



INSURANCE OUTLOOK 2023

PRESENTED BY TYRONE SHANDIMAN

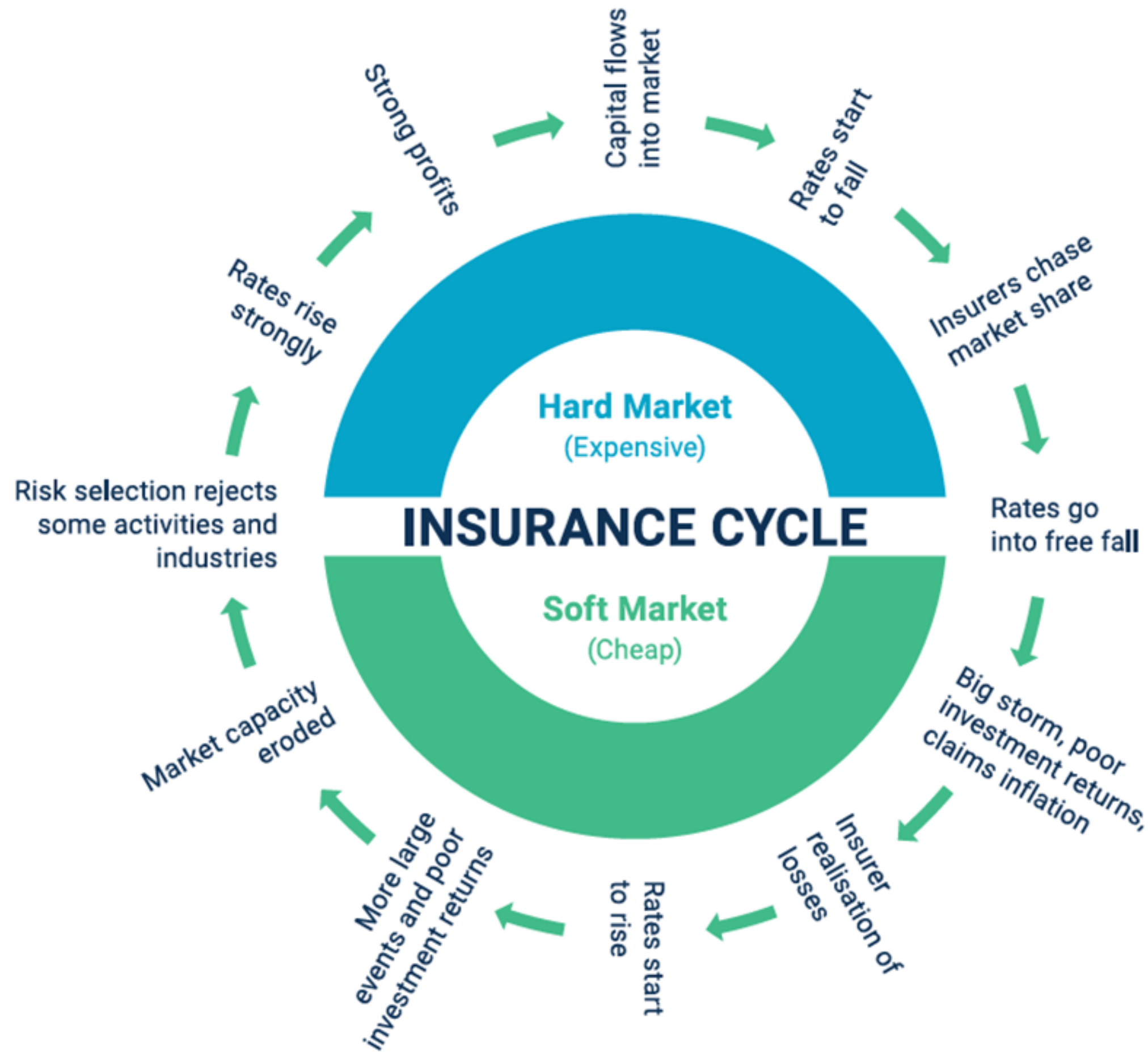


AGENDA

- Premium Outlook 2023
- Excess Increases
- Defects

The material discussed today is in the nature of general comment only, and neither purports, nor is intended to be advice on any particular matter. Persons should not act or rely upon any information contained in or implied by this presentation without seeking appropriate professional advice which relates specifically to the individuals particular circumstances.

Strata Insurance Solutions is a Corporate Authorised Representative of Insurance Advisernet Australia Pty Limited ABN 81 072 343 643 Australian Financial Services Licence No 240549 CAR Number 404246



THE INSURANCE CYCLE



PREMIUM: THE PERFECT STORM



LA NIÑA

Most Expensive Natural Disaster

Event: Feb/March 2022 Flood

Cost: \$5.7B

Number of Claims: 237,500



Building Material Increases



Reinsurance



**They don't build
properties like
they used to.**



Premium & Excess Outlook

Premiums: 20%-30%

Excesses: \$2,000 Standard

What to do in a hardening market?

- BUDGET FOR INCREASE
- PREVENT CLAIMS
- REBUILD VALUATIONS



Defects Are Becoming Hard To Insure



Strata
Insurance
SOLUTIONS



LookUpStrata

Surfside Condominiu

Date: 24th June 2021

Where: Miami USA

Casualties: 98 Death 11

Injuries

Legal Settlement: >\$1 billion



Structural issues reported in 2018 inspection and noted as much worse in April 2021



COMMON DEFECTS

- Leaks (external waterproofing failure, roof leaks etc)
- Structural issues (including problems with building foundations)
- Building damage (including unrectified damage from an insurance claim)
- Issues with utility infrastructure
- Safety issues
- Non-compliant building products (including cladding)
- Other imperfections, defects, errors, omissions or building issues.



Grenfell Tower

Date: 14th June 2017

Where: London UK

Casualties: 72 Deaths

Property Claim: £20mil

Legal Settlement & Other: ?



Cladding

REASONS FOR NOT

ACTING

- LACK OF FUNDS
- WAITING FOR AGM
- CAN'T FIND A BUILDER/CONTRACTOR
- PURSUING A BUILDERS WARRANTY CLAIM

HOW TO AVOID BEING UNINSURABLE

- Consider the timing of your policy expiry when conducting defects inspections
- Don't bury your head in the sand.
- Have a clear and reasonable plan for rectifying the issues
- Speak to your insurance broker as soon as you become aware of defects
- Prevention is the best cure

WILL THE MARKET



Strata
Insurance
SOLUTIONS



LookUpStrata



QUESTIONS

