

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Submission on discussion document: Insurance contract law review

Your name and organisation

Name	
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?

[yes]

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

[insurance company state]

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?

Not very well

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

[well I do and it worries me]

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 knowingly but how are you supposed to be sure]

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?

[Insert response here]

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?

[no]

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)

[consumer website]

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

[30 minutes]

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

[I think I do but sometimes when a claim is made all these extra things which are not clear in the policy]

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

[they are written by experts who assume we know some things but we may not]

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?

[so difficult to compare policies]

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.

[gives the insurers too much power]

More generally, are there terms in insurance contracts that you consider to be unfair? If so, why do you consider them to be unfair?

[the whole disclosure thing is unfair. There should be a complete list & anything not on the list should not effect the policy. Also my memory is not perfect so any declaration is to the best of my knowledge]

Other comments

We welcome any other comments that you may have.

[Insurers have all the power there is no power for us to negotiate its take it or leave it. Difficult to compare policies]

RELEASED UNDER THE
OFFICIAL INFORMATION ACT