

Response ID ANON-DUXZ-4287-Z

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Do not publish my name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? :

I purchased my house in 2003, the cost of insurance home and contents was \$820 to insure new for old \$198,000 and contents \$60,000, with a legal liability insurance of \$20million.

Currently I pay \$3486.00 for \$325,000 home and \$80,000 for contents with the same legal liability as above.

Each year or every second year I have to shop around due to substantial increases on the premium (over \$1000 increase/annum), this year they told me that I wasn't assessed for being in a cyclone area last year that why my premium had jumped from \$3681.00 to \$6754.00 ???

Some places have quoted me this year up to \$14,000 per annum, and out of 15 only 8 would insure me in this area

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)? :

There seems to be less and less insurers each year to choose from that don't have exorbitant prices, I think out of the 15 I tried , the company I am with plus 2 others were reasonable to the price I paid the previous year with a different insurer.

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?:

According to my policy I am covered for flood, storm, fire and explosion, earthquake, lightning, theft and burglary, malicious damage, accidental breakage, impacts, escape of liquid and removal of debris, but am not sure or confident what will be covered when it comes to the crunch.

I live in a highset home so flood cover isn't really a big factor unless it is going to wash away the footings of my home, most of the rain events I've seen have only have been from localised flooding due to rain water not getting away quick enough if heavy downpour event happens.

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?:

The insurers reputation is always a big factor you do want to get paid out if there was an incident, and you would like to be treated fairly, and as quick as possible if something happened.

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 just think there is so much of a difference in the prices we pay, and without fully scrutinising everyones fine print which can be extremely lengthy and confusing, until you make a claim sometimes you wonder if you have covered all bases with the insurance product you selected.

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 most that have declined have told me they don't insure up here, once you give them your postcode or location. Sorry we don't cover that area.

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? :

The renewal notice just states new price, no reason is given for rise in cost, you have to contact them and ask, then they usually put you on hold and have to go ask a supervisor for a reason why the hike has happened. then they come back with some lame excuse why it has increased \$1000-2000 per yr, then you start the quoting merry go round again.

I think the coverage products/ standards should be uniformed across the industry so you can compare apples for apples. Even if you had a basic/ mid and premium coverage, but all had the same standard of coverage across each product.

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?:

I used to ring around every year, this year I have rung some and used websites to get quotes. I generally have to put aside a whole day to ring around and sit on the computer to get thru 10-15 insurers, generally frustrated tired and confused by the end of the day. I am not totally computer savvy either.

A lot of the insurers advertised on TV like Youi and Budget direct don't insure up here.

I did not realise there was a North Queensland home insurance website, will have to check it out on the next round.

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?:

Being very time poor, like most people I wouldn't even know where to start with a broker or where to find one.

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?:

unsure

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?:

unsure

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? :

A lot of effort every year comparing policies and getting the right insurance. Also not having to add to mortgage to pay for it.

Usually about 10 + as a lot don't insure here.

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?:

My home was built in 1970, cyclone Althea hit Townsville in 1971, and devastated much of the region, my home was not damaged as I am aware, as it is pretty much in original condition, so who is to say it will help or not. Mother nature is totally unpredictable, we suffered only fallen trees in the yard, a broken fence and loss of power when destructive winds of Yasi came thru.

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 clean up the yard of potential missiles and ensure all my electrical goods are situated on top of better blocks under the house, in case of tidal/storm surge. You can only make sure you are prepared, as best as possible for these events.

I have increased my excess to lower the premium cost, but can't afford to pay a lump sum any more to get it any cheaper.

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 have only made one claim in 15yrs I had a big tree in front yard which roots had grown thru the downpipe from the roof and blocked the water from exiting which I was unaware the water backed up into the ceiling and started leaking thru ceiling, after that claim my premium went up \$1000, the claim was only \$1500 to fix and replace plaster board, that was a long time ago. But it leaves a bad taste in my mouth and makes me feel like it's really not worth claiming anything unless it is total devastation, which is hard to come back from on a minimum wage, so I really just want to make sure I have coverage for the total devastation unaffordable event fixes.

I have cut back on my coverage to save for this reason, anything minor just gets fixed when I can afford it.

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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