

Additional information provided by submitters using Consumer NZ template

76 submitters used the Consumer NZ template (see end of this document) and added information as set out in the table below

	Submission
1.	<p>I suggest a change as follows: In those cases where an insurer takes the stance that material information was not given the insurer should be required to calculate the premium rate difference from what was charged by the added risk driven premium rate that would have been charged. The consumer could then agree to “repay” the missed increased risk portion of the premium. The effect of this is that the insurer is placated, the insured is paid out and both parties are satisfied.</p> <p>In cases where the insurer claims they would not have entered into the contract to insure, knowing the added risk of unmentioned material information, all premium payments should be refunded, if that is final result. Alternatively a register of “uninsurable circumstances” would be needed and legislated meaning insurers would be required to meet lawful standards before refusing insurance including latter avoidance.</p>
2.	<p>insured a woman, due to a spelling error, as they had declined her previously and when they picked up on their error they cancelled the policy. She had paid \$1500.00 in premiums. This was not reimbursed the monies until I picked up on it. I contacted and had them on about keeping her monies. They had the money for over 3 years. They promptly sent a cheque for the total money paid. If I had not picked up on it they would of never given the money back. They made excuses for why the error happened. If you wish for further information on this please contact me as this is the short story.</p>
3.	<p>I am particularly concerned about my responsibility to declare anything material associated with a claim a prudent underwriter would require. How am I expected to know exactly what an underwriter would require? Specificity and clarity is required. Clients are presently heavily disadvantaged. This is grossly unfair to clients, especially those who have limited reading comprehension and with not enough money to hire an insurance lawyer to ensure an informed deal. Not a good look for the insurance industry.</p> <p>I am also concerned about the phasing out of residential house insurance pooling (“one for all, all for one”) policies where there is a shared risk. And the phasing in of algorithm-driven targeted residential housing policies with the prospect of sharply rising policy prices. As of now insurance companies have largely transferred risk to hapless clients.</p> <p>I believe the semi-monopoly held by IAG is undesirable. There should be more state involvement. Perhaps as a last resort. There once was a government-owned insurance entity, before a Labour government, acting on ideological treasury advice sold State Insurance. Compounding this, IAG should not have been allowed to buy up other insurance companies. A National government allowed this.</p>
4.	<p>Too often you think you have done the right thing and disclosed what the insurance company needs when you signed up only for them to find a loop hole and decline a claim later by saying ‘you didn’t close this or that’. There is a real lack of transparency as a consumer as to what an insurance company needs. I’d happily supply my medical records so that they can determine what will be covered or what would be pre-existing. As a lay-person I can’t judge what they need, the onus should be on them to do their background checks / due diligence.</p>

5.	<p>I had the misfortune to have an accident with my car in January which meant I was without a car for two months. This impacted adversely on my disabled son who relies on me and my car to attend his day care programme. My investigations show that much of the delay was the result of the insurance company's actions. They did not inspect the car for over a week. They then took two more weeks to authorise repairs.</p> <p>I am fit and able and can cope without a car but I don't have access to a second car meaning there were times when my son was under stress as I took him on foot (with him in his wheel chair) to his day care. Fortunately it rained just twice.</p> <p>When it came to renewing my policy, I found it difficult to compare an policy with a rival policy and found staff in both companies quite unwilling to answer questions which would allow me to do so.</p> <p>I was also angered when my elder son was declined insurance for his new home because the company was not taking on new clients. He had been insured with them for five years on a house right on the fault line in Totara Park, Upper Hutt!! Scarcely a new customer or an increased risk. I believe he was declined because he was in a demographic who are less profitable to insure.</p>
6.	<p>I make very few claims, but had a recent experience where an assessor of damage caused by a burst pipe was most unsatisfactory. He was in Mt Maunganui, and never visited my home in Auckland. I complained an a local assessor visited, immediately agreed with my point of view and offered a settlement over 50% higher. Pays to complain!!</p>
7.	<p>I have had issues with insurance brokers over selling against our needs (life insurance) and some of our other policies are very complex and require much study to ensure the cover is adequate and fair.</p>
8.	<p>There is a massive imbalance of power between the typical insurance policy holder and the underwriter. In the event of a significant claim (e.g house & contents claims after the ChCh earthquakes of 2011) the policy holder is at the mercy of the underwriter in terms of claim progress, acceptance and the timing of payout. For many policy holders, they may only deal with a major claim once in their lives. They are vulnerable, suffering and often in no state to assess the adequacy of the insurance company's response. The playing field needs to be evened up and policy holders need support in the form of comprehensive regulations to require underwriters to meet the terms of the policy and respond to a claim within a reasonable timeframe.</p>
9.	<p>Some examples from me dealing with Insurance companies</p> <p>Example 1; I recently asked my motor insurance company, , why my premium had increased for insuring a depreciating asset, I was told by (Customer Care Consultant) that this was due to the rising cost of claims, labour, repair costs and shortage of repairers. Whilst the agreement we have allows for increase where the costs have increased in this case appears to be unjustified. There has been no change to the amount of repairers in my area of Tawa in Wellington, labour increases should be offset by new technologies and techniques and parts decrease as more vehicles are disposed of.</p> <p>Example 2; As a result of the attempt of my insurance company to renew my policy when it was clear the policy has materially changed from replacement to sum insured. I advised my previous insurer that I no longer wanted them to share my personal information with their 3rd parties without my express consent the insurance provider, terminated my policy. There has been a long running battle for me to recover my personal</p>

	<p>information from them which is almost impossible. I was also told by representative, (Manager - Domestic, Private Motor & Pleasurecraft) that the 'Insurance Council agreed to roll over policies' during the move from replacement to sum insured as this 'was in the best interests of the customer'. It is my belief that it would have encouraged greater competition to force apathic customers to shop for new policies if the Insurance Council has not made this ruling.</p>
10.	<p>[Note: This submission contained various minor changes to Consumer NZ template]</p> <p>Fair terms and conditions</p> <ul style="list-style-type: none"> • Insurance companies should be required by law to have fair contract terms. • This would, I submit, be achieved by the government removing the insurance industry exemption from the ban on unfair contract terms contained in the Fair Trading Act 1986. Insurance is the only industry that is exempt from this ban. While this exemption exists, there is no legislative requirement to ensure the insurance market is fair – only that all other markets are fair. <p>Clear insurance policies</p> <ul style="list-style-type: none"> • Insurance policies should be written in plain language and the cover provided should be clearly defined, also in plain language. • Insurers should be required, either within policies or in documents attached to policies, to identify all information they require when a policy is taken out. Insurers should be banned from declining a claim on the basis a policyholder has not provided information unless the insurer has clearly stated in plain language that they require this information. At the same time, consumers have a duty to not make misrepresentations. <p>Protection from claims being unreasonably declined</p> <ul style="list-style-type: none"> • Insurers should not be able to unreasonably decline claims. The best protection for consumers is to ensure that insurers who unreasonably decline claims are open to the Crown taking a case on the basis of unconscionable, oppressive or unfair conduct. <p>Price transparency</p> <ul style="list-style-type: none"> • Insurers should be required to provide clear information about costs. This needs to include cost information every time a policy is up for renew.
11.	<p>Our experiences following the Canterbury earthquakes was dire; our insurer played the process to minimise the amount we received. They dragged the process out and repeatedly reduced what we could claim for, on the basis that it became less clear over time as to what was earthquake damage, which of course it did! They communicated poorly, if at all, and constantly changed the person with whom we communicated.</p>

12.	<p>I strongly support changes to make the insurance market work better for consumers and ensure they get a fair deal.</p> <p>We are a small arts business in operation since 1981. We have cut back and cut back on our insurance cover over the years. It is barely adequate, there is no security at the level we have currently yet the cost is higher than ever.</p> <p>There has been instances where we could rightfully of claimed insurance for damage to artworks but it was just not worth the agony of claiming.</p> <p>I would like to see a complete re-write of insurance policy</p> <p>As it stands we do not read the policy, it's too difficult to understand.</p> <p>Our Body Corp building insurance has increased astronomically, it doesn't seem right, (actually it's outrageous) that our brokers can make so much money selling their company, the shareholders do well and we the customers struggle to pay the premiums.</p>
13.	<p>Our transport insurance declined any compensation after a near complete write-off of our entire contents in a container shipped from overseas to NZ. It paid zero, claiming that it was improperly packed!!! However, many items were actually packaged in their original boxes. (Fumigation of the container was required due to some wood products, it happened in tropical climate with very high humidity and was also many weeks delayed. All this caused irreversible damage to all metal parts – electronics, etc.) This is unacceptable and we vote for an insurance law change.</p>
14.	<p>Too often, I get led astray by insurance policies and their advertised products. But after careful examination I eventually find some well-hidden clause that clears the insurance company of any liability and it means that, if I were to make a claim, I'd be left out of pocket. They hide behind "legalese" and esoteric mumbo-jumbo that makes it hard for the layperson to understand exactly what they are and aren't insured for. Insurance companies can't cover everything and still offer low premiums - I get that - but they don't need to pretend that they do; they just need to be upfront and easily understood.</p>
15.	<p>While I have used Consumer NZ's format, it covers the points I wish to make. I am particularly hopeful that insurers, in future, will have to specify the information they require from policyholders.</p>
16.	<p>For an older person to get medical insurance for travel, all the onus for providing a lifetime's detail rests with us, the consumer. And that's pretty much impossible to do. Its totally unfair this way around. The insurer needs to ask the questions they want answered.</p> <p>The policies are many pages long and thus impossible to understand except for a legally trained mind.</p> <p>The cost of house insurance increases 10% every year. The profits they made for the 80 years prior to the Chch earthquakes should have been retained to cover risk, not returned to shareholders. They are routing the situation now price-wise.</p>
17.	<p>I once asked to increase the amount the hose was insured for, increased it by 60k for no increase in premium who's having who on?</p>
18.	<p>I wont go into detail, but I had a claim where I was initially declined. Its only due to being determined to prove I was in the right that the company eventually accepted my claim: I had to read up on the law and make a case for myself, get supporting statements, and write a really good letter - I also had worked in insurance previously so the info was more familiar to me at least. I am personally still concerned others would have been landed with</p>

	\$25k of debt (for the other vehicle, it was third party-f&t car insurance, and I deserved my policy to cover me - which it did in the end).
19.	My experience with insurance companies as although I am their customer, I don't feel they are on my side when it comes to claims. It seems they will try all means possible to get out of paying out on claims, I had to really know my rights to get my claims paid which shouldn't be the case if I have been a loyal customer for 18 years.
20.	In my experience of purchasing insurance of the years I find the policy's are often not clear, there is little transparency in the pricing and find the review increases each year do not seem to really stack up against the adjusted value of items I am insuring
21.	I am unconvinced my currently insurance policies will cover actual loss in a real-world situation. Mostly concerning house insurance as to rebuild cost. Also vehicle insurance is unclear as to whether I am covered whilst in charge of vehicles other than the one insured in the policy. Other concerns include a lack of clarity when it comes to other drivers operating an insured vehicle, and general lack of information as to entitlements regarding minor house insurance claims. Current policy wording seems to promise minimum recompense for fees paid, but to add slightly increased coverage increases cost exponentially.
22.	We have suffered from unclear insurance wording and behavior that is below standard. There are several areas I believe that should be looked at: <ul style="list-style-type: none"> • Passing on no claims rebates in the area of medical insurance • Better life insurance policies • Substandard repair quotes that send the wrong message, take a smaller handout not understanding the full consequence of the repair. • Better wording • Less pressure selling
23.	To understand the insurance policy document you need to be a lawyer and an expert in Insurance law. Then each time the policy is extended there are list of further unintelligible exclusions. The only certainty is they will continue to increase the premium.
24.	Our comment is on travel insurance and their misleading advertising. We have had several instances now of a fully comprehensive policy being anything but fully comprehensive. A claim for consequential damages as a result of overbooking by an airline was refused. This is a common situation that a fully comprehensive policy should cover. To exclude this situation in the masses of fine print is in our opinion blatant false advertising. Under another fully comprehensive policy, a claim resulting from a booking error was refused. Again the use of the word fully is in our opinion false advertising.
25.	I had a flood from an upstairs cylinder valve. I am over 70. I got no support from my insurance company with whom I had been paying insurance for 18 years without any claim. I had furniture stored in my garage and the assessor said it would not be affected by the water that came from above. It has since started going mouldy. However they cut my insurance off as soon as they re-laid the dried carpet because my house is a leaky home and will be demolished eventually. That was my insurance experience. I have since had my insurances reinstated by another company excluding water damage i.e. from theft and fire. There was nothing offered from the previous insurer, just cut off. That was .
26.	Recently my husband and I had reason to claim on our travel insurance. Out of our claim of \$400 the company said we were entitled to just \$45! What was not made clear in the insurance claim information was that the \$150 excess was per person despite our insurance being for us as a couple. We

	would have received more of our expenses had we claimed for one person. We don't believe insurance companies can be trusted and to wrangle with the insurance company over rectifying this would not lead to us getting the insurance payout we expected we were covered for.
27.	I have had personal experience of issues with _____ - Slow replies to claims submitted and extremely slow to action any remedies. Failure to then chase up the assessor, leaving me to do all the work and make the phone calls necessary to have urgent work attended to.
28.	While we have not personally had any issues to date I live in fear that we will be declined an insurance pay out which will financially cripple us due to not having a clear understanding our policy. We consider ourselves reasonably intelligent but still struggle to understand the policies put in front of us, especially in understanding what constitutes wear and tear, pre existing conditions and natural events.
29.	As a resident of Canterbury and having lived through the earthquakes and all of their aftershocks, I can affirm that it's my impression that the major insurance companies' number one priority in this disaster was to look after themselves. A number of friends and associates had terrible experiences with their insurance companies, with settlement being dragged out for years and all sorts of unethical attempts made to persuade clients to settle for less than they were entitled to. An associate who is a doctor has suggested that, for many of her patients, dealing with insurance companies (including EQC) was a more stressful and frustrating experience than dealing with the earthquakes themselves. With climate change issues on the near horizon, and the opportunity for insurance companies to get up to similar shenanigans,
30.	While I have not had any issues and had the very few claims I have made settled adequately I feel I have been lucky and should not need to fear my insurance company and worry constantly whether they will wriggle out of any claim I make.
31.	In the past two years we have experienced insurance companies like never before! Firstly we were robbed whilst travelling overseas, arrived home to the Kaikoura Earthquake, then indirectly as a result of quake damage 6 months later our house burnt to the ground and just as I thought I had finished all the claims I had a small car crash!!
32.	In 2011 I suffered major flood damage following an unprecedented rainfall event. My insurer (_____) sent an assessor who took details of the damage. I then received an offer of settlement - just an offer of dollars with no detail whatsoever. I requested details of how they calculated the settlement amount amount to no avail. In the end, to get repairs etc. underway, I had to just accept the offer. The fact that they could not/would not provide details of the settlement makes me suspect that I was not fully indemnified within the terms of my policy. If so, that was not dealing in "good faith" .
33.	I believe that insurance documentation is obtuse in the extreme and have been involved in insurance matters where the Insurer has been happy to five times the amount of the claim in legal fees to fight it rather than accept it.
34.	I strongly support changes to make the insurance market work better for consumers and ensure they get a fair deal. I had an incident where someone that fell asleep at the wheel drove through my fence destroying the fence, damaging animal yards, trees, shrubs and gates. Our insurers took almost 6 months to settle the claim. The contractor that did the repair work for the fences, gates and animal yards were very unhappy about it and this made us feel like we had done something wrong, I almost caved and paid them directly as I felt so bad for them being out of pocket for ~\$3,000. I suspect that the person who did the damage had the same insurers as us and that's why the insurers were pushing back on paying the contractor for their hard graft to make a good repair. Our insurer kept asking us and challenging us about the type of insurance we had,

	<p>which had not been raised with us previously, when our neighbour's tree's fell and badly damaged a shed. This was the only reason they paid out as we said if the insurance was incorrect then why had they paid out previously. I feel they try any excuse to wriggle out of their obligations that we pay good money for.</p>
35.	<p>I have personally had problems with _____, when they refused to supply a claim when would not discuss the reason why.</p>
36.	<p>I have heard of so many incidents for people have paid a lot of money over and then been treated very poorly. I have had an experience in my own Family where a member has had an accident and was no longer able to work in his business due to a back injury. He had paid for Insurance to cover this type of event for years but because he had a previous hip injury his Insurers declined his claim citing that his injury was pre-existing injury. Since when is the spine and a hip the same? He was in that much pain, could not work, could not meet his financial commitments and ended up with mental health issues because of the stress of having his claim denied. He did not have the mental strength at the time to fight the decision and in the end he lost his house, his business, and his 21 year marriage. I believe this story is not unique!</p>
37.	<p>Change the law so that you would simply have to answer insurer questions truthfully and have lighter consequences for innocent failures to disclose information (but retain serious consequences for fraud, deliberate lies, and reckless non-disclosure)</p>
38.	<p>From experience Insurance Companies are able to justify not fulfilling claims on too many occasions as their policies are too strongly written in their favour.</p>
39.	<p>I went to Nepal in May 2019 to trek to Base camp with an experienced guide leading a group of 11. The day we left Kathmandu I got a sore throat which a week later developed into Acute Bronchitis. I took the antibiotics the travel doc had prescribed but they didn't help. The rooms were very cold and damp in all tea houses that we stayed in.</p> <p>Two of our party had a helicopter booked two days after the visit to Base camp (for the 10 minute flight to Lukla airport) as they had work commitments in NZ so were always leaving early. Due to my poor health and severe coughing etc the guide recommended I join them which meant splitting the US\$900 fare three ways instead of two as originally planned. It was Not an evacuation, the helicopter was always booked.</p> <p>The village we were in, Dingboche, has no phone connectivity, only limited wifi. That night I bought data and emailed _____, who I had travel insurance with, and explained the situation in detail and said I would be going to the doctor in Kathmandu as soon as I returned. I also emailed requesting that both _____ and my travel agent (_____) assist me to return home immediately after Kathmandu rather than waiting another week and also having a two day stopover in Singapore en route home.</p> <p>At 7.00 am the next morning we left by chopper (I had only had a standard email confirmation from _____ saying they received my email and would be in touch within three days). We flew from Lukla to another airport then had a five hour jeep ride back to Kathmandu. During the jeep ride I received an email from _____ advising my policy did not cover trekking above 3000m and I would not be covered. The exclusion was on about page 45 of the policy under Sport. I had not seen it.</p> <p>I argued that I had tried to be responsible by purchasing travel insurance booked the actual day I booked my flights some months earlier. I had been to</p>

a travel doctor pre trip and was taking medications to help prevent altitude sickness (Diamox), also high dose Vitamin C and Ibuprofen as recommended. I had other medications from her in the event of sickness. I did not actually have altitude sickness apart from an occasional headache. I was fit and well prepared and the guides insisted on a slow, safe pace with extra acclimatisation days as recommended. I also pointed out that most Kiwis going to Nepal go to trek and it would be almost impossible to trek under 3000m.

What really made me mad though was that when you apply online and enter your dates and the intended countries you'll visit, two pop up boxes appear – one asks if you're skiing or snowboarding (unlikely in Nepal) and the other if you will ride a scooter or motorbike. There is no mention of trekking.

Their stance softened and they indicated I MAY be able to claim back some of my expenses as they accepted the bronchitis was not caused by altitude but 'the altitude would have exacerbated it' (true). I emailed the medical report to them that night and they made me complete a form to speak to my NZ GP which they demanded before I was even home.

The doctor at the Kathmandu Travellers' Hospital examined me, took bloods and a chest x-ray and pronounced Acute bronchitis. His medical report stated that: "Helicopter evacuation followed by taking a vehicle to Kathmandu was appropriate for her medical condition".

By the time I got back to NZ a few days later (I just went ahead with changing my plans regardless as I really wanted to get home) My additional expenses were:

US\$300 for the helicopter

US\$180 for the doctor

NZ\$5 medication

NZ\$ 709 to change flights plus \$100 loss for the leg to Tauranga as no flights or shuttles were available and I had originally paid to fly Akl-Tga

NZ\$300 for Singapore stopover

I wrote a very long detailed and impassioned email to with my claim and eventually they rang me to discuss it last week. They ended up paying me for everything I claimed except the helicopter cost. The Singapore stopover was refunded in full through my travel agent.

I am sure I wouldn't have been successful if I hadn't pleaded my case and provided so much detail in writing and on the phone. I am still probably going to write to the Ombudsman as I think they should be upfront if they don't want to cover trekking over 5000m, especially for places like Nepal, Machu Pichu and Kilimanjaro which are popular destinations with Kiwis. I realised mountaineering would be an issue but it never occurred to me that trekking would be.

My roommate on the trip was also with and they were going to charge her an extra \$400 because she advised she had recently changed her blood

	<p>pressure meds. Not started them – just changed them! Her husband kicked up a fuss and they waived it but even though she says she told them she was trekking to Base camp, they never advised her policy did not cover this. I think it’s dishonest and unfair.</p> <p>Several other NZ companies do cover trekking so it’s something travellers need to be aware of. Incidentally No one in our group had read the fine print of their policies, hardly surprising when they run past 50 pages.</p> <p>My argument to _____ is that they must be able to have some algorithm or system that alerts you to exclusions that are highly likely for particular destinations ie Nepal trekking Thailand motorbike riding Vanuatu diving</p>
40.	Having been subjected to the bullying tactic of an insurance company during our earthquake claim, we believe the situation must be improved.
41.	<p>My personal reasons are: The very next time that our insurance was up for renewal after the Christchurch earthquakes our cover was hiked 25%. The reason given was that our “old wooden buildings in a remote location” were prone to earthquakes. I responded that it was a load of rubbish. Was it not the relatively modern buildings in a built up environment that caused deaths and destruction. It was simply that they were seeking anyway possible to recover their costs associated with the ChCh quakes. I asked were they not squirreling away all those payments we’ve been making for decades for just such an eventuality? No reply so we changed companies. I understand though that they are all hiking under the same guise.</p>
42.	I live in Christchurch and unfortunately have no trust in dealing with insurance companies after it taking 16 months for our insurance company to process our re build claim post earthquake. Despite the wording on our policy being what we thought was quite clear about re instating our home to pre earthquake standard and that we could be expected to be treated in a fair and reasonable manner, we were told by the insurance company that these phrases come down to how you interpret them. I think there should be a timeframe limit on how long it can take to process a claim.
43.	The relentless increases in premiums for rental properties is considerably more than increases for owner occupiers of similarly valued properties. These costs are passed on to the tenant and the landlord is the person portrayed as being the one profiteering. One has to wonder who is funding who? Could it be that the owner occupier sector is subsidised by the rental property owners?
44.	I also believe there should be stronger regulation on any person or organisation who sells insurance policies. They should be subject to the same rules and obligations as the insurers for whom they act.
45.	<p>Over the years, we have had a number of debates with our insurance companies through unclear policies, ambiguous terms or outright misleading conversations. It’s time to simplify, time for honesty and time for change. I thought it best to underline some areas we have been displeased and I’m happy to elaborate should that be necessary. <i>Rental Property Insurance</i> Our rental property was covered with full tenancy cover and full replacement and repair. We carried out 6 monthly reviews and had these</p>

documented. The tenant had been stable for 5 years without fault. The property was completely torn apart with bathrooms smashed, ceilings and walls pulled apart ,all doors kicked in, bench tops smashed etc. All in one incident. The police reported it as a burglary - drug related was the suspicion of the police however no evidence at all was found to that effect.

The insurance company disregarded the Police report and said it was tenants damage and our negligence for not inspecting 3 monthly. They restricted the pay out to 30% of the damaged costs.

Motor Vehicle

In 2017 an unregistered taxi driver fell asleep at the wheel and crashed into our parked cars on the side of the road. Two of our vehicles were severely damaged.

The first was insured for \$37,000 agreed value with a market value of \$29,000. The insurance company and assessors decided to repair the car rather than write it off. The panel repairs were \$22,000 the mechanical \$12,000 Totalling \$34,000 91% of the insured value and 117% of the replacement value. Further it was off the road for 5 months and the rental vehicle costs were \$11,000. Despite this far exceeding the normal write off limits for a car they returned the car to me despite my concerns regarding safety and my calls throughout the process to just write the car off.

The second car valued at \$9,000 was repaired for 7,200 and incurred rental vehicle costs of 4,500. Again they did not write off the car but decided to fix.

The process needs to be clear, when do they write off and when do they not? Why do they hide repair costs from the insured, we had to fight to get clarity on what was being repaired and at what cost? We requested an independent safety assessment clearly worried about the safety of both cars following the incident but we couldn't find anyone who would put their name to that assessment against the insurance companies. How do we achieve independence?

Contents Insurance

This is the one area I have always had pleasant results with insurance. Never any issues and always paid out quickly.

For all these reasons and just an honest clear system, I support Consumer NZ's call for:

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| 46. | I feel privileged not to have had problems with insurance but attribute that to having been a member of that works very well on a presumption of trust both of the client to the insurer and the insurer to the client. |
| 47. | I made a claim for damage to my car. I requested that the authority to fix only get put through to the repairer when the excess had been waived as I could not afford the excess. A few days later I heard from the panel beater and they had received the authority. I said oh good that means there is no excess. They agreed. I had the car repaired when I went to collect it the repairer said there was a 500 excess to be paid. I said no I only asked for the authority when excess had been waived. The insurer then allowed the car to be uplifted and I thought it was all sorted then I received a demand for the excess. I rang the insurer who confirmed our conversation that the authority would be sent once the excess had been waived. They then said they had sent the authority through with the excess to be paid and left it up to the repairer to inform me who did not. I now have a battle between the repairer and me as the insurer is saying it is my liability while still admitting the agreement between the insurer and myself and confirmed that the |

	<p>authority was only to be put through once the excess had been waived. My car was stationary and they have yet to contact chorus who did the damage. This was a fibre install without notification.</p> <p>This is beyond stressful as I am on a single income and a solo mum. I would never have authorised the repair had I know the excess was to be paid and had made this clear to the insurer. The insurer was .</p>
48.	<p>I strongly support changes to make the insurance market work better for consumers and ensure they get a fair deal. I feel that the point of insurance to to insure against risk, yet the way the law is now the corporations can rule out risk or policies at their own whim, and we the consumer are terribly exposed.</p>
49.	<p>I've had the worst experience with my insurance company on my very first home insurance claim. To simplify it all I'll bullet point it:</p> <ul style="list-style-type: none"> • Two leaks in wall in September 2017, insurance provider sent contractors out to dry and suck out water both times with their fans and dehumidifiers. • Health and safety sheet completed. Neither time was asbestos identified as being present except in some vinyl on the second time. • Contractors set up fan pointing directly as friable asbestos lagging and blew fibres everywhere contaminating my house. • Every asbestos expert that has been on my case, including independent assessors have all decided that the fan has contributed significantly to the spread of asbestos fibres and the contamination level of my property. • refused to conduct further testing to identify how bad the contamination was, so I did that at my cost. This meant couldn't identify how safe the site was for me or the contractors. • Testing concluded that both I and the contractors have been exposed to high levels of asbestos contamination. hasn't told the contractors this fact due to repercussions. I now have to get lung scans and breathing tests every 5 years. • have not covered any damage costs, hiding behind their "contamination" clause, and that existing asbestos is considered maintenance. I didn't know asbestos was present in my house. • I feel they should be held responsible for the impact on my health and their contractors. • I know I'm covered for leak related damages under the policy I had but have not been paid out for that. <ul style="list-style-type: none"> • Every other tradesman who damages your property by accident when contracted for doing a job always fixes this up. Insurance companies should be held to the same standard of returning the property to prior the damage that they or their contractors do by accident or deliberate. • have spent at least \$20k investigating how to not pay me out. • Damage is up around \$100k including legal costs. I have now fixed my house myself. • dropped me as a client due to costing them too much money in investigation costs. They only gave me 7 days' notice when I'm told all other insurers have to give 14 days. • knew I couldn't find another insurer as I had an unresolved claim and a contaminated house. I begged every company and only one broker let me have robbery and fire cover at a high premium. • Insurers rely on you getting tired of fighting and backing down to get away with paying nothing. We pay insurance to be covered when things go wrong, so they should be investigating how to cover you. • We shouldn't have to have to sign confidentiality clauses to get paid out what we are entitled to. • marketing at the time was all around how they will make it better for you when bad things happen. This is so opposite of what I received and bordering on false advertising.

50.	I watched my mother be treated so badly by _____ about 6 years ago with unfair terms that they came up with when she needed to claim. To the point they wore her down so much that she no longer trusts any insurance company.
51.	Two personal examples we feel our insurance company let us down are: 1. Motor vehicle insurance Our car was written off. The policy said it covered us to a certain value. When it came to making a claim the response was, in plain language, the policy cover was the retail value of the car but the company only pays out the wholesale value. 2. House insurance The insurance company was refusing to pay the \$5000 cap stated in their policy, saying that their standard practice was to pay that amount less the excess. They wouldn't budge when I pointed out their standard practice was not relevant because our policy stated differently. It wasn't until I mentioned what I found in the insurance ombudsman's case summaries that they agreed to pay out correctly "without admission".
52.	I have paid my insurance as a due part of buying my own home. When my husband left, I juggled my finances considerably to keep up with the insurance requirements. Over 20 years, I have had 2-3 instances of needing financial assistance & support, all of which were turned down for 'clause A, part B, collective 1i' (or some such thing, but that's what it sounds like). I have no faith left in this industry at all. If I had actually put the same amount of money aside over the last 20 years...I could have afforded & supported myself, independently of this industry.
53.	I had problems with my insurer. My son had a party at home and the carpet was completely ruined in three rooms and they made me pay excess for each room, but it was one carpet and one event.
54.	It shouldn't be up to consumers to determine an insurance level and/or what is and isn't included in a policy – insurance companies are purported to be the specialists in this field and for them to put their hands in the air and say to consumers 'you choose the level of cover to rebuild/repair' is a cop-out.
55.	I am frustrated by regular price increases. A deal is offered to change, then the prices increase substantially.
56.	In my experience, insurers pay out small claims quite readily and make use of that approach in their marketing as a "shop window" to claim that they are on the customer's side. However, when a large claim comes in, it is quite a different story. Whilst insurers are quite entitled to ask for documentary evidence about the items lost or damaged, in my experience, their demands go well beyond what any reasonable person might expect. As an example, I have asked the question recently of two insurers (_____) exactly what they would expect to see as documentation of contents in the event of a total loss of contents due to a catastrophe like fire or flooding, with this loss of contents including the loss of receipts for purchase. The answer was that they would expect to see a complete photographic record of every item covered, along with a description of when it was bought and an estimate of the purchase price paid. Items that had been inherited or gifted to the insured would have to have been independently valued. In order to satisfy this demand, a householder would have to keep a digital file of these photographs, each labelled with the estimated purchase price paid or with its independent valuation, somewhere off the premises so as to be safe from fire or flood. What really annoyed me is that none of these very specific requirements was mentioned in any insurance quote. This is plain dishonest – the paying customer only gets to hear about the hoops they have to jump through to make a claim at the time they have to make one, and this is why so many householders in Christchurch faced such long delays and had to face such disappointment and hardship following the earthquake. Insurers should be forced by law to make it clear exactly what the insured person has to do to be fully covered and should also be forced to make a

	promise about the maximum lead-time they will commit to for settling all claims.
57.	We have had trouble with an insurance company but finally reached a settlement,
58.	I have been misled by insurance companies so therefore I gladly support Consumer NZ's call for [Consumer NZ template]
59.	Discovering my excess deductions refer to each and every item in a claim instead of per claim which renders the policy 99% useless was the last straw in my frustration with insurers who have had a free ride laughing all the way to the bank on my policies fees for over 50 years. When I finally needed to claim post kaikoura only one of the many broken items in my home was claimable. Insurers should only be able to demand information specific to the claim not to a plethora of unrelated information I had travel insurance declined because as a 3 year old I had chicken pox; unbeknownst to me; and nothing to do with my travel related claim.
60.	I have repeatedly had to ask my insurer for more information about my premiums so that I can work out what increase they are charging. The contractual information is not clear and I am concerned they have the power to refuse to pay out on claims on the basis that information I submit is not fully correct, even if it is not centrally relevant to the claim.
61.	I would like to know who monitors the health insurance companies and why it is so easy for them to increase premiums every year, citing 'increased costs'. What costs? Where is the proof? It's exorbitant and unjustified and it would appear there is no sector to question them.
62.	We have had a particularly frustrating experience with _____ many years ago where we had a V8 motor stolen from a locked garage. refused to pay out because a) it wasn't covered by our vehicle insurance because it wasn't in a vehicle and b) it wasn't considered household contents It took many months to sort out and was only resolved by the intervention of another party. We felt absolutely abused and helpless in this process.
63.	I battled _____ insurance for years after the Christchurch earthquakes to get a fair settlement, and came to the conclusion that insurance companies love premiums but hate to pay out. I also believe that the industry is incapable of self-regulation. You can read more about my saga online here:
64.	I strongly support changes to make the insurance market work better for consumers and ensure they get a fair deal. I had a situation where we needed to claim owing to water leakage in our kitchen. As a result the floor covering was removed and it was to be replaced as part of the claim. My husband is a floor covering layer and was 'owed' money from a retailer for unpaid contracting work. As recompense in lieu of our lost income, the retailer provided the vinyl we needed to replace our own under our insurance claim. In any event, we thought we were doing the insurer a service by getting the vinyl at cost price rather than the full RRP. However, the insurer said we couldn't make pecuniary gain from the claim and refused to pay for the

	<p>vinyl. So effectively we lost the money that was owed to us by the floor covering retailer, and the insurance company got the vinyl (and the laying) for free. Had we not been owed the money by this company, the insurer would have paid for the vinyl as part of our claim.</p>
65.	<p>I am dismayed to only hear of this enquiry into fair insurance practice today by email from Consumer.org.nz, especially when the call for sub-missions closes tomorrow, 28/6. As a result, I do not have time to read all the documentation provided for your on-line submission or to make one. However, in view of the recent scandalous events in Christchurch concerning insurance companies, and from my own experience dealing with sheets of paper full of legalese; with automatic inflation indexing each year (and nightmare handling of it if you have any questions) and other related issues with my insurers such as a wrongly-designated flood zone charge, I strongly support that changes be made so that the insurance market will work much better for consumers than it does currently, so they are ensured fair/er treatment in the marketplace.</p> <p>I therefore support Consumer NZ's call for: Clearer insurance policies – i.e. less legalese</p> <ul style="list-style-type: none"> • That insurers be required to provide a simple one-page summary of key policy details to make it easier for consumers to understand them and do inter-company comparisons. • The body of the policy needs to be written in plainer language and the actual cover provided should be more clearly defined. • I would add that if this is not possible, then the staff of insurers should be willing, and both have time and leave enough of it (before due dates) to explain the policy doc. to the consumer <p>Fair terms and conditions</p> <ul style="list-style-type: none"> • Insurance policies should be subject to the Fair Trading Act's ban on unfair contract terms. • It is a disgrace that insurance is the <u>only industry that is exempt</u> from this ban. Such exemption must end to ensure a fair market. <p>Protection from claims being unreasonably declined</p> <ul style="list-style-type: none"> • Where a customer may innocently fail to provide information the insurer believes should have been disclosed, insurers shouldn't have the blanket right to automatically & unreasonably decline a claim. • While consumers <i>do</i> have a duty not to misrepresent information, insurers need also be obliged to clearly identify what information is required when the policy is taken out. <u>The onus of responsibility should NOT only</u> be the CLIENT'S but it be an equal 2-way affair. <p>Price transparency</p> <ul style="list-style-type: none"> • Insurers should be required to provide clear information about costs, and again, the onus should not be on the customer to call up and question them. This needs to include information about year-on-year premium increases when a policy is up for renewal. <p>I really regret I did not know before this that submissions were due but I do congratulate the Ministry for opening up this important matter to the public for consultation and discussion. Let us hope that the unfairness of the status quo will be dealt with, so that there is more accountability and transparency generally within the circles of the insurance industry.</p>
66.	<p>We have had issues with our insurer .</p>

	<p>We were told when we accepted a cash payout in 2016, that the repairs were now under our control and could be done in our own time frame, with the option of doing any upgrades or alterations, as we saw fit.</p> <p>We have recently been told that we will be insured for 2019/2020, but if we want to be insured 2010/21 we have to have all of our earthquake work completed. We explained that we have had a number of issues to deal with, on top of the aftermath of 6 years wrangling with EQC, including cancer and a close family member's death.</p> <p>We have been told that 'might' be able to negotiate an extension with the reinsurers, , if we can give a time frame for completion of all the work. At present we under so much stress we cannot contemplate dealing with repairs, but no understanding or support from the insurers.</p> <p>It feels like a rerun of the battles we had with EQC, hideous.</p> <p>We feel like they have changed the goals posts and we have no power, or energy to challenge them, they have us over a barrel. How can they be so unreasonable? No other company we have dealt with has done this to us.</p>
67.	<p>In my experience insurers are focussed on "out" clauses; assume a claimant is dishonest until proven otherwise; employ stalling techniques; only address the obvious i.e. if we can't see it, it can't be damaged.</p> <p>It is a misnomer to believe that your Insurer is your advocate. Chances are the policy has "hidden costs" – if legal involvement is required to get a reasonable resolution to a claim.</p> <p>In a similar vein to Real Estate Agents being required to disclose property defects to buyers, the assigned insurance "Claims Handler" should be responsible for ensuring that every aspect of compensation available in the claimant's policy is addressed – and perhaps fined, if this is not done.</p>
68.	<p>Having experienced two disappointing outcomes with insurers over the last 12months (travel insurance, house contents removal), I support Consumer NZ's call for:</p>
69.	<p>We are currently "going through hoops" negotiating with our insurer following water damage to household carpets due to leaking plumbing from the flat upstairs. They are citing a burst pipe as "negligence".</p>
70.	<p>When I have been asked by an Insurance company to make a declaration when taking out a policy they will not accept the words "to the best of my knowledge." I have tried to explain that as a 70 year old I may have forgotten something as I often do. They will not move on this point. I have heard that some companies have used these declarations to cancel policies using the most minor of memory lapses. I think this is most unfair as all the power is with the insurance companies and not me. The words "to the best of my knowledge" should be accepted by the insurance companies</p> <p>Some of the fine print appears to mean one thing to the company and something else to me. I am not a lawyer or an insurance person. The plain english policies are far from plain. Companies need to include better explanations in their policies</p>
71.	<p>I believe the government needs to monitor the changes regarding address based risk insurance. New Zealand has too small a population to justify this method. Most of New Zealand is at risk of some natural disaster - earthquake, tsunami, storms and tidal surges, erosion etc. It is also not feasible for all of the people to live in one "less risky" place as some insurers seem to be suggesting. Also there is a risk that people will not be able to afford insurance and will opt out.</p> <p>With an aging population and changing expectations on quality of life with 70 being the new 60 etc and people working for longer, a review should also</p>

be conducted of age related premiums for life and health insurance.

72. Detailed below are three examples of issues we have experienced:

Insurance claim 1: After the major April storms of last year (2018) we submitted a claim for replacement of two items damaged beyond repair in the storm. Supportive photos were provided plus quotes from the supplier for replacement of said items.

The process to review the claim was absurd. We provided all the required evidence, answered all additional questions... then we waited. And we waited. Additional queries we are asked with the required details provided. We then had an offer of a replacement item worth only 20% of the damaged goods even though we provided quotes for replacement of the exact items. We indicated we understood deterioration might be a factor (though my insurance was based on the replacement cost). The insurer's argument was the lower cost item represented better value as a replacement. I continued to debate the issue and finally 9 months after the event we were paid out.

My take out: I have the distinct feeling that assessor's are paid/ incentivised to a) negotiate to lower the actual replacement costs b) take time to complete the claim in the hope it will "go away" or the claimant will accept a much reduced offer simply to get the issue resolved.

I understand fraud may well be an issue for the industry but it is totally unacceptable to be made to feel a criminal simply for putting in a legitimate claim for an item that has been insured against damage.

Insurance Claim 2: Earlier this year our vehicle was back-ended by a large SUV. The driver of the other vehicle accepted full responsibility. I preferred a particular panelbeater but the insurance company clearly pressurised us to take the vehicle to one of their approved dealers.

We did. But mistake.

On retuning our relatively new vehicle that has always travelled exceptionally smoothly, we discovered the vehicle "shacking excessively" within 5 minutes of leaving the panel beater.

We returned and were informed the issue was related to tire wear – not the accident (though there was no indication prior to the accident).

We contacted the insurer indicated this was unacceptable. We then had to wait an additional week for the contracted-out assessor who was based in New Plymouth (we are in Auckland) to arrange for the vehicle to be returned to the panelbeater for some additional work.

We finally got the vehicle back but it has never driven the same as previously and we are now in the process of selling it though we had intended to keep it for a few more years.

My take out: The idea of contracted-out assessors from another city being responsible for the vehicle assessment is patently absurd. They never personally inspected the vehicle but relied on photos of the damage and the input of their appointed panelbeater. As a customer I felt left out of the loop and had the feeling of collusion between the insurer and panelbeater to ensure the job was completed at the lowest acceptable cost (even if it meant delivering a damaged vehicle back). The process is all about the insurer (lowest cost they can get away with), the panelbeater (lowest cost they can deliver the completed work)...without any real consideration of the consumer.

Insurance issue 3: Health insurer ripoff. I can't think of an alternative expression to indicate the level of dissatisfaction with our Health Insurer. We have been members of their health care policy. In the early years very little claiming took place (the first 10 years). Then my partner was identified as being basil cell carcinoma/ Melanoma candidate and has had many basil cell carcinoma's and early stage melanoma spots removed.

It seems odd that this has coincided with a dramatic increase in our premiums.

We feel caught – we can't change to another provider as my partner's existing conditions would be excluded – the existing conditions are now the only

	<p>reason we retain the health insurance. I want reassurance that should my partner need urgent attention (as she did 3 months ago) she will get it. But the massive increases are now getting to the stage we will have no alternative but to cancel.</p> <p>My take out: As policyholders we were very useful to our Health Insurer in the early stages of taking out our policy – the premiums were low but we weren't claiming (great for the companies reserves). At that stage we were probably regarded as A Class policyholders. Since then we have aged (and the risks have increased from an insurer's perspective) and my partners identified major illnesses are causing our claims to increase. We are no longer seen as great policyholders by the insurer – rather we are seen as a burden.</p> <p>I see the massive premium increases as a direct strategy utilised by the insurer in order to "push unwanted policyholders" out (read: those who are now claiming). This is the stage when the insurance should be delivering the purpose for which it was intended.</p> <p>For these – and other reasons – I support Consumer NZ's call for:</p> <p>[...]However, insurers should also be obliged to identify the information they need when the policy is taken out (and they need to ensure reasonable delivery on the terms presented in the policy when it was taken out)</p> <p>I also feel the relationship Insurers have with 3rd party suppliers should be clear and transparent and that those suppliers should not be forced on to policyholders in the instance of a claim.</p>
73.	<p>How ironic it is to be told now to stand up to your insurer and be heard, when we were forced to leave to go to because I had done exactly that. We had excellent and comprehensive, and affordable, cover with . When our son wrote his car off and I asked not to de-register the vehicle, they insisted this was a legal requirement. I was then advised by an insurance broker 12 months later that panel beaters buy write offs from insurance companies without them being de-registered. We had our insurance cover with TERMINATED, our new insurer is strangling us financially. If you would like documentation proving this situation, please let us know and we will forward it.</p>
74.	<p>After experiencing the Canterbury Earthquake events, those who exceeded the EQC cap after lengthy waits for assessment, then had to experience insurance companies trying to either push the claim back under cap or battle to receive their contractual entitlement as per the policy wording.</p> <p>Too often I saw people given a band aid response to their home claim, with no adherence to terms of the policy. This was short sighted, as it only means that the property is weakened for any future event and subsequent claim. I personally battled thru my claims on several properties I owned. I then had a litigation role to assist in mostly commercial and high value residential claims, where the insurer used their might and money to delay and defend the claims, often settling at the last minute just before Court hearings with clauses that silenced the insured party from letting other NZ policy holders know what they went through. That is stand over tactics, the insurer knew they were in breach of the contract and wanted to minimise the claim but more specifically to avoid legal precedent being established on cases they knew they would not win.</p> <p>A big area of concern was the use of experts, in the geotechnical, engineering & quantity survey fields with a pocket of extremely well paid experts by the insurers able to produce reports in complete contrast to the onsite local experts, often after brief visits from out of town, or desk top reviews of other experts site visits.</p> <p>The learnings from the protracted and expensive battles had in Canterbury, then Marlborough & Wellington, need to be reviewed and specific legislation put in place to ensure acknowledgement of a claim is within a narrow time frame, that reserves for the claim are not confidential and that agreed neutral experts are available to the parties involved so that resolutions are quickly agreed.</p> <p>A new government department may be required to oversee a transition to agree insurance law within New Zealand, with limitation of time set on the</p>

	<p>insurer to settle, just like there is requirements already for a timeframe for a claim to be made after an event defined in a policy. There should also be contractual responsibility for a set time frame for agreement to be reached on settlement.</p> <p>I believe that a new Insurance Council is required, with legal powers, to oversee the industry and claims and specifically the claim timeframe process. People should not have to go through protracted legal claims, with huge costs, to receive their policy contractual rights. A more simplistic Insurance Council body that sits alongside the Court & Mediation type process should exist, with any major event having the capacity to be able to be quickly boosted. This Council could work in conjunction with EQC. Only in exceptional circumstances, could the legal time frame set by the Insurance Council be extended. With boundaries established, I would then like to see a defined path for both parties set out in resolution guidelines that explained the requirements to go thru an agreed process. This would be of huge benefit to all in my opinion, providing clarity and steps within a timeframe. Simple clear guidelines such as:</p> <ul style="list-style-type: none"> • defining the process of filing a claim by the insured • acknowledgement of claim by the insurer with timely assessment by agreed experts who also report to the Insurance council • proposed settlement, enabling discussion on disagreements, the ability to compromise with agreement (e.g. a long run roof replacement instead of concrete tiles) • Independent checking adherence to policy standard in relation to like for like and then agreed settlement terms.
75.	Compared to other countries we pay huge premiums
76.	<p>Post the 2011 earthquake my neighbour and I had to try and get and to work together to repair our shared driveway. They didn't, of course, and left it for us to arrange a contractor and attend to payments. My neighbour had a particularly trying time when tried to cash settle an amount around 15% of her actual share. The delays this occasioned, caused her (a widow in her 70s) considerable stress and tears. This should never have happened. On my side, I invited to contact and offer their project management services. refused to go down this path. Pure childishness.</p> <p>In particular, the rort called "pre-existing medical conditions" should be renamed and spelled out in simple and clearly understood language for purchasers of travel insurance. I am a regular traveller and, over the years, have worked out what insurance companies mean by this. Ergo, my travel insurance costs me a lot. Not one of my friends and associates understand this term and every single one of them travels without having complied with what the insurance companies have defined.</p>

Consumer NZ template submission used by the above submitters

I strongly support changes to make the insurance market work better for consumers and ensure they get a fair deal.

I support Consumer NZ's call for:

Clear insurance policies

- Insurers should be required to provide a simple one-page summary of key policy details to make it easier to understand and compare them.
- Insurance policies should be written in plain language and the cover provided should be clearly defined.

Fair terms and conditions

- Insurance policies should be subject to the Fair Trading Act's ban on unfair contract terms.
- Insurance is the only industry that's exempt from this ban. This exemption needs to end to ensure the market is fair.

Protection from claims being unreasonably declined

- Insurers shouldn't be able to unreasonably decline claims where a customer innocently fails to provide information the insurer believes it should have been told.
- Consumers should have a duty not to misrepresent information. However, insurers should also be obliged to identify the information they need when the policy is taken out.

Price transparency

- Insurers should be required to provide clear information about costs. This needs to include information about year-on-year premium increases when a policy is up for renew.