

QFCI

Date:

11/11/11 Jm

Exhibit Number:

1024

**STATEMENT OF JANE MARIE PIRES IN RESPONSE TO REQUIREMENT TO  
PROVIDE INFORMATION ISSUED TO SUNCORP INSURANCE DATED  
2 NOVEMBER 2011**

JANE MARIE PIRES, c/- Suncorp, Level 29, 266 George Street, Brisbane, states on oath:

1. I am the Executive Manager, Group Customer Relations, Suncorp and was appointed to this role in 2007.
2. I have authority on behalf of AAMI to respond to the Requirement to Provide Information issued by the Commission of Inquiry dated 2 November 2011 and addressed to the Suncorp Group.
3. This response relates to information received by the Queensland Flood Commission of Inquiry in respect of the following matters.

**Question 1: How many site specific hydrology reports did AAMI commission at the external review stage as a result of claims lodged in relation to the Queensland floods, during the period between December 2010 and January 2011?**

4. A total of 33 site specific hydrology reports were commissioned by AAMI at the external review stage in relation to claims arising from the Queensland flood event (as at the date Jimmy Higgins provided his evidence to the Flood Commission).

**Question 2: Please set out why the site specific hydrology reports were commissioned at the external review stage, and why they were not commissioned at the time of the initial decision or on internal review. If you are unable to explain why, please advise the name of the relevant staff member at the initial decision or internal review stage, who was responsible for the decision/s to determine claims without commissioning a site specific hydrology report.**

5. A site specific hydrology report was commissioned at the external review stage only after AAMI External Dispute Resolution officers reviewed all the available evidence and submissions in an individual Dispute. Information and submissions provided to the Financial Ombudsman Service by the applicant subsequent to the internal review process were required to be evaluated against the evidence and information available at the internal review stage, and the need or otherwise to seek further reports or opinions was then considered.
6. If new information was provided by an applicant, or where upon review of the information by the AAMI External Dispute Resolution officer with the conduct of the Dispute the need was found, a site specific hydrology report was commissioned to ensure that all factors relating to the prior decline decision and the Dispute were fully considered and an objectively correct, evidence-based, and durable decision was made.
7. Factors determining a decision to obtain a site specific hydrology report included:
  - (a) The particular facts, issues, and circumstances of each claim.

- (b) The nature and extent of any inconsistencies in the information provided by applicants during the course of the claim up to and including the Applicants disputes submissions to the Financial Ombudsman Service (FOS).
- (c) The quality of the information available at the time of receipt of the FOS Dispute by the AAMI External Dispute Resolution team.
- (d) Whether or not, in the opinion of the particular AAMI External Dispute Resolution officer, the evidence obtained by all parties squarely supported a decision to decline a claim.
- (e) Whether there were any allegations of involvement of storms, stormwater runoff, storm water drains or pipes, blocked drains or pipes, water which had pooled, or that water from these sources had reached a property and inundated the home prior to the arrival of floodwaters, and if so whether the allegations or information on that issue were such that expert opinion was required to ensure that a claim had not been wrongly denied having regards to the terms and conditions of the policy.

Further, given the magnitude and extent of the flood event, it was not logistically possible to have a hydrologist at every home that may possibly have been affected by water inundation during the course of the event before a determination was made. AAMI took a staged approach in obtaining information on each claim and determined the need or otherwise for further information as each report was received. This approach was discussed with the Financial Ombudsman Service.

**Question 3: In relation to the site specific hydrology reports commissioned by AAMI at the external review stage, how many of those reports were desktop site specific reports, that is, where the hydrologist does not actually conduct an inspection of the customer's property, and does not interview the customer?**

- 8. Of the 33 site specific hydrology reports commissioned at the external review stage, 17 involved the hydrologist meeting with the customer at the insured property to conduct an inspection. The other 16 reports were "desktop" and did not involve a site visit or discussions between the hydrologist and the customer.

**Question 4: Please provide details of the criteria (if any) used by AAMI to decide whether or not instructions should be given to the hydrologist to do a desktop site specific report, rather than one which involved inspecting the customer's property and interviewing the customer?**

- 9. The criteria used by AAMI External Dispute Resolution team to decide whether or not instructions should be given to the hydrologist to do a desktop site specific report include:
  - (a) The particular facts, issues, and circumstances of the claim.
  - (b) The nature and extent of any inconsistencies in the information provided by the applicant during the course of the claim up to and including submissions to the Financial Ombudsman Service.

- (c) The quality of the information available at the time of receipt of the FOS Dispute by the AAMI External Dispute Resolution team.
- (d) Whether or not, in the opinion of the particular AAMI External Dispute Resolution officer, the evidence obtained by all parties squarely supported a decision to decline a claim.
- (e) Whether there were any allegations of involvement of storms, stormwater runoff, storm water drains or pipes, blocked drains or pipes, water which had pooled, or that water from these sources had reached a property and inundated the home prior to the arrival of floodwaters, and if so whether the allegations or information on that issue were such that expert opinion was required to ensure that a claim had not been wrongly denied having regard to the terms and conditions of the policy.
- (f) Based on all of the above, how confident the AAMI External Dispute Resolution officer was that the claim had been properly declined, ie their assessment of how compelling the available evidence was.
- (g) Whether or not the customer or their solicitors would agree to a request that a hydrologist inspect the customer's property and interview the customer.

**Question 5: In the absence of a hydrologist inspecting the property and interviewing the customer, are you aware of the information that the hydrologists commissioned by AAMI used in the preparation of the reports? If so, please provide details of the type of information.**

- 10. Where the AAMI Dispute Resolution team member determined that a hydrology inspection and report was necessary, the team member would request the AAMI Claims department to obtain the report. Within the AAMI Claims department, this process was managed by Peter Unwin.

I have no direct knowledge of the information that the hydrologists used in the preparation of the reports. I understand Peter Unwin has responded to a similar question in relation to hydrology reports obtained at claim/IDR stage, and I believe that information would be the same for hydrology reports requested for the EDR process.

**Question 6: Please provide a representative sample (between five and ten) of AAMI's instructions to a hydrologist commissioned to provide a hydrology report including an example (if any) of:**

- a. **Where the hydrologist was commissioned to do a desktop site specific report; and**
  - b. **where the hydrologist was commissioned to do a report which required investigation beyond desktop analysis.**
- 11. I do not have copies of instructions to hydrologists. I understand Peter Unwin has provided copies of such instructions in relation to hydrology reports obtained at claim/IDR stage, and I believe that these would be the same as for hydrology reports requested for the EDR process

Sworn by the Deponent )

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At Brisbane )

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This 8th day of )

November 2011 )

[Redacted]

Jane Marie Pires

Before me

[Redacted]

[Redacted]

Solicitor

[Handwritten signature]