

Response ID ANON-DUXZ-42AB-M

Submitted to Northern Australia Insurance Inquiry
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About you

What is your name?

Name:
Nicky

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.

What type of residence do you live in?

What insurance do you currently have? Please tick all descriptions that apply to you.

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? :

Townsville is my home town. I have had my current home and contents insurance policy for 12 years without making a claim. It has increased every year but for about the past 6/7 years it has increased at an unaffordable rate. I have contacted the company by email the last two years because I found their response on the phone unhelpful. They told me that insurance premiums had risen and there was nothing to be done about that. At first I increased my excesses but there is a limit to how much that can be done.

I accept that we live on the coast and there is a higher risk of cyclone but most areas have weather conditions such as severe storms, hail, flooding and bushfires. My home is an older style raised house with underneath not built in. It does not flood in my area. I think insurance companies need to look more closely at customers situations, claim history and not just take a blanket approach to the pricing in a whole region.

I do not know how some home owners pay their home insurance. I can foresee not being able to pay mine if the prices keep increasing as they have done in the last few years.

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 are a number of insurance companies that insure in Townsville. Some national/ known insurance companies do not insure here though - if you try to get an online quote you are often informed that your area is not covered or the quote is so high that you could not possibly consider it.

Policies are confusing and hard to compare.

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 have not made a claim on my current policy. I pay for home and contents insurance every year. If my home sustained severe damage by any event I would like to think the costs of repair would be covered by my insurance.

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?:

The reputation of an insurance company is extremely important. If I heard that an insurance company was unfair to their customers I would not choose them for myself.

I was not happy with the phone service of my insurance company when I queried the rising cost of my insurance so I emailed them instead the past few years. I'm not impressed with how they serve a long term, non claiming customer.

I have not made many claims on previous home insurance policies but in those few instances did not have any major complaints in how they were handled.

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

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On one of my first insurance policies I had a kitchen cabinet fall off a wall and most of the contents in the cabinet were broken. I was told to get estimates for the broken items but the claim was denied for a reason related to glass that I did not understand.

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?:

Some insurance companies do not want to insure in the Townsville region and do not want to insure older weatherboard homes.

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? :

There isn't enough information on the policy renewal. I think they'd like customers to make payments directly from their accounts so they don't think about costs as much.

They are not overly helpful on the phone.

They often do not have offices in the region.

Online quotation and information is not always good or user friendly.

They could provide more information or links on renewals and their websites to help customers be aware of ways to reduce their premiums.

The policy booklets they enclose are full of fine print and clauses that are wordy and vague. They need to use clear and easily understood language.

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?:

It's hard to compare policies. Online quotes are often a waste of time. Calling insurance companies is not easy either. They have different ways of calculating premiums.

I have not heard of the North Queensland Home Insurance website.

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?:

I might use a broker if I thought it would give me a good and better priced premium.

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 don't think my insurer has an office in Townsville now. If there was an office I might visit to find out ways to reduce my premium. I have tended to renew my policy because it's too hard to compare and find a better priced policy.

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?:

N/A

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?:

Graphs, links to websites, company information about profits, customers and claims. More transparency. They tell you very little are often not clear in regard to how they explain things.

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 have had the same home and contents policy for over 12 years despite the rising costs of my premium. This is mostly because it is hard to get a good comparison between insurance companies and policies. I initially increased my excesses to reduce the cost and got some small reductions in the premiums.

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?:

Do not have information about this.

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? :

Do not have information about this.

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?:

The cost of insurance is becoming unmanageable. I increased my excesses. I have talked to other people about their policies. I do not see what more people can do apart from choose to live in an extremely basic home, not pay insurance and try to have savings to replace their property if they were to lose it.

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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