

Note to Self

3<sup>rd</sup> October 2011

Dear Owners and Investors,

I have attached two fact sheets from the Insurance Council, in an effort to explain why we have sustained such increases. After reading them, I have the following comments to make:

A house does actually have "common areas" they have a pool, fencing, garages, air conditioners, paving and for a two storey place they even have stairs.

The premiums are based on value to replace, so this is included and extra to the premium.

If this is fair, then why does a unit in a strata titled complex cost between 25 - 30% extra to insure compared to an identical unit complex that it not strata titled?

Why have the insurance premiums for all strata titled units throughout Queensland and Australia not gone up at the same rate?

I can't believe that we had cheaper insurance here in FNQ compared to those in the South East of Queensland, and we are playing catch up to their rates.

Why have the excess premiums gone up to ridiculous levels, and yet a house or duplex still has a very minimal excess of \$100? Viewmont now has a \$25,000 excess for a named cyclone.

A 42 square metre unit in Palm Trees costs us as much to insurance as half the duplex in Bruce Highway - how can this be fair?

The reason the cost was 1/3 of a standalone unit is generally that it is normally 1/3 of the size and 1/3 of the cost to replace.

If a property has a lift, this is disclosed and the insurance premium charge accordingly - to my understanding this hasn't changed.

The cost of government taxes has added to the overall increases. In a \$20K premium there were over \$3K in Government taxes. It is no wonder the Governments aren't rushing in to tackle this issue

If a home owner can't afford the premium, although unwise they can choose not to insure - body corporates don't have this ability.

I have been speaking to Warren Entsch about this issue, and he has urged us to take our complaints to the Insurance Ombudsman. Each time I get a renewal from now on, I will be sending this in with a history of how they have increased over the past few years. If we all do this, it will help build a case up. Warren will be calling for the matter to be investigated by the ACCC and a Senate Enquiry as well. From what I have been told, there is support for this as this issue is affecting so many and will continue to affect our economy. Why would anyone build a new block of units in this environment?

Now for the tenant story of the day. I know that I am a softy, and far too soft for my own good sometimes - unless you are a tenant that has annoyed me and then you get the cranky property manager who yells a lot. On Friday morning a tenant called to say she had locked her keys in the house. She was about to fly off, and her parents would give me a call to collect a set of keys - which they did. She was flying back in on Sunday night after 10pm. I had three sets for this property, and grabbed one and gave them to the Dad. I asked that he drop them back into the office when he got the other set unlocked. I assumed he would go and do it straight away.

Sunday was a day Ramon and I achieved not a lot. In our glory days, we could drink anything and the world would be a lovely place the next day. Either we don't drink enough now, or we are getting older. We had a lovely night with our neighbours and the mixture of Champagne and red wine made for a fabulous hang over the next day.

I had plans to go to the office to catch up on paperwork but there was little chance of me leaving the couch for most of the day. I was just starting to come good - remember we are like bats and start to come to life after the sun goes down. I had just finished checking my emails and notice I had just missed a call - yep, it is now 10.30pm and a tenant has called. It is the same lady and it seems that the parents didn't go to the house to get her keys, and the keys that I had given her didn't work.

I know it really isn't my responsibility, and I could have not answered, but I know that people get frustrated and then things start to go wrong. I did feel responsible that I had given the wrong set, or that there was an issue with the locks. Luckily it was a beautiful night for a drive. I put the heated seats on, the roof down and cranked up the ipod. Half an hour later, the tenant is in and extremely happy. I know that I didn't have to do this, I could have just told her to call a Locksmith out. I guess things like this is one of the reasons why a lot of our tenants stay for so long, and if they do move they say find me a place as we want to stay with you.

To finish I have to tell you about one of our bedsit tenants. I noticed she was behind in her rent so I gave her a call. She told me that she knew that she was behind, but it was her Birthday on the weekend and she needed the rent money to have a really good party. She promised to catch up on the rent this week, and it wouldn't happen again. What can I say to that? I love our tenants, they make life so interesting.

Hope you are all happy and well in your world.

Linda