

# Standard property profile survey – March 2019

- The ESL rates for home & contents policies fell at ten of the 13 insurers surveyed and the average ESL rate is now 13.1%.
- Average Base Premiums increased by \$1 compared with last month and \$25 compared with last year.
- The Average Total Premium in the survey is \$1,723. This is \$22 lower than last month and \$75 lower than a year ago.

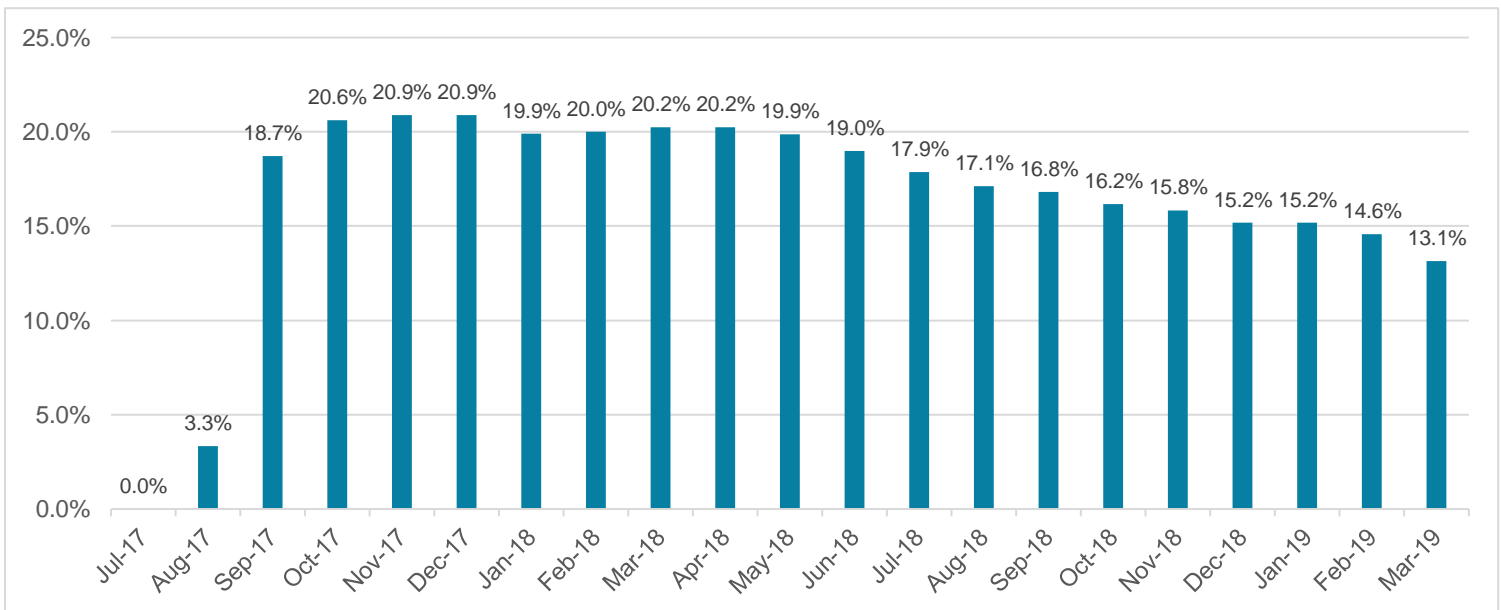
## ESL

- Ten insurers reduced ESL rates this month, producing the lowest average ESL rate in home & contents insurance since monitoring began (13.1%).
  - Allianz, Westpac and Youi did not reduce ESL rates this month.
- Further ESL rate falls are predicted by insurers to ensure they do not over-collect ESL for the two-year collection period ending 30 June 2019.
- Hollard (Woolworths) reduced their rates from 16.0% to 15.0% this month, however, this remains the highest rate in the survey at almost 2% over the industry average.
- The IAG brands (NRMA, CGU, Coles) are now charging the lowest ESL rate of 12.0%, significantly lower than any historical rates. These further rate decreases have again lowered the market average to the lowest rate sampled.

### ESL collected

- The average ESL collected per policy is down 10.5% (or -\$19) for the month and 34.7% (or -\$88) over the last year.
  - All insurers are now collecting significantly less ESL per policy than they were a year ago with CommInsure dropping the most, down 44.6% (equivalent to \$131).
  - Suncorp had the lowest reduction in ESL \$ collected. ESL rates have fallen 5.5% points over the year, however, base premium increases, 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**

Company	Home & contents ESL Rate %	% point change since previous month	% point change since previous year
CGU	12.0%	1.5%	-9.0%
Coles	12.0%	1.5%	-9.0%
NRMA	12.0%	1.5%	-9.0%
CommInsure	12.5%	3.0%	-10.5%
Youi*	12.9%	0.0%	-
OnePath	13.0%	3.5%	-7.0%
QBE	13.0%	3.5%	-7.0%
AAMI	13.5%	1.4%	-5.5%
GIO	13.5%	1.0%	-5.5%
Suncorp	13.5%	1.0%	-5.5%
Westpac	13.5%	1.0%	-7.5%
Allianz	14.5%	0.0%	-4.5%
Woolworths	15.0%	0.0%	-5.0%

\*Youi commenced providing data on 1 July 2018

## Base Premiums

### Across all insurers and locations:

- Month change: Average Base Premiums increased by \$1 to \$1,271.
- Year change: Average Base Premiums have increased by \$25.46.

**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>	\$1,063	\$1,419	\$1,256	\$1,062	\$1,281	\$2,303	\$1,005	\$1,219	\$1,153	\$1,197	\$1,119
<b>\$ month change</b>	\$1	\$2	\$1	\$1	\$1	\$2	\$1	\$1	\$1	\$2	\$1
<b>\$ year change</b>	-\$7	\$104	\$18	-\$16	\$49	\$208	\$5	\$7	-\$10	-\$2	\$17

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

There was a small rise of \$1 in average base premiums this month.

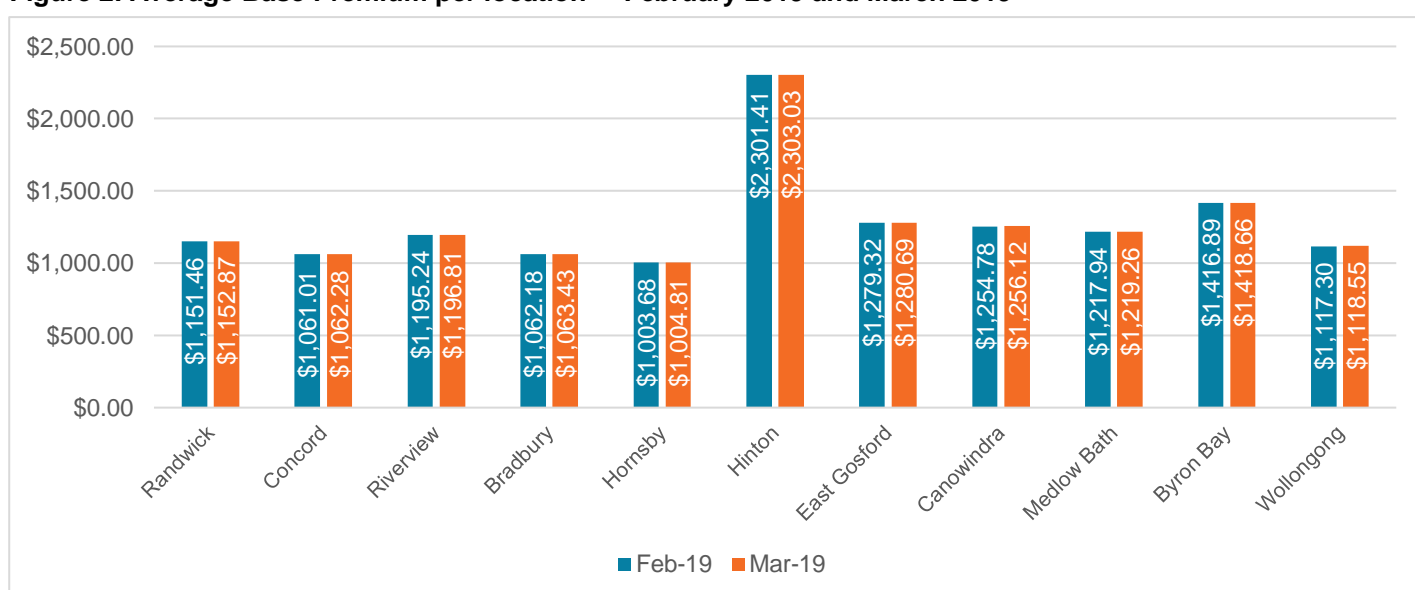
#### Analysis by insurer:

- Five brands made no change to base premiums, being: Allianz, CommInsure, OnePath, QBE and Westpac
- The most significant increases occurred at Woolworths and the IAG Brands.
  - Woolworths \$4.63, IAB brands: NRMA +\$3.97, Coles +\$3.44 and CGU +\$2.80. Woolworths reported their increase was due to an additional indexation to account for the inclusion of February 2020, which is a leap year, therefore requiring an extra day of cover. They are the only insurer to report this practise to the Monitor.
- All other increases were below \$1 for the month.

#### Analysis by location:

- Base Premiums increased fairly evenly across all the 11 locations surveyed.
  - Increases ranged from +\$1.12 in Hornsby to +\$1.77 at Byron Bay.

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



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

Base Premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollon-gong
AAMI	\$948	\$1,258	\$755	\$1,135	\$1,093	\$891	\$1,041	\$1,212	\$1,215	\$1,251	\$970
Allianz	\$990	\$884	\$841	\$909	\$1,080	\$2,208	\$874	\$1,019	\$946	\$962	\$901
CGU	\$1,064	\$1,644	\$1,095	\$1,168	\$1,165	\$3,533	\$922	\$1,030	\$1,134	\$1,118	\$1,118
Coles	\$1,049	\$1,879	\$1,670	\$874	\$1,135	\$3,210	\$693	\$954	\$908	\$1,182	\$1,419
CommInsure	\$1,201	\$1,261	\$1,488	\$1,275	\$1,369	\$1,803	\$1,101	\$1,170	\$1,310	\$1,292	\$1,104
GIO	\$1,164	\$1,341	\$1,247	\$973	\$1,287	\$1,185	\$1,145	\$1,484	\$1,307	\$1,369	\$1,190
NRMA	\$1,545	\$1,427	\$1,406	\$1,447	\$1,731	\$6,527	\$1,557	\$1,786	\$1,545	\$1,693	\$1,218
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	\$1,225	\$1,449	\$1,279	\$1,043	\$1,352	\$1,321	\$1,168	\$1,717	\$1,443	\$1,437	\$1,225
Westpac	\$948	\$1,110	\$1,082	\$1,025	\$1,099	\$1,045	\$818	\$1,019	\$948	\$1,030	\$938
Woolworths	\$665	\$1,168	\$860	\$750	\$810	\$1,236	\$694	\$798	\$716	\$743	\$673
Youi	\$889	\$1,904	\$1,026	\$836	\$1,623		\$781	\$1,076	\$845	\$799	\$1,385
<b>Location Average</b>	\$1,063	\$1,419	\$1,256	\$1,062	\$1,281	\$2,303	\$1,005	\$1,219	\$1,153	\$1,197	\$1,119

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

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

- Year on year average base premiums have increased \$25.46, however, as is generally the case, the range between the changes at the insurer and location level is large.

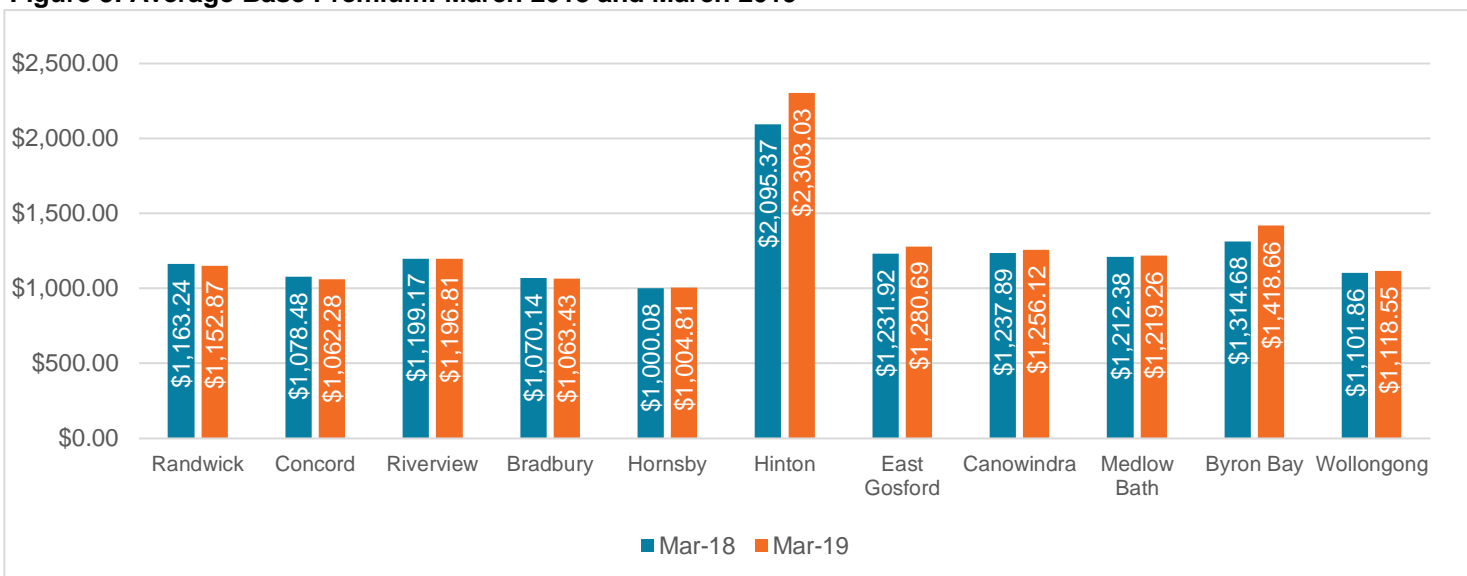
#### Analysis by insurer:

- Four insurers reduced average base premiums over the year to 1 March:
  - OnePath posted the largest fall of -\$217 over the year. Woolworths also recorded a substantial decrease of -\$135. 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 of between +\$26 and +\$36 occurred at CommInsure, Westpac, AAMI and NRMA
  - More substantial increases occurred at the remaining four insurers: CGU +\$71, Allianz +\$82, Suncorp +\$193 and Coles +\$398.
  - 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:

- Four locations recorded small reductions in average base premiums over the year:
  - Concord -\$16, Randwick -\$10, Bradbury, -\$7 and Riverview -\$2.
- The remaining seven locations saw premiums increase compared with the same time last year.
  - Hornsby, Medlow Bath, Wollongong and Canowindra had increases below \$20.
  - More significant increases occurred at East Gosford +\$49, Byron Bay +\$104 and Hinton +\$208.
  - 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: March 2018 and March 2019**



**Table 4: Base Premium \$ change for month and year to 1 March 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 fell -\$22 over the month to \$1,723 and -\$75 over the year to 1 March.
- Average Total Premiums vary greatly at the individual insurer or location level.

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

Average Total Premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollon-gong
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	-\$17	-\$23	-\$23	-\$18	-\$21	-\$41	-\$17	-\$20	-\$20	-\$20	-\$18
Year change	-\$102	\$26	-\$84	-\$116	-\$41	\$86	-\$79	-\$94	-\$114	-\$107	-\$73

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 March 2019

#### Analysis by insurer:

- Average Total Premiums either fell or remained the same as in February.
  - The largest decrease was a fall of -\$60 at QBE and OnePath.
  - Other Total premium falls were: CommInsure -\$47, NRMA -\$30, CGU -\$21 and Coles -\$20. Suncorp, GIO and AAMI fell between -\$15to -\$12 and Woolworths posted the smallest decrease of -\$4.
  - Average Total Premiums did not change at Allianz, Westpac and Youi.
- Falls in Average Total Premiums are principally as a result of cuts in ESL rates.

#### Analysis by location

- Average Total Premiums fell at all locations surveyed this month.
  - The largest fall in premium was reported at Hinton, -\$44 and the smallest reduction at Hornsby and Bradbury -\$17.

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

Average total premiums were down \$75 compared with a year ago.

#### Analysis by insurer:

- Eight out of 11 insurers posted a fall in Average Total Premiums. Premium decreases varied between -\$431 at OnePath -\$28 at AAMI.
  - Other decreases were: Woolworths -\$244, NRMA -\$163, QBE -\$147, GIO -\$127, CommInsure -\$126, Westpac -\$51 and CGU -\$45.
  - 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+\$430, Suncorp +\$188, 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.

#### Analysis by location

- As occurred last month, the Average Total Premiums fell at all but two locations surveyed, compared with the same time last year.
  - Decreases in annual total premiums of between -\$116 at Concord and -\$41 at East Gosford.
  - Average total premiums rose compared with last year at Byron Bay (+\$26) and Hinton (+\$86). 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 March 2019**

Average Total premiums	Bradbury	Byron Bay	Cano-windra	Concord	East Gosford	Hinton	Hornsby	Medlow Bath	Randwick	River-view	Wollon-gong
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	n/a	\$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 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	\$918	\$1,213	\$1,028	\$1,035	\$1,117	\$1,213	\$930	\$1,101	\$988	\$1,025	\$929
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	\$2,074	\$2,575	\$2,442	\$1,943	\$2,324	\$8,766	\$2,091	\$2,398	\$2,074	\$2,274	\$1,906
Max. multiple of Min.	2.3	2.1	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 March 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 March 2019**

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

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