

From: [REDACTED]
To: Committee, SPLA (REPS);
Subject: Inquiry into residential strata title insurance
Date: Monday, 16 January 2012 5:34:38 PM

To: House of Representatives Standing Committee on Social Policy and
Legal Affairs
PO Box 6021
Parliament House
CANBERRA ACT 2600
By Email: spla.reps@aph.gov.au.

Re: Inquiry into residential strata title insurance

I am writing regarding the devastating issue of massive insurance premium increases in Far North Queensland.

These premium increases are not occurring in other areas of the Queensland or in NSW or Victoria despite floods, fires and severe storms happening in these areas.

North Queensland has been singled out. Industry is labouring under the twin impacts of the escalating Australian dollar and the global financial crisis. We own two units, one in Cairns and one in Townsville. Both unit complexes are low-rise and built within the last 10 years to current cyclone standards.

Insurance premiums this year have increase for the Cairns complex by 55% and for the Townsville complex by 35%.

These substantial increases makes rent too high if passed onto tenants and unviable for owners to keep their investment unit if they don't.

Extensive rises in strata insurance will cost people their homes, livelihoods and investments.

There is clear failure by private insurance markets to offer appropriate cover to residents of North Queensland. I urge you to review this situation with the view of undertaking Government intervention.

Yours faithfully

Chris Sergeant (Mrs)

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