

Submission on discussion document: Insurance contract law review

Your name and organisation

Name	S9(2)(a)
Organisation	Private

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?

Yes

If you were aware of your duty to disclose material information, who informed you of this duty?

It is written on the form

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 thought I did, know I know I didn't understand the implications of consequences of a mistake

Do consumers understand the potential consequences of breaching their duty of disclosure?

Absolutely not.

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?

Not me personally. S9(2)(a)

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?

Use of PLAIN ENGLISH. Refer "Plain English Movement" online regarding legal documents. Insurance companies should be obligated to work harder with the client, using their medical records TOGETHER, to make mutual and informed decisions AT TIME OF APPLICATION.

What has your experience been of the claims handling process? Please comment particularly

on:

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

Very negative. Insurance companies are using loopholes in non-disclosure law to decline claims. Insurance companies are extremely quick to find medical information that allows them to avoid cover, when they need to. This happens at a time when the consumer has hit rock bottom and is vulnerable. Consumer pays premiums for years, believing they have paid dutifully for peace of mind, only to have it ripped out by experienced insurance professionals who did nothing to ensure the cover was correct. Then they use their expertise to avoid cover and keep your premiums.

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

Yes, **s 9(2)(a)**

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?

No.

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)

Price comparisons, word of mouth of reputation.

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

3 hours.

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

Yes

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

The unknown loop-holes that the insurance company will find come claim time. That is the point. The consumer should not have to worry about barriers of understanding. There should not be barriers. The process needs to change.

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.

s 9(2)(a)

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

I personally hold no health insurances, due to my distrust in them now.

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

Make the insurance companies apply for a copy of clients medical notes at time of application, so a balanced and fair decision can be made with no misunderstandings!!!! The current law is ruining lives !!!

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?

Yes Accidental non-disclosure should be treated differently than negligent or deliberate non-disclosure.... current law allows insurance co to decline on any sort of non-disclosure, this is not fair! deliberate, reckless, innocent, and inadvertent should be treated accordingly

Other comments

We welcome any other comments that you may have.

{Insert response here}