

Response ID ANON-DUXZ-42AE-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Do not publish my name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? :

Our rental in Karratha used to be the house we lived in. We bought the house in 2003 and the insurance premium has gone up astronomically since then. Our excess used to be \$100 and now we pay about 595% more and have a \$2000 excess. However this increase does include basic landlord insurance. We have tried to get lower but always come back to our same broker because a house on a strata title block means you have the choice of about 1 (maybe 2) insurer in Australia!

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)? :

Our house is in Karratha and we do not have any other options with insurers, unless we were able to go through the company direct (currently go through a broker). Because our house (completely on its own, no shared walls, driveways or gardens) is on a strata title block we seem to have the option of one insurer. Every couple of years I take the time to ring around again but after a few days of chasing up, we get told once again that we only have the choice of xxx insurer. We don't even get the chance to compare coverage...we do not have any other options.

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?:

We can't afford to get most of what we probably should have so haven't looked into what else we could get. We can only 'shop' from one place. Flood insurance should be covered by insurance. These unfortunate incidents are the very reason one should insure their place. Thankfully we haven't had to discover if our insurer is incompetent or not. Only one claim and it is going through now. I think it is a basic claim (burst pipe in wall) so hopeful it is approved without any issues after all the money we have paid for our premium!

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?:

Not too much to be helpful here for your questionnaire. We go through a broker and have always found them extremely helpful and friendly. In any situation where a claim needs to be made, good customer service can make all the difference in a stressful situation.

5. Have you seen an insurer behaving in way that you think is unfair or confusing?

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Thankfully no.

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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No.

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 information we have emailed to us every year with renewal is the standard booklet with all the small print from the broker. No, renewals have never stated reasons why the increase or that there is an increase. No idea how the premiums are calculated but logic tells me that the premium increases with the increase of dollar value of what is being insured and we are in a cyclone area so premium is more due to risk. This logic doesn't work with the fact that it is probably cheaper to build a house in Karratha and trades cost have slightly decreased in the last 10 years (supply and demand) and yet insurance continues to climb. A basic summary in layman's terms would great!

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 usually ring around about 5 to 8 top insurers. Rac, Suncorp, our bank insurance a few other big names that are familiar companies. I tend to use the phone because sometimes you fill out a heap of information and they ring you to sell you insurance and then they/you/me find out we are on a strata title and they can't help. Easier to ask them on the phone first if they can help, saves my time.

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?:

We use a broker and they are great. Of course they charge a fee but in the past have found it is much the same price as going through the company direct.

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?:

Our broker has been an excellent place to turn to for insurance coverage. No offices here in Qld (Gladstone). Our broker is in Perth and house in Karratha. Haven't had issues with communication with broker and find a broker in Perth is the way to go because they know where Karratha is and understand the challenges of North Western Australia.

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?:

Biggest difficulty is finding someone to insure you. As stated in previous answers.

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?:

Insurance companies have to have small print to protect themselves. However, it would be very helpful to have a basic, common everyday knowledge sheet that is short and concise in everyday language.

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, have tried but we have no other options. If we were able to compare, both coverage and price would be equally important.

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, so far our house has been pretty solidly built with storms and cyclones in mind.

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? :

Nothing we can do to lower our premiums by making house safer. This year for the first time we have been offered (and accepted) monthly payments at no extra cost.

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 have done all that we can besides sell the house. We have a huge excess (\$2000), we do look for other policies from time to time with no luck. We have basic insurance as it is.

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.:

I think our disappointments have been well covered already.