

SUBMISSION TO REINSURANCE POOL TASK FORCE

FROM DR GEOFF POLLARD AM, [REDACTED] CHAIRMAN OF THE BODY CORPORATE OF COURTHOUSE APARTMENTS, MACROSSIN STREET, PORT DOUGLAS.

Thank you for the opportunity to comment on the draft legislation for the proposed cyclone and related flood damage reinsurance pool. We very much appreciate that the Federal Government is aware of the insurance difficulties facing owners in the Far North of Australia and is prepared to do something about it.

Our building consists of 24 individually owned strata apartments over two levels, while the ground floor contains 7 retail properties that are clearly individual small businesses. The apartments range from owner occupied to owner managed to the majority managed by Mantra, with owners having full access whenever desired. The building is managed by Body corporate Services, Cairns.

Our concern is to make sure that our apartments and the retail properties, which clearly fit within the required description of “households, strata and small business properties”, are all included in the proposed reinsurance pool and not excluded because they are all in the same building. Not to include us would be a failure to help the very people you set out to help.

We are currently experiencing all the insurance difficulties outlined in your draft document and are happy to share the details with the Task Force. Basically, our insurance brokers, Aviso EIA, have only been able to get one quote for years. This is from SUU (strata unit underwriters), underwritten by Insurance Australia Limited T/as CGU Insurance.

This year the premium has increased from \$66,260 in 2020-2021 to \$96,245 in 2021-2022, but this will increase further as the building sum insured (\$12,653,353) has yet to be updated. This is an increase of over 45% in one year. I have the annual premiums dating back to 2006-2007 when the premium was \$25,425 against a building sum insured of \$9,970,000. I also have the claim history over the same period which totals \$17,707, or less than just the first year’s premium. Premiums paid over the same period total \$836.776.

In other words, if the insurance companies can justify the increases with claim experience, or worse just refuse to quote, we are paying the costs of other less fortunate “households, strata and small business properties”, and we want to make sure that our type of strata property and small business property is included in any government cyclone and related flood damage reinsurance pool.

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