

From:
To: Committee, SPLA (REPS);
Subject: SUBMISSION FOR TOWNSVILLE INQUIRY
Date: Monday, 16 January 2012 1:41:54 PM
Attachments:

Good afternoon

Please find attached my submission for the inquiry to be held in Townsville on the 1st February 2012.

I would like to address a concern that we have been faced with lately in relation to Age of Building and the capacity to keep the building insured for Cyclone Damage.

We manage a building on the Strand (sea front) which has been insured with for several years. Constructed 1973 and refurbished in 2001. offered renewal at a higher premium from \$14,055.00 to \$37,270.00 Within the renewal, they have excluded Storm and Tempest and Wind Damage, hence supplying a policy that does not cover Cyclones even though they have carried this risk previously for several years prior. I will add at this stage, this building did not suffer any substantial damage or claims from Cyclone Yasi.

We are unable to receive a quote from other Insurers, they all declined to quote?

After discussions with , they stated that the Re-insurers are the ones placing a age limit on the Buildings and are not providing Insurance for buildings built prior to 1981. For this Body Corporate to obtain Insurance , they need to employ a Engineer and have them inspect and certify that the building is up to 1981 code prior to providing Cover. This inspection alone is costing \$20,000 without any alterations to the building that may be needed. are also not interested in this building with a higher Cyclone Excess.

Can the government provide guidance to the Re-insurers or provide a alternate on what to do in this instance. North Queensland does have older buildings which are strong and have withstood many cyclones.

Many thanks

Sonia Wilson
Branch Manager