

**From:** Paul French [<mailto:frenchp59@outlook.com>]  
**Sent:** Thursday, 7 April 2022 7:17 PM  
**To:** John Trowbridge  
**Subject:** Independent Review of Strata Insurance Practices 2022

Hello John

Thank-you for the opportunity to comment on your Phase 1 Consultation Paper relating to remuneration disclosure practices and how they apply to Strata Insurance.

I will start by disclosing that I am a lot owner in a major strata precinct with many individual strata buildings and numerous other stakeholders including the developer, commercial tenants, various strata committees, extensive common areas etc. All interests are insured under one combined insurance. I will also disclose that I am a recently retired career insurance broker, predominately working for the major international firms at a senior level.

I do not intend to respond to all of the individual questions in your paper but instead make a number of personal observations:

Whether a SM is engaged by an OC or not, the SM should be totally excluded from the insurance process and transaction because they add limited value.

The OC should deal directly via an insurance broker who has specific and demonstrated strata experience.

The insurance broker's method and total dollar amount of remuneration MUST be fully and clearly disclosed to the OC and agreed by the OC, as a standalone discussion/negotiation, in advance of the annual renewal terms being submitted.

A broker fee in lieu of commission should always be the preferable method of remuneration so that the OC can make an informed decision on the cost of the insurance broking services as they relate to the value received.

If the above observations are accepted and implemented, the disclosure process would be standardised, simplified, more transparent and better understood by the OC with potential for overall cost savings.

I do not believe Phase 1 of this review needs to be overly complicated and trust my personal observations are clear. If not, I would be pleased to provide further clarification as and when required.

Kind Regards

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Sent from my iPhone