

NDIR Submission from Andrew Hayes — Submission 2

Dear Panel

RE: Residential Strata Title Insurance

Just to emphasise how these insurance premiums are skyrocketing in FNQ - we received the quotations for insurance premiums for next year. We have had only a choice of two companies see attached.

As predicted in my submission - one price means a 350% increase in premiums (from \$14,947.58 verse \$58,374.15) which is diabolical and now very desperate situation.

At this rate people will have no choice but not to re-insure and who can blame them.

This unfair and unsustainable situation in FNQ has become untenable for many unit owners in this sector of the housing market. It has become such a major issue in this region that it is impacting on the affordability of units and apartments in the region, rental levels, unit valuations and prices, current and future investment in this type of accommodation and ultimately jobs in building and constructing new units and apartments.

I urge the review panel to develop a new insurance model that delivers affordable and reasonable insurance premiums. Please think outside the square.

Kind regards

Andrew Hayes



Body Corporate Brokers

(A trading division of Corporate Underwriting Agencies Pty Ltd ABN 95 002 809 298 AFS Licence No 244529)
 Level 4 16 Queensland Avenue Broadbeach QLD 4218
 phone: 07 5538 2755 fax: 07 5538 1810
 www.bodycorporatebrokers.com.au
 Member of the National Insurance Brokers Association (Inc in Vic)

300

3000
24/06/11

The policy mentioned below is due for renewal on and payable by 12/07/2011.

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Park Avenue Cairns CTS 29404
 C:/Body Corporate Services Pty Ltd
 PO Box 5134
 CAIRNS QLD 4870

TAX INVOICE

This document will be a tax invoice for GST when you make payment

Invoice Date: 23/06/2011
 Invoice No: 44130
 Our Reference: 29404CTS

Should you have any queries in relation to this account, please contact your Account Manager
BCB Gold Coast Office

Class of Policy: Residential Strata Policy
Insurer: Zurich Australian Insurance Ltd
 5 Blue Street, North Sydney NSW 2060
 ABN: 13 000 296 640
The Insured: Park Avenue Cairns CTS 29404

RENEWAL
Policy No: 43 2971175 GST
Period of Cover:
 From 12/07/2011
 to 12/07/2012 at 4:00 pm

Details: See attached schedule for a description of the risk(s) insured

Direct Credit option:
 ANZ
 Acct Name: CUA PTY LTD T/A Body Corporate Brokers
 BSB No: 012055
 Acct No: 837454549
Please use reference:
 29404CTS 44130

YOUR DUTY OF DISCLOSURE

Before you enter into a Contract of general insurance with an Insurer, you have a duty under the Insurance Contracts Act 1984 to disclose to the Insurer every matter that you know, or could reasonably expect to know, is relevant to the Insurer's decision whether to accept the risk of Insurance and if so, on what terms. You have the same duty to disclose those matters to the Insurer before you renew, extend, vary or reinstate a Contract of general insurance. Your duty however does not require disclosure of matter.

- that diminishes the risk to be undertaken by the Insurer
- that is common knowledge
- that your Insurer knows or, in the ordinary course of business, ought to know
- as to which the compliance with your duty is waived by the Insurer.

NON-DISCLOSURE

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce the liability under the Contract in respect of a claim or may cancel the Contract. If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the Contract from its beginning.

Your Premium:

Premium	UW Levy	Fire Levy	GST	Stamp Duty	Broker Fee
\$49,272.01	\$0.00	\$0.00	\$4,937.20	\$4,064.94	\$100.00

TOTAL DUE \$58,374.15
 (Excluding Credit Card fee)
 Credit Card fee (inc GST) is \$583.74

REMITTANCE ADVICE

Please detach and return **Body Corporate Brokers**
 with your payment or Credit **P.O. Box 1718**
 Card authority to: **Broadbeach, QLD, 4218**
 Please charge **\$58,957.89** to my Mastercard Visa Card
 (inc CC fee & GST)

Card No:

Cardholder Name: _____

Expiry: ____/____ Signature: _____

Our Ref: 29404CTS **RENEWAL**
 Invoice No: 44130
 Due Date: 12/07/2011
 Policy No: 43 2971175 GST
 Acct Man: BCB Gold Coast
 In accordance with standard business practices, receipts will not be issued unless requested.

AMOUNT DUE \$58,374.15
 (Excluding Credit Card fee)

Schedule of Insurance

Page 2 of 4

Class of Policy: Residential Strata Policy	Policy No: 43 2971175 GST
The Insured: Park Avenue Cairns CTS 29404	Invoice No: 44130
	Our Ref: 29404CTS

ALTERNATE QUOTES

For the knowledge of the Body Corporate, optional quotations, based on information we have sourced are detailed below and are subject to change upon receipt of a fully completed proposal form:

Allianz Australia Insurance Ltd: (Please note Allianz have a standard \$100 all claims excess) AMP General Insurance Limited and RACQ Insurance	Unable to quote in Far North Qld Unable to quote any policy with sum insured over \$5M
Wesfarmers	No longer insuring any new business in Far North Qld
QBE Insurance via CHU:	Do not insure in Far North Qld
CGU Insurance via SUU: (Please note SUU have a standard \$500 all claims excess and \$10,000 All Named Cyclone Damage Claims)	\$ 38,211.85 as per SUU quote attached - FOR YOU \$37,111.86

This quotation is based on 18 lots with 1 pool and no lifts and is provided on the basis that the building is fully residential, of brick/concrete construction and built in 1998

ADDITIONAL COVERS

The Body Corporate do not have cover for the following contingencies:

Machinery Breakdown – Quote – Subject to survey of Building

General Advice Warning

As outlined in our Financial Services Guide, we have not taken into account your financial situation, objectives or needs and accordingly you should consider our recommendations in light of your own situation. We also recommend that you consider the Product Disclosure Statement, before making any decision.

IMPORTANT INFORMATION

Note 1.

The information detailed on this invoice relates solely to the insurance requirements of the Body Corporate and no other insurance product.

Schedule of Insurance

Page 3 of 4

Class of Policy: Residential Strata Policy	Policy No: 43 2971175 GST
The Insured: Park Avenue Cairns CTS 29404	Invoice No: 44130
	Our Ref: 29404CTS

Individual unit owners should make separate enquiries to protect their assets and liabilities. Please contact this office should you require any further insurance product.

Note 2.

This policy **DOES NOT** provide cover for Flood.

Note 3.

This insurance contract is based upon representations given to us by you. If any particulars are incorrect, have changed, or will change, please notify us immediately. The Insurer reserves the right to revise terms subsequent upon any changes and rely upon the remedies allowed to the insurer under the non-disclosure and/or misrepresentation clauses contained in the policy document.

The above information is a brief summary of the protection provided. Refer to your current Policy wording for full terms, conditions, exceptions and limits relating to the cover taken.

The component of the premium which relates to building only is: \$ 47,921.29

Schedule of Insurance

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Class of Policy: Residential Strata Policy	Policy No: 43 2971175 GST
The Insured: Park Avenue Cairns CTS 29404	Invoice No: 44130
	Our Ref: 29404CTS

ZURICH RESIDENTIAL STRATA POLICY SUMMARY**Situation:** 304-310 Lake Street CAIRNS QLD 4870**SECTIONS****SECTION 1 – BUILDING & COMMON CONTENTS**

Buildings including Common Area Contents	\$	7,253,122
Loss of Rent/Temporary Accommodation (15%)	\$	1,087,968
Catastrophe or Emergency (30%)	\$	2,175,936
Fusion Cover (motor must be less than 20 years old)		Included

SECTION 2 – LEGAL LIABILITY

Indemnity limit	\$	20,000,000
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SECTION 3 – FIDELITY GUARANTEE

Fidelity Guarantee	\$	50,000
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SECTION 4 – OFFICE BEARERS LIABILITY

Indemnity limit	\$	2,000,000
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SECTION 5 – VOLUNTARY WORKERS PERSONAL ACCIDENT

Capital Benefits	\$	100,000
Weekly Benefits	\$	1,000

MACHINERY BREAKDOWN

Limit	\$	Not Selected
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Excesses: Earthquake – \$200 per claim or series of claims occurring over a period of 48hrs.

All Other Claims: \$ 200



Strata Unit Underwriting Agency Pty. Ltd.
T/As Strata Unit Underwriters.
5/263 Alfred Street North Sydney NSW 2060
1/45 Sanders Street Upper Mt. Gravatt QLD 4122
info@suu.com.au www.suu.com.au
T 1300 668 066 F 1300 668 166
ABN 30 089 201 534 AFS Licence No: 246719

22/06/2011

New Business Quotation

We thank you for the opportunity in providing this quotation. The quotation details shown below are based on the information you supplied. This document is not a schedule of current insurance or part of a contract of general insurance. Quote valid for 30 days from the above date. Please refer to your Duty of Disclosure requirements below.

Policy Type: Residential Strata Insurance
Period of Insurance: 12/07/2011 to 12/07/2012
Situation: 304-310 Lake Street, Cairns QLD 4870
Insured: Park Avenue CTS 29404 (A)
Quote Reference: NRTUMT-4

Section 1:	Building including Common Contents	\$	7,253,122
	Loss of Rent/Temporary Accommodation	\$	1,087,968
	Catastrophe	\$	1,087,968
	Additional Loss of Rent/Temporary Accommodation	\$	Not Insured
	Additional Catastrophe	\$	1,087,968
Section 2:	Glass		Included
Section 3:	Theft		Included
Section 4:	Liability	\$	20,000,000
Section 5:	Fidelity Guarantee	\$	100,000
Section 6:	Office Bearers Liability	\$	2,000,000
Section 7:	Voluntary Workers (Weekly/Capital Benefit)	\$	2,000/200,000
Section 8:	Government Audit Costs	\$	25,000
Section 9:	Legal Expenses	\$	50,000
Section 10:	Workplace, Health & Safety Breaches	\$	100,000
Section 11:	Machinery Breakdown		Not Insured
Section 12:	Lot Owners Fixtures & Improvements (per lot)	\$	250,000
Section 13:	Workers Compensation		Not Insured

Excess:
Section 1 - \$10,000 all named cyclone claims
Section 1 - \$500 all other claims + as per policy wording
Section 2 - \$500 all claims
Section 3 - \$500 all claims

On behalf of the Insurer: CGU Insurance Limited ABN 27 004 478 371

Conditions: Refer Attached

Commission Payable \$6,451.73

Any change to the information you have given us may vary the premium amount quoted, the terms on which we offer you insurance, our decision to offer you insurance or our acceptance of your insurance.

Basic Premium:	\$	32,258.65
GST:	\$	3,225.86
Stamp Duty:	\$	2,661.34
Admin Fee:	\$	60.00
Admin Fee GST:	\$	6.00
Total	\$	38,211.85

Quotation Prepared by: Online Quotation



Insured: Park Avenue CTS 29404 (A)

22/06/2011

SPECIAL TERMS/CONDITIONS

The following special terms/conditions form part of our quotation in respect to the above named insured.

Swimming Pools

It is important that you ensure compliance with local council regulations and applicable Australian Standards in respect of your swimming pool(s) and associated equipment.

Appropriate signage should clearly be displayed to indicate (as a minimum):-

1. The pool operating hours
2. No diving or running allowed
3. Consumption of alcohol is banned within the pool and its surrounds
4. Depth indicators
5. Children must be accompanied by adults at all times
6. Resuscitation instructions



The following important notices are to be read in conjunction with the attached quotation:

YOUR DUTY OF DISCLOSURE

The law requires you to tell us everything you know (or could reasonably be expected to know in the circumstances), which is relevant to our decision to insure you and the terms on which we insure you. This duty applies before you enter into a contract with us, that is, before we accept your application and also each time before you alter or renew the policy. Each party named as the Insured has the same duty.

Penalty For Non-Disclosure

If you do not tell us everything necessary, we may:

- reduce or refuse to pay a claim, or
- cancel your policy.

If you act dishonestly, we may invalidate the policy from its beginning and not be bound by it.

You Don't Need To Tell Us Anything Which:

- reduces our risk
- is of common knowledge
- we know or as an insurer should know
- we indicate that we do not want to know.

If you are not sure that something is relevant, it is best to disclose it anyway.

Non-disclosure or misrepresentation in relation to one policy may affect your ability to obtain other insurance in the future.

What you need to tell us

If this notice relates to a new cover, you must answer the following questions in respect to the last 5 years. If your answer to any of the questions is YES, you must advise us immediately of the details.

- 1) Has any insurer refused, cancelled, or imposed an excess on any of your policies or required special terms to insure you?
- 2) Have you or any other person who would receive insurance protection under the proposed policy been charged or convicted of any criminal offence?
- 3) Have there been any changes to the Insured property which might increase the risk of loss or damage?
- 4) Are there any other material facts which should be disclosed? (Please refer to the duty of disclosure section in your policy booklet).

Important Notices

It is important to read and consider the Product Disclosure Statement when deciding whether to purchase this insurance. You should consider whether this product is appropriate for your financial circumstances, objectives and needs.

After reading this notice if any matter relating to your policy is unclear to you or you have any questions at all in relation to the insurance, please contact us for an answer or explanation as soon as possible.

Strata Unit Underwriting Agency Pty Limited T/As Strata Unit Underwriters hereby gives notice that this contract is effected under an authority by the Insurer/s named.

Strata Unit Underwriting Agency Pty Limited T/As Strata Unit Underwriters is an agent of the Insurer and not the Insured.

Clients who are not fully satisfied with our services should contact our Internal Disputes Resolution Officer. Strata Unit Underwriters also subscribes to Financial Ombudsman Service Limited, a free customer service. Further information is available from our office.

GENERAL ADVICE WARNING

The advice we provide you will usually be prepared without taking account of your objectives, financial situation or needs. You must therefore assess whether it is appropriate, in the light of your own individual objectives, financial situation or needs, to act upon this advice.