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FOR IMMEDIATE RELEASE

## **SYDNEY HOMES TOP NATION'S COSTLIEST TO INSURE**

CANNEX releases *first-ever home & contents insurance star ratings* report today.

Harbour city homeowners are being slugged higher premiums for home and contents insurance than their counterparts in the rest of Australia.

Sydney residents, on average, pay 26% more than Melbourne residents to insure a home worth \$250,000 and 48% more than Hobart residents.

That's one of the findings made by premier financial services research company CANNEX which has just released its first-ever comparison of home and contents insurance.

"Sydney is way out in front as the most expensive city to insure your home and its contents separately, as well as home and contents packaged together," CANNEX Head of Research Steve Mickenbecker said.

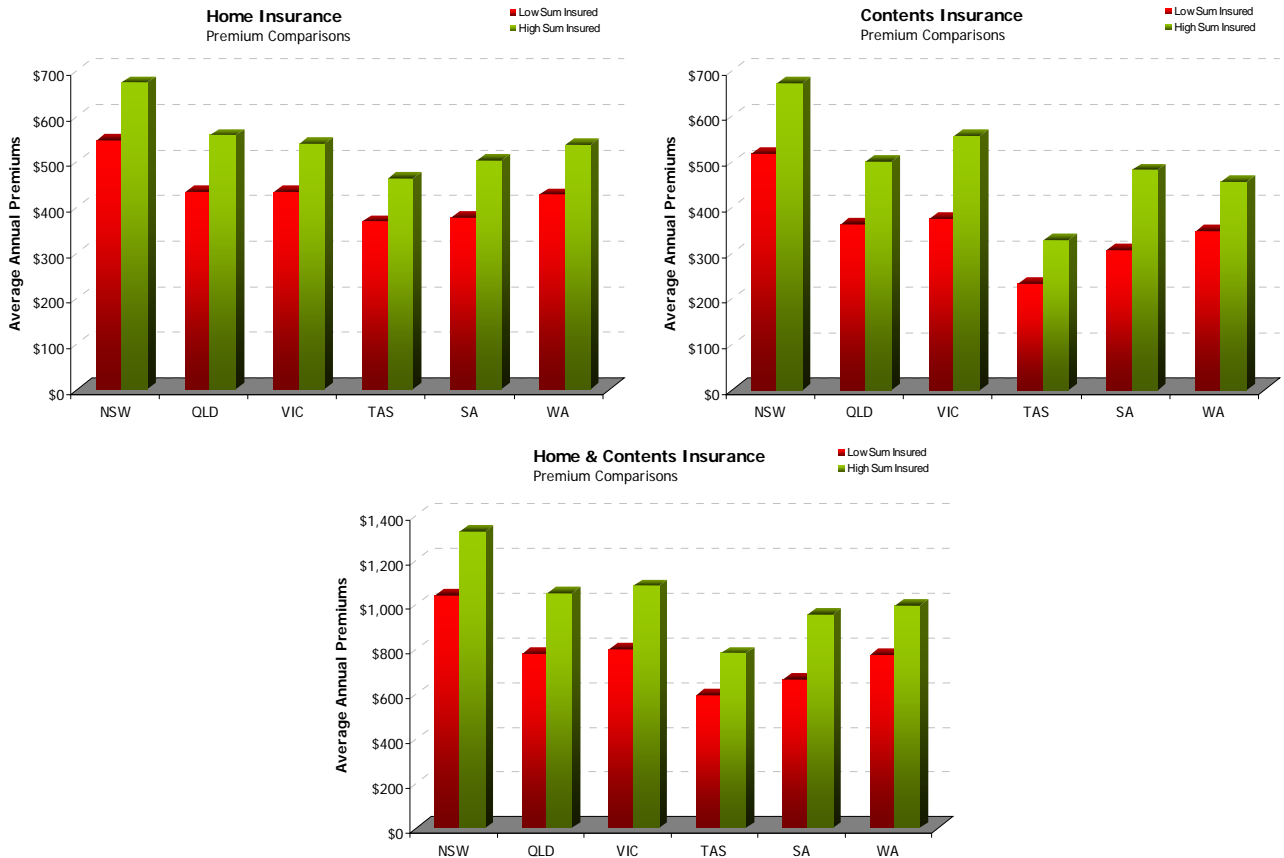
CANNEX research has shown that residents of Sydney suburbs pay the highest premiums regardless of the value of the assets being insured. In fact,

- Sydney residents pay 26% more for home insurance premiums, for homes valued at \$250,000, than Melbourne residents who pay the second highest premiums
- Sydney residents pay 38.5% more for contents premiums, for \$50,000 contents insured, than the residents of Melbourne which has the second highest average premiums.
- Sydney residents pay 30% more for home & contents insurance premiums, for home & contents combined value of \$300,000, than Melbourne residents who pay the second highest premiums

Not surprisingly, Hobart is the least expensive capital city when it comes to home insurance premiums.

"If you rent in Hobart and insure your contents for \$50,000 you will pay less than half the premium compared to the same contents cover in Sydney," Mr Mickenbecker said.

"Considering all these comparisons are made against the same value insured, it can only be assumed that Sydney residents are more likely to make claims or face significantly higher risks than their counterparts across the rest of the country."



ANNUAL PREMIUM COMPARISONS – HOME & CONTENTS INSURANCE						
	Low Sum Insured			High Sum Insured		
	Home	Contents	Home & Contents	Home	Contents	Home & Contents
Sydney	\$546	\$518	\$1,041	\$673	\$672	\$1,326
Brisbane	\$433	\$362	\$781	\$558	\$499	\$1,052
Melbourne	\$434	\$374	\$801	\$539	\$556	\$1,084
Hobart	\$369	\$232	\$596	\$464	\$328	\$783
Adelaide	\$377	\$305	\$664	\$502	\$481	\$956
Perth	\$428	\$348	\$774	\$536	\$456	\$996

Based on:  
 Low Sum Insured – building only \$250,000, Contents only \$50,000, Home & Contents Package \$300,000  
 High Sum Insured – building only \$400,000, Contents only \$100,000, Home & Contents Package \$500,000

Interestingly however when CANNEX increased the amount of cover for the 3 product categories (Home, Contents, Home & Contents combined), the premiums in Sydney rose the least in comparison to percentage of increase.

- A 60% increase in Home cover (\$250k – \$400k) only resulted in a 23% rise in Sydney average home premiums. Adelaide residents on the other hand face a 33% rise in premiums for the same increase in cover.
- A 100% increase in contents cover (\$50k - \$100k) again only results in a 30% rise in Sydney’s average contents premiums. This time however, Adelaide residents had a 58% increase in their premiums.

“These findings do not support the theory of higher risk exposure in Sydney since properties of higher values would be exposed to the same major risks as other buildings. However it is important to highlight that

significantly increasing the level of cover does not automatically translate to an equivalent increase in premiums so there is really no incentive for underinsuring your home or contents,” Mr Mickebecker said.

Therein lies another urban myth, says CANNEX. Under-insurance is rife in Australia largely because of the mistaken belief that twice the cover will cost twice the premium.

“This is simply untrue. By shopping around, it is possible for householders to get even more coverage for the same amount of money or even less,” Mr Mickenbecker said.

In order to compare and rate home and contents insurance policies, CANNEX has completed an exhaustive shadow shopping exercise, covering 53 policies and obtaining over 9,000 individual quotes across the six Australian states.

“We awarded National 5 Star Overall Awards to the two insurers offering consumers the best value in each of the categories – Home, Contents, and Home and Contents packages.

“We then drilled down into each state to uncover the best value insurer per category in each state, making our comparison an easy-to-use reference for consumers looking to determine better value from their policy, or simply curious to see how their current insurer fared,” Mr Mickenbecker said.



	Best Value Home Insurance	Best Value Contents Insurance	Best Value Home & Contents Insurance
NATIONAL	CommInsure NRMA Insurance Group*	CommInsure Western QBE	CommInsure Suncorp
NSW	CommInsure	NRMA Insurance	CommInsure
QLD	Real Insurance	Western QBE	Suncorp
SA	Suncorp	Suncorp	Suncorp
TAS	CommInsure	AAMI	CommInsure
VIC	GIO	GIO	GIO
WA	GIO	HBF	GIO

\* NRMA, RACV, SGIO & SGIC

Full results can be found on <http://www.cannex.com.au/home-and-contents-insurance/>. The five star products shown include comparisons by monthly premium price and inclusions, and they provide a great short list of products worth further investigation.

The CANNEX website also provides useful information for consumers searching for more information on home and contents insurance, plus a comprehensive section on the methodology used to compile the home and contents insurance star ratings.

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### About CANNEX:

CANNEX provides Australia's only fully interactive online research service in retail and business finance.

Founded in 1992, CANNEX (Aust) Pty Limited is Australia's premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. CANNEX also distributes this information to print and electronic media for publication and to Agents, Accountants, Brokers and Internet Portals for use in advising their clients.

### Does CANNEX rate other product areas?

**YES**, CANNEX also rates the suite of banking and insurance products listed below. These star ratings use similar methodologies. This guarantees the quality and transparency of all our star ratings. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANNEX website at [www.cannex.com.au](http://www.cannex.com.au) if you would like to view the latest CANNEX star ratings reports of interest.

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