

Timothy James Howey

16 January, 2012

House of Representatives Standing Committee on Social Policy and Legal Affairs
Inquiry into Residential Strata Title Insurance
PO Box 6021
Parliament House
CANBERRA ACT 2600

By Email: spla.reps@aph.gov.au

Re: [REDACTED]
(Investment property)

I am writing regarding the devastating issue of massive insurance premium increases here in Far North Queensland.

These premium increases are not occurring in other areas of Queensland or in NSW or Victoria despite floods, fires and severe storms happening in these areas.

Far North Queensland has been singled out. Industry is labouring under the twin impacts of the escalating Australian dollar and the global financial crisis. I & the Bank of Melbourne own the above property in Townsville. My unit complex comprises 7 lots low-rise (1 floor), no pool, no lifts, limited landscaping & common areas, brick & iron roof and built in 1975 & solid as a rock.

Insurance premiums this year for the [REDACTED] complex have **increased by more than 100% for a not dissimilar set of covers (CPI adjusted) as the previous year!!** & it is not covered for flood damage!. The increase for the previous year was also exponential but can't be compared as the extent of covers have changed so I can't offer an exact percentage. My current tenant [REDACTED]

[REDACTED] has been unable to increase their rent since my purchase in May 2010 although they do not charge me a property management fee.

This substantial increase in strata insurance makes rent too high if passed onto tenants (untenable) and unviable for owners to keep their investment unit if they don't. I am going backwards!!! Exponential premium rises & policy exclusions (flood damage) in strata insurance will cost people their homes inc. the captive market that uses my rental property as their home, livelihoods and my investment.

There is clear failure by private insurance markets to offer appropriate cover to residents/investors in Far North Queensland. We have cover from [REDACTED] but at an uneconomical cost.

I urge you to review this situation with the view of undertaking URGENT Government intervention. I vote & my vote will count.

Yours faithfully

Timothy James Howey