

16-03-2020

Mr David Shoebridge
C/- Public Accountability Committee, Building Standards.
Parliament House, Sydney

Dear Mr Shoebridge,

After lunch on 24 February last, I spoke to the building inquiry committee.

One of the items I raised was insurance. Coincidentally, a few days later I attended a seminar on insurance as part of my chartered professional development points (CPD) recognition.

Much to my surprise a type of insurance was raised that I hadn't thought about and I thought you might be interested to know.

It was an 'Aggregate' coverage. This coverage is for a maximum amount and each claim made is deducted until the maximum is reached. The end result is no insurance coverage remains.

As an example if the insurance coverage was for 10 million dollars and there were three claims made for 5 million dollars each, only the first two claims would be covered. The third claim would not be covered.

I appreciate the values are high but in regard to vertical buildings they are within the realm of possibility.

It's my opinion that this type of insurance is unsuitable for vertical building coverage.

For your information.

Regards.

Peter Goudie