

Insurance Accessibility



Coonawarra Resort <accounts@coonawarraresort.com.au>

To submissions

Cc 'Manager | Coonawarra Resort'; manager@weekaway.com.au; pecimilos@hotmail.com



Fri 18/06/2021 11:09 AM

To whom it may concern,

I have been informed you are still accepting submissions to the Insurance Inquiry, and unfortunately we are experiencing many issues across our business' in regards to Insurance.

We manage two large regional School Camps / Bush retreats, one in the Macedon Ranges, the other is in East Gippsland. I have outlined their situations below.

### **Coonawarra Farm Resort, East Gippsland:**

We have been told by our Insurance Broker that we cannot obtain Property Insurance as we are deemed too high risk of Bushfires, or because our business is not suitable to their coverages. We have approached numerous other brokers and companies direct, even camps and adventure business specific companies- so many that I lost count after 50.

Our policy expired Jan 20, 2021.

We finally found a broker who has secured us Public Liability renewal so thankfully we can continue to operate, but they have advised their underwriter is not accepting new premiums in our area of coverage, so we do not know if we will be able to secure cover next year.

We had to organise independent surveys for Risk Analysis, various Arborist reports and electrical reviews at a cost of thousands of dollars and still have not secured any coverage.

We have been put in a very rough position of having to self-insure because of the inability to secure Insurance elsewhere - and we know we are not the only business this is happening to. Many are not financially stable enough to go down this road, they are simply closing.

Coonawarra Trail Rides, which leases land on our property but is a separate business, was forced to close as of the 26th of January because their Insurance premium has tripled in 12 months; making continuation completely impossible for the current owner. This business has been operating (as we have) for 40 years in East Gippsland, they have 4 local employees, and are a large drawcard in the local tourism market. The business has since been sold and is now operating again, but only as the purchaser was able to afford the new policy cost but she has said it's at more than a 30% increase to what she would normally be required to pay.

We provide employment to 20 local staff, but the impact of our business spreads much wider than that. We purchase almost all of our fruit and vegetables from Lazzaro's Fruiterer in Sale, our meat comes from Shaw's Butchers in Stratford, milk from the Bairnsdale Dairy, and other supplies from PFD, Safeway, Milestone and more - All local suppliers where we can. We use local trades when we need repairs, and with a place this big we are always repairing something! We provide accommodation to around 8000 people each year, many from outside of the local area who travel around the area while here and return to East Gippsland many times after the first visit.

We have been told by the broker we have used up our last option, and have been told we cannot obtain any property coverage at this time - Not even excluding bushfire or by insuring at a lower value than the market rate.

We have been told by the mortgaging bank that if we remain uninsured the owners may need to submit their personal houses as assets against the loan to maintain finance, which if a natural disaster

occurred could result in them losing not only their business and livelihoods, but also the roof over their head.

**Weekaway Camp, Macedon ranges:**

We were given 14 days' notice by QBE that they would not be renewing either our Public Liability or Property Insurances. Our covers ran out April 10 2021, 9 days later we finally secured Public Liability cover meaning we could resume trading  
This was at a 75% Increase on last year, even though nothing had changed, no new activities, no procedure changes -nothing.  
That was the only policy available to us so we had to take it.

For property we were in the same boat as Coonawarra, no one was willing to quote or consider any form of cover  
Reasons are varying, but the overwhelming majority are stating they are 'reducing their risk portfolios.'  
We had one quote regarding the property insurance at Weekaway, which we were forced to accept .  
Last year property cover cost us \$20K.  
This year its \$117,000, with a \$50K excess. That's a 485% Increase.  
And it excludes bushfire.

We need help, businesses like us need support to survive - it is simply inconceivable that the Insurance Industry remains without a standard Code of Practice, or is not answerable to a government review body when it has an alarming ability to decide if a business continues or not based solely on its whims. We are pleading for someone to listen, to start working towards a solution on behalf of us and all small businesses whom have been put in this position.

Kind Regards,

*Krystal Ciaglia*

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