

Submission on discussion document: Insurance contract law review

Your name and organisation

Name	s 9(2)(a)
Organisation	

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>Not fully aware</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>Not fully aware</i>
Do consumers understand the potential consequences of breaching their duty of disclosure?
<i>They can refuse claims</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>Possibly – not deliberately any way</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>Insurance companies should be required to offer (as previously) standard full replacement policies for dwellings based on their assessment of the risk. The current practice by most insurers of requiring the customer to assess the value of his / her property and the rapidly escalating costs of rebuilding, and insuring for that value, leads to either overestimating and therefore paying higher premiums than necessary, or under estimating and risking not being sufficiently covered. Insurance companies are fully aware of current costs and trends and</i>

should be required to accept some of the risk, by making the assessment of values.

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)

We had a fire a few years ago. (Under former "Full Replacement" Policy). Partial rebuild was timely and to expected standards. In fact better than new. Have also had several Car accidents that were handled reasonably.

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

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?

Yes – but resisted

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)

We have been with the same (house, contents, cars and, for a while, a boat) insurer for 47 years. Have small Life policies with different company.

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

Probably not long enough – one quick reading

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

Not sure

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

They are very complicated with many exceptions and exclusions

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.

No

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

Not really

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.

I have been loyal to one insurer for 47 years. It is time that the company returned that loyalty but offering simple and fair policies.

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