

Committee Chairman  
Mr. Graham Perrett  
House of Representatives Standing Committee on  
Social Policy and Legal Affairs  
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Parliament House  
CANBERRA ACT 2600 AUSTRALIA  
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**Inquiry into residential strata title insurance**

Dear Graham,

As a Strata Title unit owner and as Honorary Treasurer of the building of 18 Strata Title units located in the far North Queensland town of Port Douglas I wish to bring to your attention the rise in Body Corporate Insurance that has occurred over the past tow years.

In 2011 the annual premium was \$15,845.57. This year's quoted premium is \$24,467.28. The annual premium for 2011 was already way above the 2010 quote and far out-stripping CPI price movements.

Rises of this magnitude are unsustainable for a small unit complex such as ours and if they continue into 2013 it is hard to predict what will happen as people re-assess ownership of such units due to these massive cost increases.

The reason given for such a price increase in 2011 was due to [REDACTED] refusing to quote due to the location of the risk and [REDACTED] declining due to an embargo of North Queensland.

In 2012 [REDACTED] [REDACTED] Insurance all declined to offer quotes due to the location and an embargo applying to F.N.Q.

It seems to me there is a duopolistic market operating with a lack of adequate competition between Strata Title insurers and a clear failure of the market to provide realistic competition.

As the legislative body with control over the Insurance industry I believe the Commonwealth has a clear responsibility to ensure that for the F.N.Q. area there is a fully functioning competitive market with numerous insurance industry providers.

Yours sincerely,

Trevor Parsons.