

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2015 - 2016

Department/Agency: Treasury

Question: SBT 44-46

Topic: Insurers

Reference: Hansard page no. 107 - 21 October 2015

Senator: McLucas, Jan

Question:

Senator McLUCAS: Perhaps all of these questions might go to ASIC, actually. How many insurers currently provide information for the site?

Ms Brown: I have some information as well. On the website there are currently nine insurers covering 12 brands. I have numbers of hits between 31 March and 30 September. It was 4,699 people accessing the site. They performed 5,541 comparisons.

Senator McLUCAS: So those 4,699 are absolutely separate, different people, or is it like me going there three times?

Ms Quinn: It is individual people. There are 6,275 individual sessions. That might be people going back over different time periods. There are nine insurers, of which there are 12 brands because insurers have multiple brands.

Senator McLUCAS: Thank you. Could I have on notice a breakdown month by month?

Ms Quinn: I am looking at a chart which we can provide you on notice. It is fair to say most of the activity happened in the early stages of the launch.

Senator McLUCAS: I expected that. How many in last month, for example?

Ms Quinn: I will have to take that on notice. Because there are so many in the first few, it is hard to see on the diagram what is happening later. We will give you a list.

Senator McLUCAS: The frequently asked questions section of the website says it will be updated regularly. How will that take place?

Ms Quinn: These are operational matters that we will have to take on notice for ASIC.

Senator McLUCAS: Thank you. Under the disclaimer section on the website there is a statement about Finity Consulting Pty Ltd. Are you aware of that statement?

Ms Quinn: No.

Senator McLUCAS: It says:

The natural disaster risk information presented on this website are measures derived from an assessment by Finity Consulting Pty Limited of the insurance risk from cyclone, flood and storm for individual properties. This independent measure may differ significantly from the risk assessment used as a basis for the premium set by individual insurers.

What is the purpose of that statement?

Ms Quinn: It would call for speculation, but there are usually disclaimers about the basis on which pricing occurs. It would have to be clear when people are looking at the analysis of Finity that that is not exactly the same as what individual insurance companies would be using in their own assessments. All the individual insurance companies would have their own assessment of risk and therefore use that in their pricing of risk. It would seem that it is there to make sure people can use it to question insurers but cannot say, 'This is what you're using.' I imagine it is clarity.

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Answer:

North Queensland home insurance comparison website data:			
2015 (month)	Sessions on website	Users (unique)	Features/quotes comparisons made
March (31 March only))	1,011	900	826
April	2,986	2,417	2,211
May	582	380	935
June	513	331	653
July	432	345	333
August	385	325	278
September	366	300	305
October (to 29 October)	439	355	288
Total	6,714	5,353	5,829

Updating of the website

A sample of insurers' quotes are monitored through their websites on a weekly basis. If significant price (premium quotes) movements are detected and subsequently confirmed for a particular relevant insurer, a re-collection of quotes for the insurer across all locations is conducted. The website's database is updated to reflect the price movement. Policy features are also regularly monitored for changes. There have been four updates to the website since its launch at the end of March 2015.