

## 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>[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>Sometimes this may not be obvious e.g. remembering every minor medical issue that may have happened to you in the past. E.g. every minor sprain or strain you have had since you were a child and the exact date of each of these.</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

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>Fair treatment from an insurer when you make a claim rather than the insurer looking for any little reason why they can get out of having to pay.</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?

*Too technical, long winded, jargon*

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?

*Overly onerous information etc required especially for medical/life insurance. Here is a recent example from when I tried to change my life insurance policy:*

Thank you for withdrawing my application, to be honest I am pretty much fed up with the amount of questions and info that they need. I do not have time to see a doctor and get a blood and urine test done especially when some of the questions are doubling up on things that i have already provided in the application and signed off to say that i have answered truthfully e.g. height and weight. Also I have stated that it is difficult if not impossible for me to recall every minor sports injury that I have had and the original date that each of these happened. I cannot see how for example a minor sprained ankle way back when I was at primary school could affect a life insurance policy?? Yet they keep asking for this information which they could go back and check my ACC records for. I am someone that has had no significant health issues to date - I have never had to go to hospital for an operation and have only ever broken 1 bone, yet I feel like I am being put under the microscope. For example the question about how many standard alcoholic drinks do you consume - this is a standard measure yet they then wanted to know exactly what types of alcoholic beverages I consume. Completely over the top in my opinion.

I would like to reiterate that I am not fed up with you as my broker, just at this process. I would've liked to have saved some money re insurance premiums however this process has pretty much shown me that it is not worth the hassle.

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

*Make this process simpler! Surely you shouldn't have to answer a million questions and have after completing an application have it bounce back numerous times between the insurer and customer due to the insurer's overly onerous questions etc*

## 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.

*I completely disagree with the current rules that can allow an insurer weaselling out of paying a claim for medical/life insurance by any lack of disclosure that they find even if it has nothing to do with the claim and/or was an honest mistake. They are happen to take you money via*

*insurance premiums paid for years then when it comes time to pay out a claim they look for ways to get out of having to pay it on a technicality etc.*

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT