

RACQ – GRAHAM DALE
Response to requirements 1699307 & 1707213
File 540158/1
#1724947 & 1724946
Volume 1 ORIGINAL

QUEENSLAND FLOODS COMMISSION OF INQUIRY THIRD
AFFDAVIT OF GRAHAM IAN DALE SWORN 14 SEPTEMBER 2011

QFCI

Date:

21/09/11

Jm

Exhibit Number:

591

QUEENSLAND FLOODS COMMISSION OF INQUIRY

Commissions of Inquiry Act 1950

THIRD AFFIDAVIT

I, **GRAHAM IAN DALE** c/- [REDACTED] Brisbane in the State of Queensland, General Manager, say on oath:

1. I am the General Manager, Personal Insurance Claims of RACQ Insurance Limited (**RACQ Insurance**).
2. This affidavit is provided on behalf of RACQ Insurance in response to a notice dated 9 September 2011 served on me by Justice C E Holmes, Commissioner of Inquiry, pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* (Qld) to provide information in respect of matters listed in correspondence from Ms Jane Moynihan dated 8 September 2011 (**Third Letter of Inquiry**).
3. Copies of the Third Letter of Inquiry and Commissioner Justice C E Holmes' letter of 9 September 2011 are Exhibits 1 and 2 to this affidavit.

RESPONSE TO THIRD LETTER OF INQUIRY

4. The matters set out below are not, or are not necessarily, matters of which I have direct knowledge other than by having regard to the records of RACQ Insurance (which I have done in order to provide this affidavit). I have, in answering the questions in the Third Letter of Inquiry done so based on my experience, my own knowledge where possible and relying on material maintained by RACQ Insurance or provided by others.
5. Also I have, with the assistance of others, assembled information and material to respond to the questions the subject of the Third Letter. I have, however, not been able to personally review all of the material which has been assembled for that purpose or exhibited to this affidavit.
6. For ease of reference I have set out in this affidavit the headings and questions from the Third Letter of Inquiry and provided my response to them below.

Signed:

AFFIDAVIT

Filed on behalf of RACQ Insurance
Form 46 - R.431

Taken by:

COOPER GRACE WARD

Level 21, 400 George Street
Brisbane 4000 Australia

T 61 7 3231 2444

F 61 7 3221 4356

BACKGROUND

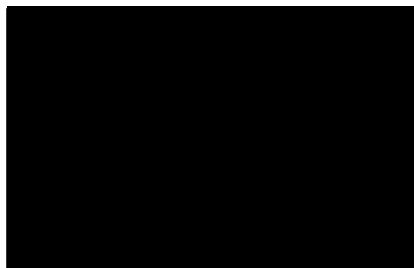
7. Exhibit 3 to this affidavit contains a chronology of dealings with and as concern Mr Byron in respect of his claim. That exhibit identifies the records relied on to compile the information in the exhibit.
8. However, a summary of those dealings is set out below:
 - (a) Mr Byron's home at [REDACTED] Esk was damaged by flood waters on 10 January 2011.
 - (b) Mr Byron made a claim to RACQ Insurance, by telephone, on 17 January 2011.
 - (c) On 18 January 2011 RACQ Insurance appointed MYI Freemans Ltd (**MYI Freemans**) to inspect Mr Byron's property.
 - (d) MYI Freemans contacted Mr Byron on 24 January 2011. This was noted by them as a "triage contact".
 - (e) MYI Freemans left messages with Mr Byron on 28 January 2011 and 1 February 2011. Mr Byron returned these calls on 1 February and inspection of his property was carried out on 1 February 2011.
 - (f) MYI Freemans prepared a report dated 4 February 2011 and given the nature of the damage to Mr Byron's home, arranged for Stream Build Assist (**Stream**) to carry out an inspection of the property and to prepare a scope of repair works
 - (g) On 8 February, 9 February and again on 18 February 2011, Stream made unsuccessful attempts to contact Mr Byron to carry out an inspection. On one occasion Mr Byron's phone was out of range but on the other two occasions messages were left on Mr Byron's phone for him to call.
 - (h) Mr Byron called Stream back on 18 February 2011 and an inspection was arranged and carried out by Stream on 21 February 2011.
 - (i) On 24 February RACQ Insurance contacted Mr Byron and gave him an update. Mr Byron was informed, amongst other things, that RACQ Insurance had received a report from MYI Freemans and was now awaiting a hydrology report for his region.
 - (j) On 9 March 2011, RACQ Insurance received Water Technology's report for Esk (dated 3 March 2011) with covering legal advice.
 - (k) I made the decision which accepted that the cause of damage to Mr Byron's property was flash flood on or about 14 March 2011 and on or about that date referred Mr Byron's claim to the dedicated response team to carry out its final internal checks.
 - (l) On 16 March 2011 RACQ Insurance informed MYI Freemans that Mr Byron's claim had been accepted and Mr Byron was advised of this decision on 18 March 2011

Signed

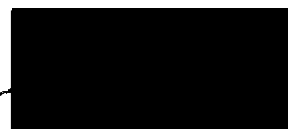
Taken by:

- (m) Stream had made tender requests to various builders for the repair of Mr Byron's property on 10 March 2011. On various dates Stream chased up the potential tenders. All had been received by 21 March 2011.
- (n) On 23 March 2011 Stream had completed its report to MYI Freemans, including the scope of works for the repairs required to Mr Byron's property (the "first scope").
- (o) By 28 March 2011, Stream had sent a copy of the first scope to MYI Freemans.
- (p) On 28 March 2011, MYI Freemans sent a copy of the first scope to RACQ Insurance.
- (q) On 13 April 2011 Stream emailed a copy of the first scope to Mr Byron which asked for Mr Byron's acceptance of it for work to proceed.
- (r) On 13 April 2011, Mr Byron telephoned Stream to seek an update of the progress of his claim.
- (s) Later on 13 April 2011, Mr Byron telephoned Stream and told them he accepted the first scope except for the foyer area, which had been omitted. The Stream records note that there was also an issue raised as to the scope of work not including a fence (and this may have been raised first by the builder).
- (t) On 14 April, My Byron contacted RACQ Insurance and said he wanted a cash settlement. He had received the first scope and said that the first scope omitted foyer and fence work. The RACQ Customer Service Officer told Mr Byron he would pass this information on to an appropriate person and they would get back to him.
- (u) In a telephone call between RACQ Insurance and Mr Byron on 15 April 2011 which was initiated by RACQ Insurance to discuss Mr Byron's request for a cash settlement, Mr Byron was informed that a revised scope of works was being prepared and that RACQ Insurance would make further contact with him once it received the revised scope.
- (v) On 15 April 2011, Stream carried out a further inspection of Mr Byron's property in response to his comment that the foyer and fence had been omitted from the first scope
- (w) Between that date and 4 May 2011 Stream were seeking (and clarifying) further tenders which took account of the additional scope.
- (x) On 18 April 2011 Mr Byron contacted RACQ Insurance and sought an update on his request for a cash payout and some information about his policy.
- (y) On 19 April, a member of RACQ Insurance's claims staff called Mr Byron back and informed him that the revised scope had not been received.
- (z) On 27 April 2011, RACQ Insurance contacted both Stream and MYI Freemans to enquire when the revised scope of works would be provided.

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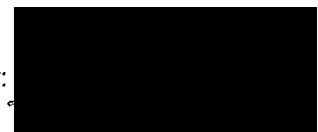


- (aa) On 28 April 2011, RACQ Insurance received a payment recommendation report from Stream for a partial settlement of Mr Byron's claim in the amount of \$52,258.85 which was stated to be for the cost of repairs set out in the first scope but not including some other items. The report also stated that an additional amount of \$16,000 needed to be allowed by RACQ Insurance in its reserve for the items not covered in the first scope. On receipt of this report, enquiries were made with Stream to follow up on the scopes for the additional repairs required.
- (bb) On 4 May, Stream prepared a further report on the cost of repairs to Mr Byron's property ("further report"). That report clarified a number of issues with regard to the cost of repairs and identified the costs of the additional works comprising the fence, laundry and foyer areas. The amounts in that report were based on tenders received for the work required with the exception of the shared side fencing which was based on allowances estimated by the building consultant. The date that the report was received by RACQ Insurance is not recorded but on 10 May 2011 RACQ Insurance, based on this report and the previous reports determined that Mr Byron's claim should be settled for \$63,670.42.
- (cc) By email on 9 May 2011, Mr Byron made a complaint to MYI Freemans, copied to Stream, about the handling of his claim. Mr Byron requested that the complaint be sent to RACQ Insurance.
- (dd) On 10 May 2011, RACQ Insurance received a copy of Mr Byron's complaint. A member of RACQ Insurance's claims staff telephoned Mr Byron and informed him of the amount RACQ Insurance had approved as the cash settlement of his claim and provided a basic breakdown of that figure. RACQ Insurance also wrote to Mr Byron that day and confirmed that his claim was to be settled for a cash payment of \$63,670.42. The sum was paid into Mr Byron's account (the details of which he gave in on the phone) shortly after that on or around 12 May 2011. Mr Byron had already paid his policy excess of \$300 to Stream and this was refunded to him by Stream on or around 17 May (in order that only one excess was applied).
- (ee) By email on 11 May 2011, Mr Byron wrote to RACQ Insurance and stated that he would have to trust RACQ Insurance's judgment that the amount of the settlement was sufficient to repair his home.
- (ff) On 24 May, Mr Byron wrote to RACQ Insurance seeking a response to his email of 11 May 2011.
- (gg) On 27 May 2011 RACQ Insurance sent an email advising Mr Byron that the scope of works which was represented by the figure which had been paid to him did include the additional works he had previously raised with RACQ Insurance. The response, (I accept unhelpfully) did not provide Mr Byron with the policy document he had sought.

Signed:



Taken by:



- (hh) Mr Byron responded to RACQ Insurance's email of 27 May 2011 on 30 May expressing his dissatisfaction. The Team Leader who until that point had been dealing with Mr Byron had returned to the business as usual team by 30 May 2011. His replacement, upon reading Mr Byron's email of 30 May, investigated the matter (including by requesting further information from Stream) and attempted to contact Mr Byron on 30 May. She could not get through to Mr Byron and so a message was left by her on his phone to call her.
- (ii) After obtaining a report from Stream to clarify the final payment figures, the Team Leader called Mr Byron back the next day and Mr Byron was assured his request was being dealt with. To the best of my knowledge a copy of Mr Byron's certificate of insurance (but not the Product Disclosure Statement) was sent to him on 31 May. In the same telephone conversation Mr Byron was given a detailed breakdown of the settlement and he did not say he was dissatisfied with those amounts or that he required further information in relation to them.
- (jj) On 31 May 2011, RACQ Insurance provided a further letter confirming his claim had been cash settled. It is likely that he was also sent a copy of the Stream further report of 4 May 2011 at this time.

9. In response to the specific questions in the Third Letter of Inquiry, I respond as follows.

1. In respect of point 1 above:

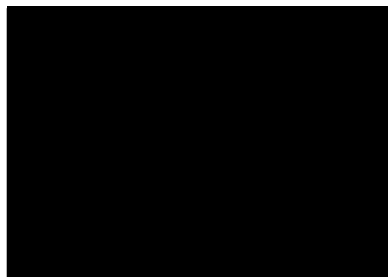
- 1.1. Does the account of the telephone conversation outlined in point 1 accord with RACQ Insurance's records?**
- 1.2. If not, please provide RACQ Insurance's account of the conversation in which Mr Byron made his claim. In particular, what advice did RACQ Insurance give Mr Byron on that occasion?**
- 1.3. What records exist of the conversation? Please provide copies of those records, including any audio recordings.**

10. The account provided by Mr Byron as outlined in paragraph 1 of the Third Letter of Inquiry generally accords with RACQ Insurance's records.

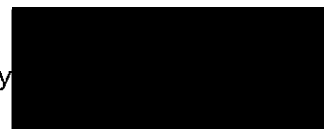
11. In particular, RACQ Insurance's records show that:

- (a) Mr Byron made a claim on his policy by telephone at 1.11pm on 17 January 2011.
- (b) When making his claim, Mr Byron was informed by RACQ Insurance's telephone operator:
 - (i) that his claim would be referred to RACQ Insurance's loss adjusting team who would get in touch with Mr Byron as soon as they could to arrange an appointment to look at the damage to his home;

Signed:



Taken by



- (ii) that he could remove any damaged items from the property; and
- (iii) to take as many photos as he could.

12. The records that RACQ Insurance has in relation to the telephone conversation are:

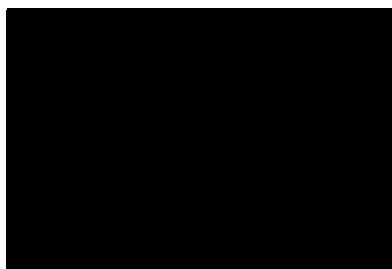
- (a) a copy of the electronic recording on a disk which is exhibited to this affidavit as Exhibit 25;
- (b) a transcript of the electronic recording of the conversation which is exhibited to this affidavit as Exhibit 24;
- (c) and an entry in the ClaimCenter (a record of notes entered onto RACQ Insurance's ClaimCenter computer system by the member of the Claims division who undertook the relevant activity)(Exhibit 4).

2. In respect of point 2 above:

2.1. Please provide a copy of RACQ Insurance's instructions to MYI Freemans Ltd and Stream Group concerning Mr Byron's claim.

13. Paragraphs 7 to 10 of my First Affidavit sworn 1 September 2011 outline RACQ Insurance's arrangements with loss adjusters MYI Freemans and Stream during the Queensland flood events. As stated in that affidavit, after the floods associated with ex-Cyclone Tasha occurred in December 2010, I made the decision that MYI Freemans would take the loss adjusting lead on claims which occurred outside of South East Queensland. When the January floods occurred, I decided that MYI Freemans would take the loss adjusting lead from claims arising from these events as well. This role entailed, amongst other things, MYI Freemans inspecting affected properties and co-ordinating the involvement of Stream if required.
14. RACQ Insurance instructed MYI Freemans in respect of Mr Byron's claim on 18 January 2011. A copy of RACQ Insurance's instructions to MYI Freemans in relation to Mr Byron's claim is Exhibit 7 to this affidavit.
15. As stated above, the engagement of Stream in respect of Mr Byron's property was co-ordinated by MYI Freemans. This was consistent with the process RACQ Insurance had agreed upon with MYI Freemans and Stream which was that MYI Freemans would request Stream to inspect the property if they considered it necessary to have a trade qualified specialist assess the building component of a claim. On a number of occasions RACQ Insurance followed up progress directly with Stream.

Signed:



Taken by:

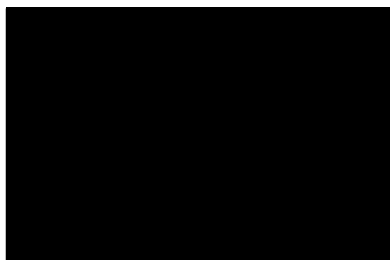


3. ***In respect of point 3 above:***

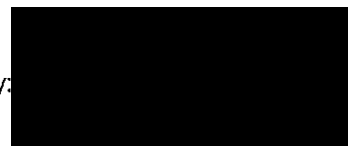
- 3.1. ***Please advise the extent to which RACQ Insurance kept Mr Byron informed of the progress of his claim, including the dates on which RACQ Insurance contacted Mr Byron, the mode of communication each time RACQ Insurance contacted him and the details of the information given to Mr Byron on each occasion RACQ Insurance contacted him.***
- 3.2. ***What records exist of each communication with Mr Byron (whether made by RACQ Insurance or Mr Byron) about his claim? Please provide copies of those records, including any audio recordings.***
- 3.3. ***Did RACQ Insurance give Mr Byron contact details for the person managing his claim? If so, was Mr Byron told that he could contact that person directly?***

- 16. The dates on which RACQ Insurance contacted Mr Byron, the mode of each communication, details of the information given to Mr Byron on each occasion and the records that RACQ Insurance has in relation to each communication, including transcripts of telephone recordings, and ClaimCenter records (along with other relevant events in the chronology) are set out in the schedule which is Exhibit 3 to this affidavit. I am not able to personally verify whether the ClaimCenter communications occurred, or whether they occurred as recorded, as I was not involved in the communications.
- 17. Also, Stream and MYI Freemans each have an online system which allows their representatives to record actions taken in respect of RACQ Insurance's policyholder's claims.
- 18. A print out from the MYI Freemans system showing the actions taken by MYI Freemans in respect of Mr Byron's claim is attached as Exhibit 5 to this affidavit. A print out from the Stream system showing the actions taken by Stream in respect of Mr Byron's claim is attached as Exhibit 6 to this affidavit.
- 19. I have included in the chronology contained in Exhibit 3 the communications between Stream and MYI Freemans with Mr Byron referred to in the print outs from Stream and MYI Freemans' online systems. Again, I am not able to personally verify whether these communications occurred, or whether they occurred as recorded, as I was not involved in the communications.
- 20. During the initial telephone call in which he lodged his claim Mr Byron was told that if he had any questions with regard to his claims he could ring seven days a week on RACQ Insurance's Teleclaims number. When a customer rings that number the Teleclaims staff are able to immediately identify the allocated case manager and put the call through to that person if that person is available or, if the case manager is not available, another person within the dedicated response team who can provide appropriate assistance.

Signed:



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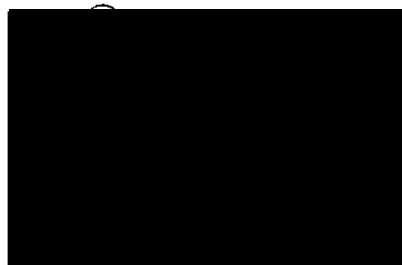
4. In respect of point 4 above

4.1. Does the account of Mr Byron's requests accord with RACQ Insurance's records? Please provide copies of records in this regard.

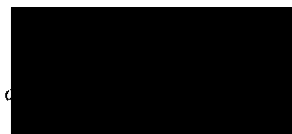
4.2. If Mr Byron did make the requests, did RACQ Insurance provide a copy of his policy to him? If not, why not?

21. The account provided by Mr Byron as outlined in paragraph 4 of the Third Letter of Inquiry does not accord fully with RACQ Insurance's records.
22. RACQ Insurance has reviewed its records concerning any requests made by Mr Byron for his policy.
23. RACQ Insurance's records indicate that on 24 May 2011 Mr Byron sent an email to RACQ Insurance requesting a copy of his original policy. A copy of Mr Byron's email dated 24 May 2011 is Exhibit 20 to this affidavit.
24. In response to Mr Byron's request of 24 May 2011 Mario De Leo, a Team Leader from RACQ Insurance's Household Claims division, informed Mr Byron by email on 27 May 2011 that he was not able to provide Mr Byron with policy documentation from his department due to privacy reasons. Mr De Leo further informed Mr Byron that if he contacted 13 19 05 or attended his nearest branch they would be happy to print out or send Mr Byron a copy of the policy. A copy of the email from Mario De Leo to Mr Byron dated 27 May 2011 is Exhibit 22 to this affidavit.
25. Team members in the Claims division are not able to issue policy documents, that function being dealt with by a separate department. The usual practice would be to either attempt to connect the caller to the telephone business centre (for the issue of a copy of the policy), ask the customer to visit a branch to obtain a copy of the policy or ask the customer themselves ring the telephone business centre to do so. I am not aware of a privacy reason which would have prevented Mr De Leo contacting that department to provide the policy to Mr Byron. In the circumstances (which include that this was a call put through to the Dedicated Response Team dealing with inundation claims arising from the Queensland Floods) I would have expected Mr De Leo, upon receiving Mr Byron's request, to have contacted the telephone business centre and arranged for them to send the policy to Mr Byron. Had he done so, the policy would have been sent to Mr Byron.
26. On 30 May 2011 Mr Byron sent an email to Mr De Leo expressing dissatisfaction with Mr De Leo's email of 27 May 2011. In Mr Byron's email of 30 May 2011 he made reference to his request of 27 May 2011 for a copy of his policy. A copy of the email from Mr Byron to Mr De Leo dated 30 May 2011 is Exhibit 22 to this affidavit.

Signed:



Taken by:



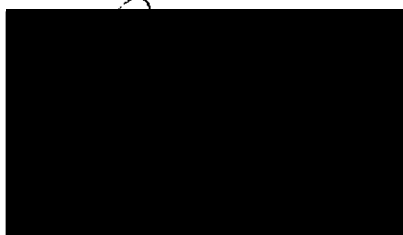
27. By 30 May, Mr De Leo had returned to his role in the business as usual section of the Claims department and no longer acted as a Team Leader within the dedicated response team. That position was taken up by Ms Lois Attard. In view of the dissatisfaction expressed by Mr Byron in his email of 30 May 2011, Ms Attard undertook a review of Mr Byron's concerns and attempted to make contact with him the same day. On the afternoon of 30 May 2011 Ms Attard made a telephone call to Mr Byron and, when that call was not answered, left a message for Mr Byron informing him that she was looking into the issues he had raised and would contact him the next business day to discuss.
28. On 31 May 2011, Ms Attard made a further telephone call to Mr Byron. During this call she informed Mr Byron, amongst other things, that she had contacted the underwriting division who would be sending out his certificate of insurance in respect of the cover period 16 July 2010 to 16 July 2011 for his records and also that a renewal notice would be sent to him for the period of cover from 16 July 2011.
29. I have reviewed RACQ Insurances records in this regard. Exhibit 29 is a copy of a printout I have had produced from the Cogen system - which is used by RACQ/RACQ Insurance to manage client and policy information. Line D of this printout records a transaction on 31 May, (noted as PN06 S). This shows that a Certificate of Insurance for the period from 16 July 2010 to 16 July 2011 was generated from the system on the 31st of May. I assume that this was posted to Mr Byron on or about that day. I am not aware of the Product Disclosure Statement having been sent to Mr Byron. The records that RACQ Insurance has in relation to the telephone conversations referred to above are:
- (a) a copy of the electronic recording of the message left by Ms Attard on 30 May 2011 which is exhibited to this affidavit as Exhibit 25.
 - (b) a transcript of the electronic recording of the message of 30 May 2011 which is exhibited to this affidavit as Exhibit 24.
 - (c) a copy of the electronic recording of the conversation on 31 May 2011 which is exhibited to this affidavit as Exhibit 25.
 - (d) a transcript of the electronic recording of the conversation on 31 May 2011 which is exhibited to this affidavit as Exhibit 24.
30. Exhibit 4 to this affidavit is a print out of activities from ClaimCenter relating to Mr Byron. Pages 4 and 5 of this print out make reference to the calls made by Ms Attard to Mr Byron on 30 May 2011 and 31 May 2011.

5. In respect of point 5 above:

5.1. When was Mr Byron's claim accepted?

5.2 When and how was the decision first communicated to Mr Byron.

Signed:



Taken by:



31. I determined that the cause of damage to Mr Byron's property was flash flood on or about 14 March 2011. Flash flood, as defined in the Household Insurance Policy, is covered by the policy. My decision on causation was based upon Water Technology's regional report for the Lower Lockyer Valley and Esk which I had received shortly before making my decision. I took legal advice as to the issue of causation arising out of that report. Having made this decision, I then referred the claim to RACQ Insurance's dedicated response team to carry out its final internal checks (as referred to in paragraph 31 of my First Affidavit and as is to be dealt with also in my proposed Second Affidavit) before confirming the final decision to accept the claim.

32. Mr Byron was informed that his claim was accepted by Mr Bob Gates of MYI Freemans on 18 March 2011. Exhibit 14 is a copy of Mr Gates' notes which record this.

6. In respect of point 6 above:

6.1. Please confirm whether the information contained in Stream Group's Scope of Works dated 13 April 2011 in respect of Mr Byron's property, as outlined above, is correct. If it is not correct, please provide details of the assessment process.

33. At the time of Stream Group's scope of works dated 23 March 2011 (which was provided to Mr Byron by Stream on 13 April 2011) I assume that Stream considered the information in that scope to be correct. Stream's said scope of works is exhibit 10.

34. However, Mr Byron subsequently raised queries about this scope of works with Stream and Stream undertook investigations to respond to Mr Byron's concerns. These investigations included attending a further inspection of Mr Byron's property to clarify the scope of works. The inaccuracies in the original scope have been identified above.

35. The additional works which are included subsequently to the first scope of works are identified in the Stream report dated 4 May 2011 which is Exhibit 13 to this affidavit.

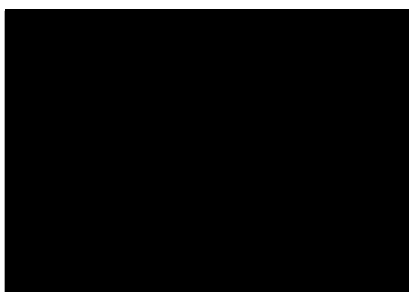
36. The print out from Stream's online system (Exhibit 6) details the assessment process followed by Stream to determine the scope of works to be conducted in relation to Mr Byron's property.

7. In respect of point 7 above:

7.1. Does the account of the telephone conversation outlined in point 6 accord with RACQ Insurance's records.

7.2. If not, please provide RACQ Insurance's account of the conversation in which Mr Byron expresses his desire for RACQ Insurance to make a payout on his claim.

Signed:



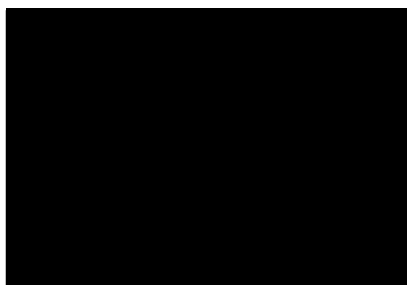
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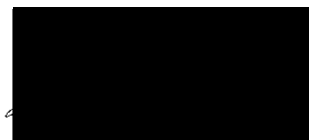
7.3. What records exist of the conversation? Please provide copies of those records, including any audio recordings.

37. I have assumed that the reference to "point 6" in paragraph 7.1 was intended to be a reference to "point 7" (and a conversation of 19 April 2011).
38. The account provided by Mr Byron as outlined in paragraph 7 of the Third Letter of Inquiry does not accord fully with RACQ Insurance's records.
39. RACQ Insurance's records show that the conversation between Mr Byron and RACQ Insurance's Customer Service Officer was to the following effect:
- (a) RACQ Insurance made a call to Mr Byron.
 - (b) RACQ Insurance noted that Mr Byron had previously asked for a cash settlement and that he had a local builder prepared to perform works.
 - (c) Mr Byron was informed that RACQ Insurance was awaiting further information from Stream concerning the scope of repairs to be undertaken to his property. The Customer Service Officer advised that they just wanted to make sure the figure was correct.
 - (d) Mr Byron was informed that when the updated figure from Stream was received they would be in touch with Mr Byron further to discuss cash settlement. The Customer Service Officer indicated they expected to receive something from Stream shortly.
 - (e) Mr Byron stated that he had an elderly mother who could not get into her house (she was renting) so he was trying to get his house ready for her to come and live.
 - (f) RACQ Insurance's Customer Service Officer informed Mr Byron that they had no intention of holding him up and that they would try and get things rectified as soon as they could.
40. The records that RACQ Insurance has in relation to the telephone conversation are:
- (a) A copy of the electronic recording on a disk which is exhibited to this affidavit as Exhibit 25.
 - (b) A transcript of the electronic recording of the conversation which is exhibited to this affidavit as Exhibit 24.
 - (c) Notes which were made of the telephone conversation by RACQ Insurance's telephone operator, which are contained ClaimCenter notes which are exhibited to this affidavit as Exhibit 4.

Signed:



Taken by:



8. In respect of point 8 above:

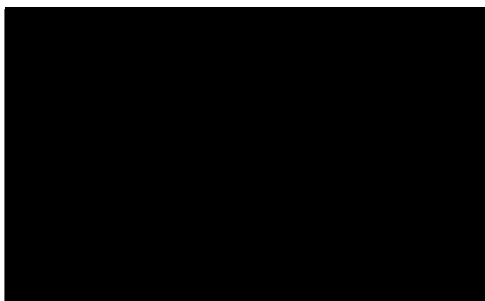
8.1. Does the account of the telephone conversation outlined in point 7 accord with RACQ Insurance's records?

8.2. If not, please provide RACQ Insurance's account of the conversation.


8.3. What records exist of the conversation? Please provide copies of those records including any audio recordings.

41. I have assumed that the reference to "point 7" in paragraph 8.1 was intended to be a reference to "point 8" (and a conversation on 10 May 2011).
42. The account provided by Mr Byron as outlined in paragraph 8 of the Third Letter of Inquiry does not accord fully with RACQ Insurance's records. Mr Byron was advised of the components of the total sum to be paid to him. It is correct that he was not provided with the tenders. He did not ask for them in that call (he asked for them in his email of 24 May 2011). In any event RACQ Insurance did not have them, as is discussed below. No explicit invitation was made to him to discuss the figures but nor was there any suggestion he could not do so. The call was ended after Mr Byron gave account details to RACQ Insurance for the payment of the sum to his account and there was nothing apparently further which he wished to discuss. At no stage during this conversation did Mr Byron give any indication that he had an objections or concerns in relation to the amounts.
43. RACQ Insurance's records show that the conversation between Mr Byron and RACQ Insurance's Customer Services Officer, which occurred at approximately 12.45pm on 10 May 2011, was to the following effect:
- (a) A Customer Service Officer from RACQ Insurance made a call to Mr Byron on 10 May 2011 and advised him that she had received the information necessary to provide him with a cash settlement of his claim.
 - (b) The Customer Service Officer then asked Mr Byron if he had a pen so he could write down the amounts she had on file. The Customer Service Officer then stated that the amounts of the cash settlement would be:
 - (i) \$5,309.43 for fencing;
 - (ii) \$49,559.71 for building repairs; and
 - (iii) \$9,101.28 for laundryless his excess of \$300.
 - (c) Mr Byron stated that he had already paid his excess and the Customer Service Officer said Stream would be contacted so that this excess could be reimbursed to him.

Signed:



Taken by:



- (d) The Customer Service Officer asked Mr Byron to confirm that he wanted to be cash settled and that he did not want to proceed to have Stream arrange the repairs. Mr Byron confirmed that he did.
 - (e) The Customer Service Officer asked whether Mr Byron would like the funds deposited into his bank account and Mr Byron provided his account details.
 - (f) The Customer Service Officer informed Mr Byron that the payment would be made right away and that the funds should be received within 3 to 4 working days. Mr Byron indicated that that was fine.
44. The records that RACQ Insurance has in relation to the telephone conversation are:
- (a) A copy of the electronic recording on a disk which is exhibited to this affidavit as Exhibit 25.
 - (b) A transcript of the electronic recording of the conversation which is exhibited to this affidavit as Exhibit 24.
 - (c) Notes which were made of the telephone conversation by RACQ Insurance's Customer Service Officer, which are contained in on-line notes in respect of Mr Byron's claim (refer Exhibit 4).

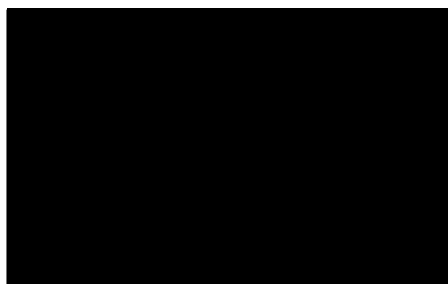
9. In respect of point 9 above:

9.1. What information did RACQ Insurance rely upon in determining the amount to be paid to Mr Byron in respect of his claim? Was this information provided to Mr Byron? If not, why was it not provided?

9.2. Did Mr Byron agree to this amount?

45. RACQ Insurance relied upon information provided by Stream in determining the amount to be paid to Mr Byron in respect of his claim.
46. Stream provided an initial scope of works to RACQ Insurance on 23 March 2011 (Exhibit 10).
47. A print out Stream's online system which records actions taken by Stream in respect of Mr Byron's claim (refer exhibit 6) indicates at page 9 that Mr Byron was provided with the initial scope of works in an email from Stream to Mr Byron on 13 April 2011.
48. An additional scope of works was prepared on 4 May 2011 (Exhibit 13) which amended the initial scope of works to include additional items not previously included. These items included tiling to the front entry and works in the laundry. The additional scope of works also included an amended amount for fencing.
49. Information concerning the amounts (greater than the sum for the initial scope of works) was provided to Mr Byron when he was informed about the settlement of his claim in a

Signed:



Taken by:



telephone call with RACQ Insurance on 10 May 2011 as set out above (Refer Exhibits 24 and 25). The total amount to be paid (which takes into account the additional items added to the initial scope of works) and its calculation were outlined in a letter from RACQ Insurance to Mr Byron on 10 May 2011 (Exhibit 15).

50. The amounts were also explained to Mr Byron during a subsequent telephone call from RACQ Insurance on 31 May 2011 (refer Exhibits 24 and 25).
51. A further letter was sent to Mr Byron following this conversation and dated that same day (Exhibit 23). The letter referred to a settlement figure of \$62,298.84 and this did not wholly reflect the conversation and explanation given to Mr Byron as reflected in the ClaimCenter system notes (Exhibit 4). Although the letter does not document it, I have spoken to Ms Attard and her recollection is that the updated scope of works was sent to Mr Byron along with this letter. I have no way (other than from my discussion with Ms Attard) of confirming that to have been done.

10. In respect of point 10 above:

- 10.1. Did RACQ Insurance notify Mr Byron about its internal dispute resolution process?**
- 10.2. What steps were taken by RACQ Insurance to address Mr Byron's concerns regarding the determination of the payout figure?**
- 10.3. Are copies of quotes available? If not, why not, and by what means does RACQ Insurance assess quotes for the purposes of determining claims payments if they are not available?**
- 10.4. What steps were taken by RACQ Insurance, following Mr Byron's request for an internal review of his claim?**

52. RACQ Insurance notified Mr Byron about its internal review process in its letter to Mr Byron dated 10 May 2011 (exhibit 15), which stated, relevantly:

"If you feel that the settlement of your claim was not complete or accurate, you can request a review of your claim by contacting us.

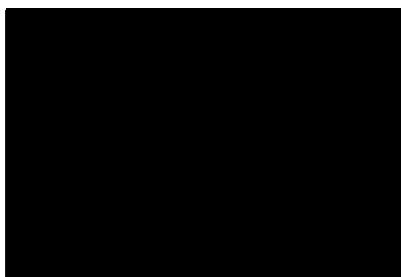
...

In accordance with this requirement, please find enclosed a copy of our customer information sheet, which outlines our complaint handling process. This entire process is at no cost to you."

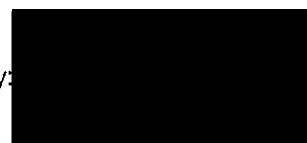
53. RACQ Insurance's Customer Information Sheet, which was included with the letter sent to Mr Byron, states, relevantly, in part:

"Please refer your complaint to us by writing to RACQ Insurance – customer dispute resolution department PO Box 3004 Logan City, Queensland 4114 or by telephoning

Signed:



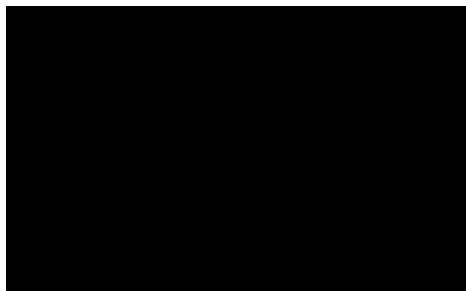
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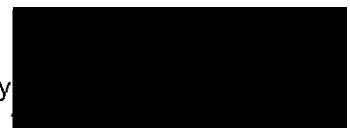
13 72 02. Your complaint will then be referred to the appropriate staff by our complaint manager. If you are not satisfied that your complaint is resolved, we can escalate your complaint to the next stage of the free and impartial review process in our Internal Disputes Resolution (IDR) process."

54. The letter sent to Mr Byron (including RACQ Insurance's Customer Information Sheet) dated 10 May 2011 is exhibited as Exhibit 15 to this affidavit.
55. After Mr Byron was informed about the payment of his claim on 10 May 2011, MYI Freemans forwarded Mr De Leo an email which had been sent to them by Mr Byron earlier that day. The email from MYI Freemans to Mr De Leo is Exhibit 17 to this affidavit. This email from Mr Byron raised some concerns about the assessment conducted in relation to his property.
56. I note that Mr De Leo responded to MYI Freemans in relation to this email, advising that a resolution had been reached with Mr Byron. This email is Exhibit 18 to this affidavit. I have discussed this with Mr De Leo who has confirmed that he believed that the cash settlement which had been agreed with Mr Byron resolved the concerns and hence his response to MYI Freemans' email.
57. Mr Byron's concerns regarding the determination of his payout figure were raised in an email he sent to RACQ Insurance on 11 May 2011 which is exhibited as Exhibit 19 to this affidavit. In this email Mr Byron noted that certain items appeared to have been omitted from the initial scope of works he had received and that he assumed his ultimate payout figure included amounts for these repairs.
58. Regrettably, RACQ Insurance did not provide a response to this email. However, upon receiving Mr Byron's follow up email of 24 May 2011 (referred to above) Mr De Leo sent a response to Mr Byron on 27 May 2011 apologising for the previous delay and confirming that the payout figure was based on Stream's scope of works and included all required additional works necessary to repair the damage to his home.
59. Mr Byron's email response sent on 30 May 2011 indicated that he remained dissatisfied. As set out above, upon receiving Mr Byron's email of 30 May 2011 the matter was reviewed by the Team Leader Ms Attard. The ClaimCenter notes from Ms Attard (refer exhibit 4) set out the further steps that were taken to address Mr Byron's concerns.
60. There are no copies of builder prepared quotes available. Quotations are not prepared by RACQ Insurance, Stream or MYI Freemans. Stream prepares a scope of works and then puts this out to tender electronically. Potential builders then submit a tender (the price they are prepared to perform the work as per the scope of works) to Stream "on line". Builders utilise the Stream system to complete tenders on line, thus ensuring that all builders

Signed:



Taken by



provide tenders on the same approved scope allowing for competitive repair costs. The successful tender then represents the price that RACQ Insurance can have the work completed for and therefore forms the basis of any cash settlement at the request of an Insured.

61. It is possible to obtain from Stream a summary of Mainz's (the recommended tenderer) tender amounts from their system records though this is not done in handling claims and was not done in the handling of Mr Byron's claim.
62. Mr Byron requested an internal review of his claim in his email of 24 May 2011 (Exhibit 20). Following receipt of Mr Byron's email dated 30 May 2011 following up on this issue Mr Byron's claim was reviewed by Ms Attard as set out above.
63. As part of Ms Attard's review she requested further information from Stream and this was provided in a report on 31 May 2011 (Exhibit 30). Ms Attard then had a telephone discussion with Mr Byron on 31 May 2011 during which she addressed the concerns raised by Mr Byron. Ms Attard's ClaimCenter notes from the conversation (set out in exhibit 4 and above) indicate that Ms Attard believed Mr Byron was satisfied with the resolution that had been reached. Given this was the case (namely that her review had led to a resolution, it was thought, of the complaint), the matter was not escalated further within the Internal Dispute Resolution (IDR) process.
64. If Ms Attard had identified any areas requiring further investigation, or considered that there were any outstanding matters with which Mr Byron remained unsatisfied Mr Byron's claim would have been escalated to the next stage of the IDR Process. I have reviewed the records of the telephone conversation between Ms Attard and Mr Byron of 31 May and can understand from these records that Ms Attard considered her review had addressed Mr Byron's concerns.

11. Please provide:

11.1. A copy of Mr Byron's contract of insurance which applied in January 2011.

11.2. Copies of all written correspondence passing between RACQ Insurance to Mr Byron about his claim (claim number HH01270895).

65. A copy of Mr Byron's contract of insurance which applied in January 2011 (comprising the Product Disclosure Statement and certificate of insurance) is at Exhibits 26 and 27.

SWORN by **GRAHAM IAN DALE** on: *14 SEPTEMBER 2011*
at *BRISBANE* in the presence of:

Deponer

Barrister/Solicitor/Justice of the Peace/
Commissioner for Declarations

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Note

The following attachments were referred to by the witness while giving evidence at the Commission's hearing on 21 September 2011.

Exhibit 15

RACQ Insurance Ltd
50 009 704 152
2649 Logan Rd, Eight Mile Plains, QLD 4113
PO Box 3004, Logan City, QLD 4114
Telephone 137 202 Facsimile (07) 3031 2750

10 May 2011

Mr Raymond Byron
[REDACTED]
ESK QLD 4312

Dear Mr Byron,

Household Insurance

Policy Number: [REDACTED]

Claim Number: [REDACTED]

We are pleased to advise you that we are ready to settle your claim.

We have now completed hydrological and other investigations relating to your claim. It has been determined that the damage at your property has been caused by flash flooding / stormwater run-off.

We refer to your Household Insurance Policy Product Disclosure Statement(s) which state in part:

Your home

The most we will pay for your home claims

***Flash flood and
stormwater run-off***

*We will pay up to 50% of your home
sum insured or \$25,000, whichever is
higher.*

Your contents

The most we will pay for your contents claims

***Flash flood and
stormwater run-off***

*We will pay up to 50% of your contents
sum insured or \$25,000, whichever is
higher, but not exceeding your contents
sum insured.*

Based on this information, your settlement has been calculated as follows:

Building Repairs	\$49,559.71
Laundry Repairs	\$ 9,101.28
Fences	\$ 5,309.43
Less policy excess	\$ 300.00
Total	\$63,670.42

Payment as indicated above will be forwarded to you shortly and once accepted represents full and final settlement of your claim. As agreed, payment will be made by EFT.

If you feel that the settlement of your claim was not complete or accurate, you can request a review of your claim by contacting us.

RACQ Insurance subscribes to the General Insurance Code of Practice. If you have a claim which is caused by a catastrophic event and we finalise your claim within 1 month of the date of loss or damage, the General Insurance Code of Practice requires that we advise you of our complaints handling procedures when we finalise your claim.

In accordance with this requirement, please find enclosed a copy of our Customer Information Sheet, which outlines our complaint handling process. This entire process is at no cost to you.

If you have any queries please do not hesitate to contact me on 137 202.

Sincerely,

Rani
Customer Service Officer

CUSTOMER INFORMATION SHEET

HOW TO MAKE A COMPLAINT OR ENQUIRY

RACQ Insurance is a member of a free and independent dispute resolution service, known as The Financial Ombudsman Service Limited.

The Financial Ombudsman Service will not accept a dispute unless you have first tried to resolve your concern with us.

Please refer your complaint to us by writing to RACQ Insurance – Customer Dispute Resolution Department, PO BOX 3004, Logan City, Qld 4114, or by telephoning (07) 3361 2141 or on 137202 outside normal business hours. Your complaint will be referred to the relevant Department Manager who will review the matter and respond in fifteen business days of our receiving notice of the complaint. When you write or call, please provide a telephone number at which you maybe contacted.

If your complaint is not resolved to your satisfaction:

You may request the matter be referred to the RACQ Insurance Internal Disputes Resolution Committee where the matter will be treated as a dispute. The Committee is made up of Senior Managers with the appropriate powers to deal with the dispute. Your dispute will be considered and you will be notified of the committee's decision within fifteen business days of our receiving notice of the dispute. There is no cost for the above process.

If your dispute remains unresolved to your satisfaction:

You can contact The Financial Ombudsman Service Limited. Just write to The Financial Ombudsman Service Limited, GPO BOX 3, Melbourne Vic 3001 or telephone 1300 780 808 (local call cost for consumers outside the Melbourne metropolitan area).

The Financial Ombudsman Service Limited assists in resolving disputes between consumers and participating companies.

If you would like a leaflet describing the service provided please telephone The Financial Ombudsman Service Limited and it will be posted to you. Their website address is www.fos.org.au

Exhibit 24

Transcript of interview with Raymond John Byron

Time: 1.11pm

Date: 17 January 2011

Place of interview: Claim lodgement call

Parties present: Nadine [REDACTED] (N) RACQ
Raymond John Byron (RJB)

Key: [UI] = unintelligible
[IA] = inaudible
... = interrupted speech, or speech peters out

N: Welcome to Claim Services; Nadine speaking, may I start with your policy, claim or rego number please?

RJB: I haven't got any policy details. They have been washed away. The rego number of my car which may help is [REDACTED]

N: Okay, you're wanting to lodge a claim for your house or your car?

For both actually, ah, but I'll talk to you about it

N: Okay when was the accident or incident? We'll start off with the house.

RJB: Yep, it was a flooding on Monday the 10th.

N: Okay, I'll just pull that up. I need to confirm your name please?

RJB: Raymond John Byron

N: Okay, your postal address and date of birth there please Raymond?

RJB: [REDACTED] Esk, and [REDACTED]

N: Okay, I've got your policy. Okay, I'm just going to pull this up, I won't be too much longer.

RJB: You're right

N: Okay so you'll, okay I know where that is I'm not that dumb. Okay, now how high did the water go inside the house Russell?

RJB: Oh about four feet or so.

N: Oh okay. What we'll do is we'll pop a claim through now...during this time...it takes about 10 to 15 minutes. During this time, I'll ask you a series of questions related to what's happened and then I'll be able to give you a phone number and let you know what happens next. I'll start off by reading a couple of standard declarations and I will need a "yes/no" answer to these please.

RJB: Yep

N: Do you declare that the details that you are about to provide me with are true, correct and not misrepresented in any way?

RJB: Yes.

N: Please be aware that your claim may be rejected or declined if it discovered that any of the details are untrue, incorrect or misrepresented and have you or anyone on the policy been convicted of any criminal offences in the last five years?

RJB: No.

N: Okay. Now do you live in this house?

RJB: Yes I do, yes

N: Do you know who you've got your contents insured with?

RJB: I haven't got any. I was always going to renew it with you people but I haven't got to it. I moved in there about 12 months ago.

N: Okay. Just go here, now you've got your house has been inundated. I've put here that the water went up to approximately four feet deep. How's the house doing?

RJB: Well, we've emptied it out now but everything's gone. There's a whole, everything that was in it.. its just gone to mud and slush.

N: Okay, now was the house undergoing any renovations when this has swept through?

RJB: No, no

N: Okay, are you registered as a business premises at the home at all?

RJB: No.

N: Okay. Now do you have a pen and paper handy and I'll give you a claim number.

RJB: I do, yep

N: Okay your claim number is double H for Harry,

RJB: Double H for Harry yep

N: [REDACTED]

RJB: [REDACTED]

N: [REDACTED]

RJB: [REDACTED]

N: Okay you've got a basic excess of \$300 which will be applicable upon acceptance of a claim.

RJB: Yep

N: What happens now is we refer this onto our loss adjusting team and they will be in touch with you as soon as they can to arrange an appointment – day and time to come out and have a look at the damage to your home um, they'll start organising what they need to from that point on Russell. What is the best number for us to contact you on to do this?

RJB: I've only got the one – [REDACTED]

N: umh

RJB: [REDACTED]

N: Okey dokey so that's all done. They'll be in touch with you as soon as they can. I honestly don't know when that will be um, but they will touch base when obviously they can and they'll get things moving forward from there. Now did you say that you needed to lodge a claim for the vehicle as well?

RJB: Well, the vehicle, like while we were trying to save stuff in the house, the vehicles we got them out but there was water went up you know about three feet on the vehicles and two were with other insurance companies. I think they are being written off but mine was a Landrover which makes it a bit higher but a lot of electrical alarms have come up since

N: Yep

RJB: Now whether that you know creeps into the insurance claims I don't know, I've got the car with you people.

N: Okay, I'm just going to pop through here and we're looking at the Discovery 2003?

RJB: Yes, that's it.

N: Okay. Now what I'm going to do is pop a claim through for this one. It takes a little bit less time.

RJB: Yep

N: Just involves me – once again asking stacks of questions and then we'll be able to give you a claim number.

RJB: Yep

N: Now I'll reconfirm, you were driving at the time that the waters come up?

RJB: Yep.

N: I'll put some notes in here was that at home or?

RJB: Yep, yep.

N: Okay. And this was what do you know approximately what time?

RJB: Um I forget now, I think it was about half past two or three o'clock thereabouts. A lot happened in a short time.

N: Oh, I bet it did! Okay, now was there any signage at all saying that or warnings that you've disregarded.

RJB: No, no it was in my driveway

N: Okay from flooding home. Is it still going?

RJB: Yes, it's still going. It's just that these alarms have come up which you know I don't whether its whether it's just an electrical fault with the system or not.

N: Okay. Look that's probably what it is but we'll get some notes in here in relation to that. Now what am I going to do with the assessing sorry about this. They have very specific ways we're going to assess cars and I just need to check which way we're going with these kind. Set the, is the vehicle registered as a business vehicle at all?

RJB: No. Nah.

N: Excellent. Do do do do do do... driver of all vehicle dah dah flood driveable...okay what I'm going to do is just let our assessors know that this exists and the car's still safe for you to drive. You believe its safe its just letting off little flashy lights?

RJB: I think so yes. That's all you can go on. It still goes and does everything its supposed to do but its wet and that yeah.

N: Okay what about the carpet inside it?

RJB: Yeah, no it did get wet

N: It did get wet – rip it out.

RJB: Okay

N: Before it rusts out the car I mean, it's going to really mankey and really unhealthy really fast

RJB: Yep

N: Okay now whereabouts are you at the moment? You're at the house or ?

RJB: No, I'm with, we can't live in the house so I am at [REDACTED] in Esk.

N: [REDACTED] Esk. Okay and [REDACTED] alrighty now I'm letting the assessors know that this is where you are what's happened basically. They will be in touch with you to organise a day and time to get the assessment done.

RJB: Yep

N: Let me see if I can get this .. save all that. Sorry about this.

RJB: You're right. You people must be pretty busy I guess

N: Oh, it has been absolutely horrendous, but by the same token, we're all well for the most part, most of us are safe and dry and

RJB: That's the important thing

N: We're okay. So, um, look I've got your claim number for the vehicle Raymond is [REDACTED]

RJB: Yep

N: Okay, upon acceptance of the claim, basic excess of \$500 will be applicable um pretty much you're currently on a rating one, due to this claim your rating will not be affected and the claim has been accepted well, sorry, its being held without prejudice at this point in time.

RJB: Yep

N: This is purely because you're driving through the flood water; the claims officers and assessors will be in contact with you to discuss this as things progress, but um assessing is going to be in contact with you when they get a chance.

RJB: Yes

N: Just to go through what's happening there -- arrange an assessment and do what we need to in relation to the vehicle. If you are able to get a quote for the damages and the repairs that may make it a lot fast as things obviously repairers reopen everything like that

RJB: Yep

N: But they'll go through all that with you. If you have any questions with regards to either of your claims at any time, we're here seven days on 13 72 07

RJB: 13 72 07 yep

N: And I'm going to cross reference them so they match up to each other and we know who's who and where's what.

RJB: Okay. Well okay now do if I took this to a dealer and said give me a quote to fix it

N: Umhm

RJB: That would be a better way for you to go would it?

N: Yeah, well look as much information as possible so when the guys call you up, if you say look I've got a quote

RJB: Yep

N: Um, and they'll say get them to send it through or give it to us whatever, they'll be able to go forward from there and get things moving. It's just but it's not something you need to get straight away because when to do contact you they will probably say look, we can see you in a weeks' time or two weeks' time or three days' time and it gives you that little bit of time, but literally and in the Esk I would expect a shortage of repairers that are actually functioning at this point in time.

RJB: I know.

N: So, if you go past one and they're open, and they're available to do a quote

RJB: Yep

N: Possibly get one.

RJB: That would be good. Alright we're here now and if we can work together and makes it easier on everybody doesn't it?

N: Yeah. Look as much you know if you can information things started before everything proceeds, it does makes things easier and in relation to your home, if there's anything able to be salvaged, salvage it but anything that's not, you don't want anything rotting or decomposing in your home.

RJB: Yep

N: So um take lots of photos and rip it out. We are telling people if there's gyprock in your house is swelling and its sodden and mushy, pull it down up to the what, take photos, pull it down up to the water level and get it, give your frame a chance to dry out there

RJB: Okay

N: Give yourself the best start to go on with. Okay?

RJB: Alright. Thank you. You've got an unenviable job there.

N: Oh, look as much as my jobs been horrid lately with just its just an unending listening of yuck. I don't have to look at it. I don't have to deal with it. I'm going home to a nice warm dry house which is the one thing I can, no matter how bad it is here, you've got it so much worse.

RJB: Yeah, we'll we haven't – I mean we've got a mess but there are people that have suffered the lot and you know yeah. It's hard.

N: Yes it is – it is, no matter which way you're coming at it from, it's now easy but we do wish you the best Russell aghh Raymond and we'll be in touch with everything as everything goes forward.

RJB: Thank you very much.

N: Not a problem at all. Thanks for calling.

RJB: Okay thanks. Bye

N: Bye bye.

[UI] = unintelligible

[IA] = inaudible

LCB10096653 4064903v2

Transcript of interview between Teresa O'Brien and Ray Byron

Time: 3.04pm

Date: 24 February 2011

Place of interview: Rang to advise awaiting hydrology report

Parties present: [REDACTED]
Ray Byron (RB)

Key: [UI] = unintelligible
[IA] = inaudible
... = interrupted speech, or speech peters out

RB Hello

[REDACTED] Oh hi, is that Raymond Byron?

RB Speaking.

[REDACTED] Oh hi, this is [REDACTED] from RACQ Insurance, how are you going?

RB I'm good. How are you going?

[REDACTED] Good, good. Sorry, did you have to run to the phone?

RB No, I've been breaking up in flood rubbish to be honest.

[REDACTED] Still, it is a never ending job for a while.

RB I just, I keep thinking when the hell is this going to stop.

[REDACTED] I know, every time you think it is going to be fine it rains again.

RB It does, you look .. any time you look around there is something else to do.

[REDACTED] Yes, I just wanted to give you an update on your claim as such.

RB Yep.

[REDACTED] Um, I can see that we have actually got and reviewed the initial report from Freemans, the loss assessors.

RB Yep.

[REDACTED] OK. The part 2 is we are waiting for more information regarding the hydrology, um, which is probably a term you have heard bandied around a bit. Um but basically we need the hydrology information to determine the type of flood that you experienced.

RB OK.

[REDACTED] Yeah, it sounds funny doesn't it.

RB Well yeah, go on

[REDACTED] Yeah, so basically because it determines whether you are covered for flash floods or flood which is not covered under your insurance.

RB Yep, OK.

[REDACTED] So that is the biggest thing, obviously. So we are waiting for that information to come back and I am not sure when it will be, hopefully not too much longer.

RB OK, so it boils down to the fact that you are not covering us for flood but you are for flash flood, is that

right?

For flash. That is correct, yes, yeah, and that is why we need to get that expert determination of what type of flood it is.

RB If you had been here on the day you would have had no hesitation in making a judgment.

Absolutely, I know. It is a fine line sometimes isn't it.

RB Well, when you can see it coming three foot down the road from the main street you think well that is not a flood that is something else.

Yeah, yeah, amazing. It looked amazing from where I sat but luckily I was fortunate not to be involved in that, so

RB Yeah, no, I mean, yeah, we have got a massive ..we experienced something but there is a lot of people got worse off.

Yeah, absolutely, absolutely. I have seen the aftermath, I have been out there helping people clean up houses ..

RB Yeah, yeah

.. that got to their roof. That was terrible.

RB It is not fun.

No, no, not fun at all. Look I don't want to hold you up from cleaning up, so I'll give you a ring back once I have got some more information there, but that is where we are at at the moment.

RB OK, all right.

But if you have any more queries or you are a bit worried because you haven't heard from us, just give us a ring back and we will be able to give you the latest information if we have got any more for you.

RB OK.

OK then.

RB Thanks very much.

OK, thank you. Bye.

RB Bye.

LCB10096653 4064989v1

Transcript of interview with Ray Byron

Time: 9.40am
Date: 14 April 2011
Place of interview: Call from insured re: scope of works.
Parties present: [REDACTED]
Ray Byron (RB)
RACQ Officer 2 (RACQ2)
Key: [UI] = unintelligible
[IA] = inaudible
... = interrupted speech, or speech peters out

[REDACTED] Claim services you are speaking with [REDACTED] Can I start with your claim or your policy number please.
RB My claim number is [REDACTED]
[REDACTED] Do you have an MV or HH number at all?
RB No I do not, no, I got that number from stream.
[REDACTED] OK, so you do have a household claim with us?
RB Yes I do.
[REDACTED] OK. Unfortunately I cannot do a search on stream reference numbers so I will just have to do a search on your name. What is your first name?
RB Ray Byron.
[REDACTED] What was your surname?
RB Byron. B-Y-R-O-N.
[REDACTED] And just your address and date of birth please.
RB Date of birth is [REDACTED] Esk.
[REDACTED] Thank you. I will give you your claim number just for future reference. [REDACTED]
RB [REDACTED]
[REDACTED] [REDACTED]
RB [REDACTED]
[REDACTED] Now, so what can I do for you today?
RB Can you tell me where everything is up to. I have been talking to stream and things are .. they are trying to sort of get things going but there are a few discrepancies and so forth and I, I was wondering whether there is any way I just get a payout and use my own builder who is ready to go?
[REDACTED] OK. What I need to do is just call through to the claims department that is dealing with your claim and see if we can get the claims officer on the phone to have a chat with you. Is it OK if I pop you on hold while I call through?
RB That would be good thank you.



Won't be long at all.

RB

Thank you.



It's Ray that I have got. He wants to discuss what is happening with the claim. Apparently he has been in contact with MYI Freemans and stream and he is just confused. I think he wants to request a cash settlement.

RACQ2 Ok cool.

RACQ I will put him through.

RACQ2 Yeah mate.

RACQ Thank you, bye.

RACQ2 Cheers.

LCB10096653 4064957v2

Transcript of interview with [REDACTED] and Ray

Time: 9.41am

Date: 14 April 2011

Place of interview: Call from insured re: scope of works (cont).

Parties present: [REDACTED]
Ray (Ray)

Key: [UI] = unintelligible
[IA] = inaudible
... = interrupted speech, or speech peters out

[REDACTED] Ray that I've got, he wants to discuss what has happened with the claim and how he has been in contact with MYI Freemans Insuring and he is just confused...I think he wants to request a cash settlement so...

[REDACTED] Ok cool.

[REDACTED] I'll put him through.

[REDACTED] Yeah mate.

[REDACTED] Okay thank you bye.

[REDACTED] Cheers...Good morning, Ray it's [REDACTED] in household claims, how are you?

Ray: [REDACTED] I'm good mate, how are you going?

[REDACTED] Yeah it's a bit muddy at the moment...one foot in front of the other.

Ray: [REDACTED] Yeah it's like that everywhere. I realise everyone's got a fair bit on their plate so we just have to try and muddle through it the best.

[REDACTED] Yeah no that's cool...Umm...your claim is with the technical claims section and I am just about to put you straight through to them...if they are all on the phone or something you'll come back to me and I'll just basically formulate a message with anything you need an update on and we'll get it through to them. Just bear with me.

Ray: [REDACTED] Thank you (tape pauses).

[REDACTED] Household claims [REDACTED] speaking.

[REDACTED] how are you?

[REDACTED] Hey mate, how are you doing?

[REDACTED] Yeah I'm surviving. You are not technical so...

[REDACTED] No...

[REDACTED] That's okay, I'll try once more and then do the message thing.

[REDACTED] No troubles mate.

[REDACTED] Cheers

[REDACTED] See you (tape pauses)

[REDACTED] Welcome to household claims this is [REDACTED]

Hi [REDACTED]

Hey.

I am having no luck trying to get anything through to technical claims this morning...

Yeah...

So I'll go back and take a message...

And I'll hang up...

Thank lovey.

Bye.

Cheers (tape pauses).

You there Ray?

Ray: Yep.

Yeah sorry mate I just can't get you through to technical claims they're all on phone calls.

Ray: Okay.

I will basically, like I said, umm...have a chat and get everything you need clarified and send to them in an email and you should get a call back from that section in about 48 hours I would say...could be less, could be a little bit more...

Ray: Well...I'll tell you what it's about.

Yep.

Ray: Umm...the umm...Stream has been...they've been handling this. I've spoken to Freemans in the last few days, they advised me to talk to Stream, I talked to Stream...umm...they have gotten to the point where they have sent me a umm...what do you call it...code of works or something...

A scope of works?

Ray: Yep scope of works, that's it, which they sent me yesterday. I had a look at it umm...there was one about 80 metres of fence was missing off the quote and the front foyer of the house and the end result of that is that in between Stream and the main developer who was supposed to be looking at the quote for the job it is sort of backwards and forwards. Now, what I have...I have my own builder ready to go. Now what I was wondering, is there an easy way out of this to get a payout and let me do the job?

Just notating this down here, hang on a sec...

Ray: Yep (tape pauses)

Okay. What I've got down here and will be putting in the email is that Stream and Freemans have been in contact with you. You received a scope of works yesterday. 80 metres of fence was missing and works to the foyer of the house...

Ray: Yep.

Ummm...you have your own builder ready to go, can you get a cash settlement to get the work done yourself...

Ray: Yep.

And basically I have put down there has been confusion between the loss adjustor and their contractor and I think you said it was Main Developments?

Ray: Yeah, that's the...it's not their blue, it's to do with the Stream quote but Main Developments are the ones looking at the quote but they can't finalise the quote until they get the full scope.

Yeah okay...okay so...umm...don't...have...full...scope...of works. But Main Developments are the people that the loss adjustors have been referring to in terms of the contractors?

Ray: As of yesterday they contacted me...really what it boils down to is I say look I want a choice here if

they...I'm just camped on a settee and cooking on the BBQ, and the rest of the bloody house is empty, it really just got washed out completely.

██████: Yep.

Ray: And I want to get things going if I can. I said look if someone is going to take this job on I want some sort of a guarantee that they're not going to...they're going to start fairly quickly and not build a little bit then go away and do another job and come back again, you know what I mean?

██████: Yeah.

Ray: And so...apparently the Stream lady rang them to find out just what the score was...they still won't give a commitment as to what's involved...so then you have these other confusing things and I thought well maybe there is a different way out of this, maybe I can get a payout and you know...take a little bit less money or something and I can get my bloke onto it straight away.

██████: Okay. Alright, I'm pretty confident I've got all of that and like I said I will summarise all of that in an email...

Ray: Yep.

██████: And send it to technical claims to get back to you about it and I will also put all that information on the claim file, so that it's there permanently.

Ray: Alright.

██████: Okay?

Ray: Ahh...if you could just get me...make a point that I would like answer fairly quickly so that I can...

██████: Yeah, I hear you. Umm...number for you ████████?

Ray: That's it.

██████: Okay done deal. I'll get that off for you.

Ray: Good on you.

██████: Okay take care mate.

Ray: Righto bye.

██████: Cheers

LCB10096653 4064918v2

Transcript of interview with Ray Bryon

Time:	1.54pm
Date:	15 April 2011
Place of interview:	Discussion re cash settlement and scope of works
Parties present:	Mario De Leo (ML) Ray Bryon (RB) Craig from Mains (Craig)
Key:	[UI] = unintelligible [IA] = inaudible ... = interrupted speech, or speech peters out

RB Ray speaking

ML G'day, Ray, it's Mario from RACQ Insurance. How you going today?

RB Good mate, how you going?

ML Yeah, not too bad. Ray, I've just had a call from Stream regarding the repairer turning up today to, to commence the works.

RB Yep, yep.

ML Yeah and you're not, you'd prefer to have a cash settlement than, than have the works commenced? Is that right?

RB Look, what, what happened is that there was a discrepancy in the scope of works and I got the, the inference that there was going to need to be a re-assessment of the whole thing.

ML Right.

RB And I, I, I thought well rather than that, because if there was a payout available, we'd go that road which I, I, I someone was going to ring me back about that today.

ML Right. If, if there was like a difference in the scope, like I believe just on my quick discussion then with Steam that the bloke that was coming out today was also going to take some further measurements ...

RB Yep.

ML To sort of get an idea around what those, what that difference was.

RB Yep.

ML I'm not too sure- was he turning up to do, to commence the whole work or was he just going out to that?

RB No, he was, he's, he's here to do, he's here now actually, he's just here to confirm the job, have a look at it himself and make any variations that need to be made.

ML Oh, okay. Alright. What'll in the space now 'cos, 'cos, I mean I'm happy to accommodate the, the, a cash settlement job provided that you know we've, all parties are satisfied that the scope is correct.

RB Yes.

ML Additionally, I'm not sure if they've ordered any materials from the point when you signed the scope, the acceptance of the scope on the 13th I think it was they, they said.

RB That was yesterday, yeah.

ML Yeah. Oh was it yesterday?

RB Yep.

ML Okay. Well I don't think then that would have actually got to the point where they've ordered any materials yet ...

RB Would you, .. you haven't ordered, I'll ask them, you ordered any materials?

ML Yeah, sure.

RB Nuh. Nuh.

ML Okay. Well, that's that's fine. What we'll do is well, I'll wait for the scope to come in and once the, the you know the scope in its entirety has been received ...

RB Yep

ML We'll give you another call and decide where we're going to go with this, you know ...

RB Yep.

ML Whether the cash settlement will be the preferable option or if you're satisfied with the scope we can go through with the, you know, the company that they have ..

RB No, that's fine, yeah.

ML What I, what I will say Raymond, can you go up to, if you have the work done by us it's, it's a lifetime guarantee so if there's any issues

RB Yep.

ML Regarding the repairs all you've got to do is call up with your claim number and we can re-assess and make sure that if there's any faulty workmanship etc then that's our issue.

RB Yep.

ML So, I'm not saying, you know, you can't have the cash settlement or whatever but I'm just sort of giving you a clear idea as to you know the strength of our ..

RB Yeah, yeah, no, I do, I appreciate that and I do realise it yeah.

ML Yeah. Alright what we'll do is await that scope to come in ...

RB Yep.

ML And once it's come in, we'll give you a call and we'll discuss the next course of action.

RB Alright. Sounds good.

ML Alright, thanks Raymond.

RB I'll, I'll put you, put you onto Craig if you like?

ML Yeah.

RB And you can talk to him. Okay.

ML Okay, no worries.

Craig Hello, Craig from Mains.

ML G'day, Craig, how are you mate?

Craig Yeah, good.

ML That's good.

Craig Who am I speaking to?

ML Mario from RACQ Insurance.

Craig Aw, how you going Mario?

ML Yeah, good. I just got off the phone from Pam from Stream ...

Craig Yep.

ML Advising me a bit of, a bit of what's going on and it appears as though there's a bit of a disagreement regarding some of the scope which ...

Craig Yeah, it's just, the, the, it looks like it's just the front door and the front patio.

ML Yep.

Craig And one side fence so ...

ML Yeah.

Craig When Stream told me about it I said Look I've got to go out to Toowoomba anyway so I'll go and see, I'll go past the job. We knew that the guy was, you know, like he'd been, he's sort of living in the shed.

ML Yep.

Craig So we sort of said okay and I've, I've told him that if we just, we got approval to do the job although we haven't ordered any materials but I said if they don't cash settle your house then we'll come in and start it next week.

ML Yep.

Craig And, and get it going and probably you know strip it out and air it and then we've the guys after Easter straight into it to ...

ML Yep.

Craig To get it up and finished so ...

ML What, what I said to Raymond is that you know once we get that amended scope back in and all, all you know, parties are happy with what's included in the scope, I mean we can entertain a cash settlement however I've really suggested to him that you know we've got a lifetime guarantee with the works so if there's any issues about any workmanship etc.

Craig Yeah, that's what I said to him.

ML Yeah, like, we, we, all he has to do is give us a call and we can have it looked into so I, I, I left the ball in his court to have a think about ...

Craig Yeah.

ML But we, we will call him once you've got your scope into Stream

Craig Yep.

ML And then they'll be able to give us a call ...

Craig Okay.

ML And we'll go from there.

Craig Alright, sounds good.

ML Alright, thanks, thank for your time, Craig.

Craig Okay, see ya, bye.

ML Bye.

Transcript of interview with Ray Byron

Time: 1.06pm

Date: 18 April 2011

Place of
interview:

Parties present:

Ray Byron (RB)

Maria (surname not given) (Maria)

Key:

[UI] = unintelligible

[IA] = inaudible

... = interrupted speech, or speech peters out

[REDACTED] Welcome to Claims Services. You're speaking to DL. Can I start with your policy or claim number?

RB My claim number is [REDACTED]

[REDACTED] Thank-you and who am I speaking to?

RB Ray Bryon.

[REDACTED] Thanks, Ray. Can I have your address and date of birth?

RB [REDACTED] Esk and [REDACTED]

[REDACTED] Thank-you and how can I help?

RB Can you, first of all, while you're getting all these details, have you got my policy number there?

[REDACTED] Sure. The policy number is [REDACTED]

RB [REDACTED]

[REDACTED] Hmmmm, mmm.

RB And how much is it insured for?

[REDACTED] Your home?

RB Yeah.

[REDACTED] Alright, let me just have a look. Got a building of \$237,000.

RB Okay. I thought it was 200 and something but I wasn't sure. I've got no documents left.

[REDACTED] Oh.

RB Okay. Now, on Friday, I was talking to someone from the Claims Dept in, in and they rang me back again on Friday with this final organising for the scope of works for a builder.

[REDACTED] Hmmmm, mmm.

RB And there's a toss-up whether they were going to pay me out instead and

[REDACTED] Hmmmm, mmm.

RB The builder turned up on Friday and did some adjustments on the, on the scope of works and submitted

that on Friday and I was due in today to find out where things are up to but I don't know who I need to speak to.

Oh, okay. Let me just look into it. Can you hold one moment?

RB Yep, thank-you.

So we were waiting on the stream amended scope of works ...

RB Yep.

And I doubt whether it's been on file as yet 'cos it was only 4 o'clock in the afternoon you speak to Rani so ...

RB Yes.

So what I can do is

RB No, go on.

Sorry?

RB – it's alright, I'm talking over you.

Laughter. What I can do is put you through to Stream ...

RB Yep.

And they can advise when their scope of work will be ready.

RB Well, it might be better for me to talk to RACQ to see whether they, they, there was an option whether they were going to pay me out or whether they were going to go ahead with this scope of works.

Alright.

RB Now this ...

I'll get the claim owner on the phone ...

RB Alright.

Regarding the cash settlement.

RB Yep.

Can you hold a moment?

RB I can. Thank-you.

Maria Welcome to household claims, Maria speaking.

Hey, Maria. It's Dion, how you going?

Maria Good, how you going, Dion?

Oh well, you know looking forward to that Easter Break.

Maria Hmmm, laughter.

Can I give you a claim number, please?

Maria Yeah, go ahead.

Maria And who do you have on the phone?



I have Ray Bryon.

Maria

No worries ...



He just wants to discuss a cash settlement. There's really two separate issues – the scope of works which Rani has talked to him about and I said the updated scope of work won't be in because Rani only spoke to him at 4 o'clock on Friday.

Maria

Mmmm.



But he wants to talk to you about a cash settlement as well.

Maria.

Okay. Put him through.



Thank-you.

LCB10096653 4064932v2

Transcript of interview with Lisa and Ray

Time: 2.47pm

Date: 19 April 2011

Place of
interview:

Parties present: [REDACTED] initials)

Ray Byron (initials)

Key: [UI] = unintelligible

[IA] = inaudible

... = interrupted speech, or speech peters out

Ray: Hello Ray speaking.

[REDACTED] Oh hi Ray, it's [REDACTED] here at RACQ Insurance, how are you going?

Ray: I'm good, I'm the middle of digging out the remains of mud actually.

[REDACTED] Oh no...that doesn't sound like a very good job.

Ray: No, it's not.

[REDACTED] I don't envy you at all, you poor thing.

Ray: Never mind, we'll get there.

[REDACTED] Yeah.

Ray: There's a lot of people worse off...

[REDACTED] I know but still...it's not a pleasant thing to have to go through that's for sure.

Ray: No it's not.

[REDACTED] Okay, so you gave us a call, I think it was yesterday...

Ray: Yep.

[REDACTED] Going by the notes....this isn't one of my claims and I'm just going through it...it appears at this point...I can see where...obviously initially Stream hadn't scoped all of the work, there was some stuff missing from their quote when they came out...

Ray: Yep.

[REDACTED] So I'm just looking on their database as we haven't received anything through but I think what's happened is it looks like there's some variations there that they've made and they're just waiting for those to be approved at their end, then I'd say the next step for them is then to report back to MYI and then of course to us in terms...you know with us.

Ray: Yep.

[REDACTED] So from what I understand we're just trying to get the right figure here...is this how it appears...I mean we're trying to get the right figure here because...do you have your own builder or are you...

Ray: Look, that was...because of all this toing and froing I have my own builder here who is a registered builder and he's ready to go...

[REDACTED] He's ready to go...okay.

Ray: Yeah and I was wondering if there is anyway was can do that?

Yeah...umm...I guess I know...I think Mario my team leader spoke to you last week sometime when he was...just going by his notes he wants to wait until we get I guess the updated scope of works from Stream...let me just go back to his note here and make sure I'm saying the right thing...Ummm...yeah he's got a note here saying you certainly would prefer a cash settlement...so he's just got here, once we've got the amended scope, yeah we will obviously contact and clarify our position regarding settlement so I don't want to say yes that we're going to go ahead and settle you based on that at this point...

Ray: Right...

I want to talk to Mario, umm...but look I'd say...and that note was put on Stream's database that they are awaiting that approval, that was yesterday so I can see that they are obviously on top of it umm...so I'd expect something through pretty shortly from them. Umm...I guess...I don't know long you can...I guess the question is how long can you hold off for before we...

Ray: Well because of the situation, he's a local fella and we've done different things together at different times and he said look I'll do it for you... he said to get things in order and we'll do it

Yeah.

Ray: When it's in order he'll do it.

Ready to go...okay. Look personally I don't see...we don't know if Stream once they you know...send us this updated scope...we don't know then if they were going to do repairs how long they're going to take before they can get around to it so that's not going to be helpful to you. If they say look we can't do this job for another six months well of course we're not going to go down that road and we'd prefer to you know...if you've got someone you can...you know...I'm already there why don't you go...

Ray: Yeah that's it...

That's why we would go down the road of cash settling yes.

Ray: There's other things involved like my poor old mum is 80 odd and she is still renting and can't even get back into her house so...

Oh gosh yeah...

Ray: And it looks like it will be written off so I'm trying to get mine ready so she can come there to live...

Yeah...

Ray: You know...

Yeah, I can only imagine. Yeah the stories I've heard is just...yeah quite unbelievable.

Ray: It is. You know it's...we all appreciate everyone's got a lot of their plate but it's...

When you've actually been through it though, you know I can I mean...I only see what I see from you know...from here I suppose and what you see on TV but yeah, unless you've been through it I certainly can appreciate your you know situation and everyone's...umm...yeah the last thing we want to do is hold this up for you umm...you know...

Ray: If that's the way you're thinking that's good because you know...at least we're on the same track if you know what I mean...

Oh yeah, as I said I understand everyone's predicament, the last thing...yeah I certainly don't want to hold the works up, I mean you've been waiting long enough as it is so...it's just a shame that they hadn't done it properly in the first place and we wouldn't have to go down this road...you know...

Ray: Yeah, that's sort of what's been burning me through this, because of the...you know had you been ready ok it might have been a different story but we've got all this toing and froing and this bloke's ready and....

Exactly...exactly.

Ray: You know.

Yeah. Alright, I'll look, I'll see if I can find anything for you...it's just that I can't contact Stream direct but I can contact MYI to you know...see if we can give them a bit of a push along because I can see on there that they're just waiting on approval in house in Stream before I imagine they send that amended scope

through. Whether they send it direct to us or MYI that's what I need to find out, so at least I can do a little bit of you know...what I can this afternoon just to see if I can push it along a bit quicker...but that's where we stand yeah.

Ray: I spoke to MYI Freemans last week...

■ Hmm...and what did they say?

Ray: Well he's...all his side is in order and he suggested that I get onto you know Stream and see if I can get things going because he knows what the situation is.

■ So did you ring Stream direct yourself did you?

Ray: Yeah, I've rung them...

■ Okay, right.

Ray: Yeah and I got onto umm...a lady at Stream and she was the one and on that particular day she thought she was ready and she...I said well let's go, let's get this into gear and I paid the \$300....

■ Oh ok yep. And ah...then when you've got it you've gone hang on...

Ray: Yeah.

■ Okay...it's all come undone. Alright, we'll try and get it rectified as soon as we can then for you Ray so you can move forward and get on with things, but yeah naturally I guess in a normal situation naturally we like to use the builders you know who are RACQ approved but we certainly understand you know, if that's not going to be something they can do in a short time frame then we understand...you know as long as you've got a...I guess the only thing we could say is that we couldn't be responsible for any of the repairs then...

Ray: That's okay...

■ But I'm sure you're well aware of that so...

Ray: Yeah and he's a local...

■ Yeah he's good anyway...

Ray: And he knows all that's happened...

■ Yeah...everything will be good. Alright then. Alright Ray, leave it with me I will see what I can do for you this afternoon um...I guess well as soon as I get it I will be in contact with you obviously but if you want to give us a ring after Easter and see how we're travelling that's fine.

Ray: Okay...

■ Hopefully you'll hear from me...yeah exactly.

Ray: Good on you.

■ Alright then , thanks Ray.

Ray: Thanks, bye.

■ Bye

LCB10096653 4065014v1

Transcript of interview with Mr Byron

Time:	12.45pm
Date:	10 May 2011
Place of interview:	
Parties present:	Rani Smith (RS) Ray Byron (RB)
Key:	[UI] = unintelligible [IA] = inaudible ... = interrupted speech, or speech peters out

RB Hello Ray speaking

RS Hi Mr Byron, this is Rani from RACQ Insurance, how are you today?

RB Fine thanks and you?

RS Sorry

RB Can you hear me?

RS Yep

RB Yep

RS How are you?

RB I think we are in a bit of bad spot

RS Oh ok

RB Can you hear me?

RS Yes that's fantastic. Ok now I am happy to advise I have all the quotes and everything back today so I can cash settle you for your claim today.

RB Yes

RS Have you got a pen and paper and I can give you the amounts that I have go on file?

RB Yes

RS Ok when you're ready

RB Sure

RS Ok we've got the amount for fencing of \$5,309.43.

RB What's that for?

RS Fencing

RB Yep \$5,300.....

RS \$5,309.43

RB Yep

RS I have the building repairs. We've got \$49,559.71.

RB Yep

RS The building, the additional building which is to your laundry is an extra \$9,101.28.

RB Yep

RS Ok so we've got a total amount of \$63,970.42

RB Yep

RS Less your policy excess of \$300 which will be a cash settlement in the amount of \$63,670.42

RB There's \$300 that's already been paid

RS Sorry

RB There's \$300 that's already been paid

RS Did you pay that to Stream did you?

RB Yes it did yes. I did it on the internet. It must have been for Stream. It was the Commonwealth Bank

RS Oh dear. Oh ok that sort of puts a bit of a spanner in the works. Ok so did you want it to be cash settled. You didn't want to go through Stream

RB No on that particular day everything was apparently ready to go. Did you get the email I sent through yesterday?

RS Yes, yes but I was advised you were wanting to be cash settled.

RB Yes yes that's right

RS It that correct yeah

RB On that day when everything was ready for another company to do it.The lady at Stream said was I ready to pay the \$300, which I did.

RS That's usually only if you are going to go through them for repairs.

RB Well at that point we were

RS Ok so we have got to get that \$300 back of Stream

RB Yes

RS Ok so what will happen is then Stream will have to send you a reimbursement cheque to yourself for the \$300.

RB Yes ok

RS And I will still have to take it off the final settlement unfortunately

RB That's right

RS But I'll get in contact with Stream in a moment and I will get them to do that for you straight away

RB Yep.

RS. Now, did you want me to deposit it into your bank account or would you like me to send you out a cheque payment?

RB Ummm...what's easiest for you?

RS If you've got your EFT details there I can take them from you now, otherwise...

RB Yep...yep no I've got them in my head. [REDACTED] is the BSB...

RS [REDACTED]

RB [REDACTED]
RS Beautiful. And the account
RB [REDACTED]
RS Yep.
RB [REDACTED]
RS Yep...
RB [REDACTED]
RS Okay...and that's just Raymond Byron is it?
RB Yep
RS Okay, so I'll just repeat that back to you, I've got the BSB being [REDACTED].TAPE ENDS

LCB10096653 4065124v1

Transcript of interview between Rani and Ray Byron

Time: 12.48pm

Date: 10 May 2011

Place of
interview:

Parties present: Rani Smith (RS)
Ray Byron (RB)

Key: [UI] = unintelligible
[IA] = inaudible
... = interrupted speech, or speech peters out

RS I lost ... I lost you.

RB I don't know whether it is the phones or the mobile antenna it seems to do it pretty regularly.

RS Oh, does it? OK, sorry. Um, I will just repeat the .. now the BSB was correct.

RB [REDACTED] yep

RS Beautiful and the account is [REDACTED]

RB That's it, yes.

RS Beautiful. OK, well I will make that payment for you today and you should receive that in your bank account within the next three to four working days.

RB That'll be fine.

RS Fantastic, awesome. And I will get in contact with stream right now and I will get them to resubmit that \$300 back to you. OK

RB OK, thanks very much.

RS No worries at all. Thanks Mr Byron.

RB Thank you, bye.

RS Bye bye.

LCB10096653 4065141v1

Transcript of interview with Lois and Ray

Time:	5.31pm
Date:	30 May 2011
Place of interview:	
Parties present:	Lois Ray
Key:	[UI] = unintelligible [IA] = inaudible ... = interrupted speech, or speech peters out

Ray: [recording] This is Ray, please leave a message and I will return your call as soon as possible. Thank you.

Lois: Good afternoon my name is Lois and I'm calling on behalf of RACQ Insurance leaving a message please for Mr Raymond Byron. I just wanted to let you know that I am looking into your particular claim and the correspondence that you have sent through to our team leader, Mario. I myself am a team leader as well for the household claims department. Mario is unavailable so I've been asked to do a review of this. What I would like to do just as a courtesy is let you know that I am looking into it further and am waiting on some information to come through from the company called Stream and I will get in touch with you on the next business day tomorrow, 31 May to discuss this further. If you've got any questions my name is Lois, spelt L-o-i-s, for claim number [REDACTED] again Mr Byron a courtesy call to let you know that I am looking into this further for you and I will discuss it in greater detail when I call you tomorrow. Thank you.

LCB10096653 4065110v1

Transcript of interview with Raymond John Byron and Lois

Time: 4.55pm

Date: 31 May 2011

Place of interview:

Parties present: Raymond John Byron (RJB)
Lois Attard (L) RACQ

Key: [UI] = unintelligible
[IA] = inaudible
... = interrupted speech, or speech peters out

RJB: Hello Ray speaking

Lois: Ah hello, my name is Lois. I'm from RACQ Insurance, is that Mr Raymond Byron.

RJB: It is, how 'r you going. Look I'm in I'm just driving; I'll find a little spot to pull up

Lois: Yes, sorry I think I did call you around about the same time yesterday as well, and missed your call. I think you answered and then it got um

RJB: I just yeah, that's right. I answered and I was in a bad spot and it just dropped out.

Lois: That's okay and I did know that you've obviously been sending through some emails as well. I just thought it might help to speak with you just over the telephone so I can send an email- if you would prefer but there is a bit to cover and its always a bit easier if we can talk over the phone if that's okay.

RJB: That's fine yep.

Lois: Just let me know when you're free.

RJB: I about right now yep now that'll do.

Lois: Okay, so firstly I'll introduce myself. My name is Lois and I'm another team leader that's within RACQ Insurance in the household claims' department.

RJB: Yep

Lois: So Mario is just not available this week so I just thought I'd have a look anyway for the information that's come through and just have a look at the claim in itself for what's um what's been discussed at the moment and information that's come through from the company that was doing our assessing on our behalf which is Stream Build Assist. So as I understand at this point, there was a payment just recently made to you ah for \$63,670.42

RJB: That's right yep

Lois: I'm not quite sure if you're in a position with pen and paper there um but

RJB: No, I haven't if you could email whatever I need to write if you could email

Lois: Yeah, no that's okay. But what I did have a look at, initially I went back to the company called Stream Build Assist and I asked them for their scopes because I think Mario made reference to the quoting was online so um in today's world with computers and things like, they present a scope of works which is so Stream I'm referring to, present a scope of work of what's required for the job and then they tender that out and as I understand a company called Mainz M A I N Z Developments

then provided their tender online

RJB: Yep

Lois: Back to Stream Build Assist, so there's no written quote as such um, so what happens is because this claim has been given as a cash settlement, Stream's database does not get uploaded as authorising repairs so they don't actually get to keep the amount I've been told because when I look on their database, we're got access to the Stream database and I couldn't find that information myself because why I've needed to call Stream a few times today and just follow that up with them. So, that all said, what I have got is um I understand what's being provided to you in settlement already and that was broken down in that letter. Would you have that letter as yet from RACQ giving you the breakdown of the \$63,000?

RJB: No, all I have ever received was a remittance advice with a total amount and that's it. Date, total amount, remittance number and that's the only thing

Lois: Okay so you don't have that..

RJB: I've ever got from RACQ and I've got a scope of works which was incorrect from Stream, and they are the only two things I've ever got from anyone.

Lois: Okay, alright then, so the letter that um and I can certainly send you a copy of that again because I'm not quite sure why you haven't got that it was dated 10th of May, its still being mailed to 1 Russell Street at Esk is that correct?

RJB: Yes, yes.

Lois: Okay. So what

RJB: Yeah, that one would have yeah the 10th of May would have been the one I got – that was just a it wasn't a breakdown it was just a figure that's it – bang – and that's all I was told on the phone.

Lois: Ohhhh, okay, well when you say figure, it does say building repairs, laundry repairs, fences less excess

RJB: No, no.

Lois: You didn't get that one

RJB: No, just one figure.

Lois: Ummm from RACQ Insurance?

RJB: Yep

Lois: Oh okay so have we got a phone call or a letter do you

RJB: I got a phone call prior to receiving the remittance. I got a phone call from a young lady who said that I can't remember who she said she was; she said she was ringing up to advise me of my payout; have I got a pen and write down these figures and that was it.

Lois: Okay, alright then, so the letter did indicate like what the building repairs were and then laundry repairs and fences. My understanding from the total amount as we discussed earlier are \$63,670.42. My understanding is that you thought that some items were missing from that amount?

RJB: I have no idea what was included. The original scope of works

Lois: Okay

RJB: Was missing the total laundry area, the total front foyer area which is about three metres by two and a half metres or something; a front access door assembly which is a door inside surrounds type thing; what else? A set of bi-folding dining room doors; I'm going off the top of my head now and there was on the scope of works there was a front fence of 20 metres unshared, 20 metres at the back unshared and no mention of and this has gone on right through the whole show. There's no mention of two 80 metre side fences

Lois: Yep, yep

RJB: One is unshared and the other one is half shared.

Lois: Okay, okay

RJB: Pardon me.

- Lois: And that's what, that part of what I've been following up with Stream today on that so what I've got here and I understand I can do it in an email cause you don't have pen and paper with you now, um so what they've confirmed to me is the actual mains development the company their price for building repairs was, these are all going just be figures to you I understand 'cause you're in the car - \$49,944.31
- RJB: Yep
- Lois: Then for the actual...sorry there's a lot of paperwork. I'm just making sure I get this right as I speak to you the actual laundry repairs then were \$3,054.74
- RJB: Yep
- Lois: The actual front entry that you just made reference to was \$3,435.96
- RJB: Yep
- Lois: Um there's fencing now the fencing I know was I think what you just said about there was no mention of the 80 lineal metres for left and right – I've got side fencing for a total of \$5,863.83 and they have indicated to me that 20 lineal metres for the front and rear that you said were non-shared
- RJB: Yes
- Lois: They were actually in part of that scope for \$49,944.31 that first figure; so just putting those four figures together, and I do apologise because the issue here is that Stream have on their initial assessments, not scoped things and not prepared their payment recommendations to us accurately and that sort of really made it a bit um all confusing.
- RJB: I know and look the whole history of whatever has happened between me and anyone to do with this claim is all involved in those emails cause that's all that's ever happened.
- Lois: Okay
- RJB: When Stream sent me that scope of works, I rang her and told her what things were missing and she asked me to sign...everything was go, we want to get things going straight away. She asked me to sign the Stream... agree to the scope of works and she would include the others as a part of a revised scope of works or something.
- Lois: Okay yep.
- RJB: And that was the last I ever heard.
- Lois: Okay alright. And so, um because, from that information and the figures that I've just been able to ascertain from them today and that does include the areas that you noted were missing from that initial assessment, so that was including the laundry and the front entry and some side fences, that figure is actually now \$62,298.84
- RJB: Yep
- Lois: Now I know you're not writing any of this down, but what that actually represents is that takes care of all the items that even you identified as missing in the first instance. Now what their initial advices to us and the payment that's gone out is actually higher - \$63,670.42
- RJB: Yep
- Lois: So, so you actually received more really than what the scope was you know when they did it accurately to allow
- RJB: Yep
- Lois: Of course, given all the you know the mucking around in between you know Stream not preparing their scopes actually and providing that information, I'm not looking to seek any money from you or anything like that, but I just want to assure you that the payment you have received is completion of all of the items to be claimed, the scope of works
- RJB: Okay, well look, I'm beyond all this to be honest; I've had a gut full of the whole things and I don't, I'm not throwing everything at you
- Lois: No, no I understand

RJB: It's just gone on for so long; there's been a lot of things involved, a lot of pressure, there's a lot of you know

Lois: I can't even imagine yeah what the last few months have been like for you. I

RJB: Go on

Lois: I did also want to highlight

RJB: The reason, the reason I the email I got back from Mario was just the end of it. I'd had a gut full from there on. Now whatever, whatever the value turns out I don't care less. I just, I just my whole complaint is this bloody system. It's just wrong and I mean I look across the road and the people over there, they're under the same problems, ah there are six houses there with RACQ and they are only little one and two bedroom cabins in the caravan park and they're scope and return and quote for their works is \$80,000 \$90,000

Lois: Umm

RJB: And that's concerns me but I just

Lois: I can't

RJB: But I just haven't got time to worry about it

Lois: No, and look I can't honestly make any comment there because I don't know of those particular claims to look into and

RJB: And that's what I asked Mario to look into it.

Lois: Well, it's against our privacy to sort of share any of that information with you.

RJB: And you don't have to share it, you just look at it and you say well okay we've got a three bedroom house here with you know quite a bit of actual concreting got to be dug up and 80 metres of fencing um, you know when you add all that up it's a hell of a bigger volume of work than what these others are and yet they're getting their quotes are higher money – there's something wrong, it just doesn't fit.

Lois: Yeah, I mean, I can't sort of comment on that but

RJB: That's okay.

Lois: What I did want to say, cause I do realise that there were other things that you did mention in the email to Mario particularly in respect to you wanted a copy of your original certificate of insurance which was lost and also you wanted confirmation of like the direct debits that are continuing to come out of your account

RJB: What I wanted to know was, was is the insurance policy still current, still stand for what it stood before even though the house has been under disrepair since January

Lois: So what I wanted to say in response to that is I called the underwriting department because the underwriting department are the people that look after the policy and are responsible for the renewals when they're due and get posted out so incidentally, they're actually your policies in like almost like a renewal status at the moment cause its due on the 16th of July.

RJB: Yes

Lois: So the lady I spoke to there she's already organised a certificate of insurance to show for your first period of cover which is that 16th July 2010 to 16th July 2011 was that first you know from policy inception and also because of the dates, obviously that was heading into June tomorrow and its due for renewal, that will process is happening anyway so you're policy is falling into renewal and so a renewal notice will also be sent out to you and she informed me that the amounts of direct debits are noted on there so I just wanted to let you know that those two separate um documents will be coming out in the mail to you shortly.

RJB: Oh that's good.

Lois: Yep okay so um what I'd like to do um is I'll just send you I mean you clearly don't have the first letter that was sent but what I'd like to do is send a fresh letter based on our discussions today and the figures that I have mentioned to you albeit verbally because you haven't had an opportunity to write that down and um and then just finalise by saying that that settlement there is in full and final settlement of the claim and where possible, I'll try and get some extracts of this online quoting from Stream and have that in the same envelope for you with that settlement letter would that be okay?

RJB: That would be good – that would be good yep

Lois: Excellent. Is there anything else that I can answer for you I mean I haven't been involved in this right from the beginning – I do apologise that it has been you know not the smoothest process, and I guess that does happen from time to time, but I've just spent quite a lot of time on this today really trying to find out the issues with respect to that and there have been a couple of multiple things there with Stream not getting their initial assessment correct and then their report to us with incorrect pricing and that sort of thing so look I can only apologise on behalf of RACQ for that mess up but I'll get a letter to you a settlement letter in the mail based on the figures that we have discussed today, together with that online quoting that you can see for those figures and then separately the underwriting department are sending off a certificate of insurances for you for the first insurance period which is due to end on 16th July and then your renewal as well.

RJB: Alright.

Lois: And just um sorry answering what you said, at this stage, yes your policy is covered for that same coverage which is the building sum insured equal to 255- I think with CPI increases every year I think it goes it, I think that may have been a bit lower last time was it

RJB: .. yeah well.

Lois: 236 yeah 237 last year and now its 255 sum insured with this next renewal just happening and obviously the cover is the same that its covered for every insured event that's listed under that product disclosure statement which is that booklet itemising the terms and conditions.

RJB: Okay and is water runs in the gate like we did before we get the same

Lois: Sorry, I didn't hear that part

RJB: (Laughter) I'm just being sarcastic I said if the water runs in the gate again like it did last time we get to go through the same process?

Lois: Well, I can tell you that flood is not covered by the RACQ Insurance policy so yeah, they do cover flash flood, but flood in itself is not covered by the policy, it is something that is an optional cover um and then you have to talk to the people who within RACQ to ask about that cover and they advise you know acceptable or not given the statistics of what they've got from recent findings, that's right.

RJB: That's right. Yeah, alright

Lois: Okay, well I do appreciate your time, I won't keep you any longer, but I will just reiterate that I will get this letter out to you...um settlement letter just based on today's figures and then the online quote just to support those figures okay?

RJB: Okay thank you I appreciate your help.

Lois: And I appreciate your time today. Thanks so much.

RJB: Right oh thank you bye.

Lois: Bye.

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