

Response ID ANON-DUXZ-4229-V

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Do not publish my name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.

[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? :

The actual policy and what it covers, as well as a reasonable price, are all important to me. I am prepared to sacrifice some benefits (minor in nature) to obtain a more reasonable price.

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)? :

I own a duplex pair in Park Avenue. Very few insurers offer insurance for this type of building. The policies that I have been offered are comparable in their offerings. I would like to have a broader choice of insurance companies to choose from. I would also like the insurers to have their call centres located in Australia and manned by Australian operators who know the terminology 'duplex pair'.

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?:

The location of my building means that I do not require flood insurance (in fact, it is offered as a free add on by some insurers). I find that the general excess on policies is a tad high. I am confident in the levels of insurance that I have. I have never made a claim against my policy on my property at Park Avenue.

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?:

Customer service is a requisite for me. I deal only with insurers that have a base in Australia. I am confident when I deal with a person who understands the terminology that I use when talking about insurance matters. The only insurers that are confusing to me are the ones whose staff are not natural Australians.

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

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Not making claims.

When inquiring about possible insurance policies; The call centre staff of some insurers can be difficult to deal with. My opinion of this statement is that the confusing staff are trying to talk to me on the phone by using a pre-typed question sheet and having little knowledge of the content of the conversation.

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?:

I have been told by insurers that they do not insure 'duplex pairs'. This is very confusing to me, as a 'duplex pair' is simply one house divided into two apartments. Where is the problem?

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? :

My insurance renewal certificate of offer usually has an increase from the previous year based on inflation. I am usually happy with this explanation. There is no information on how the cost is arrived at for the initial premium.

The layout of policy documents is not necessarily clear. I would need to contemplate a fuller answer of a longer period of time than I have available at the moment.

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 have never heard of the North Queensland Home Insurance website.

I am an avid researcher. At policy renewal time each year, I research the web for comparative policies and pricing. I regularly change insurers, because I object to paying the 'lazy tax' imposed on long term clients by insurance companies. It is always regretful to me that so few insurers offer insurance policies for 'duplex pairs'.

To ensure that I have adequate insurance, I use per sq metre calculators and contents valuation tools available on the web.

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 have used brokers in the past. My experiences have not been good. On reflection, I can access better, more cost effective insurance by doing my own research.

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 is a dearth of information on most things that are necessary in life, insurance is one of them. We are fortunate to have access to the internet to do research. I feel for people who are illiterate or have little or no internet access when it comes to researching insurance matters. As noted beforehand, I use insurers that have offices in Australia; not necessarily in my local vicinity.

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?:

While I do own properties in strata buildings, I do not own any in North Queensland. Strata insurance is particularly difficult. Most insurers that offer strata insurance, will not deal with the strata committee. They will deal only almost exclusively with strata managers and then pay the strata manager a finders fee equivalent to up to 20% or more of the premium. This is theft! And should be stamped out.

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?:

Not that I can readily think of. Given more time, I could probably come up with some examples.

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? :

As discussed previously, I regularly switch insurers for all types of insurance. The main motivation is to avoid paying the 'lazy tax' imposed by insurers on long term customers. Each renewal time brings its own problems, particularly finding companies with suitable policies at reasonable prices. I usually try to engage up to four insurers for policy and price comparison.

the word flood is still a mystery to most insurance customers. My understanding of flood is inundation as a result of 'rising waters from an overflowing natural water course'. I pray that this is correct!

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?:

no relevant to me.

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? :

If I install alarms or more security, my insurer will offer lower premiums. These installations are not appreciated by tenants as an asset, therefore I do not install additional security measures.

Fortnightly payments increase premiums, therefore I pay yearly.

I am unaware of Centrepay and I have not noticed policies offered to target groups.

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?:

This question is already covered in previous responses.

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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