



# Northern Australia Insurance Inquiry Public Forum

Alice Springs, Northern Territory  
23 November 2017

This document is not a verbatim record of the forum but a summary of the issues raised by forum attendees.

The views and opinions expressed are those of the attendees and do not reflect the ACCC's views or position on the issues summarised here.

## Venue

23 November 2017 from 5:30pm to 6:15pm  
Aurora Hotel  
11 Leichhardt Terrace, Alice Springs, NT

## Attendees

*Australian Competition and Consumer Commission*  
Mick Keogh (Commissioner), ACCC staff.

### *Interested parties*

Approximately 10 interested parties attended the forum.

## Introduction

Commissioner Mick Keogh welcomed attendees, outlined the purpose of the forum and invited attendees to contribute comments in response to the topics of interest to the Inquiry.

Attendees were informed that the matters discussed at the forum would be recorded and a summary placed on the ACCC's website, but that this summary would not identify or attribute comments to individuals.

## Summary of issues

Participants discussed the following issues during the forum:

### **Privatisation of the Territory Insurance Office (TIO)**

- One attendee noted that since Allianz acquired the TIO, premiums have increased and customer service has diminished.

### **High and/or rising insurance premiums**

- A participant discussed that no recent major weather events have affected Alice Springs. However, they noted a storm in July 2016, which may have resulted in some claims. They noted that some people had been complaining about the time taken to resolve their claim.
- One participant said that significant weather events impacting Darwin were impacting premiums in Alice Springs. They said they were able to remove insurance for cyclone risk after establishing with their insurer that they were in Alice Springs.
- One participant suggested the major insurers offer similar policies. The participant said it is possible to find an alternative offer from the major insurance companies, but searching requires a willingness to compare policy details such as the inclusions / exclusions and value for money. The discussion included two anecdotes of significant premium reductions for consumers who had switched insurance companies.
- Some participants proposed reasons for premium increases, including claims following a storm in Alice Springs in July 2016 or to recover costs from claims in north Queensland.
- One participant said they had received a quote, which quadrupled after entering the address and that the difference was because their location is classed by the insurer as remote. Other participants said they did not understand why their premium had increased after moving to a new suburb with a lower crime rate.

- One participant said they had increased their excess to reduce their insurance premium.

### **Policy information disclosure**

- Some participants noted that Product Disclosure Statements are difficult to understand, making it hard to understand the inclusions and exclusions (and to compare policies). In this context, one participant went on to note their negative experience in dealing with an insurer over a claim when trying to seek clarity about the policy coverage. By comparison, one participant said their Product Disclosure Statement is easy to understand and they went with a particular policy for that reason.
- One participant stated that home and contents was not separately disclosed on their invoice. Another said the major insurers do separate home and contents.

### **Other issues raised**

- Participants mentioned using a broker to source information and compare and recommend policies.
- There was a passing mention of the impact of crime on contents insurance premiums, and it was suggested that crime in Alice Springs has always been an issue and should not be used to justify premium fluctuations.

### **Conclusion**

Commissioner Keogh closed the forum by inviting attendees to make a written submission or to phone the ACCC if they had further comments to contribute.