

Response ID ANON-DUXZ-42GM-5

Submitted to Northern Australia Insurance Inquiry
Submitted on 2017-12-01 22:24:03

About you

What is your name?

Name:
Penny Taylor

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? :

If only price was a determining factor! So few companies offer insurance and you're bound by the mortgage conditions to suitably insure your property. This leaves you at the mercy of the market. Having been in the Pilbara property market since 1999 the cost of insurance rose to be prohibitive. But given the bust of the property market, you can't give houses away with so many mortgagee sales which leaves little option.

We used an insurance broker who had the same trouble getting a reasonable price. Prices rose by over \$1k per year per house. We now use the poorly rated Comm Insure, only due to price. We choose huge excesses to try and minimise the costs. We would self-insure but our mortgage conditions suggest this isn't allowed and we are in a cyclone prone area...

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)? :

three companies offer insurance in our area that we could find

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?:

Who knows what exactly we're covered for? It's not like we've got a huge choice to argue what we'd like to be insured for.

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?:

Do you understand that we don't really have a choice? What the consumer wants in their insurance, what the customer service is like, we are at the mercy of who

will insure in the north west and regional areas. Privatisation of services might work in the city, but who wants to provide services to regional areas?

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

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all offer exhorbitant prices for the north west

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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Our broker said that the list of insurers they had to choose from had dropped significantly for our properties in the north west.

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? :

- no

- no

- just insure fairly

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?:

insurers would prefer to not insure regional areas

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've used them but as already mentioned, the high costs and low availability of providers is the problem

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?:

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?:

the cost of strata insurance is a rort and needs fixing

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?:

Understanding insurance isn't the problem. Using supposedly "high risk" regional areas to spot fix exorbitant rates for insurance rather than have a balance of probabilities on insurance needs across the nation is the problem to fix. Businesses are in it to make money, not provide a service. Between the banks, the insurance companies and the brokers who cares if consumers can't afford insurance? If people have mortgages, they'll need insurance. If you're in a regional area where insurance companies can limit the supply of affordable insurance, you'll be charge excessively for the privilege of living in regional Australia.

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 switched - zero customer service and I'm scared it'll be bad but it was the cheapest by far and we couldn't afford the company with a decent reputation

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?:

you know we have building codes that have a good record for protecting homes against cyclone damage..?

This makes absolutely no difference to the price of insurance in real terms.

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? :

there are minor things that can be done but the starting cost is exorbitant and unaffordable - isn't this why we're doing this long survey? Because you know it is and need people to help back you up to achieve industry reform...?

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?:

I've answered this.

Make the excesses huge, pay in advance, every little things helps. But we need the govt to make any real change to how the insurance industry operates.

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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