



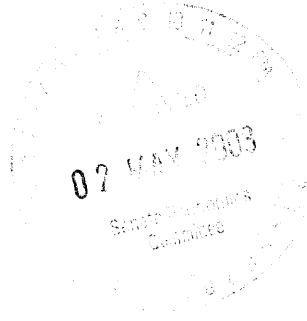
**Queensland
Government**

Please quote: 26695/MV02/EP

Office of the Premier
and Minister for Trade

30 APR 2003

Dr Kathleen Dermody
Secretary
Senate Economics Legislation Committee
Room SG.64
Parliament House
CANBERRA ACT 2600



Dear Dr Dermody

Thank you for your letter of 31 March 2003 concerning the Commonwealth Government's *Terrorism Insurance Bill 2002*.

I note from your letter you have sought comments from the Queensland Government on the Bill, which is designed to establish a new framework to provide cover for terrorism risk within insurance contracts for commercial properties and infrastructure.

The Government supports the Bill as it will provide additional certainty and stability to the insurance market. I have also been advised that the Commonwealth Government's offer of reinsurance coverage should ensure the inclusion of terrorism coverage will not cause insurance premiums to increase significantly.

Thank you for bringing this Bill to the Premier's attention.

Yours sincerely

Rob Whiddon
Chief of Staff

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