

The Secretary  
House Standing Committee on Social Policy and Legal Affairs  
Inquiry into Residential Strata Title Insurance.  
Australian Parliament House  
Canberra.

Dear Sir/Madam

My wife and I are the owners of a unit in a strata title set of units in Mackay Queensland, where we have lived since January 2007.

When we purchased in January of that year, the cost of insurance for the three (3) units in the complex was approximately \$800 per annum. This cost rose to \$911 in 2008, almost \$1,000 in 2009, and in 2010, just before the insurance premium was due, our insurer, [REDACTED], informed us that it was declining to renew our policy and it was not obligated to tell us why.

In subsequent negotiations with Insurance Brokers in Mackay, the Treasurer of the Body Corporate was informed that there were only three (3) insurers who would cover Strata Title and, of those, two (2) would not provide cover for Public Liability and Personal Accident, both of which are required under the Body Corporate By-Laws. We were left with only one option, which cost \$2,706 in 2010.

Our new insurer sent us an account in 2011 for approximately \$3,200, an increase of 18.5%.

During the period we have owned this unit, there has been no claims made against any insurer, to the knowledge of the Treasurer and myself (Secretary), as no correspondence has come to the Body Corporate regarding any claims.

We are now being informed via television that insurance premiums are set to rise by approximately 40% this year, which equates to an increase of over \$1,000 per year.

Insurers who charge exorbitant premiums for the northern areas, still continue to cover flood prone areas of Brisbane, without the criminal-like increases imposed on northern residents.

It is my contention that the lack of competition available in the north allows insurance providers to gouge the long suffering residents of these distant areas.

I have been a home owner in Mackay for 35 years, and have never had cause to make a claim against any insurance policy that I have held, but with being unemployed, I fear that the constant increase in insurance premiums will force me to leave the town of my birth to find somewhere it is cheaper to live and insure.

Yours faithfully  
William (Keith) Bearham

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[REDACTED]  
[REDACTED]  
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