

Response ID ANON-DUXZ-42UV-V

Submitted to Northern Australia Insurance Inquiry

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About you

What is your name?

Name:

[REDACTED]

[REDACTED]

What is your email address?

Email:

[REDACTED]

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

Suburb/town::

Port Hedland

Postcode::

6721

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

Owner-occupier, Landlord of property in northern Australia, Renter/tenant

What type of residence do you live in?

House

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

Home insurance, Contents insurance

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? :

No, I wasn't aware it was so high although i had heard locals complain about it. It wasn't until my Father passed away did I find he was paying \$870 a MONTH as a pensioner on his 4x1 1 level house in Port Hedland. I've been trying for the last week to replace and find a better price to cover this insurance myself now that he's passed away. The lowest I can find is \$500 a month! The house has dropped over 500,000 in value and yet the premiums have risen. SGIO says these prices are with a max discount too!

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)? :

In Port Hedland there's not many that seem to want to insure. RAC, Budget Direct, Allianz, Youi don't cover Port Hedland. SGIO, AAMI and CGU are \$500 a minimum per month. If I want the same insurance with SGIO but with AAMI, it's \$1500 a month.

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?:

Not for the price I can afford. To be covered for storms, floods and fusion motors but currently SGIO are not covering me for this. I've never made an insurance claim in my life and I'm very worried it's all for nothing. A cyclone hasn't hit Port Hedland in years, my Dad's property has never been damaged even by a category 5 cyclone! Because those houses were built for cyclones in the 1970's. I'd be more worried that these companies would try pull a sly one and say the damage only occurred during a cyclone because of wear and tare; which is rubbish.

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 think the excuse that 'it's because of the location' it's absolutely ridiculous. I was furious when the overseas international service desk operator for SGIO told me this reason. She had absolutely no answer for me when I said 'why has the premium not dropped when the house has dropped over \$500 thousand in value!'. She changed the subject immediately. Customer service is paramount but how can customer service be good if the powers above no longer care for the individual and only for profits. HBF used to be wonderful with their customer service and care; now the premiums just keep rising despite the drop in house value in Perth even. Loyalty is not rewarded either, HBF only offer limited discounts if you bundle and aren't very forthcoming with support.

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I don't understand how SGIO can allow my pensioner Father to pay \$870 a month, covering \$200,000 in contents and not question it. They allowed his premiums to rise each year yet never did a courtesy call to ask "do you actually have 200,000 in contents?"

Of course he didn't! The value of what's inside isn't even over 2000!. I'm angry that SGIO has the decency to allow someone like my Father, whom English is his second language; to be swindled this way. If I had any idea this was going on before his death, I would have fixed this up straight 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?

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Yes, location.

RAC, Budget Direct, Allianz, Youi are the ones I've found so far.

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? :

They say due to CPI increase that premiums are rising. This doesn't take in to account property price drops or rental price drops. I'm not aware of any documentation explaining how it's calculated.

Transparency is something that builds trust between consumers and big businesses. If they are clear about how they're calculated and why premiums haven't lowered despite value decrease then I would be more forthcoming with approaching these companies.

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's difficult because you have to go out of your way for these services. Once you've signed up you'll never hear from them again. I tend to use review websites and local forums. Soemtimes finder.com.au, productreview.com.au is a really good one, choice.com.au and forums.whirlpool.net.au

I avoid any companies that have TV ads generally as nobody trusts them! Not in QLD so not sure about that, I only hear bad things about QLD insurance.

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 had in the past but they sold me a product not fit for myself, they lost their license as a result and I am now battling through a dispute with OnePath insurance to fix up his mistakes. It was a lengthy and expensive process.

I'm now with another insurance and superannuation broker and my confidence is pretty low with them too. I never hear from them, they give me a spreadsheet once a year as a review to show me how my super is going but that's it. They get \$700 a year from my superannuation as my 'accountant'. i Don't understand all that they do really. I'm IT savvy and not making much sense of it still!

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'd ask my broker but it tends to go all over my head, whether it's because I don't understand the terminology or how it works im not really sure. I try to understand it.

Internet access in port hedland is a big issue, it's sub-standard and extremely expensive. There are no branches either so phone calls are the only option.

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 myself, not sure.

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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Not making insurance easier to understand, but HBF have an app that makes submitting health claims very easy!

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 I try to get quotes every year, which is a pain in the backside! I switched from RAC to HBF for car insurance and home insurance also in 2015.

in 2016 HBF upped my premiums due to "CPI" increase even though I haven't had a pay rise in years. I got quotes from other companies and took them back to HBF so they gave me a \$6/month discount... I did this all myself.

I also changed my life insurance, my broker told me i had to do it myself. It was a lot of effort and frustration! Multiple international service desk calls...

standard definitions are a must, you need simple terminology!

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 can't really answer this question but I can comment that recently a colleague had major roof damage in Kalgoorlie due to the freak storm that came through a couple of weeks ago. Because he was renovating his bathroom (not roof, just bathroom), they wouldnt grant him any insurance claim! Because he was renovating. I had no idea this was even a thing! I've renovated 3 rooms in my house and never once knew my insurance was null and void whilst doing this!

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 think security affects the premium, but I've never seen it lower mine. Paying yearly, monthly doesnt seem to make a difference to my premiums. Not sure what centrepay is. never seen anything for low incomes or tenants, only that premiums have \$1500 more a month added if no one is living in the house.

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?:

no, I'm living out of my pockets right now trying to cover my Dad's home insurance... I have no idea what else to do as it's the lowest coverage I can get and it's still \$522 a month!

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.:

I'm paying \$115 a month for home insurance in perth, \$522 a month for home insurance in port Hedland, \$70 a month for car insurance, \$35 a month for life insurance that JUST covers my home loan if I die, \$369.70 every 3 months for health insurance.

I'm 30 years old and have a mortgage, all my money goes to protecting the assets of my life including myself...how else are we meant to survive financially? This is all so overwhelming... Do i start considering self insuring so at least the money is safe with me?