

SUBMISSION 13/1/12

Inquiry into residential strata title insurance.

Terms of Reference

(a) The magnitude of increases particularly in the last 3 financial years are as follows:

[REDACTED]

1999/2000	\$ 2125
2000/2001	\$ 1990
2001/2002	\$ 2210
2002/2003	\$ 2983
2003/2004	\$ 3607
2004/2005	\$ 3635
2005/2006	\$ 3830
2006/2007	\$ 3842
2007/2008	\$ 3622
2008/2009	\$ 5376
2009/2010	\$ 6771
2010/2011	\$12567 An increase over 09/10 of 86%

2011/2012 \$29425 An increase over 10/11 of 134%

Our location including the immediate Cairns area has sustained minimum damage from the past 2 cyclones, Larry & Yasi, and has not been subject to flooding. Over the past 10 years only minor claims have been made to our insurers.

The reasons for such savage increased cover defies logic and lends credence to the belief that we are subsidizing flood cover in the South East corner and/or Insurance companies are "cashing in" on the misfortune of others.

- (c) It appears there are only 2 insurers available to FNQ Body Corporates. This lack of competition is not helpful and acts only in favour of Insurance companies.
- (d) Legislation is needed to overcome the misleading presentation of insurance policies, to ensure consumers are made fully aware and clearly understand their cover.
- (f) It appears patently obvious a government insurance body is needed to bring competition and fair business practices to the insurance industry.

I will be forced to sell if these high costs continue, as I cannot afford to pay these premiums. I will be paying double the body corporate fees I budgeted for when taking out my loan three years ago. These costs could cost people their homes, livelihood or investments.

Yours faithfully

Kaye Farcich [REDACTED]
[REDACTED]
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[REDACTED]
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