

Response ID ANON-DUXZ-42BP-3

Submitted to Northern Australia Insurance Inquiry
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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Do not publish my name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? :

It is becoming the main driver. Whilst I am obviously wanting to find the happy medium for the best cover for the best price, I found that after completing online forms with different providers, I receive a message advising "we are no longer underwriting new policies in this area". This leaves me with fewer choices and price has become a big component of the decision.

I was not initially aware of how high the prices in my area would be when I purchased but was more disappointed that I have so few choices.

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)? :

I live in South Townsville in what is classified by council as a "red zone" (high flood risk).

I have had little success finding a reasonably priced policy with another provider (most quotes - if I vpcan get one - come back between \$7000 to \$12,000) so have spent very little time comparing the cover offered as the price makes it unfeasable.

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 currently have home and contents insurance. Contents is covered for \$65,000 and home is full replacement with no nominated value. However I have had to push all my excess limits as high as they can go to try to reduce the cost and I am scared if I ever had to claim, that the company would find some technical loophole to avoid a payout.

I have never made a claim and the cost of the excess (\$5000) means I never would unless I incurred significant damage.

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 value quality service, which my current provider (AAMI) excels at. I am doubtful however that there are any providers that would deliver the same level of service when a claim is being made.

I don't really even know anyone who claims anymore due to excess costs and fear of price increases the following year.

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

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Not I my personal experience however there have been news stories after NQ weather events that seem to support anecdotal feedback that you have to jump through hoops, and are left feeling that if the insurer makes claiming "too hard" you might just go away.

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?:

Yes. No reasons were given other than "no new policies in this area".

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? :

No notification of a price increase, no details of how the premium is calculated. The PDS seems simple enough to understand but I don't have full confidence that there is not a clause or stipulation that could void a claim. This is founded solely on my fear from anecdotal and news stories of others difficulties.

A clear breakdown of what contributes to the pricing would be fantastic. Example house of this configuration is \$X. Risk factors are A, B and C and the cost of those is \$X.

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 mainly do research online. I have used the north Queensland Home Insurance website and it was too difficult to compare apples with apples as most providers combine policies and offer discounts for combing.

Additionally the pricing I received was so much higher than my current policy that it did not make sense how they could vary so much, which made me question if it was comparable cover.

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 have used brokers on several occasions. None have been able to achieve a better price and one told me "stick with what you've got, that's just the prices up there".

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?:

I am it really sure who can help me. Over the ohine custom,er service is useful but they google image my property to confirm details like cladding or roof type and generally are in a call centre I'm another location so have no local knowledge.

I'd love someone who came to my house and gave me a quote and would be happy to pay for that as a service IF it ensured I had the right cover, was fully aware of what my cover provided and the policy price was competitive.

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?:

N/A

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

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Face to face on site visits like a builder would do if they were quoting for a job.

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? :

I have considered switching but most pricing was 50% to 100%+ dearer, and as such I did no further comparison of the policy details.

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?:

I am aware Suncorp offers lower cost loans to do weather event improvements but I find that a bit rich given they were one of the highest priced policies.

Providing a means to reduce an already expensive policy while making more money seems like a great way to drum up there own business.

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? :

I currently pay month,y for a small additional cost as paying the full amount each year is not achievable at the moment.

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?:

i have increased my excesses to reduce my policy but am reluctant to reduce cover. I am a single income household and like the confidence of being fully covered (I hope) if I had a significant event.

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)

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

The cost of my insurance impacts my enjoyment of my home. I could be spending some of that money on home improvements,which would mean hiring trades I my local community. Instead that money goes to an anonymous cirooratuon with huge profits and I still live I fear that I could be denied a claim for some loophole I missed.

Rates and insurance is part of the cost of owning a home. I get something for my rates, I should at least have peace of mind for the cost of insurance. My insurance costs to date in the almost four years I have owned my home, far outway any property value increase.

Additionally I know first hand of people wanting to buy in this area but deciding not to solely based on the cost of insurance and unpredictable nature of the price increase.