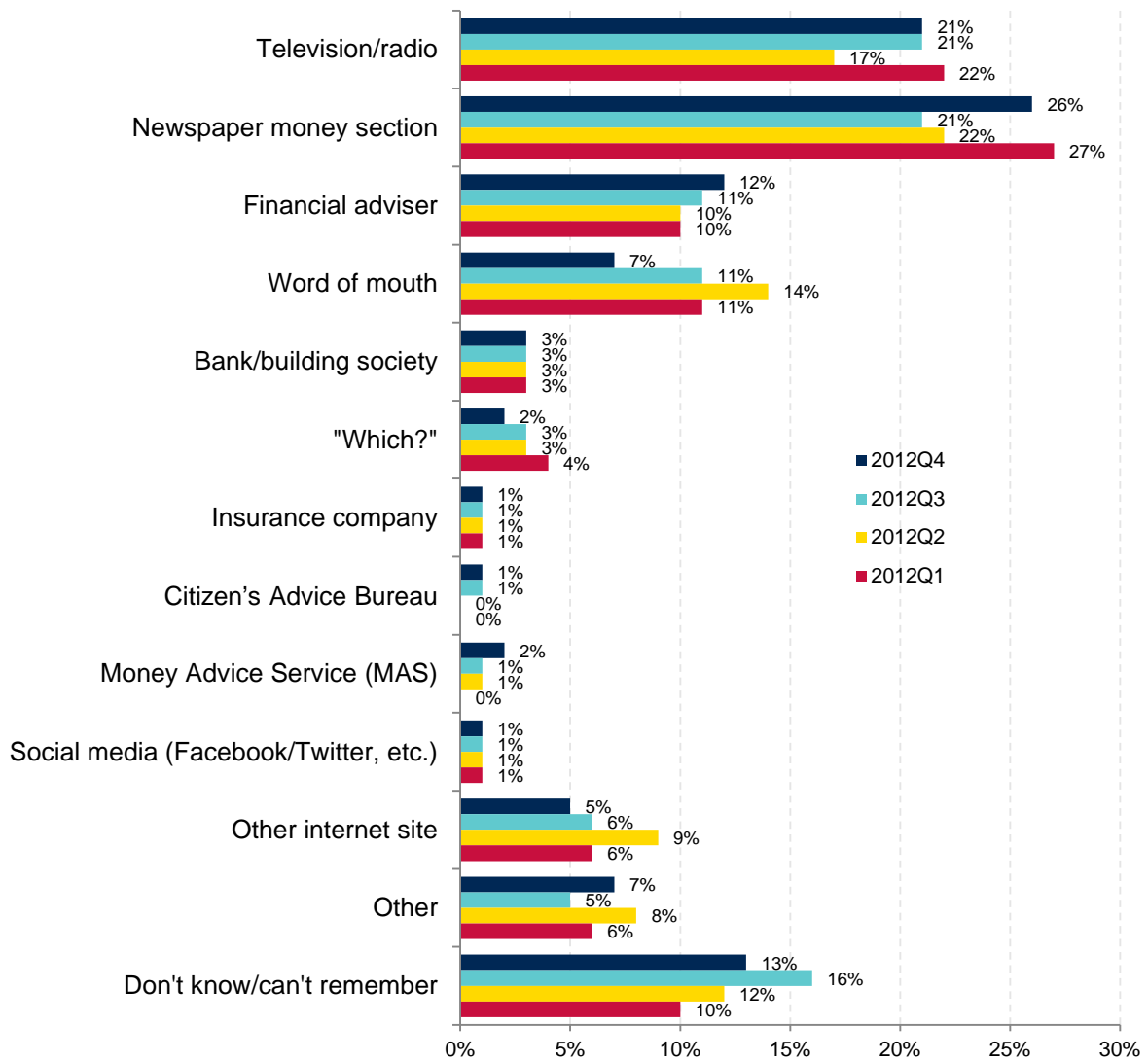


Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2012Q1=3243, 2012Q2=2652, 2012Q3 = 3742, 2012Q4 = 2500)

Those respondents that had heard about the upcoming changes were then asked where they had heard this from. "Newspaper money section" was the most popular choice in Q4, with 26% selecting it, followed by "Television/radio" chosen by 21% of respondents (see Figure 33).

Figure 33 "You said that you had heard about the changed rules for financial adviser training and payment. How did you find out about these changes? Please tick ONE only"

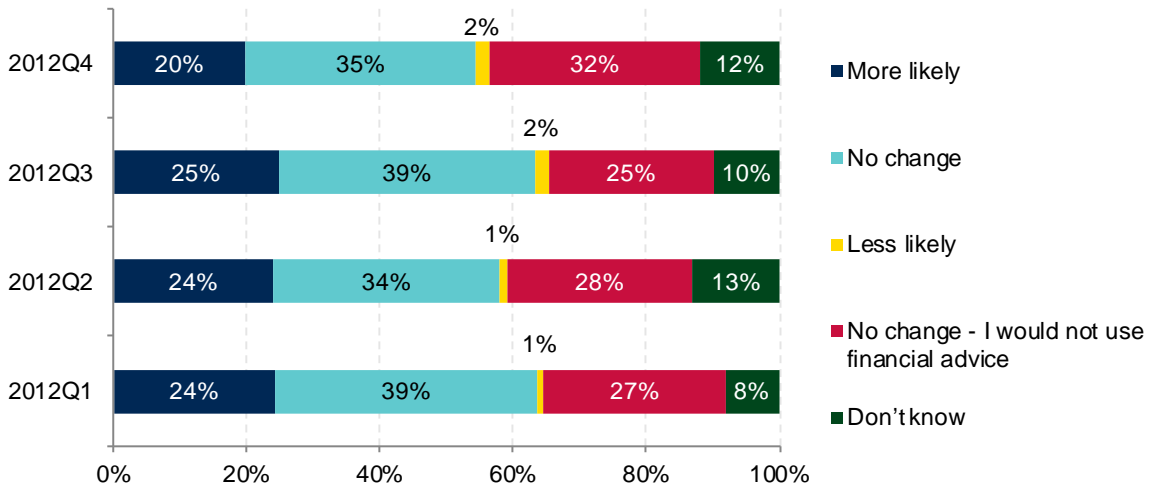


Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2012Q1=661, 2012Q2=516, 2012Q3 = 989, 2012Q4 = 738)

One key change brought in by the RDR is a minimum qualification level for advisers at QCF level 4. When introduced in the context of a comparison to a first year degree, 20% of respondents said that they would be more likely to seek financial advice as a result (see Figure 34). A further 35% would not change their behaviour, whilst 32% would not use financial advice.

Figure 34 “From 31st Dec 2012 professional financial advisers will have to hold qualifications equivalent to first year degree level, and undertake continued professional development. Other factors aside, would this make you more or less likely to use a professional financial adviser? Please tick ONE only”



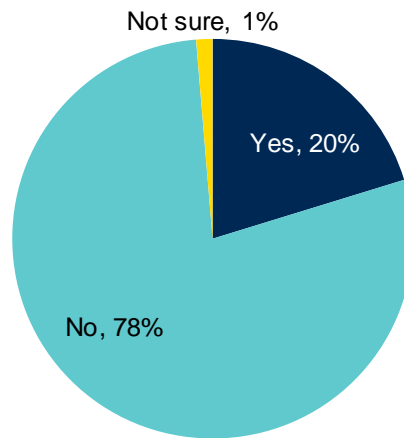
Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2012Q1=3243, 2012Q2=2652, 2012Q3 = 3742, 2012Q4 = 2500)

9. Health Insurance

Private medical insurance (PMI) can give a valuable service to policyholders over that provided by the NHS, accelerating access to senior medical professionals and providing access to advanced treatment options, such as cancer drugs. When asked whether they currently hold PMI (including dental insurance), 20% (506 of 2,500 respondents) reported that they did (see Figure 35).

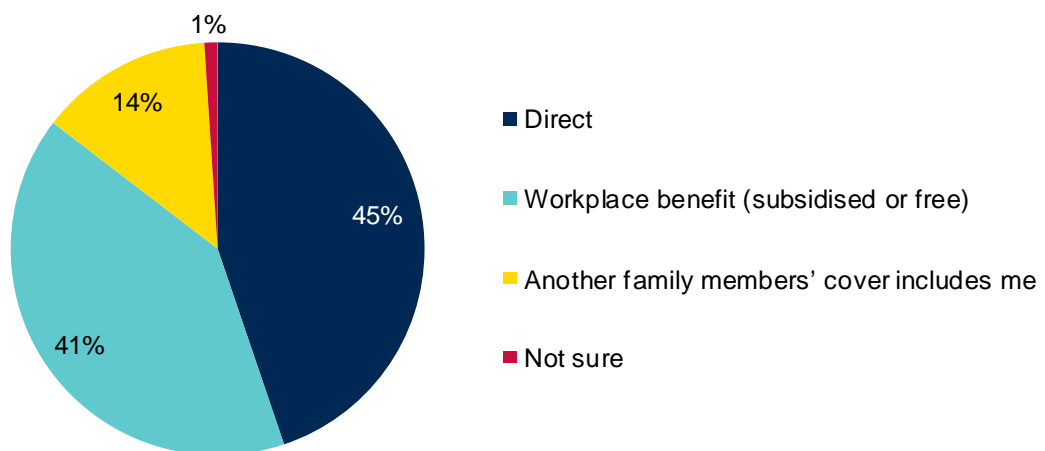
Figure 35 “Do you currently have private medical insurance (including dental insurance, health cash plans etc.)? Please tick ONE only”



Source ABI Quarterly Consumer Survey 2012Q4
Notes Full sample (2500 respondents)

Approximately equal proportions of respondents received PMI either as a result of purchasing it directly, or by way of a subsidised/free workplace benefit, chosen by 45% and 41% of respondents respectively. A further 14% received their cover indirectly through another family member (see Figure 36).

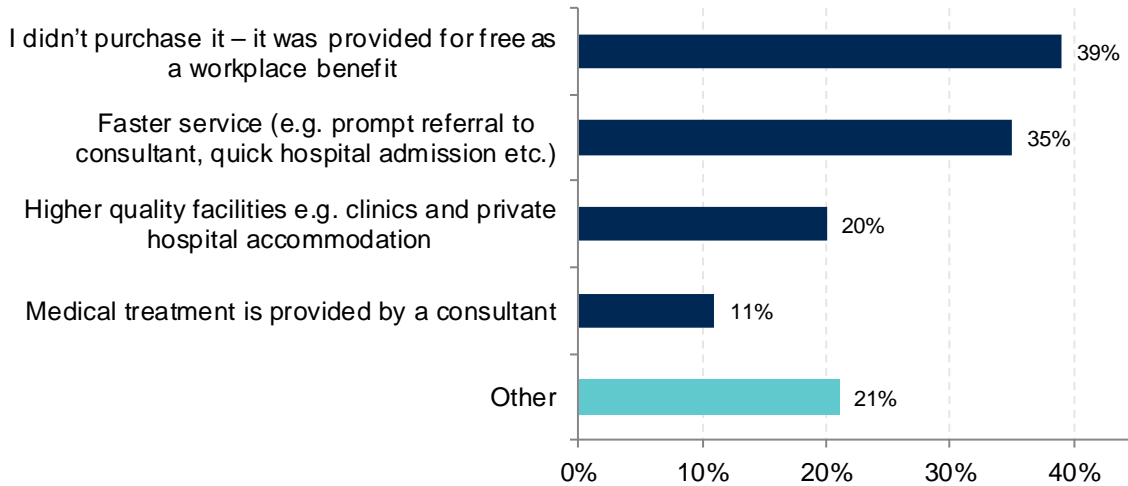
Figure 36 “Did you buy it directly, or receive it at a work-related benefit? Please tick ONE only”



Source ABI Quarterly Consumer Survey 2012Q4
Notes All with PMI (506 respondents)

The most popular reason for purchasing private medical insurance was faster service, with 35% of current holders; however a larger proportion 39% did not actually purchase it, but received it as a free workplace benefit (see Figure 37).

Figure 37 “Why did you buy private medical insurance? Please tick any that apply”

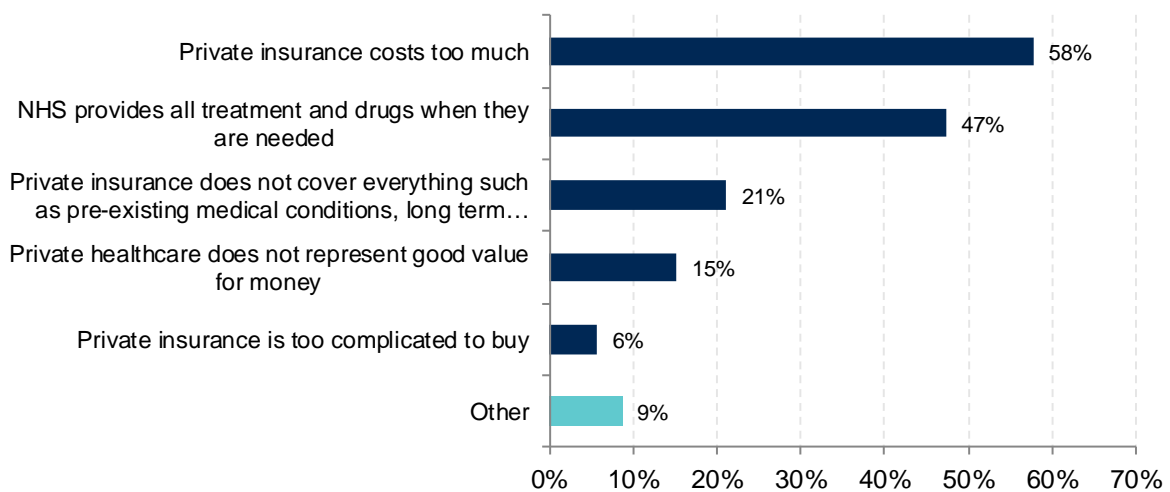


Source ABI Quarterly Consumer Survey 2012Q4

Notes All with PMI (506 respondents)

The main reasons why respondents did not have private medical insurance are based on value; 58% of those without cover felt that it was too expensive, whilst 47% felt that the NHS provided a sufficient level of coverage (see Figure 38). 15% felt private medical insurance represents poor value for money.

Figure 38 “Why do you not have private medical insurance? Please tick any that apply”



Source ABI Quarterly Consumer Survey 2012Q4

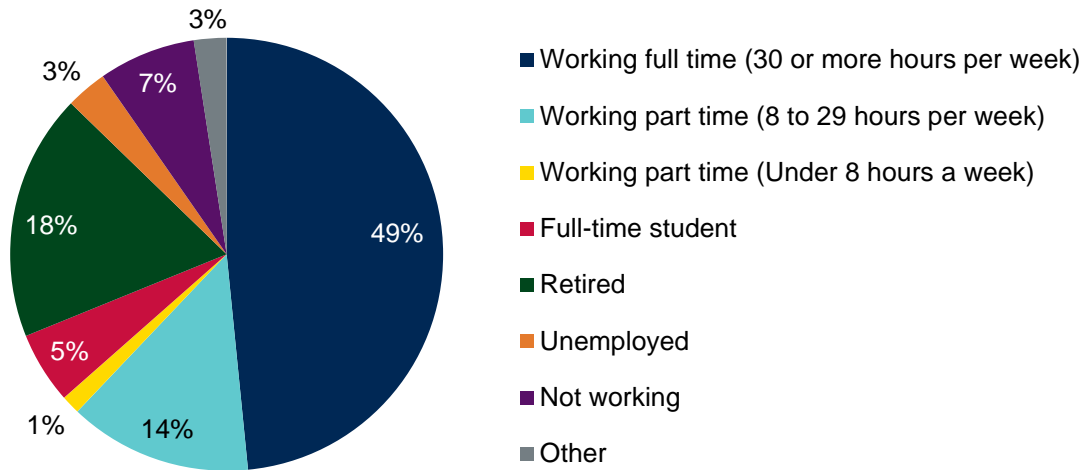
Notes All with PMI (506 respondents)

Appendices

A1. Sample Composition

Fieldwork for the survey was conducted online by YouGov between the 7th and 10th December, 2011. The survey results are based on responses from 2,500 adults aged between 18 and 70, and weighted to obtain a GB-representative sample. Figure 39 shows the breakdown of respondents by employment status.

Figure 39 Breakdown of respondents by employment status



Source ABI Quarterly Consumer Survey 2012Q4

Notes Full sample (2500 respondents)

All reported proportions on figures are rounded to the nearest percent, and therefore do not always sum to exactly 100%.

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