

Response ID ANON-DUXZ-42M1-F

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Do not publish my name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? :

Yes and no. We lived in 4865 for 13 years in newly constructed home before moving into Earlvile into a home built in 1947 with an extension built in 2003. It is now a 4 bedroom 2 bathroom, high set house. I went to our previous insurer and submitted an online quote and it was \$12000 per annum. I used my old address of [REDACTED] Paddington 4865 and using this the premium was \$577 per annum. I sent an email to Warren Entsch at the time as the Federal Member for Leichhardt. This is a copy of that email "Hi Warren, I just wanted to make you aware of my online insurance quote I just received from Suncorp. I live in Earlvile [REDACTED] Its a high set war house thats built in underneath. We purchased it this year for \$450000. It has 4 bedrooms and an above ground pool, not a kings residence by any stretch of the imagination. Suncorp value my replacement at no less than \$894763 (just for the house) and the policy was quoted as \$12617.44. We previously lived at Goldsborough for 13 years. For amusement I entered the same house type to my childhood address in Brisbane also for the same amount of contents. The price for annual insurance...\$577. Please tell me the government is strongly working towards resolving this blatant price disparity. It seems every year Brisbane is hit with some freak storm that causes massive damage yet their insurance does not reflect that risk, whereas Cairns seems to make up that, with interest." I now pay \$4000 a year with Shannons. A broker quoted me \$5700 for similar cover before my last renewal this year.

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)? :

No real choice. I could try and choose a no name insurance brand who don't pay of and when you need to claim. From what I understood from the brokers, the policies are much of a muchness. They provide high premiums you can offset with high excesses but this ensures that you only ever make a claim if your house is destroyed. Likelihood of that is low. This house is 70 years old, been through some of the worst cyclones this region has even seen and its still standing.

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?:

Home and contents. Yes all bar one incident I was covered for what I claimed for. However, I was no longer covered for accidental damage which became an add-on not long after I started with Shannons. I don't get this, insurance is for 'accidental damage', this is abhorrent behaviour. I now pay more for this privilege.

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?:

Paying legitimate claims and fast is what matters. We were with QBE 15 years ago and they knocked back a legitimate claim. We left them but felt violated that we paid all that money yet they knocked back a legitimate claim on a 'technicality'.

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

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See Q4.

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, not as yet.

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? :

No, it just changes, always up. They tell us that we have to reduce our options if we want the price to decrease.

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've used brokers and websites. I haven't used the NQHI website. I didn't know it existed.

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 did and they were considerably more expensive. \$1700 per year was their 'best' deal. I still have those emails.

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?:

Yes, but it is confusing.

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?

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No. Plain english, not 40 pages long.

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. Every year in April I search but end up with Shannons. They pay claims.

\$4000 a year is cheaper than the brokers, (\$1700 better than their best offer through IAL). Suncorp, RACQ (we are members) were all dearer. Others didn't pay claims during the SQ floods or YASI so they are off the list.

Level of importance - 1. They pay claims 2. Level of Coverage 3. Price.

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 and No.

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? :

As far as I can see insurance companies just take from the regions and offset the prices in the cities where is it competitive.

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 pay by the month. \$331 EVERY. SINGLE. MONTH.

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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No. Thank you.