Social Policy & Parliamentary Unit
Working for the eradication of poverty in New Zealand
Te Ope Whakaora

NOT ADDING UP: Spotlighting Add-on Insurance in Aotearoa

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SUMMARY

Why should The Salvation Army be concerned about what kinds of insurance products people are taking out when buying cars or in other situations? Aren't these insurance products a good thing for people to have? Or are they another rip-off or scam product sold to consumers, especially poorer New Zealanders in vulnerable situations?

These questions frame this short advocacy paper that takes a closer look at the add-on insurance products people buying cars on finance are offered. Essentially, we do affirm that vehicle insurance is a worthy and important thing for car owners to have. However, this add-on insurance market has been described as potentially the 'country's least competitive [insurance and loans] market and very poor value insurance'.[1]

The Salvation Army serves and supports over 140,000 people and whānau (families) per year, through our various churches and social support services. Many of these people are on benefits, lower incomes and face multiple complex social and financial issues. Additionally, many who use our various services buy cars via finance. Therefore, we believe there are real risks that this add-on market is disproportionately affecting vulnerable consumers and those whānau facing precarious financial positions as they navigate buying cars on finance and trying to understand intricate insurance products and details. This is why so many of our financial mentors and budgeters recently joined the voices advocating for the Commerce Commission to more closely investigate, monitor and regulate this market. This paper explores these issues further, looks at some lessons from how other nations have addressed these problems, provides some case studies from our own clients and offers up some ideas and solutions for moving forward.

MISSION OF THE SALVATION ARMY

The mission of The Salvation Army in the New Zealand, Fiji, Tonga and Samoa Territory is to care for people, transform lives and reform society by God's power. Additionally, this mission is further defined with the International mission statement that says: The Salvation Army, an international movement, is an evangelical part of the universal Christian Church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in his name without discrimination. These statements define and frame the work of The Salvation Army's Corps (churches) and social services across the globe.

With a massive social service arm stretching into providing foodbanks, transitional and social housing, addictions and treatment service, and numerous other supports, The Salvation Army is in a unique and privileged position to understand and help alleviate the *temporal misery*[2] many New Zealanders face, especially the poorest, most vulnerable and most marginalised in society. The financial hardship and problem debt issues so many using our services face are definitely a destructive example of this temporal misery many of our clients endure. Yet, behind this work, the motivating factor remains the hope and prayer that people engaging with The Salvation Army find their way to the Cross of our Lord Jesus Christ.

These short advocacy papers focus on key public policy issues that impact on many New Zealanders. They are designed to spotlight social issues that do not garner much public attention, and dig deeper into some critical policy areas or social questions facing our communities. We have previously released papers on pressing issues such as online gambling, financial hardship and disrupting food insecurity in Aotearoa.[3] These impacts are magnified for those on the lowest incomes and facing multiple complex challenges, the very people and whānau that The Salvation Army believes we are called by God to serve and support.

CLARIFICATIONS

This advocacy paper is *not* anti or against car insurance. Insurance is a hugely beneficial tool for people and whānau to help protect against risks and loss. Our national network of financial mentors and budgeters strongly encourages their clients to obtain some form of insurance if possible when buying cars. On the face of it, car insurance products are good things for car owners to have. Protecting against the risk of the car being completely written-off or for mechanical breakdowns are positive ideas. However, this needs to be balanced by key questions for the consumer, including: are the add-on insurance products offered to the buyer really affordable for this new car owner? Are these products providing real value for money, especially for consumers on lower incomes? What other options do consumers have for affordable car insurance?

The specific focus of this paper, and also for The Salvation Army as a Christian church and social service agency, is to determine the impact of these add-on products on those on the lowest incomes in our country. We estimate that over half of those using our different support services each year have a problem debt or financial hardship issue (usually alongside other social issues). This means that most of those using our services are in risky financial hardship situations, and are navigating major financial decisions and arrangements, like purchasing cars on finance and getting these cars insured. This so-called 'vulnerable consumer' is the emphasis of this short paper.

This paper focuses specifically on add-on insurance products. It is divided into the following sections:

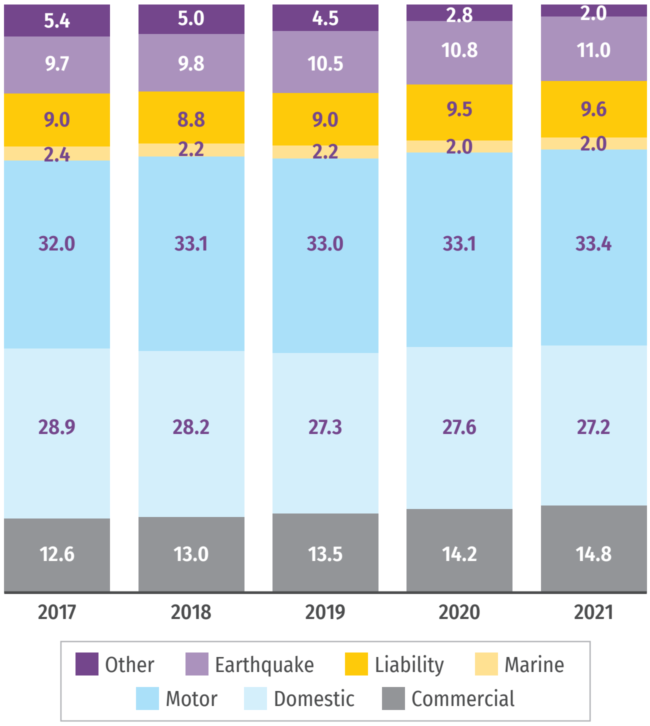
- Snapshot of vehicle insurance and finance in Aotearoa
- Defining add-on insurance products
- Identifying the problems with add-on products
- Lessons from overseas about add-on insurance
- Salvation Army clients stories
- Recommendations for improving this sector.

SNAPSHOT OF VEHICLE INSURANCE AND FINANCING IN AOTEAROA

New Zealanders love their cars. In 2020, there were over 4.4 million registered vehicles around the country.[4] For many, purchasing a car is one of the biggest purchases they will make in their lives. If New Zealanders cannot pay the full price outright for the car they want to purchase, they will turn to various finance options. And there are numerous options available for loans to buy cars which all have their own pros and cons for the buyer. These options include loans from banks, borrowing from finance companies, loans from the car dealership itself (these loans are usually provided by a third-party bank or finance company the car dealership works with), using loans brokers and several other alternatives.

Consequently, insurance for these cars can be a significant cost. As an indicator of the size of this market, the Insurance Council of New Zealand reports that the gross written premiums, or actual premiums, for Motor Commercial and Private in the 12 months to September 2021 came to $2.4 billion.[5] **Figure 1**[6] illustrates how large the motor insurance sector is compared to other forms of insurance in Aotearoa.

Figure 1: Gross Written Premiums of Business Classes by Percentage (year ended 30 September)—2017–2021



The best indication of the scale of car loans or finance that The Salvation Army can provide is a measurement of Finance Company–Secured Loans. In our experience, the overwhelming majority of car finance debts for our clients are secured, with the car itself used as security. However, some finance companies will hold other items (e.g. household goods, TVs, etc) as security for loans. Therefore, **Table 1** is merely an indication or estimate of car loans our clients have using the secured loans indicator. Twenty-six percent of these clients with secured loans have multiple loans. Additionally, the total owing on these secured finance company debts equates to over $12,600 debt on average per client. Clearly this type of debt, which is most likely related to a car bought on finance, is significant for primarily poorer New Zealanders using our social services.

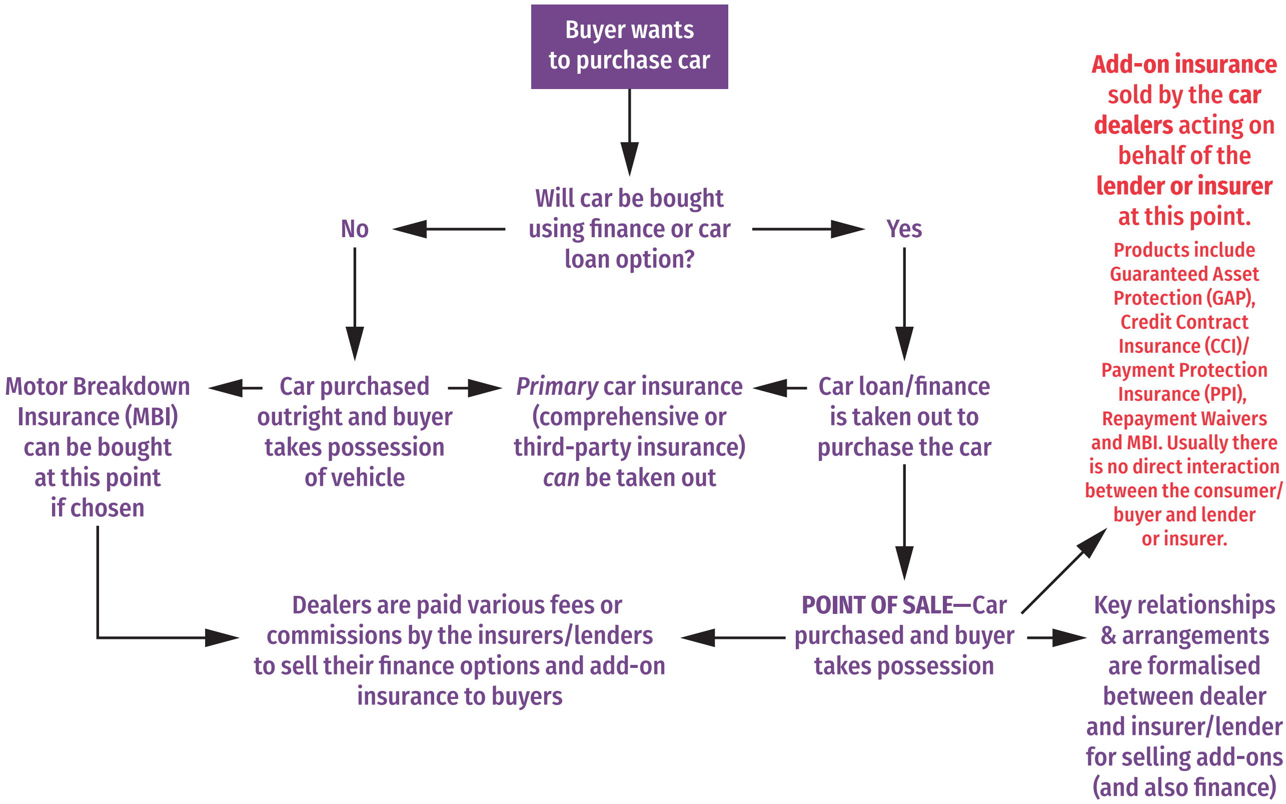
Table 1: Secured debt (finance companies-personal loans) statistics—Salvation Army clients national—01/04/21 to 31/03/22

Number of clients	**381**
Number of clients with more than one secured finance company debt	**98**
Overall total value of this secured debt	**$4,820,372.36**

WHAT ARE ADD-ON INSURANCE PRODUCTS?

Figure 2 tries to capture in a simple diagram how add-on insurance works for people who are buying cars on finance. Basically, add-on insurance products are sold by the car dealers on behalf of insurers or lenders at the same time finance options are used to purchase the car. In terms of our Salvation Army clients, basically all of those purchasing cars on finance are buying second-hand, used cars.

Figure 2: Simple diagram depicting how add-on insurance products are sold



In Aotearoa, the main add-on insurance products sold are:[7]

- **MBI**—cover for unforeseen mechanical or electrical faults in the car.
- **GAP**—covers any shortfall between any amount owing on the finance or car loan and a payout from the comprehensive car insurance company for a total loss or write-off of the car.
- **CCI/PPI**—covers when consumers cannot make their loan repayments because of sickness, hospitalisation, redundancy or death.
- **Repayment Waiver**—waiving a loan repayment if the insured consumer cannot make repayments (for various reasons) or if there is a shortfall between the amount owing on a consumer's finance and any amount paid out for a total loss or write-off of the vehicle via their comprehensive insurance policy.

Looking again at **Figure 2**, there are some key parts of this buying and selling process that we believe should be defined and spotlighted further. These include:

- **POINT OF SALE**—A key aspect of **Figure 2** is that the add-on products are sold at the point of sale at the same time that finance is finalised between the dealer/lender and the buyer. As the Commerce Commission's 2021 report states clearly, 'the dominant sales model for add-ons relies on intermediaries [i.e., dealers acting on behalf of lenders/insurers], with add-ons typically sold at the vehicle point of sale by dealers who have the ability to earn commission on those sales'.[8] This is important given the exchange of large amounts of information about the car loan, interest rates, primary insurance and add-on insurance products being passed on from the dealer to the buyer within a very short period of time at the point of sale.

- **NATURE OF THE ADD-ON PRODUCTS**—Add-ons are literally insurance products added on to the primary insurance that the car buyer can purchase. This is of course an additional cost. Our financial mentors and budgeters encourage their clients to to take out main insurance for the car they've purchased, either comprehensive or at least third-party insurance. Usually, the cost of any add-on taken up is added to the car loan and repaid over the life of the loan.
- **RELATIONSHIP BETWEEN THE DEALER AND LENDER/INSURER**—The dealer in effect acts as the agent for the lender/insurer when add-ons are purchased. It is noted that generally the lender still assesses the suitability of the add-on product being sold.[9] But the dealer is still the primary agent to the buyer because they are tasked to assess the suitability of the add-on product for the buyer, ensure there is informed consent from the buyer, pass information and contracts to buyer, as well as perform other tasks related to the loan and to sale and purchase of the car. There is some training given to the dealers by lenders/insurers. Still, it is common for dealers and lenders/insurers to enter into exclusive arrangements where dealers will only work with that lender/insurer.
- **FEES AND COMMISSIONS TO CAR DEALERS**—Dealers can earn various fees and/or sales commissions when an add-on product is sold. These can include:
  - ***Introducer Fees*** Paid to dealers by lenders/insurers, starting and helping with a buyer's finance application to purchase the car. These are charged at the same time establishment fees are charged to the buyer.[10]
  - ***Interest or Flex Commission*** These commissions are essentially added by the dealer. Here, the lender 'sets the base interest rate for the loan based on the customer's credit history, the dealer can add a variable percentage which they collect as a bonus … in this way, the dealer is incentivised to help the customer procure finance that may stretch their repayment capacity in order to receive these additional kickbacks from lenders'.[11]
  - ***Add-on Commission*** Usually the insurers set the wholesale price of the add-on insurance products. But the dealers are then able to add a mark-up to this price which then becomes the retail price. This whole mark-up is then kept by the dealer and there is no real limit on how much this mark-up can be and little clear advertising of the wholesale and retail prices. In fact, insurers 'allow dealers to place a mark-up of up to 100 percent on the wholesale price of add-on insurance'.[12]

WHAT'S WRONG WITH THESE ADD-ON PRODUCTS SOLD IN AOTEAROA?

Our overall concern is that these products are NOT providing value for money and are not useful and affordable insurance options for vulnerable consumers or poorer New Zealanders.

More specifically, we contend that these products are a rip-off for these vulnerable consumers because the point of sale process and then the policy claims process, which are strongly biased to the insurers/lenders, massively disadvantage the consumer. This section of our advocacy paper borrows heavily from the Commerce Commission's 2021 excellent 'Motor vehicle financing and add-ons review' paper, which has the most detailed and current statistical and qualitative information available from both the insurer/lender sector and also from consumers who have add-on insurance products. Fifteen insurers/lenders were surveyed in their report to provide the industry perspective and 62 consumers who purchased or claimed on an add-ons policy were also interviewed.

POINT OF SALE PROCESS

As illustrated earlier, the point of sale process is crucial when it comes to the passing of important complex information from the dealer (on behalf of the lender/insurer) to the buyer. Add-ons are offered to buyers alongside the primary insurance (comprehensive or third-party) at this point. **Figure 3** clearly shows the massive mark-ups that dealers add to the wholesale price of these products (as discussed in **Fees and commissions to car dealers—Add-on Commission**, p.5). This mark-up then becomes the commission paid to the dealer for the add-on sold to the buyer. The mark-up/commission paid out to the dealers is a major part of the actual price the buyer pays for all add-ons covered in this paper—MBI, GAP, CCI/PPI and Repayment Waivers. Over the three years covered in the Commerce Commission's paper (2018 to 2020), the mark-up/commission paid to dealers steadily increased for MBI and GAP, while it increased over the last two years for CCI/PPI and Repayment Waivers.

Table 2 is a good indication of the scale of the add-ons market. Between 2018 and 2020, over 580,000 add-on policies were sold, just from the 15 insurers/lenders surveyed by the Commerce Commission.[13] The value of the premiums for these policies came to $548 million. Again, these policies are being bought by all sorts of New Zealanders who are buying cars on finance. But the sheer impact and unaffordability of these products for the poorer New Zealanders The Salvation Army works with is immense.

Figure 3: Average breakdown of add-on retail prices—2018–2020[14]

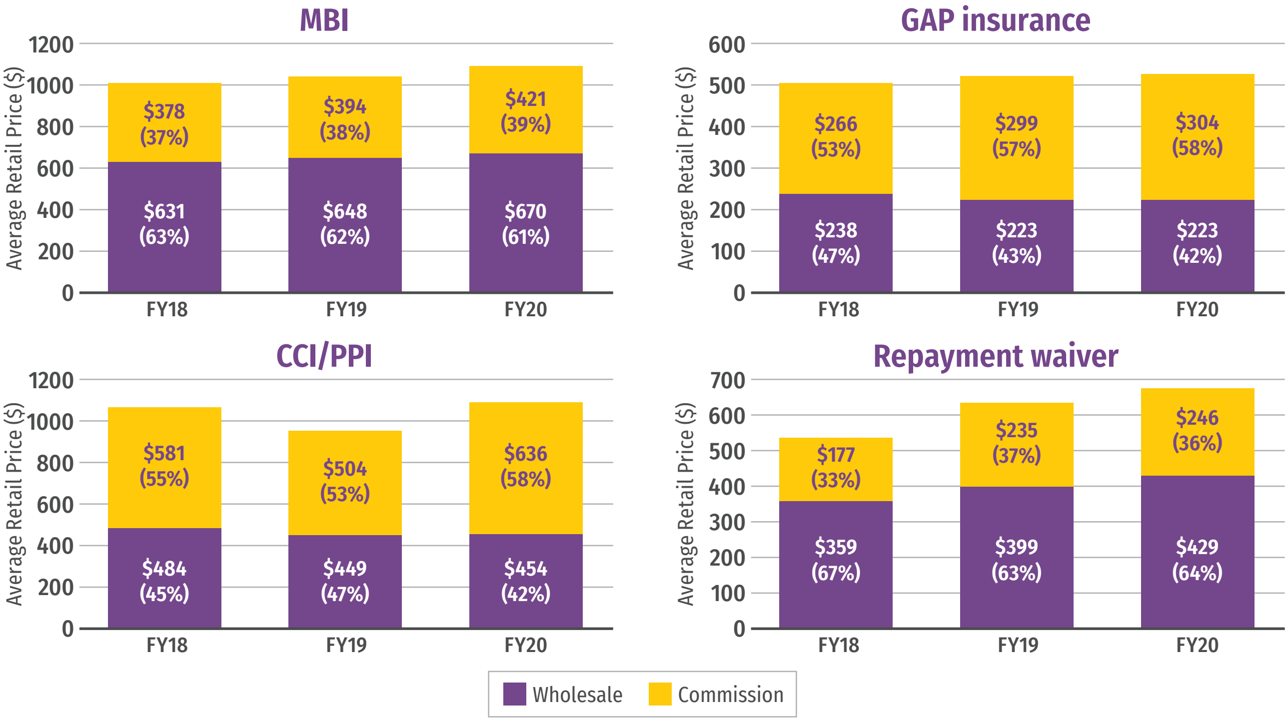


Table 2: Number and value of add-on products for 15 lenders/insurers—2018–2020

Product	Number of policies sold	Value of retail premiums
MBI	298,116	$312m
Repayment waivers	118,345	$106m
CCI/PPI	88,301	$91m
GAP insurance	75,339	$39m

POLICY CLAIMS PROCESS

Figure 4: Claims vs premiums graphs for MBI, GAP, CCI/PPI and Repayment Waivers (Commerce Commission review)—2018–2020

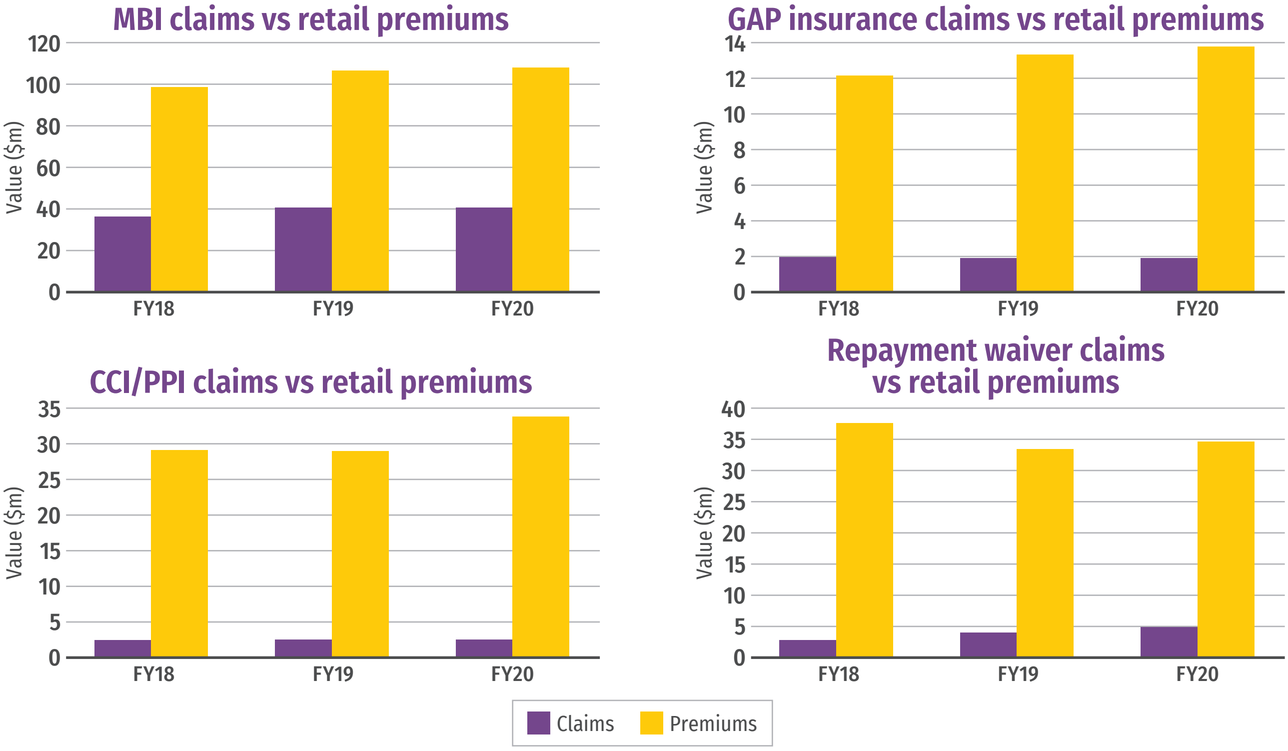


Table 3: Add-on insurance claims and payouts (Commerce Commission review)—2018–2020

	MBI	GAP insurance	CCI/PPI	Repayment waiver
Claims made as a percentage of active policies	22%	1%	3%	3%
Claims approved as a percentage of claims made	70%	89%	73%	64%
Probability of claiming and having that claim approved	**15%**	**1%**	**2%**	**2%**
Average claim payout	$1246	$2925	$1824	$2685
Average retail premium	$1047	$518	$1036	$897

Our position is clear: for many New Zealanders, particularly the poorer New Zealanders that we work with, these add-on products are not providing real value for money. The previous section showed the massive mark-ups charged by the dealers and also the actual scale of this sector. Here, we look at the premiums paid by the consumer compared to the claims paid out by the lenders/insurers. The 15 insurers covered in the Commerce Commission review admitted collectively selling an average of 153,918 add-on insurance policies *each year*, collecting premiums of $148 million per year, but only $43 million in claims was paid.[15] This combination of high commissions and low payout of claims points strongly to an industry benefitting greatly from consumers at the point of sale and also the claims processes, with very limited returns for the consumer themselves.

Figure 4 captures four graphs used by the Commerce Commission to portray these unfair returns for consumers in MBI, GAP, CCI/PPI and Repayment Waivers.[16] All four graphs show the relatively small amount of claims paid out compared to the value of premiums paid for these policies. For example, for CCI/PPI over 2018 to 2020, for every dollar of premium collected by the lenders/insurers, only ten cents was paid out in claims to the consumer. For MBI, by far the most popular add-on for these 15 companies, $106 million in premiums were collected in 2020, but only about $40 million in claims were paid out.

All of this suggests an industry that is not competitive and definitely poor value for those people buying these products. Consumers or buyers are being ripped-off and this directly impacts the people and whānau who predominantly use our services. **Table 3** affirms how biased and unfair this industry is. This **figure** shows that the claims made on active add-on policies are generally very low. This indicates low levels of understanding from buyers about the ins and outs of their policy, and also possibly low levels of confidence of having a successful claim.[17]

Of real concern in **Table 3** is the row of data detailing the probability of claiming and having that claim approved. For the 15 lenders/insurers surveyed over these three financial years, the probability of having a claim approved for GAP, CCI/PPI or a Repayment Waiver was 1 to 2 percent. That clearly shows that lenders/ insurers are applying their policies restrictively and are highly unlikely to pay out on a claim from the consumer or buyer. Even MBI, the add-on with the highest potential for having a claim paid out, had only 15 percent of active claims resulted in a payout. These add-ons are not providing fair returns for buyers and the buyers had very limited chances of actually succeeding in claiming. This is likely to discourage add-on policy holders from even making a claim on their policy.

LESSONS FROM OVERSEAS

The large volume of fairly recent data, information, stories and also government responses in both the United Kingdom and Australia supports the concerns that we have with these add-on products being poor value and essentially impoverishing consumers or buyers significantly.

- In 2016, the Australian Securities and Investment Commission (ASIC) published a paper on add-on insurance products sold via car dealers, titled 'A market that is failing consumers: The sale of add-on insurance through car dealers'.[18] The paper found that car dealers got four times more in commissions than consumers received in claims, with commissions paid to car dealers as high as 79 percent of the premium paid by consumers.[19] Consumers paid $1.6 billion in premiums and received only $144 million in successful insurance claims, representing a very low claims ratio of 9 percent.[20] Overall, ASIC found that add-on products sold through car dealers were extremely poor value for consumers and generally did not meet the real needs of consumers.
- This paper launched a series of robust responses from community groups and Federal Government bodies in Australia. The most significant was the 2019 Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in Australia. This Royal Commission found 'numerous issues in the add-on insurance market, including poor-value products, unfair sales practices and outcomes, and worse claims outcomes than in other insurance markets'.[21] Following this report, ASIC developed various measures to combat the add-on insurance industry. Additionally, the social services and community sector initiated submissions, research, and innovative campaigns to help address the problems these add-on products had caused for people and families.
- The UK Financial Conduct Authority (FCA) has been engaging with poor-value add-on insurance products longer than Australia or New Zealand. The FCA published a paper titled the 'General Insurance Add-ons Market Study', in 2015, which essentially found that buying add-on insurance products often led to consumers purchasing products that were of poor value and not what they needed.[22] Furthermore, the FCA found that too often consumers were not able to make an informed decision on whether they needed or wanted the insurance that was part of the opt-out package. Like Australia, the UK financial regulators, social service agencies and community groups developed different recommendations and solutions to these add-on problems.

Overall, looking at just these two jurisdictions shows that both government regulators and the community sector have identified serious problems in the add-ons insurance industry, and have proposed various solutions and legislative reforms to stop or reduce the negative impacts of this industry. New Zealand must follow suit to protect consumers, particularly those in difficult financial situations and who are more vulnerable than others in our community.

SALVATION ARMY COMMUNITY STORIES

The Salvation Army has nearly 50 financial mentors working across the country.

A FINANCIAL MENTOR OR BUDGETER'S PERSPECTIVE (AUCKLAND)

One mentor, based in Auckland, offered an insightful analysis of their clients, as of April 2022.
Key points include:

- 43 current clients as of April 2022. Of these, 37 have active debt schedules or loans owing
- 19 of the 37 clients (with active debts) have car loans. Four of these clients have more than one car loan, indicating low financial literacy levels
- car loans are especially problematic as they are generally large (>$10,000), high interest (>20%) and involved significant weekly repayments (about $100 on average for those with car loans)
- all 37 of these clients have multiple debts from a wide range of sources, including banks, finance companies, car loans, debt collection, government debt or utility bills.

A CLIENT'S PERSPECTIVE—PASIFIKA MALE, AGED 40S (AUCKLAND)

Client took out a car loan with Avanti Finance in June 2019. The loan advance was $8000. Additional costs were $3836, which is 47.8 percent of the loan advance of $8000.

- Add-on insurances totalling $2701 purchased by client at point of sale:
  - Autosure MBI—($995)
  - Autosure PPI—Employed ($1211)
  - Autosure GAP—$5000 ($495)
- After receiving the loan for the car, the client cancelled the primary car insurance as he could no longer afford the repayments. But he was still paying for the add-on insurance products he bought.
- In July 2021, client was involved in a car accident. The car was a total loss and the car (wreck) was purchased by a wrecker who paid $500 to Avanti.
- Client purchased another car using money from his KiwiSaver account (hardship withdrawal).
- Avanti are continuing to charge interest and fees on the loan and are pursuing our client for arrears. The client is also still paying interest from the up-front premium he paid at the point of sale. The client now has a financial mentor working with him to help with these repayments.
- The client had paid so much for add-on insurance products, but could not use them after he had cancelled his primary car insurance (which was the insurance he really needed in the end).

OTHER CURRENT (NON-CAR RELATED) ADD-ON CASES

It's important to note that while the main focus of this paper is add-on products related to vehicle finance and purchasing, add-on products can be sold in other situations too. Our financial mentors have also identified issues with add-on products sold in employment situations as well.

Client A: During lockdown, client A took voluntary redundancy. Unfortunately, they did not fully understand their policy and voluntary redundancy was excluded under their PPI add-on product. A Salvation Army financial mentor is working with them.

Client B: This client is self-employed and had also taken on a PPI add-on policy. Client B has multiple financial issues and debt. A Salvation Army financial mentor is working through their case, focussing initially on the problem debts. The challenges around claiming under the PPI add-on will be taken up soon.

RECOMMENDATIONS

In conclusion, this short advocacy paper presents various ideas, recommendations and solutions that The Salvation Army contends will greatly improve outcomes for all consumers, especially poorer and more financially vulnerable people and whānau. In our experience, with this industry focussed on second-hand vehicles, many of the poorer families that we work with are disproportionately affected and disadvantaged by these add-on products. The 2021 Commerce Commission review was extremely helpful as a starting point to gain statistical insight into the scale of these products and the poor value for money reality that these products give to those who buy them. This is a very poor performing industry with the findings from the Commerce Commission showing just how shocking these practices are unfair. In this context, we propose the following:

Legislative and policy responses	Community responses
Implement a deferred sales add-on process In 2021, the deferred sales model was introduced by ASIC. This is a mandatory four-day pause between the sale of a principal product or service and the sale of add-on insurance. The Deputy-Chair of ASIC stated that the 'pause in the sales process will give people time to consider the insurance they've been offered, and compare it with alternatives. It will reduce the risk of people buying insurance on the spot that is poor value or just not right for them.'[23] Since informed consent is such a critical issue here because of all the information exchange and up-selling happening at the point of sale, ensuring there is a pause so consumers can assess their options and seek further advice, especially from financial advisors and financial mentors, is tremendously helpful.	**Refund Campaigns** In Australia, the Consumer Action Law Centre, a not-for-profit, began the Demand A Refund campaign and website to stop the damage of add-on insurance which is what they call 'junk insurance'.[24] Launched in 2017, this website has generated other community responses and awareness of these issues. By 2021, over $500 million had been returned to policy owners because of this campaign and other actions. This kind of campaign and focus on those policies already sold can help clean up the industry and put money back into the hands of the consumer. If the community organisations in Aotearoa organised effectively around issues like this, then better outcomes can be achieved for consumers, especially poorer New Zealanders. It is vital to ensure that there is a free option for reaching a refund to prevent for-profit firms getting involved and adding another unnecessary level of bureaucracy and fees/charges.
Impose a cap on the amount of commission (or mark-up) As previously illustrated, the mark-up that dealers make on the wholesale price of add-on products is massive and greatly inflates the final retail price of the product. We believe that imposing a meaningful cap on these commissions will help ensure consumer interests are protected and that they are not taken advantage of by the dealer or lender/insurer. For example, dealers can only add up to 20 percent onto a CCI/PPI premium.	**Explore class action legal action** Class action suits are not a common occurrence in Aotearoa. But these types of actions can be hugely effective in securing better outcomes for consumers and regulating the add-on insurance industry through court rulings. In Australia, there are already examples of class action suits taking place.[25]

Table continued over page

Legislative and policy responses	Community responses
Ban 'flex commission' practices These commissions have been banned in both Australia and the UK. Banning these commissions will ensure that consumers are not paying exorbitant interest rates on their car loans.	**Greater coordination of the financial capability sector in Aotearoa** As financial hardship and problem debt issues continue to emerge in Aotearoa, greater coordination for effective lobbying is needed. During the advocacy around reforming the Credit Contracts and Consumer Finance Act, the sector responded well. With new 'fights' always emerging in this space, greater coordination, and collaboration, especially to protect and support vulnerable people and whānau, is absolutely critical.
Stronger regulation and enforcement from the Commerce Commission Their 2021 review clearly shows that the Commerce Commission has identified major concerns in this industry. We appreciate that better education and training for lenders, insurers and dealers is useful. However, with the evidence pointing to poor consumer outcomes and unfair practices, the role of the Commerce Commission to closely monitor and punish those industry groups consistently preying on consumers is vital. Additionally, with many of these companies connected to one of the financial dispute resolution services, we submit that increased policing from these services of add-on insurance providers is also crucial.	**Support and explore innovative and affordable forms of car insurance** If important parts of this process are biased and providing poor outcomes for consumers, then exploring disruptive, innovative and real alternatives are essential. This has already begun. In 2021, Good Shepherd partnered with Vero to pilot Drive Insurance, a comprehensive insurance product to help fill the gap for those not taking out insurance on their cars.[26] This innovation should be supported, measured, and ideally, replicated to encourage more innovation in this space, especially from the community sectors working with corporates.

ENDNOTES

1 *Scandal of the least competitive insurance and loan market*. Retrieved from ***https://www.stuff.co.nz/business/opinion-analysis/127500660/scandal-of-the-least-competitive-insurance-and-loan-market*** (accessed 30 March 2022).

2 General William Booth, co-founder of The Salvation Army, once articulated in more detail the over-arching drive behind this church; 'my only hope for the permanent deliverance of mankind from misery, either in this world or the next, is the regeneration or remaking of the individual by the power of the Holy Ghost through Jesus Christ. But in providing for the relief of temporal misery I reckon that I am only making it easy where it is now difficult, and possible where it is now all but impossible, for men and women to find their way to the Cross of our Lord Jesus Christ.'

3 All of these advocacy papers are available at ***https://www.salvationarmy.org.nz/research-policy/social-policy-parliamentary-unit/reports***

4 *Te tatauranga rāngai waka a tau 2020 | Annual fleet statistics 2020*. Ministry of Transport, Wellington. Retrieved from ***https://www.transport.govt.nz//assets/Uploads/Report/AnnualFleetStatistics.pdf***, page 3 (accessed 30 April 2022).

5 *Market Data*. Insurance Council of New Zealand, Wellington. Retrieved from ***https://www.icnz.org.nz/media-resources/market-data*** (accessed 06 May 2022).

6 Ibid.

7 *Motor vehicle financing and add-ons review*. Commerce Commission, Wellington. Retrieved from ***https://comcom.govt.nz/__data/assets/pdf_file/0037/269947/Motor-vehicle-financing-and-add-ons-review-10-November-2021.pdf***, page 4 (accessed 30 April 2022).

8 Ibid, page 6.

9 Ibid.

10 Ibid, page 14.

11 *Motor Vehicle Finance and Insurance Industry Concerns—February 2022*. New Zealand Council of Christian Social Services, Wellington. Retrieved from ***https://nzccss.org.nz/motor-vehicle-finance-and-insurance-industry-concerns-february-2022/*** (accessed 27 April 2022).

12 Supra note vii, page 15.

13 Ibid, page 17.

14 Ibid, page 16.

15 Supra note i.

16 Supra note viii, pages 18–23.

17 Ibid, page 25.

18 *REP 492 A market that is failing consumers: The sale of add-on insurance through car dealers*. Australian Securities and Investments Commission (ASIC). Retrieved from ***https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-492-a-market-that-is-failing-consumers-the-sale-of-add-on-insurance-through-car-dealers/*** (Accessed 03 May 2022).

19 *ASIC identies a market failing consumers in the sale of add-on insurance through car dealers*. ***Retrieved from https://download.asic.gov.au/media/4833615/asic-addoninsurance_infographic-updated.pdf*** (Accessed 03 May 2022).

20 Ibid.

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The Salvation Army
Te Ope Whakaora

Social Policy & Parliamentary Unit
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Every effort is made to ensure the accuracy of facts and information in this report. Inaccuracies or errors in interpretation remain ours and we are happy to discuss any brought to our attention.
The views are the authors', expressed in the name of The Salvation Army, Te Ope Whakaora.

We welcome your comments.
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