

From: [REDACTED]
To: Committee, SPLA (REPS);
Subject: Inquiry into residential strata insurance
Date: Tuesday, 10 January 2012 6:28:08 PM

Submission 111

Good afternoon

Here are the details for one of the bodies corporate I manage:

[REDACTED] has an Insurance Replacement valuation (2007) of \$34,065,000

In 2008 the cost of insurance for the body corporate was \$57,583 including GST, stamp duty and fees

In 2009, the cost had risen to \$66,722.15

In 2010, it was \$84,151.00

The latest renewal for insurance cost **\$172,444.55**

In 4 years, the cost of insurance has tripled.

A lot of the owners in [REDACTED] are retired and on fixed incomes. The high cost of insurance has doubled the body corporate levies in the last year and owners cannot afford the fees. With each increase in insurance cost, the commission to the broker increases proportionally, exacerbating the increases.

One area for reform may be a set fee for commission for brokers

Another suggestion is to reduce or remove the stamp duty on policies

We trust that the enquiry will come up with some practical suggestions for cost reductions as a lot of owners in bodies corporate will be in serious financial difficulties if insurance costs continue to escalate at such a rate.

Kind regards,

Mandy Sapper Community Manager - North Queensland

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