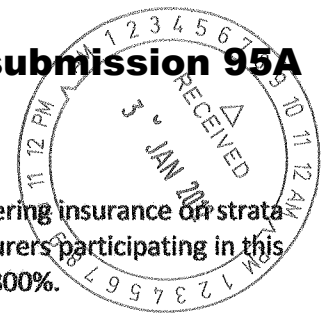




Due to the current circumstances where there is already a lack of insurers offering insurance on strata titled residential buildings, a situation has arisen which has enabled those insurers participating in this segment of the market to gouge customers with premium increases of up to 800%.

As this gouging appears to be across all participating insurers one can be forgiven for assuming that there is price collusion occurring within those participating insurers.

The legislation regarding this type of insurance has now reached its use by date due to recent events which have been costly for the insurers.

Lets not think that these events all relate to Queensland floods and Yasi. They extend across Australia and Asia and even further.

The legislation should be amended to allow Strata title owners the option of insuring for "Market Value"

Insuring for total replacement value has provided the insurers with a total replacement value on which to base premiums which is more often as not, up to 100% higher than market value which generally is half of the total replacement value.

Ask the insurers how many strata titled properties they have paid out on or had a total replacement value claim made on them.

The answer will be most likely NIL.....

The insurers are mainly concerned with getting their business back to a level of profitability pre 2011 so they can again pay their shareholder dividends at the levels of 2010. I would refer the committee to "The Australian" news paper Business section Jan 13th 2012 " QBE Vows to rebound to after profit shock"

Welcome to the real world.

CEO Mr Frank O'Halloran didn't you know that business's have good and bad years.

In the real World where most of us have competition, we have to lower our prices and improve our service and our products to get back market share and satisfactory profit levels.

And Finally.

I don't know what government legislation controls the insurance industry, but we should be inviting accredited insurance company's world wide to enter our Australian market.

Or are we inadvertently protecting the interests of the insurance companies under the present rules of entry to the Australian market.

Just one more thing in respect of the SEQ flooding due to Wivenhoe dam

What would be the Federal Governments position if a class action by parties who suffered including Insurance company's due to mismanagement of the dam was to be proven in favor of the claimants.

Instead of ripping of it customers with premium increase of up to 400% and more.

Why don't Insurers who insured properties attached by the Wivenhoe dam flooding disaster sue the state government of Queensland for the losses they have paid out while the individuals who have suffered financial, personal and health losses should jointly sue the state government over its mismanagement of Wivenhoe Dam which was the cause of the flooding in SEQ.

GARRY MASTERS