

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

December 14th 2011

To whom it may concern,

I am the owner of three properties located at [REDACTED]  
[REDACTED]. I originally bought the circa-1965 Queenslander in 2004 and built a duplex pair of units behind the main dwelling in 2006.

In 2009 I strata-titled the three dwellings, and my insurance broker found me a policy through [REDACTED] with a premium of [REDACTED].

When this policy was renewed the following year, the premium had increased by more than 50% to [REDACTED].

When my broker received notification of the premium for 2011/12 it had increased by over 230% from the previous year to [REDACTED]. Having no other options at the time, I had no choice but to accept the quote. I reduced the premium slightly by agreeing to a larger excess, but then had to pay an additional premium so that I could pay monthly, so the final cost to me will still be close to [REDACTED] for the coming year.

My broker was unable to get competing insurers CHU or SUU to even quote on the policy. I undertook a ring-around of insurers myself, and AMP quoted [REDACTED] under the proviso that the Queenslander did not have any asbestos in the construction.

In the hope of reducing my premiums in years to come, I have commissioned an asbestos report which is going to cost [REDACTED], and realistically (given the age of the property) this could result in [REDACTED] or more of remediation work to remove any asbestos identified.

My only other option to reduce my premiums appears to be to dissolve the community title scheme totally and return to having three properties on one title. This would be expensive to do, would reduce the value of the dwellings, and there are no guarantees it would even provide me with cheaper insurance.

Not only is this situation causing me ongoing financial hardship, it will most likely reduce the value of the properties by tens of thousands of dollars, as potential buyers will factor in the high body corp contribution costs to the price they are willing to pay.

There is little prospect of me being able to pass on these increased costs to the tenants in the short term. To just cover this year's increases would require a 13% increase in rents across the three dwellings.

I should also note that these increases come at a time where both property values and building costs in Townsville have been either stable or falling, so the premiums are not rising to reflect huge increases in rebuild costs.

I believe these insurance costs have the ability to destroy the housing market in Northern Queensland. Investors will look at other areas and people could potentially be put off from moving to these areas if living costs are too high.

Yours sincerely,

Adam Whitlock

[REDACTED]  
[REDACTED]