SUBMISSION NO. 196

SUBMISSION 13th January 2012

<u>Inquiry into residential strata title insurance.</u>

[redacted]

(a) The magnitude of increases particularly in the last 3 financial years is as follows:

1999/2000	$ 2125	
2000/2001	$ 1990	
2001/2002	$ 2210	
2002/2003	$ 2983	
2003/2004	$ 3607	
2004/2005	$ 3635	
2005/2006	$ 3830	
2006/2007	$ 3842	
2007/2008	$ 3622	
2008/2009	$ 5376	
2009/2010	$ 6771	
2010/2011	$12567	<u>An increase over 09/10 of 86%</u>
2011/2012	$29425	**<u>An increase over 10/11 of 134%</u>**

(b) Mitigating Circumstances:
(i) [redacted] location including the immediate Cairns area has sustained minimum damage from the past 2 cyclones, Larry & Yasi, and has not been subject to flooding.
(ii) Over the past 10 years only minor claims have been made to our insurers.

(c) It appears there are only 2 insurers available to FNQ Body Corporates. This lack of competition is detrimental to normal competition in the marketplace.

(d) Legislation is needed to:
(i) Overcome the misleading presentation of insurance policies and ensure consumers are made fully aware and clearly understand their cover.
(ii) Ensure reasonable cost of insurance
(iii) Ensure that these funds are not being used to subsidize flood cover in the South East corner

(f) Conclusion:
Clearly a government insurance body is needed to bring competition and fair business practices to the insurance industry.

Yours faithfully

Helen Bate Committee Member – [redacted]