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RACQ Insurance announces claims re-assessment

2 Aug 2011

RACQ Insurance today announced that it had now approved the claims of 247 customers in the Ipswich region who initially had been declined flash flood and stormwater run-off payouts after January's floods.

The decision to pay the previously declined claims came after the release of new hydrological information by the Brisbane City Council.

RACQ Insurance Chief Executive Officer Bradley Heath said express post letters confirming the overturning of the former rejections of the insurance claims had been sent to the customers, who were also being phoned individually by RACQ Insurance.

"We were very pleased to be able to reassess these claims after we finally received access to this new hydrological information," Mr Heath said.

"RACQ Insurance has said from day one that we would always pay insurance claims where we believed the customer was covered. In these 247 cases, we have been able to re-look at them based on new information and change our original decision. This is good news for these customers."

The new hydrological information has confirmed the real cause of the inundation to these properties was the rain that fell within 24 hours.

RACQ Insurance stressed that not all customers in the Ipswich region would be covered as some areas were flooded by the Brisbane River.

Mr Heath said RACQ Insurance was sorry the customers had been forced to go through the months of heartache and the initial rejection of their house and contents claims.

Mr Heath said RACQ Insurance had been trying to gain access to vital hydrological information from councils in the flood affected areas since early February.

"We are very happy that Brisbane City Council decided to release the information we have used to overturn these decisions and pay these people as per their policy," he said.

Today's announcement means RACQ Insurance has now accepted approximately 93% of the more than 15,700 claims it has received from the four major weather events of last summer. Just on 52% of customers who had their homes inundated from the Queensland floods have been able to be covered under the flash flood and storm water runoff provisions of the RACQ Insurance policy.

"We are confident that now, having completed a full review, we have identified all claims able to be re-assessed due to the new hydrology information and that no other claims require re-assessment," Mr Heath said.

"We regret that this has occurred, but we have acted as soon as possible upon receiving this new information and are pleased to be able to provide more positive news."

RACQ Insurance called for a national approach to the provision of flood information in its submission to the Queensland Floods Commission of Inquiry.

"For RACQ Insurance to consider providing flood cover as standard in the future there must be changes across all levels of government and the insurance industry to allow risk factors to be adequately determined," Mr Heath said.

"It is important that more information is made available about past flood events and the likelihood of future events occurring.

"Access to historical flood data is required, along with river gauge height data, rainfall data and terrain mapping," Mr Heath said.

"We believe that there needs to be better access to flood information to help ensure that the difficulties faced by Queenslanders from the recent natural disasters never happen again."