

From: [REDACTED]
To: Committee, SPLA (REPS);
Subject: Affordability of Residential Strata Title Insurance
Date: Monday, 16 January 2012 8:26:36 PM

The Chairman
The House of Representatives Standing Committee on Social Policy & Legal
Affairs

Submission

As a member of the Body Corporate for [REDACTED] I am very concerned at the recent increase in the premium for our property insurance. The premium for renewal in 2011 showed an increase of some 227% from \$8028 to \$26255. In the eight years I have been associated with this building there has been no claims of any significance and certainly virtually no ill effects from Cyclones Larry or Yasi; or for that matter any other cyclone since it was built some 30 years ago.

On trying to secure a quote from other insurers through 5 different brokers/ insurers all of our requests were declined on the basis that our property is located in Far North Queensland.

It concerns me that if this behaviour is allowed to go unchallenged insurance in this area will not be affordable for most owners if not impossible to secure.

The insurance industry is well aware that by legislation Bodies Corporate are required to insure their buildings and it is difficult not to believe that they are engaging in price gouging.

I believe that the behaviour exhibited by the insurance industry in this region is unconscionable and requires prompt intervention.

Your faithfully
Cathryn Costello

Mike and Cathy Costello
Resident Property Managers

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