

**From:** [REDACTED]  
**To:** Committee SPLA (REPS)  
**Subject:** Submission to Inquiry into Residential Strata Title Insurance  
**Date:** Monday, 16 January 2012 9:48:12 PM

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To The Secretary,

Unfortunately I do not have access to Microsoft Word and do not know how to create a PDF document so my submission will have to be in this email.

I would like to address:-

- (1) The magnitude of the increases in the cost of residential strata insurance over the past 5 years, the reasons for these increases and whether these increases are likely to be sustained;
- (2) The extent to which there is a failure in the insurance market for residential strata properties either generally across Northern Australia or in some regions in particular, for example due to a lack of competition between insurers;

Regarding (1), in the case of the block where I own a unit [REDACTED], our insurance renewal cost in the 2005/6 year was \$4744.98 and for the current year it is \$18,049.50, which is about double what we paid for the previous year. The reason for the increases is that we live in a cyclone prone area and companies are going to use that as an excuse to charge huge premiums when ordinary storms in southern Australia can incur the same damage and cost but do not have the label of cyclone. These will be sustained because many insurers are pulling out from the area leaving a lack of competition.

Regarding (2) we could only get 2 quotes for our strata title insurance this year with the other one being about \$10,000 more expensive than the one we accepted which indicates a failure in the insurance market with only 2 companies willing to quote for this insurance.

Thank you for the opportunity to make a submission,

Wendy Ivey  
[REDACTED]