

From: [REDACTED]
To: Committee, SPLA (REPS);
Subject: insurance increase
Date: Monday, 16 January 2012 10:53:13 PM

Evan Morgan

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17 January, 2012

House of Representatives Standing Committee on Social Policy and Legal Affairs

Inquiry into residential strata title insurance

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Parliament House

CANBERRA ACT 2600

By Email: spla.reps@aph.gov.au.

I am writing regarding the devastating issue of massive insurance premium increases here in Far North Queensland.

These premium increases are not occurring in other areas of the Queensland or in NSW or Victoria despite floods, fires and severe storms happening in these areas.

North Queensland has been singled out. Industry is labouring under the twin impacts of the escalating Australian dollar and the global financial crisis. I own two units, both one in Townsville. Both unit complexes were built within the last 10 years to current cyclone standards.

Insurance premiums this year have increased dramatically for both units.

This substantial increase makes rent too high if passed onto tenants and unviable for owners to keep their investment unit if they don't. Extensive rises in strata insurance will cost people their homes, livelihoods and investments.

There is clear failure by private insurance markets to offer appropriate cover to residents of North Queensland. I urge you to review this situation with the view of undertaking Government intervention.

Yours faithfully

Evan Morgan