

Response ID ANON-DUXZ-42RE-8

Submitted to Northern Australia Insurance Inquiry
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About you

What is your name?

Name:
John HATHAWAY

What is your email address?

Email:
[REDACTED]

What is your suburb/town and postcode? (Only one is required.)

Suburb/town::

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? :

Yes. I have lived in Townsville on and off for the last 21 years. I am also aware of insurance prices in other parts of Australia and we have a rental property in Sydney. Prior to Cyclone Yasi the prices of insurance in Townsville while not cheap was not exorbitant and tended to reflect prices and risk. Annual price movements on H&C policy was at or slightly above CPI expectations. Following cyclone Yasi (2011) this all changed. Since Dec 2010 my H&C on a standalone residence has increased by 170% despite doubling my excess on claims (Policy is replace in 2010 with \$1000 excess was \$1693 and now with \$2000 excess is \$4590. I have not made any claims.

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)? :

In reality very little.

Although there is a number of players in the residential (non-strata market) many will simply throw out an exorbitantly ludicrous premium to dissuade you from taking a policy, and so in effect they do not realistically operate in the region. I price check/premium shop every year and invariably accept the market offerings. I have had quotes that are as high as 2.5 times my current 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 can generally source the policy I need, and am confident that I have suitable coverage for my circumstances however the premium is magnitudes more than I would pay elsewhere for a similar value and constructed home.

Note again that I have not had a claim so I can not comment on claim performance.

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 always in the insurance industry performance during and after an insurable event/processing a claim is paramount. Personally I have not had an experience with dodgy insurers or poor performance, however there are sufficient examples across the region to indicate that the problem is widespread,.

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

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Not personally

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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No, however I have been given ridiculously high premium quotes when an insurer (national based) has absolutely no interested in covering risk in our area.

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 renewal notice never shows last years premium, nor makes comment on whether there is an increasing or not. They do break down premiums by home or contents, stamps, and GST.

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?:

Standard procedure for mu current H&C insurer provide is to increase premiums annually by 20%. I shop around and then argue the toss with the current provider who normally then will adjust the premium increase to 5% or 6 %..... This is their game.

I was not aware of the NQ Home Insurance Website, I will use it this time for my annual review.

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

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?:

Nil response

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?:

Have not tried to get strata insurance in this region

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?:

Website that offer insurance comparator tools

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 switched as many of the insurers offer similar prices or policies with cover I do not need. Further due to market concentration between the major companies and their subsidiary brands there is not a great deal of variety.

Standard definitions are a great help, as long as their interpretation remains 'standard' during an event claim!

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 This home has easily survived without damage Cyclones Althea (1974) and Yasi (2011).

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? :

Paying monthly adds 15% again, therefore I started paying annually 4 years ago.

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?:

Shopping around.

Maintain a spreadsheet and all my policy records costs since before 2010.

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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I am happy to provide any of my policy documents or simple spreadsheet (with cost/coverage records back to 2010) as long as my address is only listed at Suburb level