**SUBMISSION NO. 24**

**From:** [redacted]
**To:** Committee, SPLA (REPS);
**Subject:** Body Corporate Insurance
**Date:** Thursday, 12 January 2012 10:50:21 AM

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From: David Chippendale, Chairman, [redacted]

My essential objection is that premiums are based on postcode or other criteria which, in our case, bear little or no appreciation of the historical likelihood of risk ( now highly multiplied according to premiums). Also, it appears that buildings are not carefully assessed on a case by case basis e.g. high rise (more risk?) or low rise.

[redacted] comprises 12 townhouses in tree seperate buildings ( 1x 4, 1x6 , 1x2 ). Consider worst case situations:
fire....not part of post cyclone Yasi considerations- in any event even earlier policies probably did not recognize that it would be highly unlikely for all three buildings to be destroyed;

earthquake....to my knowledge North Queensland is not at measurable risk;

flood....possible in a cyclone/ storm surge event but not at the level of risk reflected in premiums;

other....Yasi damaged a small area of fence/ gate plus some 25% of guttering, all up $4500 ( 50% of 2011 premium, but merely 24% of 2012 costs.

To my knowledge there has been only one claim over $20000 in the history of [redacted] ( careless tenant ..internal flooding while away) and not related to any "natural disaster"

Accordingly, our insurers have made good profits. If current premiums persist their likely benefits from such properties could be fairly judged to be obscene.

Insurers should consider offering policies with an excess ( having regard to sinking fund balances). In the case of our home(in [redacted]) an excess of $5000 reduced the premium for 2012 very significantly.

Such a move in B/C insurances should create realistic premiums, ease pressure on rents and reverse stalled investment markets.

Yours sincerely
David Chippendale