



**Maxvue Pty Ltd  
Trading As  
VUE APARTMENTS TRINITY BEACH**



## **INSURANCE SUBMISSION**

As the Resident Unit Manager of two large strata titled complexes, [REDACTED] Cairns, and [REDACTED] Trinity Beach, I wish to register my concern with regards to the escalating costs of insurance premiums over the past 18 months.

[REDACTED] is located on [REDACTED] in Cairns and has 33 Apartments. The building was completed in February 2006 and is built to cyclone rating standards. In 2009 the insurance premium was \$26,000.00. For the 2010 period this premium increased to \$52,275.00 with initial quotations received in excess of \$100,000.00. We have not yet secured insurance for the 2012 period with the insurance premium being due again in February this year.

Our current insurance premium carries a \$15,000 excess for any damage caused by a named cyclone and there is no storm surge cover. This is very concerning, given the fact that storm surge is the biggest threat facing this building complex, yet we are unable to obtain cover for such an event. I believe that it is highly unlikely that the building would sustain damage in excess of \$15,000 should a cyclone occur, given the structural integrity of the building and the fact that it is built to cyclone rating standards. So the question has to be asked, what are we paying such huge premiums for???

In addition we also manage [REDACTED] located in [REDACTED] Trinity Beach. This complex was completed in August 2008 and has 51 apartments. Our insurance premium for the 2010/11 period was \$56,809.95. This premium increased to \$110,399.32 for the 2011/12 period. This building is also subject to a \$15,000 excess for damage caused by a named cyclone and no storm surge cover.

It is interesting to note that in the 6 years since [REDACTED] was completed we have never made a claim for any damages due to cyclones.

Given the exorbitant insurance premiums currently being paid, it is very difficult for unit owners to contribute towards an additional levy to cover the building in the event of a storm surge occurring. We are also unable to self-insure due to many of the properties being subject to mortgages. This is a very concerning situation, with owners facing huge financial losses in the event of a cyclone and storm surge, despite the fact that they are paying out large insurance premiums.

I believe insurance companies should be accountable to their policy holders and disclose how these premiums are calculated. It would be interesting to know how many of the larger strata titled buildings have made claims for cyclone damage over the past three years, and how severe was the damage sustained.

The current insurance premiums are a huge impost on both owner occupiers and investors and as previously stated, the insurance companies do not offer the necessary cover to policy holders. The current situation is unsustainable and there needs to be research into the provision of alternative insurance sources for the owners and investors who live in North Queensland.

I will be attending the upcoming meeting in Cairns and look forward to hearing how we, as a community can work together to come up with a solution to this disturbing situation.

Regards  
Kim Hughes  
On-site Manager

