

## Supporting our customers – AA Insurance

**Auckland, 16 April 2020** – AA Insurance is experiencing a drop in the level of car insurance claims made during March and April, following the Covid-19 Level 4 restrictions which have meant New Zealanders are staying home and driving less. This is likely to have a favourable impact on AA Insurance’s results, however, the extent of this will not be clear until financial year end.

AA Insurance believes that in extraordinary times such as these, we need to do more to support our customers, many of whom are feeling more financially vulnerable as they deal with job losses, reduced incomes and businesses with uncertain futures.

AA Insurance has committed to three key initiatives. Firstly, we have created a \$2 million fund to look after our vulnerable customers in genuine hardship. Secondly, we intend to freeze premium increases in this current situation across our personal car, home and contents products.

Thirdly, when we have a clearer picture of the impact of lockdown and the other restricted alert levels on our claim costs, we will look at fairly and equitably recognising this through premium reductions for our car insurance customers.

“This is about fairness and doing the right thing by our customers and the communities we live in,” says Chris Curtin, CEO of AA Insurance. “We are mindful people are driving less which is reflected in fewer claims being made. We do not intend to take advantage of this at the expense of our customers.”

“At AA Insurance, we define our purpose as ‘we care, we help, we get things sorted’,” says Chris. “And while this isn’t the expected insurance event that we would typically respond to, it’s just as important to look after our customers now, as ever, as we work on a fair solution and get through this pandemic together.”

AA Insurance will continue to absorb operating expenses, as well as any impact on its investment portfolios, a key revenue for insurers, to ensure customers see the full benefit of the reduction in claims, particularly car insurance claims.



Customers experiencing financial hardship now should contact AA Insurance to work out an appropriate plan, so they retain their insurance cover during Covid-19 Level 4 restrictions and beyond. The \$2 million hardship fund means we can formalise what we are already doing to look after customers, but each situation is different and it's important for us to work through this with customers individually.

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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 Vero Insurance New Zealand Limited (VINZL). Since 1994 we have demonstrated trusted expertise in home, contents and car insurance in New Zealand, and in 2018 introduced commercial small business insurance. We underwrite our own policies and sell direct to New Zealanders. Our 750+ staff look after 430,000 customers with nearly 850,000 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), Canstar Blue Most Satisfied Customers (2013-2018), and the Colmar Brunton Corporate Reputation Index (since 2015) that recognises New Zealand's most successful companies. Last year, AA Insurance was also named Consumer's 2019 People's Choice award winner for car, home and contents.

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

### **For more information please contact:**

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