

**From:** [REDACTED]  
**To:** Committee, SPLA (REPS);  
**Subject:** rising costs of strata insurance  
**Date:** Sunday, 15 January 2012 3:35:05 PM

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To Whom it May Concern,

I refer to the article in the Townsville Bulletin of the 14th instant in respect to the impost of insurance costs for strata titled properties in Nth Queensland. We own a unit in the Townsville area which is one of 11 units in the complex. In our particular situation the pre Yasi insurance cost to our Body Corporate was \$10220 and the most new proposed insurance premiums for the post Yasi period will cost the unit complex \$42376 for the 2012/13 insurance premium. This reflects an effective increase for our particular unit of \$17.86 per week to \$74 per week just in insurance or a rise from \$525 per quarter to \$1750 per quarter in body corporate fees.

The added stress for our local body corporate is that they have only been able to obtain one insurer ([REDACTED]) out of four insurances approached (other insurers approached were [REDACTED], [REDACTED], [REDACTED]) who are willing to offer insurance for the next period of insurance.

As you can imagine the increased cost to insure our unit and our complex in our view is a huge increase to our family budget especially when the rental return nowhere near reflects the cost of proposed increase. We are pleased to hear the government is trying to include strata titled properties in it's review of insurance premiums.

From our perspective we feel that insurance companies are not being fair in the treatment of body corporates in our area.

It is worth reflecting on the cost of insurance in our circumstance in terms of overall claims over the years has been minimal. The Yasi claim to our complex was approximately \$20000 as a one off and in years previous the stata unit claim has been minimal and for our unit we have never made a Body Corporate claim in 10 years. Keep in mind that our Body Corporate has been paying insurance in excess of \$10000 year after year with low claims.

When you also take into consideration that Townsville has had minimal cyclone impact apart from Althea in 70's and Yasi in 2011 and the Flood in 98 which was quite devastating. Whilst we recognise that insurance costs have to be shared to some extent accross the region, we consider the above impost to be harsh, unfair and unaffordable to unit owners such as our selves. We are also not convinced that insurance companies are being honest in their dealings with body corporates in our area compared to the treatment of private household insurance costs.

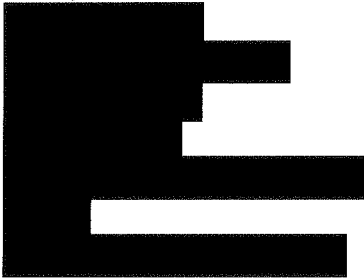
Our levies are due for payment by Feb 2012 and whilst we welcome your efforts to advocate on our behalf we trust that our 2013/14 levies will be much less due

to your efforts. The difficulty we face in our family situation is that we will most likely be forced to sell our unit before we will get any benefit from your advocacy due to this current insurance price hike. My husband and I are low income earners and whilst we can scrape funds together to pay the first insurance installment of \$1750 for the Feb 2012 installment, we will struggle to find the required funds to cover the second installment due in 1/5/2012. There is also not a lot of room in our circumstance to increase the rental income beyond the current rental income that is collected and any attempt to sell the property will most likely result in considerably diminished returns for us.

We trust the above makes sense and we look forward to being kept informed with your progress in respect to this insurance review.

Yours Sincerely

Kerry and Bruce Peters

A large black rectangular redaction box covers the signature area, obscuring the names and any handwritten notes or dates that might have been present.