

NDIR Submission from Tony O'Brien

Hi

I read an article in the Weekend Australian Financial Review (August 6th, 7th) titled "Ill wind hits premiums hard" which indicated that many insurance companies are pulling out of the market and that those who are left have increased premiums up to 350%.

So I went to see the brokers (Regional Insurance Brokers) who we use and they indicated that what was reported in the article was true. However the Insurance Company (AMP GIO) that we use is still taking insurance; it is one of the few left in the market. Their premiums have increased 30% for policies that have not claimed in the last 5 years and 50% for those policies who have claimed in the last 5 years.

Our insurer is still "kind of reasonable" at this stage given the depth of the problems and the number of claims made but with the withdrawal of more insurer and further events, then insurance will become unaffordable; it has already become a problem for some

Body Corporates according to the article. "Some buildings coming up for insurance renewal just don't have funds to cover insurance".

This will make it very difficult for many people to live in Queensland if insurance is either not available or for that matter unaffordable.

The article indicated that in the Northern Territory insurance prices have been relatively stable as the Government underwrites insurances in some of their regions.

Perhaps this should be something for Governments to consider as according to the article "Right now the cost to buy reinsurance for these regions is horribly expensive".

Apparently according to the article "one option is a government subsidized scheme, which has been put to the national disaster insurance review".

Can you take this recommendation seriously as the situation will become dire if the cost of insurance is either not available for that matter so expensive that it is unaffordable to the average person living in Queensland.

Yours

Tony O'Brien