

Response ID ANON-DUXZ-42MR-G

Submitted to Northern Australia Insurance Inquiry
Submitted on 2017-11-17 22:53:47

About you

What is your name?

Name:
Nigel Tillet

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.

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? :

When we first moved to Cairns in 1985, house and contents insurance was competitively priced and affordable.

Now, it is very difficult for us to fit the costs into our budget. The only way we do is to get an insurance broker to look for best offers each year, which invariably means a change of company annually. Company loyalty no longer exists.

This has worked until now and we have eased the strain by opting to pay the premium monthly.

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)? :

As mentioned above, we now use a broker who looks for the best deal available. It does mean a different insurance company almost every year.

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?:

We insure to the minimum requirements, and also exclude flood cover due to our hillside location.

We have not yet had to claim for any event. But the policy seems to address our main concerns. We are insured for replacement value but have increased our excess to reduce the premium.

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?:

It matters a lot. But, by jumping from insurer to insurer each year it minimises the benefits we used to get when we had one insurer for so many years.

We have had no claims so cannot comment on any insurer's behaviour.
We do now put a lot of faith in our broker in terms of any dealings with an insurer.

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

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

We have not experienced any.

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?

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?:

Yes.

No reasons given, although it was clear to us that it related to our postcode. This has occurred particularly with companies such as Coles and has occurred with vehicle insurance also.

Companies should not have the option to refuse to cover anyone. If they are in to selling insurance, then they should accept all risk.

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? :

We rely on a broker and have no contact with any insurer.

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?:

We have given up researching insurance for ourselves. The broker does it all.

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?:

Yes. We would recommend the process to anyone. It does get back to trusting the broker. We use someone who has a good reputation and has been involved in insurance for many years.

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?:

We rely on our broker.

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? :

We have switched many times on the advice of a broker. Most changes have been to reduce premiums whilst trying to maximise the cover we need.

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?:

Our current house was built in 2010 and therefore complies with the building regulations for a cyclone area.

We understand that these regulations do not need to be applied in south east Qld. When we witness the damage done in that area from storms etc it makes us wonder why government does not enforce the same tough building standards we have, across the entire state.

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? :

Monthly payments are not that much more expensive and do help with cash flow.

With regard to making the house safe, we suppose that there are things that could be done. But existing building regulations in this area are quite stringent and, we believe, our house is to category 3.5/4 cyclone rating.

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?:

Since our premiums started to rise significantly, we are using a broker to look for best value.

We are currently insured for replacement value and would be reluctant to reduce this level of cover unless forced to by cost.

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.: