HOME INSURANCE

UNDERINSURANCE

THE PROBLEM



'The vast majority (81%) of homeowners/renters are exposed to financial loss because their insurance does not cover them to resume the same standard of living in the event of a crisis.'*

* Quantum Market Research, Understand home insurance research report, prepared for the Insurance Council of Australia, August 2014

ASIC'S WORK TO HELP REDUCE **UNDERINSURANCE**

In October 2014, ASIC published Report 415: Review of the sale of home insurance, which identified good practices that insurers could adopt to ensure consumers get home insurance that best meets their needs.

> Twelve months later, we surveyed 12 insurers about their implementation of these good practices.

INDUSTRY'S RESPONSE TO ASIC'S WORK — 2014 VS 2015

PROVIDE INFORMATION TO **CONSUMERS ABOUT** ADDITIONAL REBUILDING COSTS DUE TO NATURAL PERILS



Providing this information, at or before the point of sale such as in telephone sales calls, online sales screens and online calculators, can help consumers to better estimate rebuilding costs after a total loss.

MAKE SUM-INSURED CALCULATORS AVAILABLE TO CONSUMERS

Sum insured calculators help consumers to better estimate their sum insured amount when they buy home insurance, which reduces the risk of underinsurance.



TELEPHONE CHANNEL



ONLINE CHANNEL

INSURERS

NUMBER OF INSURERS IN 2014

NUMBER OF INSURERS IN 2015

DEFINE WHAT SUM INSURED IS

Helps consumers to better understand what the sum insured amount is and what it is designed to cover.



INSURERS



INSURERS