

Media release

14 October 2009

## New Sorted calculator helps New Zealanders make good decisions about insurance

New material just launched on Sorted.org.nz aims to help New Zealanders work out their insurance needs, particularly the one third who say they don't know enough about insurance to make informed decisions.

Retirement Commissioner Diana Crossan says protecting yourself through insurance is an important part of taking control of your life and finances.

"We recently asked New Zealanders if they feel they know enough about insurance to make good decisions about buying or cancelling policies. More than 30 per cent said they didn't. That's a worry because insurance is a way to protect you and your family from financial loss if the unexpected happens."

The Retirement Commission survey also shows that even during the recession, the vast majority of New Zealanders with insurance haven't decreased their amount of cover.

Only 4 per cent of New Zealanders surveyed had decreased the amount of cover over the past year, and only half of those had done so because they could no longer afford all the policies. Nearly a quarter of New Zealanders had increased their cover.

"Getting the right amount of cover is a very personal thing. It depends on how much risk you are prepared to carry, what assets you want to insure, whether or not you have dependants and how much you can afford in premiums.

"We have developed an insurance calculator that allows people to factor in their own personal circumstances so they can work out what cover is right for them. It includes insurance options from house and contents, vehicle, life and health, and income and debt protection," said Diana Crossan.

"This is the first time New Zealanders have had access to a free and independent insurance calculator."

People with no insurance can work out what they might need and what it will cost, and those with insurance can check if their current cover and what they're paying is appropriate.

A new booklet, "Insurance - Protecting what's important to you" - is also available from [sorted.org.nz/ordering](http://sorted.org.nz/ordering) or by calling 0800 SORT MONEY (767 866).

[www.sorted.org.nz/calculator/insurance](http://www.sorted.org.nz/calculator/insurance)

**Attached:** Results of Retirement Commission insurance survey

**For more information contact:**

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### **Insurance tips**

It's a good idea to have an emergency fund to take some of the insurance risk yourself and keep your insurance costs down.

- Consider the excess. The higher the excess the lower the premium but you will have to pay more for each claim.
- Buying as much of your insurance as possible from one company can save you money.
- Seriously consider any insurance offered through your employer or attached to another saving or insurance product
- Always tell your insurer everything. If you leave out information you risk a claim being turned down.
- Read the policy carefully so you understand what is and isn't covered.
- Review your insurances regularly.
- Pay your premiums on time.
- Know what insurance you have.
- Don't leave it too late. Premiums for life insurance and income replacement insurance increase as you get older
- As with all good financial decisions, shop around.
- Get advice from a skilled insurer, broker or adviser.

Source: [sorted.org.nz](http://sorted.org.nz)

## Insurance survey results

The Retirement Commission and Nielsen conducted an online survey last month with a random sample of 1000 New Zealanders, to find out how Kiwis feel about their insurance cover and the decisions they make about it, and what changes they have made in the last 12 months.

### Do New Zealanders feel they have adequate insurance?

Do you feel the insurance you have for yourself (and/or your family) is adequate (enough to protect you and/or your family)?

Yes	71%
No	22%
Don't know	7%

Base: 1000

### Do New Zealanders know enough about insurance to make informed decisions?

Do you feel you know enough about insurance generally to make informed decisions about buying or cancelling various policies?

Yes	69%
No	31%

Base: 1000

### Have New Zealanders increased or decreased their insurance in the last year?

Have you increased or decreased the total amount of insurance you have for yourself (and/or your family), over the last 12 months or left the amount as it is?

Increased the total amount	24%
Left the amount as it is	65%
Decreased the amount	4%
Don't know	7%

Base: 1000

## Why have New Zealanders increased their insurance?

Why have you increased the total amount of your insurance? (Select all that apply.)	
I/we had more things to insure than we did last year	40%
The value of our assets increased (e.g. getting a new car)	39%
I/we can now afford to insure more	10%
In this economic environment I/we wanted more protection	17%
The amount went up automatically (e.g. your life or health insurance increased because you were a year older)	35%
We were required to take out insurance e.g. when purchasing a house	7%
Had another child/started a family	2%
Other	7%

Base: 242

## Why have New Zealanders decreased their insurance?

Why have you decreased the total amount of your insurance? (Select all that apply.)	
The reason I/we needed the insurance no longer exists (e.g. I sold the car)	23%
I negotiated a better deal	11%
I could no longer afford all my insurance policies	55%
Value of item(s) insured decreased/I did not need such high value	10%
Other	9%

Base: 38