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The Treasury
Langton Crescent
Parkes, ACT 2600

SUBMISSION:
NORTHERN AUSTRALIA INSURANCE PREMIUMS TASKFORCE.
Comment on INTERIM REPORT 9 September 2015

ALL of this Submission to remain IN CONFIDENCE

The Interim report supplies a good review of the possible options / actions available.

As the report does not contain any cost estimates of the options, our comments relate to concept only.

No one system offers a short term solution.

Mitigation

Prevention is cheaper than insurance.

With an aim of reducing insurance premiums, the mitigation of risk is the best long term solution.

Mutual Pool

Subject to cost estimates, this could be a viable long term solution.

The New Zealand earthquake limit of \$100,000 per house would be a good starting value however with the replacement cost of homes a higher limit of \$250,000 should be considered.

There are difficulties stipulating a limitation in regard to Strata buildings due to the vast range of type of buildings and sums insured.

This scheme allows the government flexibility in term and value of participation.

With the aim to achieve lower premiums without reduction in cover, there must be a long term commitment to supply below market rates and a quality service without reductions in policy coverage.

This proposal may increase competition in the areas as nonparticipating insurers may return to the areas for the other exposures.

Insurers should be allowed to financially participate in the pool.

Reinsurance

With Insurers having many and varied reinsurance arrangements such a proposal may be complex to implement.

We hope the above is of assistance.



David Duncalfe.
General Manager.
Council of Queensland Insurance Brokers Inc.