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The MFSA publishes outcomes of survey, gauging consumer understanding about motor insurance policies

- This consumer research is one of the MFSA's 2019-2021 Strategic Plan deliverables
- The European Supervisory Authority for Occupational Pensions and Insurance (EIOPA) strongly encourages the use of market research tools as part of regulatory conduct supervision
- One of the key findings highlighted an apparent lack of knowledge among consumers about procedures to be followed to safeguard their rights

The Malta Financial Services Authority (MFSA) has today published a consumer study, entitled "Motor Insurance: Consumer Research on Attitudes and Behaviour." This study was one of the deliverables tied to the MFSA's Conduct Supervision priorities set out in the Authority's three-year Strategic Plan 2019-2021.

This research is intended to assist the MFSA in enhancing its insight into the consumers' understanding of the identity of their motor insurer, establish the drivers of consumers' purchase decisions and assess consumer satisfaction on the level of service received.

The fieldwork, which was carried out last November, consisted of telephone interviews with 400 motor insurance policy holders. Motor Insurance policies can either be purchased from a retail intermediary, such as a broker, an insurance agent or a tied insurance intermediary, or directly from an insurance company undertaking.

Key findings revealed the following:

- The majority of consumers (61%) purchase their motor insurance policy directly from an insurance company undertaking.
- The majority of consumers (55%) have not read the terms and conditions of their motor policy and 22% of those who have read them found them difficult to understand.
- Price is the main decision driver in choosing a motor insurance cover (32%).
- Most consumers are reluctant to change their current provider.
- 90% of consumers claim to be satisfied or very satisfied with their insurance policy and service.
- The majority of respondents (66%) demonstrated a lack of knowledge about what to do in case of unsatisfactory complaint handling by their motor insurance policy provider.
- Women prefer buying directly from insurance company undertakings, whilst men prefer to purchase from retail intermediaries.

Michelle Mizzi Buontempo, MFSA's Head of Conduct Supervision commented that, "The MFSA is committed to carrying out regular reviews of products, offered by regulated firms as part of the Authority's supervisory activity, to be able to gauge the effectiveness of measures taken by us to enhance consumer protection and identify areas for improvement."

The MFSA will now be further examining and considering the results of this survey in order to address the deficiencies indicated by the findings. In particular, a number of consumer education initiatives regarding insurance products will be embarked upon, alongside further reviews of the current regulatory framework so as to assess whether any changes are necessary to address shortcomings highlighted through this survey.

The consumer study is publicly available on the MFSA's website and can be accessed [here](#).

Note to editors: Respondents were aged 18 years and over and had purchased a car insurance in the past five years. The sample size of 400 was nationally representative of age and gender and the six geographical regions into which the National Statistics Office divides the Maltese Islands. The margin of error with 95% confidence limits is +/- 5%.

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. As of 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Vision 2021, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. Over 2,300 entities are licensed by the MFSA to operate in the financial services sector, which makes up 11% of the Maltese Gross Domestic Product.



@MFSA publishes consumer research results on motor insurance