

# Standard property profile survey – April 2019

- Three insurers reduced Home & Contents ESL rates this month. The average ESL rate is now 12.7%.
- Average Base Premiums increased by \$11 compared with last month and \$36 compared with last year.
- The Average Total Premium in the survey is \$1,733. This is \$10 higher than last month and \$66 lower than a year ago.

## ESL

Three insurers have reduced their ESL rates this month, following on from last month when 10 of the 13 insurers surveyed decreased rates. The range between the highest and lowest ESL rates being implemented is now the smallest it has been since the Monitor began collecting data

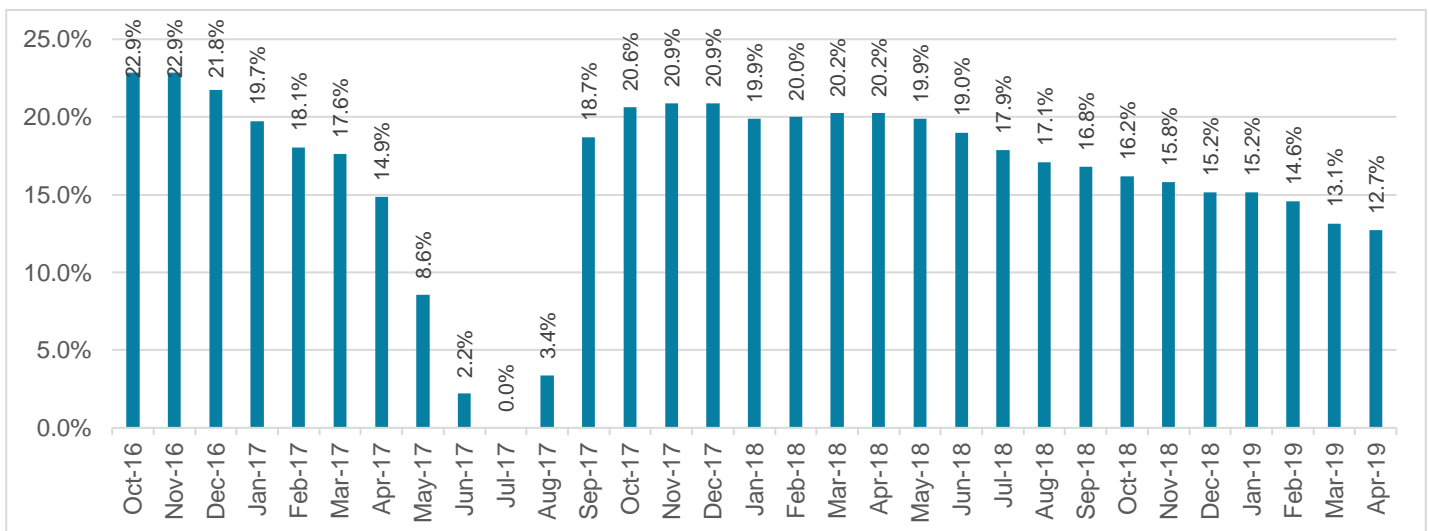
- Allianz and Westpac held rates constant in March, however, they have now reduced rates to 12% from 14.5% 13.5% respectively.
- Woolworths has reduced rates for the second consecutive month, down a further 1.5% points to 13.5%. Despite the rate cut, Woolworths along with AAI brands are charging the highest ESL rates in the survey.
- Youi is the only insurer surveyed not to have dropped rates over the last two months, however, they reduced rates significantly in February from 18.4% to 12.9%.
- The IAG brands (NRMA, CGU, Coles), Westpac and Allianz are now charging the lowest ESL rate of 12.0%.

### ESL collected

All insurers are now collecting significantly less ESL per policy than they were a year ago with Commlnsure dropping the most, down 10.5% points. AAI brands (Suncorp, AAMI, GIO) have only dropped ESL rates 5.5% points over the year, giving them the smallest decrease of all companies.

- The average ESL collected per policy is down 1.7% for the month and 35.8% for the year.
  - All insurers are now collecting significantly less ESL per policy than they were a year ago with Commlnsure dropping the most, down 10.5% points (equivalent to \$131).
  - AIA brands had the lowest reduction in ESL \$ collected. ESL rates have fallen 5.5% points over the year, however, base premium increases for Suncorp for Suncorp, particularly in May 2018, have off-set much of this fall.

**Figure 1: Average ESL rate (Home and contents)**



**Table 1: Average ESL rates by insurer**

<b>Company</b>	<b>Home &amp; contents ESL Rate %</b>	<b>% point change since previous month</b>	<b>% point change since previous year</b>
Woolworths	13.5%	-10.0%	-32.5%
GIO	13.5%	0.0%	-28.9%
AAMI	13.5%	0.0%	-28.9%
Suncorp	13.5%	0.0%	-28.9%
QBE	13.0%	0.0%	-35.0%
OnePath	13.0%	0.0%	-35.0%
CommInsure	12.5%	0.0%	-45.7%
Westpac	12.0%	-11.1%	-42.9%
NRMA	12.0%	0.0%	-42.9%
CGU	12.0%	0.0%	-42.9%
Coles	12.0%	0.0%	-42.9%
Allianz	12.0%	-17.2%	-36.8%
Youi	12.9%	0.0%	-

\*Youi commenced providing data on 1 July 2018

## Base Premiums

### Across all insurers and locations:

- Month change: Average Base Premiums increased by \$11 to \$1,283.
- Year change: Average Base Premiums have increased by \$36.

**Table 2: Change in Average Base Premium over time by location to April 2019**

Average Base Premiums	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
Location Average	\$1,072	\$1,434	\$1,269	\$1,071	\$1,295	\$2,323	\$1,012	\$1,228	\$1,162	\$1,207	\$1,128
Month change	\$8	\$15	\$13	\$8	\$15	\$20	\$8	\$9	\$9	\$10	\$9
Year change	\$1	\$118	\$30	-\$9	\$62	\$226	\$11	\$15	-\$2	\$6	\$25

### Changes to Base Premiums: Month to 1 April 2019

There was a rise of \$11 in average base premiums this month.

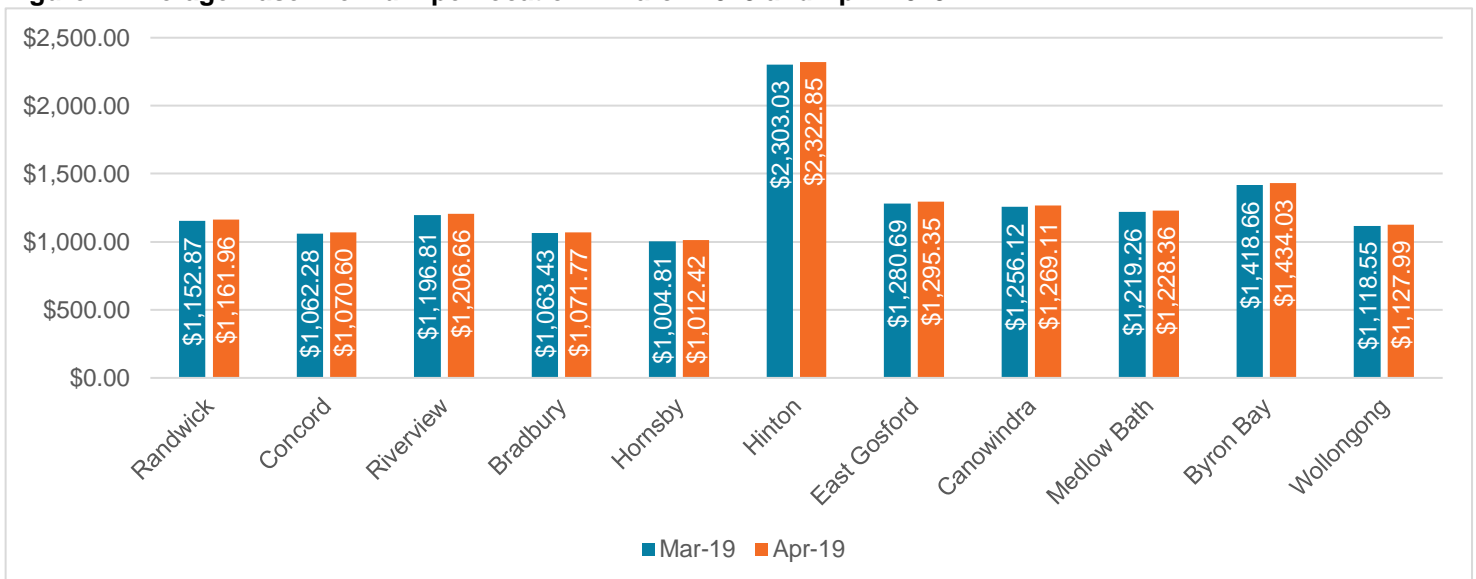
#### Analysis by insurer:

- Five brands made no change to base premiums, being: Allianz, CommInsure, QBE, Westpac and Youi
- Another five brands made changes of less than \$3, being: AAMI, CGU, GIO, Suncorp and Woolworths
- Three insurers increase base premiums more significantly.
  - NRMA + \$18, due to the increase in risk rating at two of the locations surveyed
  - Coles +\$32. Changes to the base premium include the standard 0.3% indexation and a flat 2.5% increase due to risk re-rating
  - OnePath +\$86. The increase is to align their pricing more closely to their cost. Although the base premiums have increased this month, they have decreased 8.0% over the year.

#### Analysis by location:

- Base Premiums increased at all 11 locations surveyed.
  - Increases ranged from +\$8 in Bradbury, Concord and Hornsby to +\$20 at Hinton

**Figure 2: Average Base Premium per location – March 2019 and April 2019**



**Table 3: Base Premiums charged by insurer per location in the Monitor's survey, as at 1 April 2019**

Average Base premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
OnePath	\$1,168	\$1,548	\$1,889	\$1,276	\$1,565	\$2,394	\$1,223	\$1,391	\$1,416	\$1,426	\$1,285
CommInsure	\$1,201	\$1,261	\$1,488	\$1,275	\$1,369	\$1,803	\$1,101	\$1,170	\$1,310	\$1,292	\$1,104
AAMI	\$949	\$1,259	\$756	\$1,136	\$1,094	\$892	\$1,042	\$1,213	\$1,217	\$1,253	\$971
NRMA	\$1,549	\$1,475	\$1,409	\$1,451	\$1,787	\$6,594	\$1,561	\$1,790	\$1,549	\$1,698	\$1,221
Allianz	\$990	\$884	\$841	\$909	\$1,080	\$2,208	\$874	\$1,019	\$946	\$962	\$901
QBE	\$1,036	\$1,659	\$1,803	\$1,169	\$1,435	\$2,420	\$1,114	\$1,273	\$1,331	\$1,335	\$1,188
CGU	\$1,066	\$1,648	\$1,097	\$1,171	\$1,168	\$3,536	\$923	\$1,032	\$1,137	\$1,121	\$1,120
Suncorp	\$1,226	\$1,450	\$1,280	\$1,045	\$1,353	\$1,322	\$1,169	\$1,719	\$1,445	\$1,438	\$1,226
Coles	\$1,079	\$1,931	\$1,717	\$899	\$1,167	\$3,234	\$712	\$981	\$934	\$1,216	\$1,459
Woolworths	\$667	\$1,171	\$863	\$753	\$812	\$1,239	\$696	\$801	\$719	\$745	\$675
GIO	\$1,165	\$1,342	\$1,248	\$974	\$1,288	\$1,186	\$1,146	\$1,485	\$1,309	\$1,370	\$1,191
Westpac	\$948	\$1,110	\$1,082	\$1,025	\$1,099	\$1,045	\$818	\$1,019	\$948	\$1,030	\$938
Youi	\$889	\$1,904	\$1,026	\$836	\$1,623		\$781	\$1,076	\$845	\$801	\$1,385
Location Average	\$1,072	\$1,434	\$1,269	\$1,071	\$1,295	\$2,323	\$1,012	\$1,228	\$1,162	\$1,207	\$1,128

Base premiums are before ESL, GST and stamp duty. Youi does not provide a quote for Hinton.

### Changes to Base Premiums: 1 April 2018 to 1 April 2019

Year on year average base premiums have increased by \$36, however, as is generally the case, the range between the changes at the insurer and location level is large.

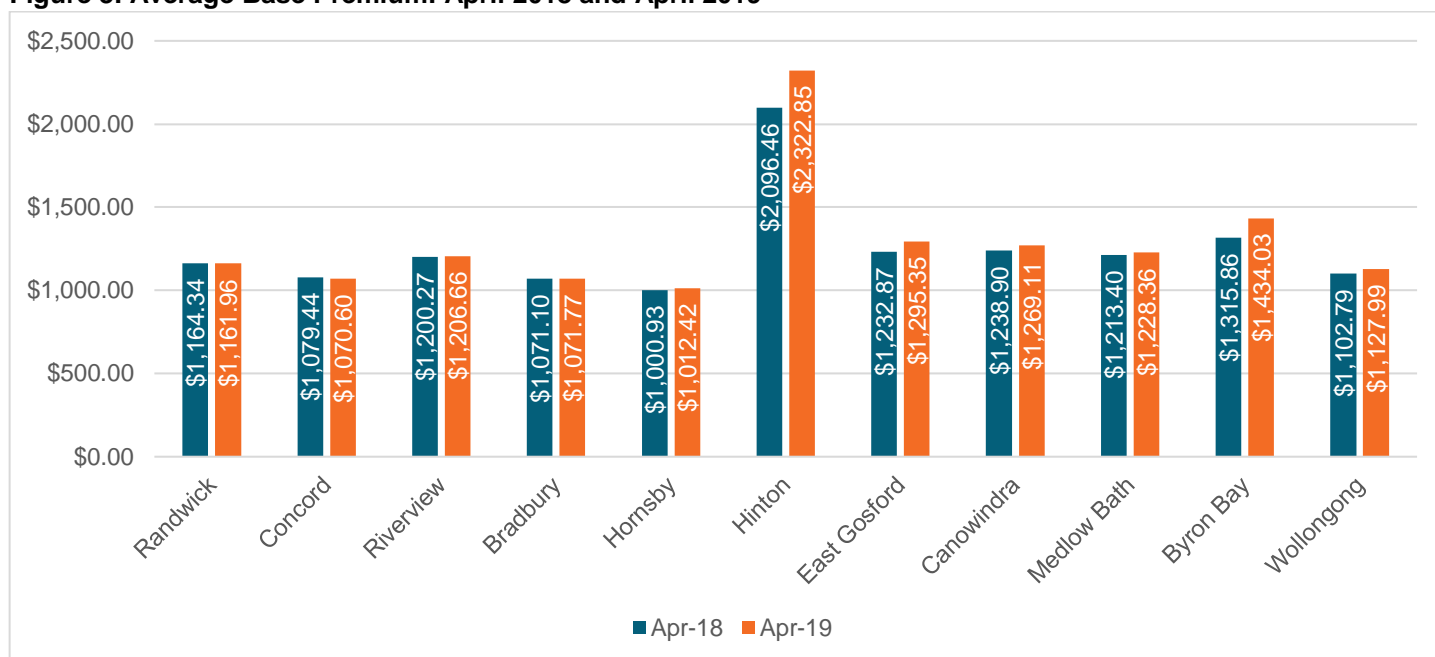
#### Analysis by insurer:

- Average base premiums fell over the year to 1 April 2019 at four insurers surveyed:
  - Woolworth posted the largest fall of \$135 over the year. OnePath also recorded a substantial decrease of \$131. These falls were principally as a result of Monitor's review of quote criteria requirements (from 1 July 2018).
  - Falls were also recorded at GIO \$32 and QBE \$18.
- Increases in average base premium occurred at the remaining eight insurers (Youi, only provides quotes since July 2018).
  - Increases below \$50 occurred at CommInsure, Westpac, AAMI and NRMA
  - More substantial increases occurred at the remaining four insurers: CGU +\$73, Allianz +\$82, Suncorp +\$193 and Coles +\$427.
  - The more substantial increases are due to changes insurers made earlier in the last 12 months. Coles increased premiums in July when corrections were made to fix a ratings engine error, and a new flood model was introduced. Suncorp's premiums increased across most locations in May 2018 to address claims cost concerns and improve profitability of the brand.

Analysis by location:

- Two locations recorded small reductions in average base premiums over the year:
  - Concord -\$9 and Randwick -\$2
- The remaining nine locations saw premiums increase compared with the same time last year.
  - Riverview, Bradbury, Hornsby, Medlow Bath, Wollongong and Canowindra had increases below \$50.
  - More significant increases occurred at East Gosford +\$62, Byron Bay +\$118 and Hinton +\$226.
  - Hinton has been subject to risk re-rating by a number of insurers over the last year, particularly in September and December 2018. Byron Bay premiums increased significantly in November 2018 (principally due to Coles, risk re-rating) and also in May 2018 (when Suncorp premium increases were made survey wide).

**Figure 3: Average Base Premium: April 2018 and April 2019**



**Table 4: Base Premium \$ change for month and year to 1 April 2019**

		Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
AAMI	Month	\$1	\$1	\$0	\$1	\$1	\$0	\$1	\$1	\$2	\$1	\$1
	Year	\$20	\$97	\$19	\$11	\$18	\$30	\$35	-\$16	\$24	\$27	\$65
Allianz	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	\$43	-\$47	\$0	\$30	\$23	\$706	\$30	\$56	\$42	\$31	-\$11
CGU	Month	\$3	\$4	\$3	\$3	\$3	\$3	\$2	\$3	\$3	\$3	\$3
	Year	\$90	\$107	\$120	\$94	\$19	\$18	\$45	\$65	\$74	\$72	\$73
Coles	Month	\$3	\$6	\$5	\$3	\$3	\$3	\$2	\$3	\$3	\$4	\$4
	Year	\$131	\$551	\$235	\$115	\$332	\$1,976	\$256	\$129	\$109	\$345	\$194
CommInsur	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	\$32	\$20	\$42	\$27	\$38	-\$6	\$29	\$32	\$36	\$35	\$0
GIO	Month	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$1
	Year	-\$47	-\$16	-\$15	-\$35	-\$43	-\$36	-\$34	-\$45	-\$23	-\$39	-\$16
NRMA	Month	\$4	\$4	\$4	\$4	\$4	\$5	\$4	\$4	\$4	\$4	\$3
	Year	\$51	\$75	\$74	\$21	\$92	-\$6	\$22	-\$29	\$22	\$50	\$16
OnePath	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	-\$262	-\$193	-\$141	-\$237	-\$276	-\$213	-\$197	-\$196	-\$196	-\$222	-\$249
QBE	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	-\$33	-\$28	-\$26	-\$31	-\$34	-\$27	\$25	-\$9	\$26	-\$30	-\$33
Suncorp	Month	\$1	\$1	\$0	\$1	\$1	\$1	\$1	\$1	\$2	\$1	\$1
	Year	\$162	\$282	\$249	\$143	\$180	\$221	\$160	\$348	\$198	\$198	-\$14
Westpac	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	\$17	\$106	\$31	\$20	\$27	\$25	\$19	\$22	-\$6	\$21	\$21
Woolworths	Month	\$4	\$7	\$5	\$4	\$5	\$7	\$4	\$4	\$4	\$4	\$4
	Year	-\$109	-\$191	-\$139	-\$125	-\$131	-\$196	-\$112	-\$131	-\$121	-\$120	-\$110
Youi	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0
	Year	-	-	-	-	-	-	-	-	-	-	-

Note: Youi began providing quotes to the Monitor from July 2018

## Total Premiums

- Average Total Premiums increases by \$10 over the month to \$1,733 and -\$66 over the year to 1 April.
- Average Total Premiums vary greatly at the individual insurer or location level.

**Table 4: Change in Average Total Premiums charged by location to 1 April 2019.**

Average Total Premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
Location Average	\$1,448	\$1,938	\$1,715	\$1,447	\$1,750	\$3,132	\$1,368	\$1,661	\$1,571	\$1,631	\$1,524
Month change	\$7	\$16	\$13	\$7	\$15	\$18	\$6	\$7	\$8	\$9	\$8
Year change	-\$97	\$40	-\$73	-\$111	-\$28	\$103	-\$74	-\$88	-\$108	-\$100	-\$66

The basis for providing quotes was updated as of 1 July 2018, which may impact premium comparisons when compared to last year.

### Changes to Average Total Premiums: Month to 1 April 2019

#### Analysis by insurer:

- Average Total Premiums vary greatly at different insurers
  - Three insurers registered a small drop in total premium: Allianz -\$32, Westpac -\$18 and Woolworths -\$12
  - Other Total premium increases were: OnePath +\$116, Coles +\$43 and NRMA +\$25
  - The rest of the insurers did not change their total premium or change by a very small amount of less than \$5

#### Analysis by location

- Average Total Premiums increase at all locations surveyed this month.
  - The largest increase in premium was reported at Hinton, +\$18 and the smallest increase at Hornsby +\$6.

### Changes to Average Total Premiums: Year to 1 April 2019

Average total premiums were down \$66 compared with a year ago.

#### Analysis by insurer:

- Ten out of 13 insurers posted a fall in Average Total Premiums. Premium decreases varied between -\$315 at OnePath -\$28 at AAMI.
  - Other decreases were: Woolworths -\$259, QBE -\$147, NRMA -\$144, GIO -\$128, CommInsure -\$126, Westpac -\$69 and CGU -\$41. Youi decreased \$127 from July 2018 when we began collecting their data.
  - Much of the reduction in premiums is as a result of ESL rate decreases that have occurred over the last few months as well as the flow on impact of reduced GST and stamp duty charges. The falls at Woolworths and OnePath are largely due to the change in the basis of the Monitor's data request (from July 2018).
- Three insurers increased premiums

- Coles +\$469, Suncorp +\$188, and Allianz +\$28.
- Increases at Coles, Suncorp and Allianz flow from base premium increases (mentioned earlier) and the additional flow on of increased ESL, GST and stamp duty.

#### Analysis by location

- As occurred last month, the Average Total Premiums fell at nine of out 11 locations surveyed, compared with the same time last year.
  - Decreases in annual total premiums of between -\$111 at Concord and -\$28 at East Gosford.
  - Average total premiums rose compared with last year at Hinton (+\$103) and Byron Bay (+\$40). These two locations have experienced the greatest increase in risk re-ratings by various insurers, however, some of the more significant premium changes are now falling out of the 12 month calculation period.

**Table 5: Annual Total Premiums by location and insurer as at 1 April 2019**

Average Total premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
OnePath	\$1,583	\$2,098	\$2,559	\$1,728	\$2,120	\$3,244	\$1,657	\$1,884	\$1,919	\$1,932	\$1,741
CommInsure	\$1,620	\$1,701	\$2,007	\$1,719	\$1,847	\$2,433	\$1,486	\$1,578	\$1,767	\$1,743	\$1,489
AAMI	\$1,291	\$1,713	\$1,028	\$1,546	\$1,488	\$1,214	\$1,418	\$1,651	\$1,657	\$1,705	\$1,321
NRMA	\$2,080	\$1,980	\$1,892	\$1,948	\$2,400	\$8,855	\$2,096	\$2,404	\$2,079	\$2,280	\$1,640
Allianz	\$1,329	\$1,187	\$1,130	\$1,221	\$1,450	\$2,965	\$1,173	\$1,368	\$1,270	\$1,291	\$1,209
QBE	\$1,404	\$2,247	\$2,442	\$1,584	\$1,944	\$3,278	\$1,509	\$1,725	\$1,803	\$1,808	\$1,610
CGU	\$1,432	\$2,213	\$1,474	\$1,572	\$1,569	\$4,749	\$1,240	\$1,386	\$1,527	\$1,505	\$1,505
Suncorp	\$1,668	\$1,974	\$1,742	\$1,422	\$1,841	\$1,800	\$1,591	\$2,339	\$1,966	\$1,958	\$1,669
Coles	\$1,449	\$2,594	\$2,306	\$1,207	\$1,566	\$4,343	\$957	\$1,318	\$1,254	\$1,632	\$1,960
Woolworths	\$908	\$1,594	\$1,174	\$1,024	\$1,105	\$1,687	\$948	\$1,089	\$978	\$1,014	\$919
GIO	\$1,585	\$1,826	\$1,698	\$1,326	\$1,752	\$1,614	\$1,560	\$2,021	\$1,781	\$1,865	\$1,621
Westpac	\$1,273	\$1,490	\$1,453	\$1,377	\$1,475	\$1,403	\$1,098	\$1,369	\$1,273	\$1,383	\$1,259
Youi	\$1,203	\$2,576	\$1,392	\$1,132	\$2,194		\$1,058	\$1,457	\$1,144	\$1,085	\$1,872
Location Ave	\$1,448	\$1,938	\$1,715	\$1,447	\$1,750	\$3,132	\$1,368	\$1,661	\$1,571	\$1,631	\$1,524

The large variation in Average Total Premiums and the range of changes occurring at different locations or insurers highlights the importance of consumers obtaining a number of quotes when taking out or renewing insurance policies in order to obtain the best value. The table below demonstrates this range, providing the cost of the most expensive and cheapest policy per location compared to the average for that location. It can be seen that on average the most expensive policy at each location is twice the price of the cheapest policy at the same location.

**Table 6: Annual Total Premiums Range**

Average Total premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
Minimum	\$908	\$1,187	\$1,028	\$1,024	\$1,105	\$1,214	\$948	\$1,089	\$978	\$1,014	\$919
Location Average	\$1,448	\$1,938	\$1,715	\$1,447	\$1,750	\$3,132	\$1,368	\$1,661	\$1,571	\$1,631	\$1,524
Maximum	\$2,080	\$2,594	\$2,559	\$1,948	\$2,400	\$8,855	\$2,096	\$2,404	\$2,079	\$2,280	\$1,960
Max. multiple of Min.	2.3	2.2	2.5	1.9	2.2	7.3	2.2	2.2	2.1	2.2	2.1



## Ranking of insurers average total premiums

On average across the survey of 11 locations, the following was found as at 1 April 2019:



Cheapest

**Woolworths,  
Allianz and Westpac**



Mid




**AAMI, Youi, Coles, CGU,  
GIO, CommInsure**



Most Expensive

**NRMA, OnePath,  
Suncorp, QBE**

**Table 7: Rank of Average Total Premiums by location, as at 1 April 2019**

Location	Cheapest 				Mid 					Most expensive 			
Bradbury	Woolies	Youi	W'pac	AAMI	Allianz	QBE	CGU	Coles	OnePath	GIO	CBA	S'corp	NRMA
Byron Bay	Allianz	W'pac	Woolies	CBA	AAMI	GIO	S'corp	NRMA	OnePath	CGU	QBE	Youi	Coles
Canowindra	AAMI	Allianz	Woolies	Youi	W'pac	CGU	GIO	S'corp	NRMA	CBA	Coles	QBE	OnePath
Concord	Woolies	Youi	Coles	Allianz	GIO	W'pac	S'corp	AAMI	CGU	QBE	CBA	OnePath	NRMA
East Gosford	Woolies	Allianz	W'pac	AAMI	Coles	CGU	GIO	S'corp	CBA	QBE	OnePath	Youi	NRMA
Hinton	AAMI	W'pac	GIO	Woolies	S'corp	CBA	Allianz	OnePath	QBE	Coles	CGU	NRMA	
Hornsby	Woolies	Coles	Youi	W'pac	Allianz	CGU	AAMI	CBA	QBE	GIO	S'corp	OnePath	NRMA
Medlow Bath	Woolies	Coles	Allianz	W'pac	CGU	Youi	CBA	AAMI	QBE	OnePath	GIO	S'corp	NRMA
Randwick	Woolies	Youi	Coles	Allianz	W'pac	CGU	AAMI	CBA	GIO	QBE	OnePath	S'corp	NRMA
Riverview	Woolies	Youi	Allianz	W'pac	CGU	Coles	AAMI	CBA	QBE	GIO	OnePath	S'corp	NRMA
Wollongong	Woolies	Allianz	W'pac	AAMI	CBA	CGU	QBE	GIO	NRMA	S'corp	OnePath	Youi	Coles

Youi does not provide a quote for Hinton. CBA abbreviation for CommInsure