

To the Secretary of the Committee,

From Peter Spicer

██████████  
██████████  
Townsville  
Qld.

I represent a community housed in 75 strata title units in a complex for independent living for over 55's in Townsville.

The complex is divided into 4 Body,s Corporate.

My Body Corporate consists of 17 unit, mostly attached.

The average age of our people is just over 80 and all but one are pensioners.

Our insurance premiums are outlined below.

Sept 2007/8 \$3340

Sept 2008/9 \$5451

Sept 2009/10 \$5451

Sept 2010/11 \$6000

Sept 2011/12 \$15350

The policy was with ██████████ from 2007 to 2010

██████████ then pulled out of the body Corporate Insurance market.

In 2010/11 ██████████ were our insurer with a policy costing \$6000.

The quote from ██████████ for 2011/12 was \$32 000.

We finished up with a policy from ██████████ costing \$15350 for the current term.

The other units in our complex have similar costs as they are of similar size and construction.

We are a well managed Body Corporate and have been able to meet the extra cost without a special levy.

Our contributions have had to be increased to allow for the increase in our insurance, as pensioners there is some pain.

We are reasonable people and realise that some increases are inevitable, however the insurance increase has been really hurtful.

My idea is for complexes to be assessed individually for insurance as to the risk that they pose for an insurance company.

A AAA rating for well maintained low risk.

A BBB rating where maintenance is poor and there is risk from trees and surrounding buildings.

A CCC rating for older units not built to cyclone standards.

A DDD rating for units close to the ocean where they feel the full brunt of both tidal water and wind damage.

Other things that could influence an insurer would be :

construction materials.

proactive emergency planning and action by body corporates prior to an event.

commercial premises separated from residential.

geographic location.

general maintenance.

We have our unit complex valued every 3 years for insurance, so to

implement this idea isn't too difficult.

### Commissions

Body Corporate managers receive commissions from brokers [why I'd never know] as this could lead to improper appointments, because of inducements offered

Our manager receives 10% commission , in 2010 this was \$600, this year it is \$1535 pa , over 150%increase for no valid reason.

Stamp duty and G.S.T. have received similar increases

These increases are way out of line commercially and morally.

Older people not wanting to rock the boat can give in easily to these commissions and charges, however not this time.

I hope this input helps in our battle with the insurance company's.

Thank you for allowing my submission and having this enquiry.

Peter Spicer