



An information statement supports consumer decisions about add-on insurance

Add-on insurance is ‘extra’ insurance sold alongside the purchase of a main or primary product, for example travel insurance (when buying a flight) and extended warranties (when buying electronic items)

It’s often **poor value**, **sold using high-pressure tactics**, and **not well understood** by consumers

BETA and ASIC designed an information statement to:



Remind people add-on insurance is *not* compulsory



Highlight the (usually poor) value-for-money and what consumers typically get back



Prompt people to consider shopping around for a better deal

We tested our design with over 6,000 Australians

Participants took part in a simulated shopping scenario and were then offered add-on insurance

Some participants saw our information statement, others did not



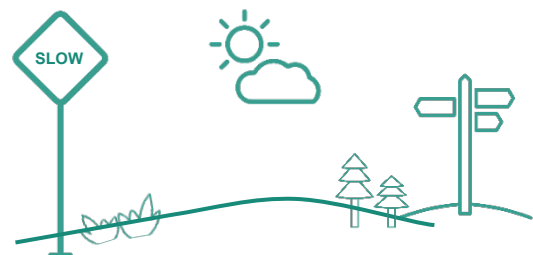
38% of those *not* shown an information statement ‘bought’ the add-on insurance



29% of those shown an information statement ‘bought’ the add-on insurance

An information statement led to a **9 percentage point decrease** in hypothetical add-on insurance purchases (a 24% reduction)

We found **an information statement helped slow down the decision to buy add-on insurance**



As a defence against the pitfalls of add-on insurance, a well-designed information statement may help create space for consumers to say ‘no’