Insurance. Advice. Support.

Insurance Proposal

Prepared By: Haroon Bari

Renewal Date: 30-Apr-2024

Virtuoso CTS 52594

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WEST END QLD 4101

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Insurance Renewal Submission 2023 - Virtuoso CTS 52594

Renewal Date: 30-Apr-2024

To the Strata Committee

The insurance for your strata plan falls due for renewal on the above date. This proposal summarises the quotes and recommended terms which Honan Insurance Group has negotiated on your behalf for the new period.

Insurance Market Update

Strata insurance premiums have continued to rise over the last 3 years. We are in the middle of a “hard market” in the Insurance premium cycle after being in a market where premiums were reducing for a number of years.

A number of factors have driven these increases; Substantially lower premiums collected in the recent “soft market” meant that Strata Insurers have suffered underwriting losses where claims paid is very close to total premium collected. Environmental impacts on property losses have continued to grow as evidenced by recent flood, bushfire and cyclone losses. There are now fewer specialty Strata Insurers in the market and for most of those that have remained they have narrower risk appetites. All of these factors combined have pushed premiums up.

It is common for us to see premium increases of 20% for claims free risks on renewal, if a Body Corporate has a challenging claims history these premium increases can be upwards of 40%

Marketing Summary & Insurance Renewal Recommendation

We have tendered your insurance renewal to insurers specialising in body corporate type risks. These markets represent the most suitable policies in conjunction with competitive premiums for these risks. The insurers we have approached are listed below - the two most competitive insurers, in conjunction with the incumbent have been tabled on the following page.

•CHU Underwriting Agencies (CHU) – ***Current Insurer***
•Flex Insurance (Flex)
•Strata Unit Underwriters (SUU) – *Indicative, not formalised as uncompetitive*
•Chubb Insurance Australia Limited (Chubb) – *Failed to respond in given time-frame. In any case CHU has been proving more economical on such schemes on late*

The quotations have been obtained based on a Building Sum Insured 5% higher than your expiring policy period. The Building Sum Insured has been increased in an effort to offset rising construction costs and inflation. Should there be any doubt in the adequacy of your Building Sum Insured we recommend engaging a qualified quantity surveyor to provide an updated insurance valuation estimate. We can adjust the policy (up or down) at any time.

Of the quotations obtained we recommend placing the policy with CHU. CHU has offered the most economical premium, further wherever practical we also recommend continuity of cover with a provider from a relationship/loyalty standpoint. Accordingly we recommend the CHU policy in this instance.

The total payable based on the 5% higher Building Sum Insured is $83,030.57, compared with $85,466.21 you paid last year. This represents a 2.9% reduction overall with a further portion of the premium offset by the increased sum insured.

Please note: *There is no Flood cover on your insurance policy. We have not reviewed your exposure to Flood as this falls within the scope of a qualified hydrologist. Please let us know should you wish to explore options to include cover for Flood.*

Should you have any questions on the content of this proposal, please raise them with your strata manager and we will provide advice as required. We are confident in the terms recommended, and look forward to your instructions for renewal.

Kind Regards,
Honan Insurance Group

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Insurance Quotation Summary - Virtuoso CTS 52594

Policy Period: 30-Apr-2024 - 30-Apr-2025

TYPE OF COVER		SUMS INSURED & LIMITS		
		CURRENT CHU	Flex	SUU
Property	Buildings as Defined	$67,069,170	$67,069,170	$67,069,170
	Common Contents	$670,692	$670,692	Included
	Loss of Rent/Temp Accomm	$10,060,376	$10,060,376	$10,060,376
Public Liability	Limit of Liability	$30,000,000	$30,000,000	$30,000,000
Fidelity Guarantee		$250,000	$250,000	$250,000
Voluntary Workers		$200,000	$200,000	$200,000
	Weekly Payments	$2,000	$2,000	$2,000
Office Bearers	Limit of Liability	$5,000,000	$5,000,000	$5,000,000
Machinery Breakdown		$0	$0	$0
Catastrophe		$10,060,376	$10,060,376	$10,060,376
Audit Costs		$25,000	$25,000	$25,000
Legal Expenses		$50,000	$50,000	$50,000
Work Health & Safety Breaches		$100,000	$100,000	$100,000
Lot Owners' Fixtures & Improvements		$250,000	$250,000	$250,000
Flood		Not Insured	Not Insured	Not Insured
Floating Floors		Insured	Insured	Insured
Paint				
TOTAL PAYABLE		**$83,030.57**	**$97,075.31**	**$176,326.10**
Total GST		**$7,022.66**	**$8,193.54**	**$14,803.98**
Broker Fee		**$11,679.44**	**$11,679.44**	**$11,679.44**
EXCESS				
	All Other Excess	$5,000	$5,000	$2,500
	Legal Defence Expenses	$1,000	$1,000	$0

IMPORTANT: Take note of any differences in coverage, limits and excesses (including any additional imposed excesses, below) when comparing policies. In providing the information and quotes in this submission we have not taken into account your, or any lot owner's, personal objectives, financial situation or needs. Please consider each Product Disclosure Statement to decide which policy is right for you before making any decision to purchase.

Risk Information - Virtuoso CTS 52594

NAME OF INSURED	Virtuoso CTS 52594
Location	51 Ferry Road, WEST END QLD 4101

Your strata insurance quotes have been negotiated based on the risk details contained in this document. Please review and ensure they are correct. If any changes are required, please advise your strata manager at your strata management firm immediately.

Construction Details

Walls	Concrete
Floors	Concrete
Roof	Metal
Aluminium Composite Cladding	No
Percentage	0
Brand	0
EPS insulation (e.g. walls or cool rooms)	No
Asbestos	No

Building and Risk Information

Year Built	2019
Rewired	No
Replumbed	No
Heritage Listed	No
Defects	No
Number of Lots	78
Number of Levels	7
Number of Lifts	6
Number of Pools/Spas	1
Number of Gymnasiums	1
Commercial Activity	Yes
Occupied	Yes
Car Stacker	No
Make	0
Model	0
Number of Cars	0
Holiday Letting - no of lots	0

Claims History - Virtuoso CTS 52594

Date of Loss	Description	Paid Amount	Date of Loss	Description	Paid Amount
27/02/2022	Water Damage	$91,691.70			

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Important & Additional Information - Virtuoso CTS 52594

This insurance proposal report is issued to Civium Management Group on behalf of Verve Insurance Pty Limited and Honan Insurance Group.
Verve Insurance Pty Ltd is a subsidiary of Civium Management Group. Verve Insurance Pty Ltd is a Distributor of Honan Insurance Group

Quotation Summary

Honan strongly recommends that the Body Corporate take note of any differences in coverage, limits and excesses, when comparing insurers' quotes. Pricing is often a reflection of coverage. Any uninsured risks should also be reviewed. Please advise your strata manager if you require quotes or advice on any uninsured sections.

A copy of the Product Disclosure Statement and policy wording for each policy presented is provided along with this submission. Please read these documents carefully as they contain the full terms and conditions of cover, including limits of cover and exclusions.

Other Important Information

To ensure that your insurance policy will respond when a claim occurs, you must meet your obligations - as legislated in the Insurance Contracts Act 1984 - before you enter into a contract of insurance, at renewal or when circumstances change. The Act requires insurance companies to provide certain information to parties insured with them and to explain the effect of various conditions in insurance contracts. Where an insurance broker is engaged to place the insurance, the broker is required to ensure the insured receives relevant information. Brokers are obliged to inform their clients about other matters, where they are applicable to the insurance arranged.

In general terms, the information insurers and brokers are required to provide is as follows:

Duty Not to Make a Misrepresentation

Under the *Insurance Contract Act 1984 (Cth)* (Act), if you are applying for or renewing a contract of insurance which is obtained wholly or predominantly for personal, domestic or household purposes ("Consumer Insurance Contract"), you have a duty to take reasonable care not to make a misrepresentation to the insurer before the relevant contract of insurance is entered into.

You and other insured person(s) must answer the insurer's questions with relevant and complete information, and you must not misrepresent any information hat you give to us. You have the same duty in relation to anyone else whom you want to be covered by the policy

If you fail to comply with your duty, and the insurer would not have issued the same contract for the same premium and on the same terms and conditions, the insurer may cancel your contract or be entitled to reduce the amount they will pay you if you make a claim, or both.

If your failure to comply with your duty is fraudulent, the insurer may refuse to pay your claim and treat the contract as if it never existed.

Remuneration

Verve Insurance Pty Ltd may receive $149.74 (plus GST) per lot in relation to the insurance policy placement, based on our recommendation as contained in this document. Please note this is subject to change should the owners wish to renew outside our recommendation.

Disclaimer

You acknowledge and agree that you have made all necessary inquiries into the accuracy of the information and representations given in this proposal and that they are true and correct. Please note that the information and representations given are material to the insurer’s decision to underwrite and offer insurance terms. Please ensure that you review all information and representations in this proposal and advise Honan immediately if any changes need to be made. Honan is not responsible for any loss and/or damage whatsoever as a result.