

Standard property profile survey - November 2018

- The average ESL rate for home & contents policies fell to 15.8%.
- One insurer (Allianz) reduced ESL rates.
- Average Base Premiums increased by almost \$10 compared with 1 October 2018 and \$19 compared with last year (up 2%).
- Average Total Premiums are up \$9 over the month down \$47 over the year.

ESL

ESL rates for home and contents policies fell further this month and are now at levels below those seen since the Monitor’s office began collecting data from insurers on ESL rates (excluding during the period of ESL removal in 2017).

- Allianz has reduced its rates from 19% to 14.5%.
- Allianz was previously the only company that had not changed rates since ESL reintroduction.
- Allianz and the AAI brands have the lowest ESL rate of 14.5%.
- Youi now has the highest ESL rate at 18.4%, which is 2.5% higher than the market average based on our sample.

Figure 1: Average ESL rate (Home and contents)

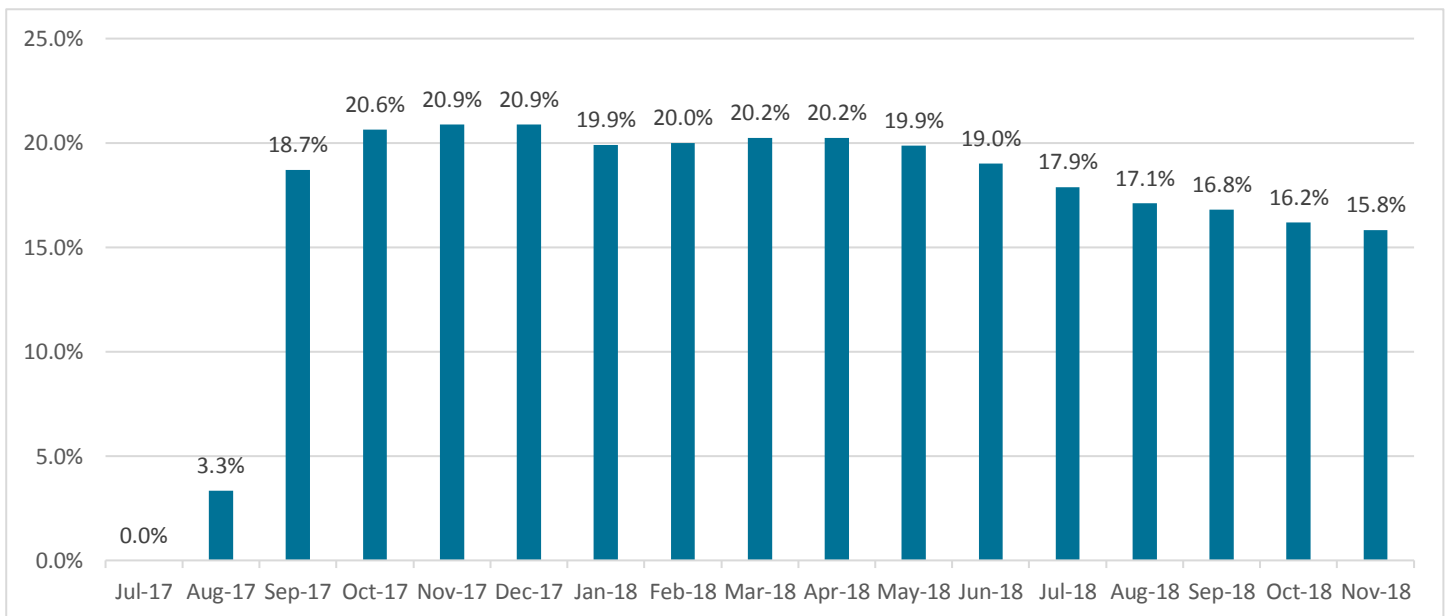


Table 1: Average ESL rates by insurer

Company	Home & contents ESL Rate %	% point change since previous month	% point change since previous year
AAMI	14.5%	0.0%	-8.5%
Allianz	14.5%	-4.5%	-4.5%
GIO	14.5%	0.0%	-8.5%
Suncorp	14.5%	0.0%	-8.5%
CommInsure	15.5%	0.0%	-7.5%
CGU	16.0%	0.0%	-3.5%
Coles	16.0%	0.0%	-3.5%
NRMA	16.0%	0.0%	-3.5%
Woolworths	16.0%	0.0%	-4.0%
OnePath	16.5%	0.0%	-3.5%
QBE	16.5%	0.0%	-3.5%
Westpac	17.0%	0.0%	-4.0%
Youi	18.4%	0.0%	n/a

Base Premiums

Across all insurers and locations:

- Month change: Average Base Premiums increased by almost \$10 to \$1,254.
- Year change: Average Base Premiums have increased by \$19.

Table 2: Change in Average Base Premium over time by location

	Randwick	Concord	Riverview	Bradbury	Hornsby	Hinton	East Gosford	Canowindra	Medlow Bath	Byron Bay	Wollongong
Location Average	\$1,151	\$1,061	\$1,196	\$1,061	\$1,005	\$2,145	\$1,284	\$1,240	\$1,219	\$1,402	\$1,111
\$ month change	\$4	\$0	\$19	\$3	\$17	\$4	\$20	\$7	\$1	\$30	\$2
\$ year change	\$2	-\$6	\$22	-\$28	-\$11	\$201	\$56	-\$12	-\$24	\$96	-\$2

Changes to Base Premiums over the month

Analysis by insurer:

- Coles implemented increases across their book ranging widely from 3.7% to 45.3%, with the Average Base Premium increasing \$142.
- NRMA and OnePath had a range of increases and decreases across locations
- Woolworths has decreased base premiums by an average of 3.9% across the sampled locations as a result of a new rating engine. This equated to an average Base Premium fall of -\$33.
- Allianz, Commlinsure, QBE and Westpac did not change premiums.

Analysis by location:

- Average premium prices at all locations changed this month.
- Ten locations experienced an increase in average premium quoted. Six of these increases were \$7 or under. Increases at the remaining four locations range from \$16.50 to \$30.30.
- The location experiencing the largest increase this month was Byron Bay, up \$30 on average across all insurers (principally as a result of Coles' increase of \$416)

Figure 2: Average Base Premium per location – October and November 2018

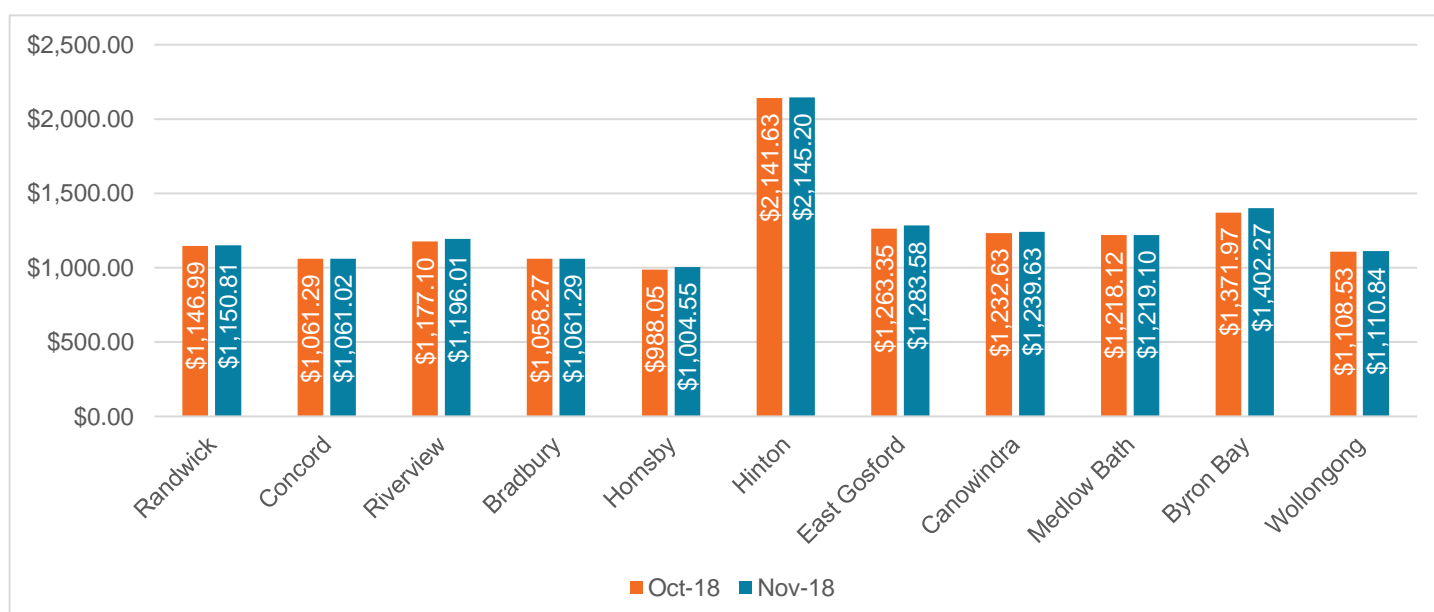


Table 3: Base Premiums charged by insurer per location in the Monitor's survey, as at 1 November 2018

Base Premiums	Randwick	Concord	Riverview	Bradbury	Hornsby	Hinton	East Gosford	Canowindra	Medlow Bath	Byron Bay	Wollongong
AAMI	\$1,269	\$1,205	\$1,313	\$991	\$1,086	\$928	\$1,155	\$761	\$1,289	\$1,270	\$967
Allianz	\$950	\$912	\$965	\$994	\$876	\$2,211	\$1,083	\$844	\$1,022	\$887	\$904
CGU	\$1,088	\$1,102	\$1,073	\$999	\$894	\$3,545	\$1,177	\$1,001	\$990	\$1,578	\$1,072
Coles	\$896	\$862	\$1,166	\$1,035	\$683	\$1,334	\$1,119	\$1,647	\$941	\$1,853	\$1,400
CommInsure	\$1,318	\$1,282	\$1,300	\$1,209	\$1,108	\$1,811	\$1,377	\$1,495	\$1,176	\$1,268	\$1,110
GIO	\$1,326	\$1,004	\$1,405	\$1,201	\$1,176	\$1,218	\$1,322	\$1,257	\$1,526	\$1,349	\$1,192
NRMA	\$1,522	\$1,427	\$1,676	\$1,524	\$1,534	\$6,496	\$1,707	\$1,385	\$1,761	\$1,406	\$1,201
OnePath	\$1,324	\$1,193	\$1,333	\$1,092	\$1,145	\$2,217	\$1,454	\$1,700	\$1,285	\$1,433	\$1,198
QBE	\$1,331	\$1,169	\$1,335	\$1,036	\$1,114	\$2,420	\$1,435	\$1,803	\$1,273	\$1,659	\$1,188
Suncorp	\$1,437	\$1,040	\$1,431	\$1,221	\$1,165	\$1,320	\$1,348	\$1,281	\$1,708	\$1,447	\$1,224
Westpac	\$931	\$1,006	\$1,009	\$931	\$799	\$1,020	\$1,072	\$1,051	\$997	\$1,004	\$917
Woolworths	\$712	\$746	\$739	\$661	\$690	\$1,225	\$804	\$855	\$793	\$1,161	\$669
Youi	\$855	\$845	\$803	\$902	\$789	-	\$1,634	\$1,035	\$1,087	\$1,917	\$1,399
Location Average	\$1,151	\$1,061	\$1,196	\$1,061	\$1,005	\$2,145	\$1,284	\$1,240	\$1,219	\$1,402	\$1,111

Base premiums are before ESL, GST and stamp duty.

Changes to base premiums over the year

Year on year average base premium movement is small across all locations (+1.6%), however, there are substantially larger amounts of movement at the individual location or insurer level.

Analysis by insurer:

- Average base premiums decreased at five insurers and increased at seven (excludes Youi).
- The largest average base premium increases occurred at Coles (+\$221), Suncorp (+\$186), CGU (+\$181) and Allianz (+\$114). The remaining increases at AAMI, CommInsure, and NRMA ranged between \$26 and \$57.
- Decreased in premiums ranged from -\$23 at GIO to -\$176 at Westpac. Premium falls also occurred at QBE (-\$52), Woolworths (-\$97) and OnePath (-\$105)

Analysis by location:

- Over the year, average base premiums fell at six locations being: Concord, Bradbury Hornsby Canowindra, Medlow Bath, and Wollongong.
- Premium falls ranged from -\$2 (Wollongong) to -\$29 (Bradbury).
- Increases were recorded in five locations: Randwick, Riverview, Hinton, East Gosford, and Byron Bay.
- The most significant increase occurred once again at Hinton (+\$201) as a result of changes made to flood ratings by a number of insurers, followed by Byron Bay (+\$97)

Figure 3: Average Base Premium – November 2017 and November 2018

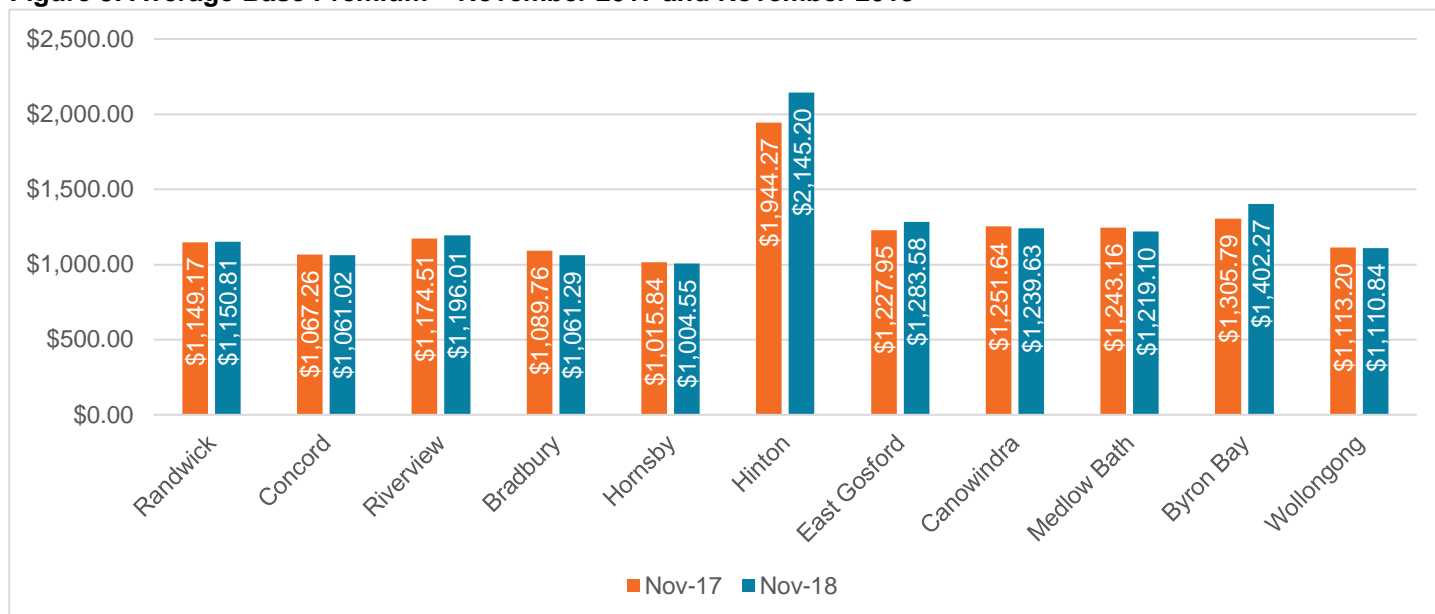


Table 4: Base Premium \$ change for month and year to 1 November 2018

		Randwick	Concord	Riverview	Bradbury	Hornsby	Hinton	East Gosford	Canowindra	Medlow Bath	Byron Bay	Wollongong
AAMI	Month	\$2	\$1	\$2	\$1	\$1	\$1	\$1	\$0	\$1	\$1	\$1
	Year	\$67	\$71	\$80	\$54	\$71	\$58	\$72	\$18	\$54	\$97	-\$21
Allianz	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	\$75	\$71	\$68	\$83	\$58	\$733	\$58	\$22	\$81	-\$18	\$21
CGU	Month	\$3	\$3	\$3	\$3	\$2	\$3	\$3	\$2	\$2	\$4	\$3
	Year	\$43	\$43	\$41	\$39	\$27	\$1,558	\$46	\$39	\$51	\$63	\$42
Coles	Month	\$49	\$47	\$262	\$57	\$213	\$47	\$252	\$91	\$52	\$416	\$77
	Year	\$103	\$110	\$336	\$125	\$251	\$107	\$325	\$227	\$124	\$539	\$186
CommInsure	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	\$36	\$28	\$36	\$32	\$30	-\$5	\$38	\$42	\$32	\$21	\$0
GIO	Month	\$2	\$1	\$2	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
	Year	-\$21	-\$18	-\$18	-\$26	-\$17	-\$19	-\$25	-\$23	-\$17	-\$24	-\$47
NRMA	Month	-\$27	-\$25	\$4	\$4	-\$27	\$45	\$39	\$30	-\$30	\$30	-\$22
	Year	\$15	\$15	\$49	\$45	\$15	-\$12	\$84	\$67	-\$36	\$68	\$11
OnePath	Month	\$52	\$0	\$0	\$0	\$50	-\$13	-\$3	\$0	\$18	-\$11	-\$3
	Year	-\$57	-\$148	-\$40	-\$233	-\$207	\$337	-\$120	-\$4	-\$265	-\$216	-\$205
QBE	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	\$110	\$20	\$91	-\$202	-\$61	-\$146	-\$62	-\$348	\$50	\$216	-\$243
Suncorp	Month	\$2	\$1	\$2	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
	Year	\$173	\$125	\$176	\$142	\$142	\$202	\$159	\$232	\$324	\$263	\$107
Westpac	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	-\$140	-\$84	-\$83	-\$160	-\$152	-\$240	-\$163	-\$119	-\$463	-\$244	-\$85
Woolworths	Month	-\$33	-\$33	-\$29	-\$27	-\$27	-\$42	-\$31	-\$34	-\$33	-\$50	-\$28
	Year	-\$90	-\$91	-\$85	-\$80	-\$78	-\$161	-\$95	-\$93	-\$93	-\$120	-\$80
Youi	Month	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	-	-	-	-	-	-	-	-	-	-	-

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

Total Premiums

- Average Total Premiums increased \$9 over the month to \$1,742.
- Over the year to 1 November, Average Total Premiums fell by \$47.
- Individual Average Total Premiums vary greatly at the insurer and location level.

Table 4: Change in Average Total Premiums charged by location to 1 November 2018.

Average Total Premiums	Randwick	Concord	Riverview	Bradbury	Hornsby	Hinton	East Gosford	Cano-windra	Medlow Bath	Byron Bay	Wollongong
Location Average	\$1,597	\$1,473	\$1,660	\$1,473	\$1,394	\$2,978	\$1,784	\$1,723	\$1,692	\$1,949	\$1,543
Month change	\$1	-\$4	\$22	\$0	\$19	-\$5	\$24	\$6	-\$3	\$38	-\$1
Year change	-\$70	-\$74	-\$44	-\$107	-\$79	\$170	\$4	-\$90	-\$111	\$57	-\$70

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

Analysis by location

Month: Average Total Premiums fell in four locations and increased in the remaining seven locations surveyed over the month:

- Falls were recorded at: Hinton (-\$5), Concord (-\$4), Medlow Bath (-\$3) and Wollongong (-\$0.5).
- Bradbury remaining almost unchanged, and Byron Bay had the biggest Average Total Premium increase of +\$38.

Year: Average Total Premiums fell in all but three locations (Hinton (+\$170), Byron Bay (+\$57) and East Gosford (+\$3)).

- Hinton continues to be impacted by changes made by a number of insurers to their flood risk rating of this location, however, the impact in the 12 months to 1 November is less significant than over previous months, as some significant re-ratings fall out of the calculations.
- Medlow Bath recorded the largest price fall over the 12 months, down \$111.

Analysis by insurer:

Month: Changes over the month ranged from a fall of -\$57 (Allianz) to +\$198 (Coles).

- Two insurers reduced premiums: Allianz (-\$57) and Woolworths (-\$46).
- Seven insurers increased premiums: Coles (+\$198), OnePath (+\$11), CGU (+\$4), NRMA (+\$3), AAMI (+\$2), GIO (+\$2) and Suncorp (+\$2).
- Four insurers did not change prices: CommInsure, QBE, Westpac & Youi

Year: The change in Average Total Premiums since last year was -\$47, however, this also masks considerable differences between insurers. Premiums fell at eight insurers and increased at four (excluding Youi).

- Decreases occurred at: AAMI (-\$30), CommInsure (-\$79), GIO (-\$164), NRMA (-\$41), QBE (-\$135), OnePath (-\$210), Westpac (-\$302) and Woolworths (-\$179).
 - The falls at OnePath and Woolworths are largely due to the change in the basis of the Monitor's data request (from July 2018), with the increases made this month at OnePath further offsetting some of the decrease.
 - QBE revised peril rating and Westpac updated its risk modelling and claim cost models in late 2017 and early 2018.

- ESL rate decreases have now occurred at all companies over the year, contributing to the fall in Total Premiums.
- Increases were implemented at: Allianz (+\$105), CGU (+\$204) Coles (+\$268) and Suncorp (+\$139).
 - Allianz's premiums were impacted by the changes in the Monitor's data request from July 2018, while Coles had an error in its ratings engine, which when corrected (July 2018), increased premiums.
 - Coles' increases this month were a major contributor to their annual increase.

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

Average Total premiums	Randwick	Concord	Riverview	Bradbury	Hornsby	Hinton	East Gosford	Cano-windra	Medlow Bath	Byron Bay	Wollongong
AAMI	\$1,743	\$1,654	\$1,803	\$1,360	\$1,492	\$1,273	\$1,585	\$1,045	\$1,770	\$1,744	\$1,327
Allianz	\$1,304	\$1,253	\$1,325	\$1,365	\$1,203	\$3,035	\$1,487	\$1,159	\$1,402	\$1,217	\$1,241
CGU	\$1,514	\$1,533	\$1,492	\$1,390	\$1,243	\$4,930	\$1,637	\$1,392	\$1,377	\$2,194	\$1,492
Coles	\$1,246	\$1,199	\$1,622	\$1,440	\$951	\$1,855	\$1,556	\$2,291	\$1,309	\$2,577	\$1,947
CommInsure	\$1,825	\$1,776	\$1,800	\$1,674	\$1,535	\$2,508	\$1,907	\$2,071	\$1,629	\$1,756	\$1,537
GIO	\$1,821	\$1,378	\$1,929	\$1,649	\$1,614	\$1,672	\$1,814	\$1,726	\$2,095	\$1,851	\$1,636
NRMA	\$2,117	\$1,985	\$2,331	\$2,119	\$2,134	\$9,035	\$2,374	\$1,926	\$2,449	\$1,955	\$1,670
OnePath	\$1,850	\$1,667	\$1,862	\$1,525	\$1,599	\$3,096	\$2,031	\$2,374	\$1,795	\$2,001	\$1,674
QBE	\$1,859	\$1,633	\$1,864	\$1,447	\$1,555	\$3,380	\$2,004	\$2,518	\$1,779	\$2,317	\$1,659
Suncorp	\$1,973	\$1,428	\$1,965	\$1,676	\$1,600	\$1,812	\$1,851	\$1,758	\$2,345	\$1,986	\$1,681
Westpac	\$1,307	\$1,411	\$1,416	\$1,306	\$1,120	\$1,430	\$1,504	\$1,475	\$1,398	\$1,408	\$1,286
Woolworths	\$990	\$1,037	\$1,027	\$920	\$960	\$1,703	\$1,119	\$1,189	\$1,103	\$1,614	\$931
Youi	\$1,214	\$1,200	\$1,140	\$1,279	\$1,120	n/a	\$2,316	\$1,473	\$1,544	\$2,719	\$1,982
Location Average	\$1,597	\$1,473	\$1,660	\$1,473	\$1,394	\$2,978	\$1,784	\$1,723	\$1,692	\$1,949	\$1,543

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 policy for their needs.

Table 6: Annual Total Premiums Range

Average Total premiums	Randwick	Concord	Riverview	Bradbury	Hornsby	Hinton	East Gosford	Cano-windra	Medlow Bath	Byron Bay	Wollongong
Minimum	\$990	\$1,037	\$1,027	\$920	\$951	\$1,273	\$1,119	\$1,045	\$1,103	\$1,217	\$931
Location Average	\$1,597	\$1,473	\$1,660	\$1,473	\$1,394	\$2,978	\$1,784	\$1,723	\$1,692	\$1,949	\$1,543
Maximum	\$2,117	\$1,985	\$2,331	\$2,119	\$2,134	\$9,035	\$2,374	\$2,518	\$2,449	\$2,719	\$1,982
Max. multiple of Min.	2.1	1.9	2.3	2.3	2.2	7.1	2.1	2.4	2.2	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 November 2018:



Cheapest

**Woolworths, Westpac,
Allianz and AAMI**



Mid




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



Most Expensive

**Suncorp
QBE, OnePath, NRMA**

Table 7: Rank of Average Total Premiums by location

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