



**Regarding:** Submission on strata insurance premiums

**Date:** 16 Jan 2012

**Body Corporate:** [Redacted]

**Address:** [Redacted]

**No. Units:** 15

**Name:** Luke Bellamy (Chair person)

**Type:** Investment

When we got our insurance renewal in June/July 2011 the premium had gone from approx. \$6K to \$22K. We deemed this uneconomical and the first revised quotes from other companies came in around \$15-\$20K. This was still unaffordable for our complex and found a less than optimal (but still perfectly valid) quote for approx. \$12K. There were no other options at this price point.

We got away with a double in the premium but I've heard far worse stories.

Our complex is very basic so the rental is around \$200 per week. This means the insurance expense per unit alone equates to approx. 7.5% of the income. We have had a lot of owners who are now struggling to meet their strata levies due to the increases.

The insurance increase has also meant that the price of our units has declined due to a lack of buyers wanting to take up such a high premium. So it would appear for the moment if you wanted to sell you cannot at a reasonable price. This has caused a significant problem to some owners.

We have made a claim within the past year relating to a burst water pipe that caused some damage to units but this was unrelated to any storm damage.

Luke Bellamy

