

Response ID ANON-DUXZ-42AU-7

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Do not publish my name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? :

Price & Coverage is paramount. We have made 1 claim (15 years ago) in 25 years of living in the same house. In 2016 our insurance was \$2887.32 for 12 months. In March 2017 we received our new insurance premium which had jumped to \$4556.07 for 12 months. This is from Commlnsure (CBA). When I rang I was told the steep jump in premium was due to us living in a Cyclone region. We've lived here for 25 years & all of a sudden "they" decide we live in a Cyclone region - get real. It's always been a Cyclone region. To reduce our yearly premium to an affordable rate I dropped our House Insurance from \$547,867 to \$450,000 & Contents from \$175,079 to \$150,000. I also "upped" our Excess to \$1000. This brought our premium down to \$3151.92 per annum. I have documentation of all of this if required. I also called the following for quotes : RACQ - \$6134.19 pa; Suncorp - \$4343 pa; Budget Direct - would not insure us; Youi - would not insure us. We are fortunate my husband & I both have good jobs. When our children were small we would not have been able to afford this.

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)? :

Quite a few insurance companies will not insure us because we live north of the Tropic of Capricorn (this is what I was told on numerous occasions when I called to get a quote). What is going to happen when no-one insures us?

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 have flood insurance. Although we have never been flooded we are classed as a flood area - who decides this? No-one has asked us if we have ever been flooded. My husband has lived in this street for 50 years & his mother for 77 years - never flooded.

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?:

Reputation & customer service is very important. Commisure were not going to give us a discount until I made "noises" about going somewhere else - they then offered us additional discount. Why do Youi etc. advertise in our area if they won't insure our Home & Contents?

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 think Commisure hiking the price up \$1668.75 in one year is unfair & unreasonable seeing we have never made a claim with them and have been insured with them for a significant time.

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, Budget Direct & Youi said they wouldn't insure us because we live in a cyclone/flood region.

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? :

Commisure sent a Renewal Notice stating the "new" price PA but there was absolutely no reason given why we were being hit with a significant price increase. Are they hoping that we don't notice such a price rise???????

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?:

It's time consuming & sometimes a waste of time looking for new house & contents insurance because it's pointless if certain companies won't insure North Queenslanders. No we haven't looked at the North Qld Home Insurance website, but will in the future.

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 haven't used a broker as we don't know a reputable one. Called one when the insurance became up for renewal but again was told it was too hard to get home & content insurance in North Qld.

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 would like all insurance companies be made to explain everything in the renewal letter and if the insurance has increased give a reasonable reason why this has happened. Our renewal letter came 2 weeks after Cyclone Debbie - is this why our insurance renewal was excessively high? I asked this question and was told it was because they had just deemed us to live in a Cyclone risk area. When I said we'd always lived in a Cyclone area and how come they just found out when we have had insurance with them for a significant time it was met with silence. Was then told they were reviewing all their customer's policies!!!!

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 applicable.

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?:

Could we not have 1 website where customers could go to compare prices & policies?

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 definitely considered switching insurance companies this year due to the price hike but found every other company even higher than CommInsure which was VERY disappointing as we didn't have a choice but to "barter" with them to decrease the yearly premium (which meant increasing our Excess and decreasing the amount of coverage which could leave some families vulnerable).

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 are looking to install 8 x CCTV cameras at the moment to protect our home and hopefully will decrease our insurance premium.

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? :

Insurers are not helping the consumer at all. We seem to be paying for claims made by other customers. Insurance premiums are going to become un-affordable if prices continue to escalate on the current premiums.

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?:

As stated have called other companies and will again when our renewal policy arrives in 2018. I now believe we will have to do this every year.

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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