

## Response ID ANON-DUXZ-42U3-S

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Do not publish my name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::

[REDACTED]

Postcode::

[REDACTED]

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

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 is the major decider. Our home insurance has just increased by 100%, yet we have not had a claim and our area has not been affected by floods or any major incident. I cannot recall a home being demolished in this area in the past several years, for any reason at all. No choice is given for contents insurance amount - we are told what the minimum is, which is generally \$30k, which is ridiculous! SO, we are currently uninsured!! We once tried to get a quote from Youi but as soon as we said our postcode was 4680, we were told that they do not insure homes in this postcode because "it is in a cyclone zone." In other words, the insurance companies want to be sure of a profit rather than take risks in an area where the last cyclone was in 1949. We are going to have to insure for a lesser price, which will probably be more realistic because the home might be valued at \$X but deduct \$100K for the land - which is what I think a lot of homeowners do not consider when insuring.

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)? :

We are extremely limited with choice of insurers. We've been told by Youi that they don't insure homes in our postcode (see previous comment). Some insurers are now offering different policies, but they are generally set script and difficult to understand or to get just what you need.

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 could be covered by flood insurance, but we don't need it where we are positioned. We opted for a higher excess to reduce the cost of the premium, but when we needed to make a claim recently, the excess was almost equal to the cost of the article, so it wasn't worth claiming. The saving over the years though more than covered the cost of the item. I am confident I know what we are covered for and what our limits are, but I have had the experience and have heard so many stories about insurance companies finding some way of getting out of paying out on claims.

#### 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?:**

How do you trust an insurer's reputation; how do you get genuine information on an insurer's reputation. Most insurers brag about how much their profit is and how much they make for their shareholders, but it is hard to find a blog that isn't instigated by the insurance company or their agents. I have no faith in recommendations because they are generally from agents, or from people who have had no problems because they have had no claims. Customer service only seems to matter when they want to sell you a product.

#### 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, with our recent price rise - 100% on last year, even though we have not had a claim and there has been no major incident (cyclone, flood, fire etc) in our area or surrounds. When my Mum died, I advised the (same) insurance company that her home was now unoccupied, and though the policy was due for renewal within 1 week of her passing, the company wanted to charge an extra astronomical fee for that 1 week that the home was now unoccupied. They then increased the new 1 year premium by over 100%. Needless to say, we found another insurer.

#### 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?:**

You declined to quote as they said our postcode was within a cyclone zone.

#### 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? :**

Our premium recently increased by 100% - we were not notified of the increase, and no explanation was given for the increase. (The valuation of the property was only increased by 3%).

#### 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?:**

I use all the online comparison sites. I also make a note of the insurance companies available, then approach them (usually online) for quotations to buy direct from them (or their on-sellers). I have never heard of the North Qld Home Insurance website. Apparently though, my area is not regarded as "North Qld" - so I guess we are regarded as living in LIMBO, because we certainly are forgotten by the government when it comes to considerations if we are then deemed to be "South Qld". South East Qld gets plenty though - so where do we fit???????? Rural/Regional Central Queensland a.k.a. "Limboland" perhaps.

#### 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 have had policies through a broker in the past, but found no benefit in it. We haven't used a broker for years, after negative experiences.

#### 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?:**

There are very few insurance offices in our area, though there are a few brokers; brokers don't offer a full range of companies though, and I've not much trust in brokers. I consider myself well educated and clever, but still find it difficult and time consuming trying to sort through and understand the terms and conditions of insurance policies. (I'm sure so much wording is there to confuse people, and create an underhand "way out" of paying out on a claim where possible.) We are at least fortunate enough to have good phone and internet access.

#### 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

#### 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?:**

Just make them use simple English in their policies; stop the long-winded jargon, and the "ifs" and "buts".

#### 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 received a 100% price rise last week, so cancelled the policy. We are currently uninsured as we are looking for something more reasonable and affordable. I am trying a few online searches and I may also test a few brokers out. It is very time consuming and because of work, I have to do this mostly at night. My main focus will be on end price, but also coverage; excess will also play a part, especially if it will greatly reduce the cost, and because we have never ever made a claim (in 40+ years of paying insurance!)

**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 bought in a flood free area.

**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? :**

Fortnightly or monthly premiums are more expensive and not worth the extra. I've not seen any policies for low income earners, and have found that "seniors" policies were more expensive. All companies seem to set a minimum for contents, even though we could buy our contents new for generally half of the insurer's set minimum.

**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?:**

I always compare different companies before paying the renewal, but this year the price increased by 100%. When I enquired, thinking it was an error, I wasn't given a satisfactory response nor was I offered an option.

**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.:**

In my opinion: ALL health and ALL home insurance should be controlled by the Federal Government on a not-for-profit basis. Insurance companies are interested solely in making a profit for their shareholders - nothing else.

Also: I made a remark on "Northern Australia" in a previous question/comment. I am astounded that my area is just outside of this zone, and so we must be regarded as "Southern Queensland" (?) - which means that we will forever be forgotten. How can we ever "compete with" or be compared with the only other part of Qld that the government seems to think exists, and that is "South East Qld"?