

Re :- Inquiry into 'Help Nth. Qld. get Affordable Insurance Premiums'

From: Adrian Barnett <[REDACTED]>
To: Insurance <insurance@accc.gov.au>
Date: Sat, 28 Oct 2017 04:11:02 +1100

Dear Sir/ Madam,

I owned an apartment in Cairns during the 2011 cyclone that initiated the following "INSURANCE SCAM" that followed. I live in Melbourne but a work colleague has a brother who was living in a Cairns suburb Edge Hill. the 2 brothers were on the phone at the time the of the "cyclone" that the TV news reports were saying was Massive. The brother in Edge Hill told the Melbourne brother that he was standing Outside the front door and while it was a 'Strong Wind' it Wasn't Cyclone strength. The Edge Hill brother said there was a Disparity between what He was experiencing and how the News was portraying it on TV. Edge Hill said his TV news was screening footage of cyclone 'LARRY' which occurred '5 years earlier' in Innesvale, a town south of Cairns as being the cyclone they were experiencing then which was Deceptive on the part of the TV News.

Cairns experiences Frequent Cyclones, the whether bureau give them Advance Warning, Building Regulations ensure that buildings have a High Resistance to cyclones and residents know how to batten down Before and During cyclones. Cyclone Yasi was no more fierce than the regular cyclones that go through Cairns and surrounding areas BUT on This occasion the Insurance Co.s made the decision to Exploit Yasi to the MAX. Insurance premiums went up by up to "800%" over 5 years, few insurance Co.s would insure in the Cairns area any buildings leave the Few who would ramp up insurance premiums to Extortionate levels. While some house and business owners had to option to Not insure 'the Law' says that Body Corps MUST have insurance. I know across Cairns insurance premiums rose Dramatically which caused a Lot of BC fees to 'TRIPLE' and in our case 'DOUBLE'.

This insurance premium EXTORTION "DECIMATED" Cairns residents and any other people who had Investments in Cairns as I did. In My case I owned 1 of 470 in one complex, there was only '1' insurance co. that would insure a complex of that size, CGU. While property values around Cairns had Dropped in value due Directly to this insurance Scam CGU "somehow" managed to Value the whole complex at DOUBLE it's Value for Insurance purposes. Since the BC Must have insurance by Law there was No other choice but to submit to this EXTORTION and get insurance from CGU.

Yasi was in 2011, Cairns economy has Never recovered since. In my case it was a double Whammy, with BC fees at \$5000- p.a. for a 1 br. apartment, this apartment having a Negative cashflow of a Net \$400- p. wk, which I couldn't keep up, Then property values Dropping by about 50% the bank eventually 'Foreclosed' on that apartment. Even After the Forced Sale I owed \$117K. A Devastating Result for me but this was Repeated Many times over.

Also worth a look is that soon after the public Demanded a 'Standing Committee on the Insurance Scam' which the g'vt. set up. The bias of the Committee members Concluded the same as the Insurance Co.s but More Interesting are the Submissions made to the Standing Committee. Have a read through some of them.

I bought my apartment 'Off the Plan' in the Cairns One complex, that's Another SCAM of itself and a Real Estate agent told me Cairns One owners had been 'Dropping like Flies'.

Adrian Barnett