

Mr Jason Greenaway



Inquiry into residential strata title insurance

House of Representatives Standing Committee on Social Policy and Legal Affairs
PO Box 6021
Parliament House
Canberra, ACT 2600

Please note: It is request that personal contact details in this submission be kept confidential

This submission to the inquiry into residential strata title insurance has been made as an owner of an apartment in a Community Title Scheme at [REDACTED] [REDACTED] [REDACTED] [REDACTED] to provide an example of the excessive premium increases that insurance firms have made over the past twelve months.

The property was built in 2005 using concrete brick besser block construction and colourbond roofing and the entire complex comprises sixteen units without any lifts, pools or other recreational facilities.

The Residential Strata Policy insurance premiums for the combined Community Title Scheme have been:

Previous period (Aug 10 to Aug 11): \$10,846.61 for all units; and
Current period (Aug 11 to Sep 11): \$38,609.78 for all units.

The premiums for both periods do not include flood damage; insurance companies claimed that this cover was not available for this complex.

This represents a **356% increase** in premium costs over a twelve-month period. Given that the property does not have flood damage cover, I remain perplexed at why there is such a dramatic increase to the levies. This is outrageous and clearly an act of profiteering. I am confident that the insurance companies would have still made excessive profit at the Australian consumers expense.

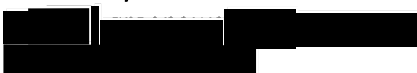
The reason cited for the increase by the Body Corporate Manager was that "most insurance companies declined to quote, leading to a lack of competition. This is happening at all of the unit complexes up here", as per the attached information extracted from the Annual General Meeting Minutes of Meetings.

I hope these details are of assistance to the Standing Committee. If any additional informational is required, please contact me on the details listed below.

Regards,

Jason Greenaway

16 January 2012



Summary of notes from the Annual General Meeting Minutes of Meetings for [REDACTED]

Schedule of Insurance

Class of Policy: Residential State Policy [REDACTED]	[REDACTED]
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ALTERNATE QUOTES

For the knowledge of the Body Corporate, optional quotations, based on information we have sourced are detailed below and are subject to change upon receipt of a fully completed proposal form:

[REDACTED]

\$ Declined to quote -
due to age
Unable to quote in
Far North Old
Unable to quote any
policy with sum
insured over \$5M

[REDACTED]

No longer insuring
any new business in
Far North Old

[REDACTED]

Do not insure in Far
North Old

[REDACTED]

Decline to quote any
policy in North Old if
sum insured is over
\$1M