

Australia's General Insurance Industry

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Relevant Terms of Reference A and G.

My submission relates to my experience with car insurance, and in particular, the conduct of AAMI in relation to changing its position on providing life time rating one for car insurance for existing customers.

I have been a customer of AAMI for over 20 years and earned the life time rating one driver status.

Within the last few months I became aware by chance that AAMI has changed their position about honouring their lifetime rating one drivers.

On making a formal complaint about this to AAMI, they stated that they had changed their marketing about this in early 2014 and no longer intend to continue with life time rating one because of the cost.

It may be reasonable for AAMI to change their position for new customers, but it is outrageous for AAMI to remove my life time rating one given that I have been a loyal customer with them for many years. What part of life time is not life time?

At best, any company promising something for life time and then later changing their mind about this, would be unethical and at worst, outright illegal to make such false, deceptive and misleading representations.

I have been driving for over 30 years and have never had a car accident. To offer a life time rating one and now discontinue this for existing customers who have earned this status, is totally inappropriate conduct and I believe is motivated by the cost and an indirect way of increasing the cost of insurance. Should I make a mistake in the future and do have an accident then I will no longer be safeguarded by my lifetime rating one status, and this will impact the cost of my insurance in the future.

Insurance company conduct relating to increasing the cost of insurance directly and indirectly this way is inappropriate and should be prevented from doing this.

There will be thousands of rating one drivers out there that will not be aware of these changes.