

NDIR Submission from Jo Anne Cracknell

Re. the National Disaster Insurance Review: 400% increase in insurance premium for one bedroom units.

Senator Lucas' office staff referred me to your insurance review and suggested I may add a serious and currently insurmountable problem.

In our building in Cardwell, QLD we have 18 one bedroom units, mainly owned by retirees on social security or a limited fixed income. Our insurer, SUU (part of CGU) has just given us notice on 17 June, 2011 that we have until 30 June, 2011 to pay a building insurance premium which was raised, starting 1 July, 2011, from \$12,470 per annum last year to \$43,776 per annum from 1 July, 2011. This is nearly a 400% increase which the elderly owners of these one bedroom units cannot afford to pay. Nobody else (and we have called them all) will insure our building until the current claims are paid out.

Therefore, we need help in covering this expense. We did not have a chance to budget for the unexpected expenses of being hit directly by Cyclone Yasi and most of our owners cannot afford a 400% increase insurance at the same time. Our only alternative is to be uninsured, and we cannot have an uninsured property. We wish to reinforce the difficulty low income earners and pensioners have in meeting insurance costs after a natural disaster of this magnitude. Please find us a solution.

Thank you,

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Second email

Owners in our strata title units have been vocal in their anger about the insurance rises in No. QLD.

Our Body Corporate Manager, Kingsberry Body Corporate and our Treasurer, Des Hardy, went back to our insurance provider this week and told them we were being proactive about being disadvantaged with a 400% insurance increase. As a result today the insurer issued a revised premium for this year, bringing it down to \$35,778.59 from the first invoice of \$47,189.65. The last figure rose from \$8,000 two years ago to \$12,470.71 last year to \$47,189.65 this year. Our 18 unit strata title building is all one bedroom units and some owners are elderly living on either fixed incomes as self funded retirees or on social security.

So my added message to all in strata title buildings worth over \$5 million who have been denied any new funding and have been disadvantaged by unconscionable rises in building insurance premiums is:

>Protest to your insurance broker

>Submit your complaints to the Treasurer's office and to Senator Jan Lucas and the Premier, Anna Bligh

Sincerely,

Jo Anne Cracknell
Secretary, Body Corporate, Plantation Lodge
Cardwell, QLD