



13 January 2012

SUBMISSION FOR ENQUIRY INTO RESIDENTIAL STRATA TITLE INSURANCE

On behalf of [REDACTED],
the magnitude of the increase in the strata title residential insurance over the last few years is
unsustainable.

The building replacement is valued at just over \$1 million and there is no common contents
insurance. There are six units in the property and a pool. The building is block with an iron roof and
built to current cyclone standards.

In 2009/2010, the premium was \$2,145.00.

In 2010/2011, the premium rose to \$2,935.00

In 2011/2012, the premium rose to \$9,050.00

Over the three year period, the insurance premium has risen 400%. This year, the owners
raised a special levy to pay for the insurance as there were insufficient funds in their
administration account to pay for the renewal. As cyclone repairs had not been completed,
it wasn't possible to source any other competitive quotes. The current insurance policy is
with [REDACTED].

If you require any further information, please don't hesitate to contact me.

Susie England
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ABN: 83 142 178 676 Trading as Tropical Strata Services



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SUBMISSION FOR ENQUIRY INTO RESIDENTIAL STRATA TITLE INSURANCE

On behalf of [REDACTED],
the magnitude of the increase in the strata title residential insurance over the last few years is unsustainable.

The building replacement is valued at just under \$3 million and there is no common contents insurance. There are seven units in the property and a pool. The building is block with an iron roof and built to current cyclone standards.

The insurance renewal for this property came in at \$17,380. Two competitive quotes were sourced with one coming in with the same criteria at \$11,000. Interestingly, one insurance company mistakenly thought that [REDACTED] was in NSW and not QLD. For the same criteria in NSW, the premium came back as \$5,240.

In 2009/2010, the premium was \$3,298.00

In 2010/2011, the premium rose to \$5,226.00

In 2011/2012, the premium rose to \$11,000.00

Over the three year period, the insurance premium has risen by nearly 400%. This year, the owners had sufficient funds in their administration fund to pay for their insurance renewal but it has bled them dry and not allowed them to carry out maintenance issues that they were planning to attend to. This year they will have to raise a special levy with owners already having difficulty paying their body corporate fees. The current insurance policy is with [REDACTED].

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On behalf of [REDACTED],
the magnitude of the increase in the strata title residential insurance over the last few years is unsustainable.

The building replacement is valued at just over \$3 million and there is no common contents insurance. There are 12 units in the property and a pool. The building is block with a concrete tile roof and built to current cyclone standards.

In 2009/2010, the premium was \$8,900.00

In 2010/2011, the premium rose to \$11,430.00

In 2011/2012, the premium rose to \$21,492.00

Over the three year period, the insurance premium has risen %. As cyclone repairs had not been completed, it wasn't possible to source any other competitive quotes. The current insurance policy is with [REDACTED].

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the magnitude of the increase in the strata title residential insurance over the last few years is unsustainable.

The building replacement is valued at just over \$2 million and there is no common contents insurance. There are six townhouses on the property and a pool. The building is block with an iron roof and built to current cyclone standards.

In 2010/2011, the premium rose to \$3,268.00

In 2011/2012, the premium rose to \$5,826.00

Over the two year period, the insurance premium rose by nearly 200%. As cyclone repairs have not yet been completed, it won't possible to source any other competitive quotes for this year's renewal due in March. The current insurance policy is with [REDACTED].

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On behalf of [REDACTED],
the magnitude of the increase in the strata title residential insurance over the last few years is unsustainable.

The building replacement is valued at just under \$1 million and there is no common contents insurance. There are three units in the property and a pool. The building is block with an iron roof and built to current cyclone standards.

In 2010/2011, the premium rose to \$1,451.00 (first year of strata title insurance)

In 2011/2012, the premium rose to \$2,989.00.

Over the two year period, the insurance premium has risen 200% - I haven't yet received the renewal policy due to 11 February. This year, because the premium was so high, the owners decided to pay it monthly thus incurring additional costs to do so. No doubt, they will have to do that again. As cyclone repairs have been completed, a competitive quote will be sourced this year. The current insurance policy is with [REDACTED].

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In 2010/2011, the premium rose to \$1,451.00 (first year of strata title insurance)

In 2011/2012, the premium rose to \$2,989.00.

Over the two year period, the insurance premium has risen 200% - I haven't yet received the renewal policy due to 11 February. This year, because the premium was so high, the owners decided to pay it monthly thus incurring additional costs to do so. No doubt, they will have to do that again. As cyclone repairs have been completed, a competitive quote will be sourced this year. The current insurance policy is with [REDACTED].

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On behalf of [REDACTED], it was not possible to insure the property last year because not one insurance company would take the risk.

The property consists of six individual cottages, made of timber and iron roofs. The cottages withstood the onslaught of Cyclone Larry and Cyclone Yasi with minimal damage, however, insurance companies would not re-insure or insure because the cottages were :

- (i) Made of timber
- (ii) Holiday let

The owners were forced to insure their property independently and then take out public liability cover for the whole property. The pool and pool shed and the driveway (common contents) are un-insurable. The cost of independently insuring their own cottages cost each owner much more than a single insurance policy would have done.

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On behalf of [REDACTED], the magnitude of the increase in the strata title residential insurance over the last few years is unsustainable.

This property is land only with a common driveway and front gate. There is no building insurance.

In 2009/2010, the premium was \$1,225.00

In 2010/2011, the premium rose to \$1,322.00

In 2011/2012, the premium rose to \$2,632.00.

Over the last two year period, the insurance premium rose 200% - and this is for no building insurance! The current insurance policy is with [REDACTED].

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