



DLA PIPER

Statutory Declaration of
James Merchant
re CGU policy
holder Sally Doyle

QFCI

Date:

5/10/11

Jm

Exhibit Number:

717

Oaths Act 1867

Statutory Declaration

QUEENSLAND

TO WIT

I James Bruce Merchant, care of CGU Insurance, 181 William Street, Melbourne in the State of Victoria, do solemnly and sincerely declare that:

- 1 I am employed by Insurance Australia Group Limited as National Claims Manager for CGU Insurance Ltd.
- 2 I provide this declaration in relation to the requirement by Commissioner Justice C E Holmes to Insurance Australia Group Limited dated 27 September 2011 and received at 4pm that day in relation to the Queensland Floods Commission of Inquiry (**the requirement**). Attached to this Statutory Declaration and marked '**Annexure1**' is a copy of the requirement.
- 3 I also refer to Peter Harmer's statutory declaration dated 3 October 2011 (**Peter Harmer's statutory declaration**) and refer to that statutory declaration where relevant in this one.

Background

- 4 At the time of the Queensland Floods (December 2010 and January 2011) I was employed by Insurance Australia Group Limited in the above role.
- 5 I have been employed by Insurance Australia Group for approximately 16 months since May 2010.
- 6 I have reviewed CGU's records relating to Ms Sally Doyle's claim. I have prepared this statement and all other statements to the Commission to date to the best of my knowledge based on the limited time given by the Commission to respond to these requirements. Having reviewed the material I am able to say the following.

Question 1 - Ms Doyle's account of the claim

- 7 Our account of the events surrounding Ms Doyle's claim varies in some aspects from the account set out in the request. We have set out our account of the events under Question 2 below.

Question 2 - Chronology of Ms Doyle's claim

- 8 On 13 January 2011, a Claims Lodgement Consultant based in Parramatta received a call from Ms Doyle's insurance broker (**Rocksure**) (**13 January 2011 conversation**). Annexed to the Statutory Declaration and marked '**Annexure 2**' is a copy of the audio recording of the 13 January 2011 conversation. Also included in Annexure 2 is a recording dated 1 February 2011 which is referred to in paragraphs 21 and 99. Rocksurre are an independently licensed insurance broker. The consultant recorded the inquiry by Rocksurre in the Claim Information System Records (**CIS Records**). Attached to this Statutory Declaration and marked '**Annexure 3**' is a copy of the CIS records for Ms Doyle's claim for the period of 13 January 2011 to 23 September 2011. Each entry made in the CIS Records is given a date and time stamp to indicate when the information was saved. This is done automatically by the system. The CIS Records, once saved by the system, cannot be altered.
- 9 On 14 January 2011, our centralised Landlords Team, received an email from Rocksurre via a LOTUS NOTES application. The Landlords Team's role was to manage claims from the Financial Institutions and Affinity Partners and to receive overflow calls for Queensland Broker Landlord claims, particularly when the Brisbane

CGU office was flooded. LOTUS NOTES is a program used to communicate with insurance brokers. The email from Rocksurre purported to attach an email from Ms Doyle providing a detailed description of the inundation of her house and attaching a photograph of the house inundated with water. Annexed to the Statutory Declaration and marked 'Annexure 4' is a copy of the screen image taken from LOTUS NOTES. This email was loaded onto the CIS Records on 15 January 2011.

- 10 The email from Rocksurre did not attach the email from Ms Doyle. On 21 January 2011 we sent an email to Rocksurre asking for a copy of Ms Doyle's email. See paragraph 20 below.
- 11 On 17 January 2011, Ms Doyle's claim was referred to the Claims Management Centre Queensland.
- 12 On 18 January 2011, the Landlords Team received a call from Rocksurre (**18 January 2011 conversation**). Annexed to the Statutory Declaration and marked 'Annexure 5' is a copy of the audio recording of the 18 January 2011 conversation. During this conversation, Rocksurre was advised that the claim would be handled by a dedicated Flood Team which at that stage was not yet up and running. Rocksurre was advised that assessors were not being appointed at that time as the Flood Team had not yet been set up and that the team would be contacting people from Thursday 20 January 2011.
- 13 CGU's Queensland Claims Management Centre, which is located in South Bank was also affected by the floods. Staff was evacuated and unable to return to work at that office until 18 January 2011. Work commenced to establish the Flood Team as soon as the office reopened on 18 January 2011. The Flood Team was specifically established to handle the increased volume of claims arising from the Queensland floods. The 10 person team was comprised of a team of 8 claims consultants, a technical team manager, and a team manager.
- 14 On 18 January 2011, Ms Doyle's claim was referred to the Flood Team Worklist ready to be reviewed by the Flood Team once they were operational.
- 15 On 19 January 2011, Ms Doyle's policy was reviewed to confirm that her premium payments were up to date. At that time, the incident description was also reviewed and a note was made on the CIS Records that it was a potential flood claim and that further action was required by the Flood Team.
- 16 On 20 January 2011, Ms Doyle telephoned our centralised Landlords Team asking for an update (**Telephone call from Ms Doyle**). Annexed to the Statutory Declaration and marked 'Annexure 6' is a copy of the audio recording of the telephone call from Ms Doyle. During that call, Ms Doyle was advised that a flood team in Queensland would be handling her claim and that the consultant would email them to call her back. At the conclusion of the telephone call, the consultant sent an email to the Flood Team. The email was reviewed by the Flood Team on 22 January 2011 (see CIS records Annexure 3).
- 17 On 21 January 2011, we sent an email to Rocksurre asking for a copy of Ms Doyle's email containing the further information about the circumstances of her claim. Annexed to the Statutory Declaration and marked 'Annexure 7' is a copy of a screen image containing our email to Rocksurre.
- 18 On 24 January 2011, a Claims Management Team consultant, [REDACTED] based in Brisbane received a telephone call from Rocksurre (**24 January 2011 conversation**). Annexed to the Statutory Declaration and marked 'Annexure 8' is a copy of the audio recording of the 24 January 2011 conversation. During that call, Rocksurre was advised that the Flood Team were contacting people as soon as

possible but due to the volume of claims there was no time frame. Rocksurre was advised that Ms Doyle was in recovery 'Group 2' and was in the queue to be contacted.

- 19 The 24 January 2011 conversation was recorded as it came through to the Personal Lines (including Retail Landlords) Team, which operate from level 10 of the Brisbane office. Level 10 had call recording capability during the January floods, whereas level 11 did not.
- 20 On 25 January 2011, we received an email from Rocksurre attaching a copy of the email from Ms Doyle. The email contained information about Ms Doyle's claim. Annexed to the Statutory Declaration and marked '**Annexure 9**' is a copy of a screen image containing the email from Rocksurre including the email from Ms Doyle and the photograph of her property.
- 21 On 1 February 2011, the Landlords Team received a telephone call from Rocksurre seeking an update on Ms Doyle's claim. The consultant who received this call then sent an email to the Flood Team asking that they contact Rocksurre and provide an update on Ms Doyle's claim. Rocksurre was advised that someone would call them back later that day or first thing the following morning. A copy of the email is contained in the CIS records (see Annexure 3). An audio recording of that telephone conversation is included in Annexure 2.
- 22 On 1 February 2011, the Flood Team telephoned Rocksurre who confirmed that they were happy for CGU to contact Ms Doyle directly and provided us with her mobile number.
- 23 On 1 February 2011, we commenced a review of the file which included reviewing a series of Nearmaps showing the proximate location of Ms Doyle's property to the Brisbane River and where the river broke its banks. Annexed to the Statutory Declaration and marked '**Annexure 10**' is a copy of the Nearmaps. The proximate location of Ms Doyle's property is indicated by a red circle.
- 24 On 1 February 2011, the Flood Team attempted to contact Ms Doyle by telephone. Ms Doyle did not answer the phone and a voice mail message was left for her.
- 25 On 1 February 2011, the Flood Team received a telephone call from Ms Doyle. During this telephone call, Ms Doyle's provided responses to the customer question set. Attached to this Statement and marked '**Annexure 11**' is a copy of our customer question set. During the conversation, Ms Doyle advised that she was aware that her policy did not cover flood and that the water had reached 50cm from the roof of the house. Ms Doyle also told us that rain water runoff went through the property prior to the flood waters. At the conclusion of the conversation, we asked Ms Doyle for the details of the tenant who resided at the house at the time it was inundated with water. At the end of the call we sent an email to Rocksurre providing details of this conversation. In that email the consultant noted that CGU would be considering Ms Doyle's claim further and that we would await the contact details of the tenant to obtain further information about the damage. Annexed to the Statutory Declaration and marked '**Annexure 12**' is a copy of the email dated 1 February 2011 to Rocksurre.
- 26 On 2 February 2011, the Flood Team received a telephone call from Ms Doyle. During that conversation, Ms Doyle advised that the water that inundated her property was from storm water which occurred prior to the flood and that this water ruined the floors and walls. Ms Doyle advised that she wanted to dispute CGU's interpretation of her insurance policy and the definition of flood. She further told us that she would provide us with the details of her tenant so that further information could be gathered about the claim. Given the information provided, a note was made in the CIS records that an assessor may need to be appointed.

- 27 On 4 February 2011, we received an email from Rocksure, attaching an email letter from Ms Doyle dated 4 February 2011. Annexed to the Statutory Declaration and marked '**Annexure 13**' is a copy of the email from Rocksure and the letter from Ms Doyle. In that letter, Ms Doyle set out a number of concerns about the management of her claim.
- 28 On 5 February 2011, we reviewed Ms Doyle's email letter and the claims consultant recommended to the team manager that an assessor be appointed.
- 29 On 8 February 2011, a Claims Management Team based in Brisbane received a telephone call from CGU Rockhampton inquiring about the status of Ms Doyle's claim. The consultant was advised that the claim had been referred to the Flood Team and that an assessor may be appointed. The consultant also noted that CGU were awaiting the contact details of Ms Doyle's tenant so that CGU could gather further information about the circumstances of the inundation from someone who was present at the house at the time.
- 30 On 10 February 2011, the Flood Team Leader approved the appointment of an assessor in relation to Ms Doyle's claim. We instructed Crawford & Company to investigate Ms Doyle's claim via a LOTUS NOTES allocation. LOTUS NOTES is a program used to communicate instructions to assessors. This program delivered a Property Assessment Notification to Crawford & Company (**Property Assessment Notification**). Annexed to the Statutory Declaration and marked '**Annexure 14**' is a copy of the Property Assessment Notification.
- 31 On 10 February 2011, the Property Assessment Notification to Crawford & Company was cancelled due to delays with assessments being carried out by Crawford & Company.
- 32 On 10 February 2011, the Flood Team sent an email to Rocksure using the Lotus Notes application providing Rocksure with an update on the status of Ms Doyle's claim. As set out in that email we appointed Crawford & Company to assess the damage to her home and to gather information from the tenant or property manager and to provide a report on the cause and extent of the damage. Annexed to the Statutory Declaration and marked '**Annexure 15**' is a copy of the screen image taken from Lotus Notes of the email on 10 February 2011.
- 33 On 10 February 2011, a Claims Management Consultant in the Queensland Landlords Team based in Brisbane received a call from CGU Rockhampton inquiring about the status of Ms Doyle's claim. The consultant was advised that an internal assessor had been appointed. The Rockhampton consultant advised that he would contact Rocksure to advise.
- 34 On 10 February 2011 we received a letter from Ms Doyle titled 'Open Letter to CGU and the Rock Building Society'. Attached and marked '**Annexure 16**' is a copy of the letter from Ms Doyle dated 10 February 2011 and email train. We informed Ms Doyle in that email train that a CGU assessor had been allocated to attend the property and assess the cause and extent of damage prior to a decision being made.
- 35 On 10 February 2011, a Claims Management Consultant in the Queensland Landlords Team based in Brisbane received a telephone call from Rocksure asking for a copy of CGU's decline letter. Rocksure was advised that CGU had not formally declined the claim and that an assessor had been appointed to provide a report on the cause of the damage.
- 36 On 11 February 2011, CGU's Assessing Department contacted Ms Doyle by telephone to arrange a time for the assessor to visit her property. Ms Doyle advised that she would provide us with her tenant's details to make a suitable time. Ms Doyle

was advised that an assessment time was available for 11am on Monday 14 February 2011. Ms Doyle advised that she would contact the tenant and let us know if the assessment time was convenient.

- 37 By 14 February 2011, we had not been provided with the tenant's contact details. Therefore, on 14 February 2011, CGU's Assessing Department telephoned Ms Doyle as she had not yet contacted us to provide the details of her tenant so that an appointment time could be made to assess the property. Ms Doyle was provided with the mobile telephone number of the Team Manager so that she could call direct to book an assessment time.
- 38 On 14 February 2011, a meeting was held at Mrs Doyle's property, details of that meeting are referred to in Peter Harmer's statutory declaration.
- 39 On 15 February 2011, Ms Doyle telephoned CGU's Assessing Department to provide us with suitable times so that we could arrange for an assessor to assess the property.
- 40 On 15 February 2011, we made a time with our internal assessor and left a voicemail message for Ms Doyle booking the assessment time. The assessment was booked for 16 February 2011.
- 41 On 16 February 2011, our internal assessor attended Ms Doyle's property to carry out the assessment. The assessor prepared a report (**Assessor's Report**). Annexed to the Statutory Declaration and marked '**Annexure 17**' is a copy of the Assessor's Report. The assessor recommended that a hydrologist be appointed to determine if there was any storm water inundation prior to flood water inundating the property.
- 42 On 16 February 2011, CGU's internal assessor sent an email to the Flood Team attaching photographs taken during the assessment. These photographs also included photographs taken by Ms Doyle and handed to the assessor during the site visit. Annexed to the Statutory Declaration and marked '**Annexure 18**' are copies of the photographs taken during the assessment. Annexed to the Statutory Declaration and marked '**Annexure 19**' are copies of the photographs handed to the assessor by Ms Doyle.
- 43 On 16 February 2011, we appointed a hydrologist, Worley Parsons, to prepare a report on Ms Doyle's claim. Annexed to the Statutory Declaration and marked '**Annexure 20**' is a copy of the Property Assessment Notification sent to Worley Parsons to prepare a hydrology report on Ms Doyle's claim.
- 44 On 1 March 2011, the Flood Team telephoned Worley Parsons to obtain an update on the Hydrology report. We also sent an email to Worley Parsons seeking an update.
- 45 On 2 March 2011, the Flood Team received a telephone call from Rocksure inquiring about the status of Ms Doyle's claim. We advised Rocksure that we were still awaiting the hydrology report and that once it was received it would be provided to senior management team to review and that we would contact Rocksure and Ms Doyle.
- 46 On 10 March 2011, we received a copy of Worley Parsons Hydrology Report relating to the January 2011 Storm, [REDACTED] Gray Road, West End Queensland dated 9 March 2011(**Hydrology Report**). Annexed to the Statutory Declaration and marked '**Annexure 21**' is a copy of the Hydrology Report relating to the January 2011 Storm. The report concluded that Ms Doyle's property was inundated by water from the Brisbane River. The report also noted that a small portion of water may have entered in through the side of the basement level of the house, causing damage to such items as the air conditioner, prior to the site being inundated by the Brisbane River. The

report was reviewed by a Technical Manager who recommended that Worley Parsons be contacted to obtain the likely depth of the initial storm water inundation in the basement level of the house.

- 47 On 10 March 2011, we sent an email to Worley Parsons asking for advice on the likely depth of the initial storm water inundation to the basement level of the house. A copy of the email is contained in the CIS records (see Annexure 3).
- 48 On 16 March 2011, we received an email from Legal Aid Queensland (**LAQ**) advising that it was acting for Ms Doyle and requesting copies of documents related to her claim (**LAQ email**). Annexed to the Statutory Declaration and marked '**Annexure 22**' is a copy of the LAQ email. I am informed by the Team Manager for the Flood Team that to the best of her knowledge, this material was provided.
- 49 On 22 March 2011, we received an email from Ms Doyle seeking an update on her claim. Annexed to the Statutory Declaration and marked '**Annexure 23**' is a copy of the email from Ms Doyle dated 22 March 2011.
- 50 On 22 March 2011 we contacted Worley Parsons to obtain an update on the Hydrology Report. We left a voice mail message and also followed up with an email. A copy of the email is contained in the CIS records which are Annexure 3 to this Statutory Declaration.
- 51 On 23 March 2011, we received a message to contact Ms Doyle. We attempted to contact Ms Doyle by telephone and left her a message to return our call.
- 52 On 23 March 2011, the Flood Team received a telephone call from Ms Doyle. During that telephone conversation Ms Doyle was advised that we had received the Hydrology report and that the report confirmed that minor storm water runoff may have entered in through the side of the basement level of the house and that we were waiting on the level of that water from the hydrologist. During that telephone call, Ms Doyle informed us that she believed that the front tiled patio area of the property was also affected by the storm water. We informed Ms Doyle that according to the Hydrology report, only the back area was affected by the minor storm water runoff. A copy of the Hydrology Report was emailed to Ms Doyle. Annexed to the Statutory Declaration and marked '**Annexure 24**' is a copy of the email to Ms Doyle dated 23 March 2011.
- 53 On 23 March 2011, we emailed Worley Parsons with Ms Doyle's question about the front patio damage. Annexed to the Statutory Declaration and marked '**Annexure 25**' is a copy of the email to Worley Parsons dated 23 March 2011.
- 54 On 30 March 2011 the Flood Team telephoned Worley Parsons to follow up on Ms Doyle's query about the front patio damage. Worley Parsons advised that they would provide us with this information as soon as possible.
- 55 On 6 April 2011 the Flood Team again telephoned Worley Parsons to follow up on the additional information requested.
- 56 On 15 April 2011, we received a copy of the Worley Parsons Hydrology Report Relating to the January 2011 Storm - Addendum (**Addendum Report**). Annexed to the Statutory Declaration and marked '**Annexure 26**' is a copy of the Addendum Report.
- 57 On 15 April 2011, we emailed Worley Parsons to clarify a spelling error in the Addendum Report (See Annexure 26). A copy of the email is in the CIS records (see Annexure 3).
- 58 On 18 April 2011, we sent an email to Worley Parsons asking that they clarify the term 'window sill' in the report as the pictures of the property did not depict a window

sill but rather a 'sill'. A copy of this email is contained within the CIS records as Annexure 3. As the window sill referred to in the Addendum Report made it clear that it related to the basement, we did not seek for that to be clarified in a further report.

59 On 27 April 2011, the Flood Team contacted Ms Doyle and informed her that the Addendum Report had been received and that her claim had been denied. Ms Doyle asked that her file be referred to CGU's Internal Dispute Resolution team for review and provided us with an updated address to contact her.

60 On 27 April 2011, we also advised Ms Doyle of the determination in writing by letter dated 27 April 2011(**written notice of determination**). Annexed to the Statutory Declaration and marked '**Annexure 27**' is a copy of the written notice of determination.

61 A copy of our 'handling your complaint' brochure was enclosed with the written notice of determination. Annexed to the Statutory Declaration and marked '**Annexure 28**' is a copy of the 'handling your complaint' brochure.

62 Our decision to deny Ms Doyle's initial claim was based on the following expert and other evidence:

62.1 Ms Doyle's responses to the customer question set (see Annexure 11),

62.2 Worley Parsons South East Queensland Weather Event Report dated 18 February 2011 (**the South East Queensland hydrology report**). Annexed to the Statutory Declaration and marked '**Annexure 29**' is a copy of the South East Queensland hydrology report,

62.3 Hydrology Report relating to the January 2011 Storm (see 'Annexure 21'),

62.4 Addendum Report (see Annexure 26),

62.5 Flood mapping provided by the Insurance Council of Australia (**ICA**), which indicated that Ms Doyle's property was situated in a flood affected area. Annexed to the Statutory Declaration and marked '**Annexure 30**' is a copy of a flood map provided by the ICA;

62.6 Aerial photography available from www.nearmap.com (see Annexure 10); and

62.7 Google maps (satellite imagery). Annexed to the Statutory Declaration and marked '**Annexure 31**' is a copy of the Google map.

63 Ms Doyle had been provided with a copy of the Hydrology Report on 23 March 2011 and was not provided with other documents at the time we provided her with the written notice of determination (see Annexure 21).

Question 3 - Insurance policy

64 Annexed to the Statutory Declaration and marked '**Annexure 32**' is a copy of Ms Doyle's Policy Schedule and Product Disclosure Statement which applied as at January 2011.

Question 4 - Copies of records

65 Annexed to the Statutory Declaration are copies all audio recordings in respect of the claim between Ms Doyle and CGU (Annexure 6), Ms Doyle and CGU's agents (none) and between CGU and Rocksure (Annexures 2, 5 and 8). Emails are annexed (see Annexures 16, 23, 34 and 35).

66 Records relating to the internal dispute resolution reviews are dealt with at Question 22 below.

67 Records relating to Ms Doyle's complaint to the Financial Ombudsman Service are dealt with at Question 23 below.

Question 5 - Communication with Ms Doyle

68 I have set out above under Question 2 details of all contact CGU had with Ms Doyle.

Question 6 - Assessors reports and Hydrology Reports

69 Annexed to the Statutory Declaration and marked as Annexure 17, Annexure 21 and Annexure 26 are copies of all site specific reports obtained for the purposes of determining Ms Doyle's claim.

Question 7 - Media releases relating to Ms Doyle

70 CGU did not issue any media releases related to Ms Doyle. CGU did release a media release on 22 February 2011 addressing a number of concerns raised by policy holders and CGU's response. Annexed to the Statutory Declaration and marked 'Annexure 33' is a copy of the Media Release dated 22 February 2011.

Question 8 - Correspondence received from any Government Department relating to Ms Doyle's claim

71 CGU has not received any correspondence from any Government depart, agency, section or personnel regarding Ms Doyle's claim apart from those communications from Legal Aid Queensland and FOS which are attached to this statutory declaration.

Question 9 - Triage process

72 As set out in my statutory declaration dated 21 September 2011, CGU set up a number of processes to assist in responding to customers claims as soon as possible. One of these processes was to set up the Flood Team processing centre with access to regional hydrology reports, flood mapping data, aerial photography, and time-lined aerial photography to accurately assess claims relevant to some areas and inform customers of the outcome as quickly as possible. This was also designed to reduce the time it would take us to process claims, improving outcomes for our clients and to ensure accurate and consist decision making across the entire event.

73 Another part of this process was the use of the 15 Question Set. These questions were also designed to ensure that we obtained relevant and consistent information from policy holders lodging claims.

74 This process was applied to all claims that were identified as having a high probability of flood based on the information obtained at lodgement from the customer.

Question 10 - Steps taken to investigate Ms Doyle's Claim and whether her claim was initially denied on 1 February 2011

75 The steps taken to investigate Ms Doyle's claim are set out under Question 2 above.

76 Ms Doyle's claim was denied on 27 April 2011 and was confirmed by the Internal Dispute Resolution department on 5 May 2011.

Question 11 - Ms Doyle's Claim

11.1 Was Ms Doyle's claim under review as at 10 February 2011?

77 As set out above, as at 10 February 2011, Ms Doyle's claim was still under review.

11.2 What was the review and was Ms Doyle informed about the review?

78 As set out at above, on 10 February 2011, an internal assessor had been allocated and instructed to provide a report on the cause of the damage to her property. On the same day, we informed Rocksure that an assessor had been appointed.

- 79 As set out above, we informed Ms Doyle of this process on 11 February 2011, when we telephoned her to arrange a time for the assessor to attend to assess her property.

Question 12 to 17 - Decision to appoint an assessor

- 80 Consideration was given as to whether an assessor was required prior to 10 February 2011, however an assessor was not appointed until 10 February 2011.
- 81 The decision to appoint an assessor was not made until 10 February 2011 as up until that time we were still attempting to gather information from Ms Doyle's tenant about the circumstances of the damage to her property. We needed information from the person who was present at the property at the time of the inundation to be able to thoroughly assess her claim. Due to the strong demand on scarce assessing resources, instructions to assessors had to be carefully and prudently managed.
- 82 Despite evidence which demonstrated that Ms Doyle's property had been inundated by flood water, an assessor was appointed to gather further information, particularly from her tenant, about the circumstances of Ms Doyle's claim.
- 83 As set out at paragraph 30, Crawford & Co were originally appointed to assess Ms Doyle's property. At that time, we were aware that Crawford & Co were also inundated with work allocations due to the number claims. On that basis, we appointed an internal assessor. Internal assessors were appointed using a spreadsheet process which listed the properties to be assessed.
- 84 The only factor which influenced whether an internal or external assessor was appointed was the speed at which the assessment could take place and the workload of the various assessors.

Question 18 - Policy relating to call recordings

- 85 Claims Lodgement and Business and usual Landlord Claims Management calls relating to the Queensland floods were recorded, as these calls were handled by consultants working in locations which had call recording capability.
- 86 The Flood Team which was established to handle claims related to the Queensland Floods did not have call recording capabilities. The flood team was set up at short notice in a separate room at the CGU office at Southbank Brisbane. The room was not equipped with call recording capability.
- 87 Since August 2011, the CGU claims teams on level 11 of our Brisbane Office has had call recording capability following an upgrade in server technology.

Question 19(.1 to .6) - Tape recordings with Ms Doyle

- 88 The telephone recording between CGU and Ms Doyle to the Landlords team, is annexed as Annexure 6. This is the only audio recording we have between CGU and Ms Doyle. Any other calls from Ms Doyle were received by staff in the Flood Team in a separate room of our Brisbane office which was set up to cater for the large volume of anticipated claims and did not have call recording functionality.
- 89 I understand that at the time of the Queensland Floods, callers to CGU Landlord Lodgements were advised by a recorded message that their call may be recorded. Call recording was first introduced across various claims units within CGU in July 2004.
- 90 Attached to this Statutory Declaration and marked Annexure 2, Annexure 5 and Annexure 8 are copies of call recordings made between CGU and Rocksure.
- 91 I understand that the first occasion Ms Doyle requested a copy of call recordings was in an email to the Flood Team on 23 February 2011. Annexed to this Statutory

Declaration and marked 'Annexure 34' is a copy of the email chain containing the email from Ms Doyle dated 23 February 2011.

- 92 On that same day, the Flood Team responded to Ms Doyle's request informing Ms Doyle that not all calls are recorded but that her request would be forwarded to the Team Manger to be actioned (see email chain Annexure 34).
- 93 On that same day, the Flood Team received an email from Ms Doyle setting out a number of concerns she had with the management of her claim and asking that the provision of call recordings be expedited. Annexed to this Statutory Declaration and marked 'Annexure 35' is a copy of the email chain between Ms Doyle and the Flood Team dated 23 February 2011 which contains Ms Doyle's email.
- 94 On that same day, the Flood Team responded to Ms Doyle's email informing her that the request had been escalated to the Claims Manager. (see email chain Annexure 35).
- 95 On 1 March 2011, Peter Harmer, Chief Executive Officer, sent a letter to Ms Doyle providing my contact details to Ms Doyle and inviting her to contact me to obtain copies of recordings held by CGU. Annexed to this Statutory Declaration and marked 'Annexure 36' is a copy of the letter from Peter Harmer to Ms Doyle dated 1 March.
- 96 On 19 September 2011, I received an email from Ms Doyle requesting copies of audio recordings between herself and any CGU staff and/or Rocksurre. This was the first request for the recordings I had received from Ms Doyle after Mr Harmer wrote to her on 1 March 2011. Annexed to this Statutory Declaration and marked 'Annexure 37' is a copy of an email chain between myself and Ms Doyle dated 19 September 2011 containing Ms Doyle's email to me.
- 97 On 26 September 2011, I sent an email to Ms Doyle attaching the audio recording attached to the Statutory Declaration. (See Annexure 6 and email chain Annexure 37). In that email I explained that I would need to seek permission from Rocksurre in order to release audio recordings which contained conversations with Rocksurre staff.
- 98 Later that day, I received an email from Rocksurre approving the release of the audio recordings to Ms Doyle. On that same day, I sent an email to Ms Doyle attaching two further audio recordings between CGU and Rocksurre. Annexed to this Statutory Declaration and marked 'Annexure 38' is a copy of the email chain dated 26 September 2011.
- 99 In the process of preparing this statement and reviewing the emails I sent to Ms Doyle attaching the audio recordings, I have become aware that I did not send a copy of the claim lodgement audio recording between CGU and Rocksurre annexed to my statement (see Annexure 2). This was an oversight on my part. A copy of this recording has now been provided to Ms Doyle. Further, also in preparing this statement, we have located another recording between CGU and Rocksurre dated 1 February 2011 which is included with Annexure 2.

Question 20 - Worley Parsons

- 100 Worley Parsons carried out a site inspection at Ms Doyle's property on 24 February 2011. Present at that site inspection were:
- 100.1 [REDACTED] - Engineer - Bachelor of Engineering (Civil)(Hons 1)
University of New South Wales; and
- 100.2 [REDACTED] - Senior Engineer - Bachelor of Engineering
(Environmental) University of Queensland.

- 101 The report was reviewed by [REDACTED] – Principal Hydrologist – Bachelor of Science (Hons) Queens University, Kingston, Ontario, Canada.
- 102 The report was approved to be released by [REDACTED] – Principal Consultant – Bachelor of Engineering (Civil)(Hons 1) University of Technology, Sydney.

Question 21 - Decision to deny Ms Doyle's Claim

- 103 Ms Doyle's claim was determined on 27 April 2011. Until that day, CGU were awaiting the Hydrology Report and the Addendum Report. We required the Addendum Report as Ms Doyle claimed patio damage that was not covered in the Hydrology Report and we needed to investigate this claim.
- 104 The steps taken to determine Ms Doyle's claim are set out above in response to Question 2.
- 105 A copy of the Hydrology Report was provided to Ms Doyle on 23 March 2011 (see Annexure 24).
- 106 There were no impediments to determining Ms Doyle's claim.
- 107 We contacted Ms Doyle on 27 April 2011 by telephone and informed her that her claim had been denied. This call was not recorded as the Flood Team did not have call recording functionality. Ms Doyle was also sent a written notice of determination (see Annexure 27) on that same day.

Question 22 - Internal Dispute Resolution

- 108 Ms Doyle first submitted her complaint, initiating the internal dispute resolution process on 27 April 2011 during her telephone call with us in which we informed her of our decision to deny her claim. The claims department then advised our Decision Review Office, the department responsible for Internal Dispute Resolutions (IDR) that Ms Doyle wished to dispute the decision to deny coverage on the basis that the damage sustained to her house and property was due to flood.
- 109 A determination was made regarding the review of our decision to reject Mrs Doyle's claim on 5 May 2011. The determination was to maintain denial of the claim. On 5 May 2011 we sent a letter to Ms Doyle setting out Ms Doyle's claim and CGU's decision to deny her claim (**5 May 2011 letter**). Annexed to the Statutory Declaration and marked '**Annexure 39**' is a copy of the 5 May 2011 letter.
- 110 Ms Doyle was not provided with copies of documents which were reviewed as part of the IDR process.
- 111 The information we relied on is set out at paragraph 62 above.

Question 23 - Financial Ombudsman Service

- 112 On 21 September 2011 we received notice from the Financial Ombudsman Service (FOS) titled "Dispute lodged by: Ms Sally Doyle" (**FOS Notice**). Annexed to the Statutory Declaration and marked '**Annexure 40**' is a copy of the FOS Notice.
- 113 This process is still ongoing. CGU is required to respond to the FOS Notice by 21 October 2011.

Further Records held by CGU

- 114 On 2 August 2011, we received a letter from LAQ on behalf of Ms Doyle advising that it was acting for Ms Doyle and requesting copies of documents related to her claim and asking that her claim be reviewed (**LAQ Letter**). In that letter, LAQ advised that they would be providing us with material to support their request. To date, no further material has been provided. Annexed to the Statutory Declaration and marked '**Annexure 41**' is a copy of the LAQ Letter.

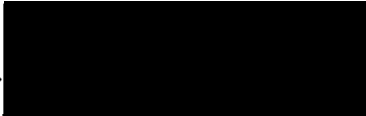
and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1867* (Qld).



.....
Signature of declarant

Taken and declared before me at Brisbane

this 3rd day of October 2011.



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

Annexure 1

Our ref: 1733560

27 September 2011

[REDACTED]
Partner
DLA Piper Australia
GPO Box 7804
WATERFRONT PLACE QLD 4001

Dear [REDACTED]

CGU Insurance Limited – Requirement to Provide Information

As foreshadowed in our previous communications, please find enclosed a Requirement directed to Mr Merchant, pursuant to section 5(1)(b) of the *Commissions of Inquiry Act 1950* (Qld), for a statement in response to information received from an individual policyholder, Ms Sally Doyle. This letter notifies you of the information Ms Doyle has given to the Commission. Ms Doyle holds a house and contents insurance policy with CGU Insurance Limited (policy number [REDACTED]) for a property at [REDACTED] Gray Road, West End. A separate requirement has been issued to Mr Harmer.

In so far as this requirement requests information, if that information has been provided in full by Mr Harmer on a particular topic/s, then Mr Merchant is not required to repeat that information in his response to the enclosed Requirement. It will suffice if Mr Merchant states that Mr Harmer has provided an answer to that topic and sets out the paragraph number/s of his statement in that regard.

Similarly, in so far as the provision of records is concerned, it will be satisfactory for one indexed bundle of material to be provided covering both Requirements, rather than the records being provided twice. If this course is taken, please ensure that Mr Harmer and Mr Merchant refer to the index number in that indexed bundle of material whenever referring to records in their statement.

Please note that Ms Doyle may be called to give oral evidence in the Commission's public hearings in Brisbane in the week commencing 3 October 2011. If Ms Doyle is to be called, her statement will be provided to you as soon as the Commission is able to do so.

You will observe that the information which has been provided by Ms Doyle, and which is set out below, does include:

- a) communications between Ms Doyle and her broker;
- b) that the Courier Mail published an article relating to Ms Doyle; and
- c) that the Premier visited Ms Doyle's property.

400 George Street Brisbane
GPO Box 1738 Brisbane
Queensland 4001 Australia
Telephone 1300 309 634
Facsimile +61 7 3405 9750
www.floodcommission.qld.gov.au
ABN 82 696 762 534

That information has been provided so as to narrate as complete a chronology as possible in relation to the matter. In providing his response to the Requirement, Mr Merchant is not required to respond to that information:

- a) save where CGU had direct knowledge of the communications and those communications were relevant in the processing of the claim; and/or
- b) save where CGU had knowledge of the article and/or the visit and if/they were factors taken into account in processing Ms Doyle's claim.

Ms Doyle has given the Commission the following information which is relevant to the Commission's inquiry pursuant to term of reference (b):

1. Ms Doyle made a claim on her policy (claim number [REDACTED] policy number [REDACTED], through her insurance broker, RockSure, on 13 January 2011. During the telephone conversation with her broker, she was advised that the claim would be passed on to CGU.
2. On 14 January 2011, Ms Doyle sent an email to RockSure which detailed her concern that damage was caused by stormwater. She attached a photograph of her house to the email. RockSure advised her that every claim was looked at closely and on its individual merits.
3. Between 14 January 2001 and 1 February 2011, Ms Doyle made numerous phone calls to the Insurance broker RockSure. She also made two calls directly to CGU: messages were taken for the Flood Team to return her calls. In this regard, CGU file notes (copies of which were provided as an attachment to a letter Ms Doyle received from Mr Harmer, dated 1 March 2010) record that on 20 January 2011, Ms Doyle telephoned asking for an update and that she was told that a dedicated flood team would be looking after the claims when the CGU office was back up and running. The file notes record that a message was taken for the Queensland Flood Team to call Ms Doyle.
4. Ms Doyle did not receive a return telephone call to either of her two calls to CGU until 1 February 2011 when [REDACTED] telephoned her. This conversation is set out below.
5. CGU file notes record that on 18 January 2011 RockSure called and advised that Ms Doyle was very irate and wanted an assessor appointed.
6. CGU file notes record that on 22 January 2011, [REDACTED] from RockSure called for an update on the claim. The claims consultant advised that a dedicated team was working through the claims for the event and someone would be in contact with her in the near future. Therese emailed a photo of the property provided by Ms Doyle which showed the property inundated by water.
7. CGU file notes record that [REDACTED] from RockSure called on 24 January 2011 and advised Ms Doyle was very persistent and wanted to know what was going on. The claims consultant advised [REDACTED] that the response team was working to contact every customer as soon as possible, but did not have a time frame at that point. [REDACTED] stated that she told Ms Doyle to go ahead and remove the internal walls, but to keep a bit for inspection by CGU.
8. CGU file notes record that on 25 January 2011 CGU received an email from [REDACTED] at RockSure with an email attached from Ms Doyle which outlined that the tenant had advised the circumstances of the loss.
9. CGU file notes record that on 1 February 2011, [REDACTED] from RockSure called for another update, and that the response team had not actioned the file yet due to a high

volume of claims. The claims consultant advised Therese that someone would call her within 24 hours.

10. CGU file notes record that later that day, [REDACTED] called Ms Doyle and left a voice message for her to call CGU back.
11. Later that day, Ms Doyle telephoned [REDACTED]
12. [REDACTED] asked Ms Doyle several questions regarding her property and the water damage, for example, 'is your house highset or lowset?'
13. [REDACTED] advised Ms Doyle that on the basis of her answers the damage was caused by flood; CGU did not cover flood; and her claim was therefore denied. [REDACTED] told her that the decision was to decline her claim as her house was flooded by the Brisbane River. She was also advised that a hydrology report for Brisbane showed that Brisbane had been affected by flood, and hence her claim was denied. She argued with [REDACTED] for at least thirty minutes to take into account information she [REDACTED] thought was relevant. Ms Doyle argued that the stormwater drains on her property were key factors. Each time Ms Doyle provided information that she believed contradicted [REDACTED] finding of flood, [REDACTED] stated that the information supported CGU's decision that flood had caused the damage and their decision to deny the claim. Ms Doyle argued that the information did not support CGU's decision, but rather, that it contradicted CGU's decision
14. At no time during the conversation did [REDACTED] offer to send an assessor to assess the property.
15. The telephone call finished with [REDACTED] telling Ms Doyle that maybe the tenants should give CGU more information about what had happened as Ms Doyle was not present when the damage occurred.
16. On 2 February 2011, Ms Doyle made another telephone call reiterating that she did not believe that CGU's decision to decline her claim was correct. She reiterated her belief that stormwater was a key factor in the damage to her house. She was not offered an assessor visit.
17. On 3 February 2011, Ms Doyle sent an email to CGU and to RockSure in which she outlined her concerns regarding her claim, in particular, that an onsite assessment of her property had not been conducted. RockSure advised that her claim 'would be escalated'. She was not offered an assessor visit.
18. From 13 January 2011 until 10 February 2011, Ms Doyle was not offered an assessor visit, nor given any information on what action, if any, CGU planned to take to review her claim.
19. On 9 February 2011, Ms Doyle received a visit to her property from the Premier of Queensland, Anna Bligh MP.
20. On 10 February 2011, the Courier Mail published a story showing the damage to Ms Doyle's property and outlining plans by CGU policyholders to stage a demonstration against CGU regarding their response to claims.
21. On 10 February 2011, Ms Doyle contacted her broker requesting a letter confirming the denial of her claim. Ms Doyle was advised by her broker that CGU was still reviewing her claim.
22. On 11 February 2011, Ms Doyle was contacted in order to arrange for an assessor to inspect her property, at a time when the tenant could attend.
23. Also on 11 February 2011, Ms Doyle received a telephone call from [REDACTED], Corporate Affairs Manager of CGU, requesting that Ms Doyle meet with her,

- ██████████ CGU General Manager of Claims of CGU and Peter Harmer, CEO of CGU. ██████████ said that ██████████ was concerned regarding comments Ms Doyle [the insured] had made in the Courier Mail newspaper and wished to speak with her face to face. Ms Doyle [the insured] agreed to meet on 14 February 2011.
24. On 13 February 2011, Ms Doyle attended a meeting with ██████████ ██████████ and Mr Harmer at her property. During this meeting, Ms Doyle outlined her concerns regarding the deficiencies in CGU's management of her claim and other policyholders' claims. She showed the group through her house, showed the location of large stormwater drains, and expressed her concern that much damage had been caused by stormwater. She expressed her concern at poor processes that she and many other CGU customers had experienced in the management of their claims. She stated that her claim had been summarily dismissed after several perfunctory questions over the phone. She expressed her view that biased and unfair questioning heavily skewed toward looking for any possible evidence of 'flood' was used, leaving her believing the process would not be fair, and feeling disheartened and discouraged from pursuing the claim. Mr Harmer did most of the talking by the CGU representatives there. He said that CGU never did and never would cover flood. He stated that CGU did not send out assessors as 'often people know it was flood, they don't want an assessor, they just want a piece of paper they can take to Centrelink or wherever to say insurance has been denied'. He stated that CGU had a 'triage' process whereby a number of standard questions were asked, and this 'often determines whether it was flood or not'.
25. CGU file notes of 15 February 2011 state that Ms Doyle telephoned CGU and advised that the tenant worked and could only attend an assessment at specified times.
26. On 16 February 2011, a CGU assessor ██████████ visited and advised Ms Doyle that the next step would be to get a hydrologist's report. The tenant was in attendance at that visit and answered all questions asked of the tenant by the assessor.
27. On 18 February 2011, a rally occurred outside CGU's offices at Southbank. A delegation of policy holders, including Ms Doyle, met with senior management representatives. During that meeting, the policy holders made three key requests. They were that :
- on site assessment occur automatically where there was a major loss;
 - financial compensation be given to customers whose claims had been mismanaged; and
 - financial assistance be given to CGU customers where water damage had occurred.
28. The representatives of CGU indicated that they would provide feedback by 23 February 2011.
29. On 22 February 2011, Ms Doyle received a telephone call from Mr Harmer. Mr Harmer advised her that CGU would be making a media release regarding the requests made by CGU policyholders on 18 February 2011 and he wanted to 'walk' her through it. He advised that none of the requests would be agreed to. This included the request for automatic onsite assessment. Mr Harmer stated that the triage system would remain in place and that 'if someone wants an assessor, they can ask for one'. At the end of the conversation, Mr Harmer stated 'I have copies of the tapes of conversations you have had with CGU staff, and I have listened to them. I know you have misled the media'. This was about media intervention being the reason for Ms Doyle being offered an assessor.
30. A media statement by CGU on 22 February 2011 contained the following:

'We have reviewed and made changes to how we communicate our claims assessment process to customers. We apologise to any customers for whom the process not previously made clear,' said Peter Harmer, CEO, CGU Insurance.

'In particular, I want to make sure it's clear that an individual site assessment is available to all of our customers should they want one.'

31. In the days following her conversation with Mr Harmer, Ms Doyle contacted CGU and RockSure, requesting copies of all tape recordings of her conversations with CGU. Ms Doyle was advised by RockSure that conversations with customers were not recorded. [REDACTED] advised that some conversations with customers were recorded.
32. On 23 February 2011, at 1.32 pm, Ms Doyle sent an email to [REDACTED] asking her to advise as soon as possible the process by which Ms Doyle could be provided with copies of all tapes of conversations she had had with CGU consultants.
33. On 23 February 2011, at 2.54 pm, [REDACTED] sent an email to Ms Doyle stating that not all calls with the clients were recorded, but 'my understanding is that while we can in some instances retrieve and listen to these, to confirm conversation details, they are for internal use only and we do not release these'. [REDACTED] stated that to find a call recording CGU required very specific information such as the person who was speaking, the exact date and time of the call, the phone number used for the call and the length of the call. [REDACTED] said: 'If you are able to gather as much information as possible that would be helpful'.
34. On 23 February 2011, at 4.06 pm, Ms Doyle sent an email to [REDACTED] which set out some aspects of what had occurred in her claim. This email included a request for copies of all and any tape recordings of conversations Ms Doyle had had with CGU consultants.
35. On 23 February 2011, Ms Doyle received an email from [REDACTED], advising that her request for tapes recordings had been escalated to the Queensland Claims Manager 'who will take the time to look into any available call recordings for you'.
36. On 24 February 2011, representatives of Worley Parsons attended Ms Doyle's property and stated that determining the details of the water damage at her property was complicated.
37. Ms Doyle received a letter from Mr Harmer, dated 1 March 2011, in which Mr Harmer stated:

'When we last spoke by phone on 22 February 2010, I indicated that CGU was working towards individual site assessment at your property prior to you contacting the media about your claim. At the time, I made reference to this being reflected in call recordings. Unfortunately, I made a mistake and it was the file notes of the call made by the claims officer that support this sequence of events.

Call recordings are not made of customer calls to the Brisbane Flood Claims Team which [REDACTED] is part of, due to technology limitations and, as a result, no recording was made of this particular call. I apologise for any confusion I have caused.

I have attached a copy of the file notes relating to your claim. If you would like copies of available call recordings between you/your broker and CGU's Parramatta landlords Claims Team, we are happy to provide them. A number of these

conversations involve your broker and we will need their permission to release them for privacy reasons. Please note, some aspects of the conversations involving your broker relate to other customers' claims and will need to be deleted.

Please contact James Merchant – National Manager, Claims directly on (03) [REDACTED] or [REDACTED] if you would like to access the available call recordings, or if you have further queries regarding your claim.'

38. At no time during any of her conversations with CGU staff had Ms Doyle been advised that the conversation may be recorded. However, approximately in the middle of March 2011, Ms Doyle telephoned [REDACTED]. For the first time, the call did not go directly to her telephone, but instead a voice message came over the telephone stating that the call might be recorded.
39. On 18 March 2011, Ms Doyle made several telephone calls to her broker requesting feedback regarding her claim and a copy of the hydrology report.
40. Ms Doyle's claim was denied, such denial being confirmed in a letter dated 27 April 2011. The stated reason for denial of the claim was that CGU's investigations determined that the damage to her property had been caused by flood and her policy did not provide cover for flood.
41. Following the denial of her claim, Ms Doyle filed a complaint through CGU's internal dispute resolution process. The internal dispute resolution process resulted in the denial of the claim being maintained. This was communicated to Ms Doyle in a letter dated 5 May 2011.
42. Ms Doyle referred her matter to the Financial Ombudsman Service. The matter is still currently before the Financial Ombudsman Service.

The Commission requires Mr Merchant to provide the following information in his statement:

1. In respect of the above information, please set out anything with which CGU disagrees, and the reasons why.
2. Please set out a chronology of Ms Doyle's claim.
3. Please provide a copy of Ms Doyle's contract of insurance which applied in respect of her claim.
4. Please provide copies of all records, including audio recordings, (if any) in respect of the claim, including but not limited to:
 - 4.1. all communications between each of Ms Doyle and CGU, and CGU's agents (for example assessors) and Ms Doyle's broker;
 - 4.2. the internal review/s;
 - 4.3. and the Financial Ombudsman Service review, including submissions made by CGU, if any.
5. Please advise the extent to which CGU kept Ms Doyle informed of the progress of her claim, including: the dates on which CGU contacted Ms Doyle; the mode of communication each time CGU contacted her; the details of the information given to Ms Doyle on each occasion CGU contacted her;
6. Please provide any and all assessor report/s and hydrology report/s obtained for the purpose of determining Ms Doyle's claim.
7. Please provide any and all media releases by CGU regarding anything to do with Ms Doyle.

8. Please provide any correspondence received from any government department, agency, section or personnel regarding Ms Doyle's claim.
9. Was a 'triage' process applied to Ms Doyle's claim? If so, what was this triage process? What was the purpose of the triage process? Why was it applied to Ms Doyle's claim?
10. In respect of points 13 to 16, what steps were taken by CGU to investigate Ms Doyle's claim as to the cause of damage to her property? Was Ms Doyle's claim initially declined on 1 February 2011?
11. In respect of point 21 above:
 - 11.1. Was Ms Doyle's claim still under review as of 10 February 2011?
 - 11.2. If so, what review was CGU undertaking; and did CGU advise Ms Doyle that CGU was undertaking a review? If so, when and by what means?
12. In respect of point 22, did CGU decide to appoint an assessor on 10 or 11 February 2011? If so, which day? If not, when was that decision made?
13. Why was the decision to appoint an assessor not made until this time?
14. What factor or factors led CGU to decide to appoint an assessor at that time?
15. Please provide a copy of CGU's instructions to the assessor(s) concerning Ms Doyle's claim. Was an external or internal assessor used?
16. How does CGU decide whether to use an external or internal assessor?
17. What factors were taken into account in respect of this case as to whether to appoint an internal or external assessor?
18. Please advise what CGU's practice is in relation to the recording of conversations with clients and/or brokers.
19. Do tape recordings of conversations that took place between Ms Doyle and CGU staff exist?
 - 19.1. If so, was Ms Doyle advised at the time of those conversations, that those conversations would be recorded? If not, why not?
 - 19.2. If so, what calls were recorded between CGU and Ms Doyle? What calls were recorded between CGU and her broker?
 - 19.3. If the calls were not recorded, why were they not recorded?
 - 19.4. What steps were taken by CGU following Ms Doyle's request for tape recordings?
 - 19.5. If tape recordings of conversations between Ms Doyle and CGU staff did exist, have copies of such recordings been provided to Ms Doyle? If not, why not?
 - 19.6. Do tape recordings of conversations between CGU and Ms Doyle's broker exist? If so, please ensure that these are provided as part of the response to point four above (page six).
20. In respect of point 36 above, who were the representatives of Worley Parsons who attended Ms Doyle's property and what were their qualifications?
21. In respect of point 40 above:
 - 21.1. Was Ms Doyle's claim determined on 27 April 2011? If so, why was it not determined until this time?
 - 21.2. If not, when was it determined?
 - 21.3. Please provide details of steps taken, including any investigations made, in determining Ms Doyle's claim; and details of when each step was taken.
 - 21.4. What information did CGU rely upon in making the decision about Ms Doyle's claim? Was this information provided to Ms Doyle? If not, why was it not provided?

- 21.5. Did any factors impede the determination of Ms Doyle's claim?
- 21.6. When and how was the decision refusing the claim first communicated to Ms Doyle?
22. In respect of point 41 above:
- 22.1. When did Ms Doyle submit her complaint, initiating the internal dispute resolution process?
- 22.2. What steps were taken, including any investigations made, in determining Ms Doyle's complaint; and when was each step taken?
- 22.3. What information did CGU rely upon in making the decision which was the result of the dispute resolution process? Was this information provided to Ms Doyle? If not, why was it not provided?
- 22.4. When and how was the decision first communicated to Ms Doyle?
23. In respect of point 41:
- 23.1. Please set out the stage at which this matter has reached in the Financial Ombudsman Service.
- 23.2. Is there anything delaying an outcome in respect of which CGU has influence or control? If so, what and why is CGU contributing to delay, and how does CGU propose to remedy this? If not, what is CGU's view as to why the matter has not finalised.

The Commission would be pleased to receive any other information which Mr Merchant may wish to provide in response to the information received from Ms Doyle outlined above, or which it may wish to bring to the Commission's attention.

Please note that, pursuant to section 5(2) of the Act, Mr Merchant must comply with the Requirement by 4 pm, Monday, 3 October 2011 (being the end of the prescribed period for the purposes of section 5(2)). In addition, Mr Merchant may be required to give evidence in the Commission's public hearings during sittings in Brisbane in the week of 3 October 2011 and/or 25 October 2011.

Please contact [REDACTED] on telephone [REDACTED] should you have any queries.

[REDACTED] Sincerely

Jane Moynihan
Executive Director

Encl

Our ref: 1733595

27 September 2011

Mr James Merchant
National Claims Manager
CGU Insurance Limited
C/- Ms Alison Haly
Partner
DLA Piper Australia
GPO Box 7804
WATERFRONT PLACE QLD 4001

REQUIREMENT TO PROVIDE STATEMENT TO COMMISSION OF INQUIRY

I, Justice Catherine E Holmes, Commissioner of Inquiry, pursuant to section 5(1)(b) of the *Commissions of Inquiry Act 1950 (Qld)*, require Mr James Merchant, National Claims Manager, CGU Insurance Limited, to provide a written statement, under oath or affirmation, to the Queensland Floods Commission of Inquiry, in respect of the matters listed in correspondence from Ms Jane Moynihan to Ms Alison Haly regarding Ms Sally Doyle dated 27 September 2011 (Doc 1733560).

In addressing those matters, Mr Merchant is to:

- provide all information in his possession and identify the source or sources of that information;
- make commentary and provide opinions he is qualified to give as to the appropriateness of particular actions or decisions and the basis of that commentary or opinion.

Mr Harmer may also address other topics relevant to Term of Reference (b) of the Commission in the statement, if he wishes.

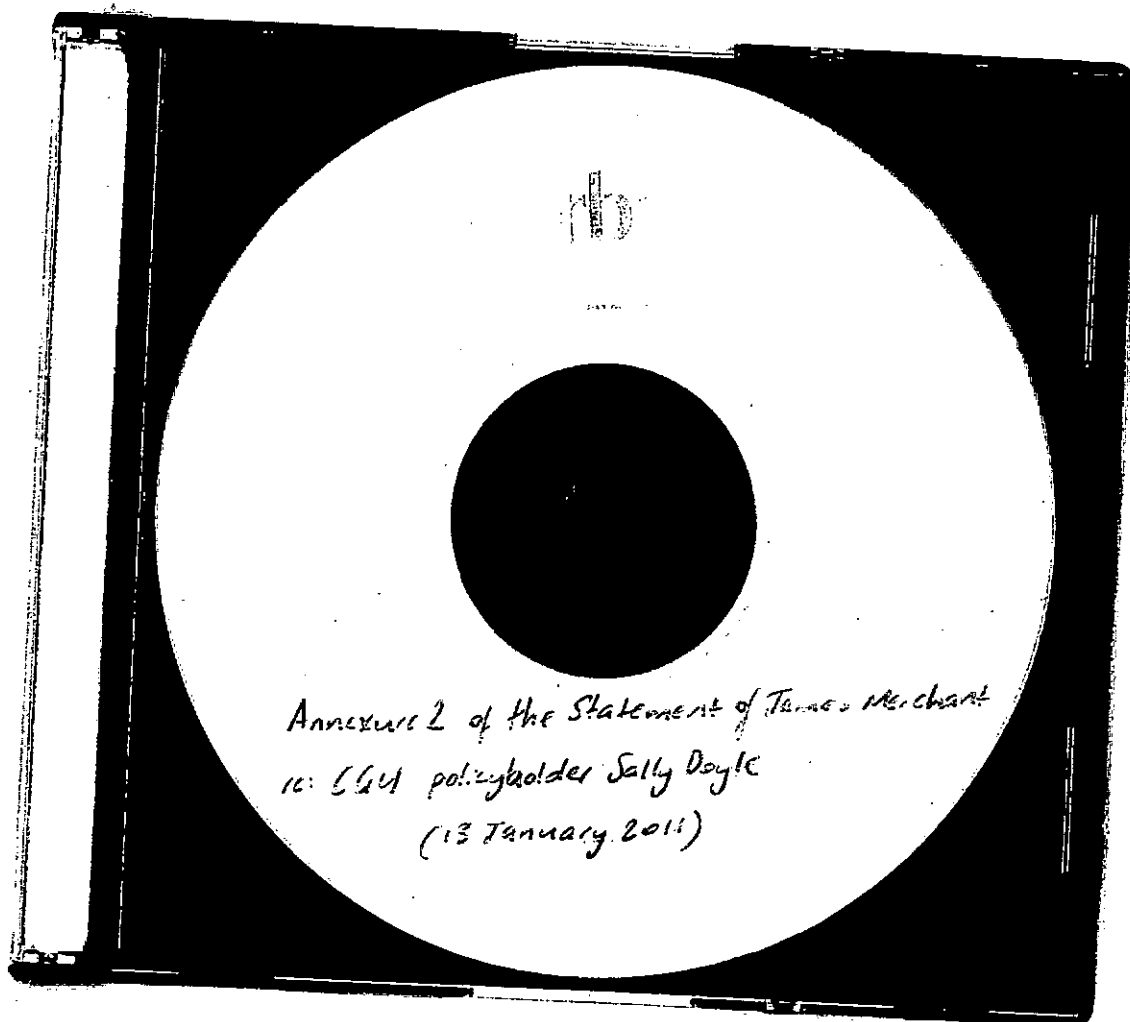
In accordance with section 5(2) of the *Commissions of Inquiry Act 1950 (Qld)*, Mr Merchant must comply in all respects with this Requirement, or satisfy me that he has a reasonable excuse for not complying, by 4 pm, Monday, 3 October 2011.

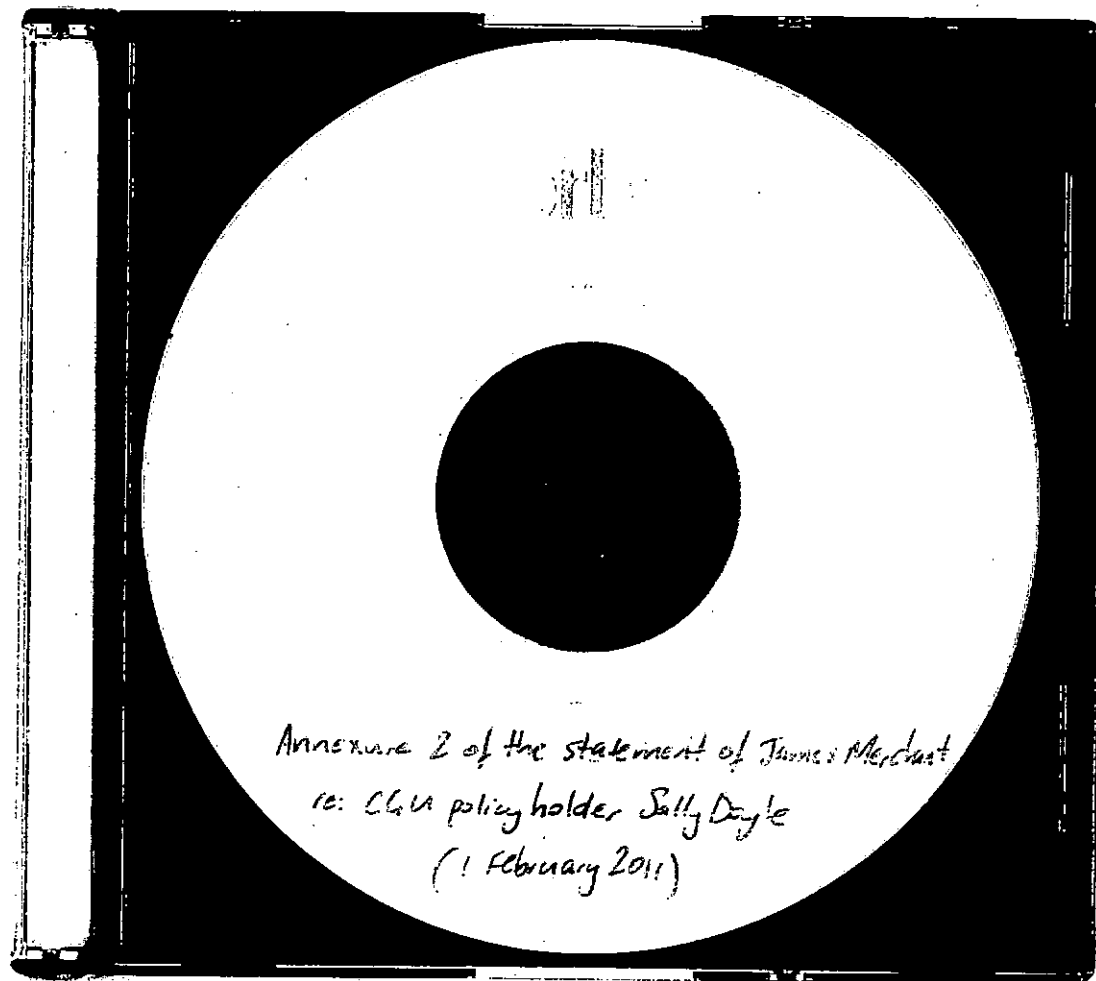
The statement can be provided by post, email or by arranging delivery to the Commission by emailing info@floodcommission.qld.gov.au.


Commissioner
Justice C E Holmes

400 George Street Brisbane
GPO Box 1738 Brisbane
Queensland 4001 Australia
Telephone 1300 309 634
Facsimile +61 7 3405 9750
www.floodcommission.qld.gov.au
ABN 82 696 762 534

Annexure 2





Annexure 3

[13/01/2011 17:59: [REDACTED] [REDACTED] CLC Consultant, Parramatta CGU
CCC]

Manual File : 111QRH044263. Worklist Name: New Lodgements.

[13/01/2011 18:01:42, [REDACTED] [REDACTED] CLC Consultant, Parramatta CGU
CCC]

COVERAGE UNCLEAR: Broker has advised rain water damage = CMC TO
ADVISE COVERAGE

Excess Advised _ \$250

OI GST registered: N

Broker's Ref (if provided): N/A

[15/01/2011 13:25:10, [REDACTED] [REDACTED] Team Manager, NSW CGU
Commercial CAC]

Document CUSTLET has been classified onto this file.

[17/01/2011 17:39:21, [REDACTED] [REDACTED] Claims Consultant, NSW CGU
Commercial CAC]

Referred: Worklist Name: Group 4, Reason: Referred - First Instruction

[18/01/2011 09:45:28, [REDACTED] [REDACTED] Claims Consultant, NSW CGU
Commercial CAC]

Broker called and advised that the insured is very irate and wants an assessor
appointed, advised broker that the claim will be handled by a dedicated flood team
which will be un and running on Thursday and at this stage we will not be appointing
adjusters. Lisa ext 88528

[18/01/2011 10:42:45, [REDACTED] [REDACTED] Team Manager, VIC CGU
Intermediary CMC]

Referred. Worklist Name: Recovery Group 2, Reason: Referred - First Instruction

[19/01/2011 19:04:52, [REDACTED] [REDACTED] Claims Consultant, QLD CGU
Intermediary CMC]

CLAIM VALIDATION

Insured Name: Sally Doyle

Policy No: [REDACTED]

DOL: 12/01/2011

Property Address: [REDACTED] Gray Road, Wesend Brisbane, Highgate Hill 4101

Broker- Rocksure

Cluster Group - CQIB

Sum Insured - \$335100 B, \$10000 C, \$21000 LOR

Excess - \$250

OI/Broker Contacted - no

Reserve Updated - no

Recovery - no

GST Registered - no

Incident Description - RAIN WATER HAS COME DOWN THE HILL AND DRAIN FILLED U CAUSING WATER DAMAGE TO HOME.

Flood panel to action claim.

[22/01/2011 08:39:06, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Rec'd an email from [REDACTED] (NSW CGU) on 20/1. Apparently OI has called and would like an update. The broker was already told, on 18/1 that the flood team would be up and running on 20/1 and should have told OI this.

OI is [REDACTED]

Custlet 14/1 is from the broker, includes a photo of the water all around the house (looks like flood) and says it includes an email from the insured but there's no email. On 21/1 I replied back to the broker (thru alpha) and advised there was no email attached.

Claim referred back to RG2 as first instruction for flood panel to action.

[22/01/2011 08:39:18, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Referred. Worklist Name: Recovery Group 2, Reason: Referred - First Instruction

[24/01/2011 12:56:13, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Broker [REDACTED] called... OI is very persistent on wanting to know what's going on. I told [REDACTED] the Flood team are getting to everyone asap but I have no time frame to give her.

She said she told OI to get rid of the internal walls if she has to but to keep a bit for CGU.

[25/01/2011 11:18:39, [REDACTED], [REDACTED], Administration Assistant, QLD CGU Commercial.CAC]

Document CUSTLET has been classified onto this file.

[01/02/2011 09:54:49, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

[REDACTED] from Rocksure called for another update. No notes above by flood panel as yet.

#1) 25/1 - email from OI

Emailed [REDACTED] on flood team with the following:::

I had a broker call re: [REDACTED] (West End, Brisbane - possible flood claim), it was lodged on 13/1 but nothing has happened yet and I didn't know what to tell her. OI is having offers by tradies to do heavily discounted work that's desperately needed but she doesn't want to do anything till she hears from us.

Broker [REDACTED] (Rocksure) says it was more flash flooding and storm run off (?).

Is it possible for you to call [REDACTED] or do you want me to call her or do anything?

I told [REDACTED] someone (even if it's just me telling her nothing) will call her back later today or first thing tomorrow morning.
Released back to RG2....

[01/02/2011 13:19:31, [REDACTED] Claims Consultant, QLD CGU
Intermediary CMC]

Phone call to [REDACTED] at Rocksure and confirmed that she is happy for us to contact OI on [REDACTED]

[01/02/2011 14:43:36, [REDACTED] Claims Consultant, QLD CGU
Intermediary CMC]
Document NARLETT has been classified onto this file.

[01/02/2011 14:44:53, [REDACTED] Claims Consultant, QLD CGU
Intermediary CMC]

Phone call to OI [REDACTED], left 10 second voicemail message

await:

* Call back from OI

[01/02/2011 16:20:58, [REDACTED] Claims Consultant, QLD CGU
Intermediary CMC]

rcvd phoen call from [REDACTED].

Went through damage:

she is aware flood is not covered

- water reached about 50cm from roof of house which was definately flood, dirty muddy etc.

However OI is adamant that water run off went through the property prior to the flood waters.

OI confirmed the drains rose, I confrimed this is flood from river.

OI then advised no the water ran down street and into her home.

OI talked for about 30 mins about how the water entered
Explained that this is consistent with flood as advised by the hydrologist etc. OI did not agree and would not accept it.

eventually as conversation was not adding value to the claim: asked if I could speak with tenant also to gather further information. OI agreed she will have real estate contact me with tenant details.

sent advice to broker

Await;
tenant details

[01/02/2011 16:28:44, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]
Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 08/02/2011, Reason: Bring-Up - Awaiting response from Our Insured

[02/02/2011 13:52:16, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

rcvd call from OI [REDACTED], spoke for another 20 mins today, OI explained

water inundated the property from storm prior to the flood on same day and ruined: floors/ walls etc.

OI has not come back and is disputing the entire claim and thinks that water rising out of the storm water drains does NOT fall within the definition of flood & she wants to dispute CGU's interpretation of the policy.

Let OI know I will pass on this feedback. She will get property manager to email me regarding the gathering of further info. possibly need to appoint an assessor, await further info

[04/02/2011 12:46:19, [REDACTED], [REDACTED], Administration Assistant, QLD CGU Commercial CAC]
File has been taken off bring-up and is now in the Recovery Group 2 worklist due to the classification of a new document.

[04/02/2011 12:46:19, [REDACTED], [REDACTED] Administration Assistant, QLD CGU Commercial CAC]
Document CUSTLET has been classified onto this file.

[05/02/2011 09:52:15, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

referred complaint CUSTLET 04/02/2011 to [REDACTED]
- recommend we appoint an assessor

[08/02/2011 09:00:10, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]
Shane from CGU Rocky called for update.

I confirmed that this claim was referred to [REDACTED] (TM for flood team) to possibly appoint an assessor.

Also waiting on OI to forward further information.

[10/02/2011 09:28:54, [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Document NARLETT has been classified onto this file.

[10/02/2011 09:39:58, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Lauren has let me know that its ok to appoint an assessor for this claim.

As we have not recieved the further info from OI will request the assessor gather this.

appointed [REDACTED] to assess
sent broker advice outlinging details of claim to date

Await:

* 1st report C & C

[10/02/2011 09:40:18, [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 03/03/2011, Reason: Bring-Up - Awaiting assessment report

[10/02/2011 11:17:32, [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Crawfords have been cancelled, sent another email to advised allocation cancelled.

Internal assessing to be appointed

[10/02/2011 15:05:54, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Reived call from [REDACTED] wanting update. Confirmed an internal CGU assessor has been appointed. [REDACTED] will call broker.

Awaiting CGU Assessor's report.

[10/02/2011 16:10:40, [REDACTED], [REDACTED], Claims Processing, QLD CGU Commercial CAC]

Assessors spreadsheet updated

[10/02/2011 16:19:31, [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Recd call from [REDACTED] @ Rocksure - OI wants a copy of our decline letter - advised Therese that we have not formally declined OIs claim yet - an assessor is being

appointed & once assessed we will establish cover. If declined a letter will most certainly be provided.

[11/02/2011 10:38:00, [REDACTED], [REDACTED], Team Manager Contents Assessing, CGU VIC Property Assessing]

File has been taken off bring-up.

[11/02/2011 10:44:36, [REDACTED], [REDACTED] Team Manager Contents Assessing, CGU VIC Property Assessing]

I have called oi on [REDACTED]. Oi [REDACTED] advised that she will need to co-ordinate with her tenant regarding assessment time, and that they will be able to provide more detail as to what happened - as they were there at the time.

I have advised [REDACTED] that I have an assessment time available 11am on Monday, and that we would like to assess this as soon as possible, however, if this time is not suited to the tenant, we can look at other availabilities.

[REDACTED] will call me back to confirm whether this assessment time is suitable for the tenants.

[11/02/2011 12:25:28, [REDACTED], [REDACTED], Claims Assurance Specialist, CGU National Claims Assurance QLD]

File allocated to internal assessing

[14/02/2011 09:09:18, [REDACTED], [REDACTED] Team Manager Contents Assessing, CGU VIC Property Assessing]

No return call from oi to book assessment.

I have called oi on [REDACTED]. Oi advises she has not been able to get hold of the tenant and she will call me as soon as she has done so.

No booking yet made - oi has been offered appointment for today at 11am on two occasions, but has not been able to take this appointment time. Await call from oi before reviewing assessing opportunities available.

[14/02/2011 09:10:00, [REDACTED], [REDACTED], Team Manager Contents Assessing, CGU VIC Property Assessing]

Further to above, oi requested that I text my contact number to her so this is available for her to return my call and book assessment - this has been done.

[15/02/2011 11:23:37, [REDACTED], [REDACTED] Team Manager Contents Assessing, CGU VIC Property Assessing]

Call received from oi Sally Doyle. She advised tenant has advised that they work and cannot attend assessments unless they are booked for:

- 7am - 8.30am in the morning
- After 5.30pm in the afternoon
- Any day Thursday.

I have confirmed with oi that she is also available at these times - yes.

I have advised I will check assessor calendar and call back to confirm the assessment time.

[15/02/2011 11:26:35, [REDACTED], [REDACTED], Team Manager Contents Assessing, CGU VIC Property Assessing]

I have called assessor to discuss booking availability times.

[15/02/2011 14:28:10, [REDACTED], [REDACTED], Team Manager Contents Assessing, CGU VIC Property Assessing]

Assessor is available to meet customer at 8am tomorrow morning.

I have called oi on [REDACTED]. Confirmed booking for tomorrow morning at 8am.

Message left for [REDACTED] and [REDACTED] to advise of assessing booking time.

[16/02/2011 10:30:14, [REDACTED], [REDACTED], Home Contents Assessor, CGU QLD Property Assessing]

Document NARDOC has been classified onto this file.

[16/02/2011 16:56:21, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Received instructions from Team Manager to appoint a hydrologist on this claim.

Appointed Worley Parsons as per NARDOC 16/02/2011

[16/02/2011 16:56:38, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Document NARDOC has been classified onto this file.

[16/02/2011 16:57:04, [REDACTED], [REDACTED], Claims Consultant, QLD CGU Intermediary CMC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 23/02/2011, Reason: Bring-Up - Awaiting assessment report - await: assessor report and hydrology report

[17/02/2011 09:44:46, [REDACTED], [REDACTED], Administration Assistant, QLD CGU Commercial CAC]

File has been taken off bring-up and is now in the Recovery Group 2 worklist due to the classification of a new document.

[17/02/2011 09:44:46, [REDACTED], [REDACTED], Administration Assistant, QLD CGU Commercial CAC]

Document BLDREP has been classified onto this file.

[17/02/2011 11:11:43, [REDACTED], [REDACTED], Mail Clerk, Brisbane CAC]

Document NARDOC has been classified onto this file.

[24/02/2011 09:38:30, [REDACTED] [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

Document NARLETT has been classified onto this file.

[02/03/2011 15:11:18, [REDACTED] [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

on the 01/03/2011 Called Worley Parsons, spoke to [REDACTED] who advised its best to speak to [REDACTED] direct [REDACTED]

- Called [REDACTED] left voicemail message to call me back.

I have not heard back from [REDACTED] today:

- I have called & left another voicemail message following up report

- I have also emailed [REDACTED] requesting an update

PLEASE REFER REPORT TO [REDACTED], before discussing anything with OI/Broker or providing this to broker

Management will provide a response to claim

[02/03/2011 15:11:49, [REDACTED] [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

Therese from Rocksure called and I have advised we are chasing the report and once received it will be referred to our senior management team to review and provide info to her or the insured.

[03/03/2011 09:39:29, [REDACTED] [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 09/03/2011, Reason: Bring-Up - Awaiting assessment report

[10/03/2011 07:21:52, [REDACTED] [REDACTED], Technical Manager, QLD CGU Intermediary CMC]

Document NARDOC has been classified onto this file.

[10/03/2011 07:34:29, [REDACTED] [REDACTED], Technical Manager, QLD CGU Intermediary CMC]

NARDOC 10/3/11 is Worley Parsons report

I have reviewed the report and note that WP conclude that this property was inundated by water escaping the confines of the Brisbane River. Water initially backed up the local drainage system causing water to rise out of the drainage pit located in the backyard of the property. As the water level in the river continued to rise, the crest of the local depression, in which the property lies, was overtopped, causing the property to be inundated directly from the Brisbane River.

However, it is possible that heavy rainfall reported on Jan 9th and 10th caused stormwater to sheet down the property driveway and into the backyard. While the majority of this water is likely to have continued through to the drainage pit in the backyard, a small proportion may have entered in through the side of the basement

level of the house, causing damage to items such as the air conditioner, prior to the site being inundated by water from the Brisbane River.

[REDACTED] has also reviewed this report and I agree with his conclusion that: If our Insured is to be given the benefit of any doubt you would act upon the conclusions on page 15 "..... a small proportion may have entered in through the side of the basement level of the house , causing damage to such items as the air conditioner, prior to the site being inundated by water from the Brisbane River ". This was a flood and any contribution made by SW to the loss is minimal . She now has a site specific report which is a great deal more than anyone else will get . Consistent with the findings of this report it would be appropriate to pay for minimal SW damage. Email received from [REDACTED] recommending we go back to WP to get an idea of the likely depth of stormwater inundation so that appropriate settlement can be calculated.

[10/03/2011 07:47:50, [REDACTED], [REDACTED] Technical Manager, QLD CGU Intermediary CMC]

My email to Worley Parsons:

Thank you for your report. Can you please ask Engineer [REDACTED] to provide me with additional information urgently as follows?

I note the Engineer concludes that a small proportion of storm water may have entered in through the side of the basement level of the house, causing damage to items such as the air conditioner, prior to the site being inundated by water from the Brisbane River.

CGU's position is that the policy will respond the cover damage by storm water runoff, even if the initial extent of damage caused is ultimately overtopped with flood water. In order for us to determine an appropriate settlement, can you please provide your opinion as to the likely depth of initial stormwater inundation in the basement level of the house. I assume the air conditioner is external to the building, would the depth of stormwater be similar externally as internally?

Your urgent response will be appreciated as we are anxious to finalise this claim. Should you have any questions regarding this request, please do not hesitate to contact me.

[10/03/2011 07:47:53, [REDACTED], [REDACTED] Technical Manager, QLD CGU Intermediary CMC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 11/03/2011, Reason: Bring-Up - Other - Awaiting response from Worley Parsons

[10/03/2011 15:37:25, [REDACTED], [REDACTED], Claims Consultant (Contractor), QLD CGU DP/Direct CAC]

File has been taken off bring-up and is now in the Recovery Group 2 worklist due to the classification of a new document.

[10/03/2011 15:37:25, [REDACTED], [REDACTED] Claims Consultant (Contractor), QLD CGU DP/Direct CAC]

Document CUSTLET has been classified onto this file.

[10/03/2011 16:25:19, [REDACTED], [REDACTED] Claims Consultant (Contractor), QLD CGU DP/Direct CAC]

Document HASSREP has been classified onto this file.

[16/03/2011 11:15:35, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

Received request from Legal Aid to see if Sallyanne Doyle, [REDACTED] Gray Road Westend is insured with CGU.

Called [REDACTED] of Legal Aid QLD:

[REDACTED]
Senior Solicitor/Consumer Advocate
Consumer Protection Unit
Legal Aid Queensland
44 Herschel Street
Brisbane QLD 4000
Ph: (07) [REDACTED]
Fax: (07) [REDACTED]

[REDACTED] will email me the authority to release information.

I have received and attached the authority and emails as 2 X NARDOC 16/03/2011

[REDACTED] requested copy of denial & PDS booklet

Claim has not been denied at present, we are still waiting on further information from Worley Parsons before proceeding

[16/03/2011 11:17:10, [REDACTED], [REDACTED] Claims Consultant, QLD CGU . Intermediary CMC]

Document NARDOC has been classified onto this file.

[16/03/2011 11:17:25, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

Document NARDOC has been classified onto this file.

[22/03/2011 15:41:28, [REDACTED], [REDACTED] Contractor, QLD CGU Commercial CAC]

Document CUSTLET has been classified onto this file.

[22/03/2011 16:24:02, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Intermediary CMC]

review- waiting on response from Hydrologist to [REDACTED] request above.

Called [REDACTED] of Worley Parsons, left voicemail message to contact me.

Also sent an email to [REDACTED] as follows:-----

From: [REDACTED]
Sent: Tuesday, 22 March 2011 4:00 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: CGU Claim for: Sally Doyle, [REDACTED] Gray Road West End QLD, claim
ref: [REDACTED]
Importance: High

Hi [REDACTED],

I just left a voicemail message for you, just chasing clarification of the height of the storm water run off mentioned in your report for [REDACTED] Gray Road, West End QLD.

Would really appreciate your urgent attention to this one.

Thanks for your help,

[23/03/2011 14:49:39, [REDACTED], [REDACTED], Team Manager, QLD CGU
DP/Direct CAC]

Received message to contact insured

Reviewed claim

- Awaiting further information from hydrologist
- Hydrology report confirms minor storm water run off may have entered in through the side of the basement level of the house, this level is yet to be advised by hydrologist.
- Hydrologist was called and emailed yesterday

Called oi Ms Doyle - left a message to return my call

NEXT ACTION:

- Await oi to call and advise awaiting further information from hydrologist
- Forward hydrology report to insured

[23/03/2011 14:49:51, [REDACTED], [REDACTED], Team Manager, QLD CGU
DP/Direct CAC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 30/03/2011, Reason:
Bring-Up - Awaiting response from Our Insured

[23/03/2011 15:29:03, [REDACTED], [REDACTED], Team Manager, QLD CGU
DP/Direct CAC]

Received call from insured Ms Doyle

- Advised oi Hydrology report received and confirms minor storm water run off may have entered in through the side of the basement level of the house, this level is yet to be advised by hydrologist.

- Advised oi once further information received we would be back in contact.
- Advised oi I would send hydrology report for her review
- Oi then advised she believes storm water affected the front tiled area of the property
- Advised oi as per hydrology report the back area was the only area affected by minor storm water run off.

Oi [REDACTED]

NEXT ACTION:

- Await response from Worley Parsons

[23/03/2011 15:35:33, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Emailed Worley Parsons to comment on front patio area

NEXT ACTION:

- Await response from Worley Parsons

[24/03/2011 08:18:02, [REDACTED], [REDACTED] Mail Clerk, Brisbane CAC]
Document NARDOC has been classified onto this file.

[30/03/2011 15:11:22, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Called Worley Parsons requested comment on patio area and level of storm water run off to back yard.

Marc advised he would follow up and submit ASAP

NEXT ACTION:

- Await response from Worley Parsons

[30/03/2011 15:11:35, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 06/04/2011, Reason:
Bring-Up - Awaiting response from Other Party

[06/04/2011 09:49:09, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Called Worley Parsons - 02 8456 7340

- Requested additional report on storm water inundation to patio and level of inundation to lower level of property.

NEXT ACTION:

- Await WP report

[06/04/2011 09:49:16, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 13/04/2011, Reason:
Bring-Up - Awaiting response from Other Party

[15/04/2011 12:03:42, [REDACTED], [REDACTED] Technical Manager, QLD CGU
Intermediary CMC]

My email to [REDACTED] re amended WP report:

There's a spelling error on the 4th line of the report - Toomeng should be Toowong.
WP are amending and sending through.

Looking at Fig 5 in NARDOC 10/3/11, I think the sill is probably more than 30-50mm above the driveway, at the driveway's highest point and have had a discussion with [REDACTED]. They have estimated the height conservatively and he concedes 30-50mm could be on the low side but in the hydrologist's opinion, water would not have overtopped the sill. Obviously, had the distance between sill and driveway been more, the likelihood of inundation from that source becomes even more remote

[15/04/2011 12:09:03, [REDACTED], [REDACTED] Technical Manager, QLD CGU
Intermediary CMC]

Document NARDOC has been classified onto this file.

[15/04/2011 12:09:21, [REDACTED], [REDACTED] Technical Manager, QLD CGU
Intermediary CMC]

Amendment to WP report attached to list today.

[18/04/2011 15:38:35, [REDACTED], [REDACTED] Technical Manager, QLD CGU
Intermediary CMC]

My email to [REDACTED]:

Sorry to bug you with this particular claim! I've sent a couple of photos separately. I am anxious that our facts are correct. The Addendum refers to a basement window sill and we talked about that on Friday. On viewing the photos it is apparent there is no window and that the gap is simply a panel of palings which have been removed (probably to make it easier to remove flood damaged stuff from under the house). The "sill" is, I believe, the concrete floor slab under the house. Accordingly, can you please arrange to have the report amended to remove reference to a "window sill".

[18/04/2011 16:14:25, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Document NARDOC has been classified onto this file.

[18/04/2011 16:14:35, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Document NARDOC has been classified onto this file.

[18/04/2011 16:14:47, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Document NARDOC has been classified onto this file.

[18/04/2011 16:15:01, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Images scanned to file

[18/04/2011 16:15:08, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 25/04/2011, Reason:
Bring-Up - Awaiting assessment report

[27/04/2011 13:46:47, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Called insured Ms Doyle advised hydrology report received and confirms that
number 75 is the lowest point where the majority of storm water would have gone.

Advised oi that WP also confirmed that if any water would have dissipated by the
time it reached the bottom of the drive way, furthermore the water would have to over
top the concrete slab. Advised oi WP have confirmed any damage is highly unlikely

Advised oi the claim has been declined and I would send a letter with the hydrology
report.

Oi has requested IDR and mail to be sent to

[REDACTED]
File referred to IDR

[27/04/2011 16:54:57, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Document NARLETT has been classified onto this file..

[27/04/2011 16:55:13, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Referred. Worklist Name: CGU Dispute Resolution, Reason: Referred - First
Instruction

[04/05/2011 15:05:52, [REDACTED], [REDACTED] Administration Assistant, QLD CGU
Commercial CAC]

Document BLDREP has been classified onto this file.

[05/05/2011 10:53:36, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

Document NARLETT has been classified onto this file.

[05/05/2011 10:53:53, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

IDR HAVE MAINTAINED DECISION

[05/05/2011 10:53:56, [REDACTED], [REDACTED] Team Manager, QLD CGU
DP/Direct CAC]

File is now finalised. Worklist Name: CGU Dispute Resolution, Reason: Referred -
First Instruction

[08/08/2011 16:35:03, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Commercial CAC]

Called Rocksure to confirm a PDS was issued to the insured - they advised an email was sent to OI on the 10/02/2011 with a copy of the PDS. Asked if one was sent prior to this as i need to confirm OI had received one prior to their flood claim being made.

She advised me that a PDS is issued at every renewal and that there systems shows when this is done.

Asked if she could sent me an email confirming PDS had been issued, when and where is was sent to. Also asked if i could have a screen shot of there systems confirming when PDS was sent.

Provided my direct email to have it all sent through.

Sent request in NOVUS to access policy schedules sent to OI.

- Awaiting response from Rocksure

[09/08/2011 08:19:26, [REDACTED], [REDACTED] Administration Assistant, QLD CGU Commercial CAC]

Document NARDOC has been classified onto this file.

[09/08/2011 10:49:23, [REDACTED], [REDACTED] Administration Assistant, QLD CGU Commercial CAC]

Document NARDOC has been classified onto this file.

[09/08/2011 11:20:00, [REDACTED], [REDACTED] Administration Assistant, QLD CGU Commercial CAC]

Document NARDOC has been classified onto this file.

[09/08/2011 12:57:29, [REDACTED], [REDACTED] Administration Assistant, QLD CGU Commercial CAC]

File has been re-opened and is now in the Settlements worklist due to the classification of a new document.

[09/08/2011 12:57:29, [REDACTED], [REDACTED] Administration Assistant, QLD CGU Commercial CAC]

Document INSURLET has been classified onto this file.

[10/08/2011 08:23:01, [REDACTED], [REDACTED] Administration Assistant, QLD CGU Commercial CAC]

Referred. Worklist Name: Group 4, Reason: Referred - Returned from Settlements queue

[11/08/2011 08:40:53, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Commercial CAC]

Confirmation received from Rocksure that PDS was issued.

Have forwarded through to IDR along with policy schedules.

.AWAIT

- IDR's response

[11/08/2011 08:41:10, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Commercial CAC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 01/09/2011, Reason: Bring-Up - Awaiting response from Other Party - IDR

[19/09/2011 10:49:48, [REDACTED], [REDACTED] Claims processing, QLD CGU Commercial CAC]

****Managed by IDR****

[19/09/2011 10:50:06, [REDACTED], [REDACTED] Claims processing, QLD CGU Commercial CAC]

Bring-up. Worklist Name: Recovery Group 2, Bring-Up Date: 26/09/2011, Reason: Bring-Up - Other - Managed by IDR

[23/09/2011 12:00:08, [REDACTED], [REDACTED] Claims Consultant, QLD CGU Commercial CAC]

Called [REDACTED]@Rocksure- advised her that OI has requested copies of all call recordings- Advised her that 2 of the ones we have been able to obtain were from a [REDACTED]@Rocksure.

[REDACTED] advised this would have been her- and ask if i could send her a copy of the calls prior to sending them to the insured and she will need to speak with someone in Legal to confirm if they can be released.

Emailed recordings to [REDACTED] and asked if she could send her response to me by COB today.

Annexure 4

CGU Claims QLD Personal Lines Archive: Document: CLAIM [REDACTED] DOYLE EDM Lotus Notes

File Edit View Create Actions Attachment Window Help

Address

Workspace: Alpha Processing QLD - 1: Claim... Claim: 111QRH044263 CGU Claims QLD Personal... CGU Claims QLD Personal...

Edit Document Reply View Edit History Help Close

Active: [REDACTED] (Active or Filed status of document)
14/01/2011 Date document was received
14/01/2011 Date document was completed
Has document been processed yet?

Completed
111qrh044263

CLAIM [REDACTED] DOYLE

Issued by: **Signing Authority** [REDACTED]
Original Author: [REDACTED]

Please find attached an email received from the insured with a more detailed description of incident & a photo for the above claim.

Regards
[REDACTED]

DOCKSURE
[REDACTED]

AFSL: 237095

NOTICE
The information in this email and or any of the attachments may contain:-
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* Information or opinions sensitive to parties other than the intended recipient; and/or
* Copyright material of The Rock or third parties.
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No waiver of any confidentiality and/or privilege is intended in the event that any mistransmission occurs or should this communication be received by an unintended recipient(s).
We do not accept any liability in connection with any computer virus, data corruption, interruption or any damage generally as a result of transmission of this email.

889523-Sally Doyle Gray Rd West End 5.jpg
23-Sep-11 Date last modified (Shows when it was saved)
14/01/2011E made Received

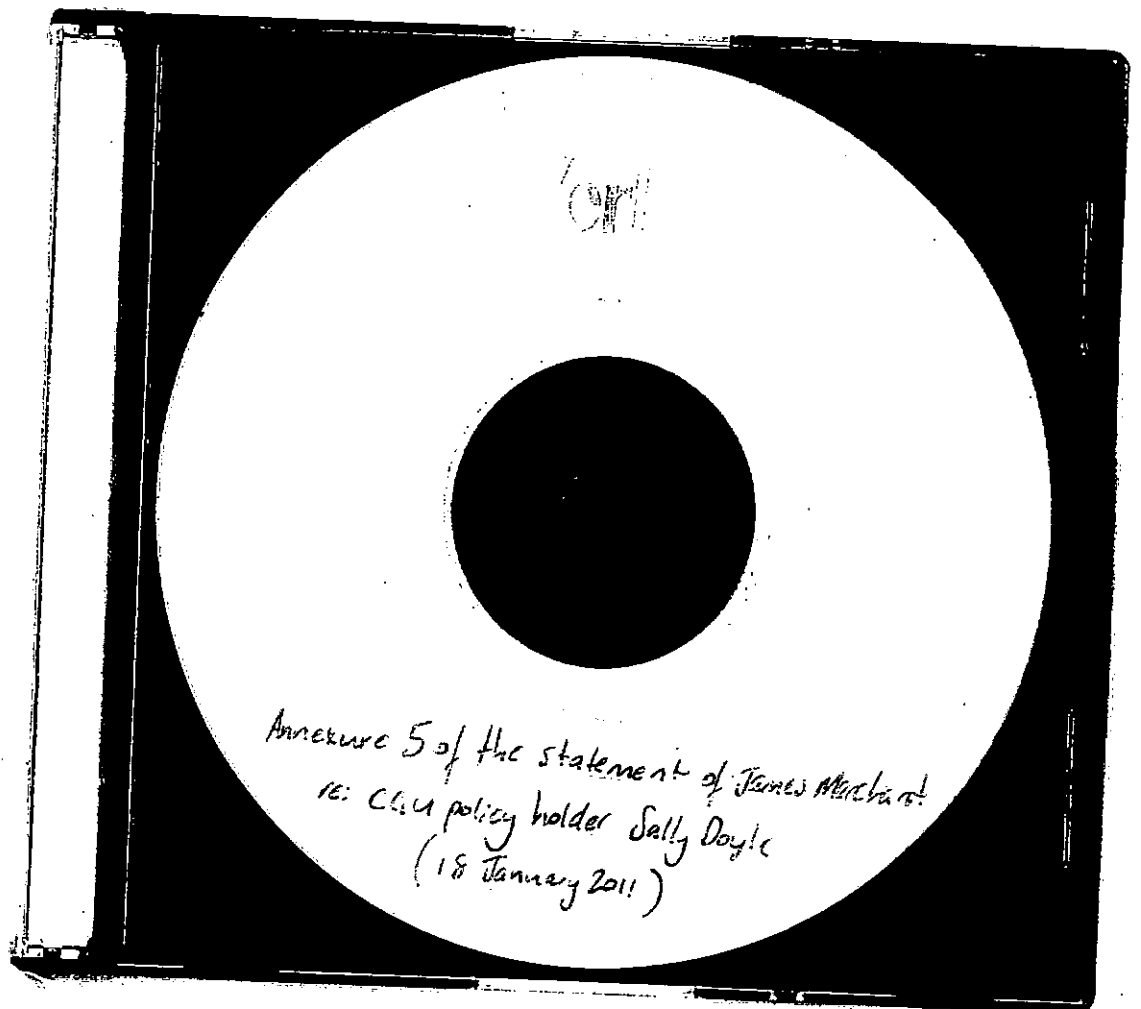
889523-Sally Doyle Gray Rd West End 5.jpg

Highlights are not available: this document has been modified since being indexed

Office

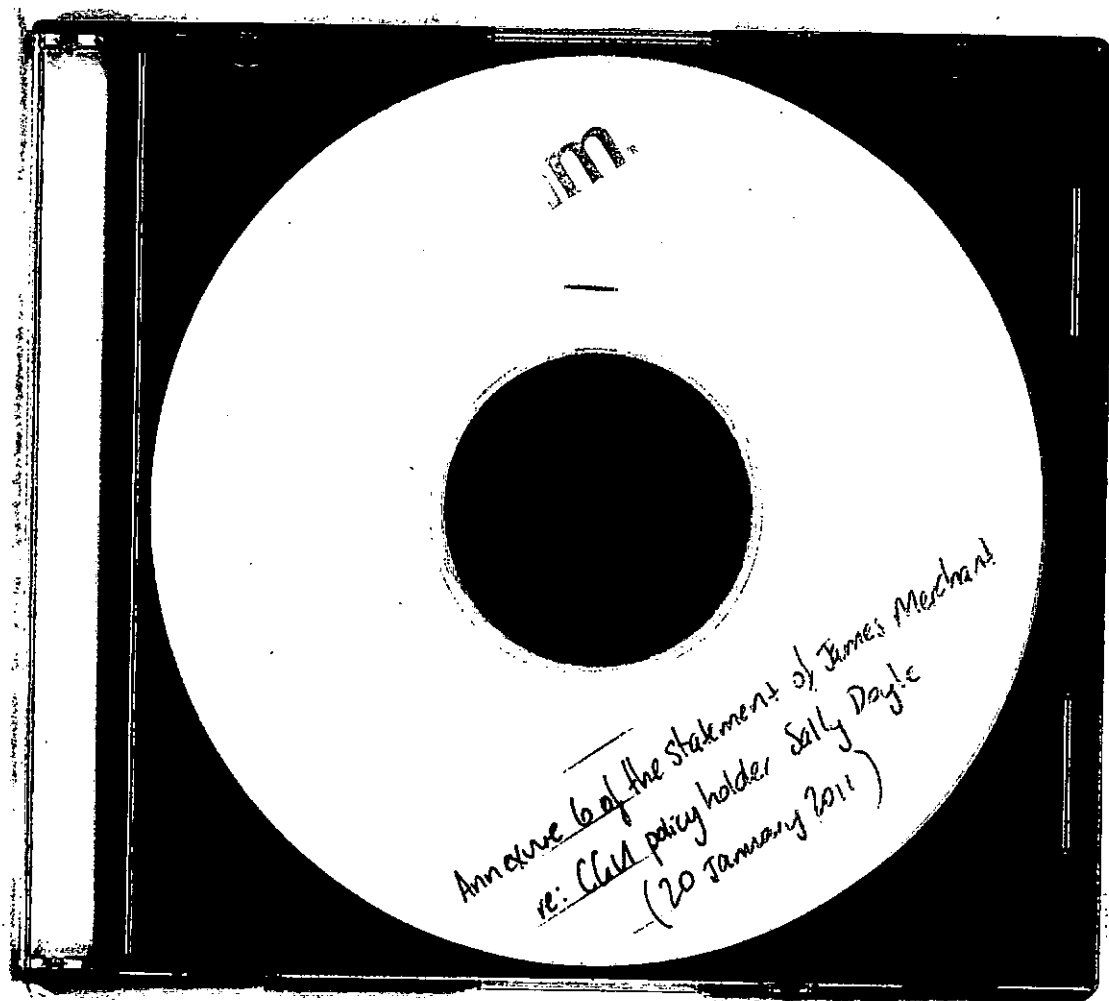


Annexure 5



Annexure 5 of the statement of James Merchant
re: C.I.U policy holder Sally Doyle
(18 January 2011)

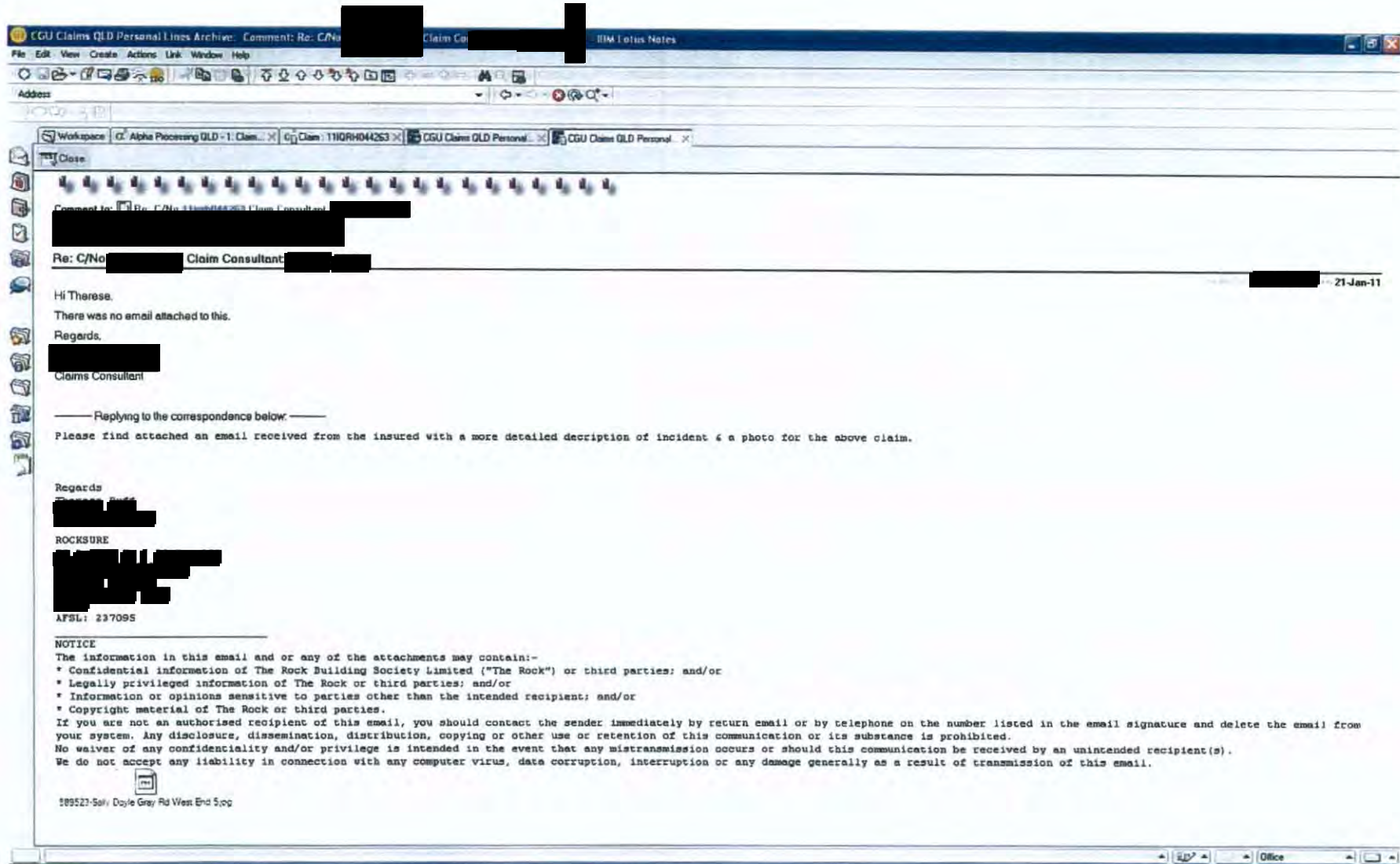
Annexure 6



m.

Annexure 6 of the statement of James Merchant
re: C&M policy holder Sally Doyle
(20 January 2011)

Annexure 7



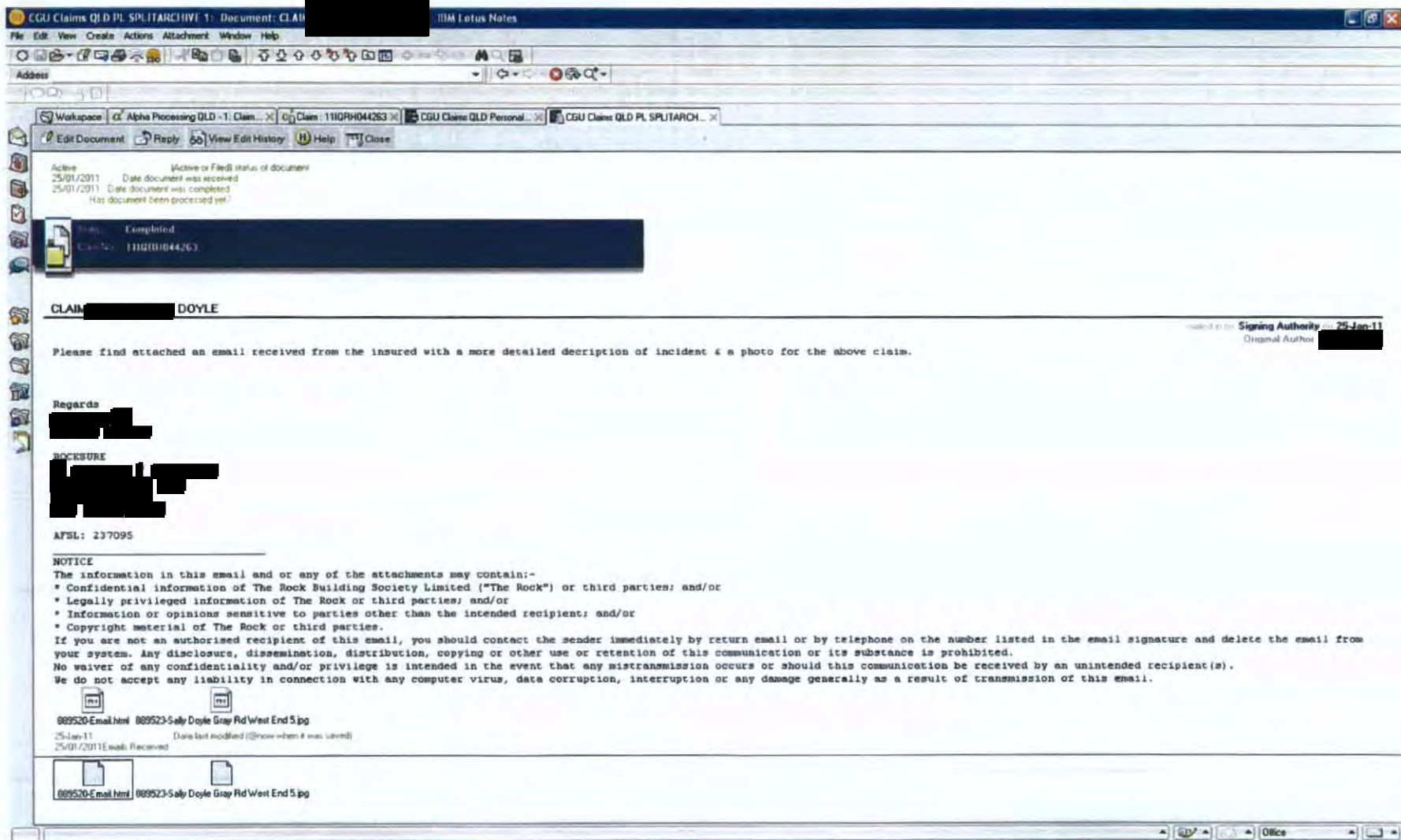


Annexure 8

Ver

Annexure 8 of the statement of James Merchant
re: CCN policy holder Sally Doyle
(24 January 2011)

Annexure 9



Email attached from the insured:

Hi [REDACTED]

Thankyou very much for your assistance earlier today. As we discussed earlier, I am wanting to put in a claim regarding my rental property located at [REDACTED] Gray Rd West End. Although I lived in the property for a number of years after renovating it, it is currently leased through a real estate agent, Harringtons Realty. I have spoken with the principal of the agency [REDACTED] who is aware of the inundation to the house and the claim that is now in place. She is very happy to be contacted for any information, and the best number is her mobile [REDACTED]. The landline is [REDACTED].

As I discussed with you, feedback from the tenants has been that the water rose extremely quickly and was very fast moving. They were able to leave only with their pets – a dog and some chooks. All other furniture and other items had to be left behind and is still in the house as it has not been accessible since the water came through.

The house is located in a lower point of the street, and has an extremely large stormwater drain located directly outside the front of the property. Whenever heavy rain occurs, as obviously it had been in this instance, torrents of rainwater washes down both ends of Gray Rd to be collected by this drain. Feedback has been that there had been gushes of water which the drains struggled to manage, and large amounts of water washed over the front of the property. Additionally, a large stormwater drain is located at the rear of the block of land, and the failure of this to cope with the volume of water obviously also has contributed to the current problems.

Feedback from the tenants and from neighbours is that my house was quickly and severely affected by the moving water. The tenants are lucky to have made it out without being harmed. They have said that as they looked back at the house after they had gotten out, the water quickly reached the level of the eaves. As you can see by this photo taken earlier today, that water level has subsided considerably but the house is still obviously receiving water damage now.

If you could facilitate this claim I would greatly appreciate it. This is not just a house, but is a property I renovated over a number of years and with great care and love, and which I lived in for a number of years. I hope I can get this house back to its proper state.

Thankyou

Sally Doyle



Annexure 10



Annexure 11

The Brisbane River has flooded a number of homes in the Brisbane Region.

You have lodged a claim for consideration for water inundation.

To better understand what has caused the damage to your property I need to ask a series of questions:

Is your house high-set or low set?

Sally advised the home is at approximately ground level at the front of the house, however is highset at the rear as it is on a downward sloping block.

Approx how high is the habitable floor above the surround ground level?

Sally advised it is at approximately ground level at the front and approx 1-2m at the rear.

Is the street higher or lower than the ground level of the house?

Sally advised the street slopes down to her home on each side, and the home is at the lowest lying point on this street. The road immediately in front is approximately the same level as the home.

What was the date and approx time when the inundation of the property?

Sally advised that it began on the 11th of January when drains could not cope with the water and began rising. She thinks this is rain water and then flood may have reached the home some time on the 13th January.

What was the date and approx time when the inundation of the house/garage/shed/etc occur?

She doesn't know the exact time as she was not there, but does know the tenants saw the water rising and packed up and left immediately on the 11th.

What was the date and approx time when the inundation of the house/garage/shed/etc peak? Sally believes it was on the 13th January

At its peak, how high did the water inside the house reach? Sally advised it was approximately 50cm below the ceiling.

At its peak, how high did the water in the yard reach? Sally advised that it's a downward sloping block, unknown height of water in the yard.

Do you know which direction the water came from? Sally advised the tenant first saw the water at the rear storm water drains down the hill. It also then came from the front of the property.

Was the water inundating the property "clean" or "dirty"?

Sally advised it was very muddy and dirty, it left a muddy residue through out the home.

What date and time was the rain heaviest (since Xmas day)?

Sally does not know as she was not there, only has information from tenant & property manager.

How long has it been since heavy rain has fallen?

Sally does not know as she was not there, only has information from tenant & property manager.

Annexure 12

CGU Home Claim Progress Advice - Claim Number: [REDACTED] IBM Lotus Notes

File Edit View Create Actions Window Help

Address

Workspace Alpha Processing QLD - 1, Claim... CGU Claim: 1110781044263 IB CFD Archive to Feb 2011 - 3... CGU Home Claim Progress...

Send & Save Close

Claim Progress Advice

Send To: [REDACTED]

Subject: CGU Home Claim Progress Advice - Claim Number [REDACTED] Insured Name: [REDACTED]

Claim Number: [REDACTED]

Policy Number: [REDACTED]

Insured Name: [REDACTED]

Risk Address: [REDACTED] GRAY ROAD
[REDACTED] WESTEND 4101

Date of Loss: 12/01/2011 00:00

Event: Fire & Perils including Accident Damage

Your Reference: [REDACTED]

We refer to the above and advise the current status of this matter.

We have discussed the claim with the insured Sally.

While the information considered indicates the property has suffered damage as a result of flood the insured is of the opinion that storm water caused damage to the property prior to the flood.

CGU will be considering this claim further and await contact details for the tenant to gather more information surrounding the circumstances of the event.

We will keep you informed of further developments.

If you have any queries please contact me directly.

Regards

[REDACTED]

CGU Enquiries

Team Phone Number: [REDACTED]

Team Fax Number: [REDACTED]

Team Email Address: [REDACTED]

CGU iClaims Access your claims 24/7, anywhere, anytime

Office

Annexure 13



FAX MESSAGE

To: [REDACTED]
Company:

Fax no: [REDACTED]

From: CGU Claims QLD
Personal Lines

Fax no: [REDACTED]

Phone no:

Pages: 4

Fax Serial No: 777861

Date: Friday, 4 February 2011 at 12:31 PM

Subject: [REDACTED]-CUSTLET --CUSTOMER CONCERN

DISTRIBUTION

TO:

[REDACTED]

CLAIM [REDACTED] DOYLE
Regards;

[REDACTED]
Claims Consultant

----- Replying to the correspondence below: -----

Att: [REDACTED]

Please find attached correspondence from insured for above claim.

Regards
[REDACTED]

ROCKSURE
[REDACTED]

ROCKHAMPTON QLD 4700
[REDACTED]

AFSL: 237095

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(See attached file: 900333-Email.html)

Hi Therese

BACKGROUND

As you are aware, I have a house at [REDACTED] Gray Rd West End which was inundated almost to the ceiling, in the recent floods in Brisbane. This house was lovingly restored by me over many years, and was a cherished part of me and my families history. It was also an important asset that I looked to in helping me support myself and my family in years to come. This is particularly the case following the suicide death of my sister [REDACTED] from a Nembutal overdose in Mexico in 2008. Erin left 4 children behind, ranging in age now from 3 to 11, and myself and my remaining 2 sisters work with their father to clothe, feed, educate and nurture them.

As you are also aware, [REDACTED] Rocksure is an insurance brokerage service. I had my first home loan with your parent company, The Rock Building Society, and found your service in the building society honest, helpful, and honourable. It was on this basis I trusted you to direct me to a reputable and honourable insurance company. From the time I purchased the property in Gray Rd 11 years ago, I held my insurance with CGU, through your broking firm.

As you are also aware, CGU has declined my claim for cover of water damage, and has failed throughout to follow even basic due process. It has failed to consider damage that is covered in my policy, and shown a willingness to "re write" aspects of its policy provisions retrospectively to "let it off the hook" for any claims.

1. DENIAL OF CLAIM AND LACK OF DUE PROCESS

1. As I mentioned to you in a phone conversation several days ago, the claims officer, [REDACTED], I spoke with who advised me on February 1 that the above claim had been denied. I expressed my concern that all aspects of the water damage which occurred at the insured property, [REDACTED] Gray Rd West End, had not been considered.

What then followed was approx 20 minutes of excruciating explanations on my part of some of the specifics of stormwater damage and concern re damage caused by non functioning stormwater drains located at the rear of my property. In a case of in part amusing and part distressing "double speak", [REDACTED] repeatedly told me that "this information backs up our position to decline your claim". Obviously, the information I was providing was entirely contrary to the refusal of the claim.

2. You will be aware that my CGU Policy number [REDACTED] specifically covers damage due to stormwater, and water/liquid which flows from areas/items not a "watercourse, river, lake". It is reasonable to take from this that a blocked or dysfunctional large stormwater drain, which does not allow stormwater to escape, is not a "watercourse". I was advised by [REDACTED] in a conversation on Feb 2 that CGU management have now "redefined" a water course (in the policy it refers to "rivers", "lakes", "bodies of water"), and that the new definition that CGU have imposed includes "drains" as a watercourse.

Very concerning that CGU are retrospectively changing the meaning of policy provisions.

3. Also concerning in my conversation with [REDACTED] on Feb 2 was her pre-emption of what any claim for stormwater damage may amount to. She stated to me that any water running through the house "could only cause minor damage", that "might take a day or 2 to fix" and that the house "could not be inhabited only for a few days".

Interesting comments to make given the information I have already provided to Rocksure and CGU re the sheets of water that entered the front of the property, due to its location at the bottom of 2 large hills, and the submersion of items as a consequence. Also interesting as no-one from CGU has visited or made any attempt to gain detailed information re any damage done.

4. CGU have made it plain that they have made a decision and set in train an obstructive process that gives a blanket denial of ALL claims related to water damage, including claims that actually are covered in their policy. CGU are using the river flooding as an excuse to wipe their hands of their responsibilities under this policy.

5. I took out all insurance policies via Rocksure as I had experienced consistently high levels of service and

trusted this organisation. Your promotion and direction of your clients to CGU has badly undermined your corporate credibility and I would ask that you remove this disreputable provider from your list of products offered.

5. I have contacted my friends and family in different states of Australia, including reliable and responsible media contacts, and requested that they share this story. I have also asked that Australians living in and outside Queensland show their support for Flood victims by voting with their feet - immediately cancelling CGU policies. It seems causing corporate pain is the only feedback this organisation may take note of.

6. Could you please advise of the phone numbers and relevant email addresses of the Directors of both The Rock Building Society and the insurance subsidiary Rocksure, so that I am enabled to provide the above feedback directly to them.

7. Not only has CGU thumbed its nose at the Premier's request to view claims with compassion, it has taken corporate exploitation and greed to a whole new level and is using the massive flooding in West End as their "get out a jail free" card to avoid considering aspects of cover that are included in their policies.

Thankyou

Sally Doyle
[REDACTED] Gray Rd West End
[REDACTED]

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Annexure 14

Property Assessment Notification

Intermediary Business

Provider: Crawford & Company (C&C)

ATTN:

Email:

Contact No.: (National Office)

Fax No.: (National Office)

State: QLD

Insured Details:

Claim No:

Home No:

Insured

Insured: Sally Doyle

Business No:

Broker

Address: GRAY ROAD □ WESTEND 4101

Mobile No:

Fax No:

Insured's Special Arrangements:

Job Type: Assess & Authorise

Loss Details:

Date of Loss:

12/01/2011

Date of Loss Advice: 13/01/2011

Type of Loss:

Fire & Perils including Accident Damage

Address of Loss:

GRAY ROAD □ WESTEND QLD 4101

Loss Description:

RAIN WATER HAS COME DOWN THE HILL EXTREMELY FAST AND STORM DRAIN COULD NOT HOLD WATER AS WITHIN 10 MINUTES DRAIN WAS BLOCKED AND FILLED UP CAUSING WATER TO ENTER INSUREDS HOME

Policy Details:

Policy No:

Policy Start Date:

3/08/2010

Policy Type:

Landlord

Policy Expiry Date:

3/08/2011

Excess Applicable:

Yes

Amount:

\$ 0

Claim Form Req'd:

No

Fin Inst/Broker:

Rocksure Insurance Brokers

Information/Instructions:

ongoing contact is customer Sally 118. Please assess, flood & storm, and comment on liability. Please request to speak to tenant regarding their version of events. thank you

COVER	SUM INSURED	EST of LOSS
Building	\$ 335,100.00	\$ 100000
contents	\$ 10,000.00	\$ 10000
loss of rent	\$ 21,000.00	\$ 15000
	\$	\$
	\$	\$

Your Contact:

Claims Consultant: Danielle Tarabay

Claims Contact No:

Claims Unit: QLD Landlords

Claims Unit Phone No:

Claims Unit Fax No:

Claims Unit Email:



Claims Unit Address: [REDACTED]

Date of Instructions: 10/02/2011

Annexure 15

CGU Home Claim Progress Advice - Claim Number: [REDACTED] SIM Lotus Notes

File Edit View Create Actions Window Help

Address

Workspace Alpha Processing OLD - 1. Claim... CGU Claim: 1110RKH044263 18 CFD Archive to Feb 2011 - 3... CGU Home Claim Progress...

Send & Save Close

Claim Progress Advice

Send To: [REDACTED]

Subject: CGU Home Claim Progress Advice - Claim Number [REDACTED] Insured Name. [REDACTED]

Claim Number: [REDACTED]

Policy Number: [REDACTED]

Insured Name: SALLY DOYLE

Risk Address: [REDACTED] GRAY ROAD 4101 WESTEND

Date of Loss: 12/01/2011 00:00

Event: Fire & Perils including Accident Damage

Your Reference: [REDACTED]

We refer to the above and advise the current status of this matter.

Thanks for providing the insured's feedback.

We have discussed the damage with the insured on the 1st February & confirmed the following:

- water reached a maximum height of approx 50cm below the ceiling (2-3m inside the home)
- tenants evacuated
- water came from the direction of the street in the first instance and also rose from storm water drains at the rear of the property
- we have explained to the insured flood is not covered
- the insured believed storm water ran through the home in the first instance and then flood water, however she was not present
- we agreed to consider the claim further & have asked to speak with the property manager or tenant regarding the circumstances of the loss, the insured advised this was fine, however has not been back in contact with us to provide any details

While previous case law confirms water escaping rivers & other water courses via storm water drains to find an equal level the the water course is considered flood, the insured's letter appears to indicate she is disputing this fact.

In order to progress the claim we have appointed Crawford & Company to assess the damage, gather information from the tenant or property manager and provide a report on the cause & extent of the damage. The assessor will be in contact with the insured in the next 2-3 business days to arrange an appointment.

Once all information is to hand the claim will be considered by our senior flood panel.

If you have any questions please feel free to contact us [REDACTED]

We will keep you informed of further developments.

If you have any queries please contact me directly.

[REDACTED]

Regards

[REDACTED]

CGU Landlords
Team Rhonda Nirmhar 1500 736 401

USB Device Not Recognized
One of the USB devices attached to this computer has malfunctioned, and Windows does not recognize it.
For assistance in solving this problem, click this message.

Annexure 16

From: [REDACTED]
Sent: Thursday, February 10, 2011 3:17 PM
To: Sally Doyle
Cc: [REDACTED]
[REDACTED]

Subject: RE: OPEN LETTER TO CGU AND THE ROCK BUILDING SOCIETY

Dear Ms Doyle,

Thank you for your email, We have been in discussion with yourself and your Broker, Rocksure, and confirmed at present your claim is still being reviewed.

A CGU assessor has been allocated to attend to your property and assess the cause and extent of damage prior to a decision being made.

The assessor will be in contact with you within 48 hours to arrange a convenient time.

If you have any further enquiries please don't hesitate to contact me.

Kind regards

[REDACTED]
[REDACTED]
Claims Management Consultant
QLD Landlord Claims
CGU Insurance

T [REDACTED]
[REDACTED]
[REDACTED]

www.cgu.com.au <<http://www.cgu.com.au>> We put the You in CGU.

Please consider the environment
before printing this email.

From: Sally Doyle [REDACTED]
Sent: Thursday, 10 February 2011 2:58 PM
To: [REDACTED]
[REDACTED]
Cc: [REDACTED]
Subject: OPEN LETTER TO CGU AND THE ROCK BUILDING SOCIETY

OPEN LETTER TO CGU AND THE ROCK BUILDING SOCIETY 10/02/11

My current key contacts at The Rock Building Society, who sold me my CGU policy for [REDACTED] Gray Rd West End when I first purchased the property in 2000, have been [REDACTED] (Claims Dept at RockSure), and [REDACTED], Senior Accounts Manager, The Rock Building Society.

As [REDACTED] are aware, on Feb 1 I was advised over the phone by CGU Claims Officer [REDACTED] that my claim for water damage to my property had been denied, on the basis "it was flood damage" and "my policy did not cover flood".

As [REDACTED] may not be aware, in my role as a Social Worker in Queensland Health at [REDACTED], I have had the opportunity to see first hand every day the impact of the recent catastrophe on the communities I work in. I also have experienced every day the impact of the shameful response on the part of a number of insurance companies on my clients, my neighbours, my friends, and also on myself.

At a time when so many people are exhausted, traumatised, dislocated from their homes and grief stricken, the insurance industry is adding a whole new layer of trauma and misery. The death toll from the floods is not final. I fear that the blithe mismanagement by some members of the insurance industry will break what little spirit remains for some people.

Many people I work with do not have the emotional or practical resources left to engage with a hostile and manipulative insurance bureaucracy. Some of us, however, do have the resources to push back, and plan to hold CGU and its counterparts accountable for the damage you are inflicting.

I am not a blindly optimistic person, but even I have been stunned by the cursory and improper way my claim has been handled.

1. CGU HAS NOT EVEN PRETENDED TO DO A PROPER ASSESSMENT OF MY CLAIM.

At no point have questions been asked by CGU, at no point has an assessor visited, and on Feb 1 I was told that "a hydrologist report showed Brisbane had a flood" so my property wasn't covered. Information specific to my property – topography, drainage, stormwater drains etc – has been ignored.

2. INFORMATION PROVIDED HAS BEEN IGNORED, AND THE ONLY DIRECT CONTACT WITH CGU WAS ONE PHONE CALL TO SAY THE CLAIM WAS DENIED

3. **I WAS ADVISED BY THE CGU CLAIMS OFFICER ON FEB 2 THAT "THE COMPANY" WAS NOW "REINTERPRETING/REDEFINING" KEY POLICY PROVISIONS.** In this case, "the company had decided" that a "watercourse" was now going to include not just lakes, dams, rivers etc but also stormwater drains.
4. **CLEARLY, DUE PROCESS IS BEING ENTIRELY IGNORED BY CGU.**

I have attended two recent community meetings at Goodna and Ipswich, conducted by the Insurance Association of Australia, where local people have raised their questions and concerns. Unfortunately, the above experiences I have had are very, very common in other customers' experiences.

RockSure staff have told me on two occasions that "you should have read your policy" "you're not covered for flood" and to "see things from the insurers point of view"

I and other policy holders are not wanting "something for nothing" but I am asking that the current campaign of dirty tricks and slipperiness that is causing such distress, to stop now.

I also request that CGU policy holders be afforded the courtesy of proper assessments and not the current insulting brushoff that is occurring.

I request that any attempt to "rewrite" aspects of policy documents cease and an apology be issued for the attempt to do that. I will request a review of this aspect of claim mismanagement to the relevant regulatory body for review.

Thankyou

Sally Doyle

Annexure 17

ASSESSMENT REPORT

CLAIM NUMBER	<div>Landlord policy</div> <div>Building \$335100 Contents \$100000 Loss of rent \$21000</div>
CLIENT NAME	Sally Doyle
DATE	WEDNESDAY 16/02/2011
ADDRESS	Gray Road West End, Brisbane QLD 4101
PERSON/S PRESENT FOR ASSESSMENT	Tenant , Insured Sally Doyle and insureds Brother in law.
EXCESS	\$250.00
PHOTOS TAKEN	<p>Yes – client provided lots of photos of after the flood water has subsided and 6 photos of the property prior to the flood water</p> <p>Tenant will be emailing some through photos of the property on the Tuesday when the property first started to become inundated by rainwater and water coming out of the drains.</p>
RECOVERY	NO
RECOMMEND EXPERT REPORT?	Hydrologist
REFER TO INVESTIGATIONS?	No
SUM INSURED ADEQUATE?	Yes
DAMAGE TO PROPERTY	<p>Walls – VJ sheeting and tongue and groove timber panelling – builder has been out to inspect and have advised they are not salvageable. Photos show that the walls were very bowed and skirting boards were pushed away from the wall.</p> <p>Floors – Timber floorboards - half the floors were redone a few years ago and they have been minor affected however the older floorboards. Attempted to sand the floors back but they disintegrated under the sander</p> <p>Chipboard/ particleboard cabinets in bathroom and</p>

	<p>kitchen. Tiles out the front have bubbled and cracked. Air conditioner needs to be replaced.</p> <p>Kitchen appliances – range hood, stove and oven need to be replaced. Kitchen bench tops stainless steel to be cleaned.</p> <p>Doors and windows yet to be sanded back and builder will confirm if salvageable</p> <p>Outside of the house has been sprayed with a gurney however paint is still stained and will need repainting.</p>
DISCUSSIONS	<p><u>Discussions with Sally</u> – Insured advised that she was out at Esk working at the time that the floods hit. Insured walked me through the property pointing out the damages and what she has tried to salvage with a builders advice. Insured agreed that if the river had of flooded with out the rain contributing then she would accept that that was flood however the water had been a result of drains unable to cope with amount of rain. Insured advised that she has always been with CGU and when she took her policy out she confirmed she would be covered for any issues with rainwater and the drains.</p> <p>Insured advised that called the council to come and pump the drains and they didn't. Then on Friday night 14th the Fire and rescue came and lit up the street and some stage over the weekend possibly even the Monday the council pumped the drain out.</p> <p><u>Discussions with tenant</u> [REDACTED] works for the Brisbane city council and has always been aware of the drainage that the property has had. He described the storm water drain at the back of the property as a "basin plug hole" for the surrounding houses, as they are at the lowest point and the storm water runoff heads to the back yard and street gutters at the front of the property.</p> <p>[REDACTED] advised that he watched the water come through the property from the heavy rain on the Monday and Tuesday (10th/11th Jan). By approx midday on Tuesday the 11th of Jan the drain was unable to take on anymore water and water started to overflow and bubble out into the yard and the</p>

	<p>street had water starting to pool from the storm water drain and the continuous rain. ■■■ said the water wasn't the orange muddy colour that the flood water colour was by that stage it was just dirty storm water with no where to go.</p> <p>■■■ father is a hydrologist engineer and he called him to find out what he should do and his father told him to evacuate so they started to try and get out what they could and by midnight Tuesday night they were evacuated and the water was approx 1 foot past the floor boards (highset) the water in the back yard had started to meet the water on the street which at this point was covering the speed bumps.</p> <p>I Gave ■■■ my card with Sally's permission to forward through some photos taken on the Tuesday to be emailed through to me.</p> <p>■■■ believes that the flood water and storm water met on the Wednesday at some stage – photos taken by property manager provided by the insured on the Wednesday confirm this occurred at least Wednesday as the photo was taken Wednesday.</p>
OBSERVATIONS AND OTHER NOTES	Property is situated approx three streets back from the river and is at the lowest point with storm water draining running through the property. (See map below)
NEXT ACTION FOR CLIENT	No action required at this stage
RECOMMENDED NEXT ACTION FOR CLAIMS	Appoint hydrologist to confirm if water coming out of drains before river peaked was flood water or storm water runoff.
FURTHER ASSESSMENT REQUIRED?	Not at this stage



A is insureds property

Annexure 18



FAX MESSAGE

To: [REDACTED] Fax no: [REDACTED]
Company:

From: [REDACTED] Fax no:
CGU Ins National Claims Assurance Team 2 Phone no: [REDACTED]

Pages: 21
Date: Wednesday, 16 February 2011 at 4:30 PM

Subject: FW: Sally doyle 11iqrh044263 - hard copies of photos on my desk.

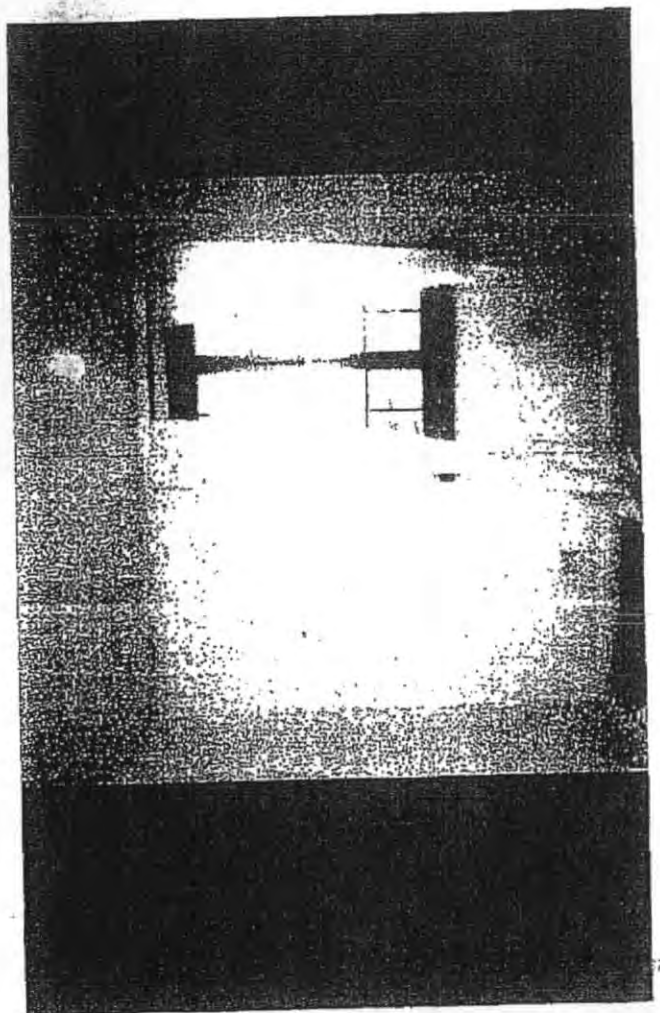
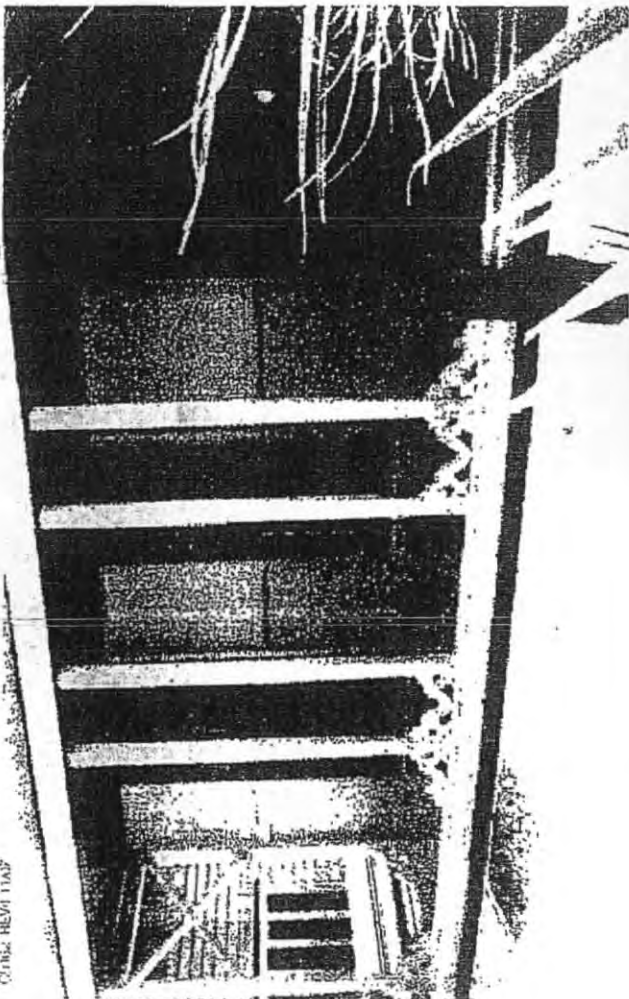
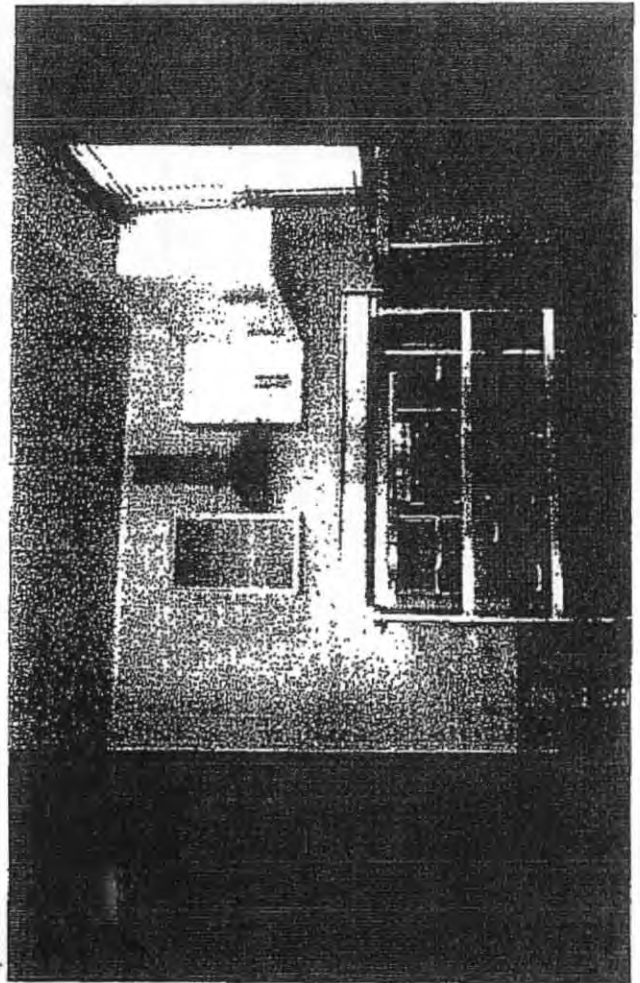
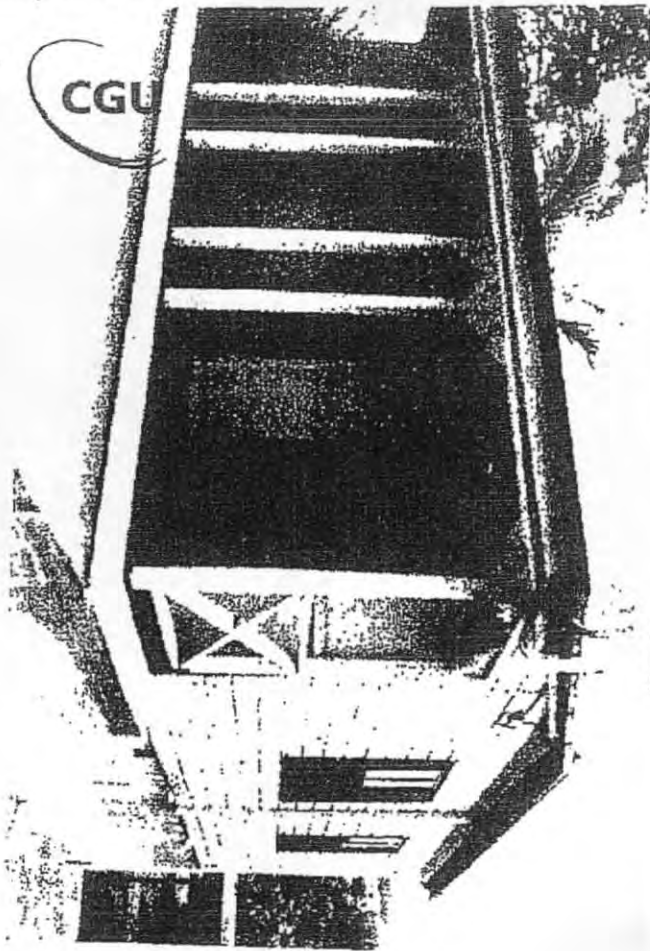
NARDOC

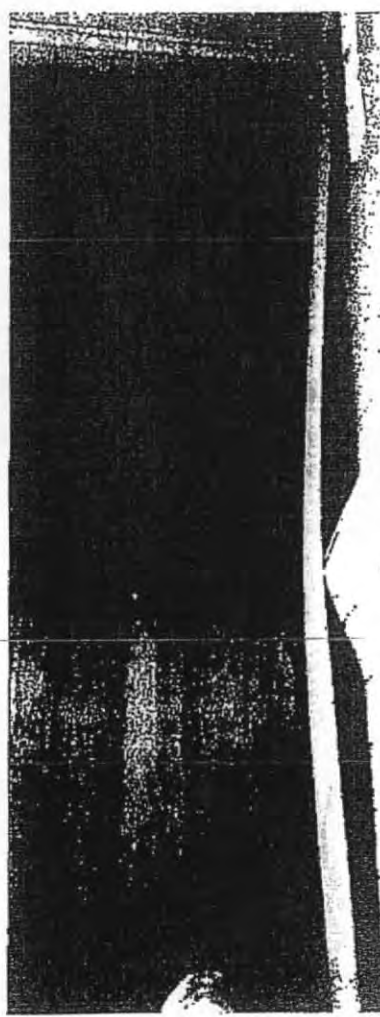
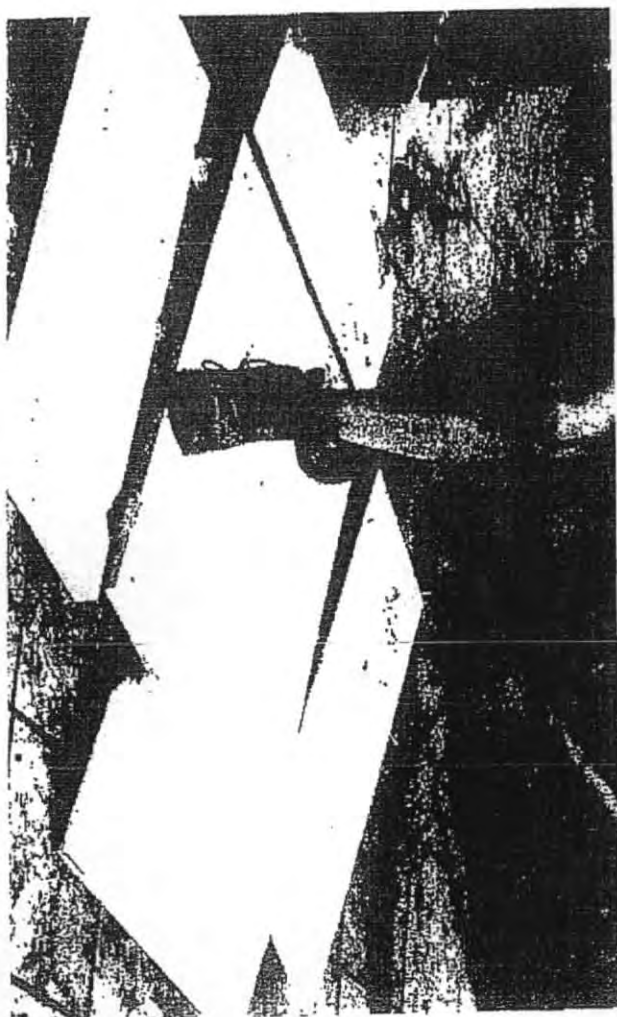
[REDACTED]
Team Manager
CGU Insurance

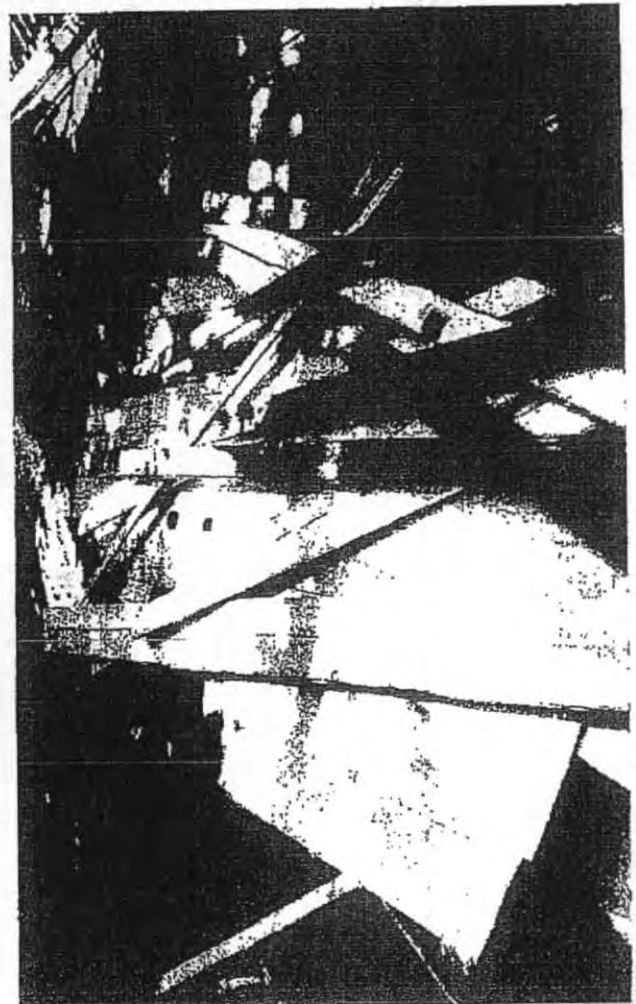
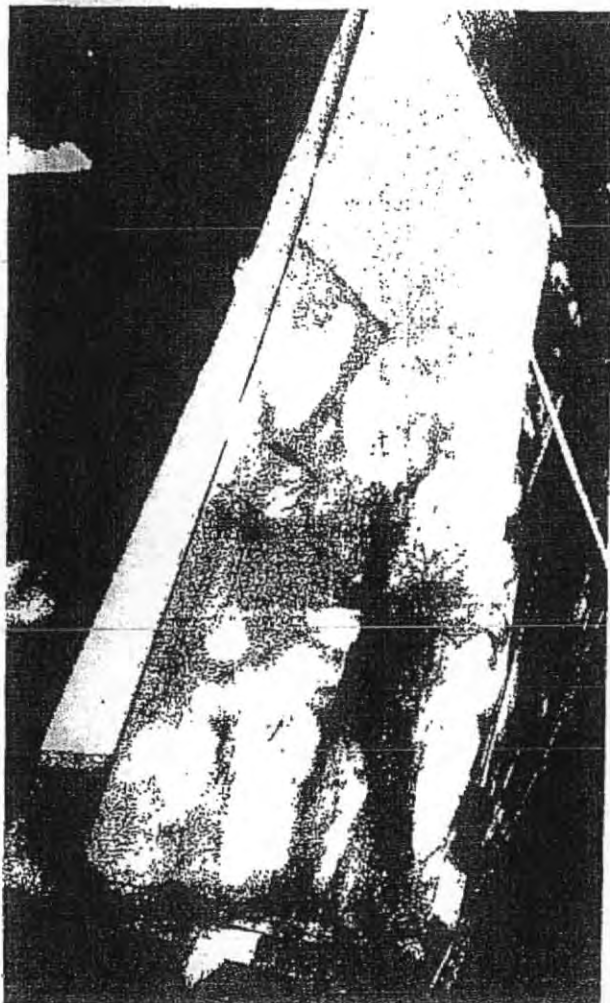
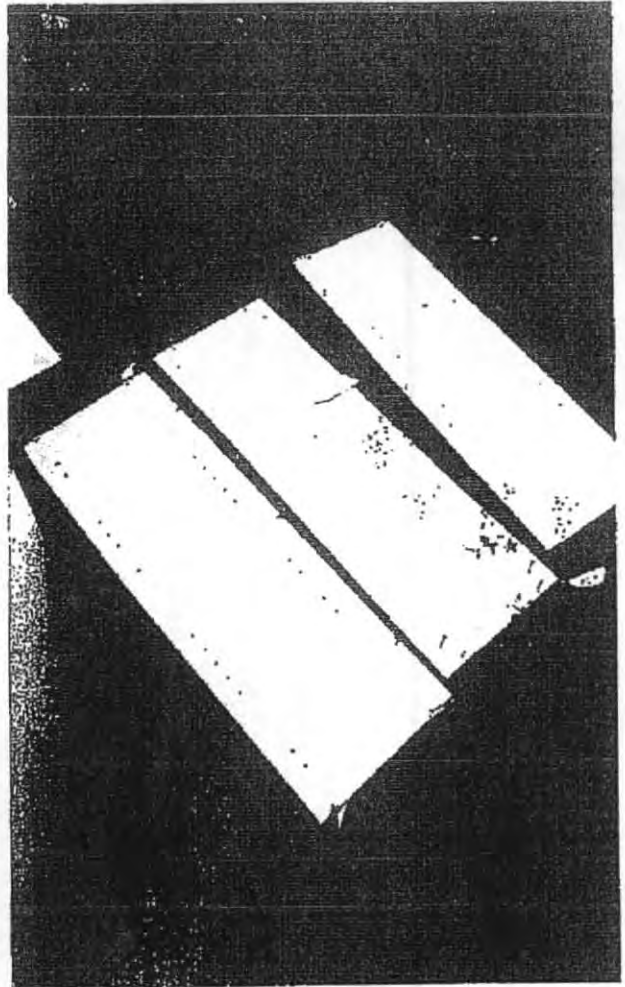
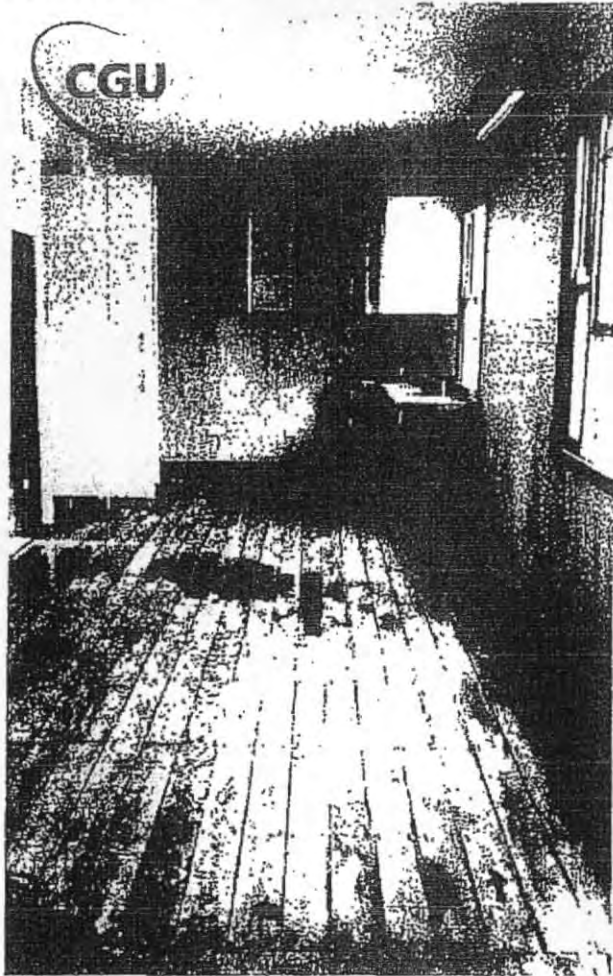
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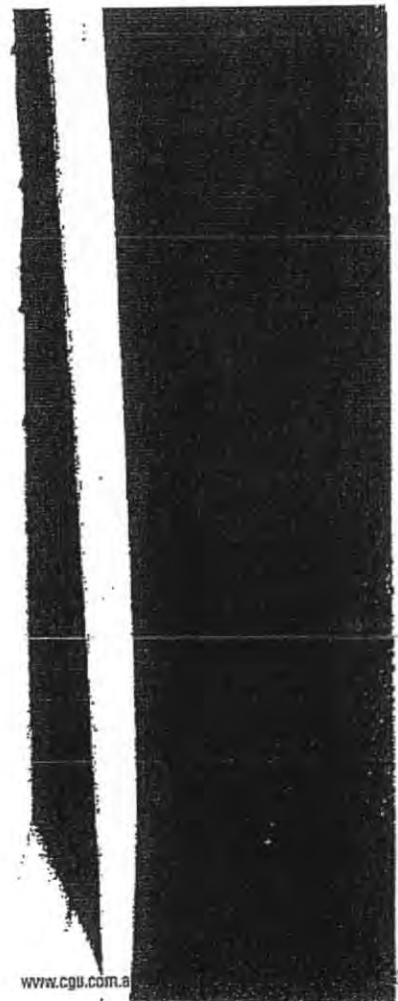
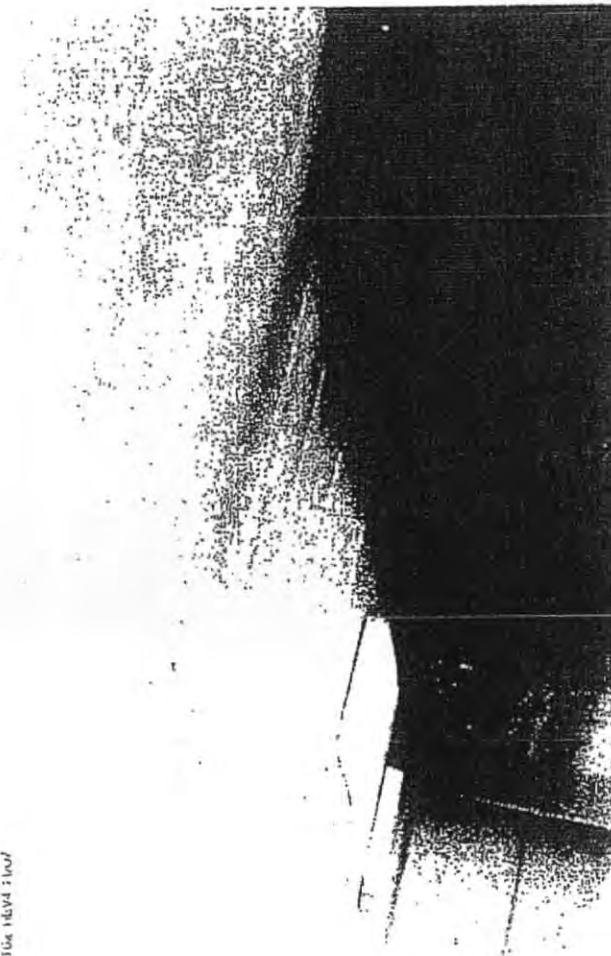
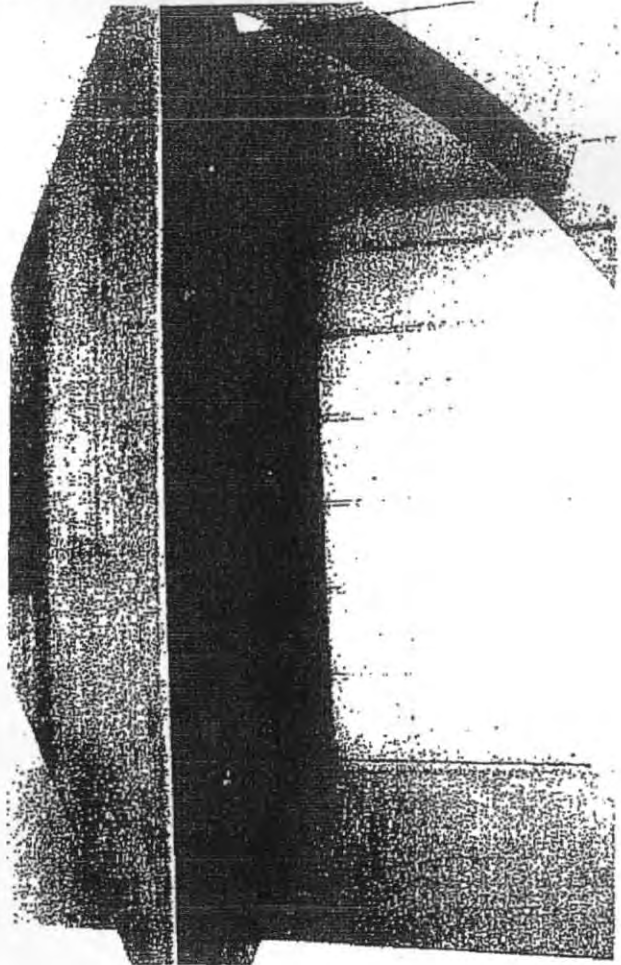
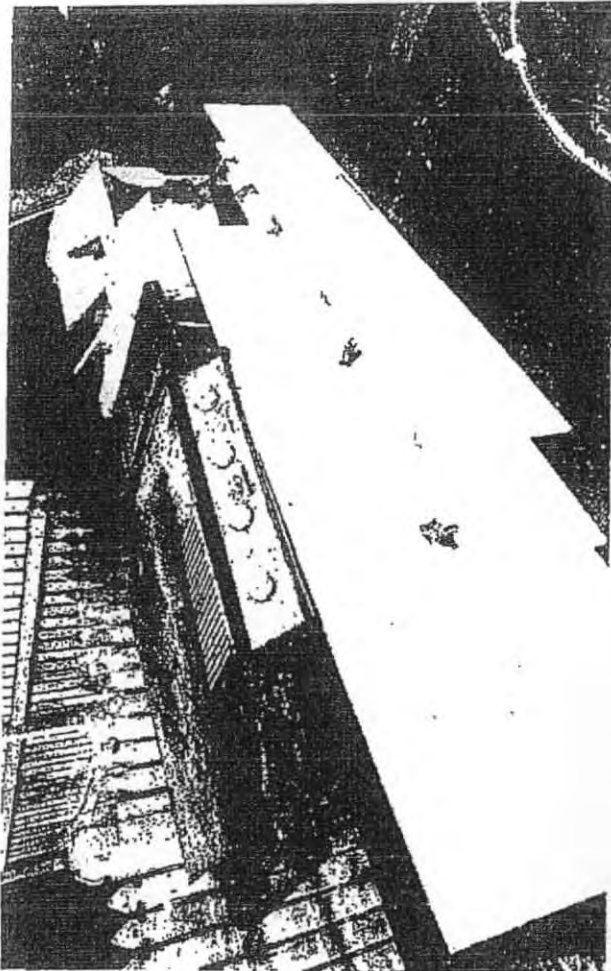
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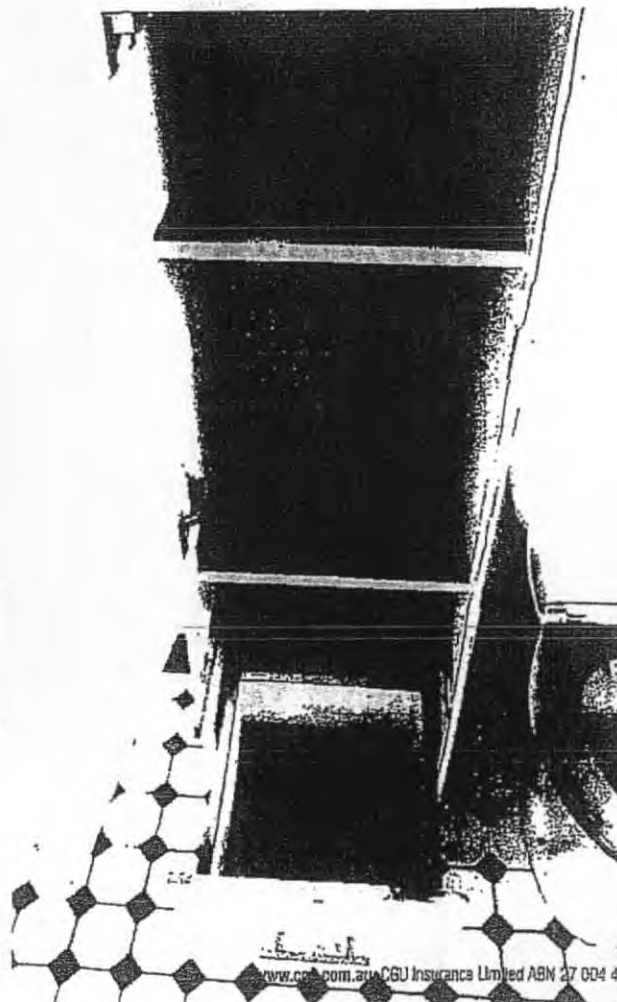
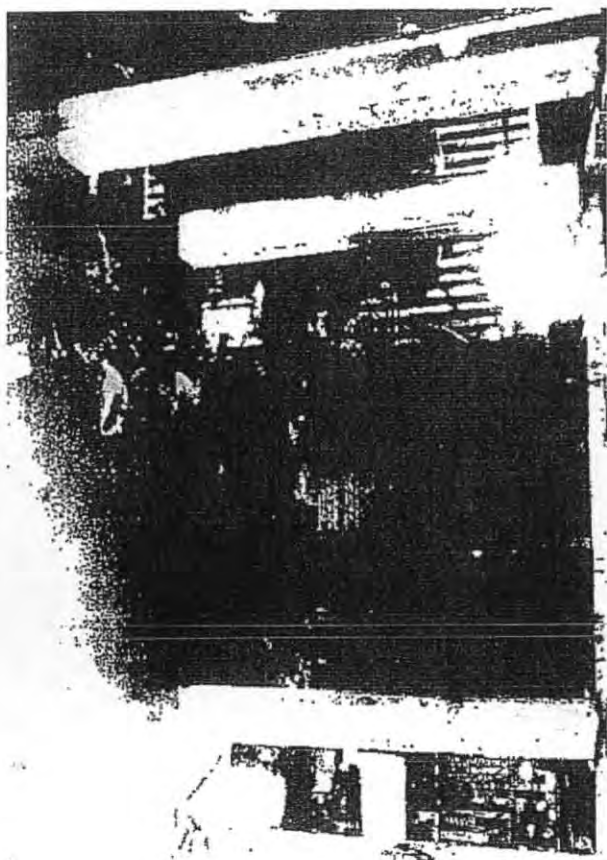
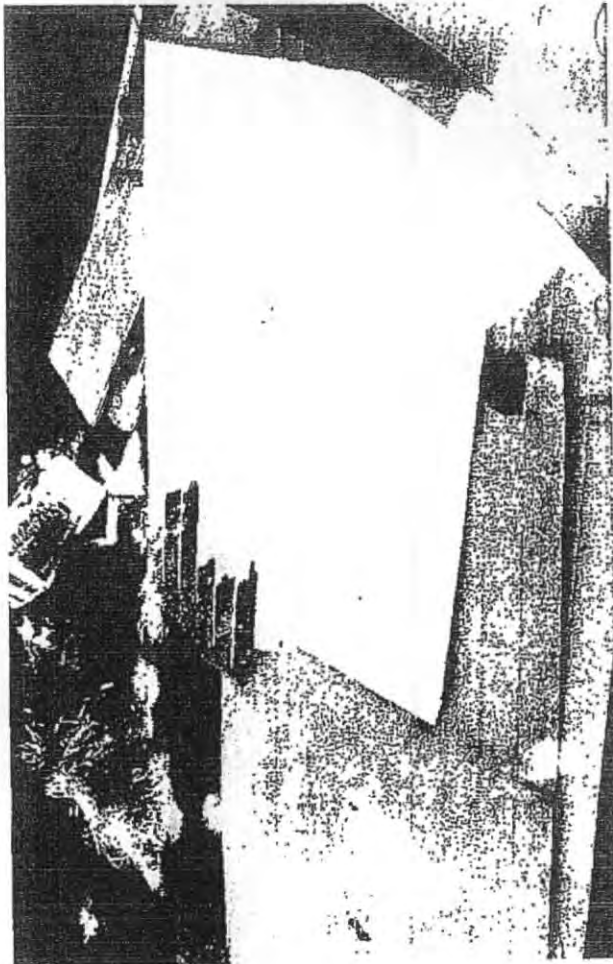
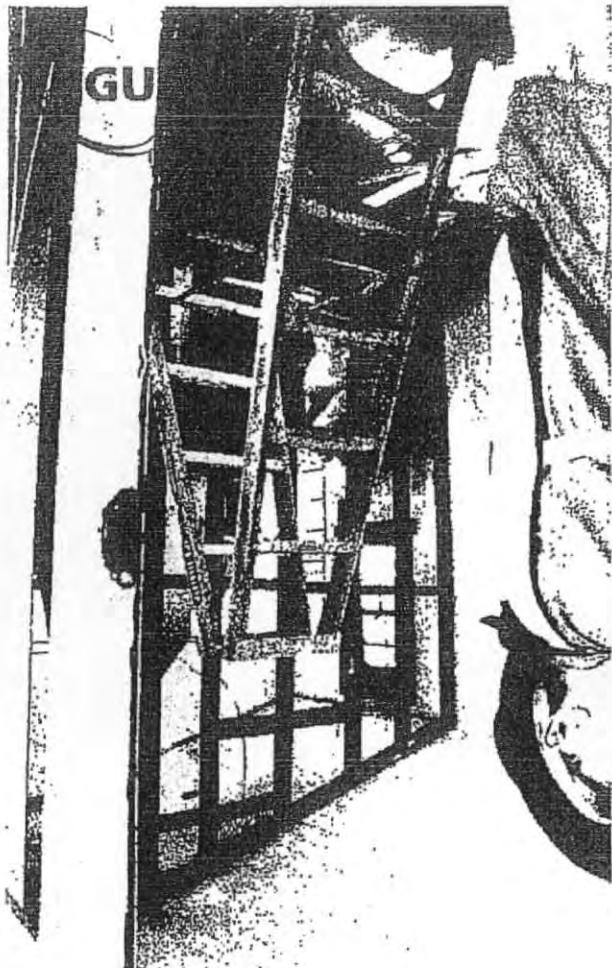
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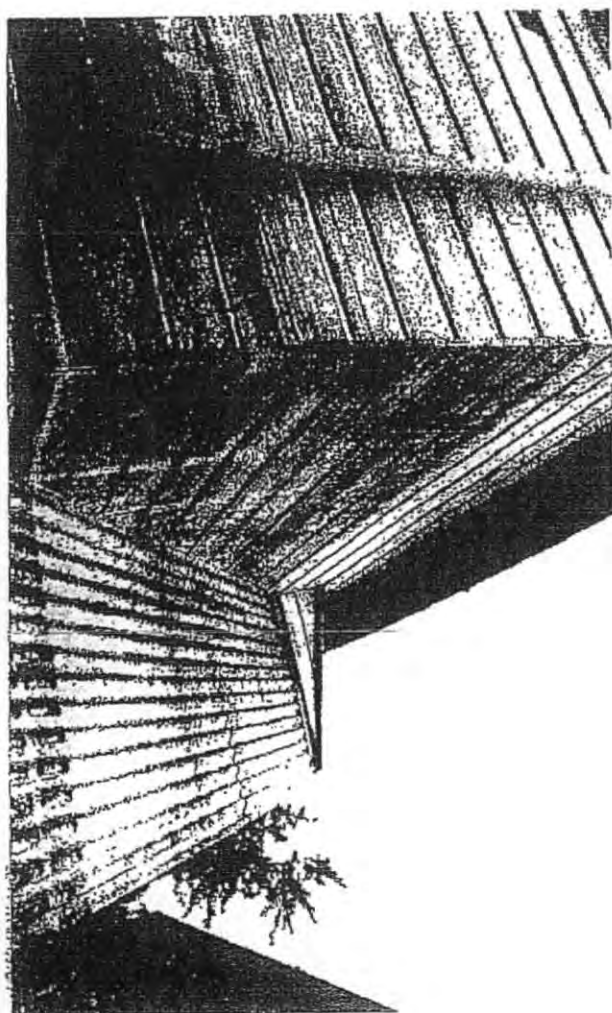
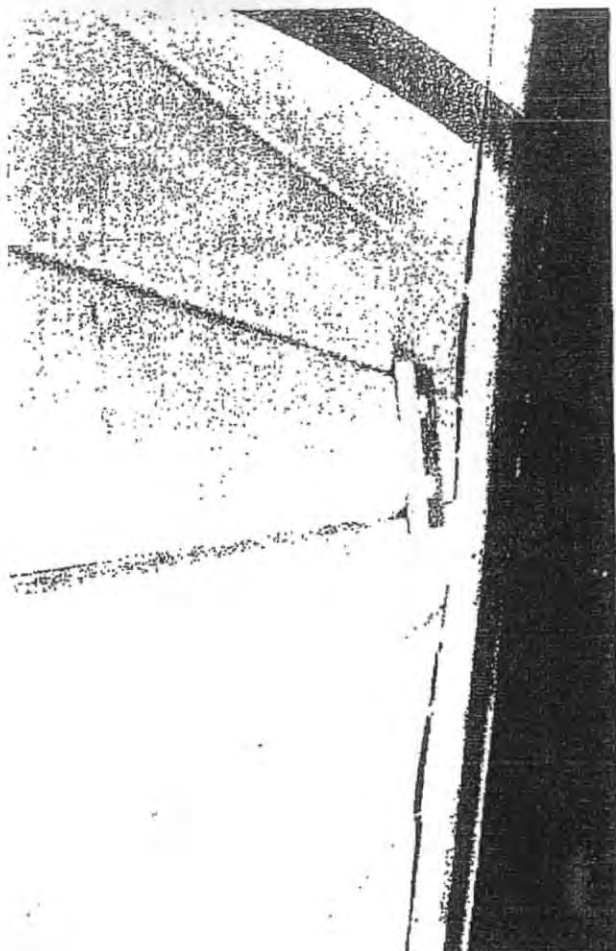
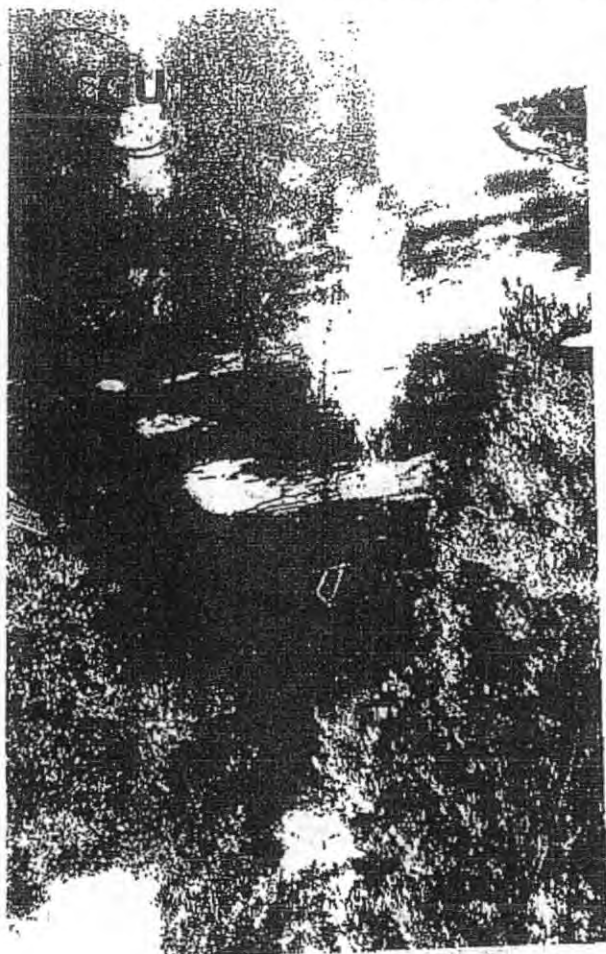


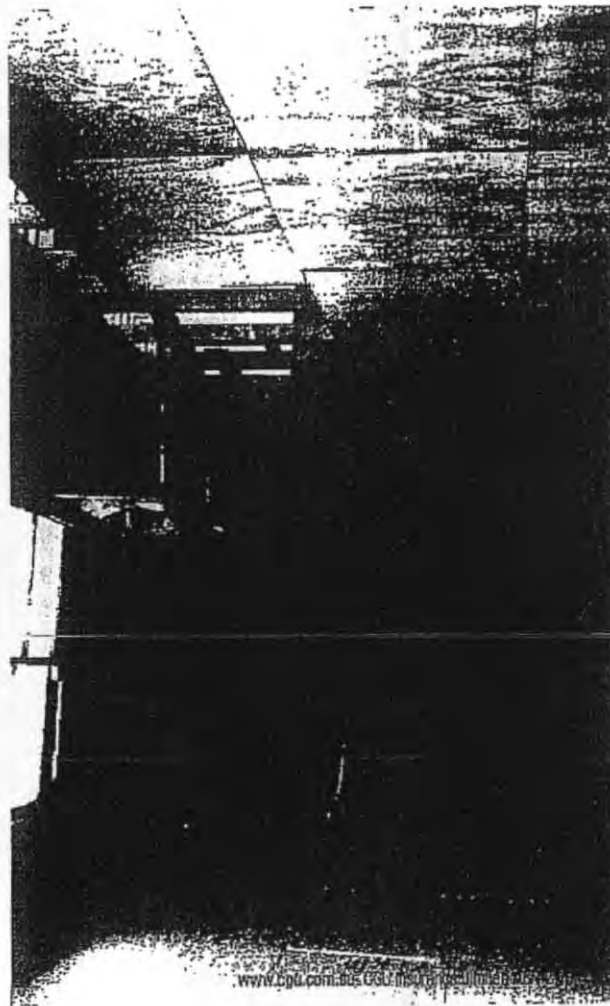
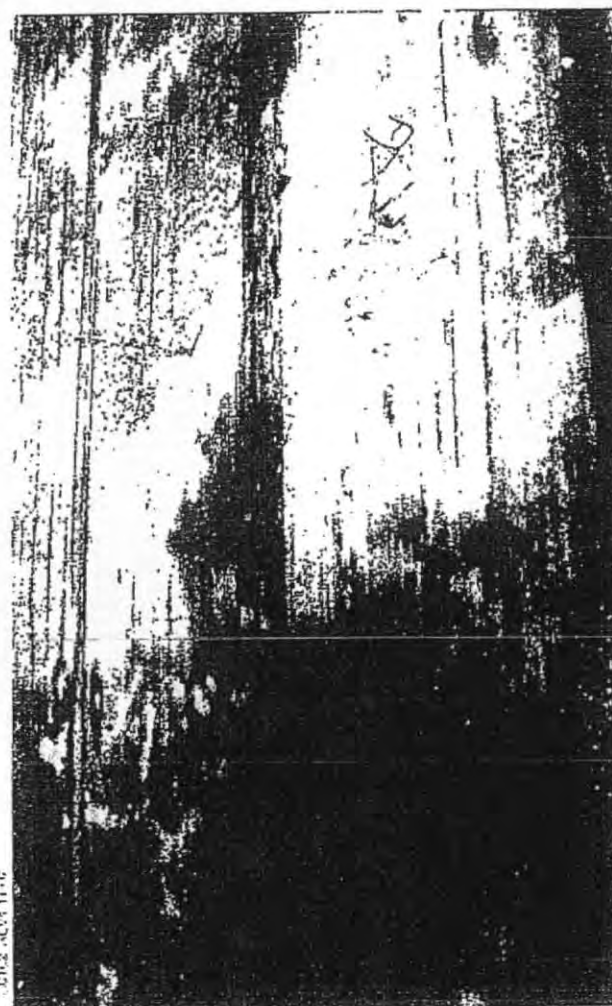
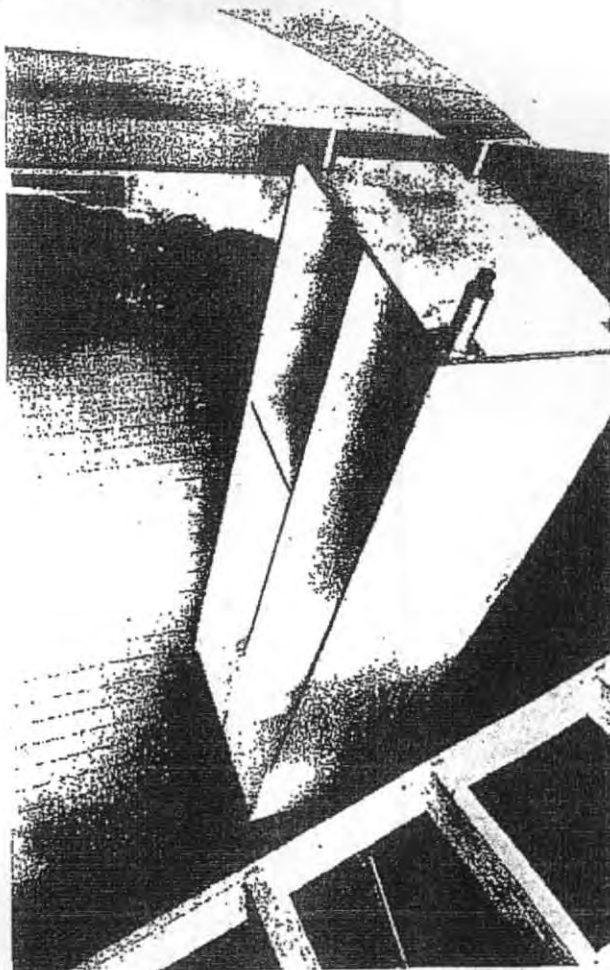
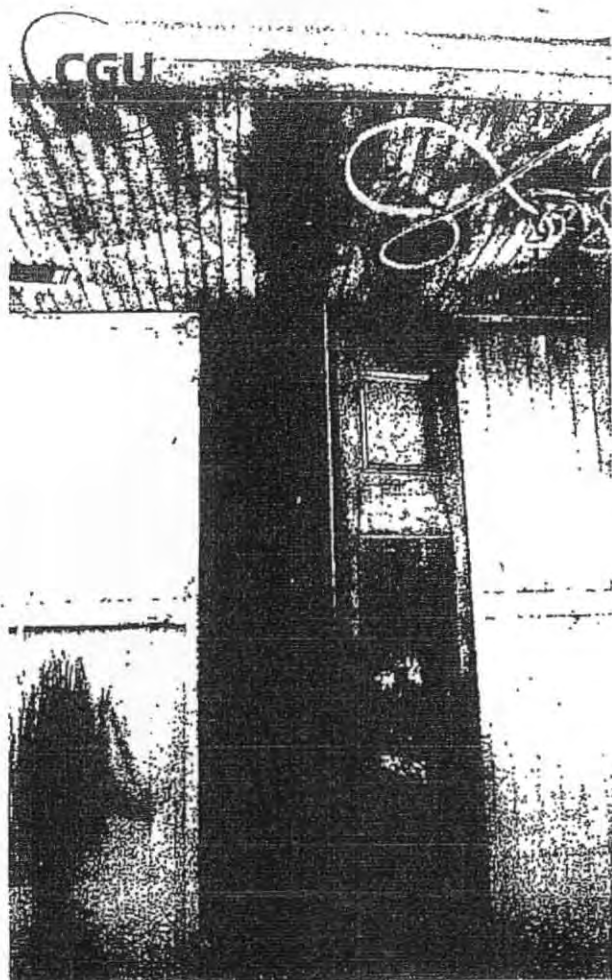


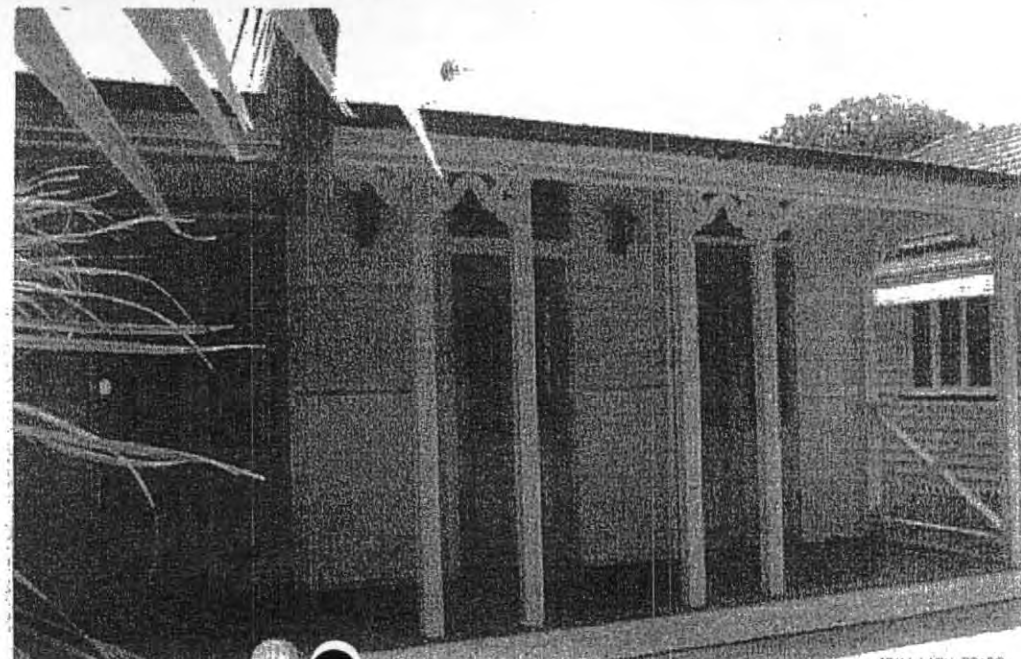
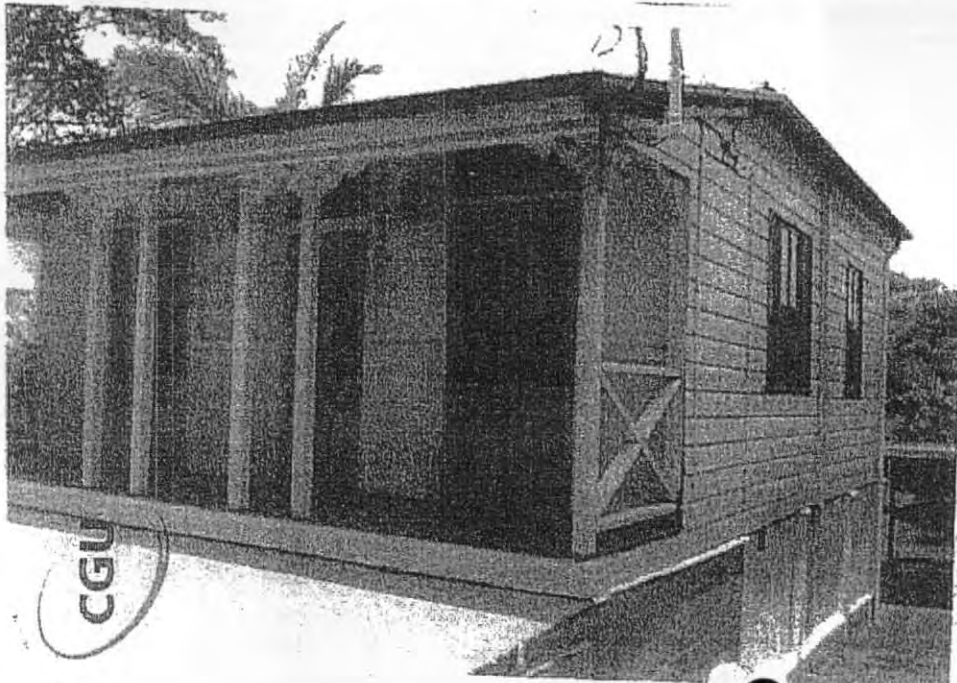
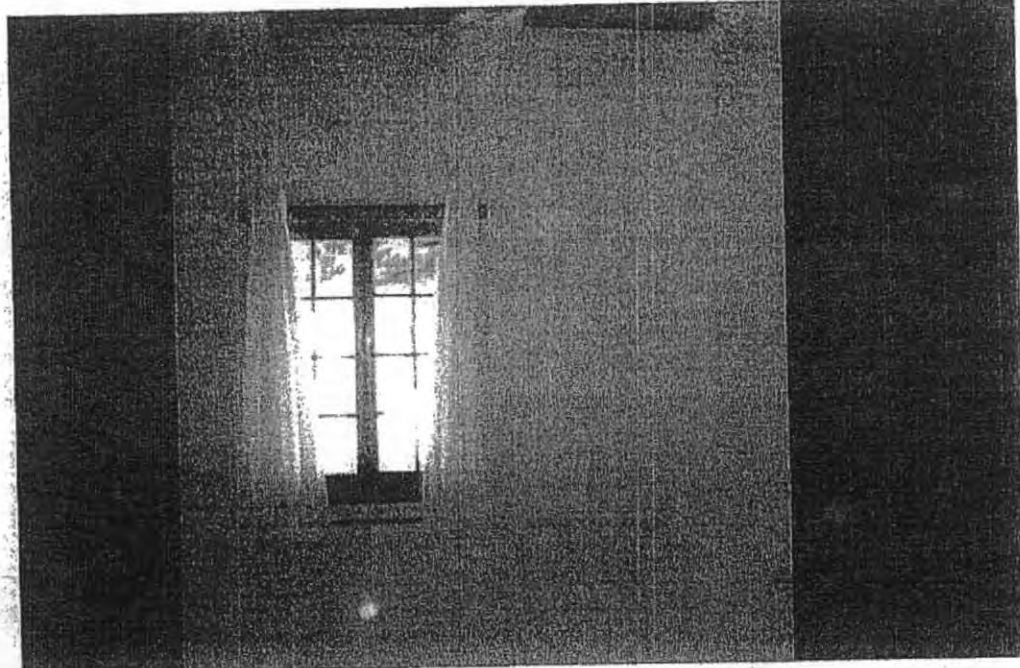
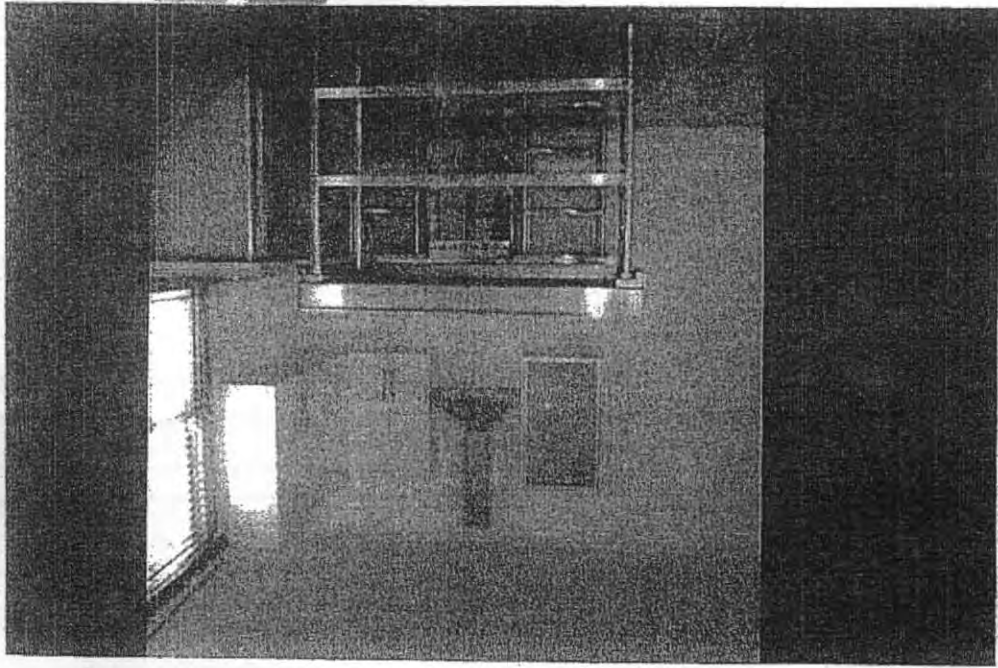


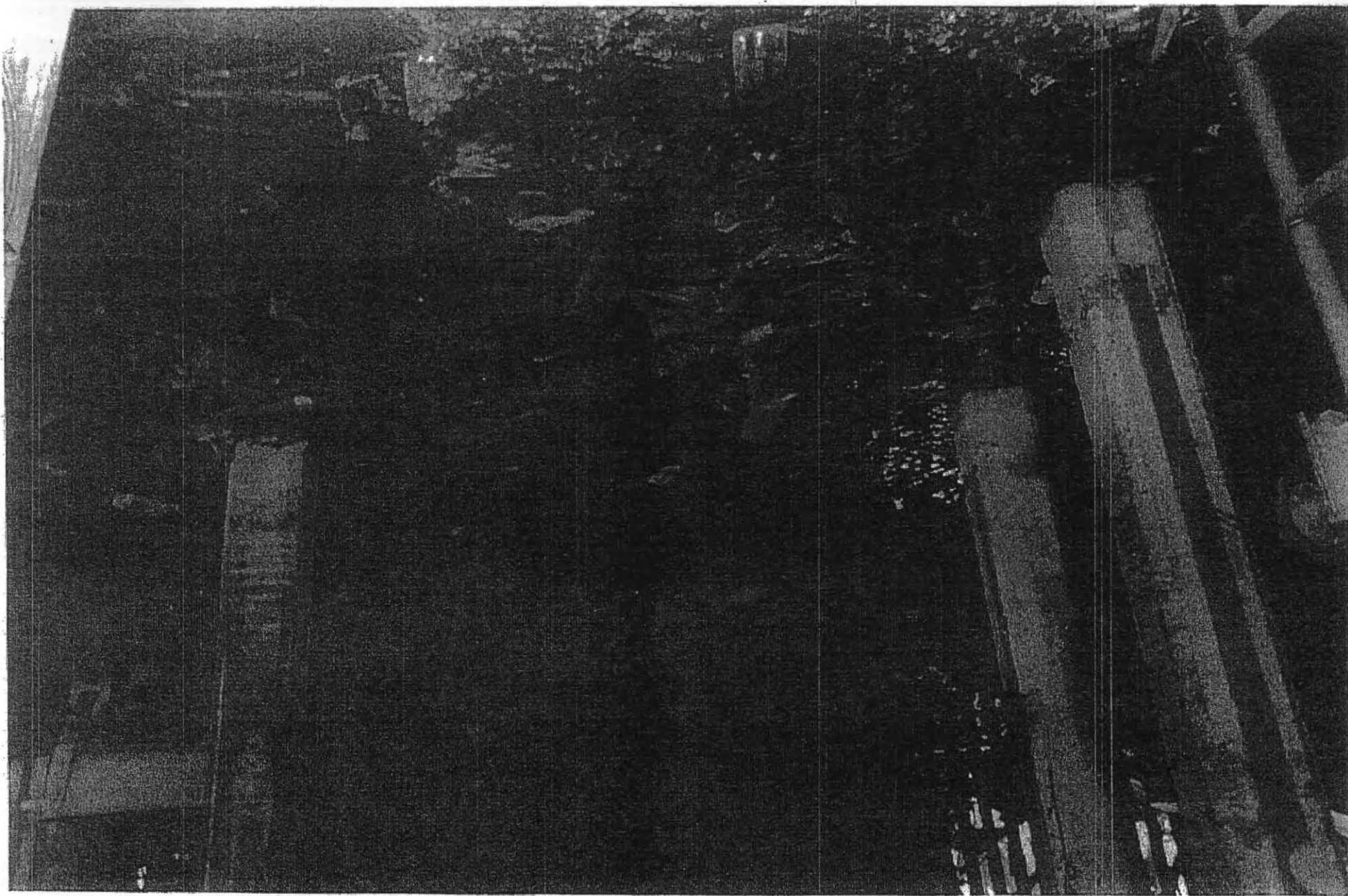


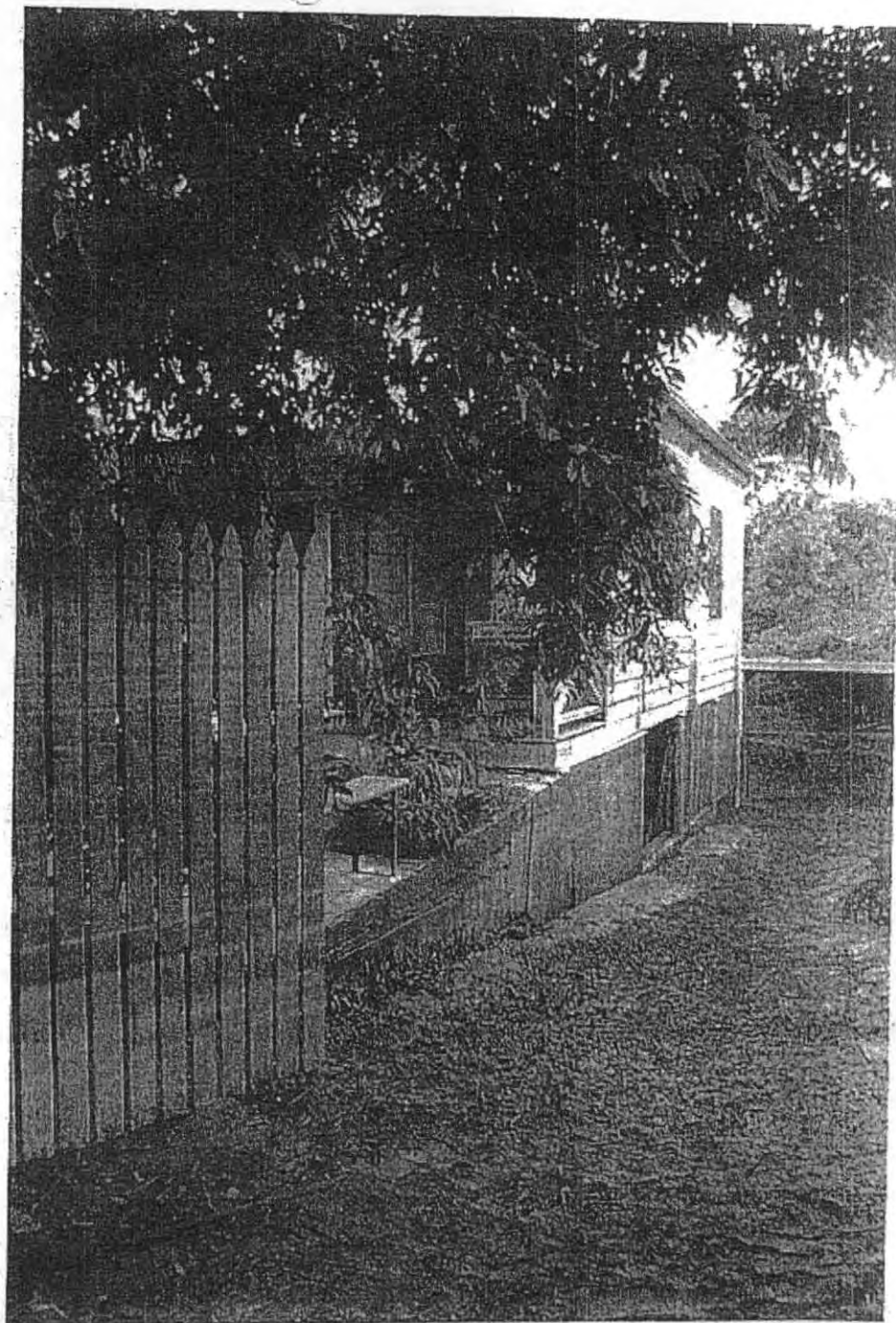


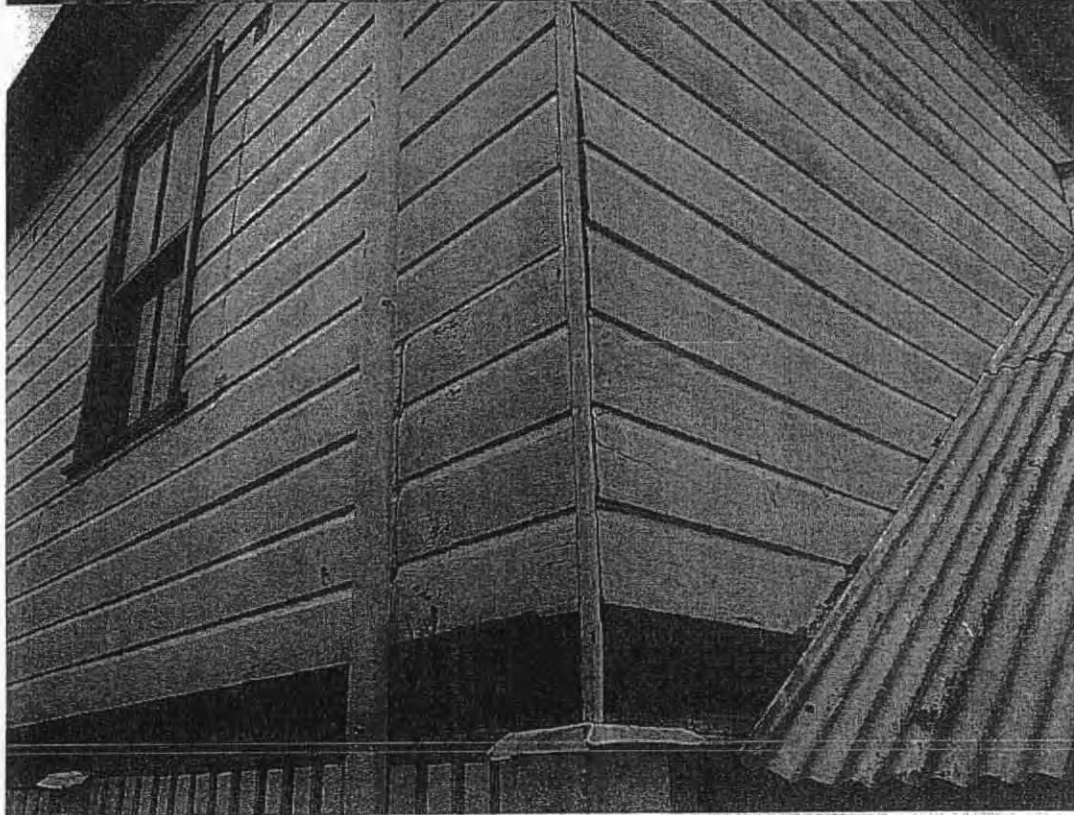
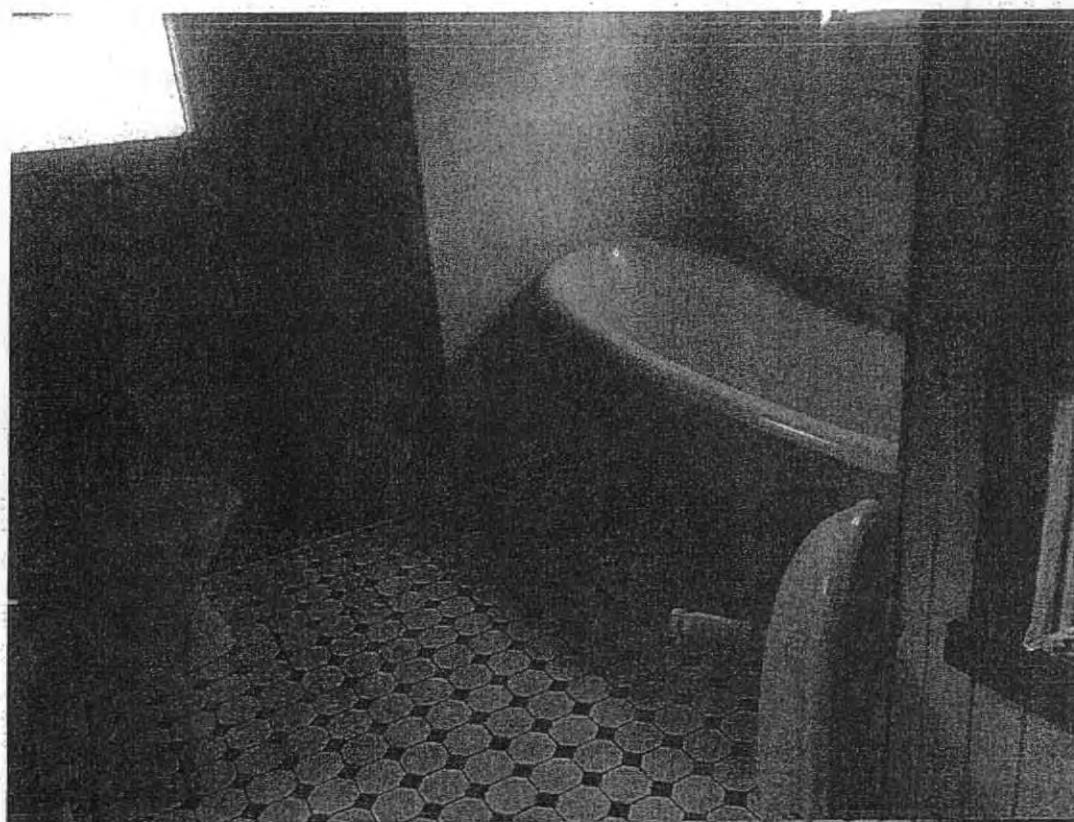


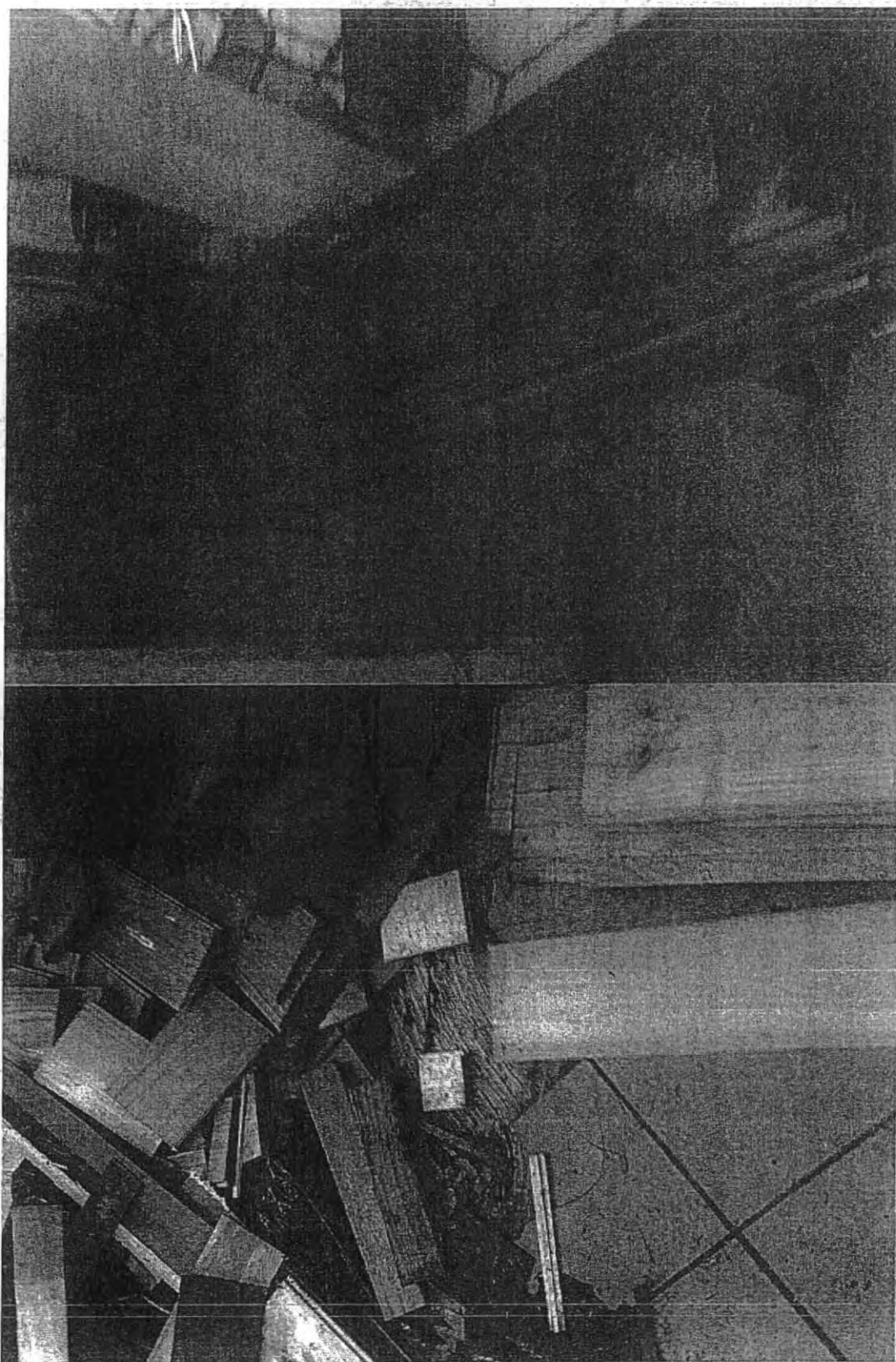


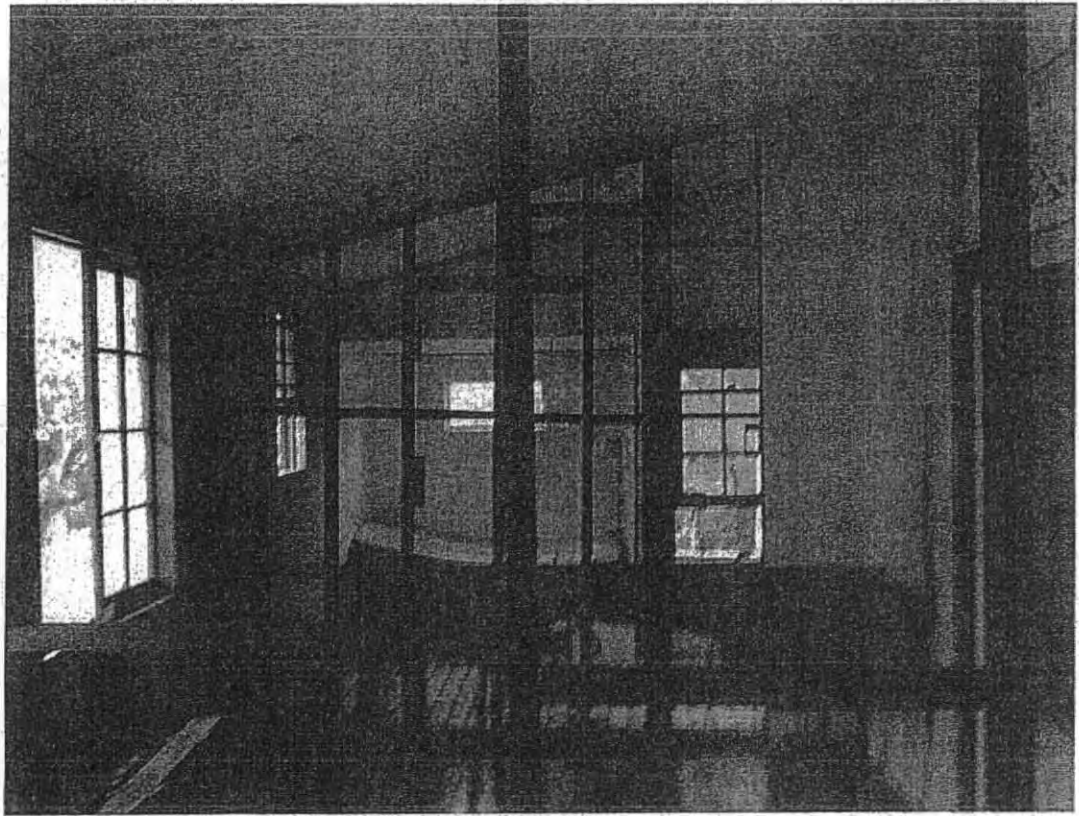


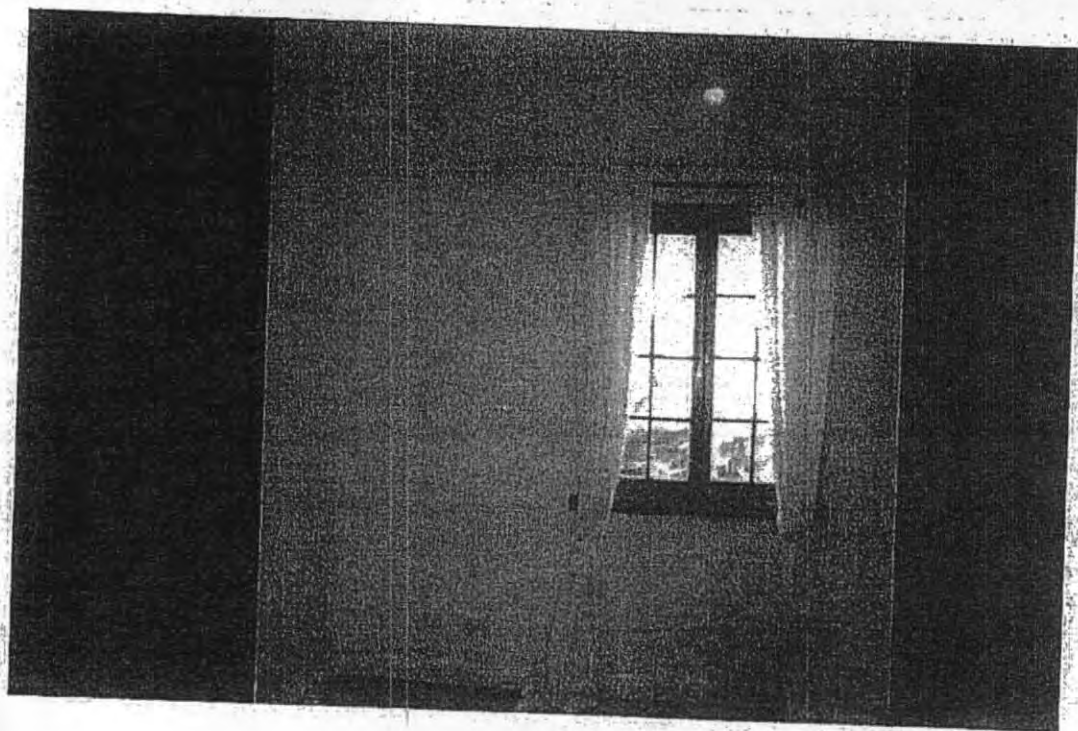
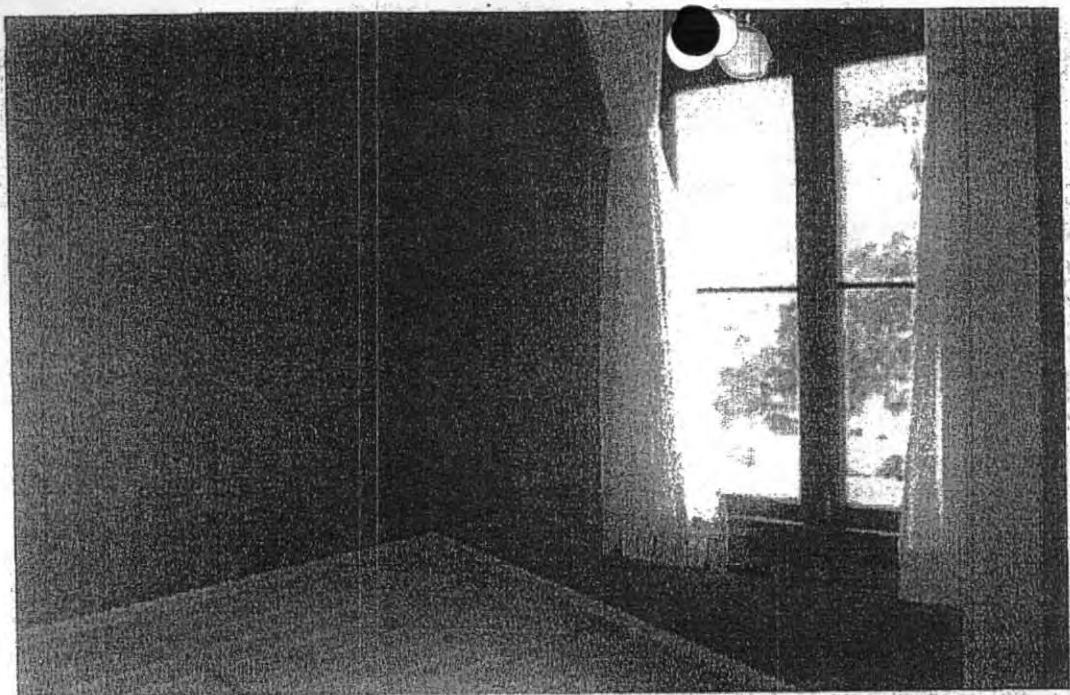




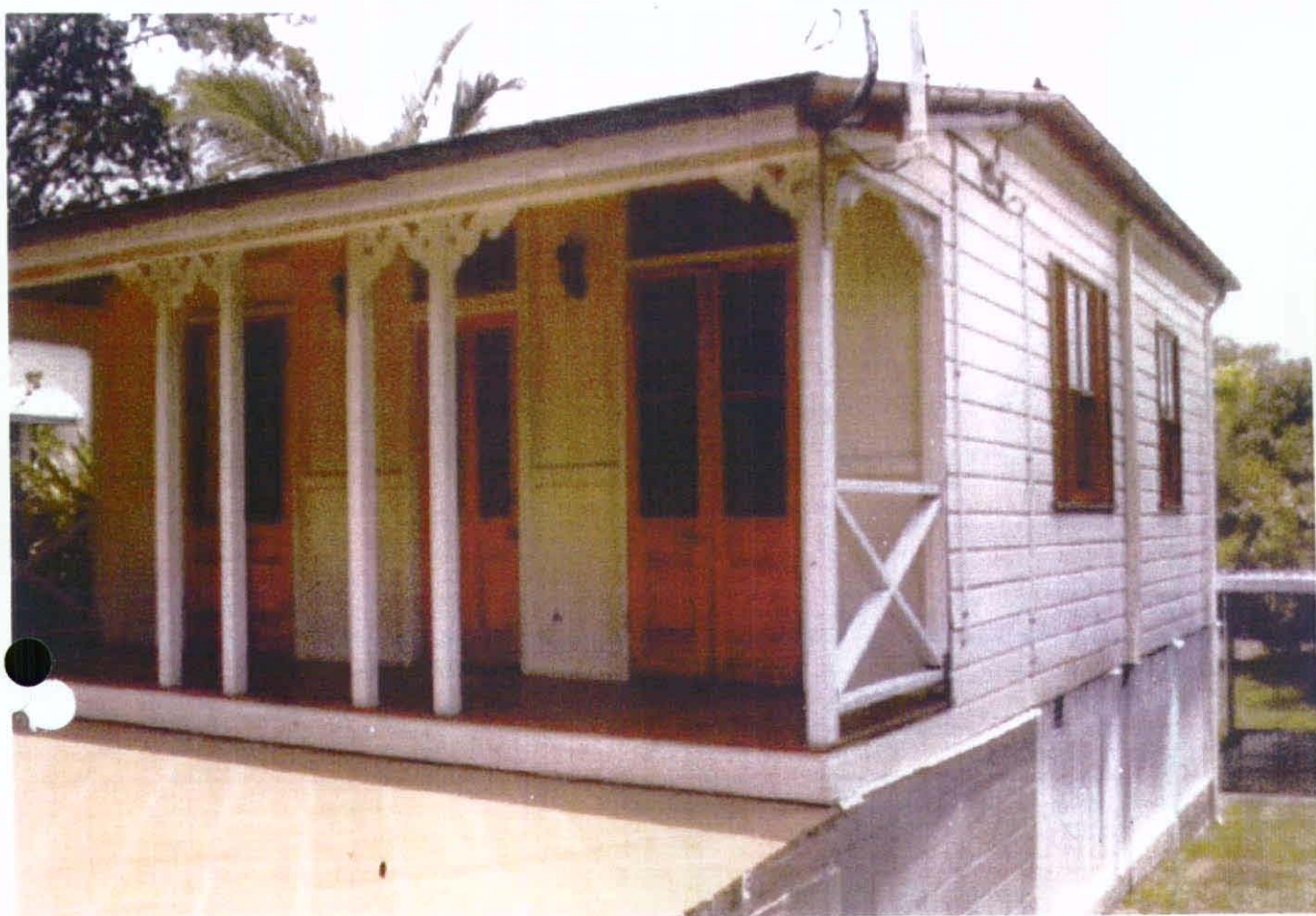








Annexure 19





Annexure 20



Property Assessment Notification Intermediary Business	
Provider: Worley Parsons	
ATTN: [REDACTED]	Contact No.: [REDACTED]
Email: [REDACTED]	Fax No.: [REDACTED]
State: QLD	

Insured Details	
Claim No: [REDACTED]	Home No: [REDACTED]
Insured: Sally Doyle	Business No: [REDACTED]
Address: [REDACTED] GRAY ROAD WESTEND 4101	Mobile No: [REDACTED]
	Fax No: [REDACTED]
Insured's Special Arrangements: [REDACTED]	
Job Type: Assess & Report	

Loss Details	
Date of Loss: 12/01/2011	Date of Loss Advice: 13/01/2011
Type of Loss: Fire & Perils including Accident Damage	
Address of Loss: [REDACTED] GRAY ROAD WESTEND QLD 4101	
Loss Description:	RAIN WATER HAS COME DOWN THE HILL EXTREMELY FAST AND STORM DRAIN COULD NOT HOLD WATER AS WITHIN 10 MINUTES DRAIN WAS BLOCKED AND FILLED UP CAUSING WATER TO ENTER INSUREDS HOME. HOME FLOODED TO JUST BELOW CEILING

Policy Details	
Policy No: [REDACTED]	Policy Start Date: 3/08/2010
Policy Type: Landlord	Policy Expiry Date: 3/08/2011
Excess Applicable: Yes	Amount: \$0
Claim Form Req'd: No	Fin Inst/Broker: Rocksure Insurance Brokers [REDACTED]

Information/Instructions

Cause of damage needs to be determined:

1.2. For us to determine any one case, it must be clear that damage is not a direct consequence of water escaping or mixing from the river (which can be identified from flood maps)

1.3. For these cases where there may be some potential for we must establish:-

- (a) timing of - (i) when & where did the water enter the premises
- (ii) over what period did it rain & the relevance of rain ceasing to water entering the premises
- (iii) when the river overflowed relevant to the premises occupied by the Insured
- (b) where the river has overflowed relevant to the Insured's premises
- (c) is it likely High Water had any bearing on the water entering the Insured's premises or building
- (d) what was the colour of the water which entered the premises

In order to determine policy coverage, CGU needs to know if storm water did enter the premises prior to the flood, and if so to what height. If and how the premises was affected by the Brisbane river flooding between approx the 10th to the 13th of July.

Thanks

COVER	SUM INSURED	EST OF LOSS
Building	\$ 335,100.00	\$ 100000
Contents	\$ 21,000.00	\$ 21000
	\$	\$
	\$	\$
	\$	\$

Your Contact			
Claims Consultant:		Claims Contact No:	
Claims Unit:	QLD Landlords	Claims Unit Phone No:	
Claims Unit Fax No:		Claims Unit Email:	
Claims Unit Address:	GPO Box 1162 Brisbane QLD 4001	Date of Instructions:	16/02/2011

Annexure 21



WorleyParsons

resources & energy

**Infrastructure
and
Environment**

Level 12, 141 Walker Street
North Sydney NSW 2060 Australia
Telephone: +61 2 8923 6866
Facsimile: +61 2 8923 6877
WorleyParsons Services Pty Ltd
ABN 61 001 279 812

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Ref: 301015-02484\mREP-AB7 GCU- 77 Gray Rd West End.doc

HYDROLOGY REPORT RELATING TO THE JANUARY 2011 STORM

Prepared by : [REDACTED] ENGINEER, WORLEYPARSONS
Prepared for : CGU
Claimant : MS SALLY DOYLE
Property : [REDACTED] GRAY RD, WEST END, QLD
Reference : [REDACTED]

PROJECT 301015-02484.01 AB7

REV	DESCRIPTION	ORIG	REVIEW	WORLEY- PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
A	ISSUED FOR INTERNAL REVIEW	[REDACTED]	[REDACTED]	N/A	4-3-2011	N/A	
B	FINAL	[REDACTED]	[REDACTED]	[REDACTED]	9-3-2011	N/A	

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EVENT OVERVIEW

On the 7th of January 2011, a low pressure cell derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8th of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9th of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9th of January, this trough rotated towards south-east Queensland and formed large volumes of rain as warm moist air was forced upwards over the region from a high pressure cell located near New Zealand.

This process continued throughout the 9th of January, with the trough reducing in span and generally remaining stationary off the coast.

The intensification of the coastal low pressure system on the 9th of January led to the generation of sustained rainfall across coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments. Rainfall generally progressed from the north to the south with the start of the storm occurring from 04:00 (*recorded at Beerburrum*) and leading to rainfall across areas of the lower Caboolture River Catchment. In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 (*recorded at Brisbane, Redcliffe and Archerfield*). The accumulation of rainfall generally followed a similar pattern, with areas of the lower Caboolture River Catchment recording up to 155 mm until midday on the 10th of January 2011, while areas of the lower Brisbane River Catchment recorded between 75 and 130 mm.

Over the following 12 hours the low pressure system moved north and rainfall accumulations decreased markedly. However, as the low pressure centre merged with the descending monsoonal trough, significant rainfall was generated over the region. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment, indicating that the focus of the system was on the Caboolture River Catchment in these coastal regions.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain centred on the coastal region south of the centre of the low pressure cell.

In the most upper sections of these catchments, rainfall was less intense prior to the amalgamation of the low pressure centre and the monsoonal trough. Rainfall began from 13:00 on the 9th of January 2011, with accumulations of between 60 and 70 mm recorded until approximately 00:00 on the 10th of January. The northward movement of the low pressure cell and the alignment of the high pressure cell feeding the region, led to the temporary cessation of rainfall in the upper catchment.

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over the upper regions of these catchments. Intense rainfall began to occur from about midday on the 10th of January in the upper Brisbane River Catchment (*recorded at*



Toowoomba). Over the following 36 hours an accumulation of up to 150 mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulation occurring over a period of only hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

To the east, in more central regions of the Brisbane River Catchment and the upper Caboolture River Catchment, the onset of the storm generally began with moderate intensity rainfall from 10:00 on the 9th of January 2011. However, rainfall accumulations were generally lower than those in the lower catchment, with generally no more than 75 mm recorded until midday on the 10th of January 2011 (*recorded at Amberley*). As the low pressure centre moved north and merged with the southward moving trough, this region experienced a sharp rise in rainfall intensity beginning from 02:00 on the 11th of January at Gatton and from 09:00 at Amberley, with an accumulation of up to 130 mm over the following 24 hours.

The initial sustained rainfall across the catchment between the 9th January and midday on the 10th January would have generated significant runoff and flow into streams and rivers. The subsequent intense upper catchment rainfall would have generated additional large volumes of runoff that would have been channelled through tributaries and streams into the upper Brisbane River in the central part of the catchment. Controlled releases from Wivenhoe Dam would also have contributed to the peak water level in the Brisbane River.

The property at [REDACTED] Gray Road is considered to be within the floodplain of the Brisbane River, which is located approximately 190 metres to the south of the property (*refer Figure 1*). The Flood Flag Map prepared by Brisbane City Council for West End shows that the property falls within the "Creek, River or Tidal Flooding" extent.

The property contains a single storey residential dwelling, including a lower uninhabitable basement level, located between Hoogley Street and Lower Hardgrave Road (*refer Figure 1*). Terrain elevation contour mapping available from the Brisbane City Council shows that the site lies approximately in the centre of a local depression, which has an area of roughly 9.7 hectares (*refer Figure 2*).

River level information was obtained from the gauge at the mouth of Oxley Creek (540274), which is the closest upstream gauge along the Brisbane River. The gauge is located approximately 8 km upstream of the property (*refer Figure 3*). River level information was also obtained for the Brisbane City Gauge (540198), which is located approximately 7 km downstream of the property (*refer Figure 3*). It is considered appropriate to interpolate between the river level information for these gauges to determine water levels in the vicinity of the property.



Figure 1: Location of Property at ■ Gray Rd, West End

The river gauge information indicates that levels in the Brisbane River were first affected by catchment inflows from as early as Sunday 9th January 2011, with a gradual but steady rise in levels until about 06:00 on Tuesday 11th January. From this time, both gauges (at the mouth of Oxley Creek and Brisbane City) show a steeper rise in flood levels, with eventual peaks of about 9.2 metres at around 00:00 on Thursday 13th January 2011 at the mouth of Oxley Creek and about 4.5 metres at around 03:00 on Thursday 13th January 2011 at the City Gauge. It should be noted that "gauge zero" for both the Oxley Creek mouth and Brisbane City gauges has an elevation of 0 mAHD, as indicated by information provided by the Bureau of Meteorology.

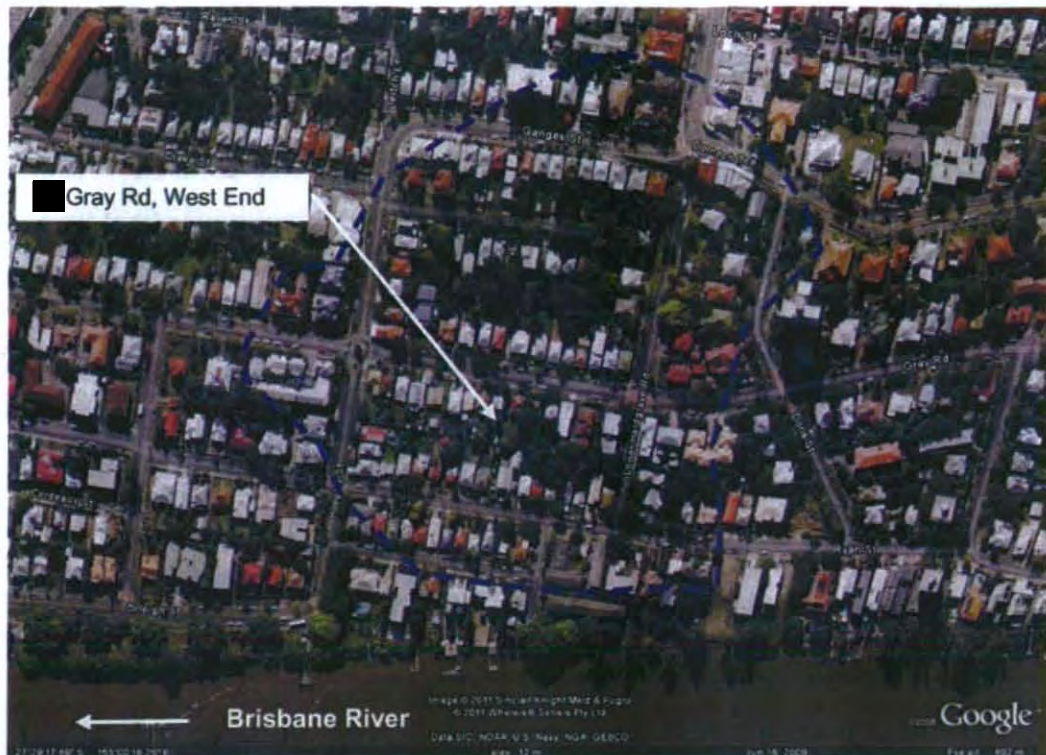


Figure 2: Approximate local depression area

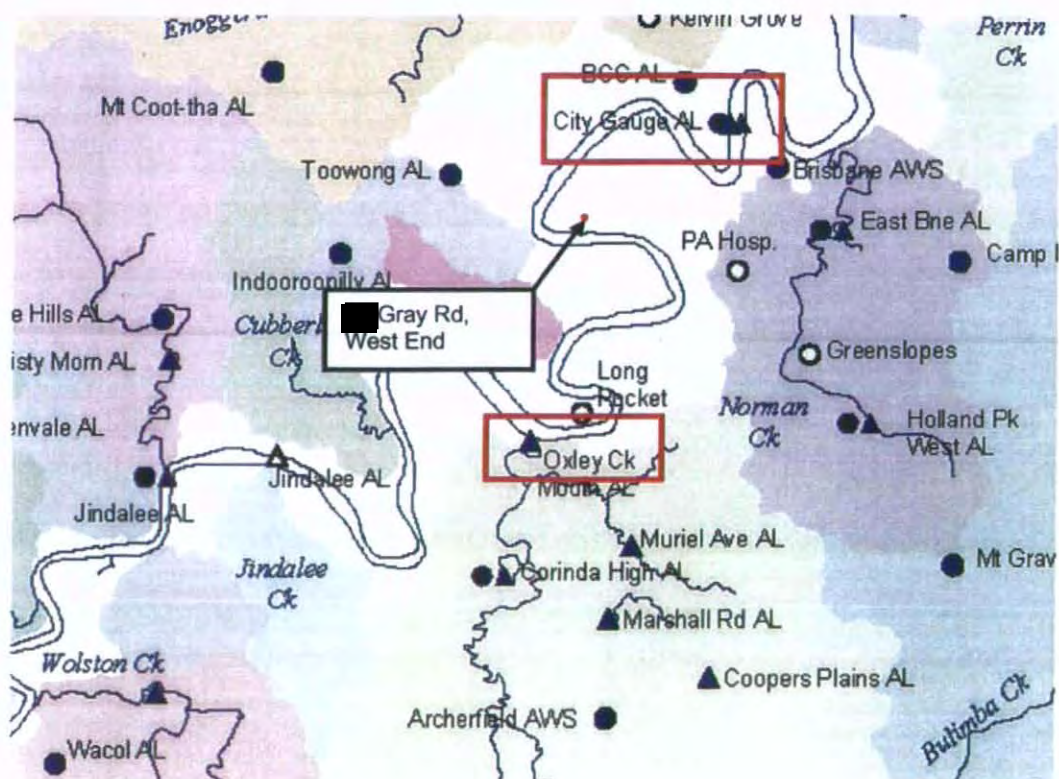


Figure 3: Location of River Gauges in Vicinity of Property



THE INSURED'S RECOLLECTIONS

WorleyParsons spoke to the property owner, Ms Sally Doyle, and the tenant, between 10:45 and 11:30am on 24th February 2011. Having been present at the property, the tenant could provide the following account of the events and the damage that was incurred at the property:

- Heavy rain was observed on Sunday 9th January 2011 and Monday 10th January 2011. The tenant indicated that this water was pooling at the front of the property on Gray Street, before sheeting down the drive that runs along the western side of the dwelling.
- Between 8 and 10 am on Tuesday 11th January 2011, the water level in the pit located in the backyard of the property began to rise (*refer Figure 4*). Between 11 am and 12 pm, the water rising in the pit spilled over into the backyard. The tenant said that through his employment with the local council, he estimates that the elevation of the pit in the backyard is 3 metres while the elevations of the drains at the Brisbane River are 4.5 metres. The tenant did not indicate the exact locations of the Brisbane River drains he was referring to.
- The street fronting the property was flood free between 11 am and 12 pm on Tuesday 11th January 2011.
- The water inundating the property was relatively clear in appearance before Wednesday January 12th 2011.
- The tenant was evacuated from the property by around midnight on Tuesday (*i.e. 12 am Wednesday 12th January 2011*).
- The water level reached the top of the light fittings at the front of the property (*refer Figure 5*).



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Figure 4: View looking southwest at the pit in the backyard of the property

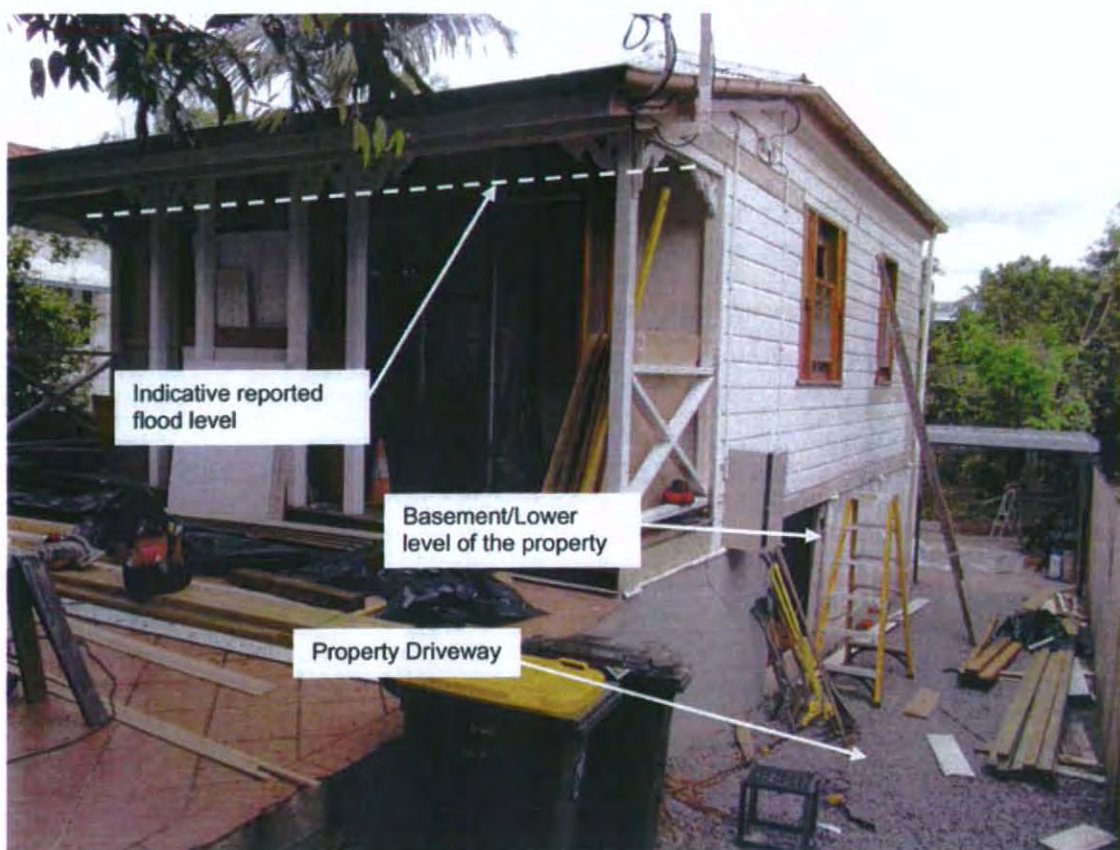


Figure 5: View showing reported flood level at the front of the property

WORLEYPARSONS' OBSERVATIONS

The property was inspected on 24th February 2011.

Observations of the surrounding terrain confirmed that the property lies roughly in the centre of a local depression (*refer Figure 6*). The observation of three drainage pits, one on Gray Road, one in the adjacent property to the east, and one in the backyard of the property also suggests that the property is located along a local drainage path or at a low point in the local terrain (*refer Figures 4, 7 & 8*).

The dwelling at the property was undergoing significant renovation and repair work during the inspection. No flood damage in the form of flood marks was therefore observed on the dwelling. However, there was some evidence of debris and erosion in the backyard of the property. The tenant also provided photos of the property during the inundation (*refer Figures 9 & 10*).



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Figure 6: View looking northwest along Gray Road from the east of the property. Note the depression in road level outside the property



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Figure 7: Observed drainage pit located outside the property on Gray Road



Figure 8: Observed drainage pit in adjacent property



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Figure 9: View of the Property from Gray Road on Wednesday 12th January 2011 (photo provided by tenant)



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Figure 10: View of the backyard of the Property around midday on Tuesday 11th January 2011 (photo provided by tenant)



Terrain elevation contour mapping available from the Brisbane City Council shows the elevation of the drainage pit in the backyard of the property to be between 2 and 3 metres. The FloodWise Property Report for the property, also from Brisbane City Council, shows that the minimum ground level elevation within the property is approximately 2.3 mAHD. The estimate of the tenant for the elevation of the drainage pit located in the backyard of the property is therefore slightly greater than what is suggested by the information available from Brisbane City Council.

Cause of Inundation

The tenant's recollection of the heavy rainfall on the 9th and 10th January 2011 is in accordance with the rainfall records for the area (Brisbane gauge). However, it has been determined that the rainfall (approximately 127 mm) that occurred between January 9th and 10th 2011 was only in the order of a 1 to 2 year Average Recurrence Interval (ARI) storm. Due to the limited size of the local depression that drains to the site (approximately 9.7 hectares), it is unlikely that there was sufficient local stormwater runoff for this to be a contributing factor to the inundation that occurred on the property. Additionally, aerial photography of the site that was taken on 13th January 2011 shows a continuous water surface from the site to the Brisbane River. Therefore, it is assumed that the floodwaters that inundated the area of West End around Gray Road can almost entirely be attributed to flows from the Brisbane River.

According to river level information at the mouth of Oxley Creek and the Brisbane City gauge, the level in the Brisbane River directly south of the property at 12:00 on Monday 10th January 2011 (i.e. after the heavy rainfall reported by the tenant) was approximately 1.9 mAHD. This level rose to a level of approximately 2.0 mAHD at 09:00 on Tuesday 11th January 2011 and 2.6 mAHD at 12:00 on Tuesday 11th January 2011. The level in the Brisbane River directly south of the property continued to rise to approximately 4.0 mAHD at 00:00 on Wednesday 12th January 2011.

Based on the river level information, it is reasonable to assume that the property was inundated in two stages. Initially, there was a surcharging of floodwaters along the sub-surface drainage pipes in the area, which commenced on Tuesday 11th January 2011 and continued into the early hours of Wednesday 12th January 2011. This assumption is consistent with the anecdotal and photographic evidence provided by the tenant, indicating that the water level in the drainage pit in the backyard of the property began rising on the morning of Tuesday 11th January 2011, eventually spilling out into the property and rising until the property was evacuated by 00:00 on Wednesday 12th January 2011. These initial floodflows are likely to have entered the sub-surface drainage pipes via an outfall to the Brisbane River located to the south of the property.

The riverbank levels along the Brisbane River south of the site are often less than 4.0 mAHD. Therefore, overbank flooding would also have been occurring in various locations along the river shortly after 00:00 on Wednesday 12th January 2011 in addition to the surcharging of the drainage system.

River level information at the mouth of Oxley Creek and the Brisbane City gauge indicates that the peak river level directly south of the property occurred between 00:00 and 03:00 on Thursday 13th January 2011. The interpolated level in the Brisbane River directly south of the property at 01:30 on Thursday 12th January 2011 was approximately 6.7 mAHD. The level can be taken as the approximate peak level of the January 2011 flood event at this location.



Based on the terrain elevation contour information for the area available from Brisbane City Council, this peak level would have caused flood waters from the Brisbane River to overtop the crest of the local depression shown in **Figure 2** and inundate the site directly.

CONCLUSION

In my opinion, the inundation of the property at ■ Gray Road, West End was caused by water escaping the confines of the Brisbane River channel. This water initially backed up the local drainage system, causing water to rise out of the drainage pit located in the backyard of the property. As the water level in the Brisbane River continued to rise, the crest of the local depression, in which the property lies, was overtopped, causing the property to be inundated directly from the Brisbane River.

Notwithstanding, the location of the property within a local depression and along a apparent local drainage path, it is possible that the heavy rainfall reported by the tenant on January 9th and 10th 2011 (1 to 2 yr ARI) caused stormwater to "sheet" down the property driveway and into the backyard. While the majority of this water is likely to have continued through to the drainage pit in the backyard of the property, a small proportion may have entered in through the side of the basement level of the house, causing damage to items such as the air conditioner, prior to the site being inundated by water from the Brisbane River.

Annexure 22

[REDACTED]

From: [REDACTED]
Sent: Wednesday, 16 March 2011 11:10 AM
To: [REDACTED]
Subject: RE: Sally Ann Doyle Authority

[REDACTED] Gray Road West End

From: [REDACTED]
Sent: Wednesday, March 16, 2011 11:10 AM
To: [REDACTED]
Subject: RE: Sally Ann Doyle Authority

Note: This e-mail is subject to the disclaimer contained at the bottom of this message.

Thank you [REDACTED]

Would you know what property address this relates to?

[REDACTED]
BCom (Acc, HRM)
Claims Management Consultant
QLD Landlord Claims
CGU Insurance

[REDACTED]
www.cgu.com.au We put the You In CGU.

Please consider the environment
before printing this email.

From: [REDACTED]
Sent: Wednesday, 16 March 2011 11:00 AM
To: [REDACTED]
Subject: Sally Ann Doyle Authority

<<Doyle Authority.pdf>>

Hi Danielle,

Attached is the authority as requested.

Cheers

[REDACTED]
[REDACTED]
Senior Solicitor/Consumer Advocate
Consumer Protection Unit
Legal Aid Queensland
44 Herschel Street

16/03/2011

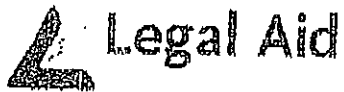
Brisbane QLD 4000

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AUTHORITY TO RELEASE

TO WHOM IT MAY CONCERN
(AS ADVISED BY LEGAL AID QUEENSLAND)

I, Sallyanne Day

Hereby authorize you to provide my solicitors as nominated by Legal Aid Queensland
with any documents or information in your possession as specified by Legal Aid
Queensland.

Signed:

.....

Dated:

.....10/3/2011.....

Annexure 23



FAX MESSAGE

To: [REDACTED] Fax no: [REDACTED] 3
Company:

From: [REDACTED] Fax no:
CGU Claims QLD Phone no: [REDACTED]
Personal Lines Motor

Pages: 2 Fax Serial No: [REDACTED]
Date: Tuesday, 22 March 2011 at 3:19 PM

Subject: FW: Claim for [REDACTED] Gray Rd West End

Claim: [REDACTED] - CUSTLET

From: Sally Doyle [REDACTED]
Sent: Tuesday, 22 March 2011 2:18 PM
To: [REDACTED]
Subject: Claim for [REDACTED] Gray Rd West End

[REDACTED]

As you may be aware, some considerable time has passed since my claim regarding water to the above property was lodged with you (January 13 2011). On February 16 an assessor visited the property, and on February 24 hydrologists visited.

It has been almost 4 weeks since the hydrologist visit, and nine weeks since my claim was lodged.

Could you please provide me with an update of where the claim process is up to.

Thanks

Sally Doyle

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Annexure 24

From: [REDACTED]
Sent: Wednesday, 23 March 2011 3:34 PM
To: [REDACTED]
Subject: [REDACTED]

Dear Ms Doyle,

As discussed today the 23rd March, we are awaiting further information from Worley Parsons pertaining to your property.

Please see Worley Parsons report attached.

Kind regards

[REDACTED]
Team Manager
CGU Insurance

[REDACTED]
[REDACTED]
[REDACTED]
www.cgu.com.au We put the you in CGU

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before printing this email.



FAX MESSAGE

To: [REDACTED] Fax no: [REDACTED]
Company:

From: [REDACTED] Fax no:
CGU Ins National Claims Assurance Team 2 Phone no: [REDACTED]

Pages: 17

Date: Wednesday, 23 March 2011 at 6:25 PM

Subject: FW: [REDACTED]

NARDOC

[REDACTED]
Team Manager
CGU Insurance

[REDACTED]
[REDACTED]
[REDACTED]
www.cgu.com.au We put the you in CGU

* Please consider the environment
before printing this email.



WorleyParsons

resources & energy

**Infrastructure
and
Environment**

Level 12, 141 Walker Street
North Sydney NSW 2060 Australia
Telephone: +61 2 8923 6866
Facsimile: +61 2 8923 6877
WorleyParsons Services Pty Ltd
ABN 61 001 279 812

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Ref: 301015-02484mREP-AB7 GCU-77 Gray Rd West End.doc

HYDROLOGY REPORT RELATING TO THE JANUARY 2011 STORM

Prepared by: [REDACTED], ENGINEER, WORLEYPARSONS
Prepared for: CGU
Claimant: MS SALLY DOYLE
Property: [REDACTED] GRAY RD, WEST END, QLD
Reference: [REDACTED]

PROJECT 301015-02484.01 AB7

REV	DESCRIPTION	ORIG	REVIEW	WORLEY- PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
A	ISSUED FOR INTERNAL REVIEW	[REDACTED]	[REDACTED]	N/A	4-3-2011	N/A	
B	FINAL	[REDACTED]	[REDACTED]	[REDACTED]	9-3-2011	N/A	

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EVENT OVERVIEW

On the 7th of January 2011, a low pressure cell derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8th of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9th of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9th of January, this trough rotated towards south-east Queensland and formed large volumes of rain as warm moist air was forced upwards over the region from a high pressure cell located near New Zealand.

This process continued throughout the 9th of January, with the trough reducing in span and generally remaining stationary off the coast.

The intensification of the coastal low pressure system on the 9th of January led to the generation of sustained rainfall across coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments. Rainfall generally progressed from the north to the south with the start of the storm occurring from 04:00 (*recorded at Beerburrum*) and leading to rainfall across areas of the lower Caboolture River Catchment. In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 (*recorded at Brisbane, Redcliffe and Archerfield*). The accumulation of rainfall generally followed a similar pattern, with areas of the lower Caboolture River Catchment recording up to 155 mm until midday on the 10th of January 2011, while areas of the lower Brisbane River Catchment recorded between 75 and 130 mm.

Over the following 12 hours the low pressure system moved north and rainfall accumulations decreased markedly. However, as the low pressure centre merged with the descending monsoonal trough, significant rainfall was generated over the region. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment, indicating that the focus of the system was on the Caboolture River Catchment in these coastal regions.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain centred on the coastal region south of the centre of the low pressure cell.

In the most upper sections of these catchments, rainfall was less intense prior to the amalgamation of the low pressure centre and the monsoonal trough. Rainfall began from 13:00 on the 9th of January 2011, with accumulations of between 60 and 70 mm recorded until approximately 00:00 on the 10th of January. The northward movement of the low pressure cell and the alignment of the high pressure cell feeding the region, led to the temporary cessation of rainfall in the upper catchment.

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over the upper regions of these catchments. Intense rainfall began to occur from about midday on the 10th of January in the upper Brisbane River Catchment (*recorded at*



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Toowoomba). Over the following 36 hours an accumulation of up to 150 mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulation occurring over a period of only hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

To the east, in more central regions of the Brisbane River Catchment and the upper Caboolture River Catchment, the onset of the storm generally began with moderate intensity rainfall from 10:00 on the 9th of January 2011. However, rainfall accumulations were generally lower than those in the lower catchment, with generally no more than 75 mm recorded until midday on the 10th of January 2011 (*recorded at Amberley*). As the low pressure centre moved north and merged with the southward moving trough, this region experienced a sharp rise in rainfall intensity beginning from 02:00 on the 11th of January at Gatton and from 09:00 at Amberley, with an accumulation of up to 130 mm over the following 24 hours.

The initial sustained rainfall across the catchment between the 9th January and midday on the 10th January would have generated significant runoff and flow into streams and rivers. The subsequent intense upper catchment rainfall would have generated additional large volumes of runoff that would have been channelled through tributaries and streams into the upper Brisbane River in the central part of the catchment. Controlled releases from Wivenhoe Dam would also have contributed to the peak water level in the Brisbane River.

The property at [redacted] Gray Road is considered to be within the floodplain of the Brisbane River, which is located approximately 190 metres to the south of the property (*refer Figure 1*). The Flood Flag Map prepared by Brisbane City Council for West End shows that the property falls within the "Creek, River or Tidal Flooding" extent.

The property contains a single storey residential dwelling, including a lower uninhabitable basement level, located between Hoogley Street and Lower Hardgrave Road (*refer Figure 1*). Terrain elevation contour mapping available from the Brisbane City Council shows that the site lies approximately in the centre of a local depression, which has an area of roughly 9.7 hectares (*refer Figure 2*).

River level information was obtained from the gauge at the mouth of Oxley Creek (540274), which is the closest upstream gauge along the Brisbane River. The gauge is located approximately 8 km upstream of the property (*refer Figure 3*). River level information was also obtained for the Brisbane City Gauge (540198), which is located approximately 7 km downstream of the property (*refer Figure 3*). It is considered appropriate to interpolate between the river level information for these gauges to determine water levels in the vicinity of the property.



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Figure 1: Location of Property at Gray Rd, West End

The river gauge information indicates that levels in the Brisbane River were first affected by catchment inflows from as early as Sunday 9th January 2011, with a gradual but steady rise in levels until about 06:00 on Tuesday 11th January. From this time, both gauges (at the mouth of Oxley Creek and Brisbane City) show a steeper rise in flood levels, with eventual peaks of about 9.2 metres at around 00:00 on Thursday 13th January 2011 at the mouth of Oxley Creek and about 4.5 metres at around 03:00 on Thursday 13th January 2011 at the City Gauge. It should be noted that "gauge zero" for both the Oxley Creek mouth and Brisbane City gauges has an elevation of 0 mAHD, as indicated by information provided by the Bureau of Meteorology.



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Figure 2: Approximate local depression area

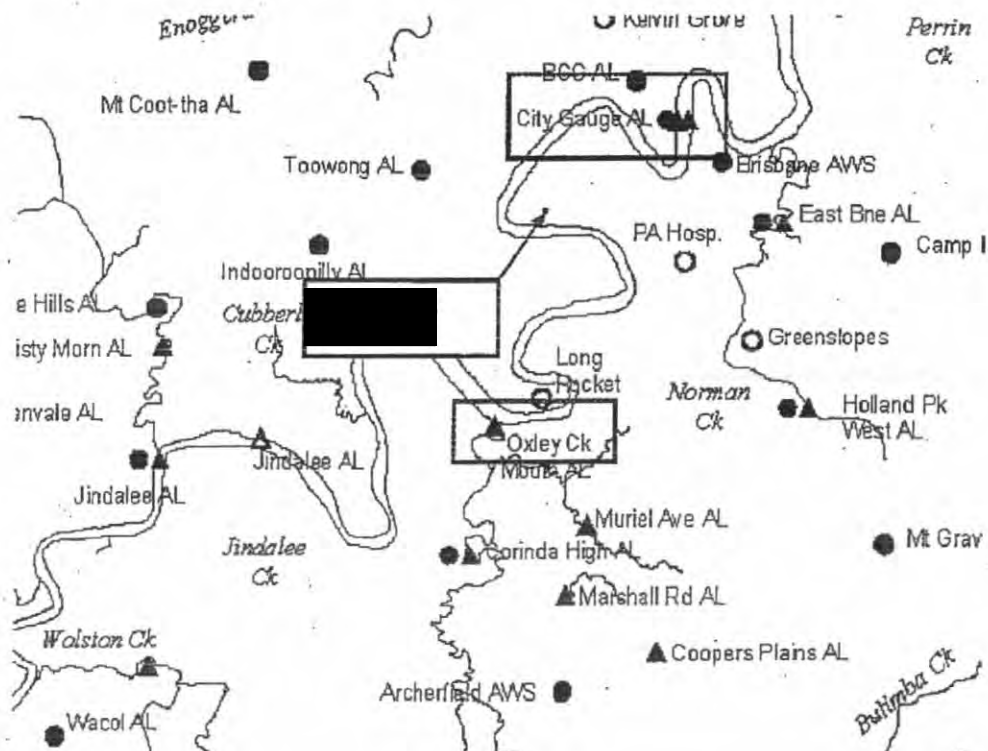


Figure 3: Location of River Gauges In Vicinity of Property



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THE INSURED'S RECOLLECTIONS

WorleyParsons spoke to the property owner, Ms Sally Doyle, and the tenant, between 10:45 and 11:30am on 24th February 2011. Having been present at the property, the tenant could provide the following account of the events and the damage that was incurred at the property:

- Heavy rain was observed on Sunday 9th January 2011 and Monday 10th January 2011. The tenant indicated that this water was pooling at the front of the property on Gray Street, before sheeting down the drive that runs along the western side of the dwelling.
- Between 8 and 10 am on Tuesday 11th January 2011, the water level in the pit located in the backyard of the property began to rise (*refer Figure 4*). Between 11 am and 12 pm, the water rising in the pit spilled over into the backyard. The tenant said that through his employment with the local council, he estimates that the elevation of the pit in the backyard is 3 metres while the elevations of the drains at the Brisbane River are 4.5 metres. The tenant did not indicate the exact locations of the Brisbane River drains he was referring to.
- The street fronting the property was flood free between 11 am and 12 pm on Tuesday 11th January 2011.
- The water inundating the property was relatively clear in appearance before Wednesday January 12th 2011.
- The tenant was evacuated from the property by around midnight on Tuesday (*i.e. 12 am Wednesday 12th January 2011*).
- The water level reached the top of the light fittings at the front of the property (*refer Figure 5*).



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Figure 4: View looking southwest at the pit in the backyard of the property



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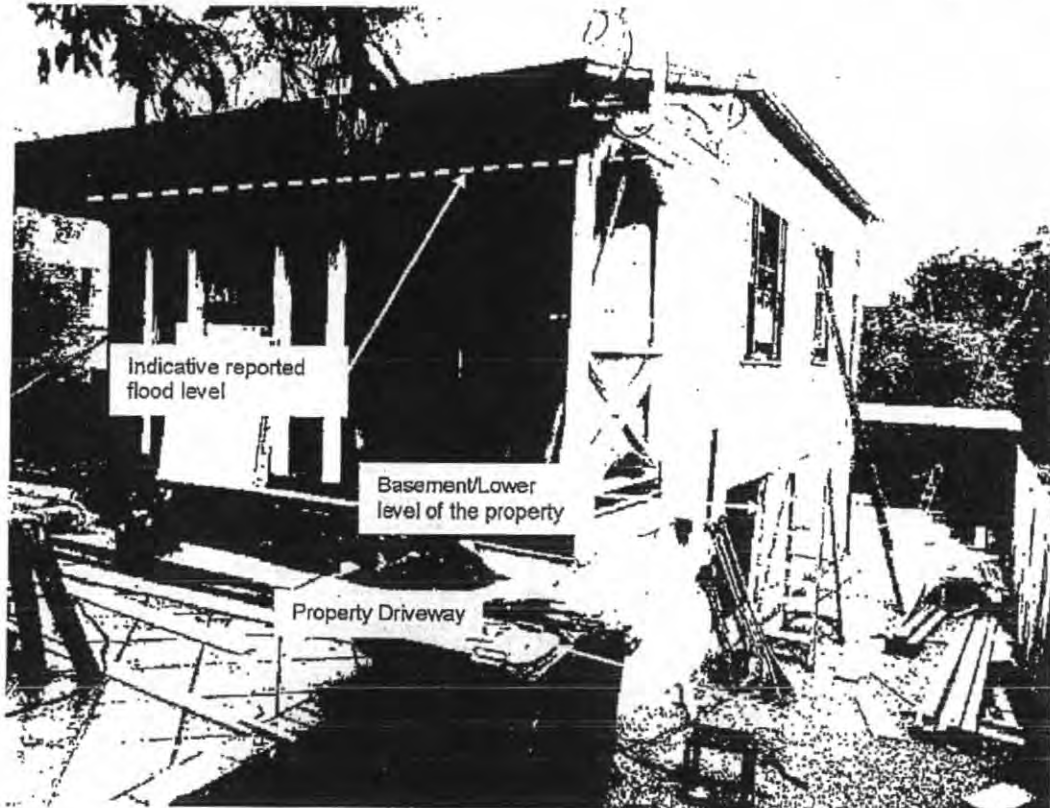


Figure 5: View showing reported flood level at the front of the property

WORLEYPARSONS' OBSERVATIONS

The property was inspected on 24th February 2011.

Observations of the surrounding terrain confirmed that the property lies roughly in the centre of a local depression (refer **Figure 6**). The observation of three drainage pits, one on Gray Road, one in the adjacent property to the east, and one in the backyard of the property also suggests that the property is located along a local drainage path or at a low point in the local terrain (refer **Figures 4, 7 & 8**).

The dwelling at the property was undergoing significant renovation and repair work during the inspection. No flood damage in the form of flood marks was therefore observed on the dwelling. However, there was some evidence of debris and erosion in the backyard of the property. The tenant also provided photos of the property during the inundation (refer **Figures 9 & 10**).



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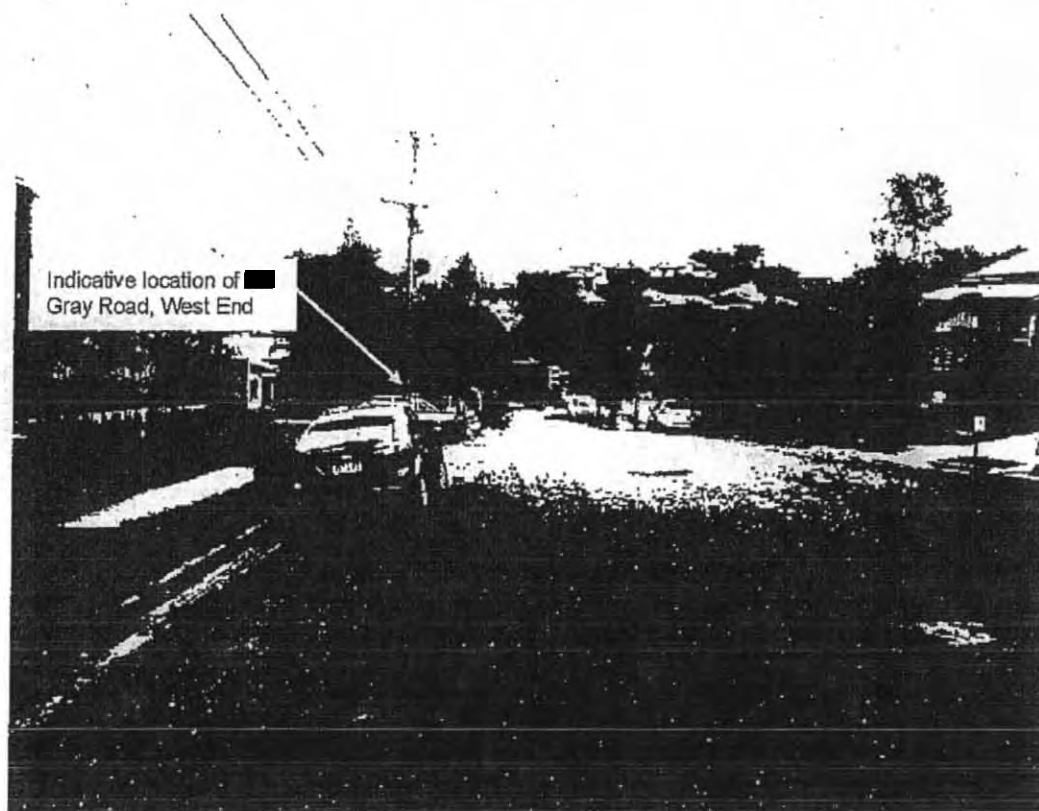


Figure 6: View looking northwest along Gray Road from the east of the property. Note the depression in road level outside the property



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Figure 7: Observed drainage pit located outside the property on Gray Road



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Observed drainage pit
in adjacent property

Figure 8: Observed drainage pit in adjacent property



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Figure 9: View of the Property from Gray Road on Wednesday 12th January 2011 (photo provided by tenant)



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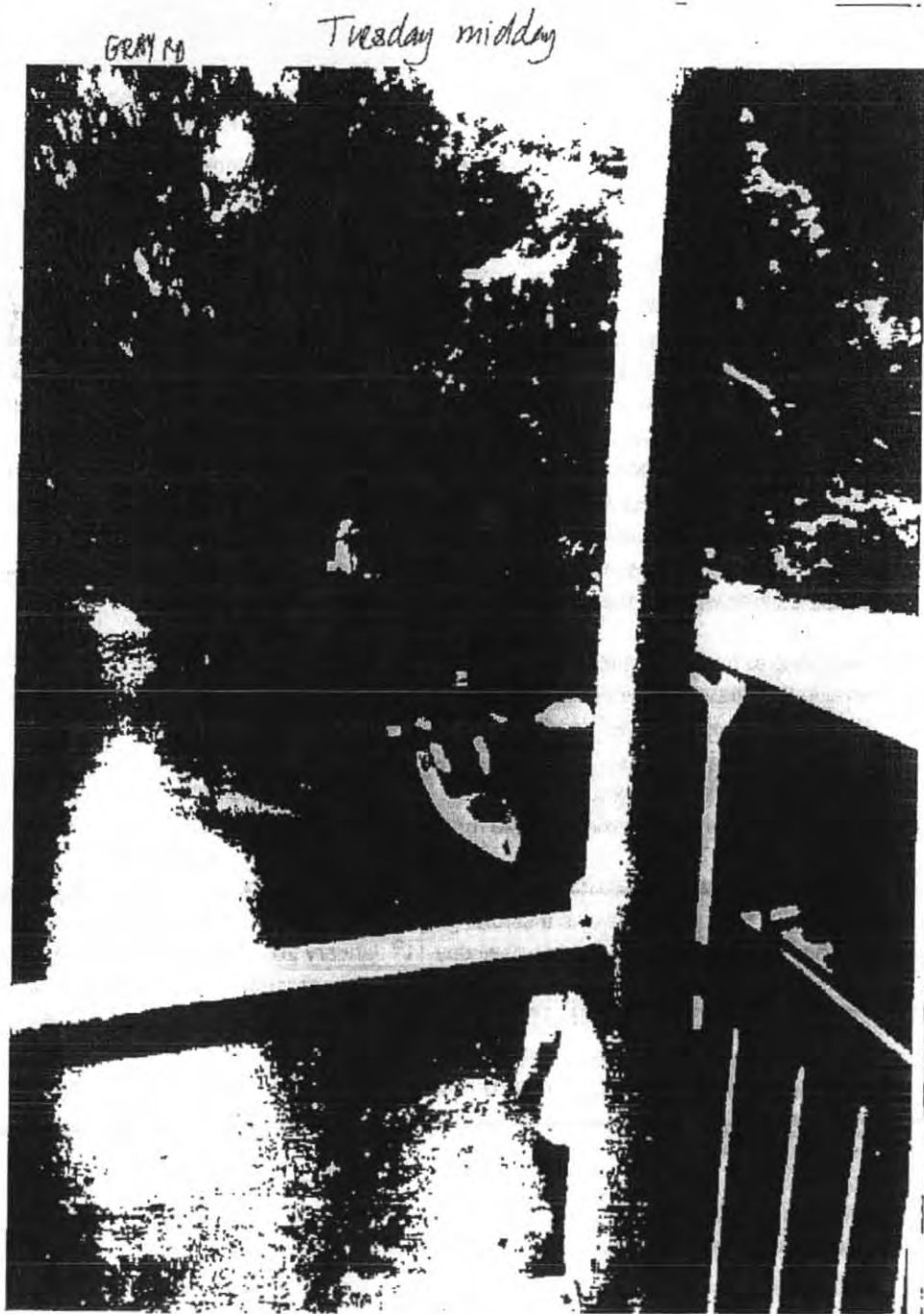


Figure 10: View of the backyard of the Property around midday on Tuesday 11th January 2011 (photo provided by tenant)



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Terrain elevation contour mapping available from the Brisbane City Council shows the elevation of the drainage pit in the backyard of the property to be between 2 and 3 metres. The FloodWise Property Report for the property, also from Brisbane City Council, shows that the minimum ground level elevation within the property is approximately 2.3 mAHD. The estimate of the tenant for the elevation of the drainage pit located in the backyard of the property is therefore slightly greater than what is suggested by the information available from Brisbane City Council.

Cause of Inundation

The tenant's recollection of the heavy rainfall on the 9th and 10th January 2011 is in accordance with the rainfall records for the area (Brisbane gauge). However, it has been determined that the rainfall (approximately 127 mm) that occurred between January 9th and 10th 2011 was only in the order of a 1 to 2 year Average Recurrence Interval (ARI) storm. Due to the limited size of the local depression that drains to the site (approximately 9.7 hectares), it is unlikely that there was sufficient local stormwater runoff for this to be a contributing factor to the inundation that occurred on the property. Additionally, aerial photography of the site that was taken on 13th January 2011 shows a continuous water surface from the site to the Brisbane River. Therefore, it is assumed that the floodwaters that inundated the area of West End around Gray Road can almost entirely be attributed to flows from the Brisbane River.

According to river level information at the mouth of Oxley Creek and the Brisbane City gauge, the level in the Brisbane River directly south of the property at 12:00 on Monday 10th January 2011 (i.e. after the heavy rainfall reported by the tenant) was approximately 1.9 mAHD. This level rose to a level of approximately 2.0 mAHD at 09:00 on Tuesday 11th January 2011 and 2.6 mAHD at 12:00 on Tuesday 11th January 2011. The level in the Brisbane River directly south of the property continued to rise to approximately 4.0 mAHD at 00:00 on Wednesday 12th January 2011.

Based on the river level information, it is reasonable to assume that the property was inundated in two stages. Initially, there was a surcharging of floodwaters along the sub-surface drainage pipes in the area, which commenced on Tuesday 11th January 2011 and continued into the early hours of Wednesday 12th January 2011. This assumption is consistent with the anecdotal and photographic evidence provided by the tenant, indicating that the water level in the drainage pit in the backyard of the property began rising on the morning of Tuesday 11th January 2011, eventually spilling out into the property and rising until the property was evacuated by 00:00 on Wednesday 12th January 2011. These initial floodflows are likely to have entered the sub-surface drainage pipes via an outfall to the Brisbane River located to the south of the property.

The riverbank levels along the Brisbane River south of the site are often less than 4.0 mAHD. Therefore, overbank flooding would also have been occurring in various locations along the river shortly after 00:00 on Wednesday 12th January 2011 in addition to the surcharging of the drainage system.

River level information at the mouth of Oxley Creek and the Brisbane City gauge indicates that the peak river level directly south of the property occurred between 00:00 and 03:00 on Thursday 13th January 2011. The interpolated level in the Brisbane River directly south of the property at 01:30 on Thursday 12th January 2011 was approximately 6.7 mAHD. The level can be taken as the approximate peak level of the January 2011 flood event at this location.



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Based on the terrain elevation contour information for the area available from Brisbane City Council, this peak level would have caused flood waters from the Brisbane River to overtop the crest of the local depression shown in **Figure 2** and inundate the site directly.

CONCLUSION

In my opinion, the inundation of the property at [REDACTED] Gray Road, West End was caused by water escaping the confines of the Brisbane River channel. This water initially backed up the local drainage system, causing water to rise out of the drainage pit located in the backyard of the property. As the water level in the Brisbane River continued to rise, the crest of the local depression, in which the property lies, was overtopped, causing the property to be inundated directly from the Brisbane River.

Notwithstanding, the location of the property within a local depression and along a apparent local drainage path, it is possible that the heavy rainfall reported by the tenant on January 9th and 10th 2011 (1 to 2 yr ARI) caused stormwater to "sheet" down the property driveway and into the backyard. While the majority of this water is likely to have continued through to the drainage pit in the backyard of the property, a small proportion may have entered in through the side of the basement level of the house, causing damage to items such as the air conditioner, prior to the site being inundated by water from the Brisbane River.

Annexure 25

From: [REDACTED]
Sent: Wednesday, 23 March 2011 3:31 PM
To: [REDACTED]
Subject: CGU Claim for: Sally Doyle, [REDACTED] Gray Road West End QLD, claim ref: [REDACTED]

Hi Mark,

Further to this claim, can you please clarify if any storm water run affected the front patio area of the property.

Kind regards

[REDACTED]
Team Manager
CGU Insurance

[REDACTED]
[REDACTED]
[REDACTED]
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Annexure 26



WorleyParsons

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Infrastructure and Environment

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Ref: 301015-02484dmc-AB7 GCU Gray Rd West End Addendum.doc

HYDROLOGY REPORT RELATING TO THE JANUARY 2011 STORM – ADDENDUM

Prepared by : [REDACTED], PRINCIPAL ENGINEER, WORLEYPARSONS
Prepared for : CGU
Claimant : MS SALLY DOYLE
Property : [REDACTED] GRAY RD, WEST END, QLD
Reference : [REDACTED]

PROJECT 301015-02484.01 AB7

REV	DESCRIPTION	ORIG	REVIEW	WORLEY- PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
A	FINAL	[REDACTED]	[REDACTED]	[REDACTED]	15-4-2011	N/A	

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ADDENDUM

Further to the initial hydrologist's report dated 09/03/2011, this addendum addresses issues raised with local stormwater flows on the 9th and 10th of January 2011.

The rainfall records from the Brisbane City Alert gauge (north east of the site) and the Toowong Alert gauge (west of the site) indicates that rainfall accumulation on the 9th January (87 mm in 17 hours) was greater than on the 10th January 2011 (38 mm in 14 hours). Infiltration, frequency and duration (IFD) curves for Brisbane indicate the 9th January 2011 rainfall would be less than 2 years average rainfall internal (ARI). The 9th January 2011 record also includes a high intensity period of rain occurring mid afternoon) and lasting for 20 minutes. The ARI of this intense rain is also less than two years.

Thus the rainfall that would have affected the local drainage system on the 9th of January was not abnormal.

Urban drainage systems in residential areas are typically designed to accommodate ARIs of two years to five years. Ageing systems may be at the low end of this range and storm related blockages can also impact performance.

The elevation of Gray Road at the drainage pit adjacent to the front of the property is approximately 4.5 m AHD. Levels in the Brisbane River over the 9th and 10th of January were less than 2.5 m AHD, thus backwater effects from the river should not have affected the hydraulic performance of the drainage system.

The kerb and footpath is in the order of 150 mm above the road at the pit and the depth of the pooling on the road would have had to exceed this amount to overflow into the adjacent properties. Since no blockages of the drainage pit were reported, even flows of any significant depth (greater than 10 mm to 30 mm) are unlikely given the frequency of the rainfall.

Given that overflows may have occurred on the 9th of January they would have spilled across the sag point in the terrain from [REDACTED] Gray Road and affected all three properties, with the greatest impact on [REDACTED] Gray Road. Thus the depth of overflow that could have entered the driveway of [REDACTED] Gray Road would have been at the low end of the possible overflows.

Any shallow overflow entering the top of the driveway would tend to run down the reasonably steep driveway as a sheet flow, reducing in depth as the velocity of the water increased. The photograph at Figure 5 in the hydrologist's report indicates the basement window sill is in the order of 30 mm to 50 mm above the driveway and depths in excess of these amounts could not have been sustained given the limited potential overflow conditions from the street for the moderate rainfall (less than 2 year ARI) that occurred on the 9th of January.

It is concluded that inundation damage to items in the basement as a result of stormwater flows on the 9th and 10th of January is highly unlikely.

Annexure 27

CGU Insurance

GPO Box 9902
BRISBANE QLD 4001

ABN 2704 478 371

Tel: 1300 882 788
Fax: 07 3135 1413

27th April 2011

MS S DOYLE.
[REDACTED] NORTH PLACE
ACACIA RIDGE QLD 4110

Dear Ms Doyle,

Your Claim Number: [REDACTED]
Your Policy Number: [REDACTED]
Situation-Address: [REDACTED] GRAY ROAD WEST END QLD

I am writing to you in relation to a claim you made for damage to your property on the 12th January 2011.

As requested I have reviewed your claim and after careful consideration of the information provided, CGU Insurance has declined your claim for the following reasons;

Summary of the decision

The circumstances of the claim

We received correspondence on the 10th February 2011 requesting reconsideration of your claim.

Your policy coverage relating to the claim

Your CGU policy covers inundation by storm water but does not provide insurance coverage for losses caused by flood. Flood is clearly defined in your policy, for details you can refer to the glossary of your CGU home policy.

The information we have considered in making this decision

CGU reviews each claim on its individual merits and we do not deny claims lightly. We have carefully reviewed your claim; water has escaped from the Brisbane River via storm drains. Where water has escaped a water course by backing up through storm water drains to find an equal level to the river, this is also considered to fall within the definition of Flood under the CGU Policy.

Furthermore, rising storm waters that can not drain into a watercourse because the watercourse is already in flood is also considered flood water

The source of the inundation is from the Brisbane River. I refer to your

definition of flood under your CGU policy:

Flood:

The covering of normal dry land by water escaping or released from the confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

Flood water that mixes with storm water run off that inundates your property is viewed as damage from floodwater.

Based on your advice and information available to us, we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim.

As discussed I have referred your claim to the CGU Dispute Resolution team. The Dispute Resolution team will independently review your claim and provide a decision within 15 business days of receiving your request and all relevant information.

The Review Officer will be in contact with you shortly and may seek further information from you and from other parties involved. Once all necessary information has been received, the review of your claim will be completed within 15 business days.

The following information is provided to assist you in contacting the CGU Dispute Resolution team if you wish to:

**CGU Dispute Resolution
GPO Box 390D
Melbourne 3001**



Yours Sincerely,


Team Manager
CGU Claims

Annexure 28

handling your complaint



Handling Your Complaint

Are you unhappy with a decision made by CGU Insurance regarding your insurance and/or do you wish to make a complaint?

At CGU, we value all our customers.

We understand that occasionally some customers are not satisfied with the services or products we provide or do not agree with decisions we make in relation to their insurance.

We have a process to help you if you wish to make a complaint or have a dispute managed.

CGU's Complaints Process

Step 1. Talk to us first

The first thing you should do is contact us. You can contact your nearest CGU Insurance office or talk with a relevant staff member in the department concerned. If you do not have the relevant contact details you can call us on the numbers featured on the back cover. If you let a staff member know what your complaint concerns, they may be able to resolve the issue for you. If not, they will refer you to an appropriate manager.

The Manager or a senior staff member in the Manager's area will review and respond to your complaint.

A response to your complaint will usually be provided within 15 business days from receipt of your complaint.

Step 2. Have your complaint reviewed by the relevant CGU Insurance dispute resolution area

If the Manager or senior staff member cannot resolve your complaint, they will refer it to the relevant CGU Insurance dispute resolution area. Alternatively, you can ask the Manager or senior staff member to refer you to the relevant dispute resolution area.

The relevant dispute resolution area will treat your complaint as a dispute and one of their staff members will liaise with you in relation to the dispute. They will review your dispute and provide you with a decision usually within 15 business days.

Step 3. Seek an External Review of the decision

If you are unhappy with this decision, you may wish to seek an external review of the decision. The relevant dispute resolution area's letter outlining its decision will provide you with information on external review option(s), such as, if appropriate, referring you to the dispute resolution scheme run by the Financial Ombudsman Service (FOS). The toll free number for the FOS is 1300 780 808. Or you can contact them via their website: www.fos.org.au.



**'our commitment to
customer service'**

contact details

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80 Flinders Street
Adelaide SA 5000
Tel (08) 8405 6300
Fax (08) 8405 6444

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Fax (03) 5329 4194

Brisbane

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South Bank QLD 4101
Tel (07) 3135 1900
Fax (07) 3212 7898

Hobart

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Hobart TAS 7250
Tel (03) 6230 4748
Fax (03) 6230 4740

Melbourne

181 William Street
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Tel (03) 9601 8222
Fax (03) 9279 5450

Newcastle

3rd Floor The Metro
Cnr Scott & Watt Streets
Newcastle NSW 2300
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South East Queensland Weather Event Report

January 2011

301015-01262.43.01

18th February 2011

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SOUTH EAST QUEENSLAND WEATHER EVENT REPORT JANUARY 2011

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PROJECT 301015-01262.43.01 - SOUTH EAST QUEENSLAND WEATHER EVENT REPORT

REV	DESCRIPTION	ORIGINAL	REVIEW	WORLEY- PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
01	Draft Report			N/A	16/2/2011	N/A	
02	Final Report				18/2/2011	N/A	



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SOUTH EAST QUEENSLAND WEATHER EVENT REPORT JANUARY 2011

OVERVIEW

On the 7th of January, 2011, a low pressure system formed off the south-east coast of Queensland. Over the following two days, this low pressure centre moved closer to the coast and intensified, forming a trough that extended from Mackay to the NSW border, with its focus on the south-east Queensland Coast. The presence of a high pressure zone near New Zealand led to the influx of warm, moist air into the region which, in combination with the low pressure system, led to the formation of substantial volumes of cloud.

On the 9th of January, 2011, the low pressure system rapidly intensified which led to the formation of large volumes of rain over the south-east Queensland coastal region. Rainfall generally progressed in a westerly direction, with the coast generally receiving continuous moderate intensity rainfall. The elevated upper catchment regions of the Great Dividing Range experiencing more intense rainfall on the 10th of January, 2011 which corresponded to the southward movement of a monsoonal low which was joined by the low pressure centre.

Whilst rainfall was almost continuous along more coastal areas, rainfall in the upper catchment showed a distinct increase in intensity on the 10th of January, 2011, which led to the rapid generation of large volumes of runoff.

In the high energy upper catchment, runoff flowed rapidly overland through local depressions and gullies, continuing through the many small stream channels in the region that form the headwaters of the Brisbane, Condamine and Caboolture Catchments. Low areas in these upper catchment areas were inundated by both overland flow and the overflow of small streams.

Flow continued downstream of these areas on both sides of the Divide, leading to the large scale inundation of overbank areas of the middle and lower catchments over the following days to weeks.

This report summarises the meteorological conditions, rainfall and river responses within those areas worst affected by the weather event; giving an interpretation of areas inundated according to the Storm vs. Flood Categorisation System and the data analysed on a regional basis.



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1. METEOROLOGICAL SEQUENCE OF EVENTS

derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8th of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9th of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9th January, this trough rotated towards south-east Queensland and generated large volumes of rain as warm moist air was forced upwards over the region by a high pressure cell located near New Zealand.

This process continued throughout the 9th of January, with the trough reducing in span and generally remaining stationary off the coast. Moderate intensity rainfall was experienced across the region with the greatest concentration centred around the coastal sections of the Brisbane and Caboolture Rivers Catchments.

Early on the 10th of January, the upper atmospheric trough dissipated. However, the low pressure system intensified further and moved slightly closer to the south-east Queensland coast. This led to a brief cessation in rainfall, particularly in the upper catchment areas to the west. At this time, a monsoonal trough descended from the north of Queensland to the central coast. The low pressure centre located in the south moved in a northerly direction where it merged with the trough. This in combination with the orientation of the high pressure system feeding the region with warm moist air, led to the further generation of large volumes of rainfall.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain across the coastal region south of the low pressure system. Orographic effects are likely to have exacerbated the effects of the rainfall in the upper catchment areas inland from the coast.

Through the latter part of the 10th of January 2011, the low pressure system and monsoonal trough moved to the north and west, resulting in the cessation of intense rainfall across the eastern catchments. On the following day intense rainfall occurred on the western side of the Great Divide as the system continued to move in a westerly direction.

Figure 1 shows the progression of meteorological events leading to the generation of rainfall during the South-East Queensland Weather Event which extended from the 7th to the 10th of January 2011.



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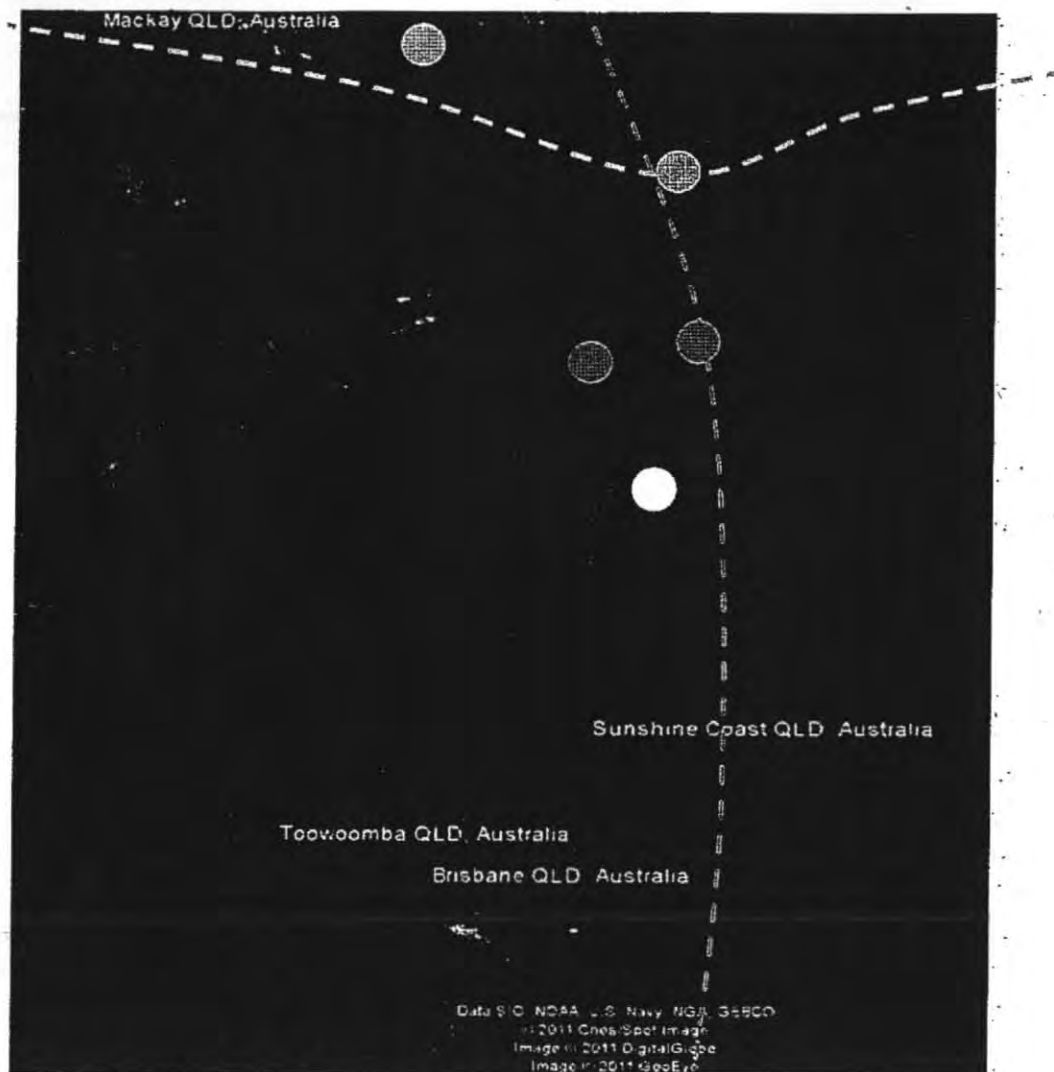


Figure 1: Progression of Meteorological Conditions

Notes: The dotted lines represent a trough when present.
The circles represent a the low pressure centre

Legend:



Date	Minimum Low Pressure
23:00 7 th January	1004 HPa
23:00 8 th January	1005 HPa
11:00 9 th January	1003 HPa
17:00 9 th January	1002 HPa
23:00 9 th January	1003 HPa
05:00 10 th January	1000 HPa
11:00 10 th January	1002 HPa



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2. RAINFALL ANALYSIS

Rainfall during the South-East Queensland Weather Event was generally more continuous and less intense on the coast than on inland areas of the upper catchment.

In coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments, the intensification of the coastal low pressure system on the 9th of January led to the generation of sustained rainfall. Rainfall generally progressed from the north to the south extending across areas of the lower Caboolture Catchment which experienced the start of the storm from about 04:00 hours (*recorded at Beerburrum*). In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 hours (*recorded at Brisbane, Redcliffe and Archerfield*).

The accumulation of rainfall generally followed a similar pattern. Areas of the lower Caboolture Catchment recorded up to 155 mm until midday on the 10th of January 2011, while areas of the lower Brisbane River Catchment recorded between 75 and 130 mm. On the coastal edge, rainfall was relatively minor, with a total accumulation of no more than 30 mm (*recorded at Cape Moreton*).

Over the next 12 hours the low pressure system moved in a northerly direction and rainfall accumulations decreased markedly. However, significant rainfall over the region recommenced once the low pressure system merged with the descending monsoonal trough. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment. This indicates that the system was centred over the coastal areas of the Caboolture River Catchment.

In the central section of the Brisbane River Catchment and across the upper Caboolture Catchment, the onset of the storm generally began with moderate intensity rainfall from about 10:00 hours on the 9th of January 2011. However rainfall accumulations were generally lower than those experienced to the east, with generally no more than 75 mm recorded until midday on the 10th of January 2011 (*recorded at Amberley*).

As the low pressure system moved north and merged with the southward moving trough, the region experienced a sharp rise in rainfall intensity beginning from 09:00 on the 11th of January 2011 with an accumulation of up to 130 mm over the following 24 hours.

Further west, rainfall showed a continuing trend to be less intense prior to the amalgamation of the low pressure system and the monsoonal trough, with rainfall beginning from 13:00 hours on the 9th of January 2011. Accumulations of between 60 and 70 mm were recorded until approximately 00:00 hours on the 10th of January when the northward movement of the low pressure system and the alignment of the high pressure cell feeding the region led to the cessation of rainfall in the upper catchment.

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over these upper catchment regions. Intense rainfall began to occur in the upper Brisbane River Catchment (*recorded at Toowoomba and Gatton*) from between 12:00 hours on the 10th of January and 02:00 hours on the 11th of January 2011.



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This and the onset of intense rainfall around Amberley, highlights the west to east progression of intense rainfall in the upper Brisbane Catchment over the 10th and 11th of January 2011.

Intense rainfall took longer to occur in the upper Condamine Catchment, beginning from 13:00 hours on the 11th of January 2011 (*recorded at Oakey*). Over the following 36 hours, an accumulation of up to 150 mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulated occurring over a period of several hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

Further to the south-west within the upper Condamine Catchment, rainfall only began with the movement of the monsoonal low on the 10th of January 2011 (*recorded at Warwick*). Accumulations of up to 60 mm were recorded in these areas over the following 36 hours.

Over the period from the 9th until the 12th of January 2011, the following total rainfall accumulations were recorded:

- Toowoomba - 230 mm
- Beerburrum - 230 mm
- Amberley - 220 mm
- Oakey - 185 mm
- Gatton - 160 mm
- Brisbane - 175 mm
- Redcliffe - 170 mm
- Archerfield - 120 mm
- Warwick - 60 mm
- Cape Moreton - 40 mm

Figures 2 to 4 show the daily accumulated rainfall in Queensland from the 9th through to the 11th of January 2011.

Figure 5 shows the accumulated rainfall in Queensland for the week preceding the 13th of January 2011.



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Queensland Rainfall Totals (mm) 9th January 2011
Product of the National Climate Centre

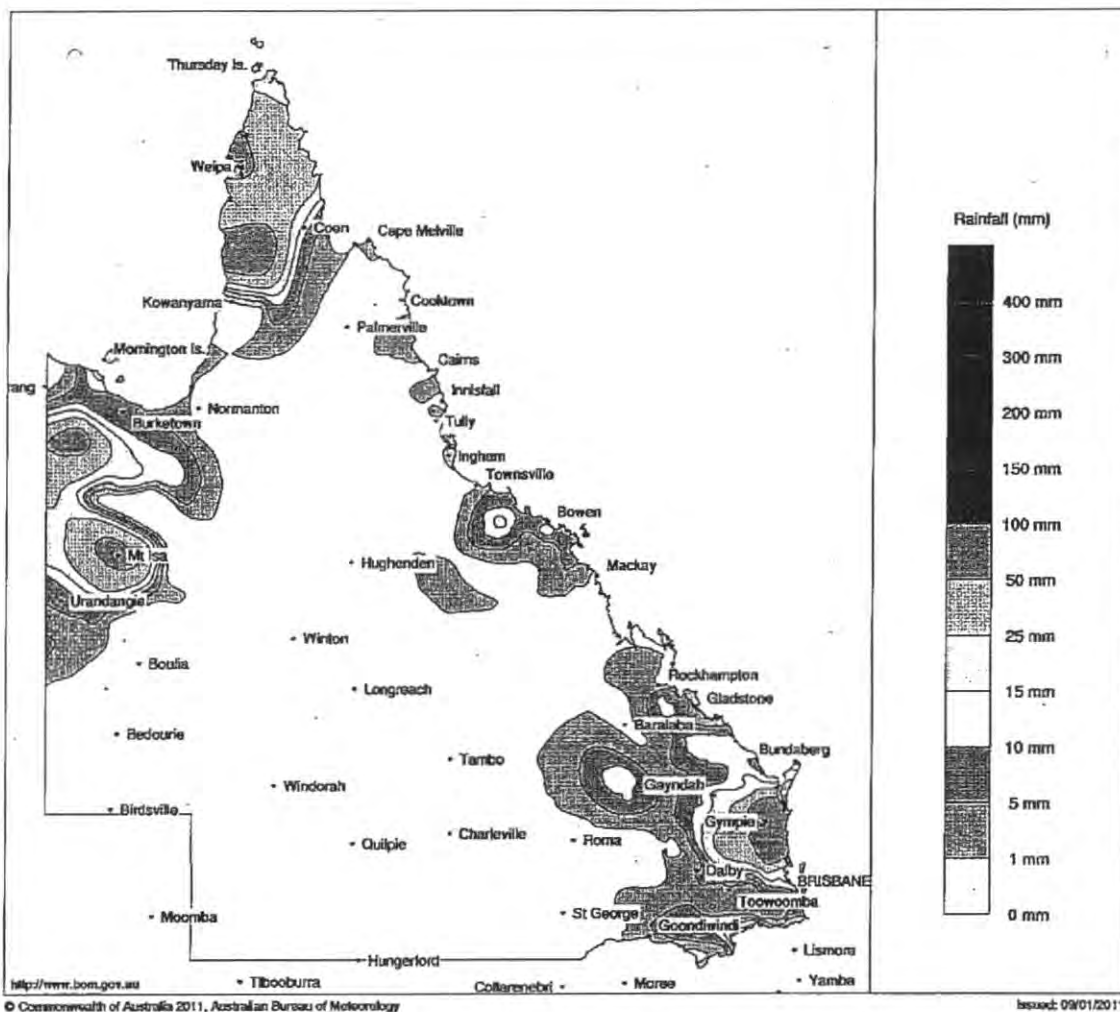


Figure 2: Daily accumulated rainfall for the 9th of January, 2011¹



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Queensland Rainfall Totals (mm) 10th January 2011
Product of the National Climate Centre

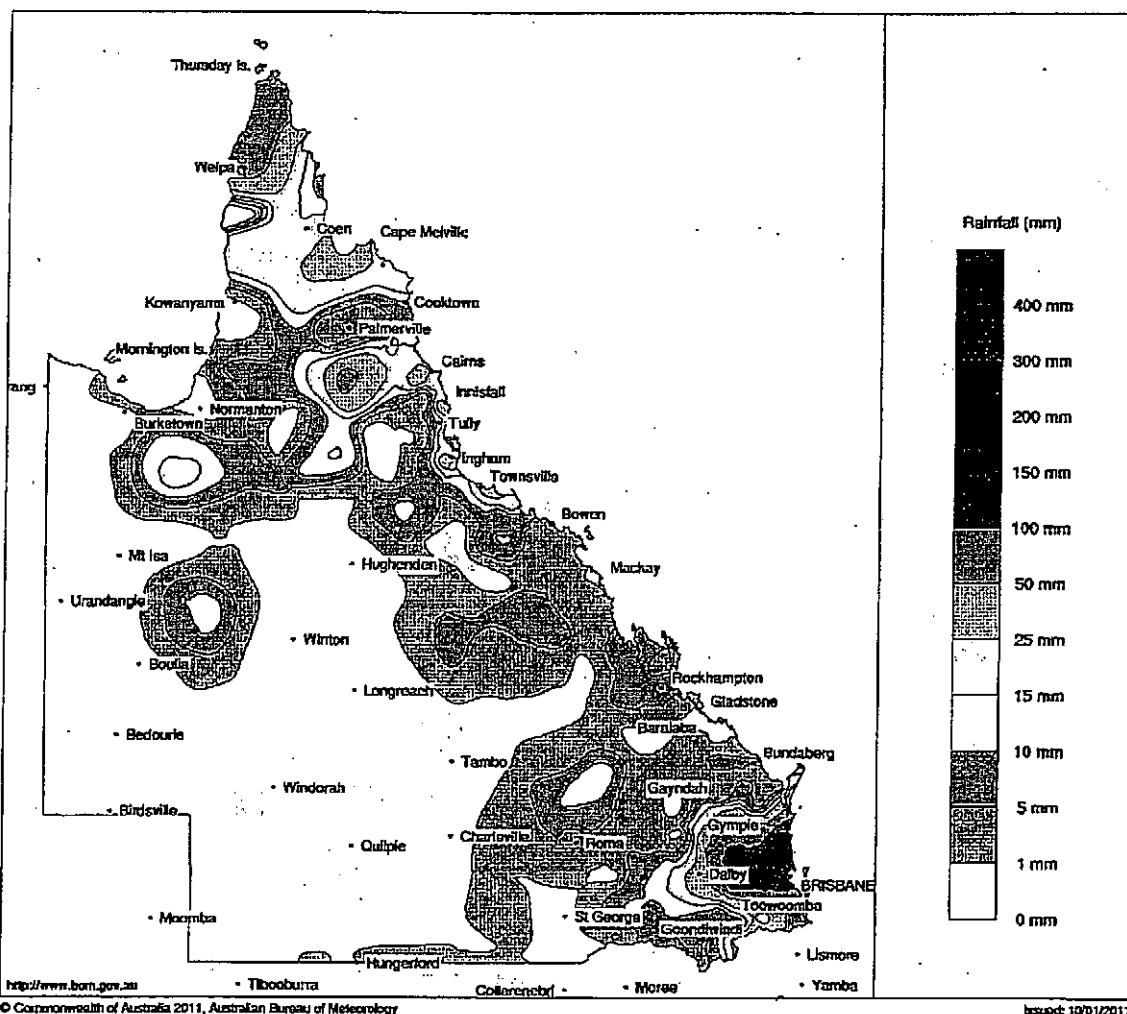


Figure 3: Daily accumulated rainfall for the 10th of January, 2011¹



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Queensland Rainfall Totals (mm) 11th January 2011
Product of the National Climate Centre

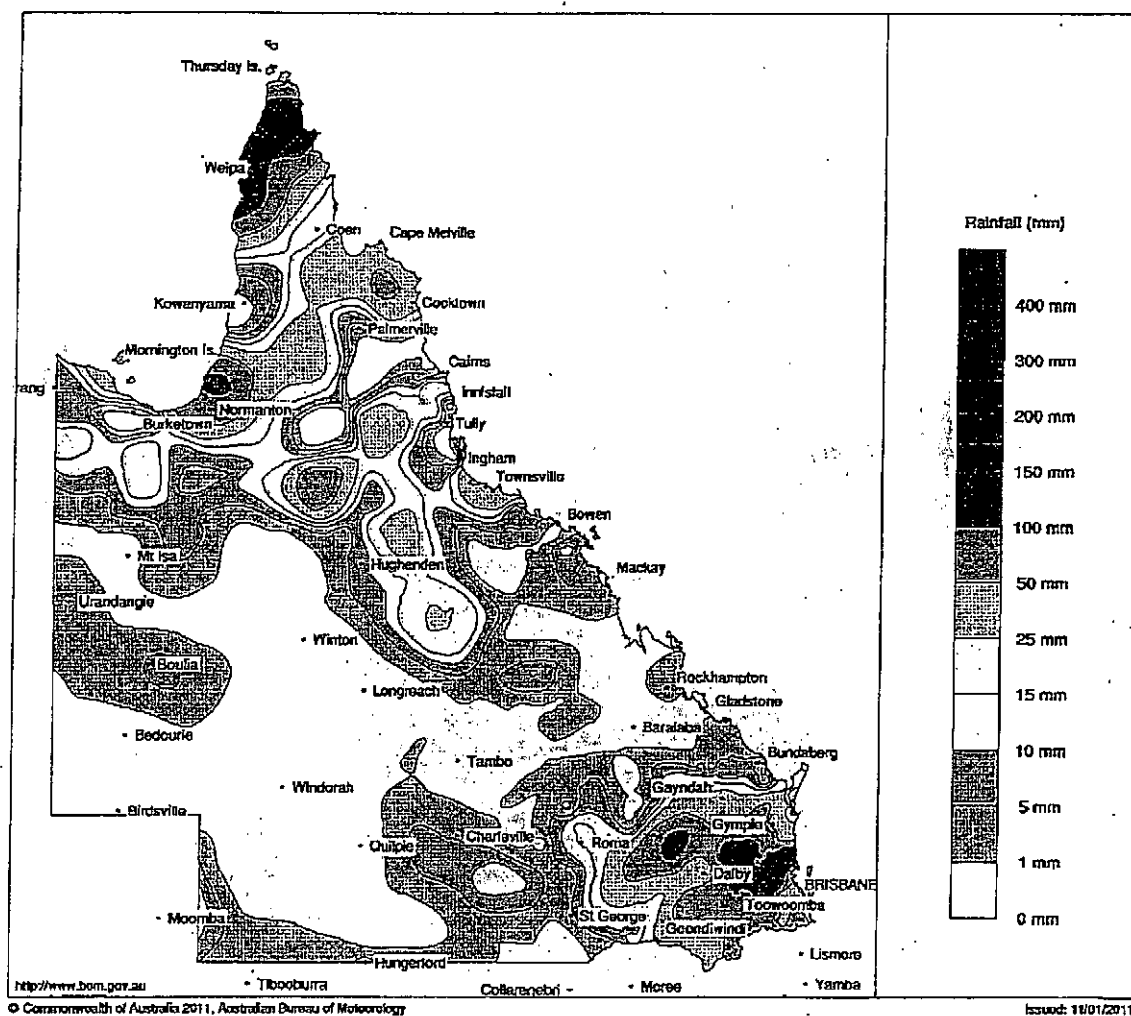


Figure 4: Daily accumulated rainfall for the 11th of December, 2011¹



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Queensland Rainfall Totals (mm) Week Ending 13th January 2011
Product of the National Climate Centre.

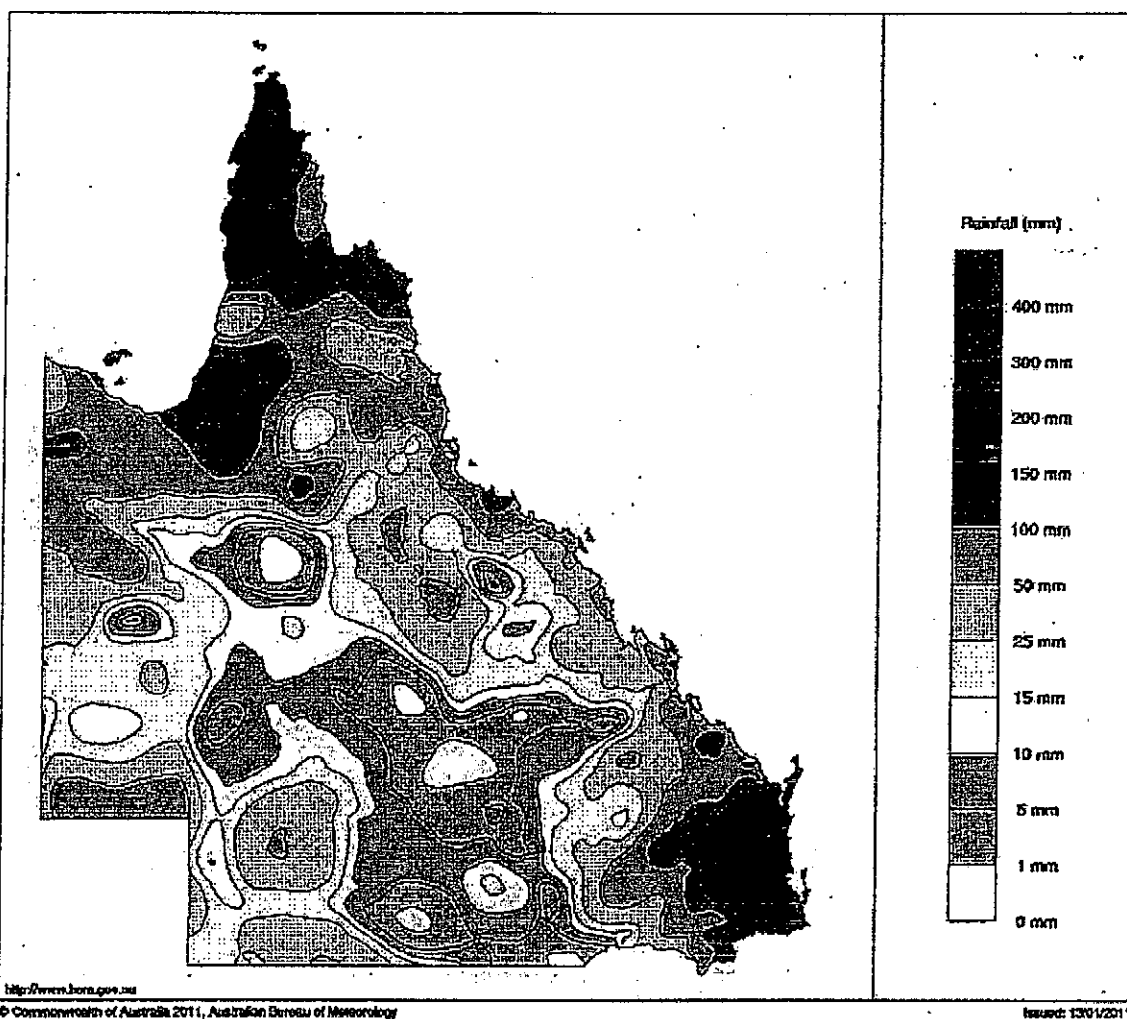


Figure 5: Accumulated rainfall from the 7th to the 13th of January, 2011¹ (inclusive) which corresponds to the time when the storm affected south-east Queensland.

Time-varying rainfall data was obtained from primary gauges located in relevant towns in the Brisbane, Caboolture and Condamine Catchments of south-east Queensland (operated by the BoM). Data for the period from the 9th until the 12th of January 2011 was compiled and is plotted in Figure 6 as cumulative rainfall for each location.

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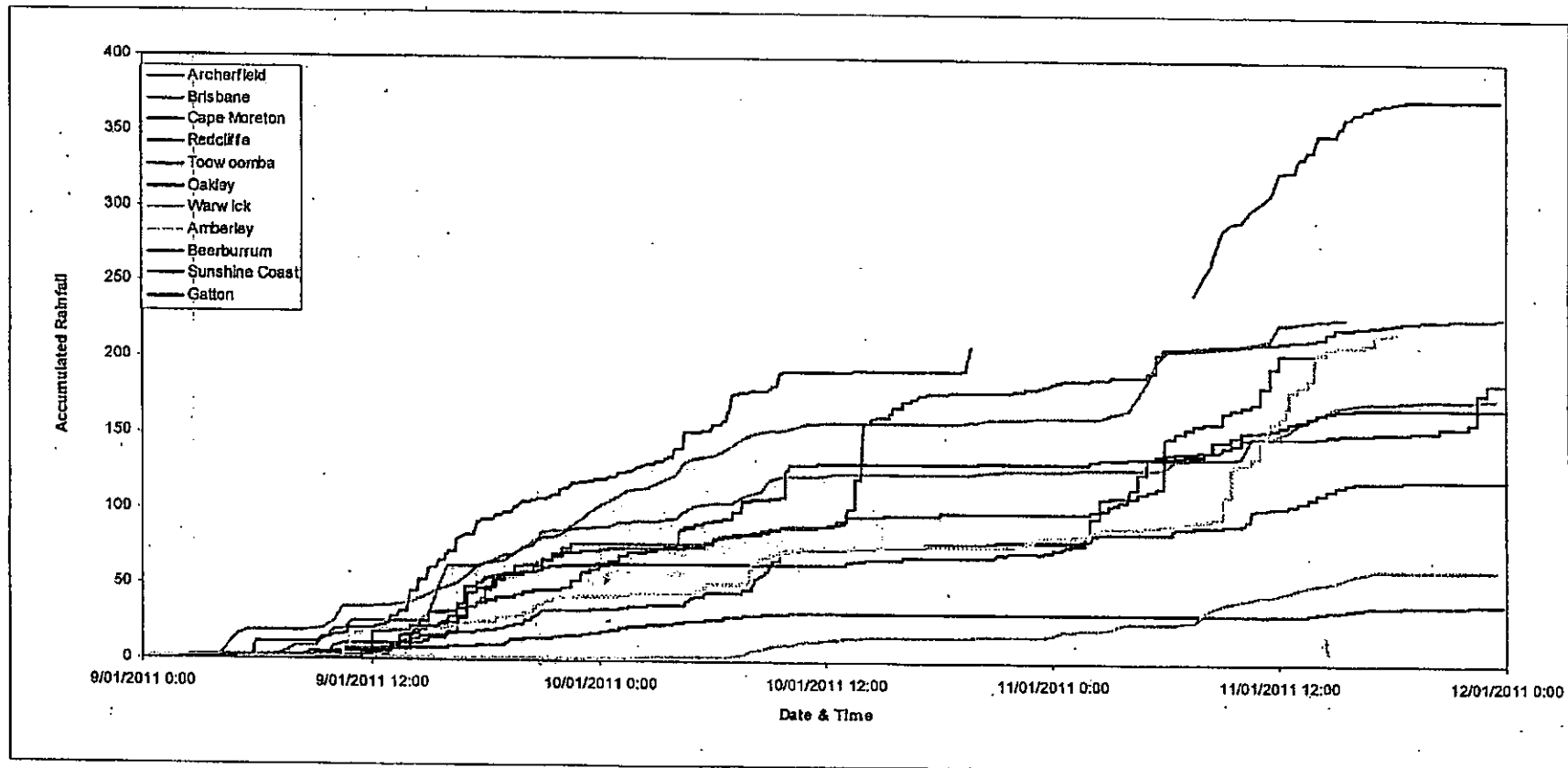
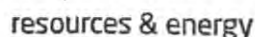


Figure 6: Accumulated rainfall at gauges of interest in South-east Queensland over the period from 9th to 12th of January 2011



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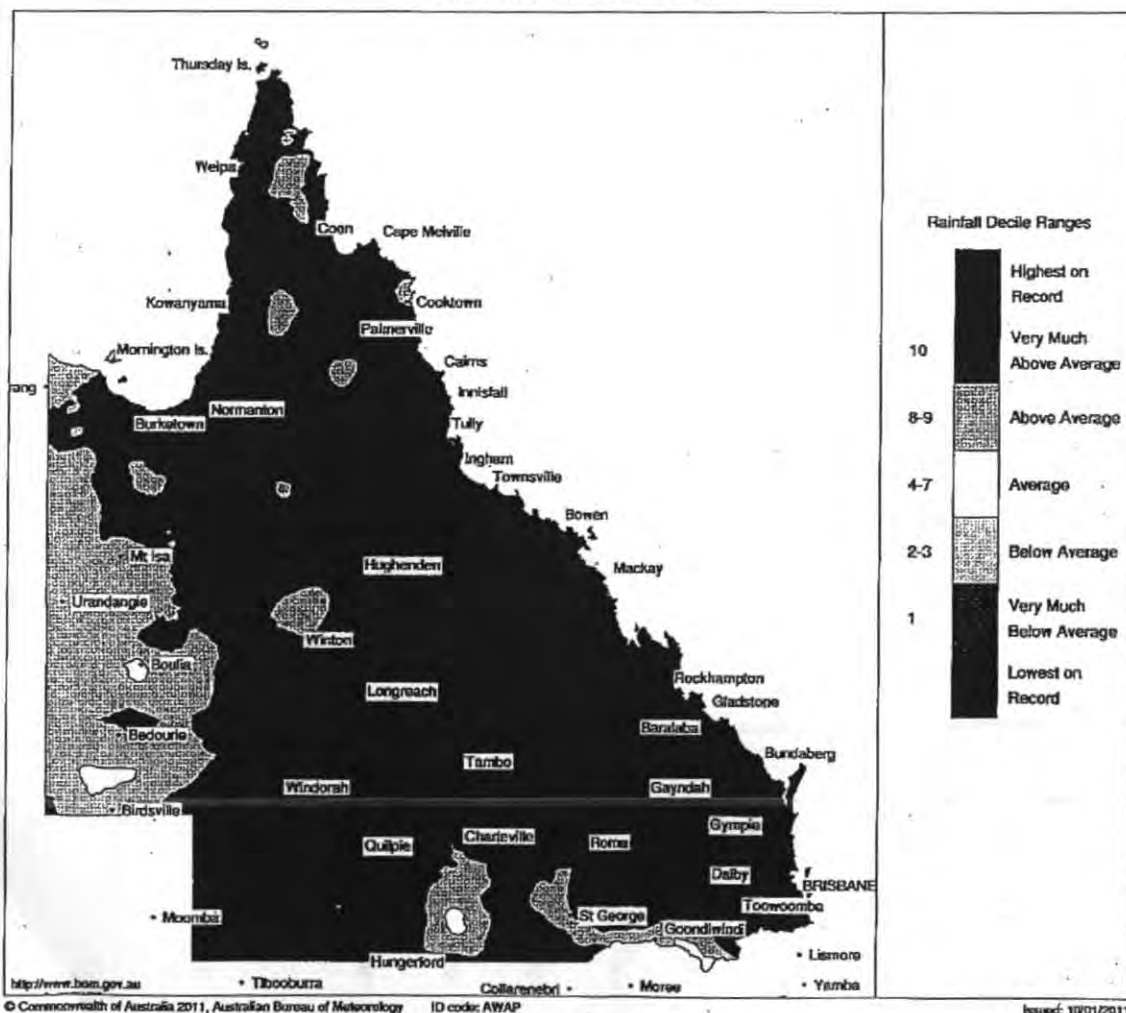


Figure 7: Rainfall Deciles for the period 1st of October until 31st of December 2010.¹



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3. RUNOFF, OVERLAND FLOW AND RIVER LEVELS

Rainfall intensity and its regional recurrence interval are most significantly linked to the generation of runoff. In other words, the runoff derived from rainfall is dependent on how "usual" or "unusual" the rainfall intensity was for a given catchment. Catchments that are located to the east of the Great Dividing Range in eastern Australia typically require higher rainfall intensities than those on the western side of the Dividing Range to generate a similar response in runoff and stream levels.

For example, if a region experienced a rainfall intensity of 50 mm per hour and this was equivalent to an average recurrence interval of 1 year, then the catchment would not be expected to respond with widespread inundation. If this same rainfall intensity occurred across a region where this was more unusual and the average recurrence interval was closer to 100 years, the catchment would be expected to respond much more rapidly, with likely widespread inundation due to runoff, overland flow and stream overtopping. Therefore, while areas of the upper Condamine River Catchment received much less rainfall than the Caboolture and Brisbane Rivers Catchments, responses were significant because this rainfall was unusual.

The rainfall intensities at key gauges were calculated and compared with regional data documented in 'Australian Rainfall & Runoff' (1998). This analysis highlights the areas where rainfall was most unusual and where local overland flow and flow from small streams was likely to have occurred.

A comparison of the peak rainfall ARI for key gauges is shown in Table 1 according to data from 'Australian Rainfall & Runoff' (1998).

Table 1: Summary of how usual or unusual the peak rainfall intensity was at key locations in the catchments affected

Rainfall gauge Location	Regional ARI Data Location	(sub) Catchment Location	Peak Rainfall Intensity ARI
Brisbane	Brisbane	Lower Brisbane	Between 1 and 2 years
Toowoomba	Toowoomba	Upper Brisbane / Upper Condamine	Between 50 and 100 years
Oakley	Dalby	Upper Condamine	Between 20 and 50 years
Warwick	Warwick	Upper Condamine	Between 2 and 5 years
Amberley	Ipswich	Middle Brisbane (lower Bremer)	Between 10 to 20 years
Beerburum	Caboolture	Pine-Caboolture	Between 2 and 5 years



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This data shows that the peak rainfall intensity was most unusual in the region around Toowoomba where it had an ARI of between 50 and 100 years.

Furthermore, the rainfall intensity recorded at Oakey Airport on the western side of the Divide was also unusual, with a peak ARI of between 20 and 50 years. This data shows that the upper Brisbane and Condamine Catchments were the focus of unusually intense rainfall and indicates that these areas could be expected to have generated large volumes of runoff in response to rainfall that was experienced.

Rainfall intensities were less unusual in the middle reaches of the Brisbane River Catchment, having a peak ARI of between 10 and 20 years. However, rainfall of this frequency would have led to some significant runoff and overland flow, with the possibility of overflow from small streams. However, rainfall of this magnitude across the upper catchment could have been expected to cause medium sized streams in this region such as the Bremer River to overflow.

In the lower Brisbane River Catchment, rainfall was not particularly unusual, with a peak ARI of no more than 2 years. Therefore the upper catchment rainfall would have been the primary cause of overflows of large sized streams in this region such as the Brisbane River.

The Pine-Caboolture Rivers Catchment experienced a peak rainfall intensity that had an ARI that did not exceed 5 years. This most probably did not lead to significant inundation as a result of overland flow, but would have led to the smaller-scale overflow of small and medium sized streams in this region.

This data shows that the upper catchment regions would have contributed directly to the generation of flow that progressed downstream and inundated overbank areas in the middle and lower catchment. In other words, the rainfall in the upper catchment regions of the Brisbane and Condamine Catchments led directly to the high stream levels in middle and lower catchment regions.

Equally important to rainfall intensity is how saturated a catchment is due to recent rainfall as this affects the rainfall "losses" and therefore the volume of runoff generated. A catchment that is well-saturated with high antecedent soil moisture will lead to a more rapid accumulation of runoff resulting in possibly more severe levels of inundation from overland flow and streams. Figure 7 and the associated commentary on page 10 indicates that rainfall had been unusually high over the months prior to the January 2011 weather event, with many catchments still saturated from flows derived from an extreme weather event that occurred near the end of December 2010.

Another important factor that significantly contributes to the response of the catchment is the spatial size that significant rainfall occurs over. The greater the proportion of the catchment covered by intense rainfall, the greater the volume of runoff generated within the catchment meaning that stream levels would respond more severely.

During the January 2011 Weather Event, the entire Caboolture Catchment and a large majority of the Brisbane River Catchment experienced intense rainfall, which combined with the saturated catchment condition, led to the rapid rise in stream levels that occurred. Conversely, only the upper most portions of the Condamine Catchment were affected by the January 2011 weather event, leading to a more gradual stream level response along downstream reaches.



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The following sections summarise the hydrologic, geomorphic and topographic characteristics of the Brisbane Catchment and its sub-catchments.

3.1 The Brisbane River Catchment

The Brisbane River basin is located in the South-east corner of Queensland where approximately 80% of Queensland's population resides. Several urban centres, including Brisbane City, are located in this catchment.

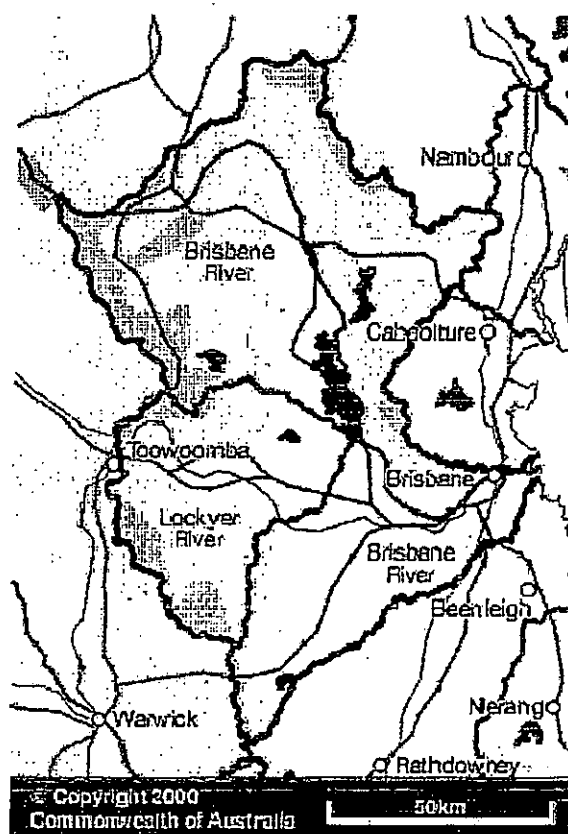


Figure 8: The Brisbane Catchment ²

The Brisbane River catchment covers an area of approximately 15,000 square kilometres and is characterised by flat coastal plains and steep ranges. Streams in the west of the catchment are fast flowing high energy streams that gradually decrease in gradient to form becoming broader moderate energy systems that meander across the coastal plain.

² © Australian Government(Australian Natural Resource Atlas)



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Land use is diverse in the basin, encompassing major urban areas along the coast, grazing, mining, some intensive agriculture and forested areas in the ranges. Due to population pressures, a large proportion of the basin has been fully developed.

The Lockyer-Laidley Valley drains from the upper catchment areas around Toowoomba into the Brisbane River just downstream of Wivenhoe Dam, which is located near Lowood. The second major tributary, the Bremer River, flows through the major town of Ipswich and discharges into the Brisbane River near Moggill. Intense rainfall in the upper catchments of the Lockyer and Bremer Valleys can lead to the rapid increases in stream water level and inundation of the adjoining floodplain.

The Brisbane River's upstream catchment is large and requires intense rainfall over a substantial area in order to generate rapid rises in river water level.

Flooding in the Brisbane City area can also be caused by flooding of local creeks including Oxley and Bulimba Creeks on the south side, and Kedron Brook, Moggill and Enoggera Creeks in the northern and western suburbs. The small size of these creeks means that they would respond to intense local catchment rainfall well before any significant flooding of the Brisbane River.

3.1.1 Bremer River Sub-Catchment

The Bremer River is a sub-catchment of the Brisbane River. It rises in the Macpherson Range and has a catchment area of about 2,000 km². The major tributary is Warill Creek, which joins the Bremer River approximately ten kilometres upstream of Ipswich.

Heavy rainfall in the Macpherson Range can cause major flooding of rural areas as well as widespread traffic hazards and disruptions. Flooding in the Ipswich area can also be caused by local creek flooding, which can rise very quickly and can cause significant flooding in urban areas.

Flooding in the lower reaches of the Bremer River can also occur due to backwater flooding from the Brisbane River when it is in major flood.

3.1.2 Lockyer River Sub-Catchment

The Lockyer Valley is another sub-catchment of the Brisbane River catchment. Lockyer Creek and its tributaries have a total catchment area of about 2,800 square kilometres, which is about one-quarter of the total area of the Brisbane River catchment.

Lockyer Creek flows in an easterly direction for about 100 kilometres from the Great Dividing Range to its confluence with the Brisbane River near Lowood. Its major tributaries include the Laidley, Tenthill, Ma Ma and Buaraba Creeks, which have sub-catchment areas equivalent to about half of the Lockyer Creek catchment.



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4. INTERPRETATION OF INUNDATED AREAS

The following sections rely on the analyses provided in the previous sections to characterise the regional impacts of the January 2011 South-east Queensland Weather Event.

Upstream catchment rainfall data was used to describe stream level response. Local rainfall was referenced to determine the potential for runoff and the nature of overland flow.

Interpretations were typically based on the recorded or predicted response of the primary stream channels in each region. In all cases there is the possibility of exceptions, especially where smaller tributaries, streams or drainage channels exist.

Each affected catchment (*where claims exist*) was divided into three regions referred to as:

- "Region A"
- "Region B" and,
- "Region C"

These regions were differentiated by the general response of the primary stream channel with respect to the Storm versus Flood Categorisation System as defined in **Appendix B** and by McConnell (2010).

The interpretations given represent the "most likely" outcomes based on available meteorological, rainfall and river level data and will naturally have "grey areas" around the borders where interpretations will change based on the localised responses to rainfall and river levels.

At the time of writing, the Bureau of Meteorology (*the BoM*), which is the owner and operator of many Queensland river gauges, had not made available some level data recorded during the January 2011 South-east Queensland Weather Event.



4.1 The Brisbane Catchment – Region A

This section refers to a portion of the Brisbane River Catchment (Figure 9) which includes the following:

- Brisbane River sub-catchment upstream of Wivenhoe Dam
- Lockyer Creek sub-catchment extending from its headwaters in the Great Dividing Range near Toowoomba downstream to the eastern side of the town of Rifle Range, and approximately 5 km upstream from the confluence of Lockyer Creek and the Brisbane River
- Bremer River sub-catchment extending from its headwaters near the Teviot Range in the east downstream to the town of Walloon and Harrisville.

In this region, the Brisbane River generally flows in a southerly direction. Lockyer Creek flows from west to east and the Bremer River from south-west to the north-east. The latter two streams discharge into the Brisbane River a short distance downstream of the area referred to as "Region A".

The areas of the upstream catchments of the Brisbane River, Lockyer Creek and the Bremer River that fall within "Region A" are in the order of 4000 km², 2500 km² and 1400 km², respectively.

Several other significant streams in this region include Flagstone, Sandy, Ma Ma, Western, Franklin-Vale, Gregor, Esk, Emu, Cooyar and Ivory Creeks.

In this region, rainfall generally progressed from the north and west through to the south and east. Intense rainfall was first encountered in the sub-catchments upstream of Wivenhoe Dam. This was followed by intense rainfall in the western Lockyer Creek sub-catchment and then the Bremer sub-catchment.

Based on the available rainfall data, there are three gauges within this region that provide an overview of the temporal rainfall pattern experienced in this region. These gauges are located at Toowoomba, Gatton and Amberley.

All rainfall gauges recorded a moderate accumulation between approximately 11:00 and 23:00 on the 9th of January 2011 due to the presence of the low pressure system referred to in previous sections. A distinct break in rainfall occurred from 23:00 until approximately 05:00 on the 10th of January. The low pressure system moved north and merged with the southward moving monsoonal trough, resulting in relatively minor intensity rainfall within the region for a period of several hours.

However at approximately 12:45 on the 10th of January 2011, the rainfall intensity recorded at Toowoomba increased sharply, continuing at a high intensity for approximately the following 90 minutes. At this time, relatively minor rainfall intensities continued to be recorded at the Gatton and Amberley gauges.

Following the intense accumulation of rainfall in the western-most portion of the region, rainfall intensities again decreased at Toowoomba to a more moderate level. They continued at these more moderate levels until approximately 17:00 on the 10th of January 2011.



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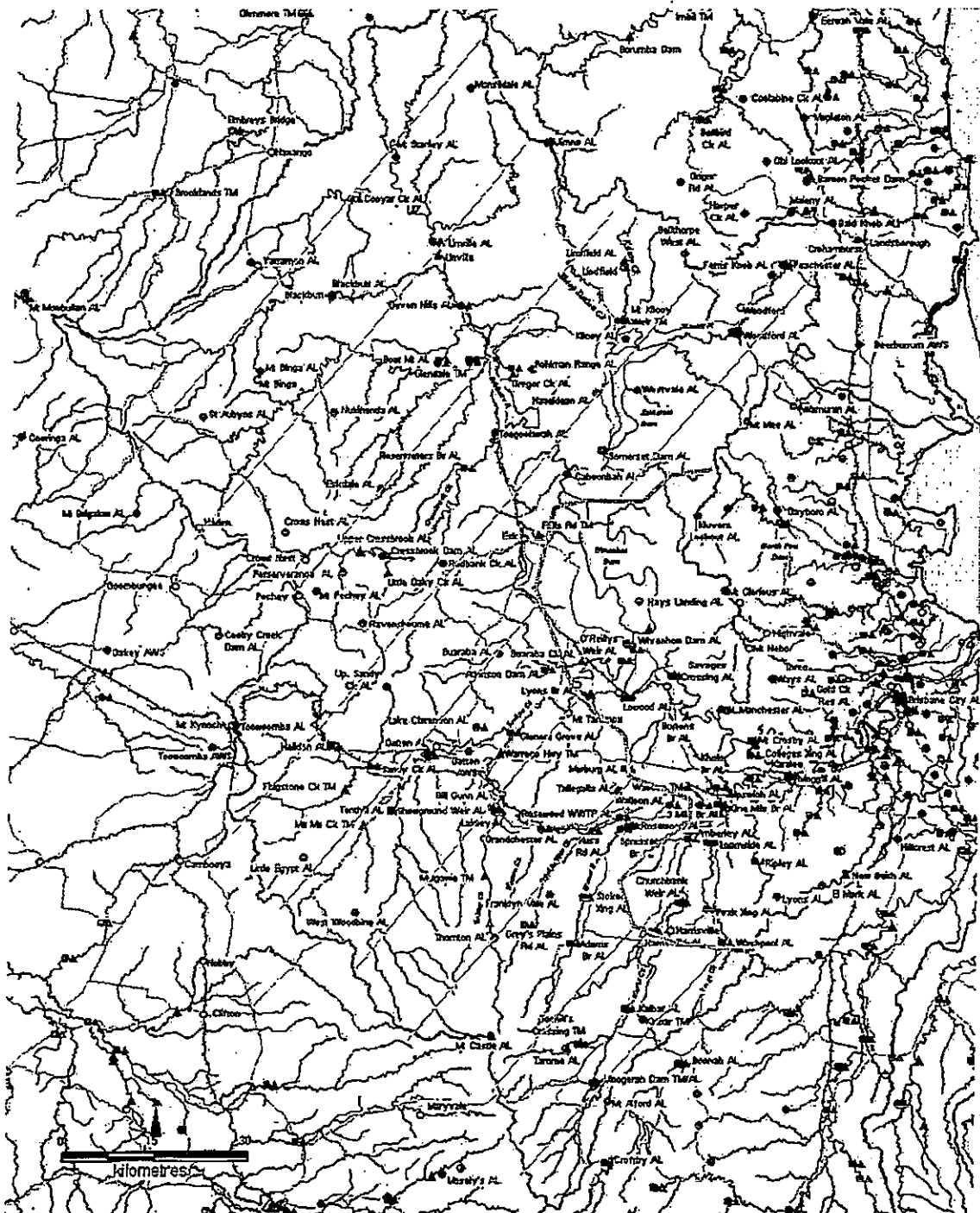


Figure 9: Locality Map showing the approximate border of the Brisbane Catchment enclosed in red. The portions of the Brisbane, Lockyer and Bremer sub-Catchments referenced as "Region A" is shown highlighted in green.



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The effects of the trough in the west of this region largely dissipated after this time, although some minor, sporadic rainfall continued in the following days.

The gauges at Gatton and Amberley both recorded a similar temporal rainfall pattern from this point in time as the storm progressed in a south-easterly direction across the region. From approximately 02:00 on the 11th of January 2011, rainfall intensities began to increase at these gauges with Gatton showing a significant increase in rainfall intensity between 5:45 and 12:00 on the 11th of January, 2011, at which time rainfall largely dissipated.

At Amberley, a significant increase in rainfall intensity occurred from 8:45 on the 11th of January, continuing until approximately 14:30 on the same day. Minor rainfall persisted until approximately 17:00 as the storm progressed to the east of the region.

Total accumulation of approximately 230 mm, 205 mm and 220 mm was recorded within this region at Toowoomba, Gatton and Amberley, respectively.

While the majority of the rainfall that fell in this region is characterised by high accumulations with low to medium intensity, the sharp increase in intensity recorded at all three gauges would have elicited a sharp response in the many small gullies and creeks, particularly those in the western most portion of the catchment around Toowoomba. An assessment of this rainfall indicates that rainfall intensities in areas around Toowoomba approached 100 year average recurrence for a range of durations. The proximity of this intense rainfall and the high energy environment in this region meant that this region represents an area that was most rapidly affected by the weather event.

Large volumes of runoff were generated in the region leading to overland flow that would have exceeded the capacity of local drainage systems and small streams within a short period of the onset of intense rainfall. This would have been exacerbated by the minor intensity rainfall on the previous day which had sufficiently wet the catchment in combination with the high accumulations recorded two weeks prior during the December 2010 Queensland Weather Event.

Stream level data is recorded at a number of gauges located throughout the catchment. One of the tributaries in the upper Brisbane River catchment is Gowrie Creek. It drains a small catchment of 50 km² that includes the majority of Toowoomba. A stream gauge is located along Gowrie Creek at Cranley which is about 2 km downstream of Toowoomba. Data from this gauge shows some small increases in levels in response to rainfall on the 9th of January before sharply rising at approximately 13:10 on the 10th of January 2011. Peak levels of approximately 3.7 m (gauge) were recorded at 14:00 on the same day. This response clearly followed the period of high rainfall intensity recorded at Toowoomba and gives a good representation of how similar small streams in this region would have responded during this weather event.

Flagstone Creek is a tributary of Lockyer Creek with an upstream catchment area of about 150 km². A gauge located on this stream and to the west of Toowoomba also shows a relatively rapid response in levels due to the localised intense rainfall recorded on 10th January 2011. Flood levels peaked at 6.7 metres (gauge) at 16:50 on the 10th January 2011, which was within several hours of the causative rainfall.



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Further to the east, a gauge located at Gatton on Lockyer Creek, which has a medium upstream catchment size of approximately 1500 km², also showed a relatively quick response with several peaks aligned with the causative rainfall that had progressed from the west in an easterly direction. Levels had already elevated above the BoM's "Major" designation by early on the 10th of January, 2011, decreasing and peaking twice more in response to inflows from the upstream catchment. The ultimate peak level was recorded at approximately 12:00 on the 11th of January, 2011, several metres in excess of the BoM's "Major" designation.

Further downstream the Lockyer sub-Catchment, a gauge located at Rifle Range which has an upstream catchment comprising of 2500 km² (5km west of the confluence of Lockyer Creek and the Brisbane River) showed a somewhat slower response in levels and a broader hydrograph as a result of the progression of the storm east through the catchment. Levels first surpassed the BoM's "Minor", "Moderate" and "Major" designations in quick succession early on the 10th of January, 2011. Levels continued to rise over the following day, with a peak of approximately 16.7 m (gauge) recorded at 13:00 on the 11th of January, 2011.

Judging by the rainfall in the upstream catchment, recorded at Toowoomba and Gatton, the response of stream levels in the Lockyer sub-Catchment upstream of Rifle Range would fall within categories 2 or 3 of the Storm vs. Flood Categorisation system.

The Brisbane River itself in the sub-Catchment to the north of Wivenhoe Dam also responded quickly, with a gauge at Gregor recording a peak at 00:00 on the 10th of January 2011, most likely as a result of the earlier progression of the intense storm as recorded in Toowoomba.

Further south in this northern sub-Catchment, a gauge at Falls Road on Esk Creek, which is a tributary of the Brisbane River, also shows a rapid rise in levels in response to the intense rainfall that progressed through this region. Levels peaked at approximately 8.8 m (gauge) at 14:00 on the 10th of January, 2011.

Judging by the rainfall recorded at Toowoomba, which would have had a similar temporal pattern to that in the upstream catchment, the response of stream levels in the Brisbane sub-Catchment upstream of Wivenhoe Dam would fall within categories 2 or 3 of the Storm vs. Flood Categorisation system.

River gauge data from the Bremer River at Adams Bridge, which has an upstream catchment size of approximately 130 km² recorded rapid rise in levels that exceeded the BoM's "Minor" designation at approximately 12:00 on the 11th of January, 2011. Levels decreased before rising again in response to the more intense upper catchment rainfall progressing through the region, exceeded "Minor" at approximately 9:00 on the 11th of January and peaking close to the BoM's "Moderate" designation at 13:00 on the same day.

Further downstream on the Bremer River at Walloon, which has an upstream catchment size of 620 km², levels were already elevated at the BoM's "Moderate" designation on the 10th of January, 2011. Levels began to respond to the intense rainfall in west at approximately 18:00 on the 10th of January, exceeding the BoM's "Major" designation at 12:00 on the 11th of January and peaking at approximately 8.9 m (gauge) at 17:00 on the same day.



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A gauge on Warrill Creek at Harrisville, which is a major tributary of the Bremer River with an upstream catchment of approximately 730 km², recorded a rise in levels that exceeded the BoM's "Minor", "Moderate" and "Major" designations at 12:00, 14:00 and 18:30 on the 10th of January, 2011 respectively. Levels continued to rise in response to rainfall that would have had a similar temporal pattern to that recorded at Amberley, peaking at approximately 6.0 m (gauge) at 19:00 on the 11th of January, 2011.

Judging by the rainfall recorded at Toowoomba and Amberley, which would have had a similar temporal pattern to that in the upstream catchment, the response of stream levels in the Bremer sub-Catchment upstream Walloon and Harrisville would fall within categories 2 or 3 of the Storm vs. Flood Categorisation system.

CONCLUSIONS

Properties affected by overflow of a stream in this region would fall within Categories 2 or 3 of the Storm versus Flood Categorisation Scheme (*refer Appendix B*).



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4.2 The Brisbane Catchment – Region B

This section refers to a portion of the Brisbane Catchment between Region A and Region C where the transition between categories 2/3 and 4 occurs. This includes an area of the:

- Brisbane River sub-catchment comprising of the upstream to downstream length of Wivenhoe Dam downstream several kilometres south of Lowood,
- Lockyer Creek sub-Catchment bound by Rifle Range in the west downstream including the town of Lowood at the confluence of the Brisbane River,
- Bremer River sub-Catchment bound by Walloon in the west and downstream to the town of Amberley. This also includes the length of Warrill Creek from Harrisville in the south to the upstream side of Amberley.

Rainfall within the upstream catchment as recorded at Toowoomba, Gatton and Amberley most represents how levels in the Brisbane River, Lockyer Creek and Bremer River were affected. Rainfall data from these gauges has been detailed in Section 4.1.

Large volumes of runoff would have been generated in this region leading to overland flow that would have exceeded the capacity of local drainage systems and small streams within a short period of the onset of intense rainfall.

Judging by upstream catchment size, the regional rainfall recorded and the response of stream levels to in "Region A" and "Region C" (Sections 4.1 and 4.2) this region would fall within a transitional zone between categories 2/3 and 4 of the Storm versus Flood Categorisation Scheme.

CONCLUSIONS

Properties affected by overflow of Lockyer Creek or the Brisbane or Bremer Rivers in this region would fall within either categories 2/3 or 4 of the Storm versus Flood Categorisation Scheme.

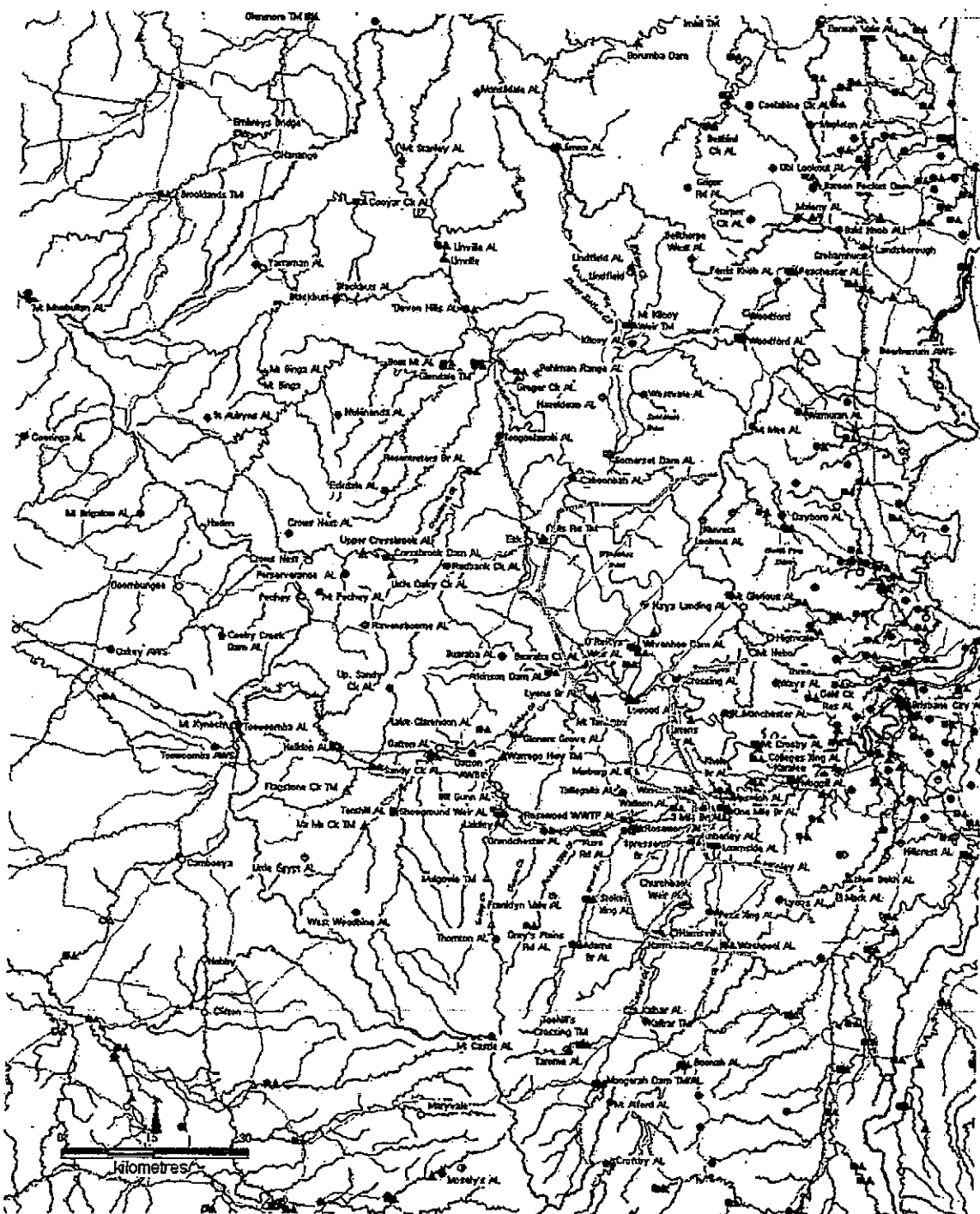


Figure 10: Locality Map showing the approximate border of the Brisbane Catchment enclosed in red. The portions of the Brisbane, Lockyer and Bremer sub-Catchments referenced as "Region B" is shown highlighted in green.



4.3 The Brisbane Catchment – Region C

This section refers to a portion of the Brisbane Catchment encompassing an area downstream of Lowood to the coast. This includes the lower Bremer sub-Catchment from Amberley through Ipswich to the Brisbane River confluence.

In this region, the Brisbane River flows initially from the north near Wivenhoe Dam to the south where it changes to flow in an easterly direction after the Bremer River confluence.

The primary stream in this region is the Brisbane River which has an upstream catchment size between 7000 km² and 13 500 km².

Other significant streams include the Bremer River which has an upstream catchment of approximately 2000 km² in this region as well as Oxley, Bulimba and Enoggera Creeks and Kedron Brook.

Rainfall within the upstream catchment as recorded at Toowoomba, Gatton and Amberley most represents how levels in the Brisbane and Bremer Rivers were affected in this region. Rainfall data from these gauges has been detailed in Section 4.1.

Other rainfall gauges, which are within this region, are located at Archerfield, Brisbane and Redcliffe and this data represents the local response of runoff and small streams in this region. Local rainfall in this region was less intense and smaller accumulations occurred compared with that recorded in the upper catchment areas to the west (particularly in the Lockyer sub-Catchment). Rainfall began at approximately 9:00 on the 9th of January, 2011 with relatively minor intensities and accumulations until 16:00 on the 11th of January, 2011. In this period, rainfall accumulations slowed from 10:00 on the 10th of January, 2011 until early on the 11th of January, 2011.

A total rainfall accumulation of 120 mm, 170 mm and 165 mm was recorded at Archerfield, Brisbane and Redcliffe respectively with peak rainfall intensities that did not exceed an ARI of 2 years. This highlights that the storm produced less intense rainfall in this region compared to that in the "Region A" to the west and north. Whilst some local drainage systems may have been overwhelmed by the runoff generated, it is unlikely that a significant number of properties were affected directly by runoff or overland flow in this region.

Runoff that primarily contributed to levels in the Brisbane River in this region would have been derived from the intense rainfall that occurred in the upper elevated areas to the west, in the headwaters of the Lockyer and Bremer Rivers combined with released from Wivenhoe Dam. The lower reaches of the Bremer River, although experiencing significant inflows from the Bremer sub-Catchment, ultimately experienced peak levels as a result of backwater from the Brisbane River which is evident in the hydrographs recorded in this region.

A gauge on the Brisbane River at Mount Crosby, which is approximately 10 km upstream of the confluence of the Bremer River, recorded a steady rise in levels that exceeded the BoM's "Moderate" designation at 04:00 on the 10th of January, 2011.

The hydrograph shows a clear change at approximately 09:00 on the 11th of January, 2011 when levels begin to more rapidly increase, most likely as a result of the arrival of inflows derived in the



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upper Lockyer Catchment as a result of intense rainfall. Levels surpassed the BoM's "Major" designation at approximately 16:00 on the 11th of January before peaking at approximately 26.0 m (gauge) at 10:00 on the 12th of January, 2011.

Levels recorded at a gauge on the lower Bremer River at Ipswich shows a distinct similarity with those recorded at Mount Crosby on the Brisbane River a short distance upstream. Records show levels rising steadily on the 10th of January, surpassing the BoM's "Minor" and "Moderate" designations at 16:00 on the 10th and 04:00 on the 11th of January respectively. This initial response is most likely a result of upper catchment flows from the Bremer River.

However at approximately 11:00 on the 11th of January, 2011, levels begin to more rapidly increase, surpassing the BoM's "Major" designation at approximately 14:00 on the same day and continuing to rise another 8.0 m to peak at a level of approximately 19.6 m (gauge) at 12:00 on the 12th of January, 2011. The shape and timing of this peak relatively to those recorded in the nearby Brisbane River indicates the ultimate influence of the Brisbane River on the lower Bremer River.

Approximately 5 km downstream from the Bremer River confluence, a gauge on the Brisbane River at Moggill shows a similar response to that of the Brisbane River at Mount Crosby and the lower Bremer River. Records show a steady rise in levels on the 10th of January, 2011 that displays an increasingly rapid rise from approximately 11:00 on the 11th of January, 2011. Levels surpassed the BoM's "Minor", "Moderate" and "Major" designations at approximately 14:00 and 20:00 on the 11th of January and 04:00 on the 12th of January respectively. A peak levels of approximately 17.8 m (gauge) was recorded at 14:00 on the 12th of January, 2011.

Further downstream, a gauge located at Brisbane City on the Brisbane River recorded a largely tidal hydrograph on the 10th of January which was progressively dampened on the 11th of January, 2011, in response to the arrival of flows derived from the upper catchment. Levels surpassed the BoM's "Minor" designation of 1.70 m (gauge) at approximately 12:00 on the 11th of January, 2011 continuing and surpassing the BoM's "Moderate" and "Major" designations of 2.60 m and 3.50 m (gauge) at approximately 02:00 and 08:00 on the 12th of January, 2011 respectively. A peak level close to 4.5 m (gauge) was recorded at approximately 02:00 on the 13th of January, 2011.

Judging by a comparison of the response of the Brisbane and lower Bremer Rivers with the intensity, temporal and spatial distribution of rainfall in the upstream catchment, this region would fall within categories 4 or 5 of the Storm vs. Flood Categorisation Scheme.

CONCLUSIONS

Properties affected by overflow of the Brisbane or Bremer Rivers in this region would fall within categories 4 or 5 of the Storm versus Flood Categorisation Scheme (refer Appendix B).



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Figure 11: Locality Map showing the approximate border of the Brisbane Catchment enclosed in red. The portions of the Brisbane and Bremer sub-Catchments referenced as "Region C" is shown highlighted in green.



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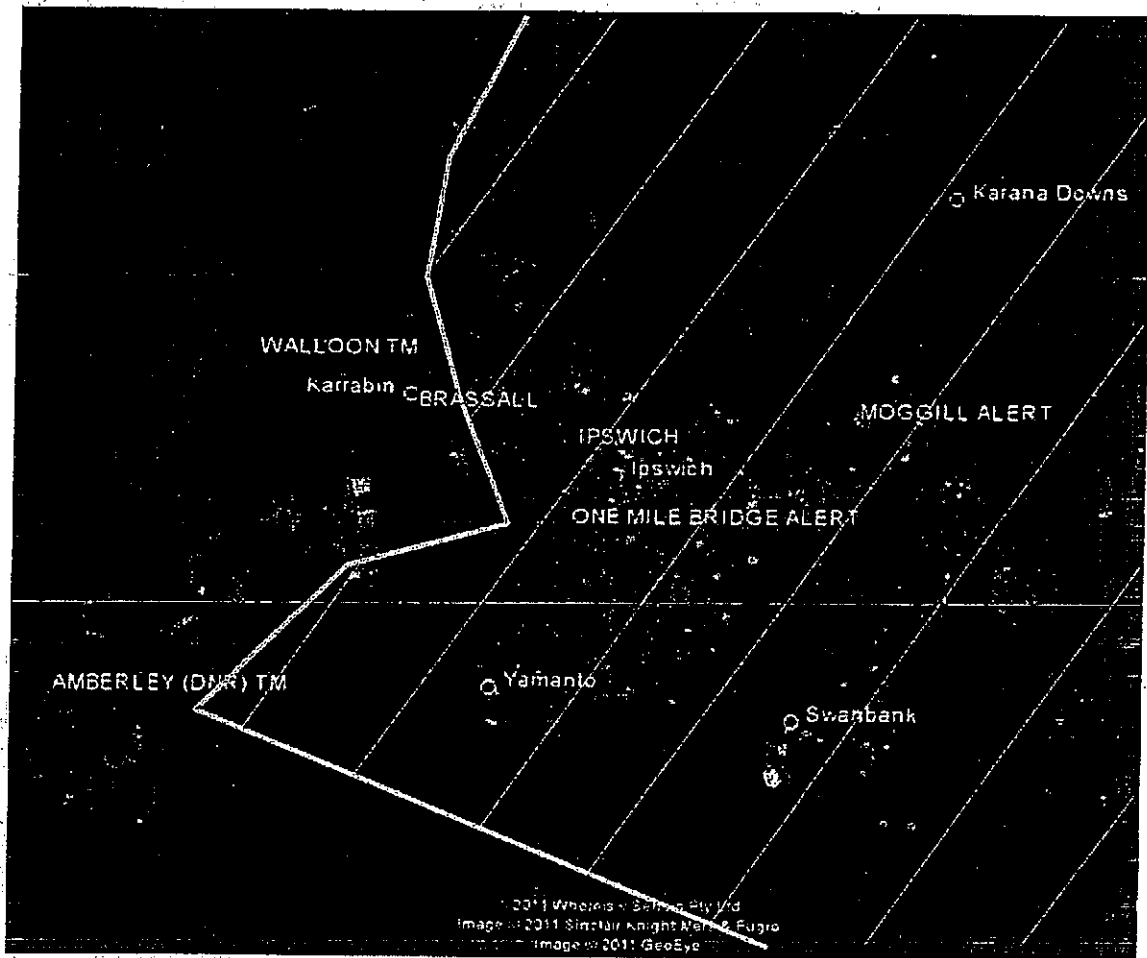


Figure 12: Close view of the Bremer sub-Catchment shown as a satellite map where the approximate boundary of "Region C" is shown highlighted in green. This boundary only applies to the intersection of the Bremer River and Warrill Creek.



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- Queensland Department of Environment and Resource Management; Various data through www.derm.qld.gov.au
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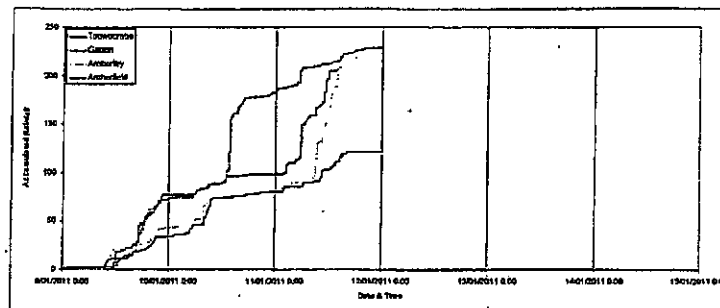
Appendix A

This section provides a visual representation of where the transition between "Region A" and "Region C" exists across the Lockyer, Bremer (including Warrill Creek) and Brisbane Rivers. This includes the area referred to as "Region B" where the transition between Category 2/3 and 4 exists. The uncertainty surrounding this transition can be further resolved with river level data in this region.

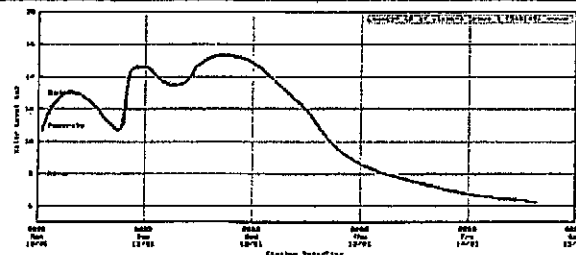
Lockyer Creek and Brisbane River

The following figures show the relevant rainfall associated with the central and upper Brisbane Catchment aligned temporally with the response of Lockyer Creek and Brisbane River from upper to lower catchment at selected gauges. These figures highlight where the transition between Categories 2/3 and 4 occurs with reference to the Storm versus Flood Categorisation System.

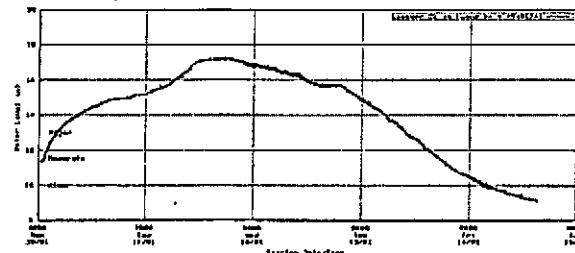
From this data, areas upstream along Lockyer Creek of Rifle Range are shown to be within Category 2 or 3 (Region A) whilst those downstream of Savages Crossing on the Brisbane River are within Category 4 or 5 (Region C).



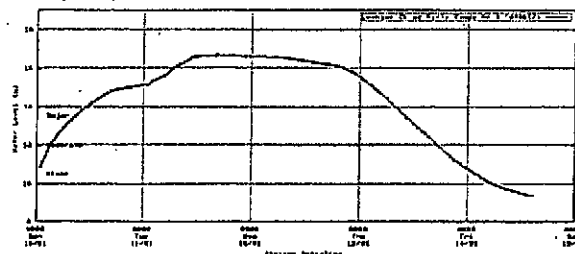
Data from Lockyer Creek at the Glenmore Grove gauge. The peak response of the stream in this region is within a relatively short time frame of the critical rainfall (approximately 4-6 hours); Category 2/3.



Data from Lockyer Creek at the Lyons Bridge gauge (upstream of Rifle Range). The peak response of the stream in this region is within a relatively short time frame of the critical rainfall (approximately 6-8 hours); Category 2/3.



Data from Lockyer Creek at the Rifle Range gauge. The peak response of the stream in this region is within a relatively short time frame of the critical rainfall (approximately 6-8 hours); Category 2/3.



Data from the Brisbane River at the Savages Crossing gauge (downstream of Lowood and Wivenhoe Dam). The peak response of the stream in this region is within a longer time frame of the critical rainfall (approximately 18-20 hours); Category 4/5.

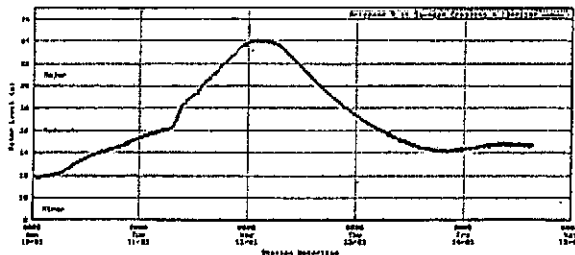


Figure 13: The rainfall recorded within the upper Brisbane Catchment (TOP) aligned with the same temporal scale of several river level gauges progressing from upstream to downstream regions on the Lockyer Creek and Brisbane River.



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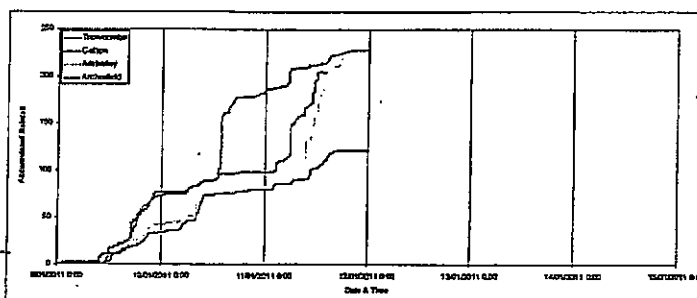
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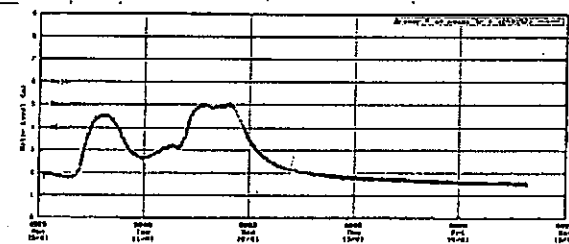
Bremer River (and Warrill Creek)

The following figures show the relevant rainfall associated with the central and upper Brisbane Catchment aligned temporally with the response of the Bremer River and Warrill Creeks from upper to lower catchment at selected gauges. These figures highlight where the transition between Categories 2/3 and 4 occurs with reference to the Storm vs. Flood Categorisation System.

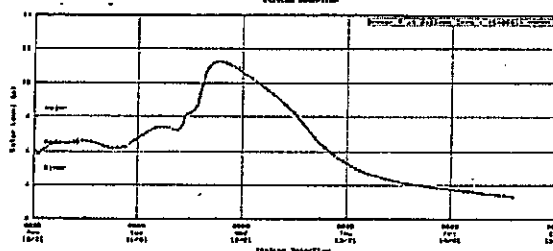
From this data, areas upstream along the Bremer River of Walloon are shown to be within Category 2 or 3 (Region A) whilst those downstream of One Mile Bridge are within Category 4 or 5 (Region C).



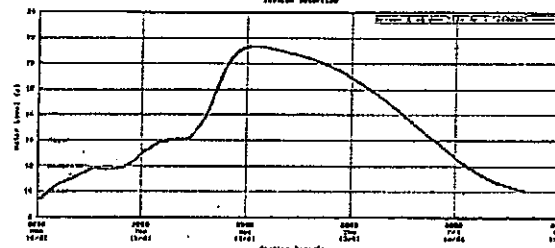
Data from the Bremer River at the Adams Bridge gauge. The peak response of the stream in this region is within a relatively short time frame of the critical rainfall (approximately 4-6 hours); Category 2/3.



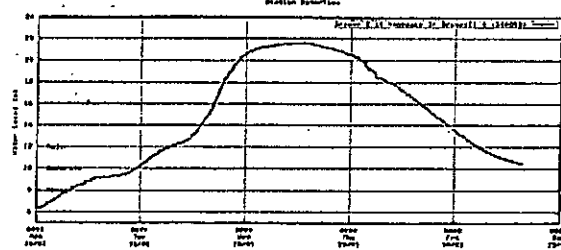
Data from the Bremer River at the Walloon gauge. The peak response of the stream in this region is within a relatively short time frame of the critical rainfall (approximately 5-7 hours); Category 2/3.



Data from the Bremer River at the One Mile Bridge gauge (in south-west Ipswich). The peak response of the stream in this region is within a longer time frame of the critical rainfall (approximately 12-14 hours); Category 4.



Data from the Bremer River at the Brassall gauge (in north-west Ipswich). The peak response of the stream in this region is within a longer time frame of the critical rainfall (approximately 24-26 hours); Category 4/5.



Data from the Bremer River at the Ipswich gauge (in central Ipswich). The peak response of the stream in this region is within a longer time frame of the critical rainfall (approximately 26-28 hours); Category 4/5.

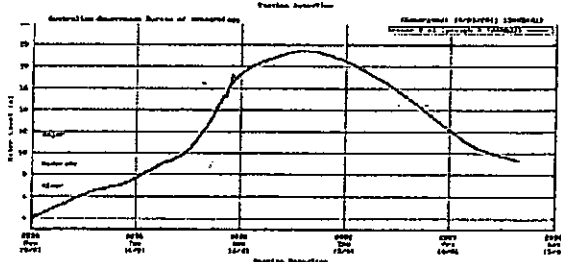
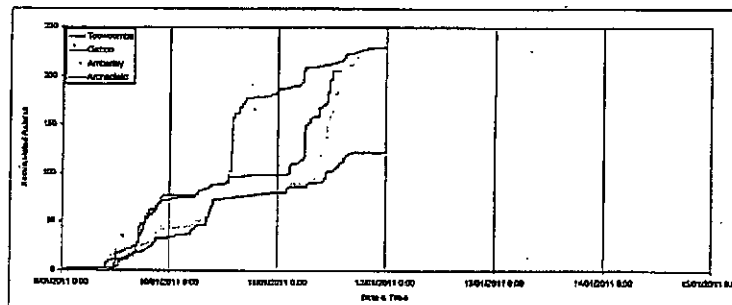


Figure 14: The rainfall recorded within the upper Brisbane Catchment (TOP) aligned with the same temporal scale of several river level gauges progressing from upstream to downstream regions on the Bremer River.



Data from Warrill Creek at the Kalbar Weir gauge. The peak response of the stream in this region is within a relatively short time frame of the critical rainfall (approximately 6-8 hours); Category 2/3.

Data from Warrill Creek at the Harrisville gauge. The peak response of the stream in this region is within a relatively short time frame of the critical rainfall (approximately 7-9 hours); Category 2/3.

Data from Warrill Creek at the Amberley gauge. The peak response of the stream in this region is within a longer time frame of the critical rainfall (approximately 18-20 hours); Category 4/5.

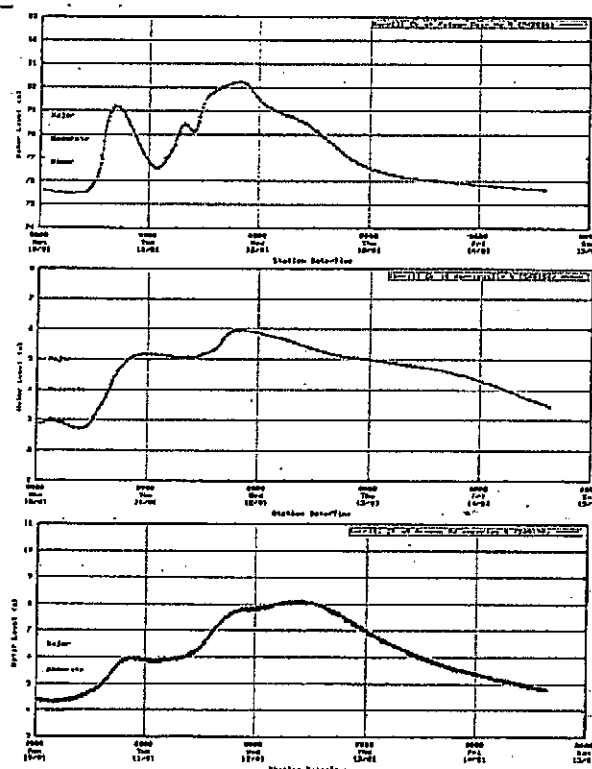


Figure 15: The rainfall recorded within the upper Brisbane Catchment (TOP) aligned with the same temporal scale of several river level gauges progressing from upstream to downstream regions on Warrill Creek.



Appendix B

Classification Scheme

This scheme describes aspects of the meteorological event and subsequent flow of water that led to inundation at the region of interest. It classifies inundation broadly by its origin e.g. a watercourse or overland flow and the timing of maximum inundation depth relative to critical rainfall of the meteorological event. Where Category 1 describes inundation occurring during or very soon after intense local rain and is not related to a watercourse and Categories 2 – 5 describe watercourse-based inundation where the timing of inundation varies according to where the rain fell and the nature and size of the upstream catchment.

Table 1: Storm Classification (to be used in concert with the accompanying descriptions)

Category	Storm	River System	Rain in a local area	Local overland inundation	Subsequent floodplain inundation (short timeframe)	Subsequent floodplain inundation (long timeframe)
1	Intense local rain	N/A	X	X		
2	Widespread heavy rain	Small (up to 10km length & 50km ² area) to Medium	X	X	X	
3	Light local & heavy upper catchment rain	Medium (to 70 km length & 3000km ² area)	X		X	
4	Spatially & temporally variable rain	Medium to Large	X			X
5	Intense upper catchment rain	Large				X



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Category 1 is essentially heavy localised rainfall leading to overland flow, usually during or very soon after the rainfall. The location may be near a small stream but the stream is not the cause of inundation at the region of interest.

Category 2 relates to small to medium streams at the location being considered (*up to 70km in length and 3000 km² in area*) under heavy regional rainfall where overland flow occurs initially, followed a short time (*up to several hours*) later by excessive flows inundating the floodplain of the stream.

Category 3 relates to a medium sized stream at the location being considered where the rainfall is concentrated in the upper (*steeper*) catchment, there is no local overland flow but the stream exceeds its channel capacity and occupies the floodplain within a short timeframe of the critical rain (*typically 2 to 8 hours*).

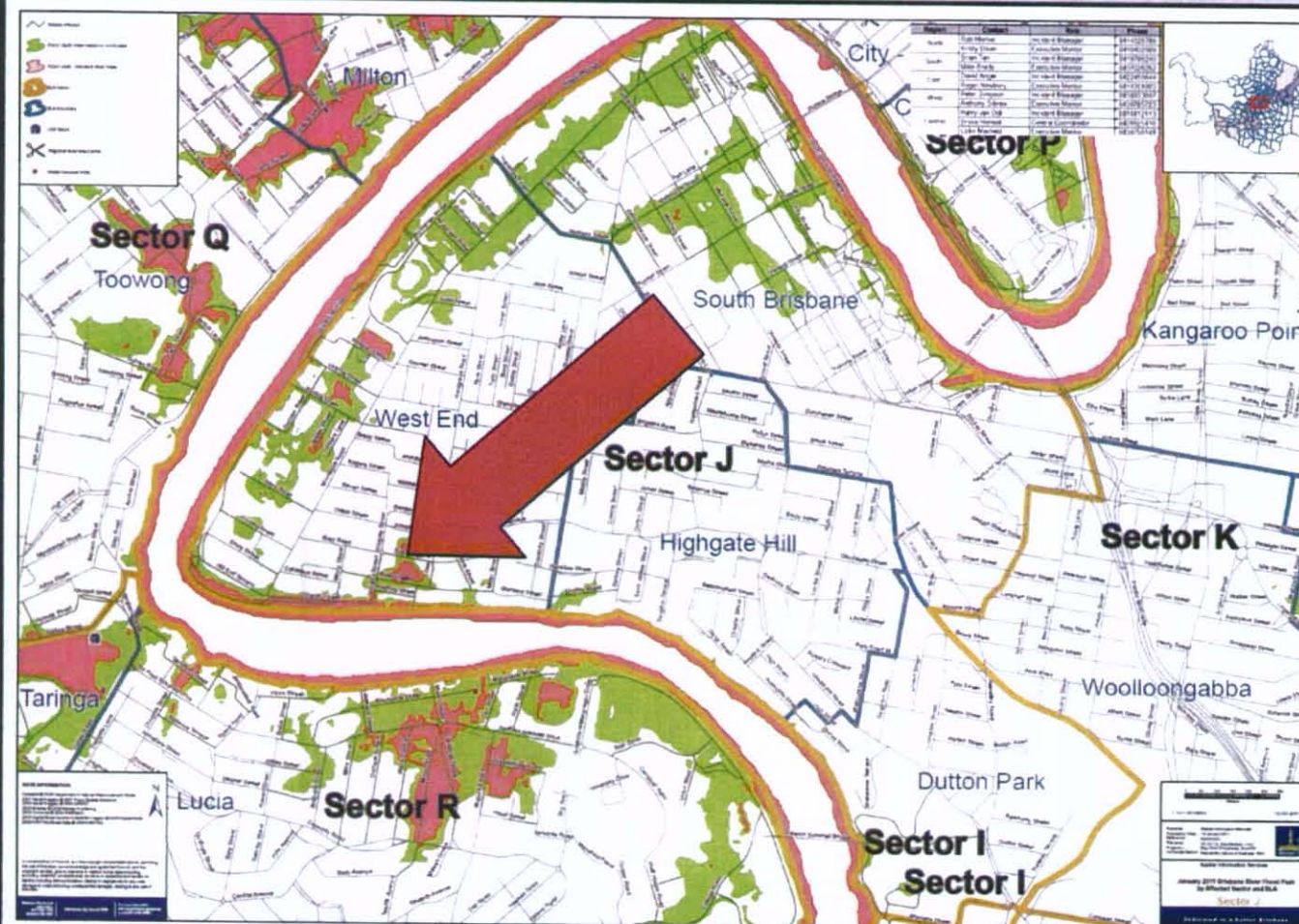
Category 4 relates to a medium to large river where the majority of rain occurs over the upper and possibly middle catchments. The long response time of the river system to Regions within the lower catchment results in flooding commencing some time after the critical rainfall (*typically more than 8 hours for medium streams and a day or more for large streams*).

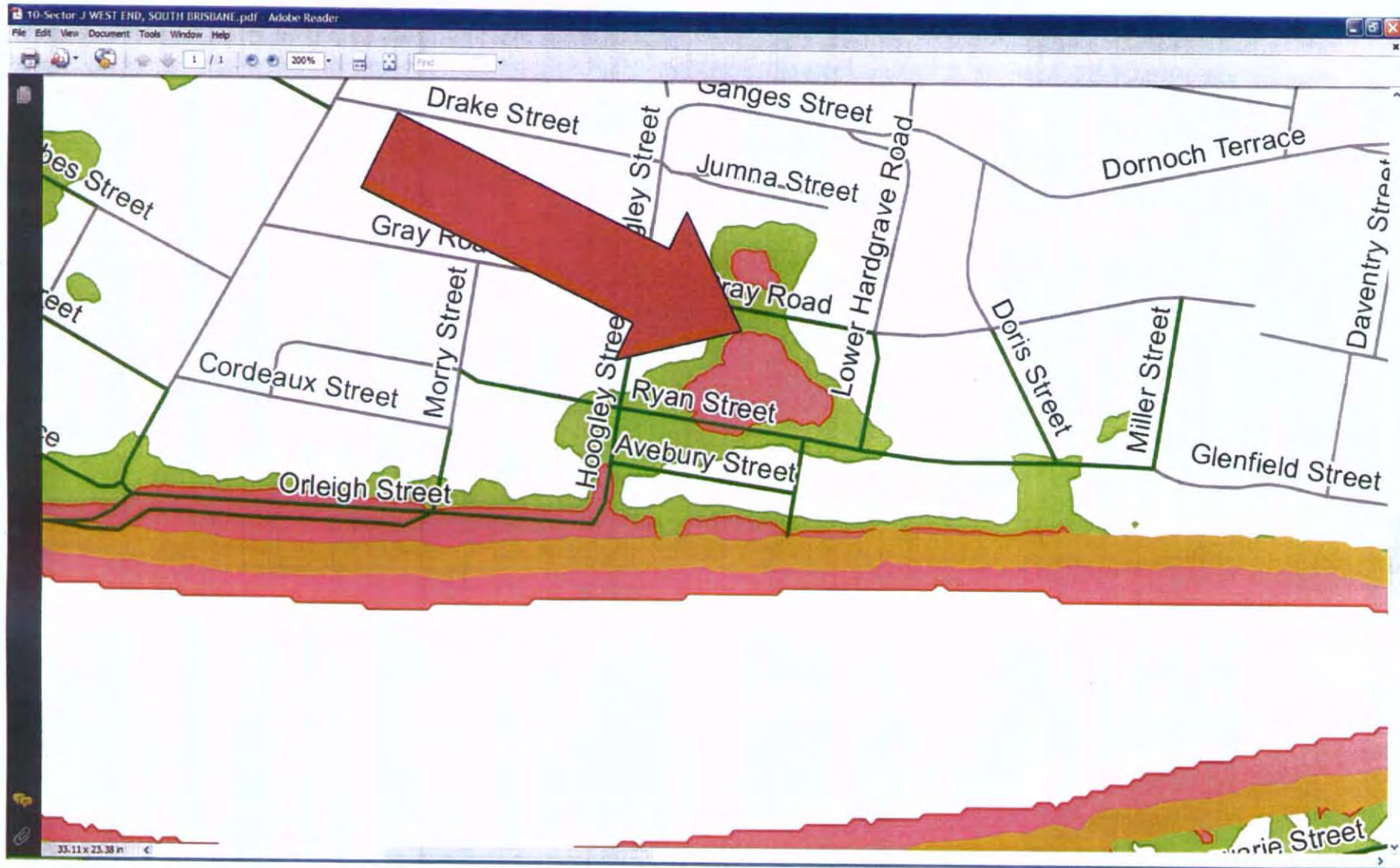
Category 5 is the classic 'sunny day' flood where rainfall in the upper catchment of a large river system generates flooding in the middle and downstream reaches several days to weeks later.

Interpretation of the classification scheme

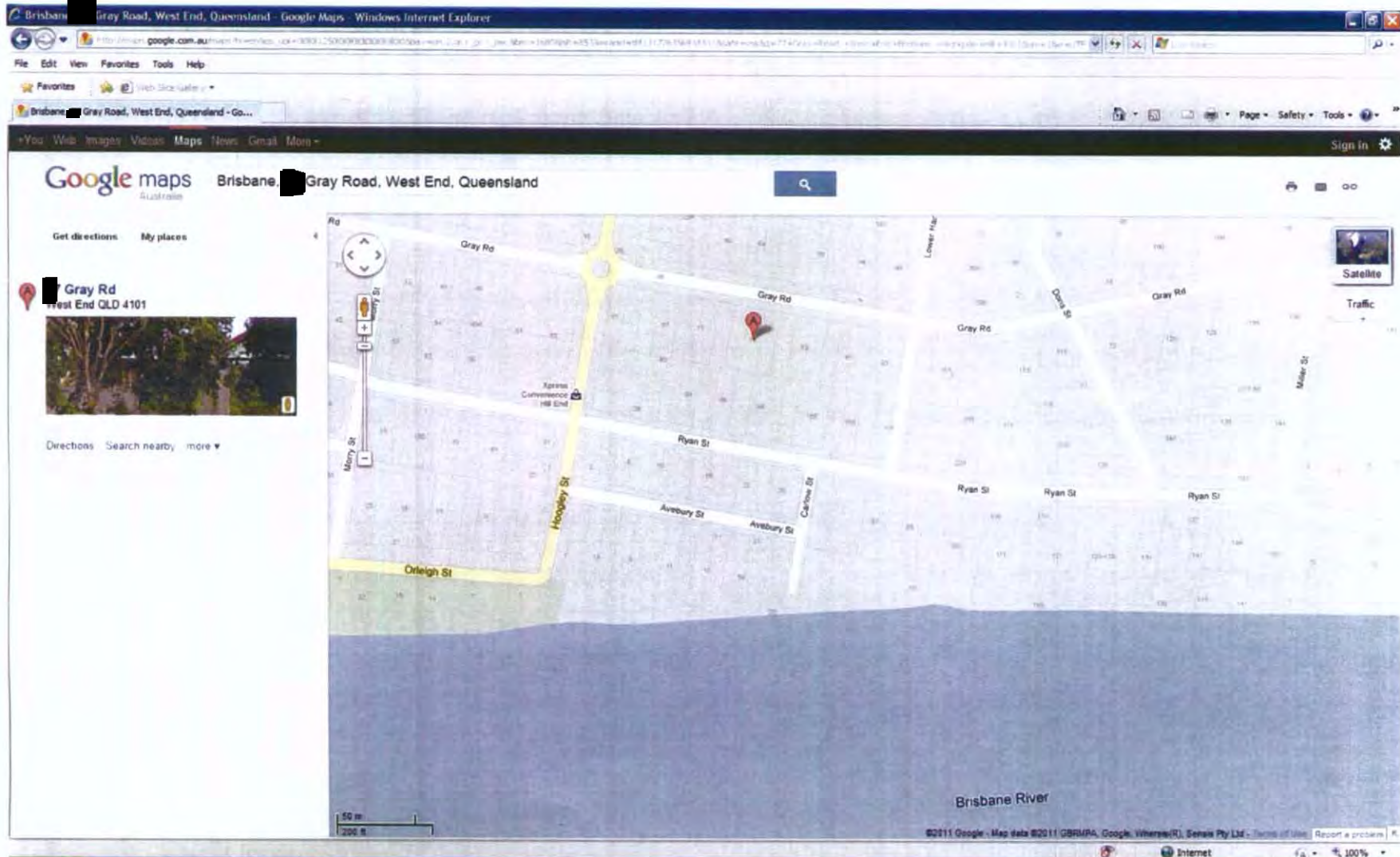
Whilst a procedure for classifying a storm's outcomes has been articulated, it cannot be absolutely prescriptive and will require some interpretation to accommodate the specific nature of individual storms and stream systems. For example, a medium stream at the upper end of the medium scale with a high intensity rainfall in the upper catchment would typically generate a category 3 outcome because of a rapid response by the stream, but with a lower intensity longer duration rainfall would generate a category 4 outcome characterised by a delayed response.

Annexure 30





Annexure 31



Annexure 32

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Policy Number:

Intermediary Details:

ROCKSURE
1318315

Total Amount Payable:

\$995.64

THE SUMMARY BELOW SHOWS THE INSTALMENT DETAILS FOR YOUR CONTRACT.

FIRST INSTALMENT	LAST INSTALMENT	NO. OF INSTALMENTS	INSTALMENT AMOUNT	TOTAL
31/08/10	31/07/11	12	\$82.97	\$995.64

If you have replaced, upgraded or recently renewed your credit card please advise us of the details.

Details of your policy cover

This Schedule must be attached to and read as part of the Company's policy.

Policy Number:	[REDACTED]	Intermediary:	[REDACTED]
Insured:	SALLY DONE [REDACTED] MOORE STREET [REDACTED] [REDACTED]	Broker:	[REDACTED]
Policy Type:	London Residential Property Insurance	Intermediary Number:	118375
Period of Insurance:	From 01/01/2010 to 31/12/2010	Intermediary Phone:	[REDACTED]
Situation of Property Insured:	GRATIA ROAD WEST END BRISBANE HIGH RISE HILL	Managing Interested Party:	ALD PAC BANKING CORPORATION

WHAT IS INSURED	SUM	
	INSURED	PREMIUM
*** PLEASE REFER TO IMPORTANT CHANGES ON THIS SCHEDULE ***		
MORTGAGEE	AS ABOVE	
SITUATION	AS ABOVE	
BUILDINGS	1 PRIVATE HOUSE	\$335100
LOSS OF RENT		\$21000
RENT DEFAULT AND THEFT BY A TENANT		\$104.19
POLICY EXCESS	\$250	
ADDITIONAL EXCESSES APPLY FOR CLAIMS FOR EARTHQUAKE, TSUNAMI, VANDALISM OR MALICIOUS ACTS BY TENANTS, DELIBERATE OR INTENTIONAL ACTS BY TENANTS, RENT DEFAULT AND THEFT BY A TENANT. IF COVER HAS BEEN REQUESTED IT WILL BE SHOWN ON YOUR POLICY SCHEDULE.		
LIABILITY (AMOUNT OF COVER - \$20000000)		\$68.00
TOTAL BASIC PREMIUM		\$841.98
GOODS AND SERVICES TAX		\$84.20
STAMP DUTY		\$69.46
TOTAL		\$995.64

WHAT YOU NEED TO TELL US

IF YOU ACCEPT OUR INVITATION, A NEW INSURANCE CONTRACT IS CREATED AND YOU ARE REQUIRED TO TELL US ANYTHING THAT YOU KNOW OR SHOULD KNOW COULD AFFECT OUR DECISION TO INSURE YOU.

IF YOU DO NOT TELL US THIS INFORMATION, WE CAN REDUCE THE AMOUNT OF A CLAIM, OR WE CAN CANCEL YOUR POLICY. IF YOUR FAILURE TO TELL US IS FRAUDULENT, WE CAN TREAT YOUR POLICY AS IF IT NEVER EXISTED.

IF YOU ANSWER 'YES' TO ANY OF THE FOLLOWING QUESTIONS YOU MUST ADVISE US IN WRITING, PROVIDING FULL DETAILS.

IN THE LAST 12 MONTHS:

- (1) HAS ANY INSURER REFUSED, CANCELLED, OR IMPOSED AN EXCESS ON ANY OF YOUR POLICIES OR REQUIRED SPECIAL TERMS TO INSURE YOU?
- (2) HAVE YOU OR ANY OTHER PERSON WHO WOULD RECEIVE INSURANCE PROTECTION UNDER THE PROPOSED POLICY BEEN CHARGED OR CONVICTED OF ANY CRIMINAL OFFENCE?
- (3) HAVE THERE BEEN ANY CHANGES TO THE INSURED PROPERTY WHICH MIGHT

Continued on following page

- (4) INCREASE THE RISK OF LOSS OR DAMAGE?
ARE THERE ANY OTHER MATERIAL FACTS WHICH SHOULD BE DISCLOSED? (PLEASE REFER TO THE DUTY OF DISCLOSURE SECTION IN YOUR POLICY BOOKLET.)

Do you authorise us to send you marketing material such as special offers and discounts?

Please call us at the telephone number on the front page of the schedule if you do not want to receive this material.

IMPORTANT NOTICE - POLICY EXCESS

For each separate identifiable incident for which your policy provides cover any applicable excess will apply for each incident giving rise to a claim.

AS THIS IS A CONTRACT WHEREBY THE PREMIUM IS PAID BY INSTALMENTS YOUR ATTENTION IS DRAWN TO "YOUR PREMIUM" IN THE POLICY BOOKLET.

TO PROVIDE SOME PROTECTION AGAINST INCREASED COSTS, THE SUM INSURED ON BUILDINGS &/OR CONTENTS HAS BEEN INCREASED BY 5.0%.

YOU MAY SELECT DIFFERENT SUMS INSURED IF YOU WISH.

WORKERS COMPENSATION INSURANCE IS COMPULSORY IF YOU HAVE EMPLOYEES.

THIS COVER IS NOT PROVIDED UNLESS SPECIFICALLY SHOWN ON THE SCHEDULE.

CGU INSURANCE CAN ARRANGE SEPARATE COVER IN THOSE STATES WHERE LEGISLATION PERMITS.

Cooling - Off Period

If you decide that you do not wish to continue with this policy, you have twenty-one days after the commencement of this insurance to request cancellation. We will provide you with a full refund of premium paid, provided you have not made a claim under the policy.

Your Renewal

In line with modern business practice, we do not automatically provide receipts for payment of renewals. If you require confirmation of your renewal, or you require a tax invoice, you can contact us.

Under the requirements of the Financial Services Reform Act 2001, we have prepared a Product Disclosure Statement (PDS) for this insurance. This PDS has been prepared to assist you in understanding the insurance policy and making an informed choice about your insurance requirements. If you would like a copy of the PDS, please contact us.

You can contact us:

By phoning the telephone number on the front page of the schedule, or
By writing to CGU Insurance Limited

GPO Box 4962 Melbourne 3001, or

By completing our e-Form or e-Mail at www.cgu.com.au

IMPORTANT CHANGES - POLICY EXCESS

We have recently reviewed our landlords policy excess levels and as a result a minimum basic excess of \$250 will now apply to all policies. As your previous landlords policy excess was less than the \$250 minimum it will be increased to \$250 effective from the commencement of your new period of insurance as noted on this Renewal Schedule.

*If you have chosen to pay by direct debit or by credit card,
please keep this information for your records.*

Direct Debit Agreement

By Authorising the Direct Debit Request, you agree that we may arrange for Instalments in respect of the Policy to be paid from your nominated account or credit card under the terms of the Direct Debit Request and this Agreement. This Agreement is to be read in conjunction with the Policy and the Direct Debit Request.

1. WORDS THAT HAVE A SPECIAL MEANING IN THIS AGREEMENT

- 1.1 'Account' means the Financial Institution account or credit card account (as applicable) nominated by you in your Direct Debit Request.
- 1.2 'Authorisation' and 'Authorising' means your binding authorisation and includes your signature, your request by telephone or your request by any written or electronic method.
- 1.3 'Direct Debit Request' means the authority and request given by you to us to debit Instalments to your Account.
- 1.4 'Financial Institution' means the bank or financial institution or credit card issuer nominated by you in your Direct Debit Request.
- 1.5 'Instalment' means each premium instalment payable to us under the terms of the Policy on the dates identified in the Premium Instalment Advice.
- 1.6 'Intermediary Fees' means the fees payable by the insured to an insurance intermediary in respect of effecting the Policy or amending the Policy, as notified by the insurance intermediary to CGU.
- 1.7 'Policy' means the contract of insurance effected with us by you or any other person as nominated by you in the Direct Debit Request in respect of which CGU permits payment by direct debit or credit card and any renewal of that contract of insurance. It includes the Premium Instalment Advice in respect of each such contract.
- 1.8 'Premium Instalment Advice' means the most recent premium instalment advice(s) provided or to be provided by us to the insured under the Policy, which sets out details of the Instalments and Instalment due dates.
- 1.9 'you/your' means the person or persons making the direct debit request or credit card authorisation (as applicable) in the Direct Debit Request.
- 1.10 'we/us' means CGU Insurance Limited ABN 27 004 478 371.

2. OUR OBLIGATIONS TO YOU AND OUR RIGHTS:

- 2.1 We will send you a written or electronic copy of the Direct Debit Request arrangements (amount; frequency; commencement date) and obtain your Authorisation to the Direct Debit Request at least 7 calendar days prior to debiting any amount in accordance with the Direct Debit Request.
- 2.2 Subject to the terms of this Agreement, we will debit to the Account:
 - (a) Intermediary Fees (if applicable), on behalf of the licensee or authorised representative that you have arranged your insurance through, on or about the first Instalment date set out in the Premium Instalment Advice;
 - (b) the first Instalment on or about the first Instalment date set out in the Premium Instalment Advice
 - (c) any subsequent Instalments on or about the Instalment date identified in the Premium Instalment Advice.
 Subject to clause 2.4, we will not change the amount or frequency of Instalments for the Policy without your prior approval.
- 2.3 Where the due date for any Instalment falls on a non-business day, we will debit the Instalment on or about the next business day. If you are uncertain about when the Instalment will be debited to your Account, contact your Financial Institution.
- 2.4 Where any Instalment is dishonoured, or an additional amount is due as a result of an amendment to a Policy, you authorise us to debit to the Account:
 - (a) any outstanding amounts and the next Instalment on or about the next Instalment due date; or
 - (b) any outstanding amounts at any time.
- 2.5 We reserve the right to terminate this Agreement and the Direct Debit Request without notice to you if more than one Instalment is dishonoured. This means you must ensure premium payments are made by an alternative payment method offered by us. We may also be able to cancel the Policy.
- 2.6 If any Instalment is dishonoured, you authorise us to obtain reimbursement from you of any fees we incur by debiting these fees to your Account if and when they accrue.
- 2.7 If we are obliged to refund any amounts debited to the Account under the Direct Debit Request in respect of the Policy, we will (at our option) either:
 - (a) arrange for a refund to be payable to you within 31 days of the refund becoming payable; or
 - (b) reduce the amount of the next Instalment(s) by the amount of the refund (this reduction will continue until the amount is refunded in full).

- 2.8 We collect personal information from you for the purpose of providing you with direct debit or credit card payment facilities and related services. You can choose not to provide this information, however, we may not be able to debit the Account under your Direct Debit Request. We will keep all information you give to us relating to your Account private and confidential except to the extent we need to disclose it to relevant banks and financial institutions to debit your Account or in connection with a claim made against our bank relating to an alleged incorrect or wrongful debit. If you wish to update or access the information that we hold about you, contact us.
- 2.9 If you request a change to the Policy which affects the amount or frequency of the Instalments, we will provide you with 7 days written notice before the amount or frequency of the Instalments is varied.
- 2.10 Otherwise, we will provide you with 14 days written notice if any term of this Agreement varies during the term of the Direct Debit Request and will provide you with an updated version of this Agreement.

3. YOUR OBLIGATIONS TO US AND YOUR RIGHTS:

- 3.1 You must check your Account details against a recent statement from your Financial Institution. Direct debiting is not available on all accounts. If you are uncertain about your Account details or whether direct debiting is available from your account, check with your Financial Institution before selecting the option to pay by direct debit in the Direct Debit Request.
- 3.2 By Authorising the Direct Debit Request, you agree to be bound by the terms of this Agreement and the Direct Debit Request.
- 3.3 You must ensure that immediately before any Instalment or other amount is due to be debited you have sufficient funds or credit available in respect of your Account to meet your Instalment obligations under this Agreement and any other amounts on the due date.
- 3.4 If your Account has more than one signatory, you must ensure that all necessary signatories Authorise the Direct Debit Request. It is your responsibility to ensure that the authorisation given to debit the nominated Account is identical to the Account signing instruction held by the Financial Institution where the Account is based.
- 3.5 You must advise us if your Account is transferred, closed, cancelled or expires.
- 3.6 You may alter the debiting of an Instalment, stop payment of an Instalment or terminate the Direct Debit Request at any time by giving written notice to us at least 14 days prior to the due date of the next Instalment or by contacting your Financial Institution. It is your responsibility to arrange with us a suitable alternate payment method if you wish to cancel the Direct Debit Request. If we agree to vary the frequency of the Instalments, we will issue you with an updated Premium Instalment Advice. If alternative payment arrangements are not made with us, we can cancel a Policy without notice to you.

4. INQUIRIES AND DISPUTES

If you have any concerns or queries regarding the timing of credit card payments, a proposed variation to the amount or frequency of Instalments or any amount debited, you should contact us on 13 15 32. If you have a query about the timing of other payments or wish to dispute a debit, contact your Financial Institution.

CGU Insurance Limited ABN 27 004 478 371. An IAG Company

landlords residential property

insurance product disclosure
statement and policy



landlords residential property
insurance product
disclosure statement and policy

landlords residential property



Preparation date: 01/08/2006

Insurer: CGU Insurance Limited
ABN 27 004 478 371
AFS Licence No. 238291

This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.

Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.

When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.

If you need more information about this PDS, please contact us or your insurance adviser.

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Landlords Residential
Property Insurance

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Excesses that may apply
when you make a claim

5

Bond money we may deduct
when you make a claim

5

Landlords Residential Property Insurance

Landlords Residential Property Insurance provides cover for any accidental loss or damage to the buildings or contents that make up your rental property.

We also provide cover under specific conditions for a range of incidents and additional covers.

You can choose to take out a buildings policy, a contents policy, or a combined buildings and contents policy.

You can also add options to your policy for loss of rent, rent default and theft by a tenant, liability, strata title mortgagee protection and workers' compensation.

Your buildings or contents and the options you have chosen will be covered up to the sum insured, as listed on your current schedule.

To find out what this policy covers, see next page. ▶

For exclusions to this cover, see page 25. ▶

Excesses that may apply when you make a claim

An 'excess' is your contribution towards the cost of a claim. We will tell you if you need to pay an excess when you make a claim.

The type of excess that applies to your policy and the amount of that excess will be listed on your schedule. You may need to pay more than one type of excess when you make a claim. You will only need to pay this amount once when you make a claim.

Your excess will be increased by \$250 for any loss or damage that occurs as a result of an earthquake or tsunami.

Your excess will be increased by \$400 for any loss or damage that occurs as a result of:

- deliberate or intentional acts, or vandalism or malicious acts by your tenants or their visitors,
- your tenant leaving your building,
- your tenant ceases to pay rent,
- your tenant being evicted from your buildings, or
- the theft of any part of your buildings or contents by your tenants or their visitors.

When a claim is made for what we identify as one or more separate incidents, you will need to pay any excesses that apply for each separate incident we have identified.

Bond money we may deduct when you make a claim

We will reduce the amount we will pay for loss or damage to your building or contents, rent default or legal expenses by any bond money that you are entitled to use to pay for or reduce the cost of any loss or damage.

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Buildings we will cover

We will cover residential buildings, their fixtures and fittings and any structural improvements at your rental property.

Your buildings include

- residential buildings, including
 - any professional offices or surgeries in those buildings
- domestic outbuildings
- fixed coverings to walls, floors and ceilings
 - these do NOT include fixed carpets, curtains or internal blinds
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- anything permanently built, constructed or installed on your rental property for domestic purposes.

Your buildings do NOT include

- buildings that a tenant is liable for under the terms of a written, rental agreement, unless
 - the building is listed under 'Your buildings include' as above
- building materials
- plants, shrubs, trees or grass.

What we will pay for buildings

We will cover your buildings up to the sum insured, as listed on your schedule.

Contents we will cover

We will cover household goods you own or are legally responsible for that are not fixed or fitted to your buildings at your rental property.

Your contents include

- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- fixtures and fittings that you have installed if you are the owner of a strata title unit, unless
 - the body corporate or similar body has insured them
- household goods
- furniture and furnishings that are not built in
- portable domestic appliances that are not built in
- swimming pools, saunas and spas that are not built-in and their accessories
- 'special contents', as listed on your schedule.

Your contents do NOT include

- unset precious/semi-precious stones
- plants and trees growing outdoors, unless
 - they are growing in pots or tubs
- animals, including birds and fish
- jewellery and watches
- items that contain gold or silvers, unless
 - they are items thinly covered with gold or silver
- furs
- collections of stamps, money or medals
- sporting equipment
- clothing and personal effects
- money and negotiable documents
- battery-powered items as listed below
 - audio visual equipment
 - camera equipment, including accessories and unprocessed film
 - electronic diaries
 - GPS
 - mobile or portable phones
 - portable computers
- pedal cycles, motorcycles, mini-bikes, caravans, trailers, aircraft, watercraft or motor vehicles, unless
 - they are ride-on mowers
- building materials.

What we will pay for contents

There are set maximum amounts that we will pay when you make a claim. These amounts are listed below and are included in your contents sum insured.

	THE MOST WE WILL PAY
CONTENTS	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system

Nominating the amount we will pay for contents

When you take out a contents policy, you must nominate the replacement value of your contents at today's prices. This is called your 'sum insured' and is listed on your schedule.

Increasing the amount we will pay for contents

You can increase the maximum amount we will pay for any content item, pair, set, collection or system by nominating an amount that is higher than \$20,000. Your contents will be listed on your schedule as 'special contents'.

Where your contents are covered

We will cover your contents at your rental property for loss or damage as a result of an incident we have agreed to cover.

Accidental Damage cover

We will cover your buildings or contents for any accidental loss or damage.

There are also a number of incidents we will cover under specific conditions - these are listed on the following pages.

If you make a claim, you will need to pay any excesses that apply - you will only need to pay this amount once.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 25. ►

Incident cover provided under specific conditions

Burning out of an electric motor

BUILDINGS
CONTENTS

We will cover the cost to repair or replace your electric motor if it burns out or fuses.

We will ONLY do this if your electric motor is

- 15 years old or less, and
- no bigger than 3.7 kilowatts (5 HP).

continued... Incident cover

Fire or explosion

BUILDINGS
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

We will NOT cover loss or damage caused by a bushfire or grassfire within 48 hours of the start date of your policy, unless

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

Landslide or subsidence

BUILDINGS
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

We will ONLY do this if the loss or damage occurs within 72 hours of

- an earthquake or explosion
- a storm, including rainwater or wind, or
- liquid escaping from a fixed pipe, or an object attached to a pipe, fixed gutter, fixed tank or a drain.

Loss or damage by a tenant or their visitors

BUILDINGS
CONTENTS

We will cover your buildings or contents for loss or damage caused by a tenant or their visitors, or their visitors pets.

We will only do this if the loss or damage occurs as a result of

- accidental breakage of any
 - fixed glass in your buildings, including any window tinting or shatter proofing material attached to the glass
 - fixed shower bases, basins, sinks, spas, baths and toilets
- fire or explosion, as described on the previous page
- impact by a vehicle
- water or liquid that escapes from
 - a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain
 - a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
 - a washing machine or dishwasher
 - an aquarium
 - a waterbed
- a deliberate or intentional act, vandalism or a malicious act, unless it is a result of
 - theft
 - tenant neglect, carelessness, poor housekeeping or unhygienic living habits
 - damage occurring during maintenance or repair operations carried out by the tenants or anyone acting on their behalf
 - damage caused by pets belonging to tenants or their visitors.

continued... Incident cover

Storm, rainwater or wind

BUILDINGS CONTENTS

We will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

We will NOT cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, unless

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

We will NOT cover

- swimming pool covers, including
 - solar covers and plastic liners
- water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, unless
 - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber and are more than 15 years old.

Theft or attempted theft

BUILDINGS CONTENTS

We will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will NOT cover your buildings or contents for loss or damage as a result of theft by a tenant or their visitors.

The theft or attempted theft must be reported to the Police.

Water or liquid damage

BUILDINGS CONTENTS

We will cover your buildings or contents for loss or damage caused by water or liquid. We will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.

We will NOT cover your buildings or contents for loss or damage caused by

- flood
- landslide or subsidence, unless
 - we agree to cover the incident as described under 'Landslide or subsidence'
- water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed

We will cover the cost of repairing the item that caused the escape of water or liquid.

For Landslide or subsidence, see page 12 ◀

Additional cover included in this insurance

Your insurance includes a range of covers we refer to as 'additional cover'. These covers are listed on the following pages. The additional cover we provide depends on whether you have a buildings policy, contents policy or a combined buildings and contents policy.

The amount we will pay for these covers is in addition to the sum insured, as listed on your schedule.

If you make a claim for an additional cover, you will not need to pay an excess.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 25 ►

Debris removal and demolishing

BUILDINGS
CONTENTS

We will cover the reasonable costs to demolish and remove any debris that results from loss or damage to your buildings or contents, up to 10 per cent of your buildings or contents sum insured.

The debris must occur as a result of an incident we have agreed to cover.

Mortgagee discharge costs

BUILDINGS

If you make a claim for the total loss of your buildings, we will cover any legal costs associated with the discharge of any mortgage you have left owing.

The total loss must occur as a result of an incident we have agreed to cover.

Rebuilding fees

BUILDINGS

If your buildings suffer loss or damage, and need to be rebuilt as a result, we will cover the costs of employing an architect or surveyor, and also pay any legal fees that arise from the rebuilding, up to 10 per cent of your buildings sum insured.

The rebuilding must occur as a result of an incident we have agreed to cover.

Sale of your rental property

BUILDINGS

If you have entered into a contract to sell your rental property, we will extend your buildings cover to the purchaser until:

- the contract settlement date
- the purchaser insures the rental property, or
- the purchaser becomes liable for damage to the rental property whichever happens first.

This cover will stop immediately if:

- the sale contract is terminated, or
- your buildings insurance comes to an end.

continued... Additional cover included in this insurance

Sum insured

BUILDINGS
CONTENTS

If we agree to pay you for a loss to your buildings or contents we will increase your sum insured for buildings or contents by the amount the Consumer Price Index (all groups) has increased since you took out your policy.

However, we will NOT increase your sum insured for special contents.

You will be fully insured again for your buildings or contents for the amounts shown on your schedule, unless

- your claim is for a total loss and we pay you the sum insured, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

Optional cover you can add to your policy

You can broaden the scope of your cover by adding any of the following options. You will need to apply for this cover and pay an additional premium. Any options that we agree to add to your policy will be listed on your current schedule.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 25 ►

Liability cover

With this option, we will cover your legal liability as a result of any incident listed below that causes loss or damage to someone else's property, or death or bodily injury to other people, during your period of insurance.

We will cover liability claims up to the sum insured, as listed on your schedule, for any incident listed below.

This amount includes any legal costs that must be paid to defend the claim and any costs awarded against you.

If you choose this option, it will be listed on your schedule as 'Liability cover'.

If you have insured your buildings, including strata title or a similar scheme, we will cover you for the amount you have to pay as owner or occupier of the buildings.

If your buildings are a total loss, we will continue liability cover for any amount you have to pay as owner or occupier of the buildings for up to six months from the date your buildings are destroyed.

Continued next page ►

continued... Optional cover that can be added to your policy

continued...
Liability cover

- This cover will stop immediately if
- construction commences at the home
 - you sell the land, or
 - you take out a new buildings insurance policy for the home.

If you have insured your contents and you own part of the building that has been subdivided, we will cover you for the amount you have to pay as owner of your contents, or occupier of your part of the building.

If you have insured your contents, we will cover you for the amount you have to pay because of any defect in your contents.

If you provide a car park for your tenant or their visitors to use, we will cover you for the amount you have to pay for damage to property while it is in the car park.

Loss of rent

With this option, if your buildings or sections of your buildings suffer loss or damage and are uninhabitable as a result, we will cover any loss of rent equal to the weekly amount as stated on your rental agreement or periodic tenancy agreement for up to 12 months. The most we will pay is up to the sum insured, as listed on your schedule.

If you choose this option it will be listed on your schedule as 'Loss of rent'.

This cover applies when

- loss or damage to your buildings or contents occurs as a result of an incident as listed in this PDS
- access to your rental property is prevented due to loss or damage to other property located near your rental property.

We will ONLY cover loss of rent while your rental property is uninhabitable.

Continued next page ►

continued...
Loss of rent

We will also provide cover for up to two weeks rent, up to \$1000 (inclusive of GST) after

- a death of a sole tenant that occurs before the end of the tenancy period of your rental agreement or during a periodic tenancy agreement.

Cover will start from the date of death of the sole tenant.

We will not pay if the sole tenant had given you or your agent notice in accordance with the rental agreement or periodic tenancy agreement prior to their death.

- your rental agreement or periodic tenancy agreement is legally terminated by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the tenant.

Cover will start from when the termination order issued by the Residential Tenancies Tribunal or other relevant authority takes effect.

This cover will stop immediately if your rental property is re-tenanted.

An excess may apply to this option.

This option is available for buildings or contents policies.

Rent
default and
theft by
a tenant

With this option, we will cover

- rent default and theft by a tenant
- legal costs you incur as a result of rent default or theft by a tenant.

If you choose this option, it will be listed on your schedule as 'Rent default and theft by a tenant'.

We will ONLY cover rent default for the weekly amount your rental property is leased for, up to \$5,000 (inclusive of GST), less any excess or bond money that applies

- if your tenant leaves your rental property before the end of the tenancy period of your rental agreement or periodic tenancy agreement, without giving you or your agent notice

Continued next page ►

continued... Optional cover that can be added to your policy

continued...
Rent default
and theft by
a tenant

- if your tenant is legally evicted from your rental property
- if your tenant stops paying rent owed to you or your agent

We will ONLY pay a rent default claim

- if the tenant breaches your rental agreement or periodic tenancy agreement; and
- you have taken all reasonable steps legally available to you under the *Residential Tenancies Act*, or other relevant State or Territory Legislation, to remedy non-payment and evict the tenant.

Your cover for rent default ceases if the rental agreement could have been legally terminated by you.

Cover for rent default will not apply if the rent is in arrears at the commencement date of this insurance. This cover will not commence until all rent arrears have been paid, and the tenant has paid a minimum of four consecutive weeks of the agreed rent in accordance with the rental agreement.

When a rental agreement defaults to a 'periodic tenancy agreement', we will only pay up to two weeks rent after a tenant vacates the building without notice.

When you or your agent issues a notice to leave to a tenant, we will only pay up to two weeks rent after the tenant vacates the building.

We will not pay a claim if your tenant leaves the building with, or without notice, and you have failed to rectify a 'Notice of Remedy' breach issued by the tenant to you.

Continued next page ►

continued...
Rent default
and theft by
a tenant

This cover will stop immediately

- if your rental property is re-tenanted, or
- when the term of your rental agreement ends.

We will ONLY cover theft by a tenant or their visitors of

- any part of your buildings, up to the buildings sum insured, as listed on your schedule; after deducting any excess that applies, if you have insured your buildings;
- your contents, up to the contents sum insured, as listed on your schedule, after deducting any excess that applies, if you have insured your contents.

If we have agreed to pay a rent default or theft by a tenant claim we will also cover legal costs as a result of rent default or theft by a tenant, up to \$1,000 (inclusive of GST)

- that you incur to
 - legally evict a tenant
 - recover amounts owed to you by a tenant, unless the legal costs are solely to recover excesses that apply to a claim under this policy, or
 - recover amounts for items stolen from your rental property by a tenant or their visitors.

We will ONLY pay your legal costs if we agree to pay them and before they are incurred.

An excess applies to this option.

Strata Title Mortgagee Protection

With this option, we will cover the amount you must pay to settle your mortgage following loss or damage to buildings that you own under a strata title or similar plan.

If you choose this option the individual amount you nominate and any excesses that apply will be listed on your schedule under 'Strata Title Mortgagee Protection'.

Continued next page ►

continued... Optional cover that can be added to your policy

continued...
Strata Title
Mortgagee
Protection

We will pay up to the amount you owe on your mortgage, but no more than the sum insured, as listed on your schedule.

We will pay this amount to your mortgagee when you are required to pay your mortgagee in full, however

- the loss or damage must occur as a result of an incident we have agreed to cover.

We will ONLY pay this when the body corporate

- has not insured the buildings, or
- has not insured the buildings for loss or damage you can claim for under this policy.

This option is available as a stand-alone policy.

An excess may apply to this option.

Workers'
Compensation

If you employ a person to do work around your rental property such as cleaning or gardening, you can add cover for the amount you are liable for if they are injured while working for you, subject to the relevant legislation in your State or Territory.

If you choose this option, it will be listed on your schedule as 'Workers' Compensation'.

You will need to check with your local Workers' Compensation Authority as this cover may be compulsory.

This cover only applies to employees doing work in connection with you as owner, operator or manager of the rental property. We will not cover any person that is working for you in your business, profession, trade or occupation.

An excess may apply to this option.

To find out who the insurer is for this option, see inside back cover ►

Accidental Damage cover, Additional cover and Optional cover exclusions 26

Liability cover exclusions 27-28

General exclusions 29-30

Exclusions to your cover

Any cover we provide is subject to the following exclusions:

Accidental Damage cover, Additional cover and Optional cover exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- settling, shrinkage or any movement of earth
 - erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
 - rats, mice or insects
 - roots from trees, plants, shrubs or grass
 - any process of cleaning involving the use of chemicals other than domestic household chemicals
 - a defect in an item, structural defects, or faulty workmanship or design
 - breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
 - mechanical or electrical breakdown other than an electric motor burning out, unless
 - the breakdown results in damage to your buildings or contents
 - a tenant or their visitors or their visitors' pets, unless
 - we agree to cover the incident as described under 'Loss or damage by a tenant or their visitors'
 - flood
 - landslide or subsidence, unless
 - we agree to cover the incident as described under 'Landslide or subsidence'
 - water entering your buildings
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
 - a tenant or their visitors or their visitors' pets, scratching, denting, chipping, rubbing, scuffing or chafing any surface

Liability cover exclusions

We will NOT cover any

- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
- personal injury to any person you employ where that injury arises from their employment with you
- loss or damage to property that belongs to you, or is under your control, or any member of your family who normally lives with you, or anyone else that normally lives with you
- loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
- penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

We will NOT cover any liability as a result of, or arising from

- any alterations, repairs, renovations or additions to your buildings that cost more than \$75,000 (inclusive of GST)
- any alterations, servicing, repairing or any additions to lifts, escalators or hoists, including
 - anything that is part of a lift, escalator or hoist
- any disease that is transmitted by you, or any member of your family who normally lives with you
- any business, profession, trade or occupation carried out by you, unless
 - the liability is as a result of, or arising from, you managing the buildings and their surrounds
- any agreement or contract you enter into, however
 - if you would have been liable without the agreement or contract, we will pay for that liability

Continued next page ►

continued... Exclusions to your cover

continued...
Liability cover
exclusions

We will NOT cover any liability as a result of, or arising from

- the use, removal of, or exposure to any asbestos, product or products containing asbestos
- the use of a motor vehicle, motorcycle, mini-bike, caravan, trailer, aircraft or watercraft, however
 - we will cover liability that arises from ride-on mowers
- servicing, repairing or maintaining any vehicle
- the erection or demolition of buildings
- vibration or interference with the support of the land, buildings or other property
- the discharge, release or escape of any pollutants
- the removal, neutralising or cleaning up of pollutants
- any act of libel or slander.

General exclusions

We will NOT cover any loss or damage, or liability as a result of, or arising from

- any incident that does not occur within your period of insurance
- landslide or subsidence, unless
 - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, however
 - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, however
 - we will pay for any loss or damage as a result of damage to a heating element
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any data, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any data, unless
 - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software.

Continued next page ►

continued... Exclusions to your cover

continued...
General
exclusions

We will NOT cover any loss or
damage, or liability as a result
of, or arising from

- deliberate or intentional acts by you,
or anyone acting for you, to cause
loss, damage or injury
- flood or storm surge
- erosion, the action of the sea,
tidal wave or high water, unless
- the loss or damage is the result
of a tsunami.

Your duty of disclosure 32-33

Your responsibilities when you
are insured with us 33-34

Your responsibilities when you
are making a claim 34

If you do not meet your
responsibilities 34

Your duty of disclosure

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

What you must tell us when you apply to take out this policy

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

Who you are answering the questions for

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

If you do not answer our questions in this way

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy, or do both. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in place.

Renewal, variation, reinstatement or extension of your policy

When your policy is renewed, varied, reinstated or extended you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you

- know, or
 - could reasonably be expected to know, and
- is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.

Your duty does not require disclosure of anything that

- diminishes the risk to be undertaken by us
- is of common knowledge
- we know or, in the ordinary course of business, ought to know, or
- is a matter that we indicate your duty has been waived by us.

If you do not comply with your duty of disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy, or do both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Your responsibilities when you are insured with us

In addition to your duty of disclosure, there are other responsibilities that you must meet when you are insured with us.

You must tell us if

- your buildings will be unoccupied for a continuous period of 60 days or more
- any changes have been made to
 - the address or location where your buildings or contents are insured
 - the use of your buildings
 - your buildings due to renovation, extensions or demolition
 - the people who are insured under this policy
 - the sums insured for your buildings or contents
- any people who are insured under the policy have
 - been convicted of any criminal offence
 - made a claim that is not true under this policy or another insurance policy
- there are any changes in circumstances during the period of insurance.

If you tell us about any of these things, we may charge an additional premium, change the cover of your policy, impose special conditions, or cancel your policy.

In addition, you must also

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- obey all laws and make sure anyone acting on your behalf obeys all laws
- follow the conditions of this policy

Continued next page ►

continued... Your responsibilities when you are insured

- not make a fraudulent claim under this insurance policy or any other policy.

Your responsibilities when you are making a claim

When you make a claim you must meet a number of responsibilities.

You must

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them if required
- give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim
- not repair or replace any damaged buildings or contents without our consent.

In addition, you also give us your rights to claim from anyone else.

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – *you must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.*

If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. If we cancel your policy, we will advise you in writing.

The General Insurance Code of Practice

36

Our Guarantee

36

How we handle your personal information

37-38

The General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The objectives of the Code are

- to promote better, more informed relations between insurers and their customers
- to improve consumer confidence in the general insurance industry
- to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- to commit insurers and the professionals they rely upon to higher standards of customer service.

Our commitment to you

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code.

See back cover for contact details ►

Our Guarantee

Our Guarantee assures you of quality insurance and service at all times.

Fair Dealing Guarantee

We will meet any claims covered by your policy fairly and promptly.

Money Back Guarantee

If you change your mind, we provide a cooling-off period which lets you cancel your policy within 21 days with a full refund of your premium. However, your cooling-off period no longer applies if you make a claim within this time.

Service Guarantee

We will provide you with the highest standard of service.

How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers, and/or the agent of any of these.

*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

Continued next page ►

continued... How we handle your personal information

When you provide personal information to us about another person

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

Privacy of your personal information – for marketing purposes

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided us to offer you other products and services, which may be of benefit to you.

When you provide your personal information to us – for marketing purposes

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone, or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's products and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However

- CGU Insurance Limited (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to
- you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

How to apply for insurance

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How to renew your insurance

40

How to cancel your policy

41

How to change your policy

41

Your premium

42

How to apply for insurance

- ① If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply on line at www.cgu.com.au. You can also send correspondence to GPO Box 9902, in your capital city.
If we agree to insure you, we will send you a schedule setting out the details of your policy.

- ② Pay your premium

See *Your premium*, page 42 ►

See *Your responsibilities when you are insured with us*, page 33 ◀

How to renew your insurance

- ① If you already have a policy with us, we may send you an offer to renew your insurance before your current policy expires

We will send you an updated schedule and quote a premium based on the information contained in your current policy.

If you have any questions, contact us or your insurance adviser

- ② Review the proposed policy and premium we offer

If you paid your last premium by instalments, we will continue to deduct payments from your nominated account. If you paid your last premium in one lump sum, we must receive your payment by the due date, otherwise your buildings or contents will not be insured.

- ③ Pay your premium

See *Your premium*, page 42 ►

How to cancel your policy

- ① If you want to cancel your policy, contact us or your insurance adviser

We may need your request in writing. If you cancel your policy before it ends, we will refund an amount for the unused premium.

How to change your policy

- ① Contact us or your insurance adviser to change or vary your policy

You will be sent an endorsement schedule that includes any changes or variations you have requested and we have agreed to, and any special conditions we may have applied to that agreement.

- ② Check the changes

- ③ Pay your premium if it has increased

We will tell you if your premium has increased. If you pay your premium by instalments, we will adjust your instalments and continue to deduct the new amount from your nominated account. If you pay your premium in one lump sum, we must receive your additional payment within one month.

Your premium

① How we calculate your premium

We will base your premium on the type of cover you have chosen, including any options that you have added, your sum insured, the excess, the type, location, construction and age of your buildings or contents, the level of security you have, your previous insurance and claims history, and any special conditions that we have applied.

Premiums are also subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty.

Your premium, including any taxes and charges, will be listed on your schedule.

② How to pay your premium

You can pay your premium in one lump sum, or by instalments.

If you pay your premium in one lump sum, you can pay by cash, cheque or credit card.

If you pay your premium by instalments, you can pay by credit card or by direct debit from a financial institution.

We may cancel your policy if

- you do not pay your premium
- your cheque or credit card is dishonoured by your financial institution, or
- you pay your premium by instalments and you are more than one month behind.

We may refuse to pay a claim if

- you pay by instalments and at least one instalment of the premium has remained unpaid for a period of at least 14 days.

How to make a claim 44

How we settle a buildings claim 45-48

How we settle a contents claim 48-51

How we settle a loss of rent claim 51

How we settle a rent default claim 52

How we settle a theft by a tenant claim 53

How to resolve a complaint or dispute 54

How to make a claim

① Make sure you have all the information you need to support your claim

We will need

- contact details of any other people involved in the incident, including their name, current residential address and who they are insured with
- any letters, notices or court documents about the incident within 72 hours of receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act
 - the Police will provide you with this number when you report the incident to them.

② Contact us or your insurance adviser to make a claim

You need to make your claim as soon as possible. Any delays may

- reduce the amount that we pay, or
- prevent us from paying a claim.

We will give you immediate advice and assistance with your claim, 24 hours a day, 7 days a week.

We will ask you a range of questions to help us assess your claim. We may

- ask you to provide us with proof of ownership
- need to inspect your buildings or contents
- need quotations from a repairer.

③ If you need emergency repairs

If you need to make emergency repairs, we will arrange assistance through our preferred repairers and suppliers.

To find out how we settle a claim, see next page ►

How we settle a buildings claim

① We will decide how we will settle your claim

If your buildings suffer loss or damage, we will decide whether to

- repair
- rebuild; or
- pay you the cost to repair or rebuild that part of your buildings that suffered loss or damage.

If we do, we will

- pay you up to the buildings sum insured, as listed on your schedule
- only repair, rebuild or pay you for the part or parts of the building that actually sustained loss or damage, including damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred
- try to match any material used to repair your buildings with the original materials or nearest equivalent available to the original materials
- repair or pay you the costs to repair your buildings if the damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, however
 - we will NOT pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

When we settle your claim, the law that will apply is the law of the State or Territory where the loss, damage or liability occurred.

② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

If you are claiming for any loss or damage that occurs as a result of

- a deliberate or intentional act, or vandalism or a malicious act by a tenant or their visitors, you will need to pay an additional excess of \$400
- an earthquake or tsunami, you will need to pay an additional excess of \$250.

The loss or damage must occur within 72 hours of the earthquake occurring.

Continued next page ►

continued... How we settle a buildings claim

You must pay any excess to us, or to the builder – we will tell you who to pay the excess to.

If we choose to pay you, we may deduct the amount of excess from the amount we settle your claim for.

When a claim is made for what we identify as one or more separate incidents, you will need to pay any excesses that apply for each separate incident we have identified.

For excesses that may apply, see your current schedule. ►

③ If you are entitled to use bond money

We will reduce the amount we will pay for loss or damage to your buildings or contents by any bond money that you are entitled to use to pay for or reduce the cost of any loss or damage.

④ If we decide to repair or rebuild your buildings and your current schedule shows 'including replacement benefit'

We will repair or rebuild the part of your buildings that suffered the loss or damage to a condition as close as possible to when new, but not better.

If we rebuild your buildings, we will also pay the amount that you need to pay to ensure your buildings comply with government legislation and local authority bylaws, unless you were required to pay these amounts before the loss or damage occurred, and you did not do so, however

- if the cost of repairing the damage is less than 50 per cent of the cost of rebuilding your buildings, we will only pay for the additional costs for the damaged portions.

If the rebuilding or repair is limited by government legislation or local authority bylaws that reduce the floor area of your buildings, we will

- pay the actual cost of rebuilding or repairing the reduced floor area of your buildings
- pay the difference between the actual costs of rebuilding or repairing the reduced floor area of your buildings and the estimated costs of rebuilding or repairing your buildings had the limit not applied

continued next page ►

- pay you what the value of the land was just before the loss or damage occurred, after deducting the amount we estimate as the value of your land after the loss or damage occurred and any amount that you receive as compensation for the loss; however – the most we will pay is the unused portion of your sum insured.

You can choose your own repairer or tradesman or we can help you find one.

If we authorise repairs, we will deal directly with the repairer or tradesman about payment.

⑤ If we decide to repair or rebuild your buildings and your current schedule does not show 'including replacement benefit'

We will

- repair your buildings to the condition they were in just before the loss or damage occurred
- pay you the cost of repairing your buildings to the condition they were in just before the loss or damage occurred, or
- pay you what the value of the land and your buildings was just before the loss or damage occurred, after deducting the amount we estimate as the value of your land and buildings after the loss or damage occurred.

⑥ After we agree to settle a claim

The repair or rebuilding work on your buildings must start within six months of the loss or damage occurring, otherwise you will have to pay any increase in costs caused by the delay.

If the work does NOT commence in this period, we will do one of the following

- repair your buildings to the condition they were in just before the loss or damage occurred
- pay you the cost of repairing your buildings to the condition they were in just before the loss or damage occurred, or
- pay you what the value of the land and your buildings was just before the loss or damage occurred, after deducting the amount we estimate as the value of your land and buildings after the loss or damage occurred.

Continued next page ►

continued... How we settle a buildings claim

⑦ If your building is a total loss

We will pay you the sum insured for your buildings, as listed on your schedule, after deducting

- any excess,
- any unpaid premium, and
- any input tax credit you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 if you had paid to repair or rebuild your buildings.

If we pay you the sum insured, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

How we settle a contents claim

① We will decide how we will settle your claim

If your contents suffer loss or damage, we will decide whether to

- repair an item
- replace an item, or
- pay you the cost to repair or replace the item.

If we do we will pay up to

- the contents sum insured, as listed on your schedule, and
- the maximum amount per item, set, pair, collection or system.

If the item is part of a pair, set, collection or system, we will only cover the value of the item itself, however

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

To find out what we will pay, see page 10. ◀

② You must pay an excess that applies

If you make a claim, you will need to pay any excesses that apply.

If you are claiming for any loss or damage that occurs as a result of

- a deliberate or intentional act, or vandalism or a malicious act by a tenant or their visitors, you will need to pay an additional excess of \$400
- an earthquake or tsunami, you will need to pay an additional excess of \$250.

The loss or damage must occur within 72 hours of the earthquake occurring.

You must pay any excess to us, or to the supplier or repairer - we will tell you who to pay the excess to.

If we choose to pay you, we may deduct the amount of excess from the amount we settle your claim for.

When a claim is made for what we identify as one or more separate incidents, you will need to pay any excesses that apply for each separate incident we have identified.

For the type and amount of excess that may apply, see your current schedule ▶

③ If you are entitled to use bond money

We will reduce the amount we will pay for loss or damage to your buildings or contents by any bond money that you are entitled to use to pay for or reduce the cost of any loss or damage.

④ If we decide to repair your contents

When damage or loss occurs to

- any item that consists solely of fabric
 - carpet which is 10 years old or more, or
 - any other contents item that is 15 years old or more
- we will repair the damaged item to a condition it was in before the loss or damage occurred.

If loss or damage occurs to any other contents item, we will repair the damaged item to the condition it was when new.

If the item we are repairing is part of a pair, set, collection or system, we will only cover the part of the pair, set, collection or system that was damaged.

Continued next page ▶

continued... How we settle a contents claim

⑤ If we decide to replace your contents

When damage or loss occurs to

- any item that consists solely of fabric
- carpet which is 10 years old or more, or
- any other contents item that is 15 years old or more

we will replace the item with an item of the same condition. The replacement item will not be better than the item replaced.

When loss or damage occurs to any other contents item, we will replace the item with the nearest equivalent new item.

We will ONLY replace wall, floor and ceiling coverings, including carpets, internal blinds and curtains, in the room, hall or passage where the loss or damage occurred.

We will NOT pay to re-carpet adjoining rooms, or your entire rental property.

We will only pay the cost of replacing the item even though the pair, set, collection or system to which it belongs is less valuable because it is incomplete.

If the item we are replacing is part of a pair, set, collection or system, we will only cover the value of the item itself, however

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

Any salvage becomes our property.

⑥ If we decide to pay you the cost to repair or replace your contents

When damage or loss occurs to

- any item that consists solely of fabric
- carpet which is 10 years old or more, or
- any other contents item that is 15 years old or more

our payment will be reduced to allow for wear, tear and depreciation.

When loss or damage occurs to any other contents item, we will pay you the cost to repair or replace it.

Continued next page ►

We will pay you the fair and reasonable costs to repair or replace your contents as described in Steps 1, 3 and 4, after deducting

- any excess, and
- any input tax credit you would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* if you had paid to repair or replace your contents.

We will ONLY pay the cost of replacing an item that is part of a pair, set, collection or system, even though the pair, set, collection or system to which it belongs is less valuable because it is incomplete.

Any salvage becomes our property.

How we settle a loss of rent claim

① If we decide to pay your loss of rent claim

We will pay you loss of rent equal to the weekly amount as stated on your rental agreement or periodic tenancy agreement for up to 12 months.

The most we will pay is up to the sum insured as listed on your schedule.

② If we decide to pay your death of a sole tenant or tenant hardship claim

We will pay you up to two weeks rent.

The most we will pay is \$1,000 (inclusive of GST).

③ You must pay any excess that applies.

If you make a claim, you will need to pay any excess that applies. The amount of your excess is shown on your schedule.

When a claim is made for what we identify as one or more separate incidents, you will need to pay any excesses that apply for each separate incident we have identified.

How we settle a rent default claim

① If we decide to pay your rent default claim

We will pay you the rent default up to \$5,000 (inclusive of GST). We will calculate the rent default based on:

- the weekly amount your rental property is leased for under your rental agreement or periodic tenancy agreement
- the number of weeks in rent default

② You must pay any excess that applies

If you make a claim, you will need to pay any excess that applies to your building or contents. The amount of your excess is shown on your schedule.

Your excess will be increased by \$400 for any claim that arises from a tenant:

- leaving your buildings
- ceasing to pay rent, or
- being evicted from your buildings.

③ If you are entitled to use bond money

We will pay you the cost of the rent default and any legal expenses. We will reduce this amount by the amount of any bond money remaining after deducting any allowable re-letting expenses and any other costs or expenses you are legally entitled to, however:

- if a tribunal orders the refund of the bond money to the tenant, on the grounds of hardship, an excess equal to four weeks rent will apply to your claim.

How we settle a theft by a tenant claim

① If we decide to pay your theft by a tenant claim

Refer to:

- How we settle a buildings claim on page 45
- How we settle a contents claim on page 48

② You must pay any excess that applies

If you make a claim, you will need to pay any excess that applies. The amount of your excess is shown on your schedule.

Your excess will be increased by \$400 for any claim arising from the theft of any part of your buildings or your contents by your tenant or their visitors.

When a claim is made for what we identify as one or more separate incidents, you will need to pay any excesses that apply for each separate incident we have identified.

How to resolve a complaint or dispute

① Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to a staff member in the area concerned. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

See back cover for contact details ►

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. If you are not satisfied with the decision, you can go to step 2.

② Seek a review

If the matter is still not resolved, the manager will refer you or your insurance adviser to the relevant internal dispute resolution area who will conduct a review of your dispute.

If you are still not satisfied with the decision, you can go to step 3.

③ Seek an external review

You are entitled to seek an external review of the decision. The dispute resolution area will provide you or your insurance adviser with information about the options available to you, such as referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service (FOS).

Further information about the complaint or dispute resolution procedures is available by contacting us.

See back cover for contact details ►

accidental loss or damage
damage to, loss or destruction of the buildings that make up your rental property, or your contents when it is caused by an unintentional act, or an unforeseen and uncontrollable incident.

allowable re-letting expenses
re-letting expenses as specified in the current rental agreement for your property.

bond money
money paid by the tenant and held as security against damage to the property, outstanding rent or other costs. Your policy operates on the basis that your tenant has paid bond money that equals at least four weeks rent.

claim
a separate identifiable incident for which the policy provides cover. Where multiple incidents are submitted at the same time or on the same claim form, they will be treated as separate claims for the application of any policy excess or limitation.

deliberate or intentional act
a conscious or reckless act done without the owners permission.

endorsement schedule
a document that includes any information from the existing schedule that has not changed or varied, and confirms any alteration to the coverage, terms and conditions of your policy.

excess
the amount you pay when you make a claim on your policy. The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

The amount of your excess will be increased if you make a claim for

- an earthquake or tsunami
- vandalism or a malicious act
- a deliberate or intentional act
- rent default
- theft by a tenant.

Your excess and any additional excesses will apply for what we identify as each separate identifiable incident.

fixtures and fittings
any household items or household equipment that are permanently attached to your buildings.

flood
the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

incident
a single occurrence or a series of occurrences, including an accident or series of accidents, arising out of one event.

period of insurance
the length of time between the start date and end date of your policy, as listed on your current schedule.

periodic tenancy agreement
applies when a tenant continues to occupy the rental property, after a fixed-term rental agreement has expired, and the rental agreement does not provide for its continuation, and a

- notice to leave
- notice of intention to leave, or
- abandonment termination notice

has not been given by the tenant to you, or your agent, or by you, or your agent to the tenant.

The tenant is then treated as being under a periodic tenancy agreement on the same terms which applied immediately before the rental agreement ended. This does not include any term about the agreement's term.

pet
a domestic animal that you keep in your rental property or at your rental property.

premium
the total amount you pay for your insurance that includes applicable government taxes such as GST, and any duties or charges payable by you. It is shown on your current schedule. You can pay your premium annually in one lump sum, or by instalments.

rent
the amount of money paid, or payable, by the tenant to rent your rental property.

rent default
when a tenant fails to pay the agreed rent and is in breach of a written, rental agreement or periodic tenancy agreement.

rental agreement
the agreement between you or your agreement agent and the tenant. This agreement must be in writing and state

- the term of the rental period
- the amount of rent payable to you
- the amount of the bond money that the tenant is required to pay.

schedule
your current schedule is a document outlining the details of your insurance cover. Your schedule may be called a policy, renewal or endorsement schedule.

special conditions
exclusions, restrictions or extensions to cover that are imposed on specific matters or people.

sporting equipment
equipment designed to be used in a leisure activity that involves some element of physical activity or competition, excluding pedal cycles.

strata title
title under a strata title or similar community title scheme where separate parts of the scheme building(s) have a separate legal title. Strata title usually applies to high rise apartments, townhouses, villas or duplexes.

sum insured
your nominated replacement value at today's prices for your buildings or contents. This will be listed on your schedule.

Supplementary Product Disclosure Statement (SPDS)
a separate document that updates, corrects or adds to the information contained in this PDS.

tenant
the person(s) named in the rental agreement or periodic tenancy agreement and including that person's partner, children, pets, and any other person(s) permanently living at your rental property.

Any person(s) including that person's partner, children, pets and any other person(s) living at your rental property under a rental arrangement that is not a rental agreement or periodic tenancy agreement.

terrorism

any act which may involve the use of, or threat of, force, violence or biological or chemical warfare, or nuclear pollution or contamination or explosion where the purpose of the act is to further a political, religious, ideological aim, or to intimidate or influence a government or any section of the public.

total loss

when we decide that it is uneconomical to repair or rebuild your buildings or contents.

unoccupied rental property

a rental property that no-one has lived in for 60 consecutive days or more.

us, we and our
refers to:

CGU Insurance Limited
ABN 27 004 478 371

vandalism or a malicious act

a wrongful act motivated by malice, vindictiveness or spite with the intention of damaging the property.

you and your

the person or people named as the insured on your current schedule.

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all.

If you are making a claim, you also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

your buildings

buildings that you own or are legally responsible for.

your contents

contents that you own or are legally responsible for.

your rental property

where your buildings or contents are located. This includes any land or other area that touches your rental property and for which any statutory authority has made you responsible, but it does not include the nature strip outside your rental property. Your rental property is located at the situation shown on your current schedule.

your policy

the contract between you and us which provides you with insurance cover in exchange for a premium. Your policy is made up of two documents:

- this Product Disclosure Statement and policy booklet (PDS) and any supplementary PDS, plus
- your current schedule.

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The insurer - Workers' Compensation

If your home is in Western Australia, Tasmania or the Northern Territory, the insurer providing the Workers' Compensation optional cover is Insurance Australia Limited trading as CGU Workers Compensation, ABN 11 000 016 722.

This booklet contains information about CGU's insurance products and services. The information was current at the date of preparation. More information about CGU's products and services, and up-to-date information may be available by calling 13 15 32 or visiting cgu.com.au. We will also give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PDS.

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GPO Box 9902
in your capital city

Enquiries tel: 131 532
Website: www.cgu.com.au



Insurer
CGU Insurance Limited
ABN 27 004 478 371
AFS Licence No. 238291

PID0300 REV6 12/08

contact details

GPO Box 9902
in your capital city

Enquiries tel: 131 532

Website: www.cgu.com.au



Insurer
CGU Insurance Limited
ABN 27 004 478 371

Your insurance adviser is

CV437 REV0 9/03

Annexure 33

MEDIA STATEMENT



22.02.11

CGU responds to protestor demands

CGU Insurance today responded to demands made by protestors outside its Grey Street offices in Brisbane on Friday 18th February 2011.

"We have reviewed and made changes to how we communicate our claims assessment process to customers. We apologise to any customers for whom the process was not previously made clear," said Peter Harmer, CEO, CGU Insurance.

"In particular, I want to make sure it's clear that an individual site assessment is available to all of our customers should they want one."

"If any of our customers have questions about their claim, the assessment process or the options available if they disagree with the outcome, they should call us on 1800 252 461."

CGU also announced it will not be making ex-gratia payments to customers affected by flood.

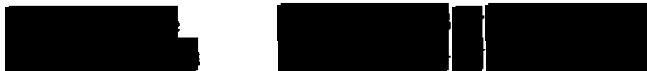
Mr Harmer said, "CGU is acutely aware of the hardship faced by those affected by the floods, so this has been a difficult decision. However, making payments to customers outside of their policy terms is unsustainable and unfair to customers who have been affected by flood in previous years, both in Queensland and in other states, who have not received payments for damages caused by flood."

"CGU is paying many thousands of claims for Queensland customers in relation to the recent severe weather, for damage from causes other than flood. CGU does not provide cover for flood in its standard home and business policies in any part of Australia. This is clear in our policies and we don't charge our customers for flood cover as part of their premium."

CGU is committed to working with all levels of government and the Insurance Council of Australia to ensure that the right information is made available to enable CGU to provide flood insurance in the future.

ENDS

Media enquiries:



About CGU

CGU Insurance is the largest provider of general insurance to Australia's regional and rural communities, a leading workers' compensation provider and one of Australia's leading commercial insurers. CGU offers a comprehensive range of commercial, rural and personal insurance products through a network of over 1,000 insurance brokers and authorised representatives. CGU has been operating in Australia for almost 160 years and is part of Insurance Australia Group (IAG).

Annexure 34

From: [REDACTED]
Sent: Wednesday, February 23, 2011 2:53 PM
To: Sally Doyle
Cc: [REDACTED]
Subject: RE: Re Claim for [REDACTED] Gray Rd West End

Hi Sally,

In some cases, not all, the calls are recorded for training and quality assurance purposes only. I will refer your enquiry to our Team Manager, [REDACTED], who can contact you in order to make arrangements to attempt to retrieve a call recording.

However, my understanding is that while we can in some instances retrieve and listen to these, to confirm conversation details, they are for internal use only and we do not release these. To find a call recording we do require very specific information such as:

- The person you were speaking to: eg. [REDACTED]
- The exact date & time of the call: If you can find this on your phone records at all, this will help
- The phone number used for the call: eg, your land line/ mobile number etc
- The length of the call: If you can find this on your phone records

If you are able to gather as much information as possible that would be helpful.

[REDACTED] is out of the office until Monday, I will ensure she contacts you next week to discuss this further. If you have any questions it is best to address this with [REDACTED] as I'm not familiar with the process.

Kind Regards,
[REDACTED]

[REDACTED]
BCom (Acc, HRM)
Claims Management Consultant
QLD Landlord Claims
CGU Insurance

[REDACTED]
[REDACTED]
www.cgu.com.au<<http://www.cgu.com.au>> We put the You in CGU.

Please consider the environment
before printing this email.

From: Sally Doyle [REDACTED]
Sent: Wednesday, 23 February 2011 1:32 PM

To: [REDACTED]
Subject: Re Claim for [REDACTED] Gray Rd West End

Hi [REDACTED]

My understanding is that CGU makes tape recordings of phone conversations with its clients.

Could you please advise me as soon as possible the process by which I can be provided with copies of all tapes of conversations with me?

Thankyou
Sally Doyle

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Annexure 35

From: [REDACTED]
Sent: Wednesday, February 23, 2011 4:22 PM
To: Sally Doyle
Cc: Peter Harmer; [REDACTED]
Subject: RE: Re Claim for [REDACTED] Gray Rd West End

Hi Sally,

Thank you for your feedback, we appreciate your input. The effort you have made to provide this has certainly made CGU more aware of the issues being faced by our customers during this difficult time.

As [REDACTED] is currently out of the office, I have escalated your enquiry to our QLD Claims Manager, who will take the time to look into any available call recordings for you. Ian or myself will be in touch with you as soon as possible.

If you have any further queries please don't hesitate to contact me.

Kind Regards,

[REDACTED]
BCom (Acc, HRM)
Claims Management Consultant
QLD Landlord Claims
CGU Insurance

[REDACTED]
[REDACTED]
www.cgu.com.au<<http://www.cgu.com.au>> We put the You in CGU.

Please consider the environment
before printing this email.

From: Sally Doyle [REDACTED]
Sent: Wednesday, 23 February 2011 4:07 PM
To: [REDACTED]
Cc: Peter Harmer; [REDACTED]
[REDACTED]
Subject: RE: Re Claim for [REDACTED] Gray Rd West End

Hi [REDACTED]

It would seem that, at least some of the phone conversations I am requesting are in existence and have been referred to by your CEO Peter Harmer in a conversation I had with him yesterday afternoon, Tuesday Feb 22 at approximately 3pm. Mr Harmer has, he advises me, been in receipt of and listened to taped conversations of me, presumably talking to you

regarding the outcome of my claim.

As you can imagine, having a copy of these tapes will be of some relevance and use to myself and my representatives.

I assume that CGU will have taped the conversation I had with you on February 1 in which I was told by you that my claim had been denied. You may recall, and certainly whatever recordings are in existence will reflect, that I was very distraught about this decision as it was clear that evidence I had provided to CGU via my RockSure broker regarding concerns of closely located stormwater drains stormwater damage to my property, had not been heard nor considered by CGU.

1. I received a message from you at 2.45 pm on Feb 1 2011 stating "this is [REDACTED] from CGU Insurance Claims. Can you give me a call on 31351823 about your landlords claim". I recall that either during this phone call, or on the day directly after this initial conversation in which I was told your claim has been denied, I attempted over an extended and excruciating conversation to get CGU to listen to information regarding things other than the "flood" that I had been informed by you was the cause of damage and hence was not covered.

Finally, after a lengthy verbal battle to try to be heard re my concerns at stormwater damage, you suggested [REDACTED] that I might get more information from my tenant.

2. At no time was I told an assessor would be assigned or that this was an option. I was exhausted and demoralised by the struggle I had had to be heard on possible "non flood" causes of damage - the questions and conversation was heavily skewed to staying with, and buttressing, the CGU "assessment" that all damage was caused by flood. I was too exhausted and dispirited to even consider "getting more information from the tenant". It seemed pretty clear that the claim was not going to be treated fairly.

Since that time, as you no doubt are aware, an assessor has been out to visit my property, but the process I was subjected to to get to that point was horrendous. Subsequent to my phone conversation/s with you in early February, a visit from a local political representative and media interest occurred. You can imagine my surprise when on Feb 14 I was contacted at 8am by [REDACTED] from CGU Claims asking to book in an assessor visit, as I had never been advised an assessor would be an option or would be available.

3. Given the absence of clear information to the contrary, I assumed that the answer to my claim was "no", and hence on Feb 10 sent an email to [REDACTED] at Rocksure requesting a letter of denial and a full copy of my policy. I was informed later that same day via an email from Therese that my claim is "still being reviewed". Had no idea what this actually meant, and no future concrete actions or processes were quantified.

It had been indicated by one of the staff at The Rock, [REDACTED] (Senior Claims Manager) that she had some concerns re the management of my claim by CGU, and I was advised around Feb 3 that my claim would "be escalated". Not sure what this meant, and was too exhausted by CGUs obstructive process anyway.

No mention of an assessor, and no further word from CGU til Feb 14 when I am contacted with the offer of an assessment visit.

4. From lodgement of my claim (Jan 14) to Feb 1 when I was phoned by you, [REDACTED] CGU did not return one of my phone calls.

In the intervening time from when I had that phone conversation on Feb 1 with CGU, to when I was offered an assessment visit on Feb 14 (which occurred very quickly, in the same week), I had a visit from a local political representative (Feb 9), and media interest in my situation (Feb 10).

Given CGUs history of slowness of response and convoluted process up to the point of external parties advocacy and interest, you can imagine the conclusions one might draw as to what was behind CGUs later, and uncharacteristic, speed of response.

4. I can only hope that others are not subjected to the same "water torture" in order to secure the attention of an assessor. I remain of the view that customers should not have to argue/request/ in any other way push for an assessor to visit, but that it should form a standard and automatic part of your process for looking at claims.

Such a visit, as an automatic part of "fair" assessment that your code of practice requires, is the least myself and other long time CGU policy holders should expect when our major asset has been wrecked.

If you could expedite the provision of copies of my conversations with you, that would be appreciated

Sally Doyle

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Annexure 36



CGU Insurance
388 George Street, Sydney, NSW, 2000
t 02 9088 9531 f 02 9292 3434

Ms Sally Doyle
[redacted] Middle Street
Esk QLD 4312

1 March 2010

Dear Sally

I am writing in relation to your recent email requesting access to call recordings of conversations you have had with CGU claims representatives.

When we last spoke by phone on 22 February 2010, I indicated that CGU was working towards individual site assessment at your property prior to you contacting the media about your claim. At the time, I made reference to this being reflected in call recordings. Unfortunately, I made a mistake, and it was the file notes of the call made by the claims officer that support this sequence of events.

Call recordings are not made of customer calls to the Brisbane Flood Claims Team which [redacted] is part of, due to technology limitations and, as a result, no recording was made of this particular call. I apologise for any confusion I have caused.

I have attached a copy of the file notes relating to your claim. If you would like copies of available call recordings between you/your broker and CGU's Parramatta Landlords Claims Team, we are happy to provide them. A number of these conversations involve your broker and we will need their permission to release them for privacy reasons. Please note, some aspects of the conversations involving your broker relate to other customers' claims and will need to be deleted.

Please contact James Merchant – National Manager, Claims directly on [redacted] or [redacted] if you would like to access the available call recordings, or if you have further queries regarding your claim.

Yours sincerely

[redacted]
Peter Harmer
Chief Executive Officer

SENDER TO KEEP
020556015099

Annexure 37

[REDACTED]

From: [REDACTED]
Sent: Monday, 26 September 2011 4:37 PM
To: Sally Doyle
Subject: RE: Request for Copies of Audio Tapes Regarding Sallyanne Doyle
Attachments: 111QRH044263_3_1_362075235_3_67.wav

Dear Sally,

I apologise for the delay in responding to your email.

We are currently awaiting approval from Rocksure to release the call recordings which involve their staff. I expect to receive a response from your Broker within the next few days.

In the meantime, please find attached a call recording between CGU and yourself.

Please note, as previously advised by Peter Harmer, recordings were not taken of any calls to the Brisbane Flood Claims Team.

Kind regards,

James Merchant
National Claims Manager, Personal Lines
CGU Insurance

[REDACTED]

www.cgu.com.au We put the You in CGU.

Please consider the environment
before printing this email.

From: Sally Doyle [REDACTED]
Sent: Monday, 19 September 2011 1:08 PM
To: James Merchant
Subject: Request for Copies of Audio Tapes Regarding Sallyanne Doyle

Good afternoon,

I am writing to request a copy of all and any tape recordings of conversations between myself, Sallyanne Doyle, and any CGU staff and/or Rocksure staff. These staff have been involved in managing a claim [REDACTED] made against policy number [REDACTED].

I have made earlier requests for copies of said tapes, but these requests have not been followed up by CGU. In a letter to me dated March 1, Mr Peter Harmer suggested that you might assist with this request, so I will now attempt this route.

I can be contacted on [REDACTED] should any further information be required.

Thankyou

Sally Doyle

Annexure 38

[REDACTED]

From: [REDACTED]
Sent: Monday, 26 September 2011 4:48 PM
To: Sally Doyle
Subject: FW: [REDACTED] for Sally Doyle.
Attachments: 11IQRH044263_4_1_258229942_1_29.wav; 11IQRH044263_2_344603538_3_67_1_361015577_3_67.wav

Dear Sally,

While sending my earlier email to you, Rocksurre have responded and provided approval to release the recordings.

Please find attached two call recordings between your Broker, Rocksurre, and CGU staff.

Kind regards,

James Merchant
National Claims Manager, Personal Lines
CGU Insurance

[REDACTED]

www.cgu.com.au We put the You in CGU.

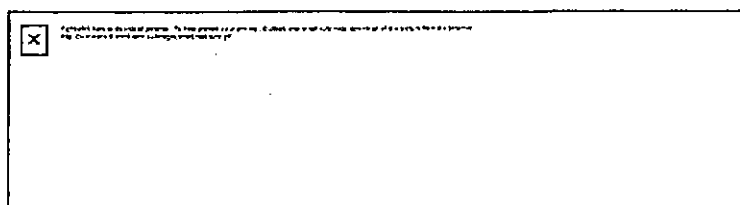
Please consider the environment
before printing this email.

From: [REDACTED]
Sent: Monday, 26 September 2011 4:33 PM
To: [REDACTED]
Subject: FW: [REDACTED] for Sally Doyle.

Hello [REDACTED]
Here is the approval to release the recordings.
Regards,

[REDACTED]

Administration Officer



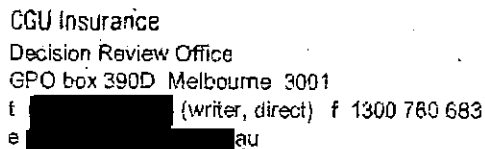
AFSL License No 237095

Get Rock Solid Protection at the Right Price

[REDACTED] East Street, Rockhampton

Phone: [REDACTED] [REDACTED]

Annexure 39



Miss Sally Doyle,
 ■ North Place,
 Acacia Ridge,
 OLD, 4110

Claim number:

Our review of your claim has found that the matter in dispute is the Claims Department's denial of your claim due to the cause of the damage being flood which is excluded from cover by your CGU Landlords Residential insurance policy. Our review found that your assertion that the water which inundated your property at West End was stormwater backflowing from drains as opposed to floodwater was the main issue in dispute.

The Hydrologist's report by Worley Parsons for [REDACTED] Gray Rd, West End found that, "The river gauge information indicates that levels in the Brisbane River were first affected by catchment inflows from as early as Sunday 9th January 2011, with a gradual but steady rise in levels until about 06:00 on Tuesday 11th January. From this time, both gauges (at the mouth of Oxley Creek and Brisbane City) show a steeper rise in flood levels, with eventual peaks of about 9.2 metres at around 00:00 on Thursday 13th January 2011 at the mouth of Oxley Creek and about 4.5 metres at around 03:00 on Thursday 13th January 2011 at the city gauge. "... The interpolated level in the Brisbane River directly south of the property at 01:30 on Thursday 13th January 201 was approximately 6.7mAHD. The level can be taken as the approximate peak level of the January 2011 flood event at this location."

When storm or rain water is the cause of inundation to a property, the inundation will occur at around the same time as the peak in the rainfall. However the data for the rainfall at your premises demonstrates that the rainfall had already peaked before the rise of the flood waters which inundated your property.

Your CGU Landlord's Residential insurance policy defines flood as stated in the policy wording excerpt below;

Flood

The covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

We note your contention that the flood water was contributed to by water coming from the drains. Despite the possibility that there may have been contributions by rain water mixing with the flood water, drain water or water released from the Wivenhoe Dam, the claimed damage to your property was the result of flood as defined by your CGU Landlord's Residential insurance policy. The exclusion of flood legally extends to encompass rain water mixing with flood water as an excluded circumstance. Similarly if storm water cannot drain or flow into a river or watercourse (as defined by the policy) because it is in flood, there is judicial authority to say that any inundation by this storm water is in fact flood. In the case of drain water which is back flowing, this can occur when the water level in the river, which the drain normally flows into, rises above the level of the inlet gullies of the drain. This has the effect of causing the drain to backflow up the piped drainage system and discharge water onto the area they were constructed to drain. The cause of this backflow of drains is flood as it is river water discharging through the drainage system or a mixture of storm water and river water.

It is clear from the hydrological evidence that many, if not all, storm water drains either exit into the sea or the river/creek system. In such a situation the storm water drain exit point in the creek/ river (or sea) is at a point above the normal river height (even rivers influenced by tidal variation). However if the river level rises above the storm water outlet a backflow occurs in which the river water flows back up the storm water drainage system and discharges onto property. This water is either river water or a mixture of storm water and river water and this is the source of inundation of many of the properties affected by these initial flows in Brisbane and Ipswich. In such cases it is clear that this is flood water as defined by the policy of insurance and as a result of the application of current Australian law.

The flood water came from the watercourse, and the mixture of storm water and flood discharging up through the storm water system is flood water and, as a consequence any property inundation caused by this water, resulting in property damage, is not covered.

Where more than one circumstance contributes to a loss, and one of these causes is an excluded circumstance, the insurer is entitled to rely upon the excluded circumstance to refuse the claim. Even in the event that there may have been contributions by rain water, drain water unable to escape or the Wivenhoe Dam, the claimed damage to your property has been

demonstrated to be the result of flood as defined by your CGU Landlord's Residential insurance policy. Only in circumstances where rain water is the sole source of water, that is, with no contribution by flood water or water in drains unable to escape because the river is in flood, can your policy respond to claims for damage by rain water.

Published aerial photography of the area taken on Thursday 13th January 2011 (as the flood levels were receding) confirms that a continuous body of water existed between the Brisbane River and your property during the event.

In this instance the Hydrologist who inspected your property considered that, "in my opinion, the inundation of the property at [REDACTED] Gray Rd. West End was caused by water escaping the confines of the Brisbane River Channel. This water initially backed up the local drainage system, causing water to rise out of the drainage pit located in the backyard of the property. As the water level in the Brisbane River continued to rise, the crest of the local depression, in which the property lies, was overtopped, causing the property to be inundated directly from the Brisbane River".

The Hydrologist also investigated the possibility that local inundation may have occurred prior to inundation by the Brisbane flood waters. He found that the rain which fell on the 9th and 10th of January was insufficient to have overtopped the kerb and pavement near the pit and that in the event of any overflow down the driveway, the depth would have been insufficient to overflow into your basement. The Hydrologist concluded that, "inundation damage to items in the basement as a result of stormwater flows on the 9th and 10th of January is highly unlikely".

The insured property lies very close to the Brisbane River. No evidence has been provided which suggests that stormwater alone was the cause of the loss. The Brisbane flood was a widely covered event in the media which affected many properties in the greater Brisbane area. The balance of probabilities on this fact alone suggests that your property's inundation resulted from the Brisbane flood. The factual evidence provided by Hydrologists demonstrates that flood was in fact the cause of your loss.

In conclusion CGU consider that the available data and reports confirm that the water that inundated your property was caused by floodwater from the Brisbane River. As the cause of the damage was flood water as defined by your policy of insurance, the damage caused by the flood is not covered by your CGU Landlord's Residential insurance policy.

We sincerely hope that this further consideration of your claim and further explanation resolves the matter, however if you have relevant information that we have not previously been given, please submit it to this department as soon as possible for consideration.

Yours sincerely

Yours sincerely,

Senior Case Manager, Decision Review Office

You can telephone this department for the cost of a local call from anywhere in Australia on 1300 651 227

Should you have no further information that you wish us to consider, you should take this as the final decision of CGU Insurance. If you still contend that our decision is incorrect you may refer the matter to a solicitor, or if you come within the definition of applicant as stated in the Terms of Reference, you may have the right to refer the matter to the Financial Ombudsman Service Limited (FOS Ltd), at PO Box 3, Melbourne, 3001, telephone: 1300 780 808, fax: (03) 96136399, web: www.fos.org.au, email: info@fos.org.au.

Financial Ombudsman Service Limited is independent and administers the external segment of the general insurance industry's alternative dispute resolution scheme, approved by the Australian Securities and Investments Commission.

Please note that Financial Ombudsman Service Limited will not consider your dispute unless it is lodged, by documenting the basis on which you contend that our decision is incorrect, before the earlier expiry of the following time limits:

- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and
- b) within two years of the date of our final decision.

and there are other qualifying criteria.

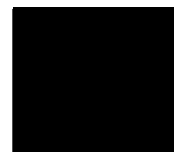
Please also note that the FOS have reviewed cases of flood previously and have maintained the insurer's position in cases where the insurer has demonstrated that flood, as defined by the insurance policy, has occurred.

Annexure 40

21 September 2011

*Received 23/9/11
Entered in register*

[REDACTED]
National Manager-Dispute Resolution
CGU Insurance Limited
[REDACTED]
MELBOURNE VIC 3001



Dear [REDACTED]

Dispute lodged by: Ms Sally Doyle
Case number: [REDACTED]

Please find enclosed details of Ms Doyle's dispute with CGU Insurance Limited.

What you need to do

We encourage you to contact Ms Doyle within the next 21 days and discuss and resolve the dispute directly with them.

If you are able to resolve the dispute directly within 21 days, please provide written details confirming how the dispute was resolved.

If you are unable to resolve the dispute directly, you will need to provide a detailed written response to the dispute within 21 days. You should include an explanation of CGU Insurance Limited's position and copies of all relevant information and supporting documents, including a copy of any response to Ms Doyle. This should be provided to the Financial Ombudsman Service (FOS), with a copy provided to Ms Doyle.

To assist you, a guide is enclosed setting out the information and documents that are generally relevant in a dispute such as this. Please carefully check this guide and ensure that all relevant information and documents are provided with your response.

We require your response by **12 October 2011**.

Once we receive your response we will review the dispute and decide the appropriate next step for resolving this matter.

Exchange of information

FOS encourages parties to a dispute to exchange information as part of trying to resolve the dispute. As is the practice in general insurance disputes, please ensure that a copy of all material included in your response is sent to Ms Doyle. Only the material exchanged will be relied upon by FOS unless special circumstances apply as outlined in our Terms of Reference.

Privacy

We do not wish to collect third party or sensitive information that is not required. If you include sensitive information or personal information about a third party please ensure that the information is relevant to the dispute. If the information is not relevant, please do not send it to us or take steps to de-identify the information.

Our privacy policy is available at www.fos.org.au/privacy.

How we deal with unresolved disputes

If a dispute is not resolved directly between the parties, we will use the most appropriate dispute resolution method to resolve the dispute. We may assist the parties to negotiate a resolution, or may conduct a conciliation conference where appropriate. If a dispute cannot be resolved by mutual agreement, we may issue a Recommendation or Determination.

For more information on the Financial Ombudsman Service and how we deal with disputes, including our Terms of Reference and Operational Guidelines, please refer to our website at www.fos.org.au.

Additional information

If you:

- are unclear on how to respond to this dispute
- require additional time to respond or
- have any questions

please contact me on (03) 9[REDACTED] or email me at [REDACTED]

Yours sincerely

[REDACTED]
Dispute Analyst
Financial Ombudsman Service

enc.

Response Guide – General Insurance

When you are providing your response to us please review this Guide and provide copies of all relevant information and documents as outlined below.

Please outline your response under appropriate headings where relevant (eg. Summary of Facts, Issues in Dispute, Applicant's Position, Company's Position, Relevant Policy Provisions, Relevant Law).

<ul style="list-style-type: none">• Your company's report on its investigation of the dispute together with copies of any related correspondence. Your response should include:<ul style="list-style-type: none">○ Policy details○ Applicant's particulars○ The claim○ The vehicle/property/contents/sickness○ Details of previous claims○ Details of any alleged non-disclosure or misrepresentation○ Other relevant facts
<ul style="list-style-type: none">• A statement of the company's overall position on the dispute. This should include an outline of the issues in dispute, the Applicant's position, relevant policy provisions, relevant law and reference to any relevant FOS Terms of Reference provisions.
<ul style="list-style-type: none">• Details of any expert opinions (eg. Assessor, accident reconstruction, forensic, medical, legal).
<ul style="list-style-type: none">• Details of any suggested options or offers that will assist to resolve this dispute
<ul style="list-style-type: none">• Copies of the following documents:<ul style="list-style-type: none">○ Applicant's claim form○ Insurance proposal/applicant form○ Policy schedule applicable at time of loss○ Policy wording applicable at time of loss
<ul style="list-style-type: none">• Copies of other supporting evidence where relevant, including:<ul style="list-style-type: none">○ All assessors' and adjusters' reports on liability and quantum○ All investigators' reports○ Colour copies of all photographs, or the originals○ Underwriting guidelines○ Proof of application of underwriting guidelines (eg. Examples of declined proposals, renewals and statutory declarations from underwriters○ Medical reports/technical reports○ Valuations○ Witness statements/statutory declarations/affidavits.

FINANCIAL OMBUDSMAN SERVICE



Financial Ombudsman Service Limited
ABN 67 131 124 448
GPO Box 3, Melbourne VIC 3001
Telephone 1300 78 08 08
Fax 03 9613 6399
Email info@fos.org.au
Website www.fos.org.au

Online Dispute information

This form contains a summary of an Applicant's dispute. It is based on information submitted by an applicant when they lodge their dispute online with FOS.

FOS Case Number:	[REDACTED]
Date Dispute Recorded by FOS:	14 September 2011
Applicant Name:	Ms Sally Doyle
Applicant's Business Name (if applicable):	
Applicant Address & Contact Details:	C/- Consumer Protection Unit, Legal Aid Queensland, GPO Box 2449, Brisbane, QLD, Australia 4001 Ph: 07-32383232 Email:
Representative Name (if applicable):	[REDACTED]
Representative Address Details (if applicable):	Consumer Protection Unit, Legal Aid Queensland, GPO Box 2449, Brisbane, QLD, Australia 4001
Account/Policy/ Claim Reference Number:	[REDACTED]
Financial Services Provider Name:	CGU Insurance Limited

Summary of Dispute:

Queensland Flood Claim: FSP has refused the applicant's claim in a letter dated 5 May 2011. The applicant initially lodged the claim in January 2011. The applicant's claim was initially refused by way of letter dated 27 April 2011. The applicant requested an internal review of the FSP's decision. The IDR process has now been exhausted.

Please see attached the following documents:

1. IDR refusal letter from FSP dated 5 May 2011
2. Letter from FSP to applicant dated 27 April 2011

Outcome Sought:

For the refusal to be overturned and the applicants' claim to be paid.



CGU Insurance
Decision Review Office
GPO box 390D Melbourne 3001
[REDACTED] f 1300 760 683

05/06/2011

Miss Sally Doyle,
[REDACTED] North Place,
Acacia Ridge,
QLD, 4110

Dear Miss Doyle,

Claim number: [REDACTED]

We refer to the above matter, and your request for review. As part of CGU's Internal Dispute Resolution process we have reviewed your case and have concluded the following.

Our review of your claim has found that the matter in dispute is the Claims Department's denial of your claim due to the cause of the damage being flood which is excluded from cover by your CGU Landlords Residential insurance policy. Our review found that your assertion that the water which inundated your property at West End was stormwater backflowing from drains as opposed to floodwater was the main issue in dispute.

In respect of the damage to your premises at West End it was found by the Hydrologist that the peak rainfall had ceased prior to the inundation of West End. The Bureau of Meteorology rainfall records show that the peak rainfall occurred on Monday the 10th January 2011. Worley Parsons South East Queensland Weather Event Report states that the rain fell on the 9th January 2011 through to 16:00 on the 11th January 2011 with the peak rainfall being on the 10th January 2011.

The Hydrologist's report by Worley Parsons for [REDACTED] Gray Rd, West End found that, "The river gauge information indicates that levels in the Brisbane River were first affected by catchment inflows from as early as Sunday 9th January 2011, with a gradual but steady rise in levels until about 06:00 on Tuesday 11th January. From this time, both gauges (at the mouth of Oxley Creek and Brisbane City) show a steeper rise in flood levels, with eventual peaks of about 9.2 metres at around 00:00 on Thursday 13th January 2011 at the mouth of Oxley Creek and about 4.5 metres at around 03:00 on Thursday 13th January 2011 at the city gauge. "... The interpolated level in the Brisbane River directly south of the property at 01:30 on Thursday 13th January 2011 was approximately 6.7m AHD. The level can be taken as the approximate peak level of the January 2011 flood event at this location."

When storm or rain water is the cause of inundation to a property, the inundation will occur at around the same time as the peak in the rainfall. However the data for the rainfall at your premises demonstrates that the rainfall had already peaked before the rise of the flood waters which inundated your property.

Your CGU Landlord's Residential insurance policy defines flood as stated in the policy wording excerpt below;

Flood

The covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

We note your contention that the flood water was contributed to by water coming from the drains. Despite the possibility that there may have been contributions by rain water mixing with the flood water, drain water or water released from the Wivenhoe Dam, the claimed damage to your property was the result of flood as defined by your CGU Landlord's Residential insurance policy. The exclusion of flood legally extends to encompass rain water mixing with flood water as an excluded circumstance. Similarly if storm water cannot drain or flow into a river or watercourse (as defined by the policy) because it is in flood, there is judicial authority to say that any inundation by this storm water is in fact flood. In the case of drain water which is back flowing, this can occur when the water level in the river, which the drain normally flows into, rises above the level of the inlet gullies of the drain. This has the effect of causing the drain to backflow up the piped drainage system and discharge water onto the area they were constructed to drain. The cause of this backflow of drains is flood as it is river water discharging through the drainage system or a mixture of storm water and river water.

It is clear from the hydrological evidence that many, if not all, storm water drains either exit into the sea or the river/creek system. In such a situation the storm water drain exit point in the creek/ river (or sea) is at a point above the normal river height (even rivers influenced by tidal variation). However if the river level rises above the storm water outlet a backflow occurs in which the river water flows back up the storm water drainage system and discharges onto property. This water is either river water or a mixture of storm water and river water and this is the source of inundation of many of the properties affected by these initial flows in Brisbane and Ipswich. In such cases it is clear that this is flood water as defined by the policy of insurance and as a result of the application of current Australian law.

The flood water came from the watercourse, and the mixture of storm water and flood discharging up through the storm water system is flood water and, as a consequence any property inundation caused by this water, resulting in property damage, is not covered.

Where more than one circumstance contributes to a loss, and one of these causes is an excluded circumstance, the insurer is entitled to rely upon the excluded circumstance to refuse the claim. Even in the event that there may have been contributions by rain water, drain water unable to escape or the Wivenhoe Dam, the claimed damage to your property has been

demonstrated to be the result of flood as defined by your CGU Landlord's Residential insurance policy. Only in circumstances where rain water is the sole source of water, that is, with no contribution by flood water or water in drains unable to escape because the river is in flood, can your policy respond to claims for damage by rain water.

Published aerial photography of the area taken on Thursday 13th January 2011 (as the flood levels were receding) confirms that a continuous body of water existed between the Brisbane River and your property during the event.

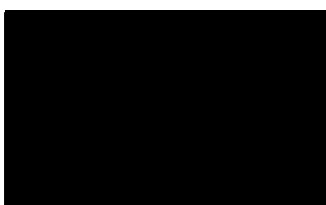
In this instance the Hydrologist who inspected your property considered that, *"in my opinion, the inundation of the property at [REDACTED] Gray Rd, West End was caused by water escaping the confines of the Brisbane River Channel. This water initially backed up the local drainage system, causing water to rise out of the drainage pit located in the backyard of the property. As the water level in the Brisbane River continued to rise, the crest of the local depression, in which the property lies, was overtopped, causing the property to be inundated directly from the Brisbane River"*.

The Hydrologist also investigated the possibility that local inundation may have occurred prior to inundation by the Brisbane flood waters. He found that the rain which fell on the 9th and 10th of January was insufficient to have overtopped the kerb and pavement near the pit and that in the event of any overflow down the driveway, the depth would have been insufficient to overflow into your basement. The Hydrologist concluded that, *"inundation damage to items in the basement as a result of stormwater flows on the 9th and 10th of January is highly unlikely"*.

The insured property lies very close to the Brisbane River. No evidence has been provided which suggests that stormwater alone was the cause of the loss. The Brisbane flood was a widely covered event in the media which affected many properties in the greater Brisbane area. The balance of probabilities on this fact alone suggests that your property's inundation resulted from the Brisbane flood. The factual evidence provided by Hydrologists demonstrates that flood was in fact the cause of your loss.

In conclusion CGU consider that the available data and reports confirm that the water that inundated your property was caused by floodwater from the Brisbane River. As the cause of the damage was flood water as defined by your policy of insurance, the damage caused by the flood is not covered by your CGU Landlord's Residential insurance policy.

We sincerely hope that this further consideration of your claim and further explanation resolves the matter, however if you have relevant information that we have not previously been given, please submit it to this department as soon as possible for consideration.



Senior Case Manager, Decision Review Office

You can telephone this department for the cost of a local call from anywhere in Australia on 1300 651 227

Should you have no further information that you wish us to consider, you should take this as the final decision of CGU Insurance. If you still contend that our decision is incorrect you may refer the matter to a solicitor, or if you come within the definition of applicant as stated in the Terms of Reference, you may have the right to refer the matter to the Financial Ombudsman Service Limited (FOS Ltd), at PO Box 3, Melbourne, 3001, telephone: 1300 780 808, fax: (03) 9613 6199, web: www.fos.org.au, email: info@fos.org.au.

Financial Ombudsman Service Limited is independent and administers the external segment of the general insurance industry's alternative dispute resolution scheme, approved by the Australian Securities and Investments Commission.

Please note that Financial Ombudsman Service Limited will not consider your dispute unless it is lodged, by documenting the basis on which you contend that our decision is incorrect, before the earlier expiry of the following time limits:

- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and
- b) within two years of the date of our final decision,

and there are other qualifying criteria.

Please also note that the FOS have reviewed cases of flood previously and have maintained the insurer's position in cases where the insurer has demonstrated that flood, as defined by the insurance policy, has occurred.



CGU Insurance

GPO Box 0902
BRISBANE QLD 4001

ABN 2704 478 371

Tel: 1300 882 788
Fax: 07 3135 1413

27th April 2011

MS S DOYLE
NORTH PLACE
ACACIA RIDGE QLD 4110

Dear Ms Doyle,

Your Claim Number: [REDACTED]
Your Policy Number: [REDACTED]
Situation Address: GRAY ROAD WEST END QLD

I am writing to you in relation to a claim you made for damage to your property on the 12th January 2011.

As requested I have reviewed your claim and after careful consideration of the information provided, CGU Insurance has declined your claim for the following reasons;

Summary of the decision

The circumstances of the claim

We received correspondence on the 10th February 2011 requesting reconsideration of your claim.

Your policy coverage relating to the claim

Your CGU policy covers inundation by storm water but does not provide insurance coverage for losses caused by flood. Flood is clearly defined in your policy, for details you can refer to the glossary of your CGU home policy.

The information we have considered in making this decision

CGU reviews each claim on its individual merits and we do not deny claims lightly. We have carefully reviewed your claim; water has escaped from the Brisbane River via storm drains. Where water has escaped a water course by backing up through storm water drains to find an equal level to the river, this is also considered to fall within the definition of Flood under the CGU Policy.

Furthermore, rising storm waters that can not drain into a watercourse because the watercourse is already in flood is also considered flood water



The source of the inundation is from the Brisbane River. I refer to your definition of flood under your CGU policy:

Flood:

The covering of normal dry land by water escaping or released from the confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

Flood water that mixes with storm water run off that inundates your property is viewed as damage from floodwater.

Based on your advice and information available to us, we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim.

As discussed I have referred your claim to the CGU Dispute Resolution team. The Dispute Resolution team will independently review your claim and provide a decision within 15 business days of receiving your request and all relevant information.

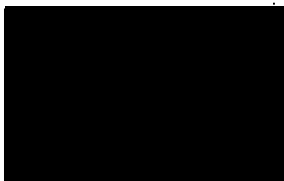
The Review Officer will be in contact with you shortly and may seek further information from you and from other parties involved. Once all necessary information has been received, the review of your claim will be completed within 15 business days.

The following information is provided to assist you in contacting the CGU Dispute Resolution team if you wish to:

CGU Dispute Resolution
GPO Box 390D
Melbourne 3001

Tel: [REDACTED]
Fax: [REDACTED]
Email: [REDACTED]

Yours Sincerely,



Team Manager
CGU Claims

Annexure 41

Our Ref: MAF(flood):1190470
Date: Tuesday, 2 August 2011

Contact: [REDACTED]
Telephone: [REDACTED]
Facsimile: [REDACTED]
E-mail: cpuadvice@legalaid.qld.gov.au

CGU IDR
CGU Insurance Limited
PO Box 390D
MELBOURNE VIC 3001

Email: [REDACTED]

Dear Colleague

Sally Doyle – [REDACTED]

The Civil Justice (consumer protection) unit at Legal Aid Queensland acts for the abovenamed for the purpose of preparing a submission to support a review of your company's decision to refuse our clients insurance claim arising from events in December 2010 and/or January 2011.

Please ensure that all further correspondence on the reconsideration of the refusal is directed to our unit.

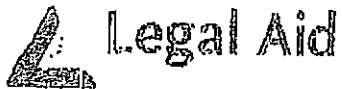
Our client formally now requests that the decision to refuse insurance be reviewed. We anticipate being in a position to forward further information and/or reasons to support this request within the next three weeks.

In the meantime, would you be so kind as to provide copies of any evidence, hydrology and client information that you have used to determine this claim. Please find enclosed our client's Authority.

In particular, we would appreciate a transcript of our client's proposal for insurance and record of this claim (if you have one) and a transcript of any discussion with our client or agent upon which you rely to support the decision you have made.

Yours sincerely,

[REDACTED]
[REDACTED]
[REDACTED]
Senior Solicitor/Consumer Advocate
Civil Justice Services (consumer protection)



AUTHORITY TO RELEASE

TO WHOM IT MAY CONCERN
(AS ADVISED BY LEGAL AID QUEENSLAND)

I, Sallyanne Day

Hereby authorize you to provide my solicitors as nominated by Legal Aid Queensland
with any documents or information in your possession as specified by Legal Aid
Queensland.

Signed:

A black rectangular box redacting the signature of the person authorizing the release.

Dated:

10/3/2011