

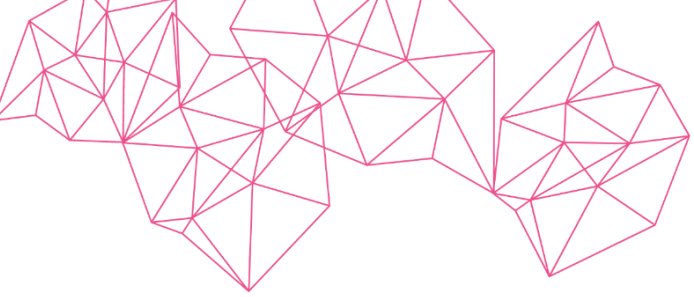
LookUpStrata Webinar

NSW INSURANCE COMMISSIONS

19th March 2026

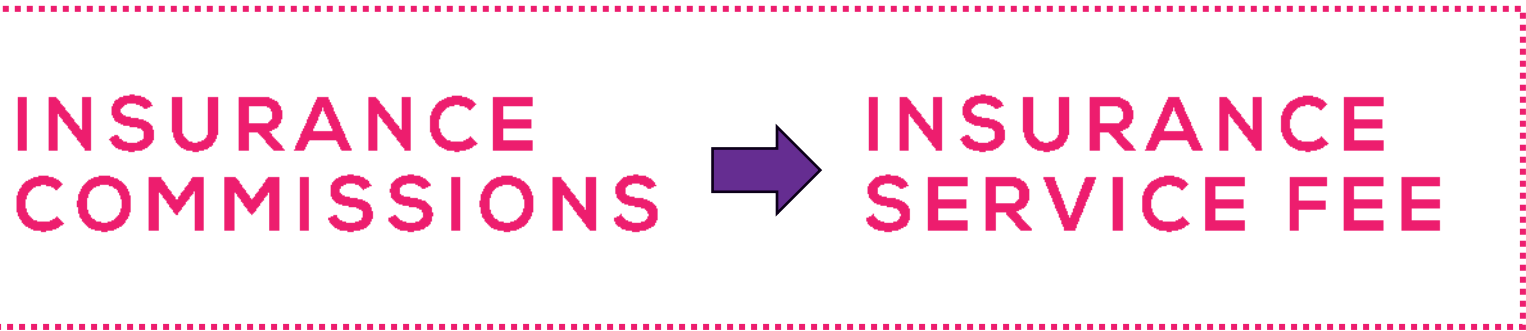
Liability Limited by a scheme approved under Professional Standards Legislation.





STRATA MANAGERS PERFORM MOST OF THE INSURANCE WORK

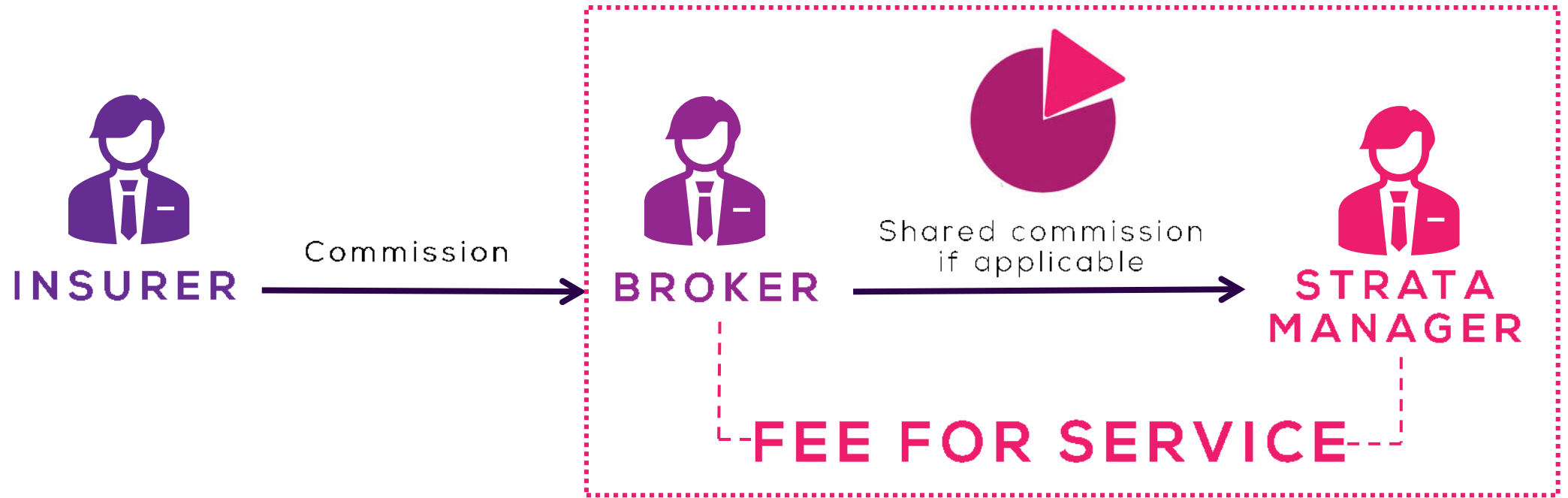
47 distinct insurance-related services
(Dr Johnston (et al.), Deakin University 2021)



✓ NO to banning insurance commissions, YES to consumer choice.

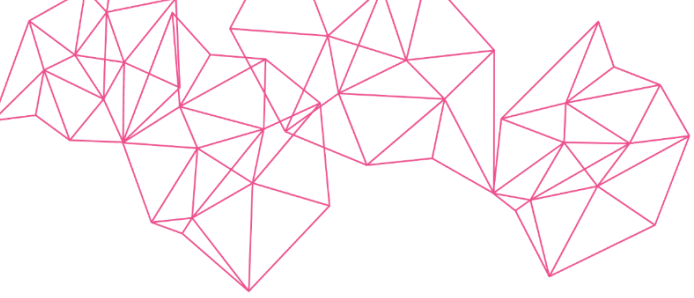
- Ensuring insurance is current
- Obtaining quotations for insurances
- Discussing insurance matters at general and committee meetings
- Ensuring the insurance policy covers all common property facilities and assets
- Providing instructions to obtain a valuation
- Maintaining insurance documents of the client's records
- Obtaining quotations for insurance placement
- Providing a copy of the valuation to the client
- Requesting instructions to obtain insurance quotations
- Providing certificates of currency for insurance when requested
- Providing a copy of the valuation to the broker or insurer
- Logging routine claims relating to common property
- Reviewing insurance valuation
- Maintaining a register of insurance claims
- Advising clients on their legal duties and obligations relating to strata insurance
- Preparing a motion regarding engagement of a valuer
- Receiving and processing the insurer's acceptance or rejection of insurance claims
- Receiving and forwarding contractor invoices for approved insurance work to broker or insurer
- Assessing or guiding clients regarding whether or not to make a claim
- Providing instructions to disclose valuation to broker or insurer
- Providing the insurer any material information impacting policies
- Requesting information regarding valuation requirements
- Receiving payments from insurer and paying contractors
- Responding to quotations and queries to brokers or insurers
- Obtaining quotations for proposed insurance

HOW ARE INSURANCE COMMISSIONS PAID?



3

✓ NO to banning insurance commissions, YES to consumer choice.



WHY PEOPLE OPPOSE COMMISSIONS

TOP 4 CRITICISMS

1. Inflates insurance premiums
2. Perceived conflict of interest
3. Lack of transparency
4. Variations in broker fees and commission rates across the industry



We acknowledge a need for reform:

- Past misconduct by some operators must be addressed
- Legitimate concerns about transparency and conflicts



NO to banning insurance commissions, YES to consumer choice.



WHY A BLANKET BAN WOULD LEAVE CONSUMERS WORSE OFF



\$200-300 million
currently paid
in commissions
and funded by
insurers



**Offset base
management
fees**


If banned



**Higher base
management
fees**
NO OTHER
REPLACEMENT
MECHANISM.



**Brokers will still
retain the
commissions**
INSURER & BROKER
PROFITABILITY
CONTINUE TO RISE
WHILE PRICING
CONTINUE TO RISE
FOR THE
CONSUMERS.



NO to banning insurance commissions, YES to consumer choice.



WHAT ARE THE
SOLUTIONS?

HOW DO WE REWORK IT?

SO CONSUMER ARE

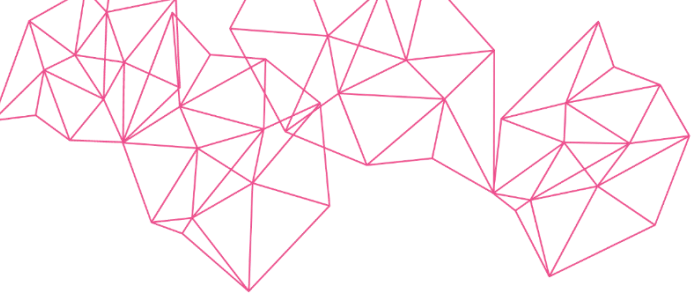
NOT LEFT WORSE OFF?

6



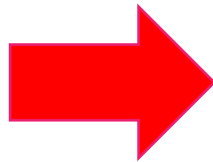
NO to banning insurance commissions, YES to consumer choice.



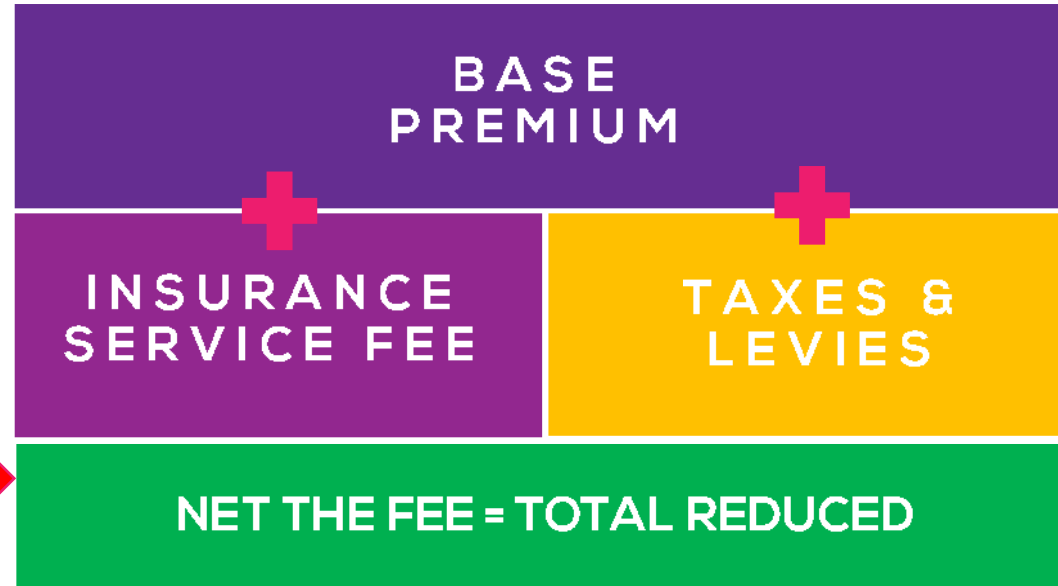


NET THE SERVICE FEE

NOW



SEPARATE THE SERVICE FEE



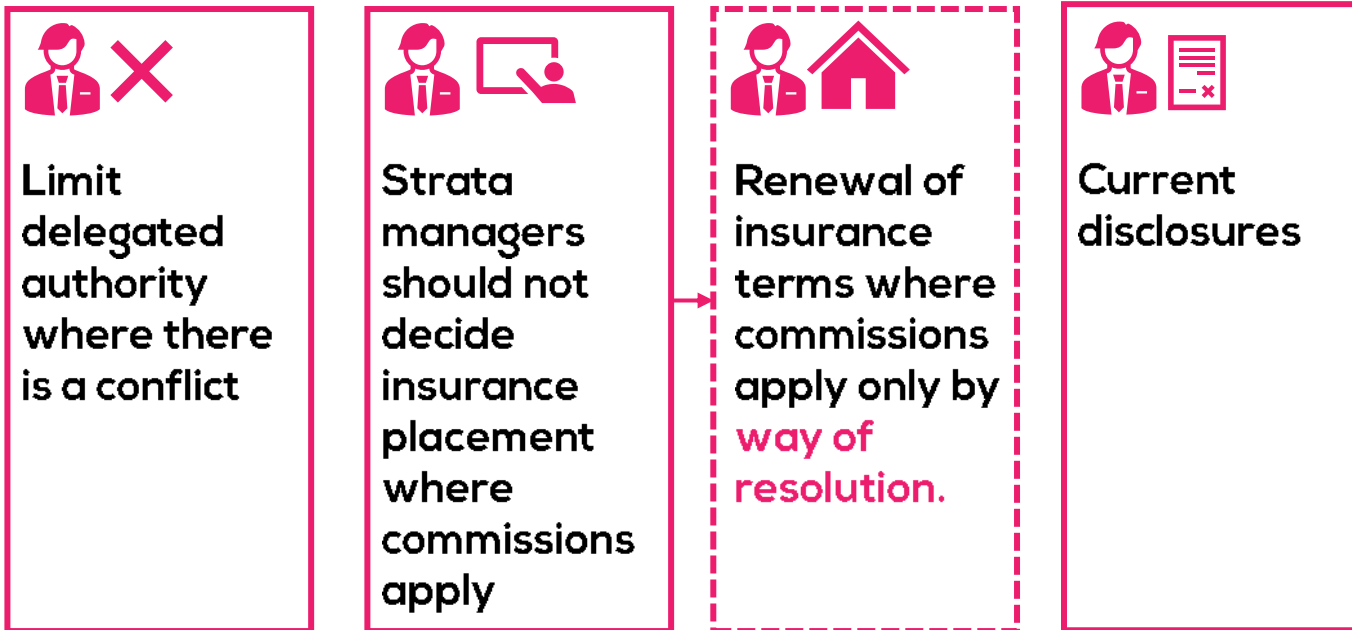
Even if Strata managers do not receive commissions brokers still do.

IS THERE A CONFLICT?



Not if the Owners Corporation makes an informed decision.

REQUIRES FURTHER REFORMS



NO to banning insurance commissions, YES to consumer choice.



TRANSPARENCY



CONSUMER CHOICE with clear pricing options



Mandate three pricing options

1. Lower base fee + commission
2. Higher base fee, rebating 100% of commissions
3. Higher base fee, no commission.



Mandate Fact sheet

Provided by Fair trading.



Rename from insurance commissions to insurance service fee

For transparency.

Over the last 12 months, our newly onboarded clients selected:

- Option 1: 76%
- Option 2: 6%
- Option 3: 18%

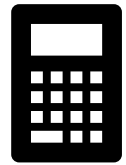
Helps offset strata management fees



No to banning insurance commissions, yes to consumer choice.



FEE STRUCTURE



Revisiting commission calculations and addressing fee variations



Net fee for service

Net calculations to address inflated premiums



Cap service fee commissions

Consistent across the board



Restrict double dipping

It's either commission or Schedule B fees.



No to banning insurance commissions, yes to consumer choice.



BROKER ACCOUNTABILITY



If banned:

Mandate broker commissions be passed on to owners corporations to offset increased strata management fees.

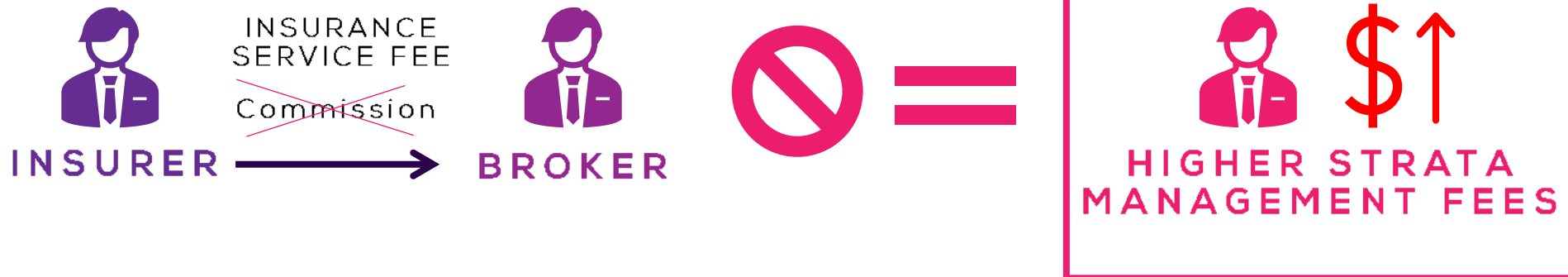
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NO to banning insurance commissions, YES to consumer choice.



REMOVING STRATA COMMISSIONS DOES NOT REMOVE COMMISSIONS.



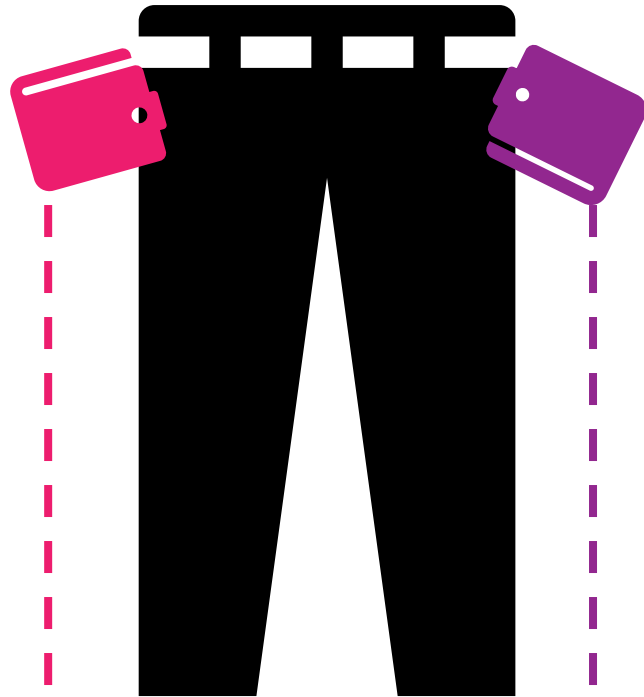
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NO to banning insurance commissions, YES to consumer choice.



THE CONSUMER PAYS ON BOTH SIDES IF COMMISSIONS ARE BANNED



Increased management fees to replace loss of commission



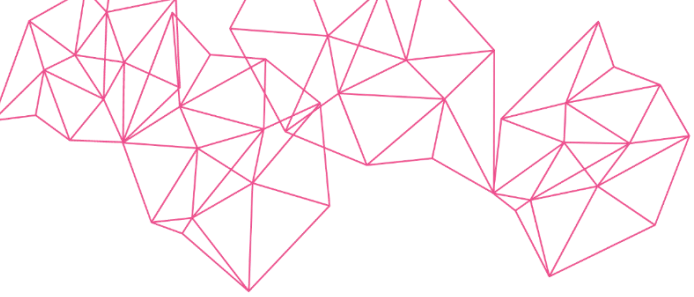
Broker fees remain the same



CONSUMER LEFT WORSE OFF



INSURER & BROKER PROFITABILITY CONTINUE TO RISE WHILE PRICING CONTINUE TO RISE FOR THE CONSUMERS



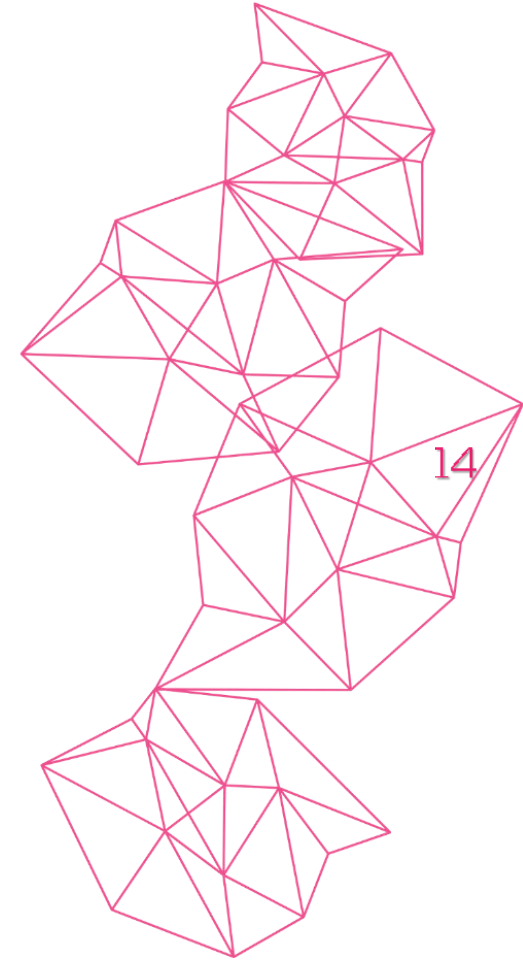
THANK YOU.

Leanne Habib
Chief Executive Officer

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NO to banning insurance commissions, YES to consumer choice.



LookUpStrata