



FREQUENTLY ASKED QUESTIONS



Short term rental properties Eligibility for ARPC Cyclone Pool

1. What are the ARPC's guidelines?

The Australian Reinsurance Pool Corporation (ARPC) has released the following publicly available information in respect of Body Corporates and short term letting:

"Is a strata building that contains short-term rental properties covered by the cyclone pool?"

Insurance that covers properties with owner occupied, short-term and/or long-term rental apartments are included in the cyclone pool where:

- *the insured is the body corporate or community title development; and*
- *at least 50 per cent of the floor space is residential or the commercial portion of the total policy sum insured is less than \$5 million."*

The ARPC also provides four separate examples of how Bodies Corporate may qualify for the pool. These can be found online at <https://arpc.gov.au/reinsurance-pools/cyclone/cyclone-pool-faqs/> under the heading "Is a strata building that contains short-term rental properties covered by the cyclone pool?"

The following qualification is also made by the ARPC:

"Whether a unit that is located on a strata or community title development, and that

unit is used for short-stay accommodation or holiday rentals, is considered residential for the purposes of the 50 per cent floor space threshold, depends on whether that lot is used wholly or mainly for residential purposes. The Act does not define residential purposes, and this provides flexibility for insurers in implementation."

2. How does CHU define residential use compared to commercial?

If a Body Corporate has units subject to short-term letting whereby there are employees, contractors or similar personnel onsite that provide hotel-type services relating to managing the day-to-day operation of the complex, we would consider this as a commercial exposure.

Some of these services may include reception desk/concierge, room service, linen changing or housekeeping services.

3. Has CHU underwriting guidelines changed with respect to short term letting since introduction of cyclone pool?

No – CHU's guidelines remain unchanged from before the cyclone pool was conceptualised and implemented.

4. Will these guidelines be reviewed?

CHU and QBE are in frequent communication with ARPC representatives with respect to the cyclone pool, including our underwriting guidelines around short-term letting.

There are no plans to make any changes to these existing guidelines.

We will continue to engage with the ARPC and any changes to the cyclone pool more generally that impacts on strata would be communicated at that time.

5. How do customers make a complaint?

By Phone: 1300 193 174

By Email: complaints@chu.com.au

By Post: PO Box 500, North Sydney, NSW 2059 or Level 33, 101 Miller Street, North Sydney NSW 2060

For full information on our complaints process please visit the links below.

<https://www.chu.com.au/resource/complaints-and-disputes/>

CONTACT CHU

BROKER AND STRATA MANAGER ENQUIRIES

Phone: 1300 361 263 (9am–5pm AEST)

Email: info@chu.com.au

DIRECT CUSTOMER ENQUIRIES

Phone: 1300 289 248 (9am–7pm AEST)

Email: sales@chu.com.au

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