

# Coast 'cyclone rating' pushes insurance up \$700



Kathy Sundstrom | 9th Feb 2017 5:00 AM Updated: 5:41 AM



CYCLONE ZONE: Buderim man Kevin Baston was stunned when his insurance premium sky rocketed because his insurer claimed he was living in a cyclone zone.

Melissa Stephens

KEVIN Baston couldn't believe his eyes when he saw his latest insurance premium for his home on Buderim hill was going to jump by \$700.

The retiree hadn't made any recent claims on the home he owned for 15 years and couldn't understand why his insurer, National Seniors, would hike his annual fee from \$1402 to \$2090

He was advised by National Seniors his policy was underwritten by Allianz and his premium had "increased as Allianz had reclassified the Sunshine Coast as a cyclone area".

"I've lived on the Sunshine Coast for 17 years and I've never seen a cyclone here," Mr Baston said.

However, National Seniors general manager Chris Grice told Mr Baston in an email that it was because of a number of storm claims in his area.

Mr Baston had no warning his premium would increase and there was also no explanation in the policy as to why it should be by such a substantial amount.

"I simply got the renewal notice showing the new figure which would start in January," he said.

It took three weeks to get some answers and even then they varied between the representative on the phone and the general manager.

Mr Grice acknowledged Mr Baston's concerns in his email and said it could have been handled better.

He explained calculating home insurance premiums had changed from basing it on a "pool of risks located in certain geographic regions".

Instead it was now based on "improvements in the capture of data relating to weather events and the claims incurred relating to these events".

This meant insurers had begun to calculate premiums at a "suburb, street and house-lot basis".

"From an insurer's perspective, whilst this method of risk assessment can be more accurate, less subsidy of pricing within the insurance pool occurs and this can have an adverse impact on some folk who may live in higher risk areas that could be impacted by catastrophe events like storm, flood, cyclone or fire," he said.



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Buderim's Kevin Baston was shocked his insurance bill had gone up 50%, he was told it was because he is in a cyclone area.

Warren Lynam

"Unfortunately and regrettably, your location has been impacted by Allianz' price change due to the impact of storm and whilst I agree that the level of increase is not in my mind reasonable, efforts were made by Josey at the time to make sure that every possible discount could be applied even substantially reducing our modest fee that we receive for managing your policy.

"Whilst there are thousands of members that have not been impacted by this pricing issue, on your behalf and on the behalf of other members that have been impacted, the matter has been escalated to senior management at Allianz to endeavor to improve the position for members going forward and whilst this is of no consolation to you and I'm sorry for that, other members may benefit from your concerns being raised in the manner in which you have."

Mr Baston has switched his policy to another, cheaper insurer.

The Daily has approached Allianz for comment.

