

Response ID ANON-DUXZ-422D-7

Submitted to Northern Australia Insurance Inquiry
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About you

What is your name?

Name:
Sally Clayton

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? :

The premium is very important to me. That is why I have not currently got insurance. I have been quoted between \$5000.00 to \$14,000.00 per annum. When I asked one insurer why was the house insured to a value of \$850,000.000 not \$165,000.00 (which is what I paid for it) . She said it would cost me \$850,000.00 to get the house rebuilt if there was a cyclone and everyone was trying to get their house rebuilt at the same time.

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)? :

There is a fair range but some just said flat out no because of the age of the house and the area its in. Yes they are all different in their coverage and its always written in the type of language/wording that makes it confusing and hard to understand.

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 don't have insurance I'm trying to find some one decent to insure with!.

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?:

As I said above the policies are always written in the type of language/wording that makes it confusing and hard to understand. I think this is so they can get away with not paying for things by wording things in a way that most people don't understand. A good reputation is always a bonus to hear about and does give a customer more confidence. Good customer service is also important but realistic prices is probably more important.

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

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As I said I have been quoted between \$5000.00 to \$14,000.00 per annum. When I asked one insurer why was the house insured to a value of \$850,000.000 not \$165,000.00 (which is what I paid for it) . She said it would cost me \$850,000.00 to get the house rebuilt if there was a cyclone and everyone was trying to get their house rebuilt at the same time. I found this ridiculous. She then asked me to get a builder to do an evaluation. I rang four builders. Only one actually turned up and he looked through the whole house but never sent an evaluation. After much wasted time and effort I just gave up.

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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I rang Elders. They said they would not insure me because my house was built in 1971. It was too old for them to insure.

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? :

N/A

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?:

Its a lot of effort and my internet is very slow. As I mentioned earlier even when they do the quote its very hard to ascertain exactly what your covered for.

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 I have but couldn't find one that spoke English.

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 I don't think so. Its not easy to find if there is one.

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?:

I had a strata unit in Queanbeyan years ago and I will never own one again. For the same reasons it was expensive the people in charge didn't know what they were doing and the paperwork was impossible to understand.

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 haven't but plain English would be a start.

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? :

I did change insurers at different times for car/bike insurance . One time I didn't pay the renewal in time and had to start a new policy. Luck I did as it cost me \$200.00 less than if I had renewed my original policy.....how does that work?. So much for getting things cheaper for being a loyal customer!.

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?:

I am in the process of getting crim safe cyclone shutters installed. Its very hard to get anything done up here. This is the sixth tradesman I have had do this quote.

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? :

No I have seen no evidence of this...I'd like to.

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'm not insuring anything and putting the money I would have spent into a savings account.

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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