

## Response ID ANON-DUXZ-42MC-1

Submitted to Northern Australia Insurance Inquiry  
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## About you

What is your name?

Name:  
Nigel Penfold

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.

[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? :

We did not know the cost of insurance prior to purchase of the property.

The price in the last 10 years has become uneconomic.

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 as not many insurance companies will touch Kununnurra.

For example despite Wesfarmers Insurance claiming they want to get into the strata business in the Kimberley they then refused to provide a quote.

Strata Insurers previously used announced that they would not renew and we were forced to hunt around in a short period of time, ending up with SGIO.

I think the cover is pretty similar (for the ones that actually provide it).

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?:

There is a lot of water in Kununurra but fortunately the chance of flooding the property are very low, as it is all irrigation controlled.

Despite this fact, Insurers exclude flood cover.

I am confident on the whole that I know what is covered as the PDF's are comprehensive

No claims to date.

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?:**

Absolutely important for them to have a good reputation and provide excellent customer service. But one never knows until one has to make a claim and by then it is all too late.

This applies anywhere, not just in the northern parts of the country.

I have not experienced any of my insurers acting in an unfair or confusing manner, but I would not be surprised if it happened.

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Yes, the Strata Insurer before last just decided that they were no longer going to extend the cover when it was due for renewal, despite never having a claim made against them.

Really no explanation could be provided for this action and we just had to lump it and try someone else.

### **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? :**

PDS's are pretty uniformly comprehensive.

Renewal notices rarely advise if price has changed but we keep a long history and track the increases anyway, so not an issue per se.

I have never been advise of how premiums are calculated (ie the actuarial assessments are never provided). This is true of all insurance policies over the years even down south.

Insurers could provide a detailed explanation of the basis of calculation, though I am not sure what use it would be unless it became mandatory and we could get the information on all competitive quotes. There is not usually much time to obtain this data to have a good sample.

#### **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 is almost impossible to get any information on comparative policies from other insurers.

One problem already referred to is the lack of interest in covering property north of the 26th parallel.

I do not live in Queensland so cannot comment on that.

#### **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?:**

We have used brokers in the past but they seem to run up against the same problem of getting insurers to the party.

The policies provided through the brokers seemed to meet our needs, but there is not much transparency and brokers do not necessarily deal with all insurers for reasons of trail and up front commission arrangements that may be in place.

#### **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 do not think that there is ever enough information in the insurance industry and am not sure how it could be obtained short of some regulatory measures.

I am sure that help for people with little or non English would be available but I would not like to be in their position, as it is hard enough with the command of English I have.

No insurance office in Kununnurra.

Never known of any visit by insurance companies?

Internet access is not really an issue in Kununnurra, the main problem is "Kimberley Time" that is, things take forever to get done. Not sure how that can be overcome, even if it was desirable to do so (maybe we should all slow down a bit).

#### 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?:**

See above comments. Really difficult to get useful information about strata insurance especially why it has skyrocketed in the last 2 years.

Kununnurra is supposed to be the government administrative hub for the whole of the Kimberleys but one would not think so from the aversion insurers have for the place.

#### 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?:**

Not really

#### 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 we were forced to change insurers in 2016.

Had to go to a new insurer.

Never changed policies with the same insurer as never given the choice so we end up with the same cover as years earlier without being aware that there was any choice in the matter

Focus would be on price as we would check to ensure coverage met our basic needs, and most of the policies do meet those needs.

No longer use a broker but when we did I do not recall seeing any analysis of comparable insurers offerings

#### 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 real need as the construction initially was well built to withstand cyclones, termites, humid conditions etc.

Built with steel frame and colorbond roofing and external cladding.

We have not had any extensions or alterations made to the Kununnurra property, and are not likely to

#### 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? :**

Probably no effect on premiums as the property is well built with security doors and screens already in situ.

Not heard of Centrepay?

I have not seen or heard of any targeted policies appropriate for my Kununnurra property but seems to be a good idea.

#### 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?:**

Lumping it at the moment.

I do not think it is even possible to reduce the level of cover as we have an insurance valuation figure prepared by an independent surveyor that we are obliged to cover the building for.

The insurers would avoid claims where we under-insured the property so it is not an option open to us.

I have no idea who can help

#### 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.:**

I think it is fairly well covered already