

Response ID ANON-DUXZ-42XP-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Do not publish my name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.

[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. I change insurers after receiving a renewal with a 40% increase.

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 have not been told by any insurance companies I've approached that they wouldn't cover my property.

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 have maintained adequate cover for my building and contents but I have significantly reduced the extra 'frills' to make it more affordable. I now treat it as 'disaster insurance'. By this I mean I consider my insurance to be for something catastrophic, not for minor incidents. I have had to remove broken glass, motor burnout, food spoilage, contents away from home and other extras and increase my excess to reduce my premiums to a more affordable amount.

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?:

It does matter but the best service or reputation does not make paying double worthwhile to me. I really need to make my decision based on getting a better price.

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? :

I was previously with RACQ Insurance and following bad flooding in Southern Queensland, which my property was obviously not affected by, my premium increased by 40%. Just because the insurance companies had an expensive year, I did not make any claims. I do not think people who live in low risk areas should have their premiums increased to cover incidents that occurred elsewhere. If you build your house in a bushfire area or beside a river, you should pay the high insurance. If you build your house somewhere sensible you should pay less as there is less risk.

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?:**

No, but I have had extreme increases without making any claims and have left to find a better price.

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 issues here. I read the PDS.

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?:

No, I have not used the website. I spoke to people and went on recommendations from others.

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?:

No. I did my research, checked things online and did everything myself.

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 am literate and resourceful and do my research so this is not difficult for me but I do expect older people would struggle with most companies encouraging online interaction.

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 relevant to me.

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. I have switched twice in the last ten years both times due to highly inflated premium increases. I have had to go for a 'no frills' policy and increase my excess to keep my premiums affordable. I do not have flood cover but I do not believe I am at risk of flood. I have not made ANY claims in the nearly 12 years I've lived in my home but my premiums have increased dramatically (and disproportionately to other expenses).

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, not necessary.

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? :

I was paying by the month but it was turning out more expensive so I changed to annual premiums to save a little. I think it was about \$120. I think I have done everything I can to reduce my premium while retaining adequate cover.

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?:

Yes, I have looked for better policy options and I have changed insurers. I have also remove unnecessary extras from my policy to save.

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.:

My main issue is the policies being dramatically increased in entire regions because some areas have been affected by a weather incident (usually somewhere else in the state). I live in a very low risk area for weather incidents yet my premiums have skyrocketed when floods, cyclones etc have occurred elsewhere in the state (or country!) that my town has been completely unaffected by.