

Supplementary Submission to the Legislative Council Inquiry

Part 3. CPOA response to a question on-notice from Dr Faruqi regarding the mix of insurance held by CPOA members.

This question was asked during the Coonabarabran public hearing on September 4.

A questionnaire was sent to all property owners and the combined responses are shown in the table below.

Question	Yes	No
Did you have insurance	70%	30%
Were you fully insured	16%	84%
Were you partially insured	57%	43%
Were you under insured	77%	23%
Did you make a claim	70%	30%
Have you received payment for your claim	67%	33%
Were any assets lost or damaged that were not insured	100%	0%
Approximately what percentage of your total losses did you recover through insurance	30.2%	N/A

It was found that some members were not able to obtain sensible insurance cover for certain assets like extensive fencing, livestock due to averaging conditions.

Others were caught up in the policy renewal process over the New Year holiday and no period of grace was extended to them. They were not paid out for the major losses they incurred.

The most common reasons for under insurance of assets was the prohibitive premium costs partially due to the major increase occasioned by the Brisbane and Queensland floods and the gouging between 33% and 37% of the premiums by the NSW Govt by way of Fire Service Levy, Stamp Duty and GST. With little income the only choice was to decrease the sums insured.

Since the fire, most insurers have doubled their premiums even though there is nothing left to burn.

We trust this provides an insight into our insurance dilemma.