

Response ID ANON-DUXZ-42XN-Q

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Do not publish my name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? :

Very important. Our local insurer, TIO used to spread risk across all customers, leading to affordable premiums for those in higher risk flood and cyclone zones. But they were sold to ALLIANZE who moved to a risk based profile; premiums set based on individual risk profile of property. These changes have been phased in for existing customers over 3 years - or immediately for new customers and meant for many in flood zones (coconut grove, millner, rapid creek. ludmilla etc etc) quotes are in excess of \$10-20K per year after full phase in - thanks to flood premiums. Many have dropped insurance all together. Allianz does not allow you to opt out of flood cover - this is a major problem. NTG have been working hard on flood mitigation projects (detntion basins and flod proofing on indivual properties. (25million \$ project) In included a re-mapping and hydrological survey work on affected properties to show predicted 1:100 year flood heights relative to habitable dwellings. The flood proofing works will also come with consulatants report on property flood heights and what works have been undertaken to propetect property (eg flood barriers, solid fencing, raised doorways/windows. Yet Allianz and other insurers wont committ to reasssing premiums after:

- detention basins are built
- flood proofing works are completed
- new flood maps are released
- up to day topographical flios survey works are done.

The only solution is a re-insurance pool, as suggested in national inquiry - to wither subsidise premiums for those affected - or to help pay out damages in the event of a major incident. alterntaively the market needs an insurer who does what TIO used to do and spread risk across all risk types to make premiums more affordable.

A secondary issue is torm surge insurance - with almost all policies including fine print wriggle room....saying they will only insure storm surge events if damage was ALSO caused by another insured event (eg cyclone0) That is ...if you suffer damage from a strom surge event only - you arent covered. If a cyclone blows a tree on your house at the same time as the storm surge event damages your house - you will be covered for both. This is confusing, misleading and makes it impossible now in darwin to insure for cyclone, flood, storm surge with affordable premiums with ALLIANZ.

At the moment only allianz are suing the current NTG flood maps to set premiiums for rapid creek, despite there being no data on the National Flood insurance Database (NFID). So thankfully we can get coverage from other companies for the time being. But as soon as the new flood maps are completely they will be

released to the NFID, giving every insurer in australia access to our property addresses and the records on the NFID of their flood risk - at this time it will be impossible to find an insurer to cover us for flood for under 10-20k per year

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)? :

lots of choice - but as per above.

the different policies are very important when it comes to storm surge coverage...the fine print is critical.

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?:

I want flood insurance

I cant get it at affordable price,

insurers base risk on your individual property, but then wont assess that risk on a case by case basis by taking into account flood mitigation infrastructure works in the catchment -

and on individual properties. a review system that forces an insurance risk assessor to visit individual properties is CRITICAL.

yes my property would flood in a 1:100 flood event - so insurer4s wack a 10k premium on me...but there is no way of showing them on the property, or them reviewing based on NTG commions, consultants reports, surveys and maps showing :

- the property would only flood by 80-100mm

- it would only be in the garden

- no habitabel dwelling affected (elevated house)

- damages only to pool pump

we need a review system - they assess your case individual if it means higher risk and higher premium but NOT in order to reduce that risk or that premium !!

yes i know what i am and arent covered for.

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?:

no - all good.

the key is SPEED & fairness in resolving claims especially in relation to natural disasters like flood/cyclone

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? :

no - I read and understand the fine print.

many in risky properties (flood and cyclone) assume alot but cant be bothered reading the fine print or asking the question and are thus stuck when an event happens...as many will be in relation to storm surge/flooding in the territory

the only way is a Northern Australia insurance company, underwritten by fed govt - or a re-insurance pool arrangement

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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not yet - but a \$20k quote from Allianz pretty much sent the same message

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? :

its fine. they make it as simple as they can

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?:

Its an incredible amount of work to sift through the policies on price and coverage...and many brokers in nth australia dont really understand the detail - as it related to flood and storm surge coverage and all the out clauses written into fine print.

flood coverage definitions were standardised after Brisbane floods - so flood means flood - it doesnt matter where the rain/water came from and over what time period it came. the same needs to be applied for storm surge(as per above) your either covered for it or not.

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?:

brokers are generally just selling the products that get them highest commission - dont really fully understand the complex challenges and risks of northern australia and the policy fine print. there is no genuinely locally owned northern insurer left after TIO sale....thus your dealing with massive corporations who couldnt care less about one little policy owner in a flood zone ina suburb iof darwni

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?:

Insurers need to physically VISIT flood prone properties when requested - this would make a HUGE diffrence to community relations, fairness and the setting of genuinely risk appropriate premiums on a case by case basis.

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?:

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?:

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? :

My focus was price and coverage

yes standard flood definition helped alot

storm surge didnt

huge amount of effort - 30 hours at least

the decision was made based on which companies applied a flood premium, how much it was and what else was covered.

AS per above...we need a fed govt underwrittten north australian insurer or re-insurance pool system.

All the companies - aami, CGU, ALLIANZ, bank polcies - all of them DONT WANT flood risk properties - they want to insure low risk adresses only - that's why they set huge preimums as a disincentive.....if you live in a flood zone you are stuck...cant afford to insure, and cant afford to sell (as property value greatly diminished by unaffordable insurance premiums) and in some cases cant afford to stay - for flood risk.

affordable insurance is everything!

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 - as perabove

a 12 million dollar NTG investment in flood mitigation is underway.

Allianz unwillling to committ to assessing any of the infrastrucutre changes (particularly flood proofing works in individual lots) in rsetting premiums

flood proofing my home with drop in flood proof door barriers, solid fencing and raising water egress points is fine - but whats the point if i cant get some anomonymous call centre operator interstate or overseas to sent an assessor to look? to prove it? to re-asses the premium?

THAT IS THE KEY!

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? :

as per above

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?:

once all insurers have access to flood maps for our area - and all premiums go up I will just not insure for flood - leaving the bill to the taxpayer purse - the NTG and Fed govt's will have to come to the party in event of major cyclone / floodhence why its so important for a national northern insurerere underwritten by govt

or a re-insurance pool - without it the consumer just won't insure - leaving it to the fed govt to cover

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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