STATEMENT OF JAMES JOSEPH HIGGINS IN RESPONSE TO REQUIREMENT TO PROVIDE INFORMATION ISSUED TO SUNCORP INSURANCE DATED 10 OCTOBER 2011

JAMES JOSEPH HIGGINS, c/- Suncorp, Level 31, 266 George Street, Brisbane, states on oath:

- 1. I am the Executive Manager, Queensland Event Recovery for Suncorp Personal Insurance, a division of the Suncorp Group.
- 2. I have authority on behalf of Australian Associated Motor Insurers Limited (AAMI) to respond to the Requirement to Provide Information issued by the Commission of Inquiry dated 10 October 2011 and addressed to the Suncorp Group.
- 3. This response relates to information received by the Queensland Flood Commission of Inquiry from Mr Gary Lobley in relation to a AAMI Home and Contents insurance policy.
- AAMI's records show that AAMI issued a Home Building Insurance Policy and Contents Insurance Policy (the policy) to Mr Gary Lobley (the customer) for the period 1 April 2010 to 1 April 2011 under policy number and the property at Inskip Street, Rocklea, 4106 (the property).
- 5. The property was insured as follows:
 - a. Complete Replacement Cost (CRC) for building;
 - b. \$1,000.00 for locating water leaks;
 - c. --- \$1,000.00 for damage to garden beds, trees, shrubs and other plants
 - d. \$72,850.00 for general contents; and
 - e. \$6,700.00 for limited cover specified items.
- 6. The following excesses applied to the policy:
 - a. \$1,000.00 unoccupied excess (if applicable).
- 7. Mr Lobley has given information to the Commission which is set out in points 1 to 10 of the Commission's letter directed to me dated 10 October 2011.

Question 1: In respect of the above information, please set out anything with which Mr Higgins disagrees, and the reasons why.

8. The following table summarises the communications between AAMI and Mr Lobley in relation to the progress of his claim.

| | QFCI | actuality JM | |
|-----------|--------------|--------------|---|
| 6181491/1 | Dat | te: | |
| · · · | Exhibit Numb | ber:8~18 | - |

| Date | Mode of communication | Communication details |
|--|-----------------------|---|
| 15/1/2011 [#] [#] See Note | Telephone | Customer called and lodged claim. Call consultant noted that "IO [insured owner] aware that riverine flood not covered". |
| | | The Customer reported "due to the floods my home has been damaged". |
| | | # Note: This claim was created on 15/1/11. This is a system generated date (refer <i>Complete Date</i> and <i>Date Reported</i>). The claims note that shows the first call was received on 12/1/11 (line 00001) is incorrect and will be due to a manual entry error by the operator. The system generated create date is the first date on a claim and call dates cannot precede this date. |
| 20/1/2011 | Telephone | Called customer, left message with customer's friend that assessment has been booked. |
| 23/1/2011 | Telephone | The CL assessor contacted the insured at 3:45pm (presumably to book an assessment date). |
| 29/1/2011 | Telephone | Customer called and was advised that assessor booked for 3/2/1011. Customer advised this date is not suitable as he has to attend a funeral and would like AAMI to arrange another day for assessment. He would prefer an earlier assessment. |
| 31/1/2011 | Telephone | Customer called seeking advice on rebooking assessment. Was advised message has been sent to the assessment team to pass on to the assessor. |
| 11/2/2011 | Telephone | Customer called wanting to know result of assessment report as had been advised AAMI would have report by last Monday. Advised would follow up report. |
| 15/2/2011 Claim now managed by AAMI event team | Telephone | Customer called and was advised that assessment report had been received. Customer was aware that next step is to wait for hydrology report. Customer was aware that riverine flood not covered. Customer today advised that his bottom level was flooded first from a drain in his road, provided details of timing of this. |

| | | Customer was advised that if AAMI can confirm water from drain entered the home, may be able to contribute to repairs but necessary to wait for hydrology report. |
|-----------|-----------|--|
| 28/2/2011 | Telephone | Customer called and was advised no decision on claim, he will be contacted when outcome known. |
| 7/3/2011 | Telephone | Customer called for update on claim. Customer advised action is authorised to act on his behalf as he is currently in hospital with infected hand. Candy to call to confirm contact number. |
| 12/3/2011 | Telephone | Customer called seeking update on claim and advised no further advice on claim. |
| 14/3/2011 | Telephone | Called (authorised person) and advised hydrology report to hand and review process in place. |
| 21/3/2011 | Telephone | Customer called seeking update, advised claim is currently under review. |
| 23/3/2011 | Telephone | Customer called and advised that he will be contacted when outcome known |
| 30/3/2011 | Telephone | Called (authorised person) and advised claim not covered and denial letter would be sent today to |
| 31/3/2011 | Letter | Letter of decline forwarded to address given by |
| 15/6/2011 | Email | Email received from Queensland Legal Aid, CAS review commenced. |
| 16/6/2011 | Email | Email from CAS to Legal Aid advising decision being reviewed. |
| 22/6/2011 | Facsimile | Facsimile received from Legal Aid. |
| 25/6/2011 | Letter | Letter from CAS to Legal Aid confirming decision upheld. |

- 9. AAMI would like to highlight the following in relation to the issues numbered 1 to 10 in the Requirement to Provide Information.
- Point 1: Mr Lobley first contacted AAMI on 15 January 2011 and it was recorded in AAMI's claim file records that "IO [insured owner] aware that riverine flood not covered". Mr Lobley reported a date of loss of 13 January 2011 with the claim description as "due

to the floods my home has been damaged".

- 11. Point 2: AAMI first attempted to contact Mr Lobley in relation to assessment of the insured property on 20 January 2011 by telephoning Mr Lobley's telephone number. A message was left with his friend on that number, that an assessment had been booked.
- 12. Point 3: According to AAMI's claims system, Mr Lobley contacted AAMI on 29 January 2011 and advised an assessment had been booked for 3 February 2011 but he could no longer attend as he would be at a funeral at 10am that day. On 31 January 2011 the claims officer sent a message to the assessment team asking that the assessor be notified of this and to make a new appointment with Mr Lobley. Later the same day, Mr Lobley called the claims officer and was advised of this.
- 13. Point 6: Mr Lobley contacted AAMI on 15 February 2011 and spoke with He was advised that an assessment report had been received and that the next step is to wait for a hydrologist report to determine whether the claim could be covered. Mr Lobley informed that he had been told by a neighbour that water from a drain outside his property started to enter the downstairs area of the home at 10pm on 11 January 2011. Mr Lobley had not advised the assessor, and of this. Mr Lobley was advised that if it could be confirmed that water from the drain had entered the home, AAMI may be able to contribute towards the repairs but that it was necessary to await the hydrologist report in order for a decision to be made.
- 14. Point 7: The communications between AAMI and Mr Lobley are summarised in the table in paragraph 9 above.
- Point 8: On 30 March 2011, AAMI advised (a person authorised by Mr Lobley) that the claim was to be declined. A letter dated 31 March 2011 was posted to Mr Lobley confirming the decline.
- 16. Point 9: An email was received from Legal Aid Queensland (LAQ) on 15 June 2011 and a review commenced by AAMI's Consumer Appeals Service (CAS) on that date. On 16 June 2011, CAS sent an email to Legal Aid Queensland advising the review would be completed within 15 days of receiving their submission. On 25 June 2011, CAS mailed a letter to Legal Aid Queensland upholding the denial of the claim.

Question 2: Please provide a copy of the contract of insurance which applied in respect of this claim.

 A copy of Mr Lobley's contract of insurance and product disclosure statements for AAMI's Home Building Insurance Policy and Home Contents Insurance Policy are attached as Annexure 1.

Question 3: Please set out a chronology of the claim, which includes:

3.1 All steps taken, and investigations made, in determining the claim.

18. The steps taken, and investigations made, in determining the claim were as follows:

| Date | Action Taken |
|---------------------|---|
| 15/1/11 | Claim lodged. |
| 20/1/11 | Advised customer that an assessor would be appointed. |
| 20/1/11 | Assessor appointed (Cunningham Lindsey). |
| 23/1/11 | The assessor from Cunningham Lindsey contacted customer. |
| 3/2/11 | Cunningham Lindsey conducted site inspection of insured property at which the assessor made observations of the property and damage, took photographs, and asked Mr Lobley for any information he had regarding the circumstances of the loss, which he then recorded in a Flood Questionnaire. |
| Prior to 15/2/11 | Property Assessment Report received by AAMI from Cunningham Lindsey, including Flood Questionnaire and photographs. |
| 15/2/11 | Confirmed to customer that Cunningham Lindsey assessment report received and AAMI would require the hydrology report prior to making a decision on the claim. |
| 10/3/11 | Joint hydrology report released by the Insurance Council of Australia (ICA). |
| 14/3/11 | Confirmed to customer that hydrology report received and claim was in the process of being reviewed. |
| 30/3/11 | Claim determination made. Advised authorised person that claim is not for acceptance. |
| 31/3/11 | Decline letter sent to the customer confirming that Hydrology Area Report indicates that inundation was caused by flood water escaping and overflowing from the overflow of Rocky Water Holes and Oxley Creek adjoining the Brisbane river that affected the customer's property. |

3.2 Details of all communications between AAMI and Mr Lobley.

- 19. Over the course of the customer's claim and as at the date of this statement, AAMI's records show that 19 communications either occurred or were attempted between AAMI and the customer:
 - AAMI contacted or attempted to contact the customer or his representative on 7 occasions; and

- b. The customer contacted or attempted to contact AAMI on 12 occasions.
- 20. Details of the dates on which AAMI contacted the customer, the mode of communication for each contact and the details of that communication are contained in the table in paragraph 9 above.

Question 4: Please provide copies of all records, including file notes and audio recordings (if any), in respect of the claim, including but not limited to, communications between:

4.1 AAMI and Mr Lobley (and/or his legal representative).

21. A copy of AAMI's electronic records of policy and claim details in relation to communications between AAMI and the customer are attached as **Annexure 2**.

4.2 AAMI and any assessor/s.

 AAMI's instructions to the assessor and the assessment report authored by Cunningham Lindsey Australia Pty Ltd (Cunningham Lindsey) are referred to in my response to question 7 below.

4.3 AAMI and any hydrologist/s.

23. AAMI's instructions to WRM Water & Environment (WRM) on 7 October 2011 and WRM's hydrology report are referred to in my response to question 10 below.

4.4 AAMI and the FOS.

24. AAMI's correspondence with the FOS is referred to in my response to question 10 below.

Question 5: Please provide copies of all correspondence in respect of the claim passing between:

5.1 AAMI and Mr Lobley (and/or his legal representative).

25. Correspondence between Legal Aid Queensland and AAMI is referred to in my response to question 9 below.

5.2 AAMI and the FOS (if any).

26. I refer to my response to question 4.4 above.

Question 6: In respect of point 4 above, did AAMI advise the assessor of the information that Mr Lobley had to attend a funeral at 10am on 3 February 2011 and had requested a change to the appointment time? If not, why not?

27. On 23 January 2011, the assessor from Cunningham Lindsay contacted Mr Lobley to arrange an assessment date. On 29 January 2011 Mr Lobley telephoned the AAMI

claims officer and advised that the assessment appointment for 3 February 2011 was not convenient as he was attending a funeral at 10am. He asked for the appointment to be rebooked.

- 28. AAMI's claim notes of 31 January 2011 indicate that an email was sent by the claims officer to the internal AAMI assessment team asking that the Cunningham Lindsay assessor be advised of this and to call Mr Lobley to make a new appointment. The AAMI assessment team sent any correspondence regarding assessments to a central contact point in Cunningham Lindsay. The main reason for this was to maintain consistency of process and to control communications between AAMI (and Suncorp Group) and Cunningham Lindsay.
- 29. I am unable to say if this message was forwarded by the Cunningham Lindsey contact person to the Cunningham Lindsay assessor.

Question 7: In respect of point 5 above, please provide copies of any instructions, written or oral, to the assessor and of any report prepared by the assessor.

- 30. AAMI's Home Assessment Instruction Sheet dated 20 January 2011 is attached as Annexure 3.
- 31. Cunningham Lindsey Australia Pty Ltd (Cunningham Lindsey) carried out the assessment on the property. Cunningham Lindsey contacted the customer on 23 January 2011 and attended the property on 3 February 2011. A copy of the Property Assessment Report of Cunningham Lindsey together with attached Flood Questionnaire and photographs is attached as **Annexure 4**.
- 32. Attached as **Annexure 5** are copies of photographs provided by Mr Lobley to the assessor.

Question 8: In respect of points 6 and 8 above:

8.1 What were the reasons for denying the claim?

- 33. The claim was denied on the basis that the damage to the property was caused by flood, which is not covered by the policy.
- 34. Inspection of the property indicated inundation to a height of approximately 1 metre of water into the living areas of the house. The Joint Hydrology Report released by the ICA found that inundation was caused by flood water escaping and overflowing from the overflow of Rocky Water Holes and Oxley Creek adjoining the Brisbane River.
 - 8.2 Were these communicated to Mr Lobley? If so, please provide copies of (a) all records establishing that Mr Lobley was given reasons; and (b) the reasons given to Mr Lobley. If the reasons were not communicated, why not?
- 35. On 30 March 2011 AAMI advised Mr Lobley's authorised representative

that the claim was declined. A letter dated 31 March 2011 was also sent to Mr Lobley confirming the decision and explaining the reason for the decision. The letter to Mr Lobley declining the claim is attached as **Annexure 6**.

8.3 If the account contained in point 6 is correct, was the information provided by Mr Lobley taken into account in determining the claim? If so, please provide copies of all records verifying this fact.

- 36. Mr Lobley advised the Cunningham Lindsey assessor that he and his partner evacuated the property at 3.30pm on 11 January 2011 after advice from council and the Bureau of Meteorology that the water levels of the nearby Rocky Water Holes (approximately 1km south west of the insured property) were rising. Accordingly, Mr Lobley was unable to provide any direct evidence as to the time or circumstances of the inundation.
- 37. Mr Lobley also advised the assessor that he had been informed that at 11.30pm on 11 January 2011, the water level had inundated the entire lower storey/ground floor. The assessor's report does not indicate that he made any mention of the involvement of water from any storm drain.
- 38. Mr Lobley advised the assessor (presumably on the basis of information from others, as he was not present) that the Oxley River (located less than 2km south east of the insured property) burst its banks at 10am on 12 January 2011. We understand this information was confirmed from other sources.
- 39. Two weeks later, on 15 February 2011, Mr Lobley re-contacted AAMI and upon being advised that the assessment report had been received and AAMI was waiting for a hydrologist report, advised for the first time that according to a neighbour, water from a drain outside his property started to enter the downstairs area of the home at 10pm on 11 January 2011. Mr Lobley was advised that if it could be confirmed that water from the drain had entered the home "we may be able to contribute towards the repairs but we need to await (sic) for the hydrologist report first".
- 40. AAMI did take this information into account in determining the claim, however on looking at all of the circumstances relating to the location of the property and the information contained in the Joint Hydrology Report, determined that the inundation of Mr Lobley's property was caused by inundation of water from Rocky Water Holes and Oxley Creek.
- 41. Where a customer provided information about the particular circumstances of inundation of their property, AAMI reviewed whether such information raised sufficient doubt about the circumstances to warrant obtaining a site-specific hydrology report. In the case of Mr Lobley's property, it was not considered sufficient, as the information obtained from the Joint Hydrology Report was considered sufficient to make a claim determination.

8.4 What information did AAMI (a) obtain and (b) rely upon in determining the claim?

42. Mr Lobley's claim was decided on the basis of relevant information held by AAMI at that time, including:

- a. Property Assessment Report of Cunningham Lindsey dated 3 February 2011, which included:
 - a Flood Questionnaire completed by the assessor from information provided by the customer;
 - (ii) map showing the location of the insured property; and
 - (iii) details of damage recorded by Cunningham Lindsey during the site inspection.

The report was accompanied by photographs provided by Mr Lobley. A copy of the report and its enclosures is attached as Annexure 4, and Mr Lobley's photographs are attached as Annexure 5;

- b. Joint hydrology report titled Flooding in the Brisbane River Catchment, Volume 1 An Overview and Volume 2 Flooding in Brisbane City LGA (available for download at <u>www.insurancecouncil.com.au</u>), dated 20 February 2011 (released 10 March 2011).
- c. Queensland Reconstruction Authority Interactive Flood Map (available from <u>www.qldreconstruction.org.au).</u>
- 8.5 Was Mr Lobley given copies of all information relied upon in denying the claim? If so, please provide copies of (a) all records establishing that Mr Lobley was given the information; and (b) the information given to Mr Lobley (subject to the comments below). If the information was not provided, why not?
- 43. AAMI did not provide a copy of the joint hydrology report or aerial maps, but advised the website links where the customer could access each of those. However, I am advised that the Cunningham Lindsay assessment report was provided with the letter.

8.6 If hydrology information was obtained:

8.6.1 What hydrology information was obtained?

44. In making its decision, AAMI referred to the Joint Hydrology Report titled Flooding in the Brisbane River Catchment, Volume 1 An Overview and Volume 2 Flooding in Brisbane City LGA (available for download at <u>www.insurancecouncil.com.au</u>), dated 20 February 2011.

8.6.2 When was it received?

- 45. The Joint Hydrology Report referred to above was released by the ICA on 10 March 2011.
 - 8.6.3 To what area/s did it relate? Did it relate to: (a) the general Brisbane

area; (b) Rocklea in particular; and/or (c) Mr Lobley's property?

- 46. The Joint Hydrology Report identifies the flooding behaviour of the Oxley Creek across the time period 9 14 January 2011.
 - 8.6.4 Please provide copies of any instructions, written or oral, given to the hydrologist/s and copies of any hydrology reports received (subject to comments below).
- 47. Not applicable.
 - 8.6.5 If a hydrology report was received, who was the author of the report and to AAMI's knowledge, what are the relevant qualifications of the author of the report.
- 48. The Joint Hydrology Report was prepared by Worley Parsons, WRM Water and Environment Pty Ltd, and Water Matters International.

Question 9: In respect of point 9 above:

- 9.1 Please outline all steps taken and information relied upon in reviewing the decision and reaching the conclusion that the initial decision should be maintained. In particular, was any advice sought from a hydrologist? If so, did the hydrologist provide advice? If so, please provide a copy of the hydrologist's advice.
- 49. The steps taken, and investigations made, in reviewing the decision were as follows:

| Date | Event and Action Taken |
|---------|--|
| 15/6/11 | An email was received from Legal Aid Queensland (LAQ). CAS review commenced |
| 16/6/11 | An email was sent to LAQ advising AAMI will complete its review within 15 days of receiving the submission |
| 22/6/11 | CAS received a fax from LAQ. |
| 25/6/11 | The CAS review was completed and the determination made to maintain the decision. CAS accepted the damage was caused by overflow (flood) of the Rocky Water Holes Creek and Oxley Creek which received flood waters from the Brisbane river via the Oxley Creek. CAS accepted that the AAMI Product Disclosure Statement excludes cover for flood and is therefore entitled to deny the claim. |
| 25/6/11 | A letter was mailed to LAQ and the file retained for EDR |

- 50. Attached as Annexure 7 are copies of emails and documents passing between AAMI CAS and Mr Lobley and/or LAQ.
- 51. Internal reviews for AAMI are conducted by the AAMI Consumer Appeals Service (CAS). CAS created a team of staff members with extensive IDR experience to review flood matters, consisting of a Team Leader, Senior Dispute Resolution Officer (SDRO) and two Dispute Resolution Officers (DRO). The review in this claim was conducted by one of the DROs.
- 52. I am advised that the Dispute Resolution Officer first gathered all of the available information. This was comprised of the following:
 - a. Electronic claim messages;
 - b. Denial letter dated 31 March 2011;
 - c. Cunningham Lindsey Australia Pty Ltd report and attachments;
 - d. Area Hydrology Report for Brisbane, Volume 1, dated 20 February 2011;
 - e. Area Hydrology Report for Brisbane, Volume 2, dated 20 February 2011;
 - f. Queensland Reconstruction Authority Interactive Flood Map;
 - g. Internal Legal Advice dated 29 March 2011;
 - h. Letter from Legal Aid Queensland (LAQ) dated 21 June 2011;
 - i. Insurance Contracts Act (1984) sections 13, 35 and 69(A); and
 - j. AAMI's Home Building and Contents Insurance Policy booklets.
- 53. As set on in the final decision letter dated 26 June 2011, I am advised the DRO relied upon the area hydrology reports, the interactive flood maps and the site specific assessment report of Cunningham Lindsey. In particular, the following was noted from the Cunningham Lindsey report:
 - Mr Lobley's advice to Cunningham Lindsey at the inspection on 3 February 2011 was that:
 - (i) The heaviest rainfall was on Monday, 10 January 2011;
 - (ii) He evacuated the property at 3.30 pm on Tuesday 11 January 2011 after advice from Council and the Bureau of Meteorology that water levels of

the nearby Rocky Water Holes were rising;

- (iii) Inundation of the property commenced at 11.30 pm on 11 January 2011;
- (iv) The peak of the inundation was at 10.00am on 12 January 2011;
- (v) The peak inundation was 3 meters;
- (vi) The water came from the south; and
- (vii) The water inundating the property was dirty;
- b. From information supplied by Mr Lobley and other locals, Cunningham Lindsey understood the Oxley River (located less than 2 km south east of the property) had burst its banks at 10.00 am on 12 January 2011; and
- c. There was no record of Mr Lobley advising Cunningham Lindsey that there had been an initial inundation of the property by water from a drain.
- 54. The DRO noted that the first mention by Mr Lobley of an initial inundation from a storm drain was in a telephone conversation with a Claims Officer on 15 February 2011.
- 55. I am advised the DRO was of the belief that information contained in the Cunningham Lindsey report was consistent with that contained in the area hydrology reports and interactive maps and together they provided convincing evidence that the predominant cause of the inundation was the over flow of Rocky Water Holes and Oxley Creek. The DRO did not seek site specific advice from a hydrologist because of the convincing nature of the other evidence.

Question 10: In respect of point 10 above, if AAMI has received notification of a dispute from the FOS, please advise as to the status of the dispute.

- 56. Attached as **Annexure 8** is a copy of the FOS notification to AAMI of a dispute lodged by Mr Lobley.
- 57. Attached as Annexure 9 is a copy of AAMI's Notice of Response to the FOS.
- 58. In the period immediately after the flood events, the FOS had advised insurers, including AAMI, that it supported insurers' use of locality hydrology reports which the ICA had announced would be commissioned.
- 59. After the widespread flooding of Brisbane City and Ipswich City, FOS held a number of discussions with its member insurers. The outcome of these discussions was that FOS indicated to members that it would not be unreasonable for a member to rely on the Joint Hydrology Reports for the Brisbane River Catchment and the Ipswich Local Government Area in deciding claims for flood damage. At the time of these discussions, it was exceptionally difficult, if not impossible, to obtain site specific reports.

- 60. AAMI received notice of a dispute from the FOS in relation to Mr Lobley's claim on 19 September 2011. On receipt of this notice, AAMI made a decision to engage WRM Water & Environment (WRM) to perform a site specific inspection for the purpose of providing a hydrology report. This was done with the consent of FOS and the insured.
- 61. On 7 October 2011 AAMI commissioned WRM to undertake a site inspection and prepare a hydrology report. That report has not yet been received. The report will be provided to Mr Lobley and the FOS when it is received, which we expect to be in about 1.5 weeks.
- 62. AAMI lodged its submission with the FOS on 11 October 2011. I have been advised that WRM expect to undertake an inspection of the insured property in the week of 17 October 2011, therefore we would expect to receive the report during the following week.

| Sworn by the Deponent |) |
|--|---|
| At Brisbane |) |
| This 13 th day of October 2011 |))) <u>/Ja</u> mes Joseph Higgins |
| Before me | |
| Solicitor | |

| < | ۰. ۲ | ANNEXURE 1 | | |
|--------------------------------|---|--|--|-------------------|
| | AAM | | aami.com.au 13 22 44 | |
| | Renewal | | 13 February 2010 Page 1 of 2 Insured Address | |
| | Home Insurance | | Inskip St ROCKLEA QLD 4106 | |
| | | | Policy Number | |
| | 004066 41 018 H | I | | |
| | Australian Associated Motor Insurers Ltd. ABN 92 004 791 744 AFSL No. 238173 C | entral Plaza 1, 345 Queen St Brisbane 4000 | | |
| | | | Amounts shown are GST inclusive | |
| | | | Date Due Midnight 1 April 2010 | |
| | Building Policy | | \$448 | |
| | Contents Policy | | \$376 | |
| | | | 12 months Amount Due | |
| | Please read the Insurance Schedu | le over the page to confirm important informat | ion about you and your policy. | |
| V90173/5€ | | | | |
| ۶5/21 L-00/990+00/21 L-J-C-L-N | | | | A02529 26/12/09 A |
| | AAMI | Reference No. | Amount Due | |
| | PHONE By Credit Card 1300 369 708 | INTERNET | n ann an an Anna an Anna Anna Anna Anna | |
| | Biller Code 57331 Ref No. 20 145 225 162 | BY MAIL Post your cheque and this payment slip to AAMI GPO Box 5356 SYDNEY NSW 1176 IN PERSON At any AAMI Branch or Post Office. | POST billpay' *269 HOM145225162 01042010 03 | |
| ۱ | KLLZOOEZZLELEZL | KOOOMZZZKOTTZSS. | SYRR 1 | |

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AAM Home Insurance Schedule

This insurance schedule shows information about you and the policy we offer. When we receive the required premium from you by the date due, this schedule will form the basis of our agreement with you. It should be read along with your other policy documents for all conditions and limitations of cover. It's very important that you tell us if any information shown is wrong. If you don't tell us, we may not pay a claim or cancel your policy. To update any information or to request a receipt call us on 13 22 44 or email us at aami@aami.com.au

| 13 February 2010 | |
|---|-------------|
| Insured Address Inskip St ROCKLEA QLD 410 | 06 <u> </u> |
| Policy Number | |

Page 2 of 2

| Your Home | |
|--|---------------------------------|
| Insured Address Inskip St ROCKLEA QLD 4106 | |
| Occupied As | Owner |
| Home Use | Private |
| National Trust Classification | n No |
| Deadlocks | No |
| Keyed Window Locks | Yes |
| Alarm | No |
| Electronic Access | No |
| Security Guard | No |
| Video Surveillance | No |
| Policy Details | |
| Policy Type | Building and Contents |
| Period of Cover | 1/04/2010 to Midnight 1/04/2011 |
| Insured | Gary Lobley |

| Excesses | |
|--|------------|
| Building | |
| Standard Excess | \$O |
| Plus Flexi-Premium Excess | \$O |
| Contents | · |
| Standard Excess | \$O |
| Plus Flexi-Premium Excess | \$0 \$0 |
| Plus Unoccupied Excess (if applicable) | \$1,000 |

| Building Complete Replacement Cover | |
|--|-----------|
| Building Cover Bongin er schuilding geste | Unlimited |
| Repair or rebuilding costs | Uniimited |
| Building Additional Benefits Locating water leaks (policy booklet page 23) | \$1,000 |
| | \$1,000 |
| Damage to garden beds, trees, shrubs and other plants (policy booklet page 23) | \$1,000 |
| Contents Cover | |
| Total Contents Amount Covered | \$79,550 |
| General Contents | \$72,850 |
| Limited Cover Specified Items | \$6,700 |
| List of Limited Cover Specified Items | • |
| Painting Called Whirlwind By Richard Bogusz | |
| 38Cm Hgt 38Cm Width Internal and External | |
| 60 X 60Čm Acrylic Underglass. Excellent Condition | \$700 |
| CD Collection - 200Cds | \$6,000 |
| Extra Cover for Portable Valuables | |
| Extra Cover Unspecified Items | Ni |
| Extra Cover Specified Items | Nil |
| Legal Liability | |
| | |
| \$10 million | |
| Endorsements | |
| Nil | |

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At AAMI we want to make your life easier. Benefit from the convenience of **My Policy Manager** where you can view, manage and change your policies online.

Visit the My Policy Manager section of **aami.com.au** and enter your policy number to register. It's that easy!



Peace of mind with AAMI

Peace of mind with Complete Replacement Cover^m for your home building

> AAMI home building insurance with Complete Replacement Cover gives you absolute peace of mind.

On top of the protection we normally provide, we cover insured damage or loss to your home buildings for whatever it costs to repair or rebuild them. AAMI home building insurance with Complete Replacement Cover repairs or rebuilds insured damage or loss to your home buildings or pays the cost of repairing or rebuilding them:

to the same size and standard of your current home. with new materials,

You will never be under insured with AAMI. See pages 17 - 19.

Peace of mind from guaranteed repair quality

The quality of workmanship and the materials used in any repair or rebuilding of your home and contents that we arrange and authorise will be guaranteed for the life of the property. See page 18.



Where to find

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Important information

Your AAMI Product Disclosure Statement The AAMI Home Building Insurance Policy

This Product Disclosure Statement provides information about the product we offer: the AAMI Home Building Insurance Policy. When we agree to insure your building, your policy comprises this booklet and your policy schedule which shows the detail of the policy particular to you. See page 40.

This Product Disclosure Statement was completed on 31 July 2006.

Our commitment to you

When you are an AAMI policyholder and you need to claim on your policy, our claims service will take away the stress and hassle. We are here to help you 24 hours a day, every day of the year. If your home building has been damaged or someone is claiming against you, please phone us immediately on 13 22 44.

Please read this policy carefully and retain it so you can refer to it if required.

We rely on the accuracy of your information

When we agree to insure you, to renew or vary your policy, or to pay your claim, our decision relies on the accuracy of the information you give us. If that information is not accurate, we can reduce or deny any claim you may make or cancel your policy. We never want to have to do that, so you must answer honestly, correctly and completely the questions we ask about:

you,

your building,

any events involving your building that result in a claim on your AAMI policy.

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When you receive your renewal notice, please carefully check the information it shows about you. If any of that information is incorrect or incomplete, please call us and we will update our records.

We also require you to:

observe the conditions contained in your AAMI policy,

pay or agree to pay us the premium we charge and any excesses that apply,

tell us if you renovate, improve or extend your building after the policy commences. If you don't do this, any payment we make for the repair or rebuilding of your building may be limited to the cost of replacing it before it was renovated, improved or extended.

Some words in this policy have definite meanings

This policy uses words that have definite meanings. To make sure you are aware of these words and their meanings, please read 'What do we mean by that' on pages 38 - 40.

This policy does not cover some events, circumstances and situations

As you read through this policy, you will see there are some events, circumstances and situations it does not cover. To make sure you are aware af these exclusions, please read the whole policy carefully including the section What we do not cover - general exclusions' beginning on page 14.

See also 'Important general information for you' on pages 33 - 37.

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| What do we cover as the building? | What is it covered against? | How much is it covered for? |
|--|---|---|
| The building is the dwelting and other structures at the site used for domestic or residential purposes. | Damage or loss caused by the insured events listed on pages 8 - 13. | The cost of repairing or rebuilding it with new materials to the same size and standard as your current home. |
| See below for what the building includes. | | |

This policy also covers 'other costs' (page 19), 'additional benefits' (page 20), and 'your legal liability' (page 24).

The building includes:

outbuildings and permanent structural improvements,

fixtures and fittings that:

are permanently attached to the home building or the site,

are stored at the site in a building capable of being locked while awaiting installation.

that part of the building used for performing office work,

services, whether above or below ground, that are your property or for which you are liable, any jetty at your site owned by you and used only for domestic purposes.

The building excludes:

fixed wall and floor coverings such as carpets, internal blinds, drapes, and curtains, any part of the home building or the site used for conducting a business, trade, professional services, or farming of any description,

any part of the building or other structures at the site that connot be locked because that building or structure or part of it is being altered, renovated or rebuilt, a temporary building or structure or a building or structure in the course of construction,

houseboats, watercraft, caravans, mobile buildings (fixed or free-standing), motorised vehicles of any type and the parts and accessories of any of these items,

the loose surfaces of tennis courts, driveways and paths,

hedges (whether or not they form a fence), lawns, trees, shrubs, plants, flowers, garden beds or any other living material.



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| What we cover – insured events | |
|--|--|
| This section describes under the heading: Yes – the insured events you are covered for, No – the conditions and exclusions that specifically apply to particular insured events. | |
| Yes | No |
| You are covered for damage or loss to your home building occurring during the period of cover and caused by the following events: | You are not covered for: |
| Animals and birds – the actions of animals and birds | Damage or loss caused by: |
| | vermin, rodents, insects (including termites), domestic animals, |
| | animals and birds kept in your building or at the site, |
| | scratching, chewing, tearing or soliing the exterior of all buildings and the interior of partially enclosed buildings. |
| Earthquake including subsidence and landslide caused by an earthquake. | Damage or loss caused by tidal wave, tsunami, high tide or other actions of the sea. |
| Explosion | |
| Fire (burning with flames). | Damage or loss caused by: |
| | any process involving the application of heat where there was no flame, for example, cigarette burn marks or scorch marks are not covered, |
| | soot and smoke where your building or the site has not been damaged by fire unless there was an occurrence within your building where no flame resulted but soot and smoke damage was caused. |

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| Yes | No |
|--|---|
| Impact - sudden and unexpected impact of any: | |
| motor vehicle, aircraft, watercraft or space debris, | |
| object falling from a motor vehicle or aircraft, | |
| falling tree or part of a tree, | |
| aerial, mast or satellite dish which breaks or collapses. | |
| Liquid escaping suddenly and unexpectedly from a: | Damage ar loss resulting from: |
| water main, drain, fixed pipe, gutter, guttering, fixed tank or drain, sink, basin, bath, shower, toilet or spa bath, | liquid escaping slowly over a period of time where you could reasonably be expected to be aware of this condition. |
| dishwasher or washing machine, | The cost of repairing or replacing the item from which the water or |
| fixed heating or cooling system, | liquid escapea. |
| aquarium. | |
| Malicious acts and vandalism – actual or attempted by persons who are not living with you. | |
| Riot, civil commotion or labour disturbances | Domage or loss caused if you or anyone living with you participated in the event. |

| Yes | No |
|---|--|
| Storm and rainwater including stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface. | Damage or loss caused by flood. Flood means the inundation or covering of normally dry land by water which: |
| Storm means violent wind (including a cyclone or tornado), thunderstorm or a heavy fall of rain snow or hail | escapes or overtlows from, or cannot enter, because it is full or has overflowed, or |
| | is prevented from entering, because other water has already escaped or been released from it, |
| | the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or stormwater channel. |
| | Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface. |
| | The cost of cleaning or clearing debris from any pool or spa. |
| | Damage ar loss caused by water seeping into ar atherwise entering your building due to: |
| | a defect or fault in the design, structure or construction of your building where you could reasonably be expected to be aware of the defect or fault, |
| | building alterations, renovations or additions. |
| | Damage ar loss caused by dust where your building has not been otherwise damaged by storm. |
| Theft – by persons who are not living with you. | |
| Thunderbolt and lightning | |

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You are not covered under any section of the policy for damage, loss, cost or liability caused by or arising from or involving:

an unreasonable failure to properly maintain or repair your building,

wear and tear, rust, deterioration or corrosion,

mechanical, structural, electrical, electronic or other failure or breakdown, other than as provided for under 'Damage to electric motors' on page 22,

mould, wet or dry rot, rising damp or dampness,

flood,

storm surge, being an increase in sea level that usually occurs with a severe storm or cyclone,

tidal wave, tsunami, high tide or other actions of the sea,

erosion or washing away of soil, earth or gravel,

the washing away or movement of the surface of any path or driveway which has a surface consisting of a loose material such as gravel, stone or dirt,

soil movement or settlement,

subsidence or landslide **unless** caused by the insured event of earthquake,

the moving, shifting or dislodging of any swimming pool or spa and their covers and liners, or any septic tank or other inground structure **unless** caused by the insured events of earthquake or impact,

the actions of trees, plants or their roots,

actions of insects (including termites) or vermin,

scratching, chewing, tearing or soiling by animals and birds kept in your building or at the site. the lawful taking or repossession of or from your building or site, for example, a bank taking possession as a result of a morgage default,

fraud or fraudulent means or devices used by you or anyone acting on your behalf to obtain benefit under this policy,

deliberate or intentional acts committed by you or someone acting on your behalf or any person living with you, war, warlike activities or revolution including any loating or pillaging,

asbestos, asbestos fibres, or derivatives of asbestos in any form,

but we will pay for the costs of removing and disposing of asbestos from the building or site where it is directly necessary as a result of damage or loss caused by an insured event.

You are not covered under any section of the policy for damage, loss, cost or liability:

directly or indirectly caused by, arising from, or connected with: the use, misuse or existence of nuclear weapons; or the use, misuse, escape or existence of nuclear fuel, waste or nuclear materials; or combustion or contamination from such fuels, waste or materials; or combustion, detonation, fission and/or fusion of nuclear fuel or nuclear materials,

directly or indirectly caused by, arising from, or connected with actual or threatened chemical or biological pollution or contamination; or action taken by a public authority or any body authorised by a public authority to prevent, limit or remedy such actual or threatened release, pollution or contamination.

| Precautions | Repairing or rebuilding your building |
|--|--|
| You must at all times, and at your expense, take all reasonable precautions: | If your home building is damaged during the period of cover by an insured |
| for the safety and protection of your building and the site, | event, we will decide if the damage: |
| to prevent bodily injury or damage to property, | can be properly repaired, or |
| to prevent damage to your building, | is so severe that we reasonably believe your building will need to |
| to ensure compliance with all statutory abligations, by-laws or | be rebuilt. |
| regulations imposed by any public authority, relating to the safety of persons or property. | Repairing your building |
| lf yau do not, we may reduce or refuse to pay any claim you may make. | decide to: |
| | repair it, or |
| | pay the cost of repairing it. |
| | When we repair your building, we will use new materials. |
| | We will make reasonable endeavours to match materials. Where this does not achieve an exact match materials that in our convision match tha domacod |
| | or lost materials as near as reasonably practicable will be used. We will not |
| | pay to replace undamaged materials or any undamaged part of them to achieve a match. |
| | Rebuilding your building |
| | When we establish that your home building will need to be rebuilt, we will decide to: |
| | rebuild it to the same size and standard as your current building, or |
| | pay the cost of rebuilding it to the same size and standard as your current buildina. |
| | When we rebuild your building, we will use new materials. |
| | |

What we will pay – new for old

Precautions that you need to take

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| When we decide to rebuild your building and you are paying your premium in instalments, we will require you to pay the total unpaid balance of your | When you claim for damage or loss to your building, and your building: |
| premium betore your claim can proceed. | nas not been properly maintained and repaired, or |
| Damage to fixed wall or floor coverings | does not comply with local government or other statutory requirements, |
| When we repair or replace damage to fixed wall, ceiling or floor coverings: | we may reduce our payment or refuse to pay your claim. |
| we also repair or replace undamaged coverings if this is reasonably | Other costs |
| required to achieve a match with the repair or replacement of the damaged area, | We will also pay for the following where applicable. |
| the repair or replacement is limited to the room. passageway stationell or | Demolition and removal of debris |
| functional area where the damage occurred. | We will pay the reasonable cost of, and, at our option, arrange for the: |
| Fixed wall and floor coverings are items such as tiles, floating floors, fixed | demolition of your destroyed building, |
| cupboards and shelving. | removal of debris from the site necessary for repairing or rebuilding, |
| The AAMI Home Repair Guarantee | removal from the site of failen and unsafe parts of a tree when the tree or part of it has impacted with vour building constant domage or loss |
| The quality of workmanship and the materials used in any repair or rebuilding | |
| of your home and contentis that we arrange and authorise will be guaranteed for the life of the promerty | We will pay the reasonable cast of and at our action provide and |
| If you are concerned about the quality of the repair or rebuilding of voir home | temporary work required to make safe your damaged or destroyed building. |
| building, you must call us on 13 22 44. We will arrange with you to inspect | Professional fees |
| the repair or rebuilding and we will arrange any necessary rectification work. You must not authorise any rectification work without our written authority. | We will pay the reasonable fees for the services, if necessary, of an architect |
| Maintainina vaur huildina: ramaliana | |
| with statutory requirements | Computing or rebuilding your building, we will pay the extra costs necessary to |
| We insure your home on the condition that it has been and will continue to be properly maintained and remained and that it complex and will continue | satisfy the current requirements of any local council or government authority. |

Maintaining your building; com with statutory requirements

be properly maintained and repaired, and that it complies and will continue to comply with local government or other statutory requirements. We insure your home on the condition that it ha

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| benefits |
|------------|
| additional |
| cover - |
| What we |

| Additional benefits included within your policy: | Page |
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| Accidental breakage | 21 |
| Cover when you are changing homes | 21 |
| Damage to electric motors | 22 |
| Locating water leaks | 23 |
| Replacing locks | 23 |
| Damage to garden beds, trees, shrubs and other plants | 23 |

We help with...

The cost of temporary accommodation

When an insured event has caused damage or loss to your building, we will help with the cost of temporary accommodation for you and, where necessary, for your domestic pets, provided:

we are satisfied your building is no longer habitable, and

you were living permanently in it at the time, and

you have claimed on this policy and we are satisfied everything is in order.

We will pay the reasonable cost incurred by you for comparable accommodation for up to 12 months while your building is being rebuilt or repaired.

Accidental breakage

We will either replace or pay the reasonable cost of replacing the following when they are accidentally broken:

any area of glass (including glass tint, if fitted) fixed to your building, glass (but not light globes) in a fixed light fitting in your building, fixed basins, sinks, baths, shower bases, lavotory pans or cisterns in

your building. We will also repair or replace or pay the cost of repairing or replacing the

vive will also repair or replace or pay the cost of repairing or replacing the frame of any window, door or shower screen **but only** if this is necessary to enable the glass to be replaced.

We will not replace or pay for:

any glass in a glasshouse or conservatory,

any part of a fixed cooking or heating appliance (for example, the glass top of a stove),

any area of glass or any item which is already damaged or in an imperfect condition.

Cover when you are changing homes

When you purchase another home, we will amend your policy to cover your new home **provided** you tell us about it and give us any associated information we require.

When you provide us with the details we require, we will tell you whether:

your new home is one we would normally insure,

there is any difference in the terms and conditions of your policy as it applies at your new address, and

there is any difference for the remainder of your period of cover in the premium payable for your former home and your new home.

If there is any difference in the premium, we will refund or charge you that difference.

Any refund we make will be less our reasonable charge for administrative and processing costs.

If we charge you and you do not pay the additional amount within 14 days of our notice, we may reduce the period of cover of your amended policy to match the amount you have already paid.

Cover for both your new and current homes – an additional premium is payable

When you have purchased a new home:

that we have agreed to cover,

and your current home is being sold,

but title for your current home has not been transferred to its purchaser, we will cover:

your new home, and

your current home until the transfer of title to its purchaser.

An additional premium is payable for this cover.

Damage to electric motors

We will pay the full cost of damage caused by electric current to an electric motor if the motor is less than ten years old, when the motor is in a piece of fixed domestic equipment forming part of your building,

We will not pay if the damage to the motor or the equipment is covered by a new product guarantee or warranty.



Locating water leaks

We will pay the reasonable cost of locating the source of water or liquid leaking or discharging from pipes and fixtures and fittings at your building.

We will not pay the cost of repairing or replacing the pipe, fixture or fitting which caused the leak or discharge

The most we will pay is shown on the most recent of your policy schedule and renewal notice.

Replacing locks

When the key to the lock of any window or external door of your building is stolen, we will pay the reasonable cost of replacing or rekeying the locks operated by that key.

Damage to garden beds, trees, shrubs and other plants

We will help pay for damage or loss to trees, shrubs, plants, hedges or garden beds on your site caused by fire or the impact of vehicles (not driven by you or by any person living at your home).

The most we will pay is shown on the most recent of your policy schedule and renewal notice.

| When we will pay | a legal liability which arises only because you have agreed to take that |
|--|---|
| We will cover your legal liability arising from accidents that happen at the site. | liability upon yourself, - Istelation to the second of the second |
| We will cover you against your legal liability for all claims arising from an accident or a series of accidents arising from any one occurrence during the period of cover, causing: | a napility which arises only because you have admitted Ilability, an event that you have arganised or are legally responsible for, except where the event takes place within the site, |
| bodily injury or death to a person, other than you ar a member of your family or any person living at your building or the site, or | things done intentionally or left undone intentionally by you, or any person acting on your behalf, with reckless disregard for the consequences, |
| damage to or loss of property, ather than property which you or your family or any person living at your building or the site own or for which | lifts, cars, motorbikes, minibikes, vehicles, watercraft (including sail boats) or aircraft (including gliders), |
| you or they are legally liable. | Vehicles do not include bicycles, motorised wheelchairs, golf carts |
| Where your home is a lot or unit which is part of a strata-titled development, and: | or garden appliances which do not have to be registered. an animal other ihan a domestic dog or cat, |
| there is no other lot or unit above or below your lot or unit, | vibration, or the removal of, or interference with the support of land, |
| you do not have any other liability insurance for your lot or unit, and | buildings or other property, |
| we have agreed to provide building insurance for your lot or unit, | alterations, additions, repairs, rebuilding or redecorations of your building |
| we will also cover your legal tiability arising from accidents that happen on the common property that is shown on the plan and is used for domestic or residential purposes. | or the site where the total value of the works exceeds \$20,000, the transmission of any disease, contaminated body fluid or body product, |
| Our payment will not exceed \$10 million in total (including all legal and defence costs and GST). | the consumption of alcohol or drugs, if your consumption of them caused or contributed to the accident, |
| When we will not pay | employees or workers who are covered or should have been covered by Workers' Compensation or similar legislation and who, at the time of the |
| We do not provide cover for your legal liability arising from or involving: | accident, were employed by you or any person living at your hame, |
| any of the causes listed under "What we do not cover" on pages 14 - 15, | the use of any part of your building or the site for business, trade, professional services, farmina of any type, but not: |
| your accupancy or ownership of any residence, building or land other than vour home building and the site. | that part of the building used for performing office work, |

What we cover – your \$10 million legal

than your home building and the site,

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| · | What to do if you need to claim on your AAMI policy |
|---|---|
| any business, tadele, profession or accupation conducted or operated or undertalear: but you or any your bushoff. You on bahoff of any person living at your home. Yo an bahoff of any company, trust or other legal entity in which you or any person living at your home. The arrited person living at your home is an interest flegal, beneficial or phenois. | If your insured property has been damaged or last ar someone is claiming against you, please phone us immediately. We may require you to report the matter to the police. You can call AAMI at any time on 13 22 44. Our claims service will take away the stress and hassle by taking care of everything for you. The policy of the policy of the stress and hassle by taking are of a card to the policy of policy and its diversity of policy of policy of policy and its diversity and its diversity building, you helps us make speedy and accurate decisions regarding your building, you help us make speedy and accurate decisions regarding your building, you help us make speedy and accurate decisions regarding your building, you help us make speedy and accurate decisions regarding your building, you help us make speedy and accurate decisions regarding your building, you help us make speedy and accurate decisions regarding your building, in may be easily identifiable in photos taken, for evaluations and photographs (photographs do not have to be specifically of your building; it may be easily identifiable in photos taken, for example, of personal events). We may require this type of information. If you are unable to provide information in then we may reduce or refuse to poyer to in question and the value of your dain, then we may reduce or refuse to poyer to industion and the value of your dain, then we may reduce or refuse to poyer your dain. |



When you tell us about the damage or loss to your building, where necessary and as soon as possible, we arrange:

for our assessor to meet with you, inspect your building and confirm the full details of the damage or loss,

temporary repairs to and the securing of your building,

temporary accommodation for you and your family. See page 20.

We discuss with you what is necessary to make good the damage or loss and then we will decide either to repair or rebuild your building or pay the cost of repairing or rebuilding your building to the same size and standard as your current building.

Repairing or rebuilding your building

We ordinarily obtain independent, competitive quotes from repairers and suppliers recommended by AAMI. If you want, you can choose a repairer and/or supplier to provide one of the quotes. We review the quotes, including any quote from a repairer and/or supplier you choose, and what is necessary to properly repair or rebuild your building. We choose the repairer and/or supplier who submitted the more competitive and complete quote and that will be the repairer and/or supplier who repairs or rebuilds your building.

We will enter into any building contract with the selected repairer and/or supplier on your behalf. We will oversee the repairs and keep you informed of their progress.

Changes to your building

You can have changes made to the design and structure of your building before repair or rebuilding. Any extra cost of such changes will be your responsibility.

We may decide to pay you the cost of repairing or rebuilding your building without the changes you require.

What happens to your policy when you claim?

I

| When we establish that | lish that | What happens to your policy |
|--|--|--|
| the damage or loss can | repair your building. | Your policy continues for the remainder of the period of cover. |
| be repaired, we decide either to | or pay the cost of repairing your building. | Your policy continues for the remainder of the period of cover. |
| the damage or loss can't be | rebuild your building. | Your policy continues for the remainder of the period of cover. |
| reparted and your building has to be rebuilt, we decide either to | or pay the cost of rebuilding your building. | Your policy, including the legal liability cover it provides, comes to an end. We also pay, where relevant, any outstanding additional benefits. Because our payment meets all our obligations to you in full, there is no refund of |
| | | any portion of the premium. |



Preventing further damage or loss

Following an event that is likely to result in a claim, you must take all reasonable precautions to prevent any further damage, loss, cost or liability.

Allowing us access

You must provide us with access to your building and the site to inspect damage or loss, arrange quotations, repair or rebuilding, and undertake progress inspections if required.

Obtaining our written authority for the repair of your building

You must not authorise the repair of your building, apart from emergency repairs, without our written permission.

Obtaining our written consent

You must not make any admissions or settle any claims without our prior written consent.

Giving assistance – information, notices, negotiating, defending and settling claims

You must give us the information and assistance we reasonably request in evaluating the cause, extent and value of any claim. This may include:

providing us with full details of the claim in writing,

providing valuations, receipts or other evidence of ownership,

providing written statements,

undergoing an interview or interviews about the circumstances of the claim,

appearing in court and giving evidence.

You must promptly deliver to us any relevant letters and notices that come into your possession. We shall be entitled, but not obliged to defend or represent you in any legal proceedings relating to an accident or event which may give rise to a claim against us and to control, settle and deal with those proceedings as we see fit.

We will pay the legal and other reasonable related costs of defending any claim made against you, provided we appoint the solicitors who will defend the claim and we have told you in writing that we will pay their costs. You must assist us in all our endeavours to negotiate, defend or settle any claim made under this policy and to exercise for our benefit your legal right of recovery against any other party fincluding a party involved in making good any damage or loss). If you fail to assist us, or do not abide by any of these terms, we may reduce or refuse to pay your claim.



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Excesses

An excess on your policy is the amount that you must first contribute towards each claim. If your claim is for more than one occurrence, the excess applicable to each occurrence will be payable. The excesses that apply to your policy will be shown on the most recent of your insurance schedule and your renewal notice. When you make a claim we may require you to pay the excess or we may deduct the excess from any payment we make. We will tell you when and how the excess is to be paid or deducted.

When an unoccupied excess is payable, it will be additional to any other excesses that apply to your claim.

| Unoccupied excess | Your home building is at greater risk of damage |
|-------------------|---|
| | or loss wnen it is unoccupied tor a lengthy perioc |
| | Because of this extra risk, if you claim for damage |
| | or loss to your building: |
| | which occurs after your home building has |
| | not been occupied for 60 continuous days |
| | an additional compulsory excess is payable. |

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What happens when your building and contents are insured with AAMI

When your building and contents are insured with AAMI and the event leading to your claim is for damage or loss to both, whichever is the higher of your total building and your total contents excesses, including any Flexi-Premium excesses, will be payable.

AAMI Flexi-PremiumsTM

With AAMI Flexi-PremiumsTM, the higher the excess you choose, the bigger the discount on your premium. Please call 13 22 44 for full details.

Important general information for you

You can contact us:

By phone: Call 13 22 44 (24 hours a day every day of the year).

Via the internet: aami.com.au

By mail: PO Box 14180, Melbourne City Mail Centre, Victoria 8001

In person: Call 13 22 44 for the address of the closest AAMI branch or customer service centre.

When we quote you a premium

When we quote you a premium for AAMI home insurance, the factors we take into account include:

the current cost of rebuilding your home building including the associated costs we cover, such as demolition and removal of debris, making safe, professional fees, extra costs to satisfy current council or government requirements, and temporary accommodation,

our experience of the incidence and cost of building claims,

the value of the benefits we include in your cover,

your insurance history,

the insured address (the address where your building is located),

the cost of providing legal liability cover,

our costs of providing and administering this policy,

whether you pay your premium in instalments,

any discounts that apply because of your particular circumstances.

Government taxes and charges are included in the premium we quote.

Excesses may be payable on any claim you make on this policy. See page 32 for further details.

| and MAX and and and and an and an and and and a | If you cancel the debit completely, you will need to arrange for another way to pav us vour premium. to ensure vou remain covered |
|---|--|
| in at AAMI Branches or Australia Post Offices. The payment notice we issue at the wal of your policy. | Important things to remember when paying by instalments When you first commence your direct debit payments, or when you change your account details, it may take up to 14 days for us to first debit your account. |
| v in regular instalments by direct debit. | If you believe that we may have incorrectly debited your account, please contact us on 13 22 44. |
| otal premium is higher than we charge for one gher costs we experience. Any premium discounts before these additional costs are calculated. | When you claim on your policy and we decide that the damage or loss to your building is so severe that it will need to be rebuilt, we will require you to pay the total unpaid balance of your premium before your claim can proceed. |
| paying by instalments | Government taxes and charges AAMI shows on receipts any government taxes and charges such as GST, Strum Duty and Fire Services Lever allocation included in increased construction |
| a signatory on the account nominated for your | GST |
| norminated account can accept alreat deals o meet each payment at each due date, | Any amounts we pay under this policy include GST. |
| ay also apply its own fees (including dishonour · responsibility. | Renewing your policy When we offer to renew your policy: |
| talment remains unpaid? | we will send you a notice before the policy expiry date, |
| vithout notice if an instalment payment remains | we will tell you in writing if there are any changes to the policy. Changes that benefit you apply from their introduction. Changes |
| date may be refused. | introducing limitations apply from the policy's renewal, |
| payments your direct debit arrangements, you need to efore the debit day. | we may require an additional premium if you make a claim in the short period between the time we calculated the renewal premium and the expiry of your policy. If the additional premium is not paid, we may reduce the period of cover to match the reduced amount paid. |
| | |

Paying your premium

You can pay your premium annua through AAM! e-PAY, or in cash c Further details are provided on the commencement and each renew

Paying by instalments

You may also be eligible to pay i

When you pay this way, the tota annual payment, reflecting the high we may provide are applied bef

Your responsibilities when

When paying by instalments:

you must be an authorised direct debit payments,

you must ensure that your no and has sufficient funds to n

your financial institution may fees). Those fees are your re

What happens if your inste

AAMI may cancel your policy wit unpaid for one month or more.

Any claims arising after the due de

Changing your instalment

If you wish to change or cancel y contact us at least seven days bef



Federal law provides that you can cancel this policy within 14 days of its purchase. AAMI allows you to cancel your policy at any time. In both cases, we will refund you the unexpired portion of the premium less any cancellation processing charge to cover the reasonable administrative and transactions costs incurred by AAMI.

To cancel your policy, please call us on 13 22 44.

We can only cancel your policy by giving you written notice in accordance with the Insurance Contracts Act 1984.

Joint policyholders

When you insure your home in the names of more than one person, each person is a joint policyholder and is able to make changes that we agree with to the policy.

Cover for landlords

We provide a separate policy for landlords who rent their property for domestic residential purposes. Please ask us about the AAMI Landlord Policy.

The privacy of your personal information

We are committed to protecting the privacy of your personal information. That commitment is reflected in the AAMI Customer Charter and in our compliance with the National Privacy Principles. For further information, please visit our website www.aami.com.au or call us on 13 22 44 for a copy of our 'AAMI and Your Personal Information' brochure.

AAMI's Customer Charter

We are committed to always provide you with the highest standard of service. The AAMI Customer Charter is a written document containing service and reporting promises which we are bound to deliver. In fact, we impose a penalty on ourselves if we fail to do so. This unique Charter was drawn up through consultation with our staff, our customers and industry regulators, and is reviewed annually. Compliance with our promises is independently audited every year and the results are reported publicly. The AAMI Customer Charter, introduced in 1996 was Australia's first general insurance customer charter, and indeed, first retail customer charter. The Charter is your guarantee that we're always striving to deliver the best in customer service.

The AAMI Consumer Appeals Service

If you are unhappy with anything we have told you or done for you, we want you to tell us about it. If we cannot resolve the matter to your satisfaction, other appeal services are available to you. See page 41 for full details.

The General Insurance Code of Practice

AAMI is a signatory to the General Insurance Code of Practice which sets out a commitment by the general insurance industry to raise standards of service and to promote better relations between customers and insurers. The Code describes standards in areas such as buying insurance, claims handling, responding to catastrophes and disasters, information and education and dispute resolution. Introduced in 1995 with the backing of consumer groups, the federal government, insurers and the Insurance Council of Australia, it was revised in 2005.

More information on the Code, or a copy of the Code, can be obtained from the Financial Ombudsman Service (FOS). You can contact the FOS on 1300 780 808, toll free, or you can access the Code at www.codeofpractice.com.au



AAMI, we, us, and **our** mean Australian Associated Motor Insurers Limited (ABN 92 004 791 744).

Accident means an accident or a series of accidents resulting from any one occurrence.

Building means the building(s) covered under this policy. See pages $6 \cdot 7$ for the buildings that **are** covered and **are not** covered under this policy.

Cover and covers mean the protection provided by your policy.

Damage and loss.

Damage means actual physical damage to your building.

Loss or lost means your building or a part of your building being damaged beyond economical repair.

Endorsement means a special condition that applies to your policy. Any endorsements to your policy are shown on your insurance schedule. **Excess** An excess on your policy is the amount that your must first contribut

Excess. An excess on your policy is the amount that you must first contribute towards a claim.

Fire means burning with flames.

Fixtures and **fittings** means items used for domestic and residential purposes, and which are permanently attached to your home building or the site.

Flood means the inundation or covering of normally dry land by water which:

escapes or overflows from, or

cannot enter (because it is full or has overflowed), or

is prevented from entering (because other water has already escaped or been released from it),

the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or stormwater channel. Flood does not mean stormwater runoff from areas surrounding the site or water escaping from any water main, pipe, street gutter, guttering or surface.

Home means the buildings described in 'What we cover – the building'. See page $\boldsymbol{6}.$

Home does not mean your home contents.

Insured address means the address at which your home is located.

Insured event. The occurrences we have listed on pages 8 - 13 which cause damage and loss to your building.

Living with you. Any person normally living or staying in your building or at the site.

Lot and Unit mean an area which is used for domestic or residential purposes that is shown on the plan for the Strata Titles Act or similar legislation applying where the lot or unit is located.

Plan means the plan of subdivision describing the area of land at the insured address created under the Strata Titles Act, Subdivision Act or similar legislation applying where the lot is located.

Occupied means you are living or staying in your home or another person is with your consent.

Period of cover means the current period for which we have agreed to provide you with insurance cover. The current period is shown on the most recent of your insurance schedule and renewal notice and any receipt we may send to you.

| What to do if you are not satisfied with us | Policy means this booklet and your policy schedule. |
|---|---|
| The AAMI Consumer Appeals Service | |
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Your **policy schedule** comprises the notices we give you which show the particular details and the current status of your policy. These notices are the most recent of your **insurance schedule** and **renewal notice**, and any **receipt** we may send you.

Your **insurance schedule** sets out the information you have given us on which we have based our decision to insure you as well as the individual details of your policy. We will send you an updated insurance schedule whenever you advise us of a change in this information or these details.

Site means those parts of the land at the insured address which are used for domestic ar residential purposes **but not** 'common property' which is land or areas that people as well as those living with you are entitled to use, for example common property in a multi-dwelling development. **Storm** means violent wind {including a cyclone or tornado}, thunderstorm or a heavy fall of rain, snow or hail.

Theft means actual or attempted theft and burglary.

You and your mean the person or persons named as the insured on the most recent of your insurance schedule and renewal notice and members of your family.

Your family means the following people who normally live with you:

your spouse or partner,

your children, parents, grandparents, grandchildren, brothers and sisters, the children, parents, grandparents, grandchildren, brothers and sisters of your spouse or partner.

Here is how the AAM! Consumer Appeals Service helps you if you are dissatisfied with the results of your dealings with AAM!.

1. Who do you talk to?

lf you are unhappy with anything:

we have told you or done for you, or

that has been provided on our behalf,

please tell us. You can phone us on 13 22 44 or call in to an AAMI branch. Most times we will be able to sort the matter out to your satisfaction.

2. The AAMI Customer Ombudsman

However, if you are not satisfied with our response, you can ring, write to or email the AAMI Customer Ombudsman with the details. The AAMI Customer Ombudsman will respond to you within five working days of receiving your letter or email.

3. Appealing to the independent dispute resolution scheme

If you disagree with the AAMI Customer Ombudsman's decision, you can appeal to the Financial Ombudsman Service. We will help you do this. The Financial Ombudsman Service is an independent industry dispute resolution scheme. You can contact the service on 1300 780 808 toll free or by email to inlo@fos.org.au. You can also visit the FOS website at www.fos.org.au. There is no charge for this service.

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4. Are any decisions binding on you?

You do not have to accept any decision AAMI or the FOS makes. You always have the option of seeking remedies elsewhere.

Any decision the AAMI Customer Ombudsman makes or the FOS makes is binding on AAMI, provided you also accept the decision.

How to contact AAMI

Telephone: 13 22 44 (24 hours a day, seven days a week).

How to contact AAMI Consumer Appeals

Telephone: 1300 130 794 (local call costs apply).

9am to 5pm EST Monday to Friday.

Fax: (03) 9529 1214.

Write to: The AAMI Customer Ombudsman, AAMI Limited,

PO Box 14180, Melbourne City Mail Centre, Victoria 8001.

Email: consumerappeals@aami.com.au

How to contact the Financial Ombudsman Service

Telephone: 1300 780 808 toll free.

Email: info@fos.org.au

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We're here to help you 24 hours a day 7 days a week

13 22 44

aami.com.au

Customer Comment Line: 1300 360 361 Australian Associated Motor Insurers Limited AFS Licence Number 238173 ABN 92 004 791 744 ©AAMI®

CONSUMER

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| Where to find | | Important information |
|---|----------------|---|
| Important information What we cover - the contents | ن س | Your AAMI Product Disclosure Statement The AAMI Home Contents Insurance Policy |
| Where and how your contents are covered | 7 | |
| General contents | 8 | This Product Disclosure Statement provides information about the product we |
| Contents with limited cover | ω | ofter: the AAMI Home Contents Insurance Policy. When we agree to insure |
| Extra Cover for portable valuables | 12 | your contents, your policy comprises this booklet and your policy schedule |
| What we cover – insured events | 16 | which shows the detail of the policy particular to you. See page 51. |
| What we do not cover – general exclusions | 22 | This Product Disclosure Statement was completed on 30 April 2007. |
| Precautions that you need to take | 24 | |
| What we will pay – new for old | 25 | Our commitment to you |
| Repairing or replacing your contents | 25 | |
| The AAMI Home Repair Guarantee | 26 | when you are an AAWII policynolaer and you need to alarm on your policy, Aur claims somisto will take autor the stors and have a Marca to be to be |
| What we do not pay for | 27 | טנו כוטוויוא אבו אוכר שווו וטואל טאטק ווופ אופאא טווט ווטאפו. עעפ טופ וופופ וס זופוף עמיו 21 hours מ למע פעפע למע מל the עצמר |
| Maintaining your contents | 27 | |
| Other costs | 27 | It your contents have been damaged or stolen or someone is claiming against |
| VVhat we cover – additional benefits | 28 | you, please phone us immediately on 13 22 44. |
| Accidental breakage | 29 | Please read this policy carefully and retain it so you can refer to it if required. |
| Accidental breakage when you are a tenant | 29 | - - |
| Cover when you are changing homes | 30 | We rely on the accuracy of your information |
| Damage to electric motors | 31 | \\\\ |
| Spoiled frozen food | 31 | virien we agree to insure you, to renew or vary your policy, or to pay your drim aur donining client on the accuracy of the information control of the information of the second |
| Compensation for fatal injuries | 32 | ciumit, our decision relies on me accuracy of me information you give us. In mar information is not accurate the case advice of dame and date the case and accurate |
| What we cover – your \$10 miltion legal liability cover | 33 | momental is not accordie, we can reacce of delig any any cannot may make or cancel vour policy. We never want to have to do that is vou must accord |
| What to do if you need to claim | 36 | or concerny your poincy: Y you need within a nave to do intally subject unitability connective and completely the numeritors we ask about: |
| Helping us pay your claim | 36 | |
| What happens when you claim | 36 | you, |
| Your responsibilities | 39 | your contents, |
| Excesses | 41 | onv events that result in a claim op vanr. AAMI policy |
| Important general information for you | 42 | |
| What do we mean by that? | 48 | When you receive your renewal notice, please carefully check the information |
| The AAMI Consumer Appeals Service | 53 | it snows about you. It any of that information is incorrect or incomplete, please call us and we will update our records. |
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Important information

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| We dearrent for a conditions contained in your ANMI policy, dearrent the conditions contained in your ANMI policy, or a conditions contained in your ANMI policy, your and policy or a conditions contained in your ANMI policy, your and your andyou your and your and your and your and your |
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hedges (whether or not they form a fence), lawns, trees, shrubs, indoor and outdoor plants, flowers, garden beds or any other living material,

| Where and how your contents are covered | intents are cov | ered |
|--|--|--|
| Which contents? | Where are they insured? | What are they covered against? |
| General contents - see page 8. | At your home and at the site. | Damage or loss caused by the insured events listed on pages 16 - 21. |
| Contents with limited cover – see pages 8 - 12. When you have items in this class that are more valuable than the limits we apply, you may be able to insure them for their higher values as specified contents. An additional premium may be payable. | At your home and at the site. | Damage or loss caused by the insured events listed on pages 16 - 21. |
| Extra Cover for portable valuables – see pages 12 - 15. An additional premium is payable. When you have items in this class that are more valuable than the limits we apply, you may be able to insure them for their higher values as Extra Cover specified items. An additional premium is payable. | Anywhere in Australia and for the first 30 days when you are overseas. | Accidental damage or loss - see page 13. |

assets, plant or equipment for any type of business including any type

stock in trade or samples, business or trade cash takings or business

fish, birds, pets or animals of any type,

of farming (other than 'home business equipment' and 'tools of trade

and professional equipment' - see page 10),

golf carts, motorised vehicles of any other type (other than motorised

or free-standing), motor vehicles, motorcycles, minibikes, go-karts,

wheelchairs) or the spare parts or accessories of any of these items,

canoes and kayaks), aircraft, caravans, trailers, mobile homes (fixed

houseboats, watercraft (other than surfboards, sailboards, surf skis,

| unset precious and semi-precious stones, unlicensed or unregistered firearms and firearms stored illegally at your home. | ₹ d | | |
|--|-----|--|--|
|--|-----|--|--|

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| General contents General contents are items such as furniture and furnishings; fixed wall and | furniture and furnishin | gs; fixed wall and | Contents with limited cover – groups and items | Limited cover unspecified items | Limited cover specified items |
|--|---|---|---|--|--|
| floor coverings such as carpets, curtains and internal blinds; household linen and bedding; clothing; kitchen utensils; electrical and electronic equipment and appliances not permanently attached to any building or the site; | tains and internal blin Isils; electrical and ele tached to anv buildin | ds; household linen ectronic equipment a or the site; | Valuables, antiques, artwork, collections | \$5,000 in total; \$1,000 for each | Up to each specified item's |
| outdoor garden furniture and equipment; sporting equipment. General contents do not include 'contents with limited cover'. These are contents items where we limit the 'per item' and 'in total' amounts we wi | ment; sporting equipr ontents with limited cc er item' and 'in total' | ment. over'. These are amounts we wil l | Jewellery, watches, other items containing precious metals and gemstones, bullion. | item; \$1,000 in total for each pair, set or collection | |
| pay for damage or loss. See below. | ~ | | Antiques (other than antique furniture). | | jewellery and watches by |
| Contents with limited cover | ver | | Paintings, prints, pictures, | | insuring them under Fxtra Cover |
| Contents with limited cover items are those where we limit what we will pay for any one claim. Increased cover may be available for items more valuable than the limits we apply. See 'Increased cover may be available for valuable items' on page 11. | e those where we lim over may be availabl see 'Increased cover r | hit what we will le far items more may be available | tapestry, figurines, sculptures, curios, decorative items made of china, porcelain, crystal or like material. | | See page 12. |
| Contents with limited cover groups and items | Amount covered Up to the amount shown for any one claim. | Amount covered the amount shown for any one claim. | Pair, set or collection of any kind (for example, bullion, cards, coins, crockery, cutlery, earrings, medals, stamps etc.). | | |
| | Limited cover unspecified items | Limited cover specified items | CDs, DVDs and electronic files | \$1,000 in total including those | Up to each specified item's |
| Cash, vouchers, certificates etc. Cash, money orders, gift vouchers, tickets, stamps (not in a set or collection), manuscripts, | Up to \$200 in total. | Not available. | cus, usus and electronic mes such as software, music, and moving images, the purchase of which included a licence for use in that format. | which form part of a set or collection. | insured value. |
| certificates of title, licences, registration papers, negotiable instruments or documents of any kind. | | | Computer equipment Computers, printers and associated accessories. | \$7,500 in total. | Up to each specified item's insured value. |

Contents

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| Contents with limited cover – groups and items | Limited cover unspecified items | Limited cover specified items | Damage or loss to a 'contents with limited cover' item which we agre into more than one of the groups shown above can be claimed only the group with the higher amount covered. |
|---|------------------------------------|----------------------------------|--|
| Home business equipment | \$10,000 in total. | Not available. | We do not pay for: |
| Business furniture, electrical and electronic equipment ordinarily located in your home and used for office work. | | | the cost of installing, replacing, recreating or rewriting software, records, working files, entertainment files or any other informatic on your computer or held elsewhere at your home other than th current purchase cost of proprietary CDs, DVDs and electronic f |
| Personal medical equipment and aids | \$3,000 in total. | Up to each specified item's | as províded for above under 'contents with limited cover'. See c 'Replacing CDs and DVDs' on page 26. |
| Wheelchairs, artificial body parts, medical equipment, aids and accessories. | | insured value. | the cost of replacing, rewriting or recreating any information, re manuscripts, plans, paper writings or any work that you had dc connection with your business or occupation, |
| Tools of trade and professional equipment | \$2,000 in total. | Not available. | damage or loss to home business and professional equipment v is away from the site or which is not owned by you or for which are not legally liable. |
| Tools of trade and professional equipment used to earn any income (whether or not used in your current or former occupation or profession). | | | Increased cover may be available for more valuable item : When you have contents items in the above groups with replacement higher than the limits we apply, you can tell us about them, and we m agree to insure them for their higher values as 'limited cover specified |
| Contents temporarily removed from your home | 25% of the contents amounts | Not available. | provided. they are items and values we cover, and |
| Contents temporarily removed from your home but within a building within Australia in which you are temporarily residing are covered for damage or loss | covered. | | you pay us any additional premium we may charge. When we agree to insure them, your limited cover specified items will shown together with their individual insured value on the most recent a insurance schedule and renewal notice. Damage or loss to a limited cover specified item can be claimed only |

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it under Extra Cover (see below).

Any payment we make for specified items will be included in the contents amount covered.

Extra Cover for portable valuables

We offer Extra Cover for the portable items listed below.

| | Extra Cover unspecified items | Extra Cover specified items |
|--|--|--|
| Clothing Personal clothing Fequipment for babies and young children Baby capsules, prams, children's car seats Personal accessories Watches, jewellery, spectacles, sunglasses, binoculars, telescopes, opera glasses, binoculars, telescopes, opera glasses, binoculars, telescopes, opera glasses, binoculars, telescopes, but not anglasses, travel bags, purses, wallets, briefcases, travel bags, purses, wallets, briefcases, travel bags, purses, but not their contents Personal vision and sound equipment Portable still and motion cameras and photographic equipment, electronic music and diary systems but not any of these that are capable of being used as a telephone Sporting equipment and musical | Up to \$1,000 for each item, set or collection. Up to an averall limit between \$1,000 and \$5,000. You choose the overall limit. | When you tell us about you want to specify and their value, and we agree in writing to cover them, we will pay up to the individual item's insured value. |
| instruments | | |

When you pay us the additional premium we charge, Extra Cover insures these items:

for accidental damage or loss not already covered by this policy, when they are at and away from your home within Australia, and

overseas for the first 30 days on each occasion you leave Australia.

Extra Cover insures your items collectively in the groups shown above as unspecified items. You can also insure more valuable items individually as Extra Cover specified items.

Insuring your items collectively – Extra Cover unspecified items

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When you insure your items under Exita Cover, the per item and overall limits, shown above, are the most we will pay if they are damaged or lost. You can choose the overall limit from the options we offer. The most recent of your insurance schedule and renewal notice will show the overall limit you have chosen.



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Insuring your items individually - Extra Cover specified items

When you have more valuable items, you can insure them for their higher values as Extra Cover specified items provided:

they are items and values we cover,

we agree in writing to cover them, and

you pay us the additional premium we charge.

When we agree to insure them, your Extra Cover specified items will be shown together with their individual insured value on the most recent of your insurance schedule and renewal notice.

Extra Cover claims

When your claim for damage or loss to any of the items you have insured under Extra Cover: your claim will proceed first against any other cover this policy may provide,

if no cover is provided, or the cover provided is limited to an amount less than the value of your claim, your claim will also proceed against Extra Cover.

Where your claim proceeds against other cover and Extra Cover, our total payment will not exceed the replacement value of your lost or damaged items.

Any payment we make for Extra Cover claims will be included in the contents amount covered.

The Extra Cover excess shown on the most recent of your insurance schedule and renewal notice is only payable when your claim proceeds solely against your Extra Cover.

We **do not** pay for damage or loss to Extra Cover items when they belong to or are in the custody of anyone who is engaged in professional entertainment.



| What we cover – insured events | |
|--|--|
| This section describes under the heading: | |
| No - the conditions and exclusions that specifically apply to particular insured events. | |
| Yes | No |
| You are covered for damage or loss to your contents | You are not covered for: |
| while they are in your home or at the site, | |
| occurring during the period of cover, | |
| caused by the following events: | |
| Animals and birds - the actions of animals and birds | Damage or loss caused by: |
| | vermin, rodents or insects (including termites), domestic animals, |
| | animals and birds kept by you in your building or at the site, |
| | scratching, chewing, tearing or soiling contents in the open air and within partially enclosed buildings at the site. |
| Earthquake including subsidence and landslide caused by an earthquake. | Damage or loss caused by tidal wave, tsunamí, high tide or other actions of the sea. |
| Explosion | |
| Fire (burning with flames). | Damage or loss caused by: |
| | any process involving the application of heat where there was no flame, for example, cigarette burn marks or scorch marks are not covered, |
| | soot and smoke where your building or the site has not been damaged by fire unless there was an occurrence within your building where no flame resulted but soot and smoke damage was caused. |
| | |

| Yes | No |
|---|--|
| Impact - sudden and unexpected impact of any: | |
| motor vehicle, aircraft, watercraft or space debris, | |
| object falling from a motor vehicle or aircraft, | |
| falling tree or part of a tree, | |
| aerial, mast or satellite dish which breaks or collapses. | |
| Liquid escaping suddenly and unexpectedly from a: | Damage or loss resulting from: |
| water main, drain, fixed pipe, gutter, guttering, fixed tank or drain, | liquid escaping slowly over a period of time where you could |
| sink, basin, bath, shower, toilet or spa bath, | reasonably be expected to be aware of this condition. |
| dishwasher or washing machine, | The cost of repairing or replacing the item from which the water or liquid eccanad |
| fixed heating or cooling system, | |
| aquarium. | |
| Malicious acts and vandalism – actual or attempted by persons who are not living with you. | |
| Riot, civil commotion or labour disturbances | Damage or loss caused if you or anyone living with you participated in the event. |
| Storm and rainwater including stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface. | Damage or loss caused by flood. Flood means the inundation or covering of normally dry tand by water which: escapes or overflows from, or |
| Storm means violent wind (including a cyclone or tornado), thunderstorm or a heavy fail of rain, snow or hail. | cannot enter, because it is full or has overflowed, or is prevented from entering, because other water has already escaped or been released from it, |
| | the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or stormwater channel. |

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|--|---|
| | Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface. |
| | The cost of cleaning or clearing debris from any pool or spa. |
| | Damage or loss caused by water seeping into or otherwise entering your building due to: |
| | a defect or fault in the design, structure or construction of your building where you could reasonably be expected to be aware of the defect or fault, |
| | building alterations, renovations or additions. |
| | Damage or loss caused by dust where your building has not been otherwise damaged by storm. |
| Theft – by persons who are not living with you. | Damage or loss to a value of more than \$1,000 per event caused by theft of contents which were in: |
| | the open air at the site, |
| | within motorised vehicles, caravans, campervans and camper trailers at the site, |
| | any buildings or outbuildings that were not fitted with working locks, or |
| | partially enclosed buildings ar areas of buildings such as carports, balconies, courtyards and verandahs. |

| | the actions of trees, plants or their roots, actions of insects (including termites) or vermin, |
|--|---|
| What we do not cover – general exclusions | You are not covered under any section of the policy for damage, loss, cost or liability caused by or crising from or involving. |

for damage, loss, cost or liability caused by or arising from or involving: an unreasonable failure to properly maintain or repair your home or

an unreasonable railure to properly maintain or repair your nome o your contents,

wear and tear, rust, deterioration or corrosion,

mechanical, structural, electrical, electronic or other failure or breakdown, other than as provided for under 'Damage to electric motors' on page 31,

the action of light or atmosphere or climatic conditions or from any process of cleaning or restoration,

the use of sporting equipment and musical instruments,

mould, wet or dry rot, rising damp or dampness,

flood,

storm surge, being an increase in sea level that usually occurs with a severe storm or cyclone,

tidal wave, tsunami, high tide or other actions of the sea,

erosion or washing away of soil, earth or gravel,

the washing away or movement of the surface of any path or driveway which has a surface consisting of a loose material such as gravel, stone or dirt,

soil movement or settlement,

subsidence or landslide unless caused by the insured event of earthquake,

the moving, shifting or dislodging of any swimming pool or spa and their covers and liners, or any septic tank or other inground structure **unless** caused by the insured events of earthquake or impact,

scratching, chewing, tearing or soiling by animals and birds kept in your building or at the site,

the lawful taking or repossession of your contents, for example, repossession by a finance company,

fraud or fraudulent means or devices used by you or anyone acting on your behalf to obtain benefit under this policy, deliberate or intentional acts committed by you or someone acting on your behalf or any person living with you,

war, warlike activities or revolution including any looting or pillaging,

asbestos, asbestos fibres, or derivatives of asbestos in any form.

You are not covered under any section of the policy for damage, loss, cost or liability:

directly or indirectly caused by, arising from, or connected with: the use, misuse or existence of nuclear weapons; or the use, misuse, escape or existence of nuclear fuel, waste or nuclear materials or ionising radiation or contamination from such fuels, waste or materials; or combustion, detonation, fission and/or fusion of nuclear fuel or nuclear materials, directly or indirectly caused by, arising from, or connected with actual or threatened chemical or biological pollution or contamination; or action taken by a public authority or any body authorised by a public authority to prevent, fimit or remedy such actual or threatened release, pollution or contamination.

| What we will pay |
|-----------------------------------|
| Precautions that you need to take |

Precautions

You must at all times, and at your expense, take all reasonable precautions:

for the safety and protection of your contents and the site,

to prevent bodily injury or damage to property,

to prevent damage to your contents,

to ensure compliance with all statutory obligations, by-laws or regulations imposed by any public authority. If you do noi, we may reduce or refuse to pay any claim you may make.



y – new for old

Repairing or replacing your contents

When an insured event causes damage or loss to your contents during the period of cover, we will decide either to repair or replace your contents or to pay the cost of repairing or replacing them.

If we decide to repair or replace your contents:

it will be with new materials or new contents,

we will make reasonable endeavours to match materials and contents. Where this does not achieve an exact match, materials and contents Damage to fixed carpets, curtains and internal blinds' on page 26. that in our opinion match the damaged or lost contents as near as reasonably practicable will be used, except as provided for under

If we decide to pay the cost of repairing or replacing your contents:

we will pay up to the contents amount covered shown on the most recent of your policy schedule and your renewal notice,

will not exceed the contents amount covered, except as provided for our payment will not exceed any limits detailed in this policy and it under 'What we cover – additional benefits' on pages 28 - 32 of this policy, our payment will be the current retail price or the discounted price we may obtain, whichever is lower.

When the damage or loss to your contents is such that we decide to pay the amount covered and you are paying your premium in instalments, we will deduct the total unpaid balance of your annual premium from the payment we make.

| l blinds | What we do not pay for |
|--|---|
| urtains and internal | We do not pay for: |
| casonably required to f the damaged area, assageway, stairwell | the repair or replacement of undamaged contents or any undamaged part of them to match contents we have repaired or replaced, except as provided for under 'Damage to fixed carpets, curtains and internal blinds' on page 26, |
| ss, when we replace les comprising | any decrease in the value of a pair, set or collection when the damaged or lost item forms part of the pair, set or collection. We pay only for the repair or replacement of the item which was damaged or lost, damage or loss on a 'new for old' basis for old contents which have passed their 'use by' date and are stored away. We pay the |
| will be replaced as dia, | reasonable market value for these contents based on their age and condition at the time of the loss. |
| sced or we will pay | Maintaining your contents |
| sroduced CDs or | We insure your contents on the condition that they and your home have |
| sr which you do not | Ben und will commune to be properly manualled and repaired. If, when you claim for damage or loss, your contents and your home have not been properly maintained and repaired, we may reduce our payment or refuse to pay your claim. |
| iy repair of your ed for the life of | Other costs |
| our contents, you inspect the repair ou must not authorise | Our payment will include, where applicable, the following costs and these costs will be included within the contents amount covered. Where we decide to reimburse a cost you have incurred, our payment will not be more than the actual cost you incur. |

Damage to fixed carpets, curtains and internal blinds

When we repair or replace damage to fixed carpets, curtains and internal blinds:

we also replace undamaged coverings if this is reasonably required to achieve a match with the repair or replacement of the damaged area, the repair or replacement is limited to the room, passageway, stairwell or functional area where the damage occurred.

Replacing CDs and DVDs

Because we will replace or pay to replace electronic files, when we replc or pay to replace CDs or DVDs that contain electronic files comprising computer software, music or moving images: domestically-produced (or 'burned') CDs or DVDs will be replaced as blank media, or we will pay the cost of blank media, commercially-produced CDs or DVDs will be replaced or we will pay the cost of purchasing replacement commercially-produced CDs or DVDs.

We do not cover the costs of replacing electronic files for which you do not have a licence.

The AAMI Home Repair Guarantee

The quality of workmanship and the materials used in any repair of your contents that we arrange and authorise will be guaranteed for the life of the contents.

If you are concerned about the quality of the repair of your contents, you must call us on 13 22 44. We will arrange with you to inspect the repair and we will arrange any necessary rectification work. You must not authoris any rectification work without our written authority.

26

| We help with | |
|--|---|
| Accidental breakage We will either replace or pay the reasonable cost of replacing, when it is accidentally broken: | |
| moved for storage or repair estroyed by an insured event, we will pay: wall mirrors and free-standing lights). | |
| it our option, make the necessary We will not replace or pay for: ssary removal and storage of your contents any accidental breakage which has occurred while the item is outside od for up to 12 months while your building your building, | |
| any area of glass or item which is already damaged or in an imperfect condition, the screen of any computer, television set or other type of visual display unit, | |
| any glass in a picture or photo frame, clock, radio, stereo or CD, video or DVD player, | |
| glass vases, ornaments or light glabes. Accidental breakage when you are a tenant | |
| When you are insuring your contents in a home in which you are residing as a tenant, accidental breakage cover is extended to include the following when fixed to your home: | |
| any area of glass (including glass tint, if fitted), glass {but not light globes} in a fixed light fitting, | |
| | |
| We will also repair or replace or pay the cost of repairing or replacing the frame of any window, door or shower screen but only if this is necessary to enable the glass to be replaced. | |
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Removal of debris

If the removal from your building of option, make the necessary arrang necessary, we will pay the reason

When your contents are rem

If your building is damaged or des

during the reasonable perioc the reasonable cost and, at arrangements for any necess is being rebuilt or repaired,

provided the contents amour for any additional damage an insured event while they

What we cover - addition

amount covered and will include G For your further protection during th following cover. Any payment we if you claim against this cover.

| Additional benefits | Page |
|---|------|
| Accidental breakage | 29 |
| Accidental breakage when you are a tenant | 29 |
| Cover when you are changing homes | 30 |
| Damage to electric motors | 31 |
| Spoiled frozen food | 31 |
| Compensation for fatal injuries | 32 |

28

| If there is any difference in the premium, we will refund or charge you that difference. | Any refund we make will be less our reasonable charge for administrative and processing costs. | If we charge you and you do not pay the additional amount within 14 days of our notice, we may reduce the period of cover of your amended policy | to match the amount you have already paid. | We do not cover your contents while they are in transit between your old and new addresses. | Damage to electric motors We will now the full cost of domane cruised by electric current to an electric | motor if the motor is less than 10 years old, and: the motor is in a domestic appliance which forms part of your contents. | We will not pay if the damage is covered by a new product guarantee or warranty | | Spoiled frozen food | vve will pay for spollage of frozen rood caused by: | accidential preakaown ol your rreezer where your rreezer is less man 10 years old, or | failure of public electricity supply to your home other than because of industrial action. | The most that we will pay for this benefit is \$400. No excess is payable. |
|---|--|---|--|--|--|--|---|--------------------------------|--|--|--|--|---|
| We will not replace or pay for: any glass in a glasshouse or conservatory, | any part of a fixed cooking or heating appliance (for example, the glass top of a stove). | The most we will pay for this benefit is $1,000$ for each event. | Cover when you are changing homes | When you are changing your home within Australia, we will cover your contents up to the amount covered for damage or loss by an insured event: | at both your old and new homes for up to 14 days from the date you start moving your contents from your old to your new home. | We will provide this cover and continue to cover your contents at your new address after the 14 day period has expired when, before you begin moving your contents from your old to your new address, you tell us: | your new address, | the date you will move in, and | any associated information we require. | When you provide us with the details we require, we will tell you whether: | your new home is one at which we would normally insure contents, | there is any difference in the terms and conditions of your contents policy as it applies at your new address, and | there is any difference for the remainder of your period of cover in the premium payable for your contents at your former home and your new home. |

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| | What we cover - your \$10 million legal liability cover |
|---|---|
| Compensation for fatal injuries If the person named as the insured in the insurance schedule, while in the home or at the site, is physically injured by: the violent attack of a burglar, or a storm, fire or lighting, | If you are the owner of your home , the cover only applies to accidents which happen in Australia and outside the boundaries of your site. If you rent or lease your home or if your home is a strata titled property , then the cover applies to accidents which happen anywhere in Australia including at your home or the site. |
| and if those injuries result in death, we will pay $$5,000$ to the surviving | When we will pay |
| spouse (legal or de facto) but only if he or she was residing with the insured at the time of the event. Otherwise, the \$5,000 will be paid to the insured's estate. Where the policy is in joint names, the most we will pay is still \$5,000 but, if necessary, a proportionate amount will be paid. | We will cover you against your legal liability for all claims arising from an accident or a series of accidents arising from any one occurrence during the period of cover, causing: |
| | bodily injury or death to a person, other than you or your family or any person living with you, or |
| | damage to or loss of property, other than property which you or your family or any person living with you own or for which you or they are legally liable. |
| | Our payment will not exceed \$10 million in total {including all legal and defence costs and GST}. |
| | When we will not pay |
| | We do not provide cover for your legal liability arising from, or in connection with, or involving: |
| | any of the causes listed under 'What we do not cover' on pages 22 - 23, |
| | your occupancy or ownership of any residence, building, structure or land including your home building and the site unless |
| | you rent or lease your home, or |
| | your home is a strata-titled property, and |
| | the legal liability arises from or involves the home or site at which vou reside. |

which you reside,

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| of the accident, were employed by you or any person living at your home, | the use of any part of your building or the site for business, trade, | professional services, farming of any type, but not : | that part of the building used for performing office work, | any business, trade, profession or occupation conducted or operated or undertaken: | by you or on your behalf, | by or an behalf of any person living at your home, | by or on behalf of any company, trust or other legal entity in which you or any person living at your home has an interest | (legal, beneficial or otherwise), civil or criminal penalties or fines or aggravated, exemplary, punitive | or multiple damages however described. | | | | | | |
|--|---|--|--|---|--|---|--|--|--|---|---|--|---|---|---|
| an event that you have organised or are legally responsible for, except where | you are the tenant of your home, or | your home is a strata-titled property, and | the event takes place within the site, | a legal liability which arises only because you have agreed to take that liability upon yourself, | a liability which arises only because you have admitted liability, | things done intentionally or left undone intentionally by you, or | any person acting on your behalf, with reckless disregard for the consequences, | lifts, cars, motorbikes, minibikes, vehicles, watercraft, aircraft (including gliders), | Vehicles do not include bicycles, motorised wheelchairs, golf carts or garden appliances which do not have to be registered. | an animal other than a domestic dog or cat, | vibration, or the removal of, or interference with the support of land, buildings or other property, | alterations, additions, repairs or redecorations of your building or the site where the total value of the works exceed \$20,000, | the transmission of any disease, contaminated body fluid or body product, | the consumption of alcohol or drugs, if your consumption of them caused or contributed to the accident, | פאוראיז איזאל איירא |

What to do if you need to claim on your AAMI policy

If your contents have been damaged or lost or someone is claiming against you, please phone us immediately. We may require you to report the matter to the police.

You can call AAMI at any time on 13 22 44.

Our claims service will take away the stress and hassle by taking care of everything for you.

Helping us to pay your claim

When you can provide us with information such as documents, booklets and photographs showing and/or valuing your contents, you help us make speedy and accurate decisions regarding your claim and the repair or the replacement of your contents. This information helps establish ownership of property and its value and condition.

This information includes:

receipts, bank and credit card statements, agreements and reports, valuations and photographs (photographs do not have to be specifically of your contents; they may be easily identifiable in photos taken, for example, of personal events). We may require this type of information. If you are unable to provide information of this type, that establishes ownership and value of the property in question and the value of your claim, then we may reduce or refuse to pay your claim.

What happens when you claim on your AAMI policy

When you tell us about the damage or loss to your contents, where necessary and as soon as possible, we arrange for our assessor to meet with you and confirm the full details of the damage or loss.

We discuss with you what is necessary to make good the damage or loss and then we will decide either to repair or replace your contents or pay the cost of repairing or replacing your contents up to the amount covered.

We ordinarily obtain independent, competitive quotes, from repairers and suppliers recommended by AAMI. If you want, you can choose a repairer or supplier to provide one of the quotes. We will review the quotes, including any quote from a repairer or supplier you choose, and what is necessary to properly repair or replace your contents. We will select the repairer or supplier who has submitted the more competitive and complete quote and that will be the repairer who repairs, or the supplier who replaces, your contents. We have your contents repaired or replaced, keeping you informed all the way along.



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| What happens to your policy when you claim? | ns to your poli | | include |
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| When we establish that | blish that | What happens to your policy | Preventing further damage or loss |
| the damage or loss is less than | repair or replace your contents. | Your policy continues for the remainder of the period of cover. | Following an event that is likely to result in a claim, you must take all reasonable precautions to prevent any further damage, loss, cost or liability. |
| your contents amount covered, we decide either to | or to pay the cost of repairing or replacing your contents. | | Allowing us access You must provide us with access to your building and the site to inspect damage or loss; arrange quotations, repair or replacement; and undertake |
| the damage or loss is likely to be | pay the amount covered for your | Your contents cover including the legal liability cover it provides | progress inspections if required. Obtaining our written guthority for the rengir of vour contents |
| greater than your contents amount | contents. | when the state of | You must not authorise the repair of your contents, apart from emergency |
| covered, we decide to | | v ve also pay, where relevant, any outstanding additional benefits. Because our navment | reparts, writhour our written permission. Obtaining our written consent |
| | | meets all our obligations to you in full, there is no refund of any | You must not make any admissions or settle any claims without our prior written consent. |
| | | portion of the premium. If you wish to reinstate your contents cover places call us | Giving assistance – information, notices, negotiating, defending and settling claims |
| | | | You must give us the information and assistance we reasonably request in evaluating the cause, extent and value of any claim. This may include: |
| | | | providing us with full details of the claim in writing, |
| | | | providing valuations, receipts or other evidence of ownership, |
| | | | providing written statements, |
| | | | providing other relevant documents, |

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undergoing an interview or interviews about the circumstances of the claim,

appearing in court and giving evidence.

You must assist us to recover any part of the claim from the person responsible for the accident or event which results in a claim. You must promptly deliver to us any relevant letters and notices that come into your possession. You must tell us if you become aware of any demands, court proceedings or offers of settlement. We shall be entitled, but not obliged to defend or represent you in any legal against us and to control, settle and deal with those proceedings as we see fit. proceedings relating to an accident or event which may give rise to a claim

claim made against you, provided we appoint the solicitors who will defend We will pay the legal and other reasonable related costs of defending any the claim and we have told you in writing that we will pay their costs.

claim made under this policy and to exercise for our benefit your legal right of recovery against any other party (including a party involved in making You must assist us in all our endeavours to negotiate, defend or settle any good any damage or loss). If you fail to assist us, or do not abide by any of these terms, we may reduce or refuse to pay your claim or be entitled to recover from you any monies paid under the claim.

Excesses

An excess on your policy is the amount that you must first contribute towards

each claim. If your claim is for more than one occurrence, the excess applicable to each occurrence will be payable.

your insurance schedule and your renewal notice. When you make a claim The excesses that apply to your policy will be shown on the most recent of from any payment we make. We will tell you when and how the excesses we may require you to pay the excesses or we may deduct the excesses are to be paid or deducted.

When an unoccupied excess is payable, it will be additional to any other excesses that apply to your claim.

Unoccupied excess

Your contents are at greater risk of damage or loss when your home is unoccupied for a lengthy period. Because of this extra risk, if you claim for damage or loss to your contents:

which occurs after your home building has been unoccupied for 60 continuous days,

an additional compulsory excess is payable.

What happens when your building and contents are insured with AAM

leading to your claim is for damage or loss to both, whichever is the higher of your total building and your total contents excesses, including any Flexi-When your building and contents are insured with AAMI and the event Premium excesses, will be payable.

AAMI Flexi-Premiums

With AAMI Flexi-Premiums", the higher the excess you choose, the bigger he discount on your premium. Please call 13 22 4.4 for full details.

| Important general information for you | |
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| You can contact us: | your insurance history, |
| By phone: Call 13 22 44 {24 hours a day every day of the year}. | the insured address (the address where your contents are located), |
| Via the internet: aami.com.au | the cost of providing legal liability cover, |
| By mail: PO Box 14180, Melbourne City Mail Centre, Victoria 8001. | our costs of providing and administering this policy, |
| In person: Call 13 22 44 for the address of the closest AAMI branch or | whether you pay your premium in instalments, |
| customer service centre. | any discounts that apply because of your particular circumstances. |
| Cover your contents for their current replacement cost | Government taxes and charges are included in the premium we guote. |
| We will pay up to the amount covered to replace your contents at their current cost if they are destroyed or damaged beyond repair by an insured | Secure contents |
| event. | When your contents are protected by additional security at your building, |
| Therefore it is in your own best interests to ensure the amount covered - the | we reward this with a lower premium. |
| insured value you decide upon for your contents - is accurate when you first insure them and each time you renew your policy. | The security measures we take into account in deciding your premium discount are: |
| To help voil do this AAMI provides a contents value calculator that voil can | deadincked external doors |
| access at the AAMI website aami.com.au or by calling AAMI on 13 22 44. | keved locks on all accessible windows. |
| Inflation protection | a local burglar alarm, |
| AAMI automatically adjusts the amount covered for your contents at the end | a backto-base burglar alarm, |
| ot each period of cover to account for inflationary frends. | only electronic access (key pad or card) to the site or building, |
| When we quote you a premium | video surveillance of access to the site or building, |
| When we quote you a premium for AAMI home contents insurance, the fractors we take into account include: | doorman, security guard or security patrol. |
| the value of your contents, | Please call AAMI on 13 22 44 for further details. |
| our experience of the incidence and cost of contents claims, | Paying your premium |
| the value of the benefits we include in your cover, | The notices we issue at the commencement and each renewal of your policy show the various payment methods available to you. |

Cover your contents for their current re

Inflation protection

When we quote you a premium

| ect debit. The | If you believe that we may have incorrectly debited your account, please contact us on 13 22 44. | · |
|---------------------------------|--|---|
| ents than when | When you claim on your policy and we decide that the damage or loss to your contents is so extensive that we decide to pay the amount covered, we will deduct the total unpaid balance of your annual premium from the payment we make. | |
| ominated for | Government taxes and charges AAMI shows on receipts any government taxes and charges such as GST, | |
| ept direct debits h due date | Stamp Duty and Fire Service Levy allocation included in insurance premiums. | |
| ncluding | Any amounts we pay and any excesses we require under this policy include GST. | |
| | Renewing your policy | |
| payment | When we offer to renew your policy: | |
| | we will send you a notice before the policy expiry date, | |
| - | we will tell you in writing if there are any changes to the policy. Changes that benefit you apply from their introduction. Changes introducing limitations apply from the policy's renewal, | |
| nts, you need to | we may require an additional premium if you make a claim in the short | |
| for another way | period between the time we calculated the renewal premium and the expiry of your policy. If the additional premium is not paid, we may reduce the period of cover to match the reduced amount paid. | |
| stalments | Cooling off period and cancelling this policy | |
| ten you change debit your | Federal law provides that you can cancel this policy within 14 days of its purchase. AAMI allows you to cancel your policy at any time. | |
| | | |

Paying by instalments

You may also be eligible to pay in regular instalments by direct debit. The total premium we charge is higher when you pay in instalments than whe you pay one sum annually.

Your responsibilities when paying by instalments

When paying by instalments:

you must be an authorised signatory on the account nominated for your direct debit payments,

you must ensure that your nominated account can accept direct debits and has sufficient funds to meet each payment at each due date,

your financial institution may also apply its own fees (including dishonour fees). Those fees are your responsibility.

What happens if your instalment remains unpaid?

AAMI may cancel your policy without notice if an instalment payment remains unpaid for one month or more.

Any claims arising after the due date may be refused.

Changing your instalment payments

If you wish to change or cancel your direct debit arrangements, you need to contact us at least seven days before the debit day.

If you cancel the debit completely, you will need to arrange for another way to pay us your premium, to ensure you remain covered.

Important things to remember when paying by instalments

When you first commence your direct debit payments, or when you change your account details, it may take up to 14 days for us to first debit your account.

We can only cancel your policy by giving you written notice in accordance with the Insurance Contracts Act 1984.

Joint policyholders

When you insure your contents in the names of more than one person, each person is a joint policyholder and is able to make changes that we agree with to the policy.

Contents cover for landlords

We provide a separate policy for landlords who rent their property fully or partly furnished for domestic residential purposes. Please ask us about the AAMI Landlord Policy.

The privacy of your personal information

We are committed to protecting the privacy of your personal information. That commitment is reflected in the AAMI Customer Charter and in our compliance with the National Privacy Principles. For further information, please visit our website aami.com.au or call us on 13 22 44 for a copy of our 'AAMI and Your Personal Information' brochure.

AAMI's Customer Charter

We are committed to always provide you with the highest standard of service. The AAMI Customer Charter is a written document containing service and reporting promises which we are bound to deliver. In fact, we impose a pendity on ourselves if we fail to do so.

This unique Charter was drawn up through consultation with our staff, our customers and industry regulators, and is reviewed annually. Compliance

with our promises is independently audited every year and the results are reported publicly. The AAMI Customer Charter, introduced in 1996 was Australia's first general insurance customer charter, and indeed, first retail customer charter. The Charter is your guarantee that we're always striving to deliver the best in customer service.

The AAMI Consumer Appeals Service

If you are unhappy with anything we have told you or done for you, we want you to tell us about it. If we cannot resolve the matter to your satisfaction, other appeal services are available to you. See page 53 for full details.

The General Insurance Code of Practice

AAMI is a signatory to the General Insurance Code of Practice which sets out a commitment by the general insurance industry to raise standards of service and to promote better relations between customers and insurers.

The Code describes standards in areas such as buying insurance, claims handling, responding to catastrophes and disasters, information and education and dispute resolution. The Code was introduced in 1995 with the backing of consumer groups, the federal government, insurers and the Insurance Council of Australia.

More information on the Code, or a copy of the Code, can be obtained from the Financial Ombudsman Service (FOS). You can contact the FOS on 1300 780 808 (local call cost), or you can access the Code at codeofpractice.com.au

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| any part of the building or other structures at the site that cannot be locked because that building or structure or part of it is being altered, | renovared of rebuilt, | a temporary building or structure or a building or structure in the course of construction, | houseboats, watercraft, caravans, mobile buildings (fixed or | tree-standing), motorised vehicles ot any type and the parts and accessories of any of these items, | the loose surfaces of tennis courts, driveways and paths, | hedges (whether or not they form a fence), lawns, trees, shrubs, plants, flowers, garden beds or any other living material. | Collection or set is a group of items of sufficiently common type, | appearance or nature that: | they reasonably belong together, or | the group is devalued if one or more of the items is lost or damaged. | Contents. See pages 5 - 15 for the contents that are and are not covered | under this policy. | Cover and covers mean the protection provided by your policy. | Damage and loss. | Damage means actual physical damage to your contents. | Loss or lost means vour contents or a part of vour contents being | destroyed, stolen or damaged beyond economical repair. | loss does not mean items being accidentally misplaced. | Endorsement means a special condition that applies to your policy. Any endorsements to your policy are shown on your insurance schedule. |
|--|--|---|---|--|--|--|--|-----------------------------|---|---|--|--|--|---------------------------|--|---|---|---|---|
| AAMI, we, us, and our mean Australian Associated Motor Insurers Limited (ABN 92 004 791 744). | Accident means an accident or a series of accidents resulting from any one | occurrence. Amount covered is the most we will pay less any excess for any | accidental loss and damage to your contents covered by your AAMI policy | occurring during the period your contents are insured with us. the amount covered includes GST. The current amount covered is shown on the most | recent of your insurance schedule and your renewal notice. | Building means the dwelling and other structures at the site used for domestic or residential purposes. It includes: | outbuildings and permanent structural improvements, | fixtures and fittings that: | are permanently attached to the building or the site, | are stored at the site in a building capable of being locked | while awaiting installation. | that part of the building used for performing office work, | services, whether above or below ground, that are your property or | tor which you are liable, | any jetty at your site used only for domestic purposes. | It excludes: | fixed wall and floor coverings such as carpets, curtains and internal | blinds, | any part of the home building or the site used for conducting a business, trade, professional services, or farming of any description, |

What do we mean by that?

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Excess. An excess on your policy is the amount that you must first contribute towards each claim.

Fire means burning with flames.

Fixtures and fittings means items used for domestic and residential purposes, and which are permanently attached to your home building or the site.

Flood means the inundation or covering of normally dry land by water which:

escapes or overflows from, or

cannot enter {because it is full ar has overflowed}, ar

is prevented from entering (because other water has already escaped or been released from it),

the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or stormwater channel.

Flood **does not** mean stormwater runoff from areas surrounding the site or water escaping from any water main, pipe, street gutter, guttering or surface.

Home means the buildings described above.

Insured address means the address at which your contents are located. **Insured event.** The occurrences we have listed on pages 16 to 21 which cause damage or loss to your contents. Living with you. Any person normally living or staying in your building or at the site.

Lot and unit mean an area which is used for domestic or residential purposes that is shown on the plan for the Strata Titles Act or similar

legislation applying where the lot or unit is located.

Plan means the plan of subdivision describing the area of land at the insured address created under the Strata Titles Act, Subdivision Act or similar legislation applying where the lot is located.

Occupied means you are living or staying in your home or another person is with your consent.

Period of cover means the current period for which we have agreed to provide you with insurance cover. The current period is shown on the most recent of your insurance schedule and renewal notice and any receipt we may send to you.

Policy means this booklet and your policy schedule.

Your **policy schedule** comprises the notices we give you which show the particular details and the current status of your policy. These notices are the most recent of your **insurance schedule** and **renewal notice**, and any **receipt** we may send you.

Your **insurance schedule** sets out the information you have given us on which we have based our decision to insure you as well as the individual details of your policy. We will send you an updated insurance schedule whenever you advise us of a change in this information or these details. Rental agreement means the agreement between you and your landlord or your landlord's agent which sets out the terms and conditions of the tenancy.

Site means those parts of the land at the insured address which are used for domestic or residential purposes **but not** 'common property' which is land or areas that people as well as those living with you are entitled to use, for example common property in a multi-dwelling development.

Storm means violent wind (including a cyclone or tornado), thunderstorm or a heavy fall of rain, snow or hail.

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| The AAMI Consumer Appeals Service | What to do if you are not satisfied with us Here is how the AAMI Consumer Appeals Service helps you if you are discritizied with the coults of your doubling with AAMI | 1. Who do you talk to? If you are unhappy with anything: | we have told you or done for you, or that has been provided on our behalf, | please tell us. You can phone us on 13 22 44 or call in to an AAMI branch. Most times we will be able to sort the matter out to your satisfaction. | 2. The AAMI Customer Ombudsman However, if you are not satisfied with our response, you can ring, write to or email the AAMI Customer Ombudsman with the details. The AAMI Customer Ombudsman with the details. The AAMI Customer Ombudsman will respond to you writin five working days of exceining your letter or email. 3. Appealing to the independent dispute resolution scheme with the AAMI Customer Ombudsman's decision, you can papeal to the Financial Ombudsman Service. We will help you do this. The Financial Ombudsman Service is an independent industry dispute resolution scheme. You can cancet the service on 1300 780 808 (local call cost) or by email to info@fos.org.au. You can also visit the FOS website is wwwfos.org.au. There is no charge for this service. Hore and the financial Ombudsman Service is an independent industry dispute resolution scheme. You can contact the service on 1300 780 808 (local call cost) or by email to info@fos.org.au. You can also visit the FOS website is wwwfos.org.au. There is no charge for this service. Hore and the financial of the Service on the Service. The finance of the service on the Service on the Service. |
|-----------------------------------|---|---|--|---|---|
| | Tenant means all the persons named in the rental agreement and their family provided that they are normally living at the insured address. Theft means actual or attempted theft and burglary. | You and your mean the person or persons named as the insured on the most recent of your insurance schedule and renewal notice and members of your family. | Your family means the following people who normally live with you: your spouse or partner, | your children, parents, grandparents, grandchildren, brothers and sisters, | the children, parents, grandparents, grandchildren, brothers and sisters of your spouse or partner. |

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Any decision the AAMI Customer Ombudsman makes or the FOS makes is binding on AAMI, provided you also accept the decision.

How to contact AAMI

Telephone: Call 13 22 44 (24 hours a day, seven days a week).

How to contact the AAMI Consumer Appeals Service

Telephone: 1300 130 794 (local call cost).

9am to 5pm EST Monday to Friday.

Fax: [03] 9529 1214.

Write to: The AAMI Customer Ombudsman, AAMI Limited, PO Box 14180, Melbourne City Mail Centre, Victoria 8001.

Email: consumerappeals@aami.com.au

How to contact the Financial Ombudsman Service

Telephone: 1300 780 808 (local call cost). Email: info@fos.org.au Pages 3-54 of this publication are printed on EVVI Coaled Glass Paper. EVMI Coaled Glass Paper is manufactured in Austratics by Australian Paper and is certified Greenhouse FriendlyTM by the Australian Government under the Department of Climate Change Greenhouse FriendlyTM Initiative. EVVI Coaled Glass Paper is Carbon Neutral.

We're here to help you 24 hours a day 7 days a week

13 22 44

aami.com.au

Customer Comment Line: 1300 360 361 Australian Associated Motor Insurers Limited AFS Licence Number 238173 ABN 92 004 791 744 ©AAMI®



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| | C | LAIM ENQUIRY | - CLAIM DETAI | | OPTION |
|---------------|-------------|---------------|---------------|--------------|-----------------|
| Selection | Sel Claim N | o | | | USER |
| | | | | | MGT)-PYMNT-RCVR |
| Claim No | | | | Complete Ind | |
| Policy No | | | | | 1 St 41 Br 4112 |
| Corp Cust AA | Mĩ Ref | C.1.0. | | Contre 41 | T 20 41 DI 4112 |
| Client | | LOBLEY | | .entre er | |
| | MA OANI | DOPTET | | | |
| T/As | | | | Inv | Addr |
| Nature Code : | FL FLOOD | | | Complete Dte | 15/01/2011 |
| Claim Desc | DUE TO | THE FLOODS MY | HOME HAS BEE | | |
| | | Time of loss | | | 15/01/2011 |
| | | Incident | | BPay | |
| üser Resp | 2HST4 | Branch Resp | 4112 | Cust Ref | |
| Orig Est | | Created | | | 21/04/2011 |
| Last Trans | 21/04/2011 | Reopened RE | 21/04/2011 | Reinstated | |
| Highlight | | F/shts Prtd | | Est Recov OS | |
| | Gross | Local | Treaty | Net | Excess/Loss |
| Totals | 0 00 | 0.00 | 0.00 | 0.00 | |
| | 0.00 | | | | |
| | 0.00 | 0.00 | 0.00 | 0.00 | |

PF 1 HELP 3 PREV 5 SUSP 10 LOCK 11 MENU 12 MAIN CL EXIT

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Home Claim Policy Details OPTION _____ PAGE _1 OF 1 USER NOPEU Selection ____ Corp Cust AAMI Cost Cntr 41 CLIENT Type CT Insured: MR GARY LOBLEY Address: INSKIP ST ROCKLEA 4106 Phone (H) (B) (Mob) (Fax) RISK Address: INSKIP ST ROCKLEA 4106 POLICY Class HOM Category POLICY Policy Inception 01/04/2001 Prev Insurer 19 COMMERCIAL UNION Due Date 01/04/2011 CanReas Paid to 01/04/2011 Pay Status Freq A - ANNUALLY Sub Rating/ Date Auto Cancel Class SumIns Eff Date Yrs Reviewed Premium Prem Reason CRC 01/04/2010 01 / 09 01/04/2010 BLD 448.00 Y CTS 79550 01/04/2010 01 / 09 01/04/2010 376.00 Y 0108 - END OF SELECTED RANGE PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

| | CLAIM DETAILS OPTION |
|-----------|---|
| AAMT | |
| Selectio | |
| | |
| Customer | |
| Risk Add | |
| | GENERAL COMMENTS |
| Selectio | on2: ******** TOP OF DATA ****** |
| 00001 | 12/01/2011 |
| 00002 | IO AWARE THAT RIVERINE FLOOD NOT COVERED. |
| 00003 | -MELB ASSIST A/H |
| 00004 | |
| 00005 | 20.01.2011 |
| 00006 | INTRO CALL INCOMPLETE |
| 00007 | LEFT MSG WITH IC'S FRIEND |
| 00008 | ADVISED ASSESSMENT BOOKED |
| 00009 | |
| 00010 | |
| 00011 | 29.1.11 |
| 00012 | MR IO ADV HAS AN ASSESSOR BOOKED IN ARRIVE ON 3.2.11 (|
| | HOWEVER IS UNABLE TO ATTEND, AS HE HAS A FUNERAL AT 10AM THAT DAY |
| | MR IO WOULD LIKE TO ARRANGE ANOTHER DAY FOR ASSESSMENT. |
| 0.0.0 T # | TA TO WOODD DIRE TO ARRANGE ANOTHER DAT FOR ASSESSMENT. |

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PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

| AC7C - CAC0562 | CLAIM DETAILS OPTION |
|----------------------|--|
| AAMI | Claim Loss Date 13 01 2011 USER |
| Selection: | |
| Customer: G LOBLEY | |
| Risk Addr: 🗾 INSKI | P ST ROCKLEA 4106 |
| Type: GENERAL COMM | ENTS |
| Selection2: | |
| * 00015 WOULD PREFER | ASSESSMENT TO OCCUR BEFORE 3.2.11 |
| 00016 PLS CTC MR 1 | O TO ARRANGE ANOTHER DAY FOR ASSESSMENT. |
| 00017 | MELB CA AH |
| 00018 /// | |
| 00019 31.1.2011 | |
| 00020 SENT EMAIL 7 | O DESKTOP TO ADVISE ASSESSOR TO CALL AND MAKE |
| 00021 A NEW APPOIN | |
| 00022 | |
| 00023 . | |
| 00024 31/1/2011 F | ECIVED CALL FROM INSURED TO QUERY ASSESOR TO REBOOK |
| | NFORMED INSURED WE HAVE SENT MESSAGE TO ASSESMENT TEAM |
| 00026 т | O PASS TO ASSESOR |
| 00027 | |
| * 00028 N | EXT ACTION POST ASSESMENT |
| | |

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PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

| AAMI Claim Loss Date 13 01 2 | OPTION |
|--|-------------------|
| AAMI Claim Loss Date 13 01 2 Selection: | ZUII USER |
| | |
| Customer: G LOBLEY | |
| Risk Addr: INSKIP ST ROCKLEA 4106 | |
| Type: GENERAL COMMENTS | |
| Selection2: | |
| * 00029 11/2/11 IO CALLED WANTING TO KNOW RESULT OF ASSESS | OR REPORT. |
| 00030 IO ADVISED WAS TOLD WE WOULD HAVE REPORT BY LAST MON | NDAY.ADVISED I |
| 00031 WILL TRY AND FOLLOW UP FOR IO FIRST THING. | |
| 00032 CA NSW | |
| 00033 . | |
| 00034 15022011 | |
| 00035 - MR IO CALLED TO SEE IF ASSESSMENT REPORT RECEIVED | |
| 00036 - CHECKED EMAILS, AND CONFIRMED THAT WE HAVE RECEIVE | O THE REPORT |
| 00037 - IO AWARE THAT NEXT STEP IS THAT WE NOW HAVE TO WAI | |
| 00038 RECIEVED A HYDROLOGIST REPORT TO CONFIRM IF CLAIM | |
| 00039 - IO AWARE THAT RIVERINE FLOOD NOT COVERED. | CAN BE COVERED |
| 00040 | |
| | |
| 00041 - IO HAS HOWEVER ADV THAT HIS BOTTOM LEVEL WAS FLOOR | |
| * 00042 A DRAIN IN HIS ROAD, IO LEFT THE PROPERTY AT 1430 | ON 11/01/2011 AND |

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PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT
| | CLAIM DETAILS | | OPTION |
|-------------------------|---------------------|--------------------|-------------------|
| AAMI | Claim | Loss Date 13 01 | 2011 USER |
| Selection: | | | |
| Customer: G LOBLEY | | | |
| Risk Addr: 🚺 INSKIP ST | ROCKLEA 4106 | | |
| Type: GENERAL COMMENTS | | | |
| Selection2: | | | |
| * 00043 THE DRAIN WAS | OVERFLOWING THEN | | |
| 00044 - IO HAS ADV TH | AT HIS NEIGHBOUR (A | ACROSS THE STREET) | HAS TOLD IO THAT |
| | /2011 THE WATER FRO | | |
| | EA OF THE HOME | | |
| 00047 - IO IS NOT SUR | E HOW MUCH WATER EN | NTERED FROM THE DE | AIN BUT HAS ADV |
| | T CAME THE NEXT DAY | | |
| 00049 OF THE HOME. | | | |
| 00050 | | | |
| 00051 - ADV IO THAT I | F WE CAN CONFIRM W | TER FROM THE DRAI | N HAS ENTERED THE |
| | E ABLE TO CONTRIBUT | | |
| | THE HYDROLOGIST REP | | |
| 00054 | | | 1 |
| 00055 *** | | | |
| * 00056 28.02.2011 INSU | RED CALLED @ 15.47 | | |

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PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

CLAIM DETAILS OPTION _ AAMI Claim Loss Date 13 01 2011 USER Selection: ____ Customer: G LOBLEY Risk Addr: INSKIP ST ROCKLEA 4106 Type: GENERAL COMMENTS Selection2: _____ * 00057 - ADVISED NIL OUTCOME AT THIS STAGE 00058 - WILL BE IN CTC ONCE ALL DOCS RECEIVED AND OUTCOME MADE 00059 00060 ./././ 00061 07032011 00062 - IO CALLED THROUGH FOR UPDATE ON CLAIM 00063 ** IO HAS AUTH TO ACT ON HIS BEHALF FOR THIS CLAIM ** 00064 - IO IS CURRENTLY IN HOSPITAL DUE TO AN INFECTION IN HIS HAND FROM 00065 THE FLOODS 00066 - IO IS IN QE2 HOSPITAL, WARD 5 BUT HAS ADV ALL CONTACT TO GO THROUGH 00067 CANDY UNTIL HE IS RELEASED 00068 - IO UNSURE IF NUMBER ON CLAIM IS SAME NUMBER AS CANDY'S OR NOT 00069 - ADV IO TO HAVE CANDY CALL US TO CONFIRM HER CONTACT DETAILS * 00070 ..

PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

b .

AC7C CLAIM DETAILS OPTION AAMI Claim Loss Date 13 01 2011 USER Selection: ____ Customer: G LOBLEY Risk Addr: MI INSKIP ST ROCKLEA 4106 Type: GENERAL COMMENTS Selection2: ____ * 00071 - IO AWARE CL REPORT IS RECEIVED BUT WE ARE STILL WAITING ON THR 00072 HYDRO REPORT, IO AWARE ONCE WE HAVE RECEIVED THE HYDRO REPORT, 00073 WE WILL CALL TO ADV OF OUTCOME OF CLAIM DECISION. 00074 .. 00075 **** SEE NOTES ABOVE WHERE IO HAS STATES INITIAL INUNDATION OF 00076 STORMWATER DRAINS ** 00077 00078 *** 00079 12.03.2011 00080 INSD CALLED FIND OUT CLAIM PROGRESS. ADVISED INSD THAT I HAVE NO 00081 FURTHER INFORMATION THEN WHAT HE WAS ADVISED THE OTHER DAY. 00082 INSD ADVISED THAT HE IS SERVERLY DEPRESSED BECAUSE OF THIS INCIDENT 00083 AND THEY WAY AAMT IS HANDLING IT. * 00084 DD CM .

PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT.

| AAMI | CLAIM DETAILS Claim | Long Date 1 | 2 01 0011 | OPTION | - |
|--|------------------------|----------------|------------|-------------|---|
| Selection: | | Loss Date 1 | 2 OT ZOIT | USER | |
| Customer: G LOBLEY | | | | | |
| Risk Addr: INSKIP ST | ROCKLEA 4106 | | | | |
| Type: GENERAL COMMENTS | | | | | |
| Selection2: | | | | | |
| | W CA | | | | |
| 00086 | | | | | |
| 00087 14.03.11 RANG | (AUTHED) FOR | UPDATE AT 16. | 28 | | |
| 00088 AWARE HYD | | | | EVIEWE | |
| | ACCURATE DECISION | | | | |
| 00090 NEXT ACTION: RE | VIEW OF HYDRO REP | ORT AND CLAIMS | DECISION | | |
| 00091 | | | » ·· | | |
| 00092 ////////////////////////////////// | 1111111111 | | | | |
| 00093 \ | | | | | , |
| 00094 21.03.2011 - PR | OGRESS CALL FROM | MR INSRD : CON | FIRMED PRI | IVACY | |
| | SRD REQUESTED CLA | | | | |
| 00096 - AD | VISED INSRD CLAIM | FILE WITH MAN | GEMENT UI | NDER REVIEW | |
| 00097 - AD | VISED INSRD NO TI | ME FRAME ADVIS | ED | | |
| * 00098 NEXT ATION | : MANAGEMENT REVI | EW DECSION | | | |
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| AAMI | CLAIM DETAILS | | OPTION |
|---|--|---|---|
| Selection: | Claim | Loss Date 13 01 2 | 011 USER |
| Customer: G LOBLE | 47 | | |
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| Risk Addr: MINSK | | | · . |
| Type: GENERAL COM | | | |
| Selection2: | | | |
| | C/M POST ASSES | SMENT CALL | |
| 00100 | | | A+ |
| 00101 | | | |
| | ************** FILE JAC | KET CREATED ******* | ***** |
| 00103 / | · · · · · · · · · · · · · · · · · · · | | · · · · · · · · · · · · · · · · · · · |
| 00104 | FILE SENT TO MANAG | GEMENT | |
| 00105 | | | |
| 00106 // | | | |
| 00107 23.03.2011 | INSURED CALLED @ 15.3 | 34 | · "我们不知道,我们就是你们的。" "我们们不是你们,我们还是我们我。" |
| 00108 - CONFIRME | | | |
| (a) A set of the se | AWARE C/M WILL CTC ON | TE OURCOME DECETURD | |
| 00110 | | TH OUTCOME VECETARD | |
| 00111 ./././ | | | 。唐书《书代》:"是'编书书我的"。唐书: [1] 《[1] 《书书》:"是'编书书书》:"是'书书书书书书书书书书书书书书书书书书书书书书书书书书书书书书书书书书书书 |
| 그 같은 문화가 있는 것 같은 것 같 | | in a start and | |
| 00112 30.03111 D | ENIAL LETTER WRITTEN (| JP PLACED IN APPROPRIZ | TE FLOOD FOLDER |
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| PF 1 HELP 3 PREV | 5 SUSP 7 BWD 8 FV | ND 10 LOCK 11 MENU 12 | MAIN CL EXIT |
| | | | 2. 计可记载性监察中的人物研究的。 行为的人物监督性的关键。 |
| | | | · 사실 사실 소가 관하여 신가 사실 수 있는 것 - 문제 참고 관계 관계 관계 관계 관계 |
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| en en 15 men ja en des ja fundations (16 men 16 men 16 Ferrar | | · · · · · · · · · · · · · · · · · · · | 当時に見る時期の問題を考えてない。 |
| | 開業に行転行 切り合われ こうしょう | er de configuerer en ser | |
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| | 描述的理论:"你们的问题。" 名"你们的","你们的",你们的 | | |
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| | na ana amin'ny kaodim-paositra 2014. Ny INSEE dia mampiasa mampiasa dia kaodim-paositra 2014. Ny INSEE dia mampiasa mampiasa dia kaodim-paositra 2014. | | |
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| | n sheng na suka suka ni Brita. Mana ing kangana ni Britani ni Sana suka suka suka suka suka suka suka suk | | |
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| k several (11 mark) de de la several de l La several de la several de La several de la several de | | | |
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| (A) A 、 台口: 计记载分子元: 数据遗憾的 建强的 南口的。 | | | |
| | 이 이번 수업 방법이 있는 것 수 있는 것 같아요. 이 가지 않는 것 같아요. | (a) A second s second second sec second second s second second s second second se | [1] A. B. M. |
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| 2-3-34 M | CLAIM DI | - | | | | | OPTION | | |
|--|---------------|--|--------------|-------------------------------------|---------------------------|---|--------|-----------------------------|---|
| AAMI | Claim | | Loss | Date | 13 0 | 1 2011 | USER | | |
| Selection: | | | | | | | | i. | |
| Customer: G LOBLEY | Č , | | | | | | | | |
| Risk Addr: 🗾 INSKI | P ST ROCKLEA | 4106 | | 4. | | | | | • |
| Type: GENERAL COMM | MENTS | · · · | | . 1 | | | | | |
| Selection2: | | • _ • • | | | • | | | | in La constante |
| * 00113 FC | OR INSURED TO | BE CONTACTE | D. | an the The second | | | | | 8 I. 1 8 |
| 00114 FI | LE SITTING NE | XT TO MY PC | ON N | AY DES | к | | | · . | |
| 00115 | | | | | | | | | 1.1 |
| 00116 ./////////////////////////////////// | 1111111111 | · | | | | | | | 1 |
| 00117 30/03/2011 | · · · | | (AUI | CH.) | | | | مت مثل | |
| 00118 | - CONFIRMED C | LAIMIS NOT | · · · | | | 1.1.1. | | | |
| 00119 | - CONFIRMED I | | | | SENT | TODAY | | | |
| 00120 | - PLEASE SENE | | | | | | | | |
| 00121 | C/O | <u>n fers etter som det som førster i </u> En som | i i Maria | i i State | e Anglasian | | n and | na na sina. Angkarana na | |
| 00122 | 413 WATSON RC | AD | | | · · · · · · · | | | | |
| 00123 | ACACIA RIDGE | 1 Strange Strange Strange | | er en fransk fra Nevezi se stari | | an a | | | |
| 00124 | | | | | | | | | Alan sa Agi se tostat Agi se tostat |
| 00125 HOME CLIENT | MANAGER CALL | AGHER BASSE | ጣጣ | | n en de La constanción | in the second | | 가 가 있다. 가 많은 기술 등 | |
| * 00126 //// | | TOTON DRODE | 14.4. | | | | | | |
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PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

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| | CLAIM DETAILS | | | | | OPTION | J |
|--|--|----------|---------------|----------------|--------|---|---|
| AAMI | Claim | Loss | Date | 13 01 | 2011 | USER | |
| Selection: | · · · · | | | | | | |
| Customer: G LOE | BLEY | | | | | | |
| Risk Addr: 🗾 IN | ISKIP ST ROCKLEA 4106 | | | | | | |
| Type: GENERAL C | | | | | | | |
| Selection2: | | | | | | | |
| * 00127 31.03.11 | DENIAL LETTER WRITTEN (| JP AND S | ENT TO |) MANA | GEMENT | TO 51 | GN TO |
| | SEND TO INSURED. | | | | | | |
| | CLAIM FINALISED AS FOR | DENIAL | AND DI | ARTES | REMOL | (ED | |
| | ESTIMATE ADJUSTED TO NJ | | | | | | |
| 00131 | and the second sec | | | | | | |
| 00132 .////// | 111111111111 | | | | | e i sere e | |
| 00133 15.06.11 | | | | | | | |
| The second s | CEIVED FROM QLD LEGAL, H | NTE REO | TESTEL | EROM | | | |
| 00135 CAS REVI | | | | | | | |
| 00136 | CAS ADMIN | | in the second | | | e de la composición a restante de la com | n algebra en la sur en la sur Record de la sur en l Record de la sur en l |
| 00137 /. | | | | | | | |
| 00138 16/07/11 | | | | | | | |
| 이 같은 것은 것은 것을 가지 않는 것을 같이 없다. | FILE EMAILED TO CAS FOF | DEVIEW | | | | | |
| * 00140 NEXT ACT | | . KEVIEW | | | | | |
| одля инал ИСТ | | | | and the states | | | |

PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

بذبينه والمعريدات

| AAMI | CLAIM DETAILS | | | | OPTION |
|---|---|--|--|------------------|---|
| | Claim | Loss | Date 13 | 01 2011 | USER |
| Selection: | | | | | |
| Customer: G LOBLEY | | | | | |
| · · · · · · · · · · · · · · · · · · · | ST ROCKLEA 4106 | | • | | |
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PF 1 HELP 3 PREV 5 SUSP 7 BWD 8 FWD 10 LOCK 11 MENU 12 MAIN CL EXIT

Claim:

Home Assessment Instruction Sheet



Page 1 of 5

Claim:

Building Details:

• '

CRC Status: 1

Construction: Period: Bedrooms: Bathrooms:

Ducted Ac/Heat: Tennis Crt: Granny Flat: Deck: Garage: Inground Pool: Pergola: Garden Shed: Roof: Storeys: Bedroom Size:

> Carport: Spa: Verandah:

Claim: 6703614700

Claim Details:

. /

Loss Date Details: 13/01/2011 15:00 to 15/01/2011 12:00
Date Lodged: 15/01/2011
Nature Code 1: FLOOD Nature Code 2:
Desc: DUE TO THE FLOODS MY HOME HAS BEEN DAMAGED.

| Reported | By: | INSD OWNE | ER | GARY LOBLEY | |
|-----------|-----------|-----------|----------|---------------------|--------------------------|
| Unoccup | ied: | N | Days: | 0 | |
| Entry Po | int: | | | Forced: | If Not, Method: |
| Exit Poir | nt: | | | Window Locks: Y | Deadlocks: N |
| Alarm: N | 1 | | | Туре: | |
| Reported | l To Poli | ce: N R | eport #: | | Fire Brigade Attended: N |
| Home A | ccess De | tails : | | | |
| Reln | Name | | Ag | ge Res Key Last Dis | c Whereabouts |
| 10 | GARY LC | OBLEY | (|) | |
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Suspect Details:

3rd Party Recovery Details:

Claim:

Claim Details cont :

3rd Party Recovery Details cont :

Claim Excess Details:

YES - APPLIES

Claim Components:

| Sub Class | L | New Claim | NCB Effect | Claim Status | Original Estimate |
|--------------|---|--------------|--------------|--------------------|----------------------|
| BLD | N | Y | NCB AFFECTED | CURRENT-OPEN CLAIM | \$1,052.00 |
| CTS | N | Y | | CURRENT-OPEN CLAIM | \$0.00 |

Emergency Details:

Emergency Securing :

\$0

Alternate Access: N Emergency Accomodation Provided: N

Trauma Counselling Flagged:

Client Manager: QUEENSLAND CLIENT

Checklist Indicators:

RTS: N

General Comments:

12/01/2011 IO AWARE THAT RIVERINE FLOOD NOT COVERED. SUSIE REDFORD-MELB ASSIST A/H ///////// 20.01.2011 INTRO CALL INCOMPLETE LEFT MSG WITH IO'S FRIEND ADVISED ASSESSMENT BOOKED

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Page 4 of 5

Claim: 6703614700

Claim Details cont :

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General Comments cont:

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ANNEXURE 4

Cunningham Lindsey Australia Pty LtdChartered Loss AdjustersABN:49 003 437 161PO Box 1122Geelong VIC 3213Telephone03 5222 3177Facsimile03 5222 4190Emailgeelong@cl-au.com



Suncorp Group Property Claim – First & Final Report

| Insured: | Gary Lobley |
|------------------|-------------|
| Claim Reference: | |
| Policy No: | |

| CL Adjuster: | |
|----------------|--|
| | E-mail |
| | Mobile: |
| CL Reference: | 8079441 TLK |
| | |
| Reserve: | Building: \$100,000.00 incl GST |
| | Contents: \$ 70,000.00 incl GST |
| Date of Loss: | 13 January 2011 |
| Place of Loss: | Inskip Street, Rocklea, QLD, 4106 |
| Policy: | Home building - Complete Replacement HOM145225162 due 01/04/2011 |
| | |
| Excess: | \$Nil |

GST:

Registered for GST: N ITCE: 0%

Introduction:

- > We contacted your customer on 23/01/2011 at 3:45PM.
- Our inspection was carried out on 03/02/2011 at 4:00PM and meeting the Insured, Mr. Gary Lobley.

Cause:

Discussions with the Insured, Mr. Gary Lobley reveals that him and his partner evacuated the property on Tuesday 11 January 2011 at 3:30PM after advice from council and Bureau of Meteorology advising that the water levels of the nearby Rocky Water Holes (located approximately 1.0 kilometre south west from the Insured) were rising.

The Insured has advised that at 11:30PM that night he was informed that the water level had inundated the entire lower storey / ground level.

According to information supplied by the Insured and other locals we understand that the Oxley River (located less than 2.0km south east from the situation) had burst its banks at 10:00AM on the Wednesday 12 January 2011.

Water levels have inundated the living areas of the high set property with approximately 1.0m of water into the living areas damaging almost all of the Insured's contents.

At the water's peak we estimate that the height of the water level to be approximately 3.0m in the yard/street.

The Insured has had friends and volunteers help with clean up operations around the situation and at the time of our attendance we have noted that the house had been cleaned up but not yet stripped out.

Based upon our discussions with the Insured, observations of neighbouring properties, known conditions experienced and the location of the nearby water courses we are satisfied that the damage is consistent with flood.

Loss/Damage:

Building – ICA Category A

The Insured's property requires a strip out to the living areas of the house up to the standard 1.2m high to take into account the plaster sheet size as a result of the flood waters reaching approximately 1.0m high into the living areas of the property.

In addition we note that the entire bathroom will require replacement, kitchen appliances, kitchen cupboards, kitchen bench tops, built in wardrobes and cupboards, all skirting, architraves and doors will also require replacement due to the items all being swollen.

Contents

As a result of the flood the Insured has essentially lost almost all of their contents items. The Insured was able to save some sentimental items and a printer.

The Insured attempted to place other electrical items (TV, microwave etc) on top of the fridge however, as a result of the flood the fridge floated during the flood and the items on top of the fridge fell into the flood waters.

Some of the damaged items include:

- 3 x Fridge/Freezers
- Televisions
- Clothing
- Kitchen appliances (microwaves etc)
- Some artwork
- Shoes
- Furniture (couches, coffee table, dining table etc)
- Lawnmower
- Power Tools

Temporary Accommodation

The Insured is currently staying with friends whilst waiting for Insurers to make a decision on policy liability.

We note that the house is not habitable and in the event that Insurers accept any aspect of the claim the Insured will require Temporary Accommodation.

Policy Liability:

We note that the policy does exclude Flood cover under the Home and Contents and we submit our report and recommend Insurers review this aspect and provide advice to the Insured on coverage of the policy/claim.

Recovery:

Nil to consider

Title:

Subject to your settlement method we recommend you obtain a title search to identify all parties with an interest in the insured property.

Future Action:

| Insured: | Compile detailed list of damaged Contents items and submit to Insurers Await advice from Insurers on Policy Liability |
|----------|--|
| Insurer: | Note contents of report Attend to payment of fee Advice lacement of fee |
| | Advice Insured on Policy Liability |

Cunningham Lindsey

| To speak to | | | |
|--------------|-----|--|--|
| E-mail addre | 988 | | |
| Assistant to | | | |

Encl. 1. Flood Checklist

2. Schedule of Photographs

3. Cunningham Lindsey Tax Invoice



The assessor to ask the insured the questions as those below , but in addition MUST do the following;

| | | | 04406 |
|---|----|---|------------------------|
| | 1. | Take photographs of the property, buildings, home etc , particularly those that show maximum level of water inundation. | CHECK |
| | 2. | Attach a Google Map showing relative position of property to a watercourse | \checkmark |
| | 3. | Photos that identify any nearby watercourse and that indicate directional flow of floodwater | ~ |
| | ц. | Check with insured as to whether there was any and what damage caused by water through the roof or by overflowing gutters and that date and time of that event. | N |
| | a) | What type of house is on the property - low set, highset, double storey, split level, etc? | H yhiel |
| | b) | Is the house on stumps or slab-on-ground? | sturps |
| | C) | Approximately how high is the habitable floor level above surrounding ground level? | 2.0m |
| • | d) | Is the ground level at the house higher than the street level? | γ |
| | e) | What date and time was the rain heavlest? | Moday |
| | f) | What time did the heavy rain stop? | Mardan |
| • | g) | When did the property get inundated (date)? | weel |
| | h) | What time did the inundation of the property (yard) commence? | 1400 The 14-300- |
| | i) | What time did water come into the house, garage, shed, etc? | 12-30- |
| | j) | What date and time did the water level in the property peak? | wed 10con |
| | k) | At its peak, how deep was the water inside the house, garage, shed, etc? | 3.24 |
| | i) | At its peak, how deep was the water in the yard? | 40hal 3.0;~ |
| | m) | Which direction did the water come into the property? | |
| | n) | Was the water inundating the property 'clean' or 'dirty'? | بادهر بنامار |
| | 0) | Was there any and if so what damage caused by rainwater through the roof or by overflowing gutters ? | N |

Page 1





Page 2



General view/map of area showing Insured's location (indicated with pen) and red arrows showing location of Rocky Water Holes and nearby Stable Creek and Oxley Creeks.

























ANNEXORE 6

31 March 2011

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Mr Gary Lobley Inskip Street Rocklea QLD 4106

- CO D

Dear Mr Gary Lobley,

Your AAMI building and contents insurance claim

Thank you for contacting AAMI to tell us about the water damage to your building and contents located at Inskip Street Rocklea QLD 4106 on 13 January 2011.

As you know, we appointed an Assessor to attend your property and inspect the damage and we thank you for allowing this to happen.

Hydrology Report:

We have obtained a Hydrology Area Report which has been jointly issued by three established hydrology firms¹ that have investigated the cause and timing of water inundation in the area of your home.

Their report indicates that the inundation was caused by flood water escaping and overflowing from the overflow of Rocky Water Holes and Oxley Creek adjoining the Brisbane River that affected your property. This report is substantial (over 260 pages) and made up of two volumes. You can view it online and download a copy at www.insurancecouncil.com.au

Queensland Government aerial flood mapping:

We additionally refer you to publically available aerial flood mapping on the Queensland Reconstruction Authority's website: www.qldreconstruction.org.au/maps/interactive-map. This mapping, made available by the Queensland Government, indicates that your home was inundated by floodwater.

1

¹ The joint hydrology report has been issued by WRM Water and Environment, Water Matters International and Worley Parsons. It is titled '*Flooding in the Brisbone River Catchment, January 2011*'.

Your AAMI Building and Contents Insurance Policy:

Your AAMI Building Insurance Policy Product Disclosure Statement (on pages 8, 12 and 13) and your AAMI Contents Insurance Policy Product Disclosure Statement (on pages 16, 18, 19 and 21) (together referred to in this letter as your Policy) under the heading, 'What we cover – insured events' explains that you are covered for damage or loss to your building or contents occurring during the period of cover and caused by:

"Storm and rainwater including stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

Your Policy (on pages 9 and 13 for Building and pages 17, 19 and 21 for Contents) under the heading, "You are not covered", further states that you are not covered for:

"Damage or loss caused by **flood**. **Flood** means the inundation or covering of normally dry land by water which:

escapes or overflows from, or

cannot enter because it is full or has overflowed, or

is prevented from entering, because other water has already escaped or been

released from it,

the normal confines of any watercourse or lake including any that may have been modified by human intervention, or reservoir or canal, dam or stormwater channel.

Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

Your Policy also states in the section, "What we do not cover - general exclusions" on page 14 for Building and page 22 for Contents:

"You are not covered under any section of the policy for damage, loss, cost or liability caused by or arising from or involving:

flood"

Our decision on your insurance claim:

After careful consideration of the information and reports we have obtained, and viewing relevant Government mapping, it is evident that the damage to your contents was caused by flood. Specifically, floodwater inundation from the overflow of Rocky Water Holes and Oxley Creek adjoining the Brisbane River, which are located nearby your property, on or around 13 January 2011. As your policy does not cover loss or damage caused by flood, we regret to inform you that your claim is not covered on this occasion.

Your right to have this decision reviewed:

If you are not satisfied with our decision, you are entitled to have it reviewed at no cost to you by our Consumer Appeals Service (referred to in policy booklets as the AAMI Customer Ombudsman or the AAMI Consumer Appeal Service), who will respond to you within 5 working days of receiving your telephone call, letter or e-mail. The Consumer Appeal Service team is independent of this Department and has the appropriate experience, knowledge and authority to carry out a review.

Your participation in this review process does not affect or compromise your entitlement to seek remedies elsewhere or to issue legal proceedings. Should you wish to exercise this right, please write to: The Consumer Appeals Service, AAMI, PO Box 14180, Melbourne City Mail Centre, Victoria, 8001, fax on 1300 316 047, telephone on 1300 130 794 (9 am - 5 pm EST Monday to Friday) or e-mail to consumerappeals@aami.com.au

If you are not satisfied with the response from our Consumer Appeals Service you may be entitled to apply to the Financial Ombudsman Service (FOS) for a review of that decision. The FOS is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. AAMI is a member of this scheme and we agree to be bound by its determination about a dispute. Contact details for the FOS will be provided by our Consumer Appeals Service on the completion of its review.

Yours sincerely,

Peter Unwin Technical Event Claims Manager - Queensland

ANNEXURE 7

From: Sent: To: Subject: Attachments:

Wednesday, 15 June 2011 2:31 PM AAMI Consumer Appeals Gary John Lobley - Inskip Street Rocklea QLD 4016 2011061514225298.PDF 6

107614700

To Whom It May Concern,

Please find attached a letter concerning Gary John Lobley of Inskip Street Rocklea QLD 4016.

<<2011061514225298.PDF>>

Regards,

Consumer Protection Unit Legal Aid Queensland | p

DISCLAIMER: The contents of this email (including any attachments) are confidential and privileged and are intended only for the addressee. Any confidentiality or privilege is not waived or lost because this email has been sent to you by mistake. Any unauthorised use of the contents of this email is expressly prohibited.

If you receive this email in error, please contact us, then delete the email.

Emails may be interfered with, may contain computer viruses or other defects and may not be successfully replicated on other systems. We give no warranties in relation to these matters. If you have any doubts about the authenticity of an email purportedly sent by us, please contact us immediately.

The following message has been automatically added by the Internet mail gateway to comply with the Group's Information Security requirements.

"This e-mail has arrived via the Internet, and therefore you should be cautious about its origin and content. Replies which contain sensitive information and / or legal/contractual obligations are particularly vulnerable.

In these cases you should not reply unless you are authorised to do so, and adequate encryption is employed."

If you have any questions, please contact the IS Service Desk.



and the second second

Our Ref: MAF(flood):1189936 Date: Wednesday, 15 June 2011 Contact: Telephone: Facsimile: E-mail: cpuadvice@legalaid.qld.gov.au

The Manager Consumer Appeals PO Box 14180 MCMC Victoria 8001

Email: consumerappeals@aami.com.au

Dear Colleague

Gary John Lobley - Inskip Street Rocklea QLD 4016

The Civil Justice (consumer protection) unit at Legal Aid Queensland acts for the abovenamed for the purpose of preparing a submission to support a review of your company's decision to refuse our clients insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to our unit.

Our client formally now requests that the decision to refuse insurance be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request within the next three weeks.

In the meantime, would you be so kind as to provide copies of any evidence, hydrology and client information that you have used to determine this claim.

In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Yours sincerely,

.

Legal And Queensland

Senior Solicitor/Consumer Advocate Civil Justice Services (consumer protection)

Page 1 of 1

| From: | AAMI Consumer Appeals |
|----------|---------------------------------|
| Sent: | Thursday, 16 June 2011 10:39 AM |
| То: | |
| Subject: | AAMI Consumer Appeals Review |

Senior Solicitor / Consumer Advocate Civil Justice Services (Consumer Protection) GPO Box 2449 BRISBANE QLD 4001

Dear

RE: AAMI Claim Number: Your Reference: MAF(Flood) Client: Gary Lobley

I am writing in regard to your request to have your client's complaint reviewed through our Internal Dispute Resolution (IDR) process.

I have been appointed to review the complaint and confirm I will await receipt of your submission prior to finalising my review.

I anticipate I will complete my review within 15 business days of receipt of your submission. However if this process requires additional time, I will notify your office and agree to an alternative timeframe.

In regard to your request for information AAMI have relied upon in this matter, I have forwarded this request in order for AAMI to action. If you are dissatisfied with the information provided, you can request this complaint also be considered in my review.

I can be contacted on 1300 130 794 during business hours or alternatively by email to consumerappeals@aami.com.au

Yours faithfully

Robert Hazell Dispute Resolution Officer

No. 6672 . P. 1/13



Our Ref: Date: MAF(flood):1189936 Tuesday, 21 June 2011 Conlact: Telephone: Facsimile: E-mail:

The Manager Internal Dispute Resolution AAMI Fax: 1300 316 047

Dear Colleague

Gary Lobley Claim

Request to review decision as quickly as possible following refusal of claim dated: 31 March 2011

The Civil Justice (consumer protection) unit at Legal Aid Queensland acts for the abovenamed for the purpose of this request to review your company's decision to refuse our client's insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to our unit, attention the author,

Our client's formally now requests that the decision to refuse insurance be reviewed.

In support of the request for review, we ask that you take the following into consideration:

Background

Mr Lobley is a year old pensioner who has been a loyal customer of AAMI since 2001. Since the flooding event he has experienced a number of tragle and difficult events that have caused him great stress and anguish.

The events Mr Lobley has had to deal with include:

- (a) The death of a close friend on 26 January 2011, who assisted him in cleaning up his property, in a tragic boating accident.
- (b) Despite Mr Lobley informing AAMI that he could not accommodate an assessor attending the property on 3 February 2011 because it was the day of his friend's funeral, he still received a call from the Assessor attempting to attend the property at 4pm on the afternoon of the funeral.
- (c) Mr Lobley spent 10 days in hospital from 4-14 March 2011 being treated for an infection caused by a flood related injury suffered by Mr Lobley.

44 Horschel Sireel BRISBANE OLD 4000 Telephone: 1300 65 11 66 www.legstald.qld.gov.au Ann: 69 082 423 924 GPO BOX 2449 BRISBANE QLD 4001 DX 150 BRISBANE DOWNTOWN -2-

21 June 2011

AAMI's actions during this time, despite Mr Lobley's attempts to ensure a good line of communication between AAMI and himself, have exacerbated the severe stress that Mr Lobley is under.

Clients unaware of the illusory nature of his insurance policy

Our client was aware that he lived in a suburb that was affected by water flow on a regular basis. He was aware that there were drainage problems in the area highlighted by the regular effect of rain on Oxley Creeks.

He had every incentive to ensure that his major investment asset was protected and if he had been drawn to your company's distinction excluding riverine water rising and/or at the time he took out the policy or upon annual renewal he would have immediately sought a policy which did offer them adequate protection.

At all times flooding of the two Creeks was foreseeable by our client, your management and by the average person in the street with any knowledge of the history of Brisbane and Ipswich. He relied upon your company, as a reputable insurer to alert the family to the absolute inadequacy of the policy for his needs given his circumstances.

He was oblivious to the risk that he had inadvertently assumed by taking out insurance with you and by renewing and remaining with that policy.

Your staff had a duly of utmost good faith to inform our client's of the unsuitability of the insurance cover selected by you in consultation with them. The product has been shown to be dangerous and unsafe for them and has led to the loss of his insured assets.

Given this failure to adequately inform and draw the shortcomings of the policy to our client's attention and given the unsuitability of the product for his needs, we request that you reconsider your refusal to honour his claim. In particular, we refer you to the positive obligations created at law by your staff's conduct as detailed below;-

Total failure of consideration/Breach of duty to act with utmost good faith.

We note the obligation your client company and its staff had to honour the organisation's statutory responsibility to treat our client with 'utmost good faith'. Utmost good faith mandated by s 13 The Insurance Contracts Act. 1984(Cth) required furnishing a customer with the best possible option to protect themselves from impending and foreseeable risks in circumstances where failure to do so meant the very real loss of the asset, the subject of the protection.

An option to increase protection and cover 'flood' was not offered nor a warning given before the event despite the real foreseeability of riverine flooding.

We accept that there is no duty at law to provide insurance. There is however a duty to act towards an existing insured with utmost good faith and in all of the circumstances, your company's actions towards our client fell short of this duty in failing to assist them

-3-

21 June 2011

to obtain satisfactory coverage or provide them with other options to mitigate his loss and by your agent's cavalier representation that he were indeed covered for flood.

Our client's loss is the damage sustained as a result of the inadequacy of his insurance policy to cover the loss.

We ask that you reconsider honouring this claim based on the facts described above.

Exclusion relied upon by you (definition)

In the alternative, AAMI's refusal letter dated 31 March 2011 indicates that our client's claim for his property has been rejected on the basis that the damage to his property was caused by Flood water and this is not covered by AAMI's Policy. Flood is defined on Pages 8, 12 and 13 of his Building Policy and Pages 19 and 21 of his contents policy.

Reliance on Exclusion by you

Page 9 and 13 of AAMI's Building Policy and Pages 19 and 21 of AAMI's Contents Policy define flood as:

"the inundation or covering of normally dry land by water which:

- · Escapes or overflows from, or
- Cannot enter because it is full or has overflowed, or
- Is prevented from entering, because other water has already escaped or been released from it,

The normal confines of any watercourse or lake including any that may have been modified by human intervention, or reservoir or canal, dam or stormwater channel.

Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface.

We also note that Page 14 of the Building Policy and Page 22 of the Contents Policy highlight flood as a general exclusion.

However, we also that that Pages 12 and 13 of the Building Policy and Pages 18, 19 and 21 of the Contents Policy provide cover for "Storm and Rainwater including Stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

In our view "flood" is covered by the policy, unless it is shown that there is an exclusion which has been clearly communicated to the insured. This is not the case for our client.

In our view as "flood" is a prescribed event for the purposes of section 35 of the Insurance Contracts Act 1984 as defined in regulation 14, you had a duty to clearly inform consumers that "flood" was excluded under the policy. The Corporations Act 2001 also requires "clear, concise and effective" disclosure.

- 4 -

21 June 2011

The reason for this is that when the definition of flood is read with the definition of Stormwater and runoff, the two definitions are likely to cause confusion for a reasonable consumer. The reason for this is that it is almost impossible for a reasonable consumer to identify when stormwater run-off becomes water that cannot enter a drain/watercourse because it is full or has overflowed. Furthermore, there are similar problems in identifying what is the difference between water that has overflowed from a stormwater drain because it cannot reach the watercourse as the watercourse is full which is not covered and water that has escaped from a stormwater drain which would be covered as part of stormwater run-off.

There is also an issue about water escaping from flooded watercourses up storm water drains into streets. If this is viewed as water escaping or overflowing it would not be covered but if it is viewed as water escaping from a stormwater drain it would be covered under the Policy. The distinctions between the definitions that signify coverage and no coverage under the Policy are artificial and it is unreasonable to expect as reasonable consumer to understand them. He has no way of being able to identify the insurance coverage he has and the circumstances in which it would apply.

In our view, such contradictory definitions do not meet either the requirement to "clearly inform" under s35 of the Insurance Contracts Act or the requirement for "clear concise and effective" disclosure under the Corporations Act.

In those circumstances you ought not to rely on the exclusion and payout our client's claim.

Storm

In the further alternative, the damage caused to our client's property was caused as a result of run-off from a storm and/or rainwater.

Pages 18, 19 and 21 of the Contents Policy provide cover for "Storm and Rainwater including Stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

The view that the damage was caused by Storm including stormwater run-off is supported by the severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology shortly before 9am as reproduced below and it our view that all of the evidence points to storm cells with torrential downpours which hit suburbs and surrounds of Brisbane on that morning:-

Tuesday, January 11, 2011 8:49 AM Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding
- 5 -

21 June 2011



QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



Dedicated to a better Brisbane

Source: Bureau of Meteorology

For people in the Southeast Coast District and the Darling Downs and Granite Belt District southeast of Dalby to Goondiwindi.

Issued at 8:00 am on Tuesday 11 January 2011

Synoptic Situation: At 8am AEST, an upper level low was located over the Darling Downs and Granite Belt district and is forecast to move to the southwest and slowly weaken.

Heavy rain areas and thunderstorms are expected to continue through the Southeast Coast and Darling Downs and Granite Belt today. Heavy falls will lead to localised flash flooding and will worsen existing river flooding.

Currently, an intense slow moving band of rainfall extends from about Maroochydore to Warwick. Rainfall rates in this band are reaching 80 to 100 mm per hour.

We also note the view that a number of storms affected the Brisbane and Ipswich area is also supported by The Special Climate Statement released by BoM which is quoted in the Insurance Council of Australia Hydrology report for the Brisbane Local Government Area. Relevantly it says:

"10 to 12 January. An upper-level low combined with a humid easterly flow to bring very heavy rain to southeast Queensland and northeast New South Wales. The heaviest falls were in the areas north and west of Brisbane (Figure 1e). Three-day totals exceeded 200 mm over most of the area bounded by Brisbane, Gympie and Toowoomba, including the majority of the Brisbane River Catchment. Further south, totals exceeding 100 mm extended to the coast and adjacent ranges of New South Wales north of Coffs Harbour, locally approaching 200 mm on parts of the Northern Tablelands, and also extended into inland southern Queensland as far west as Dalby.

The heavy rain covered a smaller area than was the case in the late December event. The highest daily totals observed in the Bureau's regular network were 298.0 mm at Peachester and

- 6 -

21 June 2011

282.6 mm at Maleny on 10 January, while the highest three-day totals were 648.4 mm at Mount Glorious and 617.5 mm at Peachester. Intense short-period falls also occurred during the event, with one-hour falls in excess of 60 mm occurring on both 10 and 11 January at numerous stations in various locations north and west of Brisbane. It is possible that higher short-period falls occurred in areas between observing sites." (emphasis added)

The Radar Images in Appendix A of the Report and referred to on Pages 24 and 25 of the ICA Hydrology report are also relevant. We have attached a copy of the relevant radar images. These images support the view of many of our clients that Brisbane and its surrounds experienced a storm on the morning of 11 January 2011 which resulted in heavy rain that in turn caused the damage that falls within the definition of storm in our client's AAMI Policy.

Our client is aware that local catchments and ground soils were saturated as a result of prolonged rain over this period, exacerbated by heavy rains and thunderstorms which affected parts of Brisbane and Ipswich on Monday 10th January and on Tuesday 11th January 2011.

According to the Bureau of Meteorology (BoM) daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area over the period 9th to the 12th January, inclusive, as shown at <u>http://www.bom.gov.au/climate/dwo/IDCJDW0400.shtml</u>

For the period Monday 9am to Tuesday 9am just 15.4mm rainfall was recorded and 40.0mm was recorded for the period from 9am Tuesday to 9am Wednesday. This evidence accords with our client's recollection that very heavy rain occurred Tuesday morning and it was only as a result of this storm that our client's property was inundated, within the definition of AAMI's Policy.

We note that there were 2455 recorded lightning strikes between 11pm on 10th January to 11pm on 11th January 2011 in the Brisbane Area. (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

| Total Strikes | Date and Time | |
|---------------|--|---|
| 6 | 11:00PM on 09 Jan 2011 to 11:00PM on 10 Jan 2011 | |
| 2455 | 11:00PM on 10 Jan 2011 to 11:00PM on 11 Jan 2011 | · |
| 0 | 11:00PM on 11 Jan 2011 to 11:00PM on 12 Jan 2011 | |

There is little doubt that storms occurred across Brisbane and its suburbs on Tuesday morning, 11 January 2011.

Windspeeds recorded by the BoM and reported show that winds were gusting at up to 41kms per hour on the Monday and at 33 kms on the Tuesday. These speeds were elevated from the previous week and support our client's claim that a storm had passed over her property on Tuesday morning resulting in high winds and heavy rain.

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21 June 2011

This data supports our client's view of what happened. He recalls it raining heavily all day, which supports our view that a storm and stormwater run-off affected Rocklea on 11 January 2011. He describes what he saw and knows in the following way:

"I was at home on Tuesday 11 January 2011. I got a call from the council saying the Rocky Water Hole was rising. But the Rocky Water Holes do not affect my property. I dispute the assessors report which says Rocky Water Holes Creek affected my property as there is a big hill between my house and that Creek.

There is a massive drain that measures a 1000mm by 800mm and I could see the water not getting away as it should. The drain is one house block and a road away from our house. It is on Golf Links Road. I don't know where the water in the drain comes from but I assume it flows into Oxley Creek. The drain must run under the golf course.

I know I was covered for storm damage and storm water run off and water escaping from drains. Storm includes heavy rain. Downstairs was caused by storm water. This is supported by my neighbours who witnessed water in the property by 11pm."

The evidence above the effect of stormwater and water escaping from drains supports our client's view that heavy rain through storm and rainwater run-off, which is covered by AAMI's Policy, was the proximate cause of the damage to his property.

As a consequence, as the event which caused damage to our client's property is an insured event under the Policy, AAMI is required to pay out all of our client's claims.

Hydrology report and assumptions about cause of water damage

We note that your refusal letter relies on the Joint Hydrology Reports commissioned by the Insurance Council "Flooding in the Brisbane River Catchment, January 2011" to deny our client's claim. We would note that on page ill of this report it says "The maps should not be used to assess flooding at individual properties, which can be influenced by a number of local factors that may not be properly reflected in the information shown on the maps. This is especially true around the limits of inundation."

We would note that it is dangerous to rely on such a general hydrology report that does not take into account the specific circumstances of the water event in the Rocklea area. We would question whether such a general rellance would meet AAMI's obligations under the Insurance Contracts Act and the Insurance Codes of Practice.

Request for information you relied upon to make your decision.

If, upon consideration of the matters raised in this letter you reaffirm the original refusal, would you be so kind as to provide copies of any evidence, hydrology and client information that you have used to determine this claim and/or in reconsideration of this claim within 7 days of your review.

In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our clients' or agent upon which you rely to support the decision you have made.

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21 June 2011

Response and urgency for our clients'

Our client has prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve his rights to revise his claim if necessary.

Yours sincerely,

per Legal Aid Queensland

Senior Solicitor/Consumer Advocate Civil Justice Services (consumer protection)

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ICA Hydrology Panel





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ICA Hydrology Panel





Radar Images, 1412 Hours to 1900 Hours Tuesday 11 January 2011





Figure A12 Radar Images, 2012 Hours on Tuesday 11 January to 0000 Hours Wednesday 12 January 2011

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CONSUMER APPEALS SERVICE

25 June 2011

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Senior Solicitor/Consumer Advocate Civil Justice Services (Consumer Protection) GPO Box 2449 BRISBANE QLD 4001



RE: AAMI Claim Number: Your Reference: MAF (Flood) Client: Gary Lobley

I am writing in regard to your request to have your clients' complaint reviewed through our Internal Dispute Resolution (IDR) process.

I have been appointed to review the complaint. I confirm receipt of your submission dated 21 June 2011.

The Policy

• • • • • •

The claim has been lodged under an AAMI Home Building and Contents Insurance Policy (the policy).

Pages 10 to 12 of the building policy and page 18 of the contents policy explains you are covered for Storm and rainwater including stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface. It further states storm means violent wind (including a cyclone or tornado), thunderstorm or a heavy fall of rain, snow or hail.

Page 11 to 13 of the building policy and page 19 to 21 of the contents policy explains you are not covered for damage or loss caused by flood. Flood means the inundation or covering of normally dry land by water which:

escapes or overflows from, or cannot enter, because it is full or has overflowed, or

 $(x, \overline{\alpha})^{m} \overline{\alpha}^{m} = (x, \underline{\beta}^{m}, \underline{\beta}^{m}) + \delta_{m} \overline{\beta}^{m} \overline{\beta}^{m} \overline{\beta}^{m} + \delta_{m} \overline{\beta}^{m} \overline{\beta}^{m} \overline{\beta}^{m} + \delta_{m} \overline{\beta}^{m} \overline{\beta}^{m}$

is prevented from entering, because other water has already escaped or been released from it,

the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or Consumer Agreeols Service stormwater channel. Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface.

The Claim

Your client contacted AAMI on 15 January 2011 to advise that due to the floods his house had been damaged.

AAMI appointed an external assessor, Cunningham Lindsey, who provided a report stating that the damage to the property was, in their opinion, due to flood. AAMI also considered a report from an external hydrologist panel commissioned by the Insurance Council of Australia to confirm the cause of the water inundation. This Hydrology Area Report (hydrologist) had been jointly issued by three established hydrology firms to investigate the cause and timing of water inundation in the area of the home.

After considering the reports, AAMI wrote to your client on 31 March 2011 advising the claim was not for acceptance. AAMI's decision had been made on the basis the damage to the home and contents was caused by flood which is specifically excluded from cover.

Your client engaged the services of Legal Aid Queensland. You have provided a submission setting out why you believe the claim should be covered.

My Decision

I have read and considered all of the available material on your clients' file including reports from the assessor and hydrologists along with the interactive flood map provided on the Queensland Government website. I have also reviewed your submission dated 21 June 2011.

It is a general principle of insurance law that it is up to the policyholder to prove that the damage in respect of which a claim is made is covered under the terms of the policy of insurance. The AAMI Home Building and Home Contents policies are defined events policy, which does not cover all risks. It only provides cover for loss or damage caused by the events specified in the policy, subject to any exclusions.

The AAMI Home Building and Contents policies provide cover for loss and damage caused by storm and rainwater, but specifically provides that loss or damage caused by flood is not covered. I accept that this is clearly set out in the home and contents policy booklets.

I have reviewed AAMI's letter and the reports they considered and I am satisfied AAMI's letter dated 31 March 2011 sets out the basis of the decision not to accept your clients' claim. I am guided by the expert qualified opinion of the external assessor and hydrologist in this matter and in the absence of any

other evidence from similarly qualified experts to prove the damage or some part of it was caused by an event covered under the policy, I accept the damage to your clients' property was caused by flood.

I note there is no dispute your client received the policy schedule and certificate. You believe AAMI has not met its burden under section 35 of the Insurance Contracts Act to clearly inform your client of the relevant exclusion.

Section 35 provides that standard cover does not apply if the insurer informed the insured in writing of the relevant policy provisions pursuant to section 69(2). Section 69(2) provides that where it is not reasonably practicable for information to be given orally or in writing, giving the information in writing within 14 days is sufficient. It is generally considered that it is not reasonably practicable to read the entire policy to a prospective insured over the phone and provided the insurer sends the insured a copy of the policy documentation within 14 days section 35 is complied with. I am satisfied AAMI posted your client the relevant documentation within 14 days of cover commencing. In the circumstances, I accept that standard cover does not apply and the policy is subject to the exclusions set out in the policy documentation.

I note your position that your client was not told when taking out the policy with AAMI that the policy was inadequate for his needs. I make note in your submission that your client 'was aware that he lived in a suburb that was affected by water flow on a regular basis'. However, upon review of AAMI's records the policy began on 1 April 2001 there are no records that your client made AAMI aware of his intimate knowledge of the water flow issues in the Rocklea area. I acknowledge your position that you believe that as a result of AAMI's failure to inform and draw your client's attentions of the shortcomings of the policy that AAMI must pay for the claim in accordance with AAMI's duty of utmost good faith as outlined in section 13 of the Insurance Contracts Act 1984.

Whilst telephone calls are monitored from time to time for training purposes, conversations are not recorded so I am unable to verify conversations your client had when speaking to AAMI about the policy when it was taken out. However I have confirmed AAMI Management's directives to staff are to advise customer's basic policy coverage and to ensure each customer reads their Product Disclosure Statement (PDS).

I can confirm that since 1 April 2001 there have been no less than three separate policy updates in this time which have been sent to your client. I can confirm that flood has been excluded from policy coverage since the beginning of your client's policy. As you would be aware the duty of utmost good faith is besotted upon both parties to the contract. I am of the view that based on your clients concern for his major asset (House) and his intimate knowledge of the Rocklea area that he should have made AAMI aware of this major concern so that AAMI could have also verbally advised your client that flood is not part of AAMI's underwriting risk. It is a general principle of insurance law that it is up to the policyholder to prove that the damage in respect of which a claim is made is covered under the terms of the policy of insurance. Your client's policies are defined events policies, which does not cover all risks. It only provides cover for loss or damage caused by the events specified in the policy, subject to any exclusions. I accept the onus rests with your client, the policyholder, to read the policy documents and ensure the cover provided meets their requirements. In the event that the information set out in these documents is incorrect, or if the cover they have purchased is inadequate, the onus remains with your client to contact AAMI and complete the required amendments.

In regard to your comments relating to the Hydrology Area Report AAMI has considered when determining whether your clients' claim fell within the scope of cover provided by the policy, I accept that a site specific assessment report was conducted by Cunningham Lindsey and that the hydrology report formed only part of the evidence relied upon.

In summary, I accept that the damage to your clients' home and contents was caused by the overflow of the Rocky Water Holes Creek and Oxley Creek which received floodwaters from the Brisbane river via the Oxley Creek, resulting in inundation of your clients' home. However I also accept that the policy clearly provides that resultant flooding as defined is not covered.

Whilst I very much empathise with your clients' situation, I am obliged to make decisions in accordance with the terms and conditions of the policy. In the circumstances, I accept that AAMI's decision not to accept this claim is correct.

My decision represents AAMI's final decision in relation to your clients' complaint. If your clients wish to pursue the complaint further they are entitled to apply to the Financial Ombudsman Service (the FOS). The FOS is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission (ASIC). AAMI is a member of this scheme and we agree to be bound by its determination about a dispute. Any such application must be made within two years of the date of this letter to:

Financial Ombudsman Service GPO Box 3 MELBOURNE VIC 3001 Telephone: 1300 780 808 Facsimile: (03) 96136399 Website: www.fos.org.au Email: info@fos.org.au

Yours faithfully,



Dispute Resolution Officer

ANNEXURE 8



Financial Ombudsman Service Limited ABN 67 131 124 448 GPO Box 3, Melbourne VIC 3001

- T 1300 78 08 08
- F 03 9613 6399
- E info@fos.org.au
- W www.fos.org.au

15 September 2011

Executive Manager Group Customer Relations (GCR) AAMI Ltd Group Customer Relations GPO Box 1453 BRISBANE QLD 4001

1-9 SEP 2011

Group Customer Relations

Dear

Dispute lodged by: Case number: Your ref:

Please find enclosed details of Mr Lobley's dispute with AAMI Ltd.

What you need to do

We encourage you to contact Mr Lobley within the next 21 days and discuss and resolve the dispute directly with them.

If you are able to resolve the dispute directly within 21 days, please provide written details confirming how the dispute was resolved.

If you are unable to resolve the dispute directly, you will need to provide a detailed written response to the dispute within 21 days. You should include an explanation of AAMI Ltd's position and copies of all relevant information and supporting documents, including a copy of any response to Mr Lobley. This should be provided to the Financial Ombudsman Service (FOS), with a copy provided to Mr Lobley.

To assist you, a guide is enclosed setting out the information and documents that are generally relevant in a dispute such as this. Please carefully check this guide and ensure that all relevant information and documents are provided with your response.

We require your response by 6 October 2011.

Once we receive your response we will review the dispute and decide the appropriate next step for resolving this matter.



Exchange of information

FOS encourages parties to a dispute to exchange information as part of trying to resolve the dispute. As is the practice in general insurance disputes, please ensure that a copy of all material included in your response is sent to Mr Lobley. Only the material exchanged will be relied upon by FOS unless special circumstances apply as outlined in our Terms of Reference.

Privacy

We do not wish to collect third party or sensitive information that is not required. If you include sensitive information or personal information about a third party please ensure that the information is relevant to the dispute. If the information is not relevant, please do not send it to us or take steps to de-identify the information.

Our privacy policy is available at www.fos.org.au/privacy.

How we deal with unresolved disputes

If a dispute is not resolved directly between the parties, we will use the most appropriate dispute resolution method to resolve the dispute. We may assist the parties to negotiate a resolution, or may conduct a conciliation conference where appropriate. If a dispute cannot be resolved by mutual agreement, we may issue a Recommendation or Determination.

For more information on the Financial Ombudsman Service and how we deal with disputes, including our Terms of Reference and Operational Guidelines, please refer to our website at www.fos.org.au.

Additional information

If you:

- are unclear on how to respond to this dispute
- · require additional time to respond or
- have any questions

please contact me on or email me at

Yours sincerely

Dispute Analyst Financial Ombudsman Service

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Response Guide – General Insurance

When you are providing your response to us please review this Guide and provide copies of all relevant information and documents as outlined below.

Please outline your response under appropriate headings where relevant (eg. Summary of Facts, Issues in Dispute, Applicant's Position, Company's Position, Relevant Policy Provisions, Relevant Law).

| • | of any o | company's report on its investigation of the dispute together with copies related correspondence. Your response should include: Policy details Applicant's particulars | | | | |
|----|---|---|--|--|--|--|
| | 0 | | | | | |
| | 0 | The claim | | | | |
| | 0 | The vehicle/property/contents/sickness | | | | |
| | 0 | Details of previous claims | | | | |
| | 0 | Details of any alleged non-disclosure or misrepresentation | | | | |
| | O | Other relevant facts | | | | |
| • | includ policy | ement of the company's overall position on the dispute. This should e an outline of the issues in dispute, the Applicant's position, relevant provisions, relevant law and reference to any relevant FOS Terms of ence provisions. | | | | |
| • | Details of any expert opinions (eg. Assessor, accident reconstruction, forensic, medical, legal). | | | | | |
| • | Details of any suggested options or offers that will assist to resolve this dispute | | | | | |
| ٠ | Copie | s of the following documents: | | | | |
| | 0 | Applicant's claim form | | | | |
| | 0 | Insurance proposal/applicant form | | | | |
| | 0 | Policy schedule applicable at time of loss | | | | |
| | ò | Policy wording applicable at time of loss | | | | |
| ۰. | Copie | s of other supporting evidence where relevant, including: | | | | |
| | 0 | All assessors' and adjusters' reports on liability and quantum | | | | |
| | 0 | All investigators' reports | | | | |
| | 0 | Colour copies of all photographs, or the originals | | | | |
| | | Underwriting guidelines | | | | |
| | 0 | Proof of application of underwriting guidelines (eg. Examples of | | | | |
| | | declined proposals, renewals and statutory declarations from | | | | |
| | | underwriters | | | | |
| | Ó | Medical reports/technical reports | | | | |
| | Ö. | Valuations | | | | |
| | 0 | Witness statements/statutory declarations/affidavits. | | | | |
| | | Witness statements/statuton/ dealarations/affidavite | | | | |



Financial Ombudsman Service Limited
ABN 67 131 124 448GPO Box 3, Melbourne VIC 3001Telephone1300 78 08 08Fax03 9613 6399Emailinfo@fos.org.auWebsitewww.fos.org.au

Online Dispute information

This form contains a summary of an Applicant's dispute. It is based on information submitted by an applicant when they lodge their dispute online with FOS.

| FOS Case Number: | | | |
|--|--|--|--|
| Date Dispute Recorded by FOS: | 8 September 2011 | | |
| Applicant Name: | Mr Gary Lobley | | |
| Applicant's Business Name (if applicable): | | | |
| Applicant Address & Contact Details: | C/- Consumer Protection Unit, Legal Aid Queensland, GPO Box 2449, Brisbane, QLD, Australia 4001 Ph: 07-32383232 Email: | | |
| Representative Name (if applicable): | | | |
| Representative Address Details (if applicable): | Consumer Protection Unit, Legal Aid Queensland,GPO Box 2449,Brisbane,QLD,Australia 4001 | | |
| Account/Policy/ Claim Reference Number: | Claimino. | | |
| Financial Services Provider Name: | AAMI Ltd | | |

Summary of Dispute:

Queensland Flood Claim: FSP has refused the applicant's Internal Dispute Resolution submission in a letter dated 25 June 2011. The applicant initially lodged the claim on 13 January 2011. The initial refusal was received in a letter dated 31 March 2011. Legal Aid Queensland prepared the IDR submission which was sent to FSP on 21 June 2011. The IDR process has now been exhausted.

Please see attached the following documents:

1. IDR refusal letter from FSP dated 25 June 2011

2. LAQ IDR submission dated 21 June 2011

3. Initial rejection letter from FSP to applicant dated 31 March 2011

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Outcome Sought:

For the refusal to be overturned and the applicants' claim to be paid.

25 June 2011

DECEIVE 2 9 JUN 2011

ВҮ:....

Senior Solicitor/Consumer Advocate Civil Justice Services (Consumer Protection) GPO Box 2449 BRISBANE QLD 4001

Dear

RE: AAMI Claim Number: Your Reference: MAF (Flood) Client: Gary Lobley

I am writing in regard to your request to have your clients' complaint reviewed through our Internal Dispute Resolution (IDR) process.

I have been appointed to review the complaint. I confirm receipt of your submission dated 21 June 2011.

The Policy

The claim has been lodged under an AAMI Home Building and Contents Insurance Policy (the policy).

Pages 10 to 12 of the building policy and page 18 of the contents policy explains you are covered for Storm and rainwater including stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface. It further states storm means violent wind (including a cyclone or tornado), thunderstorm or a heavy fall of rain, snow or hall.

Page 11 to 13 of the building policy and page 19 to 21 of the contents policy explains you are not covered for damage or loss caused by flood. Flood means the inundation or covering of normally dry land by water which:

escapes or overflows from, or cannot enter, because it is full or has overflowed, or

is prevented from entering, because other water has already escaped or been released from it,

the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or Consumer Appeds Service stormwater channel.

447 Collins Street, Melbourne 3000, PO Box 14180, Melbourne City Mail Centre, Vic 8001 Telephone: 1300 130 794 Facstmile: 1300 316 047 Email: consumeroppeols@comi.com.cu Austrolian Associated Motor Insurers Limited ABN 92 004 791 744. AFSL No. 238173















Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface.

The Claim

Your client contacted AAMI on 15 January 2011 to advise that due to the floods his house had been damaged.

AAMI appointed an external assessor, Cunningham Lindsey, who provided a report stating that the damage to the property was, in their opinion, due to flood. AAMI also considered a report from an external hydrologist panel commissioned by the Insurance Council of Australia to confirm the cause of the water inundation. This Hydrology Area Report (hydrologist) had been jointly issued by three established hydrology firms to investigate the cause and timing of water inundation in the area of the home.

After considering the reports, AAMI wrote to your client on 31 March 2011 advising the claim was not for acceptance. AAMI's decision had been made on the basis the damage to the home and contents was caused by flood which is specifically excluded from cover.

Your client engaged the services of Legal Aid Queensland. You have provided a submission setting out why you believe the claim should be covered.

My Decision

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I have read and considered all of the available material on your clients' file including reports from the assessor and hydrologists along with the interactive flood map provided on the Queensland Government website. I have also reviewed your submission dated 21 June 2011.

It is a general principle of insurance law that it is up to the policyholder to prove that the damage in respect of which a claim is made is covered under the terms of the policy of insurance. The AAMI Home Building and Home Contents policies are defined events policy, which does not cover all risks. It only provides cover for loss or damage caused by the events specified in the policy, subject to any exclusions.

The AAMI Home Building and Contents policies provide cover for loss and damage caused by storm and rainwater, but specifically provides that loss or damage caused by flood is not covered. I accept that this is clearly set out in the home and contents policy booklets.

I have reviewed AAMI's letter and the reports they considered and I am satisfied AAMI's letter dated 31 March 2011 sets out the basis of the decision not to accept your clients' claim. I am guided by the expert qualified opinion of the external assessor and hydrologist in this matter and in the absence of any

other evidence from similarly qualified experts to prove the damage or some part of it was caused by an event covered under the policy, I accept the damage to your clients' property was caused by flood.

I note there is no dispute your client received the policy schedule and certificate. You believe AAMI has not met its burden under section 35 of the Insurance Contracts Act to clearly inform your client of the relevant exclusion.

Section 35 provides that standard cover does not apply if the insurer informed the insured in writing of the relevant policy provisions pursuant to section 69(2). Section 69(2) provides that where it is not reasonably practicable for information to be given orally or in writing, giving the information in writing within 14 days is sufficient. It is generally considered that it is not reasonably practicable to read the entire policy to a prospective insured over the phone and provided the insurer sends the insured a copy of the policy documentation within 14 days section 35 is complied with. I am satisfied AAMI posted your client the relevant documentation within 14 days of cover commencing. In the circumstances, I accept that standard cover does not apply and the policy is subject to the exclusions set out in the policy documentation.

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I note your position that your client was not told when taking out the policy with AAMI that the policy was inadequate for his needs. I make note in your submission that your client 'was aware that he lived in a suburb that was affected by water flow on a regular basis'. However, upon review of AAMI's records the policy began on 1 April 2001 there are no records that your client made AAMI aware of his intimate knowledge of the water flow issues in the Rocklea area. I acknowledge your position that you believe that as a result of AAMI's failure to inform and draw your client's attentions of the shortcomings of the policy that AAMI must pay for the claim in accordance with AAMI's duty of utmost good faith as outlined in section 13 of the Insurance Contracts Act 1984.

Whilst telephone calls are monitored from time to time for training purposes, conversations are not recorded so I am unable to verify conversations your client had when speaking to AAMI about the policy when it was taken out. However I have confirmed AAMI Management's directives to staff are to advise customer's basic policy coverage and to ensure each customer reads their Product Disclosure Statement (PDS).

I can confirm that since 1 April 2001 there have been no less than three separate policy updates in this time which have been sent to your client. I can confirm that flood has been excluded from policy coverage since the beginning of your client's policy. As you would be aware the duty of utmost good faith is besotted upon both parties to the contract. I am of the view that based on your clients concern for his major asset (House) and his intimate knowledge of the Rocklea area that he should have made AAMI aware of this major concern so that AAMI could have also verbally advised your client that flood is not part of AAMI's underwriting risk. It is a general principle of insurance law that it is up to the policyholder to prove that the damage in respect of which a claim is made is covered under the terms of the policy of insurance. Your client's policies are defined events policies, which does not cover all risks. It only provides cover for loss or damage caused by the events specified in the policy, subject to any exclusions. I accept the onus rests with your client, the policyholder, to read the policy documents and ensure the cover provided meets their requirements. In the event that the information set out in these documents is incorrect, or if the cover they have purchased is inadequate, the onus remains with your client to contact AAMI and complete the required amendments.

In regard to your comments relating to the Hydrology Area Report AAMI has considered when determining whether your clients' claim fell within the scope of cover provided by the policy, I accept that a site specific assessment report was conducted by Cunningham Lindsey and that the hydrology report formed only part of the evidence relied upon.

In summary, I accept that the damage to your clients' home and contents was caused by the overflow of the Rocky Water Holes Creek and Oxley Creek which received floodwaters from the Brisbane river via the Oxley Creek, resulting in inundation of your clients' home. However I also accept that the policy clearly provides that resultant flooding as defined is not covered.

Whilst I very much empathise with your clients' situation, I am obliged to make decisions in accordance with the terms and conditions of the policy. In the circumstances, I accept that AAMI's decision not to accept this claim is correct.

My decision represents AAMI's final decision in relation to your clients' complaint. If your clients wish to pursue the complaint further they are entitled to apply to the Financial Ombudsman Service (the FOS). The FOS is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission (ASIC). AAMI is a member of this scheme and we agree to be bound by its determination about a dispute. Any such application must be made within two years of the date of this letter to:

Financial Ombudsman Service GPO Box 3 MELBOURNE VIC 3001 Telephone: 1300 780 808 Facsimile: (03) 96136399 Website: www.fos.org.au Email: info@fos.org.au

Yours faithfully,

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Disputé Resolution Officer



Our Ref: MAF(flood):1189936 Date: Tuesday, 21 June 2011

| Telephone: Facsimile: F-mail: | |
|-------------------------------------|--|
| E-mail: | |

The Manager Internal Dispute Resolution AAMI Fax: 1300 316 047

Dear Colleague

Gary Lobley Claim

Request to review decision as quickly as possible following refusal of claim dated: 31 March 2011

The Civil Justice (consumer protection) unit at Legal Aid Queensland acts for the abovenamed for the purpose of this request to review your company's decision to refuse our client's insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to our unit, attention the author,

Our client's formally now requests that the decision to refuse insurance be reviewed.

In support of the request for review, we ask that you take the following into consideration:

Background

Mr Lobley is a sear old pensioner who has been a loyal customer of AAMI since 2001. Since the flooding event he has experienced a number of tragic and difficult events that have caused him great stress and anguish.

The events Mr Lobley has had to deal with include:

- (a) The death of a close friend on 26 January 2011, who assisted him in cleaning up his property, in a tragic boating accident.
- (b) Despite Mr Lobley informing AAMI that he could not accommodate an assessor attending the property on 3 February 2011 because it was the day of his friend's funeral, he still received a call from the Assessor attempting to attend the property at 4pm on the afternoon of the funeral.
- (c) Mr Lobley spent 10 days in hospital from 4-14 March 2011 being treated for an infection caused by a flood related injury suffered by Mr Lobley.

Telephone: 1300 65 11 88 www.legalaid.qld.gov.au ABN: 69 062 423 924 AAMI's actions during this time, despite Mr Lobley's attempts to ensure a good line of communication between AAMI and himself, have exacerbated the severe stress that Mr Lobley is under.

Clients unaware of the illusory nature of his insurance policy

Our client was aware that he lived in a suburb that was affected by water flow on a regular basis. He was aware that there were drainage problems in the area highlighted by the regular effect of rain on Oxley Creeks.

He had every incentive to ensure that his major investment asset was protected and if he had been drawn to your company's distinction excluding riverine water rising and/or at the time he took out the policy or upon annual renewal he would have immediately sought a policy which did offer them adequate protection.

At all times flooding of the two Creeks was foreseeable by our client, your management and by the average person in the street with any knowledge of the history of Brisbane and Ipswich. He relied upon your company, as a reputable insurer to alert the family to the absolute inadequacy of the policy for his needs given his circumstances.

He was oblivious to the risk that he had inadvertently assumed by taking out insurance with you and by renewing and remaining with that policy.

Your staff had a duty of utmost good faith to inform our client's of the unsuitability of the insurance cover selected by you in consultation with them. The product has been shown to be dangerous and unsafe for them and has led to the loss of his insured assets.

Given this failure to adequately inform and draw the shortcomings of the policy to our client's attention and given the unsuitability of the product for his needs, we request that you reconsider your refusal to honour his claim. In particular, we refer you to the positive obligations created at law by your staff's conduct as detailed below;-

Total failure of consideration/Breach of duty to act with utmost good faith

We note the obligation your client company and its staff had to honour the organisation's statutory responsibility to treat our client with '*utmost good faith*'. Utmost good faith mandated by s 13 *The Insurance Contracts Act.* 1984(*Cth*) required furnishing a customer with the best possible option to protect themselves from impending and foreseeable risks in circumstances where failure to do so meant the very real loss of the asset, the subject of the protection.

An option to increase protection and cover 'flood' was not offered nor a warning given before the event despite the real foreseeability of riverine flooding.

We accept that there is no duty at law to provide insurance. There is however a duty to act towards an existing insured with utmost good faith and in all of the circumstances, your company's actions towards our client fell short of this duty in failing to assist them

to obtain satisfactory coverage or provide them with other options to mitigate his loss and by your agent's cavalier representation that he were indeed covered for flood.

Our client's loss is the damage sustained as a result of the inadequacy of his insurance policy to cover the loss.

We ask that you reconsider honouring this claim based on the facts described above.

Exclusion relied upon by you (definition)

In the alternative, AAMI's refusal letter dated 31 March 2011 indicates that our client's claim for his property has been rejected on the basis that the damage to his property was caused by Flood water and this is not covered by AAMI's Policy. Flood is defined on Pages 8, 12 and 13 of his Building Policy and Pages 19 and 21 of his contents policy.

Reliance on Exclusion by you

Page 9 and 13 of AAMI's Building Policy and Pages 19 and 21 of AAMI's Contents Policy define flood as:

"the inundation or covering of normally dry land by water which:

- Escapes or overflows from, or
- · Cannot enter because it is full or has overflowed, or
- Is prevented from entering, because other water has already escaped or been released from it,

The normal confines of any watercourse or lake including any that may have been modified by human intervention, or reservoir or canal, dam or stormwater channel.

Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface.

We also note that Page 14 of the Building Policy and Page 22 of the Contents Policy highlight flood as a general exclusion.

However, we also that that Pages 12 and 13 of the Building Policy and Pages 18, 19 and 21 of the Contents Policy provide cover for "Storm and Rainwater including Stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

In our view "flood" is covered by the policy, unless it is shown that there is an exclusion which has been clearly communicated to the insured. This is not the case for our client.

In our view as "flood" is a prescribed event for the purposes of section 35 of the Insurance Contracts Act 1984 as defined in regulation 14, you had a duty to clearly inform consumers that "flood" was excluded under the policy. The Corporations Act 2001 also requires "clear, concise and effective" disclosure. The reason for this is that when the definition of flood is read with the definition of Stormwater and runoff, the two definitions are likely to cause confusion for a reasonable consumer. The reason for this is that it is almost impossible for a reasonable consumer to identify when stormwater run-off becomes water that cannot enter a drain/watercourse because it is full or has overflowed. Furthermore, there are similar problems in identifying what is the difference between water that has overflowed from a stormwater drain because it cannot reach the watercourse as the watercourse is full which is not covered and water that has escaped from a stormwater drain which would be covered as part of stormwater run-off.

There is also an issue about water escaping from flooded watercourses up storm water drains into streets. If this is viewed as water escaping or overflowing it would not be covered but if it is viewed as water escaping from a stormwater drain it would be covered under the Policy. The distinctions between the definitions that signify coverage and no coverage under the Policy are artificial and it is unreasonable to expect as reasonable consumer to understand them. He has no way of being able to identify the insurance coverage he has and the circumstances in which it would apply.

In our view, such contradictory definitions do not meet either the requirement to "clearly inform" under s35 of the Insurance Contracts Act or the requirement for "clear concise and effective" disclosure under the Corporations Act.

In those circumstances you ought not to rely on the exclusion and payout our client's claim.

Storm

In the further alternative, the damage caused to our client's property was caused as a result of run-off from a storm and/or rainwater.

Pages 18, 19 and 21 of the Contents Policy provide cover for "Storm and Rainwater including Stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

The view that the damage was caused by Storm including stormwater run-off is supported by the severe weather warning with warnings of heavy rainfall and flash flooding was issued by the Bureau of Meteorology shortly before 9am as reproduced below and it our view that all of the evidence points to storm cells with torrential downpours which hit suburbs and surrounds of Brisbane on that morning:-

Tuesday, January 11, 2011 8:49 AM Subject: QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



- 5 -

QLD Severe Weather Warning: Heavy Rainfall and Flash Flooding



Dedicated to a better Brisbane

Source: Bureau of Meteorology

For people in the Southeast Coast District and the Darling Downs and Granite Belt District southeast of Dalby to Goondiwindi.

Issued at 8:00 am on Tuesday 11 January 2011

Synoptic Situation: At 8am AEST, an upper level low was located over the Darling Downs and Granite Belt district and is forecast to move to the southwest and slowly weaken.

Heavy rain areas and thunderstorms are expected to continue through the Southeast Coast and Darling Downs and Granite Belt today. Heavy falls will lead to localised flash flooding and will worsen existing river flooding.

Currently, an intense slow moving band of rainfall extends from about Maroochydore to Warwick. Rainfall rates in this band are reaching 80 to 100 mm per hour.

We also note the view that a number of storms affected the Brisbane and Ipswich area is also supported by The Special Climate Statement released by BoM which is quoted in the Insurance Council of Australia Hydrology report for the Brisbane Local Government Area. Relevantly it says:

"10 to 12 January. An upper-level low combined with a humid easterly flow to bring very heavy rain to southeast Queensland and northeast New South Wales. The heaviest falls were in the areas north and west of Brisbane (Figure 1e). Three-day totals exceeded 200 mm over most of the area bounded by Brisbane, Gympie and Toowoomba, including the majority of the Brisbane River Catchment. Further south, totals exceeding 100 mm extended to the coast and adjacent ranges of New South Wales north of Coffs Harbour, locally approaching 200 mm on parts of the Northern Tablelands, and also extended into inland southern Queensland as far west as Dalby.

The heavy rain covered a smaller area than was the case in the late December event. The highest daily totals observed in the Bureau's regular network were 298.0 mm at Peachester and

21 June 2011

282.6 mm at Maleny on 10 January, while the highest three-day totals were 648.4 mm at Mount Glorious and 617.5 mm at Peachester. Intense short-period falls also occurred during the event, with one-hour falls in excess of 60 mm occurring on bolh 10 and 11 January at numerous stations in various locations north and west of Brisbane. It is possible that higher short-period falls occurred in areas between observing sites." (emphasis added)

The Radar Images in Appendix A of the Report and referred to on Pages 24 and 25 of the ICA Hydrology report are also relevant. We have attached a copy of the relevant radar images. These images support the view of many of our clients that Brisbane and its surrounds experienced a storm on the morning of 11 January 2011 which resulted in heavy rain that in turn caused the damage that falls within the definition of storm in our client's AAMI Policy.

Our client is aware that local catchments and ground soils were saturated as a result of prolonged rain over this period, exacerbated by heavy rains and thunderstorms which affected parts of Brisbane and Ipswich on Monday 10th January and on Tuesday 11th January 2011.

According to the Bureau of Meteorology (BoM) daily weather observations, there were a number of distinct recorded weather events, including rain, that occurred in the Brisbane area over the period 9th to the 12th January, inclusive, as shown at <u>http://www.bom.gov.au/climate/dwo/IDCJDW0400.shtml</u>

For the period Monday 9am to Tuesday 9am just 15.4mm rainfall was recorded and 40.0mm was recorded for the period from 9am Tuesday to 9am Wednesday. This evidence accords with our client's recollection that very heavy rain occurred Tuesday morning and it was only as a result of this storm that our client's property was inundated, within the definition of AAMI's Policy.

We note that there were 2455 recorded lightning strikes between 11pm on 10th January to 11pm on 11th January 2011 in the Brisbane Area. (from 6 the previous 24 hours and none from Tuesday 11pm to Wednesday 11pm).

| Total Strikes | Date and Time |
|---------------|--|
| 6 | 11:00PM on 09 Jan 2011 to 11:00PM on 10 Jan 2011 |
| 2455 | 11:00PM on 10 Jan 2011 to 11:00PM on 11 Jan 2011 |
| 0 | 11:00PM on 11 Jan 2011 to 11:00PM on 12 Jan 2011 |

There is little doubt that storms occurred across Brisbane and its suburbs on Tuesday morning, 11 January 2011.

Windspeeds recorded by the BoM and reported show that winds were gusting at up to 41kms per hour on the Monday and at 33 kms on the Tuesday. These speeds were elevated from the previous week and support our client's claim that a storm had passed over her property on Tuesday morning resulting in high winds and heavy rain.

21 June 2011

This data supports our client's view of what happened. He recalls it raining heavily all day, which supports our view that a storm and stormwater run-off affected Rocklea on 11 January 2011. He describes what he saw and knows in the following way:

"I was at home on Tuesday 11 January 2011. I got a call from the council saying the Rocky Water Hole was rising. But the Rocky Water Holes do not affect my property. I dispute the assessors report which says Rocky Water Holes Creek affected my property as there is a big hill between my house and that Creek.

There is a massive drain that measures a 1000mm by 800mm and I could see the water not getting away as it should. The drain is one house block and a road away from our house. It is on Golf Links Road. I don't know where the water in the drain comes from but I assume it flows into Oxley Creek. The drain must run under the golf course.

I know I was covered for storm damage and storm water run off and water escaping from drains. Storm includes heavy rain. Downstairs was caused by storm water. This is supported by my neighbours who witnessed water in the property by 11pm."

The evidence above the effect of stormwater and water escaping from drains supports our client's view that heavy rain through storm and rainwater run-off, which is covered by AAMI's Policy, was the proximate cause of the damage to his property.

As a consequence, as the event which caused damage to our client's property is an insured event under the Policy, AAMI is required to pay out all of our client's claims.

Hydrology report and assumptions about cause of water damage

We note that your refusal letter relies on the Joint Hydrology Reports commissioned by the Insurance Council "Flooding in the Brisbane River Catchment, January 2011" to deny our client's claim. We would note that on page iii of this report it says "The maps should not be used to assess flooding at individual properties, which can be influenced by a number of local factors that may not be properly reflected in the information shown on the maps. This is especially true around the limits of inundation."

We would note that it is dangerous to rely on such a general hydrology report that does not take into account the specific circumstances of the water event in the Rocklea area. We would question whether such a general reliance would meet AAMI's obligations under the Insurance Contracts Act and the Insurance Codes of Practice.

Request for information you relied upon to make your decision

If, upon consideration of the matters raised in this letter you reaffirm the original refusal, would you be so kind as to provide copies of any evidence, hydrology and client information that you have used to determine this claim and/or in reconsideration of this claim within 7 days of your review.

In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our clients' or agent upon which you rely to support the decision you have made.

...

Response and urgency for our clients'

Our client has prepared the quantum of the loss he has suffered to his home and contents in haste and we hereby reserve his rights to revise his claim if necessary.

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Yours sincerely,

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Senior Solicitor/Consumer Advocate Civil Justice Services (consumer protection)





Radar Images, 1606 Hours to 2112 Hours Monday 10 January 2011

ICA Hydrology Panel













ICA Hydrology Panel



Figure A12 Radar Images, 2012 Hours on Tuesday 11 January to 0000 Hours Wednesday 12 January 2011



31 March 2011

Mr Gary Lobley Inskip Street Rocklea QLD 4106

Dear Mr Gary Lobley,

Your AAMI building and contents insurance claim:

Thank you for contacting AAMI to tell us about the water damage to your building and contents located at Inskip Street Rocklea QLD 4106 on 13 January 2011.

As you know, we appointed an Assessor to attend your property and inspect the damage and we thank you for allowing this to happen.

Hydrology Report:

We have obtained a Hydrology Area Report which has been jointly issued by three established hydrology firms¹ that have investigated the cause and timing of water inundation in the area of your home.

Their report indicates that the inundation was caused by flood water escaping and overflowing from the overflow of Rocky Water Holes and Oxley Greek adjoining the Brisbane River that affected your property. This report is substantial (over 260 pages) and made up of two volumes. You can view it online and download a copy at www.insurancecouncil.com.au

Queensland Government aerial flood mapping:

We additionally refer you to publically available aerial flood mapping on the Queensland Reconstruction Authority's website: www.qldreconstruction.org.au/maps/interactive-map. This mapping, made available by the Queensland Government, indicates that your home was inundated by floodwater.

Austrolian Associated Motor Insurers Limited ABN 92 004 791 244. AFSL No. 230173 GPO Box 1155, Brisbane, QID 4001 Jelephone: 13 22 44 Facstrale: 1071 3259 3333 aam1.com.au

¹ The Joint hydrology report has been issued by WRM Water and Environment, Water Matters International and Worley Parsons. It is titled '*Flooding in the Brisbane River Catchment, January 2011*'.
Your AAMI Building and Contents Insurance Policy:

Your AAMI Building Insurance Policy Product Disclosure Statement (on pages 8, 12 and 13) and your AAMI Contents Insurance Policy Product Disclosure Statement (on pages 16, 18, 19 and 21) (together referred to In this letter as your Policy) under the heading, 'What we cover – insured events' explains that you are covered for damage or loss to your building or contents occurring during the period of cover and caused by:

"Storm and rainwater including stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

Your Policy (on pages 9 and 13 for Building and pages 17, 19 and 21 for Contents) under the heading, "You are not covered", further states that you are not covered for:

"Damage or loss caused by flood. Flood means the inundation or covering of normally dry land by water which:

escapes or overflows from, or

cannot enter because it is full or has overflowed, or

is prevented from entering, because other water has already escaped or been released from it.

the normal confines of any watercourse or lake including any that may have been modified by human intervention, or reservoir or canal, dam or stormwater channel.

Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface."

Your Policy also states in the section, "What we do not cover - general exclusions" on page 14 for Building and page 22 for Contents:

"You are not covered under any section of the policy for damage, loss, cost or liability. caused by or arising from or involving:

flood"

Our decision on your insurance claim:

After careful consideration of the information and reports we have obtained, and viewing relevant Government mapping, it is evident that the damage to your contents was caused by flood. Specifically, floodwater inundation from the overflow of Hocky Water Holes and Oxley Creek adjoining the Brisbane River, which are located nearby your property, on or around 13 January 2011. As your policy does not cover loss or damage caused by flood, we regret to inform you that your claim is not covered on this occasion.

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Australian Associated Motor Insurers Limited ABN 92 004 791 744, AFSL No. 238173 GPO Box 1155, Brisbone, GLD 4001 Telephone: 13 22 44 Facsimile: 1071 3259 3333 aami.com.au

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Your right to have this decision reviewed:

If you are not satisfied with our decision, you are entitled to have it reviewed at no cost to you by our Consumer Appeals Service (referred to in policy booklets as the AAMI Customer Ombudsman or the AAMI Consumer Appeal Service), who will respond to you within 5 working days of receiving your telephone call, letter or e-mall. The Consumer Appeal Service team is independent of this Department and has the appropriate experience, knowledge and authority to carry out a review.

Your participation in this review process does not affect or compromise your entitlement to seek remedies elsewhere or to issue legal proceedings. Should you wish to exercise this right, please write to: The Consumer Appeals Service, AAMI, PO Box 14180, Melbourne City Mail Centre, Victoria, 8001, fax on 1300 316 047, telephone on 1300 130 794 (9 am - 5 pm EST Monday to Friday) or e-mail to consumerappeals@aami.com.au

If you are not satisfied with the response from our Consumer Appeals Service you may be entitled to apply to the Financial Ombudsman Service (FOS) for a review of that decision. The FOS is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. AAMI is a member of this scheme and we agree to be bound by its determination about a dispute. Contact details for the FOS will be provided by our Consumer Appeals Service on the completion of its review.

Yours sincerely,



Peter Unwin Technical Event Claims Manager - Queensland

> Austrolion Associated Motor Insurers Limited ABN 92 004 791 744, AFSL No. 238173 GPO Box 1155, Brisbane, QLD 4001 Telephone: 13 22 44 Focsimile: 1071 3259 3333 opmil.com.ou

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Notice of Response

To: Financial Ombudsman Service GPO Box 3 Melbourne Vic 3001

Financial Ombudsman Service has received a Referral Notice relating to: -



APPLICANT'S NAME: GARY LOBLEY

INSURANCE COMPANY: AAMI LTD

FINANCIAL OMBUDSMAN SERVICE REF:

The matters, which we wish to have the Service take into consideration in determining this dispute, are set out in the <u>attached documents.</u>

COMPREHENSIVE REASONS FOR SUNCORP'S IDR DECISION

SUMMARY OF FACTS

POLICY DETAILS

Home Insurance Policy was incepted with AAMI on 1 April 2001 and was renewed annually. At the date of the loss, the policy provided cover for Home Building with Complete Replacement Cover and Home Contents with a sum insured of \$79,550 (attachment 1).

APPLICANTS' PARTICULARS

Gary Lobley c/o Consumer Protection Unit Legal Aid GPO Box 2449 Brisbane QLD 4001

THE CLAIM

On 15 January 2011 the applicant contacted AAMI to lodge a claim for water damage to his home. AAMI recorded the following claim description as advised by the applicant (attachment 2):

"Due to the floods my home has been damaged."

On 20 January 2011, AAMI attempted to contact the applicant to explain the assessment process. On that date, a message was left for the applicant to confirm that an assessor had been booked to attend the insured property on 3 February 2011 (lines 1-9, **attachment 3**).

Lobley

On 29 January 2011, the applicant contacted AAMI to request that the assessor's appointment be changed, as he had a funeral to attend on 3 February 2011. A message was sent to the appropriate department on behalf of the applicant (lines 11-28, **attachment 3**).

On 3 February 2011, Tim Koeppler of loss adjusting firm Cunningham Lindsey attended the insured property on behalf of AAMI and met with the applicant. Mr Koeppler reported the findings of his assessment in a report to AAMI (attachment 4).

On 15 February 2011, the applicant contacted AAMI to query whether the assessment report had been received. At that time, AAMI confirmed that it had been received and advised the applicant that it would also require a hydrology report prior to making a decision in respect to the cause of the water inundation at the insured property. At that time, the applicant stated to AAMI that the lower level of the insured property had first been inundated by water from a nearby drain (lines 34 - 54, **attachment 3**).

On 28 February 2011, 7 March 2011 and 12 March 2011, the applicant contacted AAMI to enquire about the claim progress, however AAMI was unable to provide a decision in respect to the claim at those times (lines 56-85, **attachment 3**).

On 14 March 2011, AAMI contacted the applicant to confirm that the hydrologist report had been received and the claim referred to management for a decision on coverage (lines 87-91, attachment 3).

On 30 March 2011, AAMI contacted the applicant's authorised contact person to advise that the claim had been declined on the basis that the inundation of the insured property had been caused by flood. That decision was also confirmed in writing on 31 March 2011 (attachment 5).

On 15 June 2011, AAMI received correspondence from Legal Aid Queensland advising that they would be seeking review of the claim on behalf of the applicant. On 22 June 2011, AAMI received a submission from Legal Aid and the claim was referred to AAMI's Consumer Appeals Service for review (lines 133-158, attachment 3).

On 29 June 2011, Dispute Resolution Officer Robert Hazell completed his review of the claim and wrote to Legal Aid to advise that AAMI's decision to decline the claim had been maintained (**attachment 6**).

THE INSURED PROPERTY

Home Building at 14 Inskip Street Rocklea QLD 4106 with Complete Replacement Cover and Home Contents with a sum insured of \$79,550.

ISSUES IN DISPUTE

The issues in dispute are:

- Whether AAMI is entitled to deny the claim on the basis that the damage to the insured property was caused by flood, which is excluded from cover under all sections of the policy.
- Whether AAMI clearly informed the applicant of the flood exclusion.

APPLICANT'S POSITION

Please see the applicant's Notice of Referral

MEMBER'S POSITION

The AAMI Home Building and Home Contents policies are defined events policies, which provide cover for loss or damage caused by the specific events listed on pages 8–13 of the Home Building policy booklet and pages 16–21 of the Home Contents policy booklet.

Storm and rainwater is one of the insured events covered by the policies and is described on page 12 of the Home Building policy and page 18 of the Home Contents policy. The policy description of storm and rainwater includes stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface.

Page 13 of the Home Building policy and page 19 of the Home Contents policy explain that flood is not covered under the defined event of *storm and rainwater:*

No

Damage or loss caused by **flood**. **Flood** means the inundation or covering of normally dry land by water which:

escapes or overflows from, or

cannot enter, because it is full or has overflowed, or

is prevented from entering, because other water has already escaped or been released from it,

the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or stormwater channel.

Flood is also defined within the section *"What do we mean by that?"* on page 38 of the Home Building policy and page 50 of the Home Contents policy.

In addition to being specifically excluded from the insured event of *storm and rainwater*, flood is excluded from cover under all sections of the policy by way of the general exclusion described on page 14 of the Home Building policy and page 22 of the Home Contents policy:

What we do not cover – general exclusions

You are not covered under any section of the policy for damage, loss, cost or liability caused by or arising from or involving:

Flood

....

Flood damage to the insured property

AAM! has declined the applicant's claim on the basis that the damage to the home and contents was caused by flood, which is excluded from cover under all sections of the policy. AAMI submits that it made its decision to deny the claim after taking into consideration the following information:

Area hydrology reports

The area hydrology reports titled *Flooding in the Brisbane River Catchment January* 2011 were prepared jointly by three established hydrology firms (WRM Water & Environment Pty Ltd, Water Matters International, and Worley Parsons). The reports span several volumes and are publicly available via the Insurance Council website at <u>www.insurancecouncil.com.au</u>. In this matter, AAMI has referred to *Volumes 1* and 2.

The reports provide confirmation that flooding occurred over the Brisbane River Catchment during the period 9 to 14 January 2011. The Summary of Findings section on page (i) of *Volume 1* states:

"Severe flooding occurred in many areas of the Brisbane River catchment over the period Monday to Friday 9 to 14 January 2011, especially along Lockyer Creek on the afternoon of Monday 10 January, where more than 20 lives were lost. In addition to loss of life, the floods caused enormous damage and disruption to many townships in the Lockyer Valley, the Somerset Regional Council LGA and in the cities of Brisbane and Ipswich" (Vol 1, page (i), **attachment 7**).

Section 8.5.6 of *Volume 1* confirms that water releases from the Wivenhoe Dam, commencing by 6am on 11 January 2011 and continuing until 3am on 12 January 2011, was the principal cause of flooding of the Brisbane River and its tributaries:

"The principal cause of flooding along the lower Brisbane River downstream of Wivenhoe Dam was releases from the dam, especially over the period 0600 hours (and perhaps as early as 0300 hours) on Tuesday 11 January until around 0300 hours on Wednesday 12 January, ie a "dam release flood" according to the terminology of this Report. On the Tuesday, the peak outflow from the dam was reportedly 7,450 m3/s as dam operators "opened the gates" to accommodate the second major incoming flood. Releases from the dam caused waterflow flooding along the Brisbane River and backwater flooding along Lockver Creek, the Bremer River and all other downstream tributaries (see Section 8.6). Lockyer Creek and the Bremer River were still delivering (or attempting to deliver) floodwaters to the Brisbane River when backwater flooding occurred along these waterways. Thus, a "dam release flood" from Wivenhoe Dam was the principal cause of flooding along the mainstream and tributaries downstream of the dam over the period 11-12 January." (Vol 1, page 63, attachment 8).

Volume 2 of the area hydrology reports is subtitled *Flooding in Brisbane City LGA* and provides specific analysis of the Brisbane City Local Government Area (LGA), including data on river level peaks and rainfall over the area.

The report includes the following comments in respect to rainfall over the Brisbane LGA (Vol 2, page 29, **attachment 9**):

"Moderate rains of about 150-200mm fell over Brisbane City LGA during the period Sunday to Thursday 9-13 January. The heaviest total rainfalls were 250-350mm over the northwestern extremity of the LGA close to Wivenhoe Dam. Rainfall across the LGA generally decreased in a southeasterly and easterly direction (see figure 7.7)."

Figure 7.1 depicts Pluviograph Stations within the Brisbane City LGA. AAMI submits that the station with the closest proximity to the suburb of Rocklea is Corindah High Alert (540 071), which is located to the southwest of the insured property (Vol 2, page 28, attachment 10).

Table 7.1 provides daily rainfall data recorded at Corindah High Alert over the period 9-13 January 2011. The rainfall data indicates that the highest daily rainfalls would have fallen in the vicinity of the insured property in the 24 hour period up until 9am on 10 January and the 24 hour period up until 9am on 12 January 2011 (Vol 2, page 30, attachment 11).

Figure 8.12 provides a graph of rainfall measured at Corindah High Alert at hourly intervals. The graph shows that the highest rainfall was experienced in that area at around midday on 11 January 2011, with rainfall all but ceasing after 1800 hours on 11 January 2011 (Vol 2, page 50, **attachment 12**). The data is consistent with the following commentary from the report:

"9.1 Rainfall and Waterflow Timing

. . . .

During the period 9-13 January 2011, the most significant rainfall across the Brisbane City LGA occurred from approximately 0600 hour to 1600 hours on Tuesday 11 January. There was little or no rainfall across the LGA after about 1800 hours on Tuesday 11 January."

(Vol 2, page 59, attachment 13)

AAMI submits that it is reasonable to consider the rainfall data collected at Corindah High Alert as indicative of the rainfall experienced at the insured property.

During Cunningham Lindsey's assessment of the insured property, the applicant indicated that inundation of the insured property commenced at around 11.30pm on 11 January 2011, with the water level peaking on the morning of 12 January 2011. The applicant indicated that the water had come from the south and reached a total depth of around three metres at the insured property (**attachment 4**). AAMI took this information into account when considering the available evidence concerning the possible sources of inundation of the insured property.

In view of the fact that no significant rain fell in the vicinity of the insured property after about 1800 hours on 11 January 2011, AAMI submits that any inundation of the insured property which occurred after that time cannot reasonably be attributed to local storm water run-off. The applicants have stated that water started entering the yard and house at around 11.30pm on 11 January 2011, which was around five hours after significant rainfall ceased. In that scenario, and in view of the large volume of water which entered the property, AAMI submits that it is reasonable to consider other sources of inundation.

Figure 8.1 of the report shows the locations of Stream Gauging Stations on the Brisbane River and its tributaries. AAMI submits that the insured property is located

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approximately midway between the Oxley Creek Mouth Alert (540,274) and Corindah High Alert (540,071) (Vol 2, page 40, **attachment 14**). AAMI submits that the data collected at those stations, which are located on the Oxley Creek, is relevant to the cause of inundation of the insured property. Oxley Creek is located to the west and south of the insured property. AAMI notes that Rocky Water Holes Creek runs to the east of the insured property, although the applicant has indicated that a hill separates the insured property from the creek and he does not believe water came from that source.

The graphs at figures 8.12 and 8.13 show the rise of the Oxley Creek water level, as measured at the Oxley Creek Mouth Alert and Corindah High Alert, over the period 9-14 January 2011. It is apparent that the inundation of the insured property, which is stated to have commenced on the night of 11 January 2011, occurred when the Oxley Creek exceeded a gauge height of 5mGH. This was well prior to the peak water level of over 9mGH and is largely consistent with the eventual peak inundation height of around three metres at the insured property. AAMI also notes that Oxley Creek runs to the south of the insured property, which is consistent with the applicant's advice to the assessor that the water entered the property from the south (Vol 2, page 50, attachment 12).

The area hydrology reports do not contain specific data concerning the water levels in the Rocky Water Holes Creek. However, AAMI submits that Rocky Water Holes Creek would have demonstrated similar flooding behaviour as a result of the backwater flooding from the Brisbane River:

"8.2.3 Flood behaviour

Rain ceased over the Brisbane City area around 1800 hours on Tuesday 11 January, some 24-30 hours before flood levels in the Brisbane River peaked. Thus, when the Brisbane River peaked, there is no evidence that there was any "normal" flow of significance form the catchment areas of the tributary creeks draining the Brisbane LGA. As the floodwave passed downstream along the Brisbane River, backwater flooding occurred up the tributary creeks. The peak flood level and time of peak along the tributary creeks are expected to be the same as those in the Brisbane River at the mouth of the creeks. Flooding along the mainstream of the Brisbane river and along the lower tributaries was principally caused by releases from Wivenhoe Dam (dam release flooding)."

(Voi 2, page 41-42, attachment 15)

The area hydrology reports state that uncertainties exist about the extent to which individual properties may have been inundated by overland flow flooding (ie storm water surface run-off) prior to inundation by waterflow (ie floodwater from the Brisbane River or other waterway). AAMI acknowledges that the area hydrology reports do not provide specific analysis of the causes of inundation at individual sites. However, AAMI submits that the rainfall data clearly shows that no significant rain fell within the vicinity of the insured property for many hours prior to the inundation. AAMI submits that it is therefore reasonable to conclude that all storm water run-off would have also ceased well before the flood inundation began. Further, AAMI maintains that is reasonable to consider the water level data contained in the reports when considering the impact flood waters from Oxley Creek.

However, AAMI confirms that a hydrologist has been engaged to attend the insured property. This has been arranged by AAMI in view of the applicant's observation that

water discharged from a drain near the insured property and in view of the applicant's comments that he does not believe Rocky Water Holes Creek was a source of the water which entered the home. AAMI will provide the hydrologist's report to the Ombudsman and the applicant as soon as it is to hand.

Queensland Reconstruction Authority Interactive Maps

AAMI obtained a number of images from the Queensland Reconstruction Authority website (<u>www.qldreconstruction.org.au/maps/interactive-map</u>), which AAMI submits illustrate the location of the insured property in respect to the Oxley Creek and Rocky Water Holes Creek and the extent of flooding over the area (**attachment 16**).

The images have been overlaid with a blue "flood line". AAMI submits that the insured property is shown well within the area which was inundated by floodwater in the January 2011 event.

Cunningham Lindsey assessment report

Tim Koeppler of Cunningham Lindsey attended the insured property on 3 February 2011. A report detailing the assessor's findings was submitted to AAMI, which included the following commentary (attachment 4):

"Discussions with the Insured, Mr. Gary Lobley reveals that him and his partner evacuated the property on Tuesday 11 January 2011 at 3:30PM after advice from council and Bureau of Meteorology advising that the water levels of the nearby Rocky Water Holes (located approximately 1.0 kilometre south west from the Insured) were rising.

The Insured has advised that at 11:30PM that night he was informed that the water level had inundated the entire lower storey / ground level."

The report indicated that water had started inundating the insured property from the south at around 11.30pm on the night of 11 January 2011, with the water level peaking the following morning. Cunningham Lindsey confirmed that the home had sustained substantial damage as a result of the inundation and that the majority of the applicant's contents items had been lost.

Provision of policy documentation

The applicant's legal representative alleges that AAMI failed to adequately inform the applicant of the "unsuitability of the product for his needs" and that this amounts to a failure to act with utmost good faith in accordance with Section 13 of the *Insurance Contracts Act 1984* (the Act). The applicant's legal representative states that flooding from two nearby creeks "...was foreseeable by our client, your management and the average person in the street with any knowledge of the history of Brisbane and Ipswich."

AAMI submits that Section 35 of the Act provides that, for prescribed contracts of insurance, where an insurer seeks to rely on certain provisions that vary from standard cover, it must clearly inform an insured in writing of these provisions before a contract of insurance is entered into. However, Section 69 of the Act provides that where it is not reasonably practicable for an insurer to provide contractual terms in writing to the insured before or at the time the contract is being entered into, the insurer may do so by post to that person at the person's last-known address:

"69 Giving of information to insureds:

(2) Where, by reason of a provision of this Act:

- (a) Information in relation to a contact of insurance is to be or may be given in writing to a person before the contract is entered into; and
- (b) It was not reasonably practicable for the information to be given orally or in writing"

AAMI submits that it complied with Section 69 of the Act by posting a policy schedule, along with copies of the Home Building and Home Contents PDS's to the applicant when the policy commenced. There is no suggestion on the part of the applicant that he did not receive the policy documentation.

AAMI refutes the allegation that its policy wording is unclear as to the excluded event of flood. AAMI submits that the policy wording is drafted in a manner that clearly defines what the term 'flood' means and, conversely, what it does not mean. The definition of flood is necessarily broad to ensure it covers the phenomena consistent with overland floodwater flow, including those circumstances where ordinarily dry land is flooded by water which cannot enter a watercourse since that watercourse is already full or overflowing. Further, AAMI does not accept the proposition that it's wording in relation to flood, and the separate type of inundation known as storm and rainwater, is unclear, nor that the reader of its policy wording would be confused by the cover available under the policy.

AAMI maintains that it is not feasible or possible to advise policyholders of all policy provisions or exclusions over the telephone, and nor is AAMI required to know all material facts about the nature of the risks the customer is seeking to cover. AAMI submits that the onus rested with the applicant to read the policy documents, to ensure that the cover provided met his specific requirements. AAMI also submits that a review of the electronic notations made against the applicant's policy found no evidence to suggest that the applicant enquired with AAMI about whether the policy provided cover for flood at any time at or since the policy inception in 2001 (attachment 1). AAMI submits that in providing the policy documentation to the applicant, AAMI complied with the requirements of both the Insurance Contracts Act, including Section 13, and the Corporations Act when issuing the policy.

Summary

AAMI would take this opportunity to apologise to Mr Lobley for any additional stress caused to him during the claim process. It is apparent that AAMI's internal communication failed in respect to Mr Lobley's request for a new assessment date and AAMI regrets that this was the case.

AAMI submits that the available evidence demonstrates that the insured property was inundated by floodwater, which flowed over normally dry land from the Oxley Creek, and possibly Rocky Water Holes Creek, on 11 and 12 January 2011. The insured property is located within close proximity to both creeks and well within the area which was inundated in that event. AAMI also submits that the data clearly shows that rainfall in the area had ceased well prior to inundation of the applicant's property, thereby excluding the possibility that stormwater run-off caused the inundation.

AAMI submits that the policy wording is clear and effective in regard to the definition of flood. It is also unambiguous that flood is not included within the insured event of *storm and rainwater* and that flood is generally excluded from cover under all sections of the policy. AAMI submits that the applicant was provided with the Home Building Insurance Policy and Home Contents Insurance Policy PDSs at the time of commencing the policy and was therefore properly informed of the policy terms and conditions. AAMI maintains that it is entitled to rely upon the policy terms and conditions in respect of the claim.

Based on the available evidence, AAMI submits that the decision to deny liability for floodwater damage to the home is correct in accordance with the policy terms and conditions.

AAMI confirms that a hydrologist has been engaged to attend the insured property to further investigate the applicant's statement that water discharged from a drain near his house and inundated the lower level. AAMI will provide a copy of the hydrologist's report to the Ombudsman and to the applicant as soon as it is received by AAMI.

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RELEVANT POLICY PROVISIONS

Page 8 of the AAMI Home Building Insurance Policy and page 16 of the AAMI Home Contents Insurance Policy state:

WHAT WE COVER - INSURED EVENTS

This section describes under the heading:

Yes - the insured events you are covered for,

No - the conditions and exclusions that specifically apply to particular insured events

Page 12 of the AAMI Home Building Insurance Policy and page 18 of the AAMI Home Contents Insurance Policy state:

Yes

Storm and **rainwater** including stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface.

Storm means violent wind (including a cyclone or tornado), thunderstorm or a heavy fall of rain, snow or hail.

Page 13 of the AAMI Home Building Insurance Policy and page 19 of the AAMI Home Contents Insurance Policy state:

No

Damage or loss caused by **flood**. **Flood** means the inundation or covering of normally dry land by water which:

escapes or overflows from, or

cannot enter, because it is full or has overflowed, or

is prevented from entering, because other water has already escaped or been released from it,

the normal confines of any watercourse or lake, including any that may have been modified by human intervention, or reservoir, canal, dam or stormwater channel.

Flood does not mean stormwater runoff from areas surrounding the site, or water escaping from any water main, drain, pipe, street gutter, guttering or surface.

Page 14 of the AAMI Home Building Insurance Policy and page 22 of the AAMI Home Contents Insurance Policy state:

WHAT WE DO NOT COVER - GENERAL EXCLUSIONS

YOU ARE NOT COVERED UNDER ANY SECTION OF THE POLICY FOR DAMAGE, LOSS, COST OR LIABILITY CAUSED BY OR ARISING FROM OR INVOLVING:

flood,

DECLARATION

We acknowledge that this dispute will be dealt with in accordance with the Terms of Reference of the Financial Ombudsman Service and we agree that we shall not make any claim for loss or damage or commence any proceedings in respect of any act or omission of a Panel, Referee, Adjudicator, or the Service in relation to the Determination of the dispute.



ATTACHMENTS

- 1. Policy screen prints
- 2. Claim screen prints
- 3. Claim messages
- 4. Assessment report
- 5. Letter from AAMI, 31 March 2011
- 6. Letter from AAMI, 29 June 2011
- 7. Extract from area hydrology report Volume 1, page (i)
- 8. Extract from area hydrology report Volume 1, page 63
- 9. Extract from area hydrology report Volume 2, page 29
- 10. Extract from area hydrology report Volume 2, page 28
- 11. Extract from area hydrology report Volume 2, page 30
- 12. Extract from area hydrology report Volume 2, page 50
- 13. Extract from area hydrology report Volume 2, page 59
- 14. Extract from area hydrology report Volume 2, page 40
- 15. Extract from area hydrology report Volume 2, page 41-42
- 16. Queensland Reconstruction Authority Interactive Maps