

Response ID ANON-DUXZ-42XW-Z

Submitted to Northern Australia Insurance Inquiry
Submitted on 2017-10-26 18:52:51

About you

What is your name?

Name:

[REDACTED]

I do not want my name to be published.

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 of insurance has risen every year for the past 5 years.

We ring the insurance company each time as we have made no claims nor have there been any major events in Townsville since Cyclone Yasi. They tell us the rises are due to weather events?

We have investigated other companies, but they are dearer. We have been with this insurer for approximately 25 years so they do look after us.

Insurance prices in Townsville are huge when compared with other towns near our size further south.

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)? :

Not much, most insurance companies are owned by either Com insure or Suncorp.

Some policies are different, they don not offer new for old insurance and you have to nominate a price for you to rebuild your house.

How do most people know what the cost of rebuilding their house after a major weather event will be? This is blatent misguidance from insurance companies.

Our house is a 1940's federation home in a zoned street and character precinct, meaning we have to maintain the house with original features and facade. How am I to know the cost of building a hardwood house in Townsville after a major water event? We stay with our insurer because our original policy is new for old replacement.

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?:

Fire, flood and the usual. Even tidal surge.

Only made a claim for a fence and a couple of small items after Yasi, it was paid out immediately as it was under \$5k.

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?:

Very much, I do know that Suncorp (our insurer is one of their companies) handles claims very well and were very strict on their repairers.

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? :

Yes.

Most insurers offer lifetime guarantees on the work done under their policies, but after cyclone Yasi they were offering to "pay people out" when presented with quotes to repair damage. The people then had to organise their own repairs (quite a few by out of town shonky repairers). This then negates the stipulated warranty guarantees put forward by the insurance companies when they advertise their policies.

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 the new quotes cost pretty much says they don't want to insure me..

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? :

Not much, just price increase.

We contact them but there is nothing in the new policy that indicates why they have raised the price so much.

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?:

Ring them, web checks.

No I haven't heard of the NQ home insurance website, never seen any advertising for it on TV, social media nor newspapers. Interesting to hear about it through here.

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, but might look into it

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?:

We use the local office or phone, they always address any queries we have pretty well

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?:

unknown

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 really

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, we have contacted many insurers.

As stated earlier, we live in an older home and it is hard to get new for old replacement and I can't begin to try to put a value on rebuilding an old hardwood home

so we stay with our current insurer.

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 have re-roofed, re-stumped and strengthened the frames under the roof,

we have noted that this home did go through cyclone Althea which was a direct hit Cat 5 cyclone that hit our town. None of the homes in our area were damaged.

We have also installed security screens and wind locks in an effort to lower premiums but this didn't do much to our bill.

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 above we have done a lot to try to make the house safer and more secure, it didn't do much for our policy.

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 opted to raise our excess to lower the cost.

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.:

The cost of insurance has steadily rise in NQ. On a per capita basis we have had less claims and less major events when compared wit the south east corner (Brisbane/Bundaberg floods, storms etc) of the last 5 years.

I believe we are being price gouged as there are limited number of insurers in our region and the money is going to subsidise the customer base in the south east corner to try to stop them switching insurers