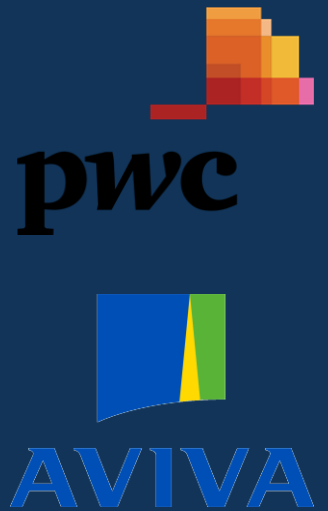




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Do General Insurers Behave in an Ethical Way

Report to support GIRO 2017 presentation

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11 October 2017

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Executive Summary

- 0.1 The poor reputation of the UK general insurance industry is widely recognised; insurers regularly sit alongside banks, broadband suppliers and airlines at the bottom of public opinion surveys on trust. As the recent financial crisis showed us, trust in financial services is however critical to economic stability. With the FCA's focus on the value of insurers & their products it is time for the industry to take notice and take action.
- 0.2 The purpose of this paper is to explore what this public perception is based on and whether there is any disconnect between the way insurers behave (as observed by those that work for them) and the way they are perceived to do so. Our investigation is based on the results of two surveys which the authors, with the support of the IFOA, have run. One survey was run with IFOA actuaries working in the general insurance industry and the other with members of the public. The results of these are summarised in this paper and will also be presented at the 2017 GIRO conference, during which the authors hope to spark debate and challenge attendees to contemplate whether members of the IFOA should take an active role in shaping the way general insurers operate in the future.
- 0.3 We highlight that the survey was conducted with a limited number of participants (44 public and 45 IFOA members) and as such the results from which are not intended to present a statistically credible view. They should instead be used to identify areas that require further investigation or should be key areas of focus for the industry/IFOA. We consider these to be as follows:
- **Trust** – the level of trust in the insurance industry is universally low. Our survey identified that only 71% of IFOA members trust general insurance companies. This is perhaps surprising given that these very individuals have a good understanding of the operations of such companies and moreover potentially the ability to influence them. Furthermore, IFOA members universally believe that some general insurance companies are more trustworthy than others.
 - **Data** – Individuals do not trust insurers to responsibly use their personal data. Even IFOA members agree that there should be additional regulation to ensure insurers use data appropriately, in the form of restrictions on what they can obtain. This is at odds with fairly strong conclusions from IFOA members elsewhere in our survey that additional regulation over how an insurer operates is not required; as an example when asked if regulation should require all insurers to participate on price comparison websites 84% of surveyed IFOA members said no this should not be enforced. In interpreting this result, consideration should be given to recent widely reported cyber hacks; are responses based on a lack of trust in any company to maintain such personal data?

Executive Summary (cont'd)

0.3
(cont'd)

- *Pricing of insurance* – the public appear to strongly believe that if you don't claim on your insurance policy the premium upon renewal should be lower. Whilst this is a logical argument given that no claims discounts are commonly in place, there is perhaps a need for further public education in respect of other factors driving a customer's premium. We challenge whether the onus should be on insurers themselves to increase the transparency around how premiums have been derived; at the extreme insurers could move to fully transparent pricing practices adopted by companies such as Uber. Additionally, the removal of the ability of insurance sales teams to offer discretion in pricing or the ability 'haggle' with a policyholder could also help by acting to remove the impression that insurance premiums are based on the maximum a policyholder is willing to pay as opposed to the actual value/cost of the policy. It is interesting to note that pricing which enables the seller to negotiate are common in industries such as telecommunication and airlines which typically sit very low in customer trust polls.
- *The purpose of an insurer* – responses to our survey imply that there is a debate to be had around what is the actual purpose of insurance and that insurers should take responsibility for appropriately marketing themselves based on the decision reached. The public appear to be of the view that insurance is a public service as opposed to a commercial enterprise. Whilst the majority of UK insurers are proprietary companies and hence operate to add value to their shareholders/members, it is perhaps no wonder that trust is low given the public view is misaligned.
- *Value of insurance* – Additionally, there appears to be a lack of appreciation of the value of insurance which is perhaps not unexpected given policyholders only 'see' value when they make a claim and the majority hopefully will never need to do so. The public appear to feel that they may not always be taking out policies which they actually need and it should be the insurers responsibility to check this before purchase. We challenged whether insurers should be required to consider the value each of their products offer customers and assess their policy range/the viability of new offerings on this basis?
- *Understanding* – Finally, the public appears to have quite limited understanding about how insurance policies work – for example 30% stated that policies should not have any exclusions despite the fact these are likely to remove covers they don't need and ultimately reduce their premium (by removing small claims through an excess for example). However, when questioned as to whether individuals should be 'forced' to read and confirm understanding of the full policy document before taking out a policy, a material proportion of the public disagreed perhaps given consideration of the length/complexity of such documents. Insurers should reflect on whether their policy documents are fit for purpose or if a radical shake up is required to translate them into something which is easily understandable?

0.4 To hear more please attend session C6: Debate session: Fairness in GI insurance – Actuarial and Customer Ethics Survey at GIRO 2017. The authors would like to thank all the survey participants, as well as Doug Lacoss of SCOR for his peer review of this paper.

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1. Background
2. Survey approach
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 - a) Comparison of IFOA vs public
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1. Background

- 1.1 The UK general insurance sector provides a vital role in society. However its poor reputation is a widely recognised fact. UK insurers regularly sit at the bottom of public opinion surveys on the level of trust the public places in specific industries. In the Financial Services Compensation Scheme's 2015 investigation into consumer trust in industries and organisations, the only industries rated lower than Insurance were Political Parties/Government, the Media and Utilities. [\(1\)](#)
- 1.2 Part of this reputational damage is perhaps out of control of the insurers themselves, it being consistent with the collateral damage inflicted on the entire financial services sector post the banking crisis. However, a second cause which insurers should have some control over is customers' perception that general insurers do not act in the best interest of their customers; our newspapers are regularly filled with stories of 'unfairly' rejected claims, misleading policy wording and unexplained premium increases. In a 2017 customer experience survey by Engine (a Service Design Consultancy), the insurance sector saw the third biggest increase in the number of customers citing them as the worst for service, making it the fourth worst sector. [\(2\)](#) Set against a background where customers have historically seen insolvencies driven by the unscrupulous behaviours of management, Independent Insurance's 2001 liquidation and Quinn Insurance's 2010 failure being examples, leads to the question - is the insurance industry facing a reputational crisis? With the Financial Conduct Authority's (FCA) current focus on treating customers fairly and regular publication of information enabling customers to assess the 'value' of an insurance firm and the value of its individual products [\(3\)](#), insurers needs to step up and take note.
- 1.3 For an industry full of people passionate about making a difference for customers, it is extremely disappointing that the sector has so badly failed to secure their trust. Is there a disconnect between the 'noble' purpose of providing for customers in their time of need which firms strive to achieve, and the trust that is undermined by some of the ways that those same firms go about it? Or is there a disconnect between the way firms actually operate, as observed by the IFOA members who work for or with them, and the way they are perceived by the public to behave?
- 1.4 The purpose of this paper is to investigate the latter, in particular focussing on whether there is a difference in perception of how the general public believes an insurers should operate compared to how members of the IFOA believe they should. We have undertaken two surveys, one with a population of IFOA actuaries working in the general insurance industry and the other with members of the public, to understand perceptions of whether the insurers behave in an ethical and fair way. We then compare and contrast the results to identify any systematic differences.
- 1.5 We are hoping to use the results of this investigation to spark debate within the industry and address the question of whether members of the IFOA should take a proactive role in acting to remediate any perceived inappropriate behaviour of general insurers. A summary of this paper will be discussed at the 2017 GIRO conference (session C6), during which the authors hope to lead such a debate.

2. Survey Approach

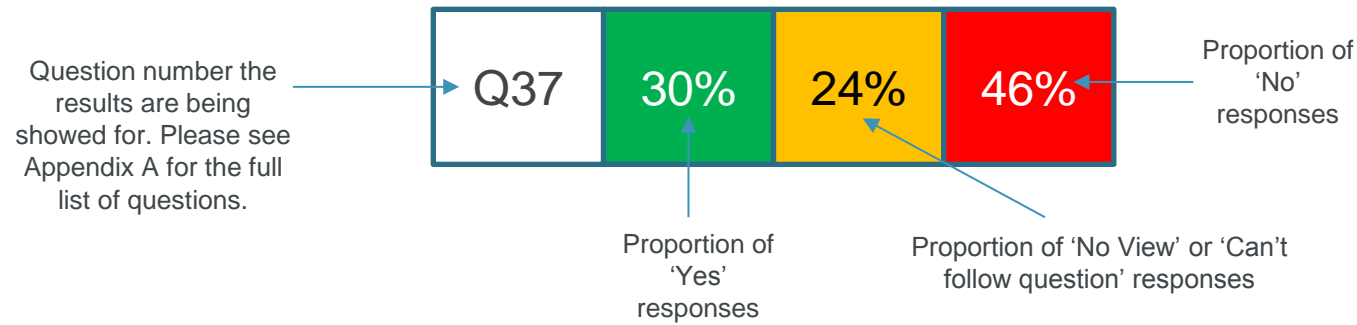
- 2.1 Over July 2017 we surveyed two populations to obtain their views on the behaviour of UK general insurers:
- Member of the IFOA, working in the general insurance industry.
 - Members of the UK public, not working in the general insurance industry or a member of the IFOA,
- The members of the UK public were identified using the authors' network of families/friends. We recognise as a limitation of our work that this sample is hence likely to be biased, with the demographics of our sample population unlikely to be fully representative of the full UK population. However, we believe that attempts to ensure the UK population sample included a wide range of ages/professions/genders statuses means that the results of our survey are not so biased so as not to be reasonably representative of a non IFOA member view.
- 2.2 The number of individuals surveyed were
- UK public = 44
 - IFOA members = 45
- We recognise that this is unlikely to be a statistically credible number of responses and hence is a key limitation to our subsequent analysis. The purpose of our investigation was not however to present a definite view but instead to provide insights for debate or further investigation.
- 2.3 The questions within the survey focussed on the following areas of operation of the insurer
- *Data* – What data should an insurer be using to estimate your premium now and in the future?
 - *Insurability* – Is it ethical that specific individuals or properties are uninsurable?
 - *Cost* – Are insurance premiums fair and transparent?
 - *Claims* – Are processes around claims handling fair and in the best interests of customers?
 - *Understanding* – Is there sufficient transparency around exactly what insurance product is being purchased, should insurers be doing more to ensure that a policyholder will benefit from the policy?
- 2.4 The survey posed to IFOA members was more detailed (containing 34 multiple choice questions) compared to the simplified version for member of the public (containing 15 multiple choice questions). Each question within the public survey was either identical to closely mapped to one or more questions within the IFOA survey and hence a direct comparison of responses was possible. The complete survey questions can be found in Appendix A and Appendix B of this paper.

2. Survey Approach

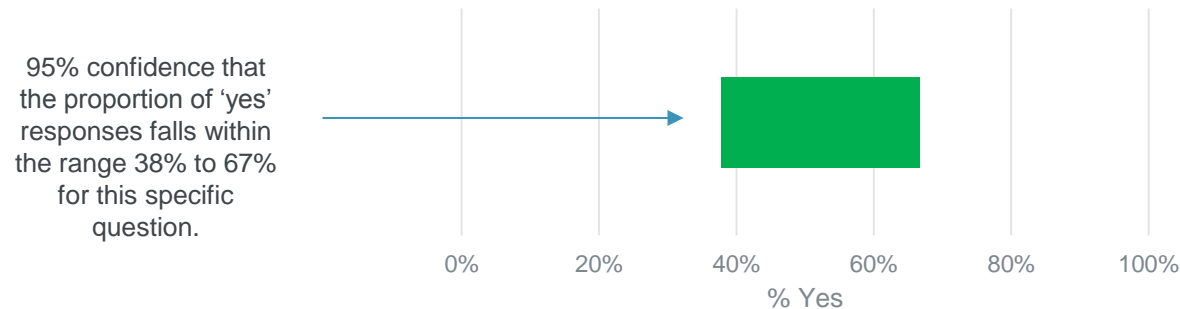
- 2.5 We have analysed the results of the surveys by considering the variance around the number of 'yes' responses to each question. We have contrasted IFOA and public views for each comparable question. We highlight that for a small number of questions, the wording of the question differed between the question asked to IFOA members and that asked to the public (in particular public questions 2 and 15). We highlight this as a limitation when discussing the results of our survey.

3. Results

- 3.1 In what follows we present the results of our survey. The following explains the format/presentation approach used:
- 3.2 For each question the results are displayed for we show the proportion of responses which were 'yes', 'no' or 'no view'/'can't follow the question', as follows:

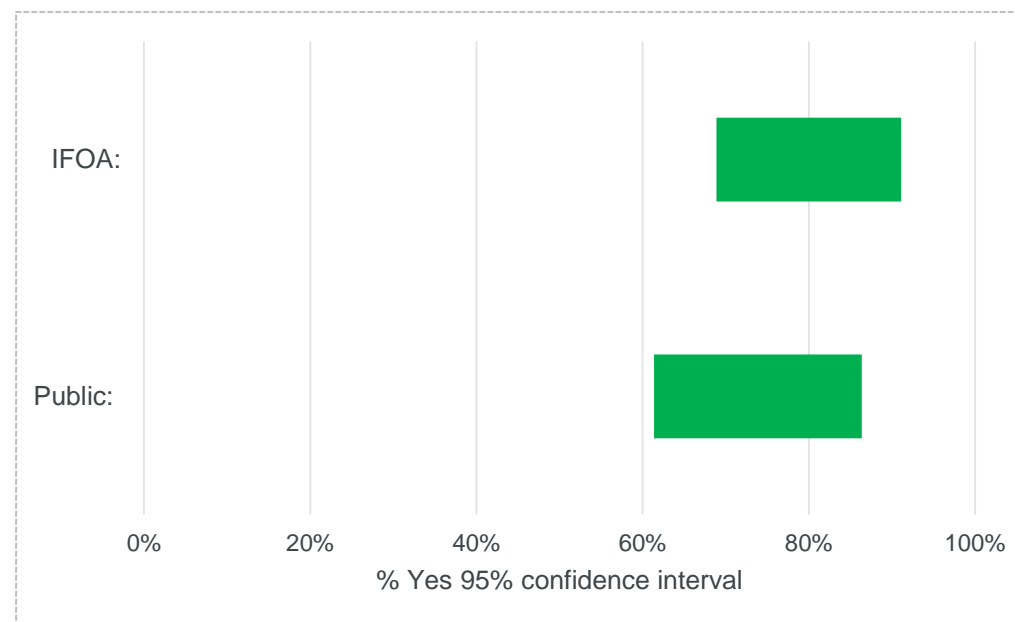
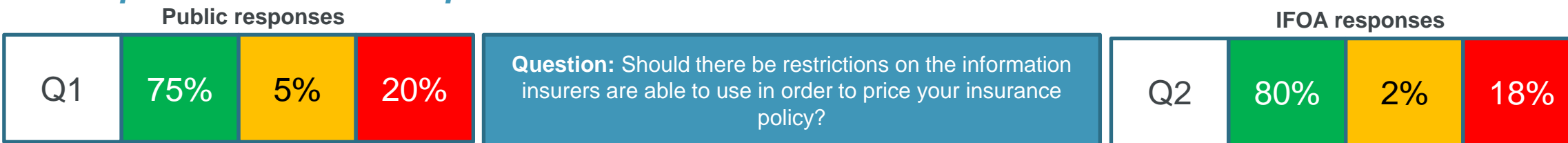


- 3.3 We then show the variance around the proportion of 'yes' response by plotting a 95% confidence interval (i.e. assuming the sample is suitably larger and representative, we have 95% confidence that the proportion is likely to be within the range presented).



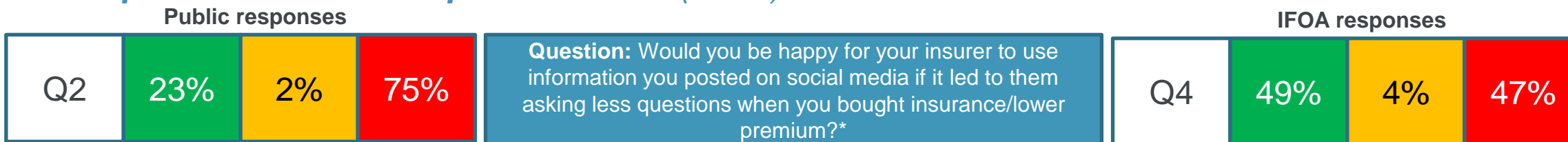
3. Results

- *Comparison of IFOA and public - DATA*



3. Results

• Comparison of IFOA and public – DATA (contd)

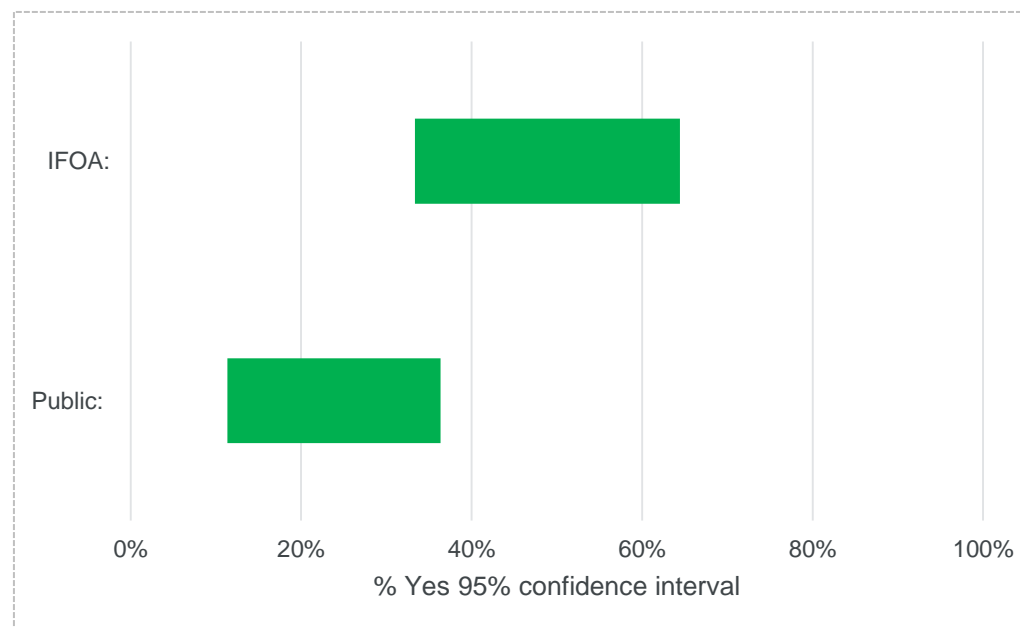


RESULT

No statistically significant difference at a 95th confidence interval, but significant at a 90th confidence interval*

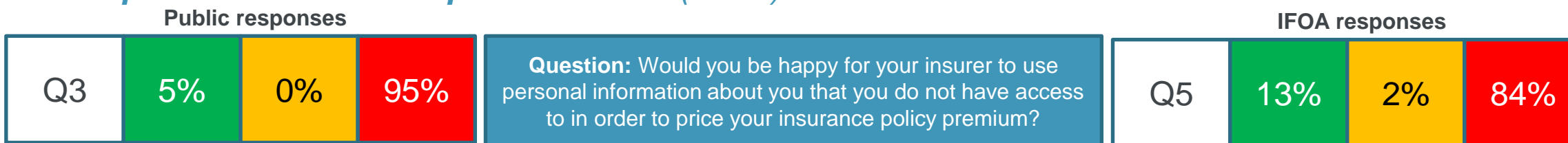
- IFOA members appear to be indifferent to use of social media information. This view could potentially be due to IFOA members, as professionals, already having awareness of what it is appropriate to upload to social media and hence do not believe that an insurer accessing what is there would have negative impacts.
- The public appear to more strongly disagree with insurers using social media to extract information even if it results in the benefit of it taking less time to purchase insurance.

* Please note that the exact wording of the question asked to IFOA members differed slightly to that asked of the public. IFOA members were asked if they were happy given it would reduce the volume of questions they were required to answer whilst the public were asked if they were happy for insurers to do this if it led to a premium reduction.



3. Results

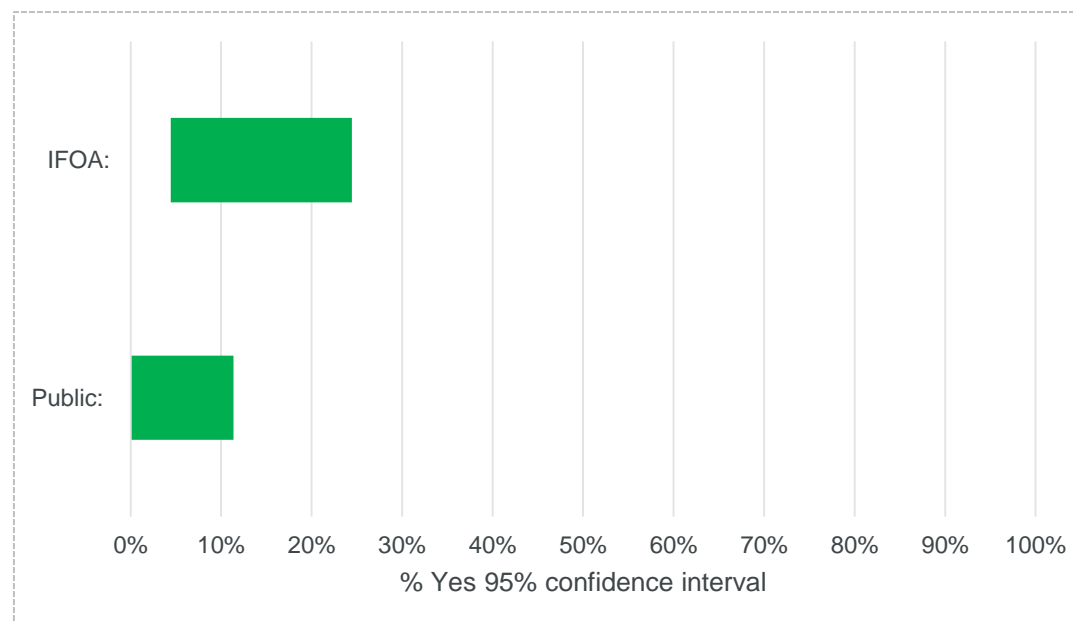
• Comparison of IFOA and public – DATA (contd)



RESULT

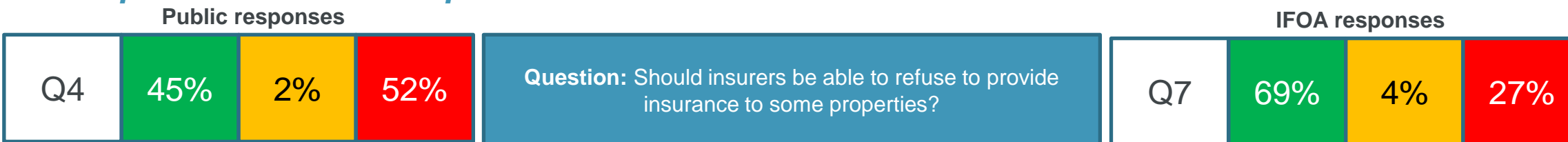
No statistically significant difference

- Both IFOA members and the public appear to quite strongly agree that insurers should not use such information. This may be driven by increased public awareness of data security given the number of cybersecurity breakdowns being regularly reported. If hackers could steal and publish the medical records of Olympic athletes, is such sensitive information even safe with an insurer?
- IFOA members have a wider variance of response with some individuals being indifferent to whether and a higher proportion responding that they would not mind. This may be because IFOA members are aware that all the insurer is attempting to do is better understand their risk and the use of such data could have upside potential too (i.e. act to reduce their premium).



3. Results

• Comparison of IFOA and public – INSURABILITY

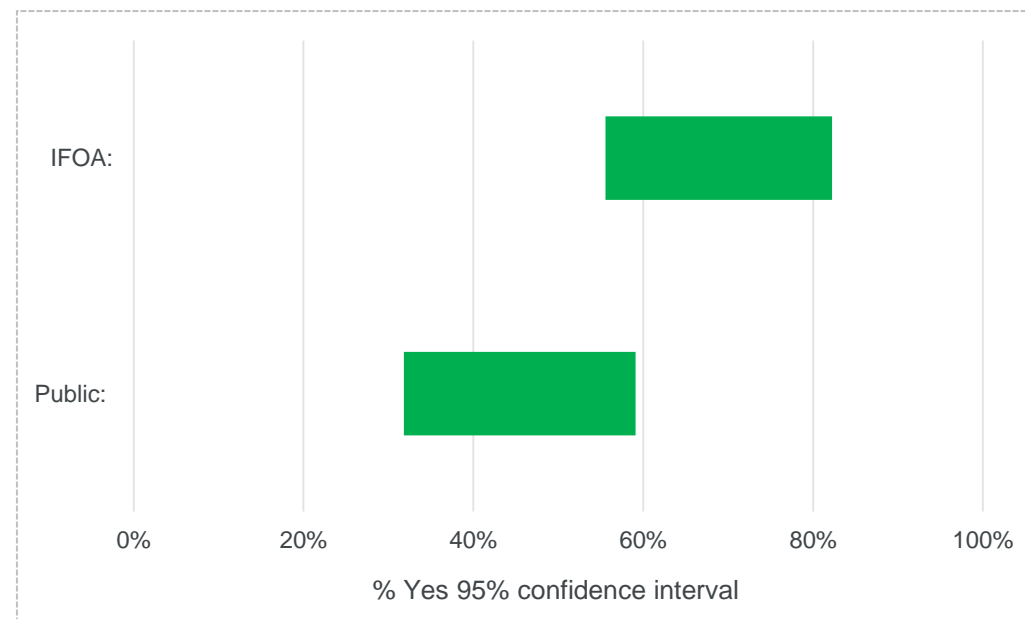


RESULT

No statistically significant difference at a 95th confidence interval, but significant at a 90th confidence interval

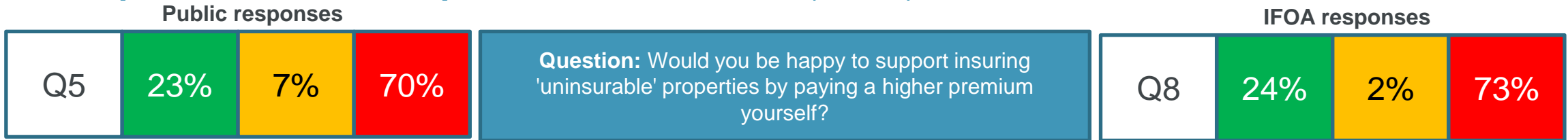
- IFOA members agree, slightly stronger than the public appear to*, that insurers should not have to offer insurance for all properties (e.g. high flood risk), perhaps due to a better understanding that insurers need to make a profit.
- The public is, on average, indifferent to whether insurers should offer insurance on such properties. But a significant proportion did state that insurers should provide insurance for all properties.
- Awareness of specific schemes, such as Flood Re, which helps insurers provide cover for all properties may also impact response.

* The difference between responses is only material at the 90th percentile.



3. Results

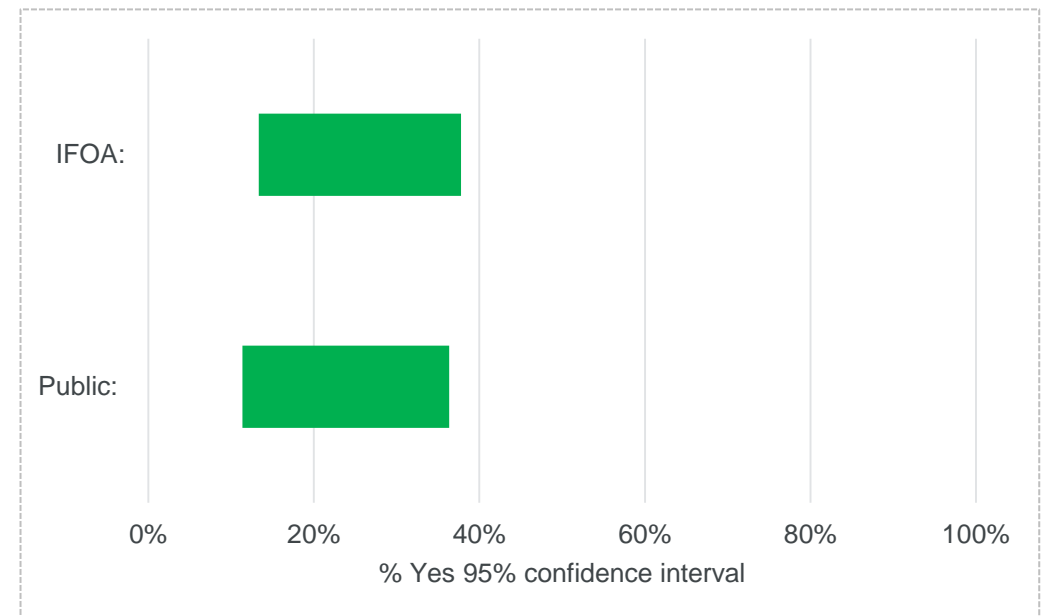
• Comparison of IFOA and public – INSURABILITY (contd.)



RESULT

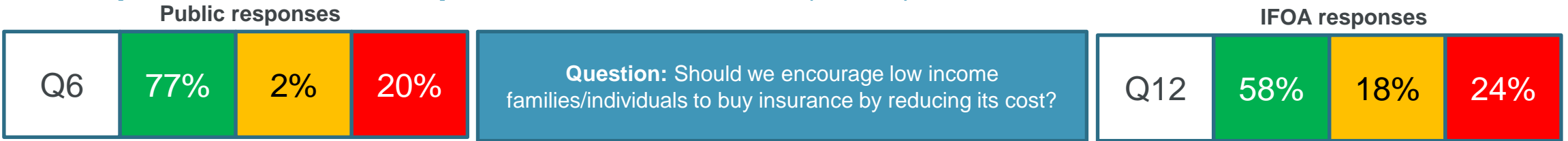
No statistically significance difference

- Both IFOA members and the public appear to strongly agree that they do not want to subsidise insurance for uninsurable properties.
- Interesting to compare the public's response to that to public survey question 4 where the majority of the public stated that insurers should offer insurance to all properties. This implies that there could be a lack of understanding by the public in respect of:
 - Premiums are linked to the level of risk
 - The fact that insurers would need to cross subsidise between high and low risk policies.



3. Results

• Comparison of IFOA and public – INSURABILITY (contd.)

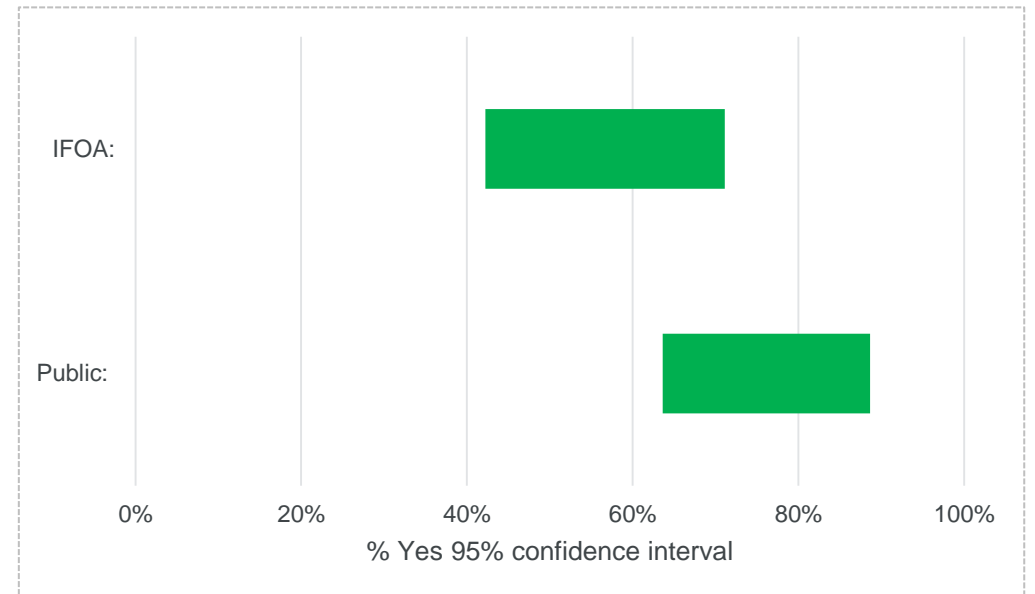


RESULT

No statistically significant difference at a 95th confidence interval, although significant at a 75th confidence interval

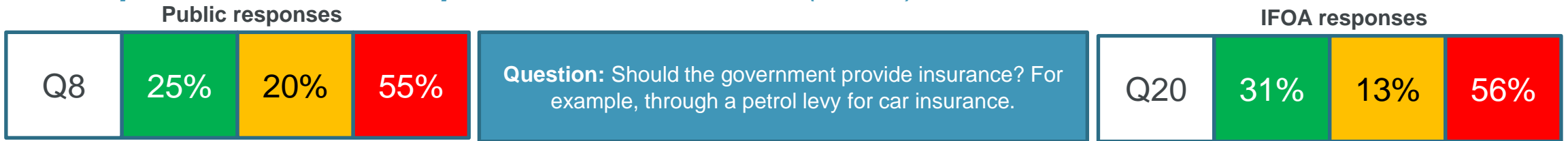
- Both the public and IFOA members, on average, agree that low income families/individuals should be encouraged to buy insurance. The public appears to agree slightly more strongly* which implies that there is some awareness of the value of insurance as a transfer of risk however this may also be in response to the 'lowering cost' part of the questions with the public perceiving insurance to already be too costly.
- Perhaps surprising, near half of IFOA members surveyed either had no view on this or responded no. This could be driven around views as to whether a company should have an ethical stance or should act in the interest of shareholders/members.

* The difference between responses is only material at the 75th percentile.



3. Results

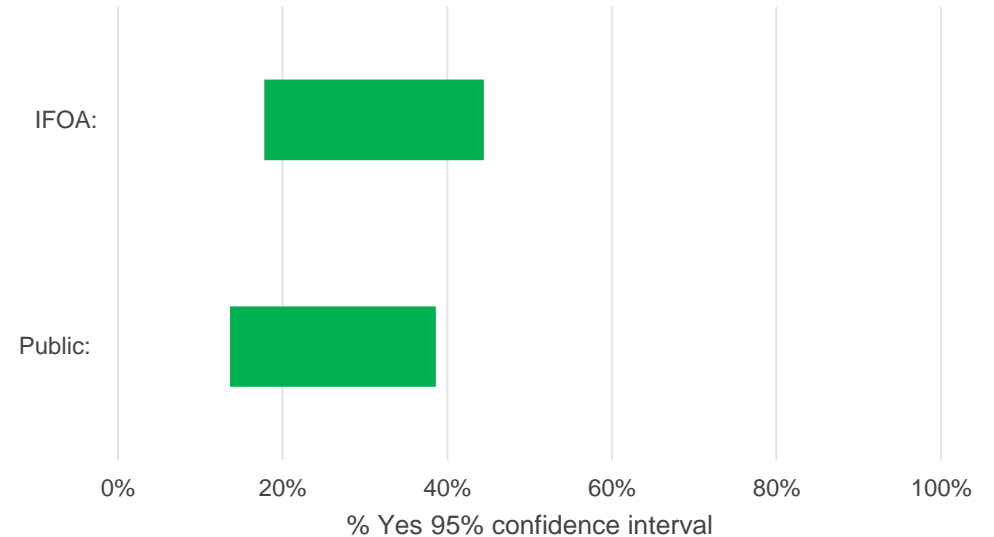
• Comparison of IFOA and public – INSURABILITY (contd.)



RESULT

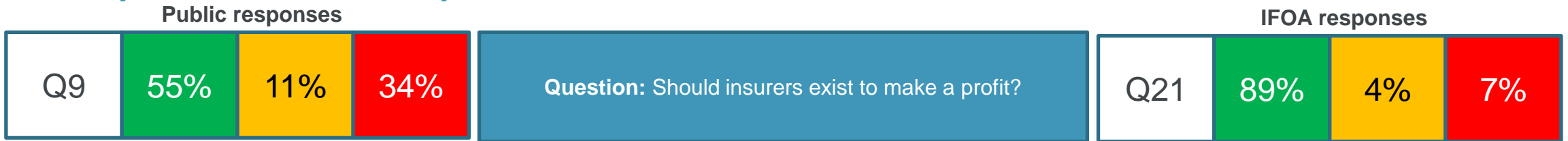
No statistically significant difference

- Both IFOA members and the public don't appear to support the government providing insurance.
- We however draw the readers attention to the fact that the survey was undertaken at a time when trust/confidence in the UK government was fairly low given the recent snap election result and ongoing Brexit negotiations. As such, responses to this question when confidence in the government was higher could materially differ.



3. Results

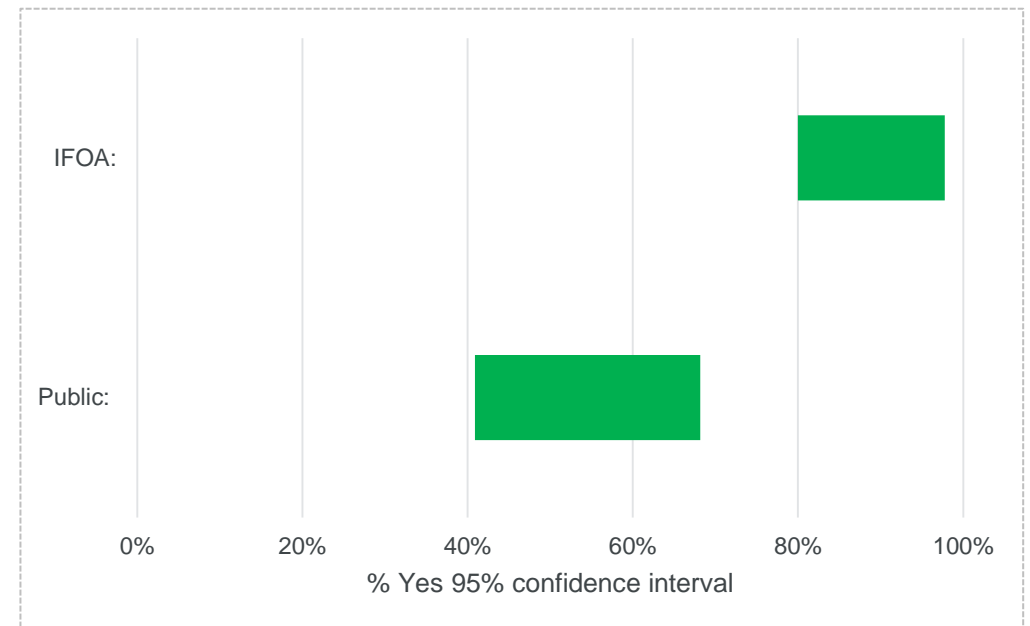
• Comparison of IFOA and public – CLAIMS



RESULT

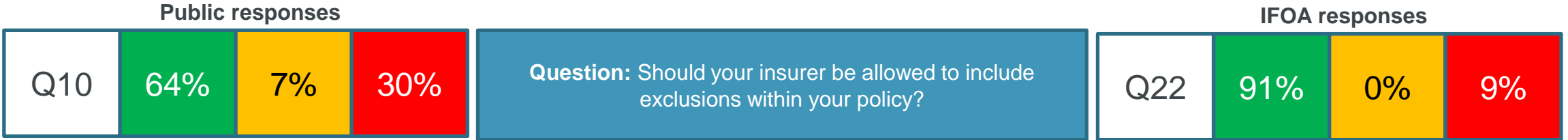
Statistically significant difference

- IFOA members appear to quite strongly agree that insurers should operate to make a profit. This could be due to the awareness that insurers need to operate as viable commercial companies.
- However, nearly half of the public are either indifferent to or disagree with insurers making a profit. This could suggest a potential lack of understanding of the value of insurance and the motivation for an insurance company to exist.



3. Results

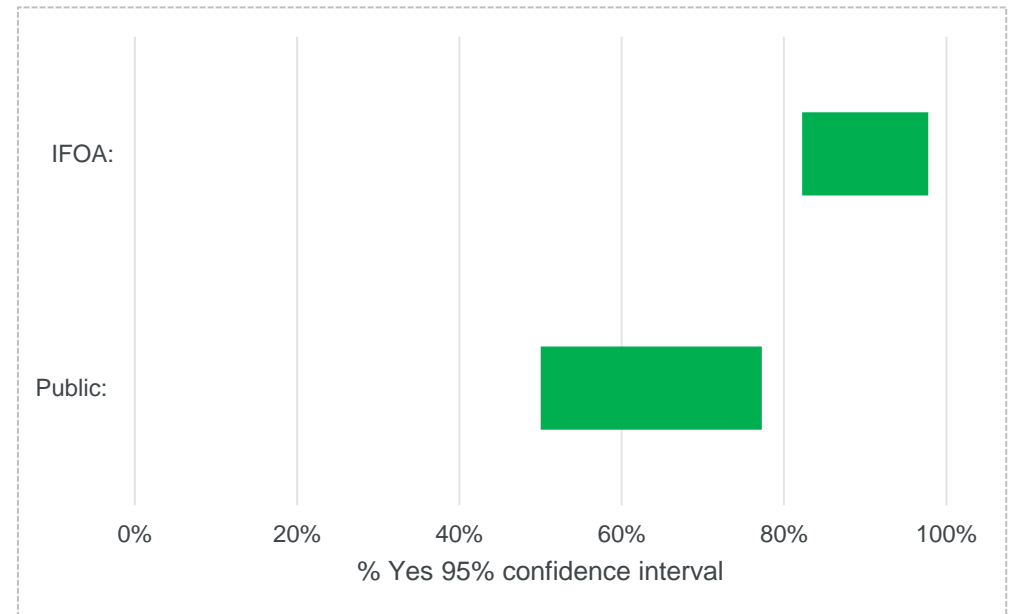
- Comparison of IFOA and public – CLAIMS (contd.)



RESULT

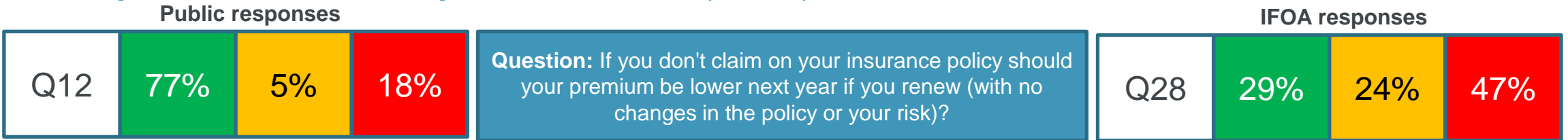
Statistically significant difference

- IFOA members strongly agree that exclusions should be allowed whereas a material proportion of the public disagree. This could demonstrate a misconception that exclusions act to disadvantage the policyholder and exclude exposures which should be covered. The public may feel they don't understand the exclusions or weren't made aware of them when taking out the policy and hence conceptually feel that they are unfair.



3. Results

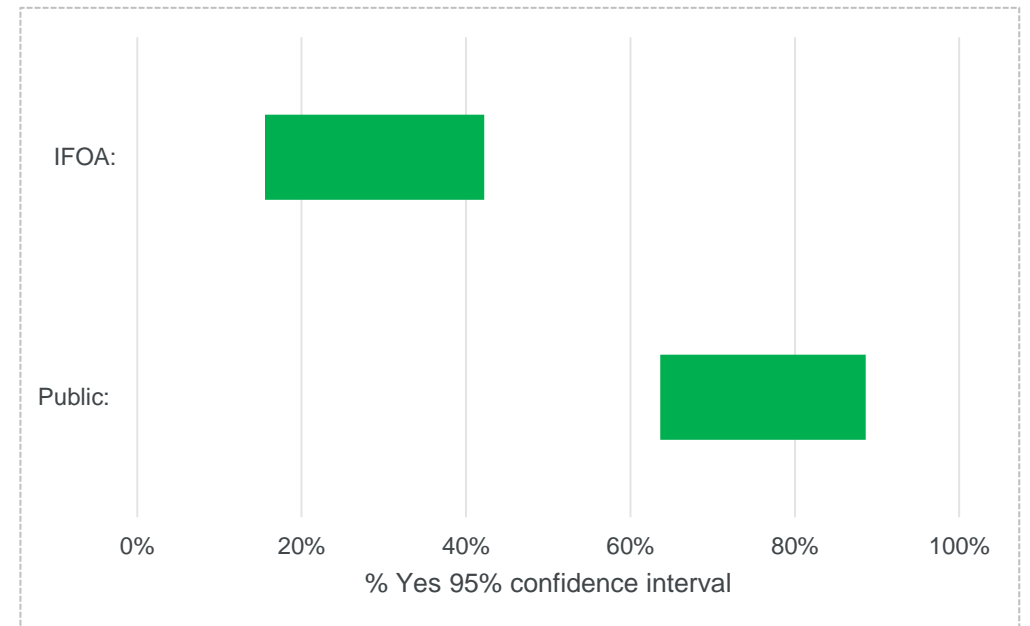
• Comparison of IFOA and public – CLAIMS (contd.)



RESULT

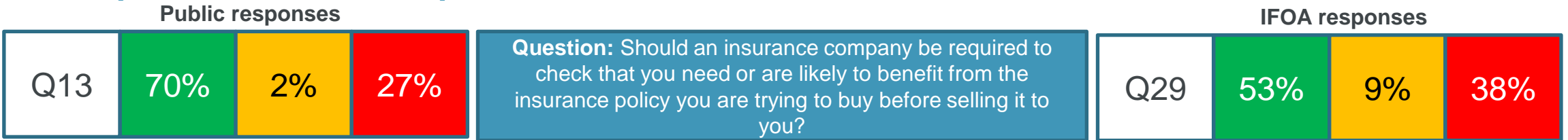
Statistically significant difference

- The public appears to strongly agree that premiums should reduce if you do not make a claim. This follows the logic argument that after a year of no claims a policyholder is a lower risk and hence an understanding of the no claims discount. The public response may also show awareness of the fact that acquisition costs of a renewal are most probably lower than for a new policy.
- IFOA members' conclusion may be driven by consideration of factors such as new business discounts; improved understanding of the insured risk; market demand, inflation; and taxation changes. IFOA members responses may reflect concern about regulatory intervention in pricing (i.e. the question may be interpreted as saying should regulation specify that premiums should be lower).



3. Results

• Comparison of IFOA and public – UNDERSTANDING

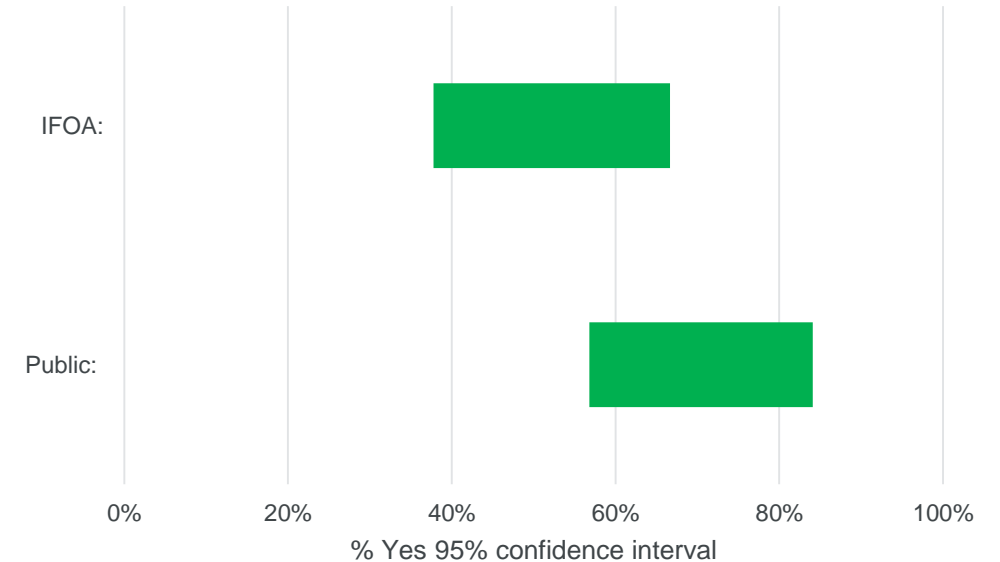


RESULT

No statistically significant difference at a 95th confidence interval, although significant at a 90th confidence interval

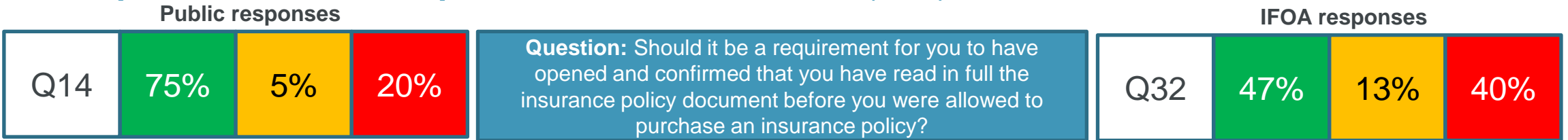
- The public appears to quite strongly be of the view that insurers should be responsible for checking that the policyholder requires the product. This could be indicative that the public do not often see the value of insurance they purchase (i.e. if they don't make a claim they see only the cost incurred and hence may conclude it was unnecessary).
- IFOA members less strongly* believe this should be a requirement, potentially because they are likely to have good financial awareness and hence believe they are well equipped to judge whether they would benefit from a policy or not.
- Although the majority of the IFOA still believe this should be a requirement. This could be influenced by the FCA's current focus on treating customers fairly.

* The difference between responses is only material at the 90th percentile.



3. Results

• Comparison of IFOA and public – UNDERSTANDING (cont)

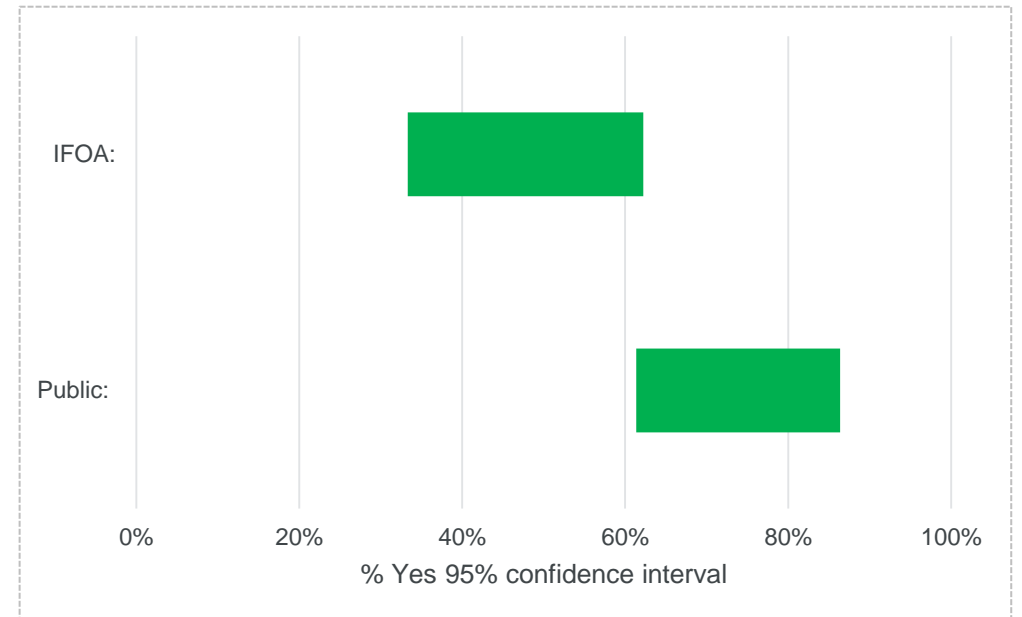


RESULT

No statistically significant difference at a 95th confidence interval, although significant at a 90th confidence interval

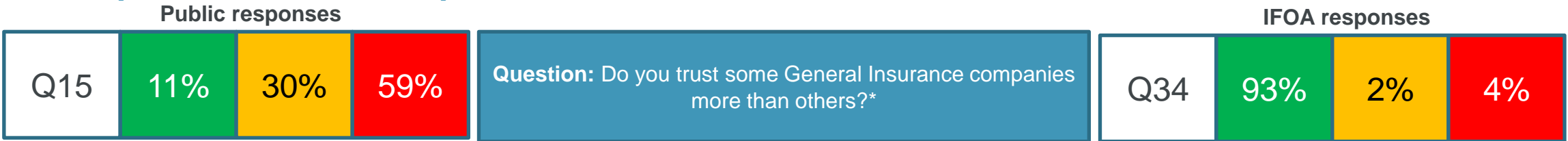
- Similar to public question 13, the public appears to be quite strongly of the view that it is the responsibility of the insurer to check that policyholders have understood the policy being purchased.
- IFOA members appear to less strongly* believe this should be a requirement, although again this may be driven by the fact that this sub set of the population is likely to have greater financial awareness or may as matter of course read policy documentation.
- It is interesting to note that a large proportion of each population answered no to this question. This could be systematic of the effort that would be involved to read in full a policy document, given they are typically quite lengthy.

* The difference between responses is only material at the 90th percentile.



3. Results

• Comparison of IFOA and public – TRUST

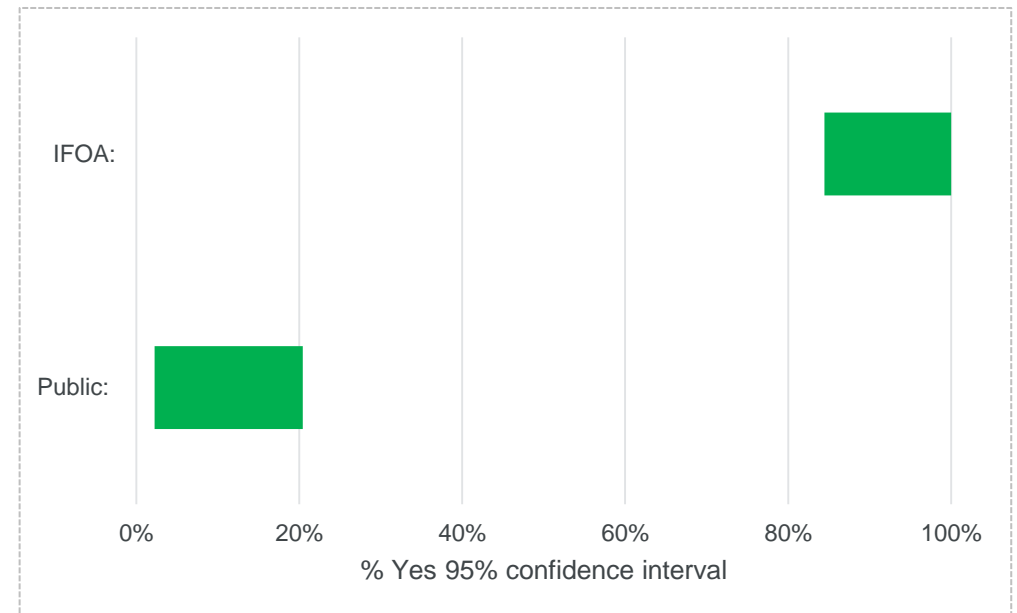


RESULT

Statistically significant difference*

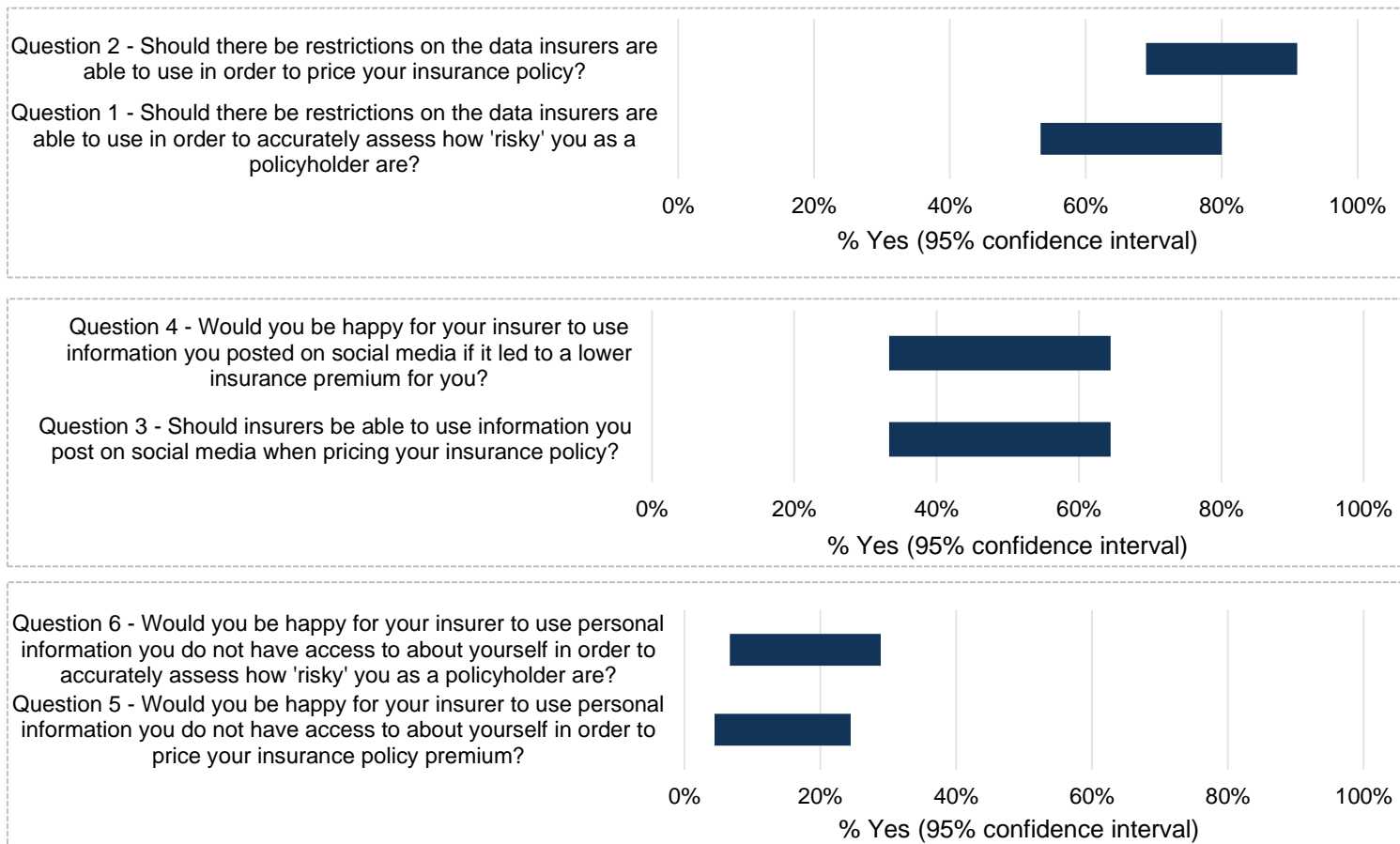
- Please note limitations in wording of the question which means direct comparability of IFOA and public responses is not possible.
- IFOA members appear to strongly express that they trust some insurance companies more than others, whilst the public strongly expressed that they didn't.
- The public appear to strongly agree that they do not trust general insurers more than others, which implies the question has been interpreted as a comparison to other industries and that the public who replied to our survey are in agreement with the widely reported view that insurance is not a trusted industry.

* IFOA members were asked if "excluding the company they worked for, they trusted some general insurance companies more than others". The public however were asked if they "trusted general insurance companies more than others". We highlight the ambiguity in the public question; it is not clear what the comparison should be made to.



3. Results

• Key highlights from IFOA – Data

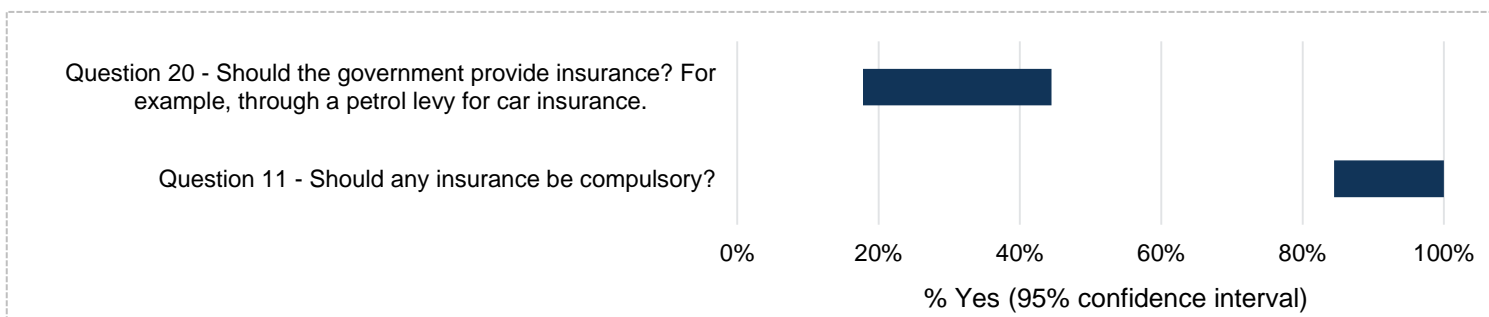
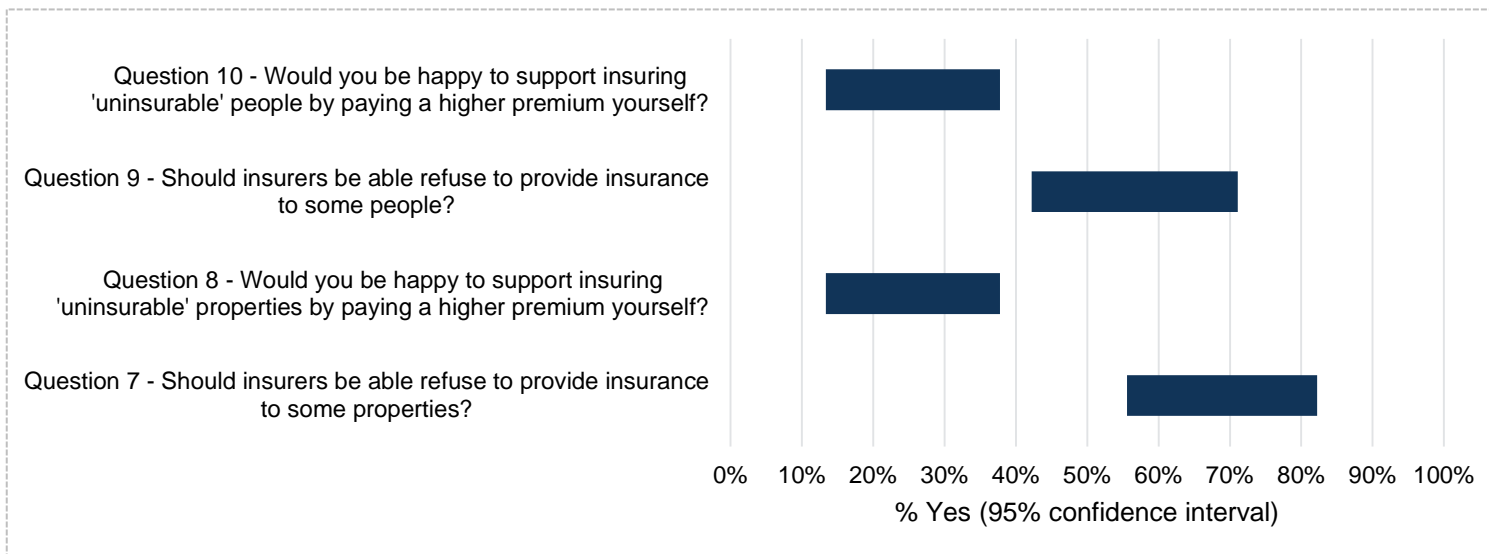


Observations:

- There appears to be a strong expression of view that there should be restrictions on the data made available to an insurer.
- IFOA members appear to be indifferent to insurer using social media information, which could imply that the individuals are aware that such information is already effectively public.
- Responses to questions which state that data will be used to assess risk or to price policy are near identical. This suggests good understanding over how premiums are set. Could also imply trust that the insurer would not use data for inappropriate purposes.

3. Results

- Key highlights from IFOA – Insurability

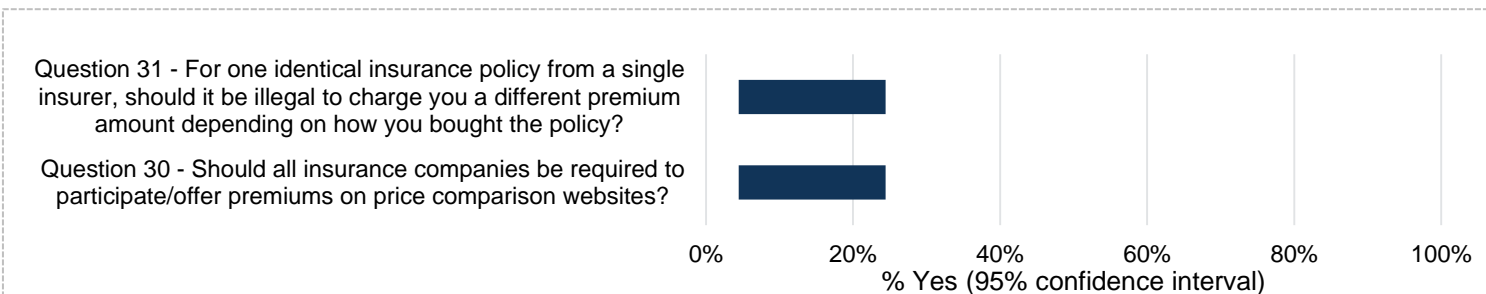
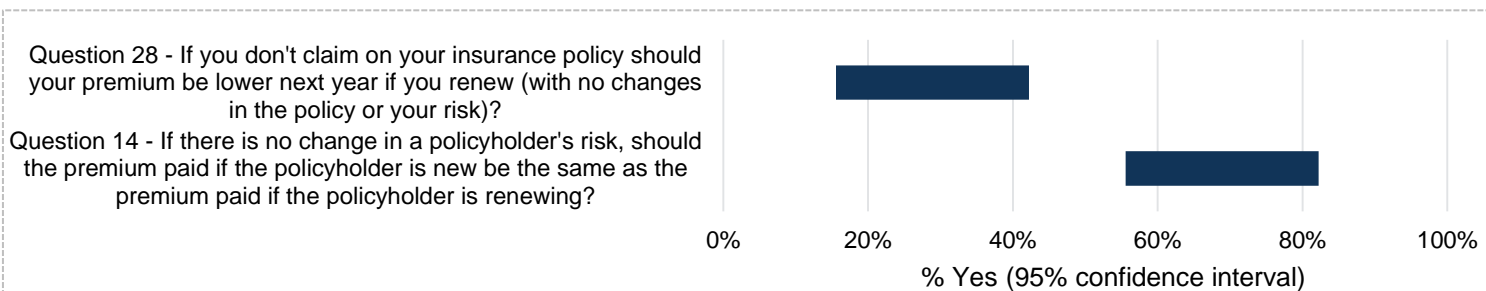
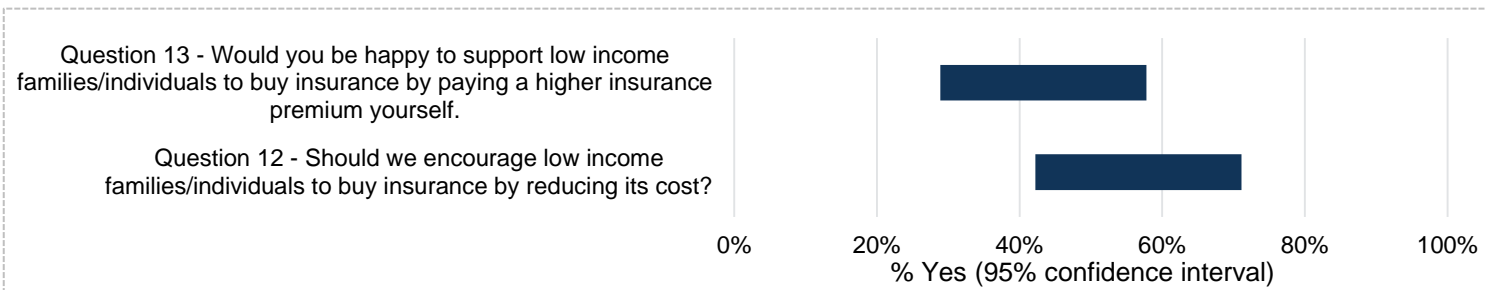


Observations:

- IFOA members appear to have a belief that some individuals and properties are not insurable and failure of offer insurance is not unjust behaviour.
- IFOA members on average would not be happy to pay more to support providing insurance to such properties/individuals. Although a small proportion stated that they were which perhaps suggest an understanding that insurance is pooling of risk and hence there is always a degree of cross subsidy.
- Strong expression of agreement that some insurance should be compulsory. Implies understanding of the value insurance brings to society.

3. Results

• Key highlights from IFOA – Cost

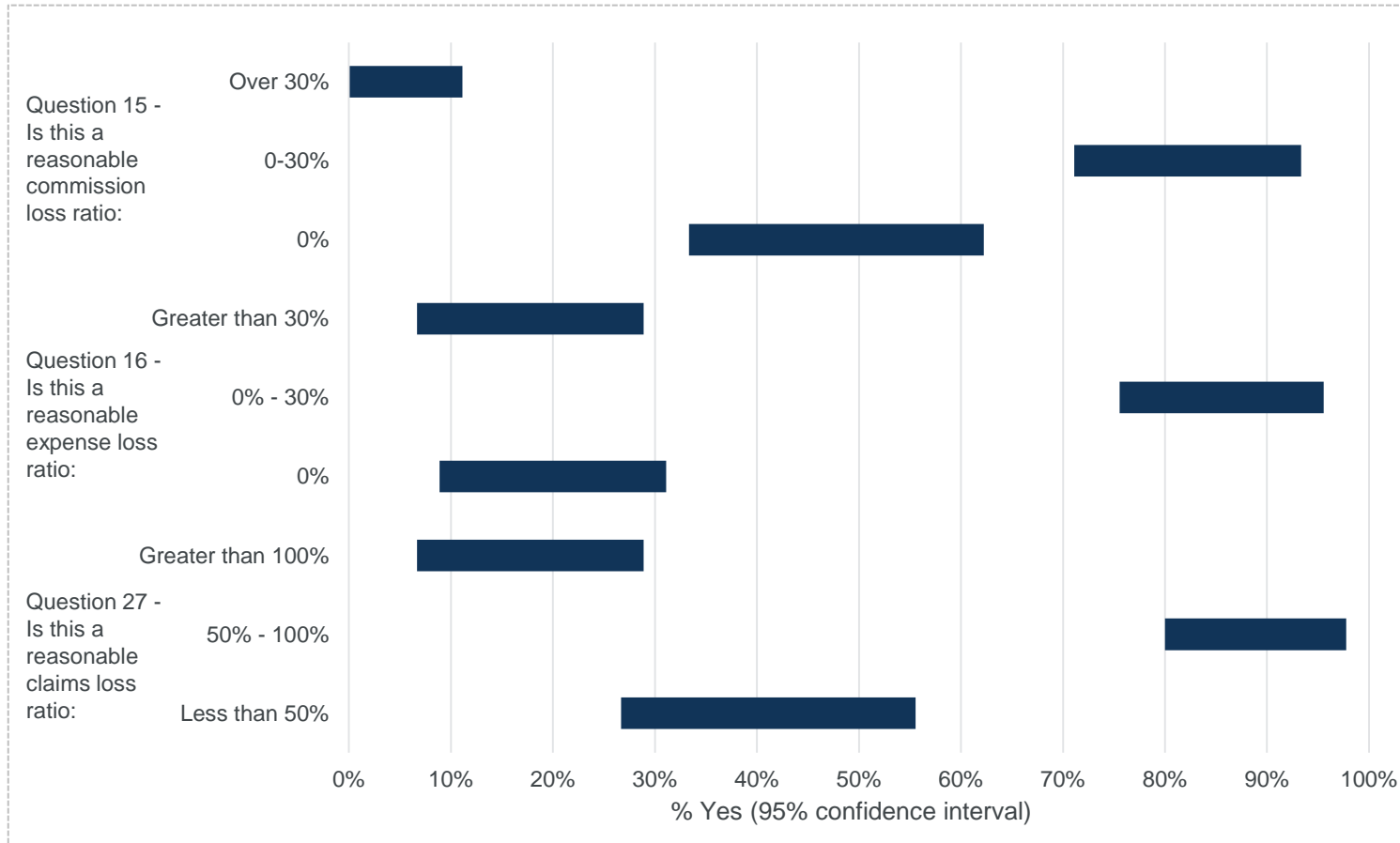


Observations:

- The majority of IFOA members appear to strongly disagree with the new vs renewal premiums differing despite this being common market practice.
- IFOA members have a good understand of how premiums are set however and appear to understand that the premium for an identical policy will vary based on the distribution channel.
- IFOA members appear to have resistance to regulatory/legal intervention with respects to the pricing/sale of insurance.

3. Results

- Key highlights from IFOA – Cost (contd.)

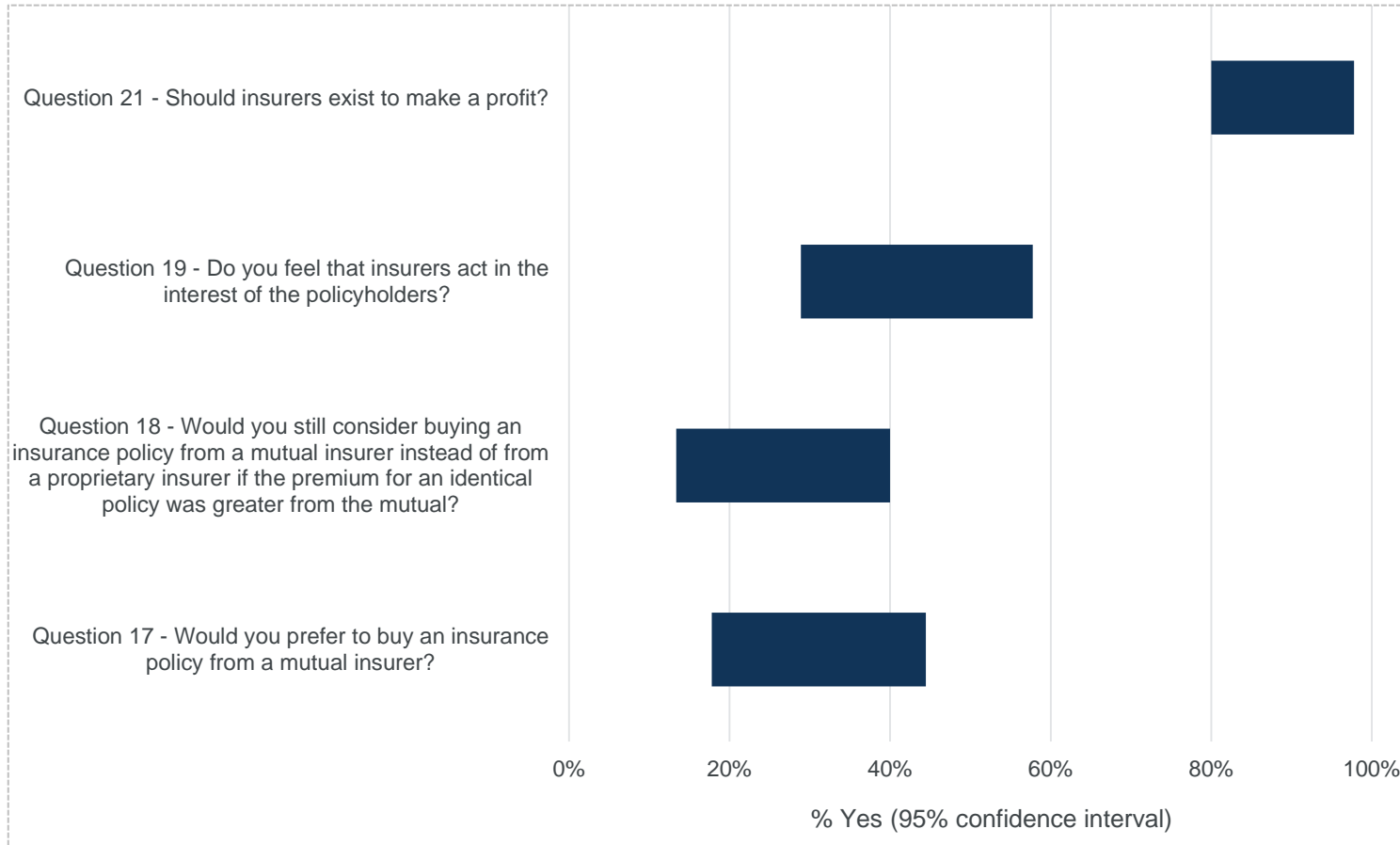


Observations:

- IFOA members express relatively strong views that expense and commission ratios should not be excessively high. Implies understanding that such costs are transferred directly to the policyholder. There is however appreciation that these ratios are likely to be non zero as are necessary costs for the insurer.
- The majority believe a claims loss ratio between 50% to 100% is reasonable, although a lower proportion consider a ratio of less than 50% is reasonable. Implies expectation that insurers should not be making excessive profits, although note that the question is limited as many IFOA members are likely to express a different view for different classes of business which have different capital requirements.

3. Results

- *Key highlights from IFOA – Profit*

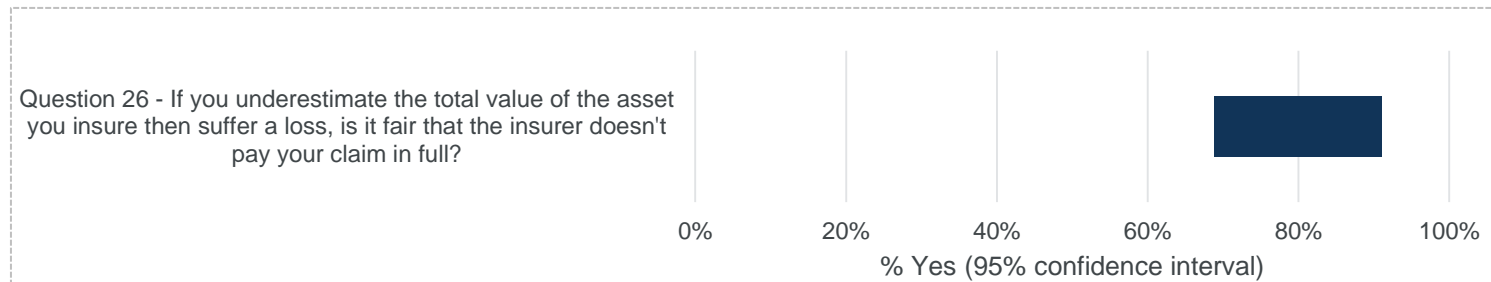
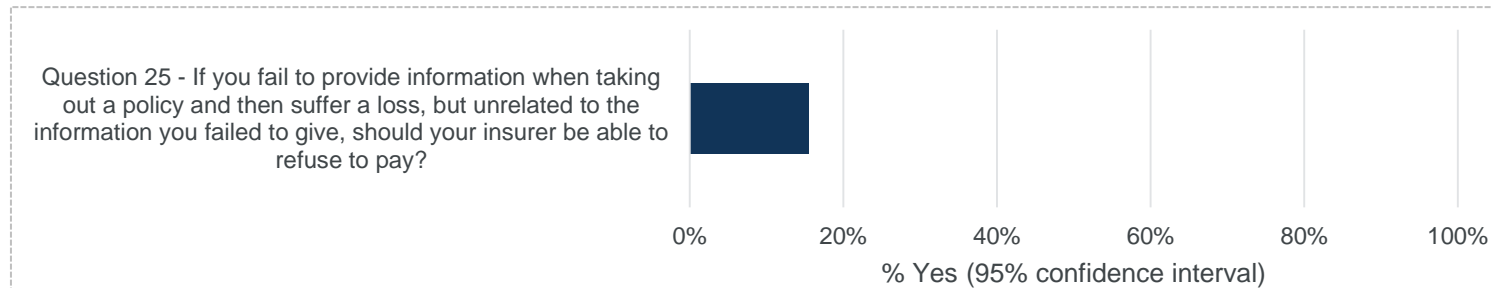
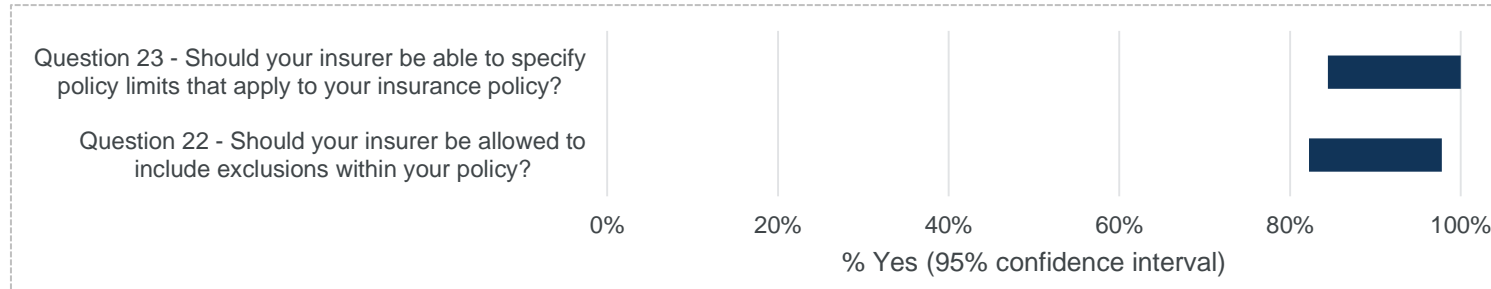


Observations:

- IFOA members appear to understand that insurers need to be run as commercially viable businesses and hence make a profit.
- However even IFOA members, on average, do not agree that insurers act in the interests of policyholders. This is surprising given IFOA members have a good understanding of the operations of insurers and potentially the ability to influence this.

3. Results

- *Key highlights from IFOA – Claims*

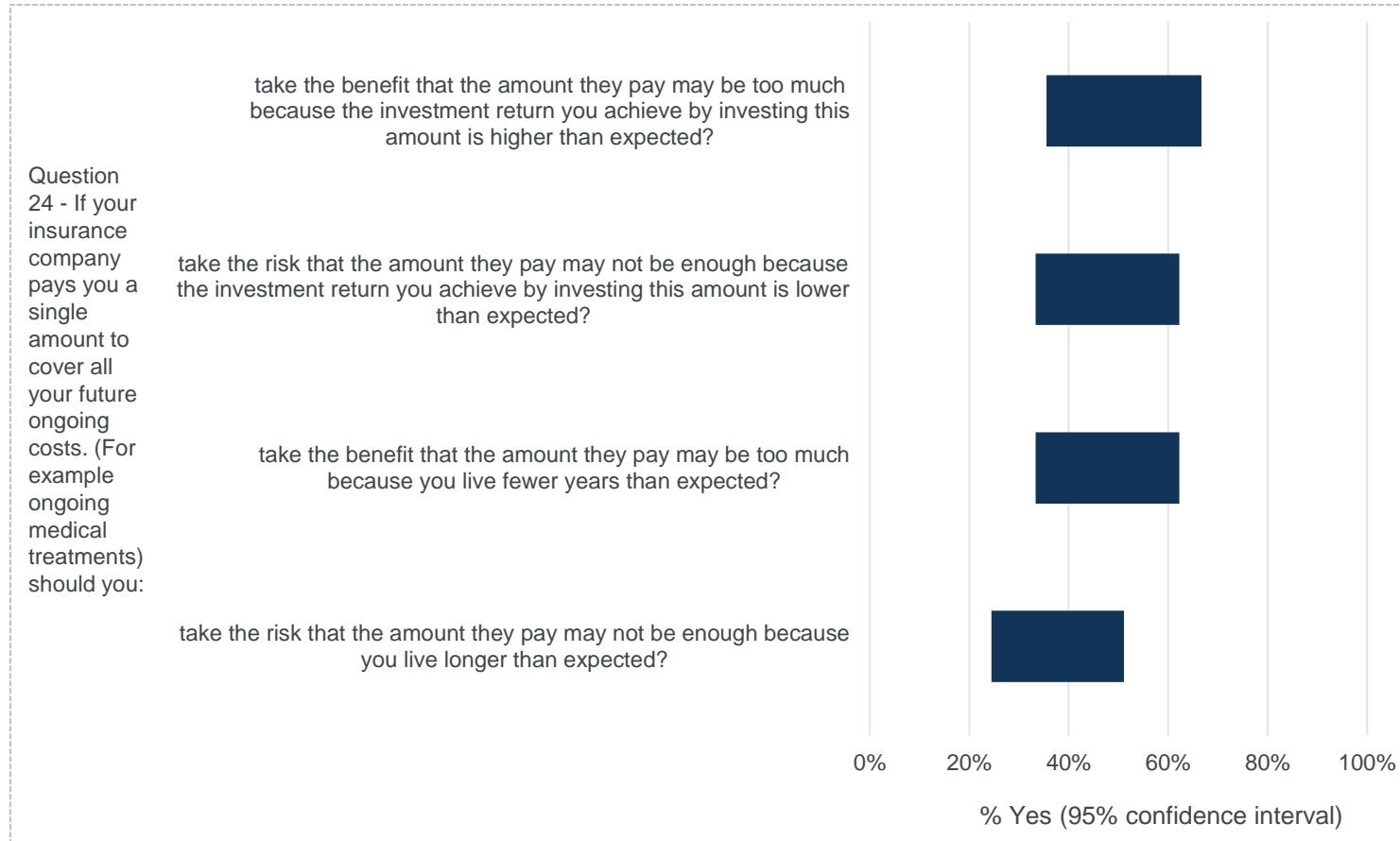


Observations:

- IFOA member responses suggest a good understanding of how insurance policies work I.e. exclusions and limits are there to reduce premiums by protecting the insurer and avoiding moral hazards.
- However it is interesting to note that at least some, albeit the minority, IFOA members believe the policies should not have limits or exclusions & underinsurance should not be penalised. Could imply a view that when this is unfavourable for the policyholder it is due to pure misunderstanding of the policyholder and not deliberate fraud.

3. Results

- Key highlights from IFOA – Claims

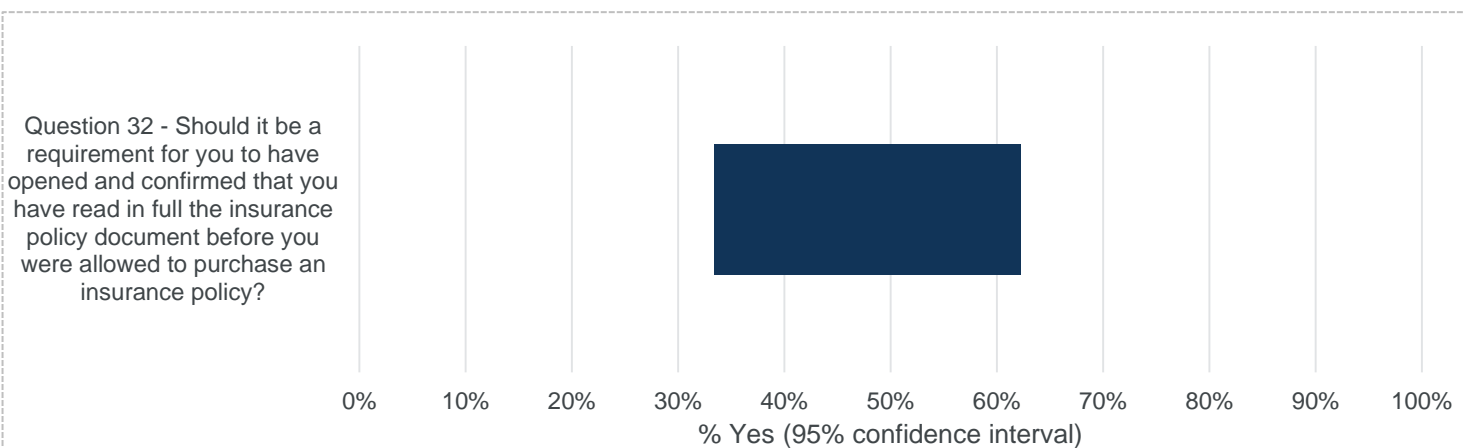
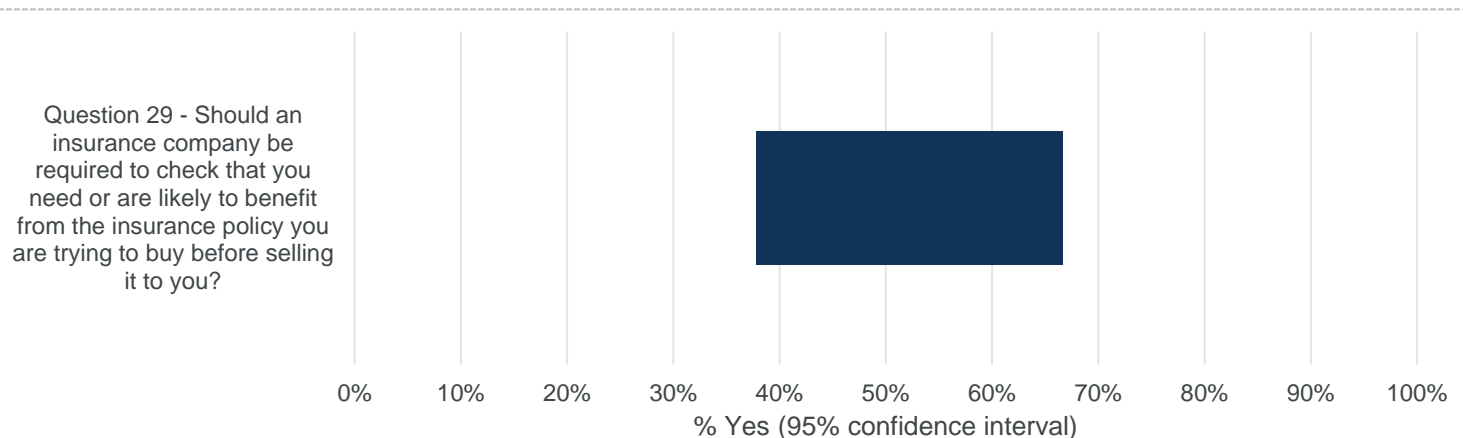


Observations:

- IFOA members expressed no strong agreement to any of the options around risks claimants face.
- This is perhaps surprising given, in the UK, PPOs are often perceived as the most appropriate form of settlement for large liability claims.

3. Results

- *Key highlights from IFOA – Understanding*

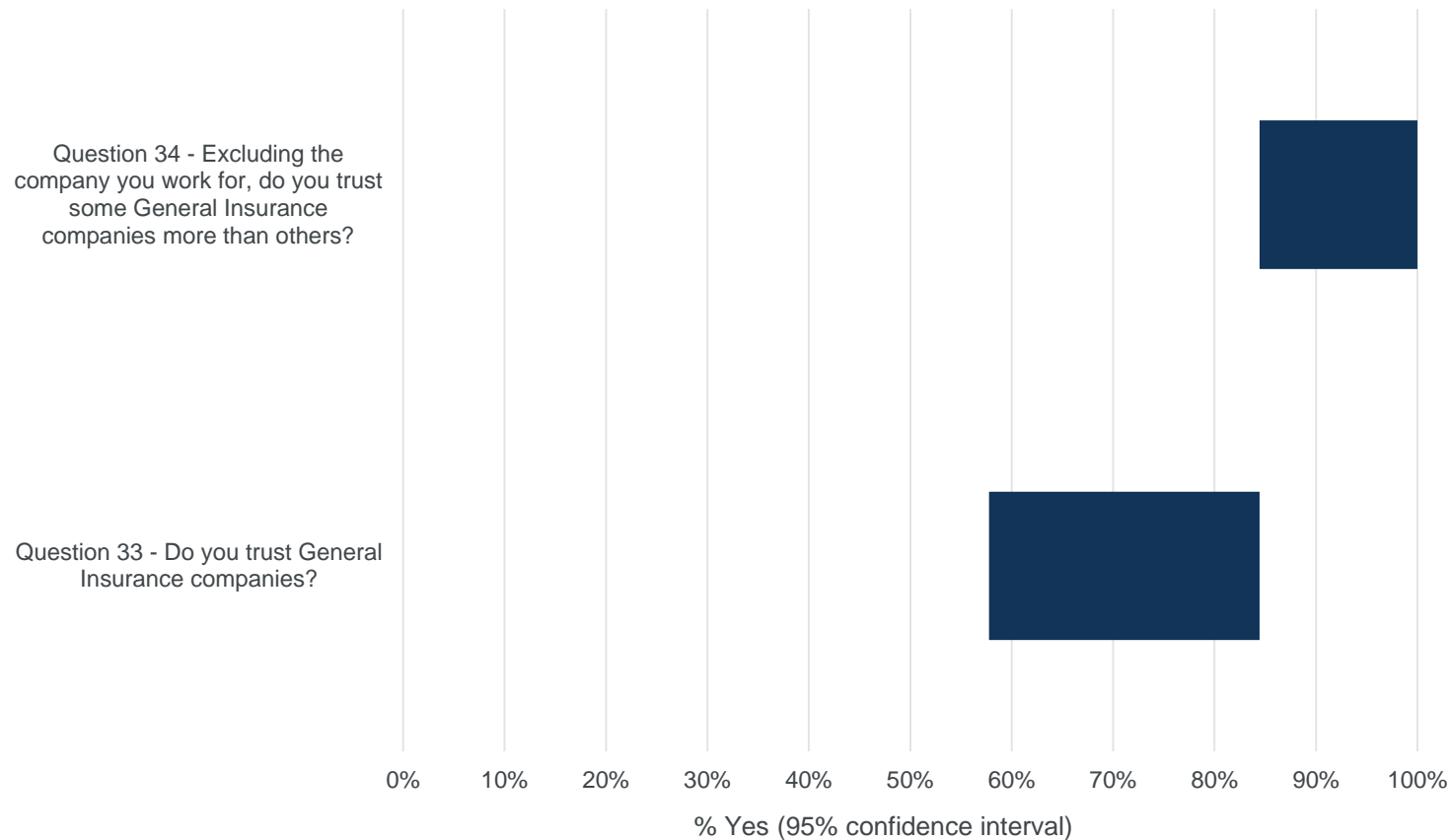


Observations:

- IFOA members are indifferent to both questions about the insurer ensuring you need the policy you are purchasing and have understood it. This is likely however to be due to IFOA members having a higher than average understanding of insurance.

3. Results

- *Key highlights from IFOA – Trust*



Observations:

- The poor practices of some behaviours could be impacting the reputation of the wider general insurance industry, with nearly all IFOA members confirming that they believe some insurers to be more trustworthy than others.
- However, a significant proportion of IFOA members answered 'no' they do not trust general insurance companies. Given such companies are the employers of many, this is surprising and perhaps systematic of the reputational problem the industry is facing.
- We recognise that the responses may be driven by responders potentially having a biased view, with those that responded by completing the survey entitled the ethics of general insurers having a strong view about this topic.

4. References

- (1) FSCS investigation into consumer trust in industries and organisation: <https://www.fscs.org.uk/globalassets/press-releases/20151111-fscs-trust-white-paper-final.pdf>
- (2) Engine Service Design Consultancy customer experience survey: <http://www.actuarialpost.co.uk/article/insurers-among-most-likely-to-be-alienating-customers-12402.htm>
- (3) FCA's value measures 2016: <https://www.fca.org.uk/publications/data/general-insurance-value-measures-data-year-ended-31-august-2016>
- (4) ABI's 2015 Brave New World, Industry Reputation report: <https://www.abi.org.uk/globalassets/sitecore/files/documents/publications/public/2015/a-brave-new-world/trend-6.pdf>



Institute
and Faculty
of Actuaries

Appendices

ertise
ponsorship
Thought leadership
Progress
Community
Sessional Meetings
Education
Working parties
Volunteering
Research
Shaping the future
Networking
Professional support
Enterprise and risk
Learned society
Opportunity
International profile
Journals
Support

Appendix A – Survey Questions

Public survey:

Number	Question	Response (Tick one box only)							
1	Should there be restrictions on the information insurers are able to use in order to price your insurance policy?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
2	Would you be happy for your insurer to use information you posted on social media if it led to them asking less questions when you bought insurance?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
3	Would you be happy for your insurer to use personal information you do not have access to about yourself in order to price your insurance policy premium? For example genetic screening/information about your genome.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
4	Should insurers be able refuse to provide insurance to some properties? For example due to reasons such as flood risk being too high.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
5	Would you be happy to support insuring 'uninsurable' properties by paying a higher premium yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
6	Should we encourage low income families/individuals to buy insurance by reducing its cost?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
7	Should new customers be offered better insurance deals than renewing customers?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
8	Should the government provide insurance? For example, through a petrol levy for car insurance.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
9	Should insurers exist to make a profit?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
10	Should your insurer be allowed to include exclusions within your policy (i.e. losses that the insurer will not compensate you for)?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
11	Were you to be in a serious accident that was not your fault and required lifetime medical care, would you prefer to receive a single lump sum from your insurer to cover all your future medical costs or would you prefer your insurer to pay your medical bills as they occur in the future?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
12	If you don't claim on your insurance policy should your premium be lower next year if you renew (with no changes in the policy or your risk)?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
13	Should an insurance company be required to check that you need or are likely to benefit from the insurance policy you are trying to buy before selling it to you?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
14	Should it be a requirement for you to have opened and confirmed that you have read in full the insurance policy document before you were allowed to purchase an insurance policy?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>
15	Do you trust General Insurance companies more than others? (General Insurance companies provide non-life insurance such as motor and household)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Can't follow question	<input type="checkbox"/>	No View	<input type="checkbox"/>

Appendix A – Survey Questions

IFOA Members survey:

Number	Question	Response (Tick one box only)					
1	Should there be restrictions on the data insurers are able to use in order to accurately assess how 'risky' you as a policyholder are?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
2	Should there be restrictions on the data insurers are able to use in order to price your insurance policy?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
3	Should insurers be able to use information you post on social media when pricing your insurance policy? (For example Facebook, Twitter, Instagram)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
4	Would you be happy for your insurer to use information you posted on social media if it led to a lower insurance premium for you?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
5	Would you be happy for your insurer to use personal information you do not have access to about yourself in order to price your insurance policy premium? For example genetic screening/information about your genome.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
6	Would you be happy for your insurer to use personal information you do not have access to about yourself in order to accurately assess how 'risky' you as a policyholder are? For example genetic screening/information about your genome.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
7	Should insurers be able refuse to provide insurance to some properties? For example due to reasons such as flood risk being too high.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
8	Would you be happy to support insuring 'uninsurable' properties by paying a higher premium yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
9	Should insurers be able refuse to provide insurance to some people? For example young drivers as they are a too high risk.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
10	Would you be happy to support insuring 'uninsurable' people by paying a higher premium yourself?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
11	Should any insurance be compulsory?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
12	Should we encourage low income families/individuals to buy insurance by reducing its cost?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
13	Would you be happy to support low income families/individuals to buy insurance by paying a higher insurance premium yourself.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
14	If there is no change in a policyholder's risk, should the premium paid if the policyholder is new be the same as the premium paid if the policyholder is renewing (i.e. the policyholder bought the same insurance from the same insurer the previous year)?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
15 a	Is this a reasonable claims loss ratio (i.e. total cost of claims over total cost of premiums): Less than 50%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>

Appendix A – Survey Questions

IFOA Members survey (contd):

Number	Question	Response (Tick one box only)					
15 b	Is this a reasonable claims loss ratio (i.e. total cost of claims over total cost of premiums): 50% to 100%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
15 c	Is this a reasonable claims loss ratio (i.e. total cost of claims over total cost of premiums): Greater than 100%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
16 a	Is this a reasonable expense loss ratio (i.e. total cost of expenses for an insurer, related to your policy, over total cost of premiums) to be included in the premium you pay for your insurance: 0% (i.e. you cover none of the insurance company's expenses)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
16 b	Is this a reasonable expense loss ratio (i.e. total cost of expenses for an insurer, related to your policy, over total cost of premiums) to be included in the premium you pay for your insurance: 0% to 30%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
16 c	Is this a reasonable expense loss ratio (i.e. total cost of expenses for an insurer, related to your policy, over total cost of premiums) to be included in the premium you pay for your insurance: Greater than 30%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
17	Would you prefer to buy an insurance policy from a mutual insurer (i.e. no shareholders, profit retained by company/shared distributed to policyholders) instead of from a proprietary insurer (i.e. profits distributed to shareholders)?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
18	Would you still consider buying an insurance policy from a mutual insurer (i.e. no shareholders, profit retained by company/distributed to policyholders) instead of from a proprietary insurer (i.e. profits distributed to shareholders) if the premium for an identical policy was greater from the mutual?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
19	Do you feel that insurers act in the interest of the policyholders?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
20	Should the government provide insurance? For example, through a petrol levy for car insurance.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
21	Should insurers exist to make a profit?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
22	Should your insurer be allowed to include exclusions within your policy (i.e. losses that the insurer will not compensate you for)?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
23	Should your insurer be able to specify policy limits (i.e. on the amount an insurer will pay you if you suffer a loss) that apply to your insurance policy?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
24 a	If your insurance company pays you a single amount to cover all your future ongoing costs (For example ongoing medical treatments) should you take the risk that the amount they pay may not be enough because you live longer than expected?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
24 b	If your insurance company pays you a single amount to cover all your future ongoing costs (For example ongoing medical treatments) should you take the benefit that the amount they pay may be too much because you live fewer years than expected?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>

Appendix A – Survey Questions

IFOA Members survey (contd):

Number	Question	Response (Tick one box only)					
24 c	If your insurance company pays you a single amount to cover all future ongoing costs (For example ongoing medical treatments) should you take the risk that the amount they pay may not be enough because the investment return you achieve by investing this amount is lower than expected?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
24 d	If your insurance company pays you a single amount to cover all your future ongoing costs (For example ongoing medical treatments) should you take the benefit that the amount they pay may be too much because the investment return you achieve by investing this amount is higher than expected?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
25	If you fail to provide information when taking out a policy and then suffer a loss, but unrelated to the information you failed to give, should your insurer be able to refuse to pay? (For example upon taking out health insurance you did not disclose an ear infection. When you later are diagnosed with blood cancer, should they be able to refute your claim?)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
26	If you underestimate the total value of the asset you insure (for example your property contents) then suffer a loss, is it fair that the insurer doesn't pay your claim in full?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
27 a	Is this a reasonable commission loss ratio (i.e. the amount paid to a third party who sells insurance to you as an intermediary between you and the insurer as a percentage of the premium you pay): 0%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
27 b	Is this a reasonable commission loss ratio (i.e. the amount paid to a third party who sells insurance to you as an intermediary between you and the insurer as a percentage of the premium you pay): 0% to 30%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
27 c	Is this a reasonable commission loss ratio (i.e. the amount paid to a third party who sells insurance to you as an intermediary between you and the insurer as a percentage of the premium you pay): Over 30%	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
28	If you don't claim on your insurance policy should your premium be lower next year if you renew (with no changes in the policy or your risk)?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
29	Should an insurance company be required to check that you need or are likely to benefit from the insurance policy you are trying to buy before selling it to you?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
30	Should all insurance companies be required to participate/offer premiums on price comparison websites? For example Compare the Market, GoCompare and Confused.com	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
31	For one identical insurance policy from a single insurer, should it be illegal to charge you a different premium amount depending on how you bought the policy? (For example from a price comparison website, directly from the insurer, from an insurance broker.)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
32	Should it be a requirement for you to have opened and confirmed that you have read in full the insurance policy document before you were allowed to purchase an insurance policy?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
33	Do you trust General Insurance companies? (General Insurance companies provide non-life insurance such as motor and household)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>
34	Do you trust some General Insurance companies more than others?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No View	<input type="checkbox"/>