

## Response ID ANON-DUXZ-42R9-V

Submitted to Northern Australia Insurance Inquiry  
Submitted on 2017-11-07 22:23:24

## 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Do not publish my name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? :

The price is extremely important. I have lived in this area all of my life (53 years). We have tried to get cheaper insurance, but you do not get the satisfactory cover. The price of insurance has almost tripled in price since Cyclone Yasi in 2011. The year immediately after this cyclone the premiums almost doubled in price.

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 Mona Park which is a canefarming area approximately 35km west of Ayr. There are quite a number of insurance companies to choose from in this area offering different types of cover, but when comparing prices for cover, these differ as well.

As we are cane farmers, our insurance is astronomical as we not only have private residences and contents to insure, but sheds and contents, vehicles, boats and property. We actually have our private vehicles and boats insured by one insurance company and the houses, contents, sheds, farm vehicles and property insured with another company in an endeavour to save money on premiums.

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?:

We can get the sort of insurance we want and it does include flood insurance. We are very confident that we know what we are covered for as we talk to our insurance representatives once per year to discuss the cover. When we have had to make a claim we received what we thought we would get as the companies have always discussed it with us except for one instance.

#### 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 insurer's reputation is extremely important. Customer service is extremely important as well as everything to do with insurance has to be understood completely.

#### 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? :**

No I have not seen an insurer behaving in an unfair manner, but one of their assessors.

#### 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?:**

No.

#### 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? :**

The insurer explains if there has been a price rise. The reason given is that they are trying to cover all the claims being made by natural disasters. The split up of the premiums are shown on each product insured, but not how they are calculated.

#### 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?:**

It is alot of effort as you have to compare "apples" with "apples" and it involves alot of reading which is very confusing and most times you feel like you require a legal representative to help you understand the terms and conditions. I have not used websites, tools or calculators nor have I heard of the North Queensland Home Insurance website.

#### 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?:**

We use a broker for a cane harvesting business we are involved in as it is easier for them to source our insurance needs each year as the insurance prices for this is extremely high as well.

#### 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?:**

Our insurance representative helps us understand the insurance we require. I do not know about people unable to read, write or use another language as it does not affect me. Our representative lives in another town and visits once per year. Mail, phone and internet access is only an issue in natural disasters in remote areas. Mail is always slow in remote areas.

#### 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?:**

Do not have strata units

#### 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?:**

No

#### 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? :**

We were going to switch but could not get a cheaper premium. We compared "apples" with "apples" with 2 other insurers and it was a lot of effort. If all policies were worded the same it would be much easier to compare. The price and coverage are the main focus. We did not use a broker.

**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?:**

We carry out maintenance on our home as it is required. Keeping your home in good order probably keeps the premium constant.

The problem with building standards is that North Queenslanders have to build to Cyclonic standards whereas South East Queensland do not have to build to Cyclonic Standards and their standards are a lot lower. South East Queensland gets mini cyclones and severe storm and hail damage equivalent to cyclone almost every week during October, November and December, so why should they pay less than North Queensland for their insurance. There damage is the same as that of a cyclone and they are allowed to have their buildings to a less standard. Why should our premiums keep going up in North Queensland and theirs not. The building standards should be the same as North Queensland for the whole of Queensland and in fact, the whole of Australia. Other States get these storms as well and suffer as much damage as that of our cyclones.

**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? :**

If your home is more than years old the premiums with some companies are higher. This is not fair as if you have maintained your home well it is as good as you can make it and you should not be penalised just because your home is older and you cannot afford to build a new one. All premiums should be standard to the size of your home not the age of your home. You can pay insurance however you want and the premium sometimes does not alter. The more you have you sometimes get a little discount - 5% or so.

**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?:**

To manage to cost of insurance we have put extremely high excesses on everything and now we can hardly claim anything. If a window is accidently broken, we have to pay for it. If something fuses, we have pay for it. We now wonder is it worth having insurance or should we just put the money in the Bank. How I look at it - the number of cyclones in North Queensland compared to the storms etc in the South East the South East are the winners as we are paying for their damage with our excessive premiums while their premiums are still low.

**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.:**

Simple - bring our premiums down to match the South East. Their buildings don't meet our building standards and yet they get the same damage, so maybe their premiums should go up and our go down. The population is greater down their so insurance companies can make more money out of them instead of trying to penalize North Queensland.

Have all premiums and building standards the same throughout the whole of Australia. Perhaps inland areas should be less though as the cyclones don't effect those areas and nor do the severe storms.

GIVE NORTH QUEENSLAND A BREAK - WE DON'T HAVE TO PAY FOR THE SOUTH EAST QUEENSLAND DAMAGE DUE TO WEAKER BUILDING STANDARDS.