

## Response ID ANON-DUXZ-42U7-W

Submitted to Northern Australia Insurance Inquiry  
Submitted on 2017-12-03 19:27:26

## About you

What is your name?

Name:

[REDACTED]

I do not want my name to be published.

Do not publish my name

What is your email address?

Email:

[REDACTED]

What is your suburb/town and postcode? (Only one is required.)

Suburb/town::

[REDACTED]

Postcode::

[REDACTED]

If you live in northern Australia, please tick all descriptions that apply to you.

[REDACTED]

What type of residence do you live in?

[REDACTED]

What insurance do you currently have? Please tick all descriptions that apply to you.

[REDACTED]

What is important in your decisions about insurance?

1. How important is the price ('premium') in your decision?

You could also tell us: Did you know about the price of insurance in your town before you moved there? Has price changed a lot? Have you tried to get a lower price? :

Premium prices have become more important with the rise in prices in recent years. The most annoying thing about pricing of my building and contents insurance is that many insurance companies (such as Budget Direct) won't give you insurance at all if you live north of the Tropic of Capricorn. I have lived in Cairns for several years and it amazes and appalled me that my insurance premiums are far higher than when I lived in Sydney. And the worst thing is that I am always given the same reason by every insurance company. "It's because you live in a cyclone-prone region". We haven't had a severe cyclone for a number of years (Yasi in 2011) whilst it seems every summer there are huge damaging storms in Brisbane that cause a great deal of damage. I feel that people living in the tropics are subsidising people in the south east of Queensland, whose premiums are much lower than ours!

2. How much choice of insurers do you have?

You could also tell us: Where you live, how much choice is there between insurers? Do you think different insurers offer different policies (i.e. is coverage different)? :

The choice is not a good as it could be with many insurance companies refusing insurance altogether in Far North Queensland. The level of coverage seems to be quite similar among those companies that do insure property in our region, and from my experience there really isn't much difference in price - they're all outrageously expensive.

3. What are you covered for?

You could also tell us: Can you get the sort of insurance you want? Do you want flood insurance? How confident are you that you know what you are covered for and what limits you have? If you have made a claim, were you covered for what you thought you were?:

I'm very confident I'm covered for cyclone and inundation because I read all the policy details. I'm sure there are many people who wrongly assume they have cover for flood/cyclones but I make sure. And I pay through the nose for it! I've never made a claim.

#### 4. How important is customer service and claims handling reputation?

**You could also tell us: How much does an insurer's reputation matter? How much does customer service matter? Have you seen an insurer behaving in a way that you think is unfair or confusing?:**

I am with QBE who are very good with customer service so I have no complaints there. Although I still feel I'm paying too much I do feel reassured about the size and reputation of QBE.

#### 5. Have you seen an insurer behaving in way that you think is unfair or confusing?

**5. Have you seen an insurer behaving in way that you think is unfair or confusing? :**

Yes. I rang Budget Direct for a quote three years ago and having spent 15 minutes on the phone with one of their call centre people, when he entered all my details into their system he said 'oh we don't insure people in your postcode'. When I asked why not, he said it was because we lived in northern Australia and the risk was too high. Ridiculous and totally unfair.

#### 6. Has an insurer told you that they won't insure you or renew your insurance policy? If they have, what were the reasons they gave you?

**6. Has an insurer told you that they won't insure you or renew your insurance policy? If they have, what were the reasons they gave you?:**

See above re Budget Direct.

#### How you get information about insurance and how easy it is to understand?

#### 7. What information does your insurer give you and how useful is it?

**You could also tell us: Does your renewal notice say if price has changed and the reason? Does it say how premiums are calculated? What could insurers do to make it easier to understand their products? :**

QBE's information is easy to understand even though there is lots of it (but I do understand insurance is a complex business so they do their best to make it as simple as possible). They never give a reason, however, why the premium has gone up every year.

#### 8. Where else do you see or look for information?

**You could also tell us: How much effort is it to look for better or cheaper policies? What sort of advertising do you see? Have you used websites, tools or calculators? If you live in Queensland, have you heard about or used the North Queensland Home Insurance website? What did you think about it?:**

I've used some of the comparison websites which are okay but once again, they don't let you know that if you're in Far North Queensland the insurance company you've chosen won't insure you. I didn't know about the North Queensland Home Insurance website but I do now so will check it out!

#### 9. Have you used, or thought about using, a broker? Why or why not?

**You could also tell us: Did it make it easier for you to get a policy that you were more confident suited your needs?:**

I bought an investment property last year and an insurance broker was recommended to me and they are excellent. I suppose some people would just go with whatever their broker recommends but I do like to look at all the various policy options they present me so ultimately it's my decision. Having a broker is great from the perspective of not having to worry about renewal dates (and I'm sure claims as well though I've never had to make one).

#### 10. Is there information to meet the needs of all consumers?

**You could also tell us: Who can you ask if you need help understanding insurance? Is there information for people who are unable to read or write or use a language other than English? Do insurers have an office in your area or do they visit? Is mail, phone or internet access an issue in remote areas?:**

Because I now use a broker the above doesn't really apply to me.

#### 11. What special information do owners or managers of strata units need?

**You could also tell us: How difficult is it to get clear and useful information about strata insurance? How transparent is the information provided to strata unit owners?:**

Not applicable to me.

#### 12. Have you seen examples of tools, technology or information in other industries that should be used to make insurance easier to understand?

**Have you seen examples of tools, technology or information in other industries that should be used to make insurance easier to understand?:**

Not that I can think of but I don't think it's so much about that and more about insurance companies simply justifying why premiums are so expensive for people in our region. It just all seems like we are being ripped off to subsidise their customers down south and are being treated with contempt. They must be making huge profits from Far North Queensland give that we haven't had a major disaster up here for years. One friend of mine was told by RACQ that her premiums had to go up because 'you were hit so badly by Cyclone Debbie up there' and the consultant was gobsmacked when my friend told him that Debbie hit Queensland almost 1000km south of Cairns and we were all enjoying the sun at the beach!

#### Have you switched insurers?

**13. Have you considered switching insurance in recent years? Did you go ahead and switch? Why or why not? Please tell us about your experience.**

**You could also tell us: Did you consider switching policies with the same insurer, to a different insurer, or both? How did you find and compare policies? How many quotes did you compare? Was it a lot of effort? How does the use of standard definitions, such as for 'flood', make it easier to compare? Was your focus on price or coverage or both? Did you use a broker to help you? :**

Haven't switched because there's virtually no difference in price. All way too expensive. Makes me sick when I hear that friends of mine in Brisbane are paying so much less than me.

**What can households and insurers do to make insurance more affordable?**

**14. Have you considered renovating or altering your home, or building a new home to, to reduce the risk of storm or cyclone damage? Did you go ahead?**

**You could also tell us: How did you find out about building for your local conditions? How did you decide that it was a 'worthwhile' investment? If you made any alterations, did this have any impact on your insurance premium? Has it already, or will it, save you money in the long run?:**

My house is rated for category 5 cyclones, which has been the law for houses in FNQ for years. But is there any consideration about that in premium calculation? NO!

**15. What are insurers doing to make it easier and could they do more?**

**You could also tell us: Would your premium be lower if you made your house or belongings safer? Can you pay fortnightly or monthly and how much extra does it cost to do so? Does your insurer offer Centrepay to eligible customers? Have you seen new or different policies to target particular consumers, such as tenants, households on a low income, or people with only a small amount to insure? :**

My house is as safe as it could possibly be: cyclone rated, Crimsafe doors etc etc etc. Any premium concession for that? Not when you live in FNQ.

**16. What are you doing to manage the cost of insurance?**

**You could also tell us: Have rising premiums motivated you to spend more effort looking for better policy options? Have you, or would you, reduce your level of coverage to save? Who else can you get help from?:**

Why should I reduce my level of coverage?? And why should it be my responsibility to spend more effort looking for better policy options? All we want in FNQ are FAIR policies.

**Other issues**

**17. If you have a view or experience to share that you haven't already covered in another question, please tell us about it. (Optional)**

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