

## Response ID ANON-DUXZ-42Q6-R

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Do not publish my name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? :

Price would be paramount however of greater concern is obtaining 'cover'.

I recently attempted to review and obtain cover for a strata building located in the City and struggled to obtain same. I had two brokers attempting to obtain cover and I also carried out my own approaches. I believe this inquiry needs to seriously look at this concern of lack of competition as a priority. Senator the Hon Matthew Canavan, Minister for Resources and Northern Australia and all politicians involved in the development of Northern Australia need to be addressing this matter also as a priority - why would you develop in the North of the country when insurance cover is not available or if offered it is prohibitive due to cost. Maybe the government(s) of the day may have to look at subsidising the costs or introduce a system similar to health cover - Medicare???

Insurance companies are reporting we are too risky to cover due to the increase of natural disasters in the region and therefore raise premiums or decline to offer cover.

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)? :

Strata building construction has increased substantially in our area of recent times.

We need more competition in the strata area. Maybe more International competition?

QBE refused to provide contents cover for my UNIT ON THE 10th FLOOR - due to flood concerns. I have lived in this Unit since construction - eight years and yes we have had flooding in the region but this building has never been inundated with flood water.

This is one area that needs review and change immediately.

My case is a prime example of how Insurance companies utilize the POSTCODE system and blanket the whole area. They need to be more proactive when considering opportunities - one would consider any competitive company would do this automatically.

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?:**

Yes - everyone should be able to obtain an offer for ALL TYPES of insurance cover and subsequently make a decision whether the cost is practical.

No claims have been made for content cover.

Strata claims have been made - not for flood but for cyclone 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?:**

The broker I obtained for Strata Insurance provides only the very best customer service but what is so very important is that he treats CUSTOMER RETENTION as a priority.

This means he is most concerned about the customer service and therefore he retains the customers he has obtained for years to come.

Yes I have had this experience where a broker was behaving unfairly and unprofessionally.

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

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Yes.

#### **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?**

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Natural disasters increasing.

Relying on inaccurate data and information - refer 2. - `10th floor - what a joke!

#### **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 - you have to read the fine print and refer to the previous premium account history.

The price change should be highlighted.

Power and telecom accounts indicate past costs - why not in this industry.

Maybe less jargon and every day language in a more simple set out on accounts and quotes.

#### **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 am disappointed as I was unaware of this site.

How much effort has the governments allocated to advertising the availability of this information/website???

<http://nqhomeinsurance.gov.au/insurers>

Is the above for house cover only - note strata is not mentioned??

The Australian Government initiative

On 9 May 2014 the Government released a Discussion Paper titled Addressing the high cost of home and strata title insurance in North Queensland. The Discussion Paper raised options to address the affordability of home building insurance and home contents insurance in North Queensland.

Following public consultation on the Discussion Paper, the Government announced in a Media Release on 23 October 2014 that '... the Government will establish a comparison website to help consumers to compare home building and home contents insurance products' for properties located in North Queensland.

Why are we still carrying out major reviews after only 3 years?

#### **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?:**

Yes currently use but...

In many cases of recent times, insurers may choose not to provide insurance if they think that the risk of a significant claim being made is too great. Factors including those discussed above not only impact on an insurer's decision about how much premium to charge, but also influence their willingness to insure.

What attempts are being made by governments to discuss these issues with brokers, insurance companies and all involved to obtain SOLUTIONS!!!!???

#### 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?:**

Insurance companies need personnel to inspect in person properties requiring cover to make decisions - not just rely on post codes, press rep[orts etc...

#### 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?:**

This needs a separate and total review however governments fail dismally in these areas so it will be no different when insurance in strata is considered.

#### 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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refer power, tele/com industries...

#### 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? :**

yes - but there is a lack of competitive cover on offer.

Lot of effort.

All the above

#### 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?:**

Security is an area to be addressed (too vague) - insurer need to send personnel to inspect prospective properties.

#### 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? :**

#### 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?:**

Government needs to be active in this area to obtain suitable outcomes for all concerned.

#### 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.:**

On 30 March 2015, the Government announced the establishment of a taskforce which will explore options for reducing home, contents and strata insurance premiums in Northern Australia. The measures previously announced relating to UFI's, which would allow licensed insurance brokers to sell policies from foreign insurers, have been deferred until the taskforce process is completed in late 2015.

Where are we up to with this exercise?

Has it been publicised widely?