

## Response ID ANON-DUXZ-42AY-B

Submitted to Northern Australia Insurance Inquiry  
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## About you

What is your name?

Name:  
John Fewings

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 of insurance has risen a great deal since I changed from owner occupier to land lord of my house in Karratha. Even in the last 12 months it has gone up by around \$2,200. It is not easy to sell the property, rents continue to decline and insurance to rise beyond reality. I lived there for 8 years and these rises are unprecedented. I have tried repeatedly to get a better rate. Last year I changed insurers and saved several thousand dollars only to find this year that they have increased their premium as described above. In other words they lured me in to get my business. I search the www and find many insurers will not cover properties in Karratha This despite the fact that there have been no major cyclones in the area for many years now and I have not claimed on any insurance for more than 10 years. I have tried the broker I use for all my other insurance but they are unable to do any better.

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)? :

My house is in Karratha.

Limited number of companies to choose from and some are so expensive one could not consider them. Perhaps deliberately so that they do not want to over that region.

Not sure what the differences in policies are but prices range from very high to extortion

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 can get home and land lords insurance, at over \$4,300 pa. No flood insurance. I believe the limits are set correctly.

I made a claim in 2007 relating to this house and had no problems dealing with the insurance company, however that was a long time ago and then premiums were reasonable. I had to change companies several years later as the premiums rose beyond what I could afford.

#### 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?:**

These matters are important. I have had no recent experience in dealing with insurers where these matters were in play. Other than when this year my premium rose by \$200 0 I called to ask the reason why and was told pretty much " that is the new rate take it or leave it"

#### 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, other than no explanation as to these large rises and or difficulty in finding coverage

#### 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?:**

Various insurers while searching on the net will not insure houses in the Karratha area no explanation. Other than that I have not had insurance declined or not renewed

#### 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? :**

Currently adequate information. Renewal notice gave no explanation of dramatic increase. It would seem that there should be some explanation as to how the premium is arrived at and justification of rises over and above cpa. Currently have the feeling they charge what they like because they can.

#### 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 easy to do internet searches for insurance for the property. The hard thing is to find affordable insurance . I have used tools/ calculators to ensure I am seeking the correct coverage and find them quite handy.

#### 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 use a broker for my other properties insurance, car, boat and caravan but they have been no more successful in finding insurance for the rental property in Karratha than I have using the internet.

#### 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?:**

Nothing to add here

#### 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 is not relevant to my situation

#### 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? :**

Yes, an insurer that I had used for many years became way too expensive so I changed. My property manager recommended the new provider. I searched on

line and through my broker and was not able to match the quote at that time. When the premium rose steeply this year I again searched on line but was not able to find a better deal.

I would like to say that the focus was on coverage but with so many insurers declining and premiums being so high the trend is to look at price first. I cannot say how many I looked at this year but it was a good number. My home now is in a regional town 3 hours drive south of Perth, the house is bigger and better than the Karratha house and the insurance premium is about 25% of what I pay for Karratha. How can this be, this area is frequently subject to 100kph winds in the winter (almost equivalent of a cat 1 cyclone) and we rely on volunteer emergency services backed up by a few professional same as Karratha. Why the big difference in premiums?

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 bought an established small home in Karratha to live in when I joined the work force there in 2006 I made sure that it met the relevant building codes at the time. Now that it is a rental property I have the gardens maintained to reduce the risk of cyclone impact.

I don't there is anything else I can do to reduce risk. In the last couple of years I have paid a lot of money to have underground power connected as a city wide risk reduction tool.

I certainly won't be building again and I don't see that would reduce my premiums.

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 have the required window and door locks, cyclone screens etc so nothing else I can do to reduce premiums.

No there seems no provision for anything but a lump sum.

I have not seen any of the above items mentioned

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?:

Yes, I regularly look at the web to seek out better deals for insuring this property...to no avail yet. I speak to the property manager from time to time to see if she is aware of a new deal etc.

I don't believe I will or should reduce the level of cover, the tenant has been good but you never know. If I could I would sell the house.

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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Nothing to add.