

Submission on discussion document: Insurance contract law review

Your name and organisation

| | |
|--------------|-----------|
| Name | s 9(2)(a) |
| Organisation | |

Regarding consumers' disclosure obligations

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| Were you aware of your general duty to disclose all material information when applying for insurance, and that the duty goes beyond the specific questions you are asked in your application for insurance? |
| <i>[Insert response here]</i> |
| If you were aware of your duty to disclose material information, who informed you of this duty? |
| <i>[Insert response here]</i> |
| When applying for insurance, do you understand what material information you need to give the insurer so they can assess the risk of providing you with insurance? |
| <i>[Insert response here]</i> |
| Do consumers understand the potential consequences of breaching their duty of disclosure? |
| <i>[Insert response here]</i> |
| Have you ever breached your duty of disclosure? What consequences were there for you in terms of the insurance cover you were able to obtain under the policy following the breach? |
| <i>[Insert response here]</i> |

Regarding conduct of insurers

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| What do you think fair treatment looks like from both an insurer's and consumer's perspective? What behaviours and obligations should each party have during the lifecycle of an insurance contract that would constitute fair treatment? |
| <i>[Insert response here]</i> |
| What has your experience been of the claims handling process? Please comment particularly on: |

- information from the claims handler about:
 - timeframes and updates on timeframes
 - reasons for declining the claim (if relevant)
 - how you can complain if declined
- The handling of complaints (if relevant)

[Insert response here]

Have you ever been sold an insurance product that was inappropriate for your circumstances? Or are you aware of this happening to others?

[Insert response here]

Have you ever felt undue pressure from an insurer or insurance intermediary (such as an insurance broker or salesperson) to buy or renew an insurance policy?

[Insert response here]

Regarding difficulties comparing and changing providers and policies

When considering the purchase of insurance, what sources of information do you draw upon to make your decision? (e.g. comparison websites, talking directly to different insurance providers, talking to an insurance broker or financial adviser)

[Insert response here]

How long do you think you typically spend reading an insurance policy before you purchase it?

[Insert response here]

Do you think you have a good understanding of the insurance policies you currently hold?

[Insert response here]

If not, what is the main barrier to you understanding your insurance policy?

[Insert response here]

Have you ever been in a situation where you thought you had a certain level of cover under your policy, but when you went to make a claim found you were not covered? If so, please provide us with a description of the situation.

[Insert response here]

Would you like to switch insurance providers? If so, what is your main barrier to switching?

[Insert response here]

What, if anything, should the government do to make it easier for consumers to compare and change insurance providers and policies?

[Insert response here]

Regarding exceptions from the Fair Trading Act's unfair contract terms provisions

Are you aware of instances where the current exceptions for insurance contracts from the unfair contract terms provisions under the Fair Trading Act are causing problems for consumers? If so, please give examples.

[Insert response here]

More generally, are there terms in insurance contracts that you consider to be unfair? If so, why do you consider them to be unfair?

[Insert response here]

Other comments

We welcome any other comments that you may have.

Government made a change to the Building Act of 2004, requiring structures to be strengthened for earthquake resilience.

The Wellington City Council began its assessment process about 5 years back and unfortunately for my situation, the building my home is in did not meet the minimum threshold of 33% NBS as set out.

There have been many flow-ons since this assessment not least with regards to insurance, which has been exacerbated by the Seddon/Kaikoura earthquakes. Our insurance premiums have sky-rocketed to unsustainable levels.

FACT 1: Our block only has 6 apartments in the suburb of Brooklyn .

FACT 2: 3 owners are retired/semi-retired.

FACT 3: We are obliged to pay insurance under the Unit Titles Act and as a condition of lending by banks.

FACT 4: Currently for each unit owner, we need to set aside \$130.00 per week (which comes to ~\$6,800.00 per annum, coming to a total of ~\$40,000.00 per annum, for the building). This cost is just to insure the floor, walls and ceiling of a space no bigger than 90 square metres per unit.

Something isn't right with this picture and we are paying the price for events we cannot control. Insurers are taking advantage of the situation and are gouging us completely.