

COMPLAINT NUMBER	22/099
ADVERTISER	Accuro Health Insurance
ADVERTISEMENT	Accuro Health Insurance, Television
DATE OF MEETING	14 June 2022
OUTCOME	Not Upheld No Further Action Required

Summary of the Complaints Board Decision

The Complaints Board did not uphold a complaint about a television advertisement for Accuro Health Insurance because the Advertiser had substantiated the comparative claim it was “New Zealand’s best little health insurer.” The Complaints Board agreed the advertisement did not make any claim about being the cheapest insurer.

Advertisement

The Accuro Health Insurance television advertisement shows a conversation between two people. A man sits contortedly in front of his laptop, "bent out of shape" as he cannot decide on a health insurance provider. The woman suggests Accuro, saying they are "flexible" and they "don't cost an arm and a leg". The man's body returns to normal and he says he will check them out. The advertisement ends with the Accuro name on screen and tagline, "New Zealand's best little health insurer".

Summary of the Complaint

The Complainant was concerned the advertisement was misleading to claim Accuro Health Insurance is the best and cheapest little insurance company without substantiation.

Issues Raised:

- Truthful Presentation

Summary of the Advertiser’s Response

The Advertiser clarified Accuro Health Insurance is a not-for-profit member cooperative which only sells health insurance. The tagline “best little health insurer” has been used since 2018 on all brand collateral. The Advertiser said the context of the word ‘little’ is important. The Advertiser provided comparison data to show it is the smallest health insurer by number of staff, annual premium and market share.

The Advertiser also provided substantiation for its high customer service ranking through Net Promoter Scores (NPS) and Customer Satisfaction Scores (CSAT). The Advertiser also has research that it is the preferred health insurer of financial advisers and the most recommended health insurer by Consumer NZ over the past 12 years

The Advertiser said it does not make a claim in the advertisement about being the cheapest. The only reference to price is the line “Because they are not for profit, they don’t cost an arm and a leg” which is a play on the common idiom.

Summary of the Media Response

The Commercial Approvals Bureau (CAB) said no claim is made of Accuro Health Insurance being the cheapest. CAB said the codes for comparative advertising require a like-for-like balance so the point of comparability for Accuro Health Insurance lands on the 'best' (qualitative) with 'little' (scale of operation)

Relevant ASA Codes of Practice

The Chair directed the Complaints Board to consider the complaint with reference to the following codes:

ADVERTISING STANDARDS CODE

Principle 2: Truthful Presentation: Advertisements must be truthful, balanced and not misleading.

Rule 2(b) Truthful Presentation: Advertisements must not mislead or be likely to mislead, deceive or confuse consumers, abuse their trust or exploit their lack of knowledge. This includes by implication, inaccuracy, ambiguity, exaggeration, unrealistic claim, omission, false representation or otherwise. Obvious hyperbole identifiable as such is not considered to be misleading.

Rule 2(d) Comparative advertising: Comparative advertisements, or advertising that identifies a competing product or service, must be factual, accurate, make clear the nature of the comparison, must not denigrate competitors and must be of 'like' products or services available in the same market.

Relevant precedent decisions

In considering this complaint the Complaints Board referred to precedent Decision 16/178 Appeal 16/014 which was Upheld on Appeal.

The full version of this decision can be found on the ASA website:

<https://www.asa.co.nz/decisions/>

Decision 16/178 Appeal 16/014 concerned a television advertisement for the Ssangyong Korando SUV, which made the claim it was "New Zealand's best value mid-size SUV."

The Appeal Board overrode the Not Upheld decision made by the Complaints Board and said the advertisement was likely to mislead consumers because the Advertiser had not provided adequate substantiation to support the claim the car was the best. The Appeal Board noted that "best" is a superlative term used for comparing one thing favourable with every other member of their group. The Appeal Board said a 'best value' claim would generally imply a comparison with other similar products available on the market and should be supported with relevant and robust evidence.

Preliminary Matter

The Complaint Board considered this complaint at its meeting on 10 May 2022. The Advertiser initially argued the claim complained about, was hyperbole. The Board agreed the Advertiser was making a comparative claim and needed to provide substantiation. The Complaints Board adjourned the complaint and requested more information from the Advertiser.

Complaints Board Discussion

The Chair noted that the Complaints Board's role was to consider whether there had been a breach of the Advertising Standards Code. In deciding whether the Code has been breached the Complaints Board has regard to all relevant matters including:

- Generally prevailing community standards
- Previous decisions
- The consumer takeout of the advertisement, and
- The context, medium, audience and the product or service being advertised, which in this case is:
 - Context: A competitive health insurance market
 - Medium: Television
 - Audience: Adult Television audience
 - Product: Health Insurance

Consumer Takeout

The Complaints Board agreed the likely consumer takeout of the advertisement was the Advertiser claimed to be better than the other 'little' health insurers in New Zealand.

Does the advertisement make a comparative claim?

The Complaints Board said the statement in the advertisement that Accuro Health Insurance is the "New Zealand's best little health insurer" was presented as an absolute comparative claim which required substantiation. The Board noted precedent decisions have ruled that the word 'best' is a superlative term for comparing one thing favourably with every other thing in its group.

Has the Advertiser substantiated the claim made in the advertisement?

The Complaints Board agreed the Advertiser had substantiated the claim that in the small health insurer category, Accuro Health Insurance was the best in a number of meaningful metrics.

The Board said the Advertiser had demonstrated they were the smallest dedicated health insurer based on staff, annual premium and market share.

The Complaints Board noted the Advertiser had also substantiated the use of the word 'best' by showing in several metrics in its size class, it ranks highest amongst small health insurers. This substantiation included showing Accuro Health Insurance has the highest customer service ranking from Net Promoter Scores (NPS) and Customer Satisfaction Scores (CSAT). The Board also noted the Advertiser is the preferred health insurer for financial advisers and the most recommended health insurer by Consumer NZ over the past 12 years.

Does the advertisement claim to be the cheapest health insurer?

The Complaints Board said that despite the Complainant's concern, the Advertiser does not claim to be the cheapest health insurer on the market. The Board noted the advertisement states the product "does not cost an arm and a leg" which it agreed was an idiom meaning something isn't excessively priced. The Board agreed the advertisement did not make any claim about being the cheapest and therefore did not need to provide substantiation for this element of the complaint.

The Complaints Board said the advertisement was unlikely to mislead or deceive consumers and ruled the advertisement was not in breach of Principle 2 and Rules 2(b) and 2(d) of the Advertising Standards Code.

Outcome

The Complaints Board ruled the complaint was **Not Upheld**.
No further action required

APPEAL INFORMATION

According to the procedures of the Advertising Standards Complaints Board, all decisions are able to be appealed by any party to the complaint. Information on our Appeal process is on our website, www.asa.co.nz. Appeals must be made in writing with notification of the intent to appeal lodged within 14 calendar days of receipt of the written decision. The substantive appeal application must be lodged with the ASA within 21 calendar days of receipt of the written decision.

APPENDICES

1. Complaint
2. Response from Advertiser
3. Response from Media

Appendix 1

COMPLAINT

Advert claims they are the "best" (in written text) and also the cheapest. No supporting documentation to support that they are the "best". No disclaimers as well. Low cost could mean low coverage. Not sure how this advert got through their compliance team.

Appendix 2

RESPONSE FROM ADVERTISER, ACCURO HEALTH INSURANCE

The Complaint Board initially considered this complaint at the 10 May 2022 Complaints Board meeting. The Board agreed the likely consumer takeout of the advertisement would be that the Advertiser was making a comparative claim and therefore needed to provide comparative substantiation. The Complaints Board adjourned the complaint and requested more information from the Advertiser. The Advertiser's new response includes the initial response at the end.

[Response to request for further information to substantiate 'New Zealand's Best Little Health Insurer'](#)

Original response is included at the end of this document.

[Accuro is the littlest Health Insurer](#)

Taking information from the publicly available Annual Reports of other New Zealand health insurers, or insurers who offer health cover, Accuro is the smallest by number of staff, annual premium and market share (Appendix 1).¹

Whereas we are a specialist health insurer, many of the other insurers offer life insurance as their main product and offer health insurance as an auxiliary product e.g. Partners Life and AIA.

As noted in our original response – we are not claiming to be the best, but the best '*little*' health insurer. In this sense we are really taking a small-player tongue in cheek approach. We are focusing on the fact that despite being so small we punch well above our weight. We are playing on our size as a strength and are not in-fact comparing ourselves to all the other health insurers.

[Accuro are best for Customer Experience, despite our size](#)

Net Promoter Score (NPS)

The Net Promoter Score (NPS)[®] was first developed by Bain and Company in 2003 and is an index ranging from -100 to +100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's

¹ Manchester Unity is technically smaller than Accuro but they are a Friendly Society rather than a dedicated health insurer and are currently in the process of exiting the health insurance market.

overall satisfaction with a company's product or service and the customer's loyalty to the brand.

It only asks one question: *“How likely is it that you would recommend [Organisation X/Product Y/Service Z] to a friend or colleague?”*

An NPS above 0 is good and over +40 is considered excellent.

As mentioned in our initial submission, **the industry average Net Promoter Score (NPS) for Health Insurance in New Zealand is +7.**²

Going through the publicly available annual reports of other health insurers, Accuro stands out with an NPS of +60 (see Appendix 1).

Customer Satisfaction Score (CSat)

Not all insurers report on their customer experience metrics and not all use NPS. Some use CSat which is based on the question *“How satisfied are you with your experience with [Organisation X/Product Y/Service Z].”*

Unlike other health insurers, Accuro reports on both NPS and CSat and again stands out in this category with a CSat of 91% (see Appendix 1).

Accuro has high Retention Rates

Accuro's excellent customer service is reflected in the tenure of our membership. Over 50% of our members have been with us for more than 10 years, with an average tenure of 14 years.³ Our retention rate in 2021 was 91%.

Accuro is the preferred health insurer of Financial Advisers

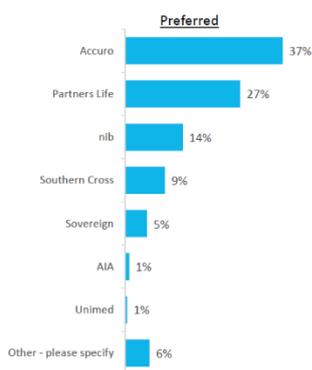
In 2018, the year we released the NZ's Best Little Health Insurer tagline, we commissioned Perceptive Research to conduct research into the financial adviser market.⁴ This research concluded that Accuro was the most preferred health insurer of financial advisers and the most highly associated with the top three most important features for health insurance: Quality Products, Easy to Claim and Easy to Understand. We were also recognised as the preferred health insurance provider with whom to do business and awarded the highest NPS of +42.

² Perceptive Research, 2021 NPS Industry Benchmarks – New Zealand (2021)

³ Datamine, Member Insights – prepared for Accuro Health Insurance (2018).

⁴ Perceptive, Accuro Insurance Adviser's Survey (March 2018)

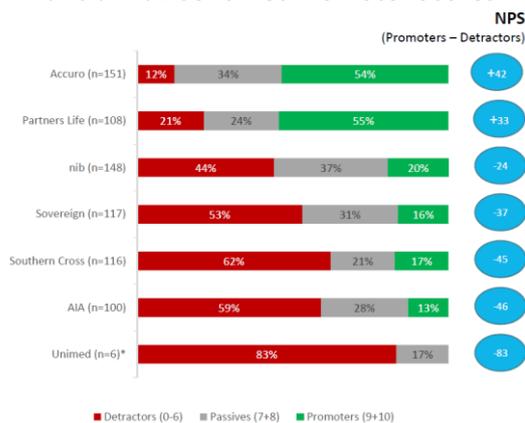
Preferred Health Insurer of Financial Advisers



Q. Which of the following is your preferred health insurer to write business for?

Base : All respondents (n=191)

Financial Adviser's Net Promoter Scores



Q. How likely would you be to recommend the following health insurance providers to a friend or colleague (please rate on a scale from 0 to 10 where 0 is Not at all likely and 10 is Extremely likely)
*Small sample size, interpret with caution

Most important features of Health Insurance

	Accuro	Partners Life	Southern Cross	nib	Sovereign	Unimed	AIA	Importance
Quality products	9	0	-10	12	-7	-2	-2	97%
Easy to claim	7	-6	15	-2	-3	-1	-10	95%
Easy to understand policies	17	-2	-1	0	-4	-1	-8	88%

Q. (Important attributes of a provider) Thinking about the attributes of the health insurance provider policies, please select how important the following attributes are (from 1 to 7 where 1 is Not important at all and 7 is Extremely important)

Independent Accolades for Accuro

There are a number of prominent external surveys regarding health insurance satisfaction that are worth noting.

Canstar

Accuro ranked second to AA in the Canstar ratings for Health Insurance in 2021. AA are not a health insurer but offer a white labelled nib health insurance product (nib ranked second to last in the same survey). [See here for the full report.](#)

Consumer NZ

Accuro is the most recommended health insurer by Consumer NZ over the past 12 years. We have consistently scored highly for Product and Price as well as Customer Satisfaction. Below is a snapshot of the last 5 years of Consumer health insurance surveys.

2017	#1 Publicly Available Health Insurer for customer satisfaction ⁵
2018	#1 for Customer satisfaction
2019	#1 for Customer satisfaction
2020	#1 Publicly Available Health Insurer for customer satisfaction
2021	#1 Publicly Available Health Insurer for customer satisfaction

Because of this strong track record, we have met the eligibility criteria to apply for the Consumer Trusted award. If successful, this would make us the only insurer to hold this award.

Accuro offers more than other health insurers

Unique Products

Despite our small size, we offer two products that are unique in the New Zealand market.

SmartStay is the only New Zealand health insurance available to people in New Zealand who do not have access to publicly funded health and disability services (usually on a work, diplomatic, study or visitor visa).

KidSmart was the first product in the market specifically designed for the needs of children.

Active Benefits – being proactive in looking after our members health

In 2018, we launched Active Benefits. We wanted to be more proactive in the health care of our members by providing access to free benefits, resources and services that support our members and their family's health and wellbeing. As per below, we were the first health insurer to market with many of these benefits.

Accuro HealthHub – We were the first health insurer in New Zealand to offer a free health and wellness programme to all of our membership.

Accuro Virtual Clinic – We were the first health insurer in New Zealand to offer the Best Doctors service to our members, giving them access to over 50,000 of the world's leading experts and specialists at no cost and regardless of any exclusions on their policy.

Mental Health Assist – We were the first health insurer in New Zealand to give members access to Mental Health Assist. Through this service, members can access a consultation with a psychologist and/or psychiatrist, for free, regardless of any exclusions on their policy.

Preventative Cancer Screening

Bowel Screening kits – We were the first health insurer in New Zealand to offer free access to bowel screening kits to members who have been with us for three years and

⁵ Police Health Association scored higher than us in this survey but they are only available to Police and their families, not the general public.

at a discounted rate to those who aren't eligible or would like to get one for family or friends.

Skin Vision App – We are the only health insurer in New Zealand to give our members get free access to this app which can help to detect skin cancer at an early stage when it is most treatable.

Accuro makes things easy for their members

Plain English Award

Our policy documents meet a standard for clear and easy to read plain English – the Write Mark. We are the only health insurer to hold the Write Mark and our work was recognised in the 2021 Plain English Awards where we were presented with an award of distinction. In addition, our website won the Plain English Award for best plain English website in 2019.

Award winning health insurer

In 2017, we released our new online application system, HUGO (Health Underwriting Goes Online), a world first for health insurance. HUGO allows members to sign up online, including full underwriting, and receive their policy in as little as 15min. HUGO won Innovation of the Year at the New Zealand Insurance Industry Awards in 2018. This follows a number of New Zealand firsts from Accuro including building the first online quote system and being the first to offer a discount for healthy living.

Accuro is the fastest growing health insurer

Comparative to the rest of the health insurance industry, Accuro membership has been growing at a faster rate since 2017.⁶

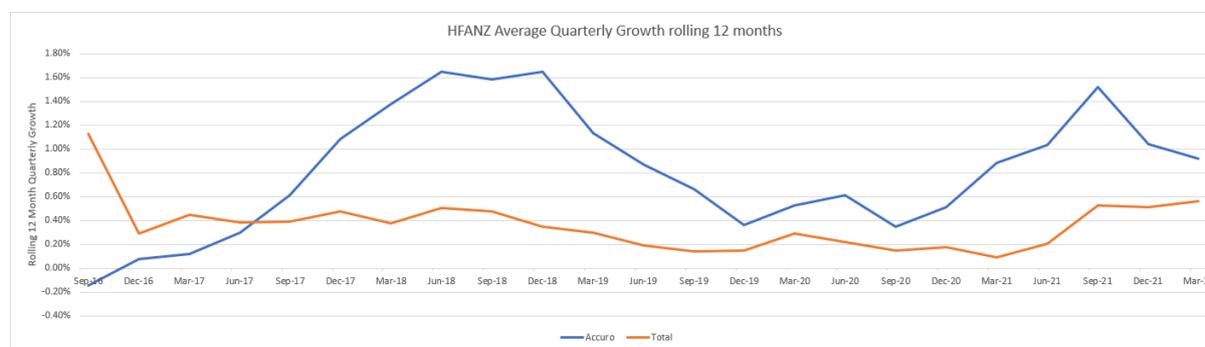


Figure 1- Health Funds Association NZ quarterly growth report

Accuro supports the community

At the end of last year, we proudly became the Principal Sponsor of the Life Flight Trust Air Ambulance service. The Life Flight air ambulances cover the entire country, quickly transporting patients to the care that could save their lives. We provide the staff at Life Flight Trust with Health Insurance, so if they need medical care themselves, they can receive it as soon as possible and get back to their critical life-saving work.

⁶ Health Funds Association NZ quarterly growth report

Summary – Why is Accuro New Zealand’s Best Little Health Insurer?

Accuro is New Zealand’s smallest health insurer amongst an industry of much larger players.

Despite being small:

- Accuro is Consumer NZ’s most recommended health insurer over the past 12 years.
- Accuro has market leading customer NPS and Customer Satisfaction scores.
- Accuro has high retention rates.
- Accuro is the preferred health insurer of financial advisers and the highest NPS from financial advisers.
- Accuro is a speciality health insurer.
- Accuro is the only New Zealand health insurer to offer cover to migrants here on a visa of fewer than two years and the first health insurer to offer a specialised health product for children.
- Accuro offers its members free access to a range of proactive benefits including Best Doctors, preventative cancer screening and mental health solutions.
- Accuro is the only health insurer to hold the Write Mark for writing our policies in ‘Plain English’.
- Accuro created the world’s first health insurance online underwriting engine.
- Accuro membership is growing faster than the overall health insurance market growth.
- Accuro are active in the community by being the principal sponsor of the Life Flight Trust Air Ambulance.

Accuro launched the tagline ‘New Zealand’s best little health insurer’ in 2018 after extensive research into our performance, products and brand positioning. It was an ambitious and cheeky move to emphasise the fact that, despite being the smallest, we punch well above our weight. In our category of the smallest insurers – we are the best. It is a claim we believe we could and can back up. This is not an advertising line but the tagline for the entire business that has been used in every piece of collateral since September 2018.

This is the first complaint we have received

INITIAL RESPONSE FROM ADVERTISER ACCURO HEALTH INSURANCE

Details

Key number: AHI0150050B

Received: 07 April 2022

Complaint

Advert claims they are the "best" (in written text) and also the cheapest. No supporting documentation to support that they are the "best". No disclaimers as well. Low cost could mean low coverage. Not sure how this advert got through their compliance team.

Response

Introduction

Accuro is a New Zealand-owned, not-for-profit member cooperative registered under the Industrial and Prudential Societies Act.

Founded over 50 years ago by doctors and nurses, we only sell health insurance. Previously, we were known as the Health Service Welfare Society and only offered products to those

working in the district health boards. But in 2007, we re-branded as Accuro and allowed members of the general public to take out health insurance policies.

In 2018, after extensive internal and external research, we rebranded with a fresh look and feel and began to position ourselves in the market as “New Zealand’s best little health insurer.” This tagline has featured on all of our brand collateral and assets since September 2018. It should be noted that this is the first complaint we have received relating to this tagline.

To highlight our 50th anniversary, we worked with an advertising agency (GSL Promotus) to create Accuro’s first television campaign. We created two 15 second ads which have been running on all the major networks since March 2021. It is from one of these TVC’s that we have received the complaint in question. These TVC’s are supported by radio ads and marketing on digital and social media since March 2021, and all utilise the same tagline.

Claim that we are the “cheapest”

There is no claim in any of our advertising, across any channel, that we are the cheapest.

The only mention of price in the highlighted advertisement is:

“Because they are not for profit, they don’t cost an arm and a leg.”

In no way are we inferring that we are the cheapest. The specific phrase used in this advertising is a play on common idioms, which is the central creative theme of our brand campaign.

It is Accuro’s position that the use of an idiom such as this is not at all likely to mislead the consumer.⁷

To the extent that the ASA considers that the quoted line contains any fact around Accuro’s pricing (and it is denied that this is the case), it could only be read as potentially suggesting that the product is well priced. It is noted in a comparison of health insurance products in January 2022 by Consumer NZ, Accuro’s SmartCare policy was cheaper than 10 other health insurance policies listed in that comparison (from a total of 14 policies).⁸

Substantiating “New Zealand’s Best Little Health Insurer”

Accuro adopted this tagline in 2018 and it has been displayed across all of our advertising channels and brand collateral ever since. In the four years that we have been using this tagline, this is the first complaint that we have received.

The tagline stands together and cannot be viewed in parts. We don’t claim to be the best; the line is “best little health insurer.” In this context, “little” is the important word. We are small – in fact we are the smallest health insurer in New Zealand. We are playing on that size in a cheeky and hyperbolic way. As such, this claim does not require support or disclaimers as the complainant alleges.

However, for an insurer our size, we have facts to back up the claims. Accuro is a New Zealand owned and operated not-for-profit member cooperative, celebrating our 50th anniversary in 2021.

Despite being around for half a century, we only hold 2.32% of market share (by lives) in health insurance. Based on industry and publicly available data, we are the smallest health insurance provider in terms of market share, membership, staff numbers, premium and profit.

⁷ See, for example *The Warehouse Open 365 Days Television Advertisement* [2006] NZASA 78 (11 April 2006) and *McCains Television Advertisement* [2006] NZASA 234 (8 August 2006).

⁸ Consumer NZ Product Review “*Health Insurance*”, updated January 2022. The policy comparison noted here is for a 35 year old male, with no excess.

Nevertheless, our internal and external research shows that we punch far above our weight.

The industry average Net Promoter Score (NPS) for Health Insurance in NZ is 7.⁹ By comparison, our NPS is 60 for the financial year ended 2021. Our internal research with members and advisers before rebranding showed us that we scored higher than our competitors in the key attributes that were most important to health insurance customers, especially in paying claims quickly, having good communication and knowledgeable staff.

Externally, we have been recommended and commended in every Consumer NZ health insurance survey since our products opened to the public in 2008. These recommendations cover both quality of product, value for money and customer satisfaction.

Summary

The whole tagline stands together and cannot be separated into its individual words. Whilst we firmly believe that Accuro is New Zealand's best little health insurer based on performance (and have the data to support that), we also believe that this tagline falls into the category of "exaggerated statements such as "world's best coffee" and "best night's rest," which are impossible to prove because they are subjective, [and] fall into the category of hyperbole."¹⁰ This is consistent with previous decisions made by the Advertising Standards Authority, including Complaints number 19/283 and 11/184. New Zealand's best little health insurer has now been firmly embedded as the Accuro brand tagline over the past four years and this is the first complaint that we have received. To ask Accuro to discontinue its use over one complaint on one TV execution would be a disproportionate penalty.

⁹ Perceptive, 2021 NPS Industry Benchmarks – New Zealand (2021)

¹⁰ Advertising Standards Authority *Guidance Note on Responding to a Complaint about Misleading Claims*. Retrieved from <https://www.asa.co.nz/codes/code-guidance-notes/responding-to-a-complaint-about-misleading-claims/>

Appendix 3**RESPONSE FROM MEDIA, COMMERCIAL APPROVALS BUREAU****Complaint 22/099****ACCURO****Key: AHI0150050B****Classification: G**

This advertisement for Accuro was approved on 11/01/22 with a 'G' general classification.

The advertisement promotes the insurance services provided by Accuro, noting flexibility and cost. A tagline for the commercial reads:

"New Zealand's best little health insurer."

We should note that the advertisement does not make claims of being "the cheapest" as mentioned by the complainant.

The codes for comparative advertising require a like-for-like balance, so the point of comparability for Accuro lands on the 'best' (qualitative) within 'little' (scale of operation).

CAB will defer to the advertiser for further information with regards to the comparative claim.