

I am writing with reference to the inquiry into WA's Home Indemnity Arrangements and would like to provide some feedback as suggested.

We are a small residential builder and like many others have incurred enormous increases in our Home Indemnity rates with our existing insurer QBE. Unfortunately, our last three contracts were quoted and agreed a few months ago and it has taken this long to obtain planning approval and the appropriate increased level of cover required. **The fixed price contracts allowed for rates prior to 18th March which has now almost doubled!!**

As a small builder we can not go back to our client to request additional premium so will have to suffer this loss on our forever dwindling profit margin. The ERS report and media suggest the average premium is \$1000 per \$250,000 sum insured. This is not correct our premium with QBE for a contract value of \$956,000 is \$ 8,312.64. This is \$3000 more than was quoted in our fixed price contract. Calliden have the same rating structure so this is a monopoly which the builder and consumer have to suffer. If any other business, whether it would be manufacturing or banking etc it would not be acceptable and the consumer would make their point by withdrawing or simply choosing not to purchase the products. We do not have that option or choice as this is a compulsory legal requirement.

We are constantly being advised by Government and Government Agencies that WA is in need of affordable housing for our increasing population. How can we (the building Industry) accommodate and provide this need, whilst making our own businesses viable if we are restrained and held to ransom by multi national insurers? I doubt whether the same rating philosophy is applied to the likes of some of our major building "conglomerates" in WA, it appears the "small industry" will and is being hit harder. We have no say in what the insurers can or can't do and think it is long overdue the Government took the reins and ceased this unfair and unsustainable position we are forced into.

I do hope you receive the support and feedback that this inquiry is deserving of.

Thank you for your time.

Regards

Lesley Pilcher
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