

16<sup>th</sup> January 2012.

SUBMISSION TO:  
The Secretary of the committee;

The Inquiry into North Queensland Residential Strata Title Insurance.

From: Margaret Roughton. [REDACTED]  
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I act as the Chairperson for a residential property within [REDACTED] known as [REDACTED]. The precinct consists of four buildings containing a total of 38 apartments, all of which are privately owned.

Every year when setting budgets we face cost increases to some extent, and accept these as an unfortunate fact of life. This year however, the prior knowledge that there was to be a massive hike in Insurance premiums for Strata Title in North Queensland led to nervous anticipation. I had attended a seminar on the subject so fully understood that there was going to be a big increase.

Last year our insurance rose from \$20,000 to \$40,000 - without so much as a murmur from most. Can you imagine the shock when the figure we were quoted this year was \$118,000! That amounts to \$3,100 per unit for one year and is absolutely out of the question for owners who are drastically affected by other serious issues at the resort - including a loss of real value due to declining resort amenities.

On top of this; because of the internal structuring of the resort - all owners pay into two other Bodies Corporate - being the Primary and Principal thoroughfares ( roads within the resort). Both of these as Strata Title have had insurance premium increases as well; which are passed down to us, so we are faced with a triple-whammy.

I put a lot of personal time and effort into trying to get the premium down - and accordingly increased the basic excess to \$2,500 and a named cyclone to \$25,000. I was hampered by the fact that you can only deal through a nominated broker. I had to source some competition and yet could not commit to them - without giving our regular broker the opportunity to do better. Eventually I got the premium down to \$61,699 and paradoxically am pleased with that figure - regardless that it is an extortionate amount for virtually no cover at all, barring a total catastrophe to all 4 buildings.

- ◆ I am a very unhappy that I could only work through one nominated broker - at Strata Title level.

- ◆ I am very unhappy about paying Stamp Duty as well as GST on this premium, as it adds enormous weight to the premium.
- ◆ I am very unhappy that our regular insurer could abandon us so easily - after only one serious claim following cyclone Ului of \$26,000 - having been loyal to them for many (19) years.
- ◆ I am very unhappy to think I nearly took the increase 'on-the-chin' ; thinking it to be the reality under the circumstances.
- ◆ I am very unhappy that all of my husband's and my own hours of voluntary work for the body corporate and the property owners - in an effort to keep levy costs to a tight minimum; has been eroded in one hit, and we will all face an otherwise avoidable levy hike this year.
- ◆ I am very unhappy that this increase is flagged as only the beginning, and the same will happen next year.
- ◆ I am very unhappy that my retirement savings can be taken from me so easily, because I live in a Unit above Rockhampton.

The hard reality of this increase has caused great distress to Unit owners - as witnessed at the seminar, and is nothing short of an extortionate scandal. Please take the concerns expressed seriously.

Thank you for the opportunity to be heard.

*Margaret Roughton.*

Chairperson

