



10th June 2018

KAP outrage ACCC Northern Australia Insurance Inquiry will take another two and a half years to finalise.

The ACCC Northern Australia Insurance Inquiry released initial findings on Friday 8 June 2018. It commenced a year ago and has heard from Northern Australians who have expressed frustration, confusion and anxiety about the affordability and availability of insurance. People say they are acting to lower their premiums, for example by shopping around and raising their excesses, but consider there is little choice, especially in strata insurance markets and regional towns. The compulsion to insure, whether by law for strata properties or a condition of a mortgage imposed by a lender, was also a theme of concern.

Daniel McCarthy, KAP candidate for Leichhardt says that "regardless of the concerns raised, the ACCC have obtained information from insurers that points to a different situation. Now they intend to investigate and monitor the industry over the next two and half years."

Mr McCarthy says that the ACCC report confirms they agree that eight main insurers currently supply home and contents insurance under 45 brands throughout northern Australia, but the number of brands used make it look like there are more suppliers than there actually is. They also report that while northern Australia makes up only 5 per cent of the number of policies in Australia, it accounts for about 10 per cent of premium revenue. Between 2007 to 2017, average home and contents premiums, have increased by between 23 and 67 per cent in northern Australia, and by 16 per cent in the rest of Australia. During the same period, strata insurance premiums rose by between 60 and 80 per cent in north Queensland.

The ACCC states that in 2016–17, the average annual home and contents premium in northern Australia was \$2000, which is about double the average for the rest of Australia. Strata insurance premiums in northern Australia were more than double the premiums in the rest of Australia. Premiums for combined home and contents insurance in northern Australia can vary between insurers by as much as \$3.40 per \$1000 insured, compared to \$0.90 per \$1000 insured in the rest of Australia.

Mr McCarthy says 'it is outrageous that insurance premiums are crippling our regional economy. This unacceptable situation has been let fester by a Liberal government which has received over \$1.5 Million in donations from the insurance industry over the last decade alone'

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Media Enquiries: Daniel McCarthy Ph 0413 054 031