

John D Hunt (pensioner, owner and resident)

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Natural Insurance Disaster Review

15/1/2012

Re: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Dear Sir/Madam,

Please find below, a summary of events that I would like to bring to the attention of the Review Panel.

In June 2010 [REDACTED] drastically undercut the premiums of other insurers to \$14,800 and was successful in insuring [REDACTED].

In June 2011, post Cyclone Yasi, the renewal for [REDACTED] arrived and there was a massive increase to \$55,800.

The tenants/owners were unable to meet this financial demand.

[REDACTED] was still under repair from Cyclone Yasi and no alternative insurers were willing to quote until repairs were completed by [REDACTED].

Contrary to Legislative requirements, [REDACTED] remained uninsured from 30th June until 28th November 2011.

At this time, [REDACTED] requested payment be made, back dated to June 2011 even though repairs were still ongoing with no time frame for completion. This offer was refused and [REDACTED] then cancelled the policy and declined to re-quote on the property.

Through extensive and arduous negotiations [REDACTED] [REDACTED] was able to negotiate a quote from [REDACTED]. [REDACTED] were **the only** insurer willing to insure [REDACTED] at a cost of \$32,240.81p.a. with a **\$10,000 excess**.

As this was the only insurer willing to insure, the quote **had** to be accepted for compliance with Body Corporate Legislation.

There are obvious problems with this arrangement.

- This is a monopoly situation. Unit owners are already faced with a more than doubling of their 2010 premium. There are no guarantees that said insurance will not increase by a large amount again next year.
- A \$10,000 excess is not viable in this situation. Unit owners are facing across the board increases, exacerbated by this massive insurance premium hike. **All** unit owners are now also facing having to cover the cost of any capital works up to the value of \$10,000 across **all** units in the complex and within the Common Grounds of the complex (eg. Swimming pool and roads etc, etc).

Consideration needs to be given to the fact that many of the residents in this complex are aged pensioners on limited, set incomes. Many are in poor health, significantly disabled and continue to suffer stress and psychological damage from the impact of Cyclone Yasi. Many long term residents will be forced to sell, relocate and abandon their homes **if** they are able to do so. The prospect of unit

ownership under such conditions is certainly not an attractive or viable proposition for potential purchasers.

Further supporting documentation can be provided if required. In the interests of expediency I have not included same with this document. Thank you for your perusal of this missive.

Yours sincerely

John D. Hunt