



## NAIC INSURANCE INTELLIGENCE QUOTIENT (IIQ) STUDY 2010 EXECUTIVE SUMMARY

### SURVEY METHODOLOGY

- National telephone study of 1,000 consumers
- Survey had two primary components:
  - Section One: Gauged broader consumer perceptions on insurance
  - Section Two: 10-question IQ component that tested specific knowledge
- Adults 18 and older, nationally representative
- 10 minutes in length
- Conducted March 2-12, 2010
- Margin of error +/- 3.1 percent in 95 out of 100 cases.

### TOP-LINE RESULTS

- **While many Americans claim to be confident when it comes to insurance, they may not know as much as they think.**
  - Americans don't feel quite as confident this year as in 2008, as less than half of Americans (45% vs. 56% in 2008) feel very confident when making insurance decisions.
  - Only 41% admit they feel knowledgeable when making insurance decisions.
  - Americans admit to feeling the least knowledgeable regarding *the role their credit scores play in determining insurance premiums* (44% feel not very or not at all knowledgeable) and *determining whether or not they need private mortgage insurance* (40% feel not very or not at all knowledgeable).
  - When it comes to the healthcare reform debate, only 53% of Americans feel they understand all or most of the terms being used.
- **Americans need to do their homework to improve their Insurance IQ.**
  - On average, Americans only answered 4 out of 10 questions correctly.
  - Overall, 54% of Americans wrongly assume or don't know the effect their credit scores can have on their auto insurance rates.
  - 86% of Americans don't know that, when their liability coverage is 100/300/100, the last figure represents the maximum amount that their insurance company will pay in property damage for an accident.
  - When it comes to property stolen from their car, nearly two-thirds of Americans (63%) don't know personal property is covered by homeowners/renter's insurance, not auto insurance.
  - More than half of Americans (53%) think that they can only make changes to their group health insurance coverage during the open enrollment period provided by their employer, and 16% admit they don't know.
  - 40% of Americans do not know the age at which most people become eligible for Medicare.

- And 47% of Americans don't understand or know the terms of COBRA insurance.
- **When it comes to the economy:**
  - One-third of Americans (33%) admit they are likely to consider making changes to their insurance policies when money gets tight.
  - Three-fourths of Americans (75%) admit they take into consideration the cost of insurance when planning their annual household budgets.
  - And yet, over half of Americans (54%) admit they don't know what percentage of their salaries goes toward paying for group health insurance coverage.
  - Of interest, 68% of Americans feel they would be at least somewhat knowledgeable (22% feel very knowledgeable) about alternative options to health insurance as a result of a job loss or other financial cut-back.