

**For immediate release: Wednesday, August 27, 2015**

## Brokers launch guide to strata insurance

The National Insurance Brokers Association (NIBA) has launched a guide to strata insurance in a bid to help strata committees and unit owners better understand the complexities involved in obtaining the correct cover.

Acting NIBA CEO, Linda Evans, said many strata committees were happy to let the strata manager arrange insurance cover without getting professional advice to ensure that the cover was appropriate for their building.

"Strata insurance can be difficult to understand. It is important to realise that every strata building is different and strata insurance policies vary, so care needs to be taken to ensure that different risks are covered and that the sum insured is adequate for any losses.

"Insurance companies selling strata cover direct to policyholders do not, as a rule, give advice on what products are appropriate for their needs. Without adequate cover, owners can receive a nasty shock if they make a substantial claim for damage to common property, only to find their insurance policy does not cover what they thought it did."

Ms Evans said it was also important to realise that the cheapest insurance cover was not always the most appropriate. This was particularly important in areas like North Queensland where insured losses from a series of cyclones in recent years had significantly increased premiums and the temptation to choose cover on price alone might turn out to be false economy.

Expert advice from qualified insurance brokers would ensure that a building had the correct cover and that the premium represented value for money. "Brokers act on behalf of the policyholder. They can advise on whether the cover complies with state laws and they can advocate on behalf of the policyholder during the claims process," she said.

5 questions you need to ask about strata insurance:

1. What are the risks we need to insure? For example, building damage, public liability, workers compensation;
2. Which insurers offer the best policies for our risks?
3. What is the appropriate level of cover? For example, does it cover removal of debris or professional fees such as for architects?
4. What is an appropriate excess? If we choose a higher excess will the Body Corporate have sufficient funds to cover that amount in the event of a major claim?
5. Which policy gives the best cover for the best price?

/2

The guide can be accessed on the NIBA homepage at [www.niba.com.au](http://www.niba.com.au)

Strata committees and unit owners seeking advice can find a qualified insurance broker near them using the free Need a Broker service online at [www.needabroker.com.au](http://www.needabroker.com.au), or by calling 1300 53 10 73.

**Media inquiries: Rod Frail 0413 98 98 97**

NIBA is an independent industry association representing approximately 350 firms and more than 3500 individual intermediaries, who handle almost 90% of the commercial insurance transacted in Australia. Brokers play a major role in insurance distribution, handling \$18 billion in premiums annually and placing around half of Australia's total insurance business.