

██████████ Submission to the House of Representatives Standing  
Committee on Social Policy and Legal Affairs -

Inquiry into the affordability of Residential Strata Title insurance.

In 2010, the Body Corporate for ██████████ paid \$5,730.75 for their Body Corporate insurance premium with ██████████.

However, when the 2011 renewal was received, the renewal charge was \$18,545.82.

Alternative quotes were obtained by the ██████████ from ██████████ for \$22,773.84 and from ██████████ for \$11,400.65.

The Body Corporate accepted the ██████████ quote, however this quote is still \$5,669.65 above what we had budgeted for insurance.

So the Body Corporate now either has to raise a special levy to pay these increased insurance costs, or we have to abandon our budget and face imposing huge extra Body Corporate fees at our next AGM.

The Body Corporate has been placed in a very difficult position. We know that several unit owners are elderly, disabled, and on very limited incomes. They will now have to pay \$1,266.74 per annum for their share of the Body Corporate insurance costs. Previously they paid \$636.75.

This is a dreadful rise in cost for these owners. We can see that worrying about how to find this huge, on-going extra cost is already affecting the health of some of these elderly owners.

We are concerned that some of these elderly owners may be forced to sell their units. But where will they go? Has the Queensland Government prepared to house the elderly people who may be forced out of their homes by these increased insurance costs?

We are concerned that the value of all of our units may be affected if large numbers of elderly owners are forced to sell their units.

We do not see the logic of these increased charges. ██████████ is on ██████████, on a ridge seven metres above sea level. This can clearly be seen on Cairns City Council maps. ██████████ is far, far less likely to be affected by flooding than the buildings down in the city area that are only one metre above sea level.

Was this taken into consideration when the insurance risk for ██████████ was calculated?

And we do not understand why we are unable to obtain flood insurance. Again, ██████████ is seven metres above sea level. The risk of flood must surely be quite small. Why are we unable to obtain flood insurance?

We appreciate your attention to these matters,

Yours faithfully,

The Members of the Body Corporate for [REDACTED].

[REDACTED]