

| A MOZO REPORT | RELEASED OCTOBER 2024

Car Insurance Costs: Are You Paying Too Much?

Experts compare 295,346 car insurance quotes to reveal the best policies and insurers for drivers

MOZO CAR INSURANCE REPORT 2024

Mozo provides only general advice. We don't consider your personal objectives, financial situation or needs and we aren't recommending any specific product to you. You should make your own decision after reading the Product Disclosure Statement and Target Market Determination



Mozo experts analyse 295,346 quotes for car insurance from 33 Aussie providers

This report dives into the rising cost of car insurance, the factors behind high premiums and how much Aussies could potentially save by switching to a better value insurer.

“Drivers are feeling the pinch of rising premiums, but not all are comparing to see if they can get a better deal,” said Rachel Wastell, Mozo’s personal finance expert.

“Switching to a better value insurer can lead to substantial savings, so if don’t compare, you might miss out.”

As part of the Mozo Experts Choice Awards, experts compared 295,346 car insurance quotes from 33 providers across 61 policies, to see what factors influence the cost of car insurance, and which insurers have the best value or best quality policies.

Mozo also commissioned a consumer survey to find out how often Aussies compare their car insurance policies, and how much premiums have risen in the past year.

The data used in this report was collected as part of the award judging process, and a nationally representative survey of 2,129 Australians aged 18 years and over commissioned via Researchify.

Meet the experts

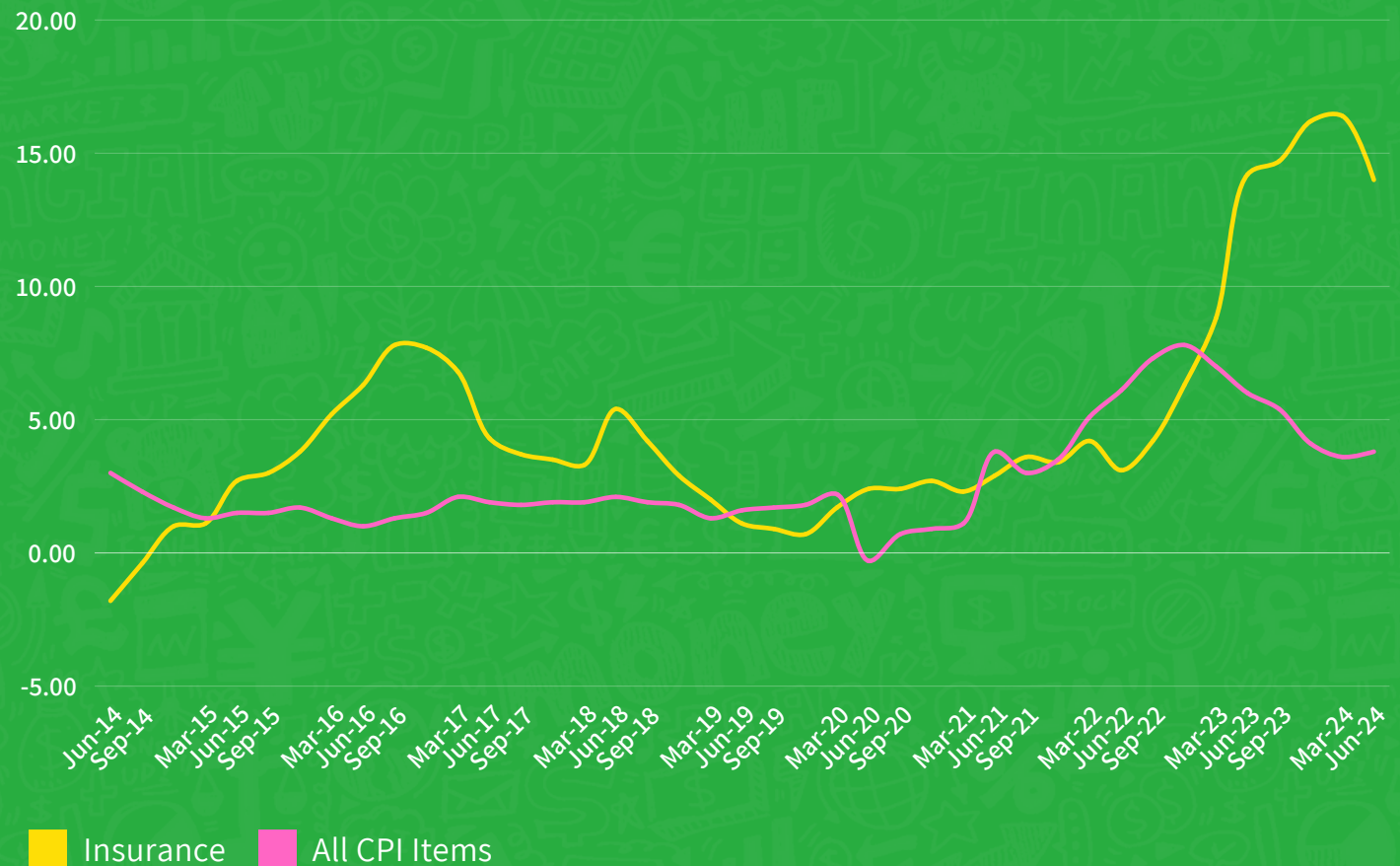


Car insurance premiums jump by 16%

Mozo analysis of hundreds of thousands of car insurance quotes across 2023 and 2024 shows car premiums have jumped by 16% in the past 12 months*.

This aligns with the latest CPI data showing insurance premiums (motor vehicle, house and home contents) rose 14% in the year to the June quarter, after a 16.4% peak in the March quarter.

Higher reinsurance, an increasing occurrence of natural disasters and higher claims costs all contributed to the rise.



Source: Australian Bureau of Statistics - Consumer Price Index (CPI) - June Quarter 2024

*Based on the analysis of 295,346 car insurance quotes from 33 providers as part of the Mozo Experts Choice Awards 2024.



\$1,717

THE AVERAGE ANNUAL COST OF CAR INSURANCE IN AUSTRALIA

Based on the analysis of 295,346 car insurance quotes from 33 providers and 61 car insurance policies as part of the Mozo Experts Choice Awards 2024.





47%

**ARE PAYING \$100-300 MORE FOR
CAR INSURANCE PER YEAR**

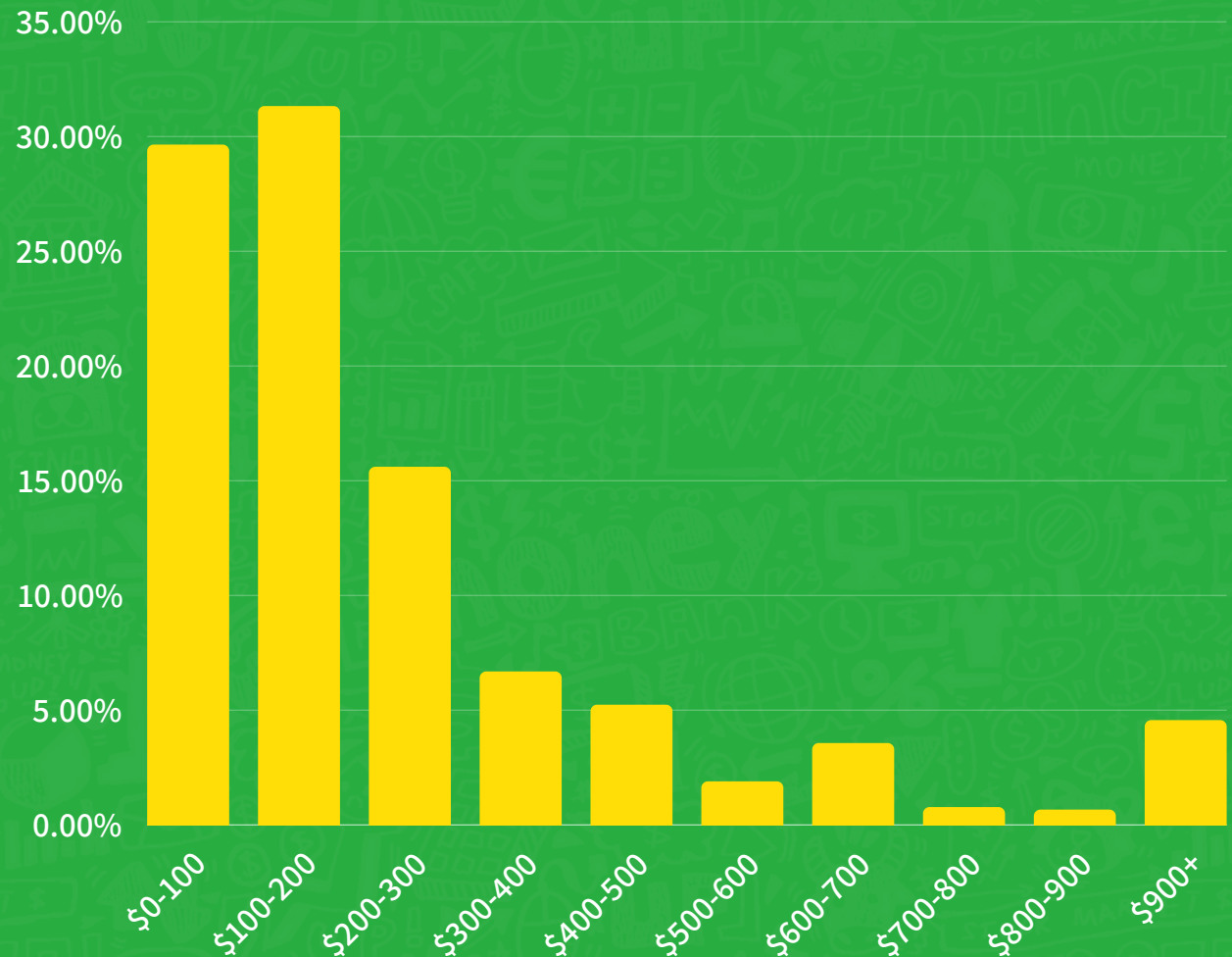
46.93% of Australians who have experienced an increase in car insurance premiums.
Mozo commissioned a nationally representative survey of 2,129 Australians aged 18 years and over, with information collected between 19 July and 5 August 2024 via Researchify.

How much more are Aussie drivers paying for their car insurance in 2024?

Mozo asked 1,566 Australians with car insurance if their premiums had risen in the past 12 months, and a whopping 57% of drivers reported an increase.

Just over 60% of those who experienced a rise had premiums rise by up to \$200, while 1 in 6 experienced jumps of \$200–\$300. Larger hikes were less common, with less than 5% facing increases of over \$900.

1 in 4 drivers saw no change in premium costs, while 1 in 6 reported that their car insurance premiums had decreased over the past year.



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DESPITE THIS JUMP IN PREMIUMS...

66%

OF AUSSIES WITH CAR INSURANCE
HAVE NOT SWITCHED PROVIDERS

Based on Australians with car insurance who have not switched in the past 12 months. Mozo commissioned a nationally representative survey of 2,129 Australians aged 18 years and over, with information collected between 19 July and 5 August 2024 via Researchify.

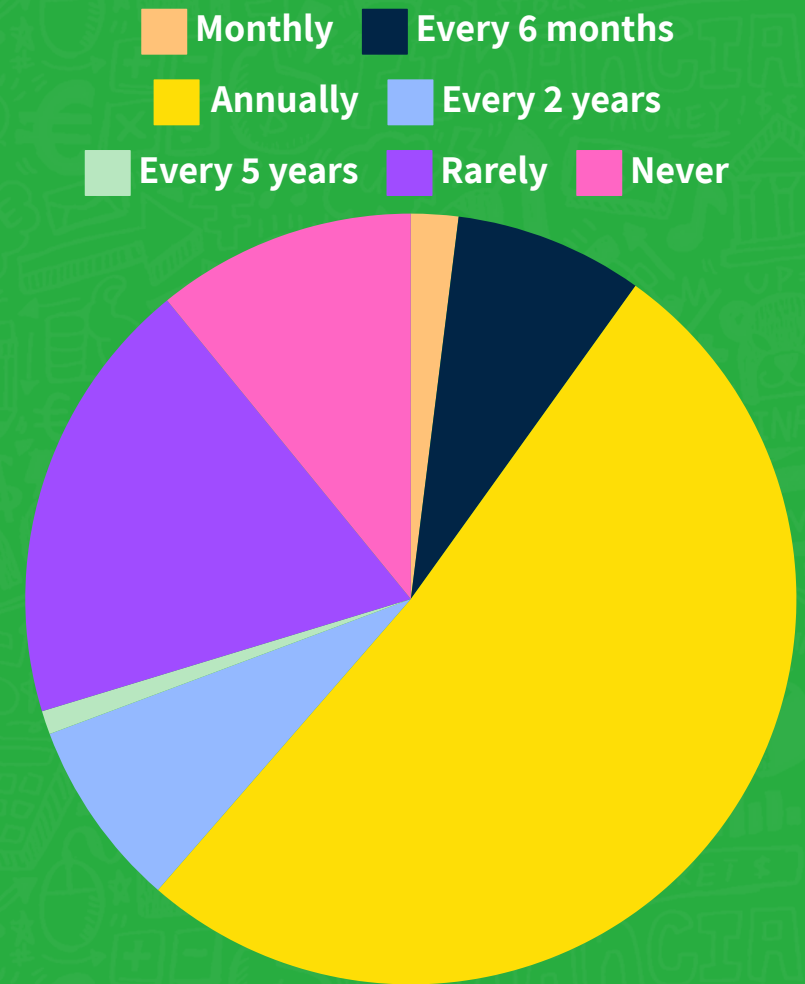
1 in 3 never compare or rarely compare policies, leaving savings on the table

Mozo research shows that half of Aussie drivers with car insurance compare policies annually.

However, a shocking 1 in 5 Aussies (19%) rarely compare, and 1 in 10 (11%) admitted they have never compared car insurance policies.

Regularly reviewing and comparing policies can lead to significant savings and ensure you're adequately protected if anything goes wrong.

Plus, many insurers offer attractive discounts for first-year policies, making it a perfect opportunity to save even more.



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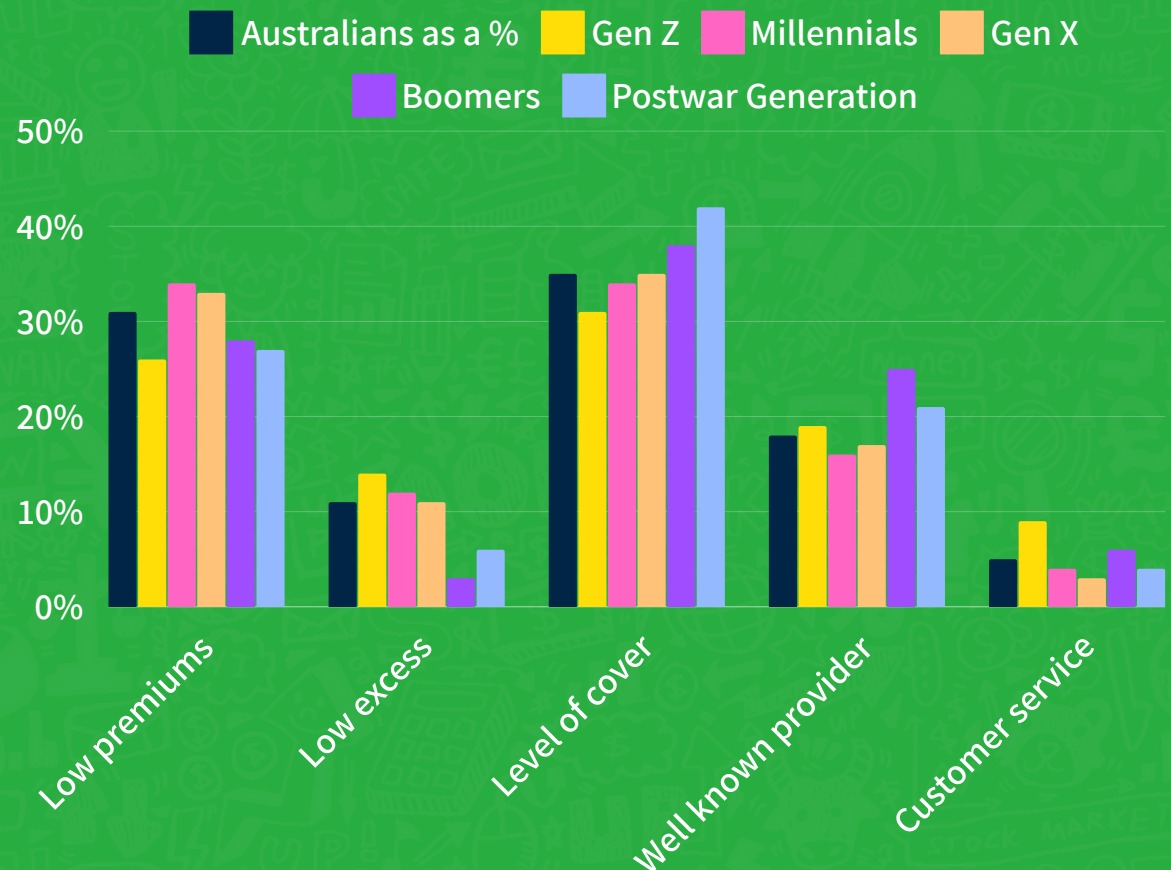
What do Aussie drivers think is most important when choosing car insurance?

Mozo research on what matters most when choosing a car insurer shows drivers have distinct priorities.

More than 1 in 3 (35%) consider the level of cover to be the most important factor, while 31% prioritise low premiums.

Most Australians recognise the importance of cover and cost, but many may be missing out on better deals by choosing providers based on the name, not the policy.

Close to 1 in 5 (18%) prioritise choosing a well-known or trusted provider, 1 in 10 (11%) focus on low excess and 5% value the level of customer service over all else.



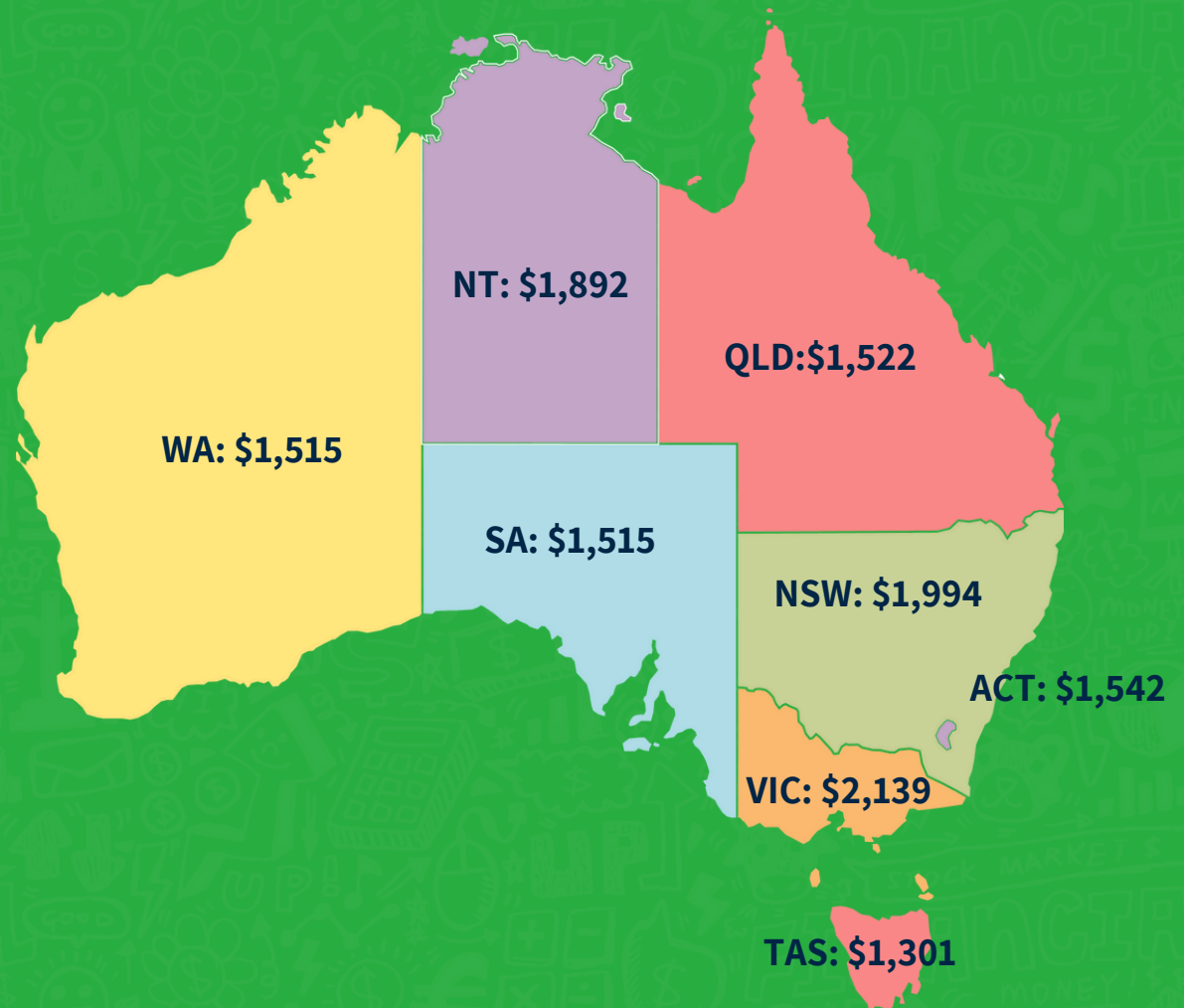
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How much does car insurance cost on average in each Australian state?

Mozo's analysis of annual costs shows there's not much daylight between car insurance premiums in SA, WA, QLD and ACT, which are all between \$1,500-\$1,550 (\$1,515, \$1,515, \$1,522 and \$1,542 per year respectively).

Victoria is the only state to surpass the \$2,000 mark for average annual premiums, the highest in the country at \$2,139. NSW nips on VIC's heels at \$1,994, with NT not far behind at \$1,892.

Tasmania is a clear outlier at \$1,301, over \$200 cheaper than the next cheapest state, SA (\$1,515).



Based on the analysis of 295,346 car insurance quotes from 33 providers as part of the Mozo Experts Choice Awards 2024.

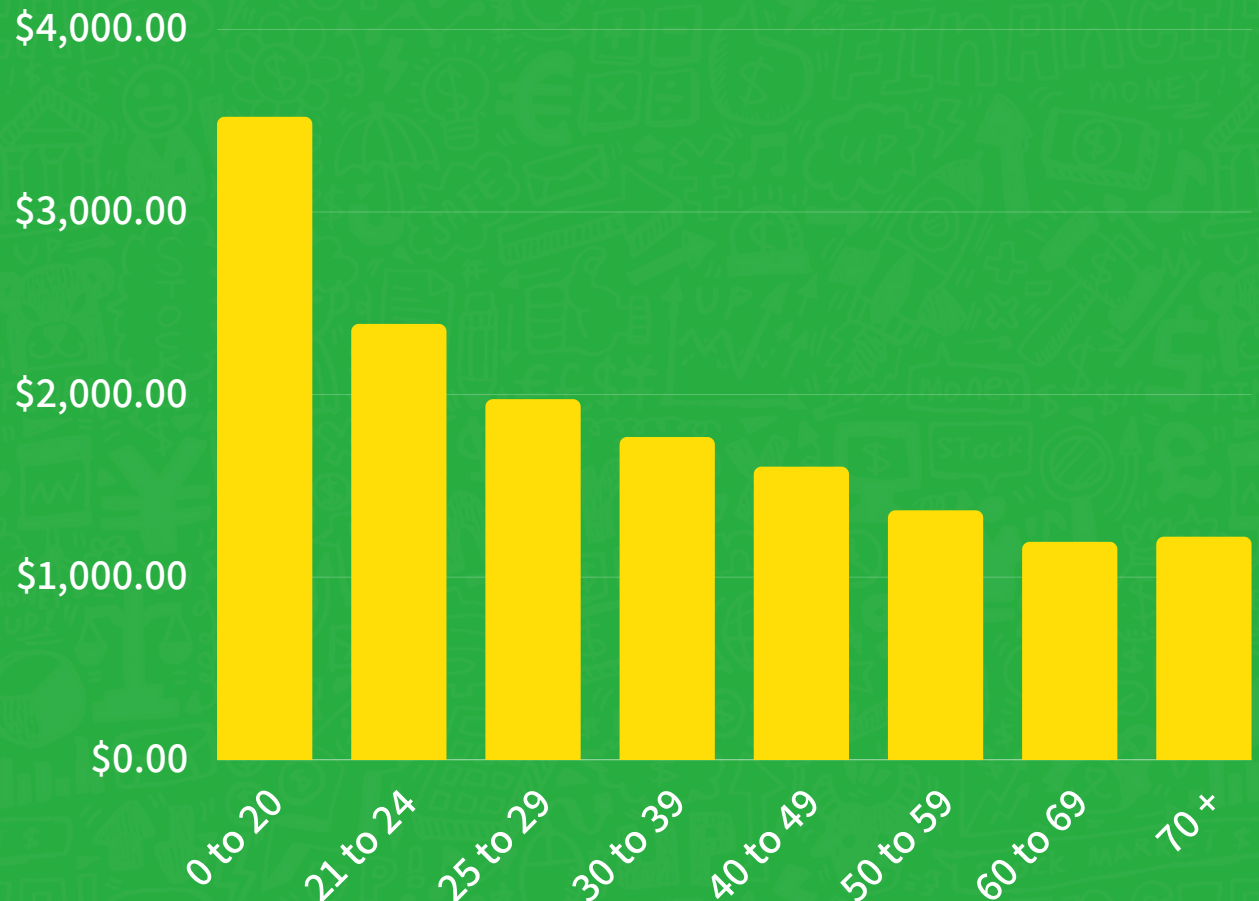
How does the driver's age impact the cost of car insurance premiums?

Mozo research shows younger drivers (20 years old and under) usually face higher car insurance premiums than older drivers do.

The analysis of hundreds of thousands of quotes showed younger drivers pay almost triple the amount that drivers aged 60-69 do, \$3,522 vs \$1,194 annually.

Younger female drivers pay roughly \$900 less per year compared to younger male drivers (\$3,082 vs \$3,966).

This is also the case for drivers aged 70 and over. Female drivers over 70 pay \$1,157 on average vs \$1,285 for males in the same age bracket.



Based on the analysis of 295,346 car insurance quotes from 33 providers as part of the Mozo Experts Choice Awards 2024.

Other factors driving car insurance costs

Fuel Type

EVs cost 73% more to insure

Electric vehicles cost a whopping \$2,767 a year to insure, when compared to other fuel types. This is a 73% increase over the \$1,597 owners of petrol cars pay on average. Hybrid car drivers pay \$2,206 a year on average.

No Claims Discounts

Savings on offer: \$1,673/year

Drivers with the best No Claims Bonus rating of 1 - achievable after five claim-free years with a provider who offers it - enjoy premiums less than half that of those with a new rating of 6 (\$1,548 vs \$3,221).

Car Colour

Black cars cost \$1,793 to insure

Car colour impacts annual insurance premiums, with black cars the most expensive to insure (\$1,794), followed by white cars (\$1,758). Brown cars (\$1,571) and blue cars (\$1,633) are the cheapest to insure.

Age of the Car

Older cars cost less on average

Car insurance costs typically decrease as vehicles age. New cars under a year old cost \$2,126 a year on average, while insurance for cars from 11-20 years old steadily decrease from \$1,638-\$1,158 a year.



Australia's Best Value Car Insurer

Budget Direct has been crowned Australia's Best Value Car Insurer in 2024, marking the sixth year that Budget Direct has taken out a major title in the Mozo Experts Choice Awards.

Whether catering to young drivers, seniors, or the general car insurance market, Budget Direct offers highly competitive pricing that resonates with a broad audience. As the best value car insurance provider in Australia, they set a benchmark for competitors in offering the lowest cost policies across a number of different customer segments.

Budget Direct's **Gold Comprehensive Car Insurance policy** won Mozo Experts Choice Awards in the following categories:

- Exceptional Value Car Insurance
- Exceptional Value Young Driver Insurance
- Exceptional Value Senior Driver Insurance



Drivers might be able to save \$463/year by switching to Australia's Best Value Insurer

As Budget Direct had some of the lowest cost car insurance policies for both young and old drivers, Mozo chose to use Budget Direct as the brand with which to compare all other car insurance providers in the Mozo Experts Choice Award analysis*, to show Aussies how much they could save by switching to a cheaper provider.

Taking the average cost of Budget Direct policies across various customer scenarios of \$1,181 and comparing it to the average premium from other insurers for those same scenarios, Mozo experts found there were potential annual savings of \$463 on offer for Aussies who make the switch, a saving of 28%.

Potential annual savings on offer:

BUDGET DIRECT

\$1,181

AVERAGE COST

\$1,644

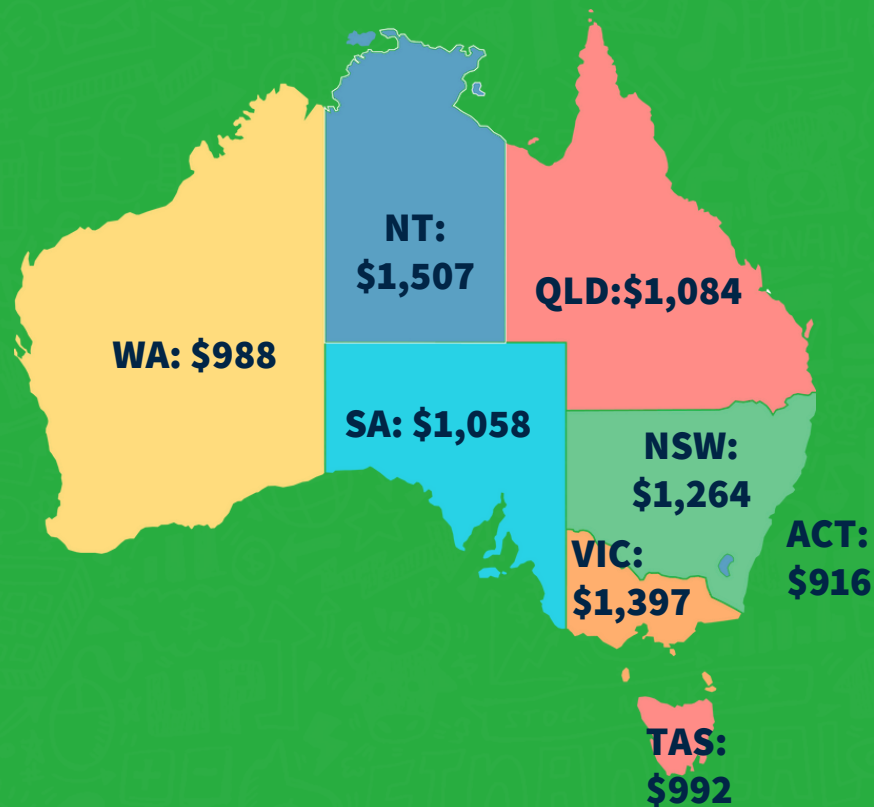
\$463/yr

* 33 car insurance providers were compared as part of the Mozo Experts Choice Awards 2024. For the annual savings figure, the comprehensive insurance policy prices were assessed, excluding any optional extras. Mozo provides only general advice. We don't consider your personal objectives, financial situation or needs and we aren't recommending any specific product to you. You should make your own decision after reading the Product Disclosure Statement and Target Market Determination

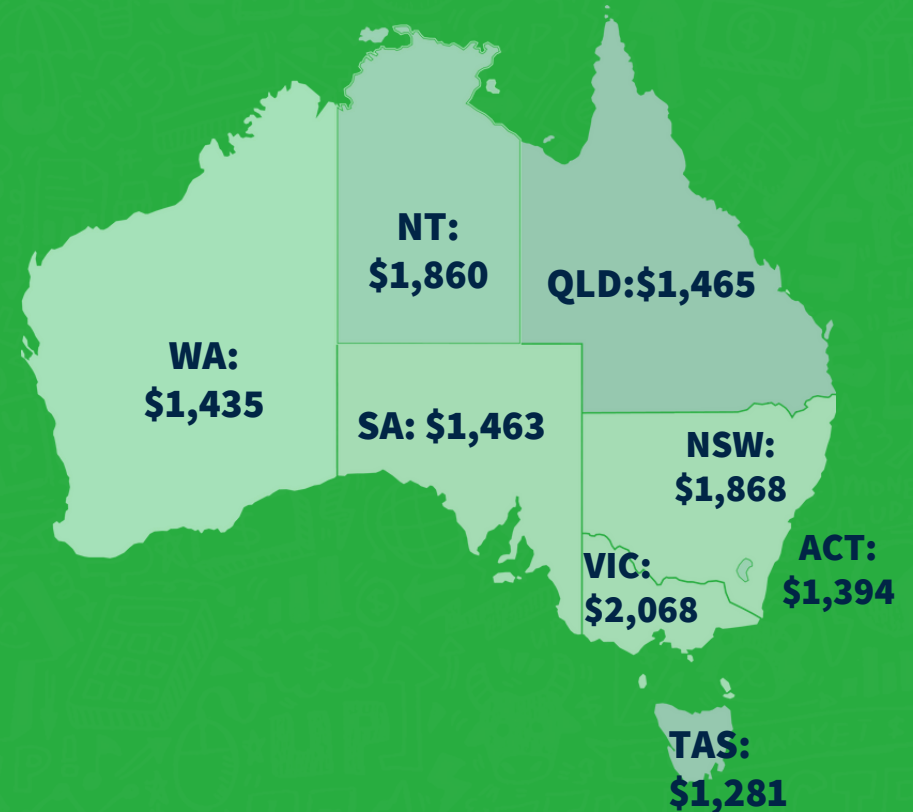


Comparing Budget Direct prices to 32 car insurance providers, state by state:

Budget Direct (average cost):



Average cost (32 providers):



Based on the analysis of 295,346 car insurance quotes from 33 providers as part of the Mozo Experts Choice Awards 2024.

How Aussie drivers can get the best deal on their car insurance premiums

● Bigger names aren't always better

Close to 1 in 5 Aussies think it's important to go with a well-known insurer, but some smaller providers can be just as good, sometimes with better prices. It's worth comparing to see if you can find a better deal.

● Compare every year, even if you're happy

Even if you're happy with your current insurer, premiums change all the time. A quick check before your renewal could reveal a better deal, saving you a nice chunk of cash.

● Don't pay the loyalty tax

Some insurers will reward you for sticking around, but don't let that stop you from comparing options. Switching could still get you more value even with a loyalty discount in play.

● Only add extras when you need them

Roadside assistance or personal effects cover are great for road trips, but you might not need them all the time. Look for policies that let you cancel or adjust those extras when you don't need them.

What Aussie drivers should consider when they head off on a road trip

1 Be mindful of coverage if you stay longer than expected

You're usually covered Australia-wide, but watch out for extended stays. Most policies will cover you wherever you drive, but if you end up staying interstate for an extended period, your insurer may consider it more than just a road trip. If they find out you've moved, it could affect your coverage, so check your coverage if your trip starts to look more permanent.

2 Premium add-ons can save you more than you think

Roadside assistance might sound like overkill, but if your car breaks down in the middle of nowhere, that tiny extra cost becomes priceless. It's worth adding if you're going beyond the usual city limits. And additional personal effects cover can protect your luggage, laptop, camera and more if it is stolen or damaged.

3 Stay updated on local laws if you travel interstate

Rules and regulations around things like child restraints and speed limits can change between states. While this isn't strictly car insurance-related, knowing the local laws can help avoid potential fines or complications if you're in an accident, which can save you any unnecessary additional stress.



Best Value & Highest Quality Car Insurers

For the 1 in 3 Aussies with car insurance that never compare or rarely compare policies*, the value winners of the Mozo Experts Choice Awards could help drivers potentially save hundreds of dollars a year.

WINNERS LIST

For the 1 in 3 Aussie drivers who value the level of cover over all else when looking for a car insurance policy*, the quality winners of the Mozo Experts Choice Awards are a great place to start comparing policies and providers.

Budget Direct was awarded Australia's Best Value Car Insurer for delivering high-quality policies at competitive prices, and NRMA Insurance was named Australia's Best Quality Car Insurer for its extensive coverage and excellent customer service.

Best Value

Budget Direct

ING

bingle

Australia Post

ROLLIN

real
INSURANCE

RAC
Insurance

NRMA
INSURANCE

RACT

KOBA

Best Quality

NRMA
INSURANCE

SUNCORP

GIO

RACV

RAC
Insurance

RAA

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Media Insights & Commentary

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MEDIA CONTACT

Rachel Wastell

[+61 412 686 458](tel:+61412686458)

pr@mozo.com.au



