Submission to Parliamentary Inquiry

To:	Parliamentary Inquiry on Strata Titled Insurance
From:	Lucas Sexton
Location of Property:	[redacted]
Number of Units:	9
Comments:	Regarding the recent issues facing BC insurance in FNQ and in particular Cairns, it is purely a case of lack of competition in the market driving policy costs forward. In particular when the total amount insured is over $5,000,000 on [redacted] and [redacted] will insure for this amount. My understanding is [redacted] wishes to limit their exposure or so they say to this area, despite being willing to take on new clients or renew any existing clients with a massive increase in policy costs. See below the claim history of a unit I own at [redacted], which is a water front address. [redacted] - Accidental Damage to Exterior Awning Claim 17/04/2007 $2,233.50 [redacted] 1/04/2010 $5,000.00 CL4702 - W/Damaged Kitchen from Leak in [redacted] Resi Strata PP $0.00 [redacted] 21/10/2010 $1,231.88 CL5335 AB/ Cracked glass window - cause unknown Resi Strata PP 8/11/2010 $731.88 **Total Claims: 3** **Total Est. Amount: $8,465.38** **Total Amount Paid: $2,965.38** I would imagine most of the developments in Cairns have a very similar claim history despite going through X number of cyclones, since 1972 in the case of [redacted]. In my case fortunately we were able to secure insurance through [redacted] for around $15,000 as opposed to [redacted] who wanted to renew our existing policy of approximately $9,000 for around $25,000. Owners in developments that require over $5,000,000 in insurance are forced to choose between [redacted] and [redacted], so of course [redacted] is simply matching [redacted] quote. Obviously this is effectively a monopoly on this segment of the market. In my mind the most elegant solution is to either have a government insurance body to create competition or to guarantee the policies of additional insurance companies (as was down the banks recently) to encourage them to enter the market at the market rates that have been consistent for many years until now. Warm Regards Lucas Sexton