

Comments on the Northern Australia Insurance Inquiry First Interim Report November 2018

From: Diana Rickard and Greg Chapman **Confidential**
To: Insurance <insurance@accg.gov.au>
Date: Fri, 12 Apr 2019 17:55:17 +1000

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1. We agree with your concerns on the lower insurance margins due to commission costs for external assessors and brokers, etc. in northern Australia and how this adversely affects our insurance premiums (page iv). We also agree with your concerns on how such assessors and brokers are remunerated (page v).
2. Focus areas for 2019 are good. Focus 5- Hardship policies: should be expanded to reinstate pensioner concessions (as our state and territory owned IOs previously had in place).
3. All of your recommendations are spot on. Your recommendations (1 and 2) to abolish stamp duty and use stamp duty as revenue for insurance mitigation are excellent ideas. Mitigation should also extend to helping premium-holders in rural areas to purchase fire units, instal water points and pay for gamba grass and other woody weed removal on their land. As with Focus 5, mitigation could include low or no-interest loans for low income home owners to maintain their properties.
4. We agree with your draft recommendations and recommend a further one based on our comments of mitigation costs for rural premium holders.
5. Suggested Draft Recommendation 14: Insurers and/or governments should consider low or no-interest loans for low income consumers needing to carry out maintenance or mitigation work to protect property and lower risks of disasters such as fire.
6. After reading your report, we conclude that governments should acquire back TIO and GIOs to give north Australian residents a fair go in protecting property interests. Make this Draft Recommendation 15 if you wish. It's obvious to us as dissatisfied consumers of corporate insurance that all fairness has gone. Transnational corporate insurers put shareholders, independent assessor and broker interests before duty of care to customers.
7. The Insurance Council of Australia is deeply concerned at the present and future implications of climate change damage. We are concerned that transnational corporate insurers put profit before our interests. They will ignore the increasing need for more innovative ways to ensure that our property and its nurturing environment is effectively insured to the best of our and our insurer's ability.

Thank **Confidential** for including us in this inquiry. (Sorry about the change of text size. Went over time trying to fix it but it didn't work).

Diana and Greg

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