



What are the Canstar Car Insurance Star Ratings?

Canstar's Car Insurance Star Ratings use sophisticated and unique ratings methodologies that compare comprehensive car insurance policies on cost, features, or both. Canstar's Star Ratings represent a shortlist of policies, enabling consumers to narrow their search to policies that have been assessed and ranked.

Ratings range from five to one star and are distributed according to their relative position in this assessment, with five star policies assessed as offering the strongest value proposition or the most comprehensive level of cover according to the calculation methods outlined in this document according to the calculation methods outlined in this document. The price information used to assess each eligible policy was collected during the four month period leading up to the Star Ratings release date. Feature data is sourced from information provided by insurance providers and/or collected through analysis of publicly available documents such as Product Disclosure Statements (PDS). Insurance providers are given the opportunity to review and verify this data periodically and upon request.

It's important to understand that our Star Ratings are informed opinions from Canstar's Research Committee and not policy recommendations. Canstar provides general advice based on our comprehensive criteria, we do not recommend that any particular policy is suitable for anyone's individual circumstances. Our Star Ratings are crafted to be as informative and helpful as possible, evolving with the market and continuing to serve as a trusted guide for consumers navigating complex product landscapes.

What types of policies are evaluated for Canstar's Car Insurance Star Ratings?

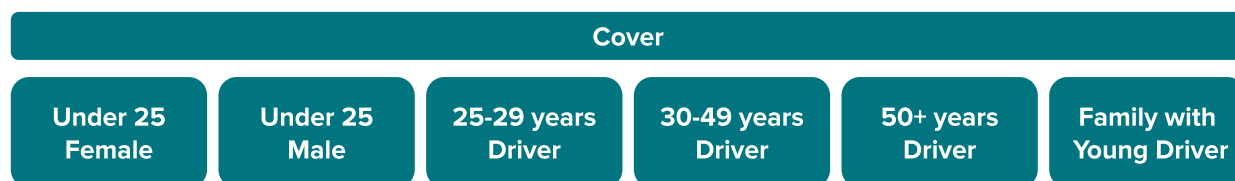
Eligibility for Canstar's Car Insurance Star Rating is overseen by the Research Committee. As a guide, a policy should follow the below criteria:

- It is a comprehensive car insurance policy
- The insurance provider must have a national presence, and for price comparison purposes, a quote must be available:
 - Directly from the provider, online, or via phone
 - For all postcodes considered within each profile being rated
 - Policies have been in the market for 12 months prior to rating release

The Research Committee can exercise its discretion to determine whether a policy is eligible for review.

How are the Canstar Car Insurance Star Ratings calculated?

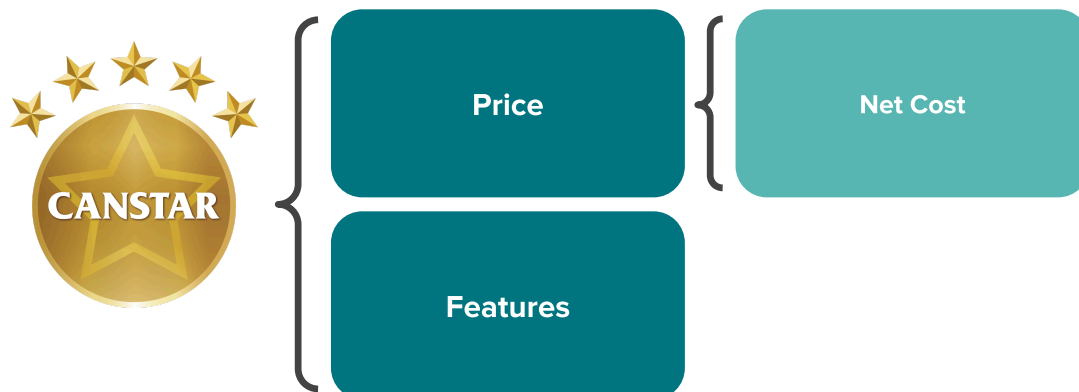
Car Insurance policies included in the Canstar Car Insurance Star Ratings are assessed across seven profiles, including one national Cover profile and six consumer profiles that combine price and features. These are:



Star Ratings Methodology

Each eligible car insurance policy reviewed for the Canstar Car Insurance Star Ratings is awarded points for the array of features attached to the policy and, depending on the profile, for its comparative pricing. Points are aggregated to achieve a feature score and, where price is assessed, a price 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 for each profile in determining which policies offer outstanding value. For the national Cover profile, the feature/cover score carries the full weight and price is not considered. This method can be summarised as:



The table below provides a breakdown of the weights allocated to the Price Score and feature score for each profile:

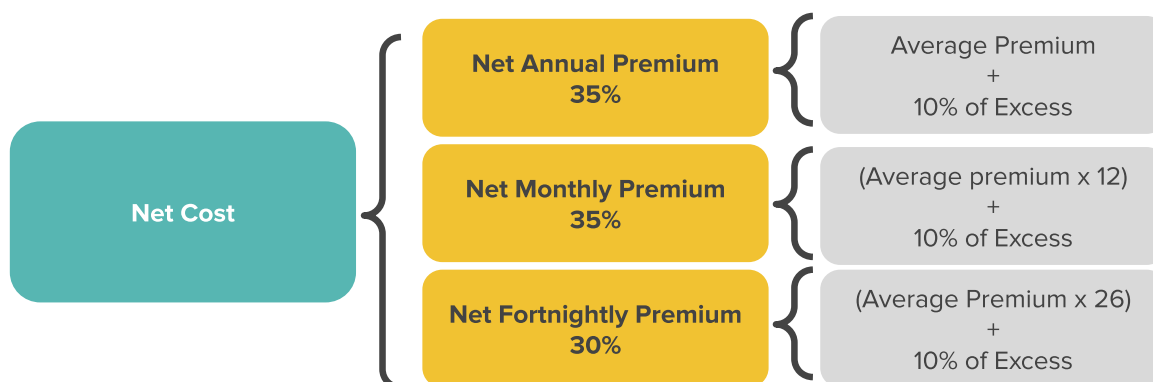
Consumer Profile	Price Weight	Features Weight
Under 25 year old Male/Female*	80%	20%
25-29 year old Driver	75%	25%
30-49 year old Driver	70%	30%
50+ year old Driver	70%	30%
Family with Young Driver	70%	30%
Cover	-	100%

Price Score

The price score takes into consideration annual and monthly insurance premiums as well as 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. Policies are compared to each other with the product with the lowest average cost awarded the highest price score. All other policies are awarded a relative score in comparison to the market average premium over a normal distribution.

Net Cost

The Price Score takes into consideration annual and monthly insurance premiums as well as the policy excess.



Weight distribution between Net Fortnightly Premium, Net Monthly Premium and Net Annual Premium is informed by the most recent Canstar Customer Satisfaction Data.

10% of the total excess (including any applicable additional excesses) is applied to the premium. Applying this loading ensures that the impact on the net cost of the policy in the instance where a claim is made is accounted for in the Price Score.

In instances where premium discounts are available, discounts that are made readily available to consumers applying for car insurance may be considered.

Excess

For comparison purposes, an excess amount is used for quotes (i.e. the “target excess”). When the target excess amount is not offered as an option for a policy, the closest excess amount is instead selected. When there is more than one excess amount of equal distance from the target excess, the lower excess amount is selected.

Target Excess
\$500

A range of additional excesses may apply to individual policies in the event a claim is made. The additional age excess for registered drivers under the age of 25 is collected in addition to the target excess for the relevant profiles.

As outlined above, Canstar applies 10% of the total excess to the average annual premium. Applying this loading ensures that the impact on the net cost of the policy in the instance where a claim is made is accounted for in the Price Score.

Quoting Assumptions

Some key assumptions made when obtaining quotes relate to the driver’s age, address, claim history (four per age profile), and the type of the car being insured. For quoting purposes, thirty addresses are selected.

Car Type Assumptions

For comparison purposes we select six or eight different car makes and models to represent each profile, four cars being new, two cars being 5 years old and two being 10 years old.

Consumer Profile	New Car				5 Year Old Car		10 Year old Car	
Car Number	1	4	7	8	2	3	5	6
Under 25 year old Male/Female	4-cylinder medium SUV	4-cylinder medium hatchback	-	-	4-cylinder medium sedan	4-cylinder utility vehicle	4-cylinder medium SUV	4-cylinder medium hatchback
25-29 year old Driver	4-cylinder utility vehicle	4-cylinder large sedan	BEV sedan (Electric Vehicle)	BEV SUV (Electric Vehicle)	4-cylinder medium hatchback	4-cylinder medium sedan	4-cylinder medium SUV	4-cylinder utility vehicle
30-49 year old Driver	4-cylinder medium SUV	4-cylinder medium hatchback	BEV sedan (Electric Vehicle)	BEV SUV (Electric Vehicle)	4-cylinder medium SUV	4-cylinder utility vehicle	4-cylinder medium sedan	4-cylinder medium SUV
50+ year old Driver	4-cylinder large sedan	4-cylinder utility vehicle	BEV sedan (Electric Vehicle)	BEV SUV (Electric Vehicle)	4-cylinder medium sedan	4-cylinder medium SUV	4-cylinder utility vehicle	4-cylinder medium SUV

Family with Young Driver	4-cylinder medium SUV	4-cylinder medium SUV	BEV sedan (Electric Vehicle)	BEV SUV (Electric Vehicle)	4-cylinder medium sedan	4-cylinder medium SUV	4-cylinder hatchback	4-cylinder medium SUV
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Affordability Score

To help consumers compare price at a glance, Canstar also presents an affordability score alongside each policy on a scale of 1 to 5 and in increments of 0.5. The affordability score is a simplified representation that is derived from the policy's price score for each consumer profile in each state and territory.

Feature Score

For the 6 consumer profiles that assess price and features, the feature score takes into account a number of policy attributes across six 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 the combined price and features profiles, are as follows:

Category/Subcategory	Weight
Application	10%
Application Channels	70%
Premium and Discounts	20%
Application Conditions	10%
Payment	5%
Cover	40%
After Accident Care	15%
Events Cover	15%
Excess Options	10%
Public Liability	7.5%
Rental Car	10%
Repairs	10%
Vehicle Cover	10%
Electric Vehicle Cover	5%
Personal Effects	5%
Windscreen Cover	5%
Death Benefit	2.5%
Other Cover	2.5%
Roadside Assistance	2.5%
Service	10%
Customer Self-Service	50%
Insurer Support Services	50%
Claims	30%
Claims Satisfaction	95%
<i>Claims Components</i>	90%
• Communication	20%
• Quality	10%
• Ease	15%
• Process	30%
• Speed	20%
• Timeliness	5%

<i>Customer Retention</i>	10%
Claims Channels	5%
Cancellation	5%

For the Cover profile, each eligible car insurance policy is assessed across a range of feature categories and subcategories including customer satisfaction. Within each subcategory, individual features are allocated points and policies are scored against a benchmark or the normal distribution of the market. For each category, products are scored out of 5 based on the weighted total of their subcategory scores relative to the market benchmark. The policy with the highest level of cover is used as the benchmark, with all other policies scored relative to it. Each category is assigned a specific weighting to reflect its relative importance within the overall methodology.

To determine the final rating:

1. A score out of 5 is calculated for each cover category, based on how the policy compares to the market benchmark.
2. The weighted average of these category scores is then calculated, using the assigned category weights.
3. The resulting average is rounded to the nearest whole number to determine the overall rating on a scale from 1 to 5 stars.

The cover categories and subcategories, with assigned weights for the Cover profile are as follows:

Category/Subcategory	Description	Weight
After Accident Care	Support and cover provided in the period immediately following an accident or loss, from emergency assistance through to getting the vehicle repaired and back on the road.	40%
Accident Cover	Emergency support after an incident, including towing, emergency accommodation and transport, clean-up costs, death benefit, and legal liability cover.	35%
Rental Car	Availability, duration and daily limits of hire car cover following an accident, theft, or not-at-fault incident.	25%
Repairs	Choice of repairer, use of genuine parts, lifetime repair guarantees, and emergency repair allowances.	25%
Windscreen Cover	Cover for windscreen and window glass, reduced or waived windscreen excess, and the number of excess-free replacements.	15%
Vehicle & Items Cover	Protection for the insured vehicle itself and the items in it, across the events a comprehensive policy is expected to cover.	30%
Vehicle Cover	Agreed or market value options, new car replacement, kilometre limits, and substitute vehicle cover.	35%
Events Cover	Cover for theft, attempted theft, fire, weather events, flood, vandalism and malicious damage.	35%
Other Cover	Additional inclusions such as key replacement and recoding, baby capsules and child seats and trailer cover	15%
Personal Effects	Cover for personal items in the vehicle, including whether cover is standard or optional and the limits that apply.	10%
Electric Vehicle Cover	Cover for electric vehicle components and accessories, including batteries, charging cables and home wall chargers.	5%
Payments & Excess Options	Flexibility in how the policy is paid for and the excess conditions that apply at claim time.	10%
Excess Options	Additional excesses that may apply (e.g. young, inexperienced, learner, or unlisted drivers, and kilometre limit breaches).	50%
Payment	Available payment frequencies, monthly payment loadings, and grace periods for missed payments.	25%
Premium Discounts	Availability of discounts such as good driver, low kilometre, multi-policy, and age-based discounts.	25%
Customer Satisfaction	How customers rate their insurer, based on internal customer satisfaction research.	10%

Category/Subcategory	Description	Weight
Claims	Satisfaction with the claims experience among customers who have made a claim within the last 5 years.	60%
<i>Claims Components</i>	<i>Customer satisfaction regarding key aspects of their claims experience, including communication, ease, process, speed, timeliness and the quality of service.</i>	90%
<i>Customer Retention</i>	<i>Likelihood of the customer remaining with the insurer following a claim.</i>	10%
Customer Satisfaction Components	Customer satisfaction with their insurer across key areas, including comprehensiveness of cover, value for money, customer service, communication and cost.	40%
Customer Support	The service channels available to customers for managing their policy, receiving support and lodging claims.	10%
Insurer Support Services	Online and app self-service and customer support availability including weekday and weekend hours.	60%
Claim Channels	Methods to lodge and track a claim (online, app, phone), including claims support hours.	40%

A **Claims 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 insurer's result is compared with the market average and scored relative to a normal distribution of the market, so insurers that perform well above average receive the highest Claims Components scores.

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

A **Customer Satisfaction Components score** is calculated for an insurer based on responses from survey respondents regarding their level of satisfaction with company-specific components: comprehensiveness of cover, value for money, customer service, communication and cost. The policy with the highest score is allocated the maximum Customer Satisfaction Components score, with all remaining policies indexed against it.

Who was considered in the awards?

- AA Insurance Limited
- AMI Insurance a division of IAG New Zealand Limited
- AMP Wealth Management New Zealand Limited (AMP)
- ANZ Bank New Zealand Limited
- Cove Limited
- FMG Insurance Limited
- Assurant Inc
- State Insurance a division of IAG New Zealand Limited
- Tower Limited
- TradeMe Limited
- Westpac New Zealand Limited

How often are policies reviewed for Star Ratings purposes?

Star 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 policies 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 policies 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.co.nz if you would like to view the latest Star Ratings reports of interest.

- Agribusiness
- Business banking
- Credit cards
- Deposit accounts
- First home buyer
- Home & contents
- Home loans
- KiwiSaver
- Online banking
- Personal loans
- Term deposits
- Travel insurance



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The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these policies. Canstar acknowledges that past performance is not a reliable indicator of future performance.

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