

Frequently Asked Questions – InsuranceWatch.org.nz Baseline Survey

We realise that there are always questions to be raised when surveys are undertaken. Our survey team includes a professional statistician and others with survey design training and experience, so we recognise the limitations involved in volunteer surveying within a nominal budget. That said, we have tried our best to avoid or mitigate the obvious problems.

If you have a question about our approach that isn't answered here, then please let us know and we'll do our best to address it. Email info at [Insurance.Watch.org.nz](mailto:info@InsuranceWatch.org.nz)

How many people have participated in your survey? Is it a representative sample?

As of June 18, we had 380 responses to the initial baseline survey of the Ferrymead-Sumner area. This represents 6% of the roughly 6,500 households in the survey area (actually likely to be a greater percentage as that household number is based on the 2006 census and we know there has been a drop in local households since then!).

We know that half the respondents have children under 18 in their households; those figures match reasonably well with the local population makeup. Likewise, forty-three percent of the households have people aged over 65, so we're not reaching and reporting on just one demographic.

Our professional statistician has calculated the overall margin of error for this survey to be +/- 5%, which we think is reasonable under the circumstances.

Are the insurance companies proportionally represented?

We've found it difficult to get firm figures on market share for the different companies as that sort of data is commercially sensitive (if you know, please tell us!).

However, according to an April 2012 financial commentary from <http://www.interest.co.nz/node/58748/personal%20finance> the recent hook-up between AMI and IAG (including State, NZI and IAG-Banks), gave the grouping "control of around 60% market share of New Zealand's home and contents, and car insurance markets". Consumer, in its recent report on insurance companies, noted that AMI has a "large number of Christchurch clients".

According to the Insurance Council of New Zealand, the rough ranking for residential coverage among the major companies is: IAG+AMI (State being the largest entity within the IAG cluster); Vero, Tower, Lumley and AA (part of the Suncorp Group which includes Vero).

The results from our survey respondents to date are IAG+AMI 60% (AMI 23%, IAG-State 17%, IAG-Banks 11%, IAG-NZI 9%); Vero 21% (includes AA and SIS); Tower 8%; Lumley 7%. Of the remaining "other", half are made up of Medical Assurance and Farmers Mutual Group customers.

So our survey responses follow the general ranking noted by the Insurance Council, with the IAG+AMI grouping hitting the 60% market share cited by Interest.co.nz. In the absence of firmer data on market share, we believe this matches what we know about the market.

Doesn't self-selection make this survey invalid?

We've done our best to spread the call to participate as widely as we can within our survey catchment, using email, printed newsletters, social networking, notices and meeting announcements through a broad range of community groups. The survey has been distributed in print as well as online to maximise coverage, and to be sure that we heard from those who did not have Internet access.

We've also tried to make it very clear that we want to hear about the broad range of experiences, good to bad, to produce as balanced a picture as we can. It's just as important for us to hear about what companies are doing well as it is to be able to identify which ones are not, and we have stressed that throughout.

We do have responses from happy satisfied customers as well as from those still anxiously waiting for resolution, so it looks like that intention has been understood.

How do you know some disgruntled person hasn't filled in the survey multiple times?

This is unlikely, as 75% of respondents have opted to give us their names and addresses. This is not just some e-poll or random collection of vox pop opinion, as is so commonly seen.

We can validate responses by following up with random personal calls, and checking for multiple addresses (physical and computer-based). Our checks to date have shown no sign of multiple responses. If it does, we'll discard those responses. We've got good technical support to keep an eye on this and any other likely issues. We also have experienced statistical and survey analysis support to help us spot any anomalies.

(That said, if you want to offer any helpful suggestions for practical improvements or additional questions, by all means contact us at [info at InsuranceWatch.org.nz](mailto:info@InsuranceWatch.org.nz)).

Why did you start with the suburbs from Ferrymead to Sumner?

This initiative came out of a meeting of the Coastal Hills Cluster, a collection of residents' associations and community groups serving this area.
(See <http://CoastalHillsCluster.org>)

As a volunteer-driven, donation-funded project, there's only so much time and energy we can devote to it. It made sense to make it manageable by limiting our initial promotion and data collection to the area we know best.

That also meant we could correlate the stories we were hearing (and experiencing personally!) within our individual suburbs with the data collected from the broader cluster area. That helped ensure we didn't treat one or two strong emotive stories as necessarily representative of the entire workings of the company concerned – we can check a story against the group data to see if it really is one of many similar experiences, or not.

Now that we have published baseline data from our area, we are taking the survey region-wide, to gather data from all quake-affected property owners. We know there will be other experiences elsewhere, and it will give those who take part a chance to contribute to the bigger picture.

How did you choose the questions?

As with any detailed survey, selecting the questions and getting the wording as clear as possible proved tricky. This is especially so when trying to get a handle on a situation that tends to be fluid, complex, bewildering, and opaque! It's not helped when different companies use different terminologies and different processes, or when decision points or milestones are not clearly identifiable.

That, combined with the typical need to keep a survey short enough so that people would complete it, made for some obvious constraints.

We wanted to be able to compare the data from this survey with an earlier Ferrymead-Brookhaven survey. We wanted to be able to identify some basic decision points that would let us track how individual cases progress from here on in (or not). We wanted to be able to cross-correlate things like levels of satisfaction for each individual insurer.

The initial survey has provided a baseline. We expect to add more questions in follow-up surveys to track progress steps.

Why are you focusing on the insurance companies and not EQC?

Our main focus has been on over-cap properties, where EQC has generally played its role and the ball is now in the insurance company's court. Anecdotal evidence and results from the early Ferrymead-Brookhaven survey indicated that widely divergent responses were being offered by insurance companies, with some appearing to progress at a very reasonable rate while others were apparently doing very little for their clients.

We wanted some solid data to see if this impression was correct; to identify what the sticking points were (and with which companies), and then provide feedback and advice to our residents. We're even hopeful that this information may help make insurance companies change the way they are doing things to better serve their clients.

Ultimately this initiative may well affect the choices people make in future as to which company they use for property insurance. That holds as true for people in Auckland or Sydney as it does for those in Christchurch.

Are you being paid by the insurance companies to do this?

No. This has been an entirely citizen-driven initiative from the beginning, with the actual costs – for surveying software, meeting costs, printing and so on -- paid primarily through donations from individual residents and community groups.

Where we have organised public meetings between insurers and customer groups, we have accepted some nominal contributions from the insurer concerned to help cover things like hall hire (we're talking \$100-200 top-ups here; that's not enough to tighten any strings round our necks!).

All professional time spent organising this survey and the public meetings held to date has been donated by the volunteers involved.

Where to from here?

The initial survey was a snapshot – a baseline which provides a certain level of information at this time. The baseline will let us make comparisons over time regarding how things have changed (we hope for the better!).

With the publication of our baseline results for the Coastal Hills area, we are now taking the survey region-wide. The <http://InsuranceWatch.org.nz> site now links to a version of the survey which includes all Christchurch suburbs and areas outside the city.

Please encourage any quake-affected property owner who hasn't already done so to complete the expanded baseline survey.

As the lengthy settlement and rebuild/repair process unfolds, we will be issuing follow-up surveys to track and report on how well each insurer is performing over time. We fully expect there to be changes in response and customer satisfaction as companies improve their processes. Equally, if some companies fail to improve, it's important to all of us to know.

More than 75% of people taking the baseline survey have provided their email address so we can inform them of each follow-up survey when it is launched; we urge you to provide one also.