

Dear Chairperson,

My name is David REYNOLDS and I presently reside in southern Victoria. My wife and I have business interests in Far North Queensland, Victoria, Western Australia, New Zealand, Tasmania, and Southern France.

More relevant to this enquiry are our interests in Far North Queensland, however I do mention the other locations as they form part of my submission to your inquiry.

My wife and I were present in Cairns and Port Douglas on eight (8 ) separate occasions during 2010 and stayed at the resort formally known as [REDACTED] during Cyclone Yasi where we are owners of three (3) units.

On approximately nine (9) occasions we observed the Queensland Premier Anne BLIGH stating during the course of television interviews, radio interviews and newspaper reports that her Government would ensure that there would be **'No profiteering nor excessive increases in premiums for insurance policy holders within the state of Queensland'**. We took this to mean that we could expect some corporate governance displayed by both the insurance industry as a whole , the shareholders, policy holders and government. Whilst an acceptable and calculated increase in premiums would be expected, they would be overseen by the the BLIGH Government and would be constrained ,inline within acceptable , manageable and responsible increases agreeable and acceptable to all stake holders.

Whilst we accept that insurance companies have experienced an increase in claims associated with the Queensland Floods, Cyclone Yasi and other natural disasters and they are instruments conceived to make a profit, I query the present ' Insurance Collective' excessive price increases. It almost appears from my observations that one could possible construe that there maybe some price colluding given their present attitude on premiums increases.

After perusing quotations specifically regarding [REDACTED] formerly [REDACTED] the increases have varied from,

(A) Hotel Operations ,was \$25,777.00 (2011) to \$87,545.00 an **increase just under 250%**.

(B) Strata Title , was \$36,544.00 (2012) to \$178,705.00 an **increase of approximately 390%**.

To put matters into perspective with regard to all our other insurance premiums of which there are many, they have averaged out across the board at numerous locations an acceptable 89%. Whilst we believe 89% is a little higher than we had anticipated it is far more palatable than the massive increases stated above.

In short if the matter is not addressed, we have several options ;

(a ) Simply follow the lead of other interstate and international investors and divest ourselves of investments in Far North Queensland,

(b) Maintain our investments uninsured ,which is contrary to the plea expressed by the Queensland Premier ,

(c) Do nothing and accept the massive increases. (I can assure you that many investors will not tolerate this course of conduct)

In the Southern States the insurmountable increases being inflicted particularly on Far North Queensland property owners is regarded as somewhat farcical and I believe has already commenced to restrict investment in Far North Queensland.

In closing I implore your inquiry to formulate an equitable and responsible charter to enable all stakeholders to achieve a workable and acceptable code of practice for all concerned.

Yours Sincerely

Dave REYNOLDS

