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Attn: ACCC Northern Australia Insurance Inquiry; due by 6 September 2019 **(As Amended)**

In relation to the above, please find these details to be considered.

We have taken industry advice on who can write business, it worth noting insurance companies are restricted to underwriters who are prepared to write or take on the risk in FNQ. We therefore face a very limited market. By taking a look over the broader market, including insurers who can't write risks in FNQ we have listed them as follows, with the 5 who may consider such underwriting business first, with a further 2 who have limitations, so effectively 5 underwriters only regardless of the number of insurance brokers and insurance companies attempting to secure terms for the myriad of properties seeking cover. These underwriters are named but cannot be published.

As shown above, the market is highly limited, with a high-cost approach being standard across the board. Most of the above will also have similar re-insurers in the background, making it a challenge to get competitive quotes. Another part of the issue is that most insurers have already seen most of these risks year after year. In order to secure a more competitive set of premiums, the current legislation would also need to be modified in such a way so as to allow both the purchaser (Yourself), and the seller (Insurers) more freedom to secure premiums, this is particularly relevant for body corporates in FNQ , who under the QLD Body Corporate legislation must insure full replacement costs, which in this very limited market pushes costs further. As an indication of the effect and location in FNQ our building has never had a claim, yet the premium increased by 30% last year to way above $330,000, whereas a similar building in the Brisbane area which maybe prone to flooding can be insurance for same value for a premium of $80,000 approximate. We understand this is perceived risk across the board, but believe some system on claims history should also be considered i.e. a discount offered for no claims.

Commissions drive up costs most policies offer 30% commission, so for example our building annual premium of $330,000 which may include this level of commissions. On this basis this premium paid would be almost $100,000 and then often because this is not affordable, (but must be taken because of legislation and 100% cover), a premium funding arrangement is used at 4% commission or $13,560. Commission paid effectively take more than one third of the actual costs of insurance. Body corporate legislation must be tightened further to ensure persons managing body corporate, such as body corporate manages, caretakers, letting agents and anyone affiliated must be banned from accepting commissions this practice appears to be widespread. These people are remunerated and paid to look after the interests of owners, not take grossly inflated commissions and drive up costs, its suggested only legislation will provide this safeguard.

Thank you for considering these points we look forward to receiving some relief.

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