

Defaqto launches consumer research into motor insurance

Independent financial research company Defaqto now offer a new research tool to enable motor insurance companies to compare the consumer appeal of specific and overall product features and to filter results by age, gender, affluence and claims history. With this information they can fine tune their products to meet the requirements of their target consumer markets.

Brian Brown, Head of Research at Defaqto said: “Research was conducted across 5,000 consumers asking them to rate which features of motor insurance were most important to them. This has enabled us to get very rich information about their preferences which we have integrated into our Aequos Online software. Our Analysis offers product providers a unique opportunity to understand which product features are most valued by certain consumer types which will assist them to optimise all parts of the product lifecycle, from product development to underwriting, and from marketing to customer services.”

This enables insurers to:

- optimise their product development and design
- analyse and optimize the consumer appeal of existing and proposed product features
- propose and review product changes
- bundle product features
- identify existing features which are not valued by consumers
- optimise product propositions relative to the competition
- enhance customer segmentation and targeting
- improve the effectiveness of direct mail campaigns
- manage the product lifecycle competitively
- assist with the treating customers fairly culture

The five most sought after features and benefits are:

| Ranking | Feature or benefit | Percentage of available motor insurance policies offering this |
|---------|--|--|
| 1 | Not losing No Claims Discount or being liable for higher premiums if damage is not your fault | 3% |
| 2 | No policy excess applied if involved in an accident caused by an uninsured driver | 13% |
| 3 | Protected No Claims Discount regardless of number of accidents | 18% |
| 4 | Protected No Claims Discount for up to a maximum of one claim per year | 25% |
| 5 | No excess applied following total loss (eg. vehicle stolen and not recovered or damaged beyond repair) | 4% |

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Notes to Editors:

About Brian Brown, Head of Insight

Brian joined Defaqto in November 1998 from RSA where for five years he was their market intelligence manager. Prior to that he spent eight years working for both Royal Insurance and British Gas as an IT technical consultant. Brian heads up Defaqto's Research Centre, comprising a large team that collect and interpret product information, alongside a group of senior consultants who use that information to provide analysis and consultancy services across the financial services market including the pensions, investment, protection, general insurance and banking arenas.

www.defaqto.com/media-centre/brian-brown

For further information contact:

Brian Brown
01844 295414
mediaenquiries@defaqto.com

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About Defaqto: www.defaqto.com

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

Defaqto Star Ratings

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

Aequos Online

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

Defaqto Engage



An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

Defaqto Compare

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.

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