

Response ID ANON-DUXZ-422W-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Do not publish my name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::

[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? :

It's absolutely critical that I have insurance under \$5000 as I am a single-income household. I had no idea insurance was so expensive before I moved here. I called around to get the lowest price and succeeded in getting it under \$5000.

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 choice. Many calls I made said they don't cover Karratha at all. Coverage is definitely different with different companies.

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 am covered for everything I want I believe although it has never been tested with a claim. I am covered for storm damage and cyclones which are the main threats along with usual things like fire..

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?:

Customer Service and reputation matters a lot to me. I have had terrible experience with an insurer in the past before I came to the Pilbara. I have not had an incident since living in Karratha.

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? :**

Not in Karratha but yes in previous experiences in NSW.

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?:**

Yes, I have had insurers tell me they won't cover Karratha at all as it's too risky.

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? :**

I don't think it says how the premium is calculated but I think it does say the price has changed, I would need to check.

Insurers need to have call centres in Australia with English-speaking residents answering the phones. Overseas call centres are too hard to understand.

Plain English summaries should be provided on the front page of the agreement. (Mine does)

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?:**

Insurance policies are not clear online so I always talk to someone on the phone. The fine detail you have to wade through is too much.

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 tried to use a broker but they refused insurance for Karratha. I ended up not using a broker and dealing direct with a company that I am so far satisfied with except for the price of the premium which is still the cheapest available.

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?:**

No offices in my area of Karratha that I am aware of. I use the phone to speak with my insurer. I don't know what the service is like for non-English speaking people.

English-speaking people still have an issue with overseas call centres and the accents of the staff!

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?:**

No idea.

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, but having had a terrible experience in the past, I believe there should be a community advocacy service for 'victims' of unfair insurance practises, not the financial ombudsman which has insurance companies on it's management boards.

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? :**

When insuring a new house I compared different products and found AAMI to be the only suitable insurer in my district of Karratha. I have not switched as their information is easy to follow even though the price is still high. I could not find any other comparable products. Quotes vastly differ in the many thousands of dollars, in some cases tens of thousands of dollars.

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?:

Building for local conditions is strictly regulated in Karratha but I have to say I was shocked that the Council did not inspect the building when it was finished. The building walls cracked (which were eventually fixed by the builder after a complaint to the Building Commission).

All houses in Karratha must be built to "cyclone standards" but no claims for damage by cyclones have ever been made according to local media. So the premium costs are incredulous.

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? :

My house is built to cyclone standards already. I don't believe my premium would be lower if I added cyclone screens on the windows but would be happy to do it if they were lower.

Don't know what Centrepay is and I have no knowledge of targeting particular consumers.

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?:

I don't believe I can reduce my level of coverage at all. Who else can I get help from? Good question! I have no idea!

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 experience with an insurance company in NSW when my house burnt down was that they delayed and delayed and delayed settlement until I was forced to settle for much less than the policy I had. When my case was referred to a Loss Assessor it was an obvious tactic to reduce the insurance company's liability. My experience with the financial ombudsman in 2011 was terrible, they were no help at all. I had no-one to turn to as I could not find an insurance victim advocacy service anywhere.