

Response ID ANON-DUXZ-42Q1-K

Submitted to Northern Australia Insurance Inquiry
Submitted on 2018-01-19 12:19:59

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Do not publish my name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::

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 the price has increased a lot each year. I have increased my house excess to \$2000 and contents excess to \$750 to try to reduce my premiums. I am an age pensioner and my annual premiums are now a third of my pension. This is making it more difficult to stay in my own home. My daughter has tried various other insurers but could not find a lower premium. A history of premiums since 2011 shows the big increases each year:

2011 \$1810

2012 \$2664

2013 \$3538

2014 \$4747

2015 \$6033

2016 \$7200

2017 \$8665

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)? :

My daughter has tried various other insurers but could not find a lower premium.

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?:

I have building and contents insurance including flood insurance. I am confident that I know what I am covered for and know my excesses if I claim. When I

claimed after the 15/2/2008 storm event in Mackay, I was covered for what I thought .

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?:

Customer service matters, especially when having to make a claim.

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 find that the rate of the premium increases to be mind-boggling.

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?:

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 product disclosures are quite good in explaining what is covered and what is not. However, I have never seen any explanation or details about the reasons for the price increases. This is frustrating as well. The renewal notice breaks the premium into components but that it is all.

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?:

Checking websites with on-line calculators and over the phone . I hadn't head about the North Qld Insuarance website before.

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?:

No. It hadn't occurred to me to try that.

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?:

No there used to be an AAMI office in Mackay but it closed several years ago. You have to phone or use the Internet.

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?:

N/A

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 considered switching but in the end we just increases our excesses to reduce our premiums. We also changed the building insurance from Complete Replacement cover to a dollar amount, for the same reason.

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. I am not aware of anything that would reduce the risk or storm or cyclone damage that we could add to our house, It is a low double-brick house including internal walls built in 1962 approximately.

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? :

I could pay monthly or fortnightly and it would cost us

I haven't heard of CentrePay before but I will ask my daughter to look it up. No-one has ever mentioned it to us.

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 have increased my excesses. I have also talked to other family and friends with homes in the same area of South Mackay. I've found out that they have had the same issues trying to lower their premiums and also obtaining alternative quotes from other insurers. I've noted that premiums are appreciably lower in other parts of Mackay but are still in the \$3000 to \$5000 range.

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.: