



# Northern Australia Insurance Inquiry Public Forum

Darwin, Northern Territory  
22 November 2017

This document is not a verbatim record of the forum but a summary of the issues raised by forum attendees.

The views and opinions expressed are those of the attendees and do not reflect the ACCC's views or position on the issues summarised here.

## Venue

22 November 2017 from 5:30pm to 7:00pm  
Oaks Elan Darwin  
31 Woods St, Darwin, NT

## Attendees

*Australian Competition and Consumer Commission*  
Mick Keogh (Commissioner), ACCC staff.

### *Interested parties*

Approximately 18 interested parties attended the forum.

## Introduction

Commissioner Mick Keogh welcomed attendees, outlined the ACCC's role and the purpose of the inquiry, and invited attendees to contribute comments in response to the topics of interest to the Inquiry.

Attendees were informed that the matters discussed at the forum would be recorded and a summary placed on the ACCC's website, but that this summary would not identify or attribute comments to individuals.

## Summary of issues

Participants discussed the following issues at the forum:

### **Privatisation of the Territory Insurance Office (TIO)**

- Many participants shared concerns about the privatisation of the TIO. Specifically, participants said that since Allianz acquired the TIO they observed that premiums have increased; and customer service and the quality of the TIO brand has diminished.

### **High and/or rising insurance premiums**

- Participants raised concerns about premium increases.
- Some participants questioned the reasons for the increases stating that there was no obvious cause as they had only made one small claim or they are outside disaster risk areas.
- Multiple participants stated that they were able to receive reduced premiums after negotiating with their insurer about their individual circumstances (such as the standard to which properties have been built). However, some noted that this required a lot of effort.
- Participants said that in response to insurance premiums people were reducing their sum insured and / or increasing their excess. Some participants also noted that insurance has become unaffordable and that people are dropping out of the market.

### **Customer service and claims experience**

- Participants shared positive and negative claims experiences.

- Participants who provided detail on their negative experiences said the issues they encountered were related to:
  - the scope of repairs covered under the policy, and
  - the use of a contractor based interstate who wasn't fully aware of the local building requirements and other issues associated with the use of contractors such as legal and coordination issues.
- Participants who shared positive experiences typically noted that this was when the TIO was government-owned.

### **Policy coverage (especially storm surge and catastrophe)**

- Participants discussed storm surge mapping in the Northern Territory and recent changes to that mapping. One participant said their insurance premium had increased due to mapping changes.
- One participant said that TIO is the only company that offers storm surge cover and that it is mandatory.
- Concerns were raised about catastrophe or disaster cover, specifically:
  - One participant questioned why catastrophe or disaster cover is considered separate from the other events covered by their policies
  - Another participant said they didn't have that cover because of the additional cost.

### **Product disclosure statements**

- One participants noted that Product Disclosure Statements are technical and confusing, making it difficult to understand the exclusions and compare policies without help from a broker, particularly if you come from a non-English speaking background.

### **Lack of Effective choice**

- Participants noted a lack of competing insurers. In particular, participants spoke of the difficulties obtaining quotes with a NT postcode, stating that insurer and/or price comparison websites would not offer insurance to their postcode or didn't acknowledge their postcode's existence (i.e. a postcode starting with a zero).

### **Reform options**

- Some participants made suggestions of reforms that could be introduced into the insurance market, specifically:
  - A price comparison website similar to the one ASIC maintains for North Queensland
  - A national government insurance agency that sets a price and service standard
  - Subsidies (e.g. to encourage mitigation)
  - Standardising cover
  - An informal dispute resolution tribunal.

## **Conclusion**

Commissioner Keogh closed the forum and invited attendees to keep track of the Inquiry's progress online.