



KNOWLEDGE OF MOTOR INSURANCE AMONG THE POLISH POPULATION

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Abstract

The article addresses the state of knowledge of motor insurance types and the possession of related policies among the population of Poles. The study was conducted in March 2024 on a group of 800 respondents by means of an original survey questionnaire deploying the CAWI technique.

Based on the conducted survey, it was established that over 8 out of 10 respondents declared having the knowledge of Autocasco insurance (AC) and Accident insurance (NNW). The three most recognizable types of motor insurance included AC insurance, Accident insurance (NNW) and Assistance insurance. These types of insurance policies were also most frequently purchased by the surveyed. In addition to the mandatory liability insurance (OC), 95.0% of the respondents declared possession of the Accident insurance policy (NNW), 92.4% – Assistance insurance policy and 82.6% – Autocasco insurance policy.

ZNAJOMOŚĆ UBEZPIECZEŃ KOMUNIKACYJNYCH WŚRÓD POLSKIEGO SPOŁECZEŃSTWA

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Abstrakt

W artykule poruszono kwestię znajomości rodzajów ubezpieczeń komunikacyjnych i ich stan posiadania wśród polskiego społeczeństwa. Badanie przeprowadzono w marcu 2024 r. na grupie 800 respondentów, z wykorzystaniem autorskiego kwestionariusza ankiety, techniką CAWI.

Na podstawie przeprowadzanego badania ustalono, że ponad 8 na 10 ankietowanych deklaroowało znajomość ubezpieczenia autocasco (AC) oraz ubezpieczenia od następstw nieszczęśliwych wypadków (NNW). W trójce najbardziej rozpoznawalnych rodzajów ubezpieczeń komunikacyjnych znalazło się ubezpieczenie AC, ubezpieczenie NNW oraz ubezpieczenie assistance. Również te rodzaje ubezpieczeń najczęściej mają badane osoby. Oprócz ubezpieczenia OC p.p.m., respondenci w 95,0% mają ubezpieczenie NNW, ubezpieczenie assistance (92,4%) oraz autocasco (82,6%).

Introduction

The motor insurance market has continued to experience significant growth over the past decades due to increasing car sales worldwide. Global car sales have increased from 63.8 million in 2020 to 66.7 million in 2021, with electric car sales doubling to 6.7 million in 2021. This growth has led to an increase in demand for motor insurance (Kajwang, 2021).

The number of vehicles has been observed to increase every year also in Poland. A report issued by The Polish Automotive Industry Association (PZPM) indicates that the number of vehicles in Poland in 2022 was 34,970.8 units, including 26,501.5 passenger cars (*Automotive Industry Report 2023/2024*, 2024), which is almost 15% more than five years earlier. According to data from the European Statistical Office, the number of vehicles registered in 2022 per 1,000 inhabitants in the European Union Member States was 560 units, while in Poland it was as many as 584 cars (*Passenger cars – per thousand inhabitants*, 2024).

Despite the increasing number of vehicles, there are fewer and fewer road accidents. In 2023, there were 20,936 road accidents (41.6% less than ten years ago), with 1,983 death casualties (43.6% less than in 2013) (*Wypadki drogowe w Polsce...*, 2024).

Every car owner is at risk of a collision on the road and other related hazards that can occur both when the vehicle is in motion or parked. Motor insurance helps compensate for the effects of accidents, with some types of policies being compulsory and others (most) voluntary.

There are different types of motor vehicle insurance policies, each with a different set of risks covered and a different set of guiding legal principles (Atkinson, 2020). Consumer protection in terms of sales and risk management is governed by the European Parliament and Council (EU) Directive (Directive... 2016) on the distribution of insurance (Fras *et al.*, 2024), drawing attention to providing customers with products that meet their needs.

Motor insurance is a viable tool allowing to properly manage the driver's liability towards other road users. It is dedicated to owners of road vehicles

such as: passenger cars, buses, trucks, delivery vehicles, motorcycles and any other motorized road vehicles, and enables transferring the costs related to an accident or theft from the culprit to the insurance company.

Third-party liability insurance for motor vehicle owners (OC p.p.m.) is a compulsory insurance in Poland (and in many other countries) by operation of law¹. The Act on Compulsory Insurance for Motor Vehicle Owners covers compulsory insurance for motor vehicle owners in a broad context, emphasizing the basic principles specific to this type of insurance, its functioning in connection with general principles of law and EU directives (Gürses, 2020).

In the event of death or bodily injury to a third party or a third party's vehicle, the insurer will pay compensation or benefits to the injured parties from the third party liability insurance policy. Additionally, this policy also protects against the effects of events caused by other persons, family members, who were driving the vehicle. The Green Card insurance operates on the same principle, which is mandatory when traveling outside Poland to countries not covered by third-party liability insurance (see Witkowska, 2020, p. 45, 46).

In addition to the compulsory motor insurance, voluntary insurance policies are also available: Autocasco (AC); Accident insurance (NNW); Assistance insurance; as well as luggage, car window and car tyre insurance policies, which are expected to protect the car and its owner against the effects of man-made events or natural disasters, such as terrorist attacks, theft, riots, earthquakes, hurricanes. There are many benefits from having motor insurance, which include (Omoghie *et al.*, 2021):

- providing benefits to injured parties;
- covering costs related to court actions in the event of compensation to third parties;
- covering vehicle repair bills due to accident-caused damage;
- covering the costs of damage caused by factors other than accidents, such as theft, fire, etc.;
- additional discounts – motor insurance policies enable obtaining discounts on subsequent policies for various insurance policies with the same insurer and discounts for no claims in a given year of insurance coverage.

The Polish Chamber of Insurance reports that at the end of 2023, 28.1 million Poles had a third-party liability insurance policy and almost 7.4 million had AC insurance policy. Insurers collected over PLN 28 billion in premiums for third-party liability insurance (PLN 15.7 billion) and Autocasco insurance (PLN 12.6 billion). In turn, the compensation and benefits paid in this years from these types of insurance policies amounted to PLN 18 billion (*Ubezpieczenia w liczbach 2023...*, 2024).

¹ In Poland, the applicable act is: Ustawa z dnia 22 maja 2003 r. o ubezpieczeniach obowiązkowych, Ubezpieczeniowym Funduszu Gwarancyjnym i Polskim Biurze Ubezpieczycieli Komunikacyjnych, Dz.U. z 2003 r., nr 124, poz. 1152.

Methodology

The aim of this article is to present the state of knowledge of motor insurance types and the number of related policies purchased by the Polish population. The study was conducted in March 2024 on a group of 800 respondents by means of an original survey questionnaire deploying the CAWI technique. Its main assumption was that all respondents possessed the compulsory third-party liability insurance for motor vehicle owners and at least one voluntary motor insurance.

This article inscribes into the research trend of analyzing the situation on the motor insurance market, allowing to extend the current state of knowledge in this area. The results of the conducted research may provide a practical clue for insurers in the matter of tailoring the product offer to the needs of customers.

Results

The survey results show that over 8 out of 10 respondents declared having the knowledge of Autocasco Insurance (AC) and Accident Insurance (NNW). The most recognizable types of motor insurance turned out to be (Fig. 1): AC insurance (693 respondents declared to know this product, which is 86.6% of all respondents), Accident insurance (NNW) (657 respondents) and Assistance insurance (564 respondents). The lowest number of respondents were familiar with border insurance – 319 surveyed (24.8% of the respondents). To sum up, it should be noted that the individual types of insurance were quite well recognizable by the respondents.

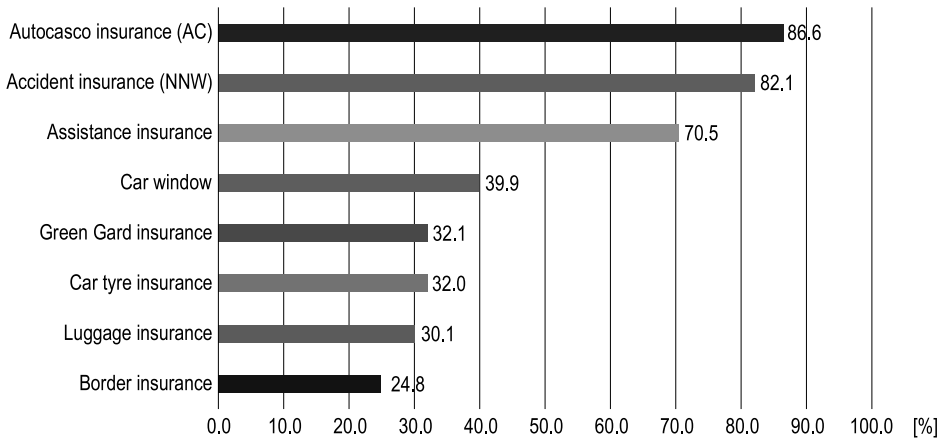


Fig. 1. Knowledge of the types of motor insurance policies (in %)

Source: own work based on own research.

Additionally, the knowledge of the types of motor insurance was analyzed taking into account gender, education and income level of the respondents. The survey results show that more men than women knew and were interested in motor insurance (Tab. 1). The greatest difference (by 9.8 percentage points) was observed in the case of Green Card and Assistance insurance policies (6.4 percentage points), while the smallest one in the case of the Accident insurance (NNW).

Table 1

Knowledge of types of motor insurance policies depending on gender

Type of insurance	N	Total [%]	Female [%]	Male [%]
Autocasco insurance (AC)	693	86.6	86.3	87.2
Accident insurance (NNW)	657	82.1	82.1	82.2
Assistance insurance	564	70.5	68.1	74.5
Green Card insurance	257	32.1	28.5	38.3
Border insurance	198	24.8	24.1	25.8
Luggage insurance	241	30.1	29.1	31.9
Car tyre insurance	256	32.0	31.3	33.2
Car window insurance	319	39.9	38.6	41.9

Source: own work based on own research.

The greatest knowledge of AC insurance was observed among the respondents with higher education (Tab. 2). Those with vocational/industry education had extensive knowledge of Accident insurance (NNW), Green Card, border insurance and car tyre insurance. The surveyed with primary education were not familiar with the following insurances: Green Card, border insurance, luggage insurance, and car tyre insurance. In turn, the respondents with lower secondary education were not familiar with border insurance and car window insurance.

Table 2

Knowledge of types of motor insurance policies depending on educational level (in %)

Type of insurance	Primary	Secondary and post-secondary	Lower secondary	Basic vocational/professional	Higher
Autocasco insurance (AC)	75.0	33.3	83.8	86.3	87.5
Accident insurance (NNW)	75.0	66.7	86.5	80.5	82.9
Assistance insurance	75.0	66.7	67.6	68.3	72.1
Green Card insurance	-	33.3	37.8	31.7	32.2
Border insurance	-	-	27.0	24.6	25.1
Luggage insurance	-	33.3	27.0	29.0	31.3
Car tyre insurance	-	33.3	35.1	33.1	31.3
Car window insurance	50.0	-	43.2	38.6	40.6

Source: own work based on own research.

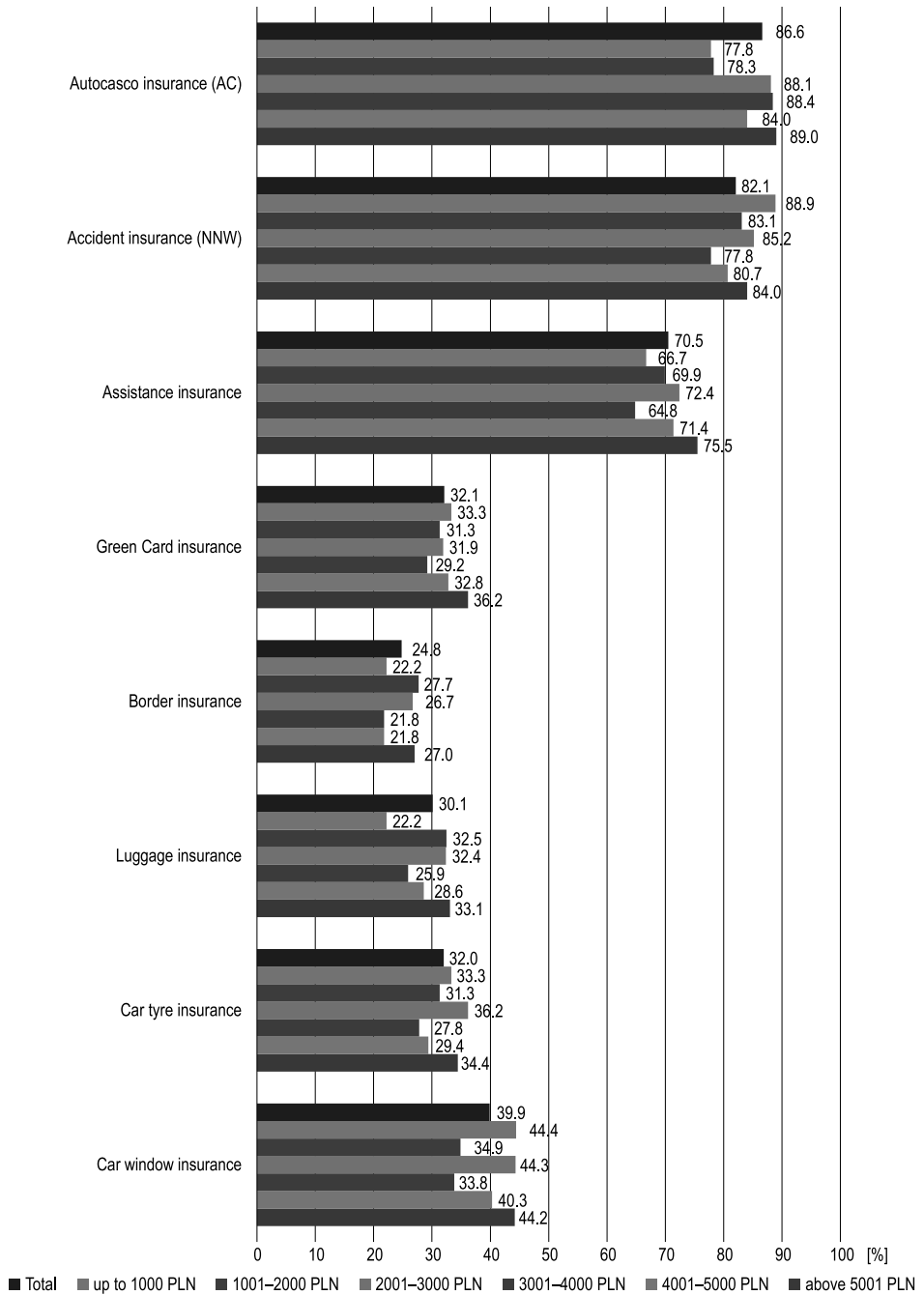


Fig. 2. Knowledge of types of motor insurance policies depending on income (in %) Source: own work based on own research.

In the case of Autocasco insurance, persons with incomes exceeding PLN 5,000 net per capita in a household demonstrated the greatest knowledge of this type of insurance (89.0% of the respondents). In turn, the least knowledge of this insurance was observed among the respondents whose incomes did not exceed PLN 1,000 per capita. On the other hand, the Accident insurance (NNW) was most often known among the respondents with incomes up to PLN 1,000 (88.9%), and the least known among those whose incomes ranging from PLN 3,001 to 4,000. Analyzing the knowledge of Assistance insurance and Green Card insurance, it was noticed that the greatest knowledge was shown by the respondents with incomes exceeding PLN 5,000 net, and the least one by those whose incomes ranging from PLN 3,001 to 4,000. The greatest knowledge of border insurance was shown by the persons whose incomes were in the range of PLN 1,001 to 2,000, and the lowest by those with incomes ranging from PLN 3,001 to 5,000. Travel luggage insurance was most familiar to the respondents with incomes above PLN 5,000, and least familiar to those with incomes below PLN 1,000. Car tyre insurance was most known among the surveyed with incomes ranging from PLN 2,001 to PLN 3,001, while car window insurance to the respondents with incomes up to PLN 1,000 (Fig. 2).

In the next stage of the survey, the respondents who declared having the knowledge of a given type of insurance were asked to indicate whether they had purchased a respective insurance policy (Fig. 3).

In the case of Accident insurance (NNW), out of 657 respondents who recognized this insurance type, 624 declared to possess a respective policy (which is 95.0% of the surveyed who knew this type of insurance). In the case of AC insurance, out of 693 respondents who knew it, 642 were holders of such an insurance policy (92.6%). In turn, out of 564 respondents who knew Assistance

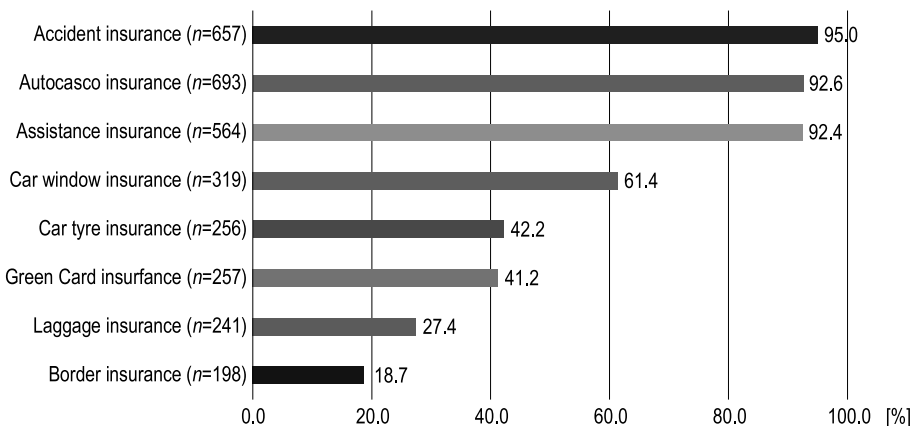


Fig. 3. Type of motor insurance possessed (in %)

Source: own work based on own research.

insurance, 521 declared that they had such a policy (92.4%). In the research conducted by M. Borda and A. Jędrzychowska, respondents also indicated that in addition to the compulsory insurance, they most often possessed Accident insurance (NNW), AC insurance and Assistance insurance policies (Borda & Jędrzychowska, 2012).

Border insurance, which was the least recognizable type of insurance, was also the least frequently chosen in the study group, with only 37 respondents (18.7%) declaring to possess such a policy out of 198 respondents who knew about this type of insurance.

Next, the type of insurance held was verified depending on gender, education and the amount of monthly net income per capita in the household. As in the case of the knowledge of motor insurance types, men prevailed in the number of purchased policies (Tab. 3). A very large difference was observed in the case of Green Card insurance (by 18.9 percentage points), travel luggage insurance (by 10.4 percentage points), car tyre insurance (by 10.3 percentage points), as well as border insurance (by 9.8 percentage points).

Table 3

Type of motor insurance possessed depending on sex

Type of insurance	<i>N</i>	Total [%]	Female [%]	Male [%]
Autocasco insurance (AC)	624	95.0	94.9	95.1
Accident insurance (NNW)	642	92.6	92.4	93.1
Assistance insurance	521	92.4	90.6	95.0
Green Card insurance	106	41.2	32.9	51.8
Border insurance	37	18.7	14.9	24.7
Luggage insurance	66	27.4	23.3	33.7
Car tyre insurance	108	42.2	38.2	48.5
Car window insurance	196	61.4	60.8	62.4

Source: own work based on own research.

Furthermore, 100% of the surveyed with primary and lower secondary education declared possessing the AC, Accident and Assistance insurance policies (Tab. 4). Additionally, all respondents with lower secondary education also declared to have luggage and car tyre insurance, and all the surveyed with primary education to have car window insurance. Different observations were made for the respondents with vocational, secondary and higher education. AC, Green Card, and luggage insurance policies were most often purchased by those with secondary and post-secondary education. In turn, the respondents with higher education were the largest group of customers protected by Assistance and border insurance.

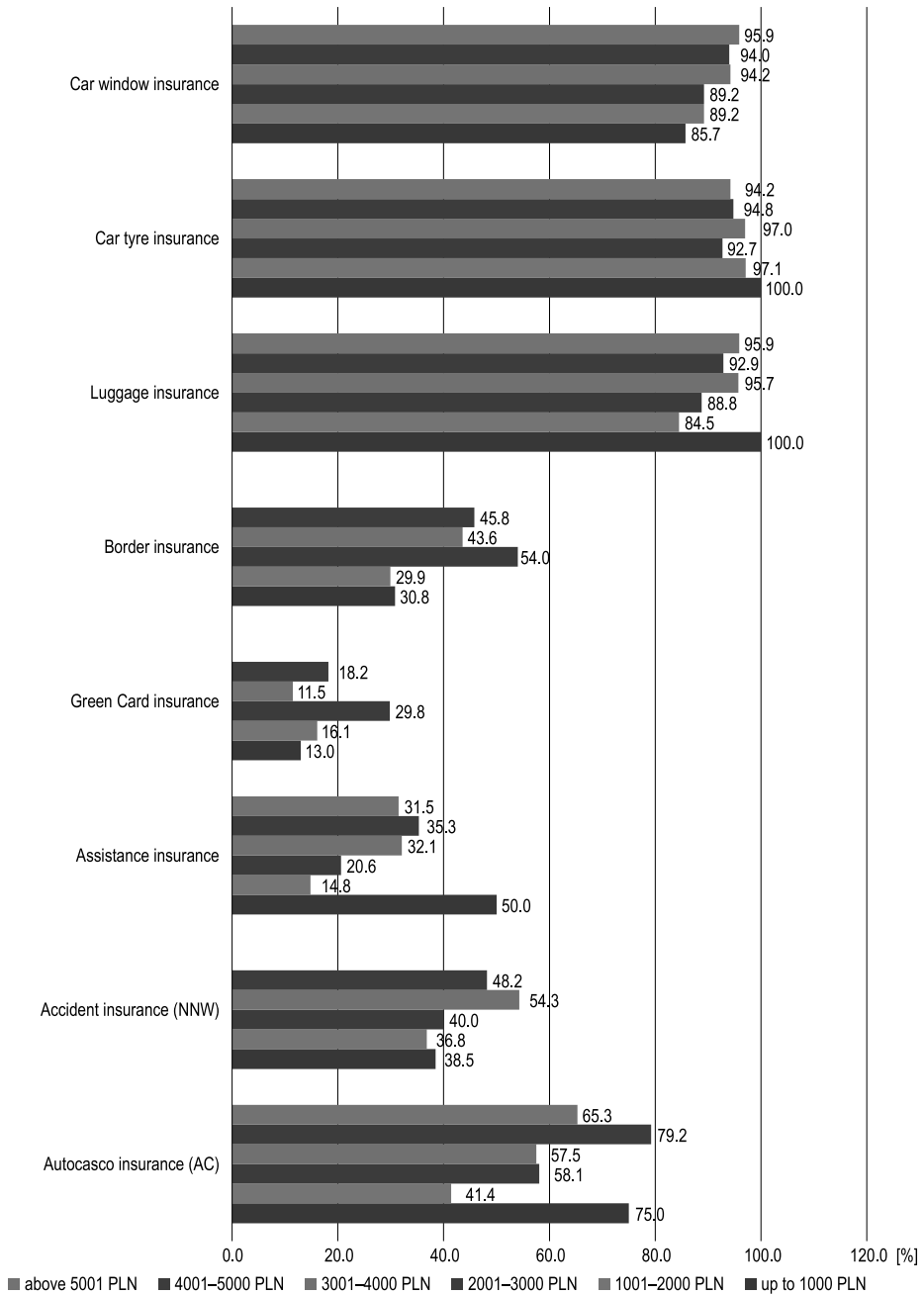


Fig. 4. Type of motor insurance possessed depending on income (in %)

Source: own work based on own research.

Table 4

Type of motor insurance possessed depending on educational level (in %)

Type of insurance	Primary	Secondary and post-secondary	Lower secondary	Basic vocational/professional	Higher
Autocasco insurance (AC)	100.0	100.0	90.3	92.9	92.6
Accident insurance (NNW)	100.0	100.0	93.8	96.6	94.0
Assistance insurance	100.0	100.0	88.0	90.0	94.0
Green Card insurance	-	-	35.7	45.2	39.6
Border insurance	-	-	-	18.1	20.7
Luggage insurance	-	100.0	10.0	28.2	27.6
Car tyre insurance	-	100.0	46.2	41.2	42.1
Car window insurance	100.0	-	68.8	57.5	62.8

Source: own work based on own research.

The survey results also show that 100% of the respondents who earned up to PLN 1,000 per capita in a household possessed the Accident (NNW) and Assistance insurance policies, and as many as half of them had travel luggage insurance (Fig. 4). Almost 96% of the respondents whose monthly income exceeded PLN 5,001 per capita declared to have the AC insurance, while over half (54.0%) of the respondents earning from PLN 3,001 to 4,000 to have the Green Card insurance, and almost 30% of them to have the border insurance. The car tyre and car window insurance policies were most often purchased by the respondents whose monthly income oscillated between PLN 4,001 and 5,000.

Summary

Understanding consumer behavior and decision-making, which is largely influenced by the approach to risk in the insurance market, is very important (Graminha & Afonso, 2022). On the other hand, access to information and the ability to exploit it are drivers of actions undertaken by insurers and customers themselves. Information asymmetry in the insurance market causes uncertainty. “The lack of complete knowledge of the existing state of affairs urges the need to make choices” (Kurek, 2012). Very often, customers who are aware of the possibility of protecting themselves against certain negative events with insurance have insufficient financial resources to purchase it.

The motor insurance market features high development potential and competitiveness and is also full of dependencies (Kowalska, 2016). Motor insurance is very common among the Poles; with its share in the gross written premium accounting for 51.3%, and in the paid compensations and benefits – for as much as 67.0%.

The conducted survey results show that the knowledge of motor insurance types among Poles is extensive. However, their use depends on the type of risk being insured. The respondents most often (apart from the mandatory civil liability insurance for owners of motor vehicles) possessed the Accident (NNW), AC and Assistance insurance, i.e., insurance types that protect the driver and passenger (NNW), secure destruction and damage to the car due to accident and car theft (AC) and provide assistance in the event of vehicle damage or immobilization (Assistance).

Men were more familiar with and possessed more policies of motor insurance than women. Income played an important role in the case of AC insurance and car window and tyre insurance (which can be insured separately or in AC insurance package).

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