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verve Insurance

Insurance Proposal

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Address:	51 Ferry Road, WEST END QLD 4101
Inception Date:	30-04-2025

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Insurance Summary

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For your 2024-2025 Insurance Period Honan Recommends:

CHU

	Last Year	This Year
Insurer	CHU	CHU
Building Sum Insured	$67,069,170	$70,422,629
Total Payable	$83,030.56	$74,733.62

Renewal Recommendation

Strata Residential Insurance
Thank you for the opportunity to quote on this building we are pleased to be able to offer 3 quotes from Flex, SUU & the incumbent insurer CHU.

Last year, the Body Corporate's Building Sum Insured was $67,069,170 and the total annual premium paid was $83,030.56. On renewal, the Building Sum Insured has increased by 5% to $70,422,629 to allow for escalation of building costs.

The terms offered by CHU are more competitive than the terms from last year. The premium has decreased by 10% since last renewal. On average we are seeing increases of 10% or less in Queensland, on properties that have a clean claim's history within the last 3-5 years.

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.

Wherever reasonable, Honan will recommend continuation of cover with the current Insurer. Given that CHU has provided the most competitive terms, we recommend the Body Corporate renew the policy with CHU.

Machinery Breakdown Insurance
Please note, we have received renewal terms from Vero for Equipment breakdown, the total premium remains the same as 2024 and 2023 - $5,709.22 inc GST. This will be automatically renewed on the 30th April 2025, unless other instructions are advised by Civium.

Market Updates

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Market Overview

The "perfect storm" continued to dominate the strata insurance market with high inflation, labour shortages, and the devastating South-East Queensland and Northern New South Wales floods (which totaled a record-breaking $5.81 billion in claims) all contributing to increasing premiums.

As we near the end of FY23, it is worth acknowledging that this year has been yet another challenging one for the strata and commercial real estate insurance industry. Moving forward, it is the reinsurance costs from major strata insurers that will likely have the most significant impact on the market during FY24.

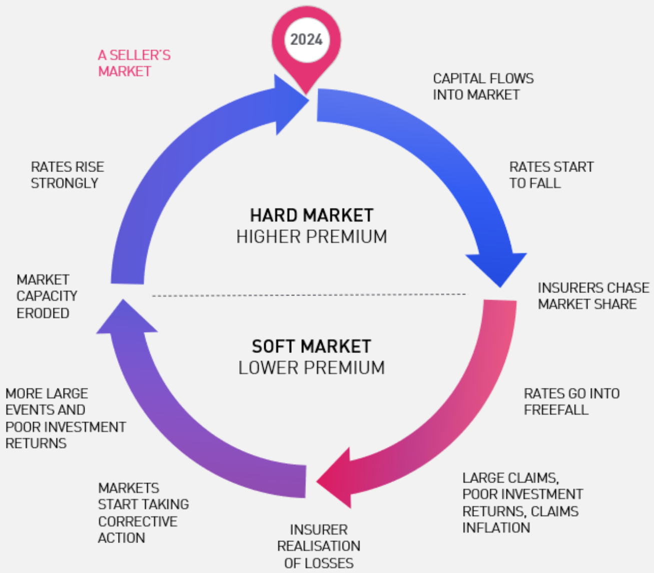
The strata market has continued to see insurance premiums increase by approximately 15% nationally on standard risks where insurance brokers are remarketing risks with a broad range of insurers.

Insurers are viewing the regions of southwest Sydney, coastal areas of northern NSW, and southern Queensland as under-priced following recent losses caused by the storms and floods, resulting in premium increases of up to 40% in these areas.

Insurers have been persistent in their pricing corrections in regions impacted by catastrophes, similar to trends in alpine and bushfire-prone regions two years ago. However, the corrections are modest compared to the premium increases in northern Australian cyclone-exposed regions five years ago.

Buildings exposed to natural peril such as cyclones, flooding, and bushfires are seeing catastrophe premium loadings continue to rise as international reinsurance markets balance their risk exposures and improve their long-term profitability.

Insurance Market Cycle



Marketing Summary

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Markets Approached

Insurer	Approached	Comment
CHU	Yes	Holding insurer and recommended insurer
SUU	Yes	Please see quotation summary for SUU's premium
Flex	Yes	Please see quotation summary for Flex's premium

Insurer Market Notes

Reinsurance challenges

The major challenges for the strata insurance market are the increase in claims and the associated costs of reinsurance. This has been driven in part by natural catastrophes such as the 2022 floods and 2020 bushfires. Also of note is cyclone Gabrielle in New Zealand - the worst storm in over two decades.

This will impact the Australian property insurance market due to international insurers pooling New Zealand into Australian reinsurance territories and vice versa.

Earlier this year for example, insurer IAG reported that reinsurance costs for catastrophe events have increased by 20% - 25% and retention of their excess has risen, meaning insurers are retaining more risk and therefore increasing their own excesses.

The industry will be watching insurer QBE's decisions on reinsurance pricing in FY24 as an indicator of the broader strata insurance market trend. The big three strata insurers (QBE, Chubb and IAG) represent the aggregate capacity of approximately two-thirds of strata's premium via their reinsurance schemes and their broad appetite for large risks, cladding, defects, and claims impacted buildings in commercial and industrial strata. This capacity cannot be replaced overnight if there is any significant change in their risk appetite.

Quotation Summary

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Quotation Summary

		SUMS INSURED AND LIMITS		
		CHU	Flex	SUU
Property	Buildings as Defined	$70,422,629	$70,422,629	$70,422,628
	Common Contents	$704,226	$704,226	$704,226
	Loss of Rent/ Temporary Accommodation	$10,563,394	$10,563,394	$10,563,394
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		Not Insured	Not Insured	Not Insured
Catastrophe		$10,563,394	$10,563,394	$10,563,394
Audit Costs		$25,000	$25,000	$25,000
Legal Expenses		$50,000	$50,000	$50,000
Work Health & Safety		$100,000	$100,000	$100,000
Lot Owners Fixtures & Fittings		$250,000	$250,000	$250,000
Flood		Not Insured	Not Insured	Not Insured
Floating Floors		Insured	Insured	Insured
TOTAL PAYABLE		**$74,733.62**	**$100,252**	**$132,974**
BROKER FEE		**$10,510.02**	**$14,106.69**	**$18,012.21**
NOTABLE EXCESSES	Earthquake	$5,000	$20,000	$20,000
	Standard Excess	$5,000	$5,000	
	Legal Defence	$1,000		NIL

Special Conditions, Additional Excesses & Notes

- No special conditions or excess have been applied

Claims

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Claims History

	DATE OF LOSS	DESCRIPTION	PAID AMOUNT
Claim 1	27-02-2022	Water Damage	$167,222.71
Claim 2			
Claim 3			
Claim 4			
Claim 5			
Claim 6			
Claim 7			
Claim 8			
Claim 9			
Claim 10			

Risk Information

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Risk Information

CONSTRUCTION DETAILS

Walls	Concrete
Floors	Concrete
Roof	Metal
Aluminium Composite Panelling	No
Percentage	0
Brand	0
EPS Insulation	No
Asbestos	No

BUILDING & RISK INFORMATION

Year Built	2019
Rewired	No
Replumbed	No
Heritage Listed	No
Defects	No
Number of Lots	78
Number of Levels	7
Number of Basement Levels	
Number of Lifts	6
Number of Pools/Spas	1
Numbers of Gyms	1
Commercial Activity	Yes
Occupied	Yes
Car Stacker	No
Make	
Models	
Number of Cars	
Holiday Letting – Number of Lots	0

Additional Risk Information

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Commercial Activity

LOT NUMBER	BUSINESS NAME	OCCUPANCY DESCRITION
Office	1	Not disclosed to Honan

Important Information

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Quotation Summary

Honan strongly recommends that the Owners Corporation 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 that 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.

Consequences of Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be able to refuse to pay a claim or to cancel your policy. The same applies where you have made a misrepresentation by providing inaccurate or incomplete information. If you breach your duty or make a misrepresentation, and if deemed fraudulent (i.e. done deliberately for the purpose of obtaining insurance, or obtaining it on favourable terms), the insurance company may be able to "void" your policy. This means the insurance company can treat the policy as never having existed. Non-disclosure or misrepresentation in relation to one policy may affect your ability to obtain other insurance in the future.

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.

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