ASIC
Australian Securities & Investments Commission

Road testing transparency in car insurance premiums

Report 838 | August 2026

About this report

This report summarises our findings on how motor vehicle insurers disclose information about premiums to consumers at the time of policy purchase and renewal. The report also contains our analysis of how consumers view this information, based on a consumer survey commissioned by ASIC and carried out in January 2026. This is part of ASIC's priority to improve outcomes for consumers purchasing insurance.

Contents

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Executive summary

Motor vehicle insurance (MVI) premiums increased by 8% over the 2024-25 financial year[1], which followed growth of over 42% in the average cost of a comprehensive motor vehicle insurance policy from 2019 to 2024[2]. Such price growth places significant pressure on household budgets. It is not surprising that recent years have also seen an increase in complaints about MVI, especially in relation to premiums.

ASIC's internal dispute resolution data shows that from July 2024 to June 2025 general insurance was the most complained about financial product across the financial services industry at 37% (up from 33% in the prior year). Of this, 56% of complaints related to the category 'motor vehicle – comprehensive' products and the most complained about issue in motor insurance was premiums. This aligns with data from the Australian Financial Complaints Authority, with motor vehicle insurance making up 33.81% of complaints about general insurance in the period from 1 July 2025 to 31 March 2026.

It is against this backdrop that ASIC undertook a review into MVI premium disclosure. The report is based on: 1) an analysis of documents provided to consumers by insurers; and 2) a representative consumer research survey which included interviews with consumers. It covers comprehensive car insurance, third party property damage insurance and third-party fire and theft insurance.

Key findings:

- No insurers in our sample explained in their quote and renewal documents the key factors that affected the calculation of the premium, or why the premium had changed from the previous year.
- For insurers that charged more for consumers paying in instalments, it was not clear in the renewal notices that consumers could save 10-20% by paying annually.
- Five insurers did not include a direct comparison of last and current year to show changes to insured value or excess, in renewal notices.

The consumer research we commissioned indicated that some consumers feel a sense of powerlessness in response to rising prices:

- Only 30% of respondents to the survey contacted their insurer about the renewal.

However, we found that consumers may have more power in the relationship with their insurer than they realise.

- Of those consumers who did contact their insurer, about 31% had their premium reduced without changes to policy settings.

This final point raises concerns about the fairness of insurers' pricing practices, as not all consumers have the time, capability or confidence to negotiate with their insurer, and some may not realise that this opportunity exists. With Australians experiencing ongoing cost of living pressures, every dollar counts.

We encourage insurers to adopt the better practices that we identify in this report. These practices support more informed engagement and decision making. Overall, we consider that more transparent and well-structured disclosure documents would reduce consumers' confusion and complaints, while strengthening trust between insurers and their customers. This would improve fairness and competition.

[1] The car insurers with the biggest price hikes, CHOICE website, 11 March 2026

[2] Motor Insurance Policy Paper: A Roadmap for Reducing Rising Premiums (PDF 1.1MB), Insurance Council of Australia, March 2025

Premiums rising.
Insurers not explaining.
Consumers not switching.

ASIC
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WHAT ASIC FOUND

MOTOR VEHICLE INSURANCE PREMIUMS

1 Prices surging

+8%
in the 12 months to July 2025*

+42%
between 2019 and 2024*

Premium growth outpacing household budgets and inflation

2 Consumers staying put

67%
stay with the same insurer

40%
don't shop around or compare

Most consumers aren't actively seeking better deals at renewal

3 'It won't help' mindset

68%
don't contact their insurer

Many assume negotiating won't reduce their premium

4 But negotiating works

31%
who contact their insurer get a lower premium

Perception doesn't match reality

5 Hidden costs consumers miss

10–20%
difference when paying by instalments versus annually with many insurers

54%
don't know this or missed it in the fine print

Extra costs common but often unclear

6 Lack of transparency

0
insurers detail how premiums are calculated in quote and renewal documents

73%
of consumers recall receiving only generic reasons for price increases

Consumers left in the dark about why prices change

* Figures from CHOICE (March 2026) and the Insurance Council of Australia (March 2025)

Our review

While ASIC does not have the power to set insurance premiums, we can take action in relation to the accuracy and transparency of disclosures to consumers about motor vehicle insurance premiums – particularly where they are unfair or misleading.

To gain a broad understanding of the current practice and impact of premium disclosure, this report is based on:

- A representative consumer research survey of over 2000 consumers and ten deep-dive interviews with consumers, focused on their personal experiences when purchasing MVI from a broad range of insurers. Statistics from the consumer survey and examples of the interviewed consumers' experiences are highlighted throughout this report. This research was conducted by an external research company, Heartward Strategic.
- An industry-level analysis of actual documents provided to 320 consumers by five insurance companies representing eight brands of insurance during the period 1 September 2024 to 1 September 2025. The eight brands cover approximately 72% of the market for motor vehicle insurance in Australia.. The documents included quotes, renewals and the policy documents that accompany them.

See Appendix 1 for further detail on ASIC's consumer research and document review methodology.

Our findings

We identified 10 key findings (summarised in Table 1 and Table 2 below) based on our review of the consumer research, and on insurers' quotes, renewal documents and policy documents.

Table 1

Findings	Detailed consumer review findings
Finding 1: Consumer response to renewal	› Renewal notices were the primary trigger for consumers to review their insurance. › Most consumers (67%) renewed the same type of MVI policy with the same insurer, and 40% of this group reported that they neither contacted their insurer nor compared quotes with other insurers before renewing.
Finding 2: The drivers of consumer decisions	› Premium price was the most important factor that consumers consider when making purchasing decisions about MVI. › However, of the 40% of respondents who recalled receiving a reason for a premium increase, 73% received a generic reason (typically rising costs). › Renewal notices and quotes were the core documents that consumers refer to when making these decisions. › Consumers usually only skim read, or read parts of, these documents.
Finding 3: Consumer engagement	› Premium increases motivated consumers to negotiate with their insurer. › However, most survey respondents (68%) did not make contact, mainly because they did not believe it would make a difference to their premium.

Findings	Detailed consumer review findings
Finding 4: Negotiating with insurers	› Only 30% of consumers contacted their insurer upon renewal to query or negotiate a reduction in their premium. › 31% of those consumers who contacted their insurer had their premium reduced, without changes to policy settings.

Table 2

Findings	Detailed document review findings
Finding 5: Explanation of key factors that affect premiums	› All the insurers displayed premium amounts prominently on quotes and renewal notices. › However, none of the insurers explained the key factors that affected how premiums were calculated in these documents.
Finding 6: Disclosure of the overall cost of instalments	› Most insurers charged consumers more for their premium if they paid via monthly instalments rather than annually. › Most of those who did charge more did not clearly state the difference in total cost at renewal.
Finding 7: Comparison with previous year premium	› All the insurers included the current year and last year's premiums in their renewal notices, usually next to each other for easy comparison. › One insurer displayed current and previous year premiums on different pages.
Finding 8: Explanation of premium rise	› Two insurers provided no explanation in their renewal notices for why the premium had changed. › The other six insurers gave only generic explanations.
Finding 9: Explanation of intra-year adjustment	› When no intra-year adjustments to policies occurred, all the insurers' renewal notices stated a 'last year's premium' that was the amount the consumers had paid. › However, the insurers had inconsistent approaches to stating the 'last year's premium' when there had been intra-year adjustments to the policy.
Finding 10: Disclosure of non-premium changes	› Five of the insurers did not provide a direct year-on-year comparison for any non-premium changes to policies in their renewal notices.

The following pages contain more detail about our consumer findings and review of documents provided by insurers.

Findings from our consumer research

The findings from our consumer research demonstrate frustration over the increasing cost of motor vehicle insurance and perceived unfairness of insurance company behaviour. When set against the backdrop of our industry document review, we believe the consumer findings point to the impact that a lack of prominent and transparent premium disclosure is having on consumers' ability to shop around. In our view, better disclosure practices would empower consumers of motor vehicle insurance products to assess value, consider alternatives and engage more effectively with insurers.

Ninety per cent of the respondents had recently chosen whether or not to renew a policy. The remaining 10% of respondents had recently purchased a MVI policy that was the first for the vehicle – either because they were insuring a new car or because they had never held insurance before.

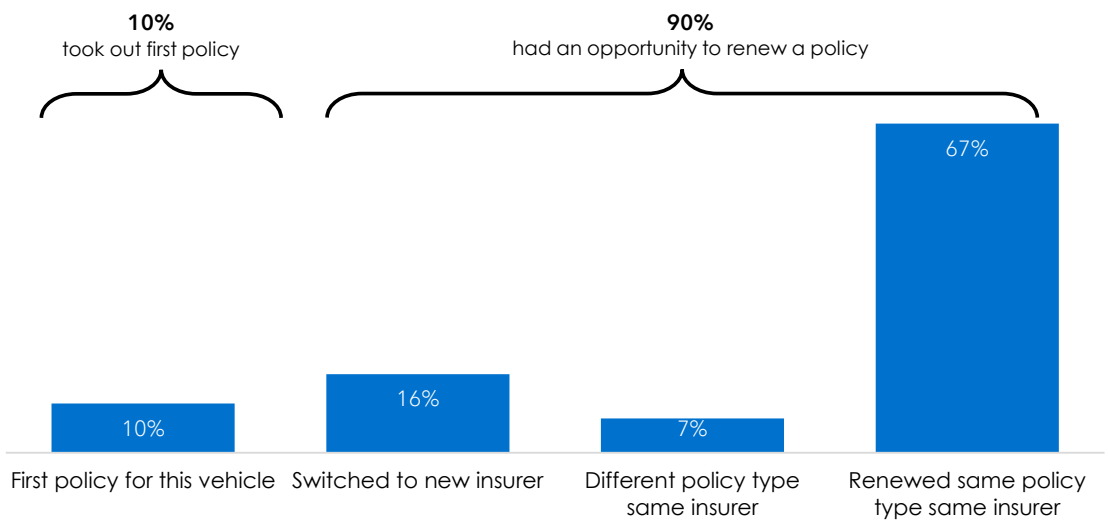
Finding 1. Renewal notices were the primary trigger for the respondents to our survey to review their insurance.

Most renewed the same type of MVI policy with the same insurer.

As shown in Figure 1, the largest portion of the group facing renewal ended up renewing the same type of policy with their existing insurer – representing two-thirds (67%) of consumers. Of this group, 40% reported they had neither contacted their insurer nor compared quotes with other insurers before renewing.

Less common responses at renewal were to switch the MVI policy to a new insurer (16%) or to change to a different type of policy but stay with the same insurer (7%).

Figure 1: Most recent motor vehicle insurance purchase or renewal



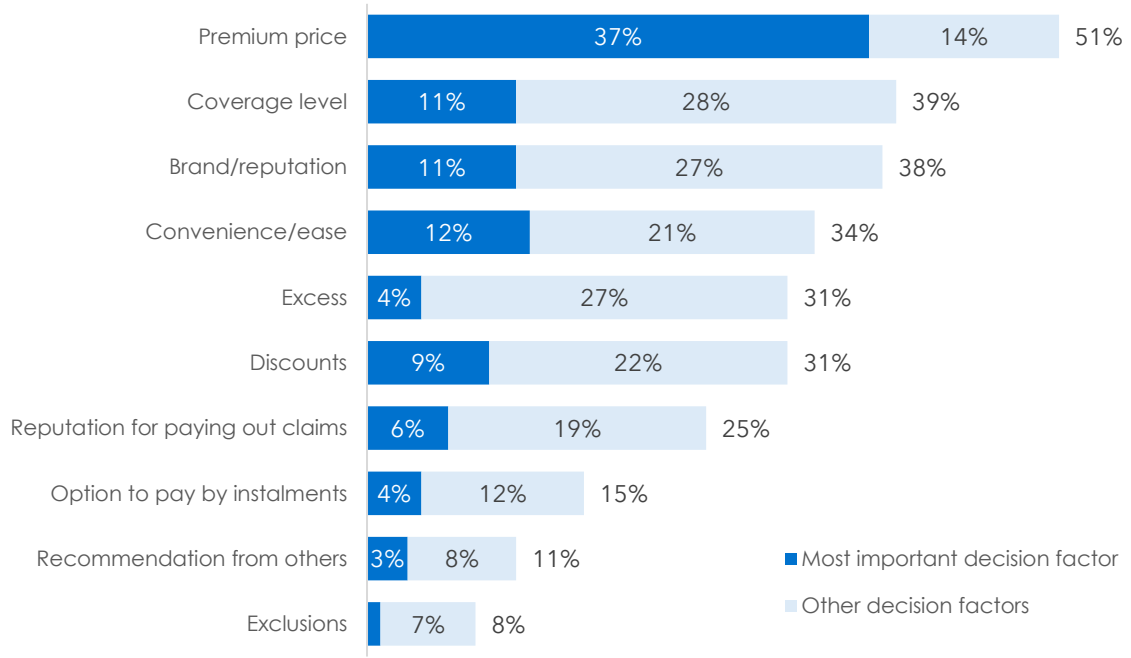
Note 1: See paragraphs above for an explanation of the data shown in this figure (accessible version).
Note 2: Figure based on Question 2 in the consumer survey: 'Which of the following best describes this policy?' (2,039 respondents).

Finding 2. Premium price was the most important factor for consumers when making purchasing decisions about MVI.

Quotes and renewal notices were, therefore, the core documents consumers referred to when making these decisions. However, few read them in full. Additionally, of those consumers who recalled receiving a reason, most received only a generic explanation about premium rises.

Approximately half of the consumers we surveyed (51%) considered price to be among the factors influencing their MVI purchase and renewal decision, and more than one-third (37%) identified it as the most important factor (Figure 2). Of the 40% of respondents who recalled receiving a reason for a premium increase, 73% received a generic reason (typically rising costs).

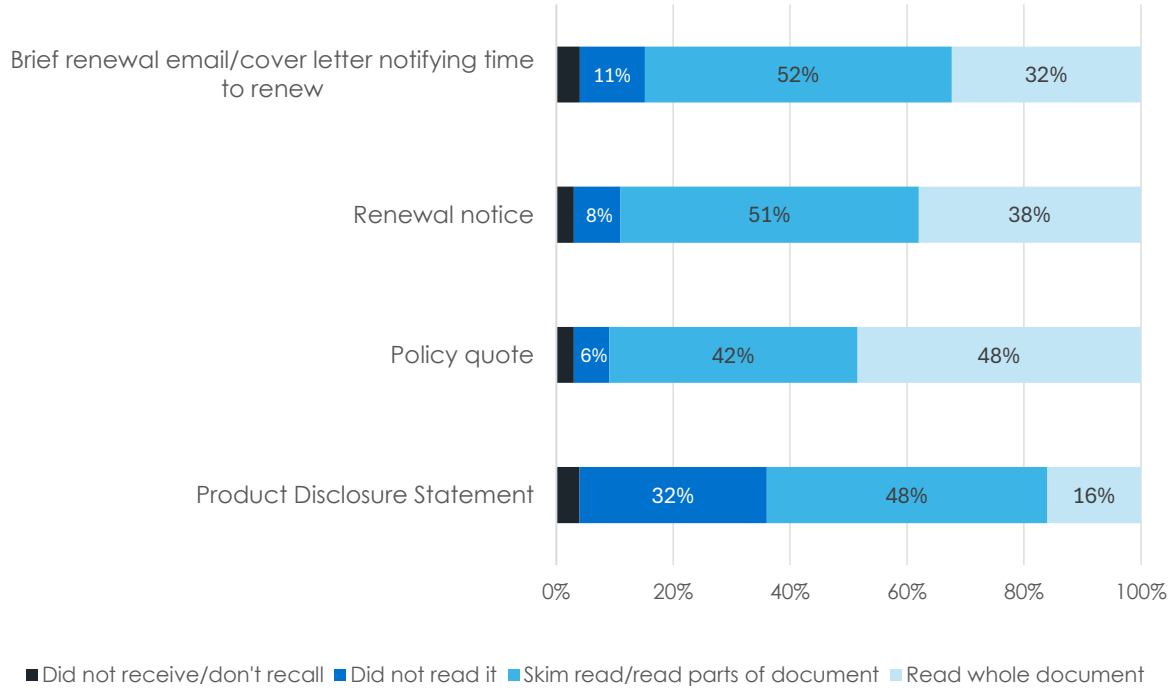
Figure 2: Decision factors (most important vs secondary) when purchasing or renewing MVI



Note 1: See Table 3 in Appendix 2 for the data shown in this figure (accessible version)
Note 2: Figure based on Question 33 in the consumer survey: 'When deciding on the policy you ended up purchasing or renewing, which of these factored into your decision?' and 'Which one of these was most important?' (2,039 respondents).

Survey participants were asked about documents they had received and how thoroughly they had read the documents. As shown in Figure 3, quotes were the most carefully read document, with a larger proportion recalling reading the whole document (48%) than having skim read or read parts of the document (42%). Just 6% reported receiving but not reading their quote. This highlights the importance of quotes and renewal notices containing key information about premiums that is prominent, clear and easily understood.

Figure 3: Receipt and use of insurer documents – by document type



Note 1: See Table 4 in Appendix 2 for the data shown in this figure (accessible version)
Note 2: Figure based on Question 36 in the consumer survey: 'Select the option that best reflects whether you received this document and how you used it when deciding to purchase/renew your motor vehicle insurance policy.' (Varies by document type, minimum 1,157 respondents).

One consumer was asked to describe how extensively they read such policy documents:

'Probably not enough. Just principally the headline terms. The premium, where it sets out the breakdown of GST, etc.; I make sure that the vehicle details are correct, personal details are correct, the excess, the policy dates are correct … And then what you're insured for, so, what you're covered for. That's probably it.'

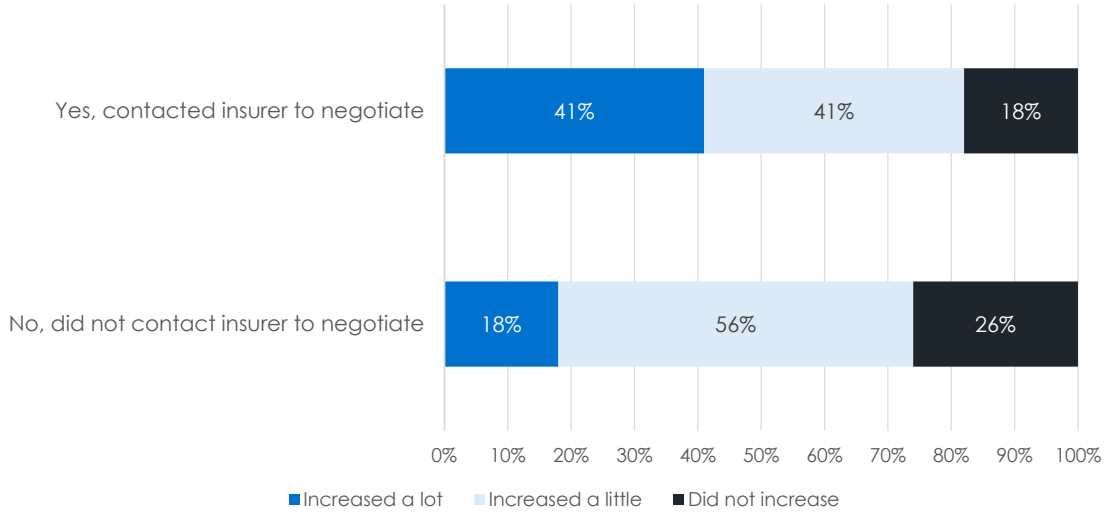
Metropolitan consumer aged 40-49 years who had recently experienced personal challenges, had a comprehensive policy and had recently renewed the same policy.

Source: Consumer research interview

Finding 3. Premium increases motivated consumers to negotiate with their insurer, although most did not make contact as they believed it would not be worthwhile or lower the premium.

Larger premium increases are associated with a higher likelihood of consumers contacting their insurer to query or negotiate the quoted premium. Consumers who contacted their insurer were more than twice as likely to report that their premium had increased 'a lot' (41% compared to 18%) (see Figure 4).

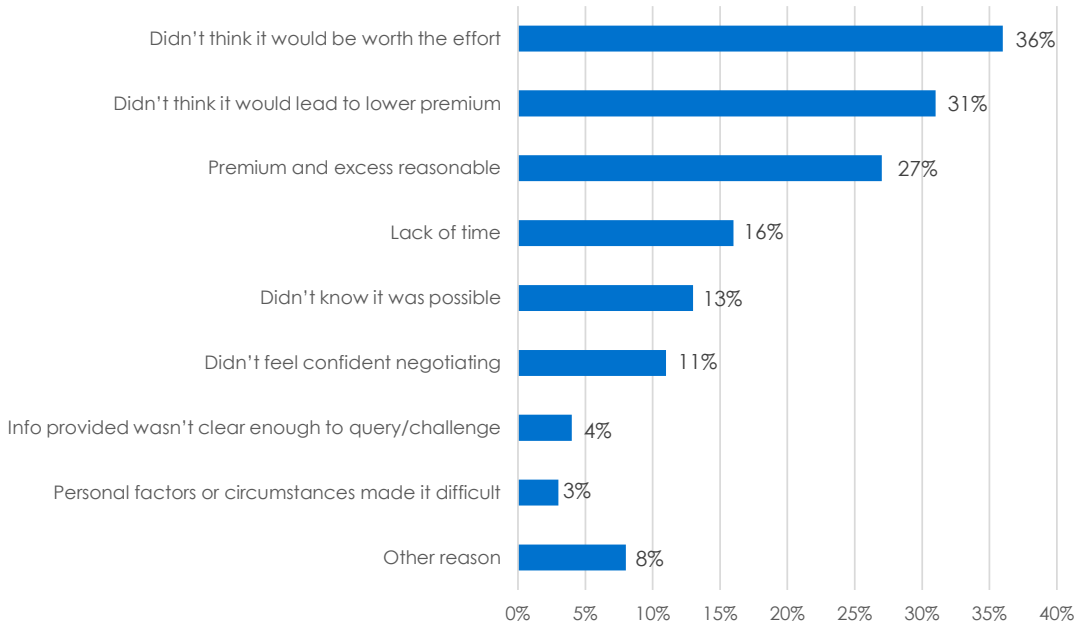
Figure 4: Relationship between size of premium increase and consumer's contact with insurer at renewal (to query or negotiate)



Note 1: See Table 5 in Appendix 2 for the data shown in this figure (accessible version)
Note 2: Figure based on questions 15 and 23 in the consumer survey: 'Thinking about the renewal information you received … had the insurance premium changed from the year before?' and 'Thinking about the insurer that sent the renewal information, did you contact them to query the premium or negotiate a better price or discount before deciding whether to renew?' (461 respondents).

While price rises were a key trigger for consumers to contact their insurer to query renewal premiums, most consumers did not do so, primarily because they did not believe it would be worthwhile or would lead to a lower premium.

Figure 5: Reasons for not contacting insurer to query or negotiate



Note 1: See Table 6 in Appendix 2 for the data shown in this figure (accessible version)
Note 2: Figure based on Question 25 in the consumer survey: 'What are the reasons you did not contact the insurer to query the premium or negotiate? (1,056 respondents).

'Maybe if you're a corporate, you know, and you have an insurance broker, then you're in a bit more of a position of power [to negotiate], because obviously your account's far higher. I think individuals probably don't have the expertise, don't have the power, and probably would get lost in the jargon that's thrown out on the argument.'

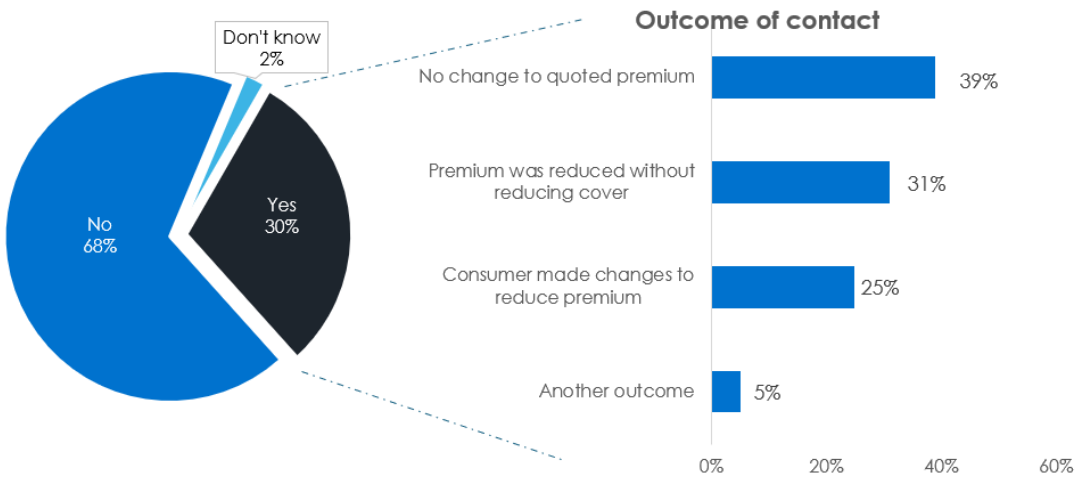
Comment by a metropolitan consumer aged 40-49 years who had recently experienced personal challenges, had a comprehensive policy and had recently renewed the same policy.

Source: Consumer research interview

Finding 4. Thirty-one per cent of consumers who contacted their insurer had their premium reduced without changes to policy settings.

Although only 30% of consumers queried the premium rise with their insurer, 31% of those consumers who contacted their insurer did in fact obtain a reduction in their premium without making any trade-offs in policy coverage. A further 25% of consumers were able to reduce their premium by increasing their excess or decreasing their cover or extras (see Figure 6 below).

Figure 6. Percentage who contacted insurer at renewal to query or negotiate premium and result of contact



Note 1: See Table 7 in Appendix 2 for the data shown in this figure (accessible version)
Note 2: Figure based on questions 23 and 24 in the consumer survey: 'Thinking about the insurer that sent the renewal information, did you contact them to query the premium, or negotiate a better price or discount before deciding to renew?'and 'What was the oucome of this contact?'(1,545 respondents).

Findings from our document review: poorer practice vs better practice

Explanation of key factors that affect premiums

Finding 5. All the insurers displayed premiums prominently on quote and renewal documents. However, none of the insurers explained the key factors that affected how premiums were calculated in these documents.

We found that all the quote and renewal documents we reviewed displayed the premium price prominently in a large font or a separate text box on the first or second page of the relevant document. However, insurers usually provided only a generic list of considerations or factors involved in setting premiums, in supplementary documents. None of the insurers explained in their quotes and renewal documents the key factors that influenced the calculation of the premium.

It is difficult for consumers to make informed decisions if the premium price and the key factors affecting the premium are not clearly presented. Our consumer research confirms that premium price is the primary driver of consumer purchase and renewal decisions (see Figure 2), as well as being an impetus for shopping around.

Of the respondents to our consumer survey, 37% nominated premium price as the most important factor in deciding whether to purchase or renew a particular policy, while 51% included it as one of a number of factors they considered. Price also dominates how consumers compare quotes for new policies. Of the consumers surveyed, 45% identified premium price as the most important decision factor when comparing quotes for a new policy and 73% included it in their top three decision factors.

The practices described below refer to supporting materials such as a Premium, Excess and Discounts Guide and Additional Information Guide. While it is not a legal obligation to provide these documents during the quote or renewal process, providing ready access to these documents where they contain relevant information can help consumers to understand the price they are being quoted and options for reducing it.

Poorer practice:

We found that some quotes and renewal notices did not signpost information about premium calculation prominently enough. For example, the 'Premiums' section of the quote or renewal notice did not direct the reader to the more detailed information contained in a document usually called the Premium, Excess and Discounts Guide (PEDG). The PEDG was only mentioned later in the 'Excesses' section of the relevant document. One insurer did not send out supplementary material about premium calculation with quotes and renewals at all, with only the Product Disclosure Statement (PDS) providing extra information.

Additionally, the information in the PEDG (sometimes called the Additional Information Guide, or AIG) tended to be generic and usually was not actionable in that it did not tell the consumer what they could do to reduce their premium. For example:

- One PEDG listed the pricing factors that might affect a consumer's premium. This included things like policy type, level of cover, optional coverages or benefits, excesses, where the vehicle was kept and what it was used for.

Many of these were factors which the consumer could adjust. However, the PEDG also stated:

> 'This is not an exhaustive list of our pricing factors' and 'We collect information in relation to these pricing factors from you and other sources and we use our data, models, and experience to assess how important each pricing factor is for your policy. At any time we may change the relative importance of any of the pricing factors or how they combine to affect your premium, and we may add to or remove pricing factors from the calculation as we see fit.'

Source: ASIC's review of insurer documents

- Another PEDG stated that a quote for the same level of cover could change from one day to the next but did not say why, or how the consumer could use this information.

Better practice

All insurers except one provided more information about the factors affecting premiums in a PEDG or AIG included with the quote or renewal document. These generally included a brief explanation of motor vehicle industry trends affecting insurers' costs and some limited information about how consumers can reduce their premiums. One insurer also included a one-page synopsis in its renewal notices summarising that information further. We observed the following examples of better practice in relation to explaining factors that can affect premiums:

- PEDGs or AIGs which included a step-by-step breakdown titled 'How we calculate your motor premium' (or similar). These documents listed steps such as 'We add the cost of choosing to pay monthly' or 'We add the cost of any options you have chosen'. This helped consumers understand which steps in the calculation process they could influence.
- Renewal notices which told the consumer to contact the insurer for more information about how their premium was calculated and included contact details or which included a hyperlink to the Insurance Council of Australia's (ICA's) webpage 'Understanding Insurance'.
- Renewal notices which incorporated a one-page fact sheet telling consumers how to reduce their premium, such as by removing optional covers or removing the 'named driver' option on the policy.

Disclosure of the overall cost of instalments

Finding 6. Most insurers charged more in total if a consumer paid monthly rather than annually but didn't clearly disclose the cost difference at renewal.

Five of the eight insurers charged consumers more for their total premium if the consumer elected to pay in fortnightly, monthly or quarterly instalments as opposed to making the payment in one annual amount in advance. For these five, it was 10–20% more expensive to pay in instalments.

Two insurers charged the same total premium for consumers paying annually and by instalment, and the position of one insurer was unclear as its documents only appeared to include the total premium cost for the payment method the consumer selected i.e. paying annually or by instalments, and did not include the total premium cost for the alternative payment method to allow comparison.

We observed that information about whether paying by instalments would increase the total annual amount was typically disclosed only at the quote stage, rather than being repeated at renewal.

The ability for consumers to identify the difference in costs associated with paying in instalments is especially important as our consumer research showed that 33% of consumers paid monthly while 1% paid by some other instalment frequency, and 39% of those that paid by instalment did so as they could not afford to pay their premium as an annual payment.

Poorer practice

We identified instances where, across both quote and renewal documents, explanations about the impact of paying by instalments on the total paid by the consumer over a year were unclear or required the consumer to make calculations to compare the total difference in cost.

We observed that, upon renewal, insurers typically focused on the consumer's existing payment method rather than setting out a comparison with alternative payment options. Insurers generally did not disclose the dollar difference or the higher amount paid by a consumer who had chosen to pay their premium via monthly instalments.

Some examples of poorer practice in insurance quotes:

- One insurer's quote included a table called 'Proposed premium' on the front page. This table included separate figures labelled 'Annual premium' and 'monthly premium'. The consumer would have to take the time to multiply the monthly figure by 12 to calculate the total premium cost for the year if paying by instalments, and then compare the cost with the Annual premium in order to determine the cost difference between these payment options. Monthly premium payments resulted in an annual premium of up to 11% more than the annual premium figure shown for this insurer.
- Another insurer's quote included a prominent text box on the front page with only two figures: an 'Annual Premium' amount and a '1st Monthly Instalment' amount. From glancing at this information only, it appears that the 1st monthly instalment is the first of 12 for the year, adding up to the Annual Premium shown. However, the Annual Premium figure applied only where the full premium was paid in advance, with the 1st Monthly Instalment amount being more than one-twelfth of that amount.

Better practice

We observed that one insurer explicitly stated the difference in dollars between these payment options, which made it simple for consumers to see the cheaper option and cost difference.

Additionally, some insurers provided clearer information than others regarding how (if at all) instalment payments affected the total amount payable.

The better practice examples included a summary on the front page of the quote, stating which payment option was cheaper and by how much:

> 'Your quoted premium (includes government charges)
>
> Pay annually: $1,777.36
>
> You will pay less if you choose to pay this way
>
> **Or**

Pay monthly: $164.40

You will pay an extra $195.41 p.a. if you choose to pay this way'

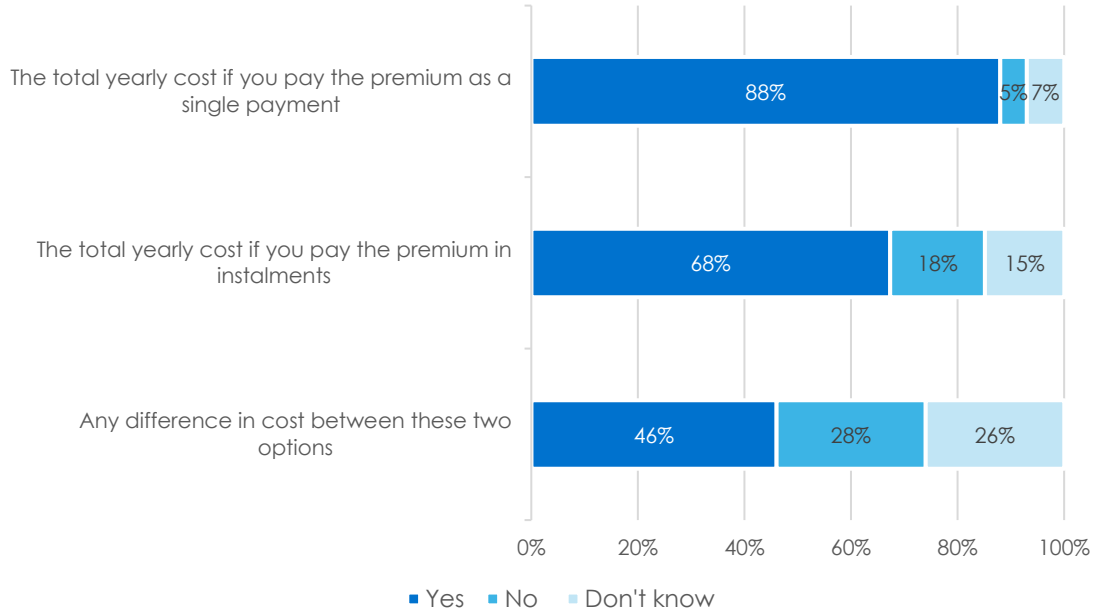
Source: ASIC's review of insurer documents

Although some insurers' quotes and renewals did not explicitly state how much more the consumer would pay if opting for instalments, they did show the instalment intervals available (fortnightly/monthly/quarterly) and the total cost of each option, for easy comparison. In some cases, they also prominently noted in bold text that paying annually was cheaper.

Research indicates disclosure of payment option costs are unclear

The challenge faced by consumers when insurers do not clearly state the cost difference in paying annually and by instalments is demonstrated in the results of our consumer research. As shown in Figure 7, most consumers (54%) were not told or did not know if they were informed of the difference in cost when paying annually or by instalment.

Figure 7. Provision of information about the cost of instalments vs annual payment



Note 1: See Table 8 in Appendix 2 for the data shown in this figure (accessible version)
Note 2: Figure based on question 8 in the consumer survey: 'When you were purchasing this policy, did your insurer state … ?' (2,039 respondents).

Comparison and explanation of premium rise

Finding 7. All the insurers included the current and last year premiums in renewal notices, usually next to each other for easy comparison, although one insurer displayed them on different pages.

As part of our review we looked at whether insurers included current and last year premiums in renewal notices and how they were presented to consumers. We found that all insurers included both premium figures in all renewal notices but had their own ways of presenting them for

comparison. The poorer practices and better practices we found across the renewal notices are explained below.

Poorer practice

In our document review we observed one instance where an insurer presented the current premium on page one, the amount due on page two and the previous year's premium on page three of the renewal notice. The result was that consumers could not view all the key premium comparison information in one place.

Better practice

All other insurers presented both current and previous year premiums in a direct comparison table along with applicable taxes and levies. This made it easy for consumers to view price changes and spot any price increases.

Overall, while all insurers included the required premium figures, the way the information was presented affected readability. As discussed in Finding 1, given that premium price is the primary driver of consumer purchase and renewal decisions (see Figure 2) it is important this information is provided to consumers in a clear and accessible way.

Finding 8. Two insurers provided no explanation in their renewal notices for why the premium had changed, while the other six insurers gave only generic explanations.

We looked at the explanations the insurers provided in their renewal notices about why premiums had changed from year to year. Overall, no insurers provided detailed explanations about why a consumer's premium had changed.

Poorer practice

In the renewal notices we reviewed we observed that:

- Two insurers provided no explanation about why a policy's premium changed. Rather, consumers needed to read the relevant PDS or PEDG/AIG to gain a general understanding of the factors that affected their own premium or premiums in general.
- Six insurers provided generic explanations in their renewal notices for why the premium may have changed. The level of detail varied but typically included broad factors such as changes in the number of claims experienced, costs, rewards, discounts, or free coverage.

The generic explanations were usually found in a small paragraph located near the current premium or premium comparison. For example:

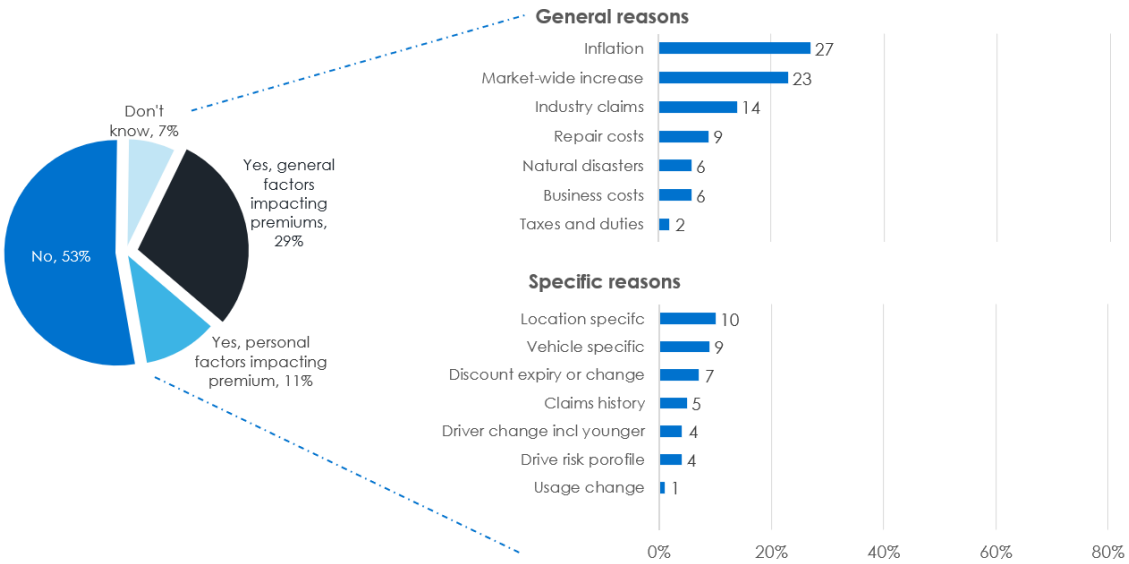
> 'Each year your premium is likely to change even if your circumstances haven't. Factors like the claims we experience, improved data and changes to business costs can have an impact. Changes to rewards, discounts or free coverage you received last year may now impact your premium.'

Source: ASIC's review of insurer documents

These explanations provide little information to consumers and are unlikely to assist consumers in understanding why their premium has changed and whether there is anything they can do to reduce it.

Our consumer research found that of the people who recalled receiving explanations for premium increases, 39% reported that any explanations provided were not helpful. Additionally, consumers found explanations of premium increases to more often be general rather than personalised, with 29% of consumers recalling general reasons (e.g. inflation or rising costs) while only 11% recalled reasons specific to their circumstances or vehicle. Overall, 53% of consumers who received a premium increase could not recall receiving any reasons for the increase (see Figure 8).

Figure 8. Reasons insurers provided for premium increases



Note 1: See Table 9 in Appendix 2 for the data shown in this figure (accessible version)
Note 2: Figure based on questions 19 and 21 in the consumer survey: 'Did your insurer provide reason/s why your premium increased?' and 'Describe the reason/s given by the insurer as to why your premium increased.' (1,139 respondents whose premiums had increased. Some provided more than one reason)

'I was looking for a reason why it went up so much, and I couldn't find one. It was just, you know, telling me all the things they do cover. Well, I know all that at any rate.'

Comment by a regional consumer aged 60-69 years who had recently experienced personal challenges, had a comprehensive policy and had recently renewed the same policy

Source: Consumer research interview

'I don't hear from the companies themselves why their premiums are up right there. I've read some excuses in the media, but whether they're true or not, whether they apply to all insurance companies, who knows? They get into their little boardrooms and make up all these things, 'So how can we get more profit? ' And they do all that and we don't know anything about it. It's just the way the world works.

I don't know how, or their reasoning for increasing the premiums as they've done. I'm not sure.'

Comment by a metropolitan consumer aged over 70 years who had recently experienced personal challenges, had a comprehensive policy and had recently switched insurers.

Source: Consumer research interview

Better practice

One insurer provided a page within their renewal notices (where it is more likely to be read than in a PEDG or AIG) which outlined factors that can cause premiums to increase from one year to the next.

The explanation addressed the higher costs of providing motor insurance cover and claims services arising from underlying issues in the motor insurance industry, such as the increased price of parts, cost of labour and supply shortages. It also told the consumer how they could reduce their own premium (e.g. by increasing their excess or reducing the number of named drivers).

Explanation of intra-year adjustment

Finding 9. Insurers had inconsistent approaches to disclosing the last year's premium if there had been adjustments to the policy during the year.

When no intra-year adjustment to the policy occurred, all insurers quoted a last year premium that aligned with what consumers paid.

We assessed whether the last year's premium disclosed in renewal notices was consistent with the amount the consumer had actually paid, based on payment records provided to us by the insurers in our sample. Additionally, we examined whether renewal notices clearly explained what the last year's premium figure represented.

If the last year's premium stated by insurers is not a fair and reasonable representation or is not clearly defined, this can undermine consumers' ability to compare year-on-year premium changes. The *Australian Securities and Investments Commission Act 2001* prohibits insurers from engaging in misleading and deceptive conduct. Further, under the General Insurance Code of Practice (Code), subscribing insurers commit to dealing with their customers in an honest, efficient, fair, transparent and timely manner.

For all the policies we reviewed that had **no adjustments during the year** – such as changes to cover, excess, or instalment arrangements – we found that the amount the consumers had paid during the previous period matched the last year's premium that was shown on their next renewal notice. This meant consumers could fairly and easily compare their premiums from one year to the next, without needing to calculate amounts themselves or refer to past records.

In cases where an **adjustment was made partway** through the policy period, insurers presented the last year's premium on their renewal notices in different ways. Some of the insurers used the actual amount paid by the consumer over the policy period as the last year's premium. In this approach, the premium reflected the total amount originally quoted, adjusted for any increase or decrease due to changes made during the policy period, and aligned with what the consumer actually paid. This approach allowed consumers to compare the prices they actually paid last year with what they will pay this year if they renew.

Other insurers stated the last year's premium as an annualised amount based on the most recent change to the policy, with the intention of providing a like-for-like comparison at the point of renewal by comparing policies with the same key terms from one year to the next. This approach can help consumers understand how much they would pay for the same level of cover across different policy years.

Where insurers used a representative rather than actual last year premium figure for a like-for-like comparison, the quality of disclosure varied.

Poorer practice

In our document review, we identified a case where an insurer did not clearly explain what a representative figure was in terms of the last year's premium and what the insurer meant in practice.

As shown below, the renewal notice states that the amount is a representative figure, but it does not clearly explain that the figure is based on an annualised premium following the most recent adjustment, nor how that figure relates to what the consumer actually paid.

> 'Last year's premium is a representation of the total amount for the year, so you can accurately compare last year's premium with this year's premium. To view the amount you actually paid for the previous period, which may differ from the total above if you made changes to your policy during the year, please refer to the invoice in your most recent Payment Schedule.'

Source: ASIC's review of insurer documentation

ASIC has separately brought proceedings against RACQ Insurance Limited (which is currently before the Court as at time of publication), which allege that it provided renewal documents with misleading comparison pricing: Media Release (25-11MR) *ASIC takes court action alleging RACQ sent half a million misleading insurance renewal comparisons* (23 September 2025).

Better practices

In the example below, the insurer more clearly stated that the last year's premium figure was not the amount paid by the consumer; described what the figure represented; and explained why a representative figure was being used.

> 'When we refer to "Last year's premium":
>
> 'If you made no changes to your policy, then the amount shown below will be the amount you paid last year.
>
> 'If you did make a change, then the amount shown below may not be the amount you paid last year. This amount shows the premium for your current level of cover, had it been in effect for the whole year.'

Source: ASIC's review of insurer documentation

In another example of better practice, in the quote below the insurer used the actual premium paid as the last year's premium and explained that the comparison might not be like-for-like if changes had occurred during the year.

> 'Last year's aggregated premium is the total premium paid to us for your insurance in the last year. If you have changed your cover in any way midterm during the last policy period and/or at renewal (for example, increasing your cover or adding additional cover), the above premium comparison may not be on a like-for-like basis.'

Source: ASIC's review of insurer documentation.

Overall, regardless of whether an insurer uses the actual premium paid, or a like-for-like representative figure, it is critical that insurers clearly explain what the last year's premium represents so that consumers can meaningfully compare premium changes from year to year and make more considered decisions when renewing their insurance.

'[The brief renewal email] doesn't tell you anything, basically. They just send you a copy of your policy, which you read through, and then they say this is what the new cost is going to be, but no explanation as to why and what. I can't even see the point of sending the email. So, [it just says], 'Your policy has been updated or whatever and this is what you're paying from now on'. There's no [other] information given, it's just nothing there.'

Comment by a regional consumer aged 70-79 years who had recently experienced personal challenges and had taken out a new comprehensive policy.

Source: Consumer research interview

Disclosure of non-premium changes

Finding 10. Five of the insurers did not provide year-on-year comparisons for non-premium changes to policies, such as changes to insured amount or excess, in renewal notices.

Although all the insurers in our sample included a comparison between the current year and last year's premiums in renewal notices, five insurers did not provide a direct comparison of key policy terms, such as excesses or insured amounts, on a year-on-year basis.

Failure to disclose key term changes can create a distorted view of what consumers are receiving for their money and may result in consumers being unable to make a fair value comparison from year to year, as they are not able to make a like-with-like comparison. This is particularly concerning when consumers pay an increased premium but are not made clearly aware that they will receive less cover through higher excess payments, or different policy terms.

Poorer practice

In the following example, an insurer increased the basic excess on some of its policies from one year to the next but only included the following general statement on the front page of the renewal notice to disclose this change:

> ‘Important – we’ve made changes to our policy documents and your excess. This has increased your basic excess … Check the next page for information about excesses.’

Source: ASIC’s review of insurer documents

The next page contained a table of the current excesses that applied to the policy but did not include any information about the excesses that applied to the previous year’s policy. Rather, the consumer would have had to refer to their last renewal notice in order to understand what the change in excess value was between the renewals. This did not allow for an easy, transparent comparison of value between the current and last year’s policies.

Better practices

We found two examples which illustrate better practices in representing changes in key terms to consumers. These practices show insurers comparing key policy terms in a side-by-side comparison in renewal notices or relevant communications. This allows consumers to see how other key terms are changing alongside their premiums. This is explained below.

- Excess: One insurer provided a year-to-year comparison of the excess as well as the premium in renewal cover emails.
- Agreed value: Two insurers displayed the change in the agreed value figure alongside the change in premium in their renewal notices.

The better practices made key policy term changes more transparent to consumers, allowing them to better understand how premium costs have changed relative to other policy terms, and to decide whether to renew their policy or shop around for better value insurance that meets their needs.

No other insurer provided past agreed values on renewal notices for agreed value policies. This made it difficult for consumers to see how much the insured value for their vehicle had decreased in comparison to the previous year. In many cases consumers are paying increased premiums but their coverage has decreased as their vehicle ages.

Background

Key obligations of general insurers in relation to premium disclosure

General insurers must meet a range of legal obligations aimed at protecting consumers from harm. Importantly, they must ensure that they:

- provide financial services efficiently, honestly and fairly (see s912A(1)(a) of the *Corporations Act 2001* (Corporations Act))
- do not engage in misleading and deceptive conduct (see s12DA of the *Australian Securities and Investments Commission Act 2001*), and
- act with utmost good faith (see s13 of the *Insurance Contracts Act 1984*).

They must also have an internal dispute resolution (IDR) procedure that covers complaints made against them by consumers and be a member of the Australian Financial Complaints Authority (AFCA): see s912A(2) of the Corporations Act. AFCA is a free, independent dispute resolution scheme that can consider complaints from consumers about financial services and products, including general insurance.

The General Insurance Code of Practice

The Code contains industry standards that subscribing insurers must meet. All the insurers included in this review are subscribers to the Code. The Code does not prescribe what information insurers must give consumers about how their premiums are calculated. However, paragraph 21 of the Code commits subscribing insurers to be honest, efficient, fair, transparent and timely in their dealings with their customers. We consider that this means giving consumers information about the factors that affect their motor vehicle premium and how they can reduce that premium.

Paragraph 50 of the Code requires insurers to provide the current year's premium and last year's premium with a clear comparison between the two on policyholders' renewal notices. Further, the Code states that insurers should explain to policyholders how the change in premium is calculated.

ASIC action in relation to general insurance disclosure obligations

While ASIC does not have powers with respect to how premiums are set, we can take action in relation to the accuracy and transparency of disclosures to consumers about motor vehicle insurance premiums and associated factors such as excesses. Some examples of actions ASIC has taken include:

- Media Release (26-036MR) *ASIC sues Auto & General alleging policy discount misrepresentations made to millions of consumers in Budget Direct insurance ads* (27 February 2026)
- Media Release (25-211MR) *ASIC takes court action alleging RACQ sent half a million misleading insurance renewal comparisons* (23 September 2025)
- Media Release (23-169MR) *General insurers to repay consumers $815 million for broken pricing promises* (23 June 2023)

There have been several recent inquiries and reviews into general insurance premium disclosure.

Inquiry into insurers' responses to 2022 major floods claims

In 2023 the House of Representatives Standing Committee on Economics commenced an inquiry into insurers' responses to home insurance claims made following the 2022 major floods. As a result of this inquiry, the Flood failure to future fairness report was released in October 2024, and made a number of recommendations to improve transparency for consumers. A significant recommendation was that a more descriptive analysis of the different factors that may influence an increase in cost should be provided alongside the current year's premium.

2025 and 2026 General Insurance Code Governance Committee reviews

1. In December 2025 the General Insurance Code Governance Committee released Applying for motor insurance – a review which examined the application process for MVI. The review covered: the questions insurers ask consumers; how clearly insurers explain the relevance of their questions; and the information insurers provide when they cannot offer cover. It made the following key observations about industry practices:

- Insurers often ask for personal information, such as relationship or employment status, without clearly explaining why it is needed or how it affects the outcome.
- When insurers decide not to offer cover online, the messages provided are frequently vague, unhelpful, or lack guidance on next steps.
- Some underwriting practices, such as excluding applicants based on past bankruptcy or a lack of prior insurance, may unfairly penalise otherwise low-risk customers.
- Most insurers are meeting their Code obligations relating to declined applications, with some demonstrating best practice by including tailored explanations and clear guidance for declined applicants.
- Greater transparency, fairness, and relevance in data collection and decision making will help insurers meet their obligations under the Code and improve customer experience.

2. The General Insurance Code Governance Committee has also recently reviewed and released guidance on payment options and pricing transparency across general insurance products.

   The report Clear costs at renewal: payment options and pricing transparency published on 30 June 2026 examined whether insurers are providing customers with clear and effective information at renewal about the cost of instalment payment options, and whether current practices support informed consumer choice.

   It found there were opportunities to improve current practices, and urged insurers to review their notices for all products that are subject to different pricing for upfront versus instalment payment types. They should consider whether the notices are clear, transparent and timely, and whether they give customers the information they need when deciding whether to renew and how to pay. The report identifies good practice and sets out practices insurers should avoid, including vague statements, fragmented disclosures, and renewal notices that require customers to search, infer or calculate the cost difference themselves.

Appendix 1: Methodology

Preliminary consultations

Before commencing its review, ASIC made enquiries with a number of frontline services. We asked about the experiences of each service's client groups in relation to MVI and premiums.

In alphabetical order the frontline services we met with are:

- Aboriginal Legal Rights Movement
- Consumer Action Law Centre
- Financial Rights Legal Centre
- Indigenous Consumer Assistance Network
- South Australian Financial Counsellors Association
- UnitingCare Wesley Bowden
- Westjustice

Disclosure review

ASIC reviewed how eight insurance brands offered across five insurance companies disclosed premiums and premium-related information to consumers. The review focused on the information about premiums included in quote, renewal and other policy documents, including: the amount and composition of premiums and the factors affecting them; changes to premiums, excesses and coverage from year to year; any comparisons made between years; and disclosure of pricing models for paying annually in advance versus paying by instalments.

Participants in our review

Five general insurers, covering eight brands, participated in our review and collectively comprise around 72% of the Australian retail MVI market. In alphabetical order these insurers are:

- AAI Limited through its brands AAMI and Suncorp Insurance
- Allianz Australia Insurance Limited through its brands Allianz and Territory Insurance Office (TIO)
- Insurance Australia Group Limited (IAG) through its brands NRMA Insurance (issued by Insurance Australia Limited) and RACV Insurance (issued by Insurance Manufacturers of Australia Pty Limited)
- RAC Insurance Pty Limited (self-branded)
- Youi Pty Ltd (self-branded)

Scope

The review examined disclosure documents for MVI offered for vehicles registered for personal use with a Class C driver's licence. This included comprehensive car insurance and third-party car

insurance. The review excluded compulsory third-party (CTP) insurance and insurance offered for commercial, small-to-medium enterprise or fleet cover.

ASIC required the participating insurers to give ASIC all written disclosure communications relating to retail motor vehicle insurance premiums. Insurers were required to produce all documents in use between 1 September 2024 and 1 September 2025.

In response to ASIC's notices, the insurers produced:

- templates of all versions of disclosure documents relating to premiums used during the relevant period for both new and renewing customers, and
- actual consumer quote and renewal documents and all premium-related communications provided to a sample of randomly selected, new and renewing, customers.

These materials included templates of quotes, renewal notices, covering letters or emails, product disclosure statements, and supplementary materials explaining premiums and related matters.

A key focus of the review was the disclosure of changes to premiums, including how year-to-year price comparisons were presented; the figures used in those comparisons; and the relationship between those figures and amounts actually paid, and prior-year renewal documentation.

Insurance brands were each required to produce 40 consumer document sets, comprising 12 new consumer sets and 28 renewing consumer sets. In total we reviewed documents for 320 consumers comprising 96 new policies and 224 renewing policies. Half of the materials related to consumers paying premiums by monthly instalments and half to consumers paying annually. Materials relating to comprehensive and third-party (including both third-party property damage, and third-party fire and theft) cover types were reviewed in equal number.

What we reviewed

ASIC reviewed the insurers' disclosure of premium-related information by analysing the disclosure materials provided to consumers, including quotes, renewal notices and policy documents. We aimed to identify what premium-related information was provided and how it was presented.

For quotes and policies sent to new consumers, ASIC identified where premium amounts appeared in the documents; whether and how well information that explained premium calculations was disclosed; how excesses were disclosed and explained; and whether payment options were disclosed, including any price differences between upfront annual payment and monthly instalments.

For renewing consumers, ASIC examined how current-year and prior-year premiums were disclosed; whether changes in premiums or excesses were explained; whether dollar differences between years were disclosed; whether factors influencing premium increases were described and whether other policy changes were compared (such as changes to excesses or the insured amount). ASIC examined how renewal disclosure documents presented the previous year's premium and the year-to-year price difference by comparing the information contained in the renewal notice against the payment transaction records, previous renewal and any other endorsement or change to the policy over the past year.

Across both new and renewing consumer communications, ASIC examined the placement of premium and excess information; whether any explanations were general or consumer-specific; and how disclosure communications referred to other documents to convey premium-related information.

The review was limited to written materials provided to consumers. The review did not include any advertisements, websites, or telephone communications.

Consumer research

ASIC engaged a research firm, Heartward Strategic (Heartward), to conduct consumer research relating to MVI premiums. The consumer research included an online survey and narrative interviews with MVI decision makers. The consumer research, like the disclosure review, focused on how insurers disclose premiums and premium-related information to their consumers.

To measure the efficacy of insurers' disclosure documents in supporting consumers to make well-informed decisions, consumers were asked about their receipt, understanding and opinion on the usefulness of their insurer's documents. Survey participants who were both able and willing to do so were asked to enter premium information directly from their quote or renewal documents. Other questions were answered from the survey participants' memories or opinions. Survey participants were asked about their experiences, and we collected demographic information to allow us to assess how useful insurer disclosure documents are for different types of people in different types of places.

Survey participants were drawn from a research panel and needed to be at least 16 years old and to have decided to renew or purchase MVI in the previous 12 months. The survey sample of 2039 people was diverse in terms of gender, location, life stage, cultural background, and purchase and renewal behaviours. At the completion of the online survey, Heartward conducted 10 conversational interviews with a diverse subset of survey participants. These took an hour each and drew out the consumers' personal experiences and case studies. The consumer research was conducted in January and February 2026.

Consumer research limitations

The findings are based on self-reported data collected via an online survey of over 2000 consumers. While the survey sample was designed to be broadly representative of MVI decision makers, responses may be subject to recall limitations, particularly regarding documentation received and premium changes. Some subgroup analyses involve small base sizes, particularly in relation to complaints, and should therefore be interpreted with caution. The research captures consumer perceptions and reported behaviours but does not independently verify insurer communications or pricing practices.

Notes on reading statistics from consumer research

The research results in this report are presented either as percentages of a sample who responded in a particular way to closed-ended questions, or as verbatim responses by participants to open-ended questions. For survey questions where only one answer could be provided, responses for all those who were asked that question will add to 100%, or close to 100% in the case of rounding. In instances where more than one response to a question was permitted, responses for that question may add to more than 100%. Where differences between subgroups are specifically noted, they are statistically significant differences at the 95% confidence level. That is, it is probable that the survey has captured a real, rather than a random, difference.

Appendix 2: Accessible versions of figures

Table 3: Decision factors (most important vs secondary) when purchasing MVI

Range of possible factors when choosing MVI	Most important decision factor	Other decision factors	Total
Premium price	37%	14%	51%
Coverage level	11%	28%	39%
Brand/reputation	11%	27%	38%
Convenience	12%	21%	34%
Excess	4%	27%	31%
Discounts	9%	22%	31%
Reputation for paying out claims	6%	19%	25%
Option to pay by instalments	4%	12%	15%
Recommendation from others	3%	8%	11%
Exclusions	1%	7%	8%

Note: This table sets out the data in Figure 2.

Figure 3 (accessible version) Receipt and use of insurer documents by document type

Table 4: Receipt and use of insurer documents by document type

Type of document	Did not receive or don't recall	Did not read it	Skim read or read parts of document	Read whole document
Brief renewal email or cover letter	4%	11%	52%	32%
Renewal notice	3%	8%	51%	38%
Policy quote	3%	6%	42%	48%
Product disclosure statement	4%	32%	48%	16%

Note: This table sets out the data in Figure 3.

Table 5: Relationship between size of premium increase and contact with insurer at renewal (to query or negotiation

Did you contact the insurer?	Premium increased a lot	Premium increased a little	Premium did not increase
Yes	41%	41%	18%
No	18%	56%	26%

Note: This table sets out the data in Figure 4.

Table 6: Reasons for not contacting insurer to query or negotiate

Reason	%
Lack of time	16
Premium and excess reasonable	27
Didn't think it would lead to lower premium	31
Didn't feel confident negotiating	11
Didn't know it was possible	13
Info provided wasn't clear enough to query/challenge	4
Didn't think it would be worth the effort	36
Personal factors or circumstances made it difficult	3
Other reason	8

Note: This table sets out the data in Figure 5.

Table 7: Percentage who contacted insurer at renewal to query or negotiate premium and result of contact

Subtitle: Contact with insurer

Did consumer contact the insurer?	%
Yes	30
No	68
Don't know	2

Subtitle: Outcome of the contact

Outcome of contact	%
No change to quoted premium	39
Premium was reduced without reducing cover	31
Consumer made changes to reduce premium	25
Another outcome	5

Note: This table sets out the data in Figure 6.

Table 8: Provision of information about the cost of instalments vs annual payment

Type of information	Yes	No	Don't know
The total yearly cost if you pay the premium as a single payment	88%	5%	7%
The total yearly cost if you pay the premium in instalments	68%	18%	15%

Any difference in costs between these two options	46%	28%	26%

Note: This table sets out the data in Figure 7.

Table 9: Reasons the insurer provided for the increase

Subtitle: Did the insurer provide reasons for the increase?

No	Don't know	Yes, general factors impacting premiums	Yes, personal factors impacting premiums
53%	7%	29%	11%

Subtitle: General reasons for the increase vs specific reasons

General reasons	%	Specific reasons	%
Inflation	27	Location specific	10
Market-wide increase	23	Vehicle specific	9
Industry Claims	14	Discount expiry or change	7
Repair costs	9	Claims history	5
Natural disasters	6	Driver change incl younger driver	4
Business Costs	6	Drive risk profile	4
Taxes and duties	2	Usage Change	1

Note: This table sets out the data in Figure 8.

Key terms and related information

Key terms

AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services Note: This is a definition contained in s9
ASIC	Australian Securities and Investments Commission
ASIC Act	*Australian Securities and Investments Commission Act 2001*
Code	General Insurance Code of Practice
comprehensive motor vehicle insurance	Insurance which covers damage to your car and other people's cars or property, even if you caused the accident. It also covers your car if it's stolen or damaged by fire or weather events.
Corporations Act	Corporations Act 2001, including regulations made for the purposes of that Act
endorsement	A written amendment or addition to an existing insurance policy that alters original terms, conditions, or coverage scope
General Insurance Code Governance Committee	Independent body that monitors and enforces general insurers' compliance with the Code
general insurance	Means any insurance that is not life insurance
Heartward Strategic	Heartward Pty Ltd trading as Heartward Strategic, an independent research company that conducted the consumer research for ASIC
General Insurance Code of Practice	A voluntary code administered by the Insurance Council of Australia which sets out the standards that general insurers must meet when providing services to their customers
MVI	Means motor vehicle insurance, and for the purposes of this report includes only comprehensive car insurance, third party property damage insurance and third party fire and theft insurance.
policy documents	Documents provided to consumers together with quote or renewal notices that provide further information about the insurance cover being offered.
Product Disclosure Statement (PDS)	A document that must be given to a retail client for the offer or issue of a financial product in accordance with Division 2 of Part 7.9 of the Corporations Act Note: See s9 for the exact definition.
quote	a statement given to a new consumer of the cost of the product as calculated by a general insurer having regard to information given to it by the customer. This can be provided electronically or in paper form
renewal notice	A document provided by a general insurer to a consumer with an existing insurance policy that can be renewed, which includes a statement of the cost of the policy as calculated by the general insurer having regard to information given to it by the consumer

Related information

Headnotes

car insurance, consumer research, consumer survey, consumer interviews, disclosure, excess, fairness, general insurance, general insurance code of practice, instalments, insurance brands, insurance quote, insurance renewal notice, insurers, motor vehicle insurance, last and current year premiums, premiums, transparency

Legislation

Australian Securities and Investments Commission Act 2001, s12DA

Corporations Act 2001, s912A, Div 2 of Pt 7.9

Insurance Contracts Act 1984, s13

Other

CHOICE, The car insurers with the biggest price hikes, 11 March 2026

General Insurance Code Governance Committee, Applying for motor insurance – a review, 1 December 2025

General Insurance Code Governance Committee, Clear costs at renewal: payment options and pricing transparency, 30 June 2026

Insurance Council of Australia, *Motor Insurance Policy Paper: A Roadmap for Reducing Rising Premiums* (PDF 1.1MB), 23 March 2025