

Response ID ANON-DUXZ-42GV-E

Submitted to Northern Australia Insurance Inquiry
Submitted on 2017-12-02 11:53:04

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Do not publish my name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 have lived in Exmouth for over 17 years and have seen the prices creeping up. We purchased our house only 3 years ago and each year, the price has doubled each year. I have shopped around each year and had no choice but to remain with Comminsure as they were by far the cheapest. The only way we could keep our premium down was to increase our excess....1st year \$1,000, 2nd year to \$2,000 and finally this year I tried to increase it to \$5,000 but it really didn't make a lot of difference in the price. Unfortunately we had to cancel the policy as we cannot find the extra money. When I spoke to the insurance company to enquire about the hefty price hike, I was told our premium only went up by the amount it did because we had never made a claim in the past, otherwise it would have been higher!

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)? :

Exmouth residents do not have much choice in insurers. Most of the insurance companies I contacted told me they do not cover this area. The insurance companies that were willing to cover this area had a premium of \$12K to \$17.5K p/a! We are now putting the insurance premium we were paying into our mortgage instead. Our house is very solid, on one of the highest points of town and on a concrete pad. This house is one of the first to be built in Exmouth and clearly has not sustained any major damage from past cyclones. If we do sustain any damage from future cyclones, we will simply use the redraw on our mortgage from the extra payments to pay for repairs.

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 do not need flood insurance as we are elevated on one of the highest points in town. Our biggest threat would be fire and we will be looking into getting

insurance for fire damage only.

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?:

For the residents of Exmouth I think this is irrelevant as we are so limited to insurers.

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, I think they are all unfair and confusing to all in the North of Australia. When I spoke to my insurance company I asked them if they physically look at the properties they are insuring because if a house has been through many cyclones with minimal or no damage, shouldn't the premium be lower? In the last few cyclones, it was the newer, poorly designed/built houses which sustained major damage, therefore perhaps the quality and design of the house should be factored into the price.

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 insurance companies I contacted. They simply said "we do not insure your 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? :

Yes, their cover letter states "we have made some changes to the policy to be provided as outlined in the supplementary Product Disclosure Statement". This can be a bit confusing trying to compare with previous policy. They should include dot points of the specific changes to make it simpler to understand. They do not say how the premium has been calculated.

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 is very time consuming and frustrating to shop around. I printed a list of insurers from the Insurance Council of Australia and started from there. In the end, I didn't have the time and contacted an insurance broker. The insurance broker came back to me with new insurance companies who were willing to take the risk as they were new to the market. The premium was only slightly lower than our original policy with Comminsure. That's when we decided to drop the insurance altogether and take the risk.

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?:

Yes, as above

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?:

The internet access in Exmouth is getting poorer. This year in particular we have lost access for long periods of time - mostly when there is a big influx of visitors to town.

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?:

n/a

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?:

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? :

Have tried but cannot find a cheaper or better option

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?:

Our house has been built to Exmouth conditions. If we do any renovations in the future, we will be taking into considerations the impact on the strength.

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? :

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 cancelled our policy

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.: