

PRIVATE MOTOR INSURANCE MARKET INVESTIGATION

Appointment of market research agency and invitation to comment on survey methodology

On 4 January 2013, as part of its investigation into private motor insurance (PMI), the Competition Commission (CC) issued a notice stating its intention to engage a market research agency to carry out survey work. The CC has now appointed a market research agency, IFF Research Ltd, Chart House, 16 Chart Street, London N1 6DD (www.iffresearch.com), to conduct some consumer survey work.

Our intention is to ask IFF to conduct two distinct surveys:

- (a) a survey to investigate post-accident experiences of 'non-fault' claimants; and
- (b) a survey to investigate consumers' attitudes and behaviour.

Outline designs for these surveys are described below. We invite comments on the CC's proposed survey methodology for these two surveys.

Both surveys will involve telephone interviews with PMI policyholders or other drivers covered by such policies. These policies could be held with any insurance company offering PMI in the UK.

The CC is also considering whether to use these surveys to identify a sample of vehicles which have been repaired as part of a PMI claim and to conduct a physical inspection of the repairs.

We intend to consult interested parties on the draft questionnaires for both surveys but, according to the tight timetable which is necessary for this work, there will be only a brief period for comment. We intend to publish the draft questionnaires on our website on **Monday 25 February 2013**, inviting comments to be submitted by **noon on Thursday 28 February 2013**.

Any comments on the design or conduct of the surveys should be made by email to the Inquiry Manager (bob.gibbons@cc.gsi.gov.uk) as soon as possible and in any event no later than **noon on Thursday 28 February 2013**. Unfortunately, timetable restrictions mean that we will be unable to consider any responses to the consultation received after the deadline.

(a) Non-fault claimants survey

Objectives

The objective of the survey is to attain an understanding of the experiences of 'non-fault' claimants involved in motor accidents. We are interested, primarily, in understanding the following:

- the needs of 'non-fault' claimants following the accident;
- the claim management process, including who managed the claim and whether the 'non-fault' claimants made their claim under their own policy;

- the goods and services received by 'non-fault' claimants as part of their claim and the extent to which they met the claimants' needs; and
- the extent to which the 'non-fault' claimants were aware of their legal rights.

Methodology

This will be a telephone survey of a sample of 1,500 interviews with 'non-fault' claimants. The sample of individuals to be contacted will be drawn from a list constructed from 'non-fault' claimants' data that the CC has requested from the following insurance companies:

Admiral
Ageas
Aviva
AXA
The Co-operative Insurance
Direct Line Group
Esure
Liverpool Victoria
Royal Sun Alliance
Zurich

The list comprises all 'non-fault' third party claims settled by these companies within the last six months. We have set a target of 250 interviews with claimants from Northern Ireland and 250 from Scotland.

As the data relates to 'non-fault' claimants, each claimant could be a customer of any motor insurance provider.

An advance letter will be sent out to all individuals in the sample explaining the purpose of the survey, who will be conducting it and how their contact details have been obtained. This letter will also give confidentiality assurances and provide the recipient with the opportunity to opt out of the survey.

(b) Customer survey

Objectives

The objective of this survey is to attain an understanding of consumer behaviour and experiences in the purchasing of PMI. We are interested, primarily, in understanding the following:

- the buying decision-making process;
- switching between suppliers; and
- consumers' awareness and understanding of their PMI policy and insurance cover in the event of an accident.

In addition, we are interested in understanding the experiences of 'fault' drivers. Some additional questions may therefore be asked of any respondents to the customer survey who have made an 'at-fault' claim following a recent motor accident.

Methodology

This will be a telephone survey of a sample of 1,500 interviews with PMI policyholders. The sample for this survey will be drawn randomly from the general population. Random digit dialling will be used to contact individuals; part of the sample will be drawn from a list of telephone numbers for mobile-only households.