

I run a small B&B in Airlie Beach and would like to make three recommendations for consideration.

RECCOMANDATION 1 - INDIVIDUAL RISK ASSESMENT AT INSURED'S COST

Insured should be able to avail themselves of an individual risk assessment carried out by a qualified professional approved by underwriters. This may be a loss assessor or a building inspector or indeed could be a new avenue for brokers.

Every property is different and it seems to me that underwriters take an enormous broad brush to their risk assessment. For example my broker told me one underwriter said we were in a flood post code so we were subject to floods. We are at the top of a hill.

There seems to be no real assessment of the quality of the building apart perhaps of its age and then assumptions are made. For instance our house was built by a builder for his own use, many trades' people have commented on the quality of the house saying it incorporated features which only became requirements much later

Perhaps the one off cost of such an assessment would be say \$500-\$1000 so assurance needs to be given that a substantial reduction in premium for a property which was well built, maintained and had taken preventive measures such as the installation of cyclone shutters. However compared to a premium of \$10,000 which we were quoted by phone to a reduction to a premium available outside North Queensland would be worthwhile and provide greater comfort to the insurer.

RECCOMENDATION 2. – CYCLONE SAFTY MEASURES BE TAKEN INTO ACCOUNT

Insurers do take into account security measures, like window locks, when accessing burglary cover. They should also take into account safety measures such as cyclone shutters, which are expensive and as I understand effective.

RECCOMENDATION 3. – UNDERWRITTER TRANSPERANCY – Points assessment system

I understand Underwriters are not benevolent societies and that in the aftermath of a disaster they are under enormous pressure. Never the less it would seem their losses were increased by their inability to control some claims. According to Change.org there was a level of claims which were not cyclone damage and some builders who overpriced their work. It seems more loss assessors are required in these circumstances why not draft more from elsewhere in Australia, proper assessment should contain losses and prevent serious premium escalation

The underwriters responded by just increasing their premiums dramatically, in order to protect their balance sheets; rather like cowboys. I certainly got no consideration whatsoever nor were underwriters interested in customers who tried to prevent damage to their property they seemed to treat everyone in a post code the same.

May be a points system could be introduced with points equating to discounts from the post code price. Points could be given for such things as the roof being tied properly to the slab, roof struts in good condition, and so on. This would be best done by a risk inspection process which may be repeated say at ten yearly intervals.

Underwriters should then show to customers just how they had accessed their premium. This need not be an expensive exercise for either the broker or the underwriter given a proper risk assessment.

Peter J Brooks

Whitsunday Moorings B&B , 37 Airlie Crescent, Airlie Beach Qld 4802

MAIL TO: POBOX 394 Airlie Beach Qld 4802

E.Mail: info@whitsundaymooringsbb.com.au