

Response ID ANON-DUXZ-42BE-R

Submitted to Northern Australia Insurance Inquiry
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About you

What is your name?

Name:
Emma Thirkell

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? :

Yes. We have lived here for 50 years and insurance premiums in the last 10 years have increased beyond an amount that we can afford. It has eroded the return on our investment property and contributed to low property values and suppressed property markets. It has deterred us from carrying out property development creating jobs.

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)? :

No, not much difference.

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?:

No, we don't want flood insurance. We need cyclone and storm insurance. We have NEVER never made a claim.

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?:

We operate Thirkell Consulting Engineers and carried out over 200 inspection and repair jobs for buildings damaged by Cyclone's Larry 2006 and Yasi 2011. Post Cyclone service matters. Some customers (old, sick, ill-equipped) have required ongoing help with administration matters often years after the event. We have helped people crying, unable to manage the process that requires forms, ongoing correspondence and management of a complex process. The most serious have involved customer claims handled by the insurer, engaging construction services and builders that were not qualified, were over-paid and delivered

faulty work. In some cases there were building surveyors, engineers and builders from outside the area causing most of the problems. We are still engaged with a cyclone damaged house in Cardwell that is on to its 2nd builder with a QBCC claim and now a QCAT claim for work from 2012.

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

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Yes, customers have had their homes upgraded to current building standards and cyclone ratings, and even so, their premiums have risen.

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, although we have increased the excess payment and dropped the building value to lower the insurance premium. The house is now insured for less than replacement value, but that is better than no insurance at all.

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, there is no reason provided for price changes.

There should be a standard list of items as a base cover.

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?:

No, I have not had time to look. We are too busy running a family and earning a living.

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, we use a broker.

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?:

Yes, we ask out broker who is based in Cairns.

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?:

We do not own strata units anymore. The increasing body corporate costs have deterred us.

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?:

Yes, insurance is 100% necessary if you have mortgaged property. The banking industry requires your tax returns to lend. Certified accountants and tax agents provide this and the customer shops it around for the best bank deal. The prospective insurance customer should get registered / licensed construction / engineers to produce a standardized report on the property's risks. The report should be owned by the customer to shop-around for insurers best deals. Resilient buildings that have carried out risk reduction investments should be rewarded with lower premiums.

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, our broker does this.

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 operate a website called Greenbuild.com.au and the Tropical Green Building Network. We publicize information from the JCU Cyclone Testing Station and information on resilient building.

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? :

No, nothing I can see.

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?:

Increased excess and reduced building value below replacement cost.

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.:

Yes, insurance is 100% necessary if you have mortgaged property. The banking industry requires your tax returns to lend. Certified accountants and tax agents provide this and the customer shops it around for the best bank deal. The prospective insurance customer should get registered / licensed construction / engineers to produce a standardized report on the property's risks. The report should be owned by the customer to shop-around for insurers best deals. Resilient buildings that have carried out risk reduction investments should be rewarded with lower premiums.