

Dear Sir/Madam,

I refer to an article published in The Whitsunday Times on 5 January 2012 regarding a proposed insurance enquiry hearing at Mackay on February 1 2012.

I am involved with the body corporate of a duplex development at Cannonvale. Recently I contacted our Insurance Broker for comments regarding a very hefty proposed increase for our insurance premium with [REDACTED]

The following is a copy of the response that I received.

"I confirm payment of \$ 1,940 has been received in full for the Body Corporate's renewal for the 11th December 2011 - 2012 period via [REDACTED]

*The premium for 2009 - 2010 period was \$ 1,245.80 (inclusive of all charges) via [REDACTED]
The premium for 2010 - 2011 period was \$ 1,915.06 (inclusive of all charges) via [REDACTED].*

***The premium offered by [REDACTED] for the 2011 - 2012 was \$ 7,490.95 (excluding broker fee).
Alternative quotes were sought & the insurance was placed with [REDACTED] for \$ 1,940.***

There are a number of factors that have impacted on [REDACTED] premium for this year:

- Reinsurance costs is the main driver behind the extra cost of the insurance this year;*
- Major catastrophes around the world (including Australia) over the past 18 months;*
- Frequency of claims & actual cost of each claim has also risen sharply over recent months;*

[REDACTED] premium was too low compared to the rest of the market at that time.

They found themselves with too much capacity, in particular in Northern Qld so they used renewal premiums to push the accounts away from them.

At this stage [REDACTED] only retains very few risks in Qld & does not write any new strata business in North Qld.

Please note that increases in premiums is not only restricted to [REDACTED] Almost all insurers have had steep increases in premiums this year (& last year).

Major increases have occurred basically on all Property risks ie any risk which insures for fire, storm or cyclone.

Strata Title & Household are probably the worst affected with a lesser extent on Business insurance (only because of other policy sections within the policy that overall keep the percentage increase down)

I suspect it will be a trend that will stay with us for a while as predominantly it is the reinsurers pushing the premiums up.


If you have any queries, please do not hesitate to ring / email me"

Regards,

It would seem to me that some insurance companies want to

“have their cake and eat it too”. A worrying trend that I believe will require some government regulation to bring the culprits into line.

Sincerely

Jeff Peacock, 

Jeff & Gail Peacock
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