

Hi last year in March the **attached** letter was sent as follows:

1. The Hon Bill Shorten - Minister for Financial Services & Superannuation, &
2. The Hon Anna Bligh - Premier of Queensland

To our amazement & disgust we either received no reply or the standard '*We received your correspondence*'. This is a significant issue.

We own a unit in Townsville as outlined in the **attached** letter. Our comments are set out and we request that this information also be considered by the following committee.

We look forward to a response in due course.

Regards
Tony & Jenny Hayward

[House Standing Committee on Social Policy and Legal Affairs -](#)

Inquiry into residential strata title insurance

Tony & Jenny Hayward

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17 March 2011

The Hon Bill Shorten MP
Assistant Treasurer
Minister for Financial Services & Superannuation
Parliament House
CANBERRA ACT 2600

Dear Minister

Insurance Premiums – Body Corporate

We have read with interest the role that you have been assigned to review insurance coverage and endeavor to resolve issues like a common language and description to be used by all insurance companies in their insurance policies. We have also noted that particular emphasis is being placed on the insurance cover provided especially in areas where recent flooding events have occurred around Australia.

We would like to draw to your attention a related matter - the insurance that is taken out by *Body Corporate Organisations*. We own a unit located in a complex of fifty units in the suburb of Douglas which is located in Townsville in North Queensland. The body corporate insurance policy was due for renewal on 13 March 2011 and so the Body Corporate Managers – Body Corporate Services set about seeking quotations to renew the insurance policy. To their amazement they were advised as follows:

1. The new premium has risen from \$17,507.83 to \$74,341.42 this is a rise of over four times in one year. This is even though the complex has made no claims of recent times.
2. There are only two companies that they could obtain a quotation from to cover the property and they are CGU & QBE.

Upon investigation with the insurance brokers that assist where I work, I was able to find out the following:

- All areas north of Rockhampton are being treated the same way.
- Zurich, one of Australia's larger reinsurers is not taking on any new business in north Queensland.

This is quite an alarming outcome - the cost alone to each of the units in the complex will be an additional \$1,500 p.a. just for the insurance cover. We are but one body corporate complex in North Queensland, we shudder to think what this impact will have on all body corporate across north Queensland. What will the impact be in locations like Brisbane, Ipswich, Toowoomba, Rockhampton etc that were all severely affected by the recent

flooding? Given that insurance assess premiums by postcode then there will be real issues as there are a lot of suburbs in Brisbane that share postcodes and parts were affected by the flooding and in the same postcode area some were not affected by the flooding.

The insurance issue is much, much bigger than just ensuring that the appropriate definitions are consistent from one insurance company to another. We implore you to include this issue in your review and engage with the insurance companies to ensure that they do not raise the roof on premiums which will then potentially result in people declining to cover their properties and goods.

We look forward to your response in due course.

Yours faithfully

Tony & Jenny Hayward

C/C The Hon Anna Bligh MP
Premier of Queensland
Parliament House
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