

## [SPAM] Strata Insurance Commissions - ACCC Insurance Inquiry

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**From:** Nicholas Johnson <nicholas@kooperlevi.com.au>

**To:** Insurance <insurance@accc.gov.au>

**Cc:** [REDACTED]

**Date:** Wed, 10 Apr 2019 16:09:43 +1000

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Attn: Commissioner

We write in response to the recent ACCC Northern Australia Insurance Inquiry. Kooper & Levi Strata Management look after 3100 lots in Sydney. We are part of the Jamesons Group that looks after around 27,000 lots.

We strongly oppose any proposed changes to the current arrangements involving strata management insurance commissions. We submit the following:

- \* Strata insurance is a specialised product that is specifically tailored to the needs of owners corporations;
- \* The efficiency and effectiveness of strata managers helps strata insurers keep the costs of insurance lower than it would be without their assistance;
- \* The income received by strata managers from insurers is compensation for the work performed, including, obtaining quotes, liaising with insurers on behalf of the owners corporations and assisting owners corporations in making claims;
- \* If strata managers did not receive this income, then the cost of those services would be borne by owners corporations in the form of additional service fees under the strata management agreement;
- \* The most likely net result would be an increase in the costs of insurance to the consumer as well as an increase in their strata management fees as it would result in less efficient and more complex insurance processes;
- \* A regulatory regime founded on a principle of full transparency and disclosure, rather than prohibition, would be a better and fairer approach as it would enable consumers to make an informed decision on to the value of the service of the strata manager. Each owners corporation could then elect for the strata manager to receive a commission from the insurer or pay higher body corporate management fees.
- \* This would underpin current best practice while minimising disruption to the market and provide a mechanism for dealing with conduct that is not in line with ethical business practices and consumer expectations.

Kind Regards,  
Nicholas Johnson  
General Manager and Licensee in Charge

**KOOPER&LEVI**  
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