



SUBMISSION TO THE INQUIRY INTO
INSURANCE COSTS IN NORTHERN AUSTRALIA

I was recently advised that the subject Inquiry was still receiving submissions until a date in April 2019, and, if correct, I forward the following.

Allow me to introduce myself, I am Peter Bridges, a retired Royal Australian Air Force Warrant Officer, retiring in 1984 having completed 20 years service. We have held Property Insurance with the Department of Veterans Affairs/ Defence Service Homes Insurance since 1981/2 when we purchased a 25 acre/12 hectare to retire to, this property we sold in April 2016.

I will now present our case for this submission Firstly dealing with a claim we submitted on behalf of a situation arising on our now Property in Townsville; then Secondly detailing the Monthly Premiums we have had to pay for being in North Queensland.

On the 5th December 2014, we agreed to purchase this Property and I immediately contacted DVA/DSHI and following a phone discussion agreed to Insure the Property, when advised what the monthly premium was I queried, and was told it was normal for this part of Australia.

Our Daughter and her Partner were visiting in early March 2017 when, on the 14th I detected the Septic Tank was overflowing, I phoned a Plumbing Company who gave me instructions to follow so that the Problem could be determined. On the 15th I contacted DSHI advised reported the problem, and was advised that Claim Number [REDACTED] had been allocated, also on that date I had the tank pumped out, and then the Plumber arrived and ascertained that Septic Trench had Collapsed around 7 meters from the tank and that a new 20 meter trench would need to be constructed and that a quote would be e mailed to me the next day. I received the quote the next day, on the 16th; considering the \$488.00 I had already paid out added to their quote, and adding the cost of lawn replacement; their cost was around \$10,000.00; the \$488.00 was eventually paid back to me on the 12th April 2018 by DSHI.

Following receipt of that quote which I considered was over the top I contacted another plumber, [REDACTED] who we engaged to fix the problem and on the 24th April 2017 all, including returfing, was completed at a cost of \$4343.10.

I posted ALL relevant Documents to DVA/DSHI on the 24th May 2017, the delay was due to Sub Contractors forwarding their accounts.

On the 6th June 2017 I received a phone call advising that our Claim had been Declined, subsequent discussions with the usual nonsense about clauses and sub clauses revealed that the original Trench had collapsed due to the Installation of our Swimming Pool; from what I can ascertain from neighbours, the Pool had been on the Property for at least 10 years before this situation arose; if you check our address you will see that our Property is about 5/600 meters from the Pacific Ocean, our country is real Sandy; now I am not a Professional in this field but at 73 years of age, I don't think it would take 10years for a trench to collapse; besides, and this is one of my main points; our Property was accepted for Insurance on the 5th December 2014 following and extensive interview, now we find out from the fine print, there is a reason not to Honour our Claim

I immediately contacted the Office of Senator Ian MacDonald and during a one on one phone discussion about this matter I put to him a Scenario that if our house was gutted by fire and someone stated it was because of a situation that had occurred before we purchased and insured, then if the same Ideology was applied, my wife and myself would now own a block and being over 70, no way of rebuilding, the Senators reply was along the lines, I hope your house doesn't burn down.

I referred this whole matter to the Financial Ombudsman Service who ended up agreeing with DVA/DSHI and when I put the above scenario to them, I was told they only deal with facts not scenarios, I now have a personal opinion of that Office.

To the Second part of our presentation, I would like to present the VALUES and MONTHLY Premiums we have paid:-

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| <i>DEC14 to DEC15 building coverage</i> | <i>\$563K all up monthly premium (can't give)</i> |
| <i>DEC15 to DEC16. " " "</i> | <i>\$630K. " \$146.83</i> |
| <i>DEC16 to DEC17. " " "</i> | <i>\$645K. " \$152.99</i> |
| <i>DEC17 to DEC18. " " "</i> | <i>\$690K. " \$197.14</i> |

We no longer use this Company.

Add to these figures the Land Value, still &165K, means that our Property which we paid \$479K for in FEB 15, according to DSHI for insurance was worth \$855K for year DEC17/DEC18. Taking into account, clean-up etc I fail to see where the extra \$200K comes into the equation.

I have reams of papers dealing with this matter at various times with different Departments and Members of the Public therefore I submit this in the hope it will assist in correcting an existing problem for many Australians, in my opinion these Policies are put together by Smart Lawyers to enable Insurance Companies to pay out the least amount as possible, but charge the greatest amount as possible.

I hope some of the stories I am hearing from Townsville people are reaching your Office, because they mirror my inference contained in this submission

Peter Bridges

Peter Bridges

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BUSHLAND BEACH 4818.

7th April 2019