



Submission to Queensland Floods Commission of Inquiry

11 May 2011

CONTENTS

Introduction	1
Summary	1
Overview of submissions	4
The policy terms	5
Household policy	5
Motor policy	6
Background	7
The position of RACQ Insurance	7
The floods	8
The pre-existing systems	8
Catastrophic events	9
Processes in response to the Queensland Floods	10
Dedicated internal response team	10
Increased staffing levels	12
Engagement of specialised external consultants	12
Process review	14
Training	14
Team wellbeing initiatives	15
Hydrological investigations	16
Internal and external communications policy	17
Further streamlining of Internal Dispute Resolution (IDR) process	17
Cost of additional measures	17
The difficulties encountered	17
Complexity of events	18
Lack of access	18
Lack of information	18
Demand on hydrologists	19
Dealing with claims	20
Household claims	21
Inundation claims	22
Other claims (non-inundation)	25
Claims settlements – household contents and motor claims	26
Household contents claims	26
Motor claims	26
The outcomes to date in relation to claims	27
Inundation – household claims	27
Non-inundation household claims	36
Motor claims	36
The General Insurance Code of Practice	36
Complaints and review processes	37
Complaints	37
IDR	38

External dispute resolution	38
Further response to the floods	38
Recommendations for the future	40
Availability of flood information	40
Standard definition of flood	41
Development approvals	42
Further submissions	42
Annexure 1: Summary of claims received as at 6 May 2011	44
Annexure 2: Status of Household Claims as at 6 May 2011	46
Annexure 3: Receipt of claims and decisions on claims	48
Annexure 4: Summary of the Queensland Floods on a regional basis	50
Annexure 5: Compassionate payments and hardship payments	59
Annexure 6: Requests for information	61
Annexure 7: Organisational chart of dedicated response team	66
Annexure 8: Product Disclosure Statement (Household Policy)	68
Annexure 9: Certificate of Insurance	147

Introduction

1. This submission is made on behalf of RACQ Insurance Limited ABN 50 009 704 152 (**RACQ Insurance**).
2. This submission is directed to the issue raised in paragraph 2(b) of the Terms of Reference, namely: “the performance of private insurers in meeting their claims responsibilities”; and in particular RACQ Insurance’s claims responsibilities with respect to the recent flood events which have affected large parts of Queensland. The two flood events (collectively **the Queensland Floods**) addressed by this submission are Cyclone Tasha and the subsequent flooding in Northern Queensland in December 2010 and the flooding in Central and Southern Queensland in January 2011. While the latter event is the focus of this submission, the former event is addressed out of an abundance of caution given the general reference in the Terms of Reference to the “2010/2011 floods in Queensland”. RACQ Insurance will provide a submission limited to the latter event, if requested.

Summary

3. The summer of 2010/2011 was a challenging and, at times, tragic one for Queenslanders. The challenges it brought were not confined to the flooding, the subject of this Commission’s Inquiry. The State was struck by a series of devastating events: hail storms across South-East Queensland, flooding from Cyclone Tasha in December, flooding in Central and Southern Queensland in late December 2010 and January 2011 and damage from Cyclone Yasi in February.
4. From just these four events, RACQ Insurance has received over 15,500 insurance claims - from Cairns in the north to Brisbane, Ipswich and Toowoomba in the south and to Jericho and Roma in the west.¹ More than 6,000 of these claims relate to the weather events that are the subject of the Commission of Inquiry and more than 2,000 of these are claims for household inundation (i.e. water inundating the property from the ground up). The volume of claims received by RACQ Insurance in this period is unprecedented in its 40 year history, as is the number of complex flood and cyclone related claims.

¹ Further details appear in annexure 1.

5. As at 6 May 2011, RACQ Insurance had received 2,312 household water inundation claims relating to the Queensland Floods and had made a decision to either accept or decline 2,062 of these claims (approximately 89%) with 250 claims being the subject of ongoing investigation. The very significant numbers of other household claims (the non-inundation claims) and motor vehicle claims which have been received, as at 6 May 2011, have largely been decided.
6. RACQ Insurance has sought to deal with these claims fairly and as quickly as circumstances allow and its staff have been working strenuously to process claims as soon as reasonably possible.
7. Steps taken by RACQ Insurance to respond to claims in what it believes to be a fast, practical and professional manner include the following:
 - (a) assembling a dedicated response team;
 - (b) increasing staffing levels;
 - (c) generally modifying its existing comprehensive processes to assist with responding to these unprecedented events;
 - (d) engaging specialist external consultants, such as hydrologists and loss adjusters; and
 - (e) streamlining RACQ Insurance's internal dispute resolution service.
8. RACQ Insurance does not include flooding as part of its standard household insurance policy, as is made clear in the insurance policy documents. That cover may be sought at additional cost, as an optional extra. The terms of cover are clearly set out in the Product Disclosure Statement (which appears as Annexure 8).² They are also referred to on the Certificate of Insurance (a sample copy of which appears at Annexure 9).
9. Since RACQ Insurance covers Flash flood and stormwater run-off but not flood, investigations and analysis have been required to distinguish between these two causes.

² Annexure 8 contains the version of the PDS effective during the period September 2009 to January 2011. The subsequent version (effective from January 2011) does not differ materially from the version effective from September 2009 to January 2011.

10. RACQ Insurance has investigated the events throughout Queensland to identify the causes of damage and continues to do so. While this has taken time, it is an essential step for RACQ Insurance to take in meeting its claims responsibilities; and has been undertaken as quickly as circumstances permit.
11. This process has been hampered by factors including:
 - (a) delays in obtaining (and in some cases an absence of) data and other assistance from local councils, the Department of Environment and Resource Management (**DERM**) and the Bureau of Meteorology (**BoM**);
 - (b) the exceptionally high demand which has been placed on hydrologists, loss adjustors and assessors³ (among others); and
 - (c) delays in obtaining access to affected properties.
12. All this has added to the length of time it has taken to complete the claims process for many of the flood victims. While those claims in Toowoomba and the Upper Lockyer Valley and even Emerald have proved comparatively straightforward to assess, others, particularly in south-east Queensland, have proved more complex and time-consuming.
13. RACQ Insurance appreciates that many families and businesses have been left shattered by the Queensland Floods and through having insufficient or no flood insurance. However, RACQ Insurance has done more than simply deal with claims according to their legal merits, and has taken positive steps to respond in a compassionate manner.
14. The Royal Automotive Club of Queensland Limited (**RACQ**) is the sole shareholder of RACQ Insurance. RACQ is Queensland's largest mutual, established to provide services for its members. RACQ is a broadly-based membership organisation represented in more than 50 per cent of Queensland homes and employing more than 2,300 staff and contractors across the State. Many of those staff and contractors have themselves been affected by the events of this summer, as have some of RACQ's branches and facilities.

³ The term loss adjustor is used with reference to household claims. The term loss assessor is used with reference to motor vehicle claims.

15. RACQ has established a \$20 million flood assistance package comprised of:
 - (a) \$10 million to assist RACQ Insurance customers in the most need (**the Special Fund**);
 - (b) \$2 million which has been donated to the Queensland Premier's Flood Relief Fund; and
 - (c) \$8 million to be distributed through the newly established RACQ Foundation. This Foundation will target those community organisations and charities which have been hit hard by the floods and cyclones but which have not been provided for by government support.
16. RACQ Insurance has made significant payments out of this Special Fund as well as taking other measures to deal with the claims made on it beyond the mere terms of the policies.
17. RACQ Insurance continues to review its operations and practices with a view to future improvement. As to the future, the Commission should consider making recommendations which are directed to:
 - (a) ensuring insurers are able to readily access flood data and modelling presently maintained by government bodies not only to assess floods when they arise but to assess the risk of flooding; and
 - (b) preventing residential development being undertaken inappropriately on flood-prone land.

Recommendations to this effect will enable insurers such as RACQ Insurance to give consideration to providing flood cover as standard in the future.

Overview of submissions

18. It is proposed to deal with the matters relevant to the applicable paragraph of the terms of reference under ten broad headings covering:
 - (a) the RACQ Insurance policy terms, and the identification of RACQ Insurance's claims responsibilities under them;
 - (b) some background matters relevant to the claims;
 - (c) the processes implemented to deal with claims;

- (d) the difficulties encountered in the implementation of those processes;
 - (e) the claims which have been received and the steps taken in response;
 - (f) the outcomes to date in relation to those claims;
 - (g) compliance with the General Insurance Code of Practice (**the Code of Practice**);
 - (h) dispute resolution procedures;
 - (i) further steps taken by RACQ Insurance and RACQ in response to the Queensland Floods; and
 - (j) recommendations for the future.
19. This submission includes detailed claims assessment data which is current as at 6 May 2011. This data is constantly fluctuating as new claims are received, investigations continue, and further decisions are made. There is therefore a possibility there are some minor inaccuracies (and any such inaccuracies will be corrected if detected).

The policy terms

Household policy

20. RACQ Insurance provides (relevantly) home and contents insurance on terms set out in a detailed Product Disclosure Statement (**the Household Policy**). The flood exclusion is highlighted on several occasions within that document, as is apparent from Annexure 8. It is also clearly identified on the Certificate of Insurance (Annexure 9).
21. In respect of damage caused by weather:
- (a) the Household Policy provides cover for “**Flash flood and storm water run-off**” which is defined to mean “A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off”;
 - (b) unless optional cover is effected, the Policy excludes damage caused by “**Flood**” which is defined as follows:

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

- (c) the Household Policy also provides cover for “**Storm**” which is defined to mean “A violent disturbance of the atmosphere associated with strong winds including a cyclone, lightning, heavy rain, hail or snow, but not continuous bad weather by itself”;
- (d) the amount of cover provided in cases of Flash flooding and storm water run-off is expressed to be “up to 50% of your home sum insured or \$25,000 whichever is **higher**” and “up to 50% of your contents sum insured or \$25,000 whichever is the **higher**, but not exceeding your contents sum insured”; and
- (e) the Household Policy identifies that optional cover was available (but not provided unless selected and at additional cost). In this respect, the Policy provides:

“Optional covers for extra peace of mind

Flood and storm surge

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

A similar comment appears on the Certificate of Insurance (Annexure 9).

22. Accordingly, in respect of those Household Policies where optional flood cover had not been effected, RACQ Insurance had to assess whether the cause of the loss was flood or Flash flood or storm water runoff, and this involved identifying the timing of rain event(s) relative to the damage sustained.

Motor policy

23. RACQ Insurance provides (relevantly) Motor Boat Caravan Trailer insurance on terms set out in a detailed Product Disclosure Statement (**the Motor Policy**).
24. In respect of damage caused by weather, the Motor Policy covers loss caused by “an accident/event that is unexpected and unintended” from the point of view of the customer and as a result generally motor vehicles damaged due to the Queensland Floods were covered under the Motor Policy.

Background

25. In this section of the submission it is intended to deal with three topics:
- (a) an outline of RACQ Insurance's business and history;
 - (b) very briefly, the nature and extent of the floods in Queensland in late 2010 early 2011;
and
 - (c) the systems in place within RACQ Insurance before those floods so as to place in context the additional steps taken to deal with its claims responsibilities arising from those floods.

The position of RACQ Insurance

26. RACQ Insurance was established in 1971. It is an Australian public company, wholly owned by RACQ.
27. It has a virtually exclusive Queensland focus to its business, providing cover to over 1.7 million policy holders throughout Queensland and northern New South Wales. As such, it has been particularly exposed to weather events in Queensland without the national and international resources available to some other insurers.
28. As at the end of January 2011, RACQ Insurance had approximately 476,000 household insurance policies in place, including policies relating to household building, household contents and household specified items. It is, it believes, the second largest provider of household insurance in Queensland and the leading motor insurer in Queensland. The majority of its policy holders are members of the RACQ.
29. The operations of RACQ Insurance are largely conducted from its head office located at Eight Mile Plains.
30. Customers have access to 37 retail outlets by way of an extensive network of agencies and branches located throughout Queensland in areas including Southport West, Toowoomba, Warwick, Ipswich, Indooroopilly, Central City, Brookside, Strathpine, Chermside, Inala, Browns Plains, Carindale, Garden City, Bundaberg, Mackay, Rockhampton, Townsville and Cairns. RACQ Insurance's 37 Branches and online agents are supplemented by 102 offline agents

which include membership agencies. These offline agents hold brochures and refer enquiries to local branches or the RACQ Insurance Call Centre.

31. Customers also have access to a telephone service which is operated 24 hours a day, seven days a week as well as to information on RACQ Insurance's website.
32. RACQ Insurance does not require customers to lodge a claim in writing and the vast majority of claims in relation to the Queensland Floods were made by customers over the telephone.

The floods

33. Over a period of just under a month, between 24 December 2010 and 14 January 2011, flooding affected numerous Queensland regions. At one stage every Queensland river system was in flood simultaneously.
34. RACQ Insurance has received a significant number of claims as a result of the Queensland Floods. The claims have come from customers located throughout Queensland, including the following towns and surrounding regions: Alpha, Brisbane, Bundaberg, Caboolture, Condamine, Emerald, Ipswich, the Lockyer Valley, Moreton Bay, Rockhampton, Toowoomba, the Sunshine Coast, Gympie, Gladstone, Yeppoon, Bluff, Comet, Moongan, Theodore, Wowan, Jambin, Mt Morgan, Yaamba, Gracemere, Duaringa, Biloela, Atherton Tablelands, Texas, Dirranbandi, the Gold Coast and Beenleigh. Annexure 4 to these submissions summarises the effect of the Queensland Floods on a regional basis.
35. Overall, as at 6 May 2011 6,258 claims have been made by customers as a result of the weather events that caused Queensland Floods, of which 2,312 are Household inundation claims. These numbers are constantly changing as more claims are submitted. It is not uncommon for new claims to be received quite some time after an event occurs and this has happened here.

The pre-existing systems

36. RACQ Insurance has an experienced senior management team who manage a large claims assessment and processing team. Prior to the commencement of the flooding there were approximately 293 staff members involved in personal insurance claims assessment and

processing. This number was increased substantially to assist with the Queensland Floods, which is explained further below.

37. While RACQ Insurance had in place various claims assessment processes prior to the commencement of the flooding, it is unnecessary for present purposes to set these out in any detail. They were comprehensive and effective. RACQ Insurance's processes are constantly under review as part of a Continuous Improvement Program that is an integral part of its operations.

Catastrophic events

38. As mentioned, RACQ Insurance has been in operation since 1971 and has been involved in managing claims arising from natural disasters during that period, including the 1974 Brisbane Floods. When the Far North Queensland coast was declared a natural disaster zone after the impact of tropical Cyclone Larry on 20 March 2006, RACQ Insurance processed 2,756 claims. During the severe storms that occurred in the Brisbane suburb The Gap in 2008, RACQ Insurance processed 7,978 claims.
39. Accordingly, RACQ Insurance has developed experience in managing the large claim volumes resulting from significant weather events.
40. As a result of the experience gained in managing claims throughout catastrophic events, RACQ Insurance has put in place a catastrophe plan which provides a general framework of responsibilities in the event of a catastrophe. Since every event is different, the approach of having a response framework is considered appropriate, as this provides guidance and parameters for the event response, without being prescriptive and potentially restrictive to managers' response to the event. This framework approach acknowledges that events can be significantly different from each other; for example, a hail event requires a different response from high wind events. Similarly, geographic location and spread introduce further variables to the event response plan. While this framework proved helpful in responding to the Queensland Floods, it was, of necessity, of general application only, since each catastrophe is unique.

Processes in response to the Queensland Floods

41. The unprecedented nature of the Queensland Floods, as well as the unprecedented nature of the sequence of catastrophes that befell Queensland in the summer of 2010/2011, resulted in RACQ Insurance modifying its procedures to better respond to the demands placed upon it. During and following the Queensland Floods additional measures were implemented to enable RACQ Insurance to receive, assess and meet claims.
42. These measures need to be understood in context. Immediately prior to and immediately following the Queensland Floods there were a number of things which placed out of the ordinary demand on RACQ Insurance's claims assessment team:
- (a) firstly, during 15 December 2010 to 19 December 2010, there was a significant hail event in the Southside area of Brisbane. This event resulted in 2,437 motor claims and 1,633 household claims;
 - (b) secondly, from mid-December 2010, staffing levels were lower than usual due to leave during the holiday season;
 - (c) thirdly, from about 2 to 4 February 2011, Cyclone Yasi caused devastating damage in North Queensland. RACQ Insurance has to date received 4,707 household claims and 497 motor claims as a result of this catastrophe; and
 - (d) thus, the Queensland Floods of late December 2010 and early January 2011, were effectively 'book-ended' by the events described in points (a) and (c) above.
43. The measures outlined below are generally set out in a chronological sequence, though often the measures were undertaken concurrently.

Dedicated internal response team

44. RACQ Insurance assembled a team, comprising several distinct units, specifically dedicated to manage household claims arising from Cyclone Tasha and the weather events that led to

flooding in central and southern Queensland and, subsequently, Cyclone Yasi (**dedicated response team**).⁴

45. The team is headed by the General Manager, Personal Insurance Claims (Mr G Dale). Mr Dale is a very senior officer of RACQ Insurance and reports directly to the Chief Executive Officer (Mr B Heath). Mr Dale has been General Manager, Personal Insurance Claims since 2007 having previously been Executive Manager, Personal Insurance Claims with RACQ Insurance since February 2004. He is a very experienced Manager, his previous experience before joining RACQ Insurance included his having been National Claims Manager for IAG Insurance NZ Limited.
46. An initial organisational structure was prepared based on (then) anticipated requirements. The structure was designed with multiple levels of management in each team to allow for effective escalation where required. An organisational chart explaining the composition of the team is attached as Annexure 7.
47. Team members are allocated to perform four key functions – technical, case management, support and information management functions:
 - (a) the technical team is dedicated to inundation and sensitive claims. The members of the technical team were chosen for their demonstrated ability to handle difficult situations and their strong customer service skills. The majority of the team has extensive business experience, while the newer members have demonstrated strong skill-sets in the business areas that they have worked in;
 - (b) the case management team deal with the claims that are not being handled by the technical team;
 - (c) the support team deal with recruitment, training, coaching,⁵ process review and some aspects of reporting and is made up of human resources staff and process analysts; and

⁴ The team is known within RACQ Insurance as the “Household Claims Temporary Event Management Structure”.

⁵ Coaching is distinct from training as it involves the coach observing the employee at work, typically by sitting alongside them.

- (d) the information management team deal with claims analysis, reconciliation and reporting to ensure that all customer claims are captured and analysed as required.

Increased staffing levels

- 48. Temporary staff were recruited for both the dedicated response team and RACQ Insurance's "Business as Usual" teams.
- 49. As at 19 March 2011 there had been 23 internal secondments and 19 temporary staff appointed to the dedicated response team. Of the team members, 39 are concerned with claims arising from the weather events that gave rise to the Queensland Floods. In addition, a further three full-time staff were engaged in dispute resolution in relation to flood claims.
- 50. Temporary staff were also appointed to the Business as Usual teams to replace the staff internally seconded to the dedicated response team. In addition 24 further full time equivalent resources were appointed within the Teleclaims Department.
- 51. An additional 12 staff were internally seconded in order to telephone customers and advise them of claim outcomes and compassionate payments (discussed below). Incoming calls were designated as either calls concerning the Queensland Floods or Business as Usual calls, with staff being able to move from the Business as Usual call queue to the Queensland Floods queue to address incoming call requirements.
- 52. In some instances, pre-approved staff leave was cancelled.
- 53. Managed overtime was implemented for both the dedicated response team and the Business as Usual teams to ensure adequate levels of staffing.
- 54. Staffing levels have been reviewed and adjusted on an ongoing basis.

Engagement of specialised external consultants

- 55. RACQ Insurance quickly determined that the scale and complexity of the issues that would be involved with the Queensland Floods meant that specialised consultants would need to be engaged.

56. Loss adjustors – MYI Freemans

- (a) RACQ Insurance instructed loss adjustors, MYI Freemans, with whom it had an existing service agreement, to conduct site inspections for properties that were affected by the Queensland Floods;
- (b) MYI Freemans were asked to inspect all properties and provide a loss adjustors' report for each inspected property. The loss adjustors' reports were (and have been) used by RACQ Insurance to assess whether a decision on a particular claim could be made or, alternatively, what, if any, further investigations would be required in order for RACQ Insurance to make a decision on a particular claim; and
- (c) as the scale of the Queensland Floods has increased and further regions were affected by flood, MYI Freemans were asked to undertake the same process for all properties affected by the Queensland Floods which have given rise to claims by RACQ Insurance's customers.

57. Hydrologists and solicitors

- (a) Solicitors were retained by RACQ Insurance to advise it in relation to its claims responsibilities and assist with the investigation of claims.
- (b) Water Technology was then engaged to assist with the investigations required in respect of the flooding events.

It was initially intended that Water Technology would advise on a site by site basis. However, as the flooding extended beyond Western Queensland and into the South East it became apparent that, given the scope of the disaster and the number of claims being received, this approach would not be practical.

A decision was then made (in mid January 2011) to have Water Technology conduct investigations at least initially on geographical areas, rather than seek to have it investigate and report upon each individual property that was the subject of a claim. This (RACQ Insurance believes) has proved to be a very sensible course to pursue as it enabled advice to be obtained more quickly than would otherwise have been the case with respect to areas containing large

numbers of the insured properties. This helped RACQ Insurance (for example) to very quickly accept all claims in Toowoomba and the Upper Lockyer Valley. Moreover this region by region approach has also assisted in identifying circumstances which require further investigation in relation to any particular properties.

58. Management consultants, WD Scott, were retained on 17 January 2011 to provide management support for the catastrophe response program and support for claims processing. WD Scott provided staff at a managerial level and assisted with management support, ongoing process reviews and a number of other general matters associated with RACQ Insurance's response to the Queensland Floods.

Process review

59. In the week commencing 2 February 2011 the event response coordinator (this being a critical role that was added early on in the disaster) and other relevant staff members conducted a meeting to review the existing claims assessment process to identify processes that could be made more efficient or activities that could be improved in the context of the response to the Queensland Floods.
60. As a result of this meeting certain parts of RACQ Insurance's standard claims assessment processes were streamlined for the Queensland Floods. This has been an ongoing process.

Training

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

- (f) process flows for different situations; and
 - (g) training on how to deal with distressed, emotional or abusive customers.
62. Newly appointed staff were also required to complete an appropriate level of compliance training including training in corporate induction, code of conduct, workplace behaviour, safety, trade practices, the General Insurance Code of Practice, ergonomics, emergency procedures and manual handling.
63. Training for both seconded and temporary staff was converted into an intensive format which allowed it to be delivered in 8 days rather than the usual duration of 4 weeks.
64. Training was delivered by technical trainers and performance coaches from within the Technical Training and Development Department. Technical trainers also monitored and assessed trainees through observation and activity completion to ensure competencies were met. Newly appointed staff were supported by performance coaches when released from training to their allocated roles.
65. Staff from the 24 hour Call Centre were trained to provide general information and assistance in relation to the flooding situation (for example, in relation to the steps to be taken by the customer to deal with damaged flooring or walls).
66. All team members attended training sessions as part of an employee assistance program during which they were taught how to monitor their own emotional states and physical health. Staff were also provided with targeted information sheets dealing with topics including: "Supporting Others and Provide Recovery from Disaster", "Managing Distressed Customers Affected by Hardship and Disaster", "Self Care and Resilience During Busy Times" and "Dealing with Strong Emotional Reactions".

Team wellbeing initiatives

67. RACQ Insurance implemented a significant number of human resources measures to assist its staff in coping with the additional pressures resulting from the Queensland Floods. It is not necessary to set them out here, but these are important measures, not only to ensure the staff

are cared for properly but to assist in the timely and efficient delivery of services to those affected by the floods and making claims to RACQ Insurance.

Hydrological investigations

68. As mentioned above Water Technology was engaged to undertake hydrological investigations into those regions where claims had been made and which were affected by the Queensland Floods.
69. For each region, Water Technology was instructed to consider, amongst other things, the geographical extent of the flood event, the timing of the flood event and of the damage to properties in that area, the cause of the flood event and any other factors that may have affected the extent and timing of the flood event.
70. The regional investigations undertaken by Water Technology, along with other information obtained from loss adjustors and customers, and other advice obtained has enabled (and will enable) RACQ Insurance to make decisions on which claims are clearly inside or outside the policy and which claims require further investigation.
71. Following Water Technology's initial investigations (which had been ongoing since mid-January), a formal brief to report on the cause of inundation for properties in the Toowoomba and Lockyer Valley region was provided to Water Technology on 27 January 2011 and a similar brief for the Brisbane, Bundaberg, Condamine, Emerald, Ipswich, Rockhampton and Sunshine Coast regions was provided to Water Technology on 2 February 2011. These briefs included, or were shortly followed by, schedules identifying those properties for which claims had been received in each region. These schedules could only be prepared after loss adjustors had inspected the individual properties.
72. Again, after initial investigations a formal brief to report on the cause of inundation for properties in the Moreton Bay and Caboolture regions was provided on 15 February 2011, following further flooding, once it became apparent that sufficient inundation claims would be received in these areas to warrant regional reports.

73. On occasion, the above briefs were revised so as to carve out sub-regions which it was considered should be dealt with separately. This led, for example to a brief being provided to report on the cause of inundation for properties in the Upper Brisbane River Catchment area on 7 March 2011. RACQ Insurance is continuing to take this approach with the ongoing investigations.

Internal and external communications policy

74. RACQ Insurance implemented both internal and external communications plans to ensure customers and the broader community were provided with accurate and consistent information concerning RACQ Insurance's response to the Queensland Floods.

Further streamlining of Internal Dispute Resolution (IDR) process

75. Anticipating that there were likely to be concerns not only about decisions made but also about the time which would necessarily be taken to make some decisions, RACQ Insurance implemented a further streamlined IDR process specific to claims arising out of the Queensland Floods. Alterations were made to existing process to enable RACQ Insurance to reduce IDR referral turnaround time and therefore serve customers in a more efficient and effective manner. These are discussed further below.

Cost of additional measures

76. RACQ Insurance has not ascertained the cost of the additional measures it has taken to more effectively respond to the Queensland Floods, but anticipates that it is considerable.

The difficulties encountered

77. There have been a number of factors which have affected RACQ Insurance's ability to progress claims as quickly as it would have liked.
78. It goes without saying that no-one predicted the nature and extent of the events which are collectively referred to in these submissions as the Queensland Floods.

Complexity of events

79. The events causing flooding in various different areas are factually complicated. For example, properties in some regions including Condamine were inundated by more than one flood peak. The extent and timing of each flood event was the result of different factors. In other regions, especially those in Brisbane and parts of Ipswich, the flooding was affected by the release of flood waters from the Wivenhoe Dam. In almost every area the timing of the flood damage was an important consideration which it was necessary to investigate.
80. Detailed analysis was required in order to reach conclusions in accordance with RACQ Insurance's Household Policy.
81. This process has taken time. And the process has in some instances been further complicated and delayed by the unavailability of information and data necessary for Water Technology to complete their investigations.

Lack of access

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

Lack of information

83. Water Technology's ability to progress the investigations was also contingent upon its representatives being able to gain quick and unimpeded access to information and data relevant to the flood events. This information included, amongst other things, flood inundation maps, terrain information and rainfall and river gauge data. In the usual course this information is made available free of charge and with short lead-time from local and state authorities such as DERM and BoM.

84. RACQ Insurance of course acknowledges the considerable burdens DERM and BoM had to deal with. However, for many flood affected regions, this information and data was slow to be provided to Water Technology (and others) by the relevant local and state authorities. In some cases, despite requests, the information and data was not (and still has not been) made available in full or even in part to Water Technology.
85. In response to the lack of available information and data for Toowoomba and the Lockyer Valley, RACQ Insurance's solicitors wrote to the DERM on 2 February 2011 requesting the release of rainfall and river gauge data for these regions. RACQ Insurance's solicitors did not receive responses to these requests.
86. In separate correspondence, RACQ Insurance's solicitors wrote to South East Queensland Water Corporation, Brisbane City Council and Ipswich City Council requesting access to the "MIKE11 Hydrodynamic model of the Brisbane and Bremer Rivers" (**model**). This model, which has not been made available to date, would have assisted Water Technology to progress its investigations into the cause of inundation for properties in Brisbane and Ipswich.
87. Details about other requests and responses are set out in Annexure 6.

Demand on hydrologists

88. In addition to its engagement on behalf of RACQ Insurance, Water Technology has been engaged by or on behalf of a number of parties, including other insurers that have received claims relating to the Queensland Floods. Given the unique skills possessed by hydrologists and the scale of the Queensland Floods, the majority of hydrologists undertaking work in relation to the Queensland Floods are in a similar position to Water Technology, simultaneously undertaking work for more than one client.
89. Given that each of Water Technology's clients has different requirements and expectations, Water Technology's (and other hydrologists') resources have been under a significant amount of pressure. This pressure on resources has been exacerbated by the volume and geographic spread of properties that Water Technology has been required to consider.

90. These demands on Water Technology's resources have impacted on the period of time required to complete its investigations for each region and for RACQ Insurance to make decisions on claims.

Dealing with claims

91. RACQ Insurance has received many thousands of claims. In this part of the submission we will confine our remarks to the claims which arose out of the events from 24 December 2010 to 14 January 2011. As mentioned, RACQ Insurance has received many thousands of claims for weather related damage both before and after this period, including from the impacts of Cyclone Yasi. For convenience they have, within RACQ Insurance, been divided into two main categories:
- (a) the flooding which took place from 24 December to the end of December 2010 following Tropical Cyclone Tasha. This covers the areas from Bundaberg North and West, including areas such as Rockhampton, Emerald, Alpha, Jericho and the Condamine region (Chinchilla, Dalby and Warwick) (**December Events**); and
 - (b) the flooding which took place during the first two weeks of January 2011 in Central and Southern Queensland. This covers the areas including Upper Locker Valley, Lower Lockyer Valley, Ipswich, Brisbane, Sunshine Coast and Gold Coast (**January Events**).
92. Each of the above two categories is further divided into motor claims and household claims (the latter covers any claim for home or contents damage).
93. As at 6 May 2011, the number of claims received is as follows:

December Events - QLD Ex tropical cyclone Tasha

Claim type	Received
Household	1,304
Motor/Boat/Caravan/Trailer	188
Total	1,492

January Events - Southern and Western QLD heavy rain and flood

Claim type	Received
Household	3,999
Motor/Boat/Caravan/Trailer	767
Total	4,766

94. As at 6 May 2011 5,303 household claims have been received as a result of the weather events experienced in December 2010 and January 2011. 2,312 of these claims present as inundation and were referred for hydrological consideration to enable claim decisions. The remaining 2,991 claims do not present as inundation and can be regarded as typical 'storm' claims.
95. The weeks in which these claims were received, and the regions to which they relate, is set out in sections 1 and 2 of Annexure 3. In the vast majority of cases, the date of receipt is the date on which the claim was made over the telephone.

Household claims

96. All household claims arising from the Queensland Floods are processed and assessed by the dedicated response team.
97. The claim is usually lodged by the customer making a call to the Teleclaims Call Centre. Details of the claim are taken by the Teleclaims Customer Service Officer who informs the customer that a member of the claims team will be in contact with them shortly.
98. The claim is then allocated to a specific Customer Service Officer within the dedicated response team. In most instances communications with the customer will be made by the Customer Service Officer allocated to the claim.
99. Claims which do not relate to household inundation or do not require hydrology information as part of the assessment process are handled by the case management team. Claims which relate to household inundation are handled by the technical team. The determination of which category a claim is allocated is made by the Operations Manager, who oversees the case managed and technical teams within the dedicated response team.

Inundation claims

100. After the claim is lodged, a loss adjustor is assigned to the claim to conduct an inspection and provide a report. As at 21 April 2011, it had taken an average of 18 calendar days from claim lodgment to inspection by loss adjustors for household claims related to the Queensland Floods (this being an average across both inundation and non-inundation claims). The figure for non-inundation claims is 22 days, since priority was generally given to inundation claims.
101. On the basis of the loss adjustor's report, hydrology information, claim lodgment details and other advice, the case officer makes a decision on the claim outcome, and completes an assessment of eligibility for payment from the Special Fund. This compassionate payment determination is based on a set of approved criteria. Payments from the Special Fund are separate from hardship payments under the Code of Practice, which are determined in advance of the claim determination and as part of the initial claim process.
102. As mentioned above Water Technology was engaged to undertake hydrological investigations into those regions where claims had been made and which were affected by the Queensland Floods.
103. A decision was made that the most appropriate way for these investigations to be undertaken was on a regional basis. This was because:
 - (a) given the many thousands of claims which were made or expected to be made, to seek to obtain individual hydrological reports for each property would cause the process of dealing with the claims to slow down to an unacceptable level;
 - (b) it was difficult to secure the services of appropriately qualified hydrologists. Many other interested parties (other insurers, government bodies, local authorities, dam operators and the like) were seeking to obtain hydrological reports or advice; and
 - (c) it was expected that many common factual issues could in any event be identified and investigated on such a regional basis. This has proved to be so.
104. As outlined above, for each region, Water Technology was instructed to consider, amongst other things, the geographical extent of the flood event, the timing of the flood event and of the

damage to properties in that area, the cause of the flood event and any other factors that may have affected the extent and timing of the flood event.

105. The investigations generally have been to identify the cause and timing of the flooding which occurred taking into account the claims which had been received at the time. Where possible the cause of the inundation to stated areas has been identified.
106. In a number of cases, there have been features which have necessitated further investigation (such as a localised detention basin or localised severe runoff) and which have required further investigation at an individual rather than regional level.
107. In addition, RACQ Insurance audits the above process and through this process has identified additional claims with an inundation aspect.
108. The decision on whether sufficient information exists to enable decisions to be made for some or all of the claims in a particular region is made by Mr Dale (General Manager, PI Claims) based principally on legal advice which considered the hydrological information received. In most cases this decision is made in conjunction with Mr Heath (CEO). Once a decision has been reached on this regional advice, a schedule of claims is passed to the claim processing teams, and is then processed according to the process described below.
109. As iterations of hydrology reports have become available and further advice prepared, approved listings of claims have been prepared and passed to the claims officers for action. The individual claim assessment is made by a Customer Service Officer (albeit based upon the decisions referred to in the previous paragraph). In cases where a claim is to be declined, this decision is reviewed by the Team Leader, for both the claim declinature decision validation, and for approval of any compassionate payment from the Special Fund.
110. For accepted claims, the process involves:
 - (a) advising the customer over the telephone of the acceptance of the claim and the next steps involved;
 - (b) endeavouring to meet any emergency needs; and

- (c) advising service providers so that the repair/settlement process can commence.
111. For declined claims, the process involves:
- (a) a review of the claim information to confirm the decision to decline cover;
 - (b) consideration and pre-approval of eligibility under the terms of the Special Fund;
 - (c) attempted personal contact to advise of the decision, any Special Fund payment and rights in relation to dispute resolution (sometimes in this conversation additional information may have been provided by the customer which required further consideration). During this initial telephone advice and the related letter to the customer, it is made clear that accepting a compassionate payment does not preclude the right of the insured to challenge the claim decision; and
 - (d) a formal letter of advice which includes information as to the complaints and dispute process.
112. The procedure once a claim is accepted depends on the size and nature of the claim. A contents claim where the loss plainly exceeds the sum insured may be paid quickly. However, the typical procedure for an accepted claim for household building damage is as follows:
- (a) a building consultant visits the site to assess the damage and prepare a document that details the scope of repair work required;
 - (b) RACQ Insurance then obtains quotes on this scope of work from builders. Customers are also free to obtain their own quotes for RACQ Insurance to consider;
 - (c) the customer and the builder then agree upon and enter into a contract for the repair work;
 - (d) the repair work is then carried out; and
 - (e) RACQ Insurance makes payments against progressive invoices from the builder, suppliers and contractors.

113. RACQ Insurance estimates that the rebuilding process will be ongoing over the next 12-18 months.
114. While this process does take time, it should be noted that:
- (a) the process is not required for repair work which can be carried out by a direct trade (e.g. the replacement of a damaged garage door);
 - (b) the step referred to in paragraph 112(a) saves time as it permits builders to submit a desk-top tender based upon a professionally prepared scope of works; and
 - (c) the preparation of such a scope of works also protects the customer against quotes from builders which may not cover all of the necessary repairs. It also allows competing tenders to be compared directly (i.e. the customer can compare 'apples with apples').
115. It is also the case that many affected properties need to dry out before repair can be undertaken. This can take months.

Other claims (non-inundation)

116. Non-inundation claims (e.g. claims for stormwater overflowing a gutter and damaging a customer's ceiling) are typically easier to deal with than flood claims, since they do not require hydrological investigations or reports.
117. After a non-inundation claim is lodged, the case manager allocated to the claim will contact the customer to advise that a loss adjustor has been appointed to investigate the claim and will be attending the premises to conduct an inspection.
118. The loss adjustor then conducts an inspection and provides a report. The loss adjustor has a delegated authority to accept claims on behalf of RACQ Insurance where the cost of the claim is estimated to be less than \$20,000 and where there are no concerns as to coverage under the policy. This expedites the claims acceptance and repair/settlement process.
119. If the claim is estimated to exceed \$20,000 or where there are concerns as to coverage under the terms of the policy, the loss adjustor will provide a report to RACQ Insurance with recommendations. Based on the loss adjustor's report, the case manager will, within delegated

authority, make a determination as to whether the claim is accepted or declined and notify the customer over the phone.

120. If the claim is accepted RACQ Insurance will arrange for repairers to be appointed, goods to be replaced, or a cash settlement.

Claims settlements – household contents and motor claims

Household contents claims

121. In relation to household contents claims arising from the Queensland Floods, RACQ Insurance has adopted a policy of paying cash settlements for contents claims to make the process quicker and easier for customers.

Motor claims

122. As mentioned above, claims are made usually by phone but perhaps sometimes in person. In either case the claims are (as explained above) referred to the Motor Claims Department to be dealt with.
123. RACQ Insurance adopted a number of measures (including the provision of tow trucks) to assist in the rapid processing of claims and to assist its customers generally.
124. RACQ Insurance also moved 82 cars (including both RACQ members and RACQ Insurance customers' insured vehicles) from the Rockhampton Airport car park to the Show Ground to avoid the cars being inundated as flood waters approached.
125. RACQ Insurance was able to utilise RACQ's contracted service provider network which increased the number of resources available to RACQ Insurance in this time of increased demand. This network of providers predominately assisted with towing and photographing the damaged vehicles.
126. RACQ Insurance received a total of 613 total loss claims (claims where the vehicle is not repairable). These were assessed and settled quickly as part of a strategy to get money into the community and to get people mobile.

127. There was an average settlement time for total loss claims of 13.1 days from the date of claim lodgement to the date of the customer's receipt of settlement payment.

The outcomes to date in relation to claims

Results of investigation of the flooding which has occurred

Inundation – household claims

128. As to the outcomes in relation to specific claims, the process is an ongoing one. Claims continue to be received.
129. As at 6 May 2011:
- (a) RACQ Insurance had received 2,312 inundation claims;⁶
 - (b) RACQ Insurance had completed its investigations in relation to 2,062 claims and was still investigating 250 claims; and
 - (c) of the 2,062 claims for which investigations had been completed, RACQ Insurance had accepted 815 claims and declined 1,247.
130. Information as to when customers were advised of decisions to accept or decline a claim is not readily available since notes recording this information are placed on individual files but are not centrally recorded. RACQ Insurance's best estimate is that, as at 6 May 2011, in relation to claims where RACQ Insurance has made a decision, 1,958 customers have been advised of its decision and 104 were still to be advised pending consideration of eligibility for a payment under the terms of the Special Fund and inability to contact.
131. The decisions that RACQ Insurance has made in relation to each area for which regional reports have been provided are summarised in Annexure 3 and below:

⁶ Although it is possible that some of these claims arise from New South Wales, it is considered that the number of such claims would be nil or negligible. There are also approximately three inundation claims from the Atherton Tablelands which are not included in this figure and for which site-specific hydrology reports, rather than regional reports, were obtained.

(a) Alpha

The level of Alpha Creek at the Alpha Alert gauge rose to a recorded peak of 9 metres at 8:00am on 28 December 2010. It is likely that the actual peak was later and higher than this recording as the gauge failed at this time while water levels were still rising.

The principal cause of this flooding associated with the flooding of Alpha Creek was rain that fell between approximately 12:00 noon on 26 December 2010 and 12:00 noon on 27 December 2010.

RACQ Insurance has declined 7 claims in the Alpha region because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no undecided claims in this region.

(b) Brisbane

The level of the Brisbane River at the Brisbane City gauge rose to a peak at approximately 4.00am on 13 January 2011. The Brisbane River was swollen from the significant releases from the Wivenhoe Dam from 7 January 2011 (which were then increased on and from 9 January 2011). The rainfall that was primarily responsible for the flooding in Brisbane fell in the upper Brisbane River catchment between 9 January and 11 January 2011.

RACQ Insurance has accepted 50 claims in Brisbane which meet the definition of Flash flood and stormwater run-off and declined 737 claims because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011 RACQ Insurance was investigating a further 48 claims. These further investigations are necessary because of possible circumstances relating to the individual sites which may be relevant to cover under the policy. Those investigations remain ongoing.

(c) Bundaberg

The level of the Burnett River rose to a peak in Bundaberg on 30 December 2010. The principal cause of the flooding of the Burnett River was rain which fell as a result of Cyclone Tasha during the period 22 December to 28 December 2010.

RACQ Insurance has accepted 3 claims in the Bundaberg region which meet the definition of Flash flood and stormwater run-off and declined 40 claims because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011 RACQ Insurance was investigating a further 13 claims for which it had not previously been possible to determine the cause of inundation. Those investigations remain ongoing.

(d) Caboolture

The flooding in the Caboolture region occurred between 5.00am and 2.00pm on 11 January 2011. The Caboolture River and its tributaries rose to a peak between 5 and 14 hours after the start of the rainfall.

RACQ Insurance has accepted 73 claims in Caboolture which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no declined claims or any other claims being investigated.

(e) Condamine

Oakey, Dalby, Chinchilla and Warwick have been investigated by RACQ Insurance as part of the region commonly described as the "Condamine".

Moderate rain fell in Oakey from 5 to 9 January 2011 and then heavy rain fell from 9 to 11 January 2011. Oakey was inundated by water that peaked on 11 January 2011.

Dalby was inundated by water that peaked on 2 December 2010, 27 December 2010 and 10 January 2011. The highest inundation occurred on 10 January 2011. These flooding

events were in each case the result of rain that commenced falling more than 24 hours earlier. Some rain that commenced falling within 24 hours of the peak on 10 January 2011 made that peak slightly higher than it would otherwise have been.

Chinchilla was inundated by water that rose to a peak on 28 December 2010 and again on 12 January 2011. The peak on 12 January 2011 was higher than the peak on 28 December 2010. The flooding event on 12 January 2011 is attributable to rain that commenced falling 31 hours earlier.

Warwick was inundated by water that rose to a peak on 27 December 2010 and again on 11 January 2011. Both of these events were caused by rain that fell more than 24 hours before inundation had occurred.

RACQ Insurance has accepted 16 claims in the Condamine region which meet the definition of Flash flood and stormwater run-off and declined 2 claims because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, RACQ Insurance was investigating a further 44 claims in this region because there are local factors which cause difficulties in determining claims and further localised modelling may be required before the cause of damage can be determined.

(f) Emerald

The flooding in the Emerald region occurred between 26 December 2010 and 2 January 2011. This flooding was largely the result of rain commencing on 26 December 2010 that fell in the catchment upstream of the Fairbairn Dam and caused the Nogoa River to peak on 31 December 2010.

RACQ Insurance has declined 64 claims in the Emerald region because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no undecided claims in this region.

(g) Gympie

The Gympie region experienced a number of significant rainfall events between 27 December 2010 and 11 January 2011 which (either individually, or in conjunction with one another) led to rises and a number of peaks in the water level of the Mary River at Gympie.

The properties insured by RACQ Insurance which were affected in this period are likely to have been inundated by either flooding of the minor tributaries of the Mary River (which occurred within 24 hours of rainfall) or stormwater run-off.

RACQ Insurance has accepted 15 claims in Gympie which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no declined claims or any other claims being investigated.

(h) Ipswich

Flooding in the Ipswich region generally occurred when the Bremer River peaked on 12 January 2011. Rain commenced around 6.00am on 11 January 2011. Some upstream parts of the Bremer River experienced significant flooding within 24 hours of that time. Downstream parts of the Bremer River did not experience flooding until after 6.00am on 12 January 2011 and it is likely that these areas were also affected by tailwater from the Brisbane River which was swollen from the releases from the Wivenhoe Dam from 7 January 2011 (which were increased on and from 9 January 2011) and further rainfall which commenced on 9 January 2011.

RACQ Insurance has accepted 34 claims in the Ipswich region which meet the definition of Flash flood and stormwater run-off and declined 332 claims because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011 RACQ Insurance was investigating a further 26 claims in this region. These further investigations are necessary because of possible circumstances relating to

the individual sites which may be relevant to cover under the policy. Those investigations remain ongoing.

(i) Lower Lockyer Valley and Esk

The Lockyer Valley is a large catchment area which extends from the Toowoomba Range in the west through to the junction of the Lockyer Creek and Brisbane River at Lowood. It also takes in parts of the Laidley Creek. Due to the diversity of the catchment, RACQ Insurance's investigations of the Lockyer Valley were divided into two parts. The first part dealing with towns affected by flooding from the Toowoomba Range to Gatton and the second dealing with areas extending from Gatton up to just outside Lowood. The first area of investigation is referred to in these submissions as the Upper Lockyer Valley and the second part, the Lower Lockyer Valley. Whilst Esk is not part of the Lockyer Valley catchment in a strict sense, it was practical for RACQ Insurance to investigate claims from the Esk region as part of the investigations of the Lower Lockyer Valley.

The Lower Lockyer Valley region experienced two flooding events.

The first flooding event occurred in the Lower Lockyer Valley region between 5 January and 9 January 2011. This flooding peaked between 6 January and 8 January 2011 and was largely the result of rainfall occurring within 24 hours of the peak.

The second flooding event occurred in the Lower Lockyer Valley region between 10 January and 11 January 2011. This second flooding event was caused by a combination of elevated water levels from the previous flooding and rainfall occurring within the 24 hours before flood peaks.

RACQ Insurance has accepted 147 claims in the Lower Lockyer Valley and Esk area which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011 RACQ Insurance was investigating a further 10 claims for which it has not previously been possible to determine the cause of inundation.

(j) Middle Brisbane

Middle Brisbane (principally consisting of the townships of Fernvale and Lowood) was inundated by two separate inundation events on the same day.

The first (occurring in the morning of 11 January 2011) was caused by very heavy rain over the region which lead to stormwater run-off and flooding of local creeks and streams within 24 hours.

The second (occurring in the evening of 11 January 2011) was caused by releases from Wivenhoe Dam which were a response to rain which fell upstream of the dam from 6 January 2011 and had rapidly intensified on 9 January 2011.

As at 6 May 2011 RACQ Insurance was investigating 48 claims in this region. In RACQ Insurance's initial investigations, Middle Brisbane was not considered a separate region and properties around Fernvale and Lowood were analysed together with either the Ipswich or Lower Lockyer areas. However, when it appeared to RACQ Insurance that potentially different considerations might apply to the inundation of the Middle Brisbane properties a separate investigation was begun to identify the causes and timing of inundation in that region.

(k) Moreton Bay

The Moreton Bay region experienced two flooding events.

The first flooding event occurred between 9 January and 10 January 2011. This was minor flooding and was largely the result of rain which fell in the 24 hours preceding the flood peak.

The second flooding event occurred between 5.00am and 2.00pm on 11 January 2011. Peak inundation levels were recorded throughout the region within 9 hours of the commencement of the rainfall.

RACQ Insurance has accepted 39 claims in the Moreton Bay region which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no declined claims or any other claims being investigated.

(l) Regional Fitzroy

Heavy rain fell throughout the Fitzroy River catchment throughout December 2010 causing inundation in a number of towns in the region. The cause of inundation has been investigated to date for Theodore, Biloela and Wowan.

In Theodore, the Dawson River levels rose with flooding occurring between 27 December 2010 and 4 January 2011 with the peak on 1 January 2011. The principal cause of the flooding and in particular of this peak was rain that fell on 25 and 26 December 2010 (greater than 24 hours before inundation).

In Biloela and Wowan, the lack of a water level gauge on the Dee River, Prospect Creek or Pocket Creek makes it difficult to determine the time of inundation of these towns. However, flooding is likely to have occurred within 24 hours of the December rainfall events, the two most significant of which occurred on 26 and 28 December 2010.

RACQ Insurance has accepted 6 claims which meet the definition of Flash flood and stormwater run-off and declined 23 claims because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011 RACQ Insurance was investigating a further 10 claims in this region.

(m) Rockhampton

The level of the Fitzroy River rose to a peak in Rockhampton on 4 January 2011 and was the result of rainfall associated with Cyclone Tasha occurring between 23 December and 28 December 2010.

RACQ Insurance has accepted 7 claims in the Rockhampton region which meet the definition of Flash flood and stormwater run-off and declined 42 claims because the rain that caused the flooding to those properties occurred more than 24 hours prior to the flooding and the event does not meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011 RACQ Insurance was investigating a further 22 claims for which it has not previously been possible to determine the cause of inundation.

(n) Sunshine Coast

The flooding in the Sunshine Coast region occurred on 11 January 2011. Flood levels generally peaked in this region within 12 hours of associated rainfall.

RACQ Insurance has accepted 69 claims in the Sunshine Coast region which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011 RACQ Insurance was investigating a further 2 claims.

(o) Toowoomba

The flood in Toowoomba occurred on 10 January 2011. This flood occurred within a very short period of time after the commencement of the relevant rainfall event.

RACQ Insurance has accepted 286 claims in the Toowoomba region which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no declined claims or any other claims being investigated.

(p) Upper Brisbane River Catchment Area

The Upper Brisbane River catchment consists of Blackbutt, Nanango, Moore, Yarraman, Stony Creek, D'Aguilar and Toogoolawah.

The flooding in the Upper Brisbane River catchment region occurred across two separate events of similar magnitude. The first event led to a peak late on 9 January or in the early hours of 10 January 2011, depending on location, that occurred within 11 and 19 hours of commencement of rainfall. The second event led to a peak on 11 January 2011 that occurred within 5 and 11 hours of commencement of rainfall.

RACQ Insurance has accepted 24 claims in the Upper Brisbane River Catchment Area which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no declined claims or any other claims being investigated.

(q) Upper Lockyer Valley

Towns affected by the flooding in the Upper Lockyer Valley on 10 January 2011 included Grantham, Murphy's Creek and Gatton.

RACQ Insurance has accepted 46 claims in the Upper Lockyer Valley region which meet the definition of Flash flood and stormwater run-off.

As at 6 May 2011, there were no declined claims or any other claims being investigated.

(r) Miscellaneous⁷

As at 6 May 2011 RACQ Insurance had received 27 claims which were not readily able to be identified as falling into any the regions referred to in paragraph 131. These claims remain under investigation.

Non-inundation household claims

132. The vast majority of the 2,991 household non-inundation claims received by RACQ Insurance as at 6 May 2011 have been determined.

Motor claims

133. Similarly, the vast majority of the 955 motor claims received by RACQ Insurance as at 6 May 2011 have been determined.

The General Insurance Code of Practice

134. RACQ Insurance has at all times been mindful of and endeavoured to meet its obligations under the General Insurance Code of Practice, including Part 4 (Responding to catastrophes and disasters).
135. Section 4.2 of the Code of Practice requires insurers to respond to catastrophes in a fast, professional, practical and compassionate manner.

⁷ These claims are referred to in Annexure 3 as "new".

136. RACQ Insurance's attempts to process claims in a fast and practical manner are dealt with elsewhere in this submission, as is its compassionate response (see, for example, paragraphs 146 and following below).
137. RACQ Insurance believes it has, overall, operated in a professional manner. Several aspects of this warrant brief mention:
- (a) first, like all insurers, RACQ Insurance relies on reinsurance arrangements to meet (at least in part) the risks posed by natural catastrophes. Were RACQ Insurance to accept flood claims that were not covered by its policy, RACQ Insurance itself would not be covered by reinsurance;
 - (b) second, RACQ Insurance has prudential obligations imposed by statute. These prudential requirements effectively limit the extent to which capital can be disposed of in an *ex gratia* (albeit compassionate) manner;
 - (c) third, RACQ Insurance has an obligation towards all customers, and not just those affected by the Queensland Floods. This is best served by performing in accordance with the agreements actually made between the customers and RACQ Insurance, subject to exceptions such as may apply in the case of financial hardship and compassionate payments and the like: and
 - (d) fourth, RACQ Insurance has an obligation to its sole shareholder, RACQ, and its 1.2 million members.
138. RACQ Insurance would not be acting in a professional manner were it to simply allow claims without proper consideration of whether the claim is covered by the policy.

Complaints and review processes

Complaints

139. RACQ Insurance recognises that during the course of the Queensland Floods a number of issues have arisen which have caused dissatisfaction to its customers. RACQ Insurance has endeavoured to address all issues that have arisen as promptly as possible.

140. Customers who are not satisfied with RACQ Insurance's conduct or decision may make a complaint to RACQ Insurance, take advantage of RACQ Insurance's internal dispute resolution (IDR) procedure or take advantage of the external dispute resolution procedure provided by the Financial Ombudsman Service.
141. If a complaint is made to RACQ Insurance, a claims handling officer attempts to resolve the claim on the spot. If the complaint is not resolved, it is placed on a register and leads to a dispute, which activates RACQ Insurance's IDR procedure.

IDR

142. Although disputes are normally resolved by a committee of three or four management personnel, RACQ Insurance has adopted a streamlined procedure for flood claims which allows disputes to be resolved by a single IDR Manager.
143. This further streamlined IDR process complies with the Code of Practice.
144. As at 6 May 2011, RACQ Insurance has received 94 disputes relating to flood claims.

External dispute resolution

145. Customers whose dispute is not resolved may avail themselves of the external dispute resolution process offered by the Financial Ombudsman Service Limited. As at 6 May 2011, 17 of RACQ Insurance's customers had availed themselves of this service in relation to flood claims.

Further response to the floods

146. On 25 January 2011, RACQ Insurance's parent company, RACQ, announced a \$20 million flood assistance package comprising:
- (a) \$10 million for compassionate financial assistance to RACQ Insurance home and contents policy holders;
 - (b) \$2 million to be donated to the Premier's Flood Relief Appeal; and

- (c) \$8 million to be allocated to support rebuilding in Queensland Communities and other charitable purposes.
147. The package is jointly funded by RACQ and RACQ Insurance. RACQ is a mutual organisation run to benefit its members and not to maximise surplus profits. RACQ understands that its members expect it to be socially responsible and provide support to the community.
148. RACQ and RACQ Insurance's interests lie in a strong and prosperous future for Queensland. Helping to get Queenslanders back on their feet after the flood disaster is an important investment in that future. It is also recognised that RACQ, for almost 106 years, has played an important role and held a privileged position in the Queensland community and this flood assistance package is a further step in fulfilling that role.
149. The \$10 million provided as compassionate financial assistance is being used primarily to assist a number of RACQ Insurance's home and contents policy holders who have been affected by the Queensland Floods but who do not have flood cover.
150. Payments have been and will be assessed on a case-by-case basis and will be directed to those in most need. The eligibility criteria for this assistance are broadly in line with the criteria used by the Premier's Disaster Relief Fund. They are payments to RACQ Insurance's policy holders to provide assistance during a difficult time.
151. Eligible recipients receive up to a \$10,000 payment for building damage and up to a \$2,500 payment for damage to contents. In addition, the Special Fund has been used to cover losses in Toowoomba and the Upper Lockyer Valley which have exceeded the 50% limit referred to in paragraph 21(d) above. At the time of offering a compassion payment to a customer, it is made clear to customers that accepting the payment does not preclude their rights to challenge the decision.
152. As at 6 May 2011, \$7.21 million had been paid to policy holders from the Special Fund. Further details of these payments, as well as hardship payments made under the Code of Practice, appear in Annexure 5.

153. The above procedures and payments are separate from, and additional to, financial hardship payments which have been made pursuant to section 3.7(b) of the Code of Practice. Such payments are generally of the order of \$5,000.

Recommendations for the future

154. The Commission will of course consider what recommendations to make for the future.
155. RACQ Insurance understands the need to constantly review and improve processes and procedures for handling disasters. RACQ Insurance is also currently considering its position on its policy coverage for flooding but is mindful of the difficulties involved in offering flood coverage in the absence of adequate flood data.
156. However, there are some matters which are outside of RACQ Insurance's control and may require action from other stakeholders. In particular, RACQ Insurance feels that the Commission should consider the following issues when considering its recommendations:
- (a) the availability of flood information and terrain mapping;
 - (b) the adoption of a standard definition for flood; and
 - (c) the need for local councils to have regard to flood risk when assessing development and classifying land for future development and to notify purchasers or potential purchasers of the risk.

Availability of flood information

157. One impediment to the speedy resolution of claims has been the delay in key government departments providing information about the flood event and in making modelling available to enable hydrological investigations to be undertaken.
158. In particular, the BoM was unable to provide complete data during the aftermath of the disaster. We suggest that there should be a protocol by which this data should be made available speedily and the modelling should be readily accessible for these purposes.
159. It is also important that more information be made available about past flood events and the likelihood of future events occurring. Access to historical flood data (both actual and modelled)

is required, along with river gauge height data, rainfall data and terrain mapping. High resolution digital elevation models are also required to model the effect of the overland flow of water in a flood situation. Without this information insurers are not in a position to model and assess flood risk and make informed decisions about changes to their policy coverage (including calculation of premiums and identification of risk acceptance criteria).

160. RACQ Insurance therefore supports the submission made by the Insurance Council of Australia in favour of the formation of a single body with national responsibility for collection, maintenance and publication of flood information.

Standard definition of flood

161. RACQ Insurance is generally supportive of the insurance industry adopting a common definition of flood and how it can be distinguished from flash flooding.
162. However, any such move should be backed by the best available information so that insurers can make the appropriate actuarial calculations which will allow the risk of future flood events to be priced appropriately.
163. RACQ Insurance also believes that it is imperative that any common definition of flood be well understood by the broader community. Information campaigns and education may be necessary to achieve this goal.
164. It may be suggested that some form of uniform flood cover should be mandated for private insurers or that some form of wording for such cover should be universally adopted.
165. We would urge the Commission not to make any recommendation in this regard. It involves considerations beyond those which have (to our knowledge) been addressed and certainly beyond those which have been fully explored in these submissions.
166. The cost at which insurers can offer any particular cover is dependent upon an assessment of risk and the ability to obtain appropriate reinsurance. Some insurers may be able to take into account their commercial interests in other areas (for example insurers who are related to a mortgagee over the property insured).

167. Consumers have a choice as to what insurance to effect, and at what cost. Provided they are sufficiently informed about that choice (and that is subject to Commonwealth legislative intervention) there is no imperative to impose a different and more expensive form of cover on them and their insurers.
168. If community sentiment is that there should be some imposed form of universal flood cover then it should be provided at the cost of the community by way of government insurance and not imposed on the private sector.

Development approvals

169. RACQ Insurance is concerned about the amount of inappropriate development that has occurred in flood-prone areas.
170. RACQ Insurance believes that, as local councils often have access to better quality information about floods than developers, they should play an active role in ensuring that development in flood-prone areas has appropriate regard to the risks.
171. This may involve amendment to local town planning instruments or amendments to the *Sustainable Planning Act 2009* (Qld).

Further submissions

172. RACQ Insurance wishes to provide a further submission, at a time convenient to the Commission, which brings up to date the matters outlined in this submission.
173. RACQ Insurance of course will be happy to provide a further submission dealing with whatever matters the Commission would wish clarified or expanded upon. Should any matter arise before the Commission which affects RACQ Insurance, of which the Commission notifies RACQ Insurance, it will as is appropriate provide a further submission dealing with it.
174. RACQ Insurance also wishes to reserve the right to supplement this submission as it may be advised, subject to any direction of the Commission.

175. Further, should the Commission wish it to do so either generally or in relation to particular matters, RACQ Insurance will provide statements from its officers and others as may be thought appropriate to establish the factual matters set out above.

RACQ Insurance Limited

11 May 2011

Annexure 1

Summary of claims received

ANNEXURE 1
SUMMARY OF CLAIMS RECEIVED AS AT 6 MAY 2011

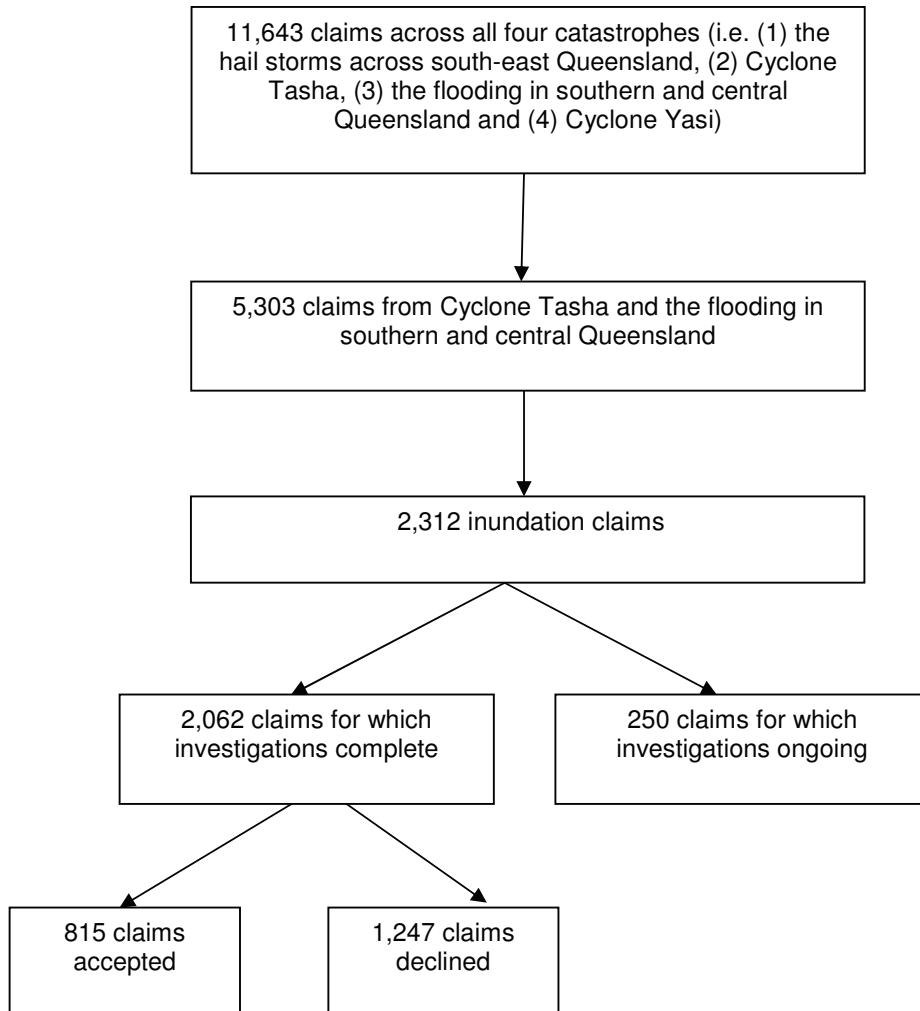
Event Description	Household Claims	Motor Claims	Total Claims
Brisbane Hail	1,633	2,437	4,070
Ex Tropical Cyclone Tasha and Subsequent Flooding	1,304	188	1,492
Flooding in Southern and Western Queensland	3,999	767	4,766
Cyclone Yasi	4,707	497	5,204
	11,643	3,889	15,532

Annexure 2

Status of household claims as at 6 May 2011

ANNEXURE 2

STATUS OF HOUSEHOLD CLAIMS AS AT 6 MAY 2011



Annexure 3

Receipt of claims and decisions on claims

ANNEXURE 3

Region: Queensland

Date of event: 24/12/2010 to 30/12/2010 and 08/01/2011 to 14/01/2011

Data as at: 6/05/2011

1. Total number of claims received

Date	Household	Motor / Pleasurecraft	Total
31/12/2010	446	76	522
7/01/2011	875	151	1,026
14/01/2011	2,387	530	2,917
21/01/2011	4,072	850	4,922
28/01/2011	4,476	891	5,367
4/02/2011	4,742	919	5,661
11/02/2011	4,870	927	5,797
18/02/2011	4,974	932	5,906
25/02/2011	5,044	937	5,981
4/03/2011	5,090	942	6,032
11/03/2011	5,138	945	6,083
18/03/2011	5,184	945	6,129
25/03/2011	5,202	947	6,149
1/04/2011	5,228	949	6,177
8/04/2011	5,258	952	6,210
15/04/2011	5,281	954	6,235
21/04/2011	5,289	955	6,244
29/04/2011	5,297	955	6,252
6/05/2011	5,303	955	6,258

2. Household hydrology claims received

Date	Alpha	Brisbane	Bundaberg	Caboolture	Condamine	Emerald	Fitzroy	Gympie	Ipswich	Lower Lockyer
31/12/2010	3	2	22	1	15	11	14	1	2	3
7/01/2011	1	3	21	0	8	44	13	1	1	0
14/01/2011	2	297	4	49	21	5	5	6	229	97
21/01/2011	0	336	6	10	4	1	2	5	117	29
28/01/2011	1	90	2	5	5	1	2	0	22	10
4/02/2011	0	42	0	2	5	2	0	2	3	5
11/02/2011	0	19	1	1	1	0	3	0	4	6
18/02/2011	0	15	0	1	0	0	0	0	5	2
25/02/2011	0	9	0	1	0	0	0	0	3	0
4/03/2011	0	5	0	0	2	0	0	0	2	2
11/03/2011	0	6	0	2	0	0	0	0	0	0
18/03/2011	0	4	0	1	0	0	0	0	1	3
25/03/2011	0	7	0	0	0	0	0	0	1	0
1/04/2011	0	0	0	0	0	0	0	0	0	0
8/04/2011	0	0	0	0	0	0	0	0	0	0
15/04/2011	0	0	0	0	0	0	0	0	0	0
21/04/2011	0	0	0	0	0	0	0	0	1	0
29/04/2011	0	0	0	0	0	0	0	0	1	0
6/05/2011	0	0	0	0	1	0	0	0	0	0
TOTAL	7	835	56	73	62	64	39	15	392	157

Date	Middle Brisbane	Moreton	NEW	Rockhampton	Sunshine Coast	Toowoomba	Upper Brisbane	Upper Lockyer	TOTAL
31/12/2010	0	0	4	14	6	5	1	0	104
7/01/2011	0	0	0	15	1	6	0	2	116
14/01/2011	27	24	5	14	38	177	12	24	1,036
21/01/2011	16	7	9	20	7	43	5	14	631
28/01/2011	3	2	1	5	6	21	5	1	182
4/02/2011	0	3	1	1	4	9	1	0	80
11/02/2011	0	0	3	0	4	8	0	2	52
18/02/2011	2	2	2	0	1	1	0	1	32
25/02/2011	0	1	0	0	1	3	0	0	18
4/03/2011	0	0	0	1	1	5	0	1	19
11/03/2011	0	0	1	0	2	2	0	1	14
18/03/2011	0	0	0	1	0	1	0	0	11
25/03/2011	0	0	1	0	0	3	0	0	12
1/04/2011	0	0	0	0	0	1	0	0	1
8/04/2011	0	0	0	0	0	0	0	0	0
15/04/2011	0	0	0	0	0	0	0	0	0
21/04/2011	0	0	0	0	0	0	0	0	1
29/04/2011	0	0	0	0	0	0	0	0	1
6/05/2011	0	0	0	0	0	1	0	0	2
TOTAL	48	39	27	71	71	286	24	46	2,312

3. Household hydrology claims decisions as at 6 May 2011

Region	Accepted	Declined	Outstanding	Total
Alpha	0	7	0	7
Brisbane	50	737	48	835
Bundaberg	3	40	13	56
Caboolture	73	0	0	73
Condamine	16	2	44	62
Emerald	0	64	0	64
Fitzroy	6	23	10	39
Gympie	15	0	0	15
Ipswich	34	332	26	392
Lower Lockyer	147	0	10	157
Middle Brisbane	0	0	48	48
Moreton	39	0	0	39
NEW	0	0	27	27
Rockhampton	7	42	22	71
Sunshine Coast	69	0	2	71
Toowoomba	286	0	0	286
Upper Brisbane	24	0	0	24
Upper Lockyer	46	0	0	46
TOTAL	815	1247	250	2312

Annexure 4

Summary of the Queensland Floods on a regional basis

ANNEXURE 4

SUMMARY OF THE QUEENSLAND FLOODS ON A REGIONAL BASIS

Peak	Description	Period	Summary
20 Dec 2010	Dalby	16-20 Dec 2010	<ul style="list-style-type: none"> The area around Dalby was hit by a series of storms beginning 16 December 2010 and ending 20 December 2010. The associated rainfall led to increased water levels in the Myall Creek which caused moderate flooding in and around Dalby on 20 December 2010.
27 Dec 2010	Condamine (1)	25-28 Dec 2010	<ul style="list-style-type: none"> By Christmas Day 2010, water levels from the Dalby flood event (see above) had fallen to relatively normal levels. From the evening of 25 December 2010, heavy rain began to fall over the Condamine region with continued rains of up to 36mm per hour until 27 December 2010. This led to flood levels at Myall Creek at Dalby, the Condamine River at Warwick and Charleys Creek at Chinchilla peaking over major flood heights at 7:00pm on 27 December 2010, 9:00 on 27 December 2010 and 7:00am on 28 December 2010 respectively. Water levels had largely returned to normal by the New Year.
28 Dec 2011	Alpha	26-28 Dec 2011	<ul style="list-style-type: none"> Heavy rain fell in and around Alpha between approximately 12:00noon on 26 December 2010 and 12:00noon on 27 December 2010. The Minor Flood Level of 7m was reached at 4:00pm on 27 December 2010 (28 hours after the commencement of heavy rainfall). The recorded peak of Alpha Creek at the Alpha Alert gauge was 9 metres and was reached at 8:00am on 28 December 2010 (44 hours after the commencement of heavy rainfall). It is likely that the actual peak was later and higher than this recording as the gauge failed at this time while water levels were still rising.

Peak	Description	Period	Summary
30 Dec 2010	Bundaberg	22 Dec 2010 – 1 Jan 2011	<ul style="list-style-type: none"> Cyclone Tasha appeared off the northern coast of Queensland around 22 December 2010 causing significant rainfall in the Bundaberg region which lasted until 28 December 2010. By 28 December 2010, this water had drained into the Burnett River and river levels began to rise. Floodwaters peaked at major flood levels on 30 December 2010 before receding fairly quickly to relatively normal levels on 1 January 2011.
31 Dec 2010	Emerald	26 Dec 2010 – 2 Jan 2011	<ul style="list-style-type: none"> The Nagoa River catchment upstream of the Fairbairn Dam experienced heavy rainfall commencing on 26 December 2010 and lasting a couple of days. The Fairbairn Dam was already at 100% capacity and was unable to provide flood mitigation, releasing water down the Nagoa River which caused minor flooding in Emerald by 29 December 2010 leading to mass evacuations on 29 and 30 December 2010. The Emerald gauge peaked at major flood levels on 31 December 2010 and by 2 January 2011, floodwaters had receded, allowing residents to return to the town.
1 January 2011	Regional Fitzroy	17 Dec 2010 - 4 Jan 2011	<ul style="list-style-type: none"> Heavy rain fell throughout the Fitzroy River catchment throughout December 2010 causing inundation in a number of towns in the region. RACQI has had the cause of inundation investigated for Theodore, Biloela and Wowan. In Theodore: <ul style="list-style-type: none"> rainfall events between 17 and 19 December 2010 lead the Dawson River at Theodore to exceed Major Flood Levels on 23 December 2010; and a rainfall event on 22 December 2010 maintained the high levels of the Dawson River and further rain between 25 and 26 December 2010 led to a further rise to the peak recorded on 1 January 2011.

Peak	Description	Period	Summary
			<ul style="list-style-type: none"> In Biloela and Wowan: <ul style="list-style-type: none"> a number of heavy rain events were recorded, the two most significant occurring on 26 and 28 December 2010; and While no water level gauge data is available for Prospect Creek, Dee River or Pocket Creek, it is likely that any inundation attributable to these rain events was suffered within 24 hours of the event.
4 Jan 2011	Rockhampton	23 Dec 2010 – 17 Jan 2011	<ul style="list-style-type: none"> Beginning 23 December 2010, the Rockhampton region experienced intense rainfall of up to 140mm per hour. This rain event lasted until around 29 December 2010. Floodwaters rose very gradually on the Fitzroy River starting at about 5.5m on 23 December 2010 and taking almost 2 weeks to rise to peak levels of around 9.2m by 4 January 2011. The water level remained above 9m for a further week before gradually receding to pre-flood levels on 17 January 2011 (25 days after the rain event began).
7 Jan 2011	Lockyer Valley (1)	5-9 Jan 2011	<ul style="list-style-type: none"> On Wednesday 5 January 2011 and Thursday 6 January 2011, the Lockyer Creek catchment experienced two days of short, intense duration rainfall. This led to rising water levels in local creeks and streams. The Rifle Range Road gauge began rising on the afternoon of Thursday 6 January 2011 and by the end of the day had passed minor flood levels. At 5:00 am on Friday morning the flood levels peaked at moderate levels and continuing, less intense rainfall saw that water levels remained moderate for the next day or so before dropping below minor flood levels on Sunday 9 January 2011.
10 Jan 2011	Moreton Bay (1)	9-10 Jan 2011	<ul style="list-style-type: none"> On Sunday 9 January 2011, the Moreton Bay region experienced moderate rainfall of up to 30mm per hour, particularly in eastern, low-lying parts. This rainfall continued into Monday and caused water levels rises in the Pine River and

Peak	Description	Period	Summary
			its various tributaries which peaked at moderate flood levels between late Sunday and early Monday depending on the location before receding throughout Monday.
10 Jan 2011	Toowoomba	10 Jan 2011	<ul style="list-style-type: none"> • Around midday on Monday 10 January 2011, extremely heavy rainfall was reported in Toowoomba. • The airport rainfall station reported rainfall intensity of up to 80mm per hour but reports suggested that much of the rain “missed the gauge” and it is likely that the actual figure was much higher. • Water began to rise at 1:00pm and by 2:00pm (just one hour later), the Cranley gauge on Gowrie Creek recorded peak water levels of 3.67m. • The floodwaters receded quickly and by 5:00pm, the Cranley Gauge was reading 0.3m, lower than it had been at the start of the event.
10 Jan 2011	Condamine (2)	9-12 Jan 2011	<ul style="list-style-type: none"> • At the start of the major rainfall event, the Condamine River and its tributaries at Dalby, Oakey and Warwick (but not Chinchilla) were already swollen from persistent rain that began around 6 January 2011. • Heavy rainfall in the Condamine River catchment throughout 9 to 11 January 2011 combined with run-off from the Toowoomba flood event (see above) to push the river beyond its limits and inundate the region. • Dalby recorded peak water levels on 10 January 2011 while Oakey and Warwick were both inundated on 11 January 2011 and Chinchilla was worst affected on the morning of 12 January 2011.
10 Jan 2011	Lockyer Valley (2)	10-11 Jan 2011	<ul style="list-style-type: none"> • While most of the water that flooded Toowoomba headed west towards the Condamine River, the same weather system also dumped rain on the eastern side of the range and in the Upper Lockyer Valley itself. • Intense rainfall of up to 60mm per hour began in the west during Monday 10 January 2011 and moved eastward. • Swollen watercourses still recovering from the First Lockyer Valley flood event (see above)

Peak	Description	Period	Summary
			<p>meant that this rain was not able to be drained thorough the normal channels and so a “wall of water” rolled overland through the Lockyer Valley.</p> <ul style="list-style-type: none"> • Murphy’s Creek, Withcott, Helidon and Grantham were swamped on Monday afternoon with Gatton becoming inundated during the evening and water levels at Rifle Range Road peaking early on the morning of Tuesday 11 January 2011. • Water levels receded fairly quickly at upstream locations but in low-lying parts water levels remained high as the floodwaters were unable to drain into the Brisbane River which was already full from the rain associated with the Brisbane Flood Event (see below).
11 Jan 2011	Moreton Bay (2)	11 Jan 2011	<ul style="list-style-type: none"> • By the morning of Tuesday 11 January 2011, the water from the First Moreton Bay Flood Event (see above) had largely receded but rainfall intensified during the day, especially in the west of the region where falls of over 70mm per hour were recorded. • As a consequence, water levels rose again, this time exceeding major flood levels. • Water rose very quickly during this event and flood levels had peaked by around midday on Tuesday 11 January 2011 at all locations before receding almost as quickly. Normal river levels were restored by the end of the day at some locations.
11 Jan 2011	Caboolture	11 Jan 2011	<ul style="list-style-type: none"> • By the start of 11 January 2011, the Caboolture region had experienced steady rainfall of about 30mm per hour for 5 days but no significant associated water level rises in the Caboolture River. • From 5:00am on 11 January 2011, very heavy rainfall of up to 60mm per hour was recorded in the Caboolture River catchment and river levels began rising almost immediately. • Peaks in flood levels were recorded above major flood indicators at around midday by which time rainfall intensity was in decline. The rain event ended by 2:00pm. • The water receded rapidly throughout the afternoon and evening and ended the day at

Peak	Description	Period	Summary
			relatively normal levels.
11 Jan 2011	Gympie	27 Dec 2010 - 13 Jan 2011	<ul style="list-style-type: none"> The Gympie region experienced a number of significant rainfall events between 27 December 2010 and 11 January 2011. These events (individually, or in conjunction with one another) led to a number of peaks in the water level of the Mary River at Gympie. The only peak recorded above the major flood level of 17m was recorded early on 11 January 2011. The properties insured by RACQ Insurance which were affected in this period are likely to have been inundated by either flooding of the minor tributaries of the Mary River (which occurred within 24 hours of rainfall) or stormwater run-off.
11 January 2011	Middle Brisbane	11-12 January 2011	<ul style="list-style-type: none"> Middle Brisbane (principally consisting of the townships of Fernvale and Lowood) was inundated by two separate inundation events on the same day. The first (occurring in the morning of 11 January 2011) was caused by very heavy rain over the region which lead to stormwater run-off and flash flooding of local creeks and streams. The second (occurring in the evening of 11 January 2011) was caused by releases from Wivenhoe Dam. Starting on 7 January 2011 the operators of Wivenhoe Dam increased outflows from the dam, rising to 2,695m³/s on 10 January 2011. Outflows then increased rapidly on 11 January 2011 to a peak of around 7,464 m³/s at 7:30pm before falling steadily during the rest of that day and returning to moderate levels by the end of 12 January 2011. These releases were in response to very heavy rain which fell upstream of the dam from 6 January 2011 and had rapidly intensified on 9 January 2011.
12 Jan 2011	Ipswich	9-15 Jan 2011	<ul style="list-style-type: none"> Moderate rain (up to 15mm/h) began falling in the upper Bremer River catchment on Sunday 9 January 2011 and continued throughout Monday. This moderate rainfall led to minor

Peak	Description	Period	Summary
			<p>flooding of the Bremer River (~8m) at the Ipswich gauge by the end of Monday 10 January 2011.</p> <ul style="list-style-type: none"> On Tuesday, and starting around 6:00am, very heavy rainfall (up to 60mm/h) was recorded in the upper Bremer River catchment. This rainfall ceased around 4:00pm on Tuesday 11 January 2011 and no further significant rainfall was recorded in the Bremer River catchment for the rest of the flood event. However the intensity of the rain event led to further water level rises in the Bremer River throughout Tuesday and Wednesday with the Ipswich gauge peaking at 19.4m at 1:00pm on Wednesday 12 January 2011 before ending that day at ~18m. The levels in the Bremer River were significantly affected by tailwater from the Brisbane River as discussed below. Water levels fell steadily on Thursday and Friday and by Saturday 15 January 2011 had fallen to minor-to-moderate flood levels of about 8m.
13 Jan 2011	Brisbane	9-14 Jan 2011	<ul style="list-style-type: none"> From 6:00am on Sunday 9 January 2011, significant rain began falling in the Brisbane River catchment upstream of the Wivenhoe Dam. The heavy rain continued until Tuesday 11 January 2011 and resulted in inflows to the Wivenhoe Dam rising from around 2,500m³/s at the start of the rain event to 11,561m³/s by 1:00pm on Tuesday 11 January 2011. The above average inflows ceased shortly after the rain stopped late on Tuesday. Starting on Friday 7 January 2011, and in order to alleviate pressure on Wivenhoe Dam, the operators increased outflows from the dam, rising to 2,695m³/s on Monday 10 January 2011. Outflows then increased rapidly on Tuesday to a peak of around 7,464 m³/s at 7:30pm before falling steadily during the rest of Tuesday and returning to moderate levels by the end of Wednesday 12 January 2011. These outflows saw the waters of the Brisbane River begin to rise, with the City of Brisbane Gauge reading approximately 2.25m (considered minor flooding) by the end of

Peak	Description	Period	Summary
			<p>Tuesday 11 January 2011.</p> <ul style="list-style-type: none"> Water continued to rise throughout the day on Wednesday 12 January 2011 passing moderate and major flooding indicators on the way to a recording of about 4.25m by the end of the day. The flood peaked at 4.45m at 4:00am on Thursday 13 January 2011 but had fallen to a moderate flood level of around 2.75m by the end of the day and by the end of Friday 14 January 2011, river levels had returned to being within normal tidal fluctuations. No significant rainfall was recorded in the Brisbane River catchment between 12 January 2011 and 14 January 2011 (inclusive).

Annexure 5

Compassionate payments and hardship payments

ANNEXURE 5

Region: Queensland

Date of event: 24/12/2010 to 30/12/2010 and 08/01/2011 to 14/01/2011

Data as at: 6/05/2011

B - PAYMENT SUMMARY

1. Household Financial Hardship payments made as at 6 May 2011

Region	Paid
Alpha	\$0
Brisbane	\$23,000
Bundaberg	\$0
Caboolture	\$8,000
Condamine	\$0
Emerald	\$0
Fitzroy	\$0
Gympie	\$0
Ipswich	\$60,000
Lower Lockyer	\$5,000
Middle Brisbane	\$0
Moreton	\$0
NEW	\$0
Rockhampton	\$0
Sunshine Coast	\$0
Toowoomba	\$5,000
Upper Brisbane	\$5,000
Upper Lockyer	\$0
TOTAL	\$106,000

2. Special Fund payments made (all types) 6 May 2011

Region	Paid
Alpha	\$0
Brisbane	\$4,383,322
Bundaberg	\$139,500
Caboolture	\$0
Condamine	\$12,500
Emerald	\$365,000
Fitzroy	\$0
Gympie	\$0
Ipswich	\$2,276,000
Lower Lockyer	\$0
Middle Brisbane	\$0
Moreton	\$0
NEW	\$0
Rockhampton	\$36,400
Sunshine Coast	\$0
Toowoomba	\$0
Upper Brisbane	\$0
Upper Lockyer	\$0
TOTAL	\$7,212,722

Annexure 6

Requests for information

ANNEXURE 6
REQUESTS FOR INFORMATION

Requests made by Water Technology

24 December 2010	Water Technology requested pluviograph data for Thagoona (in Ipswich City Council).
5 January 2011	BoM responded to request for pluviograph data.
17 January 2011	Water Technology requested all hourly rainfall data from BoM for every gauge in Queensland from December to the date of the request from Climate QLD.
18 January 2011	Water Technology received hourly/half hourly rainfall data from BoM for some gauges.
18 January 2011	Water Technology requested all BoM warnings in Queensland for December to date from BoM.
18 January 2011	Water Technology requested all stream flow levels for all Queensland gauges from December to the date of the request from BoM.
25 January 2011	Water Technology requested water level and discharge data from DERM for gauging stations in the Lockyer. (In what appears to be an internal DERM email copied to Water Technology, one DERM representative says to the other “your direction on 19th January 2011 was to suspend action on data requests for the Lockyer, Bremer and Brisbane catchments...”)
25 January 2011	Water technology requested stream level information for the Condamine Balone, Brisbane/Lockyer and Bundaberg gauges from DERM. DERM began supplying information that day.
27 January 2011	Water Technology requested stream flow and water level data for the Bundaberg region from DERM.

27 January 2011	DERM supplied stream flow and water level data for the Bundaberg region in response to request of 27 January 2011.
28 January 2011	Water Technology requested clarification about apparent gap in data for Elliot creek region from DERM.
31 January 2011	DERM confirmed gap in data for Elliot creek region and agreed to follow up.
1 February 2011	Water Technology requested missing data from Charley's Creek at Chinchilla from DERM.
1 February 2011	DERM provided data for Charley's Creek region.
10 February 2011	Access to all BoM data obtained through Insurance Council.
14 February 2011	Water Technology received response from BoM indicating stream flow and discharge data was not available from BoM and that data would need to be requested from DERM.
21 February 2011	Water Technology requested that SEQ Water make MIKE11 Hydrodynamic model available.
1 March 2011	Water Technology requested water level, discharge and active rating table for Bremer River from DERM.
1 March 2011	DERM provided water level, discharge and active rating table for Bremer River.
11 March 2011	Water Technology requested river level data for Brooyar.
16 March 2011	DERM provided river level data for Brooyar.

Requests made by Cooper Grace Ward (CGW)

2 February 2011	CGW wrote to DERM requesting release of rainfall and river gauge data for Toowoomba and Lockyer Valley.
8 February 2011	CGW wrote to Toowoomba office of DERM forwarding previous request for release of rainfall and river gauge data for Toowoomba and Lockyer Valley.

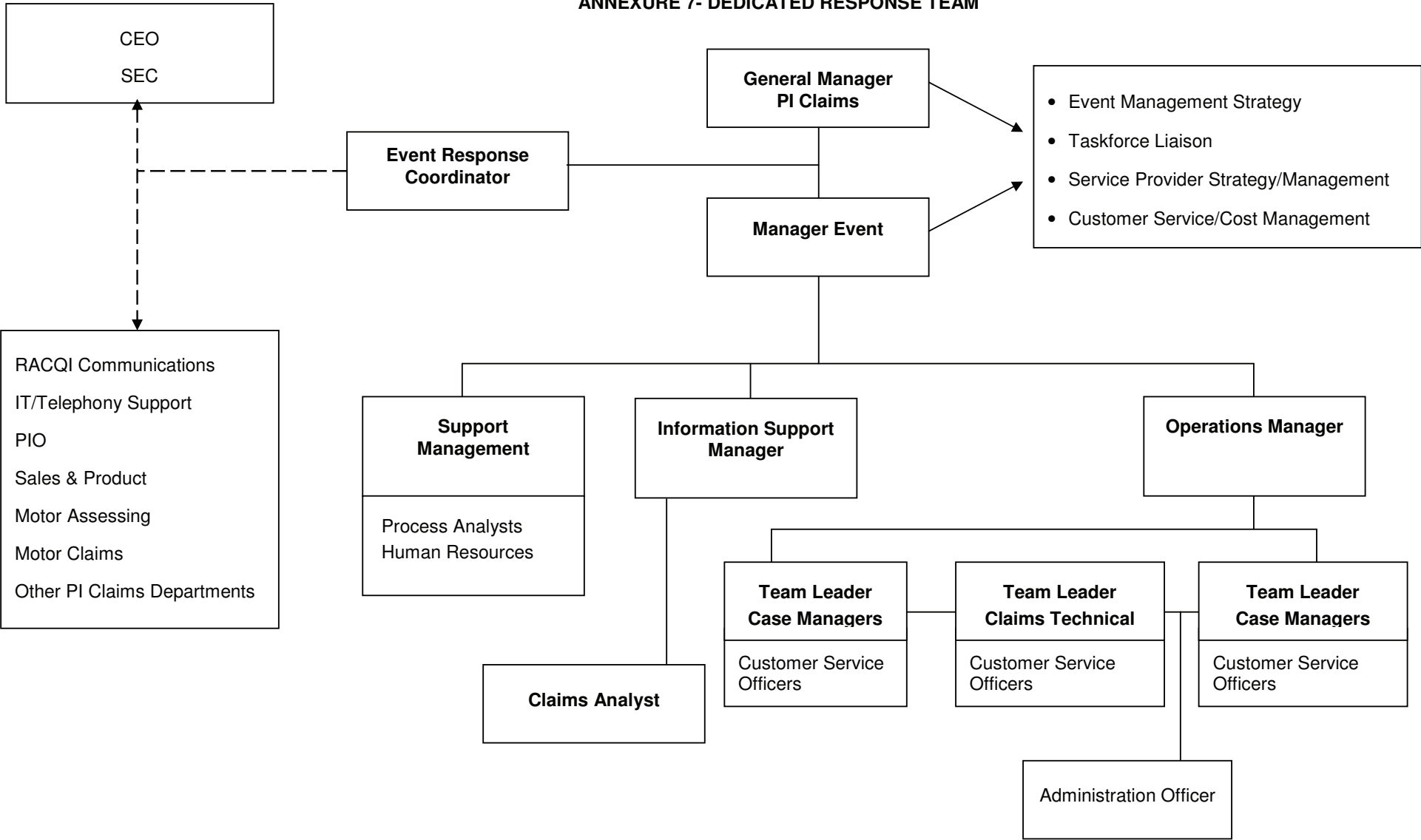
16 February 2011	CGW wrote to BoM requesting hydrologic models for various river systems.
23 February 2011	CGW wrote to SEQ Water requesting access to the MIKE11 Hydrodynamic model of the Brisbane and Bremer rivers to assist in assessing claims.
23 February 2011	CGW wrote to Brisbane City Council requesting access to the MIKE11 Hydrodynamic model of the Brisbane and Bremer rivers to assist in assessing claims.
23 February 2011	CGW wrote to Ipswich City Council requesting access to the MIKE11 Hydrodynamic model of the Brisbane and Bremer rivers to assist in assessing claims.
28 February 2011	CGW received email from the Ipswich City Council advising that the request for the MIKE11 Hydrodynamic model needed to be made under the <i>Right to Information Act 2009</i> .
28 February 2011	Brisbane City Council wrote to CGW advising that "a Council officer will endeavour to provide a response within 20 working days, however, it is noted that you have requested urgent attention to this matter".
3 March 2011	CGW wrote to Ipswich City Council reiterating request for access to MIKE11 Hydrodynamic model to assist in urgent assessment of claims and attaching application under <i>Right to Information Act 2009</i> but advising that previous request was not intended to be a formal request under that Act.
3 March 2011	SEQ Water wrote to CGW advising that it was not prepared to make the MIKE11 Hydrodynamic model available to RACQI or Water Technology.
7 March 2011	CGW wrote to Brisbane City Council reiterating request for access to MIKE11 Hydrodynamic model.
9 March 2011	CGW received email from Ipswich City Council acknowledging application under <i>Right to Information Act 2009</i> .

10 March 2011	Brisbane City Council wrote to CGW advising that the request for access to the MIKE11 Hydrodynamic model had been passed onto the appropriate area as a priority.
4 April 2011	CGW wrote to Brisbane City Council reiterating request for access to MIKE11 Hydrodynamic model.
13 April 2011	CGW received letter from Ipswich City Council advising of decision to refuse application for access to information on the basis that the documents sought did not exist.
18 April 2011	CGW received letter from Ipswich City Council outlining process of applying for terrain documentation under the <i>Right to Information Act 2009</i> (Qld).

Annexure 7

Organisational chart of dedicated response team

ANNEXURE 7- DEDICATED RESPONSE TEAM



Annexure 8

Product Disclosure Statement (Household Policy)

Household Insurance Policy

Product Disclosure Statement



RACQ
Insurance

INDEX

Welcome to RACQ Insurance	1
How to contact us	1
How this policy works	2
Important information about your policy	3
-Policy benefits	3
-Policy discounts that you may be entitled to	5
-Cooling-off period.	6
-Duty of Disclosure.	7
-Evidence of ownership.	8
-Personal information.	8
-General Insurance Code of Practice.	8
Words / terms with special meanings	9
Calculating your sum insured.	14
-Help with calculating your home sum insured.	14
-Help with calculating your contents sum insured	15
Insured Events you are covered for	16
-Damage caused by weather	17
-Criminal acts against you	19
-Accidents that cause damage to your home and/or contents	20
Your home	23
-What we insure as your home	23
-What we do not insure as your home.	24
-Settling your claim	25
-Claims settlement other than on an as new basis	26
-The most we will pay you for home claims.	27
Your contents	29
-What we insure as your contents.	29
-What we do not insure as your contents	30
-Settling your claim.	31
-Claims settlement other than on an as new basis	31
-The most we will pay you for contents claims	32
Additional benefits we provide for you.	35
-Additional living expenses	35
-Attendance by a security firm	35
-Breakage of glass.	36
-Campus cover	37
-Clean up costs	38
-Contents while in storage.	38
-Contents in transit.	39
-Contents in a safe deposit box	39

INDEX

Additional benefits we provide for you.	40
-Credit card misuse	40
-Damage caused by emergency services.	40
-Demolition and redesign costs.	40
-Emergency and alternative accommodation.	41
-Funeral expenses	41
-Inflation protection at renewal	42
-Loss of rent.	42
-Peace of mind protection	43
-Professional documents	43
-Re-key, recode or replacement of locks.	43
-Removal of debris	44
-Special occasion gifts	44
-Storage of contents after an event	45
-Storm damage to pool and/or spa covers.	45
-Temporary removal of contents.	46
-Theft of purchased water	46
-Uninsured visitor's contents.	46
-Emergency Home Assist.	47
Optional covers for extra peace of mind	48
-Motor burnout.	48
-Advanced cover	49
-Group and/or selected personal items cover.	50
-Pet cover.	52
-Flood and storm surge	53
-Landlord's fixtures and fittings	53
-Mortgagee's interest in a home unit.	54
Legal liability insurance.	55
-What is covered	55
-What is not covered.	56
When you are not covered – general exclusions	59
Important information about the cost of this policy.	62
-How we calculate your premium.	62
-How your premium can change.	63
-Policy costs and charges	64
Claims information and requirements.	66
We take customer satisfaction seriously	69
General conditions.	70
Pay by the month option	74

Welcome to RACQ Insurance

Thank you for insuring with RACQ Insurance.

We are delighted to have you as a customer. Please do not hesitate to contact us if you have any questions about insurance or need help in making a claim.

RACQ Insurance is one of the largest providers of motor vehicle and household insurance in Queensland. Customers have access to a network of branches and agents throughout Queensland and a 24 hour, seven day-a-week call centre.

How to contact us

If you need more information or help with any of our products or services you can contact us:

- 7 days a week by telephone

Policy related enquires	13 1905 or any Branch
Claims related enquiries	13 7202 or any Branch
Emergency Home Assist	1800 800 552

- Visit one of our branches during business hours
- Visit our website: www.racqinsurance.com.au

How this policy works

RACQ Insurance Household Insurance policy is designed to provide you with comprehensive cover for your home and contents in the case of loss or damage caused by an insured event.

This policy provides cover for:

- The Insured events listed on pages 16 to 22
- The Additional benefits for your home and contents listed on pages 35 to 47
- Emergency Home Assist on page 47
- Options that you can add to your policy by paying more:
 - Motor burnout
 - Advanced cover
 - Group and/or selected personal items cover
 - Pet cover
 - Flood and storm surge
This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.
 - Landlord's fixtures and fittings
 - Mortgagee's interest in a home unit
- Legal liability insurance.

All policy limits and values include all relevant statutory charges and taxes. This policy does not cover you for everything. For further details of the cover and the amounts we will pay for any claim, please read this Product Disclosure Statement (PDS).

If you decide to take out insurance with us, we will provide you with the cover you have chosen as described in your current certificate of insurance and this PDS.

We will send you a notice before the policy expiry date and we will tell you of any changes to this PDS in writing by providing you with a Supplementary PDS (SPDS).

Important information about your policy

Policy benefits

The table shown below is a summary of the policy benefits available. Please read the PDS for details of the extent of cover provided.

Cover provided	Benefit	Page
Additional living expenses	Contents cover up to 10% of sum insured	35
Attendance by a security firm	Contents cover up to \$750	35
Breakage of glass	Up to the sum insured	36
Campus cover	Contents cover up to \$5,000	37
Clean up costs	Up to 10% of the sum insured	38
Contents while in storage	Contents cover up to the sum insured	38
Contents in transit	Contents cover up to the sum insured for contents in transit to a new permanent address in Australia	39
Contents in a safe deposit box	Contents cover up to 10% of the sum insured	39
Credit card misuse	Contents cover up to \$1,500	40
Damage caused by emergency services	Home cover up to \$1,000	40
Demolition and redesign costs	Home cover up to 10% of the sum insured	40
Emergency Home Assist		47
Emergency and alternative accommodation	Home cover up to 10% of the sum insured	41
Funeral expenses	Up to \$5,000	41

Important information about your policy

Policy benefits

Cover provided	Benefit	Page
Inflation protection at renewal	Increase your sum insured at renewal	42
Loss of rent	Home cover up to 10% of the sum insured	42
Peace of mind protection	Home cover increase sum insured by the annual inflation protection adjustment in the event of a claim	43
Professional documents	Contents cover up to \$1,000	43
Re-key, recode or replacement of locks	Home cover up to \$500	43
Removal of debris	Up to 10% of the sum insured	44
Special occasion gifts	Contents cover up to \$1,000	44
Storage of contents after an event	Contents cover up to 10% of the sum insured	45
Storm damage to pool and/or spa covers	Home cover up to \$500	45
Temporary removal of contents	Contents cover up to 20% of the sum insured	46
Theft of purchased water	Contents cover up to \$200	46
Uninsured visitor's contents	Contents cover up to \$500	46

Important information about your policy

Policy discounts that you may be entitled to

Discount type	Benefit
No claim discount	You may be entitled to a no claim premium discount of up to 7% on your home and contents premium if you have not made a claim in the last 12 months.
Age discount	You may be entitled to a 10% premium discount where at least one (1) nominated insured is aged 55 years or over and the insured's own owner/occupied dwelling is being insured. Also a 15% premium discount may apply where at least one (1) nominated insured is aged 55 years or over and the contents are being insured in either an owner/occupied or rented dwelling.
Senior card holder discount	A 15% premium discount may apply for Queensland Seniors Card Holders on Building Insurance and 25% discount may apply on Contents Insurance. The discount is restricted to owner/occupier's building and/or contents and tenant's contents only. The Seniors Card Holders Discount does not apply in addition to the existing age discount.
Alarm discount	You may be entitled to a premium discount of up to 10% on your contents premium for having an alarm installed that is monitored 24 hours per day 7 days a week by a monitoring facility.
Combined discount	If you are an owner/occupier, by combining your home and contents onto the one policy, you may be entitled to a combined premium discount of up to 13%.
Multi – policy discount	If you have three (3) or more qualifying policies/covers, currently with RACQ Insurance, you may be entitled to a premium discount of up to 5% for each qualifying cover.
Membership loyalty discount	You may be entitled to a premium discount of up to 17.5% based on your current RACQ Membership level.

Important information about your policy

The PDS and SPDS describe the types of insurance cover available to you. Please read these documents carefully and keep in a safe place along with your certificate of insurance.

The certificate of insurance is a separate document that forms part of your policy. It describes the type of insurance you have taken out, and provides specific details about your building, contents and other items of value covered under your policy. It also specifies the limits of cover (sums insured), additional benefits, optional covers, the period of insurance, any special conditions, details of any excesses that apply and premium payment. Please check any certificate of insurance you receive when you start your policy and each time you vary or renew it.

RACQ Insurance Limited is the issuer of this insurance and is responsible for the obligations set out in our PDS and any SPDS documents.

Cooling-off period

When you take out or renew a policy with RACQ Insurance we provide a cooling-off period of up to 21 days. The cooling-off period starts from the date and time this policy was issued, or from midnight immediately preceding any renewal date.

If you wish to take advantage of the cooling-off period and cancel this policy from the date and time this policy was issued, you must advise us during the cooling-off period and the premium paid for the policy will be refunded in full providing a claim has not been made.

Important information about your policy

Duty of Disclosure

The *Insurance Contracts Act 1984* requires us to give you information about your insurance and for you to give complete and accurate information to us. Before entering a contract of insurance with us, and each time you vary or renew your policy, we will ask you a number of specific questions.

What you must tell us

When answering our questions, you must be honest and you have a duty under law to tell us anything known to you, or which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by this policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as if it had never existed.

If you do not understand

If you do not understand your duty, please contact us.

Important information about your policy

Evidence of ownership

We require you to keep evidence of the purchase and value of your building and contents.

You may be required to provide proof of ownership and evidence of its value if you make a claim under this policy. Such proof includes but is not limited to receipts, valuations, model and serial numbers, photographs, credit card or bank statements.

Personal information

The personal information you give us is used to set-up and administer your Household Insurance Policy. It is used to determine the extent of insurance risk that you have proposed and plays a role in determining fair and competitive premiums. If you make a claim, your personal information enables us to determine your entitlement. If you do not provide the information we request then this can either delay or prevent us from providing the insurance you want or allowing your claim. To obtain a copy of our Privacy Statement please visit our website, www.racqinsurance.com.au

General Insurance Code of Practice

The purpose of the General Insurance Code of Practice is to establish standards of practice for insurers that we at RACQ Insurance adhere to and support. You may obtain a copy of the Code from the Insurance Council of Australia web site www.insurancecouncil.com.au or by phoning them on 1300 728 228.

Words / terms with special meanings

Word / term	Meaning
Accidental	Unexpected and unintended from your point of view.
As new	Repair or replacement with new items or materials regardless of the age of the insured item or property.
Business	Any business, trade, profession or other activity from which income is earned except: <ul style="list-style-type: none"> •casual baby sitting, casual child minding or garage sales of a domestic nature, all conducted at the property address; and •the domestic rental of a home if the home is insured under this policy, provided you have previously told us that the home is rented out.
Collection	A number of items that have been gathered together according to some unifying principle or orderly arrangement as part of an interest or hobby with the intent of collecting. Examples include but are not limited to collections of coins, stamps, models, toys, badges, and spoons, and unless we agree collections would exclude items bought for consumption, such as a wine collection. Contents cover limits apply as shown on page 34.
Common area	The area of a community title scheme, strata title scheme or flats which does not form part of your lot or tenancy, including but not limited to garages, storage areas, parking areas, walkways and stairwells that are not secure and over which you do not have exclusive use under the by-laws of your body corporate or tenancy agreement.

Words / terms with special meanings

Word / term	Meaning
Consequential loss	Any loss or additional expense arising indirectly from an event that is covered by this policy. For example consequential loss may be: <ul style="list-style-type: none"> •any additional expense in replacing undamaged property so as to create a uniform appearance; •the inability to match the bricks following impact damage to a brick wall; •reduction in value following repair or replacement of lost or damaged property.
Contents	Your contents shown as insured on page 29.
Cost to us	What it would cost us, including any discounts that are available to us, to repair or replace the item or property at the time the loss or damage occurred.
Emergency	Is a circumstance, which poses an immediate threat to the physical safety of your home or contents, such as a burst water pipe or during a storm a branch falls through the roof of your home.
Excess	The amount you have to pay us or bear towards the cost of a claim under this policy. All excesses are shown on your certificate of insurance.
Family or your family	Your spouse, your de facto spouse, your parents and parents in-law, your brothers and sisters, your or your spouse's or de facto spouse's children, who all usually reside with you at the insured property address.
Fixed swimming pool	Includes an in ground pool or an above ground pool and their fixed accessories where erection or installation of the pool required earthworks, construction of decks, ladders, fencing or the like of a permanent nature.
Flood	Rising water which enters your home as a result of it running off or overflowing from any origin or cause. <i>This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</i>

Words / terms with special meanings

Word / term	Meaning
Flash flood and stormwater run-off	A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off.
Forcible entry	Unlawful entry into your home or living quarters including unlawful use of keys or lock picking. Forcible entry does not mean opening an unlocked door, window or skylight.
Home	Your home shown as insured on page 23.
Insured property address	The property address shown on your certificate of insurance as the location of the insured home and/or its contents.
Negotiable instrument	Cash, bank notes, savings certificates, money orders, gift vouchers, stamps (not part of a collection).
Open air	Means anywhere within the insured's property address that is not fully enclosed and lockable.
Pair/set	Contents items or articles that are regarded as a unit. Examples are earrings, golf clubs, candle holders, dinner set, ornaments.
Personal items	Your personal items shown as insured on pages 50.
Policy	The contract includes: <ul style="list-style-type: none"> • your application for insurance and any application for renewal; • this PDS; • the certificate of insurance; • any issued SPDS.
Premium	The amount you pay to obtain the insurance cover. It includes any compulsory government statutory charges, levies, duties and taxes where applicable.
Renovations	When any part of the roof, floor or the external walls are removed for the purpose of additions, alterations, repairs or decoration.
Retaining wall	A wall which is not part of the residential building, designed to hold back or prevent the movement of earth or water.

Words / terms with special meanings

Word / term	Meaning
Specified contents	Contents items that have a higher value than the limit shown on page 34. You will need to have them specifically listed on your certificate of insurance and pay an additional premium.
Sporting equipment	Is equipment used in sporting activities (whether or not for competition), leisure and recreational activities. Sporting equipment does not include, camping equipment, diving equipment, parachute, model craft, hang glider, aircraft, motor vehicle, motor cycle, trail bike, mini bike, motorised go-cart, or any spare part or accessory for the equipment (including any helmet, gloves, boots, goggles or over-suit).
Storm	A violent disturbance of the atmosphere associated with strong winds including a cyclone, lightning, heavy rain, hail or snow, but not continuous bad weather by itself.
Storm surge	An increase in the level of the sea associated with a tropical cyclone or other intense storm.
Temporary/non fixed swimming pool	An inflatable or aboveground swimming pool or spa mounted on their own accessories or on a temporary site.
Terrorism	An act, including but not limited to the use of force or violence and/or the threat thereof, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from the nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes, including the intention to influence any government and/or puts the public, or any section of the public, in fear.
Tools of trade	Any tools whose principal use is in connection with a business.
Tsunami	An ocean wave that has its origins in an under water earthquake or volcano.

Words / terms with special meanings

Word / term	Meaning
Unoccupied	The home situated at the insured property address has not been occupied for more than 60 days, and we have not been told of this beforehand. Occasional overnight stays of less than one night a week on average during the 60 day period does not mean the home is being occupied.
We, us	RACQ Insurance Limited. ABN 50 009 704 152 AFS Licence Number 233082.
You, your	The person or persons shown as the policy holder/s on the certificate of insurance and your family who usually reside with you at the property address.

Calculating your sum insured

Help with calculating your home sum insured

Your home building sum insured needs to be sufficient to cover the cost of rebuilding your home in the unfortunate circumstance of total destruction by an insured event.

The cost of rebuilding is based on the materials and labour needed – not your home real estate market value.

You can refer to the following sources to assist in calculating a reasonable sum insured for your building:

- building industry professionals, such as licensed builders, architects or valuers
- RACQ Insurance website calculators
www.racqinsurance.com.au
- ask us for a copy of our valuation guide.

For each subsequent renewal, we will increase your selected sum insured to allow for increased building costs as detailed on page 42.

You are responsible for calculating the sum insured on the cost of rebuilding your home. If you do not have an adequate sum insured, you may be out of pocket if you suffer loss or damage to your home.

Calculating your sum insured

Help with calculating your contents sum insured

When you add up the replacement value of your household contents, it can be more than you think. Contents insurance covers items in your home, from furniture and carpets to valuables and sentimental items.

How much cover do you need?

By telling us exactly how much cover you require for your contents, you know for sure that you're not wasting money on cover you don't need. To make sure your contents are fully covered, go through the house room by room and write down what it would cost to replace each item at today's prices. You may also refer to the calculators available on the RACQ Insurance website or ask us for a copy of our valuation guide.

'New for old' cover

This means that if your contents (not clothing) get damaged or stolen, and we can not or elect not to repair, we will replace your contents.

Protecting valuable items

If you've got valuable items worth more than the amounts shown on page 34 – for example if you have a piece of jewellery worth more than \$2,000 or works of art worth more than \$2,000 – let us know, as these need to be specifically noted on your certificate of insurance and insured for their full value.

Insured events you are covered for

If your home is covered by this policy the word home will be shown on your certificate of insurance. We cover your home for loss or damage caused by any of the insured events, which happen at the property address during the period of insurance.

If the contents of your home are covered by this policy, the word contents will be shown on your certificate of insurance. We cover your contents for loss or damage caused by any of the insured events, which happen at the property address during the period of insurance.

We cover you for loss or damage caused by the insured events listed on pages 16 to 22. If you want protection from loss or damage caused by other events you should consider the "Optional covers for extra peace of mind" section of this policy.

Insured events you are covered for

Damage caused by weather...

What is covered	What is not covered
Storm	<p>Loss or damage:</p> <ul style="list-style-type: none"> ✗ caused by rain, hail or snow after it has reached the ground; ✗ caused by rain or wind entering the home unless it enters through an opening in the windows, walls or roof made by a storm; ✗ to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other playing surfaces; ✗ to paint and/or external coatings of buildings when there is no structural storm damage to other parts of the home; ✗ to swimming pool and spa covers, liners and the like other than loss or damage covered under Additional benefit; Storm damage to pool and/or spa covers on page 45; ✗ to a glasshouse whether constructed principally of glass or not; ✗ during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired. ✗ caused by storm surge; ✗ caused by power surge.
Tsunami	
Earthquake	

✗ **Not covered**

Insured events you are covered for

Damage caused by weather...

What is covered	What is not covered
<p>Flash flood and stormwater run-off</p> <p>A sudden flood caused by heavy rain that fell no more than 24 hours prior to the flash flood or stormwater run-off</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> ✗ by flood; ✗ to swimming pools or spas and their covers, liners and the like; ✗ to the water in swimming pools or spas; ✗ by water being absorbed through floors, external and internal walls of your home (including rising damp) and any subsequent loss or damage to contents including carpets; ✗ by hydrostatic pressure building up below or behind any part of your home or structure including a swimming pool, spa or tank; ✗ to garden borders, paths, driveways, paving, free standing or retaining walls (whether or not part of the home), tennis courts and other playing surfaces; ✗ by storm surge or any other action of the sea; ✗ by power surge; ✗ during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired.
<p>Lightning including power surge caused by lightning strike</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> ✗ by power surge or power fluctuations not caused by lightning; ✗ where there is no reasonable evidence that lightning was the cause of damage.

✗ Not covered

Insured events you are covered for

Criminal acts against you...

What is covered	What is not covered
Theft including attempted theft or burglary Vandalism, malicious or intentional damage	Loss or damage caused by theft, vandalism, malicious or intentional damage: <ul style="list-style-type: none"> ✗ by someone who entered the home with your consent or the consent of someone usually living there; ✗ by the tenant of your home or any persons invited by your tenant to enter the home; ✗ to cash, negotiable instruments or legal tender when entry is gained through an open or unlocked door, window or skylight; ✗ to contents in a room in a boarding house, dormitory, nurses quarters, barracks or the like when entry is gained through an open or unlocked door, window or skylight; ✗ from common areas; ✗ if your home was deemed to be unoccupied at the time the loss or damage occurred.
Riot or civil commotion including the acts of lawful authorities in controlling such occurrences	

✗ **Not covered**

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
<p>Bursting, leaking, discharging or overflowing of liquids from:</p> <ul style="list-style-type: none"> • dish and clothes washing machines; • water catchment trays of refrigerators, freezers and evaporative air conditioners; • waterbeds; • pipes, gutters, drains designed for carrying liquid which are fixed or connected to the home; • fixed domestic apparatus such as but not limited to water tanks, lavatory cisterns and pans, baths, basins, sinks but not a shower recess or cubicle; • water mains located at or adjacent to the property address. <p>Locating the source of leaks If damage has been caused to your home by the escape of liquid, we will pay for the reasonable cost of locating the source of the escape if it is unknown.</p> <p>In addition to the home sum insured, the most we will pay for locating the source of the escape in any one claim is 10% of the home sum insured.</p>	<p>Loss or damage caused:</p> <ul style="list-style-type: none"> ✗ to the apparatus or device which burst, leaked, discharged or overflowed (this includes a shower recess or cubicle); ✗ by the escape of liquid occurring as a result of a gradual process of bursting, leaking, discharging or overflowing unless you can show: <ul style="list-style-type: none"> • if your home is damaged – that this policy covered your home and it was current for the whole of the time that the damage was occurring; or • if your contents are damaged – that this policy covered your contents and it was current for the whole of the time that the damage was occurring; and • you or any tenant of your home could not reasonably have been expected to have known that the process was occurring. ✗ by a leak that you knew about and had not fixed before the loss or damage occurred; ✗ if your home was deemed to be unoccupied at the time the loss or damage occurred. <p>We will not pay for the cost of the escaped liquid.</p>

✗ **Not covered**

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
Impact Impact at or adjacent to the property address by: <ul style="list-style-type: none">• a vehicle or craft designed for use on, the road or water;• a falling tree or part of a tree including the cost of removal and disposal of the tree or branch that has damaged the home;• space debris or debris from a rocket or satellite;• aircraft;• a satellite dish, solar hot water tank, television or radio aerial which breaks or collapses.	Loss or damage caused: <ul style="list-style-type: none">✗ to garden borders, driveways, paths, paving, playing surfaces, underground services or retaining walls caused by a vehicle or craft designed for use on the road or water;✗ by a tree or part of a tree cut down by you or any person living in the home or any person acting with your or their consent;✗ the cost of removing the tree stump.
Explosion	Loss or damage caused: <ul style="list-style-type: none">✗ to a vessel or apparatus that is the source of an explosion;✗ if your home was deemed to be unoccupied at the time the loss or damage occurred.

✗ **Not covered**

Insured events you are covered for

Accidents that cause damage to your home and/or contents...

What is covered	What is not covered
Fire	<p>Loss or damage caused by scorching, melting, heat damage:</p> <ul style="list-style-type: none"> × where there was no flame; or × where your home or contents have not caught fire; or × where fire or heat was required as part of a process such as but not limited to a stove, fireplace, chimney, oven, electric element, iron or saucepan. <p>Loss or damage:</p> <ul style="list-style-type: none"> × arising from bushfire for the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired. × if your home was deemed to be unoccupied at the time the loss or damage occurred.
Acts of animals	<ul style="list-style-type: none"> × Loss or damage caused by pets, animals or livestock kept by you or any person usually living in your home.

× **Not covered**

Your home

What we insure as your home

Your residential building situated at the insured property address including:

- other buildings such as garages, sheds, pergolas, carports and the like that are used for domestic purposes;
- fixed wall coverings, ceiling coverings and floor coverings excluding carpets;
- fixed barbecues, clothes hoists, external blinds and awnings, shade sails, aerials and masts;
- outdoor water and sullage pumps attached to service pipes or drains;
- fixed swimming pools, spas or saunas and their associated pump motors and filters;
- fixed outdoor water tanks;
- fixed solar appliances;
- paths and paving and playing surfaces;
- fencing, walls and gates;
- garden borders and driveways;
- built-in furniture;
- gas, water, electricity or other services (whether underground or not) that are your property or that you are legally liable to repair or replace;
- apparatus or appliances permanently fixed to the gas, plumbing or electrical systems including fixed or built in:
 - air conditioning units, ovens, stoves, range hoods and dishwashers;
 - ceiling fans and ceiling exhaust fans.
- a transportable home that is fixed to foundations anchored into the ground and connected to all services on the site;
- an unregistered caravan or mobile home which:
 - is not used on a public road;
 - is used by you solely as your permanent or temporary residence;
 - includes its fixtures and fittings and annexe, but not a fabric annexe over five years old.
- landlord's:
 - fixtures and fittings;
 - floor coverings and carpets;
 - light fittings and window coverings.

Your home

What we do not insure as your home

What is not covered:

- ✕ retaining walls;
- ✕ temporary homes or structures;
- ✕ homes under construction or reconstruction other than as provided for in renovations to your home on page 28 of this policy;
- ✕ floor carpets other than landlord's carpets;
- ✕ a hotel, motel, boarding house or barracks;
- ✕ fences, sheds, stables or other structures used or intended to be used for agricultural business purposes or any other business;
- ✕ the land on which your home is constructed;
- ✕ a campervan, bus, semi-trailer, rail carriage, tram, watercraft or aircraft;
- ✕ a caravan or mobile home which is:
 - registered;
 - used on a public road; or
 - not used solely as your permanent or temporary residence.
- ✕ boat jetties, pontoons or a wharf except if shown on your certificate of insurance as being part of your home;
- ✕ glasshouse or greenhouse whether constructed principally of glass or not;
- ✕ a home unit other than a duplex unit;
- ✕ temporary/non fixed swimming pools or spas;
- ✕ lawns, trees, shrubs, plants and hedges.

✕ **Not covered**

Your home

Settling your claim

If your certificate of insurance shows that you have home insurance we will cover your home for loss or damage as a result of an insured event occurring during the period of insurance.

We may choose at our option to:

- rebuild or repair your home as new; or
- pay you the cost to us of rebuilding or repairing your home as new including any additional costs (relating only to that part of the home that was damaged) necessary to comply with government or local government laws existing at the time of damage occurring, provided that at the time of original construction the laws and by-laws prevailing then were complied with; or
- pay you the home sum insured; or
- settle, when allowance for wear and tear or lack of maintenance of the property is to be made, as explained in "Claims settlement other than on an as new basis" on page 26.

We will pay up to the home sum insured shown on your certificate of insurance less any applicable excess.

If we choose to pay you the cost to us of rebuilding or repairing your home or the home sum insured, we may first pay to a mortgagee or credit provider who is identified on your certificate of insurance, the amount owing by you to the mortgagee or credit provider in respect of the mortgage of your home up to the home sum insured.

The terms and conditions of this policy apply to a mortgagee or other credit provider in the same manner as they apply to you.

We will pay for materials of a similar kind and quality if the original materials are not readily available in Australia.

If the home is totally destroyed and we choose to rebuild it, you may choose to rebuild it on another site but only if we have agreed.

Your home

Claims settlement other than on an as new basis

The amount we pay for rebuilding or repairing damage will be reduced from an as new basis to an amount that would place you in the same position you were in immediately before the loss or damage occurred with due allowance for age, wear, tear and where applicable, lack of maintenance of the property in the following circumstances:

- where the home was not in a sound condition or well maintained at the time of the loss or damage occurring;
- where you are the landlord, for floor carpets that were damaged that were over 10 years old;
- if the rebuilding or repairs of your home are not commenced by you within 12 months from the date of loss, unless you can demonstrate a longer period of time is reasonable;
- if you do not cooperate with us in exercising our option to rebuild or repair your home.

Your home

The most we will pay you for home claims

What is covered	What is not covered
<p>Flash flood and stormwater run-off</p> <p>We will pay up to 50% of your home sum insured or \$25,000, whichever is higher.</p>	
<p>Rebuilding or repairing of that part of the home that was damaged or destroyed</p> <p>We will pay:</p> <ul style="list-style-type: none"> • up to the home sum insured shown on your certificate of insurance less any applicable excess; • 50% of the cost of repairing or replacing up to 2 kilometres of dividing fences, walls and gates that form part of a shared boundary; • replacement of window, wall, floor or ceiling coverings in the room, hall or passageway where the damage is evident; • materials of a similar kind and quality if the original materials are not readily available in Australia. 	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ additional expenses for replacing or matching undamaged parts to create a uniform appearance; or ✗ extra costs of rebuilding or repairing your home to a better condition than when the home was damaged or destroyed. <p>If, prior to the loss or damage, your home or part of it was intended to be demolished or was subject to demolition order, we will pay only the salvage value of the home or that part as if it had already been demolished.</p>
<p>Landlord fixtures and fittings</p> <p>We will pay up to 5% of your home sum insured.</p> <p>Any amount we pay for this benefit will reduce your home sum insured by a corresponding amount.</p> <p>You can choose to insure a higher amount for landlords fixtures and fittings as an optional cover (refer to page 53).</p>	

✗ **Not covered**

Your home

The most we will pay you for home claims

What is covered	What is not covered
<p>Renovations to your home</p> <p>If the insured home is undergoing renovations, then until the roof, floor or external walls have been replaced, the cover provided by this policy is limited to loss or damage to the home and building materials at the property address shown on the certificate of insurance caused by the following Insured Events:</p> <ul style="list-style-type: none">• Fire;• Explosion;• Lightning;• Earthquake;• Riot or civil commotion;• Impact and damage caused by abnormally high winds.	

Your contents

What we insure as your contents

Those household goods and personal items located in your residential building situated at the insured property address including:

- carpets – fixed and unfixed;
- contents in the open air;
- electrical appliances such as washing machines, refrigerators, freezers, dryers, portable heaters;
- firearms legally registered and stored;
- furniture and furnishings;
- furniture and furnishings in an office or surgery in your home;
- home entertainment appliances such as TVs, DVD players, stereo systems;
- household tools and tools of trade;
- internal blinds and curtains;
- non-fixed light fittings;
- non-registered:
 - golf buggies;
 - motorised wheelchairs;
 - lawn and garden appliances.
- remote-controlled models or toys;
- personal items;
- sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis;
- temporary/non-fixed swimming pools;
- non-structural fixtures and fittings not insurable by any other policy of insurance if you own and occupy a home unit that is part of a community title scheme or strata title scheme;
- landlords fixtures and fittings for which you are responsible under the rental agreement and non-structural fixtures and fittings installed by you with the permission of your landlord.

Your contents

What we do not insure as your contents

What is not covered:

- ✗ structural improvements to the home;
- ✗ travel tickets or other forms of tickets or coupons, lottery tickets and competition entry forms and the like;
- ✗ registered securities;
- ✗ precious metals in the form of bars or bullion, precious or semi-precious uncut or loose gems;
- ✗ motor vehicles, motor cycles, trail and motor bikes, motorised scooters, trailers and caravans, their tools, parts, spare parts and accessories whether fitted or not;
- ✗ golf buggies or motorised wheelchairs that are required to be registered;
- ✗ aircraft or watercraft, their tools, parts, spare parts and accessories whether fitted or not (other than sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis or remote-controlled models or toys);
- ✗ lawns, trees, shrubs, plants and hedges;
- ✗ pets, livestock, fish or birds;
- ✗ credit, debit or any other form of financial transaction card;
- ✗ contact lenses while engaged in sporting and water activities;
- ✗ stock in trade or any property or materials used in a business, other than tools of trade and home office equipment;
- ✗ mobile phones and their accessories;
- ✗ apparatus or appliances permanently fixed to the gas, plumbing or electrical systems;
- ✗ contents of a caravan or mobile home which is, or is required to be registered;
- ✗ the following items of property when they are contents of a caravan or mobile home:
 - sailboards, windsurfers, surfboards, canoes, kayaks, non-motorised surfskis, waterskis and their spare parts and accessories;
 - musical instruments, sporting equipment;
 - computer equipment;
 - collections of any kind.

✗ **Not covered**

Your contents

Settling your claim

If your certificate of insurance shows that you have contents insurance we will cover your contents for loss or damage as a result of an insured event occurring during the period of insurance.

We may choose at our option to:

- repair the item as far as reasonably possible to the original condition it was in, using materials that are readily available in Australia; or
- replace the item with a new item (regardless of brand or supplier) which is available in Australia and which is its nearest equivalent (in terms of quality and price) at the time of loss or damage; or
- if you do not want us to repair or replace an item, we will pay you the reasonable cost to repair or replace the item, but only if we have agreed to this; or
- pay you up to the contents sum insured, or if you have chosen Selected personal items cover, pay you the sum insured for that item; or
- If you have chosen Group cover, pay up to the maximum overall sum insured limit.

We will pay up to the sum insured shown on your certificate of insurance less any applicable excess.

If an insured item consists of a pair, set or collection, we will pay only for the repair or replacement of the lost or damaged part. If we cannot repair or replace the part, we will pay the proportional replacement value of only that part. We do not pay for any decrease in the value of the pair, set or collection. If we replace or pay for an item, the lost or damaged item becomes our property.

Claims settlement other than on an as new basis

We will adjust your contents claim for age, wear and tear for the following items:

- floor carpets that were over 10 years old;
- clothing.

Your contents

The most we will pay you for contents claims

What is covered	What is not covered
Cash, currency and negotiable instruments We will pay up to \$300 for theft of, loss of or damage to cash, treasury notes, bank notes, savings certificates, stamps (not forming part of a collection) or other forms of negotiable instruments.	We will not pay for loss or damage caused by: ✕ entry gained through an unlocked door, window or skylight.
Contents in the open air For contents in the open air at the insured property address, we will pay up to the contents sum insured, if they are lost or damaged as a result of an insured event. If the loss or damage is a result of theft, the most we will pay for such contents is 5% of the contents sum insured. Contents cover limits apply as shown on page 34.	We will not pay for loss or damage caused by: ✕ theft from common areas; ✕ theft from locked or unlocked motor vehicles; ✕ Impact.
Contents in your home For contents that are in an entirely enclosed and lockable part of your home, we will pay up to the contents sum insured less: <ul style="list-style-type: none"> • any amount paid as contents in the open air. 	
Flash flood and stormwater run-off We will pay up to 50% of your contents sum insured or \$25,000, whichever is the higher, but not exceeding your contents sum insured.	

✕ **Not covered**

Your contents

The most we will pay you for contents claims

What is covered	What is not covered
Office equipment We will pay up to \$10,000 in total for all items in the following groups not specifically listed on your certificate of insurance if they are lost or damaged as a result of an insured event: <ul style="list-style-type: none"> • computer equipment including associated hardware and accessories; • office equipment (other than computers, associated hardware and accessories); • copy written purchased software for which you hold a licence but not custom written software and data; • furniture and furnishings in an office or surgery in your home. 	
Refrigerated foodstuffs and goods We will pay up to \$500 in total for spoilage of foodstuffs and other goods stored in your domestic freezers or refrigerators (including the reasonable cost of temporary alternative refrigeration and ice) if caused by an insured event covered by this policy.	We will not pay for loss or damage to: <ul style="list-style-type: none"> ✕ a refrigerator or freezer caused by spoiled food.
Renovations to your home If the home in which you reside is undergoing renovations, then until the roof, floor or external walls have been replaced, the cover provided by this policy is limited to loss or damage to the contents at the property address shown on the certificate of insurance caused by the following Insured Events: <ul style="list-style-type: none"> • Fire; • Explosion; • Lightning; • Earthquake; • Riot or civil commotion; • Impact and damage caused by abnormally high winds. 	
Tools of trade We will pay up to \$2,000 in total, for tools of trade used wholly or partly in any business lost or damaged as a result of an insured event.	

✕ **Not covered**

Your contents

The most we will pay you for contents claims

What is covered	What we will pay
* Watches, jewellery and gold or silver artefacts (but not bullion)	Up to \$2,000 for each item or set, but not more than a total of \$6,000
* Cameras and camera accessories	Up to \$2,000 total
* Movie or video cameras and camera accessories	Up to \$2,000 total
* Hand woven rugs and mats	Up to \$1,000 each
* CDs, DVDs, audio and video tapes, records, computer discs, game cartridges and consoles	Up to \$5,000 in total
* Paintings, pictures, drawings, works of art, figurines, moulded objects, vases or curios (not being jewellery, gold, or silver artefacts)	Up to \$2,000 for each item or set, but not more than a total of \$12,000
* Stamp collections and collector's non-negotiable currency	Up to \$2,000 in total
* Collections, medals or memorabilia	Up to \$2,000 in total
* Group cover for personal items listed on page 51 Includes accidental damage cover in Australia or New Zealand	Up to the maximum overall sum insured limit shown on your certificate of insurance. Refer to page 50 for the maximum overall sum insured limits you can choose for your Group cover personal items
* Selected personal items cover for items listed on pages 51 Includes accidental damage cover in Australia or New Zealand	Up to the sum insured for that item listed on your certificate of insurance
Additional benefits or options	Up to the limit shown for that additional benefit or option
All other contents items	Up to the contents sum insured unless a separate limit applies

If your contents items have a value higher than the limit shown above, you will need to have them specifically listed on your certificate of insurance and pay an additional premium to ensure you are covered for their full value. Proof of ownership will be required in the event of a claim.

Additional benefits we provide for you

What is covered	What is not covered
<p>Additional living expenses</p> <p>Contents cover If you are a tenant or an owner-occupier of a home or home unit at the property address that has been accidentally damaged by an Insured Event during the period of insurance rendering it unfit to live in, we will pay for your reasonable additional living expenses until the home or home unit is fit to live in.</p> <p>We will also pay for additional living expenses such as telephone or electricity connection fees at your temporary place of accommodation.</p> <p>In addition to the contents sum insured, the most we will pay for this additional benefit for any one claim is 10% of the contents sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✕rent; ✕any other direct accommodation costs.
<p>Attendance by a security firm</p> <p>Contents cover We will pay up to \$750 towards the cost incurred by you for a security firm to respond to a monitored alarm signal at the insured property address.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✕any amount unless the security firm attendance was in connection with a claim for an insured event for which we have agreed to pay.

✕ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Breakage of glass Home cover If they are part of your home and accidentally broken, we will pay for the cost of repairing or replacing:</p> <ul style="list-style-type: none"> • fixed glass; • a sky light; • porcelain, marble, granite, fibreglass or polymarble in a sink, basin, shower base, bath or toilet; • glass or ceramics in a stove top, forming part of your home which happens during the period of insurance. <p>The most we will pay for this additional benefit for any one claim is the home sum insured.</p>	<p>We will not pay for damage to or breakage:</p> <ul style="list-style-type: none"> ✗ where the break does not extend through the entire thickness of the item; ✗ of glass in a glasshouse, conservatory or greenhouse; ✗ of any tiles or tiled furniture forming part of the home; ✗ if your home was deemed to be unoccupied at the time the damage to or breakage occurred.

✗ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Breakage of glass Contents cover If they are accidentally broken, we will pay for the cost of repairing or replacing glass forming part of an item of furniture located in the home at the property address which happens during the period of insurance.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for damage to or breakage:</p> <ul style="list-style-type: none"> ✗ where the break does not extend through the entire thickness of the item; ✗ of a picture tube or screen of a television or visual display unit except if advanced cover applies to contents; ✗ of glass forming part of a radio or clock, vase, ornament or lamp except if advanced cover applies to contents; ✗ of glass in a picture frame other than a wall hanging picture frame; ✗ of glass in mirrors normally carried by hand; ✗ if your home was deemed to be unoccupied at the time the damage to or breakage occurred. <p>This cover is limited to accidental breakage of glass forming part of an item of furniture.</p> <p>Cover does not extend to include breakage of other materials such as porcelain, marble, granite, fibreglass, polymarble or ceramics.</p>
<p>Campus cover Contents cover We will pay up to a maximum of \$2,000 for any one item, \$5,000 in total for your contents following loss or damage caused by an insured event whilst your contents are contained in a residential lockable room where you are residing within any student campus located in Australia.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ loss of or damage to cash or negotiable instruments, jewellery of any kind, watches, gems, gold, silver or any other precious metal; ✗ theft from common areas or open air; ✗ theft without signs of forcible entry; ✗ any amount that we have agreed to pay for under the Additional benefit: Temporary removal of contents on page 46.

✗ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Clean up costs Home and/or contents cover When your contents are lost or damaged due to theft, we also will pay the cost of cleaning up:</p> <ul style="list-style-type: none"> • any mess left inside your home by the persons responsible for the theft; • the debris left after police forensic testing. <p>If your home is insured, we will clean up graffiti and repair damage caused during the process of police forensic testing.</p> <p>In addition to the sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home and/or contents sum insured, whichever is applicable.</p>	
<p>Contents while in storage Contents cover If your contents have been removed from the property address, and are in storage, we will pay for loss or damage to your contents caused by an insured event which happens during the period of insurance, but only if you tell us beforehand and we agree to cover them.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ loss of or damage to cash or negotiable instruments, jewellery of any kind, watches, gems, gold, silver or any other precious metal; ✗ storage of contents beyond 60 consecutive days commencing on the first day of storage, or extending beyond the period of insurance shown on your certificate of insurance.

✗ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Contents in transit</p> <p>Contents cover If you are moving to a new permanent address in Australia, we cover you for loss or damage to your contents caused by an insured event occurring during the period of insurance while at the old address or the new address for 14 days from the date you begin to move if you tell us about the move beforehand.</p> <p>We will also cover your contents for loss or damage which happens during the period of insurance as a result of fire, flood, collision or overturning of the conveying vehicle during their transport to your new permanent residence in Australia.</p> <p>The most we will pay for this additional benefit for any one claim is the contents sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × damage sustained during loading or unloading of the conveying vehicle; × loss of or damage to cash or negotiable instruments.
<p>Contents in a safe deposit box</p> <p>Contents cover We will cover loss or damage caused by an insured event to your contents whilst your contents are located in a safe deposit box at a financial institution.</p> <p>The most we will pay for this additional benefit for any one claim is 10% of the contents sum insured.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × loss of or damage to cash or negotiable instruments.

× **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Credit card misuse Contents cover If your contents are shown as covered on your certificate of insurance we will pay up to \$1,500, if a credit card or financial transaction card is lost or stolen anywhere in Australia and someone other than:</p> <ul style="list-style-type: none"> • you; or • someone living at the property address, <p>illegally uses them to steal money from your account or buy goods for which you become liable.</p>	<p>We will not pay if:</p> <ul style="list-style-type: none"> ✗ a person misused the credit or financial transaction card because they found or had access to your personal identification number or other access details; or ✗ you did not notify the financial institution or credit provider within 24 hours of the credit or financial transaction card being discovered lost or stolen; or ✗ the financial institution or credit provider provides indemnity for any loss; or ✗ you broke the terms and conditions under which the credit or financial transaction card was issued.
<p>Damage caused by emergency services Home cover We will pay up to \$1,000 to repair damage to your home caused by emergency services during the process of gaining entry to your home.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ any amount unless the emergency service attendance was in response to loss or damage caused by an insured event for which we have agreed to pay.
<p>Demolition and redesign costs Home cover If your home has to be rebuilt or repaired after damage caused by an insured event, we will pay the reasonable cost of:</p> <ul style="list-style-type: none"> • survey work; • design work; • related legal work; • exploratory work necessary to locate the cause of the damage; • demolition. <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	

✗ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Emergency and alternative accommodation</p> <p>Home cover If your home was owned and occupied by you immediately prior to it being damaged by an insured event rendering it unfit to live in, we will pay for your:</p> <ul style="list-style-type: none"> • reasonable emergency accommodation for up to 14 days; and • alternative accommodation (limited to the rentable value of your home immediately prior to the damage occurring), until your home is fit to live in. <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ alternative accommodation for more than 12 months from the time the damage occurred.
<p>Funeral expenses</p> <p>Home and contents cover We will pay up to \$5,000 to assist you with funeral expenses if you or a member of your family die as a result of an insured event described on pages 16 to 22, and we have agreed to pay your claim.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ death resulting from an event that occurred away from the insured address; ✗ death occurring more than 90 days after the event that caused it.

✗ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Inflation protection at renewal</p> <p>Home cover When your policy is due for renewal, we will increase your building sum insured to allow for any increase in building costs. We will use industry home building cost guides as a reference.</p> <p>Contents cover When your policy is due for renewal, we will increase your contents sum insured to allow for additional items you might buy during the period of insurance and for increases in the replacement cost of contents.</p> <p>Your certificate of insurance at renewal will show the building and/or contents sum insured and the premium applying.</p>	
<p>Loss of rent</p> <p>Home cover If you did not occupy the home, and it was with our prior knowledge rented to others immediately prior to it being damaged by an insured event rendering it unfit to live in, we will pay you the net loss of rental income (limited to the rentable value of the home immediately prior to damage) until the home is fit to live in.</p> <p>In addition to the home sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home sum insured.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✕ loss of rent for more than 12 months from the time the damage occurred.

✕ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Peace of mind protection</p> <p>Home cover If the sum insured does not fully cover the repair or rebuilding of your home at the time of any claim for loss or damage as a result of an insured event that we have agreed to pay, we will:</p> <ul style="list-style-type: none"> • Increase the sum insured by the current annual inflation protection adjustment at the time of the loss or damage. 	
<p>Professional documents</p> <p>Contents cover We will cover up to \$1,000 to replace, restore or reproduce professional documents lost or damaged as a result of an insured event.</p>	
<p>Re-key, recode or replacement of locks</p> <p>Home cover If you are the owner-occupier of the insured home, we will pay up to \$500 to re-key, recode or replace locks if:</p> <ul style="list-style-type: none"> • a key for any external door of your home is stolen anywhere in Australia; and • you have reported the theft to the police; and • the keys had your property address or other identifying information with them. <p>No excess is applicable to this additional benefit.</p>	

× **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Removal of debris Home and/or Contents cover If your home and/or contents are damaged by an insured event we will pay for the reasonable costs of removing the debris.</p> <p>In addition to the sum insured, the most we will pay for this additional benefit for any one claim is 10% of the home and/or contents sum insured, whichever is applicable.</p>	
<p>Special occasion gifts Contents cover We will automatically increase your sum insured to cover gifts you have purchased for a special occasion. For example, this covers gifts bought for a family wedding or gifts bought for the Christmas season.</p> <p>Contents cover limits apply as shown on page 34.</p> <p>We will pay up to \$1,000 in addition to your contents sum insured if a total loss occurs as a result of an insured event.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✕ loss of or damage to cash or negotiable instruments or mobile phones.

✕ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Storage of contents after an event</p> <p>Contents cover If the home in which your contents are contained is damaged by an insured event rendering it unfit to live in, then we will pay the reasonable charges to remove and store your contents until you have found another place to permanently reside or until the home is fit to live in, whichever is the sooner.</p> <p>We will also pay for returning the contents to your home.</p> <p>In addition to the contents sum insured, the most we will pay for this benefit for any one claim is 10% of the contents sum insured.</p> <p>We will also pay up to the remaining contents sum insured for any additional loss or damage to your contents caused by an insured event while they are at the place of storage.</p> <p>Contents cover limits apply as shown on page 32-34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × loss of or damage to cash or negotiable instruments, jewellery of any kind, watches, gems, gold, silver or any other precious metal.
<p>Storm damage to pool and/or spa covers</p> <p>Home cover We will pay up to \$500 for loss or damage to your pool or spa cover or liner as a result of a storm.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × any amount where we have not agreed to pay for storm damage to other parts of your home arising from the same event; × loss or damage to your pool or spa cover or liner that is more than 5 years old.

× **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Temporary removal of contents Contents cover We will cover your contents for loss or damage caused by an insured event while they are on your person or located in any dwelling within Australia where you are temporarily residing.</p> <p>We will pay up to 20% of the contents sum insured for any one claim for such loss or damage.</p> <p>Contents cover limits apply as shown on page 34.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ contents outside Australia; ✗ loss of or damage to cash or negotiable instruments; ✗ loss or damage while on your person or in transit caused by theft, storm, flash flood and stormwater run-off, tsunami, vandalism, malicious or intentional damage or impact; ✗ contents temporarily removed for a period exceeding 30 days.
<p>Theft of purchased water Contents cover We will pay up to \$200 for theft of your water supply stored in an outdoor water tank.</p> <p>No excess is applicable to this additional benefit.</p>	<p>We will not pay:</p> <ul style="list-style-type: none"> ✗ where you have not reported the theft to the police; ✗ for theft of water without signs of forced entry to your insured property.
<p>Uninsured visitor's contents Contents cover We will pay up to \$500 for uninsured visitor's contents at the insured address if the loss or damage is caused by an insured event.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ cash or negotiable instruments; ✗ mobile phones; ✗ jewellery; ✗ laptop computer and computer accessories; ✗ visitor's contents insured under any other insurance.

✗ **Not covered**

Additional benefits we provide for you

What is covered	What is not covered
<p>Emergency Home Assist Home and/or Contents cover</p> <p>We provide you with the following benefits if this policy is current at the time when an emergency happens. We do not charge you for these benefits.</p> <p>In the event of an emergency our support team are there to assist you 24 hours a day. Simply call 1800 800 552.</p> <p>Immediate help in the event of an emergency:</p> <ul style="list-style-type: none"> • where possible you will be advised of simple measures that you can take to minimise damage; • we will consult a unique computerised listing, to find the trades person you need; • we advise you of the name of a locally available trades person and their call out charge and where possible an estimate for the cost of the whole job. If you feel the price quoted is too high, we will locate an alternate trades person/supplier; • wherever possible we prefer to use local trades persons, as they generally provide a quick, reliable service; • if you want the trades person to call on you, we will make those arrangements and let you know what time they are expected to arrive; • we will check back with you to make sure the problem has been solved to your satisfaction. <p>Who pays for the repairs?</p> <p>Initially you do, however if the damage relates to an insurance claim simply include the repair account and receipt with your completed claim form for our consideration.</p>	<p>✕The Emergency Home Assist service can only be used as an emergency service. If you require a trades person for general maintenance or non-emergency work, you should consult a local services directory or the Yellow Pages.</p>

✕ **Not covered**

Optional covers for extra peace of mind

The covers outlined in this section are optional and do not apply unless you have asked for them and we agree to cover you. Additional premiums apply for each cover. Your certificate of insurance will show which covers operate. All optional covers are subject to the terms and conditions of this policy.

What is covered	What is not covered
<p>Motor burnout</p> <p>Home and/or contents cover If the wiring of a domestic electric motor that forms part of your insured home and/or contents burns out, then we will pay you the cost of repairs or replacement of the electric motor, whichever method is the most economical.</p> <p>We will pay for:</p> <ul style="list-style-type: none"> • re-gassing if the electric motor is inside a sealed refrigeration or air-conditioning unit; • a swimming pool water pump if it is combined with its electric motor, if the replacement pump motor cannot be bought on its own; • labour and installation costs and call out fees. <p>Spoilage of refrigerated/frozen goods</p> <p>Contents cover When motor burnout option is added to your contents cover, we also cover foodstuffs and other goods that have spoiled as a result of:</p> <ul style="list-style-type: none"> • a motor in a refrigerator or freezer burning out or fusing; or • the failure to supply electricity by any public electricity provider. <p>The most we will pay for food spoilage is \$500.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ any motor or sealed unit over 10 years old; ✗ any equipment, component or apparatus that is not an electric motor; ✗ a motor covered by a guarantee or warranty; ✗ a motor used in any business; ✗ any printed circuit board; ✗ cost of removing and replacing a submersible pump; ✗ loss or damage to a refrigerator or freezer caused by spoiled food; ✗ spoiled goods where the refrigerator or freezer is over 10 years old; ✗ spoiled goods caused by the tripping of a safety switch unless caused by an Insured Event.

✗ **Not covered**

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Advanced cover Home and/or contents cover In addition to insured events cover, advanced cover also covers you for accidental damage to:</p> <ul style="list-style-type: none"> • your home when it is insured by this policy, and • the contents described below when contents are insured by this policy: <ul style="list-style-type: none"> • indoor and outdoor furniture; • furnishings, household decorative items, works of art, wall hangings and household ornaments; • glass forming part of a picture tube or screen of a television or visual display unit, a radio or clock, vase, ornament or lamp; • kitchen, dining room, lounge room, bedroom and bathroom ware and floor carpets; • household and domestic electrical and electronic goods, personal computer equipment and associated hardware, <p>caused by any event not excluded by this policy, provided the damage occurred during the period of insurance while located within the entirely enclosed and lockable part of your home, apart from outdoor furniture that may be located in the open air.</p> <p>Plus, for extra peace of mind, advanced cover also covers you for loss or damage to your home or contents caused by motor burnout.</p> <p>We pay for loss or damage in the same way and in the same amounts as we do under insured events cover. This means any limitations as to the type of damage or the amount we pay as set out in those sections apply equally to a claim under this optional cover.</p>	<p>Accidental loss or damage caused:</p> <ul style="list-style-type: none"> ✗ by the events or circumstances set out in section <i>When you are not covered</i> on pages 59 to 61; ✗ by any insured event other than to the extent provided for in this policy; ✗ by tenants; ✗ to your home or contents if your home is let to tenants; ✗ by renovating or reconstruction of your home; ✗ by power surge unless caused by an insured event at the property address; ✗ by mechanical, electrical or electronic breakdown or failure other than the cover provided by the motor burnout option; ✗ by cracking, chipping or breakage of glass, glassware or china ordinarily carried by hand while in use; ✗ by minor dents, scratching or chipping to property such as walls, roofs, floors, benches or furniture; ✗ by scorching by a cigarette, cigar, pipe, tobacco, ash or other substance, or where fire or heat was required as part of the process; ✗ to swimming pools, outdoor spas and associated equipment including covers and liners except that damage as covered by insured events cover or as allowed under any Additional benefit; ✗ if your home was deemed to be unoccupied at the time the accidental loss or damage occurred, this does not apply for motor burnout.

✗ **Not covered**

Optional covers for extra peace of mind

Group and/or selected personal items cover

Cover is provided for accidental loss or damage of the insured items in Australia or New Zealand or while in transit between the two countries during the period of insurance if you have insured items under group cover or selected personal items cover.

Group cover

By selecting one choice from the following range of sum insured limits available and paying an additional premium, you can choose to increase cover for your personal items included in the groups on the next page. This is a form of blanket cover over this group of personal items that do not need to be individually specified. If you choose this option it will be shown on your current certificate of insurance.

Option	Maximum sum insured for any one item	Maximum overall sum insured
1	\$250	\$1,000
2	\$500	\$2,000
3	\$750	\$3,000
4	\$1,000	\$4,000

Selected personal items cover

For an additional premium you can increase your cover on personal items included in the groups on the next page by having them separately listed as selected personal items with their replacement value on your certificate of insurance.

Our claim settlement options are detailed on page 31 under the heading of "Settling your claim".

Optional covers for extra peace of mind

Selected personal items cover

What is covered	What is not covered
<p>We will pay for:</p> <ul style="list-style-type: none"> • bicycles and their accessories; • binoculars and telescopes; • blankets, travel rugs, towels; • cosmetics, toiletries, hairdryers, shavers; • CDs, DVDs, audio and video tapes, records, computer discs, game cartridges and consoles; • firearms; • leather jackets, coats and furs; • handbags, briefcases, purses, wallets, suitcases, knapsacks and other travel bags; • hearing aids, medical aids, dentures, non motorised wheelchairs, walking sticks and crutches; • jewellery (not uncut or unset gems); • laptop computers not used for business; • musical instruments; • photographic equipment; • portable music systems; • prams, strollers and other baby carriers; • prescription sunglasses and spectacles; • saddles; • sewing machines; • sporting equipment excluding clothes; • watches. 	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✗ motorised bicycles or motorised scooters; ✗ musical instruments, firearms and sporting equipment (including fishing gear) while being used for their designed purpose except lawn bowls; ✗ watercraft and their spare parts and accessories; ✗ damage to firearms caused by rusting, derangement, explosion or bursting of a barrel; ✗ any unregistered firearm or firearm not stored in accordance with relevant law; ✗ glass in camera lenses, watches, clocks, or scientific instruments, unless other parts of the item are damaged in the same accident; ✗ items or equipment: <ul style="list-style-type: none"> • undergoing cleaning or repair; • while on hire from you; • while on loan to someone other than any person usually living at your home except when the loss or damage is caused by fire or theft following forcible and violent entry to a home. ✗ items or equipment where loss or damage has been caused by: <ul style="list-style-type: none"> • the action of light, atmospheric conditions or variations or extremes of temperature; • lack of maintenance or gradual deterioration due to any cause; • or resulting from mechanical, electronic or electrical breakdown or failure, overwinding, derangement or inherent defect; • the events or circumstances set out in section <i>When you are not covered - general exclusions</i> on pages 59 to 61. ✗ any contents items used for a business purpose.

✗ **Not covered**

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Pet cover</p> <p>Contents cover We pay for the reasonable costs of veterinary treatment for accidental injury or illness suffered by your pet dog or cat identified on your certificate of insurance which happens during the period of insurance.</p> <p>The maximum we will pay for each pet is \$500 in total less the pet excess, arising out of any one injury or illness.</p> <p>Any claim made for a benefit under this optional cover must be supported by a veterinary certificate completed by the attending veterinary surgeon. This certificate forms part of the RACQ Pet Insurance Claim Form. The cost, if any, for the completion of the certificate is not payable under this optional cover.</p> <p>The excess payable for each claim under this section is \$50 and if your certificate of insurance shows an additional pet excess then these excesses will be added together.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> ✕ costs or expenses relating to or resulting from the loss or death of your pet dogs or cats or their becoming lost; ✕ routine, elective or preventative veterinary treatment such as vaccinations, spaying or heartworm testing; ✕ treatment of an illness(es) or disease(s) that pre-existed the commencement of this optional cover; ✕ treatment of congenital <ul style="list-style-type: none"> • defects • abnormalities ✕ treatment of injury or illness arising from or connected with a business, occupation or sporting event (excluding dog and cat shows) or animal hunting event; ✕ treatment of a pet that does not permanently reside with you.

✕ **Not covered**

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Flood and storm surge This policy does not cover flood unless we have agreed and it is shown on your certificate of insurance.</p> <p>Home and/or contents cover We cover you for loss of or damage to your home or contents caused by flood or storm surge which happens during the period of insurance at the property address.</p> <p>We will pay up to the:</p> <ul style="list-style-type: none"> • home sum insured, if your home is insured; • contents sum insured, if your contents are insured for damage caused by flood or storm surge. <p>We will pay for loss or damage in the same way and in the same amounts as we do under Insured events cover.</p>	<p>We will not pay for loss or damage to:</p> <ul style="list-style-type: none"> ✗ paths, driveways, paving, retaining walls(whether or not part of the home), tennis courts or other playing surfaces; ✗ shade or sail cloth; ✗ fabric awnings, swimming pool and spa covers or liners and the like; ✗ glasshouse whether or not constructed principally of glass; ✗ water in swimming pools or spas; ✗ your property during the first 48 hours of the initial period of insurance of this policy unless we have issued it to you: <ul style="list-style-type: none"> • in conjunction with your signing a contract to purchase the home; or • to replace a policy with us or another insurer from the date and time that other policy expired.
<p>Landlord's fixtures and fittings Home cover Under this cover, you can insure landlord's:</p> <ul style="list-style-type: none"> • floor coverings; • light fittings; • window coverings; and • other fixtures and fittings. <p>We will pay up to the specified sum insured, for loss or damage to the fixtures and fittings specifically listed on your certificate of insurance caused by an insured event and:</p> <ul style="list-style-type: none"> • Motor burnout; or • Flood and storm surge which happens during the period of insurance, if they are shown as covered on your certificate of insurance. 	

✗ **Not covered**

Optional covers for extra peace of mind

What is covered	What is not covered
<p>Mortgagee's interest in a home unit</p> <p>We will pay the mortgagee shown on your certificate of insurance if the mortgagee makes a claim on your policy because of loss or damage caused by an insured event during the period of insurance for which we would extend indemnity to you.</p> <p>The most we will pay the mortgagee at the time of loss or damage is:</p> <ul style="list-style-type: none"> • the amount secured by the mortgage at the time of the loss or damage, but not exceeding the sum insured; • the lesser of the sum insured shown on your certificate of insurance, or the cost of rebuilding or repairing your property. <p>If we pay the mortgagee, then the rights of the mortgagee under the mortgage are assigned to us.</p>	<p>We will not pay for:</p> <ul style="list-style-type: none"> × legal liability.

× **Not covered**

Legal liability insurance

What is covered

When your home is insured

If home is shown as covered on your certificate of insurance, we cover you for your legal liability as owner or owner-occupier of your home to pay compensation for death, bodily injury or loss of or damage to property resulting from an accident which:

- happens during the period of insurance; and
- arises or occurs within the home or within the domestic boundaries of the property address on which it stands.

When your contents are insured

If contents are shown as covered on your certificate of insurance, we cover you and any person who permanently resides with you at the property address, other than a boarder, for your or their legal liability (other than as owner of a home or owner-occupier) to pay compensation for death, bodily injury or loss or damage to property resulting from an accident which:

- happens during the period of insurance; and
- occurs within Australia.

If:

- you own a home unit in which the insured contents are located and the body corporate has insured your unit for legal liability resulting from death, bodily injury or damage to property, we will also cover you for your legal liability as owner or owner-occupier of that unit to pay compensation for death, bodily injury or loss of or damage to property resulting from an accident which:
 - happens during the period of insurance; and
 - arises or occurs within the unit or on common area adjacent to the unit, but only to the extent that such liability is not covered by the insurance taken out by the body corporate;
- if you are a tenant we do cover your legal liability arising from damage to a home or home unit you are renting if contents are shown as covered on your certificate of insurance, but only if the damage is caused by insured events fire or bursting, leaking, discharging or overflowing of liquids.

Legal liability insurance

What is not covered

We will not pay for any amount that exceeds \$20,000,000 for legal liability less any applicable excess, regardless of the number of claims arising out of any one accident. The amount also includes all legal costs.

We will not pay for legal costs you incur unless such costs are incurred with our prior written approval.

If we pay out the maximum amount for loss or damage to the home or contents less any applicable excess, the cover for legal liability ceases from the date of the final payment.

We do not cover you as owner-occupier or any person who resides with you at the property address for legal liability arising from:

- death or bodily injury to you or them;
- loss of or damage to property owned by you or them;
- damage to property in your or their physical or legal control;
- fines, penalties or punitive, exemplary or aggravated damages or the costs associated with the enforcement of any law or regulation relating to any kind of emission, effluent or pollution.

We do not cover you or any person for legal liability caused by, through or in connection with:

- the ownership or occupancy of any building or land other than a home (and its domestic land) insured by this policy;
- the ownership or occupancy of a home unit, other than to the extent provided for in this section when the contents of that home unit are insured by this policy;
- your or their use, ownership or control of a vehicle (other than a bicycle, golf buggy, wheel chair, or ride on mower or other garden appliance, which is not registered, nor required by law to be registered);
- an aircraft other than a model aircraft;

Legal liability insurance

What is not covered

- any watercraft other than a sailboard, surfboard, canoe, kayak, rowing boat, non motorised surf ski or hand held flotation device or model boat;
- aircraft landing areas;
- any business you or they are engaged in or associated with;
- tree lopping or felling by you or any person acting with your or their express or implied consent;
- a home under construction;
- alterations, additions, repairs or decorations to your home, where the total cost of such work exceeds \$50,000;
- the transmission of any communicable disease or infection;
- illness or disease caused by asbestos;
- ownership of a boarding house;
- any breach of building regulations such as a requirement to install smoke detectors;
- failing to provide a swimming pool fence, child resistant barrier or gates and doors that restrict access to the pool or spa as required by law;
- the ownership or control of a pet, domestic animal or livestock, unless reasonable steps were taken to comply with relevant legislation;
- an agreement including a rental agreement, unless the liability would have been incurred without the agreement existing;
- libel or slander;
- bodily injury to or death of any person to the extent that you or they:
 - are deemed to be employed by you for the purposes of the relevant workers compensation legislation or are injured in circumstances where their employment or deemed employment with you give rise to workers compensation exposure on your behalf or on behalf of your workers compensation insurer;

Legal liability insurance

What is not covered

- are entitled to indemnity for such liability under any fund, scheme, policy or insurance or self insurance arrangement created, issued pursuant to or required by any law relating to workers' or employees' compensation; or
- would have been entitled to such indemnity if you had complied with your obligations pursuant to such law.
- any law relating to workers' or employees' compensation;
- any law relating to employment practices, including discrimination, equal opportunity and unfair or wrongful dismissal;
- the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination;
- any contract of employment or workplace agreement;
- if your home was deemed to be unoccupied at the time the loss or damage or injury occurred.

When you are not covered – general exclusions

These general exclusions apply to all sections of your policy. We will not pay for loss or damage or the incurring of a legal liability caused by:

Exclusions	When you are not covered
actions of the sea	<ul style="list-style-type: none"> ✗ actions of the sea but we will cover: <ul style="list-style-type: none"> • Tsunami; • Storm surge (if the optional cover Flood and Storm surge applies to your policy).
an event outside the period of insurance	✗ any event or accident that occurs outside the period of insurance shown on your certificate of insurance.
birds	✗ birds, except glass breakage to windows and doors.
breaking the law	<ul style="list-style-type: none"> ✗ failure to comply with applicable laws and regulations; ✗ any failure to comply with any legislation relating to firearms; ✗ the supply or consumption of alcohol or drugs; ✗ your or their acts or omissions occurring during the course of any criminal or illegal act; ✗ the intended results of any act or omission by you or them or the results of any reckless or malicious act committed or omitted by you or them.
business activity	✗ any business being conducted at the property address, except a business conducted from a home surgery or home office.
consequential loss	✗ any loss or additional expense arising indirectly from an event that is covered by this policy.
confiscation	✗ confiscation, nationalisation or requisition of property by any government or local authority.

✗ **Not covered**

When you are not covered – general exclusions

Exclusions	When you are not covered
computers, data	<ul style="list-style-type: none"> ✗ failure of any computer program or electronic system to process any form of data including day or date functions properly and accurately; ✗ the loss of data or information however kept or stored; ✗ a computer virus; ✗ computer hacking.
defective or faulty workmanship	<ul style="list-style-type: none"> ✗ the inherent defect or defective or faulty workmanship, design or manufacture.
deliberate acts	<p>By:</p> <ul style="list-style-type: none"> ✗ any person who enters the home or home unit at the property address with your express or implied consent or that of a person you have given permission to invite people onto your property address; ✗ you or a person residing with you including a family member or boarder or a person acting with the express or implied consent of you or those persons; ✗ a tenant, any person residing with a tenant or any person who enters your home, home unit or the property address with the express consent or implied consent of a tenant or any person residing with a tenant.
erosion, landslide	<ul style="list-style-type: none"> ✗ erosion, landslide, subsidence, earth movement (except earthquake), earth shrinkage or expansion no matter how caused.
failing to take care of the home or contents	<ul style="list-style-type: none"> ✗ failure to maintain the home and its contents in good condition.
fraud	<ul style="list-style-type: none"> ✗ fraud or attempted fraud including: <ul style="list-style-type: none"> • the passing of valueless cheques or negotiable instruments; or • promises that are not subsequently honoured.

✗ **Not covered**

When you are not covered – general exclusions

Exclusions	When you are not covered
loss not attributable to any identifiable event	✗ property being lost when its loss is not attributable to any identifiable event or which has been misplaced.
radioactivity	✗ radioactivity or the use, existence or escape of nuclear fuel, material waste or action of nuclear fission.
seepage, pollution	✗ seepage, pollution or contamination by any substance no matter how caused.
terrorism, war	✗ an act of terrorism directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination caused by the aforementioned; ✗ war or other acts of a foreign enemy (whether war is declared or not) or revolution.
trees, shrubs or plant roots	✗ the actions of trees, shrubs or plant roots.
vermin, termites or insects	✗ vermin, termites or insects.
watercraft	✗ using or owning any watercraft unless: <ul style="list-style-type: none"> • it is a sailboard, windsurfer, surfboard, canoe, kayak, non-motorised surfski, waterski or remote-controlled model watercraft.
wear, tear, rust, mould	✗ wear, tear, rust, corrosion, rot, mould, action of light or atmospheric or climatic conditions including damage caused by wind, rain or sand happening over an extended period of time.

✗ **Not covered**

Important information about the cost of this policy

How we calculate your premium

Rating criteria	Affect on premium
Sum insured of the home and contents	The amount of sum insured chosen for the home and contents will impact on the premium level. A higher sum insured generally means an increased premium.
Construction of the home	The type of construction and the materials used will have an effect on the frequency and cost of claims. For example: tile roofs may be more susceptible to storm damage.
Location of the home and contents	The location of the home and contents may influence the likelihood of theft and burglary claims and susceptibility to natural perils.
Age of the home	The age of the home can affect the general condition and maintenance level of the home which can impact on the frequency and cost of claims.
The amount of excess	A higher excess will reduce the amount of premium you pay.
The type of options chosen	The more optional covers chosen the higher the premium you pay.

Important information about the cost of this policy

How your premium can change

Action	Your premium may increase if:	Your premium may decrease if:
You change your sum insured	You increase your sum insured.	You decrease your sum insured.
You change where you live	You move into an area with a high crime rate or increased risk of storm, flood or cyclone.	You move into an area with a low crime rate or reduced risk of storm, flood or cyclone.
You change the options on your policy	You add motor burnout option.	You remove the motor burnout option.
You change your excess	You elect to take a nil or lower excess.	You elect to take a higher excess.

Important information about the cost of this policy

Policy costs and charges

Excess

When you make a claim and you are required to pay an excess to us, we tell you when to pay that excess, how to pay it and we may direct you to pay it to a third party on our behalf. In some cases we may deduct the excess from the amount we pay you.

When loss or damage occurs to both your home and contents because of the same insured event, you will only be required to pay one excess. If the excesses are different, you will have to pay the higher excess.

The total amount payable for loss or damage caused by earthquake during any period of 48 consecutive hours will be reduced by the amount of the Earthquake excess shown on your certificate of insurance.

In addition to any other excess that may apply, an excess will apply to a claim for theft of:

- contents, including specified contents items;
- property insured under Group and/ or Selected personal items cover, when the words burglary and theft excess appear on your certificate of insurance followed by the amount of excess applicable.

Direction to pay excess

In the case of a repair or the supply of goods or services, unless we advise you otherwise, you are required to pay the excess, if any, to the repairer or supplier as our agent. Your appointment as our agent is for the sole purpose of paying to the repairer or supplier the excess which you owe us.

There may be more than one excess that applies.

The applicable excess or excesses are shown on your certificate of insurance.

Important information about the cost of this policy

Policy costs and charges

Cancellation fee	<p>If you cancel your policy during the period of cover (apart from the 21 day cooling-off provision) and you have paid an annual premium then the refund will be calculated on a pro rata basis for the unexpired period of cover less 10% for administrative costs (a maximum fee of \$80.00 would apply with a minimum fee of \$10.00 when the pro rata cancellation refund is under \$100.00).</p> <p>There is no refund if you have been paying monthly.</p>
Pay by the month	<p>If you choose to pay by the month using the direct debit method, an annual fee may apply. The applicable fee or fees are shown on your certificate of insurance.</p> <p>Please note our premium discounts do not apply to such fees.</p>
Claims costs that you may bear	<p>Where a claim is made that would otherwise be covered by your policy, but the claim amount (as assessed by us) is less than the excess you have to pay, we will not manage those claims.</p>

Claims information and requirements

How to make a claim

If your home and/or contents suffer loss or damage, or an accident happens that might lead to a claim simply call us on 13 7202 or go into any RACQ Branch.

Our consultants are available to help you 24 hours, 7 days a week. We will explain the claim process and advise you of what you need to do to assist the efficient progress of your claim.

In most cases a claim form is not required. You will be provided with one if it is required.

If you are registered for Goods and Services Tax (GST), you must provide us with your Australian Business Number (ABN) and Input Tax Credits (ITC) percentage before your claim can be lodged.

What you must do

If an accident happens that might lead to a claim, you must:

- do everything you reasonably can to limit the loss or damage and prevent further loss or damage occurring;
- immediately tell the police if a criminal act might be the cause of the loss, damage or theft and co-operate with us and relevant authorities in prosecuting the alleged offender;
- immediately send us any correspondence you receive about the claim. This includes telling us if you became aware of any pending court proceedings or offers of settlement;
- give us any information, written statements, evidence and help we may need in defending, prosecuting and investigating the claim. This may include:
 - asserting rights against any person nominated by us;
 - attending an interview with our assessor or investigator;
 - assisting any agents appointed by us such as solicitors;
 - attending court to give evidence.

Claims information and requirements

What you must do

- advise us of any impending prosecutions or inquest;
- keep damaged property for our inspection;
- tell us immediately if there is another insurance policy that provides the same cover for loss, damage or legal liability as this policy provides.

What you must not do

If you are making a claim you must not:

- carry out repairs or dispose of any damaged property unless we instruct you otherwise;
- admit liability to anyone;
- negotiate, pay or settle a claim with anyone.

What we may do

If an accident happens that causes loss or damage, or the incurring of a legal liability, we may:

- take over and conduct in your name or the name of any person entitled to cover under your policy, the defence or settlement of any claim. We have sole discretion in how the defence is conducted or a claim is settled;
- represent you or any person entitled to cover under your policy, at an inquest or official enquiry and undertake the defence in any court of any alleged offence in connection with an event covered by your policy.

Claims information and requirements

What can affect your entitlement

If you do not comply with any condition of your policy or certificate of insurance, it can affect how much we pay.

If the insured property is not kept in good condition and reasonable care is not taken to safeguard it from loss or damage, this may affect how much we pay.

If you or any other person makes a false or fraudulent claim, we can refuse to pay it. In either case we may also cancel the policy as permitted by law.

We do not have to accept a claim if your annual premium is overdue or if a monthly premium instalment is at least 14 days overdue.

Proof of ownership/value

In making any claim, you may be required to produce to us proof of having owned the property in question, an accurate description of the property and its value.

You should ensure that you obtain and keep regular written valuations for items of a unique nature such as jewellery, paintings, works of art or watches from a qualified, experienced and reputable valuer in Australia. Valuations should include a full detailed description of the property that would assist us to replace the item if necessary. In addition, photographs, receipts or accounts of purchase may well prove helpful to you should you need to make a claim.

Loss of no claim discount

Any claim lodged will result in the loss of any existing no claim discount. If the policy is renewed the no claim discount will be reinstated after a claim free 12 month period of insurance.

Adjustment for outstanding premium

If we pay the maximum amount for loss or damage to your home and/or contents, your policy ends automatically. You are not entitled to any refund of premium. If you have been paying by monthly direct debit instalments, we deduct from the payment an amount equal to the outstanding monthly instalments for the period of insurance shown on your certificate of insurance.

We take customer satisfaction seriously

If you have a complaint concerning this product, our services or a privacy issue:

Talk to us first

- The first thing you should do is call **13 7202** and speak to one of our staff;
- If your complaint relates specifically to a claim, speak with a claims officer;
- If the staff member or claims officer is unable to resolve your complaint to your satisfaction, you may ask to speak to a team leader or manager.

If you are still not satisfied:

Seek an internal review

- At your request the matter can be referred to our Internal Dispute Resolution Committee who will conduct a full review of your complaint and advise you of the committee's decision within 15 business days.

If you are still not satisfied:

Seek an external review

- RACQ Insurance is a member of a disputes resolution service, known as the Financial Ombudsman Service Limited. The service will not accept a dispute unless you have first tried to resolve it with us;
- If we do not resolve your dispute to your satisfaction, you can contact the service which is set up to assist policyholders resolve their dispute. It is a free service to you and, although paid for by the general insurance industry, is a totally independent and impartial body. We agree to accept their determination as final.
- You can contact the service by:

Phoning: 1300 78 08 08 for the cost of a local call

Writing to:

The Financial Ombudsman Service Limited,

GPO Box 3, Melbourne, VIC 3001

Website: www.fos.org.au

Email: info@fos.org.au

This information is also available on our website:

www.racqinsurance.com.au

General conditions

The agreement between you and us

Your insurance cover is a legal contract between you and us. We agree to give you the insurance set out in the policy for the premium paid by you.

The contract includes:

- the information you provided to us when you purchased or varied the policy, and at each renewal;
- this PDS;
- the certificate of insurance;
- any issued SPDS.

The insurance is only for the cover for which you have a certificate of insurance and only for the period of insurance indicated on the certificate. It is also subject to the conditions contained in this PDS or SPDS and on the certificate of insurance.

If two or more persons are named as the insured on the certificate of insurance, each of them is responsible both individually and together for:

- the completeness and accuracy of information in any application forms, statements, claims or documents supplied by any one of them to us; and
- compliance with the conditions of this policy.

What you must do

You must:

- at your expense take all reasonable precautions to:
 - keep your home and contents in good condition;
 - protect the safety and security of any insured property;
 - prevent further damage or legal liability occurring.
- advise us in writing as soon as possible:
 - of any material change to the construction or use of your home;
 - if you begin to lease out your home if you have previously told us that you reside in it or it was unoccupied;
 - if you commence any business activities from your home;

General conditions

What you must do

- of any physical changes in or around your home or contents which increases the risk of loss or damage occurring;
- of any criminal convictions that you or any person residing with you have had recorded against you or them.
- comply with all the conditions set out in your PDS, SPDS and certificate of insurance;
- comply promptly with requirements of public authorities.

If you or any person insured by this policy does not tell us everything relevant or if you or they mislead us, we may:

- refuse to pay a claim or reduce the amount we pay; and
- cancel the policy; and
- if fraud is involved, we may treat this policy as if it never existed.

Payment of premium

The premium is the amount you pay to obtain the insurance cover. The certificate of insurance shows the amount of premium and whether you are paying annually in advance or by monthly direct debit instalments.

If you are paying:

- annually you must pay by the due date;
- by monthly instalments – you must pay each instalment by the due date.

Your agreement to pay additional premium

You agree to pay any additional premium resulting from a claim made under this policy between the time a premium notice inviting renewal of your policy is issued and the actual renewal date.

Non payment of premium

If you have not paid the premium by the due date shown on the certificate of insurance or the interim cover certificate, this policy will not come into force. In that case, you will have to reapply to us for insurance cover.

General conditions

Non payment of premium

If you are paying your premium by monthly instalments and any instalment payment is overdue for a period of at least 14 days, we may refuse to pay a claim.

If after payment of the first instalment, any subsequent instalment payment is overdue by a period of at least one month, your policy will be cancelled from the date the instalment was due to be paid. We will send a letter to your last known address advising you of the reason, effective date and time of such cancellation.

Policy comes into force

This policy comes into force on and from the first date of the period of insurance shown on the certificate of insurance or interim cover certificate issued to you, provided you have paid the annual or instalment premium shown on your premium notice.

Variation

You may ask us to change a provision of your policy. The change or addition takes place only when we confirm it in writing to you or endorse it on your policy or certificate of insurance, and you pay any additional premium that we require.

Waiver

A provision is only waived if we give you the waiver in writing.

Cancellation

By you

Apart from any rights you may exercise under the "Cooling-off period" provisions of this policy you may cancel your policy by advising us in writing. The cancellation takes effect on the date we receive your request, see page 65.

General conditions

Cancellation

By us

We may cancel your policy at any time as permitted by law after giving you notice in writing. We refund any premium paid less an amount for the period for which you were insured.

Avoidance

In some cases, we may avoid the policy from its inception if there is on your part fraud, misrepresentation during negotiations, failure to disclose information or other breaches of your policy as set out in the *Insurance Contracts Act 1984*.

Pay by the month option

You can arrange for your bank, credit union or building society to debit an automatic payment from your account each month. All you need to do is ensure you have enough money in your account to cover the payments. Your first payment will be deducted approximately 10 days after advising us of your account/credit card details. The second and subsequent payments will be deducted on your monthly payment date. (Two payments may be deducted in the first month, depending on your monthly payment date).

Where the due date falls on a non-business day in Sydney and Melbourne, we will debit the amount on the next business day. If you are uncertain when the debit will be processed to your account, you should contact your financial institution directly.

How to apply

If you would like to pay your RACQ Insurance premiums by the month, simply call us on 13 1905.

Renewal process

You will be sent a renewal certificate prior to the expiry of your policy so you can check the details. Monthly instalments will continue to be debited to your account unless you notify us in writing to vary these arrangements.

Pay by the month option

Important Information

You may cancel your direct debit request, stop or defer an individual debit amount by writing to us at Reply Paid 4, RACQ Insurance Limited, Pay by the month, Springwood Q 4127. We must receive your notification at least 14 days prior to the next due date to process your request in time.

Your direct debit amount may vary if you make any policy alterations.

If debits are returned unpaid by your financial institution we will either attempt to debit from your nominated account again or we will contact you to arrange another way of paying. We reserve the right to cancel the direct debit arrangement if 3 or more debits are returned unpaid by your financial institution.

The following terms and conditions apply when you elect to pay your premium by this direct debit method:

- if your bank account details change you will need to tell us not less than 14 days before your next monthly instalment is due;
- if your credit card details change you must contact us not less than 2 business days before your next monthly instalment is due;
- when you have paid the first instalment, insurance cover commences on and from the first effective date and time shown on your certificate of insurance;
- if any instalment payment is overdue for a period of at least 14 days, we may refuse to pay a claim;
- if an instalment of the premium remains unpaid for a period of at least one month, the policy is automatically cancelled.

On renewal you will be sent a notice prior to the expiry date of this policy. At that time, unless you need to make any changes, you need take no action as your policy will be automatically renewed.

Contact us

For further information or assistance call us 24 hours every day on 13 1905, visit us at www.racqinsurance.com.au or drive safely to your nearest RACQ branch.

 **Motoring**  **Insurance**  **Travel**  **Finance**

RACQ
Insurance

RACQ Insurance Limited

ABN 50 009 704 152

AFS Licence Number 233082

2649 Logan Road, Eight Mile Plains, Qld 4113

RACQ Insurance products are sold only by RACQ Operations Pty Ltd
ABN 80 009 663 414 and our network of RACQ Insurance authorised representatives

Preparation Date: 28th July 2009 Effective Date: 25th October 2009

Annexure 9

Certificate of Insurance

Your policy number
0000000000**Customer service**
13 1905**Website**
www.racqinsurance.com.au

037

SAMPLE CUSTOMER
99 TEST ST
CHELMER QLD 4068

Thank you for insuring with RACQ Insurance.

This document is a record of your insurance. It provides information about the insured property and this policy, including excesses payable.

Your consultant
SALES CONSULTANT**What do you need to do now?**

1. Your policy consists of your Insurance Application, your latest Certificate of Insurance and your PDS. We refer to these documents as your policy.
2. Please read and follow the instructions on this Certificate of Insurance.
3. Keep this certificate and your PDS together in a safe place.

Amount paid

This insurance has been paid in full.

Can we be of service?

If you need to change any details, obtain more information or insurance or confirm payment of this premium, please contact us. You can either phone 13 1905 or write to RACQ Insurance PO Box 4, Springwood 4127 or call into any RACQ Branch Office.

We draw your attention to your Duty of Disclosure, which is on the back of this page.**Our mail address**
RACQ Insurance Limited
Reply Paid 4
Springwood QLD 4127ABN 50 009 704 152
AFSL No 233082

Date of issue 29 June 2010

Your Duty of Disclosure

An important notice concerning information you are required to give us

The Insurance Contracts Act 1984 requires us to give you information about your insurance and for you to give complete and accurate information to us. This is known as Your Duty of Disclosure. Before entering a contract of insurance with us, and each time you vary or renew your policy we will ask you a number of specific questions.

In addition, if we invite renewal of the policy, we will forward our premium renewal notice to your last known postal address prior to the expiry date of the policy. This notice will include, amongst other matters, specific questions relating to you and the insured property.

What you must tell us

When answering our questions you must be honest and you have a duty under law to tell us anything known to you, and which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by this policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as if it had never existed.

If you do not understand

If you do not understand your duty, please contact us on 13 1905.

Our mail address

RACQ Insurance Limited
Reply Paid 4
Springwood QLD 4127

ABN 50 009 704 152
AFSL No 233082

RACQ Insurance Limited ABN 50 009 704 152 AFSL No 233082

Date of issue 29 June 2010

Your policy number
0000000000

Customer service
13 1905

Claims hotline
13 7202

Website
www.racqinsurance.com.au

What you must do

For your insurance to be valid, this information must be correct and complete.
If any changes or additions need to be made, please mark them and call us.

Policy holders

MRS SAMPLE CUSTOMER

You are an RACQ Blue Club Member

You receive a discount for:

- being an RACQ Blue Club Member
- having a Qld Seniors card
- combining your home and contents in one policy
- no claims on your home/contents

Period of insurance

from 10:07am 04 Jul 2010 to midnight 04 Jul 2011

What you are insured for

	Sum Insured
HOME	\$700,000
CONTENTS AT THE HOME	\$50,000
LEGAL LIABILITY	\$20,000,000

The policy covers the Home and Contents located at:

99 TEST ST, CHELMER 4068 which:

- is a home
- was built in 2001
- is mainly hardiplank with iron (corrugated) roof
- is permanently occupied by you
- will not be unoccupied for more than 60 consecutive days
- is structurally sound and well maintained (including all outbuildings)
- is not used as a trade, business or professional workplace
- has no other people besides family members residing at the property
- you have lived in for more than 3 months
- you have owned for more than 3 months
- is not under construction, reconstruction or renovation

What optional covers are included and not included

	Home	Contents
Motor burnout	included	included
Pet cover	n/a	not included
Group Cover	n/a	not included
Selected Personal Items	n/a	not included
Advanced cover	included	included
Flood and storm surge	not included	not included

Please refer to your Product Disclosure Statement (PDS) for full details of the optional covers available.

If you would like to vary your cover please call us on 13 1905.

Our mail address

RACQ Insurance Limited
Reply Paid 4
Springwood QLD 4127

ARN 50 009 704 152
AFSL No 233082

Date of issue 29 June 2010

Your policy number
0000000000**Customer service**
13 1905**Claims hotline**
13 7202**Website**
www.racqinsurance.com.au**Security installed**

- deadlocks (key operated inside and out) on all external doors, other than security or screen doors
- key operated window locks on all accessible windows
- a safe
- a burglar alarm

Excess you contribute to any claimAPPLICABLE EXCESSES WILL BE ADDED
TOGETHER

	Home	Contents
Excess	\$300	\$300
*Earthquake excess	\$300	\$300

**You contribute this additional amount to a claim for loss or damage caused by earthquake during any period of 48 consecutive hours.*

Previous Insurance

NIL INSURANCE Building and Contents

Your History

In the last 3 years no intended insured has suffered any home or contents loss or damage whether an insurance claim was made or not, or had a liability claim made against them.

None of the intended insureds, in the last 3 years had any insurance declined, cancelled, voided or renewal refused, a claim rejected, or special conditions imposed.

In the last 5 years no-one insured by this policy has been convicted of any criminal offence.

Paid in full

This insurance policy has been paid in full.

GST

This notice is not a Tax Invoice. If you need a Tax Invoice setting out the GST charged on this policy, please call and request one.

Our mail address
RACQ Insurance Limited
Reply Paid 4
Springwood QLD 4127ABN 50 009 704 152
AFSL No 233082

Date of issue 29 June 2010

FINANCIAL SERVICES GUIDE

ABOUT THIS FINANCIAL SERVICES GUIDE

This Financial Services Guide is provided to you by an authorised representative of RACQ Insurance Ltd. It will assist you in deciding whether to use any of the financial services available. It contains, amongst other details, information about remuneration in relation to those services and about how you may access the RACQ Insurance internal and external dispute resolution system. Distribution of this Guide has been authorised by RACQ Insurance Ltd.

OTHER DISCLOSURE DOCUMENTATION

A Product Disclosure Statement is available and will be provided to you. It sets out the features of the insurance product and will assist you to compare and make informed choices about it. Any communication from RACQ Insurance or its authorised representatives relating to insurance does not constitute financial product advice.

Details about the body corporate authorised representative

Name: RACQ Operations Pty Ltd (RACQ)
 ABN: 80 009 663 414
 Address: 2649 Logan Rd, Eight Mile Plains, 4113.
 Phone: 13 1905
 Representative Number: 234978

Details about the authorising licensee

Name: RACQ Insurance Ltd (RACQ Insurance)
 ABN: 50 009 704 152
 Address: 2649 Logan Rd, Eight Mile Plains, 4113.
 AFS Licence Number: 233082

How you can provide instructions

You may apply for, vary or cancel your insurance policy by contacting RACQ at our address or by phone on the number provided above.

Authorised financial service

RACQ and authorised representatives of RACQ Insurance are authorised by agreement with RACQ Insurance to arrange for customers to enter into, vary and cancel the authorised financial service products. This includes the collection of insurance premiums and other related payments. All contracts of insurance entered into are with RACQ Insurance.

Authorised financial service products

- Motor comprehensive insurance
- Motor third party liability insurance
- Motor third party liability fire & theft insurance
- Home building/contents/selected effects insurance
- Boat comprehensive insurance
- Boat third party liability insurance
- Residential building body corporate insurance

Remuneration

RACQ is paid a fee by RACQ Insurance for the use of its distribution network, including staff, that support the sale and service of insurance products. That fee is not solely attributable to any individual financial service. This fee when compared to total premium received by RACQ Insurance is in the order of 8% of total premium per annum. Off-line agents who have referred you to our call centre receive a maximum amount of \$25 per insurance policy. This amount is for providing access to phones and for signage on their premises. Authorised representatives of RACQ Insurance are paid a salary by RACQ. Any incentive bonuses paid are not anticipated to exceed an average of 7% of salaries per annum and are calculated having regard to the number and quality of services provided. Importantly, these bonuses are not charged directly to you.

Associations

RACQ provides a sales and service function for and on behalf of RACQ Insurance. RACQ is a wholly owned subsidiary of The Royal Automobile Club of Queensland Limited (ABN 72 009 660 575). RACQ Insurance is 50% owned by The Royal Automobile Club of Queensland Limited. RACQ staff who provide these services are, apart from being authorised representatives of RACQ Insurance, also employees of RACQ.

If you have an unresolved complaint

If you have a complaint that is not satisfactorily resolved, please contact either RACQ or RACQ Insurance by :

- Phone: 13 1905
- By Mail: PO Box 4, Springwood, Qld 4127.
- Attending: any RACQ branch office

The matter will be referred to the relevant manager or if necessary to the RACQ Insurance Internal Dispute Resolution Committee, in which case you will be advised of the committee's decision within fifteen working days of receipt of the referred matter.

Document preparation date: 6th MAY 2007