

**STATEMENT OF JAMIE PETER DOBBS IN RESPONSE TO REQUIREMENT TO
PROVIDE INFORMATION ISSUED TO VERO INSURANCE DATED 6 OCTOBER
2011**

JAMIE PETER DOBBS, c/- Suncorp, Level 31, 266 George Street, Brisbane, states on oath:

1. I am the Executive Manager, Queensland Event Recovery for Suncorp Commercial Insurance, a division of the Suncorp Group.
2. I have authority on behalf of Vero Insurance Limited (Vero) to respond to the Requirement to Provide Information issued by the Commission of Inquiry dated 6 October 2011 and addressed to Suncorp Group Limited.
3. This response relates to information received by the Queensland Flood Commission of Inquiry from Mr Scott Grogan in relation to a Vero Steadfast Home Extra – Home and Contents insurance policy.
4. Vero's records show that Vero issued a Steadfast Home Extra _ Home and Contents Insurance Policy (the policy) to [REDACTED] (the customer) for the period 06/10/10 to 06/10/11 under policy number [REDACTED] on property at [REDACTED] [REDACTED] Bundaberg (the property).
5. The property was insured as follows:
 - a. \$170,000 for building.
6. The following excesses applied to the policy:
 - a. \$100.00 building excess.
7. Mr Grogan has given information to the Commission which is set out in the statement of Mr Grogan dated 30 September 2011 attached to the Commission's letter directed to me dated 6 October 2011.
8. The Commission has required a response by 7 October 2011. Set out below is information relevant to the matters stated in Mr Grogan's statement, insofar as I have been able to determine in the limited time available for a response.
9. The following table summarises the communications between Vero and Mr Grogan in relation to the progress of his claim.

QFCI

Date:

11/11/11 JWM

Exhibit Number:

1030

Date	Mode of Communication	Communication details
10/01/11	Telephone	Claim lodged. Following the call, assessor appointed.
11/01/2011	Telephone	Assessor attempted contact with [REDACTED] on phone number provided (Western Australia number). No answer and call rang out.
12/01/2011	Telephone	Assessor again attempted contact with [REDACTED] No answer and call rang out.
13/01/2011	Telephone	Claims Officer attempted contact with customer twice. Calls rang out and no ability to leave voicemail.
18/01/2011	Telephone	[REDACTED] called regarding claim progress. Scott Grogan's contact details provided for assessor to make contact.
28/01/2011	Telephone	Mr Grogan phoned and spoke with Assessor regarding assessment outcome and agreed to provide requested information.
10/02/2011	Telephone	[REDACTED] phoned and Claims Officer advised as to the additional information requested from Mr Grogan, not yet received, and assessor will send second report once that is received.
08/03/2011	Telephone	[REDACTED] phoned Claims Officer for claim update. Left message for return call. Claims Officer followed up Assessor for update.
17/03/2011	Telephone	[REDACTED] phoned Claims Officer for claim update. Left message for return call.
22/03/2011	Telephone	[REDACTED] phoned Claims Officer for claim update. Left message for return call.
22/03/2011	Telephone	Assessor spoke with Mr Grogan regarding outstanding information. Mr Grogan thought repairer was to attend – Assessor organised local builder to inspect, advise, report and quote on resultant damage.
07/04/2011	Telephone	Claims Officer attempted contact with [REDACTED] and left message.
08/04/2011	Visit	Appointed builder attended premises and met with Mr Grogan regarding damage.

29/04/2011	Telephone	██████████ phoned Claims Officer for claim update. Left message for return call.
18/05/2011	Telephone	Claims Officer spoke with ██████████ re being covered for repair and quote for repair. ██████████ requested own quotes and referred Claims Officer to Mr Grogan. Claims Officer phoned Mr Grogan regarding additional quotes.
18/05/2011	Email	Claims Officer emailed Mr Grogan with contact details for provision of additional quotes.
19/05/2011	Email	Claims Officer emailed ██████████ with photographs of property.
28/06/2011	Telephone	Claims Officer called Mr Grogan to follow up on outstanding quotes. No answer. Left message for return call.
29/06/2011	Telephone	Claims Officer called Mr Grogan to follow up on outstanding quotes. Mr Grogan advised he would provide outstanding quotes shortly.
14/07/2011	Email	Mr Grogan emailed Claims Officer with two quotes attached.
10/08/2011	Email	Claims Officer sent email to Mr Grogan to advise that due to discrepancy in builder/s reports and quotes, an engineer would be appointed to report on the extent of flood damage and rectification versus pre-existing damage.
17/08/2011	Email	Mr Grogan emailed Claims Officer as no assessment undertaken and asking whether claim should be referred to a dispute resolution area.
22/08/2011	Email	Claims Officer emailed Mr Grogan to outline claim status and dispute resolution option.
22/08/2011	Email	Mr Grogan emailed Claims Officer with response to email.
01/09/2011	Email	Mr Grogan emailed Claims Officer requesting an update on engineer contact.
02/09/2011	Email	Claims Officer sends email to Mr Grogan regarding appointment of engineer.
02/09/2011	Email	Mr Grogan emailed Claims Officer requesting

		confirmation of Lend Lease attendance.
07/09/2011	Email	Mr Grogan emailed Claims Officer requesting contact via telephone.
07/09/2011	Email	Claims Officer emailed Mr Grogan regarding engineer timeframes, and claim progress.

10. A copy of the claim notes in relation to communications between Vero and the customer are attached as **Annexure 1**.
11. A copy of emails relevant to the claim are attached as **Annexure 2**.
12. Vero would like to highlight the following in relation to the numbered paragraphs in Mr Grogan's statement.
13. Paragraph 3: I confirm that the policy did include cover for flood. The issue which has required investigation in relation to this claim is not whether the event constituted a "flood" event within the policy. The significant issue has been that assessment of the damaged building revealed extensive dilapidation and termite damage considered to be pre-existing (and therefore not covered by the policy), which Mr Grogan apparently does not accept.
14. Paragraph 5: Vero's claim system displays the claim as being lodged on Monday 10 January 2011, with a date of loss of Friday 31 December 2010. According to the claim system an assessor was appointed on 10 January 2011, the day the claim was lodged.
15. Paragraph 6: the assessor attended the property on 12 January 2011, two days after claim lodgement. The assessor had attempted to contact the policyholder, Mr Edwards on both 11 and 12 January 2011 without success. He attended the insured property and noted general observations as to the height to which the water inundated the property and the damage sustained. As stated by Mr Grogan, he inspected a cabin, not the building in question.

The assessor twice attempted to contact the policyholder on 13 January 2011, also without success. As stated by Mr Grogan, contact was ultimately established with Mr Grogan when he rang the assessor. This was on 28 January 2011. The notes on Vero's claim system do not indicate that the assessor undertook to return for a further inspection. The assessor was based in Sydney and had returned to Sydney by that time. The notes do reflect that the assessor advised Mr Grogan that he had photographs of the damage and building type, that he requested Mr Grogan provide photographs and a list of damage sustained, and that Mr Grogan agreed to this request.

On 22 March 2011 the assessor again spoke to Mr Grogan seeking the information and photographs which he requested from Mr Grogan in his telephone call on 28 January 2011. Mr Grogan stated he thought that a repairer was to attend. Therefore the assessor arranged for a local builder to attend, inspect, report on and quote for the damage to the building.

16. Paragraph 7: the builder appointed by Vero, [REDACTED] Builder, was appointed on 22 March 2011 and attended the insured property on 28 March 2011 with Mr Grogan in attendance. Attached as **Annexure 3** is a copy of [REDACTED] report dated 8 April 2011 (which attaches an email from wide Bay-Burnett Pest Management) in which the builder advised:
- a. Flood waters reached approximately 250mm through the building. The building was dry on inspection and the only evidence of a flood was the grime line left to indicate the height inside the building.
 - b. Mr Grogan indicated that the termite attack only showed up after the flood water had subsided. He stated the floor had moved due to flood waters, the lower part of the kitchen had had flood water through it, and the bathroom had flood damage.
 - c. The builder's assessment was that the building was in severe disrepair before the floods. There was evidence of extensive termite infestation. The termite infestation was in no relation to the flood waters (an old issue). There were no termites visible present at the time of inspection.
 - d. He had arranged inspection of the building by a pest controller who confirmed that the termite damage is old damage and was non-active at the time of inspection. An email from Wide Bay-Burnett Pest Management attached to the builder's report confirmed this and stated that "the amount of damage present would have to have been there for quite some time and if it was recent damage termites would still be active now".
 - e. He provided a list of matters which would be considered flood damage, as distinct from repairs necessary to due to pre-existing termite damage or the generally dilapidated state of the building. He provided a quote of \$6,050 for that flood damage.
17. Paragraph 8: The claims notes indicate that on 18 May 2011 the Claims Officer spoke to [REDACTED] (not Mr Grogan) and that [REDACTED] requested additional quotes and that Mr Grogan was to be contacted to arrange this. The Claims Officer emailed Mr Grogan the same day with contact details for the provision of additional quotes.
18. Paragraph 9: Mr Grogan provided quotes on 14 July 2011 with values of approximately \$80,000. Attached as **Annexure 4** are copies of those quotes. The quotes were effectively for full reinstatement of the building, ie they did not adequately differentiate between pre-existing damage and the damage caused by the flood, therefore they included repairs necessary due to pre-existing maintenance and termite infestation issues, which are not covered by the policy. For example, the quote from Klieidon Masterbuilt Homes Pty Ltd refers to "replace damage ceiling" when the water inundation was to a level of 250mm only. Neither report comments on the termite damage.
19. Vero has not and does not suggest that Mr Grogan was lying concerning the quotes. However it does appear that Mr Grogan either did not understand that the repair of

damage which pre-existed the flood event is not covered, or did not accept that the damage was pre-existing. As this difference of view between Mr Grogan and Vero resulted in such a significant difference in the scope and price of the quotes submitted by Mr Grogan as compared to the quote from [REDACTED] on 27 July 2011 a Vero internal assessor was requested to review the position. That review was completed on 3 August 2011 and the result was that the claim was referred to building project management provider Lend Lease with a request that an engineer inspect the property and assess all damage and quantify Vero's liability.

20. Paragraph 10: The sequence of events was as follows:

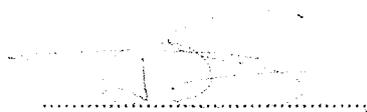
- a. On 10 August 2011, an email confirming that an engineer had been requested was sent to Mr Grogan.
- b. On 17 August 2011, Mr Grogan emailed Vero on Wednesday 17 August 2011 advising *"To date no assessor (sic) has presented on site to view the damage. Should this matter be referred to a dispute resolution area?"*
- c. This was posed as a question, rather than a request. The Claims Officer was supportive of the idea and this is reflected in comments in the reply email, including *"You are well within your rights to proceed down the Internal Disputes avenue"* and *"In conclusion if you wish to raise a dispute, you are well within your rights to do so and they (meaning the dispute process) will have the capacity to review the information at hand to date"*.
- d. On 22 August 2011, Mr Grogan responded to the Claims Officer's email.
- e. On Thursday 1 September 2011, Mr Grogan again emailed the Claims Officer noting that no response had been provided, no contact had been made by the engineer and requesting an update.
- f. In response, on the same day, the Claims Officer advised that GHD Engineering had been appointed and would attend along with a Lend Lease representative, and confirmation of inspection timeframe was pending.
- g. Later again on 1 September 2011 Mr Grogan emailed asking *".. is the Assessor was going to be in attendance?"* This was phrased as a question, rather than a request.
- h. On 7 September 2011, the Claims Officer responded advising that we could not advise timeframes, as the engineering company is not one of our *"recommended repairers"*.

21. Paragraph 11: The claim has not been finalised. This is substantially due to the fact that Mr Grogan did not accept the opinion of the appointed builder, [REDACTED] that a substantial proportion of the damage to the building is either pre-existing deterioration (wear and tear, general age-related dilapidation) or due to termite damage sustained prior to the flood, neither of which is covered by the policy. [REDACTED] opinion is

supported by an independent pest controller. In response Mr Grogan has provided quotes which do not comment on or differentiate between pre-existing and flood related damage. Vero has sought to ensure the claim is comprehensively and fairly assessed, by appointing Lend Lease to have an engineer review the property. The process of assessment is being undertaken, and the claim has not been declined.

22. Over the course of the claim and as at the date of this statement, Vero's records show that communications either occurred or were attempted between Vero and the customer:
- a. Vero contacted or attempted to contact [REDACTED] on 7 occasions
 - b. Vero contacted or attempted to contact Mr Grogan on 9 occasions
 - c. [REDACTED] contacted or attempted to contact Vero on 6 occasions; and
 - d. Mr Grogan contacted or attempted to contact Vero on 7 occasions.
23. Details of the dates on which Vero contacted the customer, the mode of communication for each contact and the details of that communication are contained in the table above.

Sworn by the Deponent)
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At Brisbane)
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This 7th day of)
October 2011)


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Jamie Peter Dobbs

Before me
[REDACTED]
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Solicitor
- PETER JOHN MORGAN