



NAIC ECONOMIC TRENDS IMPACTING AUTO INSURANCE APRIL 2011 OMNIBUS SURVEY EXECUTIVE SUMMARY

Research Methods

During the weekend of April 14-17, 2011, an omnibus telephone survey was conducted by Opinion Research Corporation's CARAVAN Omnibus Survey (ORC) to gather information about consumer lifestyle changes to save money as related to owning and operating a vehicle during an economic recession.

The telephone survey included 1,010 adults, 18 years of age and older, throughout the continental U.S. The sampling error associated with a sample size of 1,000 is plus or minus two to three percentage points at a 95 percent confidence level. This means that if the National Association of Insurance Commissioners repeated this survey, the results would be within plus/minus two to three percentage points in 95 surveys out of 100.

Background on Survey Participants

ORC weighted the survey results by four demographic characteristics (age, sex, geographic region and race) to ensure reliable and accurate representation of the total U.S. population of adults who are 18 years of age and older. (The raw data are weighted by a custom-designed program which automatically develops a weighting factor for each respondent.)

Top Line Results

- More than half of Americans made financial choices in the last year that could inadvertently cost – or save – on car insurance. In the past 12 months, respondents made the following car-related, money-saving lifestyle changes that could impact their car insurance costs:
 - Nearly 40 percent of respondents are driving less overall and/or taking public transportation more frequently.
 - Close to 20 percent of car owners traded in a vehicle for a lower-priced model or got rid of a second vehicle entirely.
 - Almost 20 percent of drivers have reduced or cancelled their car insurance coverage for immediate financial relief, some without realizing the effect this decision could have on future premiums and devastating economic consequences if they were to be at-fault in an accident while being uninsured.

Survey Questions

1. As it relates to owning and operating a vehicle, which of the following, if any, have you done in the PAST 12 MONTHS as a way to save money?

53%	Any (net)
39%	Taken public transportation more and/or drove less
16%	Cancelled or reduced your auto insurance coverage
13%	Gotten rid of a second vehicle
6%	Traded in a vehicle for a lesser value car
4%	Fallen behind on car payments
46%	NONE OF THESE
*	DON'T KNOW

2. Please tell me if you think the following statements are true or false.

Statements	True	False	Don't know
Your credit score is used to determine your car insurance premium	67%	28%	5%
Will car insurance cover the replacement of items stolen from your car	40%	55%	5%
Does auto insurance automatically cover a rental car	35%	62%	3%

3. Which of the following, if any, impact the cost of your car insurance? (percent selecting each of the variables)

91%	Type of vehicle
89%	Age
84%	Age of vehicle
79%	Where you live
77%	Miles driven annually
64%	Gender
62%	Marital status
3%	DON'T KNOW

** Less than 0.5%*