

Response ID ANON-DUXZ-42MM-B

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Do not publish my name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? :

We moved to Cairns in 1996 and the house and contents insurance was around the \$900 mark per year (maybe even less, not too sure) and the last renewal for this year due in December is over \$3100 - going up from around \$2600 last year (was even more initially but I lowered the insured sum to lower the premium). Over the years I tried to change insurers but most of them declined insurance for our postcode all together or had premiums of \$5000 -\$6000 per year (and that was years ago, so probably would be higher now as well)

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 choice, every insurer I contacted refuses to insure my house. I am stuck with RACQ which can and do raise the insurance fee every year exorbitantly (20-30%). Because they probably can't kick me out of their insurance without a reason, they just increase the fee so much and hope I quit.

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?:

Full house and content insurance + flood (flood is now included if you want it or not). Never made a claim. Our city region hasn't experienced any natural disaster since cyclone Yasi in 2011. So 6 years without an incident. Comparing this to the bushfire disasters in Victoria which occur regular every 2 years and they don't experience insurance hardship we endure every year.

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?:

It probably would be important to know the reputation of the insurer. But getting and being able to afford the insurance is unfortunately the issue.

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

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I find it disgusting that every time one requests a quote from the insurance company they send you through millions of questions just to decline at the end when your postcode is revealed.

Just tried to get a quote from an insurer my father is insured with for a good price. Got declined because we are in a "flood prone" area. That might have been true from old plans - before the area was build as housing area in 1985 - but there have been flood mitigation works done by the city council and we never had any flood in the over 20 years we live there.

I think some insurance companies decline to cover Cairns because of being in a flood prone area anyway even though we never had a flooding event here and flooding is now included in your insurance even if you live in higher up regions

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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Every insurance company I have approached declined to insure. Reason for declining = internal policy regulations,

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? :

I just got the renewal notice. No reason for the changed price. I know that the sum insured goes up automatically every year. I think that's the excuse for the rising premium. But even if you lower the sum insured to the level of the previous year it doesn't make much difference to the premium.

And of course there is always the threat of being underinsured and not getting everything you claim in case of an event.

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 looked up on the websites of a number of insurers. Its a lot of work to put in all the details and in the end being declined all together because of where you live or getting a quote for a ridiculous price

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?:

Have thought about using a broker but don't want end up paying even more for getting insurance. And sometimes it just seems hopeless anyway to try to find some other insurer

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?:

Haven't had this issue. But I don't think there is much support out there. I guess the attitude from the insurance companies is more like "Take it or leave it"

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 for me

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. I think the bigger issue is getting insurance at all and to get it for a reasonable price

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? :

Considered it just about every time I get the renewal. Tried quotes on the websites of different insurers. Got either declined because of where I live or premiums were much higher than with my insurance I got. Its a lot of effort to do that. Just about to have given up on that.
Considering to drop insurance all together or at least the contents insurance for now.

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 is built with solid double brick to the cyclone ratings appropriate for our region. Because of that we wouldn't have much structural damage to the house anyway in case of a cyclone or flood.

I've got the feeling because of our house being built with solid bricks compared to newer houses being build with just internal gyprock walls the cost of rebuilding to the same standard in case of damage is classed higher for the insurers and therefore the premiums go higher.

That's sort of loose loose situation: You have a solid home which shouldn't get much damage in the first place but you still have to pay higher insurance premiums because it would cost more to replace it to the same standard

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? :

Like the question before: If you make it safer or better standard the premiums go up because it costs more to replace. Improving it to the standards of the last initiative to lower the cost of the premiums costs too much to be afforded by normal people anyway.

No point. Paying other than yearly just brings the price up a lot.

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?:

Tried to look for better options. Already reduced the level of coverage and raised the payable excess to lower the premiums. Thinking of ditching the contents cover. If I come into a situation where I can't afford the cover anymore I would not have insurance at all and hope for the best - or rely on government help in case of an event which would be bad for all taxpayers.

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 already know some people who don't have their houses insured because of the high cost. If this continues and a cyclone would hit Cairns there would be a lot of government support needed - more than it should. If this continues like it is there would be a social disaster here in Cairns. Insurance shouldn't be a luxury. It is a necessity.

The government should be doing more to ensure that everybody can afford insurance and be able to get it in the first place. There are a lot of insurers not insuring in Cairns because of high risk and the insurers who do can charge whatever they want because there is very limited choice. I think if an insurer insures in Australia it should not be allowed to be selective. You either insure everywhere in Australia or not at all.