

Submission on discussion document: Insurance contract law review

Your name and organisation

Name	s 9(2)(a)
Organisation	N/A

Regarding consumers' disclosure obligations

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>I think so that's correct – my insurance company has their questions and they look clear to me.</i>
If you were aware of your duty to disclose material information, who informed you of this duty?
<i>The insurance company, I believe so. The questions sounds very serious.</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>Pretty much, I think so. If I'm not sure, I will check with them, so I tell them what I think – better to be sure. They can decide whether to be relevant or not.</i>
Do consumers understand the potential consequences of breaching their duty of disclosure?
<i>I think I understand it means that if I have a claim, I will not be paid.</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>No, I don't think so that I will do anything serious like that. I think it's about honesty. If I cannot be honest, then it is my own fault, correct? And I deserve to be punishe. In my culture, I must act with honor.</i>

Regarding conduct of insurers

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>I'm not so sure I really understand. But I know about one friend who came to study in Auckland. She arlready had hospital operation before. Then something happened and she</i>

put the claim to the insurance company. The insurance company said the problem is relating to the problem she has before. So the company did not pay her. She was very angry and file some claim. She claim very big and took long time. I think that for to be fair, then I don't think she was very fair. Not so honest.

I personally myself also got a problem before –, my computer stopped work. I took for my friend to see. He can fix things. But he cannot fix this problem. So he said I should put claim to insurance company and say the computer cannot work because thunderstorm two days ago. I know that is not true, so I never put the claim. I must have honor.

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)

I hve not much experience with this.

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

I don't think so. There was a problem with a Youi one I remember from the newspapers.

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?

I don't think so.

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)

I talk to my friends to see which one is a good company.

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

I don't really read too much. I think it's basic – motor car insurance ...

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

So so, ok.

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.

I have no experience like that.

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

Always looking for cheaper. But cheaper not always good. New Zealand's everything is so expensive. Every year, I pay more and more and more. I think NZ government must help make the price less expensive.

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

NZ government must make the price lower. Now cannot afford. Talk to broker if you want to compare. Like I just mention before, Youi got bad newspaper news before. NZ government must work hard to stop bad companys.

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.

NZ government must make the insurance not so expensive.