



Northern Australia Insurance Inquiry Public Forum

Rockhampton, Queensland
5 December 2017

This document is not a verbatim record of the forum but a summary of the issues raised by forum attendees.

The views and opinions expressed are those of the attendees and do not reflect the ACCC's views or position on the issues summarised here.

Venue

5 December 2017 from 5:30pm to 6:50pm
Travel Lodge Hotel
86 Victoria Parade, Rockhampton City

Attendees

Australian Competition and Consumer Commission

Delia Rickard (Deputy Chair), ACCC staff

Interested parties

Approximately 15-20 interested parties attended the forum.

Introduction

Deputy Chair Delia Rickard welcomed attendees, outlined the purpose of the forum and invited attendees to contribute comments in response to the topics of interest to the Inquiry.

Attendees were informed that the matters discussed at the forum would be recorded and a summary published on the ACCC's website. The summary would not identify or attribute comments to individuals.

Summary of issues

Participants discussed the following issues at the forum.

High and/or rising insurance premiums

- Participants provided examples of increases in their insurance premiums.
- In response to premium increases, some participants said they have increased their excess, and / or searched for a better deal with another insurer.
- Some participants noted that premiums had increased despite a history of no claims (even through previous major floods).
- One participant noted their concern about insurance companies classing Rockhampton as north Queensland rather than central Queensland because north Queensland has more cyclones.
- Participants discussed that insurers were unwilling to provide a quote or that they had received a quote that was significantly higher than another insurer. Some attendees identified that insurers may impose a higher excess when damage occurs as a result of a 'named' cyclone.
- A participant provided an example of their insurer reducing their annual premium by \$400 when they called the insurer to discuss their renewal quote.

Flood mapping and flood risk

- Some participants said that they had questioned the insurer about the refusal to insure or the higher quote, and were told it was due to their postcode and / or that they are in a flood-prone or zoned area. Participants said their house does not flood. For example, one participant said that even after explaining to an insurer that they live on the 10th floor; the insurer still would not quote.

- One participant discussed concerns with the accuracy and application of flood mapping data. They suggested the available flood mapping data had overstated the potential flood impact zone (in both geographic reach and water depth).
- Participants recognised that flood maps can change, for example as new infrastructure is built. Another participant said that despite being told the flood maps could be altered if enough people spoke up, they felt like no-one listened.
- One participant suggested that their insurer's removal of the option to opt out of flood insurance had contributed to their rising premiums.

Customer service and experience with claims

- Some participants raised concerns about claims assessments and repairs by insurers. Participants spoke of concerns that insurers were organising more works than necessary to repair damage, for example, by performing a complete replacement rather than repairs to part of the structure. This participant questioned the relationship their insurer had with the repairer.
- One participant shared their negative experience with an insurance company over a claim, which remains unresolved. The participant said they were not aware of the Financial Ombudsman Service (FOS) prior to the forum.

Strata insurance

- Participants involved in strata management discussed it was difficult to get quotes from other brokers. They questioned why insurers seemed to require them to cease all dealing with their current broker before a new broker could source any further quotes.
- One participant noted the benefits of shopping around for a broker, sharing their positive experience of finding a broker who found a cheaper strata insurance premium.
- A participant spoke about the benefits of having a good relationship with their broker and finding a broker who understands strata insurance. Their broker was able use good insurance claims history and evidence of mitigation works undertaken to achieve a lower premium.
- A participant who worked in the insurance industry did not consider there had been a withdrawal of insurers (in general) from the Rockhampton region and that they have had two additional insurance companies offering insurance through their brokerage.
- However, it was noted by participants that for strata insurance, there was a very limited pool of insurers that offer strata insurance in north Queensland, possibly for older buildings in particular.

Risk mitigation

- Some participants suggested a lack of flood planning and maintenance of the drains and waterways by local government had contributed to the increased flood risk for the area. One participant suggested that mitigation efforts to improve water flow / outflow to the sea would partly resolve the flood risk issue.
- One participant noted that residents generally get advance notice that a flood is likely. This means they can generally undertake some mitigation at their properties (for example, by lifting belongings off the ground).
- One participant commented that that the installation of cement fixtures to prevent the build-up of debris from affecting water flow, either through the barrage or down the river, has had little effect to reduce premiums in the area.

- One participant commented on the proposal to construct a retractable levee around Rockhampton. The participant commented that residents and business are interested in a levee but are cautious that certain residents would effectively be living in the centre of a dam while the flood waters recede.
- One participant suggested that council had approved houses to be built within a flood area that did end up being flooded, and raised further concern about the management of barrage flood gates.

Other issues

- An attendee noted that under their commercial insurance policy, damage to numerous items of stock caused by one event would ordinarily attract one claim and payment of excess per item of stock.
- One participant questioned whether insurers were factoring in man-made climate change to their premium pricing.
- One participant suggested that media has overstated the extent of flood-damage to the Rockhampton region.

Conclusion

Commissioner Rickard closed the forum by thanking participants for attending and stating how helpful and important it is to our inquiry to hear participants' experiences and stories. Commissioner Rickard said that Rockhampton has provided new issues to consider.