

## Response ID ANON-DUXZ-42VR-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Do not publish my name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::

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? :

Price is very important as is what is covered. Yes, the price has changed a lot since the major cyclones, Larry and Yasi. We also have a unit at Yorkeys Knob, 4871, the Cairns northern beaches area and it is strata title. The number of insurance companies offering insurance to Body Corporates dropped dramatically to only one, and then a choice of two, and of course the prices have almost doubled, making Body Corporate levies very high and making the sale of units very difficult, due to the high Body Corporate fees, which rose dramatically because of the rise in insurance costs. This has resulted in a reduction in the value of the unit because high body corporate fees results in a limited market, due to affordability.

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)? :

Despite having only very limited claim on the house and contents following Cyclone Larry, and never having a claim for theft, we virtually have only a choice of one insurance company who insures our valuables for a reasonable cost. Our insurance costs almost doubled after Larry, and we dropped insurance on all of our farm sheds and the insurance company stopped offering us insurance cover on our shadehouses.

The same happened with our body corporate insurance at 4871 as advised above.

Different companies do offer different coverage as we have just found out when handling our daughter's insurance claims at the Whitsunday following Cyclone Debbie. Despite being insured for new for old and replacement cost, [REDACTED] has descriptions as what they cover and do not replace new for old, even if it doesn't match and results in a mismatched result, such as with kitchen cupboards or polished floors. This really devalues your property if you do not pay for the extra expenses of making it all matching, so as not to devalue the property. This adds a lot to your costs on top of the excess which you pay because they force you to take out high sum insured, despite not replacing things on a new for old basis, which is what they say the policy covers. This is very deceptive.

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?:

As advised above, you don't really know what you are covered for until you make a claim. There are huge disparities between the outcome claimants receive, as it depends on the assessor. Some are more generous or tough than others. There doesn't appear to be any consistency and the insurance company doesn't do their job properly when accepting cover on some items as happened with Cyclone Larry. Some people who hadn't maintained their sheds which had very rusty roofs and some people who had insured uninhabitable houses as farm sheds were able to claim and receive quite large pay outs. The insurance companies accepted these policies without checking anything. This must add to other insurers' costs. Also, the insurance companies refuse to allow you to use local trades people and bring in people from down south who do substandard work and then leave town. Also, the cost of repairs by these fly in people cost 2, 3 or 4 times what the locals would charge and there were shortages of materials. There were people who had up to 3 roofs put on their house and it still leaked.

My husband and I are helping our daughter with her 2 claims in the Whitsundays, postcodes 4802 and 4800, following Cyclone Debbie. It has been an absolute nightmare and we are still fighting [REDACTED]. We had an initial assessment on one and items were missing and we should have had it assessed as a new roof but whoever did the scope of works, missed items and missed the assessor's drawings on damage to other sections of the roof, that is, the car port and walkway, which were both extensively damaged. The roofer also said that the roof over the back deck wasn't damaged, which was incorrect. On the percentage of roof damage, well over 50%, more likely 75%, it should have been a new roof back in April. We have had three questionable engineering reports and one unsatisfactory roofing report to refute, before finally being granted a new roof a few months ago. Now the panel builder has ignored the scope of works which required an engineer to be engaged to determine the wind rating, tie downs and upgrade. I have had to fight for this happen so now holding up the roof, when I requested the copy of the engineering report some time ago. It appears that the roof was going to go on without abiding by the code which required this to happen, due to the building being under the AS 1170.2 building code, not the AS 4055. The first engineering report had the incorrect standard and they are now believing his second report which was amended after we pointed out to the engineer that his report was incorrect in determining the Wind Design category and that he also had the wrong building standard. We also had to refute a questionable flooring report by a mate of the assessors and the engineers that we had, all seem to be in relationships with the panel builders and insurance company. We had a similar experience with the claim for the other house at post code 4800. Now the work has commenced, it is of a terrible standard. At one house, the painting and patching is just that and is a disgrace. They have also put a strip of white paint on the green roller door and the crack re-appeared not long after it was patched and painted, which didn't follow the scope of works. The polished floor at the other floor has also problems and it is another cowboy contractor. It has been a nightmare for 9 months, almost being a full time job, and we ended just signing the contract to get the work started, despite it not being correct so I wrote all over it with what was incorrect and missing. I cannot believe what is going on. [REDACTED] has spent thousands on these questionable reports to reduce our claim and could have put that money to fixing the damage. This has also caused considerable delays to the resolution of the claims and affected our health. Also, we thought we were covered for the erosion under the house and the walkway down to the back yard but [REDACTED] has said no, and we are still considering taking this to disputes but wanting to have the internal work and roofs done before the cyclone season which is already here.

Also, another example of the incompetence and uncaring attitude of the panel builder, was when the supervisor forgot to cancel the electricians sent to take off the 24 solar panels from one roof when there was a delay in the commencement of the work due to wet weather. Also, it was raining on that day and he failed to notify our daughter and husband that they were coming. When they arrived home, they found the panels already partly off and the dogs locked in their laundry. One of them must have been barking the whole time and was in a bit of a state. Because they hadn't engaged the engineer as they should have done, there are more delays and now everyone has closed down for Christmas and my daughter is on her honeymoon for a few weeks so the solar panels are sitting off the roof and they will be paying a huge electricity bill to run the two pool pumps. The whole experience is just a nightmare.

#### 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?:

After this experience which is still ongoing with the claims at 4800 and 4802 following Cyclone Debbie, some of which I have mentioned above, an insurer's reputation and customer service matters very much. We have been lied to, had our claim shut down before seeing the engineer's shonky report and the lies on the assessment and even told that we had been to complaints when we hadn't. We have had to refute 5 questionable and unprofessional engineering reports, one questionable and incorrect flooring report and it looked like the air conditioning report was heading that way until my husband spoke to the air conditioning guy who the panel builder had snuck in after I had advised that [REDACTED] had already paid us to get this done and that all of the air conditioners had been recommended to be replaced. When the panel builder's rep looked at them, he just turned them on and ran them and said they were okay, despite it being known that you are supposed to have them tested before turning them on after a cyclone. Also the outdoor units had been damaged and then he finally agreed to replace the fins, which would have been impossible. Thank goodness we had the reports done on them as it is a known fact that the fans are turned around by the wind and also salt water enters the units. After being shut down with these two claims, my husband asked to go over [REDACTED] assessor's head, and they re-opened our claims and gave us a new manager. However, when we had the next assessment, they qualified things in a way to protect the one we had complained about. For example, we had a meeting with this particular assessor and all of these extra people just turned up and yet their attendance wasn't noted in the report. They were only there to intimidate us. There were 6, being from [REDACTED] the panel builders, the flooring expert and they snuck in the air con guy. There could have been one other. An engineer was also to attend but someone cancelled that and we have never been able to find out why he or she didn't show. We had advised that we didn't want the lady from [REDACTED] Engineering and the assessor and panel builder rep went there with this same person without our knowledge and did another questionable report on the roof and paint damage. She lied about the paintwork and had a photo from Domain which was a different colour to what it was when we purchased the house and we had had it repainted another colour. On the side opposite to the windward side, the paintwork is perfect. Also, the assessor used her report to state that the damage was only 25% to the roof, despite it being more like 75%. When we had the next assessment, the roofer hopped on the roof with no harness on a 3 storey house. I had said that if they lied, I was going to get up there. When he came down, he said he would send a report. I said I didn't want to wait until then and asked what were his findings. He said that there were something like only 8 sheets damaged. My husband said he was getting up on the roof to show him as the guttering had come off and was attached at one end and battered the roof and scratched a large proportion of the roof down to bare metal. There was also considerable uplift. At this stage, the assessor then said that they would be pulling sheets off here and there so he would give us a new roof. Meanwhile, the damage was much more extensive than this and we had paid for a private roofing report and had numerous photos and the first assessors report. Also on the other house, it was originally assessed as only 5 to 6 sheets needing replacement. The private roofing report showed much more extensive damage and also roof uplift, batten uplift, extensive water damage and mould grown on some of the structure etc. None of this was assessed. They then called in a different engineering who has been doing extensive work in the Whitsundays, and presenting questionable reports on cyclone damage. I picked up on the fact that in the engineering report, that he was basing his findings on a "sample" of the cavity of the roof and fortunately had the roofing report which mentioned all of the other damage so it was easily refuted. Same with the flooring report at the other house. The foorer said that the damage in one area of the floor was unknown. Meanwhile the water had poured in through the fixed glass window and damaged the timber floor. My husband rung him and he said that he had made a mistake and if any problems to tell the assessor to ring him. He had known him for years.

Any way, after that, the assessor changed his assessment to allow the damage to the floors, except the bamboo ones as they had dried out. We have now received two more blatantly incorrect engineering reports in relation to the wind classification to which roof needs to be designed. [REDACTED] has told me that we have to pay for our engineering reports despite the engineer then changing them but how do we know the second ones are correct and I have my doubts. They will reimburse us if the second ones are incorrect. The supervisor who engaged the particular engineer who he works with told me that no one done work to code and no one pre-drills hardwood battens, which is also a requirement in the building code. Also the private certifier that he usually engages, told me that no one pre-drills hardwood battens. What hope do we have of getting the work done correctly to code? I have now sacked this supervisor but all of the work has been delayed on the roofs. We have also been advised by [REDACTED] that is we do the internal work and it is damaged, it will be a new claim and another \$2000 excess, and this is despite the delays being due to the dishonesty and incompetence of the assessors and panel builder reps. We aren't the only ones having trouble with [REDACTED] and who have experienced these tactics of engaging disreputable engineers and sending out engineers who don't have their professional qualifications and then a professional signing off on the reports. The internal office staff at [REDACTED] have been very good and have paid any pay outs we requested very promptly. It is these "cutters" who have come in and cut the scope of works to bits and who try to say that the damage wasn't from the cyclone and was there beforehand and don't want to even investigate if, for example, our kitchen cupboards which were water damaged.

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

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Yes, as detailed above. [REDACTED] has been very unfair, unprofessional and rather dishonest, engaging questionable so called experts to discredit our daughter's claims following Cyclone Debbie. Also, they don't give you a choice of locals and the panel builder's standard of work is rather poor. The panel builder's reps also appeared to be working with the assessor to discredit our claims and were more focused on that than assisting to get the damage repaired. Another example was when 5 people met my son-in-law and all said that a road was gravel when it was bitumen. Finally an engineer confirmed that the road was bitumen and we received a payout. However, the assessor was still trying to get the claim overturned but we were fortunate that the case manager acted promptly and paid on our quote.

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 not yet.

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 to all of the above.

Before Cyclone Debbie, [REDACTED] wouldn't let her reduce her sum insured which seems rather high. The high cost of the insurance then forced her to take out a higher excess. They should advise how they calculated these sums insured, based on building costs. Also they should advise as to what are the percentages of damage where it leads to total replacement. For example, a friend who is also insured with [REDACTED], received a whole new kitchen and [REDACTED] also replaced the wall cupboards which weren't water damaged, despite the PDS having a diagram to the contrary. He was advise that because the percentage of damage was over a certain amount, they then replaced the whole lot. However, this didn't apply with our claim and we have to pay for the replacement of the wall cupboards, despite them not being able to be matched to the damaged ones, which are more than 50%. This percentage was mentioned in relation to one roof claim but despite the other roof being well over this amount in the original assessment, this was never applied to it. There should be full disclosures of such percentages for transparency and consistency.

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?:

We did obtain alternative quotes from other insurance companies and brokers. No, we have not heard of the NQ Home Insurance website.

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 used a broker with our policy and have been paying a lot more than I was able to obtain the same insurance cover directly with the company. The house insurance was actually half that which we had been paying to the broker so it appears that we were being ripped off for quite a large amount. We have now been able to reinstate our insurance on our farm sheds due to the savings. I did obtain quotes through a broker before renewing our daughter's insurance and they were much higher than insuring directly with [REDACTED]. However, with our experiences with [REDACTED], once the houses are repaired, we will definitely be changing companies and will never return as their reputation is mud. I wish I had been told how bad they were even during Cyclone Larry claims. Because we live on a farm, we didn't hear about people's experiences with [REDACTED] until now when I have been telling them what we are going through.

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?:

For [REDACTED] you can no longer visit an office in town. When we first took our our insurance for our farming business, a broker used to visit our property and go through our insurance. Then when he retired, we had to go through a broker in another town and with [REDACTED] it is all on the phone. Having to use internet or phone access is okay if you can deal with the one person for the claim and not just keep getting different people as happened until we demanded that we only deal with one person. Once this happened, it was a lot easier to get somewhere with the claims.

#### 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?:**

It is very difficult to find out who actually offers strata insurance in our area. Also, there are large commissions added by brokers on already very expensive insurance. There isn't enough information of what is being offered and at times, you have to pay for cover that you don't require.

#### 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?:**

No.

#### 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. However, due to the valuables, most companies wouldn't take us on despite us never having had a claim on them, and that was going through a number of severe cyclones and never having a claim for theft, despite living at that address for almost 40 years. Your claim record should be taken into account by the insurer as to what price you pay as I know people who claim for every little thing. You have to ring around to find quotes and you don't really know what each policy is offering. Yes we did use a broker for quotes also.

#### 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?:**

It takes a lot of research as a lot of people don't appear to be up with the latest building requirements in the building codes. Some companies require more security features than others to obtain cheaper premiums and in our case, we have so many windows, so to put bolts on every window would be expensive and we have never had a claim for theft.

#### 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, some companies do offer reduced premiums but they should also look at your claims history to see if you need all of this extra security. If you pay at intervals, it usually costs more as the insurance company treats it as financing your payment.

No. When our daughters were renting, we couldn't obtain any contents insurance because they were renting with non-family.

#### 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 reduced our level of coverage and cancelled some of our insurance on our farm buildings.

#### 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.:**

Insurers need to be more professional and should be checking that properties are being maintained or are habitable before they insure them. We all pay higher premiums in the end when buildings that shouldn't be insured are. This was happening whereby uninhabitable houses were being insured as farm sheds and they should have been condemned. Also some farm sheds were very rusted and not maintained or built to any code and yet are insured. Insurance companies should be checking on buildings before offering insurance to prevent this happening. Also, there should be more consistency and transparency in the assessment process so people aren't disadvantaged by certain assessors or in some cases, receive more favourable assessments than necessary. Also, there seems to be favoured contractors and this practice often precludes the local trades people. This practice should be outlawed as in times of cyclone repair work, all of these people flood into the region and carry out work to a very low standard and then leave, leaving behind their mess. This is costly as it all needs rectification. They also usually charge much higher charges than the locals. This all adds to the cost of insurance and the outcomes are unsatisfactory. Often these southerners aren't familiar with the local building codes which also leads to problems with work not meeting current building regulations in cyclone areas.