

Oaths Act 1867

Statutory Declaration

QUEENSLAND

TO WIT

I James Bruce Merchant, care of CGU Insurance, 181 William Street, Melbourne in the State of Victoria, do solemnly and sincerely declare that:

- 1 I am employed by Insurance Australia Group Limited as National Claims Manager for CGU Insurance Ltd.
- 2 I provide this declaration in relation to the requirement by Commissioner Justice C E Holmes to Insurance Australia Group Limited dated 27 September 2011 and received at 4pm that day in relation to the Queensland Floods Commission of Inquiry (**the requirement**). Attached to this Statutory Declaration and marked '**Annexure1**' is a copy of the requirement.
- 3 I also refer to Peter Harmer's statutory declaration dated 3 October 2011 (**Peter Harmer's statutory declaration**) and refer to that statutory declaration where relevant in this one.

Background

- 4 At the time of the Queensland Floods (December 2010 and January 2011) I was employed by Insurance Australia Group Limited in the above role.
- 5 I have been employed by Insurance Australia Group for approximately 16 months since May 2010.
- 6 I have reviewed CGU's records relating to Ms Sally Doyle's claim. I have prepared this statement and all other statements to the Commission to date to the best of my knowledge based on the limited time given by the Commission to respond to these requirements. Having reviewed the material I am able to say the following.

Question 1 - Ms Doyle's account of the claim

- 7 Our account of the events surrounding Ms Doyle's claim varies in some aspects from the account set out in the request. We have set out our account of the events under Question 2 below.

Question 2 - Chronology of Ms Doyle's claim

- 8 On 13 January 2011, a Claims Lodgement Consultant based in Parramatta received a call from Ms Doyle's insurance broker (**Rocksure**) (**13 January 2011 conversation**). Annexed to the Statutory Declaration and marked '**Annexure 2**' is a copy of the audio recording of the 13 January 2011 conversation. Also included in Annexure 2 is a recording dated 1 February 2011 which is referred to in paragraphs 21 and 99. Rocksure are an independently licensed insurance broker. The consultant recorded the inquiry by Rocksure in the Claim Information System Records (**CIS Records**). Attached to this Statutory Declaration and marked '**Annexure 3**' is a copy of the CIS records for Ms Doyle's claim for the period of 13 January 2011 to 23 September 2011. Each entry made in the CIS Records is given a date and time stamp to indicate when the information was saved. This is done automatically by the system. The CIS Records, once saved by the system, cannot be altered.
- 9 On 14 January 2011, our centralised Landlords Team, received an email from Rocksure via a LOTUS NOTES application. The Landlords Team's role was to manage claims from the Financial Institutions and Affinity Partners and to receive overflow calls for Queensland Broker Landlord claims, particularly when the Brisbane

CGU office was flooded. LOTUS NOTES is a program used to communicate with insurance brokers. The email from Rocksurre purported to attach an email from Ms Doyle providing a detailed description of the inundation of her house and attaching a photograph of the house inundated with water. Annexed to the Statutory Declaration and marked '**Annexure 4**' is a copy of the screen image taken from LOTUS NOTES. This email was loaded onto the CIS Records on 15 January 2011.

- 10 The email from Rocksurre did not attach the email from Ms Doyle. On 21 January 2011 we sent an email to Rocksurre asking for a copy of Ms Doyle's email. See paragraph 20 below.
- 11 On 17 January 2011, Ms Doyle's claim was referred to the Claims Management Centre Queensland.
- 12 On 18 January 2011, the Landlords Team received a call from Rocksurre (**18 January 2011 conversation**). Annexed to the Statutory Declaration and marked '**Annexure 5**' is a copy of the audio recording of the 18 January 2011 conversation. During this conversation, Rocksurre was advised that the claim would be handled by a dedicated Flood Team which at that stage was not yet up and running. Rocksurre was advised that assessors were not being appointed at that time as the Flood Team had not yet been set up and that the team would be contacting people from Thursday 20 January 2011.
- 13 CGU's Queensland Claims Management Centre, which is located in South Bank was also affected by the floods. Staff was evacuated and unable to return to work at that office until 18 January 2011. Work commenced to establish the Flood Team as soon as the office reopened on 18 January 2011. The Flood Team was specifically established to handle the increased volume of claims arising from the Queensland floods. The 10 person team was comprised of a team of 8 claims consultants, a technical team manager, and a team manager.
- 14 On 18 January 2011, Ms Doyle's claim was referred to the Flood Team Worklist ready to be reviewed by the Flood Team once they were operational.
- 15 On 19 January 2011, Ms Doyle's policy was reviewed to confirm that her premium payments were up to date. At that time, the incident description was also reviewed and a note was made on the CIS Records that it was a potential flood claim and that further action was required by the Flood Team.
- 16 On 20 January 2011, Ms Doyle telephoned our centralised Landlords Team asking for an update (**Telephone call from Ms Doyle**). Annexed to the Statutory Declaration and marked '**Annexure 6**' is a copy of the audio recording of the telephone call from Ms Doyle. During that call, Ms Doyle was advised that a flood team in Queensland would be handling her claim and that the consultant would email them to call her back. At the conclusion of the telephone call, the consultant sent an email to the Flood Team. The email was reviewed by the Flood Team on 22 January 2011 (see CIS records Annexure 3).
- 17 On 21 January 2011, we sent an email to Rocksurre asking for a copy of Ms Doyle's email containing the further information about the circumstances of her claim. Annexed to the Statutory Declaration and marked '**Annexure 7**' is a copy of a screen image containing our email to Rocksurre.
- 18 On 24 January 2011, a Claims Management Team consultant, [REDACTED] based in Brisbane received a telephone call from Rocksurre (**24 January 2011 conversation**). Annexed to the Statutory Declaration and marked '**Annexure 8**' is a copy of the audio recording of the 24 January 2011 conversation. During that call, Rocksurre was advised that the Flood Team were contacting people as soon as

possible but due to the volume of claims there was no time frame. Rocksure was advised that Ms Doyle was in recovery 'Group 2' and was in the queue to be contacted.

- 19 The 24 January 2011 conversation was recorded as it came through to the Personal Lines (including Retail Landlords) Team, which operate from level 10 of the Brisbane office. Level 10 had call recording capability during the January floods, whereas level 11 did not.
- 20 On 25 January 2011, we received an email from Rocksure attaching a copy of the email from Ms Doyle. The email contained information about Ms Doyle's claim. Annexed to the Statutory Declaration and marked '**Annexure 9**' is a copy of a screen image containing the email from Rocksure including the email from Ms Doyle and the photograph of her property.
- 21 On 1 February 2011, the Landlords Team received a telephone call from Rocksure seeking an update on Ms Doyle's claim. The consultant who received this call then sent an email to the Flood Team asking that they contact Rocksure and provide an update on Ms Doyle's claim. Rocksure was advised that someone would call them back later that day or first thing the following morning. A copy of the email is contained in the CIS records (see Annexure 3). An audio recording of that telephone conversation is included in Annexure 2.
- 22 On 1 February 2011, the Flood Team telephoned Rocksure who confirmed that they were happy for CGU to contact Ms Doyle directly and provided us with her mobile number.
- 23 On 1 February 2011, we commenced a review of the file which included reviewing a series of Nearmaps showing the proximate location of Ms Doyle's property to the Brisbane River and where the river broke its banks. Annexed to the Statutory Declaration and marked '**Annexure 10**' is a copy of the Nearmaps. The proximate location of Ms Doyle's property is indicated by a red circle.
- 24 On 1 February 2011, the Flood Team attempted to contact Ms Doyle by telephone. Ms Doyle did not answer the phone and a voice mail message was left for her.
- 25 On 1 February 2011, the Flood Team received a telephone call from Ms Doyle. During this telephone call, Ms Doyle's provided responses to the customer question set. Attached to this Statement and marked '**Annexure 11**' is a copy of our customer question set. During the conversation, Ms Doyle advised that she was aware that her policy did not cover flood and that the water had reached 50cm from the roof of the house. Ms Doyle also told us that rain water runoff went through the property prior to the flood waters. At the conclusion of the conversation, we asked Ms Doyle for the details of the tenant who resided at the house at the time it was inundated with water. At the end of the call we sent an email to Rocksure providing details of this conversation. In that email the consultant noted that CGU would be considering Ms Doyle's claim further and that we would await the contact details of the tenant to obtain further information about the damage. Annexed to the Statutory Declaration and marked '**Annexure 12**' is a copy of the email dated 1 February 2011 to Rocksure.
- 26 On 2 February 2011, the Flood Team received a telephone call from Ms Doyle. During that conversation, Ms Doyle advised that the water that inundated her property was from storm water which occurred prior to the flood and that this water ruined the floors and walls. Ms Doyle advised that she wanted to dispute CGU's interpretation of her insurance policy and the definition of flood. She further told us that she would provide us with the details of her tenant so that further information could be gathered about the claim. Given the information provided, a note was made in the CIS records that an assessor may need to be appointed.

- 27 On 4 February 2011, we received an email from Rocksure, attaching an email letter from Ms Doyle dated 4 February 2011. Annexed to the Statutory Declaration and marked '**Annexure 13**' is a copy of the email from Rocksure and the letter from Ms Doyle. In that letter, Ms Doyle set out a number of concerns about the management of her claim.
- 28 On 5 February 2011, we reviewed Ms Doyle's email letter and the claims consultant recommended to the team manager that an assessor be appointed.
- 29 On 8 February 2011, a Claims Management Team based in Brisbane received a telephone call from CGU Rockhampton inquiring about the status of Ms Doyle's claim. The consultant was advised that the claim had been referred to the Flood Team and that an assessor may be appointed. The consultant also noted that CGU were awaiting the contact details of Ms Doyle's tenant so that CGU could gather further information about the circumstances of the inundation from someone who was present at the house at the time.
- 30 On 10 February 2011, the Flood Team Leader approved the appointment of an assessor in relation to Ms Doyle's claim. We instructed Crawford & Company to investigate Ms Doyle's claim via a LOTUS NOTES allocation. LOTUS NOTES is a program used to communicate instructions to assessors. This program delivered a Property Assessment Notification to Crawford & Company (**Property Assessment Notification**). Annexed to the Statutory Declaration and marked '**Annexure 14**' is a copy of the Property Assessment Notification.
- 31 On 10 February 2011, the Property Assessment Notification to Crawford & Company was cancelled due to delays with assessments being carried out by Crawford & Company.
- 32 On 10 February 2011, the Flood Team sent an email to Rocksure using the Lotus Notes application providing Rocksure with an update on the status of Ms Doyle's claim. As set out in that email we appointed Crawford & Company to assess the damage to her home and to gather information from the tenant or property manager and to provide a report on the cause and extent of the damage. Annexed to the Statutory Declaration and marked '**Annexure 15**' is a copy of the screen image taken from Lotus Notes of the email on 10 February 2011.
- 33 On 10 February 2011, a Claims Management Consultant in the Queensland Landlords Team based in Brisbane received a call from CGU Rockhampton inquiring about the status of Ms Doyle's claim. The consultant was advised that an internal assessor had been appointed. The Rockhampton consultant advised that he would contact Rocksure to advise.
- 34 On 10 February 2011 we received a letter from Ms Doyle titled 'Open Letter to CGU and the Rock Building Society'. Attached and marked '**Annexure 16**' is a copy of the letter from Ms Doyle dated 10 February 2011 and email train. We informed Ms Doyle in that email train that a CGU assessor had been allocated to attend the property and assess the cause and extent of damage prior to a decision being made.
- 35 On 10 February 2011, a Claims Management Consultant in the Queensland Landlords Team based in Brisbane received a telephone call from Rocksure asking for a copy of CGU's decline letter. Rocksure was advised that CGU had not formally declined the claim and that an assessor had been appointed to provide a report on the cause of the damage.
- 36 On 11 February 2011, CGU's Assessing Department contacted Ms Doyle by telephone to arrange a time for the assessor to visit her property. Ms Doyle advised that she would provide us with her tenant's details to make a suitable time. Ms Doyle

was advised that an assessment time was available for 11am on Monday 14 February 2011. Ms Doyle advised that she would contact the tenant and let us know if the assessment time was convenient.

- 37 By 14 February 2011, we had not been provided with the tenant's contact details. Therefore, on 14 February 2011, CGU's Assessing Department telephoned Ms Doyle as she had not yet contacted us to provide the details of her tenant so that an appointment time could be made to assess the property. Ms Doyle was provided with the mobile telephone number of the Team Manager so that she could call direct to book an assessment time.
- 38 On 14 February 2011, a meeting was held at Mrs Doyle's property, details of that meeting are referred to in Peter Harmer's statutory declaration.
- 39 On 15 February 2011, Ms Doyle telephoned CGU's Assessing Department to provide us with suitable times so that we could arrange for an assessor to assess the property.
- 40 On 15 February 2011, we made a time with our internal assessor and left a voicemail message for Ms Doyle booking the assessment time. The assessment was booked for 16 February 2011.
- 41 On 16 February 2011, our internal assessor attended Ms Doyle's property to carry out the assessment. The assessor prepared a report (**Assessor's Report**). Annexed to the Statutory Declaration and marked '**Annexure 17**' is a copy of the Assessor's Report. The assessor recommended that a hydrologist be appointed to determine if there was any storm water inundation prior to flood water inundating the property.
- 42 On 16 February 2011, CGU's internal assessor sent an email to the Flood Team attaching photographs taken during the assessment. These photographs also included photographs taken by Ms Doyle and handed to the assessor during the site visit. Annexed to the Statutory Declaration and marked '**Annexure 18**' are copies of the photographs taken during the assessment. Annexed to the Statutory Declaration and marked '**Annexure 19**' are copies of the photographs handed to the assessor by Ms Doyle.
- 43 On 16 February 2011, we appointed a hydrologist, Worley Parsons, to prepare a report on Ms Doyle's claim. Annexed to the Statutory Declaration and marked '**Annexure 20**' is a copy of the Property Assessment Notification sent to Worley Parsons to prepare a hydrology report on Ms Doyle's claim.
- 44 On 1 March 2011, the Flood Team telephoned Worley Parsons to obtain an update on the Hydrology report. We also sent an email to Worley Parsons seeking an update.
- 45 On 2 March 2011, the Flood Team received a telephone call from Rocksure inquiring about the status of Ms Doyle's claim. We advised Rocksure that we were still awaiting the hydrology report and that once it was received it would be provided to senior management team to review and that we would contact Rocksure and Ms Doyle.
- 46 On 10 March 2011, we received a copy of Worley Parsons Hydrology Report relating to the January 2011 Storm, [REDACTED] Gray Road, West End Queensland dated 9 March 2011(**Hydrology Report**). Annexed to the Statutory Declaration and marked '**Annexure 21**' is a copy of the Hydrology Report relating to the January 2011 Storm. The report concluded that Ms Doyle's property was inundated by water from the Brisbane River. The report also noted that a small portion of water may have entered in through the side of the basement level of the house, causing damage to such items as the air conditioner, prior to the site being inundated by the Brisbane River. The

report was reviewed by a Technical Manager who recommended that Worley Parsons be contacted to obtain the likely depth of the initial storm water inundation in the basement level of the house.

- 47 On 10 March 2011, we sent an email to Worley Parsons asking for advice on the likely depth of the initial storm water inundation to the basement level of the house. A copy of the email is contained in the CIS records (see Annexure 3).
- 48 On 16 March 2011, we received an email from Legal Aid Queensland (**LAQ**) advising that it was acting for Ms Doyle and requesting copies of documents related to her claim (**LAQ email**). Annexed to the Statutory Declaration and marked '**Annexure 22**' is a copy of the LAQ email. I am informed by the Team Manager for the Flood Team that to the best of her knowledge, this material was provided.
- 49 On 22 March 2011, we received an email from Ms Doyle seeking an update on her claim. Annexed to the Statutory Declaration and marked '**Annexure 23**' is a copy of the email from Ms Doyle dated 22 March 2011.
- 50 On 22 March 2011 we contacted Worley Parsons to obtain an update on the Hydrology Report. We left a voice mail message and also followed up with an email. A copy of the email is contained in the CIS records which are Annexure 3 to this Statutory Declaration.
- 51 On 23 March 2011, we received a message to contact Ms Doyle. We attempted to contact Ms Doyle by telephone and left her a message to return our call.
- 52 On 23 March 2011, the Flood Team received a telephone call from Ms Doyle. During that telephone conversation Ms Doyle was advised that we had received the Hydrology report and that the report confirmed that minor storm water runoff may have entered in through the side of the basement level of the house and that we were waiting on the level of that water from the hydrologist. During that telephone call, Ms Doyle informed us that she believed that the front tiled patio area of the property was also affected by the storm water. We informed Ms Doyle that according to the Hydrology report, only the back area was affected by the minor storm water runoff. A copy of the Hydrology Report was emailed to Ms Doyle. Annexed to the Statutory Declaration and marked '**Annexure 24**' is a copy of the email to Ms Doyle dated 23 March 2011.
- 53 On 23 March 2011, we emailed Worley Parsons with Ms Doyle's question about the front patio damage. Annexed to the Statutory Declaration and marked '**Annexure 25**' is a copy of the email to Worley Parsons dated 23 March 2011.
- 54 On 30 March 2011 the Flood Team telephoned Worley Parsons to follow up on Ms Doyle's query about the front patio damage. Worley Parsons advised that they would provide us with this information as soon as possible.
- 55 On 6 April 2011 the Flood Team again telephoned Worley Parsons to follow up on the additional information requested.
- 56 On 15 April 2011, we received a copy of the Worley Parsons Hydrology Report Relating to the January 2011 Storm - Addendum (**Addendum Report**). Annexed to the Statutory Declaration and marked '**Annexure 26**' is a copy of the Addendum Report.
- 57 On 15 April 2011, we emailed Worley Parsons to clarify a spelling error in the Addendum Report (See Annexure 26). A copy of the email is in the CIS records (see Annexure 3).
- 58 On 18 April 2011, we sent an email to Worley Parsons asking that they clarify the term 'window sill' in the report as the pictures of the property did not depict a window

sill but rather a 'sill'. A copy of this email is contained within the CIS records as Annexure 3. As the window sill referred to in the Addendum Report made it clear that it related to the basement, we did not seek for that to be clarified in a further report.

- 59 On 27 April 2011, the Flood Team contacted Ms Doyle and informed her that the Addendum Report had been received and that her claim had been denied. Ms Doyle asked that her file be referred to CGU's Internal Dispute Resolution team for review and provided us with an updated address to contact her.
- 60 On 27 April 2011, we also advised Ms Doyle of the determination in writing by letter dated 27 April 2011(**written notice of determination**). Annexed to the Statutory Declaration and marked '**Annexure 27**' is a copy of the written notice of determination.
- 61 A copy of our 'handling your complaint' brochure was enclosed with the written notice of determination. Annexed to the Statutory Declaration and marked '**Annexure 28**' is a copy of the 'handling your complaint' brochure.
- 62 Our decision to deny Ms Doyle's initial claim was based on the following expert and other evidence:
- 62.1 Ms Doyle's responses to the customer question set (see Annexure 11),
 - 62.2 Worley Parsons South East Queensland Weather Event Report dated 18 February 2011 (**the South East Queensland hydrology report**). Annexed to the Statutory Declaration and marked '**Annexure 29**' is a copy of the South East Queensland hydrology report,
 - 62.3 Hydrology Report relating to the January 2011 Storm (see 'Annexure 21'),
 - 62.4 Addendum Report (see Annexure 26),
 - 62.5 Flood mapping provided by the Insurance Council of Australia (**ICA**), which indicated that Ms Doyle's property was situated in a flood affected area. Annexed to the Statutory Declaration and marked '**Annexure 30**' is a copy of a flood map provided by the ICA;
 - 62.6 Aerial photography available from www.nearmap.com (see Annexure 10); and
 - 62.7 Google maps (satellite imagery). Annexed to the Statutory Declaration and marked '**Annexure 31**' is a copy of the Google map.
- 63 Ms Doyle had been provided with a copy of the Hydrology Report on 23 March 2011 and was not provided with other documents at the time we provided her with the written notice of determination (see Annexure 21).

Question 3 - Insurance policy

- 64 Annexed to the Statutory Declaration and marked '**Annexure 32**' is a copy of Ms Doyle's Policy Schedule and Product Disclosure Statement which applied as at January 2011.

Question 4 - Copies of records

- 65 Annexed to the Statutory Declaration are copies all audio recordings in respect of the claim between Ms Doyle and CGU (Annexure 6), Ms Doyle and CGU's agents (none) and between CGU and Rocksure (Annexures 2, 5 and 8). Emails are annexed (see Annexures 16, 23, 34 and 35).
- 66 Records relating to the internal dispute resolution reviews are dealt with at Question 22 below.

67 Records relating to Ms Doyle's complaint to the Financial Ombudsman Service are dealt with at Question 23 below.

Question 5 - Communication with Ms Doyle

68 I have set out above under Question 2 details of all contact CGU had with Ms Doyle.

Question 6 - Assessors reports and Hydrology Reports

69 Annexed to the Statutory Declaration and marked as Annexure 17, Annexure 21 and Annexure 26 are copies of all site specific reports obtained for the purposes of determining Ms Doyle's claim.

Question 7 - Media releases relating to Ms Doyle

70 CGU did not issue any media releases related to Ms Doyle. CGU did release a media release on 22 February 2011 addressing a number of concerns raised by policy holders and CGU's response. Annexed to the Statutory Declaration and marked 'Annexure 33' is a copy of the Media Release dated 22 February 2011.

Question 8 - Correspondence received from any Government Department relating to Ms Doyle's claim

71 CGU has not received any correspondence from any Government depart, agency, section or personnel regarding Ms Doyle's claim apart from those communications from Legal Aid Queensland and FOS which are attached to this statutory declaration.

Question 9 - Triage process

72 As set out in my statutory declaration dated 21 September 2011, CGU set up a number of processes to assist in responding to customers claims as soon as possible. One of these processes was to set up the Flood Team processing centre with access to regional hydrology reports, flood mapping data, aerial photography, and time-lined aerial photography to accurately assess claims relevant to some areas and inform customers of the outcome as quickly as possible. This was also designed to reduce the time it would take us to process claims, improving outcomes for our clients and to ensure accurate and consist decision making across the entire event.

73 Another part of this process was the use of the 15 Question Set. These questions were also designed to ensure that we obtained relevant and consistent information from policy holders lodging claims.

74 This process was applied to all claims that were identified as having a high probability of flood based on the information obtained at lodgement from the customer.

Question 10 - Steps taken to investigate Ms Doyle's Claim and whether her claim was initially denied on 1 February 2011

75 The steps taken to investigate Ms Doyle's claim are set out under Question 2 above.

76 Ms Doyle's claim was denied on 27 April 2011 and was confirmed by the Internal Dispute Resolution department on 5 May 2011.

Question 11 - Ms Doyle's Claim

11.1 Was Ms Doyle's claim under review as at 10 February 2011?

77 As set out above, as at 10 February 2011, Ms Doyle's claim was still under review.

11.2 What was the review and was Ms Doyle informed about the review?

78 As set out at above, on 10 February 2011, an internal assessor had been allocated and instructed to provide a report on the cause of the damage to her property. On the same day, we informed Rocksure that an assessor had been appointed.

79 As set out above, we informed Ms Doyle of this process on 11 February 2011, when we telephoned her to arrange a time for the assessor to attend to assess her property.

Question 12 to 17 - Decision to appoint an assessor

80 Consideration was given as to whether an assessor was required prior to 10 February 2011, however an assessor was not appointed until 10 February 2011.

81 The decision to appoint an assessor was not made until 10 February 2011 as up until that time we were still attempting to gather information from Ms Doyle's tenant about the circumstances of the damage to her property. We needed information from the person who was present at the property at the time of the inundation to be able to thoroughly assess her claim. Due to the strong demand on scarce assessing resources, instructions to assessors had to be carefully and prudently managed.

82 Despite evidence which demonstrated that Ms Doyle's property had been inundated by flood water, an assessor was appointed to gather further information, particularly from her tenant, about the circumstances of Ms Doyle's claim.

83 As set out at paragraph 30, Crawford & Co were originally appointed to assess Ms Doyle's property. At that time, we were aware that Crawford & Co were also inundated with work allocations due to the number claims. On that basis, we appointed an internal assessor. Internal assessors were appointed using a spreadsheet process which listed the properties to be assessed.

84 The only factor which influenced whether an internal or external assessor was appointed was the speed at which the assessment could take place and the workload of the various assessors.

Question 18 - Policy relating to call recordings

85 Claims Lodgement and Business and usual Landlord Claims Management calls relating to the Queensland floods were recorded, as these calls were handled by consultants working in locations which had call recording capability.

86 The Flood Team which was established to handle claims related to the Queensland Floods did not have call recording capabilities. The flood team was set up at short notice in a separate room at the CGU office at Southbank Brisbane. The room was not equipped with call recording capability.

87 Since August 2011, the CGU claims teams on level 11 of our Brisbane Office has had call recording capability following an upgrade in server technology.

Question 19(.1 to .6) - Tape recordings with Ms Doyle

88 The telephone recording between CGU and Ms Doyle to the Landlords team, is annexed as Annexure 6. This is the only audio recording we have between CGU and Ms Doyle. Any other calls from Ms Doyle were received by staff in the Flood Team in a separate room of our Brisbane office which was set up to cater for the large volume of anticipated claims and did not have call recording functionality.

89 I understand that at the time of the Queensland Floods, callers to CGU Landlord Lodgements were advised by a recorded message that their call may be recorded. Call recording was first introduced across various claims units within CGU in July 2004.

90 Attached to this Statutory Declaration and marked Annexure 2, Annexure 5 and Annexure 8 are copies of call recordings made between CGU and Rocksure.

91 I understand that the first occasion Ms Doyle requested a copy of call recordings was in an email to the Flood Team on 23 February 2011. Annexed to this Statutory

Declaration and marked '**Annexure 34**' is a copy of the email chain containing the email from Ms Doyle dated 23 February 2011.

- 92 On that same day, the Flood Team responded to Ms Doyle's request informing Ms Doyle that not all calls are recorded but that her request would be forwarded to the Team Manger to be actioned (see email chain Annexure 34).
- 93 On that same day, the Flood Team received an email from Ms Doyle setting out a number of concerns she had with the management of her claim and asking that the provision of call recordings be expedited. Annexed to this Statutory Declaration and marked '**Annexure 35**' is a copy of the email chain between Ms Doyle and the Flood Team dated 23 February 2011 which contains Ms Doyle's email.
- 94 On that same day, the Flood Team responded to Ms Doyle's email informing her that the request had been escalated to the Claims Manager. (see email chain Annexure 35).
- 95 On 1 March 2011, Peter Harmer, Chief Executive Officer, sent a letter to Ms Doyle providing my contact details to Ms Doyle and inviting her to contact me to obtain copies of recordings held by CGU. Annexed to this Statutory Declaration and marked '**Annexure 36**' is a copy of the letter from Peter Harmer to Ms Doyle dated 1 March.
- 96 On 19 September 2011, I received an email from Ms Doyle requesting copies of audio recordings between herself and any CGU staff and/or Rocksure. This was the first request for the recordings I had received from Ms Doyle after Mr Harmer wrote to her on 1 March 2011. Annexed to this Statutory Declaration and marked '**Annexure 37**' is a copy of an email chain between myself and Ms Doyle dated 19 September 2011 containing Ms Doyle's email to me.
- 97 On 26 September 2011, I sent an email to Ms Doyle attaching the audio recording attached to the Statutory Declaration. (See Annexure 6 and email chain Annexure 37). In that email I explained that I would need to seek permission from Rocksure in order to release audio recordings which contained conversations with Rocksure staff.
- 98 Later that day, I received an email from Rocksure approving the release of the audio recordings to Ms Doyle. On that same day, I sent an email to Ms Doyle attaching two further audio recordings between CGU and Rocksure. Annexed to this Statutory Declaration and marked '**Annexure 38**' is a copy of the email chain dated 26 September 2011.
- 99 In the process of preparing this statement and reviewing the emails I sent to Ms Doyle attaching the audio recordings, I have become aware that I did not send a copy of the claim lodgement audio recording between CGU and Rocksure annexed to my statement (see Annexure 2). This was an oversight on my part. A copy of this recording has now been provided to Ms Doyle. Further, also in preparing this statement, we have located another recording between CGU and Rocksure dated 1 February 2011 which is included with Annexure 2.

Question 20 - Worley Parsons

- 100 Worley Parsons carried out a site inspection at Ms Doyle's property on 24 February 2011. Present at that site inspection were:
- 100.1 [REDACTED] - Engineer - Bachelor of Engineering (Civil)(Hons 1) University of New South Wales; and
- 100.2 [REDACTED] - Senior Engineer - Bachelor of Engineering (Environmental) University of Queensland.

101 The report was reviewed by [REDACTED] – Principal Hydrologist – Bachelor of Science (Hons) Queens University, Kingston, Ontario, Canada.

102 The report was approved to be released by [REDACTED] – Principal Consultant – Bachelor of Engineering (Civil)(Hons 1) University of Technology, Sydney.

Question 21 - Decision to deny Ms Doyle's Claim

103 Ms Doyle's claim was determined on 27 April 2011. Until that day, CGU were awaiting the Hydrology Report and the Addendum Report. We required the Addendum Report as Ms Doyle claimed patio damage that was not covered in the Hydrology Report and we needed to investigate this claim.

104 The steps taken to determine Ms Doyle's claim are set out above in response to Question 2.

105 A copy of the Hydrology Report was provided to Ms Doyle on 23 March 2011 (see Annexure 24).

106 There were no impediments to determining Ms Doyle's claim.

107 We contacted Ms Doyle on 27 April 2011 by telephone and informed her that her claim had been denied. This call was not recorded as the Flood Team did not have call recording functionality. Ms Doyle was also sent a written notice of determination (see Annexure 27) on that same day.

Question 22 - Internal Dispute Resolution

108 Ms Doyle first submitted her complaint, initiating the internal dispute resolution process on 27 April 2011 during her telephone call with us in which we informed her of our decision to deny her claim. The claims department then advised our Decision Review Office, the department responsible for Internal Dispute Resolutions (IDR) that Ms Doyle wished to dispute the decision to deny coverage on the basis that the damage sustained to her house and property was due to flood.

109 A determination was made regarding the review of our decision to reject Mrs Doyle's claim on 5 May 2011. The determination was to maintain denial of the claim. On 5 May 2011 we sent a letter to Ms Doyle setting out Ms Doyle's claim and CGU's decision to deny her claim (**5 May 2011 letter**). Annexed to the Statutory Declaration and marked '**Annexure 39**' is a copy of the 5 May 2011 letter.

110 Ms Doyle was not provided with copies of documents which were reviewed as part of the IDR process.

111 The information we relied on is set out at paragraph 62 above.

Question 23 - Financial Ombudsman Service

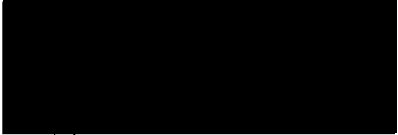
112 On 21 September 2011 we received notice from the Financial Ombudsman Service (FOS) titled "Dispute lodged by: Ms Sally Doyle" (**FOS Notice**). Annexed to the Statutory Declaration and marked '**Annexure 40**' is a copy of the FOS Notice.

113 This process is still ongoing. CGU is required to respond to the FOS Notice by 21 October 2011.

Further Records held by CGU

114 On 2 August 2011, we received a letter from LAQ on behalf of Ms Doyle advising that it was acting for Ms Doyle and requesting copies of documents related to her claim and asking that her claim be reviewed (**LAQ Letter**). In that letter, LAQ advised that they would be providing us with material to support their request. To date, no further material has been provided. Annexed to the Statutory Declaration and marked '**Annexure 41**' is a copy of the LAQ Letter.

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1867* (Qld).



Signature of declarant

Taken and declared before me at Brisbane

this 3rd day of October 2011.



Justice of the Peace/Commissioner for Declarations/Solicitor