SUBMISSION NO. 360

16th January 2012

Dear Sir/Madam,

I am writing in support of the inquiry into the unsustainable insurance increases to Body Corporates in Far North Queensland.

After many years of research and saving I purchased my first home in Cairns in February 2011. I had calculated my budget carefully so that I would be able to purchase a home, a good future investment and be comfortable with my finances.

In the years prior to my purchase insurance for my body corporate was $5,269.04 (2009), then budgeted $7,113.20 for 2010, but ended up paying $8,414.95 with [redacted].

Cyclone Yasi hit on 3rd February 2011, while my property was under contract but I had not moved in yet. Only a couple of months after moving I was informed that insurance for the building had quadrupled from $8,414.95 to $32,185.53/year [redacted]). This meant the cost of annual insurance for each owner would rise from $756.00 to $2,232.36 per year and we had to pay a special levy of $1,259 to make sure we could cover the premiums.

Therefore shortly after I purchased my unit, I (and the other owners) had to pay a special levy of $1,259 <u>on top of a</u> <u>doubling</u> of our quarterly body corporate bills (soley due to insurance increases) from $735 to $1,398.

I was informed by my Body Corporate Managers (who had contracted insurance borkers) that there were only a few insurance providers in Cairns and that they had all increased their premiums to similar amounts and that we had no choice. My Body Corporate managers used insurance brokers to find the best deal, which was [redacted] for $20,604.07. As the Body Corporate did not have sufficient funds to pay the full 12 month premium, it accepted the quote from [redacted] for a six month period for $10,471.21.

I was outraged that the insurance companies could hit North Queensland so hard after enduring a natural disaster. Moreso, that Body Corporates, due to their legal requirements to have insurance, were cornered with increases higher than house owners.

This is a prime example of corporate bullying. We are a captive market and the insurance providers in north Queensland are taking advantage.

The insurance increases have been crushing and have impacted severely on the lives of myself and the other owners.

Hayley Gorsuch

Hayley Gorsuch

16th January 2012

[redacted]

[redacted]