

GOLD COAST

Government urged to 'get serious' on cladding row as peak insurance body talks property premiums

Australia's peak insurance body says there's no plans to increase property premiums on the back of the cladding row - for now.

Kirstin Payne, Gold Coast Bulletin

| June 22, 2019 12:00am



Grenfell Tower victims file lawsuit against US companies

AUSTRALIA'S peak insurance body says there are no plans to increase property premiums on the back of the combustible cladding row.

For now.

The Insurance Council Australia has called for a nationwide solution after warnings this week that a severe reduction in building certifiers would bring the entire construction industry to a grinding halt.

From next month, insurers are refusing to provide full cover to certifiers, a requirement for them to be registered with the state's licensing body.

Karl Sullivan, the general manager of risk at Insurance Council Australia, said cladding concerns had not affected households yet, but he could not rule out spikes to insurance in the near future if the impasse could not be sorted.

“We do know there is a limited amount of insurers offering full professional indemnity, and following the trend line that won't last forever,” he said.



Dozens of buildings across the Gold Coast need to be reviewed.

“We have been urging the government to get very serious about this.

“Each state is addressing this differently, however, so there is no consistent national response at all.

“There is now a chance that some buildings have a much higher risk level than that would be acceptable.”

The stance by insurance companies prompted a strong response from Federal Industry Minister Karen Andrews who said “they have been collecting premiums from building professionals for decades and can't just walk away now when the going gets tough”.

Ms Andrews said a meeting for long-term solutions would be held on the Gold Coast next month.

SUBSCRIPTION OFFER: GET FULL DIGITAL ACCESS + JABRA WIRELESS HEADPHONES

“As much as the states need to come up with solutions, the insurance industry should really step up here too,” she said.

More than 670 buildings on the Gold Coast, including the Q1 and both public hospitals, will need to be checked as part of phase two of the State Government’s combustible cladding audit. About 500 statewide must be inspected.

A meeting between the Government and industry heads this week determined there would be enough certifiers in the state even after insurers withdrew their support.

Construction giants Bob Ell and Soheil Abedian slammed the decision, saying it would create bottlenecks for approvals. Other industry leaders said it could also stall payments to tradies and raise building costs.



The insurance companies have sparked a strong response from Karen Andrews.
Picture Glenn Hampson

Mr Sullivan said not all households or unit complexes found with the cladding similar to that which sparked London’s Grenfell tower blaze in 2017, killing 72 people, had to be concerned.

“Just having this cladding does not mean you are at a high level or risk, it needs to be identified.

“Even if it is the worst type there might not be enough in the building or installed in a way that there is relatively low risk.”

OTHER NEWS

[Bartender's savage bashing of female customer](#)

[What to expect at Coast wedding expo](#)

[Mystery camp found in search for Theo](#)

Unit owners are still in for a long wait to see if cladding will impact on their premiums, he said.

“No insurers are pricing for a cladding risk at the moment, but I should that stress that is now,” he said.

“A jump in premiums for the handful of buildings once identified would be a market reaction to a high unmitigated risk.

“It is Queensland that is getting it right, pushing very hard it would be good to see the states doing the same.”

MORE IN NEWS



Everyone appearing in Southport court today



Why Coast missed the bus on manners