

NDIR Submission from Pamela Miller

To the Review Panel of the Natural Disaster Insurance Review,

I have just seen an advertisement for the Natural Disaster Insurance Review - Have Your say. I'd like to have my say.

Most people who take out home insurance assume that they will be covered for most, if not all damage to their property - house and contents. I myself have had insurance on my homes and cars for over forty years. I have never needed to make a claim.

Upon reading through my latest policy I find there are parts to the flood clause that cause me concern. It seems that insurance would only be paid if the flood water caused damage to my house if the water rose within a certain amount of time from the rain falling. Therefore, if flood water came from elsewhere over a period of days, from rain which fell days before, then I would not be covered. Anomalies like these are reprehensible.

A homeowner pays money in good faith over many years in the belief that all will be financially supported if a disaster happens. The insurance companies make enormous amounts of money from the small likelihood that houses will claim. Most homes are safe from most disasters. Humans would rather keep themselves safe than collect money from a disaster they may have been able to prevent. Most people believe that prevention is better than pay-out. However insurance companies ought not be able to use silly 'get-out' clauses to limit their payments to suffering clients.

(The wonderful Daffy Duck Insurance Salesman cartoon is terrific and is a great send-up of what the public often thinks of Insurance salesmen. Daffy's policy - convince Porky to purchase a policy so that if he ever gets a black eye he will get a pay-out of \$1 million. Daffy, however, cackles that Porky should have looked at the fine print - the \$1 million is only paid out for a black eye as a result of a stampede of wild elephants running through his house between 3:55 and 4 PM on the Fourth of July, during a hailstorm.)
<http://www.youtube.com/watch?v=Vaw2B-q6b8w>

I think a National Disaster Policy for everyone who is in need after a disaster is important. However I think that people need to be encouraged to take out their own insurance as well, so as not to rely solely on the government for a handout if they are suddenly affected by a disaster. (Similar to medibank / medicare) And those who pay their own premiums ought to be covered for all disasters.

I think it is awful that honest people who paid their insurance premiums in good faith should be short-changed by fine print, shady clauses and uncaring insurance companies whose only real aim is to please management and shareholders.

The insurance companies enter into the risk with the property owner and they should play fair. As I said earlier I've paid premiums for over forty years and have never yet, and hopefully will never, make a claim. But I sure hope I'm covered for any disaster that may befall my property if in the event of some unforeseen event I need financial help to recover that which is lost.

I fully support a review into the insurance companies policies.

Pamela Miller