

Response ID ANON-DUXZ-42QN-G

Submitted to Northern Australia Insurance Inquiry
Submitted on 2018-01-09 15:13:35

About you

What is your name?

Name:
William Palmer

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? :

Premium price is very important. I would like just the basics covered. I have little faith that if we did make a fair claim on property and contents that all of it would be covered as the policies are so worded that one cannot fully read and interpret what they are actually covered for.

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)? :

I live in Dampier WA. It is understandable that some companies will not cover the northern part of Australia as they consider them to be too much of a risk. Hence if they don't want to cover it the premiums are very high. Coverage in general offers little changes across the board. If they do they make it very difficult to perceive what they are.

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?:

Covered for replacement of home \$600K and contents \$70K. I am not confident that I would receive \$600k for replacement of the house as there would be a clause in the policy that would prohibit this.

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?:

Customer service is very important. I recently queried my premium cost with the Comminsure. The policy was \$8600. It had gone up \$2600 from the last year. When asked for a reason the consultant said that since we had cyclones in Queensland then the price had risen due to the associated risk. I explained that we are 3000km from the cyclone activities in Queensland. What is the increase in risk? I felt we were paying for Comminsure insurance losses in Queensland. I have

since changed companies to Shannons insurance at \$4000.

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

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Policies are too wordy and confusing.

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, they are very keen to receive money but have a lot of clauses not to pay out.

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? :

Comm insure have are renewal that comes out but the policy cost is in very fine print. This automatically gets rolled over if you do not reply, which is OK but they also automatically increases the value of the coverage and hence the increase in the premium.

How is it easier to understand their products. Market it in a simpler manner. What you are covered for and what you are not.

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?:

Online, rang up directly.

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 did not use broker. i rang up a number of insurers directly. Price differences for basically the same product range from \$4.5K to \$15.5K

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?:

Internet and phone contact.

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?:

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? :

Switched users from Comminsure to Shannons. Easy to do as they are geared up to take money not shell out.

focus was mainly on price.

Insurance companies lump premises into one lump basket.

I live in a very low crime town, in a 40 year old house that is well over engineered for the cyclone belt of the Pilbara. It is several hundred feet above the water line. But I was being charge for Sunami, a high crime rate area associated with karratha which is the cty 20Kms away where buildings are up to a cyclone rating but made out of corrugated iron. There is no individual classification on buildings. I was getting charge the premium rate for a lowlying asbestos place in Queensland where Insurance companies lost al lot of money several years ago.

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?:

It si cyclone rated. It has to be in the Nother part of Australia, well within WA at least.

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? :

Make policies easier to read.

Make policies related to the area they are insuring. I feel that since we live up North then we must be earning more therefore we can pay more for the losses they have elsewhere.

makingg a profit is not bad but not at an expense of the the people that live in a low risk, area that live in a cyclone rated house. Cyclone rating is an engineering standard that builds a house suitable to withstand a rateable cyclonic force. Insurance companies associate cyclonic area as a premium money making source of income.

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?:

Rising premiums with no related increse based on risk ratings have driven me to change insureres.

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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Coverage is very broad and not tailored to the individuals level of home protection.