

Response ID ANON-DUXZ-42V3-T

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Do not publish my name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 knew about insurance and have owned a unit and a house I n previpus years. I have lived in this duplex for 11 years but in recent years our premium has doubled. I live in one of two adjoining basic brick two bedroom duplexes which the other owner occupier and I self-manage. Our building insurance is \$2925 per annum. I am semi retired as is the other owner. This is a huge expense and combined with other cost of living expenses may well be a reason for me leaving Darwin. Compared to building insurance for free standing houses the cost is outrageous. All because we are classified as 'corporate' or strata. I would advise people to strongly think before downsizing from a house to a unit.

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)? :

Very little because of the need to ensure coverage for cyclone, surge and flood damage.

We changed recently but our cover is still underwritten by TIO.

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 have tried to ensure we are covered for all events to full replacement value but I am not at all confident that we will be covered in the event of a cyclone or major damage. Basically I have little trust.

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?:

Reputation and customer service does matter greatly.

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

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I think this is the norm. Wording is unclear and there always seems to be some exception which is more often than not what you need to claim for.

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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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? :

Yes.

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?:

A huge effort. I have used websites to compare but they don't help when we are classified as strata and when it comes down to ensuring you are covered for events in cyclone areas. I ended up going through a broker to get a cheaper price.

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 did and they got a price a few hundred dollars less than our previous insurer. However it is very confusing because this cheaper policy is actually underwritten by the previous more expensive insurer.

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 feel for people whose first language is not English or who have difficulty reading or writing. I don't know of organisations who can assist them.

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?:

This is our main problem. The information is not transparent. Our two duplexes combined are the equivalent of a four bedroom two bedroom house. Why do we pay more for so called strata insurance than someone who has a free standing house?!!!

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?:

This is of no use when all prices are similar and when the basic problem is that as a strata unit we are unfairly charged more. It is not as though we live in a luxury high rise apartment block.

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? :

Had great difficulty trying to compare cost of strata insurance so went through a broker.

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 checked getting separate titles so we wouldn't be classified as strata. If it's not possible. Cannot make any structural changes that would lessen insurance cost.

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? :

We have to pay as a lump sum to get the cheaper price. I have a separate account where I save money each week so I can pay my insurance when it is due.

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?:

As stated previously the cost of insurance, power, water, utilities and building maintenance may be why I end up relocating south. I just won't be able to afford to live in Darwin. And as stated previously mine is not a luxury home. It is a two bedroom duplex unit. A bit difficult to 'downsize' much more.

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.:

Please investigate unfair insurance costs related to small dwellings such as duplexes that are strata titled.