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Central Bank of Ireland
Eurosystem

Economic Letter

Engagement, switching and digital usage in consumer insurance markets: who does it and why it matters

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Vol. 2022, No. 8

December 2022

Engagement, switching and digital usage in consumer insurance markets: who does it and why it matters

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Consumers who switch providers can often get a better deal on their insurance. We show how price changes, time constraints, misperceptions that loyalty is rewarded and behavioural characteristics such as status-quo bias can help to explain engagement and switching in the private car and home insurance markets. Motivated by an interest in understanding any potential barriers to future digital adoption, we examine a range of factors associated with consumers who report discomfort in purchasing insurance online and find that these consumers are, on average, older, lower income, and less educated.

Introduction

Following the Central Bank's Review of Differential Pricing (the Review), price walking was banned from 1 July 2022. This means that customers who remain with their insurance provider no longer pay an increasing 'loyalty penalty' over time.[2] However, to support competition and switching, new customer discounts are allowed. Active consumer engagement and readiness to switch is a core component of any healthy and well-functioning market.[3] As such, monitoring of consumer behaviour and outcomes is an important objective.

Digitalisation is another key area of focus for the Central Bank. Digital platforms facilitate access to financial services, and can simplify shopping around and switching. While the Review did not find evidence of a price penalty associated with non-digital sales channels, consumers who cannot readily access the full set of market options and engagement channels may be disadvantaged over time, or in the event that the consumer experience with traditional engagement channels deteriorates as markets become increasingly digitalised.[4]

This *Letter* therefore examines engagement and switching by Irish private motor and home insurance customers, including an analysis of the role of digital platforms. We find that:

- 8 out of 10 car and home insurance customers engage with their provider on renewal, similar to the UK. Around 1 in 4 switch, slightly lower than the UK (35%)[5] but higher than Europe (16%)[6].

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[1] Behavioural Consumer Finance Unit, Central Bank of Ireland. The views expressed in this paper are those of the authors only and do not necessarily reflect the views of the Central Bank of Ireland. We would like to thank Yvonne McCarthy, Brendan Beere, Mark Rowe, Roisin Hanley, Michael Doyle, Mark Cassidy, Vasileios Madouros and Reamonn Lydon for their comments. All remaining errors are our own.

[2] Specifically, at the point of renewal, insurance providers cannot charge personal consumers who are on their second or subsequent renewal a premium higher than they would have charged them if they were a year one renewal consumer at that point in time

[3] See, for example, European Commission (2017) and EIOPA (2021). Engagement here means some sort of active search prior to the purchase of a new policy or during the renewal of an existing policy (defined more precisely in Section 3).

[4] See, for instance, 'Discussion Paper 7: Consumer Protection Code and the Digitalisation of Financial Services': "*Some consumers may enjoy enhanced access to financial products and services and an enhanced user experience. For other consumers, however, the move to digital channels and services may have the opposite effect and increase financial exclusion.*"

[5] Study by London Economics (2019).

[6] European Commission (2017) survey.

- Price increases on renewal are positively related with engagement and switching. Policyholders who report tracking media coverage of developments in the insurance market are more likely to engage and switch.
- Behavioural characteristics matter: status-quo bias – the tendency to stick with what you know, even when doing so may be disadvantageous – corresponds with lower levels of engagement or switching.
- Time poor consumers are less likely to switch.
- Perceptions matter: customers who believe that loyalty is rewarded are significantly less likely to switch providers, while those who perceive large savings from shopping around are significantly more likely to engage and to switch providers.
- Around 1 in 5 consumers are uncomfortable searching and switching online; these tend to be older, lower income, and less educated consumers.

The value of providing clear information in all essential product markets, to enable consumers to make the right choices for themselves, is widely accepted. Our results highlight the importance of taking into account obstacles arising from consumer psychology that impact the propensity to search and switch, and of harnessing insights from behavioural economics in the design of effective disclosures and consumer protection policy. The results also underscore the importance of digital literacy initiatives in mitigating against the risk of digital exclusion in financial product markets. In the next section, we summarise the data and key variables, followed by a summary of our key findings.

Consumer survey and key variables of interest

In Q4 2020, we surveyed around 5,500 insurance policyholders – roughly 2,500 home and 3,000 private car – to ask how they interact with and understand insurance markets, as well as capturing key behavioural, demographic, and attitudinal information. Responses were matched to a policy-level dataset to incorporate information on each policyholder's underlying policy.[7]

Around 72% of respondents were renewal customers, i.e. renewing with their existing provider; 24% had switched from an alternative provider (25% for car insurance, 22% for home); and 4% were new customers buying a policy for the first time.

We first focus on policyholder switching and engagement rates to gauge how active Irish customers report to be. The switching rate in our survey of around 1-in-4 is similar to other Irish estimates (CCPC, 2017), higher than European estimates (16%, European Commission, 2017), and lower than in the UK (35%, FCA, 2019).

Various studies have shown how consumers can make significant savings if they shopped around (EIOPA, 2021).[8] To measure engagement we define 'engaged' policyholders as those who searched actively prior to purchase or renewal. Search activities include: use of price comparison websites (PCWs); visiting the websites of different insurers; checking online reviews; negotiating with an existing provider (for renewals); engaging through a broker; or, retrieving a quote as part of a scheme (e.g. through an employer or trade union). Over 80% of policy holders were 'engaged', by this definition, which is, again, similar to figures for the UK.

[7] Further details of the survey are provided in section 6 of the Technical Annex of the Review. The policy-level dataset covered more than 90% of the policies issued in the private car and home insurance markets and was collected in H12020, as part of the Review. The most recent year of policy-data in the matched group is 2019.

[8] In a survey of European consumers, around 35% of motor insurance customers and a quarter of home insurance customers reported getting a lower offer from their current provider after expressing an interest in cancelling their contract.

Second, the survey responses allowed us to examine the perceptions of policyholders regarding the merits of engagement and switching. A large majority of respondents perceived big savings available from shopping around, and felt they benefited from premium discounts as a result (Table 1). However, 1 in 4 private car insurance customers and 1 in 5 home insurance customers believe that loyalty is rewarded, a view which is not supported by the Review, which showed a significant loyalty penalty over time for customers who stayed with the same firm.

Table 1: Consumer perceptions regarding engagement and switching

	Private Car (% Agreement)	Home (% Agreement)
There are big savings in shopping around	82%	83.%
New customers get discounts on their premium	73%	82%
Loyalty is rewarded	24%	18%

Finally, focusing on engagement channels, we quantify the degree to which insurance policyholders feel uncomfortable using digital channels to search for and switch among financial products. The Review found that policyholders engage through multiple channels rather than solely via digital or non-digital means. However, markets are continually evolving and while many policyholders may take advantage of the opportunities for a simplified consumer journey that digital channels offer, particular cohorts may not be in a position to effectively navigate the opportunities and risks involved. We find that a majority of respondents (approximately 55%) do use online digital information and channels as part of their engagement, but approximately 1 in 5 respondents in both the private car and home insurance markets express difficulty in using the internet to search for and purchase financial products including insurance.

Factors associated with engagement and switching

Next, we use regression analysis to examine the factors that are correlated with consumer engagement and switching. We first examine the factors associated with active engagement in the insurance market (i.e. we model the probability that a policyholder has shown pro-active engagement in the insurance market) and secondly we examine switchers (relative to their non-switching counterparts).

The estimators and variables are defined in Table A1 in the appendix.[9] The explanatory variables cover four broad areas:

(i) demographic and policy characteristics that include income, policyholder age, education, employment status, resilience to income shocks, time-poverty, attention, past increases in premiums, and if the policy is new or a renewal;

(ii) financial literacy and awareness of price comparison websites (PCWs) and a digital discomfort indicator (capturing whether a consumer reports comfort in searching for and purchasing financial products online);

(iii) behavioural factors, such as trust in financial institutions, status-quo bias, risk appetite; and

[9] Regressions additionally control for policyholder type (new, renewal or engaging) and insurance policy type (comprehensive or third party/theft for private car and buildings & contents, buildings only or contents only for home).

(iv) market understanding and attitudes, which includes perceptions of loyalty bonuses, or reductions in no-claims bonus after switching or the belief that there are 'big savings' in shopping around.

The results – presented in Table 3 are separated by market (private car, or home) and what action we are seeking to explain (engagement, or switching), and can be summarised as follows: Policy holders who…

- …report having experienced past increases in premiums are significantly more likely (between 9-23%) to engage and to switch in both the home and private car insurance markets.
- …report paying a greater degree of attention to developments in the insurance market are marginally more likely (+1%)[10] to be engaged themselves.
- …demonstrate a tendency to status-quo bias are less likely (between 5-22%) to engage or switch in both the private car and home insurance markets. This intuitive result suggests a role for behavioural biases in explaining patterns of disengagement in insurance markets, and points to the importance of taking account of behavioural factors in the design of consumer protection policies more generally.
- …are time-poor are significantly less likely to be engaged in both markets (between 7-9%) or to switch providers in the home insurance market (7%). As well as demographic, behavioural and attitudinal factors, we can see that simple time constraints are part of the explanation for the varied patterns of engagement and switching observed in these markets.
- …perceive large savings available from shopping around are significantly more likely to engage and to switch providers (between 5-11%). This is a highly intuitive result showing how the likelihood of action is increasing with the perceived incentive to action. Importantly, this result does not measure objectively the magnitude of savings available, but simply the consumer's perception. When considered against the earlier observation concerning the impact of time-scarcity, this relationship suggests that tools which help consumers to make that calculation by assessing the magnitude of savings available from shopping around may support more informed financial practices – be that to stay put, to engage, or to switch.
- …believe that loyalty (remaining longer with the same provider) is rewarded are significantly less likely to switch providers (between 9-11%). This finding underscores the benefits of providing clear and consumer friendly information in essential product markets generally to enable consumers to make the right choices for themselves.

Notably, we do not find any significant role for age, education or employment status in explaining the likelihood of engagement or switching, once we control for other factors included in the model.

What consumer characteristics are associated with an aversion to use digital channels to search for and purchase financial products online?

Here we seek to illuminate the characteristics of the 1 in 5 policyholders who report difficulty in using the internet to search for and purchase financial products including insurance (digital discomfort). The regression dependent variable equals one for such survey respondents. The explanatory variables are similar to before. Table 4 reports the results, the most notable of which can be summarised as follows:

- Older policyholders are significantly more likely to be uncomfortable using digital channels, as are those with lower incomes and lower levels of formal education. Those aged 60 or over are between 14-20% more likely to report digital discomfort than those aged under 45. Those in the higher income categories are between 5-13% less likely relative to their counterparts in the lowest income category to report digital discomfort. Policyholders with a third-level education are approximately 5% less likely to report digital discomfort than those without.

[10] For every unit increase in attentiveness in a 1-10 scale.

- Respondents with higher levels of financial literacy are less likely (6-7%) to report digital discomfort.
- Finally, there is a clear association between how comfortable policyholders are with using digital channels and certain behavioural characteristics. Private car (home) policyholders who report a tendency towards status-quo bias are around 4% (11%) more likely to report being uncomfortable using digital channels.

Conclusion

In this *Letter*, we undertake a review of patterns of consumer engagement and switching in two key insurance markets in Ireland. Overall, we observe a high degree of consumer engagement in both the private car and home insurance markets. We find that policy holders who report having experienced past increases in premiums or perceive big savings available from shopping around are significantly more likely to engage and to switch providers. These findings suggest that providing policyholders with information on past premiums (as is legally required) and highlighting the potential benefits of shopping around should be advantageous for consumers.

Policyholders who are time-poor or believe that loyalty is rewarded are significantly less likely to engage and to switch providers. The latter finding – i.e. that consumer misperceptions help to explain a disinclination to engagement and switching - highlights the universal importance of providing clear and accurate information to the public domain to enable consumers to make the right choices for themselves.

Motivated by an interest in understanding any potential barriers to future digital adoption, and risk factors for potential digital exclusion we find that certain groups – such as older, lower income and the less financially literate – are not as comfortable searching and switching online. This result highlights the importance of digital literacy initiatives in mitigating against the risk of digital exclusion and market segmentation in financial product markets generally. It is possible that consumers who cannot readily access the full suite of engagement channels available in the market may not be able to fully exploit the range of options available in the future, or in the event that the consumer experience with more traditional engagement channels deteriorates as markets become increasingly digitalised.

We also provide new evidence on the role of behavioural characteristics in the private car and home insurance markets in Ireland. Certain behavioural characteristics are associated with more or less switching/engagement, such as status-quo bias. This points to the importance of taking account of obstacles arising from consumer psychology in fully understanding and grappling with important topics in consumer and household financial markets, and harnessing insights from behavioural economics in the design of effective consumer protection policy. The Central Bank expects firms to take account of such factors as part of their efforts to support consumers in making fully informed decisions.

Appendix 1: Regression estimation

Table 3 | Part 1: Engagement and switching regression results (marginal effects)

	Private Car				Home			
Variables	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
	Engagement (=1)	***Engagement (=1)***	***Switcher (=1)***	***Switcher (=1)***	***Engagement (=1)***	***Engagement (=1)***	***Switcher (=1)***	***Switcher (=1)***
Income Cat 2: >=40,000 & <70,000		-0.008		-0.059*		0.034		-0.024
		(0.020)		(0.030)		(0.026)		(0.029)
Income Cat 3: >=70,000 & <110,000		-0.020		-0.077**		0.058**		0.014
		(0.023)		(0.032)		(0.028)		(0.034)
Income Cat 4: 110,000+		-0.005		-0.070*		0.034		0.004
		(0.026)		(0.036)		(0.031)		(0.036)
Status Quo-bias	-0.054***	-0.055***	-0.215***	-0.215***	-0.082***	-0.079***	-0.118***	-0.129***
	(0.015)	(0.017)	(0.023)	(0.026)	(0.018)	(0.019)	(0.023)	(0.024)
Attention	0.009***	0.011***	-0.004	-0.003	0.012***	0.013***	-0.006	-0.004
	(0.003)	(0.003)	(0.004)	(0.004)	(0.003)	(0.004)	(0.004)	(0.004)
Prior Premium Increase	0.085***	0.093***	0.206***	0.225***	0.153***	0.155***	0.201***	0.206***
	(0.017)	(0.018)	(0.019)	(0.021)	(0.026)	(0.028)	(0.022)	(0.023)
Time Poverty	-0.073***	-0.075***	-0.013	-0.000	-0.086***	-0.092***	-0.067***	-0.075***
	(0.015)	(0.016)	(0.022)	(0.024)	(0.017)	(0.018)	(0.023)	(0.024)
Perceive Savings in Shopping	0.055***	0.055***	0.098***	0.118***	0.049**	0.054**	0.114***	0.102***
	(0.017)	(0.018)	(0.028)	(0.032)	(0.020)	(0.021)	(0.030)	(0.032)
Perceive Loyalty rewarded	-0.001	-0.009	-0.089***	-0.084***	0.001	-0.001	-0.113***	-0.102***
	(0.017)	(0.018)	(0.026)	(0.028)	(0.021)	(0.022)	(0.030)	(0.032)
Switching voids NCB & Increases Premium	-0.032	-0.025	-0.069*	-0.094**	0.027	0.036	0.000	0.009
	(0.025)	(0.027)	(0.041)	(0.046)	(0.028)	(0.030)	(0.036)	(0.038)
New customers get Discount on Premium	0.021	0.012	0.057**	0.062**	0.017	0.006	0.012	0.016
	(0.016)	(0.017)	(0.022)	(0.025)	(0.020)	(0.021)	(0.025)	(0.027)
Observations	2,245	1,865	2,264	1,878	2,046	1,849	2,049	1,852
Policyholder Type	Yes	Yes	N/A	N/A	Yes	Yes	N/A	N/A
Insurance Type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Marginal effects presented from Probit regression. *** *p<0.01*, ** *p<0.05*, * *p<0.1*
Inclusion of the control variable 'Prior increase in premium' leads to exclusion of new policyholders as this variable does not apply. However, we have tested regressions without this control variable and find no difference in significance of our main results.
Policyholder Type: Dummy variable controlling for New, Renewal or Switcher policyholder type. Policyholder switching models in specification 3, 4, 7, and 8 do not include new and renewal policyholders, therefore inclusion of this control variable is not applicable.
Insurance Type: Dummy variable controlling for the policy type: Comprehensive, Third party/Theft for private car models in specification 1-4 and policy type: Buildings and Contents, Buildings only, Contents only for home models in specification 5-8.
Other Controls: All model specifications are additionally controlled for variables such as age-category, education, employment status, new/renewal policy (Tenured), household resilience, digital discomfort, financial literacy, awareness of PCWs, trust, and riskiness. The marginal effects for these controls are not significant and we exclude them from table for better exposition of significant results.

Table 4 | Part 2: Digital discomfort- regression results (marginal effects)

	Private Car				Home			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Variables	**Digital Discomfort**	**Digital Discomfort**	**Digital Discomfort**	**Digital Discomfort**	**Digital Discomfort**	**Digital Discomfort**	**Digital Discomfort**	**Digital Discomfort**
Income Cat 2: >=40,000 & <70,000		-0.013		-0.011		-0.078***		-0.065***
		(0.021)		(0.021)		(0.025)		(0.024)
Income Cat 3: >=70,000 & <110,000		-0.058**		-0.053**		-0.070**		-0.054*
		(0.023)		(0.023)		(0.030)		(0.029)
Income Cat 4: 110,000+		-0.017		-0.017		-0.130***		-0.119***
		(0.029)		(0.028)		(0.030)		(0.028)
Age Cat. (45-59)	0.045***	0.056***	0.044***	0.053***	0.071***	0.066***	0.069***	0.061***
	(0.016)	(0.018)	(0.016)	(0.017)	(0.018)	(0.018)	(0.018)	(0.019)
Age Cat. (60+)	0.154***	0.146***	0.147***	0.136***	0.196***	0.179***	0.175***	0.153***
	(0.024)	(0.025)	(0.024)	(0.025)	(0.028)	(0.029)	(0.028)	(0.029)
Education (3rd level+)	-0.066***	-0.057***	-0.063***	-0.055***	-0.068***	-0.048***	-0.060***	-0.041**
	(0.015)	(0.017)	(0.015)	(0.017)	(0.016)	(0.017)	(0.016)	(0.017)
Financial Literacy	-0.012	0.000	-0.005	0.002	-0.072***	-0.064***	-0.064***	-0.057***
	(0.012)	(0.013)	(0.012)	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)
Tenured	0.005	-0.008	-0.006	-0.016	0.043**	0.042**	0.031*	0.031*
	(0.016)	(0.017)	(0.016)	(0.017)	(0.018)	(0.018)	(0.018)	(0.018)
Quotation Cat. (2/3)	-0.068***	-0.060***	-0.030	-0.022	-0.042**	-0.033*	-0.012	-0.005

	(0.019)	(0.021)	(0.019)	(0.020)	(0.018)	(0.019)	(0.018)	(0.018)
Quotation Cat. (4+)	-0.095***	-0.092***	-0.047**	-0.042*	-0.084***	-0.069***	-0.041	-0.027
	(0.021)	(0.022)	(0.021)	(0.022)	(0.024)	(0.025)	(0.026)	(0.026)
Trust			-0.026	-0.027			-0.025	-0.025
			(0.016)	(0.017)			(0.018)	(0.018)
Status Quo-bias			0.039**	0.056***			0.108***	0.105***
			(0.016)	(0.017)			(0.017)	(0.017)
Risk appetite			-0.031	-0.045			0.033	0.030
			(0.032)	(0.035)			(0.028)	(0.029)
Attention			-0.008***	-0.007**			-0.002	-0.000
			(0.003)	(0.003)			(0.003)	(0.003)
Time Poverty			0.101***	0.094***			0.030*	0.035**
			(0.016)	(0.017)			(0.017)	(0.017)
Observations	2,595	2,108	2,560	2,092	2,360	2,117	2,348	2,108
Policyholder type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Province	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Marginal effects presented from Probit regression. *** *p<0.01*, ** *p<0.05*, * *p<0.1*
Policyholder Type: Dummy variable controlling for New, Renewal or Switcher policyholder type.
Province: Dummy Variable controlling for residence in Dublin, Leinster (excluding Dublin), Munster, Connaught and Ulster.
Insurance Market: Dummy variable controlling for insurance market home or private car. Base Category is Home.
The base category for Quotation Cat. Is 0/1 quotes. The base category for Age Cat. Is 18-44 years. The base category for Income is <40,000. Income is only partially populated in the data.
Other Controls: The regression specification 1-8 also controls for children, household size, employment and resilience. The marginal effects on these controls are not significant and suppressed in table for better exposition.

Appendix 2: Variable definitions

Variable	Description
Policyholder Engagement	Policyholder engagement is constructed as a binary indicator taking the value as one (and zero otherwise) if the respondent used a Price Comparison Website (PCWs), visited the websites of different insurers, checked reviews, negotiated with an existing provider (N/A for new policyholders), engaged through a broker or retrieved a quote as part of some scheme during renewal/switching of an existing policy or the purchase of a new policy.
Policyholder Switching	Constructed as a binary variable that takes the value as one (and zero otherwise) if the respondent states that they switched from another provider when they took out a car/home insurance policy
Digital Discomfort	Constructed as a binary variable that takes the value as one (and zero otherwise) if the respondent strongly disagrees or disagrees that they are comfortable in searching for and purchasing financial products including insurance over the internet.
Income Cat	Categorical variable with four categories- <€40000, €40000-€69999, €70000-€109999, >€110000 (base category<€40,000).
Policyholder age	Categorical variable with three categories 18-44, 45-59, >=60 (base category- 18-44).
Education	Dummy variable taking the value as one (and zero otherwise) if the respondent has attained third-level degree or a post-graduate degree.
Employment	Dummy variable taking the value as one (and zero otherwise) if the respondent is employed/self-employed.
Resilience to income shocks	Dummy variable taking the value as one (and zero otherwise) if the respondent indicates a period of 6 months or longer that they can continue covering cover living expenses, without having to borrow any money or ask for help from friends or family if the main source of livelihood is lost.
Tenured	Dummy variable taking the value as one (and zero otherwise) if the respondent has renewed their policy with same provider at least once.
Financial literacy	Dummy variable taking the value as 1 (and zero otherwise) if respondent answered both questions on financial literacy and zero if answered none or only one question.
Awareness of Price Comparison Websites (PCWs)	Dummy variable taking the value as 1 (and zero otherwise) if respondent is familiar with the use of Price Comparison Websites when comparing or buying financial/non-financial products over internet.

Trust in financial institutions	Dummy variable taking the value as 1 (and zero otherwise) if respondent agrees or strongly agrees for the statement 'I trust financial institutions and accept what they recommend'.
Status-quo bias	Dummy variable taking the value as 1 if respondent states that they prefer the comfort of being with my existing provider that I have been with and know and zero if happy to change insurance firms regularly to get the best deal.
Risk preferences	Dummy variable based on the revealed preference measure for increasing riskiness across the amounts that respondent is willing to gamble from a sum of €100,000 that they have recently won in a lottery. The investment that they make has 50% chance to yield double the value or lose half. Dummy variable takes the value as 0 (low-risk) for amounts 0, 20,000 and 40,000 and takes the value 1 (high-risk) for amounts 60,000, 80,000 and 100,000.
Attention to insurance market updates	Categorical variable ranging from Pay no attention (1) to Pay a lot of attention (10) to the question: how much attention do you pay to coverage of the insurance industry in the media, i.e. on television, radio, newspapers etc.?
Increase in past premium	Dummy variable taking the value as one (and zero otherwise) if the respondents received a large increase in their premium at last renewal.
Belief that loyalty is rewarded for staying	Dummy variable taking the value as one (and zero otherwise) if the respondent answered True to the following statement: 'If I stay with my insurance company, my premium will fall as loyalty is rewarded'.
Switching voids no claims bonus (NCB) & increases premium	Dummy variable taking the value as one (and zero otherwise) if the respondent answered True to the following statement: 'If I switch to another insurer, I will lose my no claims bonus and my insurance premium will be higher'.
New customers get a discount on their premium	Dummy variable taking the value as one (and zero otherwise) if the respondent answered True to the following statement: 'New customers receive lower premiums than existing customers'.
Big savings from shopping around	Dummy variable taking the value as 1 (and 0 otherwise) if respondent agrees/strongly agrees for the statement: 'There are big savings to be made by shopping around for the best insurance deal'.
Time poverty to search and shop	Dummy variable taking the value as one (and zero otherwise) if the respondent agrees or strongly agrees to the statement: 'I don't have the time or energy to shop around for the best deal'.
Quotation Cat.	Categorical variable capturing the number of quotes that a policyholder receives before the current policy is chosen. Ranges from '0' to '2' where '0' denotes 0-1 quotes, '1' denotes- 2-3 quotes and '2' denotes more than 3 quotes received.
Policyholder Type	Dummy variable controlling for New, Renewal or Switcher policyholder type.
Insurance Type	Dummy variable controlling for the policy type: Comprehensive, Third party/Theft for private car models and policy type: Buildings and Contents, Buildings only, Contents only for home models.
Insurance Market	Dummy variable controlling for insurance market home or private car. Base Category is Home.

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