



Smart Insurance Solutions For Strata Unit Owners

For more information

▶ 1 3000 COVER

▶ coverforce.com.au



COVERFORCE

Smart Insurance Solutions

Could you be paying too much for your Strata Insurance?

Understanding the real cost of commissions

Strata unit owners may be aware that some Strata Managers receive commissions from insurers for placing cover with them. The commissions Strata Managers receive can be up to 20% of the base insurance premium.

The payment of commission for arranging and handling insurance policies is standard across the insurance industry and not unlawful in any way. However, there are issues that arise from this practice that can end up costing strata unit owners in the long run.

1. Commissions attract additional charges

When your insurance premium includes commission, this also becomes subject to Fire Services Levy and Stamp Duty charges, further increasing the cost of your insurance.

2. Commissions may influence who provides your insurance

The payment of commissions for insurance can cause a conflict of interest for your Strata Manager. Do they seek the best value, most reliable coverage for your building; or, do they take the policy with the insurer who is paying the highest commission?

Transparent fees lower the cost of insurance

Coverforce offer a solution that saves strata unit owners money and delivers a quality service to Strata Managers. We can remove commissions from your insurance premium and replace them with a transparent broker service fee. The fee remains consistent irrespective of which insurer is selected and is not subject to Fire Services Levy or Stamp Duty charges.

| Fee Description | With Commission | Coverforce Proposal |
|--|-------------------|---------------------|
| Insurance Premium | \$10598.10 | \$10598.10 |
| Commission | \$2649.53 | \$0.00 |
| Fire Services Levy | \$1816.22 | \$1452.98 |
| GST | \$1506.38 | \$1385.12 |
| Stamp Duty | \$1490.11 | \$1370.29 |
| Broking Fee e.g 15% Negotiated by Client | \$0.00 | \$1589.71 |
| Broking Fee GST | \$0.00 | \$158.97 |
| Total Payable | \$18060.34 | \$16555.17 |

The real example above demonstrates how a transparent broker service fee saves our clients on the cost of their insurances.

For further information, please contact Julie Lumbis at Coverforce on 02 9376 7873.