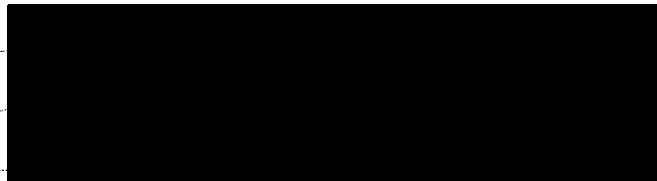


SUBMISSION NO. 276

JENNIFER ANN BRANDENBURG



3 pgs

PLEASE FIND SUBMISSION ATTACHED

13086

BAKE

4870

PA. 02

M. 02

3 pgs

attached

SUBMISSION FOR INSURANCE INQUIRY

In 2011, the Body Corporate for [REDACTED] experienced a significant and unexpected increase in their insurance renewal for the Body Corporate building insurance.

In 2010, the Body Corporate paid \$25,324.61 for their insurance premium for Body Corporate with [REDACTED]

The Body Corporate budgeted in 2010 for their 2011 renewal in the amount of \$25,753.20 as they were expecting a normal increase in their insurance premium in the following year.

However, when the renewal for the period 01.07.11 to 01.07.12 was received, the initial renewal quote was \$63,481.89. This was an increase of \$37,728.69 above what was expected when the budget for insurance was approved by the Body Corporate.

The Body Corporate engaged the services of [REDACTED] broker to attempt to obtain alternative quotes for insurance. A quote from [REDACTED] was submitted to the Body Corporate in the amount of \$55,517.55 which did not include catastrophe cover. The Body Corporate then re-approached their current brokers who negotiated with [REDACTED] for a reduced quote of \$50,523.68.

Consequently, as a result of the Body Corporate having insufficient funds in their bank account to pay the premium outright, the Body Corporate was required to enter into a premium funding arrangement with [REDACTED] at a rate of 8.94% to enable the Body Corporate to make monthly payments. This increased the renewal by a further \$4,518.13 to \$55,041.81. The Body Corporate owners may now be required to raise a special levy to ensure their Administrative Fund remains in debit to ensure they can continue to pay their monthly insurance premiums plus their ongoing regular expenses such as gardening, pool cleaning, on-site management fees, electricity, etc.

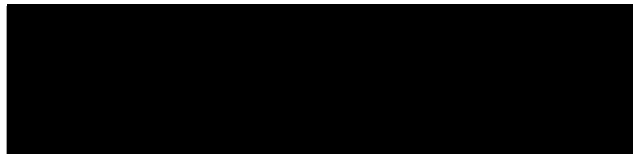
Pursuant to the Body Corporate and Community Management Act, Section 178 states that the Body Corporate must insure for full replacement value the common property and the Body Corporate assets. Therefore, it is a mandatory requirement that the Body Corporate remain insured, despite the financial burden this is placing on owners.

The owners are now required to pay \$1668.30 to \$4980.00 per annum for insurance. Previously, the owner's contributions towards the insurance were \$666.65 to \$1990.00 per annum. (This being dependant upon the different interest schedule entitlements of the units).

At the time of receiving the quote for renewal of insurance, the Body Corporate broker did attempt to obtain quotes from alternative insurers. However, there are now a limited number of insurers who will insure in this region. Other insurers in the region will not

insure unless certain requirements are met i.e. building sum insured falls under \$5,000,000.00. [redacted] declined to quote due to the location of the building. [redacted] declined to quote as the building sum insured for the Body Corporate property is \$12,905,203.00.

Therefore, the Body Corporate had no alternative than to accept the quote from [redacted] Insurance to ensure that they complied with the Body Corporate legislation and insured their building to protect their asset.



12th Jan. 2012.

Dear Sir,

I am a self-funded, seventy-five year old woman. I bought my Unit in 1996 when my Body Corporate Fees were \$2,250 for year. In 2010 I paid \$10,237.50 and in 2011 I paid \$13,661.71

I feel this is so, so wrong, I wonder how long I can live here.
Hoping you can really help us in this terrible situation

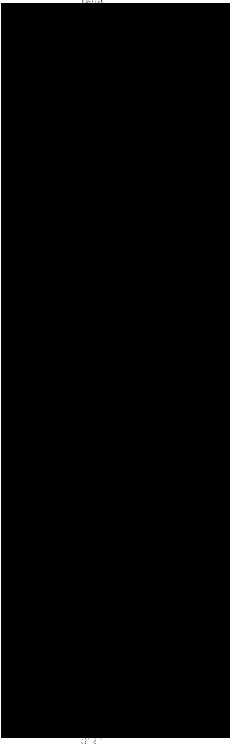
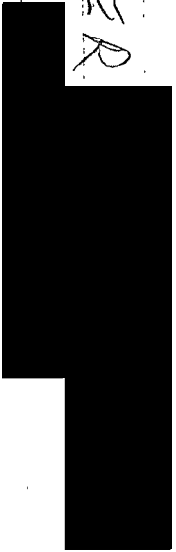
Yours Truly,
Eva Marti



2011 LAST YEAR INSURANCE \$ 56,000.
 2012 THIS YEAR INSURANCE \$ 135,000.
 INCREASE \$ 69,000. PER YR.

MARIE DUNA JEWSKI

OWNER



MARQUIS BUILDING
145 ALBANY ST