

## Response ID ANON-DUXZ-42AW-9

Submitted to Northern Australia Insurance Inquiry  
Submitted on 2017-11-03 16:03:16

## About you

What is your name?

Name:  
Darren Kotzem

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? :

Price is very important to me. Home and contents insurance was offered quite cheaply when I purchased my home in 2006, ~\$700pa. This has now increased to ~\$4400pa. Negotiations for a lower premium are refused citing the extreme risk taken by the insurance companies to insure in the northern regions. Most insurers will not even offer insurance to this postcode, limiting the competition resulting in increased premiums. I have not had one single insurance claim on two properties in postcode 6714 in 11 years, yet premiums rise each year. Quotes ranges from 4k - 10k pa for home and contents insurance.

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)? :

Very limited choice of insurers that will offer their products to this postcode. AAMI, Suncorp and Elders are the only that i know of to offer insurance. Banks offer insurance through their businesses, but pricing was extrordinarily high, 6k plus.

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 am covered for all natural events, including cyclones, but not rising water from the ocean, only rising water from rivers, streams and man made waterways.

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?:

This is important as I feel when someone is making a claim, they are usually put into a stressful situation, can even homeless during the claim process.

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? :

Not as yet.

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?:

Yes, insurance was not offered as the northern parts of Australia pose too much risk for the company to offer insurance.

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? :

My renewals do not give any explanation or justification for the price rises. It does give a break down into Basic Premium, GST and Stamp Duty. Cooling off period is offered for 14 days following policy creation.

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?:

I shop around each year my policies are up for renewal. Competition is limited in the north west of WA, so usually stay with same insurer as other quotes are more expensive. Websites are the main tool used to search for insurance. One frustrating factor when getting an online quote is that they only tell you they will not offer insurance in my area at the end of the quote process, even though the address and postcode are one of the first details to be entered.

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 I have not even thought about using a broker, but I will now!

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?:

I have not found any information to meet the needs of all consumers in my dealings with insurance companies.

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?:

Strata insurance was easy to obtain, but only offered by a select few companies in the north west of WA.

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.

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 I consider switching each renewal time for every policy I have. I have recently switched insurers due to pricing. When comparing policies, I ensure they are 'like for like'.

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?:**

Houses in my suburb are built to Category 4 cyclone rating as a standard. Many homes are very strong and suffer little damage, even in the worst storms/cyclones. I believe homes in Perth suffer more damage from less powerful storms than in Karratha. This is why our premiums are high. to cover the many claims lodged in capital cities. The cost of building/repairing homes in Karratha has reduced significantly over the past 3 years, as home values have dropped. But our premiums remain high.

**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? :**

Yes premiums reduce if you have security on doors and windows. Paying monthly costs me only \$100-\$200 extra pa.

**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?:**

Yes I spend quite a bit of time searching for better policies online, ensuring that my cover and excesses remain the same. One policy I did reduce the level of cover to save over \$800 (remove accidental damage).

**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.:**