

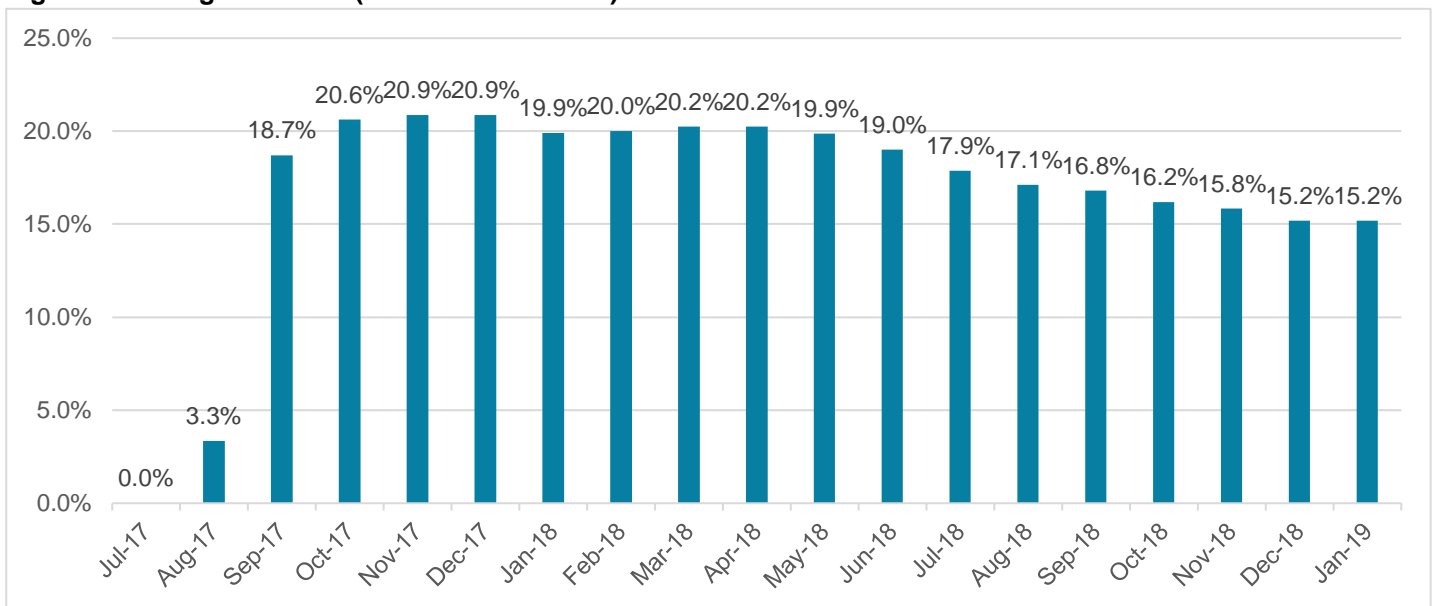
# Standard property profile survey – January 2019

- The average ESL rate for home & contents policies remained at 15.2% this month.
- Average Base Premiums increased by \$3 compared with last month and \$52 compared with last year.
- Average Total Premiums are up \$4 over the month to \$1,749, which has premiums at the same level as 12 months ago.

## ESL

- For the first time since November 2016 all insurers have held ESL rates constant for the month.
- IAG brands (NRMA, CGU and Coles) have the lowest level of ESL in our survey at 13.5%
- Youi remains the highest in our survey, with an ESL rate of 18.4%, however, Youi has notified the Monitor of its intention to cut rates prior to the February survey.

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



Average ESL amounts collected per policy is down 21% since January 2018. The average ESL collected per policy is now \$191, compared with \$242 in January 2018. If the average ESL rates of January 2018 and January 2019 are applied to the current average base premium of \$1,749, the reduction in ESL collected this year is \$82.

All companies continue to collect lower ESL amounts than at the same time last year, with CommInsure experiencing the biggest drop of 31.6% (or \$94). Coles has seen the smallest decrease in ESL collection, down 2.1% due to their significant base premium increases.

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

Company	Home & contents ESL Rate %	% point change since previous month	% point change since previous year
CGU	13.5%	0.0%	-4.5%
Coles	13.5%	0.0%	-3.5%
NRMA	13.5%	0.0%	-7.5%
AAMI	14.5%	0.0%	-3.5%
Allianz	14.5%	0.0%	-6.0%
GIO	14.5%	0.0%	-6.0%
Suncorp	14.5%	0.0%	-4.5%
CommInsure	15.5%	0.0%	-4.5%
Westpac	16.0%	0.0%	-6.0%
Woolworths	16.0%	0.0%	-4.2%
OnePath	16.5%	0.0%	-5.0%
QBE	16.5%	0.0%	-4.5%
Youi	18.4%	0.0%	-

Youi commenced providing data on 1 July 2018

## Base Premiums

### Across all insurers and locations:

- Month change: Average Base Premiums increased by \$2.70 to \$1,268
- Year change: Average Base Premiums have increased by \$52.

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

	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
<b>Location Average</b>	\$1,060	\$1,415	\$1,253	\$1,059	\$1,277	\$2,299	\$1,002	\$1,216	\$1,149	\$1,193	\$1,116
<b>\$ month change</b>	\$4	\$4	\$7	\$4	-\$1	\$0	\$2	\$3	\$2	\$2	\$2
<b>\$ year change</b>	\$5	\$117	\$35	-\$3	\$65	\$356	\$17	\$27	\$1	\$10	\$29

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

There was a slight rise of \$2.70 (0.2%) in base premiums this month.

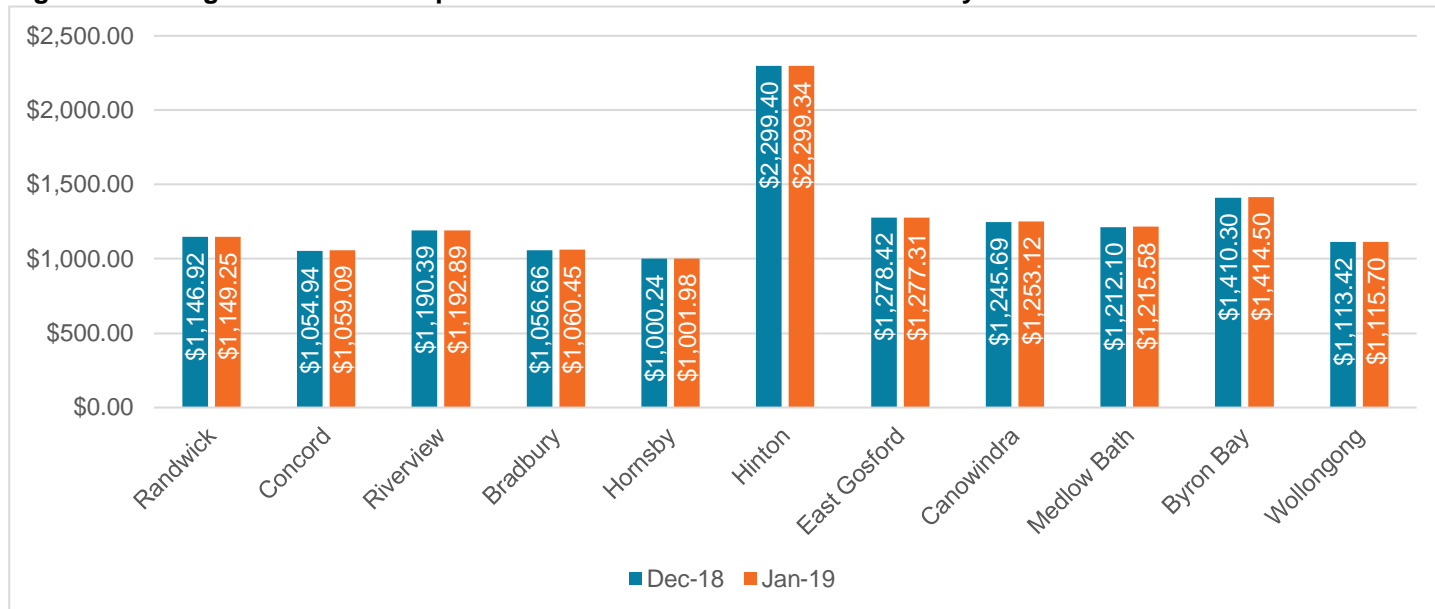
#### Analysis by insurer:

- The majority of brands have implemented minor base premium changes across the survey, with only OnePath and QBE holding premiums flat for the month.
- Increases occurred at:
  - Coles (+\$2), NRMA (+\$10), and Westpac (+\$23) and CGU (+\$35).
  - CGU reported the increase was mostly due to a home pricing review of postcode zones, which caused a price change of between 5 to 8%, depending on the region.
  - Westpac reported that changes to their ratings of various perils resulted in the increase in new business base premiums.
- Premium decreases of less than 1% occurred at seven insurers:
  - Youi -\$9, CommInsure -\$7, Suncorp -\$5, GIO -\$4, Woolworths -\$4, Allianz -\$3 and AAMI -\$1.
- Some of the minor changes may be due to the age of the insured in our survey having increased compared with last month. (Birthdate used in survey is 1st January.) Interestingly the impact of this factor is varied. For example, a small increase in base premium occurred at NRMA, whereas this factor caused a decrease at Coles and CGU. The different impact of this one factor across these three insurers, all owned by IAG, highlight the variation in cost modelling used across the different brands.

#### Analysis by location:

- Small movements were noted at all locations surveyed, except Hinton.
  - A small decrease of \$1 occurred at East Gosford
  - Canowindra had the largest increase in the survey of +\$7.
  - All other locations experienced average price increases of between +\$2 and +\$4 over the month.

**Figure 2: Average Base Premium per location – December 2018 and January 2019**



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

Base Premiums	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	Riverview	Wollongong
AAMI	\$943	\$1,253	\$753	\$1,129	\$1,090	\$889	\$1,038	\$1,208	\$1,209	\$1,246	\$965
Allianz	\$990	\$884	\$841	\$909	\$1,080	\$2,208	\$874	\$1,019	\$946	\$962	\$901
CGU	\$1,058	\$1,636	\$1,089	\$1,162	\$1,160	\$3,528	\$918	\$1,025	\$1,128	\$1,112	\$1,112
Coles	\$1,043	\$1,868	\$1,660	\$869	\$1,128	\$3,205	\$689	\$949	\$903	\$1,175	\$1,411
CommInsure	\$1,201	\$1,261	\$1,488	\$1,275	\$1,369	\$1,803	\$1,101	\$1,170	\$1,310	\$1,292	\$1,104
GIO	\$1,157	\$1,333	\$1,243	\$967	\$1,280	\$1,179	\$1,139	\$1,477	\$1,299	\$1,361	\$1,186
NRMA	\$1,537	\$1,420	\$1,399	\$1,440	\$1,722	\$6,517	\$1,549	\$1,777	\$1,537	\$1,685	\$1,212
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	\$1,217	\$1,442	\$1,276	\$1,037	\$1,345	\$1,317	\$1,162	\$1,710	\$1,433	\$1,428	\$1,219
Westpac	\$948	\$1,110	\$1,082	\$1,025	\$1,099	\$1,045	\$818	\$1,019	\$948	\$1,030	\$938
Woolworths	\$660	\$1,158	\$853	\$744	\$803	\$1,225	\$689	\$792	\$710	\$737	\$668
Youi	\$894	\$1,905	\$1,027	\$837	\$1,623	na	\$781	\$1,073	\$847	\$797	\$1,389
<b>Location Average</b>	<b>\$1,060</b>	<b>\$1,415</b>	<b>\$1,253</b>	<b>\$1,059</b>	<b>\$1,277</b>	<b>\$2,299</b>	<b>\$1,002</b>	<b>\$1,216</b>	<b>\$1,149</b>	<b>\$1,193</b>	<b>\$1,116</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 January 2019

Year on year average base premiums have increased \$52. There are significant variations in premiums charged at the individual location or insurer level.

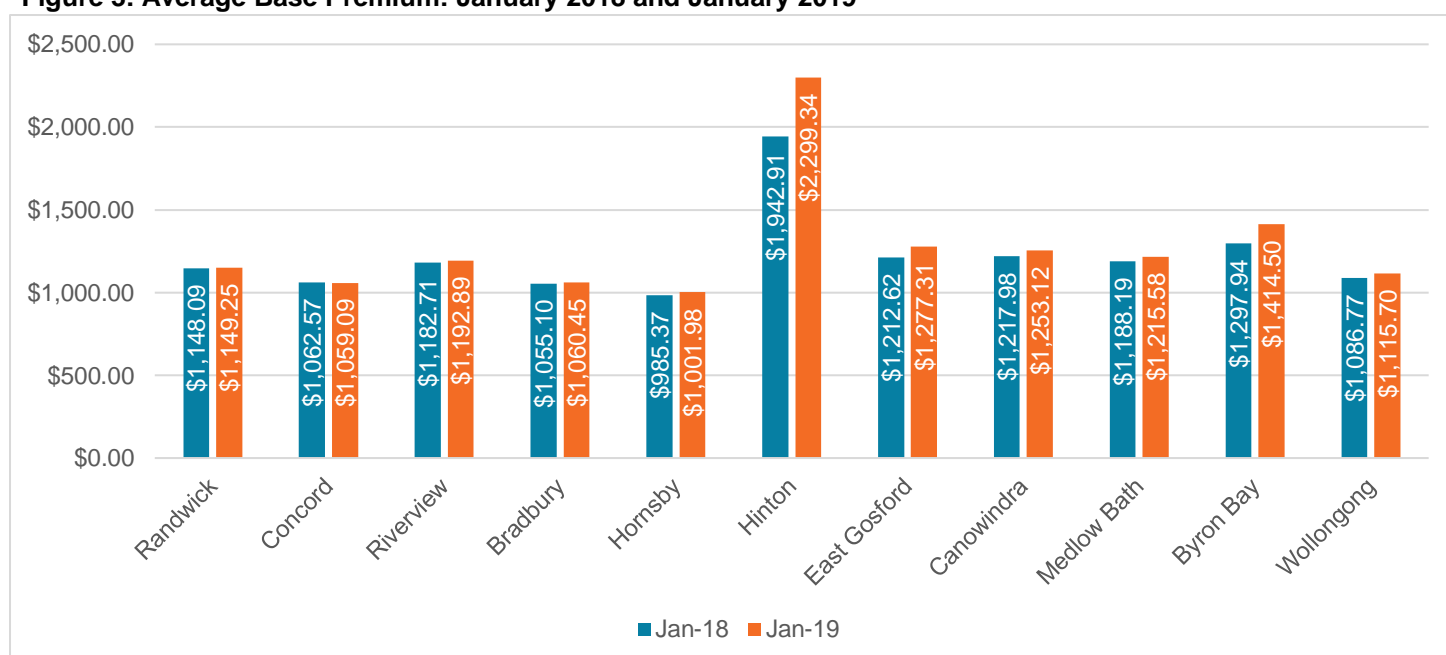
### Analysis by insurer:

- Average base premiums fell over the year to 1 January at three insurers surveyed.
  - QBE's quote fell \$18, GIO was down \$55, and Woolworths was down \$129.
  - The drop in Woolworths' quotes is due principally to the application of an online discount, following the Monitor's review of quote criteria, effective July 2018.
- Increases in average base premium occurred at the remaining nine insurers (Youi, only provided quotes since July 2018).
  - Increases of between \$14 and \$36 were experienced at (in increasing order of magnitude): AAMI, CommInsure, OnePath, Westpac and NRMA.
  - More significant increases occurred at: Allianz +\$87, Suncorp +\$170, CGU +\$202, and Coles+\$396.
  - Quotes provided by Coles increased (+41%), mostly due to premium increases implemented at the end of 2018, particularly at Hinton. However, when Hinton is excluded from the Coles quotes, there is still a significant increase across the remaining locations of 25.6%.
  - The range of increases varied significantly between insurers, even when the brands are owned by the same company. For example:
    - There was a range of \$360 between the increases reported by different IAG owned companies: NRMA (+\$36), CGU (+\$203) and Coles (+\$396).
    - Similarly, AAI owned companies had a difference in premium changes over the year of \$225: GIO (-\$55), AAMI (+\$14) and Suncorp (+\$170).

### Analysis by location:

- Only one location, Concord, saw a small fall in average annual base premiums
  - Below average increases were seen at: Randwick, Bradbury, Riverview, Hornsby, Medlow Bath, Wollongong and Canowindra.
  - More significant increases occurred at East Gosford (+\$65), Byron Bay (+\$117) and Hinton (+\$356)
- Since the Monitors survey began (October 2016) average base premiums in Hinton have increased by \$570 or 33%, compared to the average of \$40 or 3%.

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



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

		Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
AAMI	Month	-\$2	-\$4	\$0	-\$2	\$0	-\$1	-\$2	\$3	-\$2	-\$1	-\$3
	Year	\$6	\$80	\$9	-\$6	\$3	\$19	\$21	-\$34	-\$9	\$10	\$52
Allianz	Month	-\$4	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3	-\$3
	Year	\$47	-\$43	\$4	\$35	\$28	\$711	\$34	\$61	\$47	\$36	-\$6
CGU	Month	\$56	\$54	\$86	\$57	-\$20	-\$20	\$23	\$33	\$37	\$37	\$37
	Year	\$85	\$99	\$114	\$89	\$13	\$1,525	\$42	\$60	\$68	\$67	\$67
Coles	Month	\$2	\$3	\$3	\$1	\$2	\$1	\$1	\$2	\$1	\$2	\$3
	Year	\$130	\$548	\$234	\$114	\$330	\$1,975	\$255	\$128	\$108	\$343	\$193
CommInsure	Month	-\$8	-\$7	-\$8	-\$8	-\$8	-\$8	-\$7	-\$7	-\$8	-\$7	-\$7
	Year	\$24	\$14	\$34	\$20	\$31	-\$13	\$23	\$26	\$29	\$29	-\$7
GIO	Month	-\$5	-\$6	-\$5	-\$4	-\$4	-\$4	-\$4	\$1	-\$5	-\$4	-\$7
	Year	-\$70	-\$41	-\$37	-\$55	-\$68	-\$59	-\$55	-\$73	-\$49	-\$65	-\$38
NRMA	Month	\$9	\$10	\$10	\$9	\$11	\$16	\$11	\$12	\$11	\$5	\$8
	Year	\$51	\$75	\$74	\$20	\$91	-\$3	\$22	-\$29	\$22	\$50	\$16
OnePath	Month	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Year	-\$55	\$35	\$122	-\$22	-\$13	\$128	\$8	\$32	\$32	\$7	-\$31
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	-\$5	-\$6	-\$6	-\$5	-\$4	-\$4	-\$4	\$1	-\$6	-\$5	-\$7
	Year	\$140	\$259	\$230	\$123	\$156	\$200	\$140	\$321	\$171	\$173	-\$48
Westpac	Month	\$17	\$30	\$31	\$20	\$27	\$25	\$19	\$22	\$17	\$21	\$21
	Year	\$17	\$106	\$31	\$20	\$27	\$25	\$19	\$22	-\$6	\$21	\$21
Woolworths	Month	-\$3	-\$6	-\$5	-\$4	-\$4	-\$3	-\$4	-\$4	-\$4	-\$4	-\$4
	Year	-\$111	-\$194	-\$142	-\$127	-\$133	-\$202	-\$114	-\$34	-\$123	-\$123	-\$112
Youi	Month	-\$9	-\$12	-\$8	-\$8	-\$11	\$0	-\$7	-\$14	-\$8	-\$7	-\$10
	Year	-	-	-	-	-	-	-	-	-	-	-

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

## Total Premiums

- Average Total Premiums increased \$4 over the month to \$1,749.
- Over the year to 1 January Average Total Premiums aggregated across all locations did not change.
- Individual Average Total Premiums vary greatly at the insurer or location level, even though at the aggregate level it appears there has been no change.

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

Average Total Premiums	Bradbury	Byron Bay	Canowindra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollongong
Location Average	\$1,463	\$1,954	\$1,731	\$1,462	\$1,765	\$3,158	\$1,383	\$1,678	\$1,586	\$1,645	\$1,541
Month change	\$5	\$6	\$10	\$6	-\$2	\$0	\$2	\$5	\$3	\$3	\$3
Year change	-\$54	\$89	-\$21	-\$66	\$21	\$366	-\$34	-\$41	-\$64	-\$54	-\$21

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 January 2019

#### Analysis by insurer:

- Average Total Premiums fell at seven insurers this month:
  - AAMI (-\$2), Allianz (-\$4), Woolworths, (-\$5), Suncorp (-\$6), GIO (-\$6) and CommInsure (-\$10) and Youi (- \$13)
- Four insurers increased Average Total Premiums, Coles (+\$3), NRMA (+\$14), Westpac (+\$32) and CGU (+\$47).
- No change occurred at OnePath and QBE.

#### Analysis by location

- All locations except two experienced a relatively small increase in aggregate Total Premiums this month.
  - Premiums at Hinton did not change, and East Gosford fell by \$2
- Canowindra experienced the largest increase of \$10 over the month.

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

### Analysis by insurer:

- The range of premium variations occurring over the year is large, ranging from -\$238 at Woolworths to +\$470 at Coles.
- Compared with January 2018, Average Total Premium changes of greater than +/- 5% occurred at:
  - Decreases: GIO -7.9% and Woolworths -17.2%.
  - Increases: Suncorp +10.3%, CGU +11.6% and Coles +34.3%
- Eight insurers reduced premiums, many as a result of the ESL rate decreases that have occurred over the year. The falls at Woolworths (-\$238) are largely due to the change in the basis of the Monitor's data request (from July 2018).
- Increases were implemented at: Allianz (+\$67), Suncorp (+\$170), CGU (+\$193) and Coles (+\$470).
  - Reason for premium increases: *Allianz* - Monitor's data requirements update, effective July 2018.  
*Suncorp* - May 2018: base premiums increases in response to claims costs concerns.  
*CGU* - February 2018, increased ESL rates and base premiums, significantly at Hinton (+76%).  
*Coles* - July 2018, corrected a ratings engine error. December 2018: flood risk re-rating, which led to a significant increase in premiums quoted for Hinton.

### Analysis by location

- Average Total Premiums fell at eight of the 11 locations compared with the same time last year.
- Decreases in annual total premiums of between -\$21 and -\$66 occurred at (smallest to largest decrease): Canowindra, Wollongong, Hornsby, Medlow Bath, Bradbury, Riverview, Randwick and Concord.
- Increases were seen at three locations:
  - East Gosford (+\$21), Byron Bay (+\$89) and Hinton (+\$366).
  - While aggregate Total Premiums did not change this month at Hinton, it continues to be affected by multiple insurers implementing risk re-rating over the last 12 months.

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

Average Total premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollon-gong
AAMI	\$1,295	\$1,721	\$1,034	\$1,550	\$1,496	\$1,220	\$1,424	\$1,658	\$1,660	\$1,710	\$1,325
Allianz	\$1,359	\$1,213	\$1,155	\$1,248	\$1,483	\$3,031	\$1,200	\$1,399	\$1,299	\$1,320	\$1,236
CGU	\$1,440	\$2,226	\$1,482	\$1,582	\$1,578	\$4,801	\$1,249	\$1,395	\$1,536	\$1,514	\$1,513
Coles	\$1,419	\$2,541	\$2,259	\$1,182	\$1,535	\$4,361	\$937	\$1,291	\$1,228	\$1,599	\$1,920
CommInsure	\$1,663	\$1,746	\$2,060	\$1,765	\$1,896	\$2,497	\$1,525	\$1,620	\$1,814	\$1,790	\$1,528
GIO	\$1,589	\$1,831	\$1,706	\$1,328	\$1,758	\$1,619	\$1,564	\$2,028	\$1,783	\$1,868	\$1,628
NRMA	\$2,092	\$1,932	\$1,903	\$1,959	\$2,344	\$8,869	\$2,108	\$2,418	\$2,092	\$2,293	\$1,649
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	\$1,671	\$1,980	\$1,752	\$1,423	\$1,847	\$1,808	\$1,595	\$2,348	\$1,968	\$1,961	\$1,673
Westpac	\$1,319	\$1,543	\$1,505	\$1,426	\$1,528	\$1,453	\$1,137	\$1,418	\$1,319	\$1,433	\$1,304
Woolworths	\$918	\$1,610	\$1,186	\$1,035	\$1,117	\$1,704	\$958	\$1,101	\$988	\$1,025	\$929
Youi	\$1,267	\$2,702	\$1,460	\$1,189	\$2,301		\$1,109	\$1,524	\$1,202	\$1,132	\$1,969



<b>Location Average</b>	\$1,463	\$1,954	\$1,731	\$1,462	\$1,765	\$3,158	\$1,383	\$1,678	\$1,586	\$1,645	\$1,541
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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**

<b>Average Total premiums</b>	<b>Bradbury</b>	<b>Byron Bay</b>	<b>Cano-windra</b>	<b>Concord</b>	<b>East Gosford</b>	<b>Hinton</b>	<b>Hornsby</b>	<b>Medlow Bath</b>	<b>Randwick</b>	<b>River-view</b>	<b>Wollon-gong</b>
<b>Minimum</b>	\$923	\$1,217	\$1,034	\$1,040	\$1,122	\$1,222	\$936	\$1,106	\$988	\$1,030	\$934
<b>Location Average</b>	\$1,463	\$1,954	\$1,731	\$1,462	\$1,765	\$3,158	\$1,383	\$1,678	\$1,586	\$1,645	\$1,541
<b>Maximum</b>	\$2,079	\$2,719	\$2,518	\$1,947	\$2,328	\$8,847	\$2,093	\$2,402	\$2,092	\$2,287	\$1,983
<b>Max. multiple of Min.</b>	2.3	2.2	2.4	1.9	2.1	7.2	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 January 2019:



Cheapest

**Woolworths, Allianz,  
Westpac, 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 January 2019**

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

Youi does not provide a quote for Hinton