

---

QUEENSLAND FLOODS COMMISSION OF INQUIRY  
SECOND AFFIDAVIT OF GRAHAM IAN DALE SWORN  
18/09/11

---

Folder 1 of 20

**QFCI**

Date:

27/10/11 jm

Exhibit Number:

892

# QUEENSLAND FLOODS COMMISSION OF INQUIRY

*Commissions of Inquiry Act 1950*

## SECOND AFFIDAVIT

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

### BACKGROUND

1. I am the General Manager, Personal Insurance Claims of RACQ Insurance Limited ("RACQ Insurance").
2. As General Manager, Personal Insurance Claims, I am responsible for managing the end to end claims process for personal insurance claims, to deliver the required business outcomes in relation to the overall cost of claims and the desired customer experience.
3. I am a Senior Associate and Certified Insurance Professional of the Australian and New Zealand Institute of Insurance and Finance.
4. I was appointed General Manager, Personal Insurance Claims in December 2007. I have previously been the Executive Manager, Personal Insurance Claims with RACQ Insurance since February 2004.
5. I have 30 years insurance experience across a wide range of positions, my previous experience before joining RACQ Insurance included having been the National Claims Manager for IAG Insurance NZ Limited.
6. This affidavit is provided on behalf of RACQ Insurance in response to a notice 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 to the Queensland Floods Commission of Inquiry, which addresses the topics and exhibits the documents listed in the Commissioner C E Holmes letter dated 2 September 2011 ("Second Letter of Inquiry"), as clarified by a letter dated 5 September 2011 from the Commission.
7. A copy of the Second Letter of Inquiry is **Exhibit 1** to this affidavit. A copy of the 5 September 2011 letter is **Exhibit 2** to this affidavit.

Signed:

**AFFIDAVIT**

Filed on behalf of RACQ Insurance Limited

Page 1

Taken by:

**COOPER GRACE WARD**  
Level 21, 400 George Street  
Brisbane 4000 Australia

T 61 7 3231 2444  
F 61 7 3221 4356

## RESPONSE TO SECOND LETTER OF INQUIRY

8. 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 Second 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.
9. Also I have, with the assistance of others, assembled information and material to respond to the questions the subject of the Second Letter of Inquiry. 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.
10. This affidavit contains a number of references to data. This information is, to the best of my knowledge, correct. However, given the time to prepare this affidavit, it is possible that I may subsequently discover that this data needs to be updated or corrected and I would be grateful for the opportunity to do so if necessary.
11. For ease of reference I have set out in this affidavit the headings and questions from the Second Letter of Inquiry (as clarified by the later letter) and provided my response to them below.

## FIRST ISSUE

### *Insurance policies*

***The following questions relate to RACQ Insurance's household insurance policies which applied at the time of the Queensland floods (December 2010 and January 2011):***

1. ***Please name the relevant home and/or contents policy or policies.***
12. RACQ Insurance's relevant policy is its "Household Insurance Policy". This policy covers both home and contents, where selected. The Household Insurance Policy also provides cover for legal liability.
2. ***Did more than one version of the policy or policies exist? If so:***
  - 2.1 ***Please identify each different version of the policy or policies by reference to the dates for which they subsisted as the relevant policy.***
  - 2.2 ***How did staff of the RACQ Insurance identify the correct version of a policyholder's policy and ensure that the correct version of the policy was used in all dealings with a policyholder and his or her claim?***
13. The policy terms are set out in Product Disclosure Statements (PDS). Depending on when the policy was renewed the PDS was also to be read with a Supplementary Product Disclosure statement (SPDS). Notwithstanding that the PDS changed (as set out below)

Page 2

Signed:

Taken by

the terms dealing with flash flood and storm cover and excluding flood cover remained the same.

14. The various documents which were current in the period nominated are identified as follows:
  - (a) PDS GHHB2 07/08 initially effective from 16 July 2008 (the "First Policy"), when renewed to be read with the first SPDS referred to below.
  - (b) PDS GHHB2 03/09 effective from 19 March 2009 (the "Second Policy").
  - (c) PDS RHHB2 10/09 effective from 25 October 2009 (the "Third Policy") when renewed to be read with the second SPDS referred to below.
  - (d) PDS RHHB2 01/11 effective from 6 January 2011 (the "Fourth Policy"). This PDS was provided to customers who took out their policy on or after 6 January 2011.
  - (e) SPDS RHHB9 10/09 dated 25 October 2009 (the "First SPDS").
  - (f) SPDS RHHB9 01/11 dated 6 January 2011 (the "Second SPDS"). This SPDS was provided to customers who renewed their policy on or after 6 January 2011.
15. Copies of these documents are exhibited to this Affidavit as **Exhibits 3 to 8**.
16. The documents by which these terms would have come to be operative would depend on when the customer first took out their policy, when the customer renewed or varied their policy, and when their flooding occurred.
17. The SPDS documents are designed to bring older versions of the PDS up to date with the current version of the PDS. For example, the Third Policy, as amended by the Second SPDS, contains effectively the same terms as the Fourth Policy.
18. In the further answers to the questions below I will ignore reference to the SPDS as they effect changes to matters seemingly unrelated to the issues to which the Commission's questions are directed. Accordingly I will refer to the terms of the PDS documents represented by the First, Second, Third and Fourth Policies.
19. I notice that RACQ Insurance's submission to the Commission dated 11 May 2011 states that the Third Policy was effective from September 2009, which is an error. However, renewal notices are sent out ahead of the date for renewal and so the Third Policy would have been distributed to customers in September 2009.
20. The Cogen Policy system is a policy administration system used by RACQ and RACQ Insurance to input and store data relating to customer policies such as customer details and policy details. The data is entered into the system by employees of RACQ and RACQ

Signed:

Taken by:

Insurance. The ClaimCenter system is the principal system used by the claims staff for claims management. The policy version is automatically imported from the Cogen system to the ClaimCenter system when a claim is lodged and stays with the claim. Accordingly, when a claim is lodged for a customer, the operator brings up the customer's policy number, and as mentioned, the ClaimCenter system automatically imports the correct version of the policy for the date of inception of that policy.

21. Any other enquiry regarding a policy which does not relate to a claim would be dealt with by RACQ or RACQ Insurance employees who would have direct access to the Cogen system.

3. ***For each version of the policy or policies:***

3.1 ***What were the terms of cover relevant to damage caused by weather of the kind experienced at the time of the Queensland floods? How were these terms defined?***

3.2 ***(If not covered by 1.3.1 [sic] above) Was flood cover included? How was the term 'flood' defined?***

3.3 ***What exclusions or conditions applied to a claim?***

3.4 ***What were RACQ Insurance's obligations in processing and assessing claims?***

22. In respect of damage caused by weather of the kind experienced at the time of the Queensland Floods:

- (a) The Household Insurance Policy provided cover for **"Flash flood and storm water run-off"** which is defined in the PDS documents to mean "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off".
- (b) Unless optional cover is effected, the Household Insurance Policy excluded damage caused by 'flood' which is defined in the PDS documents as follows:

*"Rising water which enters your home as a result of it running off or overflowing from any origin or cause. This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance."*

- (c) The Household Insurance Policy also provided cover for Storm which is defined in the PDS documents to mean "A violent disturbance of the atmosphere associated with strong winds including a cyclone, lightning, heavy rain, hail or snow, but not continuous bad weather by itself".
- (d) The amount of cover provided by the Household Insurance Policy in cases of Flash flooding and storm water run-off is expressed in the PDS documents to be "up to

50% of your home sum insured or \$25,000 whichever is higher" and "up to 50% of your contents sum insured or \$25,000 whichever is the higher, but not exceeding your contents sum insured".

- (e) The Household Insurance Policy identified that optional cover was available for flood and storm surge but not provided unless selected and at additional cost. In this respect, the PDS documents provide:

***"Optional covers for extra peace of mind"***

***Flood and storm surge***

*This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance".*

23. The general exclusions and conditions that are applicable to any claim under the Household Insurance Policy, whether an inundation claim or otherwise, are set out in the PDS documents as follows:
- (a) The general exclusions appear under a heading "When you are not covered – general exclusions" on pages 59 to 61 of the First Policy, on pages 59 to 61 of the Second Policy, on pages 59 to 61 of the Third Policy and on pages 55 to 57 of the Fourth Policy.
- (b) The general conditions appear under a heading "General conditions" on pages 70 to 73 of the First Policy, on pages 70 to 73 of the Second Policy, on pages 70 to 73 of the Third Policy and on pages 66 to 69 of the Fourth Policy.
- (c) The list of insured events for both home and contents contains a description of what events are covered and which events are not. These are set out on pages 16 to 22 of the First Policy, on pages 16 to 22 of the Second Policy, on pages 16 to 22 of the Third Policy and on pages 13 to 19 of the Fourth Policy. The events are presented in a table divided into two columns, the first column being headed "What is covered" and the second, "What is not covered".
- (d) The Household Insurance Policy specifically states for both home and contents, what RACQ Insurance insures as "home" and what it does not insure as "home" (on pages 23 to 24 of the First Policy, on pages 23 to 24 of the Second Policy, on pages 23 and 24 of the Third Policy and pages 20 and 21 of the Fourth Policy); and what is insured as contents, and what is not (on pages 29 to 30 of the First Policy, on pages 29 to 30 of the Second Policy, pages 29 and 30 of the Third Policy and pages 25 and 26 of the Fourth Policy).
- (e) The Household Insurance Policy has exclusions applicable to the legal liability cover provided by the policy as set out in the First Policy at pages 56 to 58, in the Second



Policy at pages 56 to 58, in the Third Policy at page 56 to 58, and in the Fourth Policy at pages 52 to 54.

24. RACQ Insurance's obligations for settling claims for damage to the home under the Household Insurance Policy are set out on pages 25 to 26 of the First Policy, pages 25 to 26 of the Second Policy, pages 25 to 26 of the Third Policy and pages 22 and 23 of the Fourth Policy, and for contents, on page 31 of the First Policy, page 31 of the Second Policy, page 31 of the Third Policy and page 27 of the Fourth Policy.
  25. In summary, these provisions deal with the basis of settlement including RACQ Insurance's option to rebuild or, repair a home or repair or replace contents, or, in either case, to pay the customer up to the sum insured.
  26. Other general information and requirements in respect of claims processing and assessing (for both RACQ Insurance and its customers) appear on pages 66 to 68 of the First Policy, pages 66 to 68 of the Second Policy, pages 66 to 68 of the Third Policy and pages 61 to 64 of the Fourth Policy.
  27. Under the terms of the Household Insurance Policy, RACQ Insurance also agrees to adhere to and support the General Insurance Code of Practice (the "Code"). The Code sets out certain provisions relating to the processing and assessment of claims (Section 3 of the Code) and responding to catastrophes and disasters (Section 4 of the Code).
4. ***Please provide a pro forma copy of each of the policies referred to in answer to the questions at paragraphs 1-3 above.***
28. Copies of each of the forms of policy referred to in the above paragraphs are exhibited to this affidavit at **Exhibits 3 to 8**.

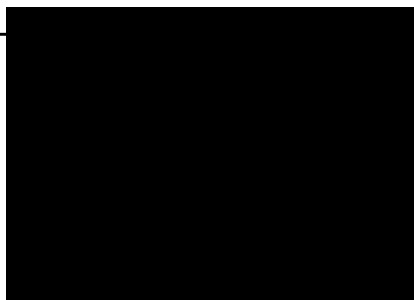
## SECOND ISSUE

### ***Insurance claims***

***The following questions relate to household insurance claims made as a result of the events comprising the Queensland floods (in December 2010 and January 2011):***

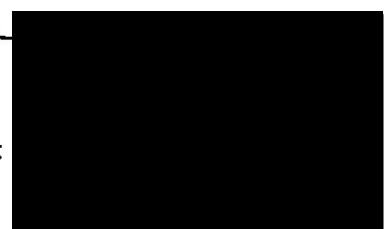
5. ***Did RACQ Insurance establish any special processes or procedures in order to manage claims handling?***
29. The Queensland Floods of December 2010 and January 2011 consisted of two major events. The first was the floods caused in parts of Queensland in December 2010 as a result of Cyclone Tasha which crossed the Queensland coast on 25 December 2010 ("December Events"). The second was the flooding in Central and Southern Queensland that occurred in January 2011 ("January Events").

Signed:



Page 6

Taken by:



30. As at 31 August 2011, these two events have given rise to 6,235 claims on RACQ Insurance. Combined with the claims arising from the Brisbane hailstorms of mid-December 2010 and Cyclone Yasi in February 2011, RACQ Insurance has received 15,816 claims as at 31 August 2011. Claims from each of these events are still being received.
31. As to the Queensland Floods, as at 31 August 2011, RACQ Insurance had received the following claims:

December Events - QLD Ex tropical cyclone Tasha

Claim type	Received
Household	1,253
Motor/Boat/Caravan/Trailer	195
Total	1,448

January Events – Central and Southern QLD heavy rain and flood

Claim type	Received
Household	4,014
Motor/Boat/Caravan/Trailer	773
Total	4,787

32. As at 31 August 2011, 88% of claims arising from the Queensland Floods have been finalised.
33. I have managed much of RACQ Insurance's response to the claims arising from the Queensland Floods. The number and complexity of these claims is unparalleled in my experience.
34. RACQ Insurance established the following special processes to manage the claims arising from the Queensland Floods in addition to its "business as usual" claims processes. These special processes were intended to operate so that RACQ Insurance could respond to the claims in a fast, professional, practical and compassionate manner; which, as detailed below, overall I believe RACQ Insurance achieved.

Assembling a Dedicated Response Team

35. By 4 January 2011, RACQ Insurance had established an internal team of experienced staff that was specifically dedicated to managing claims arising from Cyclone Tasha. This team is known within RACQ Insurance as the "Household Claims Temporary Event Management

Signed:



Page 7

Taken by:





Structure” but for simplicity I refer to it in this affidavit as the “dedicated response team”. The dedicated response team was based on what I believed to be necessary as at early January 2011. I supervised the operation of the dedicated response team which originally consisted of:

- (a) the Household Claims Manager, who had responsibility for the day to day supervision and control of the claims staff on the team and who reported directly to me;
  - (b) approximately 10 members made up from the business as usual household claims team and secondments from other areas of RACQ Insurance.
36. The dedicated response team was initially set up in one of the training rooms at RACQ Insurance to use as an operations centre.
37. At the beginning of January 2011 it was unclear how many claims RACQ Insurance would receive. As is often the case with catastrophic events, there are delays in customers contacting RACQ Insurance. This can come about because telephone lines are down or the fact that customers usually have more immediate issues to deal with before contacting their insurer.
38. As a result the claims response was very fluid. The size and function of the dedicated response team changed significantly as events worsened with the onset of the January Events and then Cyclone Yasi.
39. As the scale of the flooding increased along with the number of claims, I was constantly reassessing the size and makeup of the dedicated response team.
40. On 14 January 2011, following previous agreement with RACQ Insurance’s General Manager of Sales and Product, the Underwriting Team moved out of their offices at Eight Mile Plains to Murarrie. This was aimed at freeing up space to allow the dedicated response team to expand and occupy one place in close proximity to my office at Eight Mile Plains. IT and telephony arrangements to facilitate the operation of the dedicated response team were established over the course of that weekend.
41. On 14 January 2011, I also formally confirmed with Adam Wright, the Executive Manager of Household Claims and Loss Adjusting, that I wanted him to take over the role of Event Manager and to head up the day to day operations of the dedicated response team for household claims. I made this decision because of the escalation of the flood events and the anticipated claim volumes.
42. Mr Wright and I had been working together to determine the revised resource requirements for the dedicated response team since around 8 January 2011. Approximately 15 further

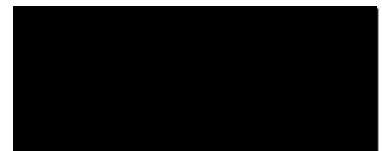
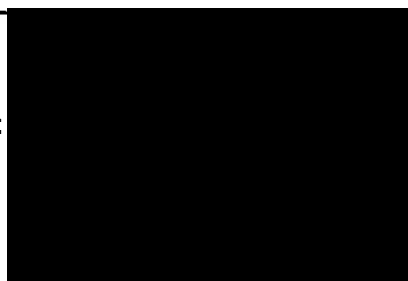
Signed:

Taken by:

personnel both from within the personal insurance claims departments and from other departments within RACQ Insurance had been seconded to the dedicated response team. On 15 January 2011, I produced a first draft of a functional Household Claims Temporary Event Management Structure. This provided a framework to guide the workings of the dedicated response team in respect of the management of the Queensland Floods.

**Exhibit 13** is a copy of the draft functional Household Claims Temporary Event Management Structure organisational chart.

43. The finalised functional Household Claims Temporary Event Management Structure organisational chart for the response to the Queensland Floods was issued on 25 January 2011. The chart specifically noted that the structure was subject to change as the response demanded and that resources were to be kept under constant review to ensure RACQ Insurance was providing an appropriate response to the events. **Exhibit 16** is a copy of the finalised functional and operational Household Claims Temporary Event Management Structure organisational charts. This structure was further reviewed from time to time and particularly following Cyclone Yasi.
44. As the establishment of the team developed, team members were allocated to perform four key functions – technical, case management, support and information management functions:
  - (a) the technical team was dedicated to inundation and sensitive claims. The members of the technical team were chosen for their demonstrated ability to handle difficult situations and their strong customer service skills. The majority of the team had extensive experience whilst the newer members had demonstrated strong skill sets in the business areas that they had worked in;
  - (b) the case management team dealt with the claims that were not being handled by the Technical team;
  - (c) the support team dealt with recruitment, training, coaching, process review, and some aspects of reporting; and
  - (d) the information management team dealt with claims analysis, reconciliation, system changes and reporting to ensure that all customer claims were captured and analysed as required.
45. However, the continuing escalation of events made it necessary for these arrangements to be flexible, and staff were transferred from performing one function to another as circumstances required. From time to time staff were also dedicated to performing specific tasks to manage the workflows (such as telephoning customers when hydrology reports were received) and while they were doing those tasks I instructed that they should not be



disturbed by responding to calls as those tasks needed to take priority. On such occasions Teleclaims staff took messages (call backs) for those staff members who were called.

Increasing staffing levels

46. RACQ Insurance increased its staff levels to deal with the volume of claims it was receiving. This question is addressed further in response to question 6 which deals specifically with staff issues.

Engagement of specialised external consultants

47. It was necessary for RACQ Insurance to appoint specialised external consultants to assist it in processing claims as quickly as reasonably possible in the circumstances. Having discussed the necessity of the appointment of specialised external consultants with the CEO, I arranged for the appointment of external loss adjusters and hydrologists, as set out below. In addition, lawyers were retained to provide advice to RACQ Insurance and in particular in relation to the meaning and operation of the policies.

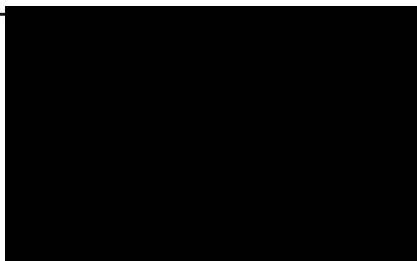
Loss adjusters and hydrologists

48. As at December 2010, RACQ Insurance had existing service agreements with both MYI Freemans Ltd (MYI Freemans) and Stream Group Aust Pty Ltd (Stream) who it used as its contents and building loss adjusters respectively for business as usual claims.
49. At the time Cyclone Tasha struck northern Queensland, Stream was still dealing with a significant number of claims arising out of the Hail Storms which struck South East Queensland including Brisbane in October and December 2010.
50. I have already touched upon some aspects of this in paragraphs 7 to 10 of the first affidavit I provided to the Commission which is sworn 1 September 2011, but in summary the process in respect of the appointment of loss adjusters was as follows. In conjunction with the Manager of Household Claims, I decided that the loss adjustment of claims from South East Queensland arising out of the December Events should be allocated to both Stream and MYI Freemans in accordance with RACQ Insurance's "business as usual" allocations. However, for losses outside South East Queensland, I decided that MYI Freemans should be appointed as the lead loss adjuster. This was because MYI Freemans is an international loss adjusting firm with substantial resources and with offices in each of the large regional towns in Queensland. The Household Claims Manager formally contacted our Account Managers at MYI Freemans and Stream on 29 December 2010 to confirm the loss adjusting arrangements for the December Events. MYI Freemans and Stream commenced work as soon as they were allocated jobs from the claims department. When the January flood events happened MYI Freemans again were instructed to take the loss adjusting

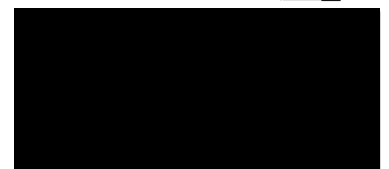
lead, which role entailed, amongst other things, inspecting affected properties and co-ordinating the involvement of Stream if required.

51. On 30 December 2010, the Household Claims Manager and I met with the Account Manager from MYI Freemans to discuss its plan to process the work that RACQ Insurance required it to carry out. I was satisfied following this discussion that MYI Freemans had the required capacity to respond to RACQ Insurance's anticipated requirements.
52. I recognised that the inundation claims arising out of the December Events would give rise to a number of potentially complex hydrology issues. As stated above, RACQ Insurance's Household Insurance Policy excludes damage caused by "Flood" but covers damage caused by "Flash flood and stormwater runoff". In cases where optional flood cover had not been effected, the determination of the cause of damage to insured property i.e. Flood or Flash flood or stormwater run-off, was central to the determination of most inundation claims. I therefore knew that hydrology expertise would be needed to provide advice on these issues. I also recognised that the volume of claims that would require consideration by hydrologists was a significant issue that would have to be dealt with.
53. As a result, much of the meeting with MYI Freemans on 30 December 2010 was dedicated to discussing these hydrology issues, including, amongst other things, who should be engaged and what instructions the hydrologists should be given. It was resolved at the meeting that MYI Freemans would investigate potential hydrology providers who might be able to assist RACQ Insurance as a matter of urgency. In early January 2011 MYI Freemans put forward Water Technology as a hydrology firm that might be able to satisfy RACQ Insurance's requirements. At my instruction, Mr Wright made enquiries as to Water Technology and one other hydrologist's preparedness to act and capacity to act. The other hydrologist did not have the capacity to take on any additional work from RACQ Insurance. On or about 7 January 2011 it was reported to me by Mr Wright that Water Technology had the capacity to accept instructions. I was satisfied that Water Technology met RACQ Insurance's requirements and at a meeting with Adam Wright over the weekend of 8 and 9 January, I resolved to appoint Water Technology as RACQ Insurance's hydrologists.
54. Over that same weekend i.e. 8 and 9 January 2011, Mr Wright and I worked to further develop the appropriate hydrology strategy for dealing with inundation claims from the December Events and the then known January Events. Our strategy was developed as follows. In late December 2010 I had commenced to question how RACQ Insurance would go about assessment of the hydrological data. Even at that point, I was starting to question whether reporting separately in relation to each affected property would be feasible in respect of every property that had suffered inundation. As the flooding continued in January 2011, it became clear to me that reporting separately in relation to each affected property would not be reasonably practicable.

Signed:



Taken by:



55. On 10 January 2011 Toowoomba experienced a severe weather event that caused extensive inundation in the town centre and its surrounds. The waters that caused the flood in Toowoomba travelled down the range and caused extensive flooding in the Lockyer Valley. Shortly after this, the Bureau of Meteorology published warnings that severe flooding would be experienced in Ipswich on 11 January 2011 and in Brisbane from on or about 13 January 2011. Some predicted that the flood in Brisbane would exceed the level of the 1974 flood.
56. RACQ Insurance insured many thousands of customers in Toowoomba, Lockyer Valley, Ipswich and Brisbane and it was therefore apparent to me that having Water Technology reporting separately in relation to each affected property would not be viable as it would take too much time.
57. I was aware, in part from discussions Mr Wright had had with officers of Water Technology (as he related them to me), of:
- (a) The escalation in the flood events that was occurring during this period which I expected to give rise to thousands of claims;
  - (b) The difficulty in securing the services of appropriately qualified hydrologists given the spike in demand from many other interested parties such as other insurers, government bodies, local authorities, dam operators and the like; and
  - (c) The expectation that many common factual issues would arise and be investigated on a regional basis.
58. Accordingly the overall strategy was determined as follows:
- (a) lodge all claims in all circumstances where any type of inundation to the property had occurred (a reaffirmation of our existing claim process);
  - (b) a loss adjuster should inspect every property for which a claim had been made and prepare a report on the nature and extent of the damage and state whether a hydrology report was required – although I note that, in relation to Toowoomba and Upper Lockyer Valley, in a lot of instances, causation determinations were able to be made before loss adjuster site inspections (I describe this in further detail in paragraphs 116 and 124 below);
  - (c) Water Technology should: (i) undertake regional investigations in areas where properties were located which loss adjusters had recommended for hydrological investigation in an attempt to identify the cause of inundation; and (ii) also consider and advise upon any considerations affecting particular properties that potentially gave rise to exceptions to the regional findings;

Signed

Page 12

Taken by:

- (d) further investigations would be carried out on any particular properties identified by Water Technology as falling within a potential exception.
59. I discussed with Mr H [REDACTED] on 18 January 2011 the approach to the hydrological investigation referred to above and he agreed with my proposed approach.
60. This hydrology investigation strategy was continually reviewed and adjusted where required. Subsequently, I approved a process for dealing with those claims that had been identified by Water Technology as requiring further investigation and for new claims that had been referred to Water Technology after it had already prepared its report for a region. The process I approved essentially involved:
- (a) Water Technology undertaking a "desktop review" of properties that were the subject of new claims and properties which, in its original report for a region, Water Technology did not confirm the cause of inundation;
  - (b) Water Technology considering whether it could deal with new claims on the basis of the findings in its original report and considering what further investigations were required in respect of "undecided" properties, including whether a site inspection or interview of the insured was necessary;
  - (c) Water Technology undertaking the further inspection or interview where required.
61. I believe the decision to instruct Water Technology to prepare reports on a regional basis was the correct decision. The perceived benefits at the time the decision was made have been realised. If a similar event occurred in the future, I would make the same decision to have the hydrological investigations carried out on a regional basis.
62. I believe the processes and procedures implemented by RACQ Insurance were appropriate for it to adopt and implement in the circumstances. The processes and procedures had to be implemented and of course errors and delays can arise. I do not suggest that in the implementation of the processes and procedures errors or delays did not occur.
6. ***What changes, if any, were made to staffing levels in order to deal with the volume of claims RACQ Insurance received? Were staffing levels found to be adequate to deal with the volume of claims? What training, if any, was given to staff of RACQ Insurance involved in processing, assessing and deciding claims relating to the Queensland floods?***

Staff levels

63. Prior to the Queensland Floods, the Personal Insurance Claims department consisted of approximately 293 full time equivalent (FTE) staff positions. From mid December 2010 RACQ Insurance commenced an ongoing process of increasing this number in order to

Signed:

[REDACTED]

Page 13

Taken by

[REDACTED]



deal with the large numbers of claims generated firstly by the Brisbane hailstorms and then by the Queensland Floods and Cyclone Yasi.

64. In mid-December 2010, following the Brisbane hailstorms an additional 8 FTE temporary resources were approved.
65. From approximately 23 December 2010 I was aware from emails from the Bureau of Meteorology (BoM) and from news reports that a tropical low was present off the coast of northern Queensland. The reports from the BoM and the media suggested that this tropical low had the potential to develop into a tropical cyclone and if it struck northern Queensland, had the potential to cause significant damage.
66. When I receive information of this kind, my primary concern is, and was in this case, to ensure that the Personal Insurance Claims team is in a state of readiness to deal with the possible event. When an event is developing the first area that is affected is the Teleclaims department. Therefore, the first step I take is to talk to the Executive Manager of Teleclaims to ensure they have optimised their roster to ensure there are adequate staff in place to deal with the call volumes.
67. Accordingly, over 23 and 24 December 2010 I liaised with key managers from Teleclaims to ensure that steps were taken to maximise the Teleclaims staffing numbers and rosters for the period from 24 December 2010 through to 29 December 2010. This was a considerable challenge as staff numbers are low at this time of the year as a result of the December holiday period.
68. By email on 24 December 2010 I confirmed the staffing arrangements to the CEO. I copied the email to [REDACTED] the Executive Manager of Teleclaims and [REDACTED] and [REDACTED] the Manager of Support, Teleclaims and the Manager of Operations, Teleclaims, respectively. **Exhibit 9** is a copy of my email.
69. Christmas day is the only day in the year when the Teleclaims department does not operate. Support for customers is normally provided through RACQ's 24 hour Call Centres as call volumes on Christmas day are traditionally extremely low.
70. On this occasion, however, I put in place arrangements to review the position at 6.00am on Christmas day and, if necessary, to call in 9 Teleclaims staff who had been put on standby to start at 7.00am on 25 December 2010.
71. As it transpired, call volumes were low on Christmas day. The position was monitored throughout the day and I decided that it was not necessary to call in the staff who had been put on standby.

Signed:

[REDACTED]

Taken by:

[REDACTED]

72. Between 24 December 2010 and 28 December 2010, I maintained regular contact with the Support Manager - Teleclaims to understand the volume of claims being received and the types of claims that were being made. I used this information to determine staffing requirements and to keep the CEO informed.
73. During this time reports of flooding in northern and central Queensland were beginning to emerge, particularly in the areas of Alpha, Bundaberg, Emerald, Rockhampton and the Fitzroy River catchment. There were also reports of flooding in parts of the Condamine region.
74. It was obvious to me from the internal reports I was receiving and from news reports that by 29 December 2010 a catastrophe was unfolding. I cancelled my annual leave which was scheduled to start on 29 December 2010 and met with key members of my management team throughout the day on 29 December 2010. I also scheduled a series of meetings with them over the next few days to develop a response in accordance with RACQ Insurance's Personal Insurance Claims Catastrophe Plan.
75. On 29 December 2010, I also met with the CEO and gave him a verbal progress report. My report covered matters such as claim volumes, staff levels and the loss adjusting and assessing responses I was developing in conjunction with my management team.
76. Staffing levels for both the dedicated response team and the "business as usual" team were reviewed and adjusted as claim numbers continued to rise.
77. On 5 January 2011 the CEO approved my recommendation for the immediate recruitment of further additional staff to support the management of claims arising from Cyclone Tasha. A further 22 FTE staff were approved in total. The Teleclaims department was already in the process of forward recruiting for 8 FTE staff which had been previously approved and training for these staff was scheduled to commence on 17 January 2011. In addition to this, a further forward recruitment of 10 FTE staff was approved for the Teleclaims department. This brought the total forward recruitment in the Teleclaims department to 18. An additional 12 staff were approved for the claims departments, which brought the number of approvals for these departments to 20. These resources were in addition to temporary secondments from other departments within RACQ Insurance which were already in place.
78. On 19 January 2011, two staff from RACQ's People Department (RACQ's human resources division) were seconded to the dedicated response team on a temporary full time basis to support HR management including recruitment and staff welfare and wellbeing.

Signed:

Taken by:

79. As at 19 March 2011, 42 staff within the dedicated response team were supporting the management of claims arising from the Queensland Floods. This was made up of 23 internal secondments and 19 temporary staff. Three of these staff were engaged in dealing with dispute resolution in relation to flood claims.
80. Temporary staff were also appointed to the "business as usual teams" to replace staff internally seconded to the dedicated response team. In some instances, pre-approved staff leave was cancelled.
81. Managed overtime was implemented for both the dedicated response team and the business as usual teams to ensure adequate levels of staffing.
82. The total approved temporary resources, excluding the Teleclaims forward recruitment program, was 77 as at the 9 May 2011. This included resource approvals to backfill the positions of staff who were seconded to the dedicated event response team. As at the 2 June 2011, the approved resourcing level for the dedicated event response team, handling claims from the Queensland Floods and Cyclone Yasi was 70 FTE excluding myself.
83. Ultimately the levels of staff identified above were adequate to deal with the volumes of claims. The reality is that it took us some time to ramp up our resources and get on top of the unprecedented work demands that these events placed on us. There were peaks in the workflows, such as through March and April when high numbers of hydrology outcomes became known, that provided significant challenges. At these times decisions had to be made to dedicate resources to managing these outcomes and that impacted on our service levels. It was difficult to recruit qualified staff in an environment where other insurers were doing the same. However, RACQ Insurance embarked upon acquiring the staff, training them and setting them at functions necessary to meet the demands at a very early stage, and in my view as early as possible. Merely to throw extra people at the work flow would not have been productive as they needed to be the right people and appropriately trained.

#### Staff training

84. All members of the dedicated response team were trained with the technical skills necessary to manage the claims. The training included:
- (a) guidelines or scripts for the information to be conveyed to the customer;
  - (b) role specific training including on the Household Insurance Policy;
  - (c) role specific training in relation to RACQ Insurance systems;
  - (d) claim specific processes and procedures;
  - (e) guidelines on dealing with confronting situations that may arise;

Signed:

Taken by:

- (f) process flows for different situations; and
  - (g) training on how to deal with distressed, emotional or abusive customers.
85. Newly appointed staff were also required to complete an appropriate level of compliance training including training in corporate induction, workplace behaviour, safety, trade practices, insurance code of practice and code of conduct, ergonomics, emergency procedures and manual handling.
86. Training for both seconded and temporary staff was converted into an intensive format which allowed it to be delivered in 8 days rather than the usual duration of 4 weeks.
87. Training was delivered by technical trainers and performance coaches from within the Technical Training and Development Department. Technical trainers also monitored and assessed trainees through observation and activity completion to ensure competencies were met. Newly appointed staff were given substantial support by performance coaches who worked with them on the "on the floor" when released from training to their allocated roles.
88. Staff from the RACQ 24 hour Call Centre were trained to provide general information and assistance in relation to the flooding situation (for example, in relation to the steps to be taken by the customer to deal with damaged flooring or walls).

#### Staff wellbeing

89. The Queensland Floods placed the Personal Insurance Claims division under significant pressure. The team had to respond to a mounting number of claims and queries from customers.
90. By email on 11 January 2011, I advised the Personal Insurance Claims team of the onsite "Employment Assistance Program" (EAP) that I had caused to be established. **Exhibit 11** is a copy of my email.
91. EAP is a staff welfare initiative, which provides counselling support to RACQ Insurance staff. Whilst it is always available to staff, given the increased pressures that staff were under as a result of the floods I was particularly concerned about their wellbeing. I asked that the EAP counsellors be present on site so that there was immediate access to support if it was needed.
92. Additionally, all team members attended training sessions as part of an employee assistance program during which they were taught how to monitor their own emotional states and physical health. Staff were also provided with targeted information sheets dealing with topics including: "Supporting Others and Provide Recovery from Disaster",

Signed:

Taken by:

"Managing Distressed Customers Affected by Hardship and Disaster", "Self Care and Resilience During Busy Times" and dealing with strong emotional reactions.

93. These and the other human resources measures that RACQ Insurance implemented to assist our staff in coping with the additional pressures resulting from the floods were important not only to ensure the staff were cared for properly but also to assist in the delivery of our services to those affected by the floods and making claims on RACQ Insurance.

**7. How could and did policyholders lodge claims? If claims were lodged by telephone, did policyholders do so by calling a free call number accessible by landline and mobile phone?**

94. Customers can lodge claims by telephone, by attending at a RACQ branch or by post or fax. The vast majority of claims were made over the phone. RACQ and RACQ Insurance's telephone contact details are published widely. Calls made to these numbers for claims lodgement and enquiries are directed (by automated menu) to RACQ Insurance's representatives. Customers can and could make claims or otherwise discuss their claims with a representative of RACQ Insurance by telephone Monday to Friday from 7am to 9pm and on weekends from 8am to 8pm. Outside of those times calls made to the number would be answered by RACQ's 24 hour call centre. If a customer sought to make a claim out of the RACQ Insurance call centre hours the RACQ call centre staff member would complete an online contact form and email it to the Teleclaims department who would endeavour to contact the customer the following day.

95. The telephone numbers are not free call numbers. The number is the cost of a local call when called from a landline (no matter from what part of Australia the call is made). If the customer calls from a mobile phone, the cost of the call is determined by the customer's mobile phone carrier.

**8. Were there any cases in which RACQ Insurance made contact with a policyholder before the policyholder contacted RACQ Insurance (whether to make a claim or otherwise)? If so, for what purpose?**

96. I am not aware of RACQ Insurance making personal contact with any customer before the customer contacted RACQ Insurance to make a claim or to make an enquiry. RACQ Insurance's website contains specific information for customers affected by storms which gives the customer the telephone number for them to ring if they wish to make a claim. This information is provided on the website as a matter of course.
97. As a result of the Queensland Floods, the home page of RACQ Insurance's website was altered to add a heading stating "Important Information for customers affected by the

floods" and underneath that heading a link to a page containing a general notice encouraging its flood affected customers to make a claim and telling them, amongst other things, how to do this. This notice was first published on or about 18 January 2011. I approved the text of the notice on or about 15 January 2011 and a copy of the text I approved is attached at **Exhibit 12**. The text that currently appears on the RACQ Insurance website is slightly different. A copy of the current text is attached as **Exhibit 22**. I do not know whether the current text was in fact the text initially published or whether there has been some subsequent modification, and if so when it was modified. The changes are minor.

98. In addition, the RACQ website at the same time was amended to display a scrolling banner in part directed to people affected by the Queensland Floods which, when clicked on, took the customer to the same information mentioned above.
99. RACQ Insurance, through RACQ's General Manager of External Relations, arranged for a media release to be issued on 16 January 2011 which encouraged customers to contact RACQ Insurance and make a claim. A copy of that media release is attached to this affidavit as **Exhibit 15**.

**9. What information was given to policyholders in their first communication with a representative of RACQ Insurance? In particular, what information was given to policyholders (whether voluntarily or in response to queries from policyholders) about:**

**9.1 The terms of the cover provided by their policy;**

**9.2 Making a claim (both as to how a policyholder could make a claim and whether a policyholder should make a claim); and**

**9.3 What to do with damaged property?**

***If the information given to policyholders varied according to the location of the insured property, please outline the variations. Please provide a copy of any and all instructions or scripts given to telephone operators.***

100. The information which was to be provided to customers in their first communication with a representative of RACQ Insurance was that set out in the scripts exhibited as **Exhibit 10** and **Exhibit 14**, which were provided to RACQ Insurance's staff on 30 December 2010 and 15 January 2011 respectively.
101. It would be possible to check (by reference to recordings of such of the initial conversation as were made by phone and were taped) whether the script was followed or what information was provided. I have not done so for the purposes of this affidavit and to do so would be a very large task indeed. However, all of the telephone conversations were taking place with team leaders and managers around, and I would expect that if there was any significant departure from the script I would be informed, and I was not.



102. The information to be provided by RACQ Insurance to its customers did not vary according to the location of the insured property.
10. *How did a representative of RACQ Insurance giving information to a policyholder about matters of the kind referred to at sub-paragraphs 9.1-9.3 (whether voluntarily or in response to queries from a policyholder) ensure that the information provided to the policyholder was accurate and based on the correct version of his or her policy?*
103. As mentioned above, the Cogen Policy system stores data relating to customer policies such as customer details and policy details. The policy version is automatically imported from the Cogen system to the ClaimCenter system when a claim is lodged and stays with the claim.
104. Thereafter, whenever an enquiry is made, the responding RACQ Insurance employee can access that claim record which will record all relevant information.
105. Any other enquiry regarding a policy which does not relate to a claim would be dealt with by RACQ or RACQ Insurance employees who would have direct access to the Cogen system.
11. *What information was a policyholder required or asked to give RACQ Insurance for the purposes of assessing the policyholder's claim? If the information which a policyholder was asked or required to give varied according to the location of the insured property, please outline the variations.*
106. The key information obtained from the customer included policy information, contact details, a declaration of truth of details to be provided, whether the customer has been convicted of any criminal offence in last 5 years, a description of how loss occurred, whether any renovations were being conducted, whether the customer was aware of where water had come from, the extent of damage and other questions surrounding the customer's ABN and preferred payment methods.
107. In addition, at the site inspection the loss adjuster would obtain additional information to help understand the loss. An example of this is included at Exhibit 41 of my first affidavit to the Commission sworn 2 September 2011.
108. In some instances as part of the hydrological investigation of inundation claims (described in further detail below) Water Technology sought further information from the customer by phone or a specific site visit. It is likely that in most cases the information sought by Water Technology would relate to the property or its surrounds and that would vary according to the location of the property. The type of information requested is illustrated by the checklists exhibited to this affidavit as **Exhibits 20 and 21**.

109. As the claim proceeds and more is known about the specific circumstances of the loss, RACQ Insurance may ask for further information (e.g. receipts, quotes, proof of ownership) to assist in assessing/settling the claim.

**12. Please outline each step, and by whom each step was taken, in the process by which claims were processed, assessed and determined. Please also outline the information relied upon in determining claims. In particular:**

**12.1 Were site assessments/inspections carried out? If so:**

**12.1.1. Were they carried out for every claim or some claims? If the latter, in how many cases were site assessments/inspections carried out?**

**12.1.2. At what stage of the claims handling process were site assessments/inspections carried out?**

**12.1.3. Who conducted the site assessments/inspections? What instructions were they given?**

110. All household claims arising from the Queensland Floods were processed and assessed by the dedicated response team.

111. As stated above, most claims were made over the phone. A small number of customers attended at RACQ Insurance's branch offices or emailed claims. Once received, the claim was lodged and then allocated to a specific Customer Service Officer from within the dedicated response team. Communications with the customer were then made by the Customer Service Officer allocated to the claim or another Customer Service Officer. The records in ClaimCenter are comprehensive which means that any Customer Service Officer should be able to deal with customer queries.

112. The majority of claims arising out of the Queensland Floods did not involve household inundation and accordingly did not require hydrology investigation as part of the assessment process. The types of claims that I am referring to here are traditional storm claims such as leaking roofs, overflowing gutters, wind damage and the like. They were allocated to the case management team within the dedicated response team.

113. Claims which related to household inundation were allocated to the technical team.

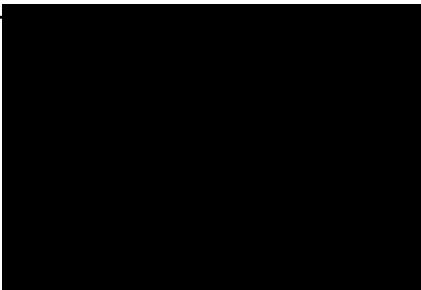
114. The determination of which category a claim was allocated to was made by the Operations Manager, who oversaw the case management team and technical team within the dedicated response team.

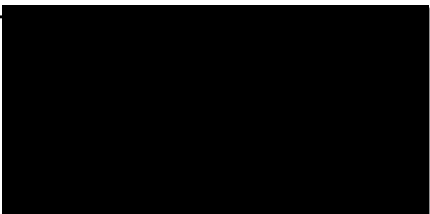
Inundation claims (for technical team management)

115. For inundation claims, after the claim was lodged, a loss adjuster was assigned to the claim to conduct an inspection and provide a report. I believe that every property which was the subject of an inundation claim was inspected by a loss adjuster who carried out a

site assessment. The loss adjuster prepared an individual report for every such claim. It is possible that where claims were not covered under the policy for some reason which did not relate to the nature of the damage (such as where the inundation occurred within 48 hours of inception of the policy or where the policy had lapsed before the event) no loss adjuster site inspection may have taken place. I have not separately checked how many claims, if any, fall within this category.

116. As stated above, Water Technology was engaged to undertake hydrological investigations in those regions where inundation claims had been made. In addition, each property was assessed as part Water Technology's regional review and was listed in a schedule attached to one of its reports or updates for the region in which the property was located. The only regions where this did not occur were Toowoomba and Upper Lockyer Valley, where schedules were not attached to the reports. RACQ Insurance identified the properties covered by this report.
117. Water Technology was instructed to consider, amongst other things, the geographical extent of the flood event, the timing of the flood event and of the damage to properties in that area, the cause of the flood event and any other factors that may have affected the extent and timing of the flood event.
118. The investigations generally were to identify the cause and timing of the flooding which occurred taking into account the claims which had been received at the time. Where possible the cause of the inundation to stated areas was identified. Even in the course of undertaking their analysis on a regional basis Water Technology carried out inspections of properties and some interviews with customers.
119. I understand from Water Technology that:
  - (a) Representatives of that company attended each of the regions before completing the respective regional reports. The purpose of these attendances was to look at general terrain features and to obtain observations from residents about what happened so that they could be compared with gauge records and other hydrological information.
  - (b) In addition representatives made some investigation of a number of individual properties before completing some regional reports. This consisted of (a) an actual inspection of a property itself; (b) driving past the property; or (c) in some cases speaking to or telephoning a resident of the property. The representatives had flood imaging of the regions and looked at samples of properties within the region to gain an understanding of the topography and hydrological features of the areas.

Signed: 

Taken by: 

- (c) There were more inspections in some regions than others. Whether many inspections were needed depended on the relative complexity of what was understood to be the flood mechanism(s) involved.
- (d) These sorts of inspections were undertaken for the following regions:
  - (i) Ipswich;
  - (ii) Brisbane;
  - (iii) Bundaberg;
  - (iv) Rockhampton;
  - (v) Regional Fitzroy;
  - (vi) Alpha;
  - (vii) Gladstone;
  - (viii) Middle Brisbane;
  - (ix) Condamine (other than Dalby).
  - (x) Caboolture;
  - (xi) Moreton Bay;
  - (xii) Lower Lockyer Valley; and
  - (xiii) Upper Brisbane.

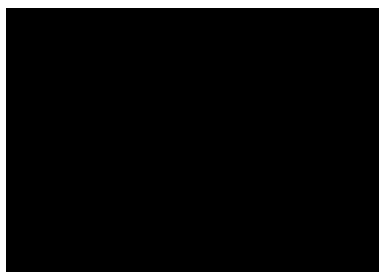
- 120. In instances where the likely cause of inundation for a property could not be determined from a regional review, Water Technology carried out further investigations including as they considered appropriate, a site inspection of that property or speaking to the customer. This arose in a number of cases such as where there were features like a localised detention basin or localised severe runoff and which required further investigation at an individual rather than regional level.
- 121. In addition, RACQ Insurance audited the above process and through this process identified additional claims with an inundation aspect that were added to the schedules of claims for investigation by Water Technology.
- 122. The decision on whether sufficient information existed to enable decisions to be made on causation for some or all of the claims in a particular region and (where sufficient information existed) what was the causation, was made by me based principally on the hydrological information received and after receiving legal advice. Once a decision on

causation was reached based on Water Technology's regional advice, a schedule of claims was passed to the claims processing teams, and was then processed in the manner described below.

123. As further hydrology reports became available and further advice was prepared, approved listings of claims, advising as to the determined cause of inundation, were prepared and passed to the claims teams for action.
124. The stage in the claims handling process when the site assessments and inspections were carried out is generally as set out above. That is, loss adjusters carried out their site assessments and inspections as soon as circumstances permitted after RACQ Insurance instructed them to do so which was immediately following lodgement of a customer's claim. Water Technology undertook their regional investigations (and in the course of doing so inspected many properties) and, if necessary, specific site inspections and direct telephone calls to customers generally after the loss adjuster's report had been prepared. It is likely that aspects of Water Technology's investigations on a regional basis (such as acquiring data and some inspections) occurred at earlier stages. In respect of the Toowoomba and Upper Lockyer Valley regions, I believe that the Water Technology report was prepared and in many instances, the causation determination was made before loss adjuster site inspections and reports had been completed.
125. On the basis of the terms of the policies, the loss adjuster's report, hydrology information (and my decision as to causation of damage as mentioned above), claim lodgement details (or details subsequently provided by the customer in making the claim) and legal advice, members of the claims team made a decision on the claim outcome within their delegated authority. For "flood" (inundation) claims which were declined they also completed an assessment of eligibility for a compassionate payment from a Special Fund, which RACQ Insurance established on compassionate grounds. The Special Fund is described more fully in RACQ Insurance's submission to the Commission dated 11 May 2011. The determination of a customer's entitlement to a compassionate payment from the Special Fund is based on a set of approved criteria. Payments from the Special Fund are separate from hardship payments under the Code of Practice, which are determined as part of the claims process and in advance of the claim determination.
126. For accepted claims, the process involved:
  - (a) advising the customer over the telephone (or advising the loss adjuster so that they could advise the customer) of the acceptance of the claim and the next steps involved;
  - (b) endeavouring to meet any emergency needs; and

- (c) advising service providers so that the repair/settlement process can commence.
127. The procedure once a claim was accepted depended on the size and nature of the claim. A contents claim where the loss plainly exceeded the sum insured was usually cash settled. However, the typical procedure for an accepted claim for household building damage was as follows:
- (a) a building consultant visited the site to assess the damage and prepared the scope of repair work required. This permitted builders to submit desk-top tenders based upon a (uniform) prepared scope of works;
  - (b) RACQ Insurance (or its consultants) then obtained tenders on this scope of work from builders. Customers were also free to obtain their own quotes for the work contemplated by that scope of repairs;
  - (c) the customer and the builder then agreed upon and entered into a contract for the repair work;
  - (d) the repair work is then carried out.
128. RACQ Insurance makes payments against invoices from the builder, suppliers and contractors.
129. In some instances cash settlements of the claims are made.
130. For declined claims, the process involved:
- (a) a review of the claim information by a team leader in the dedicated response team to confirm the decision to decline cover;
  - (b) consideration and pre-approval of eligibility under the terms of the Special Fund;
  - (c) attempted personal contact with the customer to advise them of the decision, any Special Fund payment and rights in relation to dispute resolution. Sometimes in this conversation additional information may have been provided by the customer which was then further considered;
  - (d) during the initial telephone advice and the related letter to the customer, it was made clear to the customer that accepting a compassionate payment did not preclude their right to challenge the claim decision; and
  - (e) providing the customer with a formal letter of advice which included information as to the complaints and dispute process.

Signed:



Taken by:





#### Non-inundation household claims

131. Non-inundation household claims were typically easier to deal with than inundation claims, since they did not require hydrological investigations or reports.
132. After a non-inundation claim was lodged, the customer was contacted to confirm that a loss adjuster had been appointed to assess the claim and would attend the premises to conduct an inspection. This was the case in respect of all non-inundation claims save where the claim was for a minor contents only claim for a low value (this covers things such as food spoilage claims).
133. With that limited exception, the loss adjuster conducted an inspection and provided a report. The loss adjuster had a delegated authority to accept claims on behalf of RACQ Insurance where the cost of the claim was estimated to be less than \$20,000 and where there were no concerns as to coverage under the policy. This expedited the claims acceptance and repair/settlement process.
134. If the claim was estimated to exceed \$20,000 or where there were concerns as to coverage under the terms of the policy, the loss adjuster provided a report to RACQ Insurance with recommendations about policy coverage, claim acceptance and settlement. Based on the loss adjuster's report, members of the dedicated response team made a determination, within delegated authority, as to whether the claim was accepted or declined and notified the customer over the phone or notified the loss adjuster so that the loss adjuster could advance the claim. My expectation is that the loss adjuster would then get in touch with the customer to do so.
135. The information relied upon to make a decision on a non-inundation claim is the information provided by the customer at the time of lodgement and during the processing of the claim, the terms of the policy and a loss adjusters or other expert reports if these were required in the circumstances (for example, an engineer's report).
136. If the claim was accepted RACQ Insurance arranged for repairers to be appointed, goods to be replaced, or for a cash settlement to be made.

#### Settlement of contents claims

137. In relation to contents claims arising from the Queensland Floods (both inundation and non-inundation claims), RACQ Insurance generally adopted a policy of paying cash settlements for accepted contents claims to make the process quicker and easier for customers.

Instructions

138. Loss adjusters were instructed in writing to arrange an assessment and report. They were provided with a "loss adjustment verification sheet" containing site specific information. A sample of these documents is Exhibit 36 to my First Affidavit sworn 1 September 2011.
139. Water Technology were also instructed in writing as I discuss further below in response to question 12.3.

**12.2 Were any claims declined without site assessments/inspections having been carried out? If so:**

**12.2.1. In how many cases?**

**12.2.2. To which areas did the claims relate?**

**12.2.3. Why were site assessments/inspections not carried out in those cases?**

**12.2.4. What information was relied upon to determine whether those claims would be accepted or declined?**

140. No claim was declined without a site inspection or assessment having been carried out, save for those minor possible exceptions to which I have referred to above (e.g. claims declined for reasons unrelated to damage).

**12.3 Please outline all hydrology information obtained and used/relied upon in determining claims and explain:**

**12.3.1 Who provided the hydrology information? If the RACQ Insurance engaged hydrology experts, what did RACQ Insurance brief the hydrology experts to do? What instructions, written or oral, were provided to the hydrology experts? Please provide copies of any written instructions.**

**12.3.2 How did RACQ Insurance ensure that the hydrology information addressed the relevant terms of the applicable policies? In particular, how did hydrology reports relied upon define the terms 'flood' and 'flash flood'?**

**12.3.3. When the hydrology information was received.**

**12.3.4. When investigations upon which the information was based were conducted.**

**12.3.5. Whether the hydrology information related to general areas or regions or specific sites or both. If the first, please identify the areas or regions and provide copies of the reports. If the second and third:**

**12.3.5.1 At what stage of the claims handling process was hydrology information for specific sites requested and obtained?**

**12.3.5.2 What determined whether hydrology information for a specific site was requested?**

**12.3.6. If the nature of the hydrology information varied according to the location of insured property, please set out the variations.**

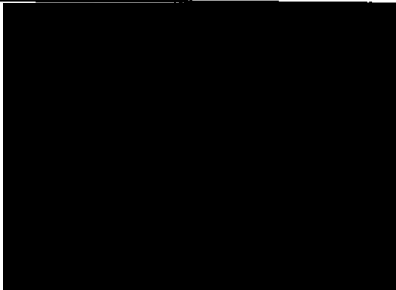
141. In every case, the hydrology information obtained, used and relied upon in determining inundation claims consisted of a report from Water Technology. Copies of all of Water Technology's reports and updates are at **Exhibits 41 to 129**. The schedules to these documents contain the names and addresses of customers which I would ask that the Commission not disclose to protect the privacy of the customers. A decision on causation in terms of inundation has been made on all claims and there are only two claims where further investigation is required to enable a final claims decision to be made.
142. The hydrology information was provided by Water Technology which is an independent expert in this field.
143. Water Technology was originally retained by RACQ Insurance and then formally briefed by RACQ Insurance's solicitors, Cooper Grace Ward ("CGW"). CGW provided written instructions to Water Technology.
144. Copies of CGW's written instructions to Water Technology are attached at **Exhibit 40**.
145. RACQ Insurance ensured that the hydrology information addressed the relevant terms of the household insurance policy by instructing CGW to include in their written instructions to Water Technology the definitions of "Flood" and "Flash flood and stormwater run-off" from the policy and to instruct Water Technology to prepare reports which addressed, amongst other things, the issue of causation of inundation in light of these definitions (which are not necessarily the same as the definitions adopted by other insurers). Water Technology was not instructed to offer a view as to the meaning of the policy wording but rather to consider and report on the physical causes of the inundation damage which arose, and its timing.
146. The dates upon which Water Technology's various reports and updates were received appear in **Exhibit 23**.
147. I do not know the exact period of time over which Water Technology's investigations were conducted. I am advised by Water Technology that on 17 January 2011 Water Technology requested all hourly rainfall data from BOM for every gauge in Queensland from December 2010 to the date of the request. I believe that Water Technology were conducting investigations before RACQ Insurance had formally retained them. The most that I can say is that Water Technology's investigations were continuing from the date that they were formally instructed in relation to each region to the date that each regional report was provided.

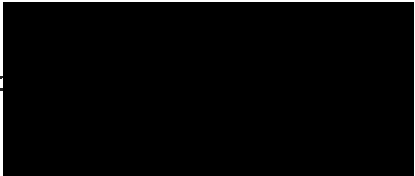
148. The reports each identify a region by name to which the report relates: for example, "Condamine". The particular area covered by each report is more fully identified in each report. Accordingly, the regions covered by Water Technology's reports appear in those reports in **Exhibits 41 to 129**.
149. As mentioned above, in the course of these investigations of hydrological issues on a regional basis, Water Technology inspected many properties. However, after preparation of a regional report, hydrological information for specific sites was requested after Water Technology advised in its report for a particular region that it was unable to determine the likely cause of inundation for a property or group of properties in that region and that further investigations were necessary. A decision was then made as to whether a site inspection or telephone discussion with the customer was required. Within the time available to respond to the Commission, I have not had sufficient time to prepare a list of the addresses of each property individually inspected by Water Technology, or the names of customers who Water Technology personally interviewed, or the dates of when this occurred. However, this information is available and if required by the Commission, could be made available.
150. Whether an issue required some site specific further hydrological examination was generally determined by whether Water Technology suggested that was the case. The kinds of issues which they identified varied. The reports identify some such issues and include things such as whether there was an eccentricity about a site or the immediate vicinity of the site that made it potentially unreliable to rely upon a regional finding, for example because of the topography of the land on which the property was constructed (e.g. if it was located in a basin or at the foot of a steep slope), if there were drainage issues in that locality as a result of insufficient infrastructure such as kerbing and stormwater drains or if the available rainfall and river height data made it impossible to determine the likely mechanism of inundation for that property. On occasions RACQ Insurance identified to Water Technology that an individual inspection should be undertaken. One example of this that I recall involved a site where RACQ Insurance was aware (from the customer) that the site had been inundated on a previous occasion.
151. The general nature of the hydrology information did not vary according to the location of insured property. However, clearly the detail of the hydrological information and the conclusions drawn from it varied according to the location of the properties under consideration. The detail of the hydrological information is set out in the reports which comprise **Exhibits 41 to 129** to this affidavit.

Signe

Taken by:

13. *If any of the processes and information relied upon outlined in answer to questions in paragraph 12 above varied according to the location of the insured property, please set out the variations.*
152. The processes and the general nature of the information relied upon as referred to in my answers to the questions in paragraph 12 did not vary according to location of the insured property. Some regions were easier to determine than others. The extent of Water Technology's original investigations was therefore dependent on the complexity of the hydrology in each region but the process was the same for each.
153. Further, as mentioned above, clearly the detail of the hydrological data and conclusions to be drawn from it varied from place to place. This depended upon topography, rain fall, the gauge and other raw data available and many other things. The details are set out in the reports which comprise **Exhibits 41 to 129** to this affidavit.
14. *Was any advice other than hydrology reports and reports of loss adjustors/assessors obtained and relied upon in determining claims? If so, please identify the nature of the advice.*
154. RACQ Insurance also relied upon legal advice in determining claims. On some occasions, other specialist advice was obtained, for example, an engineer's report.
15. *Were policyholders advised of all information RACQ Insurance relied upon in determining their claims? If so, was this advice given voluntarily or only if requested? If any piece of information was not provided or withheld for any period of time:*
- 15.1 What was the nature of the information?**
- 15.2 Why was it not provided?**
155. When a decision was made to accept a claim the customer was told of that decision. The customer was told of the reasons for that decision, for example in the case of inundation claims that the cause of inundation had been determined as "Flash flood and stormwater run-off" within the terms of the policy and where applicable the PDS limit. As the claim was settled (with each instalment of payment and upon final settlement) a letter was sent to the customer a sample of which is part of **Exhibit 18** referred to further below.
156. As to the information relied upon:
- (a) In respect of inundation claims, the information relied on was the terms of the Policy, the information provided by the customer when lodging the claim or at any time during the claims process, the loss adjuster's report, the terms of the Water Technology report(s) which dealt with the area in which the customer's property was

Signed: 

Taken by 

located and any specialist reports such as engineers reports when these were required.

- (b) In respect of non-inundation claims the information relied on was the terms of the Policy, the loss adjuster's report, the information provided by the customer when lodging the claim or at any time during the claims process and any specialist reports such as engineers reports when these were required.

157. Other than as provided when advising them of the decision to accept it was not felt necessary to provide to the customer details of that information. If a customer had asked for a copy of that information, it would have been provided, other than hydrology reports (at least initially) and other than legal advice, for the reasons discussed below.

158. When a decision was made to decline a claim the customer was told of that decision. The customer was told of the reasons for that decision.

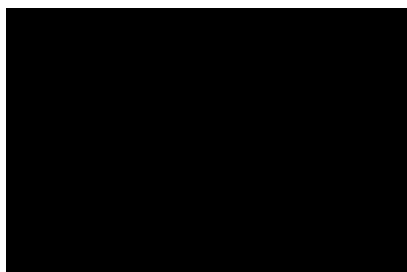
- (a) In respect of inundation claims:

- (i) the reasons were (most typically) that the Policy did not cover the insured for Flood and that the cause or a real cause of the damage to the insured property was Flood;
- (ii) those reasons were provided voluntarily;
- (iii) the information relied on was the terms of the Policy, information provided by the customer when lodging their claim or at any time during the claims process, the loss adjuster's report, specialist reports where these were required and the terms of the Water Technology report(s) which dealt with the area in which the insured's property was located;
- (iv) this information was not provided unless asked for. If it was asked for, it was provided except for legal advice and Water Technology's reports (initially, for the reasons discussed below). Where hydrological information was requested, as discussed below, RACQ Insurance offered the customer an information sheet which summarised hydrological findings relevant to the customer's claim.

- (b) In respect of non-inundation claims:

- (i) the reasons would vary depending on the circumstances, but the customer would be told those reasons;
- (ii) they would be told voluntarily;

Signed:



Taken by:





- (iii) the information relied on would depend on the circumstances but would generally include the terms of the Policy, what the customer told us when lodging the claim or at any time during the claims process, and the loss adjuster's or any other specialists' reports.
- (iv) depending on the circumstances, this information may be provided voluntarily, but would in any event be provided if requested by the customer.

16. ***Were policyholders given copies of all documents relied upon in determining their claims? If any document was not provided, or withheld for any period of time:***

**16.1 *What was the nature of the document?***

**16.2 *Why was it not provided?***

159. I have in substance answered this question above.
160. If a customer requested a copy of a hydrology report, then until relatively recently this was not provided. But where the hydrology report was not provided, the customer was offered a plain English information sheet which summarised hydrological findings relevant to the customer's claim. Copies of the information sheets that were prepared are exhibited to this affidavit as **Exhibit 26**.
161. Whilst the reports were prepared on a regional basis they (with the exception of Toowoomba and Upper Lockyer Valley) contained schedules containing personal information about other customers. RACQ Insurance was concerned to preserve the privacy of customers as it is required to do by the privacy laws.
162. I also understood that the Code permitted RACQ Insurance to not disclose any information which would infringe a person's privacy or where information was protected from disclosure by law. I understood this included documents subject to legal professional privilege and that the Water Technology reports were privileged.
163. In any event, as stated above, any customer who requested a copy of a hydrology report was offered a detailed plain English information sheet which summarised Water Technology's findings. Additionally, any customer who made a complaint to the Financial Ombudsman Service regarding a decision made by RACQ Insurance, was provided with a detailed personalised Water Technology report as it related to their property. Typical examples of such personalised reports are attached at **Exhibits 37 to 39**. Again, to protect the privacy of the customers involved I would be grateful if the Commission would redact the names and addresses of the customers.
164. From around late July/early August 2011, given the position taken by the Financial Ombudsman Service, who informed RACQ Insurance that it would make adverse

inferences against RACQ Insurance when determining complaints made to FOS if RACQ Insurance did not release copies of the reports, RACQ Insurance has now disclosed all of the hydrology reports to FOS. The reports have also been provided to legal representatives such as Legal Aid Queensland and Caxton Legal Centre and non-legally represented customers who have made a complaint. **Exhibits 27 to 30** are copies of correspondence with FOS regarding the provision of the regional hydrology reports including where FOS indicated that they required disclosure of the hydrology reports. RACQ Insurance has also decided to release copies of the hydrology reports to any customer who requests a copy.

165. Requests for copies of RACQ Insurance's legal advice were also refused on the grounds of legal professional privilege, and copies of those advices have not been provided to any customer as they are privileged.

**17. *Were any difficulties encountered in processing, assessing and deciding claims? In particular, did any factors cause delays in this process?***

166. The following difficulties were encountered in processing, assessing and deciding claims. These difficulties caused delays in completing these processes.

Volume of claims

167. When combined with the claims arising from the Brisbane hailstorms of mid December 2010 and those from Cyclone Yasi which crossed the Queensland coast on 2 February 2011, RACQ Insurance has to date received 15,816 claims. This was in addition to its "business as usual" claims. The sheer volume of claims placed extreme demands on RACQ Insurance's internal and external resources. The need to engage and train staff and implement new processes to deal with the claims is dealt with above.

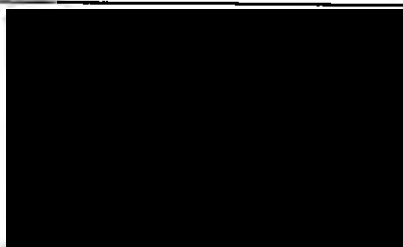
Complexity of events

168. The events causing flooding in the various regions during the Queensland Floods were factually complicated. Properties in some regions were inundated by more than one flood event. The extent and timing of each flood event was the result of different factors. In other regions, especially those in Brisbane and parts of Ipswich, the flooding was affected by the release of flood waters from the Wivenhoe Dam. The complexity is apparent from the hydrology reports which are exhibited as **Exhibits 41 to 129** of this affidavit.

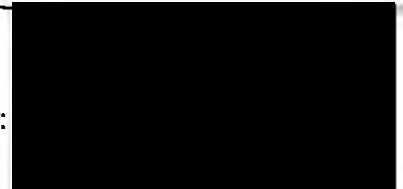
169. Detailed analysis was required in order to reach conclusions in accordance with the Household Insurance Policy.

170. This process took time. And the process was in some instances further complicated and delayed by the unavailability (or delayed availability) of information and data necessary for Water Technology to complete its investigations.

Signed:



Taken by:



Lack of access

171. As a result of the damage caused to key infrastructure in the flood affected regions, access to some regions was restricted. RACQ Insurance's loss adjusters were therefore unable to visit as many properties as quickly as they would have liked and Water Technology's ability to commence its investigations and undertake site inspections was impeded. Some areas of Grantham, for example, were necessarily cordoned off by police for some weeks. Difficulties with access were also experienced in relation to Toowoomba, the Lockyer Valley, Emerald and Rockhampton.

Lack of information

172. Water Technology's ability to progress the investigations was also contingent upon its representatives being able to gain quick access to information and data relevant to the flood events. This information included, amongst other things, I understand, flood inundation maps, terrain information and rainfall and river gauge data. In the usual course, this information is made available free of charge and with short lead-time from local and state authorities such as DERM and BoM.
173. Of course DERM and BoM had considerable burdens to deal with as a result of the Queensland Floods. However, I understand from correspondence referred to in RACQ Insurance's submission to the Commission, for some flood affected regions, this information and data was sometimes slow to be provided to Water Technology by the relevant local and state authorities. In some cases, despite requests, the information and data was not made available in full or even in part to Water Technology in a timely fashion.
174. I was aware that Water Technology had a proprietary version of a computer program known as MIKE 11. I understand from Water Technology that the program requires the input of data as to, amongst other things, the characteristics of the rivers and the outputs of the program to be calibrated against data over extended periods so as to ensure the program accurately models the performance of rivers in various circumstances.
175. I understand from Water Technology that it had been able to input some limited data concerning the Brisbane and Bremer Rivers into the program and that they required more complete data for the Brisbane and Bremer Rivers to enable them to accurately estimate the effect that the flood waters in the Brisbane River had on the flooding in Ipswich.
176. I was aware that Water Technology had requested this model from SEQ Water on 21 February 2011 and that on 23 February 2011 CGW had also requested access to the model from SEQ Water, Brisbane City Council and Ipswich City Council explaining that it was required to assist RACQ Insurance in assessing claims.

177. By email on 28 February 2011 Ipswich City Council informed CGW that the request for access to the MIKE 11 model had to be made under the Right to Information Act 2009. On 3 March 2011, SEQ Water advised CGW they were not prepared to make the model available to RACQ Insurance or Water Technology. On 10 March 2011 the BCC wrote to CGW stating that the request for access to the model had been passed onto the "appropriate area" as a priority. CGW chased up a response from BCC on 4 April 2011 as they had still not received a substantive reply. On 13 April 2011, CGW received a letter from Ipswich City Council stating that their request for access to data required by Water Technology to input into the MIKE 11 model was refused on the basis the information did not exist.
178. Up until it was received (see details below), it was not known whether the MIKE 11 model (with better data) would be made available to Water Technology. In order to make progress in dealing with the claims Water Technology carried out its own modelling based on the (limited) information then at its disposal to estimate the effect that the high Brisbane River tailwater had on the flooding that occurred in Ipswich. Water Technology's first report with respect to Ipswich, adopting expressly a cautious approach with respect to the data then available to it, concluded that absent the high Brisbane River tailwater at the junction of the Bremer River, the waters in the Bremer River would largely have been contained within its banks.
179. This led to RACQ Insurance making a decision to decline (as caused by Flood, an excluded cause) many claims in Ipswich on the basis, in summary, that rain that had commenced falling more than 24 hours prior to the inundation was a real cause of the inundation there, in particular the rain that had fallen in the Wivenhoe Dam catchment from 6 January 2011 which had led to large amounts of water being released from it and swelling the Brisbane River.
180. After initially being provided with a proposed User Agreement for the model by BCC on 5 April 2011, BCC provided Water Technology with access to the MIKE 11 model on 17 May 2011. I understand from Water Technology that the MIKE 11 model obtained from the BCC:
- (a) contained data needed for cross sections of the Brisbane and Bremer Rivers;
  - (b) contained data detailing the major infrastructure in the Brisbane and Bremer Rivers that had the capacity to affect water flow such as weirs and bridges;
  - (c) had been calibrated against real life data over an extended study period.
181. I understand from Water Technology that the BCC MIKE 11 model was a vastly more informative and accurate model than the one used by Water Technology initially.

182. Thereafter Water Technology carried out further investigations of the cause of flooding in Ipswich. Its further report dated 14 June 2011 was provided to me with covering legal advice on or about 11 July 2011. In that report Water Technology concluded that the effect of the Brisbane River tailwater at the junction of the Bremer River was not as substantial as it had concluded in its original report.
183. In view of Water Technology's revised conclusions and having obtained legal advice, RACQ Insurance agreed to accept (as caused by flash flood) claims which fell in the new Bremer River inundation zones drawn up by Water Technology. This led to accepting 248 claims in Ipswich on 2 August 2011 which had previously been declined. I believe that had the BCC MIKE 11 model (or the SEQ Water model and data or, if they had it, the Ipswich City Council model and data) been available to Water Technology sooner the claims in Ipswich which were accepted in August would not have been declined in the first place.

Demand on hydrologists and other consultants

184. In addition to its engagement on behalf of RACQ Insurance, Water Technology was engaged by or on behalf of a number of parties, including other insurers that have received claims relating to the Queensland Floods. Given the unique skills possessed by hydrologists and the scale of the Queensland Floods, my understanding from discussions with Water Technology, other people in the insurance industry and members of RACQ Insurance's staff was that it is likely the majority of hydrologists undertaking work in relation to the Queensland Floods were in a similar position to Water Technology, simultaneously undertaking work for more than one client.
185. Given that each of Water Technology's clients would have had different policy terms, requirements and expectations, Water Technology's (and other hydrologists') resources have been under a significant amount of pressure. This pressure on resources was exacerbated by the volume and geographic spread of properties that Water Technology was required to consider.
186. These demands on Water Technology's resources have impacted on the period of time it took Water Technology to complete its investigations for each region and for RACQ Insurance to make decisions on claims.
187. These matters equally apply to other consultants such as those engaged in relation to the process after a claim is accepted (see further comments in the answer to question 34 below).

188. Whilst perhaps not properly described as "difficulties" in the same sense as the matters described above, the following matters are also relevant to the time that it took for RACQ Insurance to make claims decisions.
189. Like all insurers, RACQ Insurance relies on reinsurance arrangements to meet, at least in part, the risks posed by natural catastrophes. Were RACQ Insurance to have accepted flood claims that were not covered by its policy, RACQ Insurance itself would not be covered by reinsurances.
190. RACQ Insurance has prudential obligations imposed by statute. These prudential requirements effectively limit the extent to which capital can be disposed of in an ex gratia (albeit compassionate) manner.
191. RACQ Insurance has an obligation towards all of its customers, and not just those affected by the Queensland Floods.
192. RACQ Insurance has an obligation to its sole shareholder, RACQ, and its 1.2 million members.
193. I do not consider that RACQ Insurance would be acting in a professional manner were it to simply accept claims without proper consideration of whether the claim was covered by the policy.

**18. *How does the volume of claims RACQ Insurance received, and the timeliness with which they have been decided, compare with (a) 'business as usual' and (b) other recent natural disasters?***

194. RACQ Insurance has to 31 August 2011 received 11,836 household claims and 3,980 motor claims from the Brisbane storms of mid December 2010, the Queensland Floods and Cyclone Yasi; a period spanning less than two months. For the Queensland Floods as defined, RACQ Insurance received 5,267 household claims and 968 motor claims.
195. RACQ Insurance's average number of "business as usual" monthly household claims in 2011 (up to 31 August 2011) was approximately 2,350.
196. RACQ Insurance processed 2,375 household claims and 373 motor claims arising from Cyclone Larry in 2006 and 6,518 household claims and 1,461 motor claims from the severe storms centred in the Gap in Brisbane in 2008.
197. The number of household claims received from recent events is greater than four times the average monthly "business as usual" claims in 2011. Moreover, of the claims received, approximately 2,323 were household inundation claims from the Queensland Floods which



given the policy wording and the level of work and complexity involved in investigating those claims, has placed enormous pressure on RACQ Insurance's resources. That question was not especially relevant to assessment of the claims from Cyclone Larry or the storms in the Gap in Brisbane in 2008.

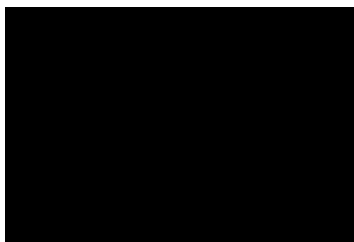
198. RACQ Insurance does not maintain data which would enable a ready comparison between the time taken to decide business as usual claims during any earlier period or claims from earlier events and the time to decide claims arising out of the Queensland Floods. It does maintain data which records the time from the making of claims to their finalisation (which in the case of accepted claims, means after the final payment under the claim).
199. Without the data it is not possible to provide more than my impression as to likely comparison of the average times taken to decide previous business as usual claims and claims from earlier events and the time to decide claims arising out of the Queensland Floods. The time taken to make decisions of some claims (the inundation claims) has been prolonged because of the need to undertake hydrological investigations which would not normally be the case for business as usual claims and was not a significant issue for the claims arising out of Cyclone Larry or the storms in the Gap. The sheer numbers of claims arising out of the Queensland Floods and the other factors dealt with elsewhere in this affidavit, would impact on the time taken to decide claims during that period and it would be longer, on average, than the time taken to decide business as usual claims during any earlier period or claims from earlier catastrophic events. Additionally, "business as usual" claims range from things very small and simple events to large serious claims. The Queensland Floods have, I believe, given rise to claims which generally are more serious and complex thus making the time taken to decide and then finalise them, on average, longer.

19. ***Were policyholders kept informed, or have they been kept informed, of the progress of their claims in accordance with the standards stipulated in the General Insurance Code of Practice? How did or does RACQ Insurance monitor whether those standards are adhered to?***

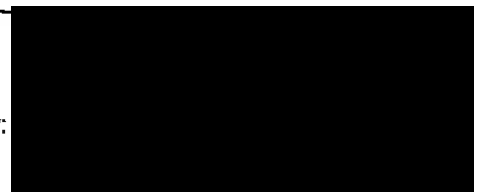
200. The Code lays down certain standards in section 3 that it expressly contemplates, by section 4, may not be complied with in certain circumstances. The Queensland Floods (and indeed the other storm events in December 2010 and Cyclone Yasi in February 2011) were such as to make it not feasible to comply with the section 3 standards.

201. However, as set out above in detail, RACQ Insurance established its own internal processes responding to the catastrophe. These were designed to achieve and achieved a number of things. A dedicated response team was established to deal with claims. Claims were allocated to case managers and customers were given the Teleclaims number to

Signed:



Taken by:



contact their case manager as they required. In that way customers were able to be kept informed of the progress of their claims. The notes in the ClaimCenter system allow any customer service officer to have up to date information regarding claims and generally therefore any customer service officer (not just the case manager) who received a customer query would seek to deal with that straight away.

202. Additionally, the dedicated response team adopted processes in order to deal with the claims quickly as possible. Hydrological reports were undertaken (in the main) on regional bases again in order to streamline the claims process and resolve claims as quickly as possible. Customers were (as set out above) advised when decisions were made and the reasons for those decisions. While the standards set out in section 3 of the Code were not always achieved the processes adopted were directed to as speedy a determination of the bulk of the claims as was possible. In many respects, these standards were achieved, such as:
- (a) section 3.2.1(a) - advising of the detailed information needed to make a decision on a claim;
  - (b) 3.2.1(b) - appointing a loss adjuster as necessary;
  - (c) 3.2.2 - notifying customers of the appointment of a loss adjuster; and
  - (d) 3.4.5 - providing written reasons for declining a claim along with information about complaints handling procedures and, on request, information relied on the decline the claim.
203. The dedicated response team was set up in one location and with a structure of managers and team leaders. This was to ensure that leaders were located close by to enable claims to be managed as efficiently as possible.
204. The managers and I were on hand to deal with any queries from staff but also to monitor their progress of the claims. There were morning meetings held on Monday, Wednesday and Friday with all operational managers to monitor progress. RACQ Insurance also has general quality assurance processes which are ongoing as part of its usual procedures.
205. I recognise, however, that in dealing with the Queensland Floods, we were not always able to provide the level of access to our staff or communication with customers which I would ideally wish for and which is provided in our "business as usual" handling of claims. As a company I know that RACQ Insurance attempted to put in place the staff and systems necessary to do so, and in doing so I took the steps I believe were appropriate. As I have said, these events were unparalleled in my experience.

20. ***Was the position adopted by a reinsurer communicated to policyholders at any stage? If so, why?***
206. The reinsurance arrangements which RACQ Insurance had in place obliged reinsurers to indemnify it with respect to settlements made by RACQ Insurance within the terms of the PDS (above certain levels and within the limits of the reinsurance cover).
207. That "position" was not communicated to customers. However, there were media statements by RACQ Insurance which stated (to the effect) that RACQ Insurance had in place reinsurance arrangements and acted in accordance with those arrangements.
208. RACQ Insurance did not consult its reinsurers in relation to its claims decisions save on one occasion.
209. When RACQ Insurance reassessed claims in Ipswich and decided to accept a further 248 claims, it (through its broker) advised reinsurers of its decision and asked them if they had any comments on that reassessment. Ultimately they raised no concerns about RACQ Insurance's decision. That position was not notified to customers.
21. ***By what means did or do representatives of RACQ Insurance contact policyholders (for example, by mail, email, landline, mobile phone)? By what means were policyholders whose claims have been determined, informed of the outcome of their claims? Were all policyholders whose claims have been determined, informed of the outcome of their claims in writing?***
210. Representatives of RACQ Insurance usually contact customers by the telephone number provided by the customer when placing, renewing or varying their cover whether that be a landline or a mobile number. The contact phone numbers on record are imported from Cogen into ClaimCenter when the claim is lodged. The Teleclaims Officer then checks the contact details with the customer as part of the lodgement process including confirming the preferred contact number. If more than one contact number is provided by a customer, RACQ Insurance claims staff will initially attempt to contact the customer on the number nominated by the customer as their preferred contact number.
211. The next most frequent form of communication with an insured is by mail. Other methods of communication include email and fax at the preference of the customer.
212. In respect of claims determinations, the means of communication to the customer is as follows:
- (a) In some instances for non-inundation claims the loss adjuster (acting within their delegated authority) may verbally advise the customer of acceptance.

- (b) In every other case of acceptance the customer would be advised by telephone if possible and failing that by letter.
- (c) In every case of a decision to decline the customer would be advised initially by telephone (unless for some reason such contact could not be made) and in every case by letter.
22. ***By what means could or can policyholders find out about the progress of their claims or otherwise discuss their claims with a representative of RACQ Insurance? If by telephone, could or can policyholders contact RACQ Insurance by calling a free call number accessible by landline and mobile phone? Could or can a policyholder contact the person responsible for handling his or her claim directly?***
213. Customers can and could discuss their claims with a representative of RACQ Insurance by telephone Monday to Friday from 7am to 9pm and on weekends from 8am to 8pm. Outside of those times calls made to the RACQ Insurance number would be answered by RACQ's 24 hour call centre. Staff in this call centre are equipped to deal with emergency matters. In respect of other matters an online contact form is completed and emailed to the Teleclaims department who will contact the customer the following day.
214. Customers could speak to the Customer Service Officer handling their claim. Naturally, given claims volumes and allowing for different work shifts, a customer might not have been able to speak to a specific person. The way the ClaimsCenter system is set up and in fact operates is that any Customer Service Officer is able to access a customer's claim file and, where possible, deal with queries without having to wait on a specific person to answer a query.
215. Contact is made through RACQ Insurance's dedicated (and widely advertised) claims contact number – 137 202. In addition to this, customers who ring the RACQ contact number (131 905), which is also widely advertised, are automatically directed on claims related matters to the Teleclaims department.
216. The telephone number was not a free call number. The number is the cost of a local call when called from a landline (no matter from what part of Australia the call is made). If the customer calls from a mobile phone, the cost of the call is determined by the customer's mobile phone carrier.
217. Policy holders could also contact the loss adjuster who had carried out an inspection of their property. The loss adjusters had a claims settling authority of up to \$20,000 and any questions that they could not answer or which were beyond their authority would be requested by the loss adjuster to be addressed to a member of RACQ Insurance's claims staff.

23. ***Are all telephone calls between policyholders and representatives of RACQ Insurance recorded? Were all telephone calls between policyholders and representatives of RACQ Insurance which took place in December 2010 and January 2011 recorded?***
218. All claims calls which are handled by Teleclaims (whether they originate from the 131 905 number or the 137 202 number) are recorded by a system called Verint. In respect of non-claims calls, I understand that those calls are also recorded by the Verint system but that, at some peak call times, an overflow of these calls may be diverted to "mini switches" which are areas set up in RACQ branch offices where staff working in those offices can assist with these calls and that most telephone calls to branches are not recorded.
219. These comments apply equally to all telephone calls which took place in December 2010 and January 2011.
220. In early January 2011, I instructed that arrangements be put in place for calls to and from the dedicated response team to be recorded.
24. ***How has RACQ Insurance responded to requests for copies of recordings or transcripts of telephone calls between policyholders and representatives of RACQ Insurance?***
- 24.1 ***Have copies of any recordings/transcripts been provided to policyholders (or their legal representatives) in response to such requests? If so, in how many cases?***
- 24.2 ***Have any such requests been refused or not responded to? If so:***
- 24.2.1. ***In how many cases?***
- 24.2.2. ***In the case of requests that have been refused — why have such requests been refused?***
221. In relation to the Queensland Floods and claims arising from them, RACQ Insurance has actioned all requests for copies of recordings or transcripts of telephone calls between customers and representatives of RACQ Insurance as follows.
222. Where a customer requests a copy of a specific call recording, RACQ Insurance has attempted to locate it, and where it has been located it is provided to the customer. The recording is provided by copying it on to a disc and sending it out to a customer. Transcripts have also been provided on occasions.
223. The process in place for requesting a call recording was that when a customer requested a recording the claims officer would complete electronically a request for the recording which was directed to RACQ (which maintained the recordings). If a recording was located, it was

provided to RACQ Insurance which forwarded it to the requesting customer or their legal representative.

224. I am not aware of a particular list maintained of all requests for recordings. I believe it may be possible to identify all such requests, given time, by accessing the requests made to RACQ and excluding the business as usual requests. This can be attempted if the Commission requires it.
225. I am however able to identify that requests have been made for recordings. Recordings were identified and provided to customers in respect of those customers identified in a schedule to this affidavit which I have made **Exhibit 31** with (where available) copies of those letters have been which are included in the **Exhibit 32**.
226. Calls recorded on the Verint system are able to be searched as follows:
- (a) Date and time: Searches can be performed by searching for particular calls during a period of time on a given day. For example, this type of search would identify a list of all calls made between 1.00pm and 2.00pm on 1 January 2011. As a matter of practicality, this method is only appropriate where there is some certainty about the date and time at which the relevant call occurred. This is because of the numbers of calls RACQ Insurance receive each day which can be as many as approximately 500 calls per hour.
  - (b) Phone number dialled from: A search can be undertaken for any date period to locate any call received from a particular phone number. This search is dependent upon the caller having 'own number sending' activated on their phone.
  - (c) RACQ/RACQ Insurance consultant: If the customer can provide the name of the consultant with whom they spoke, a search can be undertaken purely on this name, or by reference to a date/time range which is then narrowed down by reference to the consultant's name.
227. Accordingly, when RACQ Insurance received a request for a recording or transcript of a recording of a phone call, a member of staff would in discussions with the customer seek to identify the date and time of the call, who they spoke to and the number called from as this would facilitate searching for any recording. The more of that information that was provided the narrower the required search.
228. Unless information of that nature can be provided it would be virtually impossible to locate the call for the reason explained above.
229. Once a recording is found, RACQ Insurance arranges for a copy of the recording (on a disc) to be provided to the customer. As mentioned above in some instances a transcript is

Signed:

Taken by:



prepared and the transcript is also provided to the customer or the customer's legal representative.

230. To my knowledge, no request for a recording where RACQ Insurance has been able to locate the recording has been declined. I am aware that the legal representatives of some customers have made some generic requests for material which have included non-specific requests for recordings. In these instances, RACQ Insurance has asked the legal representatives to provide more specific information to enable to retrieval of any relevant recording. I have included in **Exhibits 31 to 36** a number of examples of these requests and the response given.

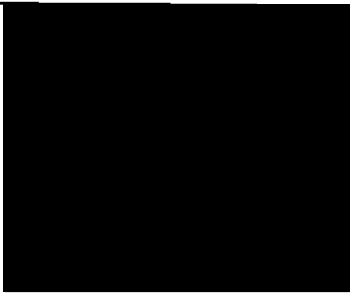
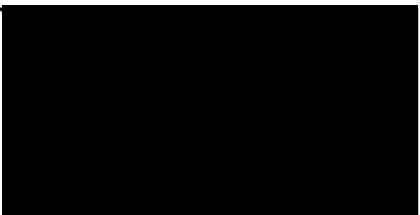
**25. *In what circumstances were policyholders advised of their entitlement to make a complaint or request a review of a decision through the internal dispute resolution process?***

231. Customers were advised of their entitlement to make a complaint or to request a review of a decision through the internal dispute resolution process when their claim was declined and indeed for accepted claims when details of the settlement were provided. This advice was given verbally and confirmed in the letter that was sent to the insured informing them of the claim decision. The letter also enclosed a Customer Information Sheet which described how to make a complaint, what the customer could do if their complaint was not resolved to their satisfaction and of their right to seek a determination from the Financial Ombudsman Service in the event they were dissatisfied with the RACQ Insurance's internal review. A copy of the RACQ Insurance's Customer Information Sheet is included at **Exhibit 24**.

232. As mentioned above, where RACQ Insurance was also able to make personal contact with a customer to inform them that their claim had been declined, the customer was also informed verbally of their right to make a complaint or to seek a review of that decision. The scripts that RACQ Insurance provided to its operators for this purpose are at **Exhibit 17**. I would expect that the script was followed.

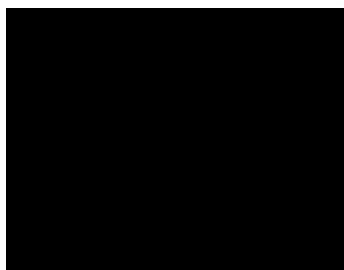
233. The household insurance policy also contains a section that informs customers of their right to make a complaint, seek an internal review and of their right to seek a determination from the Financial Ombudsman Service. This is set out on page 69 of the First Policy, page 69 of the Second Policy, page 69 of the Third Policy and page 65 of the Fourth Policy.

**26. *Please outline each step, and by whom each step was or is taken, in the process which RACQ Insurance employed or has employed in responding to complaints and/or disputes in the internal dispute resolution process. Please also outline the information considered and relied upon in determining complaints/or disputes.***

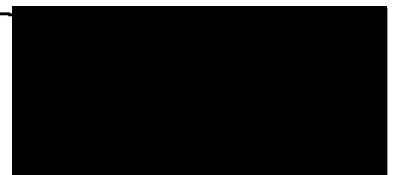
Page 44	
Signed:	Taken by:
	

234. RACQ Insurance has a detailed corporate policy on handling complaints and disputes a copy of which is exhibited to this affidavit as **Exhibit 25**. The process was further streamlined for the Queensland Floods events – this is summarised in the flowchart exhibited to this affidavit as **Exhibit 19**.
235. RACQ Insurance's usual process for dealing with customer complaints about the claims process, including claims decisions, is described below.
236. In the first instance, RACQ Insurance seeks to resolve customer complaints within the Personal Insurance Claims team. This process is referred to within the Personal Insurance Claims team as the "complaints process". The essence of this process is that the customer services officer will look to resolve the customer's complaint with them and if unable to do so the matter will be escalated to a team leader for resolution. If the team leader is unable to resolve the complaint then the complaint will be referred to a manager or executive manager for resolution. Essentially each of these staff members (as required) will contact the customer and discuss their concerns and seek to resolve them.
237. If the customer's complaint cannot be resolved through the complaints process, the matter is escalated to the next step of RACQ Insurance's internal dispute resolution process. In order to maintain its impartiality and independence, the internal dispute resolution process sits outside of the Personal Insurance Claims function and is managed principally by the Manager Consumer Advocate, who sits within the Sales & Product Division.
238. RACQ Insurance's Personal Insurance Claims Division's usual process at this stage is for a manager or executive manager to perform a review of the complaint prior to consideration by the IDR Committee. This is effectively a review of the decision by the Claims Division before the matter is referred to that committee. The purpose of this review is to ensure that RACQ Insurance had followed the appropriate processes, that nothing had been overlooked and that everything that could have been done by RACQ Insurance to resolve the matter was done.
239. In the event that the review identified a need for further investigations to be carried out, those further investigations would be undertaken. If no further investigations are necessary or, where further investigations were necessary, when they are completed, the matter is passed to the Manager Consumer Advocate's ' assistant to prepare the material relating to the complaint if it remains unresolved and is to be referred to the IDR Committee
240. A committee of usually three or four IDR Managers then reviews the material and makes a decision on whether to accept the complaint in whole or part or, alternatively, to confirm the original decision.

Signed:

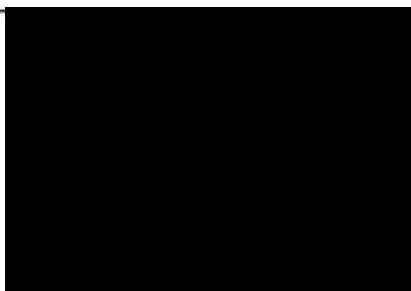


Taken by:



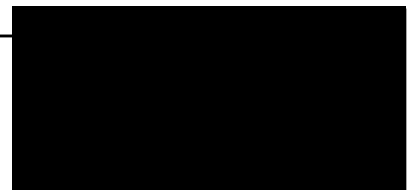
241. By March 2011, RACQ Insurance was beginning to receive an increase in the number of complaints from customers. Given the number of claims that RACQ Insurance had received, the fact that a large number of those claims had been rejected and the complicated hydrology issues associated with these claims decisions, this increase in the number of complaints by customers was to be expected.
242. Changes were implemented to the internal dispute resolution process to streamline its operations. The processes remained those outlined above but with two principal amendments to streamline operations. First, a dedicated complaints manager was appointed on 25 January 2011 to handle the review of complaints arising out of the Queensland Floods. Secondly, on 7 March 2011 it was determined that disputes would now be reviewed by one of two IDR Managers who were dedicated to that role rather than a committee of usually three or four who normally met once per week, in the interests of delivering the fastest possible outcome to customers. All staff in the internal dispute resolution/complaints handling team were also given additional training and coaching on the revised processes.
243. The information considered and relied upon in determining complaints and disputes depends upon the nature of the complaint or dispute. Where the complaint related to a decision to decline an inundation claim, I expect that the information would have included the wording of the Policy, the information provided by the customer when making the claim, the loss adjuster and hydrologist's reports, any relevant specialist reports and any other information provided by the customer relating to the complaint or dispute including their letter or letters of complaint.
244. Where the complaint concerned something the customer says they were told in a telephone call, I believe that all reasonable efforts were made to retrieve any recording of the call which was reviewed.
245. The absence of any information supporting the customer's complaint may also have been a relevant factor in some instances.
- 27. *Were policyholders advised of all information upon which RACQ Insurance relied in determining their complaints/disputes? If so, was this advice given voluntarily or only if requested?***
246. Customers were advised of the reasons for the determination that was made of their complaint or dispute. The reasons were provided voluntarily and in writing as a matter of course and orally if the customer contacted RACQ Insurance to discuss the determination that had been made.

Signed:



Page 46

Taken by:



247. The information provided to the customer depended on the nature of the complaint/dispute and the particular issues raised by the customer. For some disputes the information provided was a response letter simply confirming that the decision made and communicated by the claims division was upheld. For other disputes, the information comprised detailed correspondence with supporting material.

**28. Were policyholders given copies of all information relied upon in determining their complaints/disputes? If any information was not provided, or withheld for any period of time:**

**28.1 What was the nature of the information?**

**28.2 Why was it not provided?**

248. I have provided some details about this question under the previous heading. I make the following further comments.

249. The nature of the information relied upon by RACQ Insurance depended upon each complaint that was made. As stated above, if a customer requested a copy of the loss adjuster's report or other specialist reports they were given it. If they requested a copy of a hydrology report this request was until recently refused, but a detailed Information Sheet setting out the key hydrology findings was offered in its place. The reason why RACQ Insurance did not provide copies of its hydrology reports are explained in paragraphs 160 to 164 of this affidavit.

250. Copies of recordings were provided to customers on request, provided they could be found.

**29. Please provide copies of all written responses by RACQ Insurance to all complaints and/or disputes (final decision letters). For each written response (final decision letter), please attach a copy of the correspondence in which the substance of the complaint and/or dispute to which the response relates is set out.**

251. Copies of all written responses by RACQ Insurance to all complaints/disputes made in respect of claims arising out of the Queensland Floods are attached at **Exhibit 134**. Copies of correspondence from customers which contain the substance of their complaint and to which RACQ Insurance's responses relate are also contained in that exhibit.

252. Not all complaints/disputes to RACQ Insurance were in writing. Many were made verbally in telephone conversations between the customer and RACQ Insurance's claims team. I have caused to be prepared a schedule which, amongst other things sets out the whether the complaint was in writing or made verbally, sets out the gist of all verbal complaints and the dates of the complaints. This schedule is attached at **Exhibit 130**. The details of the

verbal complaints are summarised from the comments recorded by the claims officer in ClaimCenter.

253. The information set out in the schedule which is **Exhibit 130** is based on complaints recorded in the complaints register as at 31 August 2011 and has been extracted from RACQ Insurance's records. Although all staff are trained in the processes to support the appropriate completion of the complaints register, by its nature, the recording of the complaints on the register is subject to human error. There is therefore a possibility that there may be complaints which have not been recorded on the register in accordance with our procedures given the enormous pressure caused by these unprecedented events.

30. ***Has RACQ Insurance received any complaint relating to inappropriate, insensitive or offensive conduct by a representative or agent of RACQ Insurance toward, or about, a policyholder? If so:***

**30.1 *How many such complaints have been received?***

**30.2 *What did or does each complaint relate to?***

**30.3 *What steps were or have been taken in respect of each complaint?***

254. RACQ Insurance has received complaints relating to alleged inappropriate, insensitive or offensive conduct by a representative or agent of RACQ Insurance toward, or about, a customer.

255. It has received 2 complaints which fall in these categories, though of course different interpretations can be placed on complaints as to whether they are of conduct which is "inappropriate insensitive or offensive". Details of each complaint are set out in at **Exhibit 131** and the relevant parts of **Exhibit 134**.

256. The ClaimCenter records note the steps taken in investigating and responding to these complaints. Those records and the relevant correspondence are contained in **Exhibit 134**.

257. I have interpreted the Commissions questions as primarily concerning steps taken in relation to each complaint insofar as the policy holder is concerned. Of course, in addition to steps recorded in ClaimCenter, I have, through the course of the response, provided direction to staff and when necessary taken disciplinary action. I have not sought to detail those internal matters in this affidavit but, I can do so if the Commission requires.

31. ***Has RACQ Insurance received any complaint, or dealt with any dispute, in the internal dispute resolution process, relating to:***

**31.1 *Misrepresentation made by a representative of RACQ Insurance to a policyholder at the point of sale as to the existence or extent of flood cover under a policy bought by the policyholder; or***

Signed:

Page 48

Taken by:

**31.2 Failure on the part of a representative of RACQ Insurance to adequately inform a policyholder that a policy bought by the policyholder excluded flood cover?**

258. RACQ Insurance has received complaints relating to:

- (a) alleged misrepresentation by a representative of RACQ Insurance to a customer at the point of sale as to the existence or extent of flood cover under a policy bought by the customer; and
- (b) alleged failure on the part of a representative of RACQ Insurance to adequately inform a customer that a policy bought by the customer excluded flood cover.

**32. If RACQ Insurance has received complaints, or dealt with any dispute, of the kinds referred to in sub-paragraphs 31.1 and 31.2:**

**32.1 How many of each kind has it received?**

**32.2 Please outline the steps taken in investigating and responding to such complaints.**

259. RACQ Insurance has received 75 complaints which involve either or both of these types of complaints. Out of the 75 complaints/disputes 37 of the complaints/disputes involve complaints or disputes of the kinds referred to in paragraph 31.1 above and 73 of the complaints/disputes involve complaints or disputes of the kinds referred to in paragraph 31.2 above.

260. These are identified in the schedule exhibited to this affidavit as **Exhibit 132**.

261. The ClaimCenter records note the steps taken in investigating and responding to these complaints. Those records and the relevant correspondence are collected in **Exhibit 134**.

262. The information set out in the schedule which is **Exhibit 132** is based on complaints recorded in the complaints register as at 31 August 2011.

**33. Is RACQ Insurance involved, or has RACQ Insurance been involved, in any matter with the Financial Ombudsman Service? If so:**

**33.1 How many?**

**33.2 Please identify the cause(s) of the disputes.**

263. RACQ Insurance has been involved in 88 matters with the Financial Ombudsman Service. These are identified in the schedule exhibited to this affidavit as **Exhibit 133**.

264. The issues in dispute are identified in the schedule exhibited to this affidavit **Exhibit 133**.

265. This information is based on FOS submissions received on complaints registered to 31 August 2011.

Signed:

Taken by:



34. ***Please outline the process involved after a claim was or is accepted in order to get insured property repaired or restored or otherwise settle the claim. What information or steps did or does RACQ Insurance require of policyholders in this process?***
266. I have described the process after a claim is accepted above in my answer to question 12. Generally, the process is as follows.
267. For accepted claims, the process involved:
- (a) advising the customer over the telephone (or advising the loss adjuster so that they could advise the customer) of the acceptance of the claim and the next steps involved;
  - (b) endeavouring to meet any emergency needs; and
  - (c) advising service providers so that the repair/settlement process can commence.
268. The procedure once a claim was accepted depended on the size and nature of the claim. A contents claim where the loss plainly exceeded the sum insured was usually cash settled. However, the typical procedure for an accepted claim for household building damage was as follows:
- (a) a building consultant visited the site to assess the damage and prepared a document that detailed the scope of repair work required.
  - (b) RACQ Insurance (or its consultants) then obtained tenders on this scope of work from builders. Customers were also free to obtain their own quotes for the work contemplated by that scope of repairs;
  - (c) the customer and the builder then agreed upon and entered into a contract for the repair work; and
  - (d) the repair work is then carried out.
269. RACQ Insurance makes payments against invoices from the builder, suppliers and contractors.
270. In some instances cash settlements of the claims are made.
271. The information or steps required of customers depends on the specific circumstances of the claim. As part of the claim process RACQ Insurance may request reasonable information in support of the customer's claim (e.g. receipts quotes proof of ownership) to assist in assessing/settling the claim.

272. In relation to the Ipswich claims reassessment, given the time that had passed from the date of the event to when RACQ Insurance was able to make a decision to accept the claims, RACQ Insurance has taken a different approach to the settlement of the claims. All of these customers were visited by an RACQ Insurance employed loss adjuster. The loss adjuster worked through the settlement of the claim, establishing the loss with the agreement of the customer. The majority of the claims have been cash settled as most customers had already commenced repairs or indeed completed them. In a number of instances quotes already provided by contractors who had provided those for the purposes of the Premier's Relief Fund payments were used to support settlements.
35. ***Has RACQ Insurance entered into any confidentiality agreement with any policyholder or otherwise required, advised or suggested to, any policyholder to keep matters concerning his or her claim confidential, whether before or after settlement of the claim? If so, please identify each matter which the policyholder was required to keep confidential.***
273. I have identified two matters where customers agreed to keep matters confidential. In each case the customer agreed to keep confidential the document recording the settlement and any matters negotiations or discussions whatsoever relating to the settlement document and the claim.
274. Otherwise (in relation to the Queensland Floods) I am not aware of any occasion where RACQ Insurance entered into any confidentiality agreement with any customer or otherwise required, advised or suggested to, any customer to keep matters concerning his or her claim confidential, whether before or after settlement of the claim.

### THIRD ISSUE

#### ***Reforms***

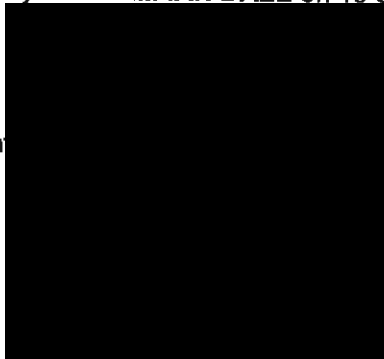
36. ***Should any changes be made to the General Insurance Code of Practice?***

275. Generally, in my view, the Code of Practice works very well in almost all insurance claim situations. I am not sure whether any change could be made to improve outcomes for customers in circumstances as extraordinary as those encountered in respect of the Queensland Floods.
276. In general terms it is my understanding of the Code of Practice requires information regarding claims decisions to be made available to customers at their request. As some customers do not require extensive written documentation I believe that this is the most sensible approach as it allows insurers to otherwise focus on the job of processing claims.

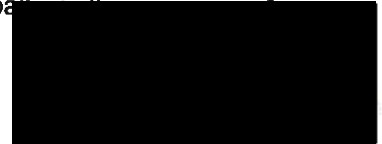
277. In relation to the Queensland Floods, where information has been requested RACQ Insurance has tried its best to provide it (where possible) within the quickest possible times. Of course given the unprecedented nature of the events there have been delays.
278. All the facts and circumstances above deposed to are within my own knowledge save such as are deposed to from information only and the means of my knowledge and sources of information appear on the face of this my Affidavit.

**SWORN** by **GRAHAM IAN DALE** on 19 September 2011 at Brisbane in the presence of

Deponent



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



## INDEX

No.	Document	Date	Page
1.	Requirement to produce	02/09/11	1
2.	Clarification letter	05/09/11	10
<b>PDS documents</b>			
3.	Product Disclosure Statement GHHB2 07/08	16/07/09	13
4.	Product Disclosure Statement GHHB2 03-09	19/03/09	94
5.	Product Disclosure Statement RHHB2 10-09	25/10/09	173
6.	Supplementary Product Disclosure Statement RHHB9 10-09	25/10/09	254
7.	Product Disclosure Statement RHHB2 01-11	06/01/11	256
8.	Supplementary Product Disclosure Statement RHHB9 01-11	06/01/11	335
<b>Internal process documents – Queensland Floods specific</b>			
9.	Email from Graham Dale confirming arrangements	24/12/10	337
10.	Email from Graham Dale reaffirming process for inundation claims	30/12/11	340
11.	Email from Graham Dale regarding Employee Assistance Programme	11/01/11	342
12.	Email approving website publication	15/01/11	344
13.	Draft operational chart	15/01/11	349
14.	Preliminary scripting relating to claims	15/01/11	351
15.	Media release – RACQ Insurance response to catastrophic events	16/01/11	354
16.	Final operational chart	25/01/11	356
17.	Detailed scripting – communicating claims decisions	15/02/11	360
18.	Bundle of pro forma letters communicating claims decisions	Various	376
19.	Table showing streamlined dispute resolution process	Undated	393
20.	WT flood inspection checklist	05/04/11	398
21.	WT telephone interview checklist	10/05/11	400
22.	Website publication	06/09/11	403
23.	Table of claims decisions	31/08/11	405
<b>Internal process documents – business as usual</b>			
24.	Customer information sheet	Undated	409
25.	Corporate policy on handling complaints and disputes	Undated	411

**RACQI Insurance information sheets**

26.	Reports by RACQ Insurance on its investigations into flooding in various regions	Various	426
-----	--	---------	-----

**Correspondence with FOS regarding release of regional hydrology reports**

27.	Letter from CGW to John Price (FOS)	12/05/11	447
28.	Letter from CGW to John Price (FOS)	08/06/11	459
29.	Letter from John Price (FOS) to CGW	15/06/11	463
30.	Letter from CGW to John Price (FOS)	14/07/11	466

**Call recordings requests**

31.	Table of call recordings	09/09/11	468
32.	Bundle of letters sent forwarding call recordings	Various	470
33.	Letter from Legal Aid Queensland to RACQ Insurance	24/08/11	483
34.	Letter from CGW to Legal Aid Queensland	07/09/11	485
35.	Letter from Legal Aid Queensland to RACQ Insurance	10/08/11	488
36.	Letter from RACQ Insurance to Legal Aid Queensland	31/08/11	505

**Sample Water Technology FOS reports**

37.	Sample report 1	27/06/11	509
38.	Sample report 2	27/06/11	538
39.	Sample report 3	29/06/11	569

**Instructions to Water Technology**

40.	Bundle of instructions sent to Water Technology	Various	609
-----	---	---------	-----

**Water Technology regional reports**

41.	Alpha report	--/04/11	1064
42.	Atherton Tablelands report	--/05/11	1083
43.	Brisbane report	--/03/11	1101
44.	Brisbane update	18/03/11	1147
45.	Brisbane update	24/03/11	1171
46.	Brisbane update	15/04/11	1195
47.	Brisbane update enclosing Annexure A	21/04/11	1218
48.	Brisbane update	05/05/11	1269
49.	Brisbane update	16/05/11	1294
50.	Brisbane update	20/05/11	1318
51.	Brisbane update	26/05/11	1343
52.	Bundaberg report	--/02/11	1346
53.	Bundaberg update	18/03/11	1382

54.	Bundaberg update	05/05/11	1386
55.	Bundaberg update	20/05/11	1395
56.	Bundaberg update	28/05/11	1401
57.	Bundaberg update	04/06/11	1424
58.	Caboolture report	--/03/11	1432
59.	Caboolture update	18/03/11	1460
60.	Caboolture update	25/03/11	1465
61.	Caboolture update	20/04/11	1471
62.	Caboolture update	04/05/11	1477
63.	Condamine report	--/03/11	1479
64.	Condamine update	27/05/11	1515
65.	Condamine update enclosing Annexure A	30/05/11	1519
66.	Condamine update	22/06/11	1543
67.	Emerald report	--/02/11	1556
68.	Emerald update	18/03/11	1588
69.	Emerald update	04/04/11	1593
70.	Gladstone report	--/05/11	1597
71.	Gladstone update	04/06/11	1619
72.	Gympie report	--/04/11	1623
73.	Gympie update	04/06/11	1654
74.	Ipswich report	--/03/11	1659
75.	Ipswich update	14/03/11	1702
76.	Ipswich update	20/03/11	1706
77.	Ipswich update	25/03/11	1724
78.	Ipswich update	29/03/11	1727
79.	Ipswich update	06/04/11	1746
80.	Ipswich update	14/04/11	1764
81.	Ipswich update	19/04/11	1783
82.	Ipswich update	19/04/11	1802
83.	Ipswich update	06/05/11	1818
84.	Ipswich update	16/05/11	1833
85.	Ipswich update	19/05/11	1848
86.	Ipswich update	06/06/11	1864
87.	Ipswich update	14/06/11	1871
88.	Lower Lockyer Valley report	--/03/11	1883



89.	Lower Lockyer Valley update	18/03/11	1912
90.	Lower Lockyer Valley Annexure A	--/05/11	1920
91.	Lower Lockyer Valley update	13/05/11	1946
92.	Lower Lockyer Valley update	17/05/11	1952
93.	Lower Lockyer Valley update	21/05/11	1960
94.	Lower Lockyer Valley update	31/05/11	1968
95.	Middle Brisbane Report	--/05/11	1971
96.	Middle Brisbane Update	11/05/11	2001
97.	Middle Brisbane Update	19/05/11	2007
98.	Middle Brisbane Update	20/05/11	2014
99.	Middle Brisbane Update	30/05/11	2020
100.	Middle Brisbane Update	31/05/11	2026
101.	Moreton Bay report	--/03/11	2032
102.	Moreton Bay update	14/03/11	2068
103.	Moreton Bay update	18/03/11	2072
104.	Moreton Bay update	25/03/11	2076
105.	Moreton Bay update	04/05/11	2081
106.	Regional Fitzroy report	--/05/11	2083
107.	Regional Fitzroy Annexure A	--/05/11	2124
108.	Rockhampton report	--/03/11	2146
109.	Rockhampton update	18/03/11	2189
110.	Rockhampton update	14/04/11	2194
111.	Rockhampton update	16/05/11	2205
112.	Sunshine Coast report	--/03/11	2211
113.	Sunshine Coast update	04/03/11	2240
114.	Sunshine Coast update	20/03/11	2276
115.	Sunshine Coast update	26/05/11	2286
116.	Toowoomba report	--/01/11	2292
117.	Upper Bremer letter	30/05/11	2321
118.	Upper Brisbane report	--/03/11	2324
119.	Upper Brisbane update	11/04/11	2346
120.	Upper Brisbane update	04/05/11	2350
121.	Upper Brisbane update	04/06/11	2352
122.	Upper Lockyer Valley report	--/02/11	2354

**Water Technology schedule updates**

123. Hydrology update	15/06/11	2384
124. Hydrology update	27/06/11	2387
125. Hydrology update	28/07/11	2389
126. Hydrology update	19/08/11	2391
127. Hydrology update	24/08/11	2394
128. Hydrology update	08/09/11	2401
129. Hydrology update	09/09/11	2404

**Dispute information**

130. Schedule of complaints – written and verbal	Undated	2408
131. Schedule of complaints relating to “insensitive, inappropriate or offensive conduct by RACQ Insurance representative”	Undated	2418
132. Schedule of complaints regarding misrepresentation or failure to inform	Undated	2420
133. Schedule of FOS matters	Undated	2423
134. Bundle of documents relating to complaints	Various	2426

---

## Exhibit 10

**DALE, Graham**

**From:** DALE, Graham  
**Sent:** Thursday, 30 December 2010 8:12 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** Flood Process  
**Importance:** High

As discussed at this mornings scrum, here is some guidance/scripting regarding flood coverage. Please ensure that relevant staff are briefed and these processes followed.

Thanks  
 GD

We are receiving a range of different types of claims in respect of CAT 115. In respect of a lot of areas where there may be water inundation i.e. rising water, we will not know whether the damage is caused by "flood" or "flash flood" until we visit the site of the loss.

Because of that, as we have done in the past, our strategy will be to :

- Lodge all claims in all circumstances where any type of inundation to the property has occurred (as opposed to maybe not lodging one because on the basis of the info provided we think it may be caused by "flood").
  - Loss adjust all of these claims
- Treat each individual claim on its merits and form a view on coverage when we understand the particulars of the loss.

After ensuring that the customer does not have the optional flood and storm surge cover, if the customer specifically asks the question regarding flood coverage, please advise them as follows –

"Your policy does not provide cover for flood but does provide cover for flash flood and stormwater runoff, up to 50% of the sum insured or \$25,000 whichever is the higher. Flash flood and storm water run off is defined as "a sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run off."

We will be lodging claims for all customers who advise us they have been affected by recent floods and arranging for a loss adjuster to inspect your loss and report back to us. "

**Graham Dale**  
**General Manager Personal Insurance Claims**  
**RACQ Insurance Limited**

PO Box 4, Springwood, Queensland, 4127, Australia  
 2649 Logan Road Eight Mile Plains, Queensland, 4113, Australia

## Exhibit 17

**Scripting – Outbound Call Recording Notification – CATS1 2/11**

*Just so you are aware this call is being recorded to make sure our records are accurate, however please let me know if you do not wish for this to occur.*



**Scripting - Case Managed Notification – CAT S2 2/11**Able to contact insured:

Hi this is (your name) from RACQ Insurance.

(If necessary) Can I confirm I am speaking with (Insured name)?

Just so you are aware this call is being recorded to make sure our records are accurate, however please let me know if you do not wish for this to occur.

Is now a good time for us to discuss your claim or would you prefer me to call back at another time?

If no: confirm date and time to contact insured

If yes: continue to next paragraph

I am going to be the Case Manager for your claim. I have some information to provide you today, and I will also give you my contact details. Did you want to note this down during the call or would you prefer for me to email you the information you need?

<Note send email from team mail box: hhteamE@racqi.com.au>

My details are:

First Name

Teleclaims Number 137 202

Event Team Email Address

I'd like to let you know how your claim has progressed so far. We appointed a loss adjustor from a company called MYI Freemans to your claim and they (have been or will be) in contact with you to arrange a time to come out and complete an initial inspection of the damage to your property and/or contents.

We are also investigating whether the damage at your property was caused by flash flood, stormwater run-off or flood.

Once we have all of this information, we will be able to make a decision as to whether your claim has been accepted – and we are doing everything we can to make this process as prompt as possible for you.

- Identify/note any sensitive claim triggers and make appropriate referrals

\*If triggers identified that claim may be a lower priority than others e.g. vacated house, no tenants occupied property at time of loss note that down

If unable to contact insured and facility to leave a message:1<sup>st</sup> Attempt:

Hi this is (your first name) from RACQ Insurance. Could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again soon. Thank you.

2<sup>nd</sup> Attempt

Hi this is (your first name) from RACQ Insurance. I attempted to contact you yesterday to discuss your claim, could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again (insert agreed timeframe). Thank you.

3<sup>rd</sup> Attempt

Hi this is (your first name) from RACQ Insurance. I attempted to contact (input last date of attempted contact) to discuss your claim. Could you please return my call on 137 202 quoting reference number (provide claim number). Thank you.

If unable to contact insured and no facility to leave message:

- Determine if a text message can be sent or email

Version: 2.0

Date: 15 February 2011

Department: CAT Response Team



**Scripting Approved Claim – fully covered by normal policy provisions – CAT S3 2/11**Able to contact insured:

Hi this is (your first name) from RACQ Insurance.

(If necessary) Can I confirm I am speaking with (Insured name)?

Just so you are aware this call is being recorded to make sure our records are accurate, however please let me know if you do not wish for this to occur.

Is now a good time for us to discuss your claim or would you prefer me to call back at another time?

If no: confirm date and time to contact insured

If yes: continue to next paragraph

We have now completed our investigations and I wanted to let you know that it has been determined that the damage at your property was caused by (flash flooding/stormwater run-off as appropriate).

Under your policy conditions, this means that your claim has been accepted, and I wanted to talk you through the next steps.

**If flash flooding:**

- I. For (flash flooding/storm water run off) your policy states that you are covered for up to 50% of your sum insured or \$25,000 whichever is greater.
- II. Your building sum insured on your policy is (\$X), which means you are covered up to (\$Y) (and/or) your contents sum insured on your policy is (\$X), which means you are covered up to (\$Y) plus any additional benefits you are entitled.

**If flooding and optional cover applies**

- I. For flooding the policy sum insured / limits apply

Repairing/Replacing Property

For CAT115 South East QLD – follows Business as usual process:

We will now arrange the repairs to your property which will be handled by our external Loss Adjustor Stream Build Assist. They will be notified and they will be in contact with you to get these repairs underway

For CAT115 regional and CAT116 We will now arrange the repairs to your property which will be handled by our external Loss Adjustor MYI Freemans who will provide authorisation to Stream Build Assist on our behalf. They will be notified and will be in contact with you to get these repairs underway.

Cash Settling

As your policy provides coverage, we are in a position to settle your claim for the amount of \$(quote settlement amount). I can organise for those funds to be transferred into your bank account, or if you would prefer I can also send you a cheque.

If cash settling, obtain customer bank account (account name, BSB & account number) details and confirm Input Tax Credit details are the same as shown on the policy.

We will be sending you a letter to confirm the details of this payment. Is (address of insured property) the best address to send this or would you like to give me an alternative address for this letter?

If they ask about how we determined the claim settlement amount:

We have received a report from our external loss adjusters, who have provided us with scope of works and quotations for the costs to us of repairing your property. This settlement is limited by the sum insured on your policy

If insured disputes claim decision (not likely in this case, but to be sure ...)

Attached to the letter you will find a copy of our Customer Information Sheet which outlines our complaint handling process. Please review the letter and should you remain dissatisfied with the position we have taken in relation to this matter, you can contact us to request a review of the claim.

If unable to contact insured and facility to leave a message:

1<sup>st</sup> Attempt:

Hi this is (your first name) from RACQI Insurance. Could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again soon. Thank you.

2<sup>nd</sup> Attempt

Hi this is (your first name) from RACQI Insurance. I attempted to contact you yesterday to discuss your claim, could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again (insert agreed timeframe). Thank you.

3<sup>rd</sup> Attempt

Hi this is (your first name) from RACQI Insurance. I attempted to contact (input last date of attempted contact) to discuss your claim. Could you please return my call on 137 202 quoting reference number (provide claim number). Thank you.

If unable to contact insured and no facility to leave message:

Determine if a text message can be sent or email

**Scripting Approved Claim – Flash flooding 50% by Policy provisions, Compassionate fund for balance – CAT S4 2/11**

Able to contact insured:

Hi this is (your first name) from RACQ Insurance.

(If necessary) Can I confirm I am speaking with (Insured name)?

Just so you are aware this call is being recorded to make sure our records are accurate, however please let me know if you do not wish for this to occur.

Is now a good time for us to discuss your claim or would you prefer me to call back at another time?

If no: confirm date and time to contact insured

If yes: continue to next paragraph.

We have now completed our investigations and I wanted to let you know that it has been determined that the damage at your property was caused by flash flooding.

For flash flooding your policy states that you are covered for up to 50% of your sum insured or \$25,000 whichever is greater. Your building sum insured on your policy is (\$X), which means you are covered up to (\$X) (and/or) your contents sum insured on your policy is (\$X), which means you are covered up to (\$X) plus any additional benefits you are entitled.

To make up for the shortfall between the policy coverage and the amount of your claim, RACQ Insurance is prepared to make payment from a fund that we have set aside to offer compassionate assistance to some policy holders who have limited coverage under their policy.

This additional payment is not a payment under the insurance policy, but rather this comes from a separate compassion fund that RACQ Insurance has set aside. By accessing this compassionate fund in addition to the cover provided by your policy, we will provide the following total payments that are capped at the sum insured on your policy. Please be aware the total amount payable to you will not exceed the total amount we agree as your loss.

Repairing/Replacing Property

For CAT115 South East QLD – follows Business as usual process:

We will now arrange the repairs to your property which will be handled by our external Loss Adjustor Stream Build Assist. They will be notified and they will be in contact with you to get these repairs underway.

For CAT115 regional and CAT116

We will now arrange the repairs to your property which will be handled by our external Loss Adjustor MYI Freemans who will provide authorisation to Stream Build Assist on our behalf. They will be notified and will be in contact with you to get these repairs underway.

Cash Settling

As your policy provides coverage, we are in a position to settle your claim for the amount of \$(quote settlement amount). I can organise for those funds to be transferred into your bank account, or if you would prefer I can send you a cheque.

We will be sending you a letter to confirm the details of this payment. Is (address of insured property) the best address to send this or would you like to give me an alternative address for this letter?

If cash settling, obtain customer bank account (account name, BSB & account number) details.

**If they ask about how we determined the claim settlement amount:**

We have received a report from our external loss adjusters, who have provided us with scope of works and quotations for the costs to us of repairing your property. This settlement is limited by the sum insured on your policy.

**If insured disputes claim decision (not likely in this case, but to be sure ...)**

Attached to the letter you will find a copy of our Customer Information Sheet which outlines our complaint handling process. Please review the letter and should you remain dissatisfied with the position we have taken in relation to this matter, you can contact us to request a review of the claim.

**If unable to contact insured and facility to leave a message:**

**1<sup>st</sup> Attempt:**

Hi this is (your first name) from RACQI Insurance. Could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again soon. Thank you.

**2<sup>nd</sup> Attempt**

Hi this is (your first name) from RACQI Insurance. I attempted to contact you yesterday to discuss your claim, could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again (insert agreed timeframe). Thank you.

**3<sup>rd</sup> Attempt**

Hi this is (your first name) from RACQI Insurance. I attempted to contact (input last date of attempted contact) to discuss your claim. Could you please return my call on 137 202 quoting reference number (provide claim number). Thank you.

**If unable to contact insured and no facility to leave message:**

Determine if a text message can be sent or email



## Scripting Declined Claim – compassionate fund offered – CAT S5 2/11

Able to contact insured:

Hi this is (your first name) from RACQ Insurance.

(If necessary) Can I confirm I am speaking with (Insured name)?

Just so you are aware this call is being recorded to make sure our records are accurate, however please let me know if you do not wish for this to occur.

Is now a good time for us to discuss your claim or would you prefer me to call back at another time?

If no: confirm date and time to contact insured

If yes: continue to next paragraph

We have now completed our investigations and I wanted to let you know that it has been determined that the damage at your property was caused by flooding.

Unfortunately your policy does not cover this type of flooding and it is on this basis that we must advise your claim has not been accepted.

*If insured introduces any new information, e.g. roof damaged by storm prior to flooding damage: take down details to consider and call back, can say that this not shown on current reports, and requires review.*

However, RACQ Insurance has established a compassionate fund to provide assistance to some policy holders who are not covered under their policy. Although you are not entitled to a payment under the terms of your insurance policy, you do meet the requirements to receive a benefit from this compassionate fund, and so RACQ Insurance will make a payment to you of \$XXXX. I can organise for those funds to be transferred into your bank account.

**Accepting a payment from the fund does not in any way restrict your rights to challenge any aspect of your claim or the review processes available to you including taking legal action.** It is important for you to understand that RACQ Insurance cannot accept any responsibility for any changes in your financial circumstances as a result of making this payment to you. You may wish to seek financial advice prior to accepting this payment.

*If insured asks how this compassion amount was determined:*

*All recipients of the RACQ Insurance Compassion fund receive the same amount, \$XXXX for buildings if they hold RACQ Insurance for building cover, and \$XXXX if they hold our contents insurance. These amounts are reduced if the actual losses are less than these amounts (e.g. if you have only lost \$1000, the compassion payment is limited to \$1000).*

*Obtain customer bank account details (account number, BSB & account number).*

I will be forwarding you a letter which confirms all of the details we have discussed today. Can I confirm that (insert insured's address) is the most suitable address to send this letter to. If not, can you provide me with an alternative address/email address or fax number.

**<This must be said to every customer – ie not just if they dispute the decision>**

You should be aware that you are entitled to challenge our decision that your loss is not covered under the policy. Attached to the letter we will be sending you, you will find a copy of our Customer Information Sheet which outlines our complaint handling process. Please review the letter and should you remain dissatisfied with the position we have taken in relation to this matter, you can contact us to request a review of the claim.

Even if you do wish to request a review of your claim assessment, we will still make the compassionate fund payment to you. **As mentioned earlier, accepting this compassion payment in no way affects your rights to challenge any aspect of your claim or your access to, or rights under, the review processes available to you including taking legal action.** If the review process results in a payment under your insurance claim, the amount of the compassionate fund payment will be taken to be an advance payment under your insurance claim. This way the compassionate fund remains available to those most seriously affected policy holders who are not entitled to a payment under the terms of their insurance policy. All this will be detailed to you in a letter we will send to you shortly.

If unable to contact insured and facility to leave a message:

1<sup>st</sup> Attempt:

Hi this is (your first name) from RACQI Insurance. Could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again soon. Thank you.

2<sup>nd</sup> Attempt

Hi this is (your first name) from RACQI Insurance. I attempted to contact you yesterday to discuss your claim, could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again (insert agreed timeframe). Thank you.

3<sup>rd</sup> Attempt

Hi this is (your first name) from RACQI Insurance. I attempted to contact (input last date of attempted contact) to discuss your claim. Could you please return my call on 137 202 quoting reference number (provide claim number). Thank you.

If unable to contact insured and no facility to leave message:

Determine if a text message can be sent or email



**Scripting - Declined Claim – does not meet eligibility criteria for Compassionate fund – CAT S6 2/11**Able to contact insured

Hi this is (your first name) from RACQ Insurance.

(If necessary) Can I confirm I am speaking with (Insured name)?

Just so you are aware this call is being recorded to make sure our records are accurate, however please let me know if you do not wish for this to occur.

Is now a good time for us to discuss your claim or would you prefer me to call back at another time?

If no: confirm date and time to contact insured

If yes: continue to next paragraph

We have now completed our investigations and I wanted to let you know that it has been determined that the damage at your property was caused by flooding.

Unfortunately your policy does not cover this type of flooding and it is on this basis that we must advise that your claim has not been accepted.

If insured introduces any new information, eg roof damaged by storm prior to flooding damage: take down details to consider and call back, can say that this not shown on current reports, and requires review.

I will be forwarding you a letter which confirms all of the details we have discussed today. Can I confirm that (insert insured's address) is the most suitable address to send this letter to. If not, can you provide me with an alternative address/email address or fax number.

You should be aware that you are entitled to challenge our decision that your loss is not covered under the policy. Attached to the letter we will be sending you, you will find a copy of our Customer Information Sheet which outlines our complaint handling process. Please review the letter and should you remain dissatisfied with the position we have taken in relation to this matter, you can contact us to request a review of the claim.

If insured asks about Compassionate fund (they are not entitled)

The eligibility for the RACQ Insurance Compassion fund is that the damaged residence was flooded internally, over that level of the floor which encompasses the main living areas (e.g. lounge room, living room, kitchen, bedrooms). This excludes body corporate/strata policies and does not include areas such as the garage, carport, shed or outside buildings.

If unable to contact insured and facility to leave a message:1<sup>st</sup> Attempt:

Hi this is (your first name) from RACQ Insurance. Could you please return my call on (provide full contact number) quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again tomorrow/or the next business day. Thank you.

2<sup>nd</sup> Attempt

Hi this is (your first name) from RACQ Insurance. I attempted to contact you yesterday to discuss your claim, could you please return my call on (provide full contact number) quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again (insert agreed timeframe). Thank you.

3<sup>rd</sup> Attempt

Hi this is (your first name) from RACQ Insurance. I attempted to contact (input last date of attempted contact) to discuss your claim. Could you please return my call on (provide full contact number) quoting reference number (provide claim number). Thank you.

If unable to contact insured and no facility to leave message:

- Determine if a text message can be sent or email

Version: 2.0

Date: 15 February 2011

Department: CAT Response Team



**Scripting Approved Claim – Flash flooding Policy limits apply – CAT S7 2/11**

Able to contact insured:

Hi this is (your first name) from RACQ Insurance.

(If necessary) Can I confirm I am speaking with (Insured name)?

Just so you are aware this call is being recorded to make sure our records are accurate, however please let me know if you do not wish for this to occur.

Is now a good time for us to discuss your claim or would you prefer me to call back at another time?

If no: confirm date and time to contact insured

If yes: continue to next paragraph.

We have now completed our investigations and I wanted to let you know that it has been determined that the damage at your property was caused by flash flooding.

For flash flooding your policy states that you are covered for up to 50% of your sum insured or \$25,000 whichever is greater. Your building sum insured on your policy is (\$X), which means you are covered up to (\$X) (and/or) your contents sum insured on your policy is (\$X), which means you are covered up to (\$X) plus any additional benefits you are entitled.

Repairing/Replacing Property

For CAT115 South East QLD – follows Business as usual process:

We will now arrange the repairs to your property which will be handled by our external Loss Adjustor Stream Build Assist. They will be notified and they will be in contact with you to get these repairs underway.

For CAT115 regional and CAT116

We will now arrange the repairs to your property which will be handled by our external Loss Adjustor MYI Freemans who will provide authorisation to Stream Build Assist on our behalf. They will be notified and will be in contact with you to get these repairs underway.

Cash Settling

As your policy provides coverage, we are in a position to settle your claim for the amount of \$(quote settlement amount). I can organise for those funds to be transferred into your bank account, or if you would prefer I can send you a cheque.

We will be sending you a letter to confirm the details of this payment. Is (address of insured property) the best address to send this or would you like to give me an alternative address for this letter?

If cash settling, obtain customer bank account (account name, BSB & account number) details.

If they ask about how we determined the claim settlement amount:

We have received a report from our external loss adjusters, who have provided us with scope of works and quotations for the costs to us of repairing your property. This settlement is limited by the sum insured on your policy.

If insured disputes claim decision

Attached to the letter you will find a copy of our Customer Information Sheet which outlines our complaint handling process. Please review the letter and should you remain dissatisfied with the position we have taken in relation to this matter, you can contact us to request a review of the claim.

**If unable to contact insured and facility to leave a message:**

**1<sup>st</sup> Attempt:**

*Hi this is (your first name) from RACQI Insurance. Could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again soon. Thank you.*

**2<sup>nd</sup> Attempt**

*Hi this is (your first name) from RACQI Insurance. I attempted to contact you yesterday to discuss your claim, could you please return my call on 137 202 quoting reference number (provide claim number). If you are unable to return my call, I will attempt to contact you again (insert agreed timeframe). Thank you.*

**3<sup>rd</sup> Attempt**

*Hi this is (your first name) from RACQI Insurance. I attempted to contact (input last date of attempted contact) to discuss your claim. Could you please return my call on 137 202 quoting reference number (provide claim number). Thank you.*

**If unable to contact insured and no facility to leave message:**

Determine if a text message can be sent or email

**Scripting – Insured with lawyers contracting RACQ Insurance Directly – CATS8 2/11**

*We have received a letter from a solicitor indicating that they are representing you in relation to this matter.*

*As you have engaged legal representation, RACQ Insurance has engaged solicitors to act on its behalf as well.*

*We are keen to ensure that your query can be dealt with as soon as possible, and we want to make sure there is no miscommunication as a result of having multiple contact points.*

*Accordingly, we ask that you direct your query to your solicitors so that it can be passed on to our solicitors and dealt with as soon as possible.*

**Scripting – Script for where customer specifically requests hydrology report (and has previously been provided information sheet) – CATS9 2/11**

We are not in a position to release our hydrology report for your region to you because the report contains personal details of a number of customers which we are required to protect, and the report is also subject to legal professional privilege.

The information sheet that has been provided to you explains the conclusions we have formed following our hydrological investigations and the reason for our decision.

**Scripting – Hydrology schedule B received – further information required – CATS10 2/11**

**SCRIPT FOR RACQI WHEN RACQI HAVE A REGIONAL HYDROLOGY REPORT FOR A CLAIM AND THE INSURED'S PROPERTY HAS BEEN INCLUDED IN SCHEDULE B (I.E REQUIRING FURTHER HYDROLOGICAL INVESTIGATIONS)**

\*Note: do not specifically refer to hydrology report at any time during this telephone call.

**RACQ Insurance:**

- We are calling to give you an update on the status of your claim [ALTERNATIVELY: Customer calls for an update on the status of their claim].
- We have now completed investigations in relation to the flooding events that affected your region.
- These investigations, together with previous specific site visits by loss assessors, have enabled us to decide which claims are inside or outside the policy and which claims require further investigation.
- Your claim has been identified as one of the claims requiring further investigations.
- As a first step, we will be undertaking another inspection of your property which will be attended by members of the RACQ Insurance investigation team. This inspection may be undertaken from the street without the need to access your property. If a member of the RACQ Insurance investigation team needs to speak with you as part of the inspection process, we will soon be in touch.
- We expect to be able to make a decision on your claim shortly after this further inspection.

**Customer:** Why can't you just tell me the outcome now?

**RACQ Insurance:**

- Unfortunately the characteristics of your property do not allow us to determine whether the policy responds to your claim. This could be for a number of reasons – for example specific features of your property or its exact location may be outside areas that enable clear conclusions to be drawn at this stage. The only way we can come to conclusion is to do a further site specific investigation.
- We appreciate your patience and we want to assure you that we are doing everything we can to work through this process as quickly as possible.

[Refer to previous scripts if there are requests for hydrological reports etc]

**Scripting – Query regarding ICA Report for Ipswich and Courier Mail Article – CATS11 2/11**

**SCRIPT FOR RACQI RESPONDING TO A QUERY REGARDING THE ICA REPORT FOR IPSWICH AND THE COURIER MAIL ARTICLE DATED 23 MARCH 2011**

\*Note: do not specifically refer to hydrology report at any time during this telephone call.

**Customer:** I have read an article in the Courier Mail which says that my claim should be covered?

**RACQI:**

- I assume that you are referring to the article that was published in the Courier Mail on 23 March 2011. This article referred to the Insurance Council of Australia's hydrology report for Ipswich.
- The Insurance Council of Australia's hydrology report is a high level regional report that describes what factors led to the flooding in Ipswich. Generally, RACQ Insurance's investigations are consistent with general hydrological conclusions that were reached by the Insurance Council.
- If you would like to review the Insurance Council of Australia's hydrology report it can be accessed online at <http://www.insurancecouncil.com.au>.
- The question of whether a claim is covered depends on the terms of the particular insurance policy. Insurance policies are not all the same.
- RACQ Insurance's standard policy covers flash flood and stormwater run off. Conclusions on these matters were not specifically addressed by the Insurance Council report. Also, the report does not consider the circumstances of individual properties.
- We have carried out investigations into your region and for your property independently of the Insurance Council. These investigations have included hydrological investigations, together with specific site visits by loss assessors.

[refer to previous scripts depending on the status of the particular insured's claim]



## Exhibit 23

Region	Date Report Received	Date Causation Decisions Made	Accepted	Declined	Total
<b>Alpha</b>			<b>0</b>	<b>7</b>	<b>7</b>
	21/04/2011	3/05/2011	0	7	7
<b>Atherton</b>			<b>3</b>	<b>0</b>	<b>3</b>
	20/05/2011	20/05/2011	3	0	3
<b>Brisbane</b>			<b>71</b>	<b>772</b>	<b>844</b>
	2/03/2011	7/03/2011	0	372	372
	21/03/2011	21/03/2011	0	219	219
	24/03/2011	25/03/2011	0	123	123
	17/04/2011	18/04/2011	0	15	15
	21/04/2011	21/04/2011	50	9	59
	6/05/2011	9/05/2011	9	10	19
	17/05/2011	17/05/2011	7	7	14
	20/05/2011	23/05/2011	2	1	3
	20/05/2011	25/05/2011	2	0	2
	26/05/2011	26/05/2011	0	1	1
	16/06/2011	16/06/2011	0	10	10
	29/06/2011	30/06/2011	1	2	3
	20/08/2011	22/08/2011	0	2	2
	30/08/2011	31/08/2011	0	1	1
	09/09/11	10/09/2011	1	0	1
<b>Bundaberg</b>			<b>13</b>	<b>45</b>	<b>58</b>
	1/03/2011	4/03/2011	0	26	26
	18/03/2011	19/03/2011	0	5	5
	5/05/2011	5/05/2011	3	9	12
	21/05/2011	23/05/2011	3	1	4
	31/05/2011	31/05/2011	5	3	8
	6/06/2011	6/06/2011	1	1	2
	29/06/2011	30/06/2011	1	0	1
<b>Caboolture</b>			<b>76</b>	<b>0</b>	<b>76</b>
	4/03/2011	11/03/2011	40	0	40
	25/03/2011	26/03/2011	23	0	23
	21/04/2011	21/04/2011	3	0	3
	5/05/2011	5/05/2011	6	0	6
	23/05/2011	23/05/2011	3	0	3
	30/08/2011	31/08/2011	1	0	1
<b>Condamine</b>			<b>28</b>	<b>32</b>	<b>61</b>
	11/02/2011	11/02/2011	12	0	12
	18/03/2011	30/03/2011	4	2	6
	27/05/2011	31/05/2011	11	28	39
	14/06/2011	15/06/2011	0	2	2
	27/06/2011	27/06/2011	1	0	1
	08/09/2011	08/09/2011	1	0	1
<b>Emerald</b>			<b>0</b>	<b>65</b>	<b>65</b>
	22/02/2011	22/02/2011	0	54	54
	18/03/2011	19/03/2011	0	6	6
	12/04/2011	12/04/2011	0	5	5

Region	Date Report Received	Date Causation Decisions Made	Accepted	Declined	Total
<b>Fitzroy</b>			<b>12</b>	<b>24</b>	<b>36</b>
	4/05/2011	5/05/2011	6	23	29
	26/05/2011	26/05/2011	6	1	7
<b>Gladstone</b>			<b>9</b>	<b>0</b>	<b>9</b>
	9/05/2011	9/05/2011	8	0	8
	6/06/2011	6/06/2011	1	0	1
<b>Gympie</b>			<b>17</b>	<b>1</b>	<b>18</b>
	28/04/2011	3/05/2011	16	0	16
	6/06/2011	6/06/2011	0	1	1
	16/06/2011	16/06/2011	1	0	1
<b>Ipswich</b>			<b>310</b>	<b>88</b>	<b>400</b>
	9/03/2011	18/03/2011	0	118	118
	23/03/2011	25/03/2011	0	12	12
	29/03/2011	29/03/2011	0	63	63
	7/04/2011	7/04/2011	0	51	51
	14/04/2011	15/04/2011	0	65	65
	20/04/2011	21/04/2011	33	18	51
	9/05/2011	10/05/2011	5	1	6
	17/05/2011	17/05/2011	9	5	14
	7/06/2011	8/06/2011	10	0	10
	16/06/2011	16/06/2011	0	4	4
	29/06/2011	30/06/2011	0	1	1
	8/07/2011	8/07/2011	2	-2	0
	11/07/2011	2/08/2011	248	-248	0
	20/08/2011	22/08/2011	2	0	2
	30/08/2011	31/08/2011	1	0	1
	08/09/2011	08/09/2011	2	0	2
<b>Lower Lockyer</b>			<b>166</b>	<b>1</b>	<b>169</b>
	7/02/2011	11/02/2011	9	0	9
	9/03/2011	14/03/2011	38	0	38
	22/03/2011	22/03/2011	44	0	44
	7/02/2011	8/04/2011	1	0	1
	4/05/2011	4/05/2011	43	0	43
	5/05/2011	6/05/2011	20	0	20
	13/05/2011	20/05/2011	7	0	7
	18/05/2011	23/05/2011	1	0	1
	21/05/2011	26/05/2011	1	0	1
	1/06/2011	2/06/2011	0	1	1
	13/05/2011	16/05/2011	1	0	1
	16/06/2011	16/06/2011	1	0	1
	08/09/2011	08/09/2011	2	0	2
<b>Middle Brisbane</b>			<b>18</b>	<b>26</b>	<b>44</b>
	5/05/2011	9/05/2011	6	5	11
	12/05/2011	12/05/2011	4	5	9
	19/05/2011	20/05/2011	2	12	14
	9/05/2011	25/05/2011	4	0	4

Region	Date Report Received	Date Causation Decisions Made	Accepted	Declined	Total
	21/05/2011	31/05/2011	0	3	3
	30/05/2011	2/06/2011	1	1	2
	16/06/2011	16/06/2011	1	0	1
<b>Moreton</b>			<b>39</b>	<b>0</b>	<b>39</b>
	3/03/2011	14/03/2011	27	0	27
	26/03/2011	26/03/2011	10	0	10
	5/05/2011	5/05/2011	2	0	2
<b>Rockhampton</b>			<b>14</b>	<b>47</b>	<b>61</b>
	4/03/2011	7/03/2011	0	26	26
	21/03/2011	22/03/2011	0	9	9
	14/04/2011	14/04/2011	7	7	14
	16/05/2011	16/05/2011	7	4	11
	30/08/2011	31/08/2011	0	1	1
<b>Sunshine Coast</b>			<b>74</b>	<b>0</b>	<b>74</b>
	18/03/2011	22/03/2011	5	0	5
	5/04/2011	5/04/2011	57	0	57
	21/04/2011	21/04/2011	7	0	7
	23/05/2011	23/05/2011	4	0	4
	26/05/2011	26/05/2011	1	0	1
<b>Toowoomba</b>			<b>273</b>	<b>0</b>	<b>273</b>
	31/01/2011	11/02/2011	246	0	246
	31/01/2011	8/04/2011	27	0	27
<b>Upper Bremer</b>			<b>2</b>	<b>0</b>	<b>2</b>
	31/05/2011	31/05/2011	2	0	2
<b>Upper Brisbane</b>			<b>26</b>	<b>0</b>	<b>26</b>
	24/03/2011	28/03/2011	10	0	10
	12/04/2011	12/04/2011	13	0	13
	5/05/2011	5/05/2011	1	0	1
	6/06/2011	6/06/2011	1	0	1
	9/08/2011	10/08/2011	1	0	1
<b>Upper Lockyer</b>			<b>58</b>	<b>0</b>	<b>58</b>
	7/02/2011	11/02/2011	51	0	51
	7/02/2011	8/04/2011	7	0	7
		<b>TOTAL</b>	<b>1,209</b>	<b>1,108</b>	<b>2,323</b>

## Exhibit 27



**COOPER GRACE WARD**  
LAWYERS

Our Ref: MJM:RXR 10094914

12 May 2011

Mr John Price  
General Insurance Ombudsman

Email: [REDACTED]

Level 21, 400 George Street  
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

[www.cgw.com.au](http://www.cgw.com.au)

ABN 95 591 906 639

Dear Mr Price

**RACQ Insurance Limited**  
**Provision of regional hydrology reports**

We act for RACQ Insurance Limited.

Our client has forwarded us a copy of your emails of 3 and 4 May 2011 which attached an email from [REDACTED] of the Insurance Law Service dated 3 May 2011.

Our client takes its obligations under the General Insurance Code of Practice seriously, and also takes seriously the matters contained in Ms [REDACTED]'s email. We have been asked to write this letter responding to Ms [REDACTED]'s email.

**Background**

In relation to requests for hydrology reports, the standard response which we provide on behalf of our client is as follows:

*Our client does not propose to provide a copy of its hydrology report because the report contains private information in relation to many other people whose privacy our client is required to protect and because the report is subject to legal professional privilege.*

Ms [REDACTED] refers to clause 3.4.3 of the General Insurance Code of Practice and suggests that our client has breached that clause by not providing access to hydrology reports. This, with respect, is not correct.

Clause 3.4.3 provides as follows:

*You will have access to information about you which we have relied on in assessing your claim and an opportunity to correct any mistakes or inaccuracies. In special circumstances<sup>11</sup> or where a claim is being or has been investigated, we may decline to release information and reports but we will not do so unreasonably. In these circumstances, we will give you reasons and you will have the right to request a review of our decision through our complaints handling procedures. We will provide our reasons in writing upon request.*

Footnote 11 states as follows:

*Such as where information is subject to privacy laws, where information is protected from disclosure by law, or where the release of the information may be prejudicial to us in relation to a dispute about your claim.*

The standard response mentioned above is intended to refer to two of the circumstances set out in footnote 11 to clause 3.4.3 – namely “where information is subject to privacy laws”, and “where information is protected from disclosure by law”. Furthermore, the standard response satisfies the obligation in clause 3.4.3 to provide reasons for where an insurer has declined to release information.



### **The reports**

To further explain the reason why these two circumstances apply, we propose to give some brief details about the form of the reports. In doing so, our client should not be taken to be waiving privilege in any way and we wish to make it clear that our client maintains its rights of privilege and confidentiality in relation to the documents.

Our client asked us to provide legal advice on various questions arising from the Queensland floods, including advice on our client's obligations to pay insureds' claims under their policies. As you would be aware, our client's standard policy provides coverage for "Flash flood and stormwater run-off" (as defined) but excludes coverage for "Flood" (as defined). In order to provide advice on the application of these terms, we needed evidence about the nature and timing of the flooding which had occurred.

Accordingly, our client instructed us to obtain a number of hydrology reports so that we could provide this advice. The reports have generally been prepared on a regional basis. The reports therefore deal with a number of insureds' properties, and the reports necessarily contain information about the properties which are being reported on (including names, addresses and claim numbers of insureds).

### **Privacy**

Section 6 of the *Privacy Act 1988* (Cth) defines "personal information" as follows:

*"personal information" means information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion.*

The information contained in the reports is "personal information" for the purposes of the *Privacy Act 1988* (Cth) and the National Privacy Principles. Our client is bound to treat such information in accordance with those laws.

Accordingly, the reports contain information that is "subject to privacy laws" for the purposes of footnote 11 to clause 3.4.3. This is sufficient to establish that our client is not obliged to provide its reports under clause 3.4.3 of the Code.

### **Legal professional privilege**

In addition the reports are subject to legal professional privilege.

Communications are privileged where they are made for the dominant purpose of providing legal advice or to aid in the conduct of litigation: *Grant v Downs* (1976) 135 CLR 674 at 677; *Esso Australia Resources Ltd v Federal Commissioner of Taxation* (1999) 201 CLR 49. Our client relies on both limbs of the privilege – ie advice privilege and litigation privilege.

As noted above, the reports were obtained to allow us to advise our clients on whether particular claims were or were not payable based on an application of the terms of the policy to the particular events found in the hydrology reports. They were therefore obtained for the dominant purpose of obtaining legal advice.

Further, when the Queensland floods occurred, it was apparent that a large number of insureds' claims would not fall within the terms of their policy, and would therefore be declined. With a likelihood of a high number of claims being denied, it was and is likely that many of those decisions will be challenged and therefore subject to litigation. Indeed there have, from an early stage, been various reports of possible class actions against insurers. In that environment, there was and is clearly a real prospect of litigation regarding the subject matter of the reports.

For those reasons, the regional hydrology reports obtained by our client are subject to legal professional privilege and thus are "protected from disclosure by law" for the purposes of footnote 11 to clause 3.4.3. This provides a further basis (independent of the privacy issues) to establish that our client is not obliged to provide its reports under clause 3.4.3 of the Code.

### **Information provided**

Although the reports cannot be released for the reasons given above, our client has taken substantial steps to provide insureds with information about the hydrological conclusions it has formed.



We **attach** for your information examples of information sheets for various regions which our client has released freely to insureds wishing to obtain further information about their claim decision. As you will see, the information sheets set out clearly the key conclusions and reasons for those conclusions in respect of each region.

Accordingly, we submit that our client has taken all reasonable steps to make available all of the information which is relevant to its decisions.

The information sheets provide more than enough information for insureds to obtain their own hydrological evidence challenging those conclusions, if an insured wishes to do so.

**Further information**

We are happy to provide any further explanation or information that would assist in your consideration of our client's compliance with its obligations under the Code.

Yours faithfully

COOPER GRACE WARD  
[Redacted Signature]

Associate

T  
F  
E  
[Redacted Signature]

[Redacted Signature]

Partner

MJM10091926 3838932v2

## **REPORT BY RACQ INSURANCE LIMITED ON ITS INVESTIGATIONS INTO ROCKHAMPTON FLOODS**

This document has been prepared by RACQ Insurance Limited to provide its policyholders with some further details of the investigations it has carried out into the flooding which occurred in Rockhampton in January 2011.

### **RACQ Insurance's investigations**

1. RACQ Insurance has carried out extensive investigations into the floods in Rockhampton. These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Rockhampton and the rate and speed at which water flowed through that catchment.

### **The key results**

2. The Fitzroy River was elevated during December 2010. It reached a Moderate flood level on 14 December 2010 which peaked at 7.65m on 16 December 2010. This was attributable primarily to the cumulative rainfall that fell between 1 to 4 December 2010 with some further contribution from rainfall on 11 and 12 December 2010.
3. The river then fell to 5.5m on 23 December 2010 and from there began to rise due to the widespread rainfall occurring from 23 to 28 December 2010. This rainfall was associated with a moist easterly flow brought into the region by Cyclone Tasha, which was first declared a tropical low on 24 December 2010.
4. The Fitzroy River then flooded with a peak at 9.2m on or about 4 January 2011. The period of time that the river was in flood was substantial. It maintained levels of over 9m till 11 January 2011 and was over the Major flood level of 8.5m for the period from 1 to 14 January 2011.
5. There was local rainfall in the City of Rockhampton around the times that the Fitzroy River level was peaking (eg on 6 January 2011). However, this rainfall was of a relatively low intensity and occurred after the flood had peaked.

### **Impact on application of policy**

6. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
7. RACQ Insurance's findings indicate that the flooding which occurred in Rockhampton in January 2011 was the result of rain which had fallen between 23 and 28 December 2010. As this rain fell more than 24 hours before the flooding, it does not meet the requirements of "Flash flood or stormwater run-off" as defined in RACQ's standard policy and is therefore not covered by the Policy.

AJW10091926 3728860v1

**REPORT BY RACQ INSURANCE LIMITED ON ITS  
INVESTIGATIONS INTO IPSWICH FLOODS  
(UPPER BREMER RIVER CATCHMENT AREA)**

This document has been prepared by RACQ Insurance Limited to provide its policyholders with details of the investigations it has carried out into the flooding which occurred in Ipswich (in the upper Bremer River catchment area) in January 2011.

**RACQ Insurance's investigations**

1. RACQ Insurance has carried out extensive investigations into the floods in Ipswich (downstream of the Bremer and Brisbane River). These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Ipswich and the rate and speed at which water flowed through that catchment.

**The key results**

2. A substantial amount of rain fell in the Bremer River catchment from around 6.00am on 11 January 2011. At approximately 5.00pm on 11 January 2011 the Bremer River peaked at Walloon at 31.87m.
3. This water travelled down the Bremer River towards to the junction of the Bremer and Brisbane Rivers and, in the areas approaching the junction of the Bremer and Brisbane Rivers, began to interact with the Brisbane River.
4. However, there are some upstream areas of the Bremer River (those covered by this report) where the Bremer River is unlikely to have been materially affected by the Brisbane river, and therefore any inundation is attributable to the rain which fell in the Bremer River catchment from around 6.00am on 11 January 2011.

**Impact on application of policy**

5. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
6. As stated above, the upstream areas of the Bremer River covered by this report were flooded by rain which fell not more than 24 hours earlier (starting at 6.00am on 11 January 2011).
7. The flooding in these upstream areas meets the requirements of "Flash flood or stormwater run-off" as defined in RACQI's standard policy and is therefore covered.

**Individual Properties**

8. There may be some areas which have suffered damage at different times or as a result of different causes specific to their location. RACQI is continuing to investigate these areas and decisions on these claims will be made on a case by case basis.

AJW10091926 3740966v1

**REPORT BY RACQ INSURANCE LIMITED ON ITS  
INVESTIGATIONS INTO IPSWICH FLOODS  
(APPROACHING THE BREMER RIVER AND BRISBANE RIVER JUNCTION)**

This document has been prepared by RACQ Insurance Limited to provide its policyholders with details of the investigations it has carried out into the flooding which occurred in Ipswich (approaching the Bremer River and Brisbane River Junction) in January 2011.

**RACQ Insurance's investigations**

1. RACQ Insurance has carried out extensive investigations into the floods in Ipswich (approaching the Bremer River and Brisbane River junction). These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Ipswich and the rate and speed at which water flowed through that catchment.

**The key results**

2. A substantial amount of rain fell in the Bremer River catchment from around 6.00am on 11 January 2011. At approximately 5.00pm on 11 January 2011 the Bremer River peaked at Walloon at 31.87m.
3. This water travelled down the Bremer River causing inundation to some properties upstream of the junction of the Bremer and Brisbane Rivers.
4. As this water headed down the Bremer River towards the junction with the Brisbane River, the Brisbane River started to have a major effect. The level of the Brisbane River was elevated at this time due to earlier rain and releases from the Wivenhoe Dam due in particular to rain which fell in the dam's catchment area from around 6.00am on 9 January 2011. The elevated level of the Brisbane River meant that the water from the Bremer River could not flow into the Brisbane River at the same rate as it normally would.
5. Accordingly, for properties along the Bremer River approaching the junction with the Brisbane River, there were two mechanisms contributing to the flooding – one being the rain which had recently fallen in the Bremer River catchment and the other being the elevated level of the Brisbane River which inhibited that water's flow into the Brisbane River.
6. The peak of the Bremer River at One Mile (21.35m AHD) at approximately 1.00am on 12 January 2011 was attributable to the combined effects of flow from the Bremer River and the elevated levels of the Brisbane River. Likewise, the shape of the gauge results for the Bremer River at Ipswich is similar to the general shape of the Brisbane River gauge results at the Brisbane River Moggill Gauge, indicating that the Brisbane River was having a major influence on the levels of the Bremer River in this area.

**Impact on application of policy**

7. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
8. As noted, the area comprising areas of the Bremer River approaching the junction of the Bremer River and the Brisbane River were flooded by a combination of:
  - (a) the rain in the upper part of the catchment (which had occurred within 24 hours); and
  - (b) the effect of the elevated levels of the Brisbane River (which was caused by the release of water from the Wivenhoe Dam following rain which fell more than 24 hours before the event).
9. As the rain which fell within 24 hours was not the dominant cause of the flooding in this area, it does not meet the requirements of "Flash flood or stormwater run-off" as defined in RACQ's standard policy and is therefore not covered.

**Individual Properties**

10. There may be some areas which have suffered damage at different times or as a result of different causes specific to their location. RACQI is continuing to investigate these areas and decisions on these claims will be made on a case by case basis.

AJW10091926 3741104v1

**REPORT BY RACQ INSURANCE LIMITED ON ITS  
INVESTIGATIONS INTO IPSWICH FLOODS  
(DOWNSTREAM OF THE BREMER AND BRISBANE RIVER JUNCTION)**

This document has been prepared by RACQ Insurance Limited to provide its policyholders with details of the investigations it has carried out into the flooding which occurred in Ipswich (downstream of the Bremer and Brisbane River junction) in January 2011.

**RACQ Insurance's investigations**

1. RACQ Insurance has carried out extensive investigations into the floods in Ipswich (downstream of the Bremer and Brisbane River junction). These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Ipswich and the rate and speed at which water flowed through that catchment.

**The key results**

2. A substantial amount of rain fell in the Bremer River catchment from around 6.00am on 11 January 2011. At approximately 5.00pm on 11 January 2011 the Bremer River peaked at Walloon at 31.87m.
3. This water travelled down the Bremer River towards the junction of the Bremer and Brisbane Rivers.
4. There are some areas of Ipswich downstream of the junction between the Bremer River and the Brisbane River (such as Goodna) which were inundated. The Brisbane River Moggill Gauge indicates that the peak water level around this area occurred around 3.00pm on 12 January 2011.
5. This flooding was attributable to the release of water from the Wivenhoe Dam. Some of the rain which began falling in the Bremer River catchment around 6.00am on 11 January 2011 would have flowed into the Brisbane River by this point, but the overwhelming cause of the flooding in these areas was the flood water from the Brisbane River that had been released from Wivenhoe Dam in particular as a result of the heavy rain that had fallen in the dam's catchment area since 6.00 am on 9 January 2011.

**Impact on application of policy**

6. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
7. As noted, the areas around Goodna, where the peak inundation by the Brisbane River occurred at around 3.00pm on 12 January 2011.
8. The dominant cause of this inundation was the rain which fell in the Wivenhoe Dam catchment in particular the rain commencing around 6.00am on 9 January 2011 which was then released into the Brisbane River.
9. Damage caused to properties by this event is not covered under the policy.

**Individual Properties**

10. There may be some areas which have suffered damage at different times or as a result of different causes specific to their location. RACQ Insurance is continuing to investigate these areas and decisions on these claims will be made on a case by case basis.

AJW10091926 3741123v1

## REPORT BY RACQ INSURANCE LIMITED ON ITS INVESTIGATIONS INTO CHINCHILLA FLOODS

This document has been prepared by RACQ Insurance Limited to provide its policyholders with details of the investigations it has carried out into the flooding which occurred in Chinchilla in December 2010 and January 2011.

### RACQ Insurance's investigations

1. RACQ Insurance has carried out extensive investigations into the floods in Chinchilla. These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Chinchilla and the rate and speed at which water flowed through that catchment.

### The key results

2. Chinchilla was inundated by two different flood events, which peaked on 28 December 2010 and 12 January 2011 respectively.

#### *28 December 2010 event*

3. Charleys Creek had an elevated water level on the days leading up to the peak.
4. Heavy rainfall commenced in the catchment at approximately 2.00am on 23 December 2010. Its impact on the level of Charleys Creek was small and the water had largely drained away within 24 hours.
5. Further rainfall commenced at approximately 6.00pm on 25 December 2010. The level of Charleys Creek did not change materially within the next 24 hours. The water level did not rise above the Major flood height (6 metres) until around 3.00am on 27 December 2010 and it did not peak (at 7.24 metres) until around 6.00am on 28 December 2010 (approximately 60 hours after the second rainfall event commenced).

#### *12 January 2011 event*

6. Further heavy rain fell in the catchment from around 12.00pm on 10 January 2011.
7. 24 hours after the commencement of this rainfall, the level of Charleys Creek increased significantly to approximately 6.53 metres. The level of Charleys Creek then continued to rise in the absence of any further rain, peaking at approximately 7.00am on 12 January 2011 at 7.45 metres (approximately 31 hours after the commencement of the rainfall).

### Impact on application of policy

8. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
9. The majority of properties that reported damage in Chinchilla on 28 December 2010 were inundated as a result of flooding due to rain that fell outside 24 hours of the flood occurring. These claims will, therefore, not be covered by the policy.
10. The majority of properties that were inundated on 28 December 2010 were inundated for a second time on 12 January 2011. As noted, the inundation on 12 January 2011 was the result of rain that fell within 24 hours of the flood occurring and is therefore covered by the policy. Therefore, any damage that can be shown to have been caused *exclusively* by the 12 January 2011 flooding will be covered under the policy.

### Individual Properties

11. There may be some areas which have suffered damage at different times or as a result of different causes specific to their location. RACQI is continuing to investigate these areas and decisions on these claims will be made on a case by case basis.



## REPORT BY RACQ INSURANCE LIMITED ON ITS INVESTIGATIONS INTO BUNDABERG FLOODS

This document has been prepared by RACQ Insurance Limited to provide its policyholders with details of the investigations it has carried out into the flooding which occurred in the Bundaberg region in December 2010.

### **RACQ Insurance's investigations**

1. RACQ Insurance has carried out extensive investigations into the floods in the Bundaberg region. These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for the Bundaberg region and the rate and speed at which water flowed through that catchment.

### **The key results**

2. A substantial amount of rain fell in the Burnett River catchment area (south of Bundaberg) between 16 December 2010 and 19 December 2010. This rain caused the Burnett River catchment to be saturated.
3. There was further substantial rainfall in the Burnett River catchment between 22 and 28 December 2010. The heaviest rain fell on the morning of 25 December 2010. This rainfall was associated with a moist easterly flow brought into the region by Cyclone Tasha which was first declared a tropical low on 24 December 2010.
4. The Burnett River levels rose and ultimately peaked on 30 December 2010.
5. There was localised rainfall in Bundaberg on 27 and 28 December 2010. However, this rain had no appreciable effect on the peak flood level on 30 December 2010.
6. The rain which fell between 22 and 28 December 2010 (and particularly the rain on 25 December 2010) was the principal cause of inundation in Bundaberg which peaked on 30 December 2010.

### **Impact on application of policy**

7. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
8. The majority of properties that reported damage in the Bundaberg region were inundated as a result of flooding due to rain that fell more than 24 hours prior to the flood occurring (i.e. rain which fell between 22 and 28 December 2010) and are therefore not covered by the Policy.
9. There may be some areas which have suffered damage at different times or as a result of different causes specific to their location. Decisions on these claims will be made on a case by case basis.

AJW10091926 3728865v1

## REPORT BY RACQ INSURANCE LIMITED ON ITS INVESTIGATIONS INTO BRISBANE FLOODS

This document has been prepared by RACQ Insurance Limited to provide its policyholders with some further details of the investigations it has carried out into the flooding which occurred in Brisbane in January 2011.

### RACQ Insurance's investigations

1. RACQ Insurance has carried out extensive investigations into the floods in Brisbane. These investigations have included site investigations of each insured property by loss adjusters and an analysis of relevant hydrology data, including rainfall measurements, river heights, the topography of the catchment area for Brisbane and the rate and speed at which water flowed through that catchment.

### The key results

2. A substantial amount of rain fell in the Brisbane River catchment above Wivenhoe Dam both before, but particularly over the period 9, 10 and 11 January 2011 commencing at approximately 9am on 9 January 2011. This rain caused significant inflows into the Wivenhoe Dam, the level of which is reported to have peaked at approximately before midnight on 11 January 2011.
3. There were significant discharges of this water from the Wivenhoe Dam which flowed into the Brisbane River which worked its way down the River towards Brisbane. A substantial amount of rain also fell in the Bremer River catchment from around 6.00am on 11 January 2011. This rain travelled down the Bremer River towards the junction of the Bremer River and the Brisbane River.
4. The Bremer River contributed in the order of 15% to 25% of the Brisbane River's peak flow. This is a necessarily imprecise figure because some important data is still not available to us.
5. Due to the high Brisbane River tailwater levels there was some attenuation of the peak flow rate in the lower reaches of the Bremer River. This means that the overall contribution of the Bremer River to the Brisbane River is likely to be less than the above estimate but we cannot presently say by how much less.
6. A small proportion of the overall depth of the Brisbane River prior to 6.00am on 12 January 2011 may be partially attributable to the rain that fell in the Bremer River catchment on 11 January 2011. However, the overwhelming influence on the flooding of the Brisbane River was the rain which fell some days earlier and its subsequent release from the Wivenhoe Dam.
7. After 6.00am on 12 January 2011, the Brisbane River continued to rise to its peak level of 4.45m (recorded at the Brisbane City Gauge at approximately 4.00am on 13 January 2011).

### Impact on application of policy

8. RACQ Insurance's standard policy provides coverage for loss or damage caused by "Flash flood or stormwater run-off". That expression is defined as "A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off". Otherwise, RACQ Insurance's standard policy does not cover flooding.
9. The majority of properties that reported damage in Brisbane were inundated as a result of the release of water from Wivenhoe Dam that followed the rainfall in the Brisbane River catchment that commenced on 9 January 2011.
10. This does not meet the requirements of "Flash flood or stormwater run-off" as defined in RACQ's standard policy. Claims for loss or damage in Brisbane will, therefore, generally not be covered.
11. There may be some properties which have suffered damage at different times or as a result of different causes specific to their location. Decisions on these claims will be made on a case by case basis.

## Exhibit 40



# COOPER GRACE WARD

LAWYERS

Our Ref: SAD2:AJC3 10091926

14 February 2011

Director  
Water Technology  
93 Boundary Road  
West End Qld 4101

Email: [REDACTED]

Dear Mr [REDACTED]

Level 21, 400 George Street  
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

[www.cgw.com.au](http://www.cgw.com.au)

ABN 95 591 906 639

## Water Technology Independent analysis - water inundation

We act for RACQ Insurance Limited (RACQI).

Thank you for offering your services to provide hydraulic engineering evidence.

### Scope of work

1. The purpose of this letter is to formally engage you to provide an independent analysis of the cause of water inundation to a property at [REDACTED] **Barry Street, East Ipswich, Queensland 4305 (property)**.

### Background

2. RACQI provides household insurance for properties located in Queensland and Northern New South Wales. Queensland has recently suffered unprecedented flooding events throughout the State.
3. As a result, there has been a claim made by the owner of the property against RACQI's policy for loss and damage that was caused by water inundation at the property on 10 January 2011.
4. We are instructed by our client that at the time of the insured's claim, the insured noted that the vast majority of damage was caused by water leaking/overflowing from storm water pipes and drains.
5. The loss assessor's preliminary observations indicate that water entered the insured's house as a consequence of the drainage system not being able to cope with the volume of rainwater experienced at the property.
6. In addition, we are instructed that the insured's property was also inundated on 19 November 2008. The factors surrounding the inundation on 19 November 2008 may be relevant to your current investigations. Accordingly, we have **attached** a copy of the loss assessor's reports based on an inspection undertaken on the property on 20 November 2008.

### Causes of water inundation

7. For the purpose of your analysis and the preparation of any report, please note that you are instructed to assume the following:
  - (a) **Flood** – is rising water which enters a home as the result of it running off or overflowing from any origin or cause;
  - (b) **Flash flood and stormwater run off** – is a sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run off; and



- (c) **water inundation** – is the influx of water onto the property (ie the expression is not being used to refer only to properties which have been completely immersed in water).

**Your instructions**

8. In light of the above, we request your opinion (setting out your reasons) on whether:
  - (a) the property sustained water inundation exclusively by flood;
  - (b) the property sustained water inundation exclusively by flash flood and stormwater run off;
  - (c) the property sustained water inundation by a contribution of both flash flood and stormwater run off; and
  - (d) if the property sustained water inundation by a contribution of both flash flood and stormwater run off:
    - (i) to what extent was that water inundation caused by flood;
    - (ii) to what extent was that water inundation caused by flash flood and stormwater run off; and
    - (iii) what cause of water inundation occurred first.
9. If the property falls within sub-paragraphs 8(b) and (c), **please state** whether natural or human factors may have contributed to the water inundation.
10. If you are uncertain as to which of the above categories the property falls into, please identify this uncertainty, give your reasons for that uncertainty and so far as possible identify any further information or investigation which might help clarify the position.
11. Please note that before preparing any draft report, we will need to meet with you in conference to discuss your preliminary opinions.

**Formal requirements**

12. It is of course possible that litigation could result from the floods and in that event we may wish to call upon you to provide evidence as an expert witness. Consequently, it is important that your report be prepared with that possibility in mind. For present purposes we request that your report comply with the *Uniform Civil Procedure Rules 1999* (Qld) relating to expert reports. **Enclosed** is a copy of the relevant section of the court rules.
13. You will note that the court rules require that your report contain the following matters:
  - (a) your qualifications;
  - (b) all material facts, whether written or oral, on which the report is based;
  - (c) references to any literature or any other material relied upon by you to prepare your report;
  - (d) if an inspection, examination or experiment was used or relied upon:
  - (e) a description of what was done;
  - (f) whether it was done by the expert or under the expert's supervision;
  - (g) the name and qualification of any other person involved; and
  - (h) the result;
  - (i) a summary of the range of available opinions on the matter and reasons you adopted a particular opinion;
  - (j) summary of conclusions reached by you; and

- (k) a statement about whether access to any readily ascertainable additional facts would assist you in reaching a more reliable conclusion.
- 14. Please also confirm at the end of your report as follows:
  - (a) the factual matters stated in the report are, as far as you know, true;
  - (b) you have made all enquiries considered appropriate;
  - (c) the opinions stated in the report are genuinely held by you;
  - (d) the report contains references to all matters you consider significant; and
  - (e) you understand your duty to the court and you have complied with the duty.

**Timing of your work**

- 15. We require your report for the property urgently.
- 16. We would appreciate if you could provide us with an estimated timeframe for completion as soon as possible; letting us know when you might first be able to confer with us; and then when you might be able to provide your report.

**Your contacts**

- 17. Your primary contacts are:
  - (a) [REDACTED] Partner, [REDACTED]
  - (b) [REDACTED] Partner, [REDACTED]
  - (c) [REDACTED] Associate, [REDACTED]
  - (d) [REDACTED] Lawyer, [REDACTED]
  - (e) [REDACTED] Lawyer, [REDACTED]

**Fees and expenses**

- 18. We understand that there is an initial outlay of costs for travel and accommodation and car hire and that any pricing structure is indicative and will be reflective of the number of inspections.
- 19. We confirm that we are instructed that RACQI will accept \$1600 ex GST for the Individual Site Claim (standalone) Report.
- 20. Please let us know if there are any variables which may lead to your costs exceeding this amount.

**Legal privilege, confidentiality and intellectual property**

- 21. Your report is being sought for the purpose of enabling us to provide legal advice, and in relation to contemplated litigation. As a result, it will be subject to legal professional privilege, and you must not release your report, or communications exchanged between us in relation to your report, to third parties without our client's consent.
- 22. In addition to the above privilege, all information relating to your engagement (including our client's instructions, the results of your investigation, any notes you prepare) will be confidential. This means you cannot disclose, in any way, information relating to your engagement by our client to third parties without our client's consent (unless otherwise required to do so by law).
- 23. Our client will retain all intellectual property rights in relation to anything you produce in the course of your engagement.
- 24. We are instructed that the property has been the subject of media attention. Therefore, if you experience any interference from the media or any third party sources, please cease your investigations immediately and contact us.

**Moving forward**

We look forward to meeting with you shortly to discuss your preliminary observations.

If you have any queries, please contact us.

Yours faithfully  
**COOPER GRACE WARD**

Lawyer

T  
F  
E

Partner

SAD210091926 3656044v1

*This electronic transmission (and any following pages) is confidential, may contain legally privileged information and is intended solely for the named addressee. If you receive this document in error, please destroy it and advise the sender.*





Our Ref: SAD2:AJC3 10091926

10 March 2011

Director  
Water Technology  
93 Boundary Road  
West End Qld 4101

Email: [REDACTED]

Dear Mr [REDACTED]

Level 21, 400 George Street  
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

[www.cgw.com.au](http://www.cgw.com.au)

ABN 95 591 906 639

### Water Technology independent analysis - water inundation

We act for RACQ Insurance Limited (RACQI).

Thank you for offering your services to provide hydraulic engineering evidence.

### Scope of work

1. The purpose of this letter is to formally engage you to provide an independent analysis of the cause of water inundation to a property at [REDACTED] Old Toowoomba Road, One Mile 4305 (property).

### Background

2. RACQI provides household insurance for properties located in Queensland and Northern New South Wales. Queensland has recently suffered unprecedented flooding events throughout the State.
3. As a result, there has been a claim made by the owner of the property against RACQI's policy for loss and damage that was caused by water inundation at the property as part of the Ipswich flood event.
4. We have requested a copy of the loss assessor's report for this flooding event and we expect to receive it shortly. In the mean time, we have been provided with a copy of the loss assessor's report dated November 2008. This relates to a claim previously made by the insured in relation to flooding that occurred in November 2008 (attached).

### Causes of water inundation

5. For the purpose of your analysis and the preparation of any report, please note that you are instructed to assume the following:
  - (a) **Flood** – is rising water which enters a home as the result of it running off or overflowing from any origin or cause;
  - (b) **Flash flood and stormwater run off** – is a sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run off; and
  - (c) **water inundation** – is the influx of water onto the property (ie the expression is not being used to refer only to properties which have been completely immersed in water).

**Your instructions**

6. In light of the above, we request your opinion (setting out your reasons) on whether:
  - (a) the property sustained water inundation exclusively by flood;
  - (b) the property sustained water inundation exclusively by flash flood and stormwater run off;
  - (c) the property sustained water inundation by a contribution of both flash flood and stormwater run off; and
  - (d) if the property sustained water inundation by a contribution of both flash flood and stormwater run off:
    - (i) to what extent was that water inundation caused by flood;
    - (ii) to what extent was that water inundation caused by flash flood and stormwater run off; and
    - (iii) what cause of water inundation occurred first.
7. If the property falls within sub-paragraphs 6(b) and (c), please state whether natural or human factors may have contributed to the water inundation.
8. If you are uncertain as to which of the above categories the property falls into, please identify this uncertainty, give your reasons for that uncertainty and so far as possible identify any further information or investigation which might help clarify the position.
9. Please note that before preparing any draft report, we will need to meet with you in conference to discuss your preliminary opinions.

**Formal requirements**

10. It is of course possible that litigation could result from the floods and in that event we may wish to call upon you to provide evidence as an expert witness. Consequently, it is important that your report be prepared with that possibility in mind. For present purposes we request that your report comply with the *Uniform Civil Procedure Rules 1999* (Qld) relating to expert reports. **Enclosed** is a copy of the relevant section of the court rules.
11. You will note that the court rules require that your report contain the following matters:
  - (a) your qualifications;
  - (b) all material facts, whether written or oral, on which the report is based;
  - (c) references to any literature or any other material relied upon by you to prepare your report;
  - (d) if an inspection, examination or experiment was used or relied upon;
  - (e) a description of what was done;
  - (f) whether it was done by the expert or under the expert's supervision;
  - (g) the name and qualification of any other person involved; and
  - (h) the result;
  - (i) a summary of the range of available opinions on the matter and reasons you adopted a particular opinion;
  - (j) summary of conclusions reached by you; and
  - (k) a statement about whether access to any readily ascertainable additional facts would assist you in reaching a more reliable conclusion.
12. Please also confirm at the end of your report as follows:

- (a) the factual matters stated in the report are, as far as you know, true;
- (b) you have made all enquiries considered appropriate;
- (c) the opinions stated in the report are genuinely held by you;
- (d) the report contains references to all matters you consider significant; and
- (e) you understand your duty to the court and you have complied with the duty.

#### Timing of your work

- 13. The site inspection has been scheduled for **3.00pm today (10 March 2011)**.
- 14. We require your report for the property urgently.
- 15. We would appreciate if you could provide us with an estimated timeframe for completion as soon as possible; letting us know when you might first be able to confer with us; and then when you might be able to provide your report.

#### Your contacts

- 16. Your primary contacts are:
  - (a) [REDACTED] Partner, [REDACTED]
  - (b) [REDACTED] Partner, [REDACTED]
  - (c) [REDACTED] Associate, [REDACTED] and
  - (d) [REDACTED] Lawyer [REDACTED]

#### Fees and expenses

- 17. We understand that there is an initial outlay of costs for travel and accommodation and car hire and that any pricing structure is indicative and will be reflective of the number of inspections.
- 18. We confirm that we are instructed that RACQI will accept \$1600 ex GST for the Individual Site Claim (standalone) Report.
- 19. Please let us know if there are any variables which may lead to your costs exceeding this amount.

#### Legal privilege, confidentiality and intellectual property

- 20. Your report is being sought for the purpose of enabling us to provide legal advice, and in relation to contemplated litigation. As a result, it will be subject to legal professional privilege, and you must not release your report, or communications exchanged between us in relation to your report, to third parties without our client's consent.
- 21. In addition to the above privilege, all information relating to your engagement (including our client's instructions, the results of your investigation, any notes you prepare) will be confidential. This means you cannot disclose, in any way, information relating to your engagement by our client to third parties without our client's consent (unless otherwise required to do so by law).
- 22. Our client will retain all intellectual property rights in relation to anything you produce in the course of your engagement.
- 23. We are instructed that the property has been the subject of media attention. Therefore, if you experience any interference from the media or any third party sources, please cease your investigations immediately and contact us.

#### Moving forward

We look forward to meeting with you shortly to discuss your preliminary observations.

If you have any queries, please contact us.

Yours faithfully  
COOPER GRACE WARD

[Redacted Signature]

Lawyer

T  
F  
E

[Redacted Signature]

[Redacted Signature]

Partner

SAD210091926 3656044v1

*This electronic transmission (and any following pages) is confidential, may contain legally privileged information and is intended solely for the named addressee. If you receive this document in error, please destroy it and advise the sender.*

**From:** [REDACTED]  
**Sent:** Wednesday, 6 April 2011 1:40 PM  
**To:** [REDACTED]@watech.com.au'  
**Cc:** [REDACTED]  
**Subject:** RE: Rockhampton - clarification of address information  
**Attachments:** image002.gif

This communication (including any attachments) is confidential and contains legally privileged information. It has been prepared for the purposes of giving and/or receiving legal advice and/or for the purposes of legal proceedings. Please do not send this communication or any attachments to any person other than the intended recipients.

Dear [REDACTED]

Our responses to your queries are set out in red below:

- 1) Can RACQ confirm that several claims requested at Williams Street, Emerald (RACQ Ref: [REDACTED]) are either Williams Street, Emerald or William Street, Springsure (60 kms south of Emerald)  
  
[REDACTED] WILLANS ST, EMERALD, QLD 4720 is the loss address  
[REDACTED] OLD AIRPORT DRIVE, EMERALD, QLD 4720 is the loss address RACQ!  
[REDACTED] WILLANS ST, EMERALD, QLD 4720 is the loss address RACQ!  
[REDACTED] WILLANS ST, EMERALD, QLD 4720 is the loss address RACQ!
- 2) Can RACQ provide a street address for [REDACTED] Duckponds Road, Comet or a phone number (RACQ Ref: [REDACTED])  
  
[REDACTED] DUCKPONDS ROAD, COMET, QLD 4702 is the only address available – insured,  
[REDACTED] contact details are: [REDACTED]
- 3) Can RACQ provide a street address (or a phone number) for [REDACTED] Ohl Street, Bluff (RACQ Ref: [REDACTED])  
  
[REDACTED] OHL STREET, BLUFF, QLD 4702 is the only address available – insured,  
[REDACTED] contact details are: [REDACTED]
- 4) Can RACQ provide a street address (or a phone number) for Haven Lee Farm, Apis-Creek Road, Duaringa (RACQ Ref: [REDACTED] 6)  
  
[REDACTED] APIS-CREEK ROAD, DUARINGA, QLD 4712 is the only address available – insured, [REDACTED] contact details are: [REDACTED] [REDACTED] can be contacted on [REDACTED]
- 5) Can RACQ confirm that [REDACTED] North Avenue, Theodore (RACQ Ref: [REDACTED]) is actually [REDACTED] Ninth Avenue.  
  
[REDACTED] – address confirmed as [REDACTED] NINTH AVE, THEODORE, QLD 4719
- 6) Can RACQ provide a street address (or a phone number) for [REDACTED] Alaire Heights, Theodore (RACQ [REDACTED])  
  
[REDACTED] ALAIRE HEIGHTS, THEODORE, QLD 4719 is the only address – insured,  
[REDACTED] contact details are: [REDACTED] or [REDACTED] [REDACTED] can be contacted on [REDACTED]
- 7) Can RACQ provide a street address (or a phone number) for Fifth Avenue, Theodore (RACQ Ref: [REDACTED])  
[REDACTED]

██████████ AVENUE, THEODORE, QLD 4719 is the only address – insured, ██████████  
contact details are ██████████ can be contacted on ██████████

Although we have provided you with the insureds' telephone contact details, please ensure that no one from Water Technology speaks with the insureds until we have provided you with a protocol on this issue.

Regards

██████████ | Lawyer



██████████ E ██████████.au W [www.cgw.com.au](http://www.cgw.com.au)  
Level 21, 400 George Street, Brisbane 4000 Australia GPO Box 834, Brisbane 4001

Assistant: ██████████  
Best Australian Law Firm (revenue less than \$50m) - BRW Client Choice Awards 2009 and 2010  
EOWA Employer of Choice for Women 2009 and 2010  
Hewitt Best Australian Employers 2009 - Highly Commended  
Australia's Fastest Growing Law Firm 2009 - *The Australian*

**Do you receive our Legal Alerts and seminar invitations? Please visit <http://cgw.com.au/user/register>**



Our Ref: SAD2:AJC3 10091926

6 April 2011

Director  
Water Technology  
93 Boundary Road  
West End Qld 4101

Email: s

Dear

Level 21, 400 George Street  
Brisbane 4000 Australia

GPO Box 834, Brisbane 4001

T 61 7 3231 2444

F 61 7 3221 4356

[www.cgw.com.au](http://www.cgw.com.au)

ABN 95 591 906 639

### Water Technology independent analysis - water inundation

We act for RACQ Insurance Limited (**RACQI**).

Thank you for offering your services to provide hydraulic engineering evidence.

### Scope of work

1. The purpose of this letter is to formally engage you to provide an independent analysis of the cause of water inundation to the following properties:

Claim Number	RISKADDRESSLINE1	RISKCITY	RISK POSTCODE
	RODNEY RD	CURRA	4570
	TIMBERTOP COURT	GYMPIE	4570
	ARBOR CRESCENT ROAD	GLENWOOD	4570
	BREGORY RD	TRAVESTON	4570
	HARCH ROAD LOWER WONGA VIA	WIDGEE	4570
	NORTH DEEP CREEK RD	GYMPIE	4570
	ROBERT RD	CHATSWORTH	4570
	HEATHER JOY CRESCENT	CURRA	4570
	GLENBAR RD	THE PALMS	4570
	KIRSTEN DR	CURRA	4570
	MELINDA ROAD	IMBIL	4570
	TANDUR RD	KYBONG	4570
	MOOREHOUSE GULLY RD	AMAMoor	4570
	BURGESS RD	GYMPIE	4570
	FOREST ROAD	GYMPIE	4570

2. Each of the properties is located in the Gympie region.

### Background

3. RACQI provides household insurance for properties located in Queensland and Northern New South Wales. Queensland has recently suffered unprecedented flooding events throughout the State.



4. As a result, there have been claims made by the owners of the properties against RACQI policies for loss or damage caused by water inundation.

#### Causes of water inundation

5. For the purpose of your analysis and the preparation of any report, please note that you are instructed to assume the following:
  - (a) **Flood** – is rising water which enters a home as the result of it running off or overflowing from any origin or cause;
  - (b) **Flash flood and stormwater run off** – is a sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run off; and
  - (c) **water inundation** – is the influx of water onto the property(ies) (ie the expression is not being used to refer only to properties which have been completely immersed in water).

#### Your instructions

6. In light of the above, we request your opinion (setting out your reasons) on whether:
  - (a) the properties sustained water inundation exclusively by flood;
  - (b) the properties sustained water inundation exclusively by flash flood and stormwater run off;
  - (c) the properties sustained water inundation by a contribution of both flash flood and stormwater run off; and
  - (d) if the properties sustained water inundation by a contribution of both flash flood and stormwater run off:
    - (i) to what extent was that water inundation caused by flood;
    - (ii) to what extent was that water inundation caused by flash flood and stormwater run off; and
    - (iii) what cause of water inundation occurred first.
7. If the properties fall within sub-paragraphs 6(b) and (c), please state whether natural or human factors may have contributed to the water inundation.
8. If you are uncertain as to which of the above categories the properties falls into, please identify this uncertainty, give your reasons for that uncertainty and so far as possible identify any further information or investigation which might help clarify the position.
9. Please note that before preparing any draft report, we will need to meet with you in conference to discuss your preliminary opinions.

#### Formal requirements

10. It is of course possible that litigation could result from the floods and in that event we may wish to call upon you to provide evidence as an expert witness. Consequently, it is important that your report be prepared with that possibility in mind. For present purposes we request that your report comply with the *Uniform Civil Procedure Rules 1999* (Qld) relating to expert reports. **Enclosed** is a copy of the relevant section of the court rules.
11. You will note that the court rules require that your report contain the following matters:
  - (a) your qualifications;
  - (b) all material facts, whether written or oral, on which the report is based;
  - (c) references to any literature or any other material relied upon by you to prepare your report;
  - (d) if an inspection, examination or experiment was used or relied upon:

- (e) a description of what was done;
  - (f) whether it was done by the expert or under the expert's supervision;
  - (g) the name and qualification of any other person involved; and
  - (h) the result;
  - (i) a summary of the range of available opinions on the matter and reasons you adopted a particular opinion;
  - (j) summary of conclusions reached by you; and
  - (k) a statement about whether access to any readily ascertainable additional facts would assist you in reaching a more reliable conclusion.
12. Please also confirm at the end of your report as follows:
- (a) the factual matters stated in the report are, as far as you know, true;
  - (b) you have made all enquiries considered appropriate;
  - (c) the opinions stated in the report are genuinely held by you;
  - (d) the report contains references to all matters you consider significant; and
  - (e) you understand your duty to the court and you have complied with the duty.

**Timing of your work**

13. We require your report for the properties urgently.
14. We would appreciate if you could provide us with an estimated timeframe for completion as soon as possible; letting us know when you might first be able to confer with us; and then when you might be able to provide your report.

**Your contacts**

15. Your primary contacts are:

- (a) [REDACTED] Partner, [REDACTED]
- (b) [REDACTED] Partner [REDACTED]
- (c) [REDACTED] Associate, [REDACTED]
- (d) [REDACTED] Lawyer, [REDACTED]

**Fees and expenses**

16. We understand that there is an initial outlay of costs for travel and accommodation and car hire and that any pricing structure is indicative and will be reflective of the number of inspections.
17. We confirm that we are instructed that RACQI will accept \$1600 ex GST for the Individual Site Claim (standalone) Report.
18. Please let us know if there are any variables which may lead to your costs exceeding this amount.

**Legal privilege, confidentiality and intellectual property**

19. Your report is being sought for the purpose of enabling us to provide legal advice, and in relation to contemplated litigation. As a result, it will be subject to legal professional privilege, and you must not release your report, or communications exchanged between us in relation to your report, to third parties without our client's consent.
20. In addition to the above privilege, all information relating to your engagement (including our client's instructions, the results of your investigation, any notes you prepare) will be confidential.

This means you cannot disclose, in any way, information relating to your engagement by our client to third parties without our client's consent (unless otherwise required to do so by law).

21. Our client will retain all intellectual property rights in relation to anything you produce in the course of your engagement.
22. We are instructed that the property has been the subject of media attention. Therefore, if you experience any interference from the media or any third party sources, please cease your investigations immediately and contact us.

**Moving forward**

Please contact us to make arrangements for the site inspection.

If you have any queries, please let us know.

Yours faithfully

E WARD

Lawyer

Partner

SAD210091926 3656044v1

*This electronic transmission (and any following pages) is confidential, may contain legally privileged information and is intended solely for the named addressee. If you receive this document in error, please destroy it and advise the sender.*

## Exhibit 63

## The December 2010 and January 2011 Inundation Events at Condamine



**CONFIDENTIAL AND SUBJECT TO LEGAL PROFESSIONAL PRIVILEGE**

Date: **March 2011**

Client: **Cooper Grace Ward Lawyers**



Quality  
Endorsed  
Company

ISO 9001 QEC22878  
SAI Global

Cover Photo: Aerial Image of Chinchilla 27 December 2011

Water Technology  
93 Boundary Street  
PO Box 5700  
West End QLD 4101  
Telephone (07) 3105 1460  
Fax (07) 3846 5144  
ACN No. 093 377 283  
ABN No. 60 093 377 283

## TABLE OF CONTENTS

<b>1</b>	<b>Introduction .....</b>	<b>1</b>
<b>2</b>	<b>Guidelines and Terminology.....</b>	<b>2</b>
<b>3</b>	<b>Purpose and Scope of the Report .....</b>	<b>5</b>
<b>4</b>	<b>Oakey.....</b>	<b>6</b>
4.1	Summary.....	6
4.2	Available Data.....	6
4.2.1	Catchment.....	6
4.2.2	Rainfall.....	6
4.2.3	River Discharge and Height .....	9
4.2.4	Anecdotal Evidence .....	9
4.2.5	Photos .....	9
4.3	Discussion .....	9
<b>5</b>	<b>Dalby.....</b>	<b>11</b>
5.1	Summary.....	11
5.2	Available Data.....	11
5.2.1	Catchment.....	11
5.2.2	Rainfall and River Height.....	11
5.3	Discussion .....	15
5.3.1	20 December 2010 Event .....	15
5.3.2	27 December Event .....	15
5.3.3	10 January 2011 Event .....	16
<b>6</b>	<b>Chinchilla.....</b>	<b>17</b>
6.1	Summary.....	17
6.2	Available Data.....	17
6.2.1	Catchment.....	17
6.2.2	Rainfall and River Height.....	19
6.3	Discussion .....	21
6.3.1	28 December 2010 Event .....	21
6.3.2	12 January Event .....	21
6.4	Conclusion .....	22
<b>7</b>	<b>Warwick.....</b>	<b>23</b>
7.1	Summary.....	23
7.2	Available Data.....	23
7.2.1	Catchment.....	23
7.2.2	Rainfall and River Height.....	23
7.3	Discussion .....	26
7.3.1	27 December 2010 Event .....	26
7.3.2	11 January Event .....	27
<b>8</b>	<b>References .....</b>	<b>28</b>
<b>9</b>	<b>Authors Qualifications .....</b>	<b>29</b>



## LIST OF FIGURES

Figure 4-1	Adopted Oakey Creek Catchment, Rainfall Stations.....	7
Figure 4-2	24 Hour Rainfall Totals for Selected Rainfall Stations to 0900 hrs.....	8
Figure 4-3	Hourly Rainfall Totals for the Oakey Airport, Mt Brigalow and Mt Pechey Rainfall Stations.....	8
Figure 4-4	Oakey Creek Railway Bridge, Oakey Looking North West Towards Davidson St – 1150 hrs 11 January 2011 .....	10
Figure 4-5	Bridge St Road Bridge Taken from Oakey Creek Railway Bridge– 1150 hrs 11 January 2011.....	10
Figure 4-6	Davidson St from Oakey Creek Railway Bridge – 1150 hrs 11 January 2011 .....	10
Figure 5-1	Adopted Myall Creek Catchment, Rainfall and Stream Gauging Stations .....	12
Figure 5-2	Hourly Rainfall Totals and Myall Creek Water Level for the Period 1 December 2010 to 24 January 2011 .....	13
Figure 5-3	Hourly Rainfall Totals and Myall Creek Water Levels for the 20 December 2010 Event .....	13
Figure 5-4	Hourly Rainfall Totals and Myall Creek Water Level for the 27 December 2010 Event .....	14
Figure 5-5	Hourly Rainfall Totals and Myall Creek Water Level for the 10 January 2011 Event..	14
Figure 6-1	Charleys Creek Catchment, Rainfall and Stream Gauging Stations .....	18
Figure 6-2	Hourly Rainfall Totals and Charleys Creek Water Level for the Period 22 December 2010 to 16 January 2011 .....	19
Figure 6-3	Hourly Rainfall Totals and Charleys Creek Water Level for the 28 December 2010 Event.....	20
Figure 6-4	Hourly Rainfall Totals and Charleys Creek Water Level for the 12 January 2011 Event .....	20
Figure 7-1	Adopted Condamine River Catchment, Rainfall and Stream Gauging Stations.....	24
Figure 7-2	Hourly Rainfall Totals and Condamine River Water Levels for the Period 1 December 2010 to 24 January 2011 .....	25
Figure 7-3	Hourly Rainfall Totals and Condamine River Water Levels for the 27 December 2010 Event.....	25
Figure 7-4	Hourly Rainfall Totals and Condamine River Water Levels for the 11 January 2011 Event.....	26

## LIST OF TABLES

Table 2.1	Standard Terminology.....	2
Table 9-1	Authors Qualifications.....	29

## 1 INTRODUCTION

This report has been undertaken by Water Technology, specialist flooding engineers. The purpose of the report is to provide advice to Cooper Grace Ward Lawyers (CGW), who is acting on behalf of RACQ Insurance Limited (RACQI), on the cause of the inundation events that occurred at Condamine and across the Darling Downs in December 2010 and January 2011.

We note that this report is confidential and for internal use by the client to assist them in processing claims for the particular event, time and location described above.

This is a technical report and the author has made opinions based on generally accepted engineering industry standard definitions for stormwater and flooding terminology for the purposes of classifying the particular inundation event that occurred as noted above. It is noted that these classifications are site specific and therefore the author has also provided additional information where necessary in order for the client to make a determination on whether a particular claim falls within RACQI's policy coverage. The decision of whether or not to pay a claim rests solely and entirely with the insurance company.

We have attached to this report Schedule A which lists properties within the Condamine and Darling Downs areas. Four of those areas are the subject of this report, namely Oakey, Dalby, Chinchilla and Warwick, and the majority of the listed properties fall within those areas. There are, however, a small number of properties identified in the schedule which are remote from the specific areas and accordingly do not fall within the areas reported upon in this report. They will need to be the subject of separate investigation and consideration.

**This report and any attachments have been prepared for the purpose of gathering information and/or for the purpose of giving and/or receiving legal advice and/or the giving and/or receiving of legal advice and is both confidential and subject to legal professional privilege.**

## 2 GUIDELINES AND TERMINOLOGY

The terminology used in this report is provided in Table 2.1. This terminology is based on the glossaries of following documents and information from the Bureau of Meteorology, with additional information and examples provided by Water Technology to further clarify the use in this report:

1. "Floodplain Management in Australia: Best Practice Principles and Guidelines – SCARM Report 73", 2000, CSIRO.
2. "Queensland Urban Drainage Manual", Second Edition, 2008, Queensland Government Natural Resources and Water.
3. "Mitigating the Adverse Impacts of Flood, Bushfire and Landslide - State Planning Policy Guideline SPP1/03", June 2003, Queensland Government.
4. "Australian Rainfall and Runoff – Volume 1 – A Guide to Flood Estimation", 1998, Institution of Engineers Australia.
5. Bureau of Meteorology (2011) definitions and terminology as listed on their webpage <http://www.bom.gov.au/hydro/flood/flooding.shtml#definitions> terminology

**Table 2.1 Standard Terminology**

Term	Definition
Annual Exceedance Probability (AEP)	The probability of exceedance of a given discharge within a period of one year. Can be expressed as a percentage (eg 1% change in any one year) or 1 in Y [years] (eg a probability of 1 in 100). This report will generally use ARI terminology.
Average Recurrence Interval (ARI)	The average or expected period between exceedances of a given discharge expressed in years. This is a another method of expressing the magnitude of a particular event in probabilistic terms (eg a "100 year ARI flood" can also be described as a flood with an AEP of "1%" or "1 in 100"). The ARI of a flood event is a statistical estimate that gives no indication of when a flood of that size or larger will occur next.
Backwater	No definition in documents listed above. We define as a body or area of water where there is little or no current that is connected to a drainage system or receiving water either above or below ground (pipe drainage). The water level of the backwater area is governed by the adjacent drainage system or receiving water.
Breakout	No definition in the documents listed above. Breakout flows occur when flow in a river system reaches a level high enough to engage a wider or an alternate flow path other than the normally defined channel.
Catchment	The area of land contributing stormwater runoff to a particular site or point under consideration. It always relates to a particular location and includes the catchments of tributary streams as well as the main stream.

Term	Definition
Critical Storm Duration	The duration of the storm event that produces the largest flood discharge at the location of interest. Critical storm duration depends on the catchment size, topography (slope, drainage path, presence of storages or basins), magnitude of storm, land use of the catchment (eg urban, rural or forest). In general terms the critical storm duration provides an indication of how long a catchment takes to deliver peak flow to a particular point of interest following rainfall commencement. When the rainfall is not at a constant intensity the timing of the peak flood will depend on the temporal pattern of rainfall.
Detention Basin	A large, open, free draining basin that temporarily “detains” collected stormwater runoff. These basins are normally maintained in a dry condition between storm events.
Drainage System	A system of gully [street or field] inlets, pipes, overland flow paths, open channels, culverts and detention basins used to convey runoff to its receiving waters.
Flash Flood	Sudden and unexpected flooding caused by local heavy rainfall either at the site in question or upstream. Often defined as flooding within six hours of the rain which causes flooding.
Flood	The temporary inundation of land by expanses of water that overtop the natural or artificial banks of a watercourse, including a drainage channel, stream, creek, river, estuary, lake or dam, or any associated water holding structure. A flood can be caused by excessive rainfall, storm surge, dambreak or a tsunami.
Local Runoff	Refer to “Runoff” and “Stormwater Flooding”.
Minor flood level	A flood level that causes inconvenience. Low-lying areas next to watercourses are inundated which may require the removal of stock and equipment. Minor roads may be closed and low-level bridges submerged.
Moderate flood level	In addition to the above for minor flooding, the evacuation of some houses may be required. Main traffic routes may be covered with flood waters. The area of inundation is substantial in rural areas requiring the removal of stock.
Major flood level	In addition to the above for minor and moderate flooding, extensive rural areas and/or urban areas are inundated. Properties and towns are likely to be isolated and major traffic routes likely to be closed. Evacuation of people from flood affected areas may be required.
Rainfall Intensity	The rate at which rain falls, typically measured in mm/hour. Rainfall intensity varies throughout a storm. This variation is called a temporal pattern.
Receiving Waters	A body of water (normally sea, river, creek or larger drainage system) that receives flow from a generally smaller (tributary) drainage system.

Term	Definition
Runoff	<p>That part of rainfall which is not lost to infiltration, evaporation, transpiration or depressions in the ground.</p> <p>We add that for the purposes of investigating or studying a flood it is the amount of rainfall that drains along the surface and into the “drainage system” or directly into receiving waters. Local runoff is that which occurs locally to a point in question (i.e. within a backyard) and has not yet reached a drainage system.</p>
Stormwater Flooding	<p>CSIRO (2000) defines as “inundation by local runoff caused by heavier than usual rainfall. Stormwater flooding can be caused by local runoff exceeding the capacity of an urban stormwater drainage system or by the backwater effects of mainstream flooding causing urban stormwater drainage systems to overflow.”</p> <p>We add that the capacity of the local stormwater drainage system to drain runoff can be lessened by backwater effects of a downstream receiving water system or by obstructions. Inundation caused by backwater surcharging out of a stormwater drainage system from a flood would not necessarily be classed as stormwater flooding as the source of water or the flood level reached may not be caused by local runoff.</p>
Surface Water or Inundation	<p>Any water collecting on the ground or in an open drainage system or receiving water body.</p> <p>In this report we use these terms to discuss water before it is categorised into flood, stormwater or other.</p>

CGW has provided the following definitions for the purposes of this report:

- a) **Flood** – is rising water which enters a home as the result of it running off or overflowing from any origin or cause;
- b) **Flash flood and stormwater runoff** – is a sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run off; and
- c) **Water inundation** – is the influx of water onto the property (ie the expression is not being used to refer only to properties which have been completely immersed in water).

In preparing this report the author is therefore cognisant of clarifying the time to flood as the time taken between the commencement of “flood-causing” rainfall and the time for a particular site to be flooded as RACQ’s definition will result in a wider geographic region meeting this definition than the standard definition defined in CSIRO (2000).

### **3 PURPOSE AND SCOPE OF THE REPORT**

The purpose of the report is to provide advice to Cooper Grace Ward Lawyers on the cause of inundation events that occurred at the four particular areas identified in the Introduction to this report for Condamine and across the Darling Downs in December 2010 and January 2011.

This report is confidential and for internal use by the client to assist them in processing claims for the particular event, time and location described above.

This report is based on:

- A desktop review of rainfall and flow data for the Rivers and Creeks to these inundation events.
- A review of available news and gathered internet footage and photos.
- A review of historic flooding.
- Site inspections.
- Discussions with the owners and witnesses of inundated properties.

## **4 Oakey**

### **4.1 Summary**

Significant rain fell in the Oakey Creek catchment over the period 9 to 11 January 2011. Moderate falls were experienced in the preceding 4 days. Oakey was inundated by water that peaked on 11 January 2011. Gauge records or equivalent data which would show the time of the peak and the rate at which the water level rose is not available despite having been requested. The absence of this information means that we are unable to reach a conclusion with respect to the precise timing of the Oakey inundation the various rain events that contributed to it.

### **4.2 Available Data**

#### **4.2.1 Catchment**

Figure 4-1 shows Oakey Creek and the location of rainfall and stream gauging stations within and adjacent to the catchment that are used in this report.

#### **4.2.2 Rainfall**

Figure 4-2 shows the daily rainfall totals (to 0900) for selected rainfall stations in the study area.

Figure 4-3 shows hourly rainfall totals between 5 and 15 January for the Oakey Airport, Mt Brigalow and Mt Pechey rainfall stations. Unfortunately, sub-daily rainfall data is unavailable at Gombungee and Cooby Dam for the period of interest.



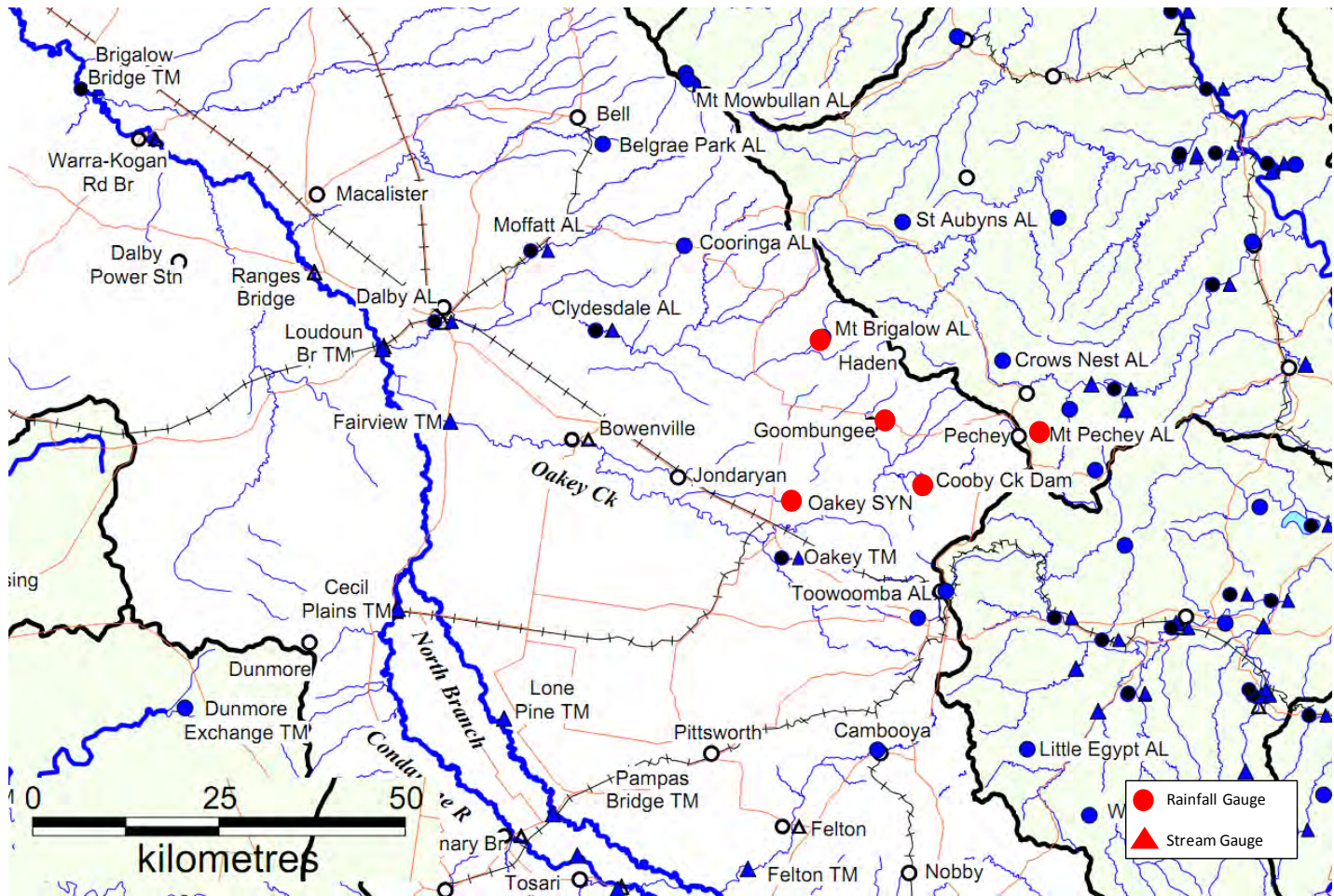
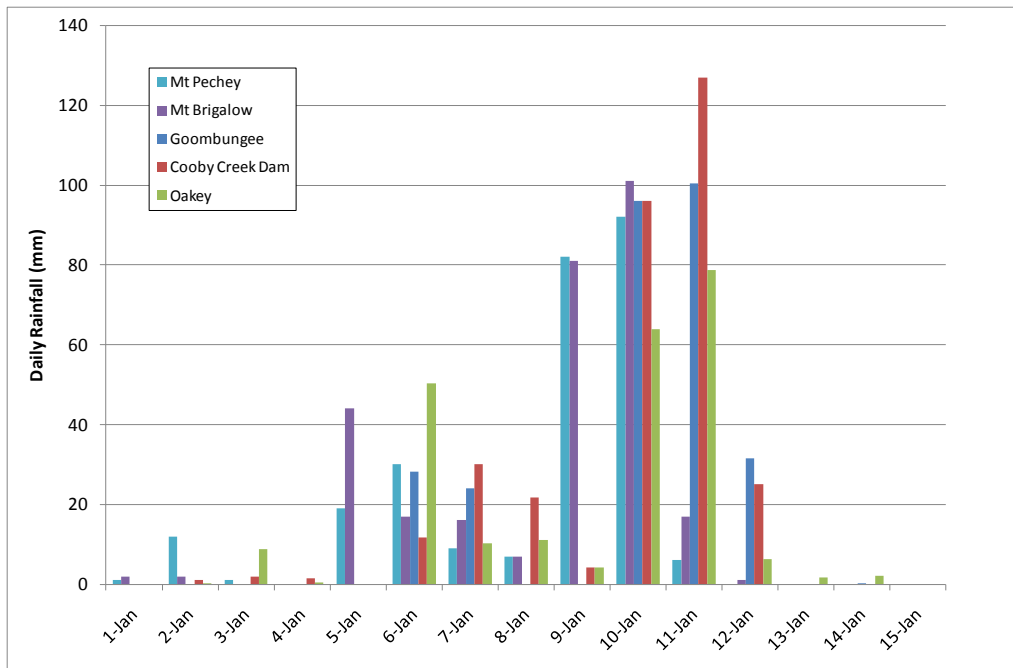
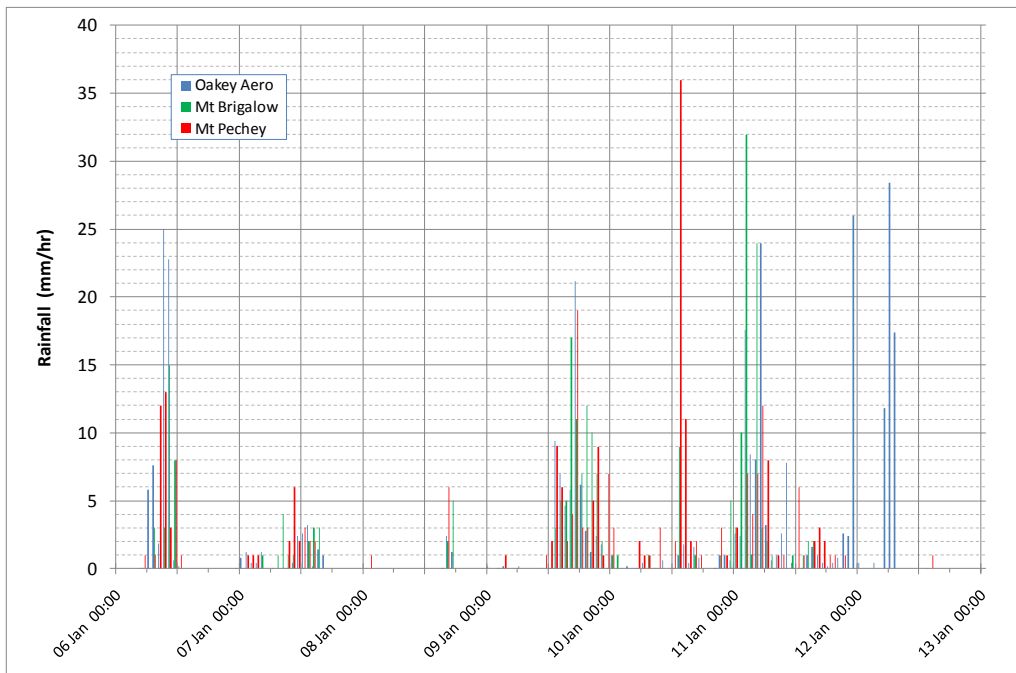


Figure 4-1 Adopted Oakey Creek Catchment, Rainfall Stations



**Figure 4-2 24 Hour Rainfall Totals for Selected Rainfall Stations to 0900 hrs**



**Figure 4-3 Hourly Rainfall Totals for the Oakley Airport, Mt Brigalow and Mt Pechey Rainfall Stations**

#### 4.2.3 River Discharge and Height

While there is a river level gauging station listed for Oakey, at the time of writing of this report, data for the January 2011 event was requested, but has not been provided to us for this location.

#### 4.2.4 Anecdotal Evidence

Interviews with residents and Toowoomba Regional Council staff during the site inspection indicated that the flood peak occurred at approximately 1150 hrs on 11 January 2011.

#### 4.2.5 Photos

Figure 4-4, Figure 4-5 and Figure 4-6 show the river water level near Oakey Creek railway bridge, Oakey, at approximately the flood peak at 1150 hrs on 11 January 2011 (Pers. Comm. Toowoomba Regional Council).

### 4.3 Discussion

Figure 4-2 shows that significant rainfall fell in the catchment on the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> of January 2011 with moderate rainfall occurring in the preceding 4 days. Figure 4-3 shows that the heaviest rain fell in three main periods of approximately 1200 hrs to 2300 hrs on 9 January, 1200 hrs to 1800 hrs on 10 January and 0000 hrs to 1200 hrs on 11 January. We have requested stream gauging station data, but at the time of writing of this report it has not been made available. The available rainfall data and anecdotal evidence suggest the following occurred:

- It is most likely that the 9 and 10 January rainfall resulted in elevated river levels in Oakey Creek. However, the river did not reach a level to cause flooding.
- The 11 January rainfall further increased Oakey Creek discharges and inundation of the Town occurred.
- The inundation that occurred on the 11<sup>th</sup> was a result of the rainfall that occurred over the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> of January.

However, it is not possible to pinpoint the time at which damage occurred without accessing further gauge information or conducting further site investigations.





**Figure 4-4      Oakey Creek Railway Bridge, Oakey Looking North West Towards Davidson St –  
1150 hrs 11 January 2011  
(Source: Toowoomba Regional Council)**



**Figure 4-5      Bridge St Road Bridge Taken from Oakey Creek Railway Bridge– 1150 hrs 11  
January 2011  
(Source: Toowoomba Regional Council)**



**Figure 4-6      Davidson St from Oakey Creek Railway Bridge – 1150 hrs 11 January 2011  
(Source: Toowoomba Regional Council)**

## **5 DALBY**

### **5.1 Summary**

Dalby was inundated by water that peaked on 20 December 2010, 27 December 2010 and 10 January 2011; the 10 January event was the highest with a gauge level of 3.74 m. All three inundation events were from Myall Creek overflow.

The peak water level which occurred at approximately 1400 hrs on 20 December was attributable to rainfall which commenced falling late on the 16<sup>th</sup> December substantially increasing the creek level augmented by further rain commencing at approximately 0600 hrs on the 19<sup>th</sup> December.

The peak water level which occurred at approximately 1900 hrs on 27 December was attributable to rainfall which commenced falling 48 hours earlier at approximately 1900 hrs on 25 December 2010. The majority of the rainfall that lead to the peak fell in the period approximately 32 hours preceding it.

The peak water level which occurred at approximately 1700 hrs on 10 January was attributable to rainfall which commenced falling more than 24 hours before that peak. However, significant rain continued to fall within 24 hours of the peak which caused Myall Creek to continue to rise a further 0.35m to a final flood level of 3.74m.

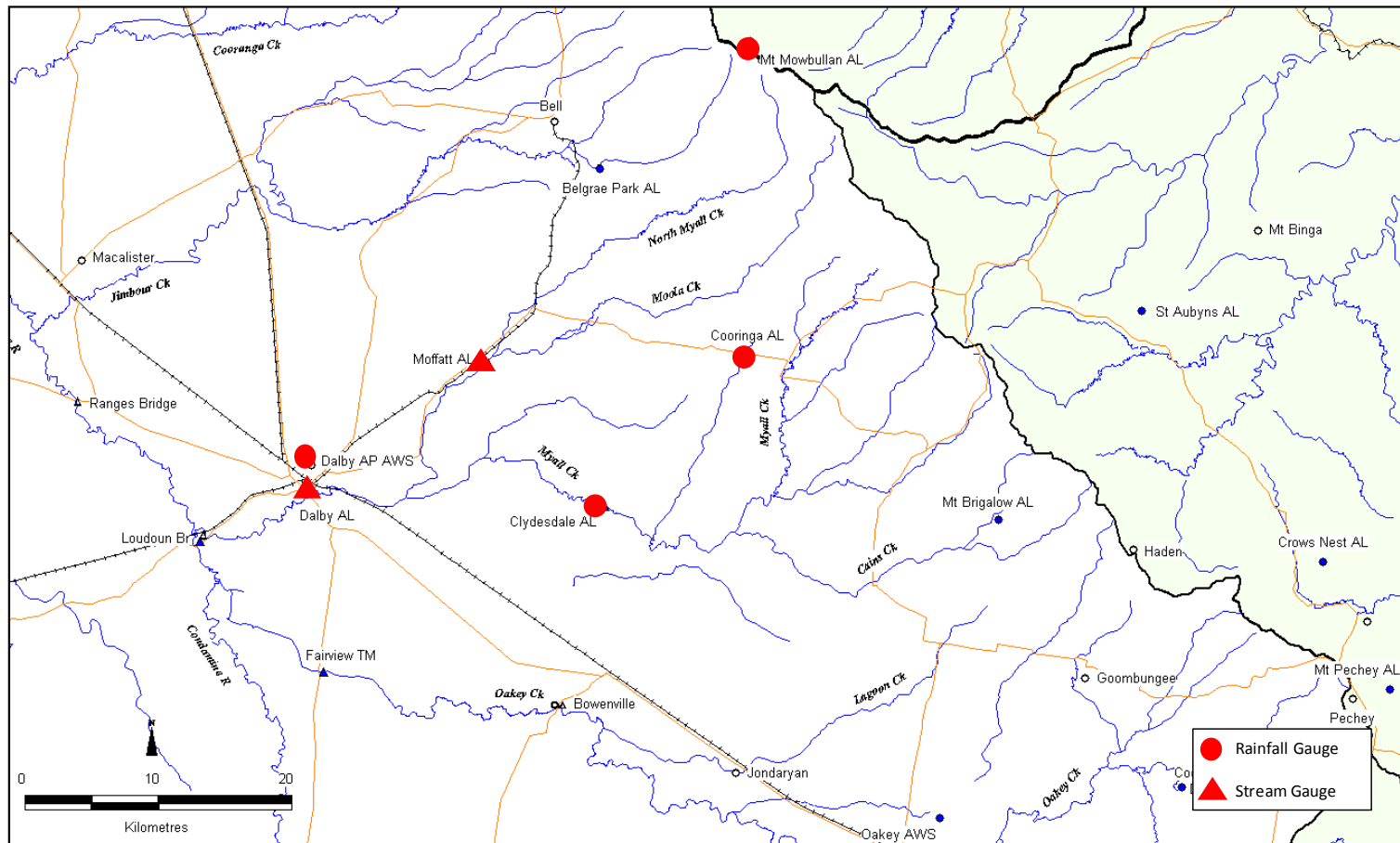
### **5.2 Available Data**

#### **5.2.1 Catchment**

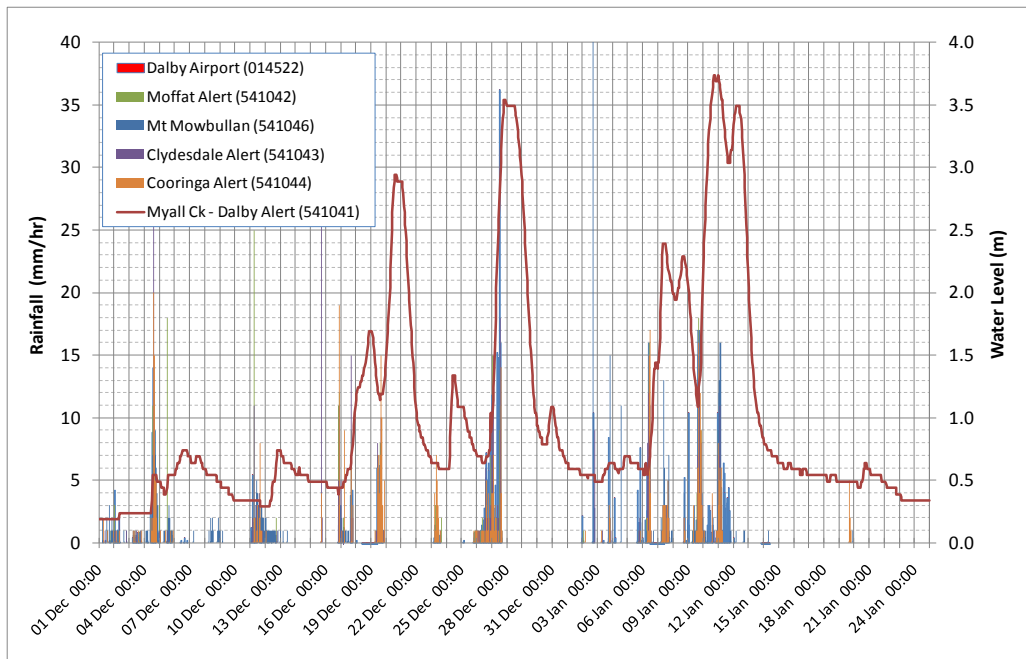
Figure 5-1 shows Myall Creek and the location of rainfall and stream gauging stations within and adjacent to the catchment that are used in this report.

#### **5.2.2 Rainfall and River Height**

Figure 5-2 shows hourly rainfall for selected gauging stations within the catchment together with Myall Creek water levels in Dalby for the period 1 December 2010 to 24 January 2011; covering the three Dalby inundation events. Figure 5-3, Figure 5-4 and Figure 5-5 show the same data separated into the 20, December 2010, 27 December 2010 and 10 January 2011 events, respectively. Note that the Myall Creek – Mt Moffat Alert water levels were omitted from Figure 5-2 for clarity.

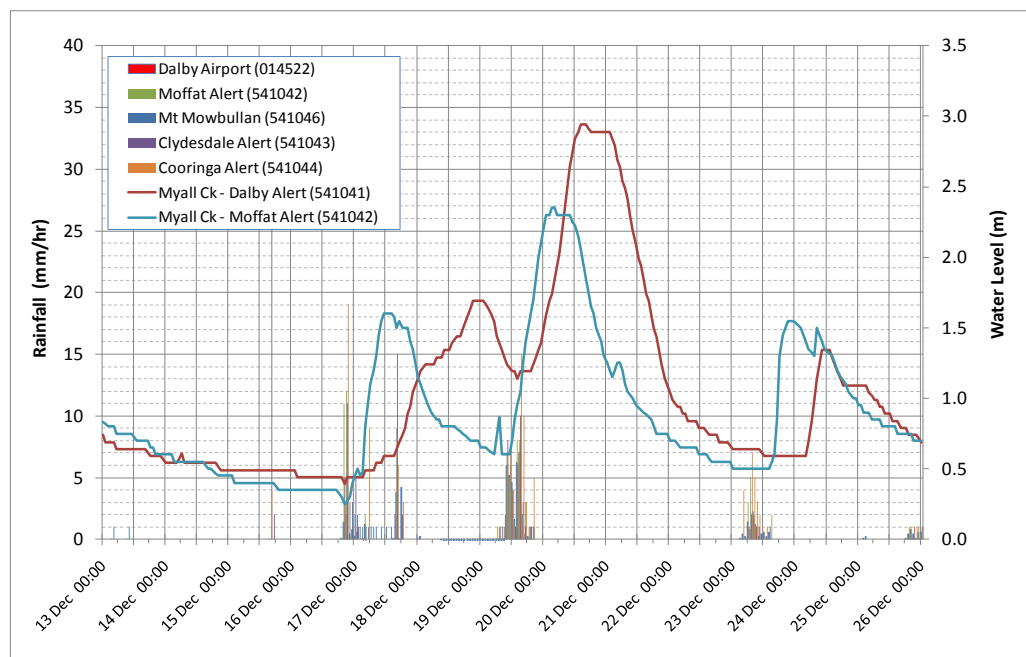


**Figure 5-1 Adopted Myall Creek Catchment, Rainfall and Stream Gauging Stations**  
(Source: Bureau of Meteorology)



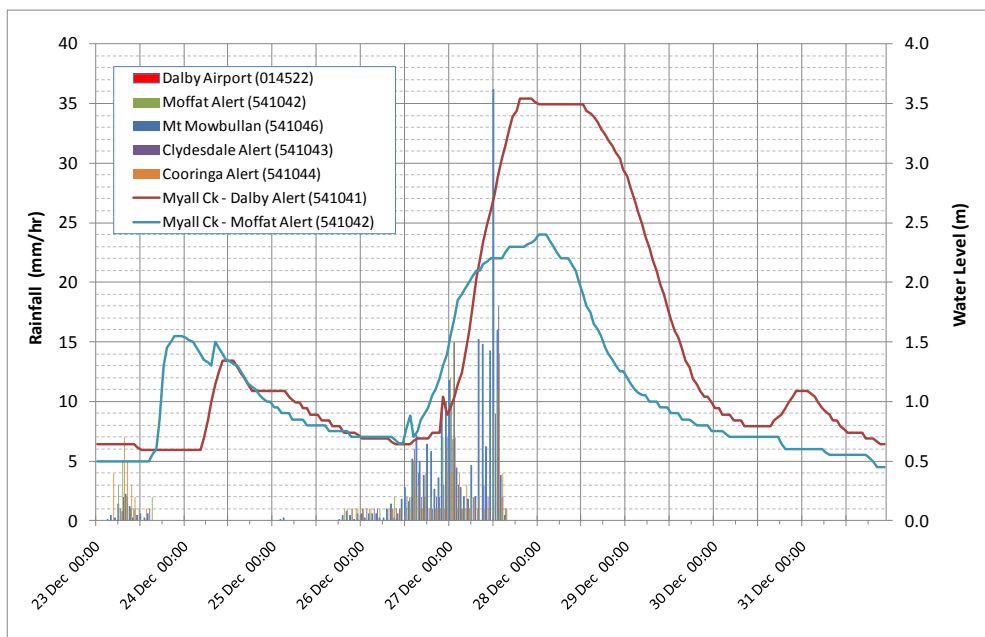
**Figure 5-2 Hourly Rainfall Totals and Myall Creek Water Level for the Period 1 December 2010 to 24 January 2011**

(For clarity, the Myall Creek – Mt Moffat Alert water levels are not shown)

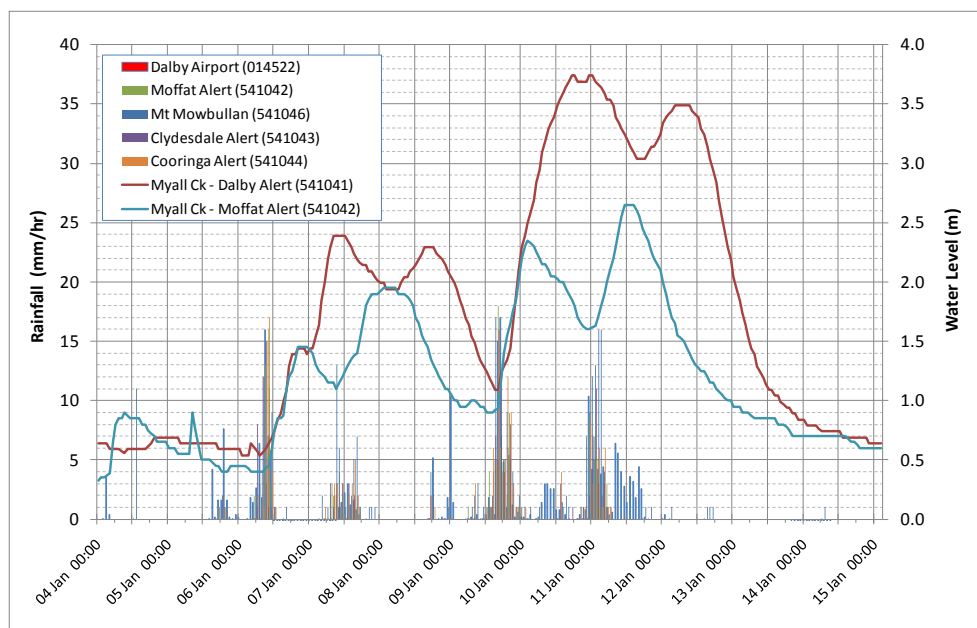


**Figure 5-3 Hourly Rainfall Totals and Myall Creek Water Levels for the 20 December 2010 Event**





**Figure 5-4** Hourly Rainfall Totals and Myall Creek Water Level for the 27 December 2010 Event



**Figure 5-5** Hourly Rainfall Totals and Myall Creek Water Level for the 10 January 2011 Event

## 5.3 Discussion

### 5.3.1 20 December 2010 Event

On 20 December 2010 Dalby was inundated by overflow from Myall Creek. Figure 5-3 shows the following:

- The inundation was due to the combined effect of a number of storms starting at approximately 2000 hr 16 December 2010.
- The first storm resulted in elevated Myall Creek water levels. The second storm increased the elevated water level.
- The catchment rainfall immediately prior to the inundation commenced at approximately 0600 hrs on 19 December 2010.
- Twenty four hours after the commencement of this rainfall the creek water level had risen considerably and was approximately 2.3 m.
- The water level did not reach the Major flood height of 3.5 m during the inundation event.
- The maximum inundation level was 2.94 m; which occurred at 1400 hrs on 20 December (32 hrs after rainfall commencement).

Further terrain and floor level information and further discussions/site visits would enable identification of properties, if any, that fell within the incremental inundation corresponding to gauge heights of 2.3m and 2.94m.

It is possible that there are areas in Dalby remote from Myall Creek and/or above the level corresponding to 2.3 m on the Dalby gauge that were inundated by stormwater alone or a combination of stormwater and flood. This possible inundation behaviour needs to be assessed on an individual property basis.

### 5.3.2 27 December Event

On 27 December 2010 Dalby was once again inundated by overflow from Myall Creek. Figure 5-4 shows the following:

- The inundation was the consequence of a rainfall over a period of approximately 43 hours (1900 hrs 25 December to 1400 hrs 27 December).
- The river level was only slightly elevated because of earlier rainfall.
- The catchment rainfall immediately prior to the inundation commenced at approximately 1900 hrs on 25 December 2010.
- Twenty four hours after the commencement of this rainfall the river water level was approximately the same as that at the commencement of rainfall at 0.74 m.
- The water level did not reach the Major flood height of 3.5 m until 1830 hrs on 27 December (47.5 hrs after rainfall commencement).
- The maximum inundation level was 3.54 m; which occurred at 1900 hrs on 27 December (48 hrs after rainfall commencement).

The peak water level which occurred at approximately 1900 hrs on 27 December was attributable to rainfall which commenced falling 48 hours earlier at approximately 1900 hrs on 25 December 2010. The majority of the rainfall that lead to the peak fell in the period approximately 32 hours preceding it.

### 5.3.3 10 January 2011 Event

On 10 January 2011 Dalby was inundated for a third time by overflow from Myall Creek. Figure 5-5 shows the following:

- The creek had an elevated water level from previous rain on 6 and 7 January. The creek water level was falling at the time of the rain causing the 10 January event.
- The catchment rainfall immediately prior to the inundation commenced at approximately 1100 hrs on 9 January.
- Twenty four hours after the commencement of this rainfall the creek water level had risen considerably and was approximately 3.39 m.
- The water level did not reach the Major flood height of 3.5 m until 1200 hrs on 10 January (25 hrs after rainfall commencement).
- The maximum inundation level was 3.74 m; which occurred at 1700 hrs on 10 January (32 hrs after rainfall commencement).

The peak water level which occurred at approximately 1700 hrs on 10 January was attributable to rainfall that commenced falling more than 24 hours before that peak. However, significant rain continued to fall within 24 hours of the peak and which caused Myall Creek to continue to rise a further 0.35m to a final flood level of 3.74m.

Further terrain and floor level information and further discussions/site visits would enable identification of properties, if any, that fell within the incremental inundation corresponding to gauge heights of 3.39m and 3.74m.

It is possible that there are areas in Dalby remote from Myall Creek and/or above the level corresponding to 3.39 m on the Dalby gauge that were inundated by stormwater alone or a combination of stormwater and flood. This possible inundation behaviour needs to be assessed on an individual property basis.

## **6 CHINCHILLA**

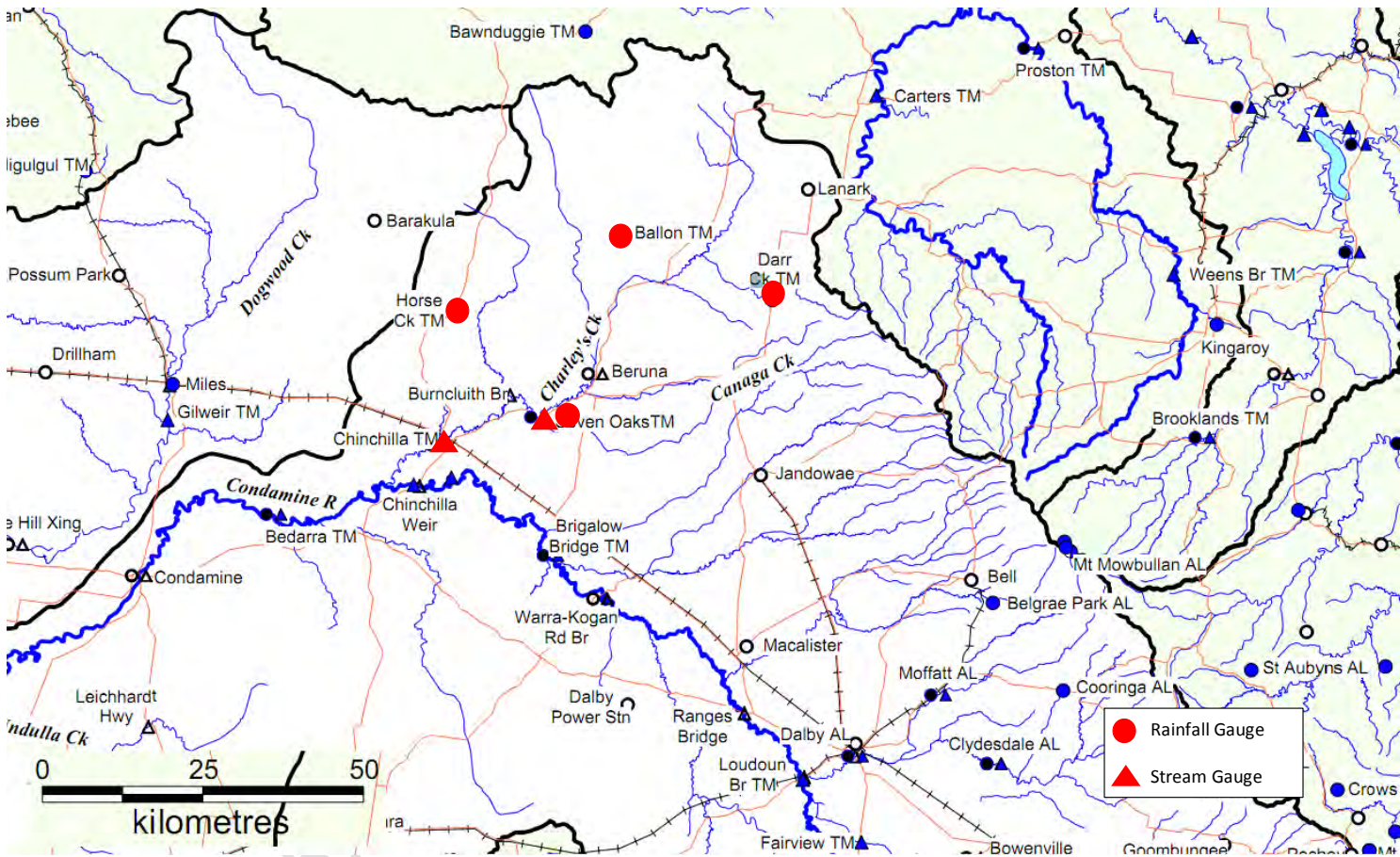
### **6.1 Summary**

Chinchilla was inundated by water that peaked on 28 December 2010 (the “28 December event”) and 12 January 2011 (the “12 January event”). The 12 January event was the highest with a gauge level of 7.4 m. Both inundation events were from Charleys Creek overflow. The 28 December event was the consequence of rain that began falling more than 24 hours before the peak. The 12 January event was the consequence of extreme rainfall over a short period (approximately four hours) over Rocky Creek (a tributary of Charleys Creek) and the lower Charleys Creek catchment.

### **6.2 Available Data**

#### **6.2.1 Catchment**

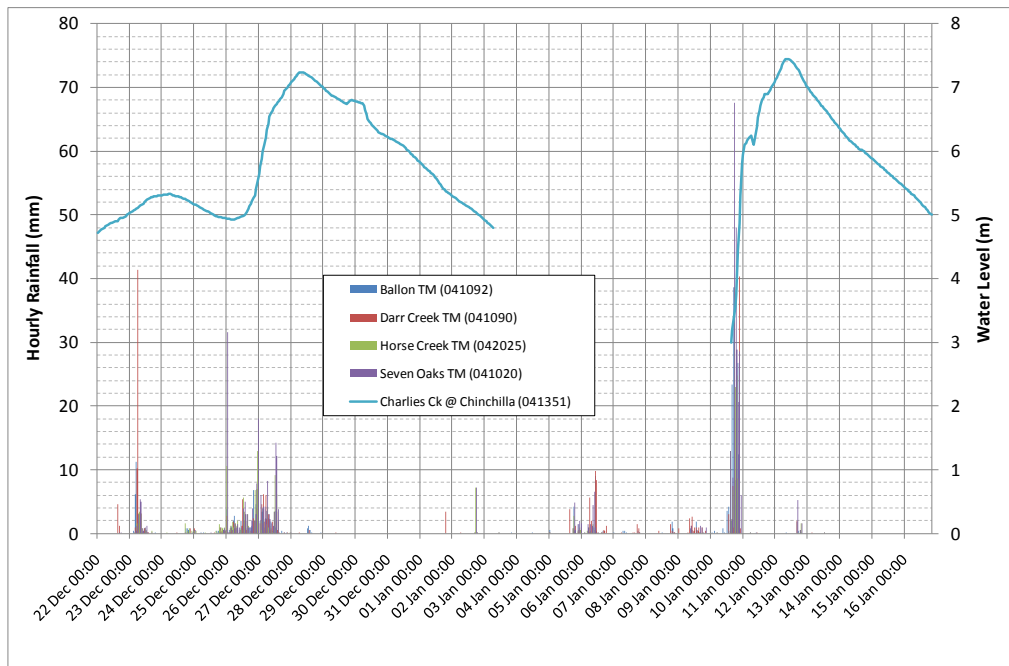
Figure 6-1 shows Charleys Creek and the location of rainfall and stream gauging stations within and adjacent to the catchment that are used in this report.



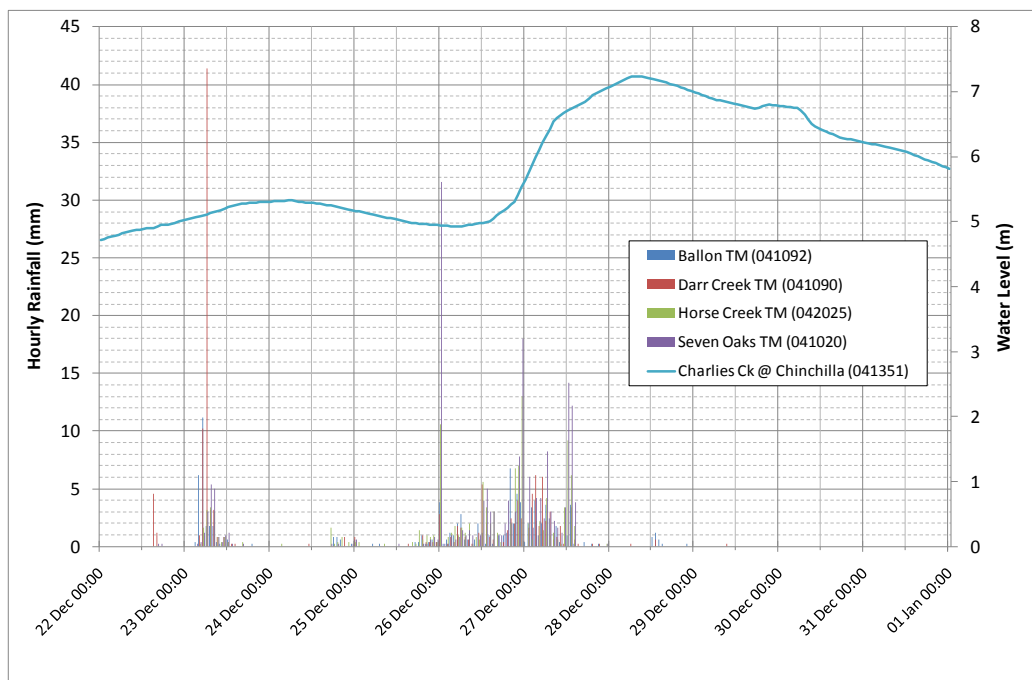
**Figure 6-1 Charleys Creek Catchment, Rainfall and Stream Gauging Stations**  
(Source: Bureau of Meteorology)

## 6.2.2 Rainfall and River Height

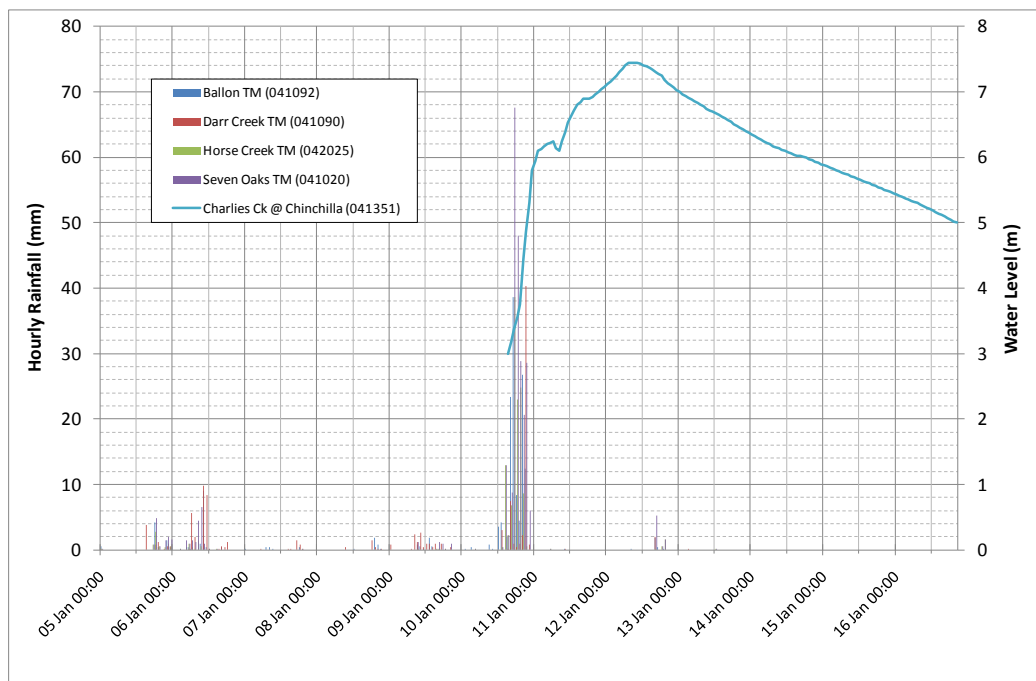
Figure 6-2 shows hourly rainfall for selected gauging stations within the catchment together with Charleys Creek water levels in Chinchilla for the period 22 December 2010 to 16 January 2011. Figure 6-3 and Figure 6-4 show the same data separated into the 28 December 2010 and 12 January 2011 events, respectively.



**Figure 6-2** Hourly Rainfall Totals and Charleys Creek Water Level for the Period 22 December 2010 to 16 January 2011



**Figure 6-3** Hourly Rainfall Totals and Charleys Creek Water Level for the 28 December 2010 Event



**Figure 6-4** Hourly Rainfall Totals and Charleys Creek Water Level for the 12 January 2011 Event



## **6.3 Discussion**

### **6.3.1 28 December 2010 Event**

On 27 December 2010 Chinchilla was inundated by overflow from Charleys Creek which continued to steadily rise to its peak on 28 December. Figure 6-3 shows the following:

- The river had an elevated water level on the days leading up to the inundation.
- The catchment rainfall immediately prior to the inundation commenced at approximately 1800 hrs on 25 December 2010.
- Twenty four hours after the commencement of this rainfall the river water level was approximately the same as that at the start of the rainfall (5 m). The water level did not rise above the major flood height of 6 m until 0300 hrs on 27 December (33 hrs after rainfall commencement) and peaked at 7.24 m at 0600 hrs on 28 December (60 hrs after rainfall commencement).

The 28 December 2010 event at Chinchilla is attributable to sustained rain falling in excess of 24 hours prior to inundation commencing.

### **6.3.2 12 January Event**

On 11 January 2011 Chinchilla was once again inundated by overflow from Charleys Creek which continued to rise to its peak on 12 January. Figure 6-4 shows the following:

- The inundation was the consequence of a short period of intense rainfall.
- The river level was not elevated prior to the inundation.
- The catchment rainfall immediately prior to the inundation commenced at approximately 1200 hrs on 10 January 2011.
- 24 hrs after the commencement of this rainfall the river water level had risen considerably and was approximately 6.53m.
- The maximum inundation level was 7.45 m; which occurred at 0700 hrs on 12 January (31 hrs after rainfall commencement).

For inundation corresponding to water levels up to 6.53 m, the 12 January event is attributable to rain falling within a 24 hour period. The recorded peak water level of 7.45m occurred some 7 hours later.

Further terrain and floor level information and further discussions/site visits would enable identification of properties, if any, that fell within the incremental inundation corresponding to gauge heights of 6.53m and 7.45m.

It is possible that there are areas in Chinchilla remote from Charleys Creek and/or above the level corresponding to 6.53 m on the Chinchilla gauge that were inundated by stormwater alone or a combination of stormwater and flood. This was confirmed during discussions with Western Downs Regional Council staff. This possible inundation behaviour needs to be assessed on an individual property basis.



## **6.4 Conclusion**

Chinchilla was inundated by water from Charleys Creek that peaked on 28 December 2010 and 12 January 2011.

- The 28 December 2010 event at Chinchilla is attributable to sustained rain falling in excess of 24 hours prior to inundation commencing.
- Inundation corresponding to water levels up to 6.53 m, on 11 January 2011 is attributable to rain falling within a 24 hour period. The recorded peak water level of 7.45m occurred some 7 hours later.
- It is possible that there are areas in Chinchilla remote from Charleys Creek and above the level corresponding to 6.53 m on the Chinchilla gauge that were inundated by stormwater alone or a combination of stormwater and flood. This possible inundation behaviour needs to be assessed on an individual property basis.

## **7 WARWICK**

### **7.1 Summary**

Warwick was inundated by water that peaked on the 27 December 2010 (the “27 December event”) and 11 January 2011 (the “11 January event”). The 11 January event was the highest with a gauge level of 7.73 m. Both inundation events were from Condamine River overflow.

The 27 December event is attributable to rainfall that fell in excess of 24 hours prior to the peak. Without specific modelling it is not possible to quantify what impact the rain falling outside of this 24 hour period had on this peak. However, it is reasonable to assume that the majority of the rainfall that lead to the peak fell in the period commenced within 24 hours of the peak occurring.

The 11 January event is attributable to rainfall that fell in excess of 24 hours prior to the peak occurring. 24 hours before the peak the Condamine River was already above the Minor flood level of 4m. Without specific modelling it is not possible to quantify what impact, the rain falling outside of this 24 hour period had on this peak. However, it is reasonable to assume that a significant portion of the rainfall that lead to the peak fell in the period commenced within 24 hours of the peak occurring.

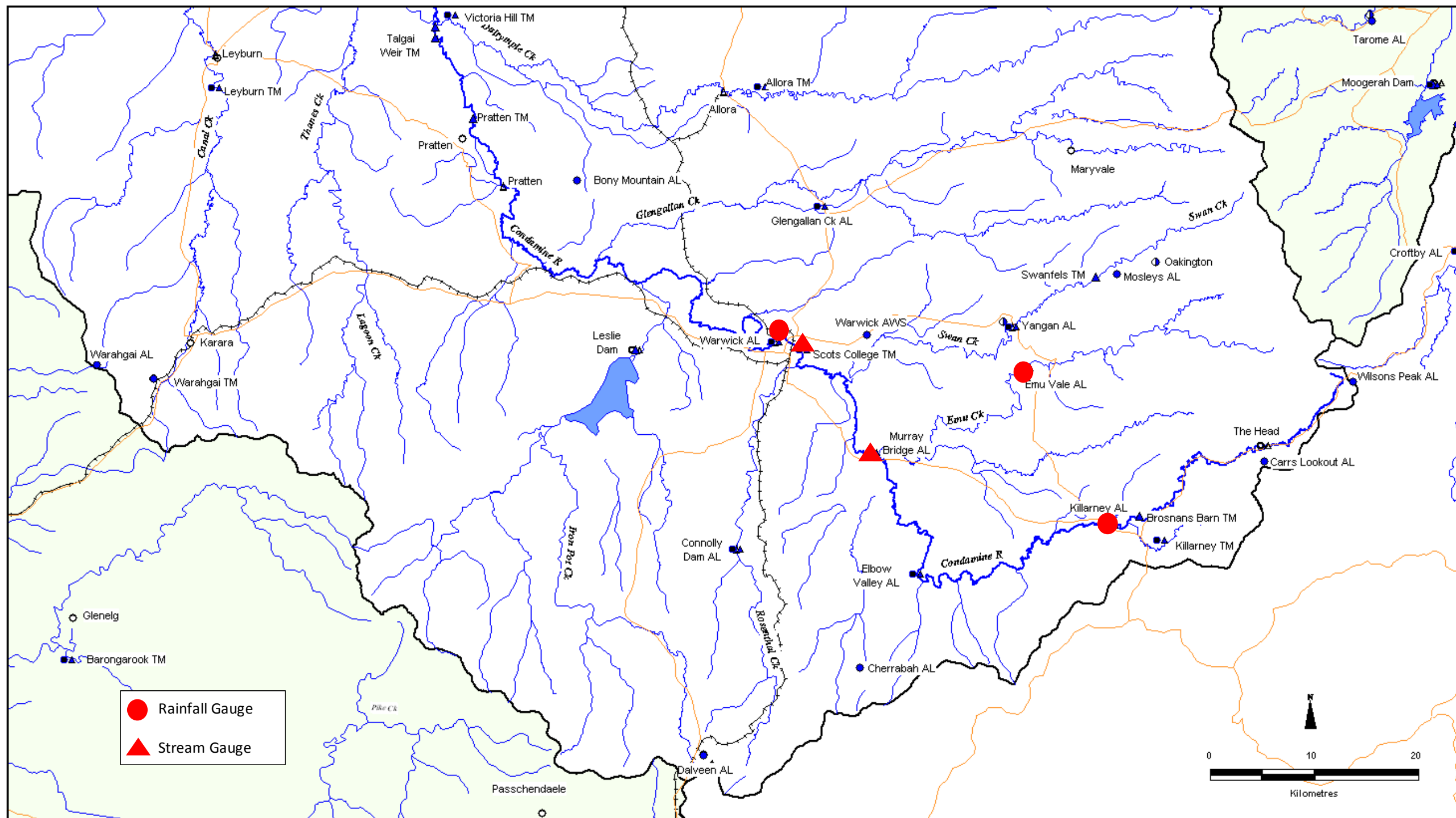
### **7.2 Available Data**

#### **7.2.1 Catchment**

Figure 7-1 shows Condamine River and the location of rainfall and stream gauging stations within and adjacent to the catchment that are used in this report.

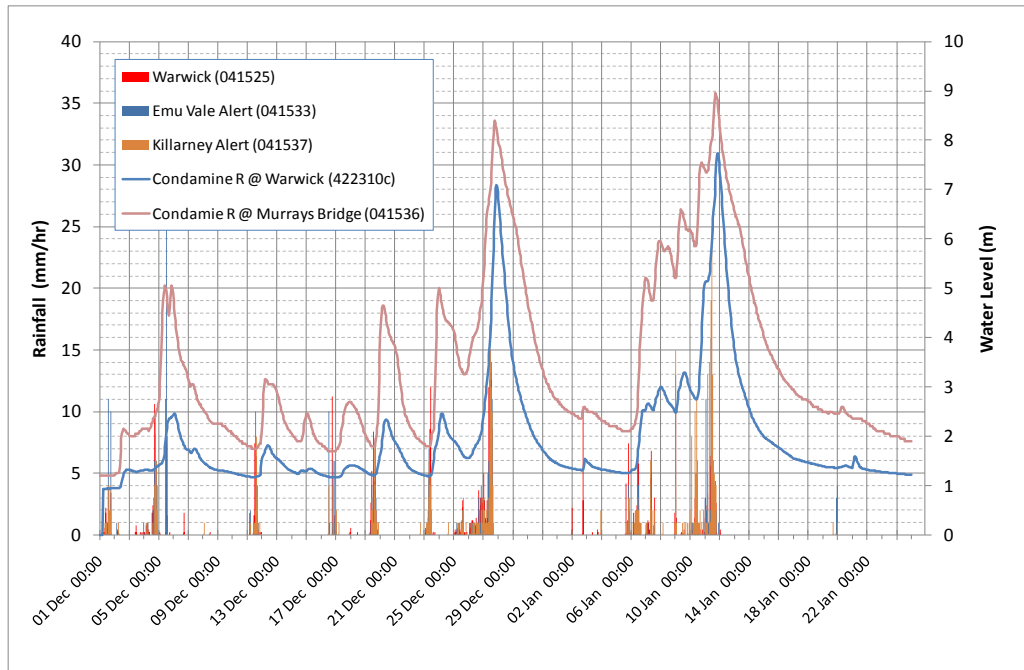
#### **7.2.2 Rainfall and River Height**

Figure 7-2 shows hourly rainfall for selected gauging stations within the catchment together with Condamine River water levels in Warwick for the period 1 December 2010 to 24 January 2011; covering both Warwick inundation events. Figure 7-3 and Figure 7-4 show the same data separated into the 27 December 2010 and 11 January 2011 events, respectively.

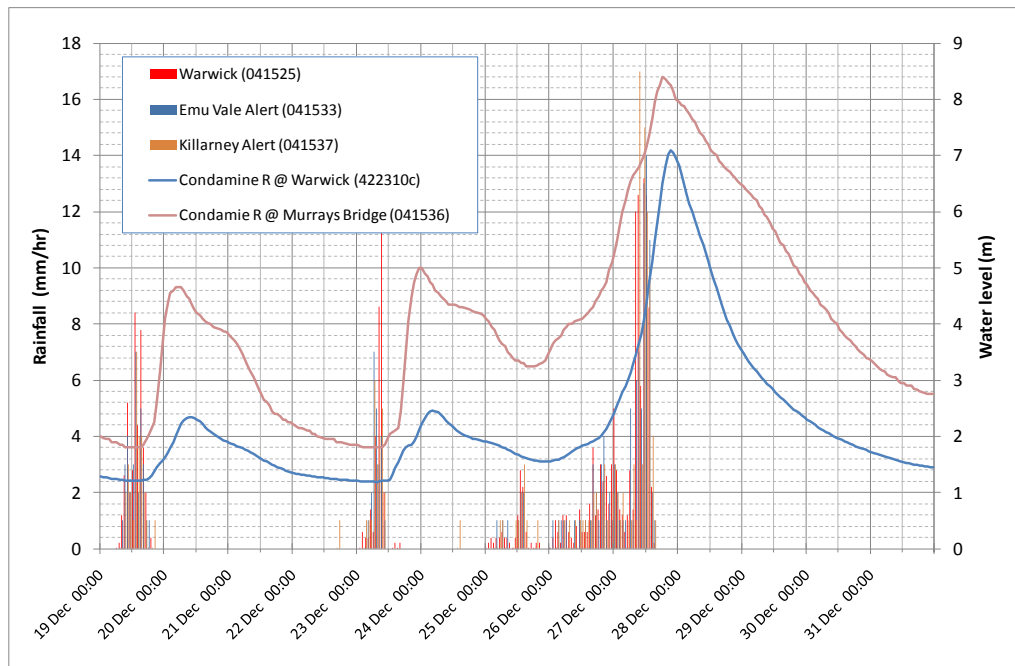


**Figure 7-1 Adopted Condamine River Catchment, Rainfall and Stream Gauging Stations**

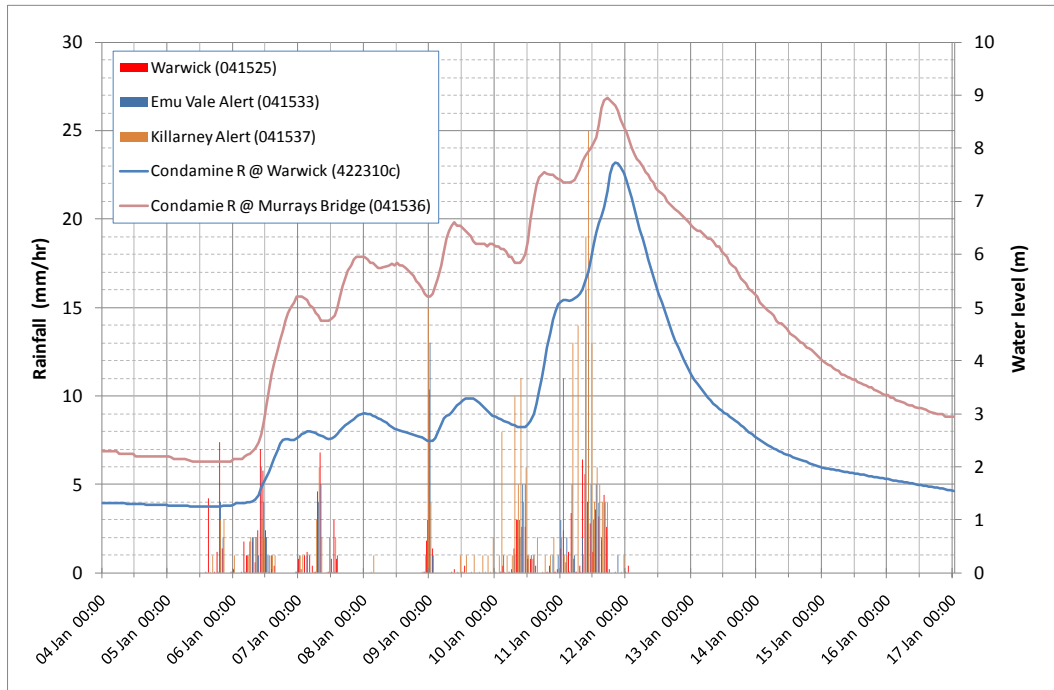
(Source: Bureau of Meteorology)



**Figure 7-2** Hourly Rainfall Totals and Condamine River Water Levels for the Period 1 December 2010 to 24 January 2011



**Figure 7-3** Hourly Rainfall Totals and Condamine River Water Levels for the 27 December 2010 Event



**Figure 7-4 Hourly Rainfall Totals and Condamine River Water Levels for the 11 January 2011 Event**

## 7.3 Discussion

### 7.3.1 27 December 2010 Event

On 27 December 2010 Warwick was inundated by overflow from Condamine River. Figure 7-3 shows the following:

- The inundation was the consequence of a rainfall over a period of approximately 37 hours (0100 hrs 26 December to 1400 hrs 27 December).
- Twenty four hours after the commencement of this rainfall the river water level was approximately 2.56 m; this is well below the minor flood level of 4.0 m.
- The water level did not reach the major flood height of 6 m until approximately 1630 hrs on 27 December (40.5 hrs after rainfall commencement).
- The maximum inundation level was 7.09 m; which occurred at 2100 hrs on 27 December (44 hrs after rainfall commencement).

It is clear from Figure 7-3 and Figure 7-4 that the Condamine River at Warwick responds quickly (within 24 hours) to rainfall events and drains more slowly back to usual levels.

The 27 December event is attributable to rainfall that fell in excess of 24 hours prior to the peak. Without specific modelling it is not possible to quantify what impact the rain falling outside of this 24 hour period had on this peak. However, it is reasonable to assume that the majority of the rainfall that lead to the peak fell in the period commenced within 24 hours of the peak occurring.

It is possible that there are areas in Warwick remote from Condamine River and/or above the Condamine River flood level that were inundated by stormwater alone or a combination of

stormwater and flood. This possible inundation behaviour needs to be assessed on an individual property basis.

### **7.3.2 11 January Event**

On 11 January 2010 Warwick was once again inundated by overflow from Condamine River. Figure 7-4 shows the following:

- The inundation was due to the combined effect of a number of storms starting at approximately 0400 hrs 6 January 2011.
- The first storm resulted in elevated Condamine River water levels. Each successive storm either increased or maintained the elevated water level.
- Between 0400 hr 6 January and 1500 hr 10 January the maximum river level was approximately 3.3 m. This is below the minor flood level of 4 m.
- A storm commencing at approximately 0600 hrs 10 January resulted in the Condamine River levels reaching the moderate flood height of 5 m at 2200 hrs 10 January.
- A storm commencing at approximately 0800 hrs 11 January contributed to river levels peaking at 7.73 m at 2000 hrs 11 January. This is some 1.73 m above the major flood level (6m)

The 11 January event is attributable to rainfall that fell in excess of 24 hours prior to the peak occurring. 24 hours before the peak the Condamine River was already above the Minor flood level of 4m. Without specific modelling it is not possible to quantify what impact, the rain falling outside of this 24 hour period had on this peak. However, it is reasonable to assume that a significant portion of the rainfall that lead to the peak fell in the period commenced within 24 hours of the peak occurring.

It is possible that there are areas in Warwick remote from Condamine River and/or above the Condamine River flood level that were inundated by stormwater alone or a combination of stormwater and flood. This possible inundation behaviour needs to be assessed on an individual property basis.

## 8 REFERENCES

Bureau of Meteorology, 2011, Definitions and Terminology,

[http://www.bom.gov.au/hydro/flood/flooding.shtml#definitions\\_terminology](http://www.bom.gov.au/hydro/flood/flooding.shtml#definitions_terminology)

CSIRO, 2000, "Floodplain Management in Australia: Best Practice Principles and Guidelines – SCARM Report 73".

Institution of Engineers Australia, 1998, "Australian Rainfall and Runoff – Volume 1 – A Guide to Flood Estimation".

Queensland Government Natural Resources and Water, 2008, "Queensland Urban Drainage Manual", Second Edition.

Queensland Government, June 2003, "Mitigating the Adverse Impacts of Flood, Bushfire and Landslide - State Planning Policy Guideline SPP1/03".



## 9 AUTHORS QUALIFICATIONS

The author of this report is Mr [REDACTED]. In arriving at my opinions in this report, I have been assisted by the following Water Technology staff who have carried out certain work under my direction and supervision:

Dr [REDACTED]

Mr [REDACTED]

Mr [REDACTED]

I have reviewed their work and the opinions expressed in this report are my own.

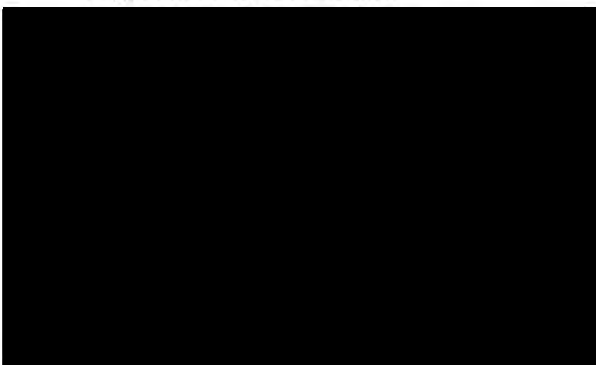
Details of my qualifications are provided in Table 9-1 below.

**Table 9-1 Authors Qualifications**

Full Name	[REDACTED]
Job Position	Director
Location	Brisbane, Queensland
Qualifications	Bachelor of Civil Engineering (Hons), UQ, 1988 Master of Engineering Science, UQ, 1999 National Professional Engineers Register (NPER) Registered Professional Engineer Queensland (RPEQ)
Key Areas of Relevant Expertise	Hydrologic and hydraulic engineering, floodplain management and flood warning

This report contains my preliminary views on the January, 2011 flood event within Condamine and the Darling Downs area. It is preliminary essentially because not all inspections have been completed and not all relevant data is available. In due course should you wish it, I will prepare a final report after the completion of those further investigations (by me or by others). That report, that has been requested by CGW, should be prepared in the form required by the rules of court for an expert witnesses report, given the possibility of litigation arising.

However, subject to those further investigations, this preliminary report refers to all material matters of which I am currently aware and could reasonably obtain at the time of writing which might affect my conclusions.





## Schedule A

## Schedule A

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
1165		TO029322KDH		MYI Freemans Ltd		Bagot Street Dalby QLD 4405	Dalby
1166		TO029994KDH		MYI Freemans Ltd		Homebush Street Dalby QLD 4405	Dalby
1167		TO029538KDH		MYI Freemans Ltd		Hopsital Road Dalby QLD 4405	Dalby
1168		TO028601KDH		MYI Freemans Ltd		James Street Dalby QLD 4405	Dalby
1169		TO029143		MYI Freemans Ltd		Orpen Street Dalby QLD 4405	Dalby
1170		TO030113		MYI Freemans Ltd		Edward Street Dalby QLD 4405	Dalby
1171		TO028597TF1		MYI Freemans Ltd		Wilson Street	Condamine
1172		TO028562TF1		MYI Freemans Ltd		Wood Street	Condamine
1173		TO029821		MYI Freemans Ltd		High Street Jandowae QLD 4410	Jandowae
1174		TO028956TF1		MYI Freemans Ltd		High Street	Jandowae
1175		TO029164RMG		N/A		Creek Street Oakey QLD 440	Oakey
1176		TO029159RMG		N/A		Beale Street Oakey QLD 4401	Oakey
1177		TO029137RMG		N/A		Davidson Street Oakey QLD	Oakey
1178		TO29133RMG		N/A		Cunningham Street Oakey QLD 4401	Oakey
1179		TO029364TME		MYI Freemans Ltd		Davidson Street Oakey QLD	Oakey
1180		TO028965RMG		N/A		Donely Street Oakey QLD 4401	Oakey
1181		TO029332		N/A		Cuncliffe Street Oakey QLD 4401	Oakey
1182		BR085256		MYI Freemans Ltd		Old Kalbar Road	Templin
1183		TO028608TF1		MYI Freemans Ltd		Bryant Street	Warra
1184		TO028532TF1		MYI Freemans Ltd		Thorley Street Dalby QLD 4405	Dalby
1185		TO028534TF1		MYI Freemans Ltd		Helena Street Chinchilla QLD 4413	Chinchilla
1186		TO028602TF1		MYI Freemans Ltd		North Street Chinchilla QLD 4413	Chinchilla
1187		TO028544BGA		MYI Freemans Ltd		Fitzroy Street Warwick QLD 4370	Warwick
1188		TO028584BGA		MYI Freemans Ltd		Hope Street Warwick QLD 4370	Warwick
1189		TO028508TF1		MYI Freemans Ltd		Fitzroy Streetm Warwick QLD 4370	Warwick
1190		TO028504TF1		MYI Freemans Ltd		Oak Avenue Warwick QLD 4370	Warwick

## Exhibit 75

1680-28-A  
14 March 2011



AFN 60 083 377 283  
ACN 083 377 283

**Subject to Legal Professional Privilege**

Cooper Grace Ward  
Level 21 400 George St  
Brisbane QLD 4001

Attn: [REDACTED]

Dear [REDACTED]

**SUBJECT: INDEPENDENT ANALYSIS – WATER INUNDATION – IPSWICH REGION**

We refer to our report dated March 2011.

Water Technology has considered whether the properties listed in Schedule A may have been affected by Stormwater runoff.

A conclusion cannot be made on whether a property has been inundated by stormwater runoff without undertaking a site inspection of the property. However, based on our consideration of the available terrain and drainage details, we consider it unlikely that the properties listed in Schedule A were inundated by stormwater runoff except for those properties set out below.

WT Ref	Insured Claim No	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / suburb
906	[REDACTED]	BR085594MSH	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mills St	Goodna
924	[REDACTED]	BR085753	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mill St	Goodna
927	[REDACTED]	BR087389	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mill St	Goodna
939	[REDACTED]	BR087035GN1	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mill St	Goodna

These properties have been removed from Schedule A. After we have undertaken the necessary further investigations we will ensure that these properties are included in an appropriate updated schedule.

We attach a copy of our updated Schedule A. All other schedules included in our report remain unchanged (the contents of the schedules remain as described in the report).

Please do not hesitate to contact me if you have any queries.

For and on behalf of  
Water Technology Pty Ltd

Director

---

93 Boundary Street, PO Box 5700, West End 4101  
tel: (07) 3846 5133 fax: (07) 3846 5144 www.watech.com.au

# Schedule A RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
904		BR086705BW1		MYI Freemans Ltd		█ Brisbane Terrace Goodna QLD 4300	Goodna
905		BR086718BW1		MYI Freemans Ltd		█ Brisbane Terrace Goodna QLD 4300	Goodna
907		BR085650MSH		MYI Freemans Ltd		█ 5 Edna Street Goodna QLD 4300	Goodna
908		BR0085919JBR		MYI Freemans Ltd		█ Parker Street Goodna QLD 4300	Goodna
909		BR085759JBR		MYI Freemans Ltd		█ Mill Street Goodna QLD 4300	Goodna
910		BR085531JBR		MYI Freemans Ltd		█ Mill Street Goodna QLD 4300	Goodna
911		BR085840JBR		MYI Freemans Ltd		█ Bourke Court, 3 Spalding Crescent	Goodna
912		BR085563JBR		MYI Freemans Ltd		█ Mooney Close Goodna QLD 4300	Goodna
913		BR085923JBR		MYI Freemans Ltd		█ Alice Street Goodna QLD 4300	Goodna
914		BR085909JBR		MYI Freemans Ltd		█ Broadfoot Drive Goodna QLD 4300	Goodna
915		BR085811		MYI Freemans Ltd		█ Spalding Crescent	Goodna
916		BR086642		MYI Freemans Ltd		█ Spalding Crescent	Goodna
917		BR087801		MYI Freemans Ltd		█ owe St	Goodna
920		BR086607		MYI Freemans Ltd		█ Brisbane Tce	Goonda
921		BR087808		MYI Freemans Ltd		█ Edna Street	Goodna
922		BR088220		MYI Freemans Ltd		█ Cox Cr	Goodna
923		BR086365		MYI Freemans Ltd		█ Brisbane Terrace	Goodna
925		BR086310		MYI Freemans Ltd		█ Spalding Cres	Goodna
926		BR086432		MYI Freemans Ltd		█ Barram Street	Goodna
928		BR087545		MYI Freemans Ltd		█ Brisbane Terrace	Goodna
929		BR086283		MYI Freemans Ltd		█ Mooney Close	Goodna
930		BR016965		MYI Freemans Ltd		█ Brisbane Terrace	Goodna
931		BR086159		MYI Freemans Ltd		█ Mooney Close	Goodna
932		BR087407BBH		MYI Freemans Ltd		█ Parker Street, Goodna QLD 4300	Goodna
933		BR086363CCO		MYI Freemans Ltd		█ Spalding Crescent GOODNA QLD	Goodna
934		BR087456CCO		MYI Freemans Ltd		█ parker Street Goodna QLD 4300	Goodna
935		BR029850DH2		MYI Freemans Ltd		█ Alice Street Goodna QLD 4300	Goodna
936		BR087090DH2		MYI Freemans Ltd		█ Spalding Crescent GOODNA QLD 4	Goodna
937		BR087684DH2		MYI Freemans Ltd		█ Moonay Close Goodna QLD 4300	Goodna
938		BR088085DH2		MYI Freemans Ltd		█ Mooney Close, Goodna, QLD	Goodna
940		BR086302MKE		MYI Freemans Ltd		█ Alice Street Goodna QLD 4300	Goodna
941		BR087220PAL		MYI Freemans Ltd		█ 9 Brisbane Tce, Goodna 4300	Goodna
942		BR088740PAL		MYI Freemans Ltd		█ Cox Street Goodna QLD 4300	Goodna
943		BR086721SS1		MYI Freemans Ltd		█ Parker Street Goodna QLD 4300	Goodna

1680-28

/03/2011

Page 1 of 2

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb
944		BR086676WK1		MYI Freemans Ltd		Spalding Crescent Goodna QLD 4	Goodna
945		BR086327		MYI Freemans Ltd		Broadfoot Dr	Goodna
946		BR086500		MYI Freemans Ltd		Enid Street	Goodna
947		BR088569		MYI Freemans Ltd		ower William St	Goodna
952		BR085854		MYI Freemans Ltd		Lower Albert Street	Goodna
955		BR086380		N/A		Spalding Cresent	Goodna
956		BR087119		N/A		Lower James Street	Goodna

## Exhibit 76



1680-28  
20 March 2011



AFN: 60 093 377 283  
ACN: 093 377 283

**Subject to Legal Professional Privilege**

Cooper Grace Ward  
Level 21 400 George St  
Brisbane QLD 4001

Attn: [REDACTED]

Dear [REDACTED]

**SUBJECT: INDEPENDENT ANALYSIS – WATER INUNDATION – IPSWICH**

We refer to our report dated March 2011.

The report identified a number of properties where it was not possible to formulate an opinion on them at the time of the provision of this report (listed in Schedule B). I have also been given a further schedule of properties to be considered.

RACQI have identified properties listed in Schedule B Part 1 as properties that should be considered further in relation to the issue of inundation by stormwater runoff. These properties are listed in Table 1.

Attached are updated schedules which show the results of our further consideration (the contents of the schedules remain as described in the report).

Please do not hesitate to contact me if you have any queries.

For and on behalf of  
**Water Technology Pty Ltd**

[REDACTED]  
Director

Table 1 Properties requiring further consideration in relation to Stormwater Runoff

ClaimNumber	Catastrophe Number	DateofLoss	DateReported	LossCity	LossCause	Description	POLICYNUMBER	RISKADDRESSLINE1	RISKADDRESSLINE2	RISKCITY	RISKPOSTCODE
	RQH116	12/01/2011	12/01/2011	NORTH BOOVAL	Flood and Storm Surge	Flooding has come through ins rental property - ins is not sure whether it came from an overflowing drain, or from rising river itself. Property was inundated in knee/waist deep water - full extent of damage is unknown.		SELWYN ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	12/01/2011	NORTH BOOVAL	Storm	flood waters hit area and heavy rain- whole yard is under and over shed and water at the moment is just under house level but water is rising		LOGAN STREET		NORTH BOOVAL	4304
	RQH116	12/01/2011	12/01/2011	BUNDAMBA	Flood and Storm Surge	UNIT 1 INS home has suffered water damage due to rising flood waters			A LINDSAY STREET	BUNDAMBA	4304
	RQH116	11/01/2011	12/01/2011	EAST IPSWICH	Storm	Mr Ins adv that due storm water runoff his home is submerged under the water.		TARCOOLA STREET		EAST IPSWICH	4305
	RQH116	12/01/2011	12/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins property has been flooded and has cause major damages to the property and the contents items.		DAVID ST		NORTH BOOVAL	4304
	RQH116	12/01/2011	12/01/2011	NORTH BOOVAL	Storm	Insd adv that the homwe has been submerged in water to the roof.		HELEN ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	NORTH BOOVAL	Storm	Ins home fully inundated due to flash flood. Ins has been evacuated.		DAVID STREET		NORTH BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	NORTH BOOVAL	Flood and Storm Surge	INS home has been submerged in the rising flood water from the Brisbane river. INS was evacuated on 11/1.		HELEN ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	NORTH BOOVAL	Storm	Insured was away - due to rising flood water this has gone through out premise.		LOGAN STREET		NORTH BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	EAST IPSWICH	Flood and Storm Surge	Due to recent flooding ins property and contents has been damaged by flooding.		NATHAN ST		EAST IPSWICH	4305
	RQH116	12/01/2011	13/01/2011	MOORES POCKET	Storm	Water damage to home, sheds & contents.		MOORES POCKET ROAD		MOORES POCKET	4305
	RQH116	12/01/2011	13/01/2011	NORTH BOOVAL	Storm	insured contents have been completey destroyed in the floods.		SELWYN STREET		NORTH BOOVAL	4304
	RQH116	12/01/2011	13/01/2011	NORTH BOOVAL	Storm	Mrs Ins adv home has been flooded and entire home has been dmgd. Ins adv water has entered property up to approx 1m in top level of 2 story home. Ins adv she would like to lodge a claim for consideration for contents as she assumed she has transferred over. Ins adv all contents have been lost besides musical equipement, clothes and TVs.		LOGAN ST		NORTH BOOVAL	4304
	RQH116	12/01/2011	13/01/2011	NORTH BOOVAL	Storm	Ins has a high set home, completely submerged and ins was evacuated.		DIANE CT		NORTH BOOVAL	4304
	RQH116	12/01/2011	13/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins adv that there is damage to his rental property due to flood.		DAVID STREET		NORTH BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	BASIN POCKET	Flood and Storm Surge	Ins was evacuated from single storey property due to rising flood water. Ins entire property was later inundated - i.e. water covered roof and aerial. Ins is currently staying with family and friends and is not able to access property due to extent of damage.		CHERMSIDE RD		BASIN POCKET	4305
	RQH116	12/01/2011	13/01/2011	BOOVAL	Flood and Storm Surge	Insured has advised that due to rising flood water this has come into downstairs causing some damage to property & contents.		LOGAN STREET		BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	KARALEE	Storm	Ins adv that the ceiling has fallen down in every room. Ins adv some furniture items are damaged by water as ins was able to get most of their furniture and electrical items out. Ins adv that it was from stormwater and waters coming down from Toowoomba.			JUNCTION RD	KARALEE	4306
	RQH116	11/01/2011	13/01/2011	BRASSALL	Storm	Ins home has been fully inundated when flash flooding in the area. Been evacuated. Major contents damage		MIHI ST		BRASSALL	4305
	RQH116	11/01/2011	13/01/2011	KARALEE	Storm	Ins adv that the water was up and over the roof of ins premises. Ins adv that they managed to get most of their furniture out before it flooded. Ins can't get into the premises as yet.		UNCTION RD		KARALEE	4306
	RQH116	12/01/2011	13/01/2011	NORTH BOOVAL	Storm	water damage to the entire building and all contents.		ALEXANDRA ST		NORTH BOOVAL	4304
	RQH116	12/01/2011	13/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins was evacuated from property on 11/01 at 3pm due to rising flood water. Overnight, flood water has inundated entire property, up to roof. Major damage assumed, and property not accessible at time of lodgement. Ins staying at evacuation centre.		DAVID ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	NORTH BOOVAL	Flood and Storm Surge	STORM:Flood has entered the insrued's property causing damage to the building and also contents throughout the insured's property.		DAVID ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	13/01/2011	NORTH BOOVAL	Storm	Mrs Ins adv home has been affected by flood. Ins adv water has entered home approx half way up walls. Ins adv unsure of what is dmgd at this stage but assumes most items.		CHRISTINE ST		NORTH BOOVAL	4304
	RQH116	12/01/2011	13/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins property has been flooded at ipswich, house and contents. Ins advises water has reached 2 to 2and half feet in the house. Shed has also been flooded 7 feet. Ins has been able to put some items up, and the rest has been damaged.		SELWYN ST		NORTH BOOVAL	4304
	RQH116	12/01/2011	14/01/2011	NORTH BOOVAL	Storm	Ins called to adv that her home was flooded out due to stormwater runoff from stormwater drains near her home.		HELEN STREET		NORTH BOOVAL	4304
	RQH116	11/01/2011	14/01/2011	BOOVAL	Storm	Flood damage to ins building and contents.		CHRISTINE ST		BOOVAL	4304
	RQH116	11/01/2011	14/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins home was affected by the flood waters from the Bremer river which rose up to approx 1m up the walls.		SELWYN STREET		NORTH BOOVAL	4304
	RQH116	12/01/2011	14/01/2011	BUNDAMBA	Storm	Hot water service, air-conditioning unit, retaining walls, fences and water tanks.		CREEK ST		BUNDAMBA	4304

Table 1 Properties requiring further consideration in relation to Stormwater Runoff (cont)

ClaimNumber	Catastrophe Number	DateofLoss	DateReported	LossCity	LossCause	Description	POLICYNUMBER	RISKADDRESSLINE1	RISKADDRESSLINE2	RISKCITY	RISKPOSTCODE
	RQH116	13/01/2011	14/01/2011	NORTH BOOVAL	Flood and Storm Surge	Insd adv that house has been inundated by floodwaters - water went up to ceiling height.		JANET ST		NORTH BOOVAL	4304
	RQH116	12/01/2011	14/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins was evacuated from property 11/01 due to rising flood water, which ins understands inundated property on 12/01, up to approx 12 inches. Ins has now returned to property - still habitable. Some contents items damaged - ins yet to find out if washing machine or fridge have sustained damage.		GLEDSON STREET		NORTH BOOVAL	4304
	RQH116	11/01/2011	14/01/2011	NORTH IPSWICH	Storm	ins reports in on the 11th and 12th of jan there were heavy rains just prior and this contribute to flash flooding that has risen in less than 24 hrs and this combined with bremer river rising due to water imput from the wievenhoe dam being release has contributed to the flash flooding of the home and water entered up to the first floor of the home even the carpets on the first floor have been water affected in some place has risen up through floor boards and stair well- downstairs carpet tiles fridge computer desk and lounges have been damages		LAWRENCE STREET		NORTH IPSWICH	4305
	RQH116	12/01/2011	14/01/2011	ONE MILE	Flood and Storm Surge	Flood waters have entered the home, damaging building and contents. Bottom storey was submerged to approx waist height.		CAFFERKY STREET		ONE MILE	4305
	RQH116	12/01/2011	14/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins property has been submerged to 1.5m from roof level. Ins has building and contents damage due to the flooding.		JANET ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	14/01/2011	NORTH BOOVAL	Storm	on tuesday 11th jan ins reports continious heavy rain which has resulted in flash flooding ins was advised in less thanb 24 hrs that she to evacuate the property and was removed at 2 pm on the 11th water has gone through the house half way up the walls- insured first say the damages yesterday morning and could see a line where the water have risen to- ins has only managed to take some clothes and special photos and personal items with her has lost all her furniture and content items		SELWYN ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	14/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins adv that flood has enetred the property and has caused damage to building and contents.		BERGIN ST		NORTH BOOVAL	4304
	RQH116	12/01/2011	15/01/2011	NORTH BOOVAL	Flood and Storm Surge	ins called to state the insured was asked to evacuate the property on Tuesday 11.1.2001 night. the insured was advised by the police water had entered the property early on Wednesday morning. ins adv water in height of 2meters has entered the entire property.		ELAINE STREET		NORTH BOOVAL	4304
	RQH116	12/01/2011	16/01/2011	KARALEE	Storm	water inundated the home and collapsed the ceiling		VOYAGER DRIVE		KARALEE	4306
	RQH116	12/01/2011	16/01/2011	BASIN POCKET	Flood and Storm Surge	Flood waters have enetred ins property up to about 6ft of first floor.		MCLEOD ST		BASIN POCKET	4305
	RQH116	11/01/2011	17/01/2011	NORTH BOOVAL	Flood and Storm Surge	Due to recent flooding ins contents and building have sustained damage.		BRIDGE ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	17/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins has been flooded and ins house was three quarters under and some items have been damaged and ins has thrown them out and ins wants to claim for these		CHRISTINE STREET		NORTH BOOVAL	4304
	RQH116	12/01/2011	17/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins daughter advises due to flooding the property has been damaged. They have been able to get some items out for contents, but water has damaged the property.		SELWYN ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	18/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins was evacuated from their home and the first level has been damaged by the floods. - contents include fridge/freezer, mower, whiper sniper.		LOGAN STREET		NORTH BOOVAL	4304
	RQH116	11/01/2011	18/01/2011	NORTH BOOVAL	Flood and Storm Surge	Ins property has been damaged by the floods.		DAVID STREET		NORTH BOOVAL	4304
	RQH116	13/01/2011	19/01/2011	NORTH BOOVAL	Storm	This is a low split level. The water has gone 5 feet into the upper level of the home.		CHRISTINE STREET		NORTH BOOVAL	4304
	RQH116	12/01/2011	24/01/2011	NORTH BOOVAL	Flood and Storm Surge	The ins stated that she has been affected by the flood the ins advised that her contents have been water damaged		ROY ST		NORTH BOOVAL	4304
	RQH116	11/01/2011	29/01/2011	NORTH BOOVAL	Storm	flood waters hit area - went over whole house		DAVID STREET		NORTH BOOVAL	4304

Schedule A RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
392		BR085978BW1		MYI Freemans Ltd		ris Street Gailles QLD 4300	Gailles	2
393		BR085827JBR		MYI Freemans Ltd		ris Street Gailles QLD 4300	Gailles	2
394		BR085474MSH		MYI Freemans Ltd		Alma Street Gailles QLD 4300	Gailles	2
395		BR087317		MYI Freemans Ltd		Newman Street	Gailles	2
396		BR086153		MYI Freemans Ltd		ris Street	Gailles	2
397		BR086593		MYI Freemans Ltd		Alma Street	Gailles	2
398		BR086324BYE		MYI Freemans Ltd		Alma Street	Gailles	2
904		BR086705BW1		MYI Freemans Ltd		Brisbane Terrace Goodna QLD 4300	Goodna	1
905		BR086718BW1		MYI Freemans Ltd		Brisbane Terrace Goodna QLD 4300	Goodna	1
907		BR085650MSH		MYI Freemans Ltd		Edna Street Goodna QLD 4300	Goodna	1
908		BR0085919JBR		MYI Freemans Ltd		Parker Street Goodna QLD 4300	Goodna	1
909		BR085759JBR		MYI Freemans Ltd		Mill Street Goodna QLD 4300	Goodna	1
910		BR085531JBR		MYI Freemans Ltd		Mill Street Goodna QLD 4300	Goodna	1
911		BR085840JBR		MYI Freemans Ltd		Spalding Crescent	Goodna	1
912		BR085563JBR		MYI Freemans Ltd		Mooney Close Goodna QLD 4300	Goodna	1
913		BR085923JBR		MYI Freemans Ltd		Alice Street Goodna QLD 4300	Goodna	1
914		BR085909JBR		MYI Freemans Ltd		Broadfoot Drive Goodna QLD 4300	Goodna	1
915		BR085811		MYI Freemans Ltd		Spalding Crescent	Goodna	1
916		BR086642		MYI Freemans Ltd		Spalding Crescent	Goodna	1
917		BR087801		MYI Freemans Ltd		owe St	Goodna	1
920		BR086607		MYI Freemans Ltd		Brisbane Tce	Goonda	1
921		BRO87808		MYI Freemans Ltd		Edna Street	Goodna	1
922		BRO88220		MYI Freemans Ltd		Cox Cr	Goodna	1
923		BRO86365		MYI Freemans Ltd		Brisbane Terrace	Goodna	1
925		BR086310		MYI Freemans Ltd		Spalding Cres	Goodna	1
926		BR086432		MYI Freemans Ltd		Barram Street	Goodna	1
928		BR087545		MYI Freemans Ltd		Brisbane Terrace	Goodna	1
929		BR086283		MYI Freemans Ltd		Mooney Close	Goodna	1
930		BR016965		MYI Freemans Ltd		8 Brisbane Terrace	Goodna	1
931		BR086159		MYI Freemans Ltd		Mooney Close	Goodna	1
932		BR087407BBH		MYI Freemans Ltd		Parker Street, Goodna QLD 4300	Goodna	1
933		BR086363CCO		MYI Freemans Ltd		Spalding Crescent GOODNA QLD	Goodna	1
934		BR087456CCO		MYI Freemans Ltd		parker Street Goodna QLD 4300	Goodna	1
935		BR029850DH2		MYI Freemans Ltd		Alice Street Goodna QLD 4300	Goodna	1
936		BR087090DH2		MYI Freemans Ltd		Spalding Crescent GOODNA QLD	Goodna	1
937		BR087684DH2		MYI Freemans Ltd		Moonay Close Goodna QLD 430	Goodna	1
938		BR088085DH2		MYI Freemans Ltd		Mooney Close, Goodna, QLD	Goodna	1
940		BR086302MKE		MYI Freemans Ltd		Alice Street Goodna QLD 4300	Goodna	1
941		BR087220PAL		MYI Freemans Ltd		Brisbane Tce, Goodna 4300	Goodna	1
942		BR088740PAL		MYI Freemans Ltd		Cox Street Goodna QLD 4300	Goodna	1
943		BR086721SS1		MYI Freemans Ltd		Parker Street Goodna QLD 4300	Goodna	1
944		BR086676WK1		MYI Freemans Ltd		Spalding Crescent Goodna QLD 4	Goodna	1

## Schedule A RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
945		BR086327		MYI Freemans Ltd		Broadfoot Dr	Goodna	1
946		BR086500		MYI Freemans Ltd		Enid Street	Goodna	1
947		BR088569		MYI Freemans Ltd		Lower William St	Goodna	1
952		BR085854		MYI Freemans Ltd		Lower Albert Street	Goodna	1
955		BR086380		N/A	ray	Spalding Crescent	Goodna	1
956		BR087119		N/A		Lower James Street	Goodna	1
1307		BR087065		MYI Freemans Ltd		ris Street Gailes QLD	Gailes	2
2052		Not Provided	N/A	N/A	Not Provided		GOODNA	2
2057		Not Provided	N/A	N/A	Not Provided	WOOGAROO ST	GOODNA	2
2060		Not Provided	N/A	N/A	Not Provided	HILLSDON	GOODNA	2
2061		Not Provided	N/A	N/A	Not Provided	RIVER PARK DRIVE	KARALEE	2
2068		Not Provided	N/A	N/A	Not Provided		GOODNA	2
2070		Not Provided	N/A	N/A	Not Provided	1 BRISBANE TCE	GOODNA	2
2071		Not Provided	N/A	N/A	Not Provided	BRISBANE TCE	GOODNA	2
2083		Not Provided	N/A	N/A	Not Provided	WOOGAROO ST	GOODNA	2
2088		Not Provided	N/A	N/A	Not Provided	BILLAGALL DR	KARANA DOWNS	2
2103		Not Provided	N/A	N/A	Not Provided	RIVERPARK DR	KARALEE	2
2108		Not Provided	N/A	N/A	Not Provided	WOOGAROO ST	GOODNA	2
2125		Not Provided	N/A	N/A	Not Provided	5 BRISBANE TCE	GOODNA	2
2137		Not Provided	N/A	N/A	Not Provided	ATKINSON DR	KARANA DOWNS	2
2152		Not Provided	N/A	N/A	Not Provided	NALYA CRESCENT	KARANA DOWNS	2



Schedule B Part 1 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
797		BR087944		MYI Freemans Ltd		Riverside Avenue	Barellan Point	2
799		BR085983		MYI Freemans Ltd		Burke Street	Barellan Point	1
800		BR085875		MYI Freemans Ltd		Riverside Avenue	Barellan Point	1
804		BR086414MKE		MYI Freemans Ltd		Riverside Ave BARELLAN POINT QLD	BARELLAN POINT	1
805		BR087783MKE		MYI Freemans Ltd		Riverside Ave Barellan Point QLD 430	BARELLAN POINT	1
806		BR088681SS1		MYI Freemans Ltd		Riverside Ave Barrellan Point QLD 43	BARELLAN POINT	1
807		BR088256		MYI Freemans Ltd		RIVERSIDE AVENUE	BARELLAN POINT	1
808		BR087675		MYI Freemans Ltd		Riverside Court	Barellan Point	1
809		BR087692		MYI Freemans Ltd		Tasman Court	Barellan Point	1
810		BR087728		MYI Freemans Ltd		McLeod Street	Basin Pocket	1
815		BR085583		N/A		Chermside Road Basin Pocket	BASIN POCKET	1
816		BR085620		N/A		Springall Street	Basin Pocket	1
817		BR085955		N/A		Bremer Parade	Basin Pocket	1
818		BR086118		MYI Freemans Ltd		Bremer Parade	Basin Pocket	1
819		BR087887		MYI Freemans Ltd		McGill Street	Basin Pocket	1
820		BR087191		MYI Freemans Ltd		McLeod Street	Basin Pocket	1
821		BR088487		MYI Freemans Ltd		Bridge Street	Booval	1
822		BR087296		MYI Freemans Ltd		Lamont Street	Booval	1
823		BR086326		MYI Freemans Ltd		Christine Street	Booval	1
825		BR085813		MYI Freemans Ltd		Bridge Street	Booval	1
826		BR087435		MYI Freemans Ltd		Helen Street	Booval	1
827		BR085873PEA		MYI Freemans Ltd		Street Brassall QLD 4305	Brassall	1
829		BR085814PEA		MYI Freemans Ltd		Sydney Street Brassall QLD 4305	Brassall	1
832		BR087754		MYI Freemans Ltd		Hunter Street	Brassall	1
834		BR086241		MYI Freemans Ltd		Mihi Street	Brassall	1
841		BR024693		MYI Freemans Ltd		Parcell Street Brassall,	Brassall	1
842		BR085855JFI		MYI Freemans Ltd		Cleary Street Bundamba QLD 4304	Bundamba	1
843		BR085580JFI		MYI Freemans Ltd		Egerton Street Bundamba QLD QLD 430	Bundamba	1
844		BR085807JFI		MYI Freemans Ltd		Lindsay Street Bundamba	Bundamba	1
845		BR085565JFI		MYI Freemans Ltd		Kirk Street Bundamba QLD 4304	Bundamba	1
847		BR085783JFI		MYI Freemans Ltd		Hanlon Street Bundamba QLD 4304	Bundamba	1
848		BR086335MKE		MYI Freemans Ltd		Keith Street Bundamba QLD 4304	Bundamba	1
849		BR086465MKE		MYI Freemans Ltd		Lindsay Street Bundamba QLD 4	Bundamba	1
850		BR085940PAL		MYI Freemans Ltd		Mining Street,	Bundamba	1
851		BR086386PB2		MYI Freemans Ltd		Cornish Street BUNDAMBA QLD 4304	Bundamba	1
852		BR087294PB2		MYI Freemans Ltd		Creek Street Bundamba QLD 4304	Bundamba	1
853		BR088161WK1		MYI Freemans Ltd		White Street Bundamba QLD 4304	Bundamba	1
854		BR086882		MYI Freemans Ltd		Creek Street	Bundamba	1
855		BR86613		MYI Freemans Ltd		Creek Street	Bundamba	1
856		BR087647		MYI Freemans Ltd		Keith Street	Bundamba	1
857		BR088239		MYI Freemans Ltd		Bergins Hill Road	Bundamba	1
858		BR086592		MYI Freemans Ltd		Andrew Street	Bundamba	1
1680-28		rt 1				011		

Schedule B Part 1 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
859		BR086530		MYI Freemans Ltd		White Street	Bundamba QLD	1
860		BR086209		MYI Freemans Ltd		White Street	Bundamba	1
861		BR087618		MYI Freemans Ltd		Egerton Street	Bundamba	1
862		TO087610RLU		MYI Freemans Ltd		Gipps Street Calvert QLD 4340	Calvert	1
866		BR086247		MYI Freemans Ltd		Meyers Street	CHURCHILL	1
868		BR085826DKE		MYI Freemans Ltd		Gibbs Street Churchill QLD 4305	Churchill	1
875		BR085849		MYI Freemans Ltd		Tarcoola Street	East Ipswich	1
876		BR085604		MYI Freemans Ltd		Tarcoola Street	East Ipswich	1
879		BR086549JW1		MYI Freemans Ltd		Trumper Street East ipswich QLD 4305	EAST IPSWICH	1
881		BR086742JW1		MYI Freemans Ltd		Leslie Street East Ipswich QLD 4305	EAST IPSWICH	1
882		BR086851JW1		MYI Freemans Ltd		Nathan Street East Ipswich QLD 4305	EAST IPSWICH	1
886		BR085926		N/A		Nathan Street	East Ipswich	1
887		BR086681		MYI Freemans Ltd		Nathan Street	East Ipswich	1
958		BR086639		MYI Freemans Ltd		Lawrence Street	Ipswich	1
960		BR086427JW1		MYI Freemans Ltd		Farr Street East Ipswich QLD 4305	Ipswich	1
961		BR085809MMA		MYI Freemans Ltd		Elanora Way Karalee QLD 4306	Karalee	1
962		BR088059		MYI Freemans Ltd		Lyndon Way	Karalee	1
964		BR085791		MYI Freemans Ltd		Gascoyne Drive	Karalee	1
965		BR085509		MYI Freemans Ltd		South Queensborough Parade	Karalee	1
966		BR085557		MYI Freemans Ltd		Voyager Drive	Karalee	1
967		BR086393SS1		MYI Freemans Ltd		Queensborough Parade KARALEE QLD	Karalee	1
968		BR086558		MYI Freemans Ltd		South Queensborough Parade	Karalee	1
969		BR087153		MYI Freemans Ltd		Queensborough Parade	Karalee	1
970		BR086458		MYI Freemans Ltd		Junction Road	Karalee	1
971		BR086250		MYI Freemans Ltd		Junction Road	Karalee	1
972		BR087124		MYI Freemans Ltd		Voyager Drive	Karalee	1
978		BR086336		MYI Freemans Ltd		Ernest Street Leichhardt	Leichhardt	1
983		BR085891SV		MYI Freemans Ltd		Moores Pocket Road, Moores Pocket	Moores Pocket	1
984		BR085930SV		MYI Freemans Ltd		Laurel Court Moore Pocket QLD 4305	Moores Pocket	1
985		BR085971SV		MYI Freemans Ltd		Moores Pocket Road Moores P	Moores Pocket	1
986		BRO87662		MYI Freemans Ltd		Moores Pocket Road	Moores Pocket	1
987		BR029847SS1		MYI Freemans Ltd		Moores Pocket Road	Moores Pocket	1
988		BR086486WK1		MYI Freemans Ltd		Moores Pocket Road Moores Pocket	Moores Pocket	1
990		BR087538		MYI Freemans Ltd		Moores Pocket Road	Moores Pocket	1
991		BR087137		MYI Freemans Ltd		Laurel Court	Moores Pocket	1
992		BR086702		MYI Freemans Ltd		Moores Pocket Road	Moores Pocket	1
994		BR086634		MYI Freemans Ltd		David Street	North Booval	1
995		BR085518JFI		MYI Freemans Ltd		David Street North Booval QLD 4304	North Booval	1
996		BR085506JFI		MYI Freemans Ltd		David Street North Booval QLD 4304	North Booval	1
997		BR085516BW1		MYI Freemans Ltd		North Stations Road North Booval QL	North Booval	1
998		BR086127PEA		MYI Freemans Ltd		David Street North Booval QLD 4304	North Booval	1
999		BR086063PEA		MYI Freemans Ltd		Selwyn Street North Booval QLD 4304	North Booval	1
1680-28		art 1				2011		



Schedule B Part 1 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
1000		BR086246PEA		MYI Freemans Ltd		David Street North Booval QLD 4304	North Booval	1
1001		BR086463PEA		MYI Freemans Ltd		Janet Street North Booval QLD 4304	North Booval	1
1002		BR085657JFI		MYI Freemans Ltd		Bergin Street North Booval QLD 4304	North Booval	1
1003		BR085946PEA		MYI Freemans Ltd		Selwyn Street North Booval QLD 4304	North Booval	1
1004		BR085786PEA		MYI Freemans Ltd		Nixon Drive North Booval QLD 4304	North Booval	1
1005		BR085788PEA		MYI Freemans Ltd		Logan Street North Booval QLD 4304	North Booval	1
1006		BR087449		MYI Freemans Ltd		Logan Street	North Booval	1
1007		BR086108		MYI Freemans Ltd		Diane Court	North Booval	1
1008		BR087607		MYI Freemans Ltd		Christine Street	North Booval	1
1009		BR086724		MYI Freemans Ltd		Elaine Street	North Booval	1
1010		BR086357		MYI Freemans Ltd		Selwyn Street	North Booval	1
1011		BR086498		MYI Freemans Ltd		Selwyn Street	North Booval	1
1013		BR086323		MYI Freemans Ltd		Selwyn Street	North Booval	1
1014		BR085821		MYI Freemans Ltd		Helen Street	North Booval	1
1015		BR085877		MYI Freemans Ltd		Christine Street	North Booval	1
1016		BR085578		MYI Freemans Ltd		Helen Street	North Booval	1
1017		BR086233		MYI Freemans Ltd		Logan Street	North Booval	1
1019		BR086168		MYI Freemans Ltd		Alexandra Street	North Booval	1
1020		BR086455		MYI Freemans Ltd		Janet Street	North Booval	1
1021		BR085823		MYI Freemans Ltd		Nixon Drive	North Booval	1
1022		BR086469		MYI Freemans Ltd		Logan Street	North Booval	1
1023		BR086741		MYI Freemans Ltd		Bergin Street	North Booval	1
1024		BR086830		MYI Freemans Ltd		Christine Street	North Booval	1
1025		BR086924		MYI Freemans Ltd		Gledson St	North Booval	1
1026		BR087176		MYI Freemans Ltd		David Street,	North Booval	1
1028		BR088049MKE		MYI Freemans Ltd		Roy Street North Booval QLD 4304	North Booval	1
1030		BR087779PB2		MYI Freemans Ltd		Logan Street North Booval QLD 4304	North Booval	1
1031		BR087901WK1		MYI Freemans Ltd		Selwyn Street North Booval QLD 4304	North Booval	1
1033		BR088504		MYI Freemans Ltd		David Street	North Booval	1
1035		BR086348		MYI Freemans Ltd		Helen Street	North Booval	1
1036		BR086152		N/A		Bridge Street	North Booval	1
1039		BR086629		N/A		Gulland Street	North Ipswich	1
1040		BR086602		N/A		Flint Street	North Ipswich	1
1043		BR086751		MYI Freemans Ltd		Bickle Place	North Ipswich	1
1045		BR085961		MYI Freemans Ltd		Wyndham Street	North Ipswich	1
1046		BR086989		MYI Freemans Ltd		Siemons St	One Mile	1
1048		BR086085		MYI Freemans Ltd		Cafferky Street	One Mile	1
1050		BR086097SS1		MYI Freemans Ltd		Siemons Street One Mile QLD 4305	One Mile	1
1051		BR086471SS1		MYI Freemans Ltd		Cafferky Street One Mile QLD 4305	One Mile	1
1057		BR085520TGU		MYI Freemans Ltd		Moore Pocket Road Tivoli, QLD 4305	Tivoli	1
1059		BR086134		MYI Freemans Ltd		Hastie Street	Tivoli	1
1060		BR086269		MYI Freemans Ltd		Moore's Pocket Road	Tivoli	1
1680-28		Part 1						

Schedule B Part 1 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
1061		BR086615	Simon Brown	MYI Freemans Ltd		Moores Pocket Road	Tivoli	1
1062		BR087595	Simon Brown	MYI Freemans Ltd		Moores Pocket Road	Tivoli	1
1063		BR086262	Brett Smith	MYI Freemans Ltd		2A Moores Pock	Tivoli	1
1065		BR085903	N/A	N/A		Moores Pocket Road	Tivoli	1
1066		BR085845	INTEGRITY	N/A		Moores Pocket Rd	Tivoli	1
1067		BR085602	INTEGRITY	N/A		Moores Pocket Road	Tivoli	1
1068		BR085848	INTEGRITY	N/A		Moores Pocket Road Breme	Tivoli	1
1069		BR085587	INTEGRITY	N/A		Bremer Waters Moores Po	Tivoli	1
1073		BR086329	Brendan Brown	N/A		Boundary St	Tivoli	1
1074		BR087651MKE	Maree Keane	MYI Freemans Ltd		Moores Pocket Road	Tivoli	1
1078		BR085507	David Keane	MYI Freemans Ltd		Tiger Street	West Ipswich	1
1079		BR086712PAL	Paul Allen	MYI Freemans Ltd		Warrell St WEST IPSWICH QLD 4305	West Ipswich	1
1080		BR086337PB2	Paul Bockman	MYI Freemans Ltd		Challinor Street West Ipswich QLD 4305	West Ipswich	1
1081		BR087811	Roycroft Karen	N/A		Keogh Street	West Ipswich	1
1083		BR086675DKE	David Keane	MYI Freemans Ltd		O'Hanlon Street Woodend QLD 4305	Woodend	1
1084		BR087846	Paul Allen	MYI Freemans Ltd		Hume Street	Woodend	1
2019		Not Provided	N/A	N/A		ELANORA WAY	KARALEE	2
2030		Not Provided	N/A	N/A			BUNDAMBA	2
2031		Not Provided	N/A	N/A		A MOORES POCKET RD	MOORES POCKET	2
2033		Not Provided	N/A	N/A		YNDON WAY	KARALEE	2
2034		Not Provided	N/A	N/A		MARY ST	WOODEND	2
2036		Not Provided	N/A	N/A		CLEARY STREET	BUNDAMBA	2
2037		Not Provided	N/A	N/A		BLACKALL ST	BASIN POCKET	2
2038		Not Provided	N/A	N/A		GEORGE ST	TIVOLI	2
2040		Not Provided	N/A	N/A		DIANE CT	NORTH BOOVAL	2
2042		Not Provided	N/A	N/A		QUEENSBOROUGH PDE	KARALEE	2
2046		Not Provided	N/A	N/A		BOUNDARY STREET	MOORES POCKET	2
2047		Not Provided	N/A	N/A		LAUREL COURT	MOORES POCKET	2
2049		Not Provided	N/A	N/A		CRESCENT ST	LEICHHARDT	2
2050		Not Provided	N/A	N/A		GASCOYNE DRIVE	KARALEE	2
2051		Not Provided	N/A	N/A		CREEK ST	BUNDAMBA	2
2053		Not Provided	N/A	N/A		PHILLIP ST	ONE MILE	2
2055		Not Provided	N/A	N/A		KEITH ST	BUNDAMBA	2
2056		Not Provided	N/A	N/A		DAVID ST	NORTH BOOVAL	2
2058		Not Provided	N/A	N/A			MOORES POCKET	2
2059		Not Provided	N/A	N/A		NATHAN ST	EAST IPSWICH	2
2064		Not Provided	N/A	N/A		NORTH STREET	NORTH IPSWICH	2
2065		Not Provided	N/A	N/A		HANLON ST	BUNDAMBA	2
2069		Not Provided	N/A	N/A		QUEENSBOROUGH PDE	KARALEE	2
2073		Not Provided	N/A	N/A		TRUMPER ST	EAST IPSWICH	2
2075		Not Provided	N/A	N/A			TIVOLI	2
2078		Not Provided	N/A	N/A			TIVOLI	2
1680-2		1				/2011		

# Schedule B Part 1 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
2081		Not Provided	N/A	N/A	Not Provided	████ NORTH STATION RD	NORTH BOOVAL	2
2082		Not Provided	N/A	N/A	Not Provided	██ TARCOOLA ST	EAST IPSWICH	2
2084		Not Provided	N/A	N/A	Not Provided	██████ BREMER WATERS	TIVOLI	2
2086		Not Provided	N/A	N/A	Not Provided	██ ELANORA WAY	KARALEE	2
2087		Not Provided	N/A	N/A	Not Provided	██ HASTIE ST	TIVOLI	2
2089		Not Provided	N/A	N/A	Not Provided	██ DAVID ST	BOOVAL	2
2090		Not Provided	N/A	N/A	Not Provided	██ PHILLIP STREET	ONE MILE	2
2091		Not Provided	N/A	N/A	Not Provided	██ FARR ST	EAST IPSWICH	2
2092		Not Provided	N/A	N/A	Not Provided	██ EGERTON STREET	BUNDAMBA	2
2093		Not Provided	N/A	N/A	Not Provided	██████	NORTH BOOVAL	2
2095		Not Provided	N/A	N/A	Not Provided	██ FARR ST	EAST IPSWICH	2
2098		Not Provided	N/A	N/A	Not Provided	██ WHITE ST	BUNDAMBA	2
2101		Not Provided	N/A	N/A	Not Provided	██ RIVERSIDE AVENUE	BARELLAN POINT	2
2105		Not Provided	N/A	N/A	Not Provided	██ CREEK ST	BUNDAMBA	2
2106		Not Provided	N/A	N/A	Not Provided	██ TARCOOLA ST	EAST IPSWICH	2
2107		Not Provided	N/A	N/A	Not Provided	██████	TIVOLI	2
2110		Not Provided	N/A	N/A	Not Provided	██ ACARANDA ST	EAST IPSWICH	2
2113		Not Provided	N/A	N/A	Not Provided	██ MOORES POCKET ROAD	TIVOLI	2
2116		Not Provided	N/A	N/A	Not Provided	██████	MOORES POCKET	2
2118		Not Provided	N/A	N/A	Not Provided	██████ BREMER WATERS	TIVOLI	2
2119		Not Provided	N/A	N/A	Not Provided	██████ MERRELL ST	BOOVAL	2
2121		Not Provided	N/A	N/A	Not Provided	██ MOORES POCKET RD	TIVOLI	2
2123		Not Provided	N/A	N/A	Not Provided	██ CHRISTINE STREET	NORTH BOOVAL	2
2126		Not Provided	N/A	N/A	Not Provided	██ LOWRY ST	NORTH IPSWICH	2
2127		Not Provided	N/A	N/A	Not Provided	██████	EAST IPSWICH	2
2129		Not Provided	N/A	N/A	Not Provided	██ BOWEN ST	WOODEND	2
2130		Not Provided	N/A	N/A	Not Provided	██ GRENVILLE ST	BASIN POCKET	2
2131		Not Provided	N/A	N/A	Not Provided	██ LYNDON WAY	KARALEE	2
2132		Not Provided	N/A	N/A	Not Provided	██████ GASCOYNE DR	KARALEE	2
2133		Not Provided	N/A	N/A	Not Provided	██ ELANORA WAY	KARALEE	2
2139		Not Provided	N/A	N/A	Not Provided	██ TRUMPER STREET	EAST IPSWICH	2
2140		Not Provided	N/A	N/A	Not Provided	██ BARCLAY ST	BUNDAMBA	2
2142		Not Provided	N/A	N/A	Not Provided	██ BURTON STREET	NORTH BOOVAL	2
2143		Not Provided	N/A	N/A	Not Provided	██ CLEM ST	BRASSALL	2
2145		Not Provided	N/A	N/A	Not Provided	██ DUDLEIGH ST	BOOVAL	2
2146		Not Provided	N/A	N/A	Not Provided	██ INDSAY STREET	BUNDAMBA	2
2147		Not Provided	N/A	N/A	Not Provided	██████	BRASSALL	2
2155		Not Provided	N/A	N/A	Not Provided	██ TARCOOLA ST	EAST IPSWICH	2
2156		Not Provided	N/A	N/A	Not Provided	██ LYNDON WAY	KARALEE	2
2157		Not Provided	N/A	N/A	Not Provided	██ GLEDSON ST	NORTH BOOVAL	2
2160		Not Provided	N/A	N/A	Not Provided	██ NIXON DR	NORTH BOOVAL	2
2161		Not Provided	N/A	N/A	Not Provided	██████ RIVERSIDE AVE	BARELLAN POINT	2

Schedule B Part 1 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
2162		Not Provided		N/A		█ EAST ST	IPSWICH	2
2163		Not Provided		N/A		█ BICKLE PL	NORTH BOOVAL	2
2164		Not Provided		N/A		█ PELICAN ST	NORTH IPSWICH	2
824		BR086288		MYI Freemans Ltd		█ David Street	Booval	1
846		BR085547JFI		MYI Freemans Ltd		█ Thompson Street Bundamba QLD 4304	Bundamba	1
873		BR085682JFI		MYI Freemans Ltd		█ Callaghan Street East Ipswich QLD 430	East Ipswich	1
874		BR088048		MYI Freemans Ltd		█ acaranda Street	East Ipswich	1
878		BR086162JW1		MYI Freemans Ltd		█ Callaghan Street East Ipswich QLD 4305	EAST IPSWICH	1
883		BR088040JW1		MYI Freemans Ltd		█ Callaghan St, East Ipswich, Qld	EAST IPSWICH	1
884		BR088700PAL		MYI Freemans Ltd		█ Jacaranda St East Ipswich QLD 4305	EAST IPSWICH	1
885		BR088470PB2		MYI Freemans Ltd		█ Callaghan St, East Ipswich QLD 4305	EAST IPSWICH	1
957		BR085573SV		MYI Freemans Ltd		█ Fitzgibbon Street Ipswich QLD 4305	Ipswich	1
1018		BR086370		MYI Freemans Ltd		█ Gledson Street	North Booval	1
1027		BR029844MKE		MYI Freemans Ltd		█ Gledson Street North Booval	North Booval	1
1029		BR086617PAL		MYI Freemans Ltd		█ Helen St North Booval QLD 4304	North Booval	1
1034		BR088909		N/A		█ Gledson Street	North Booval	1
1041		BR086353		MYI Freemans Ltd		█ Hopetown St	North Ipswich	1
1042		BR086286		MYI Freemans Ltd		█ Canning Street	North Ipswich	1
1064		BR086441		MYI Freemans Ltd		█ Wyndham Street	Tivoli	1

Schedule B Part 2 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
798		BR088475		MYI Freemans Ltd		landview St	Barellan Point	1
801		BR085780		MYI Freemans Ltd		Phillip Crescent	BARELLAN POINT	1
802		BR085808		MYI Freemans Ltd		6 Fawkner Crescent	BARELLAN POINT	1
803		BR086100MKE		MYI Freemans Ltd		Junction Road Barellan Point QLD 43	BARELLAN POINT	1
811		BR086130JFI		MYI Freemans Ltd		Coal Street Basin Packet QLD 4305	Basin Pocket	1
812		BR085527JFI		MYI Freemans Ltd		Coal Street Basin Pocket QLD 4305	Basin Pocket	1
813		BR086883		MYI Freemans Ltd		Mcleod St	Basin Pocket	1
814		BR087143WK1		MYI Freemans Ltd		McLeod Street, Basin Pocket QLD 4305	BASIN POCKET	1
828		BR086045PEA		MYI Freemans Ltd		Ranken Court Brassall QLD 4305	Brassall	1
830		BR087386		MYI Freemans Ltd		Sydney Street	Brassall	1
831		BR088047		MYI Freemans Ltd		Bradfield Drive	Brassall	1
833		BR086479		MYI Freemans Ltd		Bradfield Drv	Brassall	1
835		BR085900		MYI Freemans Ltd		Collins Street	Brassall	1
836		BR085830		MYI Freemans Ltd		McKell Street	Brassall	1
838		BR086477SBR		MYI Freemans Ltd		Bradfield Drv Brassall QLD 4305	Brassall	1
839		BR086304SS1		MYI Freemans Ltd		Collins Street Brassall QLD 4305	Brassall	1
840		BR086350		MYI Freemans Ltd		Bradfeild Drive	Brassall	1
863		BR085778JBR		MYI Freemans Ltd		Odra Street Camira QLD	Camira	1
864		BR086114		MYI Freemans Ltd		Ron St	Camira	1
865		BR086667		MYI Freemans Ltd		Robin St	Camira	1
867		BR085672		MYI Freemans Ltd		Meyers Street	Churchill	1
869		BR086376		MYI Freemans Ltd		Myers Street	CHURCHILL	1
870		BR087911		MYI Freemans Ltd		Gibbs Avenue	Collingwood Park	1
871		BR086917		MYI Freemans Ltd		Quinn Street	Dinmore	1
889		BR085265SV		MYI Freemans Ltd		Old Fernvale Road Fernvale QLD 4306	Fernvale	1
890		BR085309SV		MYI Freemans Ltd		Poole Road Fernvale QLD 4306	Fernvale	1
891		BR085651SV		MYI Freemans Ltd		Azolla Court Fernvale QLD 4306	Fernvale	1
892		BR085592PEA		MYI Freemans Ltd		Poole Road Fernvale QLD 4306	Fernvale	1
893		BR086373		MYI Freemans Ltd		Nardoo Street	Fernvale	1
894		BR086788		MYI Freemans Ltd		Poole Road	Fernvale	1
895		BR085660		MYI Freemans Ltd		Titmarsh Circuit	Fernvale	1
896		BR085750PEA		MYI Freemans Ltd		Schmidt Road Fernvale QLD 4305	Fernvale	1
897		BR085525		MYI Freemans Ltd		Schmidt Road	Fernvale	1
898		BR085550		MYI Freemans Ltd		Schmidt Road	Fernvale	1
899		BR085885		MYI Freemans Ltd		Carralluma Crescent	Fernvale	1
900		BR086627		MYI Freemans Ltd		Poole Road	Fernvale	1
901		BR085833		MYI Freemans Ltd		Poole Road	Fernvale	1
902		BR086605		MYI Freemans Ltd		Titmarsh Circuit	Fernvale	1
903		BR085386SV		MYI Freemans Ltd		Ripley Road Flinders View QLD 4305	Flinders View	1
918		BR0877035		MYI Freemans Ltd		Mill St	Goodna	1
919		BR088057		MYI Freemans Ltd		Dorricott Court	Goodna	1
948		BR085944		MYI Freemans Ltd		Lowercross Street	Goodna	1

Schedule B Part 2 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
9		085874		N/A		Edna Street	Goodna	1
9		085562		N/A		Cox Crescent	Goodna	1
9		086124		MYI Freemans Ltd		Lower William Street	Goodna	1
9		086358		MYI Freemans Ltd		Clive St Goodna	Goodna	1
9		086380		N/A		Spalding Cresent	Goodna	1
9		085490		MYI Freemans Ltd		Cemetery Road	Ipswich	1
9		087832		MYI Freemans Ltd		Melbourne Street	Karalee	1
9		087367		MYI Freemans Ltd		Coreen Court	Karana Downs	1
9		029290OCH		MYI Freemans Ltd		Queen Street Marburg QLD 4346	Marburg	1
9		029281TME		MYI Freemans Ltd		Queen Street Marburg QLD 4346	Marburg	1
9		029556TME		MYI Freemans Ltd		George Street Marburg QLD 4346	Marburg	1
9		085508		MYI Freemans Ltd		Marburg Road,	Marburg	1
9		086182		MYI Freemans Ltd		Boundary Street	Moores Pocket	1
10		086340		MYI Freemans Ltd		Baden-Jones Way	North Booval	1
10		085856		MYI Freemans Ltd		Selwyn Street,	North Booval	1
10		087581		N/A		Bickle Place	North Booval	1
10		086633		MYI Freemans Ltd		Canning Street	North Ipswich	1
10		086265		MYI Freemans Ltd		Philip St	One Mile	1
10		085476		MYI Freemans Ltd		East Owen Street	Raceview	1
10		086290		MYI Freemans Ltd		Duncan Street	Riverview	1
10		086290		MYI Freemans Ltd		Child Street	Riverview	1
10		085861SV		MYI Freemans Ltd		Brisbane Road Riverview QLD 4303	Riverview	1
10		086459		MYI Freemans Ltd		George Street	Tivoli	1
10		087898		MYI Freemans Ltd		Cyprus St	Tivoli	1
10		086519		MYI Freemans Ltd			Tivoli	1
10		086342		MYI Freemans Ltd		Foresthill-Fernvale Road	Vernor	1
10		085237GFR		MYI Freemans Ltd		Elm Road Walloon QLD 4306	Walloon	1
10		085954		MYI Freemans Ltd		Verner Road	Wivenhoe Pocket	1
20		t Provided		N/A		GREENWAY CCT	SPRINGFIELD	2
20		t Provided		N/A		MOUNT CROSBY ROAD	TIVOLI	2
20		t Provided		N/A		MISSIGS ROAD	HAIGSLEA	2
20		t Provided		N/A		BURNETT STREET	SADLIERS CROSSIN	2
20		t Provided		N/A		REILLYS RD	ROSEWOOD	2
20		t Provided		N/A		ALBERT STREET	ROSEWOOD	2
20		t Provided		N/A		GEORGE STREET	MARBURG	2
20		t Provided		N/A		GIRRAL RD	THAGOONA	2
20		t Provided		N/A		TITMARSH CIRCUIT	FERNVALE	2
20		t Provided		N/A			CALVERT	2
20		t Provided		N/A		GREENWAY ST	CHURCHILL	2
20		t Provided		N/A		KINGSLEY ST	WALLOON	2
20		t Provided		N/A		MAKEPEACE ST	ROSEWOOD	2
20		t Provided		N/A		CARARA AVE	THAGOONA	2

Schedule B Part 2 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
2035		Not Provided	N/A	N/A	Not Provided	TOONGARRA RD	LEICHHARDT	2
2039		Not Provided	N/A	N/A	Not Provided	REILLYS RD	ROSEWOOD	2
2041		Not Provided	N/A	N/A	Not Provided	BADEN JONES WAY	NORTH BOOVAL	2
2043		Not Provided	N/A	N/A	Not Provided	LAVENDER ST	SPRINGFIELD LAKE	2
2044		Not Provided	N/A	N/A	Not Provided	BADEN JONES WAY	NORTH BOOVAL	2
2045		Not Provided	N/A	N/A	Not Provided	LANGRIDGE ST	RACEVIEW	2
2048		Not Provided	N/A	N/A	Not Provided	RAILWAY STREET	EAST IPSWICH	2
2062		Not Provided	N/A	N/A	Not Provided	PINE MOUNTAIN ROAD	FERNVALE	2
2063		Not Provided	N/A	N/A	Not Provided	CAMONA COURT	WULKURAKA	2
2066		Not Provided	N/A	N/A	Not Provided	DRAPERS RD E	BORALLON	2
2067		Not Provided	N/A	N/A	Not Provided	WYBALENA ROAD	PINE MOUNTAIN	2
2072		Not Provided	N/A	N/A	Not Provided	PERDITA STREET	BELLBIRD PARK	2
2074		Not Provided	N/A	N/A	Not Provided	BRUFF ROAD	FERNVALE	2
2076		Not Provided	N/A	N/A	Not Provided	HARPENG ROAD	WIVENHOE POCK	2
2077		Not Provided	N/A	N/A	Not Provided	KYNANCE ST	LEICHHARDT	2
2080		Not Provided	N/A	N/A	Not Provided	KERWICK CLOSE	FERNVALE	2
2085		Not Provided	N/A	N/A	Not Provided	ERIC ST	GOODNA	2
2094		Not Provided	N/A	N/A	Not Provided	DAVILLEA CT	FERNVALE	2
2096		Not Provided	N/A	N/A	Not Provided	STEVENS RD	ROSEWOOD	2
2097		Not Provided	N/A	N/A	Not Provided	TRUSCOTT COURT	FERNVALE	2
2099		Not Provided	N/A	N/A	Not Provided	QUEEN ST	MARBURG	2
2100		Not Provided	N/A	N/A	Not Provided	DAVILLEA CT	FERNVALE	2
2102		Not Provided	N/A	N/A	Not Provided	FAIRNEY VIEW-FERNVALE RD	FERNVALE	2
2104		Not Provided	N/A	N/A	Not Provided	STEPHENSON ST	SADLIERS CROSSIN	2
2109		Not Provided	N/A	N/A	Not Provided	WIVENHOE POCKET RD	WIVENHOE POCK	2
2111		Not Provided	N/A	N/A	Not Provided	GIPPS ST	CALVERT	2
2112		Not Provided	N/A	N/A	Not Provided	DAINTREE CT	FERNVALE	2
2114		Not Provided	N/A	N/A	Not Provided	TANTIVY ROAD	NORTH IPSWICH	2
2115		Not Provided	N/A	N/A	Not Provided	ASHLEIGH COURT	WALLOON	2
2117		Not Provided	N/A	N/A	Not Provided	CASSIA CT	FERNVALE	2
2120		Not Provided	N/A	N/A	Not Provided	NERREMAN RD	WIVENHOE POCK	2
2122		Not Provided	N/A	N/A	Not Provided	ROSEWOOD RD	MARBURG	2
2124		Not Provided	N/A	N/A	Not Provided	MILLAR ROAD	FAIRNEY VIEW	2
2128		Not Provided	N/A	N/A	Not Provided	FIELDING RD	FERNVALE	2
2134		Not Provided	N/A	N/A	Not Provided	O'NEILLS RD	WILLOWBANK	2
2135		Not Provided	N/A	N/A	Not Provided	EBENEZER RD	EBENEZER	2
2136		Not Provided	N/A	N/A	Not Provided	EBENEZER RD	EBENEZER	2
2138		Not Provided	N/A	N/A	Not Provided	GLEN BRAE STREET	REDBANK PLAINS	2
2141		Not Provided	N/A	N/A	Not Provided	SCHMIDT ROAD	FERNVALE	2
2144		Not Provided	N/A	N/A	Not Provided	HIGH STREET	BRASSALL	2
2148		Not Provided	N/A	N/A	Not Provided	MACRAE ST	COALFALLS	2
2149		Not Provided	N/A	N/A	Not Provided	CLIVE ST	FERNVALE	2



## Schedule B Part 2 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
2150		Not Provided	N/A	N/A	Not Provided	ELM ROAD	WALLOON	2
2151		Not Provided	N/A	N/A	Not Provided	FROST STREET	NORTH IPSWICH	2
2153		Not Provided	N/A	N/A	Not Provided	GEORGE ST	MARBURG	2
2154		Not Provided	N/A	N/A	Not Provided	MCMILLAN STREET	CHURCHILL	2
2158		Not Provided	N/A	N/A	Not Provided	ACKSON COURT	DINMORE	2
2159		Not Provided	N/A	N/A	Not Provided	SCHMIDT RD)	FERNVALE	2

Schedule B Part 3 RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / Suburb	Rpt Ver
824	[REDACTED]	BR086288	[REDACTED]	MYI Freemans Ltd	[REDACTED]	[REDACTED] David Street	Booval	1
846		BR085547JFI		MYI Freemans Ltd		[REDACTED] Thompson Street Bundamba QLD 4304	Bundamba	1
873		BR085682JFI		MYI Freemans Ltd		[REDACTED] Callaghan Street East Ipswich QLD 430	East Ipswich	1
874		BR088048		MYI Freemans Ltd		[REDACTED] acaranda Street	East Ipswich	1
878		BR086162JW1		MYI Freemans Ltd		[REDACTED] Callaghan Street East Ipswich QLD 4305	EAST IPSWICH	1
883		BR088040JW1		MYI Freemans Ltd		[REDACTED] A Callaghan St, East Ipswich, Qld	EAST IPSWICH	1
884		BR088700PAL		MYI Freemans Ltd		[REDACTED] Jacaranda St East Ipswich QLD 4305	EAST IPSWICH	1
885		BR088470PB2		MYI Freemans Ltd		[REDACTED] Callaghan St, East Ipswich QLD 4305	EAST IPSWICH	1
957		BR085573SV		MYI Freemans Ltd		[REDACTED] Fitzgibbon Street Ipswich QLD 4305	Ipswich	1
1018		BR086370		MYI Freemans Ltd		[REDACTED] Gledson Street	North Booval	1
1027		BR029844MKE		MYI Freemans Ltd		[REDACTED] Gledson Street North Booval	North Booval	1
1029		BR086617PAL		MYI Freemans Ltd		[REDACTED] Helen St North Booval QLD 4304	North Booval	1
1034		BR088909		N/A		[REDACTED] Gledson Street	North Booval	1
1041		BR086353		MYI Freemans Ltd		[REDACTED] Hopetown St	North Ipswich	1
1042		BR086286		MYI Freemans Ltd		[REDACTED] Canning Street	North Ipswich	1
1064		BR086441		MYI Freemans Ltd		[REDACTED] Wyndham Street	Tivoli	1

Schedule C RACQI-Inundation Investigation - Ipswich - Jan 2011

WT Ref No	Insured Claim Number	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name
1058		BR085254SV		MYI Freemans Ltd	

Site Address	Site Town / Suburb	Rpt Ver
Mount Crosby Road Tivoli QLD 4305	Tivoli	1

## Exhibit 77

1680-28-A  
25 March 2011



ABN: 60 093 377 283  
ACN: 093 377 283

**Subject to Legal Professional Privilege**

Cooper Grace Ward  
Level 21 400 George St  
Brisbane QLD 4001

Attn: [REDACTED]

Dear [REDACTED]

**SUBJECT: INDEPENDENT ANALYSIS – WATER INUNDATION – IPSWICH REGION**

We refer to our report dated March 2011.

Water Technology has considered whether the properties listed in Schedule A may have been affected by Stormwater runoff.

A conclusion cannot be made on whether a property has been inundated by stormwater runoff without undertaking a site inspection of the property. However, based on our consideration of the available terrain and drainage details, we consider it unlikely that the properties listed in Schedule A were inundated by stormwater runoff except for those properties set out below.

WT Ref	Insured Claim No	Loss Adjustor Reference No	Loss Adjustor Contact	Loss Adjustor	Insured Name	Site Address	Site Town / suburb
906	[REDACTED]	BR085594MSH	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mills St	Goodna
924	[REDACTED]	BR085753	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mill St	Goodna
927	[REDACTED]	BR087389	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mill St	Goodna
939	[REDACTED]	BR087035GN1	[REDACTED]	MYI Freemans	[REDACTED]	[REDACTED] Mill St	Goodna
2068	[REDACTED]					[REDACTED] Mill St	Goodna
392	[REDACTED]					[REDACTED] IRIS ST	GAILES
393	[REDACTED]					[REDACTED] IRIS ST	GAILES
396	[REDACTED]					[REDACTED] IRIS ST	GAILES
1307	[REDACTED]					[REDACTED] IRIS ST	GAILES

These properties have been removed from Schedule A. After we have undertaken the necessary further investigations we will ensure that these properties are included in an appropriate updated schedule.

Please do not hesitate to contact me if you have any queries.

---

93 Boundary Street, PO Box 5700, West End 4101  
tel: (07) 3846 5133 fax: (07) 3846 5144 [www.watech.com.au](http://www.watech.com.au)

For and on behalf of  
**Water Technology Pty Ltd**

A small black rectangular redaction box covering the name of the director.

Director

## Exhibit 134



1

21/04/2011

[REDACTED]  
Clifton Street  
BOOVAL QLD 4304

Dear Mr [REDACTED]

**Household Insurance**

Policy Number: [REDACTED]

Claim Number: [REDACTED]

We have now completed our investigations relating to your claim. It has been determined that the damage at your property has been caused by flooding.

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

***Words / terms with special meanings***

<b><i>Flood</i></b>	<i>Rising water which enters your home as a result of it running off or overflowing from any origin or cause. This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</i>
---------------------	--

As your policy does not include cover for flood, we must advise your claim has not been accepted.

As you may be aware where the policy is unable to respond, RACQ Insurance has established a compassionate fund to provide assistance to our customers most seriously affected by the Queensland floods.

Although you are not entitled to a payment under the terms of your policy, we are pleased to advise that your circumstances mean that you are eligible for a payment of \$ 12,500.00 from the RACQ Insurance compassionate fund. Accepting a payment from the fund does not in any way restrict your rights to challenge any aspect of your claim or the review processes available to you including taking legal action.

It is important for you to understand that RACQ Insurance cannot accept any responsibility for any changes in your financial circumstances as a result of making this payment to you. You may wish to seek financial advice prior to accepting this payment.

Should you wish to dispute our decision, the attached Customer Information Sheet provides details of the review process. This entire process is at no cost to you.

We confirm that if the review process results in a payment under your insurance claim, the amount of the compassionate fund payment made to you will be taken to be an advance payment under your claim. This way the compassionate fund remains available to those most seriously affected policy holders who are not entitled to a payment under the terms of their insurance policy.

If you have any queries or need more information, please call us on 137 202.

Sincerely,

A small black rectangular box used to redact the signature of the Customer Service Officer.

Customer Service Officer