



Mozo Experts Choice Awards **Life Insurance 2019**

Methodology Report
July 2019



Mozo Experts Choice Awards Life Insurance 2019

Every day, Mozo keeps track of thousands of products in banking, insurance and energy. We use our knowledge and experience to identify those products that offer great value or market-leading features, and we recognise them with these awards.

- For product providers, it's a third-party endorsement of their product.
- For consumers, it's a sign that a product is among the leaders and is worthy of consideration.

Our approach to insurance awards is to seek out and reward:

Exceptional Value

Insurance that's among the best-priced for the main features it offers, based on a comparison of prices for selected customer scenarios.

Exceptional Quality

Insurance cover that leads the market in the generosity of additional benefits and flexibility of options - irrespective of price.

Not all customers are looking for the same thing, and different products have different strengths. We think it's important to show why a product has been awarded.

In 2019, Mozo assessed **direct** life insurance products - ie those that can be purchased online directly from the insurer, and not products that are only available via financial planners or other intermediaries. To be eligible for a Value award, quotes *must be available online*.

The assessment covers insurance for death, total & permanent disability, trauma and income protection.



Life Insurance - 2019 Winners

Life Insurer Of The Year

NobleOak

Exceptional Value Life Insurance

Insure Me Now - Superior Life Insurance Cover

NobleOak - Premium Life Direct

Exceptional Value Life & TPD Insurance

Insure Me Now - Superior Life Insurance Cover

Kogan - Life Cover

NobleOak - Premium Life Direct

Exceptional Value Life & Trauma Insurance

Insure Me Now - Superior Life Insurance Cover

NobleOak - Premium Life Direct

Exceptional Value Income Protection

NIB - Income Protection

NobleOak - Premium Life Direct

NRMA - Income Protection

Virgin Money - Income Protection

Exceptional Quality Life Insurance

GIO - Life Protect

Suncorp - Life Protect

Exceptional Quality Income Protection

NobleOak - Premium Life Direct



How do we judge the winners?

Exceptional Value

Our assessment of Value is based on finding the most affordable policies for a given level of cover.

To compare pricing we gathered a range of quotes covering males and females, a range of ages, a range of professions with varying risk levels, and allowing for non-smokers and smokers.

Quotes must be available online, and prices were gathered assuming no adverse answers to any health questions.

For each insurer, we determined the proportion of quotes for which they were among the cheapest few. Points were awarded based on their ranking in each quote scenario. This methodology rewards the insurers who are most likely to be in the shortlist for the most people.

To be eligible, insurers must offer policies to new customers at least to age 55.

Life insurance

Quotes were obtained for a \$400,000 life insurance policy. In 2018 the average direct life insurance policies in Australia was \$368,709 (APRA). We rounded up to \$400,000 to allow us to collect data from providers who only quote in hundred thousand dollar increments.

Total & Permanent Disability

Quotes were obtained for \$400,000 TPD policies. In 2018 the average direct TPD insurance policies in Australia was \$348,734 (APRA). We rounded up to \$400,000 to

allow us to collect data from providers who only quote in hundred thousand dollar increments.

TPD policies were assessed when bundled with life insurance, ie the total cost of the death cover and TPD cover.

There are two types of TPD policies: *any* occupation and *own* occupation. ‘Own’ policies pay the benefit amount when the insured person is unable to work in their own occupation. Alternatively, ‘any’ policies payout when the insured person is unable to work in any occupation. We assessed both.

Trauma

Quotes were obtained for \$100,000 Trauma policies. In 2018 the average direct Trauma insurance policies in Australia was \$48,169 (APRA). We rounded up to allow us to collect data from providers who offer a minimum sum insured of \$100,000.

TPD policies were assessed when bundled with life insurance.

Income Protection

Quotes were obtained for income protection policies with a monthly benefit amount of \$4,500. In 2018 the average monthly benefit for direct income protection policies was \$4,628 (APRA).

We collected quotes for income protection policies with 30 and 90 day waiting periods and 1 year, 2 year and ‘until 65’ benefit periods. Insurers were then compared against those who offered the same waiting and benefit period. (Some policies offer slightly different waiting periods, eg 28 or 31 days, and we treated those as equivalent.)

Exceptional Quality

Our Quality awards are based on an assessment of the additional benefits, features and flexibility included with the insurance policy. They do not take account of price.

To determine which insurers offer the best features on their policy, we looked for the product with the best offering across a range of areas. The key factors that differentiate the best from the rest is as follows:

Life insurance

- Ability to pause cover and/or premiums.
- Option to increase cover, without medical, on future events such as marriage, new child, home purchase.
- Funeral advancement.
- Option to pay level premiums.

Income Protection

- Partial payment on partial disability.
- Ability to pause cover and/or premiums.
- No mental health exclusion.
- Rehab expense cover.
- Death benefit.

We relied on product information in each insurer's Product Disclosure Statements, and on their websites, to assess cover and benefits.

We also took account of claims acceptance and dispute statistics as published by APRA in June 2019. The judges noted that one insurer was reported to have a significantly lower claims acceptance rate than the others, and as such would not be eligible for a Quality award in 2019.

Life Insurer of the Year

In addition to the winners in the individual plan categories, we chose one insurer as Life Insurer of the Year.

To decide this award we examined providers who achieved awards across multiple categories.

In 2019 the winner was clear: NobleOak was the only insurer to receive product awards in each of the 4 product areas, and to receive both Value and Quality awards.



What products do we consider?

We collected pricing & cover information from 25 different insurers. The list of providers is in Appendix 1.

The information collection was conducted in June 2019. To be considered for inclusion in these awards all information considered must be readily available on the insurer's website and the policy available to the general public without being a previously established member or customer.

Products are considered and awards are made irrespective of a product provider's commercial relationship with Mozo. We aim to include most providers in the market in the Mozo Experts Choice Awards. However, not every product on the market will be included in our review.

How we manage conflicts of interest

Mozo Experts Choice Awards are awarded irrespective of a product provider's commercial relationship with Mozo.

The Awards are based on objective verifiable facts and analysis wherever possible, and any assumptions made are set out in this report. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice category without reference to Mozo's sales or commercial functions.

Companies do not pay to enter the Mozo Experts Choice Awards. Should a winning product or service wish to use the Mozo Experts Choice Awards badges in their own marketing activities, Mozo charges them a licence fee.



About Mozo

Mozo provides a comparison service with the goal of helping consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service that across the retail banking market, general insurance, life insurance, business banking, energy and more.

Hundreds of thousands of Australians a month use Mozo's comparison service. Mozo's comparison technology and expertise has been used by some of Australia's largest online publishers.

Mozo holds an Australian Financial Services Licence and an Australian Credit Licence. Mozo's management team have experience in consumer credit and financial services in a variety of roles from executive management, marketing, actuarial services and technology. Mozo's team are often called upon to provide expert media commentary in relation to the product areas they cover.

The Mozo Experts Choice Awards analysis is overseen by AJ Duncanson, Mozo's Data Services Director. AJ is a data scientist and actuary, and has worked in financial services and product comparison for almost 30 years. He is a Responsible Manager on Mozo's Australian Financial Services Licence and Australian Credit Licence.

Important Information

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ABN: 68 128 199 208. AFSL & ACL 328141

Level 10, 89 York Street, Sydney NSW 2000

Appendix

List of all providers considered in the awards.

AAMI

ahm

Allianz

ANZ

Bendigo

COTA

CUA

GIO

HBF

Insurance Line

Insure Me Now

Kogan

MediBank

NAB

NIB

NobleOak

NRMA

Qantas Assure

RAC

RACQ

Suncorp

TAL

Teachers Mutual Bank

Virgin Money

Zurich