

Submission to ACCC Northern Australia Insurance Inquiry

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Hi,

I wish to make the following comments regarding the Second Interim Report on the Insurance Inquiry for Northern Australia.

Questions on Focus area 1 - measures to improve availability

1. None of the 28 recommendations address the issue of availability.

Affordability is totally irrelevant if you cannot even find an insurance company happy to provide a quote.

On the 30th September 2019 our Body Corporate will not have any insurance cover for the common property, body corporate assets or buildings. This is in contradiction to the BCCM Act, specifically Section 126 & Section 128 of the BCCM (Accommodation Module) Regulations 1977.

Longitude Insurance has been the only Insurance Company prepared to quote for Strata Insurance for our Body Corporate Insurance for several years. They commenced withdrawing from Northern Australia in April 2019 and are no longer renewing any existing policies, so on the 30th September 2019 when the current policy expires our Body Corporate will have no Building, no Catastrophe, no Office Bearers, and no Public Liability Insurance.

I hate to think what that exposes us to, as the business owners, by continuing to operate our holiday let business. We cannot just close down our business and walk away and loose everything.

2. Health insurers are not allowed to pick and choose what regions they will offer health insurance cover. Just like they cannot refuse to offer Health Insurance to people of a certain age. I am sure they know the health demographics of regions and ages and what medical issues are more likely is some areas and age groups. Health Insurance Premiums are not regionalised. Why can Insurance Companies pick and choose areas where they will insure buildings, cars, contents etc.

3. If Insurance Companies want to offer Insurance in SE Queensland, make them offer it throughout the whole state. All or nothing.

4. Establish a Queensland Insurance Scheme, as a Not for Profit and complete directly against the Insurance Companies for market share. This wont help WA and NT. Unless Insurance Companies are forced to offer insurance in the north of the state they may simply end up with the SE Corner and less perceived risk.

Questions on Focus area 1 - measures to improve affordability

1. Insurance is simply insurance. We take it out to protect ourselves, our health and our property against a possible **unknown event**. All Queensland experiences **unknown events**. Brisbane floods, Gap Storms, Ipswich Floods, Bundaberg Floods, Cyclone Debbie, etc etc. Why shouldn't all insurance premiums in Queensland be calculated the same way. North Queensland is singled out for high premiums because there are less people living in North Queensland to pay the premiums. Its simple really. Insurance companies need to offer insurance state wide and increase the premiums in the SE Corner to pay for it.

2. There are numerous comparison sites for insurance cover, including Money Smart and www.nghomesinsurance.gov.au. None of them offer any comparisons for Strata Insurance. Queensland has over 47,000 Community Title Schemes with over 465,000 individual lots and nowhere to go for comparative purposes for Insurance. In North Queensland we are still desperately trying to find just one insurance company who will offer Strata Insurance for our 36 unit complex. A lot of the comparison sites

also advise they don't offer cover in your postcode after you click from the comparison site to the Insurance Companys site. It looks like they offer cover, but they dont.

3. Strata Insurance is expensive in part because there is no incentive for a unit owner within a Body corporate to maintain their property. If something goes wrong the BC's insurance will cover it. It would be fruitful for the BCCM Act to address this lack of maintenance issue. Everyone pays for one persons failure to maintain their property in future premium rises. The whole claims process needs tightening up so frivolous claims are avoided. High excesses in recent years have diminished this occurrence to a point.

Regards

Kerryn Beck

