

## Lingering customer misconceptions drive new sum insured tool

**Auckland, 4 September, 2017** – Customers who risk underinsuring their homes because they're uncertain how to calculate its rebuild cost have spurred AA Insurance to invest in the next generation of online calculators.

Cordell Sum Sure, by CoreLogic, is New Zealand's first and only automated reconstruction cost estimation tool that provides a fast, fact based figure with minimal input from homeowners. Sum Sure is available for AA Insurance customers from today to help take much of the guess work out of calculating home insurance and give customers added confidence in their estimate. It replaces the existing Cordell online calculator.

According to the Treasury's 2016 report, up to 85 per cent of Kiwi homes could be under-insured by an average of 28 per cent, or \$184 million.

“While most of our customers have adjusted well to sum insured, some have found the process time-consuming and overly complicated,” says Aaron Dickinson, Head of Product, AA Insurance. “As confirmed by an internal audit, we discovered a small number - mainly in homes built before 1940 and outside the main centres - were still mistakenly considering the purchase price, or real estate market value, of their home as the basis for their sum insured. While this group accounted for fewer than one percent of all customers, we were concerned any misconception could result in their homes being unwittingly underinsured.

“We listened to customers who said it was still difficult and wanted insurers to help estimate the rebuild figure,” he says. “We wanted to support them in making an informed decision about their home's reconstruction cost, so we looked to Sum Sure to help close the underinsurance gap.”

Sum Sure works a little like a council rates website, whereby typing in your property address brings up information about your house, like its age, size and construction materials, Aaron explains.

“You simply go through each section to make sure it's correct, before receiving an estimated reconstruction cost that includes a breakdown for demolition and site clearance costs, as well as required council permit and professional fees. The whole process generally takes less than five minutes.”

The costs involved in building are constantly updated in the Sum Sure database to reflect the market, so it should give our customers greater peace of mind that they've got a more reliable estimate for their home's reconstruction cost, he says.

And just like the original online calculator, Cordell Sum Sure is free to use and works well for standard homes.

“While most Kiwis are using the resources available to them and are feeling comfortable deciding the right figure for their homes, we wanted to make it easier for them so they would feel confident calculating the reconstruction costs of what is likely their largest financial asset,” he continues.

“We also encourage existing customers to use Sum Sure to confirm that the figure they already have for their home is right for them, and to ensure it is up-to-date.”

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## **About AA Insurance**

AA Insurance is an independently operated, New Zealand-based joint venture between the New Zealand Automobile Association (NZAA) and Suncorp Group. We have demonstrated trusted expertise in home, contents and car insurance in New Zealand since 1994. We underwrite our own policies and sell direct to New Zealanders. Our more than 650 staff look after nearly 350,000 customers with over 700,000 policies.

We proudly partner with Eden Park, support youth charity Blue Light, and have been consistently recognised by: Reader's Digest Most Trusted Brands (since 2011), NZ Insurance Industry Awards (since 2012), IBM Kenexa Best Workplaces Survey (since 2008), Canstar Blue Most Satisfied Customers (2011-2016), and the Colmar Brunton Corporate Reputation Index (since 2015) that recognises New Zealand's most successful companies.

 **AA Insurance**

AA Insurance has an A+ (Strong) Insurer Financial Strength Rating given by Standard and Poor's (Australia) Pty Ltd. For further information visit [www.aainsurance.co.nz](http://www.aainsurance.co.nz).

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