


Mrs Kerry Hedge


OAKEY QLD 4401

2 September 2011

Qld Floods Commission of Inquiry
GPO Box 1738
BRISBANE QLD 4001

Dear Sir/Madam

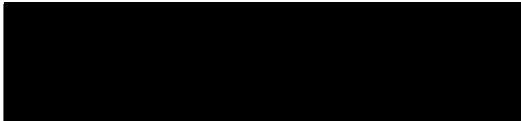
INQUIRY INTO THE PERFORMANCE OF YOUR INSURER

I refer to the above.

Please find attached a submission detailing my concerns, views etc with respect to my Insurance Company's handling of my claim as a result of the January 2011 floods.

Thankyou for allowing me to make this submission and hoping the same will help in making recommendations for improving how insurance companies deal with future "flood" insurance claims.

Yours faithfully



KERRY HEDGE



**SUBMISSION
PERFORMANCE OF MY INSURANCE COMPANY**

Insurance Company : CGU
Site Address : [REDACTED]
OAKEY
Residence : Brick on Slab
Inundation : 3 feet of water

Event

On Tuesday 11 January 2011, at approximately 11am, an area of Oakey Township (Toowoomba Regional Council) was inundated with “flood” water. The streets affected, to the best of my knowledge, consisted of Donely, Beale, Stanley and Davidson Streets.

Before this inundation (approx 9.30am) my residence was not affected, however there was the presence of large volumes of stormwater in the street. I am led to believe that water from other areas north, north-east and west of Donely Street were unable to contain their stormwater and this then led to my residence being inundated as water could not escape into Oakey Creek

After the event

I rang my insurance company on the morning of Wed 12/01/11 to inform them of this “stormwater inundation” and to check I was covered for this type of insurance as I believe I was not flooded by Oakey Creek. I believe it was a build up of stormwater which entered my residence and not “flooding” as defined by the Insurance Company.

I was told “Oakey Creek had flooded” and as I live in Oakey I was not covered. To be told this and for them not to even listen – they just said NO and I feel they were not interested in my situation. Obviously I was given avenues to appeal etc by them (which I was to use later on as I knew it was stormwater and not flood inundation – photos to prove my case).

Point of Concern - How can Insurance Companies tell you “NO” when they have no idea which area of the town you live in and presume just because the Oakey Creek flooded and I live in Oakey it came from the creek and I do not have flood insurance, however have “stormwater inundation” insurance.

I was advised not to touch anything and an assessor would come within the next few days to assess etc. As no action had been taken by Thursday (and you can imagine the damage) I again rang them and was told to take photos and to start cleaning up

Point of Concern – I realise it was impossible to have an assessor straight away due to the disaster being state wide, but in my case (which is later explained) if he had been there to see for himself the damage, I know this would have affected the way things were handled.

Obviously I took photos and cleaned the place up to an acceptable standard (volunteer firemen hosed the house out twice)

Approx 4 weeks later an assessor came and I believe, was not really interested in my photos (because at this stage, my claim was still NO as according to them it was flood) and the place was cleaned up. He spent approx half – hour looking at the structure and telling me there was not much damage and it wouldn't cost much to repair. Obviously the time difference between the event and when they came made a huge impact on their assessment. In my opinion, I question the creditability of the assessor which was sent by the insurance company. Again in my opinion, the assessor did not believe the amount of damage which had been done.

Point of Concern – Assessors should be there as soon as possible to really see the damage, I believe the photos are not a true indication of the events and there should be some degree of creditability required by Insurance Companies of their assessors as whatever they say and recommend is what they based my claim on.

Obviously I made continual phone calls to find out the results of my appeals etc and in the end involved the Local Member of Parliament. He was familiar with the area and events and endorsed my claim that it was stormwater inundation.

The insurance company further sent another assessor to verify the first assessor's report and question the \$ involved in the repair.

When their decision was overturned I felt the insurance company then made me fight for every dollar amount I needed to repair the house Obviously the builder's quote was nowhere near the assessor's quote and more time was taken up to question the \$ value of the repairs.

I continually rang and questioned the amount offered to me by them and in the end, I believe, they offered me an amount which was way short of the builder's quote. They questioned every aspect of the builder's quote eg. Why do you need to wash the inside of the walls down – the amount of dirt removed when the builder started the repair work and the smell was not viewed by the assessor in the first instance and the amount of mould on the inside house beams was noxious (verified by the local Council Health Inspector)

Point of Concern – How can they question a quote when they were not there to see behind the walls and when removing cupboards the amount of mud lying inside them. This can only be visible when the repair work is being undertaken and why the builder allowed for this in the quote as he is local and knew the events.

However in light of the above I have to acknowledge my insurance company did, in the end and after much negotiation and expense to me, provide me with an amount to repair my residence. I felt I had to accept their final offer or I would not obtain anything from them, but the basic amount that the assessor recommended in the first instance.

In concluding and in my opinion

- * As everything hinges on the Assessor's report, I believe the assessors should be more qualified and perhaps from the area (if possible) as when you have assessors from another state they have no idea of these events.

They should be present as soon as possible and perhaps in consultation with the builder realise just how much \$ it costs to repair any such work

- * The insurance company should not presume where you live in relation to the disaster and base their decisions on the same

In my particular case, I believe the dealings I had with my insurance company and the outcomes all stemmed from the Assessor's report and again in my case, my main concern is in this area.

Also in the end all I wanted was the builder's quoted amount to be paid by the Insurance Company, which I believe, they should have honored and not fought and questioned every which way to not have to pay this amount.

The stress of basically fighting with them to even get them to acknowledge "stormwater inundation" was, in my case, another area of concern.

When ringing my Insurance Company I had to deal with several different people and each time explain my situation and when I had finalised one area of the claim, was then told to talk to another Officer. This was both frustrating and costing me money in phone calls. However I do have to acknowledge some of the employees I dealt with within my Insurance Company were courteous and tried to help me the best way they could.

The timeline of the event and finally being able to receive a payment, I believe was too long as each day they delayed, mould was growing in my house and could have even costed me more than the original quote, which was obviously done reasonable early.

