

# Standard property profile survey – February 2019

- The average ESL rate for home & contents policies fell to 14.6%.
- Average Base Premiums increased by \$2 compared with last month and \$25 compared with last year.
- The Average Total Premium in the survey is \$1,744. This is \$5 lower than last month and \$47 lower than a year ago.

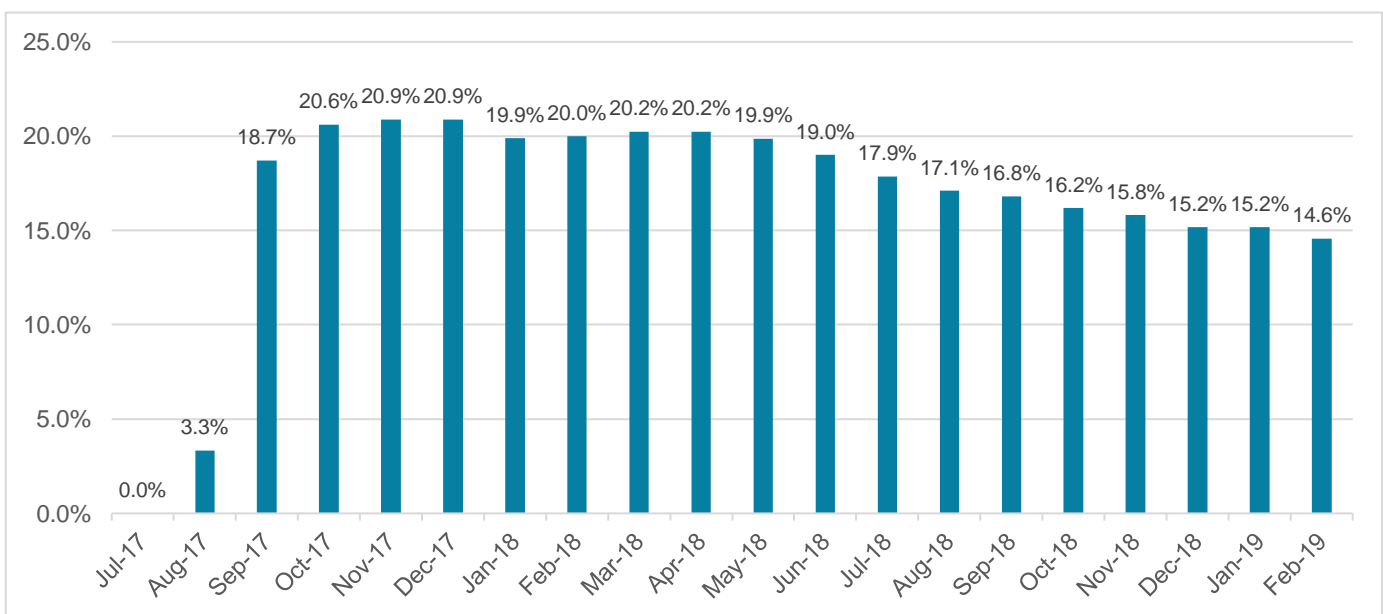
## ESL

- Two insurers reduced ESL rates this month.
  - Westpac reduced ESL rates from 16.0% to 13.5%, which is their third reduction in six months.
  - Youi cut ESL rates from 18.4% to 12.9%.
- OnePath and QBE charge the highest rate of ESL at 16.5%
- Youi is now charging the lowest rate of ESL in the Monitor’s survey.
- On average, these figures mean that policyholders renewing home and contents insurance in February 2019 are paying \$14.60 in ESL for every \$100 of base premium, instead of \$20 of ESL for every \$100 of base premium, which was the case in February 2018.

### ESL collected

- ESL collected by insurers has decreased again this month, with the average ESL collected per policy down 3.3% since last month and down 25.9% (or \$65 per policy) since February 2018.
- All companies continue to collect lower ESL amounts than the same time last year, with Westpac experiencing the largest drop of 33.9% (or \$70), while Coles has seen the smallest decrease, down 2.2% as the significant base premium increase at Hinton off-sets the ESL rate decrease.

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



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

Company	Home & contents ESL Rate %	% point change since previous month	% point change since previous year
Youi*	12.9%	-5.5%	-
Westpac	13.5%	-2.5%	-7.5%
NRMA	13.5%	0.0%	-6.0%
CGU	13.5%	0.0%	-7.5%
Coles	13.5%	0.0%	-6.0%
Allianz	14.5%	0.0%	-4.5%
Suncorp	14.5%	0.0%	-4.5%
GIO	14.5%	0.0%	-4.5%
AAMI	14.5%	0.0%	-4.5%
CommInsure	15.5%	0.0%	-7.5%
Woolworths	16.0%	0.0%	-4.0%
QBE	16.5%	0.0%	-3.5%
OnePath	16.5%	0.0%	-3.5%

\*Youi commenced providing data on 1 July 2018

## Base Premiums

### Across all insurers and locations:

- Month change: Average Base Premiums increased by \$2 to \$1,270.
- Year change: Average Base Premiums have increased by \$25.

**Table 2: Change in Average Base Premium over time by location to 1 February 2019**

	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
<b>Location Average</b>	\$1,062	\$1,417	\$1,255	\$1,061	\$1,279	\$2,301	\$1,004	\$1,218	\$1,151	\$1,195	\$1,117
<b>\$ month change</b>	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
<b>\$ year change</b>	-\$7	\$103	\$18	-\$17	\$48	\$207	\$4	\$7	-\$11	-\$3	\$16

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

There was a slight rise of \$2 (0.2%) in average base premiums this month.

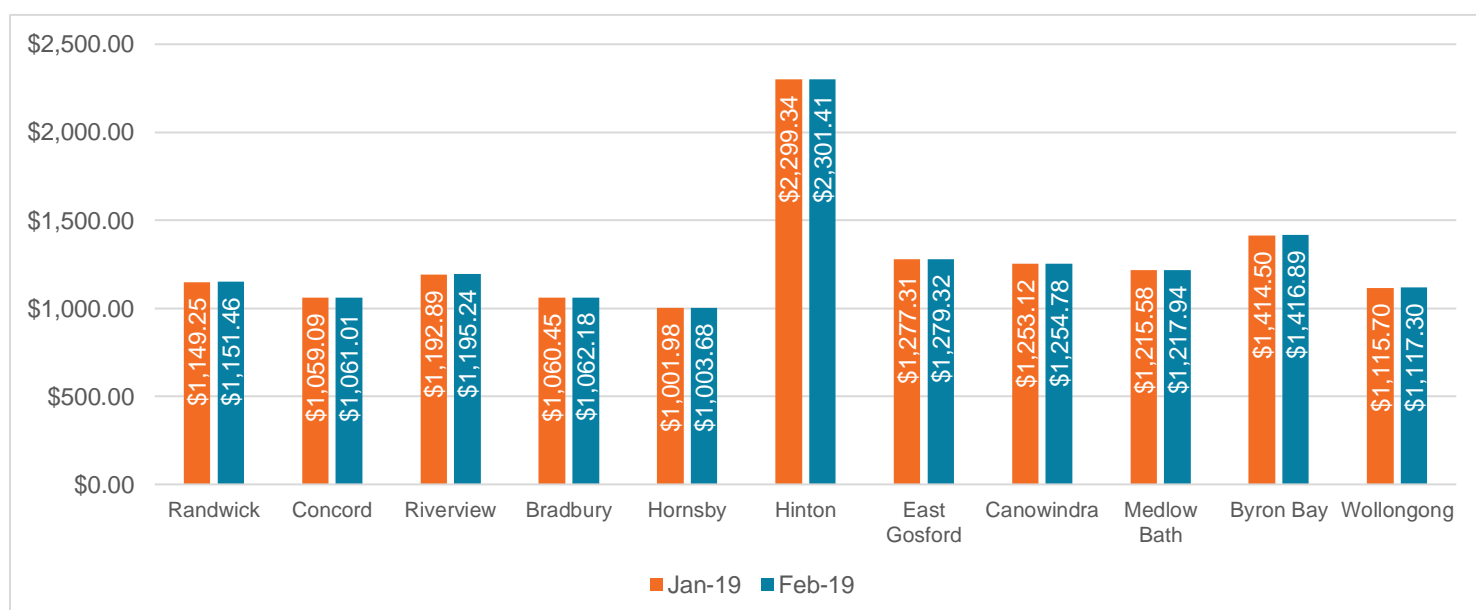
#### Analysis by insurer:

- The AAI brands have all implemented small average increases of around 0.4% due to scheduled quarterly inflation adjustments. (AAMI +\$3.42, GIO +\$5.28, Suncorp +\$5.70)
- The IAG brands have marginally increased base premiums as per their monthly indexation (CGU +\$2.79, Coles +\$3.42, NRMA +\$3.93)
- Woolworths implemented small increases of +\$2.36 across all locations.
- Youi was the only insurer to marginally lower average premiums than last month (-\$1).
- No change was made at Allianz, CommInsure, OnePath, QBE or Westpac.

#### Analysis by location:

- Increases of between \$1.59 and \$2.38 compared with last month were noted at all locations surveyed.

**Figure 2: Average Base Premium per location – January 2019 and February 2019**



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

Base Premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollon-gong
AAMI	\$947	\$1,257	\$755	\$1,133	\$1,092	\$891	\$1,040	\$1,211	\$1,214	\$1,250	\$969
Allianz	\$990	\$884	\$841	\$909	\$1,080	\$2,208	\$874	\$1,019	\$946	\$962	\$901
CGU	\$1,061	\$1,640	\$1,092	\$1,165	\$1,163	\$3,531	\$920	\$1,027	\$1,131	\$1,115	\$1,115
Coles	\$1,046	\$1,873	\$1,665	\$871	\$1,131	\$3,207	\$691	\$952	\$905	\$1,179	\$1,415
CommInsure	\$1,201	\$1,261	\$1,488	\$1,275	\$1,369	\$1,803	\$1,101	\$1,170	\$1,310	\$1,292	\$1,104
GIO	\$1,163	\$1,340	\$1,246	\$972	\$1,286	\$1,184	\$1,144	\$1,483	\$1,306	\$1,367	\$1,189
NRMA	\$1,541	\$1,423	\$1,402	\$1,443	\$1,726	\$6,522	\$1,553	\$1,781	\$1,541	\$1,689	\$1,215
OnePath	\$1,101	\$1,461	\$1,777	\$1,205	\$1,471	\$2,257	\$1,155	\$1,312	\$1,338	\$1,347	\$1,213
QBE	\$1,036	\$1,659	\$1,803	\$1,169	\$1,435	\$2,420	\$1,114	\$1,273	\$1,331	\$1,335	\$1,188
Suncorp	\$1,224	\$1,448	\$1,279	\$1,043	\$1,351	\$1,321	\$1,167	\$1,716	\$1,441	\$1,435	\$1,224
Westpac	\$948	\$1,110	\$1,082	\$1,025	\$1,099	\$1,045	\$818	\$1,019	\$948	\$1,030	\$938
Woolworths	\$662	\$1,161	\$855	\$746	\$805	\$1,229	\$690	\$794	\$712	\$739	\$670
Youi	\$889	\$1,904	\$1,026	\$836	\$1,622	n/a	\$781	\$1,076	\$845	\$798	\$1,384
<b>Location Average</b>	<b>\$1,062</b>	<b>\$1,417</b>	<b>\$1,255</b>	<b>\$1,061</b>	<b>\$1,279</b>	<b>\$2,301</b>	<b>\$1,004</b>	<b>\$1,218</b>	<b>\$1,151</b>	<b>\$1,195</b>	<b>\$1,117</b>

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

### Changes to Base Premiums: Year to 1 February 2019

Year on year average base premiums have increased \$25, however, there is a difference of over \$600 between the highest increase (+\$397) and decrease (-\$217).

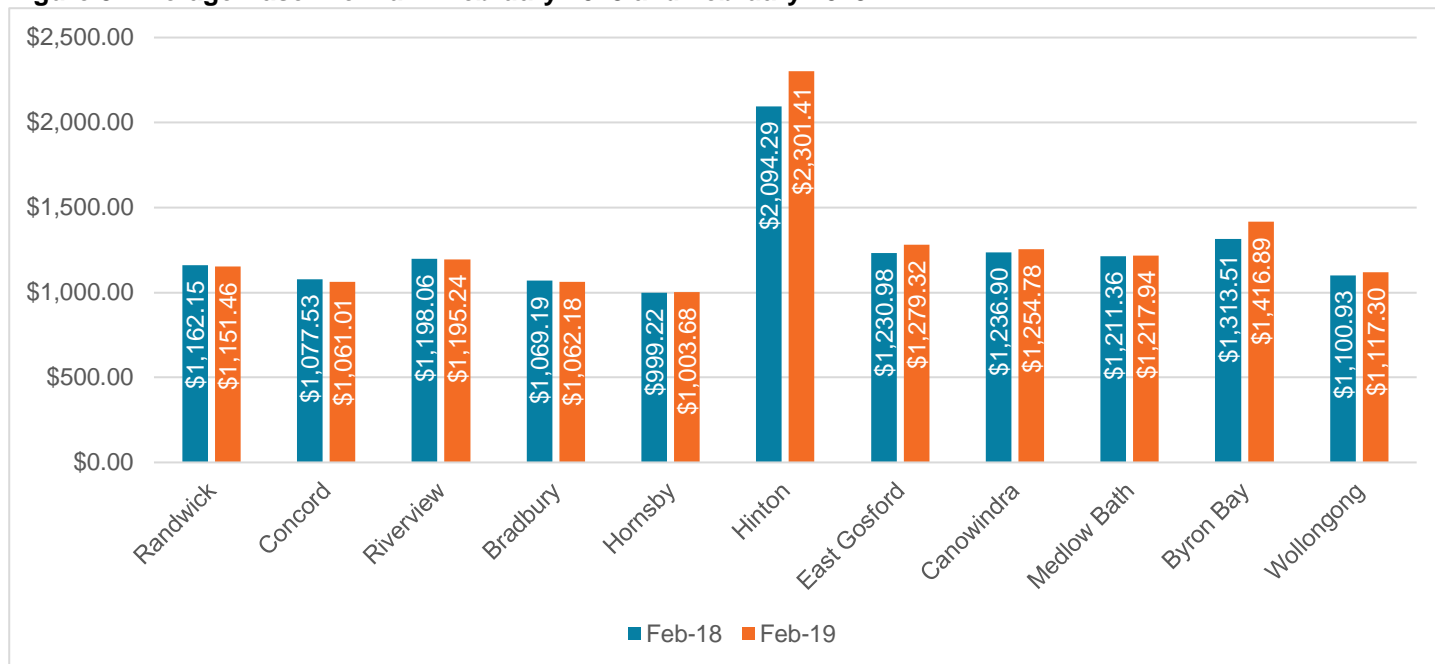
#### Analysis by insurer:

- Average base premiums fell over the year to 1 February at four insurers surveyed.
  - QBE’s quote fell \$18, GIO was down \$32, and Woolworths was down \$138 and OnePath down \$217.
  - OnePath and Woolworths annual falls are principally due a decrease in quotes provided since July 2018 as a result of Monitor’s review of quote criteria requirements.
  - For the year to January 2019 OnePath’s average base premium fell \$22, compared with a much more significant fall of \$217 for the year to February 2019. The difference in the annual change occurs due premium increases that occurred between January and February 2018 (+\$238), when base premiums increased at most locations.
- Increases in average base premium occurred at the remaining eight insurers (Youi, only provides quotes since July 2018).
  - Increases close to the average rise occurred at (in increasing order of magnitude): CommInsure, Westpac, AAMI, and NRMA.
  - More significant increases occurred at: CGU +\$68, Allianz +\$82, Suncorp +\$193, and Coles+\$397.
  - Coles increased premiums in July to correct a ratings engine error and new flood model led to a significant increase at Hinton at the end of 2018.
  - Suncorp’s premiums increased across most locations in May 2018 to address claims cost concerns and improve profitability of the brand.

Analysis by location:

- Four locations recorded small reductions in average base premiums over the year:
  - Riverview -\$3, Bradbury -\$7, Randwick -\$11, and Concord -\$17.
- Seven locations saw premiums increase over the last increases in premiums.
  - Hornsby, Medlow Bath, Wollongong and Canowindra had increases below \$20.
  - More significant increases occurred at East Gosford +\$48, Byron Bay +\$103 and Hinton +\$207.
  - Hinton has been subject to risk re-rating by a number of insurers over the last year, particularly in May and November 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: February 2018 and February 2019**



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

		Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
AAMI	Month	5	4	4	4	3	2	3	2	4	4	5
	Year	24	11	28	20	35	30	18	19	-16	97	65
Allianz	Month	0	0	0	0	0	0	0	0	0	0	0
	Year	42	30	31	43	30	706	23	0	56	-47	-11
CGU	Month	3	3	3	3	2	3	3	3	2	4	3
	Year	71	91	69	87	44	16	16	117	62	103	70
Coles	Month	3	3	4	3	2	3	3	5	3	6	4
	Year	108	114	344	131	255	1975	331	235	129	550	193
CommInsure	Month	0	0	0	0	0	0	0	0	0	0	0
	Year	36	27	35	32	29	-6	38	42	32	20	0
GIO	Month	7	5	6	6	5	5	6	4	6	6	3
	Year	-23	-35	-39	-47	-34	-36	-43	-15	-45	-16	-16
NRMA	Month	4	4	4	4	4	5	4	3	4	4	3
	Year	22	20	50	51	22	-5	92	74	-29	75	16
OnePath	Month	0	0	0	0	0	0	0	0	0	0	0
	Year	-196	-237	-222	-262	-197	-213	-276	-141	-196	-193	-249
QBE	Month	0	0	0	0	0	0	0	0	0	0	0
	Year	26	-31	-30	-33	25	-27	-34	-26	-9	-28	-33
Suncorp	Month	8	6	7	6	5	4	6	3	6	6	6
	Year	198	143	199	163	160	221	180	249	348	282	-14
Westpac	Month	0	0	0	0	0	0	0	0	0	0	0
	Year	-6	20	21	17	19	25	27	31	22	106	21
Woolworths	Month	2	2	2	2	2	4	2	2	2	3	2
	Year	-123	-127	-122	-111	-114	-201	-133	-142	-133	-194	-112
Youi	Month	-2	-1	1	-5	0	0	-1	0	3	-1	-5
	Year	-	-	-	-	-	-	-	-	-	-	-

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

## Total Premiums

- Average Total Premiums fell \$5 over the month to \$1,744.
- Over the year to 1 February premiums fell by \$47.
- Individual Average Total Premiums vary greatly at the individual insurer or location level.

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

Average Total Premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
Location Average	\$1,459	\$1,945	\$1,726	\$1,458	\$1,757	\$3,158	\$1,379	\$1,673	\$1,582	\$1,642	\$1,534
Month change	-\$4	-\$9	-\$5	-\$4	-\$8	\$0	-\$4	-\$5	-\$3	-\$3	-\$7
Year change	-\$80	\$55	-\$55	-\$93	-\$15	\$144	-\$58	-\$69	-\$90	-\$81	-\$50

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 February 2019

#### Analysis by insurer:

- No change occurred in Average Total Premiums charged by Allianz, CommInsure, OnePath and QBE
- Increases of between \$3 and \$8 occurred at (from smallest to largest increase): Woolworths, CGU, Coles, AAMI, NRMA, GIO and Suncorp.
- Decreases in premiums charged compared with last month occurred at Westpac (-\$30) and Youi (-\$75), principally as a result of their cuts in ESL rates charged.

#### Analysis by location

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

Average total premiums were down \$47 compared with February 2018.

#### Analysis by insurer:

- Average Total Premiums varied between a decrease of \$371 at OnePath and an increase of \$471 at Coles compared to last year.
- Three companies increased premiums
  - Coles+\$471, Suncorp +\$204, and Allianz +\$60.
  - Increases at Coles and Suncorp flow from base premium increases (mentioned earlier) and the additional flow on of increased ESL, GST and stamp duty.
- Nine insurers cut premiums by varying amounts:
  - OnePath -\$371, Woolworths -\$237, GIO -\$113, NRMA -\$92, QBE -\$86, CommInsure, -\$79, Westpac -\$51, CGU - \$24 and AAMI -\$14.
  - Much of the reduction in premiums is as a result of ESL rate decreases that have occurred over the year. The falls at Woolworths and OnePath are largely due to the change in the basis of the Monitor's data request (from July 2018).

## Analysis by location

- Average Total Premiums fell at all but two locations surveyed compared with the same time last year.
  - Decreases in annual total premiums of between -\$50 and -\$93 occurred at (smallest to largest decrease): Wollongong, Canowindra, Hornsby, Medlow Bath, Bradbury, Riverview, Randwick and Concord.
  - Average total premiums rose \$55 at Byron Bay, and \$144 at Hinton over the year due to risk re-ratings by various insurers over the period.

**Table 5: Annual Total Premiums by location and insurer as at 1 February 2018**

Average Total premiums	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
AAMI	\$1,300	\$1,726	\$1,036	\$1,556	\$1,499	\$1,223	\$1,428	\$1,663	\$1,667	\$1,716	\$1,331
Allianz	\$1,359	\$1,213	\$1,155	\$1,248	\$1,483	\$3,031	\$1,200	\$1,399	\$1,299	\$1,320	\$1,236
CGU	\$1,444	\$2,231	\$1,486	\$1,586	\$1,582	\$4,805	\$1,252	\$1,398	\$1,540	\$1,518	\$1,517
Coles	\$1,424	\$2,549	\$2,266	\$1,186	\$1,540	\$4,365	\$940	\$1,295	\$1,232	\$1,604	\$1,926
CommInsure	\$1,663	\$1,746	\$2,060	\$1,765	\$1,896	\$2,497	\$1,525	\$1,620	\$1,814	\$1,790	\$1,528
GIO	\$1,596	\$1,839	\$1,711	\$1,335	\$1,765	\$1,625	\$1,571	\$2,036	\$1,793	\$1,877	\$1,632
NRMA	\$2,097	\$1,937	\$1,908	\$1,964	\$2,349	\$8,876	\$2,113	\$2,424	\$2,097	\$2,299	\$1,653
OnePath	\$1,538	\$2,040	\$2,483	\$1,683	\$2,055	\$3,152	\$1,614	\$1,833	\$1,869	\$1,882	\$1,694
QBE	\$1,447	\$2,317	\$2,518	\$1,633	\$2,004	\$3,380	\$1,555	\$1,779	\$1,859	\$1,864	\$1,659
Suncorp	\$1,680	\$1,988	\$1,756	\$1,431	\$1,855	\$1,813	\$1,602	\$2,356	\$1,979	\$1,970	\$1,681
Westpac	\$1,290	\$1,510	\$1,473	\$1,395	\$1,495	\$1,422	\$1,113	\$1,387	\$1,290	\$1,402	\$1,276
Woolworths	\$920	\$1,615	\$1,190	\$1,038	\$1,120	\$1,709	\$960	\$1,104	\$991	\$1,028	\$931
Youi	\$1,202	\$2,575	\$1,392	\$1,132	\$2,193		\$1,057	\$1,457	\$1,144	\$1,080	\$1,871
Location Average	\$1,459	\$1,945	\$1,726	\$1,458	\$1,757	\$3,158	\$1,379	\$1,673	\$1,582	\$1,642	\$1,534



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 at least twice the price of the cheapest policy at the same location.

**Table 6: Annual Total Premiums Range**

Average Total premiums	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
Minimum	\$920	\$1,213	\$1,036	\$1,038	\$1,120	\$1,223	\$940	\$1,104	\$991	\$1,028	\$931
Location Average	\$1,459	\$1,945	\$1,726	\$1,458	\$1,757	\$3,158	\$1,379	\$1,673	\$1,582	\$1,642	\$1,534
Maximum	\$2,097	\$2,575	\$2,518	\$1,964	\$2,349	\$8,876	\$2,113	\$2,424	\$2,097	\$2,299	\$1,926
Max. multiple of Min.	2.3	2.1	2.4	1.9	2.1	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 February 2019:



Cheapest

**Woolworths, Westpac,  
Allianz and AAMI**



Mid

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



Most Expensive

**Suncorp  
QBE, OnePath, NRMA**

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

Location	Cheapest				Mid					Most expensive			
Bradbury	Woolies	Youi	Wpac	AAMI	Allianz	Coles	CGU	QBE	OnePath	GIO	CBA	Scorp	NRMA
Byron Bay	Allianz	Wpac	Woolies	AAMI	CBA	GIO	NRMA	Scorp	OnePath	CGU	QBE	Coles	Youi
Canowindra	AAMI	Allianz	Woolies	Youi	Wpac	CGU	GIO	Scorp	NRMA	CBA	Coles	OnePath	QBE
Concord	Woolies	Youi	Coles	Allianz	GIO	Wpac	Scorp	AAMI	CGU	QBE	OnePath	CBA	NRMA
East Gosford	Woolies	Allianz	Wpac	AAMI	Coles	CGU	GIO	Scorp	CBA	QBE	OnePath	Youi	NRMA
Hinton	AAMI	Wpac	GIO	Woolies	Scorp	CBA	Allianz	OnePath	QBE	Coles	CGU	NRMA	n/a
Hornsby	Coles	Woolies	Youi	Wpac	Allianz	CGU	AAMI	CBA	QBE	GIO	Scorp	OnePath	NRMA
Medlow Bath	Woolies	Coles	Wpac	CGU	Allianz	Youi	CBA	AAMI	QBE	OnePath	GIO	Scorp	NRMA
Randwick	Woolies	Youi	Coles	Wpac	Allianz	CGU	AAMI	GIO	CBA	QBE	OnePath	Scorp	NRMA
Riverview	Woolies	Youi	Allianz	Wpac	CGU	Coles	AAMI	CBA	QBE	GIO	OnePath	Scorp	NRMA
Wollongong	Woolies	Allianz	Wpac	AAMI	CGU	CBA	GIO	NRMA	QBE	Scorp	OnePath	Youi	Coles

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