

Response ID ANON-DUXZ-42RG-A

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Do not publish my name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::

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? :

I live in an pre-80s house. Premium price is important. However, I also consider the reliability (reputation) of the insurer to quickly respond to any claim that i have to make. (i.e. I want to know that the insurer will have a major 'on the ground' presence for significant events.

Premium price has reduced from approx 5k to 3k with a combination of (a) discounts from an acknowledgement by Insurer of my applying retrofitting (mittigation) to house and (b) by increasing the excess to 5k.

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)? :

There is a choice of insurers in Townsville (for the postcode I live in).

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?:

It is unclear to me that I have insurance for damage from storm tide inundation (with or without cyclone wind/rain damage occurring).

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?:

Claims handling reputation is very important to me. It is of similar (more?) importance as premium price to me.

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? :

Yes. In my job I meet with many people impacted by cyclones. The delays in assessors reporting or conflicting reports or very long times for the rebuild (with no ongoing support or checks from insurer) casues a great deal of stress for the occupants.

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? :

I would like to see a pie chart or similar as to the breakdown of the premium price.

e.g. reinsurance costs, costs associated with the annual expected claim from storm, costs assoc with risk for fire/burgulary etc, costs assoc with contents claim, costs assoc with admin and costs assoc with profit to share holders.

All of the above may not be feasible or easy to put on a simple chart.

As a minimum I would like to see a chart with the premium divided into the domestic risk (fire/theft), storm/cyclone, flood, storm tide, other natural disaster.

I would like to see Insurers promoting mitigation for storms like they do for theft and fire (door locks, smoke alarms) etc

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 has not been an issue

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?:

No

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?:

NA

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?:

NA

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

Conduct maintenance (or saftey audit) of strata and housing every seven to ten years to provide clear guidance to government, insurers and home owners/occupants of current and upcoming drivers of risk. (i.e. rusting gutters, cracked sealant around windows, corrosion in concrete, etc)

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? :

No.

Rely on Insurer's reputation.

Premium reduction occured with Insurer's acknowledgment of retrofitting elements of house and actions such as installing shutters prior to an event

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?:

Yes

Retrofitting was undertaken when modifying old Queenslander house which included replacement of old roofing iron. The retrofitting of roof structure and cladding was undertaken with registered builders and certified by inspection.

The retrofitting of the roof structure was always going to be a part of the modifications/alterations (opening up of rooms, new bathroom, etc). The retrofitting was done as wanted family to live in a stronger (more resilient) house.

The reduction in premium was a result of the insurer taking account of these strengthening upgrades.

It is hoped that the retrofitting will add to the value of the house when people realise the importance of having a resilient place to live (similar to having an energy efficient place)

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? :

Yes have seen new policies for low income.

Not just insurers doing more - we all could do more to build better and prepare our homes.

Strata developers need to stop building cheaply. For example, use of plasterboard as a portico/entrance way lining in a cyclone region is just dumb and will of course fail when getting wet from the driving horizontal rain.

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?:

We have increased our excess to 5000 to reduce our annual premium

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.:

The insurance policy/paperwork needs to have information on your property risks to hazards such as flood, storm, storm surge, etc. It could then have links or phone number for people to follow up on.